

TOWN OF AVON CONNECTICUT

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Prepared By:
Department of Finance

Director of Finance:
TOM DISTASIO

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INTRODUCTORY SECTION



Town of Avon

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

December 15, 2022

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, 2022.

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, 2022, 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, 2022, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town of Avon was part of a broader, federal and state mandated "Single Audits", designed to meet the special needs of federal and state grantor agencies. The standards governing the Federal and State Single Audit engagements require the independent auditor to report, not only on the fair presentation of the financial statements, but also on the government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These reports are available in the Town's separately issued Single Audit Report.

This is the twentieth year the report has been prepared using the financial reporting requirements outlined in GASB No. 34, *Basic Financial Statements and Management's Discussion and Analysis - for State of Local Governments*. GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Town of Avon's MD&A can be found immediately following the report of the independent auditors.

Profile of the Town of Avon

Avon, formerly Northington, or North Parish of Farmington, was settled in 1645. In 1830, after the construction and opening of the Towpath Canal, Avon was incorporated as a separate Town and took its name from the Avon River in England. Avon is located approximately ten miles west of metropolitan Hartford, has a land area of 23.2 square miles according to the 2016 Plan of Conservation and Development and an estimated population of 18,848 according to figures reported by the U.S. Department of Commerce (the United States Census).

The Town's topography includes many interesting natural features. Steep ridges and rolling hills give Avon its unique character. Avon is at 93% build-out, but there remains approximately 7% undeveloped, well-regulated land, representing an invaluable resource to the community. Of an approximate total land area of 14,454 acres, approximately 2,175 acres (15%) are wetlands, 329 acres (2%) are on flood plains, and 2,140 acres (15%) are on slopes of a greater than 15% gradient. The Farmington River flows south through the western portion of town and then conversely flows north through the eastern portion of town. This watercourse represents a major recreational, aesthetic, and conservation resource.

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

Most homes in Avon are single-family homes with a median of 7.4 rooms selling anywhere from \$300,000 to over \$1,000,000. Condominiums are generally valued between \$150,000 and \$500,000. Roughly 7,957 acres of land have been developed for residential purposes resulting in 5,323 single family, 1,829 condominiums, and 538 apartments. Approximately 590 acres of land have been developed for commercial and industrial uses.

At present, there are approximately 969 businesses located in Avon. The Town's two business parks still have remaining undeveloped land which can support about 400,000 square feet of additional office and industrial space and 150,000 thousand square feet of retail space. Avon is served by Connecticut Routes 10, 44 (Albany Turnpike), 167, 177, and 202 (16 miles of state roads) that provide thoroughfare access to the 110 miles of Town roads and 23.3 miles of private roads. Interstate 84, a major east-west limited access highway, lies six miles to the south. Numerous public and private passenger and freight common carriers serve the Town. Bradley International Airport is a half-hour drive to the north. Passenger and freight rail service is available in Hartford ten miles to the east.

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

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

Local Economy

Avon is a desirable low-density suburban community with excellent schools and a high standard of living. Avon continues to experience a moderate increase in the number of new home permits. In fiscal year 2021-2022, a total of 17 new, single-family homes were permitted. Commercial permits and other types of residential permits continue to dominate, with the number of plan reviews and inspections required remaining high.

As of June 2022 the Town's unemployment rate of 3.4% compares favorably to the state's rate of 4.0%. Avon's per capita personal income is \$74,617, 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, formerly Petroleum Meter and Pump; Trend Offset Printing Inc., a California based company; Legere Group Ltd., woodworking; O.F.S. Fitel LLC, a fiber optics manufacturing facility; and Orafol Americas Inc. of Germany (formerly Reflexite Film Fibers, Inc.) World Headquarters (located in Avon Park South). Several major medical or insurance-related companies are also located in Avon including Magellan Health, Women's Health USA; AUL Reinsurance Management Services; Ballentine Capital Management, Inc.; Apple Rehabilitation Inc.; Adams and Knight Inc., integrated marketing agency; ERC Long-Term Care Solutions; and the Research and Development Center for iDevices.

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

The year 2022 was an active one for the Avon Historical Society. The Unearthing History webinar series continues with a grant from the Lower Farmington and Salmon Brook Wild & Scenic committee. This project is in partnership with the Avon Free Public Library and Avon Senior Center, which focuses on the time of a 12,500-year-old Brian D. Jones PaleoIndian Site discovered in 2019 along the Farmington River. All webinars are available on the Avon Library's website. Other partners include the Avon Land Trust, Farmington River Watershed Association and Institute for American Indian Studies. Additionally, the Town of Avon, in partnership with the Avon Historical Society, is well into a multi-year adaptive reuse of Schoolhouse No. 3 located at 8 East Main Street to make it into a state-of-the art museum to open in 2024. It will include an exhibit on the Brian D. Jones Paleoindian site as well as cover 400 years of local history. Thanks to many private donations, and funds from the Town as well as from the American Rescue Plan Act, work on the cellar was completed. The remaining renovations include new siding, windows, HVAC, electrical and fire system. A professional exhibit planning company in CT has been hired to design and build exhibits for the interior. The Society won a grant from the National DAR to restore a 1794 dress worn in a wedding in Northington (early name of Avon) for display in the new museum. The Avon Police Department continues to strive for national re-accreditation from the Commission on Accreditation for Law Enforcement Agencies, Inc. (CALEA). The Department has been awarded this accreditation since 1993; it serves as the international gold standard for Public Safety agencies.

The October 1, 2020 Grand List increased by \$27,664,240 to \$2,600,633,032, or an increase of 1.08%, from the 2019 Grand List of \$2,572,968,792. The Town conservatively budgets revenues, such as building permit activity and conveyance fees, which are highly dependent on the economy and current market conditions. Building permits issued for 2021-2022 indicate a total value of \$42,226,750. The Town is not highly dependent on State revenues (represents 3.41% of the Town's total revenues), and because the Town's budget process occurs much earlier than the State's budget schedule, it forces the Town to estimate grants at the current level of funding or based upon the legislative estimates provided at that time. This approach has worked well for the Town.

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

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

Avon was given an A+ grade in Niche's 2022 "Best Places to Live" in Connecticut, and maintained its high ranking, coming in at #3 in Niche's 2022 "Best" for suburbs to by a house in Connecticut. Families with children seek access to Avon's excellent school system, and an increasing number of older active adults anxious to take advantage of Avon's lifestyle and amenities, have kept housing prices relatively stable. The baby boom generation, those residents born between 1946 and 1964, comprise a significant portion of the Town's overall population. As a result, we can expect a greater demand in the future for services and a variety of alternative housing choices for seniors. This trend will include a demand for smaller housing units near services and shopping, active adult and senior living facilities, and specialized transportation. A predicted drop in school-age population, a projected reduction in total debt, and anticipated tax revenues from the 1.2M square-foot Avon Village Center mixed-use project, should result in a favorable situation over the next planning period, permitting the Town to continue to offer a top tier educational system and high quality services, while maintaining a modest tax rate. Commuters passing through Avon, the employees of our businesses, the patrons of our stores, health facilities, tourists and professional offices, the inflow and outflow results in more traffic, leading to additional demands for services and increased use of our municipal infrastructure. Expenditure growth in four functions were level to, or exceeded, the growth of Town expenditures as a whole. For a ten-year period, expenditures in the public safety function grew 35%, due to town growth and increased demands for services; public works expenditures grew 12%, again, attributed to town growth, increased demands for services and increased road maintenance; and in health and social services, the growth at 38%, due to increased numbers and client services. Expenditures for the Board of Education function grew at 32%, mostly due to transportation and labor contracts; all compared with a 23% increase in total Town expenditures.

Avon's Public Schools continue to be recognized as one of the most outstanding communities for education in the State of Connecticut. A rigorous curriculum, outstanding teachers, and a community invested in high quality education provide students with the foundation needed to be successful. Avon High School, with just under 1,000 students, is consistently ranked among the most competitive high schools at both the state and national levels. In the graduating class of 2022, Avon Public Schools proudly announced two National Merit Finalists, four National Merit Semi-Finalists, and 19 Commended Scholars. Avon Students continued to perform well on the Smarter Balanced Assessment for Grades 3-8. Avon's 8th graders scored at the top of their District Reference Group in both English Language Arts and Mathematics Assessments. The Connecticut SAT School Day Tests showed Grade 11 students at the high school scored 14th in the State for English Language Arts/Literacy and 8th in the state for Mathematics. 92% of graduates enrolled in an accredited college or university. Niche, an on-line source that provides in-depth profiles on every school and college in America utilizing powerful search and data tolls has ranked the community of Avon the fourth Best Place to Live in CT due in part to its highly rated public schools; giving A+ ratings for both Avon High School and Avon Middle School and A to Thompson Brook School, Pine Grove School and Roaring Brook School.

In the latest edition of *US News & World Reports*, Avon High School received a score of 96.45 out of 100 and ranked 634 in the National Ranking of all high schools in the nation; 15th in Connecticut.

To ensure Avon's students are taught using current and relevant curriculum, content areas are constantly being reviewed. During the 2021-22 school year, the Math and Science department finished revisions based on their curriculum reviews, Social Studies initiated their review and revision process, and Business, Informational Digital Literacy and Visual Arts curricula were presented and approved by the Board of Education. The district continued to strengthen literacy instruction K-12 through the inclusion of a core phonological awareness program in grades K-1, the integration of a workshop model in revised reading and writing units and continued professional development. Three elementary curriculum specialists were hired to further support our student's educational needs and foster continued professional growth of our teachers.

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 (also available on the website) and obtain an estimate of the additional tax payments that would be required on a monthly and annual basis to cover the cost of any proposed bonding projects. The Town expanded this methodology by creating a tax calculator that allows residents to view the impact of the revaluation of property when it occurs and for every proposed budget, including the 2021-2022 fiscal year.

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

In May of 2012, the Town was pleased to learn that the State of Connecticut committed to fund 100% of the cost for the Old Farms Road Bridge replacement, Rt. 10 intersection improvements, and reconstruction of Old Farms Road between Rt. 10 and Tillotson Road. These projects have been on the Town's CIP program for more than twenty-five years. The Engineering Department worked with the Connecticut Department of Transportation on the project's final design and permitting, and construction commenced in 2019. The project received a notice of Substantial Completion from the CT DOT in July 2020 with only minor items such as final landscaping and restoration of the construction trailer site remaining as of October 2020. This was nearly three months ahead of the contracted schedule and included amenities that were not in the original contract.

On March 15, 2016, the Town closed on \$11.4 million General Obligation Refunding Bonds. A refunding means that future interest payments cease and principal payments are refinanced through a bond issue at lower interest rates. In order to maintain maximum control of the process, and to realize as close to the projected savings as possible, the bonds were sold on a negotiated basis.

Additionally, the retention of an independent Pricing Agent assured that the Town received the best rate available in the market on the day of pricing. The refunding will result, over a span of Fiscal Years 2016 through 2027, a total budgetary savings of \$385,413.

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

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. U.S. Treasury obligations maturing less than one year, overnight repurchase agreements, and a U.S. government fund comprise the bulk of the operating investment portfolio. The risk-based capital ratios and collateral requirements (as defined in Connecticut General Statutes Section 36-382) of the qualified public depositories with which the Town does business are monitored.

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

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

The Town has acted to establish policies regarding Fund Balance. On December 6, 2001, the Town Council adopted a policy to establish, as a long-term goal, a 10% Unreserved Undesignated General Fund Balance and to retain sufficient undesignated fund balances (10% or more) in the Special Revenue Funds. There was no budgeted use of Unassigned General Fund Balance included in the fiscal year 2021-2022 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 at \$884,384; its purpose is for the acquisition of open space in other areas of Town. The Town is constantly looking to acquire open space when it makes sense and is reasonably priced.

Major Initiatives

Throughout the year, the improvement of facilities and infrastructure through the Capital Improvement Program was a priority. The final phase of the Police Department improvement project concluded in January with renovations to the patrol building and the replacement of the emergency generator. In all, approximately \$1 million was appropriated over several years to complete this project which also included the construction of a new Emergency Operations Center, a new detective bureau office, and other ancillary improvements in the administration building. The project was managed by the Director of Public Works and much of the work was completed by DPW staff, mitigating the overall cost.

Another major project was the replacement of the Cider Brook Road Bridge which was completed in December 2021. The project included the removal of the existing bridge and the construction of a new pre-cast box culvert and related roadway, drainage, safety and approach items. Approximately \$880,000 was budgeted for this project over multiple years and 50% of the cost will be reimbursed by a state grant.

Work on the Public Safety Communications System Project advanced this year. In January, following a public hearing, the Town Council approved an amendment to an existing lease with the owner of the cellular tower located at the Transfer Station to permit the replacement of the existing 100-foot tower with a new tower not to exceed 150 feet to accommodate the Town's public safety coverage requirements. At this time, the lessee is preparing an application to the CT Siting Council for the new tower, the state agency that has jurisdiction and final approval over commercial cellular projects. Simultaneously, the Town continues to work with its third party consultant and its vendor to finalize the design and cost estimates for the radio system based on the tower sites that have been secured.

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 \$734,003 was appropriated for this purpose and Ariel Way, Beverly Drive, Brookmoor Road, Cricket Lane, Franks Way, Old Kings Road, Ox Bow Drive, Ridgewood Road, Rockledge Drive, Sarah Drive, Scoville Road, Vermillion Drive, Westmont Road, and Woodhaven Drive were improved. Public Works also performed chip sealing on a section of Old Farms Road. In addition, in February 2022, the Town Council and the Board of Finance appropriated \$500,000 from the American Rescue Plan Act (ARPA) to allow Public Works to begin road improvements in early spring; extending the 2022 construction season by several months.

The capital budget included \$853,190 in projects to Board of Education facilities. Phase III of the roof replacement at Roaring Brook School was completed; the tennis and basketball courts at Thompson Brook School were repaired and Phase I of a Roof Top Unit (RTU) replacement project was completed at the high school. The total cost of the RTU project was offset by a rebate from Eversource for 50% of the project cost.

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 annual comprehensive financial report for the fiscal year ended June 30, 2021. This was the thirty-ninth 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 annual comprehensive 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, 2022. This was the thirty- eighth consecutive year that the government has achieved this prestigious award. In order to receive this award a government must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

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

Respectfully submitted,

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

Tom DiStasio, CPA
Director of Finance

**TOWN OF AVON
PRINCIPAL OFFICIALS
AT JUNE 30, 2022**

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
Brian Loveless Ellen Retelle

BOARD OF EDUCATION

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

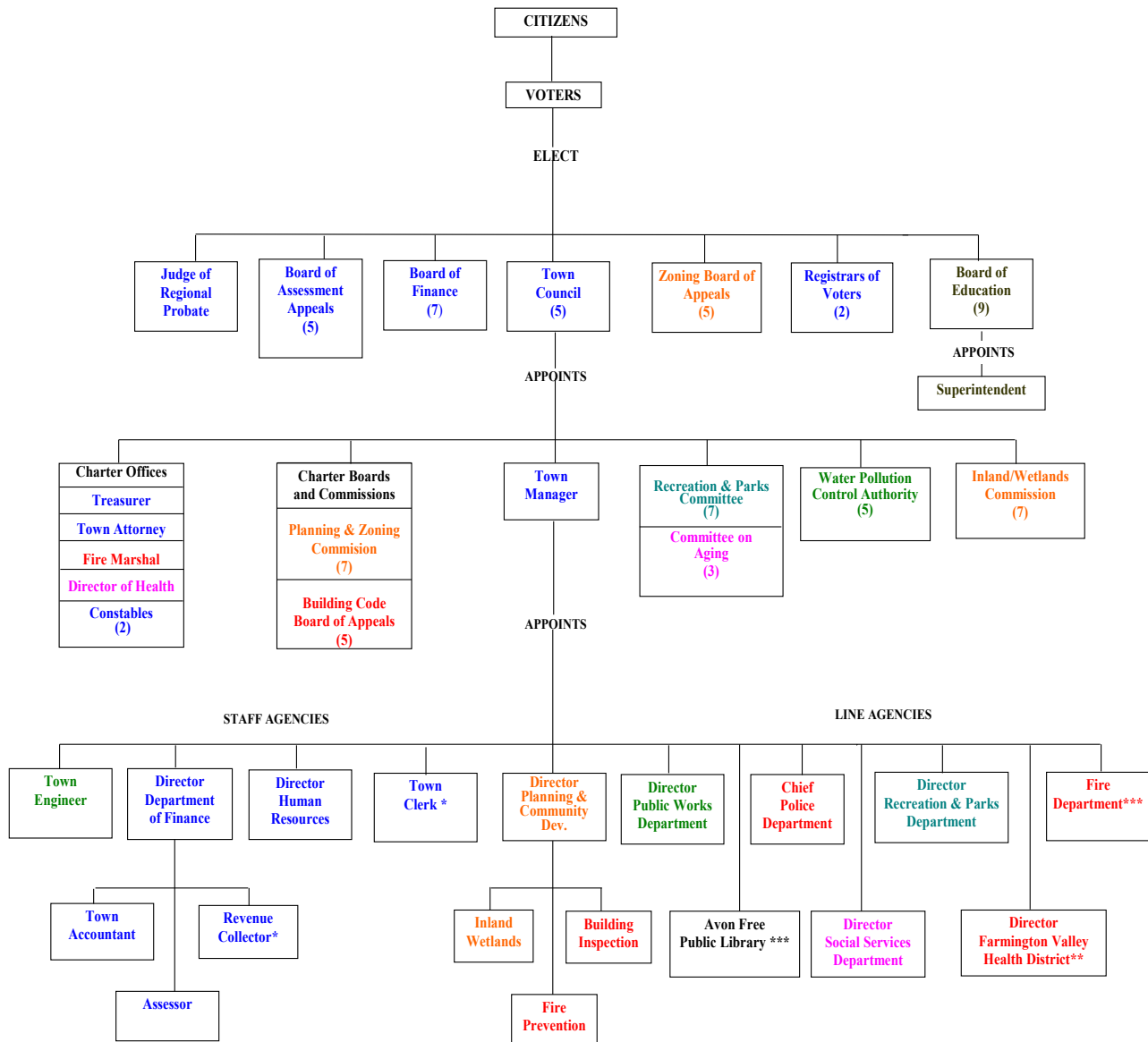
GENERAL GOVERNMENT

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
Town Treasurer	Charles Harvell
Director of Finance	Thomas G. DiStasio
Director of Human Resources	Stephanie Askeland
Director of Recreation & Parks	Ruth Checko
Director of Social Services	Alan E. Rosenberg
Director of Public Works	Bruce Williams
Assessor	Harry DerAsadourian
Building Official	Rich McKinnon
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

TOWN OF AVON ORGANIZATIONAL CHART



* Recommended by Town Manager, approved by Town Council.

** The Town participates in a Regional Health District.

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

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



Government Finance Officers Association

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Presented to

**Town of Avon
Connecticut**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

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, 2022, 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, 2022, 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 schedules, 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 accompanying supplementary information such as the combining and individual nonmajor fund financial statements 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 accompanying supplementary information such as the combining and individual nonmajor fund financial statements 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2022, 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 21, 2022

**TOWN OF AVON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets of the Town of Avon exceeded its liabilities at the close of the 2022 fiscal year by \$105,421,935 (net position). Of this amount, a negative value of \$24,679,294 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 decreased \$479,710 due to increases to the Town's long-term liabilities for pension and OPEB, as well as the establishment of a long-term payable for the Town's share of the costs associated with an upgrade to the Farmington Water Pollution Control Facility. 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 \$33,567,429, an increase of \$1,599,867 from last year's \$31,967,562. Of this total amount, \$153,359 is nonspendable (prepaid, inventory, or restricted), \$1,197,517 is restricted by governmental grant requirements or other legal restrictions, \$13,632,508 is committed by the Town Council (budget-making authority), \$5,208,618 is assigned, and \$13,375,427 (\$13,560,617 of which is part of the General Fund) is available for spending at the government's discretion (unassigned fund balance). The (\$185,190) 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 \$13,560,617 or 12.90% of total General Fund expenditures and transfers out of \$105,100,371, including the State's contribution and offsetting expenditures for teacher's retirement and OPEB.
- An appropriation from General Fund unassigned fund balance totaling \$313,000 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 2022/2023 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.

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.

**TOWN OF AVON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

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

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

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

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

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

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

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

**TOWN OF AVON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

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

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

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

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

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

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

Notes to Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 34-92 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 93-112 of this report.

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 113-140 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 141-147 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Avon, our assets exceeded liabilities by \$105,421,935 at the close of the most recent fiscal year.

**TOWN OF AVON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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 \$7,435,735 primarily relating to the Town's Pension and OPEB liabilities; as well as Deferred Inflows of Resources in the amount of \$8,723,378 relating to advance collections of property tax and sewer use fees, as well as Pension and OPEB liabilities.

