

Town of Canton, Connecticut

Comprehensive Annual Financial Report



For the Fiscal Year Ended
June 30, 2020

Prepared by: Department of Finance

TOWN OF CANTON, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020

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INTRODUCTORY SECTION



TOWN OF CANTON
FOUR MARKET STREET
P.O. Box 168
COLLINSVILLE, CONNECTICUT 06022-0168

December 23, 2020

To the Members of the Board of Selectmen,
Board of Education, Board of Finance and
Citizens of the Town of Canton, Connecticut:

State law requires that all local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) in the United States of America 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 and in conjunction with the services of Mahoney Sabol & Company, LLP who completed the audit, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the Town of Canton, Connecticut, for the fiscal year ended June 30, 2020.

This report was prepared by the Town of Canton's Finance Department under the direction of the Chief Administrative Officer (CAO) with the services of Mahoney Sabol & Company, LLP as the Town's auditor. The report consists of management's representations concerning the finances of the Town. Management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the Town's assets from loss, theft, or misuse and to compile sufficiently 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. The concept of reasonable assurance recognizes that the valuation of costs and benefits requires estimates and judgments by management. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Mahoney Sabol & Company, LLP, a public accounting firm fully licensed and qualified to perform audits of municipalities within the State of Connecticut, has independently audited the financial statements contained in the CAFR. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town for the fiscal year ended June 30, 2020, are free from 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 unmodified opinions that the Town's financial statements for the fiscal year ended June 30, 2020, 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 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 Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the Town's internal controls and compliance with certain provisions of laws, regulations, contracts and grants applicable to state single audit major programs. The Federal and State Single Audit Reports are available in the Town's separately issued Federal and State Single Audit reporting package.

GAAP requires 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 the MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditor.

Profile of the Town of Canton, Connecticut

Description of the Town

Canton, first settled as a part of Simsbury, was incorporated in May 1806. The Town covers an area of 25 square miles and is 14 miles west of Hartford astride the Farmington River. It is bounded on the north by Barkhamsted and Granby, on the east by Simsbury, on the south by Avon and Burlington and on the west by New Hartford. U.S. Route 44, a major four-lane east-west highway, traverses the Town. State Routes 177, 179, 202, 309 and 565 also serve the Town. Freight service is provided by various motor common carriers and passenger transportation is available by bus to Hartford and surrounding towns. Amtrak passenger rail service is available in Hartford, and Bradley International Airport lies 18 miles to the northeast.

Form of Government

Canton utilizes the Town Meeting/Board of Selectmen/Board of Finance form of government under a Town Charter last revised effective January 1, 2020. In all cases, except the adoption of ordinances, the Town Meeting acts as the legislative body. The five-member Board of Selectmen formulates and executes policy. A part-time First Selectman serves as the Chief Executive Officer. The CAO, appointed by the Board of Selectmen, is responsible for the administration of all departments, agencies, and appointed officials of the Town. An elected six-member Board of Finance is responsible for the Town's fiscal policy and is assisted by a Finance Officer who maintains the Town's financial records, manages the finance staff, and also serves as the Town's Treasurer. Development in the Town is administered through a Planning & Zoning Commission, an Inland Wetlands and Watercourse Agency, and the Planning & Community Development Department. The Planning & Community Development Department consists of a Director of Planning and Community Development, an Assistant Town Planner/Zoning Enforcement Officer, Land Use Coordinator, Building Official, Fire Marshal and Building Technician.

The Town provides a full range of services to residents, including police and fire protection; emergency medical services including paramedic level services; highway, parks and other infrastructure construction and maintenance; solid waste disposal; elementary and secondary education; recreational activities; and library services.

Annual Budgeting Process

The annual budget serves as the foundation for the Town's financial planning and control. Budgets are annually approved for the General Fund and the following Special Revenue funds: the Water Pollution Control Authority Operations Fund, Parks & Recreation Fund, Emergency Services Fund and Transfer Station Fund. All departments and units of the Town are required to submit requests for appropriation for the next year's budget to the CAO by mid-December of each year. The CAO uses these requests and works with the Finance Officer to develop a proposed budget that is presented to the Board of Selectmen on the second Monday of February each year. The Board of Selectmen hold public review sessions before approving a proposed budget and submitting it to the Board of Finance by the second Monday of March each year.

The Board of Finance reviews the budget with the Board of Selectmen and Board of Education and holds a public hearing in early April each year. The Board of Finance may reduce the budget before recommending the budget to the Town's Annual Budget Hearing. Thereafter the Board of Finance may make additional changes before the budget goes to an automatic budget referendum in May.

Local Economic Conditions and Outlook

The information presented in the financial statements of the CAFR is perhaps best understood when it is considered from the broader perspective of the specific economic environment within which the Town of Canton operates. Local economic conditions, as indicated by building permits and growth of the grand list, have increased very modestly. The Village of Collinsville continues to be a popular destination location due to the collection of antique shops, art studios and restaurants, and accessibility to the popular Farmington River bike trail.

The Town's major retail outlet on Route 44, called the Shoppes at Farmington Valley, consists of 430,000 square feet of retail space and provides the Town with roughly \$1.6 million in tax revenue annually. The other large real estate tax payers are CPIMF1 UCHSCCT LLC (UCONN building on Route 44), New Horizons Inc. (Cherry Brook Nursing Home on Dyer Ave.) and CT SVC LLC (CVS on Route 44) which provide the Town with a combined estimated \$460,150 in tax revenue annually. Construction of Aldi's Grocery Store has been completed and will provide the Town with an estimated \$80,400 in future tax revenue annually. The Construction of a 40-unit apartment complex on Commerce Drive is nearing completion. While these projects will have a positive impact on the grand list, the grand list is not expected to increase significantly.

The Town has adopted new tax incentive policies to stimulate local economic development. A Tax Increment Financing (TIF) Master Plan concept was approved for the Collins Axe Factory redevelopment and a Business Development Tax Incentive Policy was approved to attract new businesses and promote the expansion of existing businesses. The Town has actively pursued business developers and other entrepreneurs to participate in the TIF as a means of further developing the Town's commercial tax base.

Despite these local positives, management remains very guarded with respect to finances at the State level. Currently, the State of Connecticut provides over \$3 million per year in state aid to Canton, which appears in our financial reports as intergovernmental revenue. It is likely that this level of support will remain under pressure going forward, reinforcing the need for strong financial discipline.

The onset of the COVID-19 Pandemic brought unprecedented challenges to all of us in the first two quarters of 2020. Despite town hall closures and limited public contact, Canton taxpayers adapted to online and drop box payment methods and continued to meet their tax obligations. At this time it is uncertain what impacts COVID-19 will have on Canton's finances and services in 2021.

Long-Term Financial Planning

The Capital Projects Funds provide financial resources for the acquisition of major equipment or the construction of capital facilities. Acquisitions or projects are identified and included within the annual five-year Capital Improvement Plan (CIP). The plan for the ensuing five-year period is developed, adjusted and adopted as part of the annual budget process. Appropriations to the Capital Projects Fund are made on an annual basis by the Board of Selectmen, Board of Finance and Board of Education within the respective operating budgets for infrastructure and facility improvements and vehicle and equipment acquisition.

Pension Trust Funds and Long-Term Liability Management

The Town has a defined benefit Pension Trust for employees hired prior to July 1, 2001, including police officers, dispatchers, public works employees; non-unionized Town professional employees; and Board of Education employees excluding participants in the State Teachers Retirement System, such as unionized paraprofessional staff, secretaries and custodians. Teacher pension contributions are provided and managed by the State of Connecticut on-behalf of the Town.

These contributions are disclosed in the Town's financial statements, but are not a part of the Town's Pension Trust. Employees hired since July 1, 2001 participate in a Defined Contribution Pension Trust.

A five-member Pension Committee appointed by the Board of Selectmen meets quarterly with the Finance Officer and Treasurer and other contracted professionals (investment advisor, pension actuary) to review the investment performance of each fund held in the Pension Trust and to modify investments and asset allocations when needed. The investment policy and allocation guidelines are also adjusted on a periodic basis by the Pension Committee.

The Town has established an additional Trust Fund to help address the long-term costs associated with other post-employment benefits (OPEB). These costs primarily reflect the cost of post-retirement medical insurance offered to teachers as required by the State of Connecticut, or other employees of the Board of Education who received the benefit on a grandfathered basis through collective bargaining agreements. Detailed information on the Town's Pension Plans and OPEB obligations are contained in the financial statements of the CAFR.

Relevant Financial Policies

The Town's financial policies have been applied consistently with no notable current year effect on the financial statements. During the current year, there were no changes to the Town's financial policies.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Canton for its Comprehensive Annual Financial Report for the Year Ended June 30, 2019. This was the twentieth consecutive year that the Town has received this prestigious award. In order to be awarded a Certificate of Achievement, the Town published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied 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. We believe that this current CAFR will continue to meet the Certificate of Achievement Program's requirements and will be submitting it to the GFOA with the expectation of earning another certificate for fiscal 2020.

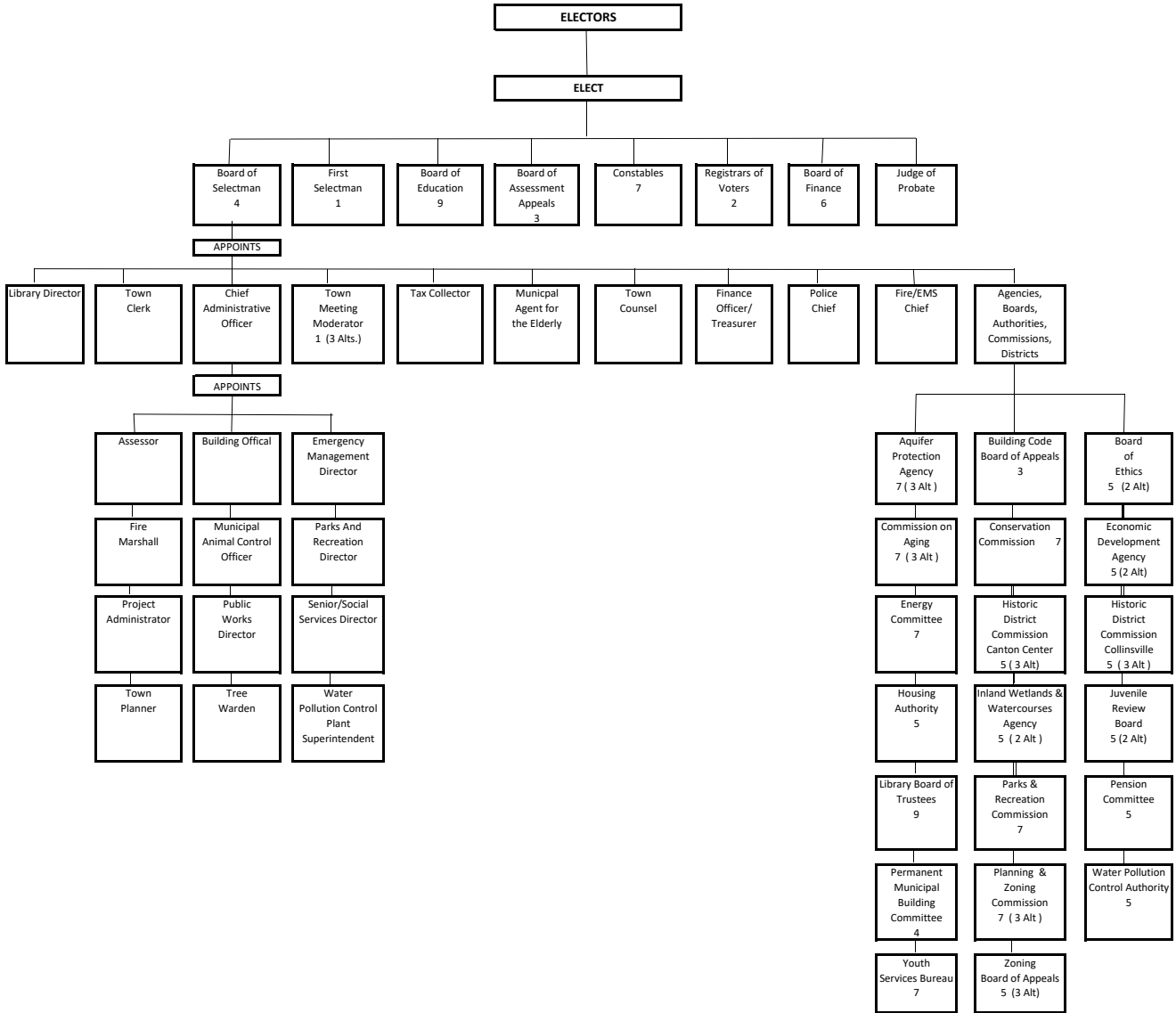
We wish to express our appreciation to the staff of the Finance, Board of Education and other departments for their support and preparation of this financial report. Without their highly proficient and dedicated service, this report would not be possible. We would also like to thank the many employees in the various departments who provided additional information necessary to prepare the Comprehensive Annual Financial Report.

