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**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT  
OF  
TOWN OF AVON  
HENDRICKS COUNTY, INDIANA  
January 1, 2008 to December 31, 2009



**FILED**  
07/26/2010



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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Sharon Howell

01-01-08 to 12-31-10

President of the Town Council

Mike Rogers  
Greg Zusan

01-01-08 to 12-31-08  
01-01-09 to 12-31-10



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF AVON, HENDRICKS COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Avon (Town), for the period of January 1, 2008 to December 31, 2009. The Town's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Town for the year ended December 31, 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

May 12, 2010

TOWN OF AVON  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
As Of And For The Year Ended December 31, 2008

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 1,210,335	\$ 2,707,337	\$ 3,435,487	\$ 482,185
Motor Vehicle Highway	515,577	796,399	600,456	711,520
Local Road and Street	153,072	103,209	48,639	207,642
Law Enforcement Continuing Education	9,722	9,808	3,657	15,873
Riverboat	38,145	39,194	50,304	27,035
Rainy Day	349,843	274,890	-	624,733
Cumulative Capital Improvement	26,398	20,319	19,286	27,431
Cumulative Capital Development	225,741	161,574	284,349	102,966
Cedit Capital Projects	908,228	479,080	431,527	955,781
Brick Paving and Park Improvement	34,410	45	-	34,455
Infrastructure Contribution	9,801	-	-	9,801
Intersection Project	45,087	142,160	101,200	86,047
Court Fee	6,799	32,155	31,971	6,983
TIF	2,578,359	924,798	836,285	2,666,872
Tree Mitigation	38,383	812	17,549	21,646
Food and Beverage	977,231	735,972	825,254	887,949
Debt Service	78,878	115,614	194,492	-
Construct Fund 2006 BAN	838,692	-	838,692	-
Police Station BAN	554,513	2,022,602	2,577,115	-
Urban for Grant Fund	5,000	-	-	5,000
Criminal Justice Fund	-	1,000	1,000	-
CRPF Fund	-	4,321	-	4,321
COPS Grant Fund	-	238	-	238
2007 Road Bond	-	4,704,814	2,177,262	2,527,552
Fiduciary Funds:				
Town Court	7,925	293,138	292,645	8,418
Payroll	9,787	56,748	52,594	13,941
Health Insurance Withholdings	17,780	20,476	20,580	17,676
Flexible Spending	4,947	15,716	16,712	3,951
Totals	<u>\$ 8,644,653</u>	<u>\$ 13,662,419</u>	<u>\$ 12,857,056</u>	<u>\$ 9,450,016</u>

The accompanying notes are an integral part of the financial information.

TOWN OF AVON  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
As Of And For The Year Ended December 31, 2009

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
<b>Governmental Funds:</b>				
General	\$ 482,185	\$ 3,021,507	\$ 2,728,185	\$ 775,507
Motor Vehicle Highway	711,520	1,181,713	787,723	1,105,510
Local Road and Street	207,642	98,990	219,600	87,032
Law Enforcement Continuing Education	15,873	11,257	11,357	15,773
Riverboat	27,035	39,100	44,791	21,344
Rainy Day	624,733	198,991	32,927	790,797
Cumulative Capital Improvement	27,431	19,158	19,760	26,829
Cumulative Capital Development	102,966	266,418	236,614	132,770
Cedit Capital Projects	955,781	446,658	289,358	1,113,081
Brick Paving and Park Improvement	34,455	90	23	34,522
Infrastructure Contribution	9,801	22,900	-	32,701
Intersection Project	86,047	-	86,047	-
Court Fee	6,983	33,696	29,319	11,360
TIF	2,666,872	1,815,251	510,425	3,971,698
Tree Mitigation	21,646	17,050	1,374	37,322
Food and Beverage	887,949	787,533	648,229	1,027,253
Urban for Grant Fund	5,000	-	-	5,000
CRPF Fund	4,321	3,251	-	7,572
COPS Grant Fund	238	2,625	-	2,863
2007 Road Bond	2,527,552	22,042	1,674,407	875,187
Capital Project Town Hall	-	673	-	673
<b>Fiduciary Funds:</b>				
Town Court	8,418	298,745	297,972	9,191
Payroll	13,941	53,477	54,620	12,798
Health Insurance Withholdings	17,676	39,586	27,485	29,777
Flexible Spending	3,951	6,512	7,731	2,732
<b>Totals</b>	<u>\$ 9,450,016</u>	<u>\$ 8,387,223</u>	<u>\$ 7,707,947</u>	<u>\$ 10,129,292</u>

The accompanying notes are an integral part of the financial information.

TOWN OF AVON  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: public safety, health and social services, culture and recreation, and general administrative services.

Note 2. Fund Accounting

The Town uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Town in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the Town on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Town to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.



TOWN OF AVON  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Town contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Town authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

Note 7. Subsequent Event

The Town entered into a Redevelopment District Tax Increment Revenue Bond on March 24, 2010, in the amount of \$975,000 for the purpose of the police station project.

TOWN OF AVON  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF LONG-TERM DEBT  
December 31, 2009

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Notes and loans payable		
Chevy Impala	\$ 18,893	\$ 3,392
Dodge Chargers	60,963	10,958
Kubota	15,496	2,737
Bonds payable:		
General obligation bonds:		
Dam Reconstruction	1,875,000	170,000
Town Hall Construction	1,520,000	185,000
Road Bonds of 2007	3,500,000	259,858
Revenue bonds:		
Transportation Revenue Bonds, Series 2003	786,000	71,181
Redevelopment District Tax Increment Revenue Bonds of 2010	975,000	82,070
<b>Total governmental activities debt</b>	<b>\$ 8,751,352</b>	<b>\$ 785,196</b>

TOWN OF AVON  
EXIT CONFERENCE

The contents of this report were discussed on May 12, 2010, with Sharon Howell, Clerk-Treasurer. Our examination disclosed no material items that warrant comment at this time.