	Governmental Activities	
	2022	2021
Current Assets	\$ 46,205,531	\$ 55,440,271
Capital Assets, Net of Accumulated Depreciation	144,104,737	144,708,555
Noncurrent Assets	-	174,622
Total Assets	<u>190,310,268</u>	<u>200,323,448</u>
Deferred Outflows of Resources	7,435,735	3,709,107
Long-Term Liabilities Outstanding	74,199,923	62,113,491
Other Liabilities	9,400,767	15,692,779
Total Liabilities	<u>83,600,690</u>	<u>77,806,270</u>
Deferred Inflows of Resources	<u>8,723,378</u>	<u>20,324,640</u>
Net Position:		
Net Investment in Capital Assets	128,812,896	126,527,955
Nonexpendable - Purposes of Trust	90,816	71,459
Expendable - Purposes of Trust	-	29,530
Grants	1,020,997	174,545
Net Pension Asset	176,520	174,622
Other Purposes	-	795,176
Unrestricted	<u>(24,679,294)</u>	<u>(21,871,642)</u>
Total Net Position	<u>\$ 105,421,935</u>	<u>\$ 105,901,645</u>

The Town's net position decreased by \$479,710 during the current fiscal year. Of this amount, a negative value of \$24,679,294 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 \$90,946,458 and net general expenses of \$91,426,168. Gross expenses of \$112,998,763 were offset by \$7,581,281 in charges for services, \$13,360,905 in operating grants and contributions, and \$630,409 in capital grants and contributions. Of the net expenses, the largest amount was \$59,404,984, which was for the operating of the Town's school system.

TOWN OF AVON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
YEAR ENDED JUNE 30, 2022

Net public safety expenses of \$11,394,588, net general government costs of \$2,494,094, net public works costs of \$14,029,328, net educational - cultural expenses of \$1,891,013, net recreation and parks expenses of \$890,342, net conservation and development costs of \$584,269, health and social services expenses of \$600,165, and interest expense of \$137,385 accounted for all net expenses. The majority of the Town's revenue was \$89,773,279 in property taxes, \$21,572,595 in charges for services and grants, and \$1,173,179 in nonrestricted grants, investment income, miscellaneous, and transfers.

Governmental Activities. Governmental activities decreased the Town's net position by \$479,710. Key elements of this decrease are as follows:

	Governmental Activities	
	2022	2021
Revenues:		
Program Revenues:		
Charges for Services	\$ 7,581,281	\$ 9,093,388
Operating Grants and Contributions	13,360,905	24,506,537
Capital Grants and Contributions	630,409	532,830
General Revenues:		
Property Taxes	89,773,279	85,087,477
Grants and Contributions Not Restricted to Specific Programs	337,053	266,473
Investment Income	148,310	113,598
Miscellaneous	687,816	464,169
Total Revenues	<u>112,519,053</u>	<u>120,064,472</u>
Program Expenses:		
General Government	4,297,315	3,862,914
Public Safety	11,601,624	10,420,926
Public Works	18,347,246	10,199,133
Health and Social Services	625,171	621,989
Recreation and Parks	1,423,973	1,270,380
Education - Cultural	1,891,374	1,747,856
Conservation and Development	627,156	490,204
Board of Education	74,047,519	83,516,915
Interest Expense	137,385	83,344
Total Program Expenses	<u>112,998,763</u>	<u>112,213,661</u>
Change in Net Position	(479,710)	7,850,811
Net Position - Beginning of Year	105,901,645	97,818,094
Restatement	-	232,740
Net Position - Beginning of Year, as Restated	<u>105,901,645</u>	<u>98,050,834</u>
Net Position - End of Year	<u>\$ 105,421,935</u>	<u>\$ 105,901,645</u>

**TOWN OF AVON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
YEAR ENDED JUNE 30, 2022**

On the revenue side, Property taxes, which comprises 79.8% of Town revenues, increased by \$4,685,802 (5.51%) to \$89,773,279 due to increases to the Town's grand list (1.08%), supplemental motor vehicle revenues, collections from prior levies, and interest and penalties. The mill rate increased 3.98% over the prior year and was set to meet an adopted budget expenditure increase of 2.58%. Charges for services saw an overall decrease of \$1,512,107. General government reported an increase that was driven by recording and conveyance revenues, while public safety reported an increase in permit activity. These increases can be tied to the overall economic conditions in place throughout the year, which included a low interest rate environment and a strong residential housing market. Public works reported a decrease in landfill fees and sewer use fees that were higher than anticipated in 2021 as a result of adjustments made by the Water Pollution Control Authority to the sewer use billing procedures in the previous year. Fiscal Year 2022 produced results that are consistent with budgeted expectations. Recreation and parks reported revenues for fees collected for programs held during 2022 that were relatively consistent with those of the preceding year. The Board of Education reported increases in inter-district tuition payments as a neighboring city required more special education services related to the Open Choice program. Operating grants and contributions decreased \$11,145,632 primarily due to the recording of adjustments related to the "on-behalf" payments made by the State towards the teachers' retirement and OPEB benefits, which amounted to \$8,623,854 and \$202,936, respectively in 2022. Offsetting this decrease in operating grants and contributions revenue was an increase in intergovernmental grant revenues in the School Cafeteria Fund, which can be tied to federal grant support received through the National School Lunch Program. Program revenues for general government grants increased by \$523,552 due to grant revenues recognized through the American Rescue Plan Act. Investment Income increased \$34,712. While this change is not significant, it is an indication of interest rate increases that began prior to the end of fiscal year 2021/2022. Miscellaneous revenues increased in the amount of \$223,647 due to unexpected one-time revenues that did not occur in 2021 but were received in 2022.

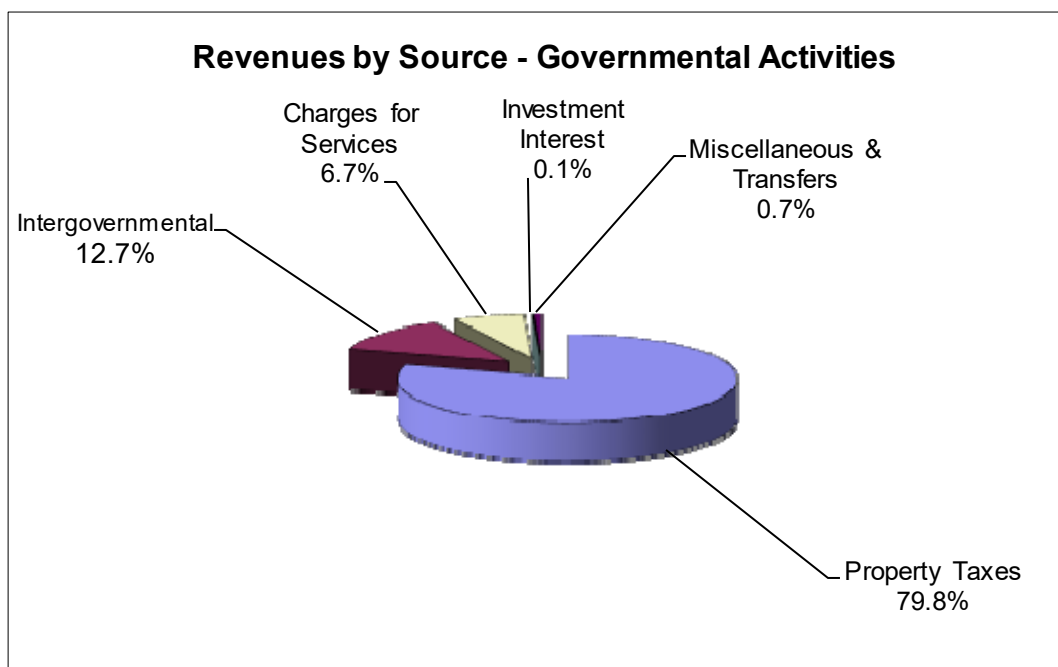
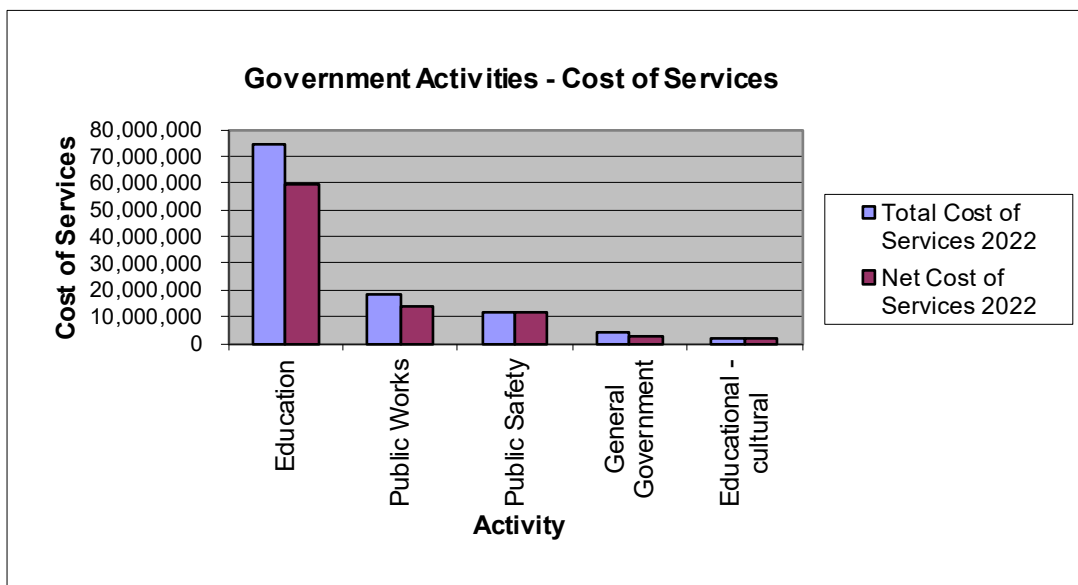
Major program expenses in 2022 for health and social services and education-cultural were generally consistent with those of 2021, with variances of less than 10% from one year to the next in each program. General government, public safety, public works, recreation and parks, and conservation and development costs increased by \$434,401, \$1,180,698, \$8,148,113, \$153,593, and \$136,952, 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 expense increases include decreased expenses associated with the filling of vacancies in many of the Town's departments, including: the Police Department (Patrol and Communications Divisions), Building Department, Town Clerk's Office, Revenue Collection Office, and Department of Planning and Community Development. The Board of Education's program expenses decreased \$9,469,396 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 \$54,041 due to the establishment of a long-term payable associated with an upgrade to the Farmington Water Pollution Control Facility.

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

**TOWN OF AVON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

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



**TOWN OF AVON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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, \$4,721,402, are generated by public works, recreation and parks, and general government. The Board of Education contributed \$2,619,470 or 35% in service fees as well. Avon has never been reliant on state and federal grants that, while helpful in keeping our overall costs down, do not contribute significantly to total revenues.

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, our governmental funds reported combined ending fund balances of \$33,567,429, an increase of \$1,599,867 in comparison with the prior year. Of this total amount, \$153,359 is nonspendable (prepaid and inventory), \$1,197,517 is restricted by governmental grants or other legal restriction, \$13,632,508 is committed by the Town Council (budget-making authority), \$5,208,618 is assigned and \$13,375,427 (\$13,560,617 of which is part of the General Fund) is available for spending at the government's discretion (unassigned fund balance). In Nonmajor Governmental Funds, (\$185,190) of unassigned fund balance available for spending at the government's discretion, is a negative amount due to \$185,190 of grants funding that is recorded as a deferred inflow due to the fact that the funds were not received within 60 days of year-end.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$13,560,617, while total fund balance reached \$18,815,411. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 12.90% of total General Fund expenditures and transfers out of \$105,100,371, while total General Fund balance represents 17.90% of that same amount.

The fund balance of Avon's General Fund increased by \$2,734,750 during the current fiscal year. The key factors contributing to this increase were intergovernmental revenues and charges for services that exceeded budgeted projections, along with favorable expenditure variances in every department. At the end of 2021/2022, additional fund balance assignments were approved for the funding future OPEB liabilities (\$150,000), the funding of future defined benefit pension contributions (\$200,000), funding the future replacement cost of existing capital assets (\$60,384), funding future debt service expenditures associated with long term capital needs (\$750,000), funding road improvements (\$750,000), and funding anticipated medical claims expenditures in the Medical Claims Internal Services Fund (\$750,000). 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 \$313,000 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 2022/2023 appropriation. Encumbrances from 2022 in the amount of \$1,700,206 are authorized to be carried over to the following fiscal year and are classified as assigned amounts in the General Fund.

**TOWN OF AVON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
YEAR ENDED JUNE 30, 2022**

The Capital Improvement Fund Account (CIFA) is one of Avon's major governmental funds. Most of the Town's major capital expenditures are processed through this account. Bond anticipation notes (BAN) and bond proceeds are also handled in the CIFA account. In 2022, CIFA fund balance decreased by \$1,331,685, from \$8,238,702 to \$6,907,017. This was primarily due to expenditures associated with projects that had funded appropriation balances at the start of the fiscal year. Such projects included Road Improvement Projects, Patrol Building Improvements, RBS Roof Replacement, and AHS Rooftop HVAC Unit Replacements. The last three projects listed were completed in 2022 along with several smaller projects. Any remaining, unused budget appropriations approved for these projects have been transferred to reimburse Unassigned General Fund Balance in 2022. As the Town's debt service obligations have decreased over the past few years, budgeted funds are shifted to CIFA to provide additional funding for cash "pay-as-you-go" projects. The CIFA Fund Balance of \$6,907,017 is committed for capital projects.

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

Net position of the Internal Service Fund at the end of the year amounted to \$2,044,162. The total change in net position for the fund was a decrease of \$417,046. Operating revenues for the fund, representing charges for services that are health insurance premiums paid by Town and Board of Education, amounted to \$10,410,975. Operating expenses for medical claims were \$10,828,021.

General Fund Budgetary Highlights

The original budget of \$95,289,043 increased \$2,122,717 during the year to \$97,411,760. The significant supplemental and additional appropriations are noted below:

Revenues

- \$750,000 addition from General Fund Unassigned Fund Balance for internal service fund;
- \$313,000 addition from General Fund Unassigned Fund Balance;
- \$200,000 addition from assignment for pension contributions;
- \$184,209 addition from intergovernmental education program grants for Open Choice revenues;
- \$150,000 addition from General Fund Unassigned Fund Balance for debt service fund;
- \$150,000 addition from assignment for post-employment benefits;
- \$74,196 addition from assignment for capital asset replacement;
- \$13,662 addition from General Fund Unassigned Fund Balance.

Expenditures

- \$750,000 for replenishing the Medical Claims Internal Service Fund for reductions in retained earnings recognized during Fiscal Year 2021/2022;
- \$313,000 for funding the purchase of property;
- \$200,000 for funding Town employee retirement expenditures, all departments;
- \$184,209 for funding the programs and special education needs of Avon Public Schools;

**TOWN OF AVON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
YEAR ENDED JUNE 30, 2022**

- \$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;
- \$74,196 for funding the purchase of a capital asset acquired by the Public Works department;
- \$13,662 for funding a transfer out of the General Fund to fund an operating deficit in the Avon Day Fund.

Of the increase, \$245,132 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 \$1,938,508 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 \$2,284,941 (1.81%). 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:

- Avon High School Rooftop HVAC Unit Replacements, \$796,370;
- Cider Brook Bridge Replacement, \$727,589;
- Roaring Brook School Roof Replacement, \$428,590;
- Land Purchase, \$301,578;
- Patrol Building Improvements, \$299,663;
- Sewer Pump Station Replacement, \$283,627;
- Vehicle Replacement, \$272,863;
- Town Building HVAC Repairs, \$118,607;
- Building & Grounds Equipment Replacement, \$116,105;
- Reconstruction of Old Farms Road & Thompson Road, \$89,764;
- Body & Dashboard Cameras for Avon Police Department, \$91,610;
- Highway Division Equipment Replacements, \$81,960.

TOWN OF AVON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Governmental Activities	
	2022	2021
Land	\$ 9,765,390	\$ 7,662,553
Construction in Progress	4,773,044	10,762,521
Land Improvements	4,398,257	4,404,401
Buildings and Improvements	78,507,699	77,429,710
Equipment	6,410,007	3,695,975
Vehicles	4,645,543	4,376,583
Infrastructure	35,403,531	35,913,331
Right to Use Assets	201,266	463,481
Total	<u>\$ 144,104,737</u>	<u>\$ 144,708,555</u>

Additional information on the Town of Avon's capital assets can be found in Note 3F on page 51 of this report.

Long-Term Debt. At the end of the current fiscal year, the Town of Avon had \$14,825,000 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, 2022

Date	Purpose	Rate	Original Issue	Debt Outstanding	Date of Fiscal Year Maturity
October 30, 2012	AFPL Renovations, Additions, Improvements	2.00%	\$ 7,100,000	\$ 3,125,000	2028
March 15, 2016	General Purpose Refunding	2.00% to 4.00%	964,000	682,000	2027
March 15, 2016	High School Refunding	2.00% to 4.00%	9,423,000	6,666,000	2027
March 15, 2016	AMS Roof Refunding	2.00% to 4.00%	1,013,000	717,000	2027
July 18, 2018	Land Purchase 2018	1.75%	1,600,000	800,000	2026
June 16, 2020	Town and Public Safety Communication System Replacement Project	2.00% to 4.00%	280,000	242,382	2035
June 16, 2020	Avon High School Turf Field and Track Improvement Project	2.00% to 4.00%	2,995,000	2,592,618	2035
Total Bonds			<u>\$ 23,375,000</u>	<u>\$ 14,825,000</u>	

**TOWN OF AVON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
YEAR ENDED JUNE 30, 2022**

The Town of Avon's total debt increased by \$4,406,123 (25.37%) during the current fiscal year due to the establishment of a long-term payable for the Town's share of the costs associated with an upgrade to the Farmington Water Pollution Control Facility, which amounted to \$6,946,123 as of the end of Fiscal Year 2021/2022. Avon has earned the highest credit rating possible: "Aaa" from Moody's Investors Service, Inc., and "AAA" from Standard & Poor's, for all of its general obligation debt. The Town's credit rating was affirmed by both credit rating agencies: Standard & Poor's and Moody's in May 2020.

State statutes limit the amount of general obligation debt a governmental entity may issue to 7 times its tax collections plus interest and lien fees (seven times \$89,453,737). For June 30, 2022, the maximum amount of borrowing permitted under the formula would be \$626,176,159. With net borrowings of \$25,381,123, the Town of Avon's outstanding general obligation debt is \$600,795,036 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 3I on pages 54-57 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 6.83% rate of inflation in affect for Fiscal Year 2022/2023. The Town's adopted 2022/2023 budget did not use General Fund Balance as a revenue source to offset increases to the tax levy. The Town expects to see State funding either stay level, or decrease, along with the potential of absorbing unfunded state mandates.

- Net Grand List is expected to increase by 2.58%.
- Property tax collections will exceed 99% with the reserve for uncollectible at \$700,000.
- Assessment appeals and tax refunds will approximate 1% of tax revenues.
- Licenses, Fees and Permits revenue for most of the Town funds are level funded to the 2021/2022 level. Building, Structure and Equipment fees, which are based on prior and current activity, and estimates from the Building Department, will be level funded at \$425,000, no change from fiscal year 2021/2022. Commercial permits with the number of plan reviews and inspections required remain high.
- Revenues from recording and conveyance fees, based on current sales of existing properties and current mortgage interest rates, are expected to remain level.
- Discretionary grant revenues are expected to increase; while formulary grant revenues are expected to remain essentially level. The Town's adopted budget for 2023 reflects a net increase in State and Intergovernmental grants of \$1,201,028 or 34.82% as compared to 2022, primarily due to the inclusion of \$1,000,000 of funding received through the American Rescue Plan Act. The Town did not budget the receipt of Grants for Municipal Projects or the Municipal Stabilization Grant, which amounted to \$261,442 and \$142,054, respectively, in 2022.

**TOWN OF AVON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
YEAR ENDED JUNE 30, 2022**

The Connecticut State budget was signed by the Governor without major tax hikes, and without reducing overall aid to cities and towns. It is recommended, however, to budget conservatively for the Intergovernmental State Grants-In-Aid moving forward as the State will likely see revenue reductions as a result of the depletion of pandemic related grant funding and lower capital gains income tax returns in a rising interest rate environment. Although Avon receives a small portion of its revenues from state grants, reductions in these grants do have an impact on Town services. The Board of Education is recommending minor increases in various education grants. All other Town and Board of Education intergovernmental grants are level funded.

- Avon intends that user fees cover the majority of costs of certain services such as sewer use, sewer connection, landfill, recreational programs, and education programs. These fees are reviewed annually and reset according to expected usage and inflation. The base amount charged to residents for sewer use is currently \$515 per year, which is adjusted based on water consumption in calendar year 2021. Review of activity in Sewer Use charges, Recreation and Parks charges, and Education charges for current services warranted a variety of adjustments to their respective budgeted fees. Increases relative to Board of Education and Recreation and Parks revenues were recommended as the impacts of the COVID-19 pandemic are anticipated to continue to ease. Due to the continued increase in the cost of special education services provided to students attending Avon Public Schools through the Open Choice Program, the District recommended a \$188,894 increase in Special Education Tuition reimbursement revenue.
- The Town budgeted investment income at \$200,000 in 2023, which is level funded relative to 2022. This was done because of uncertainty during budget development, which took place in the Winter and Spring of 2022, around how the Federal Reserve would set interest rates.
- Personal services (salary and benefits) expenditures will increase will by \$646,301 and will make up 74.59% of overall Town Operating expenditures. Overall wages increased by \$305,940 as compared to 2022. The Town operating expenditures reflect the reclassification of three part time positions, one in each of the Finance Department, Assessor's Office, and Recreation and Parks Department, to full time positions. The total number of full-time positions increased from 108 to 111.
- All current Town employees, except Police Officers, Dispatchers, and Public Works employees, have the option to participate in either the PPO healthcare plan or the High Deductible Health Plan (HDHP) offered by the Town. All employees enrolled in PPO healthcare coverage contribute either 15% or 20% toward their healthcare coverage under the plan (depending on their date of hire). Employees who are eligible to participate in both the PPO healthcare plan and HDHP contribute 18% toward their healthcare coverage under the HDHP. As of July 1, 2021, the HDHP is the only healthcare coverage option offered by the Town to Police Officers, Dispatchers, and Public Works employees. Police Officers, 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.
- Employee benefits have increased by \$355,843 (3.85%). The increase is caused by a number of factors including medical insurance funding, which increased by \$199,443 (12.77%). This was mitigated by the participation of 26 employees opting out of medical insurance coverage through the Town's Health Insurance Waiver Program. There was a budgeted increase of \$83,269 (4.93%) in contributions towards other postemployment benefits (OPEB) associated

**TOWN OF AVON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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. The Town of Avon does not provide post-retirement medical benefits to those dispatcher retirees, or their families, if hired after 7/1/2013. The Town of Avon does not provide post-retirement medical benefits to those public works retirees, or their families, if hired after 7/1/2014. Both Police and Non-Organized employees may continue with post-retirement medical benefits. However, upon reaching the age of 65, coverage under the Town's Medicare Supplemental Plan for Police hired after 7/1/2009 and their spouses, will be covered at 50% by the Town, with the retiree and/or their spouse responsible for covering the difference.