Respectfully submitted,

William Geiger

William Geiger
Finance Officer & Treasurer

**TOWN OF CANTON, CONNECTICUT
ORGANIZATIONAL CHART**



**TOWN OF CANTON, CONNECTICUT
PRINCIPAL TOWN OFFICIALS
JUNE 30, 2020**

BOARD OF SELECTMEN

Robert Bessel, First Selectman

Warren Humphrey
William Volovski

Gail Deutsch
Timothy LeGeyt

BOARD OF FINANCE

Jennifer Rottkamp, Chairman

Catherine Kenney
Kenneth S. Humphrey
Jon Webb

Andrew Lavery
Sarah Faulkner

BOARD OF EDUCATION

Julie Ausere, Chairman

Maria Bradley
Erika Hayes
Ryan O'Donnell
Joseph Scheideler

Kim Sullivan
Ana Cavanaugh
Jack Powell
Nicholas Aligizakis

GENERAL GOVERNMENT

Chief Administrative Officer
Chief of Police/Director of Emergency Management
Finance Officer/Treasurer
Tax Collector
Assessor
Town Clerk
Project Administrator
Director of Planning and Community Development
Director of Public Works
Library Director
Parks and Recreation Director
Building Official
Fire Marshal
Senior/Social Services Director

Robert Skinner
Christopher Arciero
William Geiger
Christine Silansky
Kerri Kazlauskas
Linda Smith
Glen Cusano
Neil Pade
Robert Martin
Sarah McCusker
Taryn Schrage
Jerry Waters
Timothy Tharau
Jessica DeMeo

EDUCATION

Superintendent of Schools

Kevin D. Case



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Canton
Connecticut**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Board of Finance
Town of Canton, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Canton, Connecticut (the "Town"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Canton, Connecticut, as of June 30, 2020, 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 14, and the information on pages 76 through 90 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section on pages i through vii, the combining and individual fund statements and schedules on pages 91 through 111, and the statistical section on pages 112 through 128 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2020, on our consideration of the Town'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



Certified Public Accountants
Glastonbury, Connecticut
December 23, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF CANTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

The management of the Town of Canton, Connecticut (the "Town"), offers the readers of its financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2020. 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 on pages i - iv of this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$85,518,894 (net position). Of this amount, \$7,122,809 represents the Town's unrestricted net position, which may be used to meet its ongoing obligations to citizens and creditors.
- The Town's total net position increased by \$2,967,359 during the current fiscal year.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$13,132,424, an increase of \$1,127,299 in comparison with the prior year.
- At the close of the current fiscal year, unassigned fund balance of the General Fund was \$7,607,651, which represents 18.7% of the total General Fund budgetary expenditures appropriation for fiscal year 2021. Expressed another way, unassigned fund balance for the General Fund is sufficient to cover approximately 2.3 months of General Fund operating expenditures.
- The Town's total capital assets decreased by \$735,711 or 0.8% during the current fiscal year.
- The Town's total long-term bonded debt, consisting of general obligation bonds and a note payable, decreased by \$1,674,296 or 10.0% during the current fiscal year due to scheduled principal repayments.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

The statement of net position presents information on all of the Town's assets, deferred outflows and inflows of resources, and liabilities, with net position as the residual of these elements. 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.

TOWN OF CANTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)*

Government-wide Financial Statements *(Continued)*

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 result in cash flows in future fiscal periods.

Both of the government-wide financial statements are intended to distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include activities such as: general government, finance, public safety, public works, human services, planning and development, and education. The Town has no business-type activities.

The government-wide financial statements can be found on pages 15 and 16 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, proprietary funds, 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 several 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, the CDBG Small Cities Fund, the Federal/State Education Grants Fund and the Capital and Nonrecurring Fund, all of which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 17 through 21 of this report.

TOWN OF CANTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)*

Fund Financial Statements *(Continued)*

Proprietary Funds

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 risk management activities. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 22 through 24 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the Town government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to 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 pages 25 and 26 of this report.

Notes to the Financial Statements

The notes to the financial statements 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 financial statements can be found on pages 27 through 75 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information other than this management's discussion and analysis that can be found on pages 76 through 90 of this report. Combining and individual fund statements and schedules can be found on pages 91 through 111 of this report and statistical information can be found on pages 112 through 128 of this report.

TOWN OF CANTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

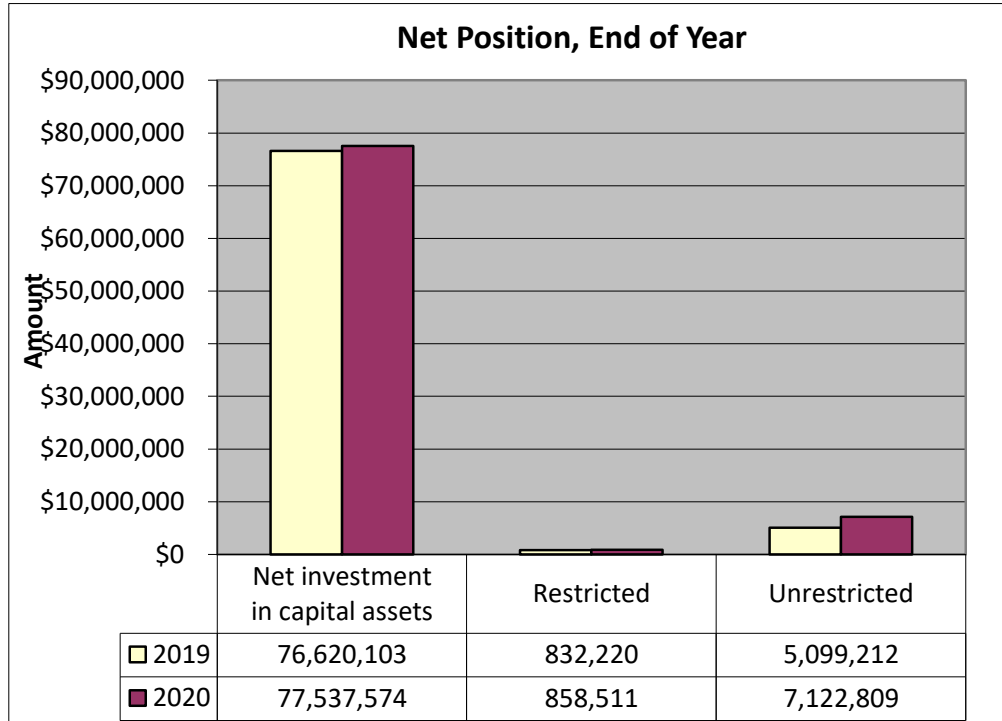
Over time, net position may serve as one measure of a government's financial position. Net position of the Town totaled \$85,518,894 as of June 30, 2020 and \$82,551,535 as of June 30, 2019, and is summarized as follows:

	<u>2020</u>	<u>2019</u>	<u>\$ Change</u>	<u>% Change</u>
Current and other assets	\$ 19,505,817	\$ 18,099,405	\$ 1,406,412	7.8%
Capital assets, net	93,086,900	93,822,611	(735,711)	-0.8%
Total assets	<u>112,592,717</u>	<u>111,922,016</u>	<u>670,701</u>	0.6%
Deferred outflows of resources	<u>813,861</u>	<u>631,897</u>	<u>181,964</u>	28.8%
Long-term liabilities	23,390,900	25,622,636	(2,231,736)	-8.7%
Other liabilities	<u>2,292,896</u>	<u>2,754,711</u>	<u>(461,815)</u>	-16.8%
Total liabilities	<u>25,683,796</u>	<u>28,377,347</u>	<u>(2,693,551)</u>	-9.5%
Deferred inflows of resources	<u>2,203,888</u>	<u>1,625,031</u>	<u>578,857</u>	35.6%
Net position:				
Net investment in capital assets	77,537,574	76,620,103	917,471	1.2%
Restricted	858,511	832,220	26,291	3.2%
Unrestricted	<u>7,122,809</u>	<u>5,099,212</u>	<u>2,023,597</u>	39.7%
Total net position	<u>\$ 85,518,894</u>	<u>\$ 82,551,535</u>	<u>\$ 2,967,359</u>	3.6%

TOWN OF CANTON, CONNECTICUT
 MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)*

Net Position *(Continued)*



Of the Town's net position, 90.7% reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town 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.

Approximately 1.0% of the Town's net position is subject to external restrictions on how they may be used and are therefore presented as restricted net position.

The remainder of the Town's net position is considered unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.

Overall, net position increased by \$2,967,359 in comparison with the prior year.

TOWN OF CANTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)*

Change in Net Position

Changes in net position for the years ended June 30, 2020 and 2019 are as follows.

	<u>2020</u>	<u>2019</u>	<u>\$ Change</u>	<u>% Change</u>
Program revenues:				
Charges for services	\$ 3,700,579	\$ 3,735,100	\$ (34,521)	-0.9%
Operating grants and contributions	11,103,192	7,622,983	3,480,209	45.7%
Capital grants and contributions	1,426,525	1,288,815	137,710	10.7%
General revenues:				
Property taxes	34,885,306	34,755,765	129,541	0.4%
Grants and contributions not restricted to specific programs	37,437	33,103	4,334	13.1%
Unrestricted investment earnings	338,867	405,520	(66,653)	-16.4%
Total revenues	<u>51,491,906</u>	<u>47,841,286</u>	<u>3,650,620</u>	7.6%
Program expenses				
General government	1,011,494	903,739	107,755	11.9%
Finance	1,009,186	895,315	113,871	12.7%
Public safety	4,545,791	4,613,091	(67,300)	-1.5%
Public works	4,596,463	4,726,501	(130,038)	-2.8%
Human services	2,348,602	2,399,375	(50,773)	-2.1%
Planning and development	504,704	529,412	(24,708)	-4.7%
Education	28,563,587	29,331,067	(767,480)	-2.6%
Education - State Teachers' Retirement	5,519,468	1,750,533	3,768,935	215.3%
Interest expense	425,252	478,402	(53,150)	-11.1%
Total expenses	<u>48,524,547</u>	<u>45,627,435</u>	<u>2,897,112</u>	6.3%
Change in net position	2,967,359	2,213,851	<u>\$ 753,508</u>	34.0%
Net position, beginning	<u>82,551,535</u>	<u>80,337,684</u>		
Net position, ending	<u>\$ 85,518,894</u>	<u>\$ 82,551,535</u>		

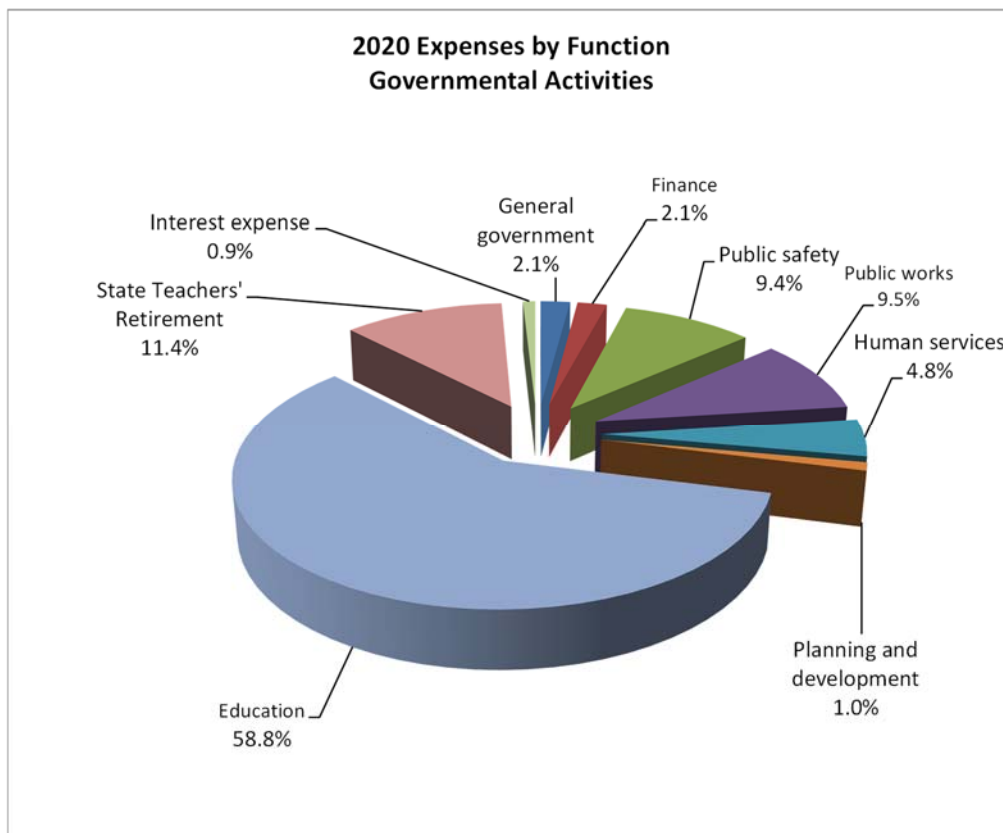
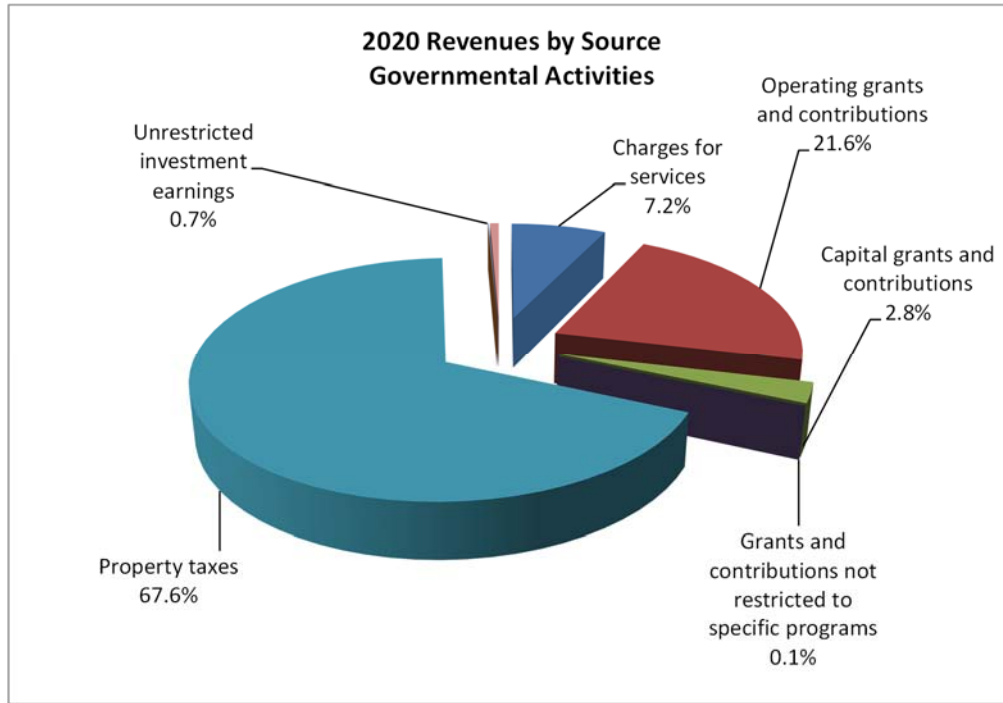
The Town's net position increased by \$2,967,359.

Revenues generated by the Town increased by \$3,650,620 or 7.6%, while expenses incurred increased by \$2,897,112 or 6.3% over the prior year. Significant changes from prior year consisted an increase in both operating grants and contributions and related education expenses in the amount of \$3,768,935 related to on-behalf expenses recognized by the Town in connection with its participation in the Connecticut Teachers' Retirement System.

TOWN OF CANTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Change in Net Position (Continued)



TOWN OF CANTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

Governmental Funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's 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, the Town's governmental funds reported combined ending fund balances of \$13,132,424.

General Fund

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 \$7,607,651. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 18.7% of the total General Fund budgetary expenditures appropriation for fiscal year 2021. Expressed another way, unassigned fund balance for the General Fund is sufficient to cover approximately 2.3 months of General Fund operating expenditures.

The fund balance of the Town's General Fund increased by \$530,735 during the current fiscal year.

CDBG Small Cities Fund

The fund balance of the CDBG Small Cities Fund increased by \$14,164 during the current fiscal year. The Town is not currently administering any new Small Cities grants and as a result, this fund experienced minimal activity for the current year.

Federal/State Education Grants Fund

The Federal/State Education Grants Fund has no fund balance because the fund records activity related to cost reimbursement grants and contracts. Consequently, grant and contract revenues equal expenditures.

Capital and Nonrecurring Fund

The fund balance of the Capital and Nonrecurring Fund increased by \$381,323 during the current fiscal year. Grant reimbursements and financing sources were offset by capital outlays of \$2,368,768. Significant capital outlays consisted of road and bridge reconstruction.

TOWN OF CANTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for the General Fund provided for the use of fund balance in the amount of \$100,000. During the year, the Town authorized additional appropriations in the amount of \$30,000. The actual net change in fund balance of the General Fund on a budgetary basis was an increase of \$533,243. Actual revenues were \$175,999 more than budgeted while actual expenditures were \$487,244 less than budgeted. Charges for services were \$206,508 higher than anticipated due to favorable variances on school tuition revenues and building permits. Expenditures were under budget across all departments.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental activities as of June 30, 2020 and 2019 totaled \$93,086,900 and \$93,822,611, respectively (net of accumulated depreciation and amortization). This investment in capital assets includes land, construction in progress, development rights, buildings, improvements other than buildings, equipment, vehicles, furniture and fixtures and infrastructure. The total decrease in the Town's net investment in capital assets for the current fiscal year was \$735,711 or 0.8%. Major capital asset events during the current fiscal year included construction in progress on road and bridge reconstruction.

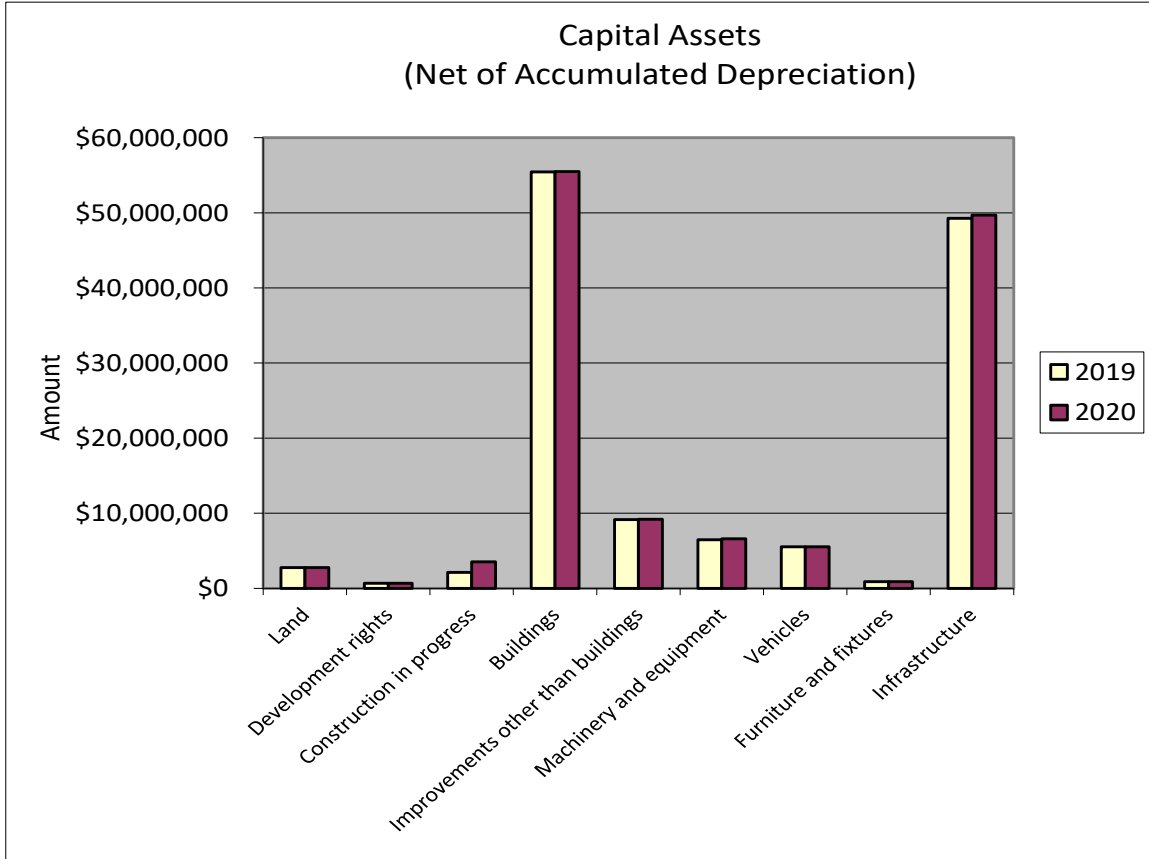
The following table is a two-year comparison of the Town's investment in capital assets:

	<u>2020</u>	<u>2019</u>	<u>\$ Change</u>	<u>% Change</u>
Land	\$ 2,752,024	\$ 2,752,024	\$ -	0.0%
Development rights	685,778	685,778	-	0.0%
Construction in progress	3,525,662	2,115,426	1,410,236	66.7%
Buildings	55,517,457	55,442,641	74,816	0.1%
Improvements other than buildings	9,175,441	9,122,415	53,026	0.6%
Machinery and equipment	6,585,282	6,458,320	126,962	2.0%
Vehicles	5,528,691	5,523,636	5,055	0.1%
Furniture and fixtures	887,286	887,286	-	0.0%
Infrastructure	49,734,093	49,294,752	439,341	0.9%
Accumulated depreciation	(41,304,814)	(38,459,667)	(2,845,147)	7.4%
Totals	<u>\$ 93,086,900</u>	<u>\$ 93,822,611</u>	<u>\$ (735,711)</u>	-0.8%

TOWN OF CANTON, CONNECTICUT
 MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

CAPITAL ASSET AND DEBT ADMINISTRATION *(Continued)*

Capital Assets *(Continued)*



Additional information on the Town's capital assets can be found in Note 4 starting on page 40 of this report.

TOWN OF CANTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

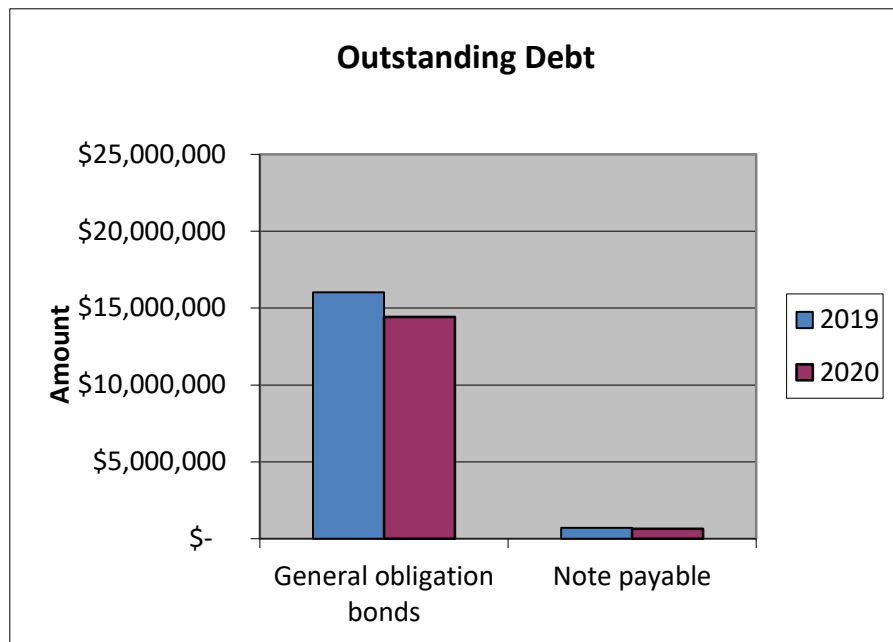
Long-term Debt

At the end of the current fiscal year, the Town had total bonded debt outstanding of \$15,071,713. This entire amount is comprised of debt backed by the full faith and credit of the Town. The Town's total debt decreased by \$1,674,296 or 10.0% during the current fiscal year due to current year principal repayments.

State statutes limit the amount of general obligation debt the Town may issue to seven times its annual receipts from taxation, as defined by the statutes. The current debt limitation is significantly in excess of the Town's outstanding general obligation debt. The Town's rating is a AAA by Standard and Poor's.

The following table is a two-year comparison of long-term debt:

	<u>2020</u>	<u>2019</u>	<u>\$ Change</u>	<u>% Change</u>
General obligation bonds	\$ 14,425,000	\$ 16,035,000	\$ (1,610,000)	-10.0%
Note payable	646,713	711,009	(64,296)	-9.0%
Totals	<u>\$ 15,071,713</u>	<u>\$ 16,746,009</u>	<u>\$ (1,674,296)</u>	<u>-10.0%</u>



Additional information on the Town's long-term debt can be found in Note 8 starting on page 43 of this report.

TOWN OF CANTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Significant estimates affecting next year's budget that are subject to change in the near term consist of the following:

- For purposes of calculating property tax revenues for fiscal year 2021, the assessor's grand list was used along with an estimated tax rate, and an estimated rate of collection, with deductions for taxes to be paid by the State on behalf of certain taxpayers.
- Intergovernmental grants were based on estimates from the State.
- It is unknown how the weakened economy will impact real estate activity and related revenues collected by the Land Use Department, the Town Clerk, the Building Department and the amount of conveyance taxes and interest income.
- In early March 2020, there was a global outbreak of COVID-19 that was declared a Public Health Emergency of International Concern by the World Health Organization and was subsequently declared a state of emergency by the Governor of Connecticut and a national emergency by the President of the United States. The outbreak of the virus has affected travel, commerce and financial markets globally, and is widely expected to affect economic growth worldwide. The Town has received and continues to apply for additional funding from federal and state agencies to assist in covering certain costs associated with the response to the pandemic. However, the extent to which COVID-19 will impact the Town's tax base, operations and its financial condition will ultimately depend on future developments that are uncertain and cannot be fully predicted with confidence at this time.

All of these factors were considered in preparing the Town's budget for fiscal year 2021.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Officer, Town of Canton, P.O. Box 168, 4 Market Street, Collinsville, Connecticut 06022-0168.

BASIC FINANCIAL STATEMENTS

TOWN OF CANTON, CONNECTICUT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2020

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 14,328,650
Investments	3,754,302
Receivables:	
Property taxes and interest, net	291,100
User charges, net	60,694
Grants and contracts	350,882
Other	151,660
Prepaid expenses	55,131
Loans receivable, long-term portion	513,398
Capital assets:	
Non-depreciable	6,963,464
Depreciable, net	86,123,436
Total assets	112,592,717
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charges on OPEB expense	422,440
Deferred charges on pension expense	266,421
Deferred charge on refunding	125,000
Total deferred outflows of resources	813,861
LIABILITIES	
Accounts payable	718,383
Accrued liabilities:	
Salaries and benefits payable	430,075
Accrued interest	105,306
Other	106,164
Unearned revenue	628,227
Claims payable	304,741
Noncurrent liabilities:	
Due within one year	1,628,352
Due in more than one year	21,762,548
Total liabilities	25,683,796
DEFERRED INFLOWS OF RESOURCES	
Deferred charges on pension expense	184
Deferred charges on OPEB expense	235,154
Advanced tax collections	1,968,550
Total deferred inflows of resources	2,203,888
NET POSITION	
Net investment in capital assets	77,537,574
Restricted for:	
Endowments - nonexpendable	25,600
Endowments - expendable	9,656
Grant programs	685,133
Donor restrictions	78,038
Library programs	60,084
Unrestricted	7,122,809
Total net position	\$ 85,518,894

The accompanying notes are an integral part of these financial statements .