- The Board of Education's criteria that was used to shape the budget was to continue to advance with the Blueprint for Excellence. We are committed to meeting the needs of all students, clear communication and transparent processes, rigorous, comprehensive, and innovative programs, collaboration, professional development and ethical practices, continuous improvement through systematically assessing our actions and outcome and using all resources to the greatest advantage of our students.
- 79.35% of the Board of Education budget relates to salaries and benefits. 11.21% relates to transportation and tuition, followed by contracted services, utilities, supplies and equipment.
- Transportation has remained relatively stable. Costs associated with tuition for students with Individualized Education Plans (IEPs) is a major driver in Fiscal Year 2022/2023, with the costs of outplacement facilities and magnet school tuition obligations 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 large multi-year capital projects, such as those on a phased-in basis, including road improvements, the Town Clerk Vault Addition, Briar Hill Pipe Lining, Pine Grove School Notification System, Roaring Brook School Emergency Generator, Avon Volunteer Fire Department facility improvements, Board of Education Districtwide Security Upgrades, the next phase of a Board of Education Districtwide Lock Replacement Project, and the Reconstruction of Old Farms Road & Thompson Road.
- At the close of the 2022 fiscal year, unassigned fund balance in the General Fund amounted to \$13,560,617. The Board of Finance has decided that no use of General Fund Unassigned Fund Balance would be necessary to mitigate the tax impact for the 2023 budget.

All of these factors were considered in preparing the budget for the 2023 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, 2022**

	<u>Governmental Activities</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 41,798,602
Investments	63,356
Receivables, Net of Allowance for Uncollectibles:	
Property Taxes	825,763
Assessments	1,069,332
Intergovernmental	531,515
Accounts	793,863
Lease	786,530
Due from Fiduciary Funds	274,027
Other Current Assets	<u>62,543</u>
Total Current Assets	46,205,531
Noncurrent Assets:	
Capital Assets, Nondepreciable	14,538,434
Capital Assets, Net of Accumulated Depreciation	<u>129,566,303</u>
Total Noncurrent Assets	<u>144,104,737</u>
Total Assets	190,310,268
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Charge on Refunding	494,988
Deferred Outflows - Pension	4,165,035
Deferred Outflows - OPEB	<u>2,775,712</u>
Total Deferred Outflows of Resources	7,435,735

See accompanying Notes to Financial Statements.

**TOWN OF AVON, CONNECTICUT
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2022**

	Governmental Activities
LIABILITIES	
Current Liabilities:	
Accounts Payable	\$ 2,632,309
Accrued Liabilities	687,520
Unearned Revenue	2,230,340
Due to Fiduciary Funds	1,500
Noncurrent Liabilities, Due within One Year	3,849,098
Total Current Liabilities	<u>9,400,767</u>
Noncurrent Liabilities:	
Due in More than One Year	<u>74,199,923</u>
Total Liabilities	83,600,690
DEFERRED INFLOWS OF RESOURCES	
Advance Property Tax Collections	2,286,117
Advance Sewer Collections	268,076
Deferred Inflows - Lease Receivable	751,892
Deferred Inflows - Pension	319,351
Deferred Inflows - OPEB	5,097,942
Total Deferred Inflows of Resources	<u>8,723,378</u>
NET POSITION	
Net Investment in Capital Assets	128,812,896
Restricted:	
Nonexpendable - Purposes of Trust	90,816
Grants	1,020,997
Debt Service	176,520
Unrestricted	<u>(24,679,294)</u>
Total Net Position	<u>\$ 105,421,935</u>

See accompanying Notes to Financial Statements.

**TOWN OF AVON, CONNECTICUT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

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	\$ 4,297,315	\$ 1,005,972	\$ 797,249	\$ -	\$ (2,494,094)
Public Safety	11,601,624	172,155	34,881	-	(11,394,588)
Public Works	18,347,246	3,184,799	502,710	630,409	(14,029,328)
Health and Social Services	625,171	25,006	-	-	(600,165)
Recreation and Parks	1,423,973	530,631	3,000	-	(890,342)
Educational - Cultural	1,891,374	361	-	-	(1,891,013)
Conservation and Development	627,156	42,887	-	-	(584,269)
Board of Education	74,047,519	2,619,470	12,023,065	-	(59,404,984)
Interest on Long-Term Debt	137,385	-	-	-	(137,385)
Total Governmental Activities	<u>\$ 112,998,763</u>	<u>\$ 7,581,281</u>	<u>\$ 13,360,905</u>	<u>\$ 630,409</u>	(91,426,168)
GENERAL REVENUES					
Property Taxes					89,773,279
Grants and Contributions Not Restricted to Specific Programs					337,053
Investment Income					148,310
Miscellaneous					687,816
Total General Revenues					<u>90,946,458</u>
CHANGE IN NET POSITION					(479,710)
Net Position - Beginning of Year					<u>105,901,645</u>
NET POSITION - END OF YEAR					<u>\$ 105,421,935</u>

See accompanying Notes to Financial Statements.

**TOWN OF AVON, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	General	CIFA	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 40,270,179	\$ 578,286	\$ 950,137	\$ 41,798,602
Investments	-	-	63,356	63,356
Receivables, Net	2,175,755	-	1,782,306	3,958,061
Due from Other Funds	368,826	6,390,207	10,059,180	16,818,213
Other	46,176	-	16,367	62,543
Total Assets	42,860,936	6,968,493	12,871,346	62,700,775
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	700,977	61,476	1,255,228	2,017,681
Accrued Liabilities	624,153	-	-	624,153
Due to Other Funds	19,109,677	-	94,799	19,204,476
Unearned Revenue	10,000	-	2,220,340	2,230,340
Total Liabilities	20,444,807	61,476	3,570,367	24,076,650
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	668,361	-	-	668,361
Unavailable Revenue - Special Assessments	-	-	857,377	857,377
Unavailable Revenue - Grants Receivable	-	-	224,873	224,873
Lease Receivable	646,240	-	105,652	751,892
Advance Property Tax Collections	2,286,117	-	-	2,286,117
Advance Sewer Collections	-	-	268,076	268,076
Total Deferred Inflows of Resources	3,600,718	-	1,455,978	5,056,696
FUND BALANCES				
Nonspendable	46,176	-	107,183	153,359
Restricted	-	-	1,197,517	1,197,517
Committed	-	6,907,017	6,725,491	13,632,508
Assigned	5,208,618	-	-	5,208,618
Unassigned	13,560,617	-	(185,190)	13,375,427
Total Fund Balances	18,815,411	6,907,017	7,845,001	33,567,429
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 42,860,936	\$ 6,968,493	\$ 12,871,346	\$ 62,700,775

See accompanying Notes to Financial Statements.

**TOWN OF AVON, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022**

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balance (Exhibit III)	\$ 33,567,429
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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	229,986,897
Accumulated Depreciation and Amortization	(85,882,160)

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	668,361
Property Tax Interest and Lien Accrual	61,177
Allowance for Doubtful Accounts	(12,235)
Sewer Assessment Receivable - Accrual Basis Change	857,377
Grants Receivable - Accrual Basis Change	224,873
Deferred Outflows - Pension	4,165,035
Deferred Outflows - OPEB	2,775,712

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

2,044,162

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	(14,825,000)
Long-Term Payable on Sewer Upgrade	(6,946,123)
Net Pension Liability	(23,600,965)
Lease Liability	(202,686)
Compensated Absences	(3,995,003)
Net OPEB Liability	(27,630,101)
Landfill Postclosure Liability	(60,000)
Voluntary Early Retirement Incentive	(30,000)
Bond Premium	(759,143)
Deferred Inflows - Pension	(319,351)
Deferred Inflows - OPEB	(5,097,942)
Deferred Charge on Refunding	494,988
Accrued Interest Payable	(63,367)

Net Position of Governmental Activities (Exhibit I)	\$ 105,421,935
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See accompanying Notes to Financial Statements.

TOWN OF AVON, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	General	CIFA	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property Taxes	\$ 89,720,542	\$ -	\$ -	\$ 89,720,542
Intergovernmental	11,812,369	-	4,507,808	16,320,177
Charges for Services	4,302,985	-	4,052,715	8,355,700
Investment Income (Loss)	155,524	1,973	(9,187)	148,310
Other Local Revenues	405,909	411,940	359,981	1,177,830
Total Revenues	106,397,329	413,913	8,911,317	115,722,559
EXPENDITURES				
Current:				
Town Council:				
General Government	3,734,323	-	174,816	3,909,139
Public Safety	12,140,841	-	66,730	12,207,571
Public Works	6,745,378	-	3,312,883	10,058,261
Health and Social Services	645,450	-	-	645,450
Recreation and Parks	900,606	-	322,133	1,222,739
Educational - Cultural	1,892,505	-	-	1,892,505
Conservation and Development	730,137	-	-	730,137
Miscellaneous	369,835	-	-	369,835
Total Town Council	27,159,075	-	3,876,562	31,035,637
Board of Education	71,385,691	-	3,365,926	74,751,617
Debt Service	3,038,525	-	-	3,038,525
Capital Outlay	-	3,335,490	1,961,423	5,296,913
Total Expenditures	101,583,291	3,335,490	9,203,911	114,122,692
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,814,038	(2,921,577)	(292,594)	1,599,867
OTHER FINANCING SOURCES (USES)				
Transfers In	1,437,792	2,998,539	671,662	5,107,993
Transfers Out	(3,517,080)	(1,408,647)	(182,266)	(5,107,993)
Other Financing Sources (Uses), Net	(2,079,288)	1,589,892	489,396	-
NET CHANGE IN FUND BALANCES	2,734,750	(1,331,685)	196,802	1,599,867
Fund Balances - Beginning of Year	16,080,661	8,238,702	7,648,199	31,967,562
FUND BALANCES - END OF YEAR	<u>\$ 18,815,411</u>	<u>\$ 6,907,017</u>	<u>\$ 7,845,001</u>	<u>\$ 33,567,429</u>

See accompanying Notes to Financial Statements.

**TOWN OF AVON, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances - Total Governmental Funds (Exhibit IV) \$ 1,599,867

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	4,144,818
Depreciation Expense	(4,743,261)
Loss on Disposal of Capital Assets	(5,375)

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	46,848
Increase in Property Tax Interest and Lien Revenue	7,361
Increase in Property Tax and Sewer Use Allowance for Doubtful Accounts	(1,472)
Decrease in Sewer Assessments Receivable - Accrual Basis Change	(774,419)
Increase in Grants Receivable - Accrual Basis Change	110,997
Decrease in Net Pension Asset	(174,622)
Increase in Deferred Outflows Amounts Related to Pension	2,693,264
Increase in Deferred Outflows Amounts Related to OPEB	1,106,695

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	12,381
Principal Payments	2,540,000
Long-Term Payable on Sewer Upgrade	(7,632,090)
Principal Payments on Sewer Upgrade	685,967
Amortization of Bond Premiums	224,626
Amortization of Deferred Charge on Refunding	(73,331)
Leases Payments	197,464

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:

Decrease in Compensated Absences	363,280
Increase in Net Pension Liability	(6,014,801)
Increase in OPEB Liability	(2,660,855)
Landfill Postclosure Payments	30,000
Voluntary Early Retirement Incentive	(30,000)
Decrease in Deferred Inflows Amounts Related to Pension	5,999,240
Decrease in Deferred Inflows Amounts Related to OPEB	2,284,754

The net revenue of the internal service funds is reported with the governmental activities. (417,046)

Change in Net Position of Governmental Activities (Exhibit II) \$ (479,710)

See accompanying Notes to Financial Statements.

**TOWN OF AVON, CONNECTICUT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2022**

	Governmental Activities
	<u>Internal</u>
	<u>Service Fund</u>
ASSETS	
Current Assets:	
Due from Other Funds	\$ 2,658,790
Total Assets	<u>2,658,790</u>
LIABILITIES	
Current Liabilities:	
Claims Payable	<u>614,628</u>
Total Liabilities	<u>614,628</u>
TOTAL NET POSITION	<u><u>\$ 2,044,162</u></u>

See accompanying Notes to Financial Statements.

TOWN OF AVON, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2022

	Governmental Activities <u>Internal Service Fund</u>
OPERATING REVENUES	
Charges for Services:	
Town	\$ 2,769,541
Board of Education	7,157,888
Other	<u>483,546</u>
Total Operating Revenues	10,410,975
OPERATING EXPENSES	
Medical Claims:	
Town	2,500,521
Board of Education	<u>8,327,500</u>
Total Operating Expenses	<u>10,828,021</u>
OPERATING LOSS	(417,046)
Net Position - Beginning of Year	<u>2,461,208</u>
NET POSITION - END OF YEAR	<u><u>\$ 2,044,162</u></u>

See accompanying Notes to Financial Statements.

**TOWN OF AVON, CONNECTICUT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2022**

	Governmental Activities <u>Internal Service Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers and Users	\$ 10,663,359
Claims Paid	<u>(10,664,886)</u>
Net Cash Used by Operating Activities	<u>(1,527)</u>
NET DECREASE IN CASH	(1,527)
Cash - Beginning of Year	<u>1,527</u>
CASH - END OF YEAR	<u><u>\$ -</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:	
Operating Loss	\$ (417,046)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Decrease in Due from Other Funds	252,384
Increase in Claims Payable	<u>163,135</u>
Net Cash Used by Operating Activities	<u><u>\$ (1,527)</u></u>

See accompanying Notes to Financial Statements.

TOWN OF AVON, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022

	Pension and Other Employee Benefit Trust Funds	Custodial Fund CPACE Fund
ASSETS		
Cash and Cash Equivalents	\$ 506,061	\$ -
Investments, at Fair Value:		
Guaranteed Interest Contract	1,292,683	-
Mutual Funds	49,107,950	-
Total Investments	50,400,633	-
 Due from Other Funds	 -	 1,500
Total Assets	50,906,694	1,500
 LIABILITIES		
Accounts Payable	105,781	-
Due to Other Funds	274,027	-
Total Liabilities	379,808	-
 NET POSITION		
Restricted for Pension Benefits	36,081,225	-
Restricted for OPEB Benefits	14,445,661	-
Restricted for CPACE	-	1,500
 Total Net Position	 \$ 50,526,886	 \$ 1,500

See accompanying Notes to Financial Statements.

TOWN OF AVON, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2022

	Pension and Other Employee Benefit Trust Funds	Custodial Fund CPACE Fund
ADDITIONS		
Contributions:		
Employer	\$ 7,474,307	\$ -
Plan Members	202,513	-
Total Contributions	<u>7,676,820</u>	<u>-</u>
Investment Income:		
Net Decrease in Fair Value of Investments	(11,366,194)	-
Interest and Dividends	2,735,473	-
Total Investment Income	<u>(8,630,721)</u>	<u>-</u>
Total Additions	(953,901)	-
DEDUCTIONS		
Benefits	6,242,031	-
Administration	73,001	-
Total Deductions	<u>6,315,032</u>	<u>-</u>
CHANGE IN NET POSITION	(7,268,933)	-
Net Position - Beginning of Year	<u>57,795,819</u>	<u>1,500</u>
NET POSITION - END OF YEAR	<u><u>\$ 50,526,886</u></u>	<u><u>\$ 1,500</u></u>

See accompanying Notes to Financial Statements.

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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.

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Government-Wide and Fund Financial Statements

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

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

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.

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

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

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

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

The Town reports the following major governmental funds:

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 and intergovernmental revenues.

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 FINANCIAL STATEMENTS
JUNE 30, 2022**

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 FINANCIAL STATEMENTS
JUNE 30, 2022**

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, 2022, 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 \$194,205 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 FINANCIAL STATEMENTS
JUNE 30, 2022**

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 FINANCIAL STATEMENTS
JUNE 30, 2022**

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, 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 its useful life.

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 FINANCIAL STATEMENTS
JUNE 30, 2022**

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 FINANCIAL STATEMENTS
JUNE 30, 2022**

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.

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity and Net Position (Continued)

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.

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 June 2017, the GASB issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The Entity adopted the requirements of the guidance effective July 1, 2021 and has applied the provisions of this standard to the beginning of the period of adoption.

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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 \$2,122,717 of additional appropriations during the year in the General Fund, \$1,650,858 from fund balance, and \$471,859 from additional revenue sources.

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

- 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.

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. Budgets and Budgetary Accounting (Continued)

- 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, 2022:

	Authorization	Current Year Expenditures	Cumulative Expenditures	Total
Capital Project:				
Capital and Nonrecurring	\$ 2,920,086	\$ 1,246,498	\$ 2,657,150	\$ 262,936
CIFA:				
General Government	28,151,641	2,064,811	22,767,208	5,384,433
Board of Education	4,396,180	1,270,679	4,216,129	180,051
Total	<u>\$ 35,467,907</u>	<u>\$ 4,581,988</u>	<u>\$ 29,640,487</u>	<u>\$ 5,827,420</u>

Deficit Fund Balances

For the year ended June 30, 2022, the following funds had deficit fund balances:

Nonmajor Funds:

State and Federal Education Grants	\$ 185,190
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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."

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

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.

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*, \$10,210,323 of the Town's bank balance of \$10,460,323 was exposed to custodial credit risk at June 30, 2022 as follows:

Uninsured and Uncollateralized	\$ 9,164,291
Uninsured and Collateral Held by the Pledging Bank's Trust Department, Not in the Town's Name	<u>1,046,032</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 10,210,323</u></u>

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Cash Equivalents

At June 30, 2022, the Town's cash equivalents amounted to \$32,789,414. 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.

C. Investments

As of June 30, 2022, the Town had the following investments:

Investment Type	Credit Rating	Fair Value
Other Investments:		
Mutual Fund	N/A	\$ 49,170,968
Guaranteed Interest Contract	N/A	1,293,021
Total Investments		<u>\$ 50,463,989</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.

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Investments (Continued)

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, 2022, 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.

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.

TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Investments (Continued)

Custodial Credit Risk (Continued)

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.

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, 2022:

	Fair Value Measurements Using			Total
	Level 1	Level 2	Level 3	
Investments by Fair Value Level:				
Mutual Funds	\$ 49,170,968	\$ -	\$ -	\$ 49,170,968
Guaranteed Interest Contract	-	1,293,021	-	1,293,021
Total Investments Measured at Fair Value	<u>\$ 49,170,968</u>	<u>\$ 1,293,021</u>	<u>\$ -</u>	<u>\$ 50,463,989</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, 2022, including the applicable allowances for collection losses, are as follows:

	General	Nonmajor and Other Funds	Total
Property Taxes	\$ 971,026	\$ -	\$ 971,026
Assessments	-	1,069,332	1,069,332
Intergovernmental	-	531,515	531,515
Lease	675,880	110,650	786,530
Accounts	723,054	70,809	793,863
Gross Receivables	2,369,960	1,782,306	4,152,266
Allowances	(194,205)	-	(194,205)
Net Receivables	<u>\$ 2,175,755</u>	<u>\$ 1,782,306</u>	<u>\$ 3,958,061</u>

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Capital Assets

Capital asset activity for the year ended June 30, 2022, was as follows:

	Beginning Balance*	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 7,662,553	\$ 2,102,837	\$ -	\$ 9,765,390
Construction in Progress	10,762,521	1,294,623	7,284,100	4,773,044
Total Capital Assets Not Being Depreciated	18,425,074	3,397,460	7,284,100	14,538,434
Capital Assets being Depreciated and Amortized:				
Land Improvements	6,241,684	299,023	-	6,540,707
Buildings and Improvements	125,945,214	3,714,020	33,754	129,625,480
Equipment	15,163,760	3,339,642	6,579	18,496,823
Vehicles	8,597,725	678,773	56,545	9,219,953
Infrastructure	50,755,223	-	-	50,755,223
Right To Use Assets	962,025	-	151,748	810,277
Total Capital Assets Being Depreciated and Amortized	207,665,631	8,031,458	248,626	215,448,463
Less Accumulated Depreciation and Amortization for:				
Land Improvements	1,837,283	305,167	-	2,142,450
Buildings and Improvements	48,515,504	2,632,656	30,379	51,117,781
Equipment	11,467,785	625,610	6,579	12,086,816
Vehicles	4,221,142	407,813	54,545	4,574,410
Infrastructure	14,841,892	509,800	-	15,351,692
Right To Use Assets	498,544	262,215	151,748	609,011
Total Accumulated Depreciation and Amortization	81,382,150	4,743,261	243,251	85,882,160
Total Capital Assets Being Depreciated and Amortized, Net	126,283,481	3,288,197	5,375	129,566,303
Governmental Activities Capital Assets, Net	<u>\$ 144,708,555</u>	<u>\$ 6,685,657</u>	<u>\$ 7,289,475</u>	<u>\$ 144,104,737</u>

*Beginning balances have been revised due to the implementation of GASB 87.