TOWN OF CANTON, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position - Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 1,011,494	\$ 371,367	\$ -	\$ -	\$ (640,127)
Finance	1,009,186	1,085	-	-	(1,008,101)
Public safety	4,545,791	573,275	9,547	-	(3,962,969)
Public works	4,596,463	1,420,124	264,214	1,426,525	(1,485,600)
Human services	2,348,602	447,216	62,458	-	(1,838,928)
Planning and development	504,704	249,419	-	-	(255,285)
Education	28,563,587	638,093	5,247,505	-	(22,677,989)
Education - State Teachers' Retirement	5,519,468	-	5,519,468	-	-
Interest expense	425,252	-	-	-	(425,252)
Total governmental activities	<u>\$ 48,524,547</u>	<u>\$ 3,700,579</u>	<u>\$ 11,103,192</u>	<u>\$ 1,426,525</u>	<u>(32,294,251)</u>
General revenues:					
					34,885,306
					37,437
					338,867
					<u>35,261,610</u>
					2,967,359
					<u>82,551,535</u>
					<u>\$ 85,518,894</u>

The accompanying notes are an integral part of these financial statements .

TOWN OF CANTON, CONNECTICUT

BALANCE SHEET

GOVERNMENTAL FUNDS

AS OF JUNE 30, 2020

	General Fund	CDBG Small Cities Fund	Federal/State Education Grants Fund	Capital and Nonrecurring Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 7,455,715	\$ 169,187	\$ 183,776	\$ 2,954,089	\$ 2,087,506	\$ 12,850,273
Investments	3,754,302	-	-	-	-	3,754,302
Receivables:						
Property taxes, net	255,363	-	-	-	-	255,363
User charges, net	-	-	-	-	60,694	60,694
Grants and contracts	58	-	2,308	348,516	-	350,882
Loans	-	513,398	-	-	-	513,398
Other	78,047	-	582	-	72,798	151,427
Due from other funds	290,614	1,075	427,047	-	152,502	871,238
Other assets	40,588	-	-	-	14,543	55,131
Total assets	<u>\$ 11,874,687</u>	<u>\$ 683,660</u>	<u>\$ 613,713</u>	<u>\$ 3,302,605</u>	<u>\$ 2,388,043</u>	<u>\$ 18,862,708</u>
LIABILITIES						
Accounts payable	\$ 518,914	\$ -	\$ 96,467	\$ 30,829	\$ 71,340	\$ 717,550
Accrued liabilities:						
Salaries and benefits payable	405,504	-	-	-	24,571	430,075
Due to other funds	808,536	-	-	703	289,911	1,099,150
Unearned revenue	9,852	-	517,246	-	101,129	628,227
Other liabilities	106,164	-	-	-	-	106,164
Total liabilities	<u>1,848,970</u>	<u>-</u>	<u>613,713</u>	<u>31,532</u>	<u>486,951</u>	<u>2,981,166</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	208,928	-	-	-	-	208,928
Unavailable revenue - loans	-	513,398	-	-	-	513,398
Unavailable revenue - sewer charges	-	-	-	-	58,242	58,242
Advanced tax collections	1,968,550	-	-	-	-	1,968,550
Total deferred inflows of resources	<u>2,177,478</u>	<u>513,398</u>	<u>-</u>	<u>-</u>	<u>58,242</u>	<u>2,749,118</u>
FUND BALANCES						
Nonspendable	40,588	-	-	-	40,143	80,731
Restricted	-	170,262	-	5,642	150,718	326,622
Committed	-	-	-	3,265,431	1,654,850	4,920,281
Assigned	200,000	-	-	-	-	200,000
Unassigned	7,607,651	-	-	-	(2,861)	7,604,790
Total fund balances	<u>7,848,239</u>	<u>170,262</u>	<u>-</u>	<u>3,271,073</u>	<u>1,842,850</u>	<u>13,132,424</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 11,874,687</u>	<u>\$ 683,660</u>	<u>\$ 613,713</u>	<u>\$ 3,302,605</u>	<u>\$ 2,388,043</u>	<u>\$ 18,862,708</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF CANTON, CONNECTICUT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
AS OF JUNE 30, 2020

Total fund balances for governmental funds		\$ 13,132,424
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		93,086,900
Some of the Town's taxes, loans, user charges will be collected after year end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred inflows of resources in the funds.		780,568
Accrued interest on property taxes, sewer usage and sewer assessments, net of an allowance for uncollectibles are not susceptible to accrual and therefore are not reported in the funds.		35,737
Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position.		
Accrued interest payable	\$ (105,306)	
Long-term debt:		
Bonds and notes payable	(15,071,713)	
Unamortized bond premium	(608,255)	
Deferred charge on refunding	125,000	
Other long-term liabilities:		
Compensated absences	(1,457,511)	
Net OPEB liability	(98,930)	
Net pension liabilities	(6,154,491)	
Total long-term liabilities	(23,371,206)	
Deferred charges on pension and OPEB expenses are not susceptible to accrual and therefore are not reported in the funds.		453,523
An internal service fund is used by the Town to charge the cost of risk management activities to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		1,400,948
Net position of governmental activities		\$ 85,518,894

The accompanying notes are an integral part of these financial statements .

TOWN OF CANTON, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	General Fund	CDBG Small Cities Fund	Federal/State Education Grants Fund	Capital and Nonrecurring Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 34,823,420	\$ -	\$ -	\$ -	\$ -	\$ 34,823,420
Intergovernmental	8,023,322	-	1,259,012	1,435,373	177,396	10,895,103
Charges for services	1,037,348	14,000	-	-	2,545,277	3,596,625
Other	-	-	-	13,863	77,129	90,992
Investment earnings	254,650	164	-	60,911	23,162	338,887
Total revenues	<u>44,138,740</u>	<u>14,164</u>	<u>1,259,012</u>	<u>1,510,147</u>	<u>2,822,964</u>	<u>49,745,027</u>
EXPENDITURES						
Current:						
General government	692,171	-	-	-	8,500	700,671
Finance	734,021	-	-	-	-	734,021
Public safety	2,485,299	-	-	-	702,334	3,187,633
Public works	1,921,296	-	-	-	1,006,443	2,927,739
Human services	1,048,627	-	-	-	478,201	1,526,828
Insurance	295,165	-	-	-	-	295,165
Planning and development	350,481	-	-	-	-	350,481
Fringe benefits	2,229,545	-	-	-	-	2,229,545
Education	30,448,965	-	1,259,012	-	426,056	32,134,033
Capital outlays	-	-	-	2,368,768	-	2,368,768
Debt service:						
Principal payments	1,610,000	-	-	-	64,305	1,674,305
Interest and fiscal charges	474,913	-	-	-	13,626	488,539
Total expenditures	<u>42,290,483</u>	<u>-</u>	<u>1,259,012</u>	<u>2,368,768</u>	<u>2,699,465</u>	<u>48,617,728</u>
Excess (deficiency) of revenues over expenditures	1,848,257	14,164	-	(858,621)	123,499	1,127,299
OTHER FINANCING SOURCES (USES)						
Transfers in	100,000	-	-	1,339,944	135,578	1,575,522
Transfers out	(1,417,522)	-	-	(100,000)	(58,000)	(1,575,522)
Total other financing sources (uses)	<u>(1,317,522)</u>	<u>-</u>	<u>-</u>	<u>1,239,944</u>	<u>77,578</u>	<u>-</u>
Net change in fund balances	530,735	14,164	-	381,323	201,077	1,127,299
Fund balances - beginning	<u>7,317,504</u>	<u>156,098</u>	<u>-</u>	<u>2,889,750</u>	<u>1,641,773</u>	<u>12,005,125</u>
Fund balances - ending	<u>\$ 7,848,239</u>	<u>\$ 170,262</u>	<u>\$ -</u>	<u>\$ 3,271,073</u>	<u>\$ 1,842,850</u>	<u>\$ 13,132,424</u>

The accompanying notes are an integral part of these financial statements .

TOWN OF CANTON, CONNECTICUT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Net change in fund balances - total governmental funds \$ 1,127,299

Total change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. The amount by which capital outlays exceeded depreciation and amortization expense in the current period is as follows:

Expenditures for capital assets	\$ 2,170,004	
Depreciation and amortization expense	<u>(2,902,815)</u>	
Net adjustment		(732,811)

In the statement of activities, only the gain (loss) on the sale of capital assets is reported whereas the proceeds from the sale increase financial resources in the governmental funds. (2,900)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of long-term obligations is as follows:

Principal repayments:		
Bonds and note payable	1,674,296	
Amortization of bond premiums	<u>78,702</u>	
Net adjustment		1,752,998

Certain revenues reported in the statement of activities do not provide current financial resources and therefore are reported as deferred inflows of revenues in the governmental funds. This amount represents the change in unavailable revenues. 80,146
(Continued)

TOWN OF CANTON, CONNECTICUT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES (Concluded)
FOR THE YEAR ENDED JUNE 30, 2020

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The net effect of such items is as follows:

Compensated absences	\$	(68,677)	
Accrued interest		9,594	
Net pension liabilities		550,379	
Net OPEB liability		(2,964)	
Deferred charges on refunding		(25,000)	
Deferred charges on OPEB expense		(29,958)	
Deferred charges on pension expense		<u>301,925</u>	
	\$		735,299

An internal service fund is used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the Town's internal service fund is reported with governmental activities.

		<u>7,328</u>	
Change in net position of governmental activities	\$	<u>2,967,359</u>	
			<i>(Concluded)</i>

TOWN OF CANTON, CONNECTICUT
STATEMENT OF NET POSITION
PROPRIETARY FUND
AS OF JUNE 30, 2020

	Governmental Activities
	Internal Service Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 1,478,377
Receivables	233
Due from other funds	227,912
Total assets	1,706,522
LIABILITIES	
Current liabilities:	
Accounts payable	833
Claims payable	304,741
Total liabilities	305,574
NET POSITION	
Unrestricted	1,400,948
Total net position	\$ 1,400,948

The accompanying notes are an integral part of these financial statements.

TOWN OF CANTON, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET POSITION - PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Governmental Activities
	Internal Service Fund
OPERATING REVENUES	
Charges for services	\$ 4,367,266
Employee contributions	1,086,152
Total operating revenues	5,453,418
OPERATING EXPENSES	
Claims incurred	4,429,452
Health savings account contributions	304,741
Administrative, premiums and other	737,312
Total operating expenses	5,471,505
Operating loss	(18,087)
NON-OPERATING REVENUE	
Investment income	25,415
Change in net position	7,328
Net position - beginning	1,393,620
Net position - ending	\$ 1,400,948

The accompanying notes are an integral part of these financial statements.

TOWN OF CANTON, CONNECTICUT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Governmental Activities
	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from interfund services provided	\$ 4,367,266
Cash received from employees	1,086,152
Cash payments for claims incurred	(4,766,941)
Cash payments to contractors for administration	(1,042,053)
Net cash used in operating activities	(355,576)
CASH FLOWS FROM INVESTING ACTIVITIES	
Income from investments	25,415
Net cash provided by investing activities	25,415
Net decrease in cash and cash equivalents	(330,161)
Cash and cash equivalents, beginning of year	1,808,538
Cash and cash equivalents, end of year	\$ 1,478,377
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES	
Operating loss	\$ (18,087)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Decrease in receivables	1,696
Increase in due from other funds	(227,912)
Decrease in claims payable	(110,856)
Decrease in accounts payable	(417)
Net cash used in operating activities	\$ (355,576)

The accompanying notes are an integral part of these financial statements.

TOWN OF CANTON, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AS OF JUNE 30, 2020

	Pension Trust Funds	Private Purpose Trust Funds	Agency Funds
ASSETS			
Cash and cash equivalents	\$ 232,669	\$ 19,147	\$ 331,005
Investments:			
Mutual funds	18,986,696	-	-
Receivables	-	52,182	-
Total assets	19,219,365	71,329	\$ 331,005
LIABILITIES			
Due to student groups	-	-	\$ 253,929
Due to others	-	-	77,076
Total liabilities	-	-	\$ 331,005
NET POSITION			
Restricted for pension and OPEB benefits and other purposes	\$ 19,219,365	\$ 71,329	

The accompanying notes are an integral part of these financial statements .