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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	\$ 452,941
Public Safety	342,824
Public Works	772,424
Recreation and Parks	307,775
Educational - Cultural	140,489
Board of Education	<u>2,726,808</u>
Total Depreciation and Amortization	
Expense - Governmental Activities	<u><u>\$ 4,743,261</u></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, 2029, 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.

Total future minimum lease payments to be received under lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 718	\$ 34,628
2024	1,679	34,577
2025	2,711	34,483
2026	3,818	34,343
2027	5,003	34,152
2028 and Thereafter	<u>772,601</u>	<u>1,160,274</u>
Total	<u><u>\$ 786,530</u></u>	<u><u>\$ 1,332,457</u></u>

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Interfund Receivables, Payables, and Transfers

A summary of interfund balances as of June 30, 2022, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 94,799
General Fund	Other Post Employee Benefit Fund	274,027
CIFA	General Fund	6,390,207
Nonmajor Governmental Funds	General Fund	10,059,180
Internal Service Fund	General Fund	2,658,790
CPACE Fund	General Fund	1,500
Total		<u>\$ 19,478,503</u>

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

A summary of interfund transfers as of June 30, 2022 is as follows:

	General Fund	CIFA Fund	Nonmajor Governmental Funds	Total Transfers Out
General Fund	\$ -	\$ 2,845,418	\$ 671,662	\$ 3,517,080
CIFA Fund	1,408,647	-	-	1,408,647
Nonmajor Governmental Funds	29,145	153,121	-	182,266
Total Transfers In	<u>\$ 1,437,792</u>	<u>\$ 2,998,539</u>	<u>\$ 671,662</u>	<u>\$ 5,107,993</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.

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

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	\$ 16,365,000	\$ -	\$ 2,340,000	\$ 14,025,000	\$ 2,335,000
General Obligation Bonds -					
Direct Placement	1,000,000	-	200,000	800,000	200,000
Premium on Bonds	983,769	-	224,626	759,143	-
Total Bonds Payable	18,348,769	-	2,764,626	15,584,143	2,535,000
Lease Liability	400,150	-	197,464	202,686	135,394
Sewer Upgrade	-	7,632,090	685,967	6,946,123	339,703
Compensated Absences	4,358,283	864,848	1,228,128	3,995,003	799,001
Voluntary Early Retirement Incentive	-	91,750	61,750	30,000	10,000
Net Pension Liability	17,586,164	6,014,801	-	23,600,965	-
Net OPEB Liability	24,969,246	2,660,855	-	27,630,101	-
Landfill Postclosure Costs	90,000	-	30,000	60,000	30,000
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 65,752,612</u>	<u>\$ 17,264,344</u>	<u>\$ 4,967,935</u>	<u>\$ 78,049,021</u>	<u>\$ 3,849,098</u>

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

General Obligation Bonds

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

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

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Long-Term Debt (Continued)

General Obligation Bonds (Continued)

General obligation bonds currently outstanding are as follows:

Description	Interest Rate	Amount
General Purpose:		
General Obligation Improvement	2% to 4%	\$ 4,049,382
General Obligation Direct Placement	1.75%	800,000
School:		
School Improvement	2% to 4%	9,975,618
Total Outstanding		<u>\$ 14,825,000</u>

Future maturities for outstanding general obligation bonds are as follows:

<u>Year Ending June 30,</u>	General Obligation Bonds	
	Principal	Interest
2023	\$ 2,335,000	\$ 413,950
2024	2,340,000	338,900
2025	2,340,000	271,750
2026	2,380,000	203,800
2027	2,395,000	118,800
2028 to 2031	1,590,000	204,700
2032 to 2035	645,000	27,950
Total	<u>\$ 14,025,000</u>	<u>\$ 1,579,850</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.

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
2023	\$ 200,000	\$ 14,000
2024	200,000	10,500
2025	200,000	7,000
2026	200,000	3,500
Total	<u>\$ 800,000</u>	<u>\$ 35,000</u>

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Long-Term Debt (Continued)

Sewer Upgrade

The Town has an agreement for the use of WPCA facilities that includes an obligation for the Town to pay a portion of the capital related the Facility. Annual debt service requirements to maturity for the long-term payable are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 339,703	\$ 138,922
2024	344,356	132,128
2025	349,102	125,241
2026	353,943	118,259
2027	358,880	111,180
2028 to 2032	1,871,992	446,193
2033 to 2037	2,011,115	253,539
2038 to 2040	1,317,032	55,328
Total	<u>\$ 6,946,123</u>	<u>\$ 1,380,790</u>

Statutory Debt Limitations

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

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General Purpose	\$ 201,270,908	\$ 8,459,382	\$ 192,811,526
Schools	402,541,817	9,975,618	392,566,199
Sewers	335,451,514	6,946,123	328,505,391
Urban Renewal	290,724,645	-	290,724,645
Pension Deficit	268,361,211	-	268,361,211

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$626,176,159.

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.

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Long-Term Debt (Continued)

Authorized/Unissued Bonds

At June 30, 2022, there were \$3,610,000 of authorized, unissued general purpose bonds.

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, 2022, were as follows:

<u>Year Ending June 30,</u>	Governmental Activities	
	Principal	Interest
2023	\$ 135,394	\$ 9,975
2024	67,292	3,334
Total	<u>\$ 202,686</u>	<u>\$ 13,309</u>

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

	Governmental Activities
Equipment	\$ 810,277
Less: Accumulated Depreciation	609,011
Net Book Value	<u>\$ 201,266</u>

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

K. Fund Balance

The components of fund balance for the governmental funds as of June 30, 2022, are as follows:

	General Fund	CIFA	Nonmajor Governmental Funds	Total
Fund Balances:				
Nonspendable:				
Inventory	\$ -	\$ -	\$ 10,776	\$ 10,776
Prepaid Items	46,176	-	5,591	51,767
Police Officers' Meritorious Service	-	-	90,816	90,816
Restricted:				
Debt Service	-	-	176,520	176,520
Fisher Meadow Donations	-	-	876,138	876,138
Town Aid Road Projects	-	-	144,859	144,859
Committed to:				
General Government	-	-	132,997	132,997
Sewer Fund	-	-	3,965,891	3,965,891
Recreation	-	-	398,143	398,143
Public Safety	-	-	223,581	223,581
Capital Projects	-	6,907,017	804,290	7,711,307
Board of Education	-	-	1,200,589	1,200,589
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	59,082	-	-	59,082
Capital Asset Replacement	69,530	-	-	69,530
Debt Service	750,000	-	-	750,000
Road Improvement	750,000	-	-	750,000
Internal Service Claims	750,000	-	-	750,000
General Government	50,337	-	-	50,337
Public Safety	14,820	-	-	14,820
Public Works	79,571	-	-	79,571
Health and Social Services	8,658	-	-	8,658
Education	1,546,820	-	-	1,546,820
Other Postemployment Benefits	54,800	-	-	54,800
Unassigned	13,560,617	-	(185,190)	13,375,427
Total Fund Balances	<u>\$ 18,815,411</u>	<u>\$ 6,907,017</u>	<u>\$ 7,845,001</u>	<u>\$ 33,567,429</u>

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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	\$ 1,700,206
CIFA	3,556,326
Nonmajor Governmental Funds	49,980
Total	<u>\$ 5,306,512</u>

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

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Defined Benefit Pension Plans (Continued)

A. Plan Description and Benefits Provided (Continued)

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 FINANCIAL STATEMENTS
JUNE 30, 2022**

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, 2021, retirement plan membership consisted of:

	<u>Town</u>	<u>Board of Education</u>
Retirees and Beneficiaries Currently Receiving Benefits	85	57
Terminated Employees Entitled to Benefits but Not yet Receiving Them	1	52
Current Active Employees	<u>3</u>	<u>74</u>
Total	<u>89</u>	<u>183</u>

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

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:

	<u>Town</u>	<u>Board of Education</u>
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 FINANCIAL STATEMENTS
JUNE 30, 2022**

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	40.00 %
Large Cap U.S. Equities	35.00
Mid Cap U.S. Equities	10.00
Developed Foreign Equities	15.00
Total	<u>100.00 %</u>

Rate of Return

For the year ended June 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (15.15)% for the Town and (15.40)% 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 FINANCIAL STATEMENTS
JUNE 30, 2022**

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, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021.

The components of the net pension liability of the Town at June 30, 2022 were as follows:

Total Pension Liability	\$ 42,163,875
Plan Fiduciary Net Position	<u>21,582,169</u>
Net Pension Liability	<u><u>\$ 20,581,706</u></u>

Plan Fiduciary Net Position as a	
Percentage of the Total Pension Liability	<u><u>51.19 %</u></u>

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of July 1, 2021, 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-2019 Ultimate Scale.

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

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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, 2022, (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
U.S. Core Fixed Income	1.37 %
Large Cap U.S. Equities	5.15
Mid Cap U.S. Equities	5.71
Developed Foreign Equities	6.27

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

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances - Beginning of Year	\$ 42,980,721	\$ 25,394,557	\$ 17,586,164
Changes for the Year:			
Service Cost	17,870	-	17,870
Interest	2,576,768	-	2,576,768
Effect of Economic/ Demographic Gains or Losses	(651,638)	-	(651,638)
Changes of Assumptions	835,245	-	835,245
Benefit Payments, including Refunds of Member Contributions	(3,595,091)	(3,595,091)	-
Employer Contributions	-	3,914,810	(3,914,810)
Member Contributions	-	27,865	(27,865)
Net Investment Income	-	(4,136,828)	4,136,828
Administrative Expenses	-	(23,144)	23,144
Net Changes	<u>(816,846)</u>	<u>(3,812,388)</u>	<u>2,995,542</u>
Balance - End of Year	<u>\$ 42,163,875</u>	<u>\$ 21,582,169</u>	<u>\$ 20,581,706</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>\$ 24,258,291</u>	<u>\$ 20,581,706</u>	<u>\$ 17,416,901</u>

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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 (asset) of the Board of Education at June 30, 2022 were as follows:

Total Pension Liability	\$ 17,518,315
Plan Fiduciary Net Position	14,499,056
Net Pension Liability	<u>\$ 3,019,259</u>

Plan Fiduciary Net Position as a	
Percentage of the Total Pension Liability	<u>82.77 %</u>

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of July 1, 2021, using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.75 %
Salary Increases	3.50
Investment Rate of Return	6.00

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

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

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, 2022, (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
U.S. Core Fixed Income	1.37 %
Large Cap U.S. Equities	5.15
Mid Cap U.S. Equities	5.71
Developed Foreign Equities	6.27

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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	\$ 16,767,188	\$ 16,941,810	\$ (174,622)
Changes for the Year:			
Service Cost	520,931	-	520,931
Interest	1,014,448	-	1,014,448
Effect of Economic/ Demographic Gains or Losses	(11,715)	-	(11,715)
Benefit Payments, including Refunds of Member Contributions	(772,537)	(772,537)	-
Employer Contributions	-	856,552	(856,552)
Member Contributions	-	174,648	(174,648)
Net Investment Income	-	(2,681,685)	2,681,685
Administrative Expenses	-	(19,732)	19,732
Net Changes	<u>751,127</u>	<u>(2,442,754)</u>	<u>3,193,881</u>
Balance - End of Year	<u>\$ 17,518,315</u>	<u>\$ 14,499,056</u>	<u>\$ 3,019,259</u>

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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 (Asset) Liability to Changes in the Discount Rate. The following presents the net pension (asset) liability of the Board of Education, calculated using the current discount rate, as well as what the Town's net pension liability (asset) would be if it were calculated using a discount rate that is 1% 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>\$ 5,065,127</u>	<u>\$ 3,019,259</u>	<u>\$ 1,284,512</u>

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

For the year ended June 30, 2022, the Town recognized pension expense of \$1,413,746 for the Town Plan and \$854,535 for the Board of Education Plan. At June 30, 2022, 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	<u>\$ 2,073,161</u>	<u>\$ -</u>
Total	<u>\$ 2,073,161</u>	<u>\$ -</u>
	Board of Education	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 25,068	\$ 319,351
Changes of Assumptions	800,406	-
Net Difference Between Projected and Actual Earning on Pension Plan Investments	1,266,400	-
Total	<u>\$ 2,091,874</u>	<u>\$ 319,351</u>

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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>	<u>Town</u>	<u>Board of Education</u>	<u>Total</u>
2023	\$ 316,552	\$ 521,545	\$ 838,097
2024	282,369	315,109	597,478
2025	327,476	194,824	522,300
2026	1,146,764	741,045	1,887,809
Total	<u>\$ 2,073,161</u>	<u>\$ 1,772,523</u>	<u>\$ 3,845,684</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 FINANCIAL STATEMENTS
JUNE 30, 2022**

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, 2022, were \$-0- and \$822,765, 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 \$822,765, respectively. During the year there were forfeitures of \$59,409.

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 FINANCIAL STATEMENTS
JUNE 30, 2022**

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, 2022, the amount of "on-behalf" contributions made by the state was \$8,623,854, 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 FINANCIAL STATEMENTS
JUNE 30, 2022**

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, 2022, 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	102,991,065
Total	<u><u>\$ 102,991,065</u></u>

The net pension liability was measured as of **June 30, 2021**, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. At June 30, 2022, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2022, the Town recognized pension expense and revenue of \$6,648,313 in Exhibit II.

E. Actuarial Assumptions

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

Inflation	2.5%
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 FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

E. Actuarial Assumptions (Continued)

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

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

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 FINANCIAL STATEMENTS
JUNE 30, 2022**

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

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 FINANCIAL STATEMENTS
JUNE 30, 2022**

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.

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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

Town and Board of Education Plans (Continued)

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.

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, 2021, plan membership consisted of the following:

	Other Postemployment Benefits Program	
	Town	Board of Education
Retired Members	68	26
Beneficiaries	7	2
Spouses of Retired Members	48	13
Active Plan Members	93	446
Total Participants	216	487

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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

Town and Board of Education Plans (Continued)

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:		
Future Retirees:		
Police and Dispatchers	\$ 9,348	\$ 9,348
Public Works and Nonorganized	11,418	13,053
Future Retirees:		
Police and Dispatchers	11,418	13,053
Public Works and Nonorganized	11,418	13,053
Post-65 Medical Plan:		
Cigna Plan	9,612	11,027
Anthem Plan	5,878	5,878
Dental - All Groups	574	808
Board of Education Employees:		
Pre-65 Medical Plan	7,986	8,639
Dental	679	961

For the year ended June 30, 2022, 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 \$1,924,000 for the Town Plan and \$778,945 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, 2022, was \$300,000. The Town plans on transferring these monies into the OPEB Trust Fund in the future.

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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

Town and Board of Education Plans (Continued)

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 rations 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, 2022, the annual money-weighted rate of return on investments, net of investment expense, was (7.13)% and (17.65)% 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.

E. Net OPEB Liability

The Town's net OPEB liability was measured as of June 30, 2022. The components of the net OPEB liability of the Town at June 30, 2022 were as follows:

	Employees	
	Town	Board of Education
Total OPEB Liability	\$ 33,624,237	\$ 8,451,525
Plan Fiduciary Net Position	10,166,205	4,279,456
Net OPEB Liability	<u>\$ 23,458,032</u>	<u>\$ 4,172,069</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	<u>30.23 %</u>	<u>50.64 %</u>

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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

Town and Board of Education Plans (Continued)

E. Net OPEB Liability (Continued)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate - Town	6.25%
Discount Rate - Board of Education	6.00%
Inflation Rate	2.50%
Medical Trend Rate - Town:	
Pre-Medicare	6.20% to 4.00% over 53 Years
Post-Medicare	4.90% to 4.00% over 53 Years
Medical Trend Rate - Board of Education	6.20% to 4.00% over 53 Years
Salary Increases	3.50% Including Inflation*

*Graded by Service for Teachers and Administrators

Mortality – Teachers and Administrators

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

Mortality – All Others

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

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

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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, 2021. The target allocation and best estimates of arithmetic real rates of return for each major asset as of June 30, 2022, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
U.S. Core Fixed Income	1.37 %	30.00 %
U.S. Large Caps	5.15	25.00
Foreign Developed Equity	6.27	17.50
U.S. Inflation-Indexed Bonds	0.61	10.00
U.S. Mid Caps	5.71	6.00
Emerging Markets Equity	8.64	5.00
U.S. Small Caps	6.58	4.00
U.S. REITs	5.75	1.25
Non-U.S. REITs	6.83	1.25
Total		<u>100.00 %</u>

Discount Rate

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

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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

Town and Board of Education Plans (Continued)

E. Net OPEB Liability (Continued)

Changes in the Net OPEB Liability

	Town		
	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances - Beginning of Year	\$ 32,289,742	\$ 10,496,659	\$ 21,793,083
Changes for the Year:			
Service Cost	707,117	-	707,117
Interest	2,019,461	-	2,019,461
Benefit Payments	(1,392,083)	(1,392,083)	-
Contributions - Employer	-	1,924,000	(1,924,000)
Net Investment Income	-	(832,246)	832,246
Administrative Expense	-	(30,125)	30,125
Net Changes	1,334,495	(330,454)	1,664,949
Balances - End of Year	<u>\$ 33,624,237</u>	<u>\$ 10,166,205</u>	<u>\$ 23,458,032</u>

	Board of Education		
	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances - Beginning of Year	\$ 8,138,956	\$ 4,962,793	\$ 3,176,163
Changes for the Year:			
Service Cost	302,652	-	302,652
Interest	492,237	-	492,237
Benefit Payments	(482,320)	(482,320)	-
Contributions - Employer	-	778,945	(778,945)
Net Investment Income	-	(979,962)	979,962
Net Changes	312,569	(683,337)	995,906
Balances - End of Year	<u>\$ 8,451,525</u>	<u>\$ 4,279,456</u>	<u>\$ 4,172,069</u>

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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	<u>\$ 28,464,115</u>	<u>\$ 23,458,032</u>	<u>\$ 19,430,561</u>
	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Net OPEB Liability - BOE	<u>\$ 4,864,628</u>	<u>\$ 4,172,069</u>	<u>\$ 3,531,490</u>

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	<u>\$ 18,621,584</u>	<u>\$ 23,458,032</u>	<u>\$ 29,566,240</u>
	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability - BOE	<u>\$ 3,167,189</u>	<u>\$ 4,172,069</u>	<u>\$ 5,355,364</u>

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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, 2022, the Town recognized OPEB expense of \$1,813,057 for the Town and \$159,294 for the Board of Education. At June 30, 2022, 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	\$ -	\$ 254,270
Changes of Assumptions	174,905	1,932,911
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,499,302	-
Total	<u>\$ 1,674,207</u>	<u>\$ 2,187,181</u>

	Board of Education	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 2,549,934
Changes of Assumptions	730,419	360,827
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	371,086	-
Total	<u>\$ 1,101,505</u>	<u>\$ 2,910,761</u>

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
2023	\$ (333,658)	\$ (336,437)	\$ (670,095)
2024	(400,237)	(327,154)	(727,391)
2025	81,043	(325,554)	(244,511)
2026	139,878	(110,297)	29,581
2027	-	(367,632)	(367,632)
Thereafter	-	(342,182)	(342,182)
Total	<u>\$ (512,974)</u>	<u>\$ (1,809,256)</u>	<u>\$ (2,322,230)</u>

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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

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

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

**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 \$110 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 FINANCIAL STATEMENTS
JUNE 30, 2022**

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, 2022, the amount of "on-behalf" contributions made by the State was \$202,936 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 FINANCIAL STATEMENTS
JUNE 30, 2022**

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, 2022, 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	11,220,688
Total	<u><u>\$ 11,220,688</u></u>

The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2020. At June 30, 2022, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2022, the Town recognized OPEB expense and revenue of \$(414,344) in Exhibit II.

E. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Health Care Costs Trend Rate	5.125% for 2020, Decreasing to an Ultimate Rate of 4.50% by 2023
Salary Increases	3.00 to 6.50%, including Inflation
Investment Rate of Return	2.17%, Net of OPEB Plan Investment Expense, including Inflation
Year Fund Net Position will be Depleted	2023

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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, 2021, 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 2.21% to 2.17%.
- Expected annual per capita claims costs were updated to better reflect anticipated Medicare and prescription drug claim experience based on scheduled premium increases through calendar year 2024.

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

- There were no changes to benefit terms in the two years preceding the measurement date.

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 (0.42%).

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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 2.17%. 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, 2020.

In addition to the actuarial methods and assumptions of the June 30, 2020, 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 2023 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 Comprehensive Annual Financial Report at www.ct.gov.

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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, 2022 are as follows:

Statement of Fiduciary Net Position

	Pension		Other Post-Employment Benefit Fund		Eliminations	Total Trust Funds
	Town	Board of Education	Town	Board of Education		
Assets:						
Cash and Cash Equivalents	\$ 40,313	\$ 118,200	\$ 163,149	\$ 184,399	\$ -	\$ 506,061
Investments, at Fair Value:						
Guaranteed Interest Contract	845,061	447,622	-	-	-	1,292,683
Mutual Funds	20,696,795	13,933,234	8,041,215	6,436,706	-	49,107,950
Total Investments	21,541,856	14,380,856	8,041,215	6,436,706	-	50,400,633
Receivables:						
Due from Other Funds	-	-	2,341,649	-	(2,341,649)	-
Total Receivables	-	-	2,341,649	-	(2,341,649)	-
Total Assets	21,582,169	14,499,056	10,546,013	6,621,105	(2,341,649)	50,906,694
Liabilities:						
Accounts Payable	-	-	105,781	-	-	105,781
Due to Other Funds	-	-	274,027	2,341,649	(2,341,649)	274,027
Total Liabilities	-	-	379,808	2,341,649	(2,341,649)	379,808
Net Position:						
Restricted for Pension Benefits	<u>\$ 21,582,169</u>	<u>\$ 14,499,056</u>	<u>\$ 10,166,205</u>	<u>\$ 4,279,456</u>	<u>\$ -</u>	<u>\$ 50,526,886</u>

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6 COMBINING TRUST FUND SCHEDULES (CONTINUED)

Statement of Changes in Fiduciary Net Position

	Pension		Other Post-Employment Benefit Fund			Total
	Town	Board of Education	Town	Board of Education	Eliminations	Trust Funds
Additions:						
Contributions:						
Employer	\$ 3,914,810	\$ 856,552	\$ 1,924,000	\$ 778,945	\$ -	\$ 7,474,307
Plan Members	27,865	174,648	-	-	-	202,513
Total Contributions	3,942,675	1,031,200	1,924,000	778,945	-	7,676,820
Investment Income:						
Net Change in Fair Value of Investments	(5,606,067)	(3,640,475)	(959,214)	(1,160,438)	-	(11,366,194)
Interest and Dividends	1,469,239	958,790	126,968	180,476	-	2,735,473
Total Investment Income	(4,136,828)	(2,681,685)	(832,246)	(979,962)	-	(8,630,721)
Total Additions	(194,153)	(1,650,485)	1,091,754	(201,017)	-	(953,901)
Deductions:						
Benefits	3,595,091	772,537	1,392,083	482,320	-	6,242,031
Administration	23,144	19,732	30,125	-	-	73,001
Total Deductions	3,618,235	792,269	1,422,208	482,320	-	6,315,032
Net Change in Net Position	(3,812,388)	(2,442,754)	(330,454)	(683,337)	-	(7,268,933)
Net Position - Beginning of Year	25,394,557	16,941,810	10,496,659	4,962,793	-	57,795,819
Net Position - End of Year	<u>\$ 21,582,169</u>	<u>\$ 14,499,056</u>	<u>\$ 10,166,205</u>	<u>\$ 4,279,456</u>	<u>\$ -</u>	<u>\$ 50,526,886</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.

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 OTHER INFORMATION (CONTINUED)

A. Risk Management (Continued)

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

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

	Beginning Balance	Current Year Claims and Changes in Estimates	Claims Payments	Ending Balance
Medical Claims Fund:				
2021 to 2022	\$ 451,493	\$ 10,828,021	\$ 10,664,886	\$ 614,628
2020 to 2021	430,114	9,209,408	9,188,029	451,493

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.

REQUIRED SUPPLEMENTARY INFORMATION

**TOWN OF AVON, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2022
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
Property Taxes:				
Current Levy	\$ 88,367,656	\$ 88,367,656	\$ 88,007,479	\$ (360,177)
Supplemental Real Estate	57,575	57,575	53,725	(3,850)
Supplemental MV	592,137	592,137	1,004,674	412,537
Prior Levies	200,000	200,000	321,295	121,295
Interest and Penalties	175,000	175,000	297,981	122,981
Telephone Gross Receipts	39,313	39,313	35,388	(3,925)
Total Property Taxes	89,431,681	89,431,681	89,720,542	288,861
Intergovernmental:				
State Grants-in-Aid:				
OPM CRF-Covid Relief	-	-	-	-
DEEP/Farmington River Trail	-	6,000	3,000	(3,000)
Municipal Grant Projects	-	-	261,442	261,442
Municipal Revenue Sharing - Tiered PILOT	-	-	19,456	19,456
Equalized Cost Sharing (ECS)	391,430	391,430	627,859	236,429
Education Program Grants	1,483,685	1,667,894	1,821,276	153,382
PILOT - Colleges and Hospitals	-	-	-	-
Property Tax Relief - Elderly	-	-	56,098	56,098
Grants in Lieu of Taxes	27,370	27,370	-	(27,370)
Veteran Reimbursements	3,800	3,800	4,513	713
Youth Services Grant	-	24,923	25,052	129
Emergency Management Grants	-	-	9,211	9,211
Judicial Branch	-	-	618	618
CT Trust for Historic Preservation	-	-	-	-
Nutmeg Conn 114-01 Grant	-	-	-	-
Miscellaneous State Grant Receipts	750	10,750	15,000	4,250
Absentee Ballots	-	-	-	-
OPM FEMA Covid Relief	-	-	-	-
Municipal Revenue Sharing	-	-	142,054	142,054
Edward Bryne Justice Assistance Grant	-	20,000	-	(20,000)
Technology President Election Grant	-	-	-	-
Total Intergovernmental	1,907,035	2,152,167	2,985,579	833,412
Charges for Services:				
General Government:				
Hunting and Fishing	50	50	37	(13)
Recording and Conveyance	550,000	550,000	904,660	354,660
Sale of Maps and Publications	22,500	22,500	26,418	3,918
PA 05-228 Local Cap Recording Fee	7,600	7,600	5,658	(1,942)
Court	150	150	-	(150)
Town Clerk Land Recording Fee	-	-	152	152
Public Safety:				
Accident Reports and Photos	1,000	1,000	2,340	1,340
Alarm System	-	-	550	550
Animal Pound Fees	300	300	375	75

**TOWN OF AVON, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2022
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES (CONTINUED)				
Charges for Services (Continued):				
Public Safety (Continued):				
Police Protection	\$ 4,500	\$ 4,500	\$ 7,215	\$ 2,715
Fire Services	-	-	-	-
Blds. Struct. and Equipment	425,000	425,000	710,413	285,413
Animal Licenses	12,000	12,000	13,194	1,194
Public Works:				
Sale of Materials	-	-	-	-
Landfill - Residential Fees	128,000	128,000	133,457	5,457
Landfill - Bulky Waste	25,000	25,000	48,572	23,572
Lakeview Water Main Extension	-	-	340	340
Water Main Interest	-	-	60	60
Street and Curb	3,000	3,000	7,255	4,255
Health and Social Services:				
Vital Statistics	30,000	30,000	25,006	(4,994)
Recreation and Parks:				
Swim Fees	55,000	55,000	60,899	5,899
Recreation Fees	-	-	300	300
Organized Summer Programs	43,000	43,000	39,325	(3,675)
Educational - Cultural:				
Library	-	-	361	361
Board of Education:				
Empl Bnft Contr Dental/Life	110,500	110,500	101,861	(8,639)
Misc Receipts	-	-	24	24
Vendor Refunds	-	-	6,833	6,833
Tuition Receipts Parent Paid	111,320	111,320	178,470	67,150
Team Mentor Prog State Pmts	-	-	1,301	1,301
Student Parking Fees	30,000	30,000	47,369	17,369
Sped Interdist Tuition Receipt	1,450,000	1,450,000	1,616,805	166,805
Sports Program Participation Fees	110,000	110,000	266,244	156,244
Conservation and Development	5,800	5,800	42,887	37,087
Total Charges for Services	3,124,720	3,124,720	4,248,381	1,123,661
Investment Income	200,000	200,000	155,464	(44,536)
Other Local Revenues:				
Refunds and Reimbursements	86,707	86,707	188,432	101,725
Miscellaneous	2,000	2,000	4,355	2,355
Admin Allowance ICMA	-	-	10,000	10,000
Rents and Reimbursements	60,000	60,000	80,597	20,597
Board of Education Misc Revenue	-	-	87,499	87,499
Salvage and Demolition Sales	8,500	8,500	15,957	7,457
Donations from Private Source	-	5,000	5,000	-
Police Officers Merit Scholarship Fund Donations	-	-	-	-
Interlocal Program Funding	2,400	2,400	3,340	940
Energy Incentive	-	-	-	-
Sale of Property	10,000	10,000	10,728	728
Cancelled Encumbrances	-	-	100,949	100,949
Total Other Local Revenues	169,607	174,607	506,857	332,250
Total Revenues	94,833,043	95,083,175	97,616,823	2,533,648

**TOWN OF AVON, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2022
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
OTHER FINANCING SOURCES				
Appropriation of Fund Balance	\$ 456,000	\$ 1,682,662	\$ -	\$ (1,682,662)
Assigned for Pension	-	200,000	-	(200,000)
Assigned to Postemployment Benefits	-	150,000	-	(150,000)
Assigned to Debt	-	74,196	-	(74,196)
Transfers In	-	221,727	1,523,061	1,301,334
Total Other Financing Sources	456,000	2,328,585	1,523,061	(805,524)
 Total Revenues and Other Financing Sources	 \$ 95,289,043	 \$ 97,411,760	 99,139,884	 \$ 1,728,124
 Underliquidation of Encumbrances from June 30, 2021			(100,949)	
State Teachers' Retirement Pension Expense			8,623,854	
State Teachers' Retirement OPEB Expense			202,936	
Activity of OPEB Special Revenue, Combined with General Fund for GASB 54			(30,604)	
 Balance, GAAP Basis			 \$ 107,835,121	

**TOWN OF AVON, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2022
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original	Final	Actual	
EXPENDITURES				
Town Council:				
General Government:				
Legislative - Town Council	\$ 51,114	\$ 51,143	\$ 51,056	\$ 87
Executive - Town Manager	574,441	592,145	592,145	-
Judicial - Probate	7,400	7,753	7,753	-
Elections	122,003	118,567	96,079	22,488
Legal Services	180,000	182,765	182,765	-
Recording and Reporting	451,542	466,076	429,315	36,761
Office Building - Town Hall	123,336	126,317	126,054	263
Human Resources	241,978	246,348	246,348	-
Finance	1,944,191	1,979,327	1,944,981	34,346
Total General Government	3,696,005	3,770,441	3,676,496	93,945
Public Safety:				
Police Protection	7,918,400	8,089,096	8,035,642	53,454
Fire Protection	2,134,006	2,234,730	2,221,981	12,749
Central Communications	954,069	913,202	898,736	14,466
Protective Inspection	438,627	477,701	463,098	14,603
Other Protection	273,142	234,698	223,856	10,842
Total Public Safety	11,718,244	11,949,427	11,843,313	106,114
Public Works:				
Administration	476,125	487,759	484,075	3,684
Highways	2,282,821	2,208,024	2,030,904	177,120
Sanitation	470,359	464,193	452,501	11,692
Machinery and Equipment	659,498	645,554	635,385	10,169
Building and Grounds	2,428,565	2,582,847	2,510,223	72,624
Engineering	429,981	438,430	413,017	25,413
Total Public Works	6,747,349	6,826,807	6,526,105	300,702
Health and Social Services:				
Conservation of Health	166,932	166,932	166,932	-
Social Services	453,120	483,150	439,777	43,373
Total Health and Social Services	620,052	650,082	606,709	43,373
Recreation and Parks:				
Recreation	823,353	846,395	790,550	55,845
Parks	44,080	47,051	47,033	18
Senior Citizens	29,450	27,766	22,628	5,138
Community Activities	19,785	17,034	15,644	1,390
Total Recreation and Parks	916,668	938,246	875,855	62,391
Educational - Cultural:				
Library	1,864,393	1,880,336	1,819,944	60,392
Conservation and Development:				
Planning and Zoning	516,769	525,558	497,488	28,070
Conservation of Natural Resources	236,038	241,862	205,775	36,087
Total Conservation and Development	752,807	767,420	703,263	64,157

**TOWN OF AVON, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2022
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
EXPENDITURES (CONTINUED)				
Miscellaneous:				
Claims and Losses	\$ 45,000	\$ 49,590	\$ 19,590	\$ 30,000
Municipal Insurance	312,959	296,080	285,938	10,142
Intergovernmental Expenditure	63,875	63,875	50,708	13,167
Contingency	10,000	22,289	13,599	8,690
Total Miscellaneous	<u>431,834</u>	<u>431,834</u>	<u>369,835</u>	<u>61,999</u>
Total Town Council	26,747,352	27,214,593	26,421,520	793,073
Board of Education:				
Salaries	39,215,846	38,972,531	38,972,531	-
Employee Benefits	10,859,254	10,605,049	10,602,051	2,998
Purchased Prf and Tech Services	1,393,370	1,195,468	1,195,468	-
Property Services	790,665	846,338	846,338	-
Other Purchased Services	7,332,640	7,323,500	7,323,500	-
General Supplies and Utilities	2,326,392	2,652,439	2,652,439	-
Equipment	620,482	1,101,984	1,101,984	-
Fees and Membership	95,654	121,203	121,203	-
Total Board of Education	<u>62,634,303</u>	<u>62,818,512</u>	<u>62,815,514</u>	<u>2,998</u>
Debt Service:				
Bonds and Bond Anticipation Notes	<u>2,975,117</u>	<u>3,111,575</u>	<u>3,038,525</u>	<u>73,050</u>
Total Expenditures	92,356,772	93,144,680	92,275,559	869,121
OTHER FINANCING USES				
Transfers Out	<u>2,932,271</u>	<u>4,267,080</u>	<u>4,267,080</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>\$ 95,289,043</u>	<u>\$ 97,411,760</u>	96,542,639	<u>\$ 869,121</u>
Encumbrances Outstanding June 30, 2022, Charged to Budgetary Expenditures during the Year Ended June 30, 2022			(1,676,893)	
Encumbrances Received and Liquidated in the Current Year			1,407,835	
State Teachers' Retirement Pension Expense			8,623,854	
State Teachers' Retirement OPEB Expense			<u>202,936</u>	
Balance, GAAP Basis			<u>\$ 105,100,371</u>	

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

	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	2,576,768	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	(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	835,245	-	3,037,111	-	814,832	820,553	426,171	430,089	-
Benefit Payments, including Refunds of Member Contributions	(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	(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	42,980,721	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	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	3,914,810	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	27,865	-	-	87,658	31,969	47,386	58,945	62,311	61,664
Net Investment Income	(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	(3,595,091)	(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	(23,144)	(24,509)	(22,948)	(22,342)	(22,640)	(21,453)	(21,846)	(21,105)	(21,273)
Net Change in Plan Fiduciary Net Position	(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	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	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>\$ 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	51.19 %	59.08 %	45.91 %	45.47 %	44.02 %	42.09 %	39.46 %	41.84 %	43.35 %
Covered Payroll	\$ 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	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 %

*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 PENSION LIABILITY (ASSET) AND RELATED RATIOS
AVON RETIREMENT SYSTEM – BOARD OF EDUCATION
LAST NINE FISCAL YEARS*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:									
Service Cost	\$ 520,931	\$ 527,305	\$ 495,815	\$ 490,495	\$ 576,814	\$ 563,301	\$ 536,754	\$ 556,668	\$ 525,256
Interest	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	(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	-	448,682	1,371,068	354,292	347,954	310,917	-	-	-
Benefit Payments, including Refunds of Member Contributions	(772,537)	(610,215)	(527,035)	(564,062)	(448,848)	(308,945)	(293,632)	(364,877)	(402,777)
Net Change in Total Pension Liability	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	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	17,518,315	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	856,552	797,132	610,663	698,616	622,289	514,235	508,433	506,967	507,738
Contributions - Employee	174,648	187,835	210,397	226,274	227,313	277,493	304,720	293,265	299,105
Net Investment Income	(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	(772,537)	(610,215)	(527,035)	(564,062)	(448,848)	(308,945)	(293,632)	(364,877)	(402,777)
Administrative Expense	(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	(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	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	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>\$ 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	82.77 %	101.04 %	83.45 %	88.06 %	82.24 %	80.53 %	77.74 %	81.62 %	80.92 %
Covered Payroll	\$ 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	84.67 %	(4.59)%	64.93 %	33.52 %	47.87 %	51.98 %	47.43 %	37.45 %	39.08 %

*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
AVON RETIREMENT SYSTEM – TOWN PENSION PLAN
LAST TEN FISCAL YEARS**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially-Determined Contribution	\$ 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	\$ 2,119,020
Contributions in Relation to the Actuarially-Determined Contribution	<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>	<u>2,119,020</u>
Contribution Excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (17,000)</u>	<u>\$ (16,000)</u>	<u>\$ (9,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 397,310	\$ 396,939	\$ 644,025	\$ 835,010	\$ 968,415	\$ 1,008,320	\$ 1,146,084	\$ 1,244,618	\$ 1,528,161	\$ 1,540,675
Contributions as a Percentage of Covered Payroll	985.33 %	936.85 %	514.74 %	378.03 %	307.11 %	276.14 %	237.24 %	209.82 %	154.94 %	137.54 %

Notes to Schedule:

Valuation Date July 1, 2021
Measurement Date June 30, 2022

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-2019 Ultimate Scale

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially-Determined Contribution	\$ 856,552	\$ 797,132	\$ 610,663	\$ 698,616	\$ 622,289	\$ 514,235	\$ 504,392	\$ 506,967	\$ 480,771	\$ 330,426
Contributions in Relation to the Actuarially-Determined Contribution	<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>	<u>480,000</u>
Contribution Excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,041)</u>	<u>\$ -</u>	<u>\$ (26,967)</u>	<u>\$ (149,574)</u>
Covered Payroll	\$ 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	\$ 4,041,241
Contributions as a Percentage of Covered Payroll	24.02 %	20.97 %	15.31 %	14.57 %	12.74 %	11.53 %	10.43 %	11.07 %	11.99 %	11.88 %

Notes to Schedule:

Valuation Date July 1, 2021
Measurement Date June 30, 2022

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%
Retirement Age and Turnover	Age-Based Table
Mortality	PubG-2010 Mortality with Generational Projection per the MP-2019 Ultimate Scale

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

	<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	(15.15)%	24.46 %	6.87 %	5.40 %	8.62 %	12.52 %	(1.22)%	2.34 %	15.71 %

*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
AVON RETIREMENT SYSTEM – BOARD OF EDUCATION PENSION PLAN
LAST NINE FISCAL YEARS***

	<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	(15.40)%	26.81 %	7.64 %	5.94 %	8.67 %	12.59 %	(0.58)%	2.42 %	15.55 %

*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 PENSION LIABILITY
TEACHERS RETIREMENT PLAN
LAST EIGHT FISCAL YEARS*

	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 %
Town's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the Town	102,991,065	130,037,833	116,405,455	89,755,368	90,724,585	95,715,132	73,660,024	68,083,931
Total	<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	\$ 29,414,259	\$ 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 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	60.77 %	49.24 %	52.00 %	57.69 %	55.93 %	52.26 %	59.50 %	61.51 %

Notes to Schedule:

Changes in Benefit Terms

None

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

30 Years

Asset Valuation Method

4-Year Smoothed Fair Value

Inflation

2.50%

Salary Increase

3.25%-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 SIX FISCAL YEARS*

	2022	2021	2020	2019	2018	2017
Total OPEB Liability:						
Service Cost	\$ 707,117	\$ 735,627	\$ 769,285	\$ 727,436	\$ 594,273	\$ 555,395
Interest	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	-	(388,119)	-	(8,561)	-	-
Changes of Assumptions	-	(922,678)	(3,440,258)	641,321	-	-
Benefit Payments	(1,392,083)	(1,173,614)	(1,309,633)	(764,223)	(833,086)	(1,095,722)
Net Change in Total OPEB Liability	1,334,495	338,332	(1,779,956)	2,786,724	1,813,314	1,401,908
Total OPEB Liability - Beginning of Year	32,289,742	31,951,410	33,731,366	30,944,642	29,131,328	27,729,420
Total OPEB Liability - End of Year	33,624,237	32,289,742	31,951,410	33,731,366	30,944,642	29,131,328
Plan Fiduciary Net Position:						
Contributions - Employer	1,924,000	1,887,122	2,020,072	1,975,319	2,130,593	1,946,608
Contributions - Member	-	-	-	-	-	153,311
Net Investment Income (Loss)	(832,246)	571,708	104,299	142,369	132,046	169,420
Benefit Payments	(1,392,083)	(1,173,614)	(1,309,633)	(764,223)	(833,086)	(1,079,312)
Administrative Expense	(30,125)	(12,352)	(7,150)	(23,473)	(5,900)	(16,410)
Net Change in Plan Fiduciary Net Position	(330,454)	1,272,864	807,588	1,329,992	1,423,653	1,173,617
Plan Fiduciary Net Position - Beginning of Year	10,496,659	9,223,795	8,416,207	7,086,215	5,662,562	4,488,945
Plan Fiduciary Net Position - End of Year	10,166,205	10,496,659	9,223,795	8,416,207	7,086,215	5,662,562
Net OPEB Liability - End of Year	<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	30.23 %	32.51 %	28.87 %	24.95 %	22.90 %	19.44 %
Covered Payroll	\$ 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	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 SIX FISCAL YEARS*