TOWN OF CANTON, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020

	Pension Trust Funds	Private Purpose Trust Funds
ADDITIONS		
Contributions:		
Employer	\$ 1,555,343	\$ -
Plan members	58,855	-
Total contributions	<u>1,614,198</u>	<u>-</u>
Investment earnings:		
Interest and dividends	423,296	8,276
Net increase in the fair value of investments, net of investment fees	<u>288,507</u>	<u>-</u>
Net investment earnings	<u>711,803</u>	<u>8,276</u>
Total additions	<u>2,326,001</u>	<u>8,276</u>
DEDUCTIONS		
Benefit payments	2,150,052	-
Awards expense	-	519
Administrative expenses	<u>44,207</u>	<u>-</u>
Total deductions	<u>2,194,259</u>	<u>519</u>
Change in net position	131,742	7,757
Net position - beginning	<u>19,087,623</u>	<u>63,572</u>
Net position - ending	<u>\$ 19,219,365</u>	<u>\$ 71,329</u>

The accompanying notes are an integral part of these financial statements .

TOWN OF CANTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Canton, Connecticut (the "Town"), conform to accounting principles generally accepted in the United States of America, as applicable to governmental organizations. The following is a summary of significant accounting policies:

Financial Reporting Entity

The Town of Canton, Connecticut, operates under a charter enacted in 1984, which was most recently revised effective January 1, 2020. The Town operates under a Board of Selectmen/Town Meeting and Board of Finance form of government and provides the following services: finance, public safety, public works, human services, planning and development, education, and general government.

The legislative power of the Town is vested with the Board of Selectmen and Town Meeting. The Board of Selectmen may enact, amend or repeal ordinances and resolutions. The Board of Finance is responsible for financial and taxation matters as prescribed by Connecticut General Statutes, and is responsible for presenting fiscal operating budgets for Town Meeting approval.

The Town is the administrator of the following two single-employer defined benefit pension plans: the Town Employee Retirement Plan and Volunteer Firefighters and Ambulance Plan (the "Plans"). The Plans do not issue stand-alone financial statements and are part of the Town's financial reporting entity. As such, balances of the Plans as of and for the year ended June 30, 2020 are accounted for in the fiduciary fund financial statements as pension trust funds.

The Town is the administrator of the Other Post-Employment Benefits Program (the "OPEB Plan"), which is a single-employer defined benefit other post-employment benefits plan. The OPEB Plan does not issue stand-alone financial statements and is a part of the Town's financial reporting entity. As such, balances of the OPEB Plan as of and for the year ended June 30, 2020 are accounted for in the fiduciary fund financial statements as an other post-employment benefits trust fund.

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

TOWN OF CANTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Government-wide and Fund Financial Statements

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the Town and include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. The statements are intended to distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The Town has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

Fund Financial Statements

The fund financial statements provide information about the Town's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The Town reports the following major governmental funds:

General Fund - This fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except those not accounted for and reported in another fund.

CDBG Small Cities Fund - This fund was created pursuant to federal requirements to account for the expenditures of federal housing funds for rehabilitation loans to property owners. Loan repayments are also deposited in this fund. Revenues in this fund include grant and related revenues restricted to allowable expenditure per the grant agreement.

Federal/State Education Grants Fund - A fund created to account for revenues and expenditures of State and Federal education grants.

Capital and Nonrecurring Fund - This fund accounts for financial revenues used for the financing of the planning, construction, reconstruction or acquisition of any specific capital improvement or the acquisition of specific equipment.

TOWN OF CANTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Government-wide and Fund Financial Statements *(Continued)*

Fund Financial Statements *(Continued)*

In addition, the Town reports the following proprietary and fiduciary fund types:

Internal Service Fund (proprietary) - This fund type is used to account for activities that provide goods or services to other funds, departments, or agencies of the Town on a cost-reimbursement basis. The Town utilizes an internal service fund to account for risk financing activities for employee medical insurance benefits.

Pension Trust Funds - This fund type is used to account for resources held in trust for the members and beneficiaries of the Employee Retirement Plan and the Volunteer Firefighters and Ambulance Plan, both of which are defined benefit pension plans and the Other Post-Employment Benefits Program, which is a defined benefit plan.

Private Purpose Trust Funds - This fund type is used to account for trust arrangements under which principal and income benefit individuals, private organizations, or other governments. There is no requirement that any portion of the resources be preserved as capital. The Town utilizes private purpose trust funds to account for activities of the Julia Wheelock Private Purpose Trust Fund, the School Scholarships Private Purpose Trust Fund and the Alice Collins Private Purpose Trust Fund.

Agency Funds - These funds are used to account for resources held by the Town in a purely custodial capacity. The Town utilizes these funds to account for assets of the student activities funds and the performance bonds fund. The student activities funds account for monies generated by student activities in the Town's school system. The performance bonds fund accounts for monies received to ensure that driveways and lawns are installed to correct specifications for new home construction.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Agency Funds have no measurement focus. 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 revenue as soon as all eligibility requirements imposed by the provider have been met.

TOWN OF CANTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Measurement Focus and Basis of Accounting *(Continued)*

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Agency Funds have no measurement focus. 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 revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are susceptible to accrual, that is, when they are both measurable and available. Revenues are considered to be available if they are collected 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 period. Property taxes, grants and contracts, and interest associated with the current period are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when the cash is received by the Town. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues in the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is available to be received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when the cash is received.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's internal service fund consists of charges for services. Operating expenses of the Town's internal service fund consist of claims incurred and administrative expenses. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The pension trust funds and other post-employment benefit trust fund are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

TOWN OF CANTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Implementation of Accounting Standards

In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this statement was to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective was accomplished by postponing the effective dates of certain provisions in statements and implementation guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. As such, no new accounting standards were implemented by the Town for the year ended June 30, 2020.

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance

Cash and 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.

Investments

Investments are measured by the Town at fair value (generally based on quoted market prices), except for investments in participating interest-earning investment contracts, certain external investment pools and synthetic guaranteed investment contracts as described below.

Investments in participating interest-earning investment contracts consist of negotiable certificates of deposit. Investments in these types of contracts, which have a remaining maturity at the time of purchase of one year or less, are measured by the Town at amortized costs.

Investments in certain external investment pools consists of money market mutual funds and the Short-Term Investment Fund (STIF), which is managed by the State of Connecticut Treasurer's Office. Investments in these types of funds, which are permitted to measure their investment holdings at amortized costs, are measured by the Town at the net asset value per share as determined by the fund.

The Amelia Dyer, Canton Gate, Cemetery, and Open Space Endowment Funds are restricted to expenditure of the investment income only for donor-designated purpose. Any appreciation of the funds is also restricted.

The Town allocates investment income in accordance with donor restrictions and Connecticut law, which adopted the provisions of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). UPMIFA requires the investment of endowments in good faith and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances. It requires prudence in incurring investment costs, authorizing only costs that are appropriate and reasonable. Factors to be considered in investing are expanded to include, for example, the effects of inflation. UPMIFA emphasizes that investment decisions be made in relation to the overall resources of the Town.

TOWN OF CANTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance (Continued)

Inventories and Prepaid Items

Inventories are reported at the lower of cost or net realizable value using the first-in first-out (FIFO) method, except for USDA donated commodities, which are recorded at market value. Inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and the fund financial statements. Prepaid items are recorded as expenditures when consumed rather than when purchased.

Property Taxes, Sewer Assessment and Usage Charges

Property taxes are assessed as of October 1. Taxes are billed in the following July and are due in two installments, July 1 and January 1. Personal property and motor vehicle taxes are billed in July and are due in one installment, July 1. Taxes not paid within 30 days of the due date are subject to an interest charge of 1.5% per month. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date. Based on historical collection experience and other factors, the Town has established an allowance for uncollectible taxes of \$446,000 as of June 30, 2020.

Upon completion of projects, sewer assessments are levied and assessed to the users. Usage charges are billed either annually or semi-annually depending upon the bill amount. Assessments and user charges are due and payable within thirty days and delinquent amounts are subject to interest at prevailing rates. Liens are filed on all properties until the assessment is paid in full.

Loans Receivable

The Town administers a Residential Rehabilitation Loan Program for low to moderate-income families. The loans bear an interest rate of 0%. Repayment of the loans is deferred, but the loans become due and payable upon sale or transfer of the property, the owner's demise, or when the subject property is no longer the applicant's principal place of residence. The notes may be paid in full or in part by the borrower at any time without penalty. As of June 30, 2020, loans receivable totaled \$513,398 under this program.

TOWN OF CANTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance *(Continued)*

Capital Assets

Capital assets, which include property, equipment, and infrastructure assets placed in service after June 30, 1980 (e.g. roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$100,000 for infrastructure assets, \$20,000 for improvements and more than \$5,000 for all other assets. Purchased or constructed assets are recorded at historical cost, or estimated historical cost. Donated capital assets are recorded at acquisition value.

The costs of normal maintenance and repairs that do not add to the value of a capital asset or materially extend capital asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	25 - 50
Improvements other than buildings	15 - 30
Equipment	5 - 23
Vehicles	4 - 30
Furniture and fixtures	15
Infrastructure	25 - 75

Unearned Revenue

This liability represents resources that have been received but not yet earned.

Deferred Outflows and Inflows of Resources

Deferred outflows and inflows of resources represents an acquisition or consumption of net position that applies to a future period(s) and so will not be recognized as an outflow or inflow of resources until that time.

The Town reports unavailable revenue in the governmental funds balance sheet. Unavailable revenue is recognized as inflows of resources in the period that the amounts become available.

The Town reports deferred pension and OPEB expenses and deferred charges on refundings in the government-wide statement of net position. Deferred pension and OPEB expenses resulted from changes in the components of the Town's net pension and OPEB liabilities and are being amortized as a component of pension and OPEB expense on a systematic and rational basis. Deferred charges on refundings resulted from the difference in the carrying value of previously refunded debt and the reacquisition price of the debt and are being amortized to interest expense using the effective-interest method over the life of the related bonds.

TOWN OF CANTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance *(Continued)*

Long-term Obligations

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

In the fund financial statements, governmental funds 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.

Compensated Absences

Town and non-certified Board of Education employees are granted vacation and sick leave, and certified employees of the Board of Education are granted sick leave based upon length of employment. In the event of termination, employees are compensated for accumulated vacation and sick time. All compensated absences are accrued when incurred in the government-wide financial statements. Expenditures for compensated absences are recognized in the governmental fund financial statements in the current year to the extent they are paid during the year, or when the vested amount is expected to be paid with available resources.

Net Position and Fund Balances

The statement of net position presents the Town's assets, deferred outflows and inflows of resources, and liabilities, with net position as the residual of these elements. Net position reported in three categories:

Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation and amortization and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of capital assets.

Restricted net position - This component of net position consists of amounts whose use is restricted either through external restrictions imposed by creditors, grantors, contributors, and the like, or through restrictions imposed by law through constitutional provisions or enabling legislation. None of the Town's restricted net position is restricted through enabling legislation.

Unrestricted net position - This component of net position is the net amount of assets, liabilities, and deferred outflows/inflows of resources, which do not meet the definition of the preceding two categories.

TOWN OF CANTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance *(Continued)*

Net Position and Fund Balances *(Continued)*

The Town's governmental funds report the following fund balance categories:

Nonspendable - Amounts that cannot be spent because they are not in spendable form or they are legally or contractually required to be maintained intact.

Restricted - Constraints placed on the use of resources that are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments, or imposed by law through enabling legislation.

Committed - Amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the citizens of the Town (the highest level of decision making authority) specified by charter or ordinance and cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same formal action. The formal action required to be taken to commit fund balance includes formal voting procedures regulated by the Town Charter.

Assigned - Amounts are constrained by the government's intent to be used for specific purposes, but are not restricted or committed. Amounts may be constrained to be used for a specific purpose by resolution or other formal action of the Board of Finance and the issuance of an approved purchase order.

Unassigned - Residual classification for the General Fund or amounts necessary in other governmental funds to eliminate otherwise negative fund balance amounts in the other four categories.

Net Position Flow Assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

The Town does not have a formal policy over net position. In practice, the Town considers restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

TOWN OF CANTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance *(Continued)*

Fund Balance Flow Assumption (Continued)

In accordance with the Town's Fund Balance Policy, the Town will use restricted resources first, then unrestricted resources as needed, unless legal requirements disallow it. Unrestricted resources are used in the following order: committed; assigned; then unassigned, unless the Board has provided otherwise in its commitment or assignment actions. The Board of Finance establishes a minimum unassigned fund balance on an annual basis.

Interfund Activities

Interfund activities are reported as follows:

Interfund 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 non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds".

Interfund Services Provided and Used

Sales and purchases of goods and services between funds for a price approximating their external exchange value are reported as revenues and expenditures, or expenses, in the applicable funds.

Interfund Transfers

Interfund transfers represent flows of assets without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and other financing sources in the funds receiving transfers.

Interfund Reimbursements

Interfund reimbursements represent repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them.

Use of 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 and disclosures in the financial statements. Actual results could differ from those estimates.

TOWN OF CANTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 2 - CASH DEPOSITS AND INVESTMENTS

Cash Deposits

A reconciliation of the Town's cash and cash equivalents as of June 30, 2020 is as follows:

Cash and cash equivalents:	
Government-wide statement of net position	\$ 14,328,650
Statement of fiduciary net position	<u>582,821</u>
	14,911,471
Less: cash equivalents considered investments for disclosure purposes	<u>(9,522,986)</u>
	<u><u>\$ 5,388,485</u></u>

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2020, \$5,018,649 of the Town's bank balance of \$5,635,360 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 4,516,784
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	<u>501,865</u>
	<u><u>\$ 5,018,649</u></u>

All of the Town's deposits were in qualified public institutions as defined by Connecticut General Statutes. Under Connecticut General Statutes, any bank holding public deposits must at all times maintain, segregated from its other assets, eligible collateral in an amount equal to a certain percentage of its public deposits. The applicable percentage is determined based on the bank's risk-based capital ratio. The amount of public deposits is determined based on either the public deposits reported on the most recent quarterly call report, or the average of the public deposits reported on the four most recent quarterly call reports, whichever is greater. The collateral is kept in the custody of the trust department of either the pledging bank or another bank in the name of the pledging bank.

TOWN OF CANTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 2 - CASH DEPOSITS AND INVESTMENTS *(Continued)*

Investments

A reconciliation of the Town's investments as of June 30, 2020 is as follows:

Investments:	
Government-wide statement of net position	\$ 3,754,302
Statement of fiduciary net position	18,986,696
	22,740,998
Add: cash equivalents considered investments for disclosure purposes	9,522,986
	\$ 32,263,984

As of June 30, 2020, the Town's investments consisted of the following:

Investment type	Valuation Basis	Credit Rating	Value	Investment Maturities (In Years)	
				Less Than 1	1 to 5
Debt Securities:					
<i>Governmental activities:</i>					
Short-term Investment Fund	Net asset value	AAA	\$ 7,665,960	\$ 7,665,960	\$ -
Negotiable certificates of deposit	Fair value	Unrated	2,327,486	698,330	1,629,156
U.S. Treasury securities	Fair value	*	1,119,481	919,377	200,104
U.S. Agency securities	Fair value	AAA	1,226,712	-	1,226,712
Money market mutual funds	Fair value	Unrated	704,981	704,981	-
<i>Fiduciary activities:</i>					
Short-term Investment Fund	Net asset value	AAA	39,049	39,049	-
Money market mutual funds	Net asset value	Unrated	193,619	193,619	-
			13,277,288	\$ 10,221,316	\$ 3,055,972
Other investments:					
<i>Fiduciary activities:</i>					
Mutual funds	Fair value	*	18,986,696		
			\$ 32,263,984		

* Credit rating not required for disclosure purposes.

Because investments in the Short-term Investment Fund and money market mutual funds had weighted average maturities of less than 90 days, they have been presented as investments with maturities of less than one year.

Interest Rate Risk

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

TOWN OF CANTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 2 - CASH DEPOSITS AND INVESTMENTS *(Continued)*

Investments *(Continued)*

Credit Risk

The Town has no investment policy that would further limit its investment choices beyond those limited by Connecticut state statutes. Connecticut state statutes permit the Town to invest in obligations of the United States, including its instrumentalities and agencies; in obligations of any state or of any political subdivision, authority or agency thereof, provided such obligations are rated within one of the top two rating categories of any recognized rating service; or in obligations of the State of Connecticut or of any political subdivision thereof, provided such obligations are rated within one of the top three rating categories of any recognized rating service. The Pension Trust Funds may also invest in certain real estate mortgages, in certain savings banks or savings and loan associations, or in stocks or bonds or other securities selected by the trustee, with the care of a prudent investor.

The Town's investments in debt securities were rated by either Standard & Poor's or Moody's as previously disclosed.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, 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's investments are not exposed to custodial credit risk at June 30, 2020, as they are held by a trustee in the Town's name.

Concentrations of Credit Risk

The Town places no limit on the amount of investment in any one issuer. As of June 30, 2020, more than 10% of the Town's governmental activities investments were invested in the Short-term Investment Fund (58.8%). As of June 30, 2020, more than 10% of the Town's fiduciary investments were invested in the following:

<u>Issuer</u>	<u>Investment</u>	<u>Value</u>	<u>% of Fiduciary Investments</u>
Vanguard	Vanguard 500 Index Fund Admiral Shares	\$ 4,580,314	23.8%
Natixis Loomis Sayles	Investment Grade Bond Mutual Fund	3,098,945	16.1%
Metropolitan West	Total Return Bond	3,294,476	17.1%
American Funds	Europacific Growth Fund	2,589,787	13.5%

NOTE 3 - FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, as of the measurement date. Authoritative guidance establishes a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (also referred to as observable inputs). The Town classifies its assets and liabilities measured at fair value into Level 1 (securities valued using quoted prices from active markets for identical assets), Level 2 (securities not traded on an active market for which market inputs are observable, either directly or indirectly, and Level 3 (securities valued based on unobservable inputs). Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

TOWN OF CANTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 3 - FAIR VALUE MEASUREMENTS (Continued)

The Town's financial assets that are accounted for at fair value on a recurring basis as of June 30, 2020, by level within the fair value hierarchy are presented in the table below:

Financial Assets Measured at Fair Value	Prices in Active Market (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
U.S. Treasury securities	\$ 1,119,481	\$ -	\$ -	\$ 1,119,481
U.S. Agency securities	-	1,226,712	-	1,226,712
Mutual funds	18,986,696	-	-	18,986,696
	<u>\$ 20,106,177</u>	<u>\$ 1,226,712</u>	<u>\$ -</u>	<u>21,332,889</u>
		Investments measured at NAV		<u>10,931,095</u>
				<u>\$ 32,263,984</u>

Mutual funds and U.S. Treasury securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. U.S. Agency securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 consisted of the following:

Governmental Activities	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 2,752,024	\$ -	\$ -	\$ -	\$ 2,752,024
Development rights	685,778	-	-	-	685,778
Construction in progress	2,115,426	1,526,976	-	(116,740)	3,525,662
Total capital assets, not being depreciated	<u>5,553,228</u>	<u>1,526,976</u>	<u>-</u>	<u>(116,740)</u>	<u>6,963,464</u>
Capital assets, being depreciated:					
Buildings	55,442,641	74,816	-	-	55,517,457
Improvements other than buildings	9,122,415	53,026	-	-	9,175,441
Machinery and equipment	6,458,320	42,050	(31,828)	116,740	6,585,282
Vehicles	5,523,636	33,795	(28,740)	-	5,528,691
Furniture and fixtures	887,286	-	-	-	887,286
Infrastructure	49,294,752	439,341	-	-	49,734,093
Total capital assets, being depreciated	<u>126,729,050</u>	<u>643,028</u>	<u>(60,568)</u>	<u>116,740</u>	<u>127,428,250</u>
Less accumulated depreciation and amortization for:					
Buildings	17,463,156	1,106,540	-	-	18,569,696
Improvements other than buildings	3,394,909	358,881	-	-	3,753,790
Machinery and equipment	3,228,518	351,734	(31,828)	-	3,548,424
Vehicles	2,109,531	367,772	(25,840)	-	2,451,463
Furniture and fixtures	826,077	23,648	-	-	849,725
Infrastructure	11,437,476	694,240	-	-	12,131,716
Total accumulated depreciation and amortization	<u>38,459,667</u>	<u>2,902,815</u>	<u>(57,668)</u>	<u>-</u>	<u>41,304,814</u>
Total capital assets, being depreciated, net	<u>88,269,383</u>	<u>(2,259,787)</u>	<u>(2,900)</u>	<u>116,740</u>	<u>86,123,436</u>
Governmental activities capital assets, net	<u>\$ 93,822,611</u>	<u>\$ (732,811)</u>	<u>\$ (2,900)</u>	<u>\$ -</u>	<u>\$ 93,086,900</u>

TOWN OF CANTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 4 - CAPITAL ASSETS *(Continued)*

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

Governmental Activities:		
Public works	\$	1,141,159
Education		862,089
Human services		482,251
Public safety		344,741
Land Use		4,491
General government		<u>68,084</u>
Total depreciation and amortization expense - governmental activities	\$	<u><u>2,902,815</u></u>

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2020 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds:		
General Fund	Nonmajor Governmental Funds	\$ 289,911
	Capital and Nonrecurring Fund	<u>703</u>
		<u>290,614</u>
CDBG Small Cities Fund	General Fund	<u>1,075</u>
Federal/State Education Grants Fund	General Fund	<u>427,047</u>
Nonmajor Governmental Funds	General Fund	<u>152,502</u>
Proprietary Funds:		
Internal Service Fund	General Fund	<u>227,912</u>
Total interfund balances		<u><u>\$ 1,099,150</u></u>

The above balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

TOWN OF CANTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 6 - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2020 consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Governmental Funds		
General Fund	Capital and Nonrecurring Fund	\$ 100,000
Capital and Nonrecurring Fund	Capital Projects Fund	1,259,944
	Nonmajor governmental funds	58,000
	Capital and Nonrecurring Fund	22,000
		<u>1,339,944</u>
Nonmajor Governmental Funds	General Fund	<u>135,578</u>
Total transfers		<u>\$ 1,575,522</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 7 - FUND BALANCE

The various components of fund balance at June 30, 2020 are as follows:

	<u>General Fund</u>	<u>CDBG Small Cities Fund</u>	<u>Capital and Nonrecurring Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Nonspendable:					
Prepaid items and inventories	\$ 40,588	\$ -	\$ -	\$ 14,543	\$ 55,131
Endowments - nonexpendable	-	-	-	25,600	25,600
Restricted for:					
Endowments - expendable	-	-	-	9,656	9,656
Grant programs	-	170,262	-	2,940	173,202
Donor restrictions	-	-	-	78,038	78,038
Library programs	-	-	-	60,084	60,084
Capital projects	-	-	5,642	-	5,642
Committed to:					
Sewer operations	-	-	-	1,248,221	1,248,221
Capital outlays	-	-	3,265,431	-	3,265,431
Education	-	-	-	128,894	128,894
Transfer station	-	-	-	55,877	55,877
Recreation	-	-	-	173,642	173,642
Human services	-	-	-	30,775	30,775
Emergency services	-	-	-	17,441	17,441
Assigned to:					
Subsequent year's budget	200,000	-	-	-	200,000
Unassigned	7,607,651	-	-	(2,861)	7,604,790
	<u>\$ 7,848,239</u>	<u>\$ 170,262</u>	<u>\$ 3,271,073</u>	<u>\$ 1,842,850</u>	<u>\$ 13,132,424</u>

TOWN OF CANTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 8 - LONG-TERM DEBT

The applicable accounting standards define debt as a liability that arises from a contractual obligation to pay cash, or other assets that may be used in lieu of cash, in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. For disclosure purposes, debt does not include accounts payable or leases, except for contracts reported as financed purchase of the underlying asset.

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Direct Placements:					
General obligation bonds	\$ 16,035,000	\$ -	\$ (1,610,000)	\$ 14,425,000	\$ 1,480,000
Unamortized premium	686,957	-	(78,702)	608,255	-
Total bonds payable	16,721,957	-	(1,688,702)	15,033,255	1,480,000
Note payable from direct borrowings	711,009	-	(64,296)	646,713	65,593
	<u>\$ 17,432,966</u>	<u>\$ -</u>	<u>\$ (1,752,998)</u>	<u>\$ 15,679,968</u>	<u>\$ 1,545,593</u>

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are secured by the full faith and credit of the Town but are substantially liquidated by the General Fund via taxes collected from the levy on all taxable properties located within the Town. The note payable is liquidated by the Sewer Assessment Fund.

Direct Placements - General Obligation Bonds

A summary of general obligation bonds outstanding at June 30, 2020 is as follows:

Purpose of Bonds	Date of Issue	Original Issue	Interest Rates	Maturity Date	Amount Outstanding
Governmental Activities					
Bonds Payable					
General Obligation Refunding Bonds	09/2012	\$ 8,030,000	1.0% - 3.0%	10/2024	\$ 2,050,000
General Obligation Bonds	08/2013	6,855,000	2.0% - 4.0%	08/2033	4,770,000
General Obligation Bonds	06/2015	5,600,000	2.0% - 4.0%	06/2035	4,170,000
General Obligation Bonds	10/2017	3,825,000	2.0% - 5.0%	10/2037	3,435,000
					<u>\$ 14,425,000</u>

TOWN OF CANTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 8 - LONG-TERM DEBT *(Continued)*

Direct Placements - General Obligation Bonds *(Continued)*

Annual debt service requirements to maturity on general obligation bonds are as follows as of June 30, 2020:

Year ending June 30:	Governmental Activities		
	Bonds Payable		
	Principal	Interest	Total
2021	\$ 1,480,000	\$ 432,913	\$ 1,912,913
2022	1,365,000	392,751	1,757,751
2023	1,330,000	353,001	1,683,001
2024	990,000	313,869	1,303,869
2025	985,000	285,272	1,270,272
2026-2030	4,025,000	1,033,514	5,058,514
2031-2035	3,680,000	392,125	4,072,125
2036-2038	570,000	25,650	595,650
	<u>\$ 14,425,000</u>	<u>\$ 3,229,095</u>	<u>\$ 17,654,095</u>

Legal Debt Limit

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts, as defined in the Statute. Further, the Statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal and pension deficit. The Town did not exceed any of the statutory debt limitations at June 30, 2020.

Authorized, Unissued Bonds

As of June 30, 2020, the Town had authorized but unissued bonds totaling \$445,108 for school renovations.

Direct Borrowings - Note Payable

The State of Connecticut Department of Energy and Environmental Protection has provided Clean Water financing in the form of permanently financed serial notes to the Town dated January 4, 2010, in the initial amount of \$1,295,791. The note is payable in 240 monthly installments of \$6,494 and matures in July 2029. The note bears an interest rate of 2.0%.