	2022	2021	2020	2019	2018	2017
Total OPEB Liability:						
Service Cost	\$ 302,652	\$ 293,675	\$ 324,791	\$ 283,422	\$ 374,035	\$ 349,565
Interest	492,237	553,426	557,676	700,168	654,981	607,202
Effect of Economic/Demographic Gains or Losses	-	(1,476,230)	-	(2,385,800)	-	-
Effect of Assumptions Changes or Inputs	-	657,091	(568,997)	363,110	-	-
Benefit Payments	(482,320)	(215,763)	(475,620)	(375,581)	(212,941)	(381,547)
Net Change in Total OPEB Liability	312,569	(187,801)	(162,150)	(1,414,681)	816,075	575,220
Total OPEB Liability - Beginning of Year	8,138,956	8,326,757	8,488,907	9,903,588	9,087,513	8,512,293
Total OPEB Liability - End of Year	8,451,525	8,138,956	8,326,757	8,488,907	9,903,588	9,087,513
Plan Fiduciary Net Position:						
Contributions - Employer	778,945	922,682	887,456	620,355	1,389,412	1,096,301
Contributions - Member	-	-	-	-	-	162,121
Net Investment Income (Loss)	(979,962)	1,291,946	175,735	190,834	53,128	16,759
Benefit Payments	(482,320)	(215,763)	(475,620)	(375,581)	(212,941)	(381,137)
Administrative Expense	-	-	-	-	-	(410)
Net Change in Plan Fiduciary Net Position	(683,337)	1,998,865	587,571	435,608	1,229,599	893,634
Plan Fiduciary Net Position - Beginning of Year	4,962,793	2,963,928	2,376,357	1,940,749	711,150	(182,484)
Plan Fiduciary Net Position - End of Year	4,279,456	4,962,793	2,963,928	2,376,357	1,940,749	711,150
Net OPEB Liability - End of Year	<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	50.64 %	60.98 %	35.60 %	27.99 %	19.60 %	7.83 %
Covered Payroll	\$ 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	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**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially Determined Contribution (1)	\$ 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	\$ 1,715,000
Contributions in Relation to the Actuarially-Determined Contribution	<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>	<u>1,545,000</u>
Contribution Deficiency	<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>	<u>\$ 170,000</u>
Covered Payroll	\$ 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	N/A
Contributions as a Percentage of Covered Payroll	19.87 %	23.68 %	25.35 %	40.74 %	40.37 %	40.15 %	37.33 %	N/A	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 July 1, 2020
Measurement Date June 30, 2022

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

Methods and Assumptions Used
to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent, Closed
Amortization Period	12 Years
Amortization Growth Rate	3.50%
Asset Valuation Method	5-Year Smoothed Fair Value, Non-Asymptotic, No Corridor
Inflation	2.50%
Salary Increases, including Inflation	3.50%
Discount Rate	6.25%
Healthcare Trend Rates:	
Pre-Medicare:	6.20% to 4.00% over 53 Years
Post-Medicare:	4.90% to 4.00% over 53 years

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially Determined Contribution (1)	\$ 778,945	\$ 922,682	\$ 887,456	\$ 1,177,141	\$ 1,111,525	\$ 1,063,989	\$ 974,866	\$ 1,016,000	\$ 935,000	\$ 913,000
Contributions in Relation to the Actuarially-Determined Actuarially Determined Contribution	<u>778,945</u>	<u>922,682</u>	<u>887,456</u>	<u>620,355</u>	<u>1,389,412</u>	<u>1,096,301</u>	<u>569,278</u>	<u>540,000</u>	<u>507,000</u>	<u>601,000</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 556,786</u>	<u>\$ (277,887)</u>	<u>\$ (32,312)</u>	<u>\$ 405,588</u>	<u>\$ 476,000</u>	<u>\$ 428,000</u>	<u>\$ 312,000</u>
Covered Payroll	\$ 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	N/A
Contributions as a Percentage of Covered Payroll	1.72 %	3.45 %	3.32 %	2.14 %	4.79 %	4.01 %	2.08 %	2.11 %	1.99 %	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 July 1, 2020
Measurement Date June 30, 2022

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

Methods and Assumptions Used
to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent, Closed
Amortization Period	12 Years
Amortization Growth Rate	3.50%
Asset Valuation Method	5-Year Smoothed Fair Value, Non-Asymptotic, No Corridor
Inflation	2.50%
Salary Increases	Graded by Service for Teachers and Administrators; 3.50% for All Others
Discount Rate	6.00%
Healthcare Trend Rates	6.20% to 4.00% over 53 Years

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

	<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	(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 SIX FISCAL YEARS***

	<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	(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 FIVE FISCAL YEARS*

	2022	2021	2020	2019	2018
Town's Proportion of the Net OPEB Liability	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	11,220,688	19,395,147	18,154,088	17,942,658	23,351,462
Total	<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	\$ 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 %
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	6.11 %	2.50 %	2.08 %	1.49 %	1.79 %
Notes to Schedule:					
Changes in Benefit Terms	None				
Changes of Assumptions	Based on the procedure described in GASB 75, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2021 was updated to equal the Municipal Bond Index Rate as of June 30, 2021;				
	Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience based on scheduled premium increases through calendar year 2024				
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	2.75%				

*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, 2022**

	General	Other Postemployment Benefits	Eliminations	Total General Fund
ASSETS				
Cash and Cash Equivalents	\$ 40,270,136	\$ 43	\$ -	\$ 40,270,179
Investments	-	-	-	-
Receivables, Net	2,175,755	-	-	2,175,755
Due from Other Funds	314,069	109,514	(54,757)	368,826
Other	46,176	-	-	46,176
Total Assets	42,806,136	109,557	(54,757)	42,860,936
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	700,977	-	-	700,977
Accrued Liabilities	624,153	-	-	624,153
Due to Other Funds	19,109,677	54,757	(54,757)	19,109,677
Unearned Revenue	10,000	-	-	10,000
Total Liabilities	20,444,807	54,757	(54,757)	20,444,807
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	668,361	-	-	668,361
Deferred Lease Receivable	646,240	-	-	646,240
Advance Property Tax Collections	2,286,117	-	-	2,286,117
Total Deferred Inflows of Resources	3,600,718	-	-	3,600,718
FUND BALANCES				
Nonspendable	46,176	-	-	46,176
Assigned	5,153,818	54,800	-	5,208,618
Unassigned	13,560,617	-	-	13,560,617
Total Fund Balances	18,760,611	54,800	-	18,815,411
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 42,806,136	\$ 109,557	\$ (54,757)	\$ 42,860,936

TOWN OF AVON, CONNECTICUT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
YEAR ENDED JUNE 30, 2022

	General	Other Postemployment Benefits	Eliminations	Total General Fund
REVENUES				
Property Taxes	\$ 89,720,542	\$ -	\$ -	\$ 89,720,542
Intergovernmental	11,812,369	-	-	11,812,369
Charges for Services	4,248,380	54,605	-	4,302,985
Investment Income	155,464	60	-	155,524
Other Local Revenues	405,909	-	-	405,909
Total Revenues	106,342,664	54,665	-	106,397,329
EXPENDITURES				
Current:				
Town Council:				
General Government	3,734,323	-	-	3,734,323
Public Safety	12,140,841	-	-	12,140,841
Public Works	6,745,378	-	-	6,745,378
Health and Social Services	645,450	-	-	645,450
Recreation and Parks	900,606	-	-	900,606
Educational - Cultural	1,892,505	-	-	1,892,505
Conservation and Development	730,137	-	-	730,137
Miscellaneous	369,835	-	-	369,835
Total Town Council	27,159,075	-	-	27,159,075
Board of Education	71,385,691	-	-	71,385,691
Debt Service	3,038,525	-	-	3,038,525
Total Expenditures	101,583,291	-	-	101,583,291
EXCESS OF REVENUES OVER EXPENDITURES	4,759,373	54,665	-	4,814,038
OTHER FINANCING SOURCES (USES)				
Capital Lease Issuance	-	-	-	-
Transfers In	1,523,061	-	(85,269)	1,437,792
Transfers Out	(3,517,080)	(85,269)	85,269	(3,517,080)
Other Financing Uses, Net	(1,994,019)	(85,269)	-	(2,079,288)
NET CHANGE IN FUND BALANCES	2,765,354	(30,604)	-	2,734,750
Fund Balances - Beginning of Year	15,995,257	85,404	-	16,080,661
FUND BALANCES - END OF YEAR	<u>\$ 18,760,611</u>	<u>\$ 54,800</u>	<u>\$ -</u>	<u>\$ 18,815,411</u>

**TOWN OF AVON, CONNECTICUT
REPORT OF PROPERTY TAX COLLECTIONS
GENERAL FUND
YEAR ENDED JUNE 30, 2022**

Grand List Date	Uncollected Taxes	Current Year Levy	Lawful Corrections		Transfers to Suspense	Transfers from Suspense	Adjusted Taxes	Collections					Uncollected Taxes
	July 1, 2021		Additions	Deductions			Collectible	Taxes	Refunds	Net Taxes	Interest and Fees	Total	June 30, 2022
	2005 and Earlier	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2006	672	-	-	-	-	-	672	-	-	-	-	-	672
2007	839	-	-	-	-	222	1,061	222	-	222	582	804	839
2008	870	-	-	-	-	-	870	-	-	-	-	-	870
2009	1,050	-	-	-	-	-	1,050	-	-	-	-	-	1,050
2010	1,096	-	-	-	-	-	1,096	-	-	-	-	-	1,096
2011	1,123	-	-	-	-	-	1,123	-	-	-	-	-	1,123
2012	8,725	-	-	-	-	-	8,725	-	-	-	-	-	8,725
2013	11,749	-	-	355	-	355	11,749	-	-	-	-	-	11,749
2014	15,028	-	-	-	-	542	15,570	1,398	-	1,398	2,107	3,505	14,172
2015	15,982	-	-	-	-	734	16,716	734	-	734	837	1,571	15,982
2016	34,528	-	-	-	-	-	34,528	11,747	-	11,747	4,013	15,760	22,781
2017	76,365	-	-	-	1,461	-	74,904	28,552	-	28,552	25,346	53,898	46,352
2018	137,063	-	85	-	1,762	195	135,581	63,332	-	63,332	33,577	96,909	72,249
2019	199,958	-	671	726	5,292	-	194,611	62,475	155	62,320	23,197	85,517	132,291
2020	421,539	-	2,026	57,621	6,115	-	359,829	226,014	55,582	170,432	43,283	213,715	189,397
Total Prior Years	926,587	-	2,782	58,702	14,630	2,048	858,085	394,474	55,737	338,737	132,942	471,679	519,348
2020	-	90,092,016	138,714	716,676	-	-	89,514,054	89,229,071	166,695	89,062,376	165,292	89,227,668	451,678
Total	\$ 926,587	\$ 90,092,016	\$ 141,496	\$ 775,378	\$ 14,630	\$ 2,048	\$ 90,372,139	\$ 89,623,545	\$ 222,432	\$ 89,401,113	\$ 298,234	\$ 89,699,347	\$ 971,026

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, 2022**

	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	\$ -	\$ -	\$ 519,399	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Receivables	1,069,332	205,976	306,639	-	-	-	-
Due from Other Funds	4,692,074	-	-	383,987	2,176	18,079	164,396
Other	-	-	10,776	5,591	-	-	-
Total Assets	5,761,406	205,976	836,814	389,578	2,176	18,079	164,396
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	484,449	89,254	5,912	12,330	-	-	-
Due to Other Funds	-	87,329	7,470	-	-	-	-
Unearned Revenue	185,613	8,610	-	-	-	-	-
Total Liabilities	670,062	185,193	13,382	12,330	-	-	-
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Special Assessments	857,377	-	-	-	-	-	-
Unavailable Revenue - Grants Receivable	-	205,973	-	-	-	-	-
Lease Receivable	-	-	-	-	-	-	-
Advance Sewer Collections	268,076	-	-	-	-	-	-
Total Deferred Inflows of Resources	1,125,453	205,973	-	-	-	-	-
FUND BALANCES							
Nonspendable	-	-	10,776	5,591	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	3,965,891	-	812,656	371,657	2,176	18,079	164,396
Unassigned	-	(185,190)	-	-	-	-	-
Total Fund Balances	3,965,891	(185,190)	823,432	377,248	2,176	18,079	164,396
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 5,761,406	\$ 205,976	\$ 836,814	\$ 389,578	\$ 2,176	\$ 18,079	\$ 164,396

**TOWN OF AVON, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Special Revenue Funds							
	Town Aid Road Fund	Fisher Meadow Maintenance Fund	Police Special Services Fund	Police Cadet Activities Fund	Trail Equipment Replacement Fund	Asset Forfeiture Fund	Student Activities Fund	Flex Spending Fund
ASSETS								
Cash and Cash Equivalents	\$ -	\$ 207,403	\$ -	\$ -	\$ -	\$ -	\$ 155,379	\$ 40,496
Investments	-	-	-	-	-	-	-	-
Receivables	-	126,895	54,564	-	-	-	-	-
Due from Other Funds	181,807	647,492	202,546	817	8,514	1,170	-	-
Other	-	-	-	-	-	-	-	-
Total Assets	181,807	981,790	257,110	817	8,514	1,170	155,379	40,496
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
LIABILITIES								
Accounts Payable	36,948	-	-	-	107	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	35,516	-	-	-	-	-
Total Liabilities	36,948	-	35,516	-	107	-	-	-
DEFERRED INFLOWS OF RESOURCES								
Unavailable Revenue - Special Assessments	-	-	-	-	-	-	-	-
Unavailable Revenue - Grants Receivable	-	-	-	-	-	-	-	-
Lease Receivable	-	105,652	-	-	-	-	-	-
Advance Sewer Collections	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	105,652	-	-	-	-	-	-
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	144,859	876,138	-	-	-	-	-	-
Committed	-	-	221,594	817	8,407	1,170	155,379	40,496
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances	144,859	876,138	221,594	817	8,407	1,170	155,379	40,496
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 181,807	\$ 981,790	\$ 257,110	\$ 817	\$ 8,514	\$ 1,170	\$ 155,379	\$ 40,496

**TOWN OF AVON, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Special Revenue Funds						Capital Projects Fund	Permanent Fund	Total Nonmajor Governmental Funds
	Donations Fund	Avon Day Fund	Property Damage Fund	Town Clerk Fund	Technology Protection Plan Fund	ARPA Fund	Capital and Nonrecurring Expenditures Fund	Police Officers' Meritorious Service Fund	
ASSETS									
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,460	\$ 950,137
Investments	-	-	-	-	-	-	-	63,356	63,356
Receivables	-	-	-	-	-	-	18,900	-	1,782,306
Due from Other Funds	42,301	-	38,585	64,371	27,662	2,538,458	868,225	-	10,059,180
Other	-	-	-	-	-	-	-	-	16,367
Total Assets	42,301	-	38,585	64,371	27,662	2,538,458	887,125	90,816	12,871,346
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
LIABILITIES									
Accounts Payable	1,351	-	10,909	-	-	548,987	64,981	-	1,255,228
Due to Other Funds	-	-	-	-	-	-	-	-	94,799
Unearned Revenue	-	-	-	-	-	1,989,471	1,130	-	2,220,340
Total Liabilities	1,351	-	10,909	-	-	2,538,458	66,111	-	3,570,367
DEFERRED INFLOWS OF RESOURCES									
Unavailable Revenue - Special Assessments	-	-	-	-	-	-	-	-	857,377
Unavailable Revenue - Grants Receivable	-	-	-	-	-	-	18,900	-	224,873
Lease Receivable	-	-	-	-	-	-	-	-	105,652
Advance Sewer Collections	-	-	-	-	-	-	-	-	268,076
Total Deferred Inflows of Resources	-	-	-	-	-	-	18,900	-	1,455,978
FUND BALANCES									
Nonspendable	-	-	-	-	-	-	-	90,816	107,183
Restricted	-	-	-	-	-	-	-	-	1,197,517
Committed	40,950	-	27,676	64,371	27,662	-	802,114	-	6,725,491
Unassigned	-	-	-	-	-	-	-	-	(185,190)
Total Fund Balances	40,950	-	27,676	64,371	27,662	-	802,114	90,816	7,845,001
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 42,301	\$ -	\$ 38,585	\$ 64,371	\$ 27,662	\$ 2,538,458	\$ 887,125	\$ 90,816	\$ 12,871,346

TOWN OF AVON, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	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
REVENUES							
Intergovernmental	\$ -	\$ 1,644,489	\$ 1,603,375	\$ -	\$ 221,874	\$ -	\$ -
Charges for Services	3,065,071	-	105,870	428,007	-	-	-
Investment Income (Loss)	-	-	178	-	-	-	-
Other Local Revenues	-	-	-	-	-	-	43,492
Total Revenues	3,065,071	1,644,489	1,709,423	428,007	221,874	-	43,492
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Public Works	2,882,182	-	-	-	111,172	-	-
Recreation and Parks	-	-	-	318,890	-	-	-
Education	-	1,847,286	1,146,630	-	-	-	17,729
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	2,882,182	1,847,286	1,146,630	318,890	111,172	-	17,729
EXCESS OF REVENUES OVER EXPENDITURES	182,889	(202,797)	562,793	109,117	110,702	-	25,763
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Other Financing Sources, Net	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	182,889	(202,797)	562,793	109,117	110,702	-	25,763
Fund Balances - Beginning of Year	3,783,002	17,607	260,639	268,131	(108,526)	18,079	138,633
FUND BALANCES - END OF YEAR	\$ 3,965,891	\$ (185,190)	\$ 823,432	\$ 377,248	\$ 2,176	\$ 18,079	\$ 164,396

TOWN OF AVON, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds							
	Town Aid Road Fund	Fisher Meadow Maintenance Fund	Police Special Services Fund	Police Cadet Activities Fund	Trail Equipment Replacement Fund	Asset Forfeiture Fund	Student Activities Fund	Flex Spending Fund
REVENUES								
Intergovernmental	\$ 312,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	148,481	-	2,100	-	203,822	90,871
Investment Income (Loss)	-	708	-	-	-	-	-	-
Other Local Revenues	-	166,576	-	-	-	-	-	-
Total Revenues	312,800	167,284	148,481	-	2,100	-	203,822	90,871
EXPENDITURES								
Current:								
General Government	-	-	-	-	-	-	-	-
Public Safety	-	-	66,730	-	-	-	-	-
Public Works	319,529	-	-	-	-	-	-	-
Recreation and Parks	-	-	-	-	3,243	-	-	-
Education	-	-	-	-	-	-	273,893	80,388
Capital Outlay	-	-	-	-	-	-	-	-
Total Expenditures	319,529	-	66,730	-	3,243	-	273,893	80,388
EXCESS OF REVENUES OVER EXPENDITURES	(6,729)	167,284	81,751	-	(1,143)	-	(70,071)	10,483
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	(145,000)	-	-	-	-	-
Other Financing Sources, Net	-	-	(145,000)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(6,729)	167,284	(63,249)	-	(1,143)	-	(70,071)	10,483
Fund Balances - Beginning of Year	151,588	708,854	284,843	817	9,550	1,170	225,450	30,013
FUND BALANCES - END OF YEAR	\$ 144,859	\$ 876,138	\$ 221,594	\$ 817	\$ 8,407	\$ 1,170	\$ 155,379	\$ 40,496

TOWN OF AVON, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds						Capital Projects Fund	Permanent Fund	Total Nonmajor Governmental Funds
	Donations Fund	Avon Day Fund	Property Damage Fund	Town Clerk Fund	Technology Protection Plan Fund	ARPA Fund	Capital and Nonrecurring Expenditures Fund	Police Officers' Meritorious Service Fund	
REVENUES									
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 714,925	\$ -	\$ 10,345	\$ 4,507,808
Charges for Services	-	-	-	8,493	-	-	-	-	4,052,715
Investment Income (Loss)	-	-	-	-	-	-	-	(10,073)	(9,187)
Other Local Revenues	39,068	-	67,583	-	32,762	-	9,500	1,000	359,981
Total Revenues	39,068	-	67,583	8,493	32,762	714,925	19,845	(9,073)	8,911,317
EXPENDITURES									
Current:									
General Government	56,887	-	51,927	-	5,100	-	59,802	1,100	174,816
Public Safety	-	-	-	-	-	-	-	-	66,730
Public Works	-	-	-	-	-	-	-	-	3,312,883
Recreation and Parks	-	-	-	-	-	-	-	-	322,133
Education	-	-	-	-	-	-	-	-	3,365,926
Capital Outlay	-	-	-	-	-	714,925	1,246,498	-	1,961,423
Total Expenditures	56,887	-	51,927	-	5,100	714,925	1,246,498	1,100	9,203,911
EXCESS OF REVENUES OVER EXPENDITURES	(17,819)	-	15,656	8,493	27,662	-	(59,802)	(1,226,653)	(292,594)
OTHER FINANCING SOURCES (USES)									
Transfers In	-	13,662	-	-	-	-	150,000	508,000	671,662
Transfers Out	-	-	-	-	-	-	-	(37,266)	(182,266)
Other Financing Sources, Net	-	13,662	-	-	-	-	150,000	470,734	489,396
NET CHANGE IN FUND BALANCES	(17,819)	13,662	15,656	8,493	27,662	-	90,198	(755,919)	196,802
Fund Balances - Beginning of Year	58,769	(13,662)	12,020	55,878	-	-	86,322	1,558,033	7,648,199
FUND BALANCES - END OF YEAR	<u>\$ 40,950</u>	<u>\$ -</u>	<u>\$ 27,676</u>	<u>\$ 64,371</u>	<u>\$ 27,662</u>	<u>\$ -</u>	<u>\$ 176,520</u>	<u>\$ 802,114</u>	<u>\$ 7,845,001</u>

**TOWN OF AVON, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
SEWER FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Sewer Assessments	\$ 71,000	\$ 71,000	\$ 113,225	\$ 42,225
Sewer Connections	40,000	40,000	48,600	8,600
Sewer Use Charges	2,971,566	2,976,366	2,842,387	(133,979)
Permits and Inspections	1,200	1,200	1,470	270
Interest and Lien Fees	16,000	16,000	59,389	43,389
Miscellaneous	-	-	1,818	1,818
Total Revenues	3,099,766	3,104,566	3,066,889	(37,677)
EXPENDITURES				
Current:				
Public Works	3,099,766	3,452,345	2,869,195	583,150
Total Expenditures	3,099,766	3,452,345	2,869,195	583,150
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(347,779)	197,694	545,473
OTHER FINANCING SOURCES (USES)				
Appropriation of Fund Balance	-	347,779	-	(347,779)
Other Financing Sources (Uses), Net	-	347,779	-	(347,779)
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	197,694	<u>\$ 197,694</u>
Fund Balance - Beginning of Year			3,765,033	
FUND BALANCE - END OF YEAR			<u>\$ 3,962,727</u>	
RECONCILIATION TO GAAP BASIS				
	Revenues	Expenditures	Fund Balance	
Balance, Budgetary Basis	\$ 3,066,889	\$ 2,869,195	\$ 3,962,727	
Encumbrances Outstanding from the Prior Year, Still Outstanding at End of Current Fiscal Year	-	-	3,164	
Cancelled Encumbrances	(1,818)	-	-	
Prior Year Encumbrances Paid	-	12,987	-	
Balance, GAAP Basis	<u>\$ 3,065,071</u>	<u>\$ 2,882,182</u>	<u>\$ 3,965,891</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, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 905,914	\$ 1,847,286	\$ 1,644,489	\$ (202,797)
EXPENDITURES				
Education	<u>905,914</u>	<u>1,847,286</u>	<u>1,847,286</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	(202,797)	<u>\$ (202,797)</u>
Fund Balance - Beginning of Year			<u>17,607</u>	
FUND BALANCE - END OF YEAR			<u>\$ (185,190)</u>	

**TOWN OF AVON, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
SCHOOL CAFETERIA FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$ 215,226	\$ 215,226	\$ 1,571,249	\$ 1,356,023
Charges for Services	778,014	901,854	105,870	(795,984)
Investment Income	-	-	178	178
Total Revenues	993,240	1,117,080	1,677,297	560,217
EXPENDITURES				
Education	993,240	1,117,080	1,117,080	-
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	560,217	<u>\$ 560,217</u>
Fund Balance - Beginning of Year			260,639	
FUND BALANCE - END OF YEAR			<u>\$ 820,856</u>	
RECONCILIATION TO GAAP BASIS				
	Revenues	Expenditures	Fund Balance	
Balance, Budgetary Basis	\$ 1,677,297	\$ 1,117,080	\$ 820,856	
Current Year Encumbrances		(2,576)	2,576	
Commodities Received	32,126	32,126	-	
Balance, GAAP Basis	<u>\$ 1,709,423</u>	<u>\$ 1,146,630</u>	<u>\$ 823,432</u>	

**TOWN OF AVON, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
RECREATIONAL ACTIVITIES FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Charges for Services	\$ 427,919	\$ 427,919	\$ 428,007	\$ 88
Intergovernmental	-	-	-	-
Other Revenues	-	-	-	-
Total Revenues	<u>427,919</u>	<u>427,919</u>	<u>428,007</u>	<u>88</u>
EXPENDITURES				
Recreation and Parks	<u>427,919</u>	<u>427,919</u>	<u>314,487</u>	<u>113,432</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>113,520</u>	<u>\$ 113,520</u>
Fund Balance - Beginning of Year			<u>263,106</u>	
FUND BALANCE - END OF YEAR			<u>\$ 376,626</u>	
RECONCILIATION TO GAAP BASIS				
	Revenues	Expenditures	Fund Balance	
Balance, Budgetary Basis	\$ 428,007	\$ 314,487	\$ 376,626	
Prior Year Encumbrances Paid	-	5,025	-	
Current Year Encumbrances	-	(622)	622	
Balance, GAAP Basis	<u>\$ 428,007</u>	<u>\$ 318,890</u>	<u>\$ 377,248</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, 2022**

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$ 108,988	\$ 111,172	\$ 221,874	\$ 110,702
EXPENDITURES				
Public Works	108,988	111,172	111,172	-
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	110,702	<u>\$ 110,702</u>
Fund Balance - Beginning of Year			<u>(108,526)</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, 2022**

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
Other Local Revenues	\$ 10,000	\$ 10,000	\$ -	\$ (10,000)
Miscellaneous	-	-	7,500	7,500
Total Revenues	10,000	10,000	7,500	(2,500)
EXPENDITURES				
Recreation and Parks	10,000	10,000	-	10,000
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	7,500	<u>\$ (7,500)</u>
Fund Balance - Beginning of Year			10,579	
FUND BALANCE - END OF YEAR			<u>\$ 18,079</u>	
RECONCILIATION TO GAAP BASIS				
	Revenues	Expenditures	Fund Balance	
End of Year Balance, Budgetary Basis	\$ 7,500	\$ -	\$ 18,079	
Cancelled Encumbrances	(7,500)	-	-	
End of Year Balance, GAAP Basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,079</u>	

**TOWN OF AVON, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
TOWN AID ROAD FUND
YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>			<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ 312,434	\$ 312,434	\$ 312,800	\$ 366
EXPENDITURES				
Public Works	<u>362,434</u>	<u>362,434</u>	<u>362,123</u>	<u>311</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(50,000)	(50,000)	(49,323)	677
OTHER FINANCING SOURCES (USES)				
Appropriation of Fund Balance	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	(49,323)	<u>\$ (49,323)</u>
Fund Balance - Beginning of Year			<u>151,588</u>	
FUND BALANCE - END OF YEAR			<u>\$ 102,265</u>	

	HIDE - No reconciling items in FY2021		
	<u>Revenues</u>	<u>Expenditures</u>	<u>Fund Balance</u>
RECONCILIATION TO GAAP BASIS			
Balance, Budgetary Basis	\$ 312,800	\$ 362,123	\$ 102,265
Prior Year Encumbrances Paid	-	3,600	(3,600)
Current Year Encumbrances	<u>-</u>	<u>(46,194)</u>	<u>46,194</u>
Balance, GAAP Basis	<u>\$ 312,800</u>	<u>\$ 319,529</u>	<u>\$ 144,859</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, 2022**

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Other Local Revenues	\$ 25,000	\$ 25,000	\$ 43,492	\$ 18,492
Miscellaneous	-	-	5,670	5,670
Total Revenues	25,000	25,000	49,162	24,162
EXPENDITURES				
Education	25,000	25,000	17,729	7,271
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	31,433	<u>\$ (31,433)</u>
Fund Balance - Beginning of Year			132,963	
FUND BALANCE - END OF YEAR			<u>\$ 164,396</u>	
RECONCILIATION TO GAAP BASIS				
	Revenues	Expenditures	Fund Balance	
Balance, Budgetary Basis	\$ 49,162	\$ 17,729	\$ 164,396	
Cancelled Encumbrances	(5,670)	-	-	
Balance, GAAP Basis	<u>\$ 43,492</u>	<u>\$ 17,729</u>	<u>\$ 164,396</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, 2022**

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Other Local Revenues	\$ 38,855	\$ 66,730	\$ 148,481	\$ 81,751
EXPENDITURES				
Public Safety	<u>38,855</u>	<u>66,730</u>	<u>66,730</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	81,751	81,751
OTHER FINANCING USES				
Transfer Out	<u>-</u>	<u>(145,000)</u>	<u>(145,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (145,000)</u>	(63,249)	<u>\$ 81,751</u>
Fund Balance - Beginning of Year			<u>284,843</u>	
FUND BALANCE - END OF YEAR			<u>\$ 221,594</u>	

FIDUCIARY FUNDS

FIDUCIARY FUND

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, 2022

	Pension	Other Postemployment Benefit Fund	Total
ASSETS			
Cash and Cash Equivalents	\$ 158,513	\$ 347,548	\$ 506,061
Investments, at Fair Value:			
Guaranteed Interest Contract	1,292,683	-	1,292,683
Mutual Funds	34,630,029	14,477,921	49,107,950
Total Investments	35,922,712	14,477,921	50,400,633
LIABILITIES			
Accounts Payable	-	105,781	105,781
Due to Other Funds	-	274,027	274,027
Total Liabilities	-	379,808	379,808
NET POSITION			
Restricted for Pension Benefits and OPEB Benefits	<u>\$ 36,081,225</u>	<u>\$ 14,445,661</u>	<u>\$ 50,526,886</u>

TOWN OF AVON, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
YEAR ENDED JUNE 30, 2022

	Pension	Other Postemployment Benefit Fund	Total
ADDITIONS			
Contributions:			
Employer	\$ 4,771,362	\$ 2,702,945	\$ 7,474,307
Plan Members	202,513	-	202,513
Total Contributions	<u>4,973,875</u>	<u>2,702,945</u>	<u>7,676,820</u>
Investment Income:			
Net Increase in Fair Value of Investments	(9,246,542)	(2,119,652)	(11,366,194)
Interest and Dividends	2,428,029	307,444	2,735,473
Total Investment Income	<u>(6,818,513)</u>	<u>(1,812,208)</u>	<u>(8,630,721)</u>
Total Additions	(1,844,638)	890,737	(953,901)
DEDUCTIONS			
Benefits	4,367,628	1,874,403	6,242,031
Administration	42,876	30,125	73,001
Total Deductions	<u>4,410,504</u>	<u>1,904,528</u>	<u>6,315,032</u>
CHANGES IN NET POSITION	(6,255,142)	(1,013,791)	(7,268,933)
Net Position - Beginning of Year	<u>42,336,367</u>	<u>15,459,452</u>	<u>57,795,819</u>
NET POSITION - END OF YEAR	<u><u>\$ 36,081,225</u></u>	<u><u>\$ 14,445,661</u></u>	<u><u>\$ 50,526,886</u></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, 2022

	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 Exp.	\$ 25,000	\$ -	\$ 25,000	\$ -	\$ 1,710	\$ 1,710	\$ -	\$ 23,290
DPW Shop Floor & Wall Coating	50,000	-	50,000	27,908	2,500	30,408	-	19,592
Reconstruct Tillotson Rd	35,000	(32,000)	3,000	3,000	-	3,000	-	-
Town Energy Efficiency Impr.	28,643	-	28,643	27,804	839	28,643	-	-
Patrol Building Improvements	1,062,000	76,419	1,138,419	838,756	299,663	1,138,419	-	-
Sidewalk Improvement	25,000	25,000	50,000	-	-	-	-	50,000
Tennis Court Repair - Sycamore	38,145	225,000	263,145	36,244	-	36,244	1,901	225,000
Sycamore Hills Pool Improvements	310,400	-	310,400	275,302	25,046	300,348	-	10,052
Sewer Pump Station Replacement	220,000	-	220,000	-	178,016	178,016	12,341	29,643
Lateral Extension Program	3,458,999	-	3,458,999	1,352,085	-	1,352,085	-	2,106,914
Infiltration & Inflow Study	1,000,000	-	1,000,000	368,995	-	368,995	-	631,005
DPW - Phone System	135,000	-	135,000	56,695	31,876	88,571	-	46,429
Fire Co. Bldg. Impr. - Incl. Consult.	250,000	25,000	275,000	194,952	59,121	254,073	16,000	4,927
Fisher Meadows Field Expansion	691,674	(217,836)	473,838	440,030	-	440,030	-	33,808
HVAC Repairs - Town Bldg.	1,813,485	-	1,813,485	1,432,846	118,607	1,551,453	41,808	220,224
Riverdale Pump Station Rehab	155,000	-	155,000	40,120	105,611	145,731	9,269	-
Countryside Park Improvements	35,000	-	35,000	11,945	13,357	25,302	-	9,698
Senior Center Improvements	50,000	-	50,000	2,520	-	2,520	-	47,480
School House #3 Improvement	30,000	-	30,000	6,338	4,205	10,543	-	19,457
Drainage Improve - Cider Brook Rd	75,000	(10,000)	65,000	-	-	-	-	65,000
Drainage Improvements	100,000	-	100,000	94,500	-	94,500	-	5,500
Road Overlay Project	8,460,731	442,581	8,903,312	8,388,546	511,158	8,899,704	1,425	2,183
Cider Brook Drainage & Road Impr.	20,000	(20,000)	-	-	-	-	-	-
Fisher Meadows Irrig. Impr.	320,000	-	320,000	157,670	-	157,670	-	162,330
Highway Division Equip. Replace	1,366,139	100,000	1,466,139	1,366,062	81,960	1,448,022	-	18,117
Buildings & Grounds Equipment	350,000	110,000	460,000	343,895	116,105	460,000	-	-
Large Field Toro Mower	78,156	(136)	78,020	78,020	-	78,020	-	-
1995 Ford Pickup Replacement	50,000	(17,013)	32,987	32,987	-	32,987	-	-
Tractor	45,000	(14,796)	30,204	30,204	-	30,204	-	-
It Infrastructure Upgrade	35,000	(1,412)	33,588	33,588	-	33,588	-	-
Police Dept Radio System Equip	4,450,000	-	4,450,000	474,209	12,080	486,289	3,253,235	710,476
Vehicles	629,000	(3,410)	625,590	473,705	110,336	584,041	-	41,549
7.58 Cu. Dump Truck	190,000	(5,661)	184,339	184,339	-	184,339	-	-

TOWN OF AVON, CONNECTICUT
PROJECT LENGTH SCHEDULE OF EXPENDITURES – PROJECT BUDGET AND ACTUAL (CONTINUED)
CIFA FUND
YEAR ENDED JUNE 30, 2022

	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):								
Synthetic Field Project	\$ 440,048	\$ -	\$ 440,048	\$ 375,368	\$ 44,646	\$ 420,014	\$ 1,200	\$ 18,834
W. Avon Sidewalk Replace	-	128,205	128,205	-	-	-	-	128,205
DPW Building Upgrades	-	25,000	25,000	-	4,237	4,237	-	20,763
FV Trail Fence Replace	-	38,000	38,000	-	25,778	25,778	-	12,222
W. Avon Sidewalk Replace	-	424,000	424,000	-	-	-	-	424,000
Buckingham Infield Improv	-	40,000	40,000	-	-	-	40,000	-
Sycamore Hills Playscapte Replace	-	60,000	60,000	-	-	-	-	60,000
Drainage Improvements	-	70,121	70,121	-	63,823	63,823	-	6,298
Dial-A-Ride Van	-	74,584	74,584	-	-	-	-	74,584
APD Body & Dash Cameras	-	226,500	226,500	-	91,610	91,610	-	134,890
Highway Division Equip. Replace	-	74,196	74,196	-	-	-	74,196	-
Police Vehicles	116,000	170,879	286,879	102,389	162,527	264,916	-	21,963
Total General Government	32,290,154	2,013,221	28,151,641	17,251,022	2,064,811	19,315,833	3,451,375	5,384,433
Board of Education:								
Pgs Air Handling Phs 1 Rtu Rpl. 3	548,813	(7,357)	541,456	541,456	-	541,456	-	-
Ahs Boiler Replacement	72,615	-	72,615	6,683	-	6,683	65,932	-
TBS Basketball Repairs	-	30,000	30,000	-	14,730	14,730	14,730	540
Rbs HVAC Units	376,699	(600)	376,099	376,099	-	376,099	-	-
Classroom Flooring & Replacement	543,397	(735)	542,662	542,662	-	542,662	-	-
Boe Security Upgrades	1,037,412	(35)	1,037,377	1,006,388	30,989	1,037,377	-	-
Ahs Water Htr./Boiler Repl.	211,000	-	211,000	7,200	-	7,200	24,289	179,511
Rbs Roof Replacement	375,000	413,601	788,601	360,011	428,590	788,601	-	-
Ahs Rooftop HVAC Unit Replacements	796,396	(26)	796,370	-	796,370	796,370	-	-
Total Board of Education	3,961,332	434,848	4,396,180	2,840,499	1,270,679	4,111,178	104,951	180,051
Total	\$ 36,251,486	\$ 2,448,069	\$ 32,547,821	\$ 20,091,521	\$ 3,335,490	\$ 23,427,011	\$ 3,556,326	\$ 5,564,484

TOWN OF AVON, CONNECTICUT
PROJECT LENGTH SCHEDULE OF EXPENDITURES – PROJECT BUDGET AND ACTUAL
CAPITAL AND NONRECURRING EXPENDITURES FUND
YEAR ENDED JUNE 30, 2022

	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:								
Secret Lake Drainage	\$ 17,171	\$ (8,121)	\$ 9,050	\$ 9,050	\$ -	\$ 9,050	\$ -	\$ -
Land Purchases	-	301,578	301,578	-	301,578	301,578	-	-
Cider Brook Bridge Replacement	684,618	195,000	879,618	66,924	727,589	794,513	82,701	2,404
Revaluation (2018)	225,000	-	225,000	126,508	6,412	132,920	-	92,080
Reconstruction Old Farms/Thompson Rds	544,826	-	544,826	222,671	89,764	312,435	104,544	127,847
15 Darling Drive	36,478	(36,478)	-	-	-	-	-	-
Old Farms Bridge	-	419,883	419,883	393,288	26,595	419,883	-	-
Avon Village Center	318,807	5,293	324,100	321,645	2,455	324,100	-	-
Document Imaging	-	38,456	38,456	-	-	-	-	38,456
OFR CEPA Expense	44,450	25,120	69,570	57,971	9,450	67,421	-	2,149
Community Connectivity Grant	29,130	(1,130)	28,000	25,350	2,650	28,000	-	-
Permit Tracking Software	84,100	(4,095)	80,005	-	80,005	80,005	-	-
	<u>\$ 1,984,580</u>	<u>\$ 935,506</u>	<u>\$ 2,920,086</u>	<u>\$ 1,223,407</u>	<u>\$ 1,246,498</u>	<u>\$ 2,469,905</u>	<u>\$ 187,245</u>	<u>\$ 262,936</u>
Total Capital and Nonrecurring	<u>\$ 1,984,580</u>	<u>\$ 935,506</u>	<u>\$ 2,920,086</u>	<u>\$ 1,223,407</u>	<u>\$ 1,246,498</u>	<u>\$ 2,469,905</u>	<u>\$ 187,245</u>	<u>\$ 262,936</u>

**TOWN OF AVON, CONNECTICUT
LONG-TERM DEBT OBLIGATIONS
SCHEDULE OF BOND MATURITIES
YEAR ENDED JUNE 30, 2022**

Description	Original Issue		Year Ending	Principal	Interest	Total
	Amount	Date	June 30,			
General Purpose:						
Bonds:						
Avon Public Library	\$ 7,100,000	October 30, 2012	2023	\$ 525,000	\$ 62,500	\$ 587,500
Interest Payable December 15 and June 15			2024	525,000	52,000	577,000
of Each Year at 2.0%			2025	525,000	41,500	566,500
Principal Payable - June			2026	525,000	31,000	556,000
			2027	525,000	20,500	545,500
			2028	500,000	10,000	510,000
Total				3,125,000	217,500	3,342,500
General Purpose Refunding	964,000	March 15, 2016	2023	134,000	21,230	155,230
Interest Payable October 15 and April 15			2024	135,000	16,520	151,520
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				682,000	61,380	743,380
Town & Public Safety Communications	280,000	June 16, 2020	2023	18,809	8,592	27,401
System Replacement Project			2024	18,809	7,840	26,649
Interest Payable December 15 and June 15			2025	18,809	7,088	25,897
of Each Year at 2.0% to 4.0%			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				242,382	54,474	296,856
Total General Purpose				4,049,382	333,354	4,382,736
Private Placement:						
Bonds:						
Land Purchase 2018*	1,600,000	July 1, 2018	2023	200,000	14,000	214,000
Interest Payable July 15 of			2024	200,000	10,500	210,500
Each Year at 1.75%			2025	200,000	7,000	207,000
			2026	200,000	3,500	203,500
Total Private Placement				800,000	35,000	835,000
Total Town				4,849,382	368,354	5,217,736
Schools:						
Bonds:						
Refunding	9,423,000	March 15, 2016	2023	1,315,000	207,405	1,522,405
Avon High School Renovations			2024	1,318,000	161,320	1,479,320
Interest Payable October 15 and April 15			2025	1,318,000	121,780	1,439,780
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				6,666,000	599,325	7,265,325
Refunding	1,013,000	March 15, 2016	2023	141,000	22,315	163,315
Avon Middle School Roof			2024	142,000	17,360	159,360
Interest Payable October 15 and April 15			2025	142,000	13,100	155,100
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				717,000	64,495	781,495

**TOWN OF AVON, CONNECTICUT
LONG-TERM DEBT OBLIGATIONS
SCHEDULE OF BOND MATURITIES (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Description	Original Issue		Year Ending June 30,	Principal	Interest	Total
	Amount	Date				
Schools (Continued):						
Bonds (Continued):						
Avon High School Turf Field & Track	\$ 2,995,000	June 16, 2020	2023	\$ 201,191	\$ 91,908	\$ 293,099
Improvement Project			2024	201,191	83,860	285,051
Interest Payable December 15 and June 15			2025	201,191	75,812	277,003
of Each Year at 2.0% to 4.0%			2026	201,191	67,765	268,956
Principal Payable - June			2027	201,191	59,717	260,908
			2028	201,191	51,669	252,860
			2029	201,191	43,622	244,813
			2030	201,191	35,574	236,765
			2031	196,618	27,527	224,145
			2032	196,618	19,662	216,280
			2033	196,618	13,763	210,381
			2034	196,618	7,865	204,483
			2035	196,618	3,932	200,550
Total				<u>2,592,618</u>	<u>582,676</u>	<u>3,175,294</u>
Total Schools				<u>9,975,618</u>	<u>1,246,496</u>	<u>11,222,114</u>
Grand Total - All Bonded Debt				<u>\$ 14,825,000</u>	<u>\$ 1,614,850</u>	<u>\$ 16,439,850</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.