TOWN OF CANTON, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 8 - LONG-TERM DEBT *(Continued)*

Direct Borrowings - Note Payable *(Continued)*

Annual debt service requirements to maturity on these obligations are as follows as of June 30, 2020:

Year ending June 30:	Governmental Activities		
	Note Payable		
	Principal	Interest	Total
2021	\$ 65,593	\$ 12,338	\$ 77,931
2022	66,918	11,012	77,930
2023	68,268	9,663	77,931
2024	69,646	8,285	77,931
2025	71,053	6,877	77,930
2026-2030	305,235	12,892	318,127
	<u>\$ 646,713</u>	<u>\$ 61,067</u>	<u>\$ 707,780</u>

NOTE 9 - OTHER LONG-TERM LIABILITIES

Change in other long-term liabilities for the year ended June 30, 2020 are as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Compensated absences	\$ 1,388,834	\$ 142,152	\$ (73,475)	\$ 1,457,511	\$ 82,759
Net pension liabilities <i>(see Note 10)</i>	6,704,870	14,751	(565,130)	6,154,491	-
Net OPEB liability <i>(see Note 11)</i>	95,966	2,964	-	98,930	-
	<u>\$ 8,189,670</u>	<u>\$ 159,867</u>	<u>\$ (638,605)</u>	<u>\$ 7,710,932</u>	<u>\$ 82,759</u>

The remaining liabilities above typically have been liquidated in the General Fund.

NOTE 10 - PENSION PLANS

Defined Benefit Plans

Plan Description

The Town is the administrator of the following two single-employer defined benefit pension plans: the Town Employee Retirement Plan and the Volunteer Firefighters and Ambulance Plan (the "Plans"). The Town Employee Retirement Plan covers eligible Town employees and non-certified employees of the Board of Education and employed prior to September 10, 1979. The Volunteer Firefighters and Ambulance Plan covers all firefighter and ambulance volunteers. The Plans do not issue stand-alone financial statements and are part of the Town's financial reporting entity. As such, balances of the Plans as of and for the year ended June 30, 2020 are accounted for in the fiduciary fund financial statements as pension trust funds.

Plan Administration

Plan administration and management is vested in the Pension Committee, which consists of five members appointed by the Board of Selectmen.

TOWN OF CANTON, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 10 - PENSION PLANS *(Continued)*

Defined Benefit Plans *(Continued)*

Plan Membership

Town Employee Retirement Plan

Full-time employees hired prior to January 1, 2003 and who work at least 20 hours per week and five months per year are eligible to participate in the Plan following the completion of one month of service. Board of Education full-time employees who work at least 20 hours per week and more than five months per year and who are not covered by the State Teacher’s Retirement Plan are eligible to participate in the Plan on the first day of the month following one year of employment. Employees are 100% vested after five years of continuous service. This Plan was closed to new employees as of January 1, 2003.

Volunteer Firefighters and Ambulance Plan

All volunteer firefighters and ambulance personnel are eligible to participate in the Plan based upon earned points. Points are earned based upon the number of calls, drills, or other training activities per volunteer. After four years of service, benefits are 40% vested and increase 10% for each year up to ten years, at which time benefits are 100% vested. Members are also 100% vested upon normal retirement age, date of disability or date of death. This Plan was closed to new employees as of July 1, 1994.

Membership of the Plans consisted of the following as of the date of the latest actuarial valuations:

	Town Plan	Volunteer Firefighters and Ambulance Plan
Inactive plan members or beneficiaries currently receiving benefits	83	10
Inactive plan members entitled to but not yet receiving benefits	13	13
Active plan members	17	4
	113	27

TOWN OF CANTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 10 - PENSION PLANS *(Continued)*

Defined Benefit Plans *(Continued)*

Benefit Provisions

Town Employee Retirement Plan

For retirees prior to December 31, 1999, the normal retirement benefit is calculated at 2.0% (2.25% with 60% of pay cap for Police retirees prior to July 1, 1999) of the participant's average annual compensation for the highest three of the last ten calendar years, multiplied by years of credited service. Subsequent, the normal retirement benefit is calculated at 1.75% for Town, Police and Custodial employees, and 1.50% for Board of Education employees.

Normal retirement age is the later of age 62 or 5 years of services. Normal retirement age for Police is the earliest of age 55 and 10 years of service, age 65 and 5 years of service, or when age plus service equal 70 or more. Members can retire as early as 10 years prior to the normal retirement age (police can retire as early as age 45 and 10 years of service).

Early retirement benefits shall be reduced by the appropriate early retirement adjustment factor for each month the early retirement date precedes the normal retirement date. Deferred retirement benefits shall be calculated using the member's credited service to the deferred retirement date. Death benefits will be paid if the member dies after his early retirement date (age 52 with 5 years of credited service; age 45 with 10 years of credited service for Police members) and before his actual retirement date. Spouses of members eligible for the spouse's benefit will receive for life a monthly death benefit equal to 50% of the early retirement benefit calculated the day before the death. Death benefits for members not eligible for the spouse's benefit will be paid in a lump sum based on the accumulated member contributions with credited interest.

A plan member who leaves Town service may withdraw his or her contributions with credited interest or, if they have completed 5 years of service, will be entitled to a deferred retirement benefit to commence on the member's normal retirement date.

An active Board of Education Member who terminated prior to January 1, 2000 shall be vested upon the completion of 10 years of credited service. The benefit will be based on the number of years of credited service and final average compensation as of the date of termination. The member shall not be eligible for the death benefit provision.

Volunteer Firefighters and Ambulance Plan

The plan provides retirement, disability and death benefits. A volunteer is credited with a year of service for any plan year during which the volunteer has been credited with at least 50 Points. The monthly retirement benefit to be provided for an original participant who elects the original benefit shall be equal to \$10 per month for each year of service up to a maximum of 35 years. Service prior to July 1, 1990 is credited as 1 ½ years for each year of service (up to a maximum of 15 years). Service after July 1, 1990 is credited as one year of service for each year. Normal retirement age is age 65 and 4 years of service.

TOWN OF CANTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 10 - PENSION PLANS *(Continued)*

Defined Benefit Plans *(Continued)*

Other Benefit Provisions

Retirement benefits for participants who elect the new benefit are the total value of the participant's account paid either in a single lump sum or substantially equal monthly or annual installments for a period not to exceed 10 years. The normal retirement date for new participants is when the participant has both attained his 65th birthday and received credit for at least 7 years of service.

Disability retirement and death benefits are determined in the same manner as retirement. If a terminated participant dies prior to receiving any benefit payments from the plan, the beneficiary shall be entitled to the present value of his vested accrued benefit not to exceed \$10,000. If an original participant dies prior to his normal retirement date, his spouse shall be entitled to an amount equal to 50% of the accrued benefit to date as of the date of the participant's death provided the participant shall have completed at least 10 years of service and attained 55 years of age and been married at least 1 year.

Contributions

The contribution requirements of plan members and the Town are established and may be amended by the Pension Committee. The Town's funding policy provides for periodic employer contributions at rates that, when expressed as a percentage of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The contribution rates for normal costs for all Plans were actuarially determined using the Entry Age Actuarial Cost Method.

Town Employee Retirement Plan

The Town Plan provides that as of July 1, 2001, non-Police members will contribute 4% of their annual compensation. As of January 1, 2003, Police members are required to contribute 6.5% of their annual compensation.

For the year ended June 30, 2020, the average active contribution rate of annual compensation was 4% for Town Hall employees, 7% for Police and Highway employees, and 4% for Board of Education employees. Total employee contributions totaled \$64,461 for the year ended June 30, 2020.

For the year ended June 30, 2020, employer contributions to the Town Plan totaled \$1,048,642 and represented approximately 87.68% of covered payroll.

Volunteer Firefighters and Ambulance Plan

Participants of the volunteer plan are not required to contribute to the Plan.

For the year ended June 30, 2020, employer contributions to Volunteer Firefighters' and Volunteer Ambulance Plan totaled \$26,697.

TOWN OF CANTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 10 - PENSION PLANS *(Continued)*

Defined Benefit Plans *(Continued)*

Summary of Significant Accounting Policies

The Plans are accounted for using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plans are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plans.

Investments - Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Short-term investments are reported at cost, which approximates fair value. Investments for which market quotations are not readily available are valued at their fair values as determined by the custodian under the direction of the Town, with the assistance of a valuation service. Investment income is recognized when earned and gains and losses on sales or exchanges are recognized on the transaction date.

Investment policy - The Town policy in regard to the allocation of invested assets is established and may be amended by the Pension Committee. The Town's Pension Committee pursues an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes, discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

Concentrations - As of June 30, 2020, more than 10% of the Town Employee Retirement Plan's investments are invested in the following:

<u>Issuer</u>	<u>Investment</u>	<u>Value</u>	<u>% of Town Plan's Investments</u>
Vanguard	500 Index Admiral	\$ 4,035,050	23.6%
Natixis Loomis Sayles	Investment Grade Bond Mutual Fund	2,922,650	17.1%
Metropolitan West	Total Return Bond	2,880,514	16.8%
American Funds	Europacific Growth Fund	2,156,114	12.6%

As of June 30, 2020, more than 10% of the Volunteer Firefighters' and Volunteer Ambulance Plan's investments are invested in the following:

<u>Issuer</u>	<u>Investment</u>	<u>Value</u>	<u>% of Volunteer Fire and Ambulance Plan's Investments</u>
Vanguard	500 Index Admiral	\$ 235,744	23.4%
Natixis Loomis Sayles	Investment Grade Bond Mutual Fund	176,295	17.5%
Metropolitan West	Total Return Bond	173,517	17.2%
American Funds	Europacific Growth Fund	120,722	12.0%

Rate of return - For the year ended June 30, 2020, the annual money-weighted rate of return on the Town Plan's and the Volunteer Firefighters' and Ambulance Plan's pension plan investments, net of pension plan investment expense, was 3.50% and 4.12%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

TOWN OF CANTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 10 - PENSION PLANS *(Continued)*

Defined Benefit Plans *(Continued)*

Net Pension Liabilities

The components of the Town's net pension liabilities for each of its Plans as of June 30, 2020, were as follows:

	Town Plan	Volunteer Firefighters and Ambulance Plan	Total
Total pension liability	\$ 23,112,316	\$ 482,468	\$ 23,594,784
Plan fiduciary net position	17,095,558	344,735	17,440,293
Town's net pension liability	\$ 6,016,758	\$ 137,733	\$ 6,154,491
 Plan fiduciary net position as a percentage of the total pension liability	73.97%	71.45%	

The components of the changes in the net pension liability for each of its Plans for the year ended June 30, 2020, were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Town Plan			
Balance as of June 30, 2019	\$ 23,602,107	\$ 17,020,219	\$ 6,581,888
Changes for the year:			
Service cost	222,776	-	222,776
Interest	1,439,435	-	1,439,435
Differences between expected and actual experience	(487,950)	-	(487,950)
Changes of assumptions	(51,738)	-	(51,738)
Contributions - employer	-	1,048,642	(1,048,642)
Contributions - employee	-	64,461	(64,461)
Net investment income	-	603,436	(603,436)
Benefit payments, including refunds	(1,612,314)	(1,612,314)	-
Administrative expense	-	(28,886)	28,886
Net changes	(489,791)	75,339	(565,130)
Balance as of June 30, 2020	\$ 23,112,316	\$ 17,095,558	\$ 6,016,758

TOWN OF CANTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 10 - PENSION PLANS *(Continued)*

Defined Benefit Plans (Continued)

Net Pension Liabilities *(Continued)*

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Volunteer Firefighters and Ambulance Plan			
Balance as of June 30, 2019	\$ 454,705	\$ 331,723	\$ 122,982
Changes for the year:			
Service cost	1,547	-	1,547
Interest	27,813	-	27,813
Differences between expected and actual experience	22,838	-	22,838
Changes of assumptions	(1,596)	-	(1,596)
Contributions - employer	-	26,697	(26,697)
Net investment income	-	14,162	(14,162)
Benefit payments, including refunds	(22,839)	(22,839)	-
Administrative expense	-	(5,008)	5,008
Net changes	27,763	13,012	14,751
Balance as of June 30, 2020	\$ 482,468	\$ 344,735	\$ 137,733

Actuarial assumptions - The total pension liabilities were determined by actuarial valuations as of January 1, 2020 for the Town Plan and the Volunteer Firefighters and Ambulance Plan using the following actuarial assumptions, applied to all periods included in the measurement:

	Town Plan	Volunteer Firefighters and Ambulance Plan
Inflation	2.60%	2.60%
Salary increases (average, including inflation)	3.60%	Not applicable
Investment rate of return (net of investment expense)	6.25%	6.25%

Mortality rates were based on the Pub-2010 Public Retirement Plans for Public Safety and General employees, for non-annuitants and annuitants, projected to the valuation date with Scale MP-2019.

TOWN OF CANTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 10 - PENSION PLANS *(Continued)*

Defined Benefit Plans *(Continued)*

Net Pension Liabilities *(Continued)*

The long-term expected rate of returns on pension plan investments were 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 each of the Plan's target asset allocation as of June 30, 2020 are summarized in the following table:

Town Plan

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Fixed Income	35.00%	1.85%
Long Duration	5.00%	2.25%
Domestic Large	22.50%	5.25%
Domestic Small	10.00%	5.80%
International Developed	15.50%	5.60%
Emerging Markets	7.00%	6.55%
REITs	5.00%	4.20%
	<u>100.00%</u>	

Volunteer Firefighters and Ambulance Plan

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Fixed Income	35.00%	1.65%
Long Duration	5.00%	2.15%
Domestic Large	22.50%	5.55%
Domestic Small	10.00%	6.00%
International Developed	15.50%	5.55%
Emerging Markets	7.00%	6.50%
REITs	5.00%	4.40%
	<u>100.00%</u>	

TOWN OF CANTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 10 - PENSION PLANS *(Continued)*

Defined Benefit Plans (Continued)

Net Pension Liabilities *(Continued)*

Discount rate - The discount rate used to measure the total pension liability for the Town Plan and the Volunteer Firefighters and Ambulance Plan was 6.25%. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rates and that the Town's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the each of the 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 rates of return on each Plan's investments were applied to all periods of projected benefit payments to determine each Plan's total pension liability.