TABLE 1

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental Activities:										
Net Investment in Capital Assets	\$ 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	\$ 118,098,045
Restricted:										
Nonexpendable - Purposes of Trust	90,816	71,459	-	-	-	-	-	-	-	-
Expendable - Purposes of Trust	-	29,530	-	-	-	-	-	-	-	-
Grants	1,020,997	174,545	-	-	-	-	-	-	-	-
Net Pension Asset	176,520	174,622	-	-	-	-	-	-	-	-
Other Purposes	-	795,176	64,259	71,340	66,141	61,304	(55,309)	-	-	-
Unrestricted	(24,679,294)	(21,871,642)	(25,796,913)	(34,573,019)	(35,429,391)	(35,884,141)	(8,996,683)	(8,973,932)	(7,580,353)	13,660,559
Total Governmental Activities Net Position	<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>	<u>\$ 131,758,604</u>

*Fiscal year 2017 balance is restated for GASB 75.

TABLE 2

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
EXPENSES										
Governmental Activities:										
General Government	\$ 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	\$ 3,887,306
Public Safety	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	9,128,593
Public Works	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	6,067,288
Health and Social Services	625,171	621,989	577,294	487,032	604,707	618,921	610,314	566,900	761,000	454,762
Recreation and Parks	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	1,348,905
Educational Cultural	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	1,392,800
Conservation and										
Development	627,156	490,204	724,082	661,503	539,068	531,433	535,617	492,487	592,945	517,166
Board of Education	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	58,665,309
Interest Expense	137,385	83,344	88,928	257,298	519,206	584,557	500,118	816,154	921,075	1,049,140
Total Governmental										
Activities Expenses	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	82,511,269
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services	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	6,905,655
Operating Grants and										
Contributions	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	9,387,422
Capital Grants and										
Contributions	630,409	532,830	18,846	152,310	550,371	1,054,261	901,473	321,473	262,989	240,923
Total Governmental										
Activities Program										
Revenues	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	16,534,000
NET EXPENSE - GOVERNMENTAL ACTIVITIES	(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)	(65,977,269)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities:										
Property Taxes	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	68,880,202
Grants and Contributions										
Not Restricted to Specific										
Programs	337,053	266,473	267,287	275,936	287,610	367,241	382,132	488,888	587,848	564,786
Unrestricted Investment										
Earnings	148,310	113,598	665,824	921,647	586,602	290,352	204,928	87,150	135,539	130,883
Miscellaneous	687,816	464,169	398,320	546,434	331,273	454,531	699,414	527,893	600,473	451,519
Total Governmental										
Activities	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	70,027,390
CHANGES IN NET POSITION - GOVERNMENTAL ACTIVITIES	\$ (479,710)	\$ 7,850,811	\$ 7,036,038	\$ 3,218,650	\$ 2,142,184	\$ 1,680,553	\$ 512,233	\$ (98,445)	\$ 3,697,025	\$ 4,050,121

TABLE 3

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund:										
Nonspendable	\$ 46,176	\$ 58,468	\$ 59,972	\$ 43,294	\$ 96,320	\$ 13,077	\$ 11,398	\$ 27,237	\$ 5,157	\$ 7,406
Assigned	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	2,664,114
Unassigned	<u>13,560,617</u>	<u>12,718,912</u>	<u>12,722,454</u>	<u>11,175,459</u>	<u>9,594,498</u>	<u>8,954,322</u>	<u>8,443,716</u>	<u>113,904,654</u>	<u>8,687,086</u>	<u>8,035,653</u>
Total General Fund	<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>\$ 116,982,613</u>	<u>\$ 12,857,017</u>	<u>\$ 10,707,173</u>
All Other Governmental Funds:										
Nonspendable	\$ 107,183	\$ 80,911	\$ 69,850	\$ 76,931	\$ 70,832	\$ 64,034	\$ 61,671	\$ 8,824	\$ 4,221	\$ 5,871
Restricted	1,197,517	993,901	1,378,930	1,111,995	880,410	691,402	760,214	344,654	275,270	202,058
Committed	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	6,858,931
Unassigned	<u>(185,190)</u>	<u>(122,188)</u>	<u>(121,816)</u>	<u>(269,759)</u>	<u>(2,042)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total All Other Governmental Funds	<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>	<u>\$ 7,066,860</u>

TABLE 4

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
REVENUES										
Property Taxes	\$ 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	\$ 68,836,758
Intergovernmental (State and Federal Grants)	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	9,986,030
Licenses, Fees, and Permits	-	-	-	-	-	-	-	-	-	-
Charges for Services	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	6,905,655
Contributions										
Investment Income	148,310	113,598	665,824	921,647	586,602	290,352	204,928	87,150	135,539	130,883
Other Local Revenues	1,177,830	1,102,324	691,731	618,732	475,291	519,041	862,793	614,239	653,548	657,594
Total Revenues	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	86,516,920
EXPENDITURES										
Town Council:										
General Government	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	3,233,325
Public Safety	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	8,728,912
Public Works	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	6,250,964
Health and Social Services	645,450	597,887	563,164	515,599	513,906	520,032	506,087	502,740	486,497	453,173
Recreation and Parks	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	1,218,102
Educational - Cultural	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	1,455,561
Conservation and Development	730,137	684,397	672,032	666,166	665,679	655,995	650,786	613,764	602,191	559,185
Miscellaneous	369,835	422,912	304,891	291,084	282,880	280,949	275,247	333,033	298,811	451,039
Total Town Council	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	22,350,261
Board of Education	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	55,758,766
Debt Service:										
Principal	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	3,365,000
Interest	498,525	515,038	501,692	535,750	598,850	664,750	789,813	872,488	963,788	1,072,321
Total Debt Service	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	4,437,321
Capital Improvements	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	1,902,921
Total Expenditures	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	84,449,269
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES	1,599,867	(817,118)	4,820,067	(803,240)	85,395	994,143	221,331	(108,221)	2,600,445	2,067,651

**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)**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
OTHER FINANCING SOURCES (USES)										
Proceeds from Sale of Land/Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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	-	-	-	-	-	7,100,000
Bond/BAN Issue Premium	-	-	507,915	-	-	-	-	-	-	250,025
Issuance of Refunding Bonds	-	-	-	-	-	-	11,400,000	-	-	-
Premium on Refunding Bonds	-	-	-	-	-	-	1,367,508	-	-	-
Payment to Escrow Agent	-	-	-	-	-	-	(12,603,307)	-	-	-
Transfers In	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	1,928,933
Transfers Out	(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)	(1,928,933)
Total Other Financing Sources (Uses)	-	263,120	4,061,738	1,868,335	151,747	248,749	39,107	(51,012)	354,201	7,350,025
NET CHANGE IN FUND BALANCE	1,599,867	(553,998)	8,881,805	1,065,095	237,142	1,242,892	260,438	(159,233)	2,954,646	9,417,676
Fund Balance - Beginning of Year*	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	8,356,357
FUND BALANCE - END OF YEAR	<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>	<u>17,774,033</u>
Debt Service as a Percentage of Noncapital Expenditures	2.76 %	3.02 %	3.03 %	2.91 %	2.81 %	3.13 %	4.08 %	4.12 %	4.50 %	5.44 %
Total Debt Service	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	4,437,321
Noncapital Expenditures	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	81,632,751

*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.

TABLE 5

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

Fiscal Year	Real Property		Personal Property		Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Motor Vehicles	Other					
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
2013	2,099,240,690	319,617,200	173,638,190	75,610,970	279,639,180	2,668,107,050	26	3,747,341,362	71.2

Source: Town Assessor's Office

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

TABLE 6

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

Fiscal Year	Direct Rates			Overlapping Rates	
	Basic Rate	General Obligation	Total Direct	State	County
		Debt Service			
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
2013	24.08	1.57	25.65	N/A	N/A

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

Taxpayer	2022			2013		
	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	\$ 23,225,350	1	.89 %	\$ 14,008,310	1	.53 %
Farmington Valley Gateway LLC****	17,653,150	2	0.68	-		0.00
Avon 46 LLC***	15,984,540	3	0.61	13,901,020	2	0.52
Connecticut Water Company *	15,196,380	4	0.58	9,805,800	9	0.37
BFS Property Group LLC (64 Avonwood)**	14,432,180	5	0.55	13,647,330	3	0.51
Two Fifty-Five West Main LLC	14,052,020	6	0.54	12,652,020	4	0.47
Avon Marketplace Investors	13,816,530	7	0.53	10,813,240	5	0.41
Nod Brook LLC	13,309,030	8	0.51	10,277,220	7	0.39
KRE-BSL Husky Avon LLC (River Ridge)	9,687,680	9	0.37	-		0.00
Connecticut On-Line Computer	9,413,200	10	0.36	8,745,680	10	0.33
Ensign Bickford Realty Corp.	-		0.00	10,623,140	6	0.40
Riverdale Farms LLC	-		0.00	9,973,030	8	0.37
Total	<u>\$ 146,770,060</u>		<u>5.64 %</u>	<u>\$ 114,446,790</u>		<u>4.29 %</u>

* 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

TABLE 8

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

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Percentage of Levy Uncollected	Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy			Amount	Percentage of Levy
2022	\$ 89,514	\$ 89,062	99.50 %	.50 %	\$ -	\$ 89,062	99.50 %
2021	85,007	84,585	99.50	0.50	170	84,755	99.70
2020	84,558	84,122	99.48	0.52	114	84,236	99.62
2019	82,409	82,088	99.61	0.39	112	82,200	99.75
2018	80,215	79,920	99.63	0.37	135	80,055	99.80
2017	76,942	76,689	99.67	0.33	109	76,798	99.81
2016	74,538	74,333	99.73	0.27	104	74,437	99.86
2015	72,652	72,412	99.67	0.33	145	72,558	99.87
2014	71,181	71,014	99.76	0.24	81	71,094	99.88
2013	68,687	68,528	99.77	0.23	85	68,613	99.89

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

TABLE 9

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

Fiscal Year	General Bonded Debt General Obligation Bonds	Accumulated Resources Restricted for Debt Repayment	Net Bonded Debt	Ratio of Net General Bonded Debt to Estimated Actual Taxable Value*	Bonded Debt per Capita†	Lease Liability	Other Debt Total Debt	Total Debt Per Capita†	Percentage of Personal Income†
2022	\$ 15,584,143	\$ 176,520	\$ 15,407,623	0.39 %	\$ 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
2013	33,861,024	48,073	33,812,951	0.90	1,782	-	33,861,024	1,782	3.45

*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.

TABLE 10

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Debt Limit	\$ 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	\$ 489,834,639
Total Net Debt Applicable to Limit	25,381,123	20,975,000	23,620,000	19,270,000	19,773,495	21,884,367	24,208,066	27,635,000	32,741,930	35,312,055
Legal Debt Margin	<u>\$ 600,795,036</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>	<u>\$ 454,522,584</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	4.05 %	3.38 %	3.90 %	3.27 %	3.49 %	3.98 %	4.54 %	5.29 %	6.49 %	7.21 %

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, 2022**

Long-Term Debt:

Bonds:

General Public Improvement

\$ 4,849,382

School

9,975,618

Total Bonds

14,825,000

Other:

Sewer Upgrade

6,946,123

Total Net Direct Debt

\$ 21,771,123

**TOWN OF AVON, CONNECTICUT
CURRENT DEBT RATIOS
JUNE 30, 2022**

Population (a)	18,848
Net Taxable Grand List (October 1, 2020) (b)	\$ 2,600,633,032
Estimated Full Value (70%)	\$ 3,715,190,046
Equalized Net Taxable Grand List (October 1, 2019) (c)	\$ 3,736,845,069
Income Per Capita (2021) (d)	\$ 74,617

	<u>Total Direct Debt</u>	<u>Total Net Direct Debt</u>	<u>Total Overall Net Debt</u>
	\$ 21,771,123	\$ 21,771,123	\$ 21,771,123
Per Capita	\$ 1,155	\$ 1,155	\$ 1,155
Ratio to Net Taxable Grand List	0.84 %	0.84 %	0.84 %
Ratio to Estimated Full Value	0.59 %	0.59 %	0.59 %
Ratio to Equalized Net Taxable Grand List	0.58 %	0.58 %	0.58 %
Debt per Capita to Income per Capita	1.55 %	1.55 %	1.55 %

(a) U.S. Department of Commerce, Bureau of the Census, Quick Facts, Avon, CT. Census July 1, 2021

(b) Grand List October 1, 2020, Town of Avon Division of Assessing

(c) State of Connecticut, Office of Policy and Management, Fiscal Indicators, Town of Avon, 2020

(d) U.S. Department of Commerce, Bureau of the Census, Quick Facts, Avon, CT. Census July 1, 2021

**TOWN OF AVON, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
YEAR ENDED JUNE 30, 2022**

Total Tax Collections (Including Interest and Lien Fees) Received by Treasurer at prior year, June 30, 2021					\$ 84,959,340
Total Tax Collections (Including Interest and Lien Fees) Received by Treasurers of All Other Taxing Districts within Town for prior fiscal year, June 30, 2021					<u>4,494,397</u>
Base for Debt Limitation Computation					<u><u>\$ 89,453,737</u></u>
	General Purposes	Schools	Sewers	Urban Renewal	Pension Deficit
Debt Limitation:					
2-1/4 Times Base	\$ 201,270,908	\$ -	\$ -	\$ -	\$ -
4-1/2 Times Base	-	402,541,817	-	-	-
3-3/4 Times Base	-	-	335,451,514	-	-
3-1/4 Times Base	-	-	-	290,724,645	-
3 Times Base	-	-	-	-	268,361,211
Total Debt Limitation	<u>201,270,908</u>	<u>402,541,817</u>	<u>335,451,514</u>	<u>290,724,645</u>	<u>268,361,211</u>
Indebtedness:					
Bonds Payable	4,849,382	9,975,618	-	-	-
Bonds Authorized and Unissued	3,610,000	-	-	-	-
Sewer Upgrade	-	-	6,946,123	-	-
Net Indebtedness*	<u>8,459,382</u>	<u>9,975,618</u>	<u>6,946,123</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding Debt	<u><u>\$ 192,811,526</u></u>	<u><u>\$ 392,566,199</u></u>	<u><u>\$ 328,505,391</u></u>	<u><u>\$ 290,724,645</u></u>	<u><u>\$ 268,361,211</u></u>
*The Total of the Above Net Indebtedness Amounts to:					<u><u>\$ 25,381,123</u></u>
In No Event Shall Total Indebtedness Exceed Seven Times the Base for Debt Limitation Computation:					<u><u>\$ 626,176,159</u></u>

TABLE 14

**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 (6)</u>	<u>Unemployment Rate (7)</u>
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
2013	19,000	982,414	51,706	42.0	16	3,405	5.2

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) U.S. Department of Commerce, Bureau of the Census, Quick Facts, Avon, CT: 2016-2020 Census Estimates: Percentage of Avon Population with Bachelor's Degree or Higher is 66.7%

(6) Town of Avon, Board of Education

(7) State of Connecticut, Department of Labor

TABLE 15

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

Employer	2022			2013		
	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	216	4	2.70
Apple Health Care, Inc	131	4	1.41	216	5	2.70
Legere Group	131	5	1.41	155	9	1.94
Wal-Mart	131	6	1.41	220	3	2.75
O.F.S Fitel LLC	130	7	1.40	177	8	2.21
Big Y Supermarket	114	8	1.23	195	6	2.44
Orafal (formerly Reflexite Tech Center)	110	9	1.18	91	10	1.14
Connecticut On-Line Computer Center (COCC)	85	10	0.91	330	2	4.12
Women's Health USA	-		0.00	186	7	2.32
Total	<u>1,895</u>		<u>20.37 %</u>	<u>2,345</u>		<u>29.31 %</u>

Source: Town Assessor's Office

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
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	-	-	-	-	-	-	-	-
Human Resources*	2.0	1.5	-	-	-	-	-	-	-	-
Finance	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Accounting*	3.5	3.6	-	-	-	-	-	-	-	-
Assessor*	2.5	2.6	-	-	-	-	-	-	-	-
Revenue Collection*	2.5	2.5	-	-	-	-	-	-	-	-
Town Clerk*	2.5	2.5	-	-	-	-	-	-	-	-
Planning and Community Development	3.25	3.5	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Fire Marshall*	2.0	1.7	-	-	-	-	-	-	-	-
Building	3.5	3.0	4.0	-	-	-	-	-	-	-
Engineering*	5.6	5.6	-	4.0	4.0	4.0	4.0	3.0	4.0	4.0
Other	-	-	10.0	11.0	11.0	10.0	10.0	10.0	10.0	10.0
Public Safety:										
Sworn Officers	32.0	28.0	35.0	35.0	35.0	35.0	35.0	35.0	36.0	44.0
Dispatchers [†]	6.0	4.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	-
Civilian*	4.7	5.5	-	-	-	-	-	-	-	-
Public Works	25.5	25.5	28.0	28.0	28.0	28.0	28.0	28.0	28.0	27.0
Parks and Recreation	3.5	3.2	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Senior Center	1.5	1.6	-	-	-	-	-	-	-	-
Public Library	18.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Human Services	1.6	1.2	0.6	0.6	1.6	1.6	1.6	1.6	1.6	1.6
Board of Education:										
Certified	314.1	293.8	292.6	293.7	288.7	301.7	294.4	295.9	295.1	294.9
Total	<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>	<u>399.9</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.

TABLE 17

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Government:										
Marriage Licenses	102	91	83	103	124	122	122	114	115	114
Birth Certificates	113	187	136	154	146	142	140	99	128	99
Death Certificates	160	131	218	211	228	221	189	191	176	191
Boards and Agencies:										
Registered Voters	13,752	12,953	13,267	12,996	12,651	12,526	11,590	11,231	11,272	11,981
Elections and Referenda	2	1	1	5	2	2	4	3	2	2
Planning and Development:										
Building Permits Issued	2,515	2,311	1,836	1,789	1,749	618	700	752	604	567
Building Inspections Conducted	2,741	2,812	2,346	2,814	2,563	2,026	2,282	2,387	2,249	2,404
Value of Building Permits	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	52,928,314
Public Safety:										
Arrests	48	74	106	187	214	164	219	292	180	280
Parking Violations	-	1	-	-	-	-	1	5	4	14
Traffic Violations	266	373	956	727	1,478	426	1,175	1,166	812	1,554
Emergency Responses	2,015	1,723	1,813	1,940	1,831	1,821	1,847	1,673	1,780	2,009
Fires Extinguished	37	38	43	41	31	45	38	45	45	32
Inspections/Fire Prevention	392	440	237	292	348	388	256	451	439	381
Calls for Service	13,247	12,867	13,922	16,593	19,464	16,126	21,053	19,646	15,125	12,343
Citations Issued	239	283	437	564	948	380	659	917	586	932
Public Works:										
Miles of Roads Maintained	111	111	111	111	110	110	110	110	106	108
Refuse Collected (Tons per Year)	673	730	653	650	660	670	700	746	756	782
Recyclables Collected (Tons per Year)	316	337	388	375	448	418	413	421	554	481
Parks and Recreation:										
Total Park Reservations	2,942	3,020	3,817	4,017	3,965	3,652	4,032	3,422	1,758	1,826
Total Day Camp Registrations	700	528	141	457	474	499	495	452	531	519
Total Swim Memberships	520	513	357	426	373	417	358	360	371	382
Pool Attendance	16,782	14,473	14,022	14,821	13,189	13,627	13,717	12,949	12,375	9,748
Public Library:										
Volumes in Collection	201,912	199,693	191,571	195,637	195,684	153,962	124,772	122,367	117,374	94,978
Items Circulated	272,143	204,815	212,594	225,318	258,724	285,596	299,743	291,256	295,590	290,058
Human Services:										
Senior Mini-Bus Trips	1,946	1,618	2,323	2,971	2,708	2,205	2,535	2,682	2,494	2,903
Households Provided Energy Assistance	137	107	129	143	131	129	78	89	80	76
Households Provided Food Bank Assistance	116	116	113	130	121	110	110	127	127	114
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

TABLE 18

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
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	20	19	20	20	20	23	23	23	23	28
Fire Vehicles	15	15	17	15	18	13	14	14	14	13
Public Works:										
Miles of Town Roads	111	111	111	111	111	111	111	111	111	108
Linear Feet of Sidewalks (see Note)	53,065	53,065	53,065	53,065	53,065	53,065	53,065	53,065	53,065	50,865
Streetlights	795	795	795	795	795	795	795	781	781	828
Traffic Signals	21	21	21	21	21	22	22	22	22	18
Public Works Vehicles	33	33	31	32	32	32	31	31	31	30
Parks and Recreation:										
Acreage (Parks Only)	1,167	1,167	1,167	1,155	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	30	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	765	767	771	765	765	764	761	748	721
Sewer:										
Sanitary Sewers (Miles)	92.1	92.1	91.4	91.4	92.0	90.1	90.1	89.4	88.0	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.