Sensitivity of the net pension liability to changes in the discount rate - The following presents the net pension liability for each Plan, calculated using the discount rate disclosed above, as well as what the Town's net pension liability would be for each of the Plans if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Discount Rates		
	1.0% Decrease	Current	1.0% Increase
Net pension liability:			
Town Plan	\$ 8,365,742	\$ 6,016,758	\$ 4,016,902
Firefighters' & Ambulance Plan	183,080	137,733	98,911
	\$ 8,548,822	\$ 6,154,491	\$ 4,115,813

Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2020, the Town recognized pension expense of \$185,105 for the Town Plan and \$37,930 for the Volunteer Firefighters and Ambulance Plan. At June 30, 2020, the Town reported deferred outflows and inflows of resources related to each of the Plans from the following sources:

	Deferrd Outflows of Resources	Deferred Inflows of Resources	Net Amounts
Town Plan:			
Net difference between projected and actual earnings on pension plan investments	\$ 265,548	\$ -	\$ 265,548
Total Town Plan	265,548	-	265,548
Volunteer Firefighters and Ambulance Plan:			
Net difference between projected and actual earnings on pension plan investments	766	-	766
Differences between expected and actual experience	107	-	107
Changes of assumptions	-	(184)	(184)
Total Volunteer Firefighters and Ambulance Plan	873	(184)	689
	\$ 266,421	\$ (184)	\$ 266,237

TOWN OF CANTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 10 - PENSION PLANS *(Continued)*

Defined Benefit Plans *(Continued)*

Pension Expense and Deferred Outflows and Inflows of Resources *(Continued)*

Amounts reported as deferred outflows and inflows of resources will be recognized as a component of pension expense in future years as follows:

Year ended June 30,	Amortization of Deferred Outflows and Inflows of Resources		
	Volunteer		
	Town Plan	Firefighters and Ambulance Plan	Total
2021	\$ (21,044)	\$ (2,254)	\$ (23,298)
2022	91,661	486	92,147
2023	106,116	1,149	107,265
2024	88,815	1,308	90,123
Total	\$ 265,548	\$ 689	\$ 266,237

Plan Financial Statements

The following presents the statement of fiduciary net position and the statement of changes in fiduciary net position for each of the Town's defined benefit plans as of and for the year ended June 30, 2020:

	Statement of Fiduciary Net Position	
	Town Plan	Volunteer Firefighters and Ambulance Plan
ASSETS		
Cash and cash equivalents	\$ 186,706	\$ 2,120
Investments	16,908,843	342,615
Total assets	17,095,549	344,735
NET POSITION		
Restricted for pension benefits	\$ 17,095,549	\$ 344,735

TOWN OF CANTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 10 - PENSION PLANS *(Continued)*

Defined Benefit Plans *(Continued)*

Plan Financial Statements *(Continued)*

Statement of Changes in Fiduciary Net Position		
	Town Plan	Volunteer Firefighters and Ambulance Plan
ADDITIONS		
Contributions:		
Employers	\$ 1,465,235	\$ 26,697
Plan members	58,855	-
Total contributions	1,524,090	26,697
Investment earnings:		
Interest and dividends	400,270	7,934
Net change in the fair value of investments, net of investment fees	215,773	6,220
Total investment earnings, net	616,043	14,154
Total additions	2,140,133	40,851
DEDUCTIONS		
Benefit payments	2,030,965	22,839
Administrative expenses	33,838	5,000
Total deductions	2,064,803	27,839
Changes in net position	75,330	13,012
Net position - beginning	17,020,219	331,723
Net position - ending	\$ 17,095,549	\$ 344,735

TOWN OF CANTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 10 - PENSION PLANS *(Continued)*

Defined Contribution Plans

Plan Descriptions

Town of Canton Defined Contribution Retirement Plan

The Town sponsors a defined contribution plan for Town employees. In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. The Plan covers all eligible Town employees. The Pension Committee makes recommendations for Plan provisions, which are approved by the Board of Selectmen. The Town submits all contributions directly to a third-party administrator who holds the assets in trust; therefore, this plan is not included in the Town's financial statements. The plan does not issue stand alone financial statements.

Town of Canton Volunteer Firefighters and Ambulance Personnel Pension Plan

The Town is the administrator of the Volunteer Firefighters and Ambulance Personnel Pension Plan, a defined contribution pension plan. In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. The Plan covers Volunteer Firefighters and Volunteer Ambulance personnel with service beginning after July 1, 1994. The Plan was closed to new participants on July 1, 2009. The Plan does not issue stand-alone financial statements and is part of the Town's financial reporting entity. As such, balances of the Plan as of and for the year ended June 30, 2020 are accounted for in the fiduciary fund financial statements as pension trust funds.

Plan Provisions

Town of Canton Defined Contribution Retirement Plan

Any employee hired since January 1, 2003, other than an employee whose employment is part-time or seasonal, working at least 30 hours a week or five months per year shall become a participant in the Plan after completing one month of service. Participation is mandatory. Participants' interest in their contribution, rollovers and Town contributions is fully vested at all times.

Town of Canton Volunteer Firefighters and Ambulance Personnel Pension Plan

A volunteer shall become a participant in the Plan on the first eligibility date immediately following the plan year in which he earns at least 50 points. Points are earned by performing certain duties during the Plan year. A volunteer's status as a participant shall continue for each plan year thereafter until he incurs a break in service. If a participant incurs a break in service, he shall cease to be a participant and shall become a terminated participant. A terminated participant shall again become a participant in this plan on the eligibility date immediately following the plan year in which he earns at least 50 points. Normal retirement date shall be the date on which the participant attained his 65th birthday and received credit for at least seven years of service under the Plan. Plan provisions and the authority to amend the provisions are established by the Board of Selectmen.

TOWN OF CANTON, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 10 - PENSION PLANS *(Continued)*

Defined Contribution Plans *(Continued)*

Contributions

Town of Canton Defined Contribution Retirement Plan

The Town and the participants are required to make contributions. The percentage of required contributions from both employees and the Town is listed in the table below:

<u>Employee Group</u>	<u>Town/BOE %</u>	<u>Employee %</u>
Town		
Government Directors	7.00%	5.50%
Non-Union	7.00%	5.50%
Police	12.00%	6.50%
Dispatch	7.50%	7.50%
Department of Public Works	7.50%	7.50%
Board of Education - Union	6.00%	4.00%
Board of Education - Non-Union	6.00%	6.00%

The total Town and Board of Education contributions during the year ended June 30, 2020 was \$567,594 and employee contributions totaled \$543,629.

Town of Canton Volunteer Firefighters and Ambulance Personnel Pension Plan

The Town contributes \$400 on-behalf of each participant who elects the new benefit. The maximum number of plan years for which the Town will make a contribution on behalf of any participant is 35 plan years. The total Town contribution during the year ended June 30, 2020 was \$5,200. Participants are not required or allowed to make contributions.

TOWN OF CANTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 10 - PENSION PLANS *(Continued)*

Defined Contribution Plans *(Continued)*

Plan Financial Statements

Town of Canton Volunteer Firefighters and Ambulance Personnel Pension Plan

The following presents the statement of fiduciary net position and the statement of changes in fiduciary net position for the Volunteer Firefighters and Ambulance Personnel Pension Plan as of and for the year ended June 30, 2020:

Statement of Fiduciary Net Position	
	Volunteer Firefighters and Ambulance Plan
ASSETS	
Cash and cash equivalents	\$ 4,080
Investments	659,514
Total assets	663,594
NET POSITION	
Restricted for pension benefits	\$ 663,594
Statement of Changes in Fiduciary Net Position	
	Volunteer Firefighters and Ambulance Plan
ADDITIONS	
Contributions:	
Employers	\$ 5,200
Plan members	-
Total contributions	5,200
Investment earnings:	
Interest and dividends	15,092
Net change in the fair value of investments, net of investment fees	11,730
Total investment earnings, net	26,822
Total additions	32,022
DEDUCTIONS	
Benefit payments	39,737
Administrative expenses	5,369
Total deductions	45,106
Changes in net position	(13,084)
Net position - beginning	676,678
Net position - ending	\$ 663,594

TOWN OF CANTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 10 - PENSION PLANS *(Continued)*

Connecticut State Teachers' Retirement System

Plan Description

The Connecticut Teachers' Retirement System ("TRS" or the "Plan") is the public pension plan offered by the State of Connecticut (the "State") to provide retirement, disability, survivorship and health insurance benefits for Connecticut public school teachers and their beneficiaries. The Plan is governed by Connecticut Statute Title 10, Chapter 167a of the Connecticut General Statutes. TRS is a multiemployer pension plan administered by the Connecticut State Teachers' Retirement Board ("TRB"). The State Treasurer is responsible for investing TRS funds for the exclusive benefit of TRS members.

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

Benefit Provisions

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

Normal Retirement: Retirement benefits for the employees are calculated as 2.0% of the average annual salary times the years of credited service (maximum benefit is 75.0% of average annual salary during the 3 years of highest salary). In addition, amounts derived from the accumulation of the 6.0% contributions made prior to July 1, 1989 and voluntary contributions are payable.

Early Retirement: Employees are eligible after 25 years of credited service with a minimum of 20 years of Connecticut service, or age 55 with 20 years of credited service with a minimum of 15 years of Connecticut service. Benefit amounts are reduced by 6.0% per year for the first 5 years preceding normal retirement age and 4.0% per year for the next 5 years preceding normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3% per year by which retirement precedes normal retirement date.

Minimum Benefit: Effective January 1, 1999, Public Act 98-251 provides a minimum monthly benefit of \$1,200 to teachers who retire under the normal retirement provisions and who have completed at least 25 years of full time Connecticut service at retirement.

Disability Retirement: Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required to be eligible for non-service related disability. Disability benefits are calculated as 2.0% per year of service times the average of the highest three years of pensionable salary, but not less than 15.0%, nor more than 50.0%. In addition, disability benefits under this Plan (without regard to cost-of-living adjustments) plus any initial award of Social Security benefits and workers' compensation cannot exceed 75.0% of average annual salary. A plan member who leaves service and has attained 10 years of service will be entitled to 100.0% of the accrued benefit as of the date of termination of covered employment. Benefits are payable at age 60, and early retirement reductions are based on the number of years of service the member would have had if they had continued work until age 60.

Pre-Retirement Death Benefit: The plan also offers a lump-sum return of contributions with interest or surviving spouse benefit depending on length of service.

TOWN OF CANTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 10 - PENSION PLANS *(Continued)*

Connecticut State Teachers' Retirement System *(Continued)*

Contributions

State of Connecticut - Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State are amended and certified by the TRB and appropriated by the General Assembly. The contributions are actuarially determined as an amount that, when combined with employee contributions and investment earnings, is expected to finance the costs of the benefits earned by employees during the year, with any additional amounts to finance any unfunded accrued liability.

Employers - School District employers are not required to make contributions to the Plan, as contributions are required only from employees and the State.

Employees - Effective July 1, 1992, each teacher was required to contribute 6.0% of pensionable salary for the pension benefit. Effective January 1, 2018, the required contribution increased to 7.0% of pensionable salary.

Administrative Expenses

Administrative costs of the plan are to be paid by the General Assembly per Section 10-183r of the Connecticut General Statutes.

Basis of Presentation

The components associated with pension expense and deferred outflows and inflows of resources have been determined based on fiduciary net position as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2019. The net pension liability at June 30, 2019 has been calculated using the audited amounts. TRS is included in the State of Connecticut audit as a pension trust fund. The State of Connecticut's Comprehensive Annual Financial Report can be obtained at www.ct.gov.

The accounting standards require participating employers to recognize their proportional share of the collective net pension liability, deferred outflows and inflows of resources and pension expense. Contributions remitted by the State are recognized when legally due, based upon statutory requirements.

Allocation Methodology

The allocations for participating employers are based on the expected contribution effort as measured June 30, 2018, the date of the latest biennial valuation. The liabilities of the June 30, 2018 actuarial valuation were rolled forward to the measurement date of June 30, 2019. The employer allocations were then applied to the net pension liability and pension expense to determine the amount applicable to each employer. Based upon the employee contributions made by the employees of each employer, as compared to the total employee contributions, an employer allocation percentage is calculated to six decimal places and is used to allocate the elements noted above. The employer allocation applied to Town totaled 0.290% as of the most recent measurement date.

TOWN OF CANTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 10 - PENSION PLANS *(Continued)*

Connecticut State Teachers' Retirement System *(Continued)*

Collective Net Pension Liability

The following summarizes the collective net pension liability of the State for the TRS as of June 30, 2019, the measurement date, in addition to the Town's and State's proportionate shares of the collective net pension liability that is attributed to the Town:

Collective Net Pension Liability of the State for the TRS		<u>\$ 17,072,720,000</u>
	<u>Proportion</u>	<u>Proportionate Share</u>
Town's proportionate share of the Collective Net Pension Liability	0.000%	<u>\$ -</u>
State's proportionate share of the Collective Net Pension Liability attributed to the Town	0.29%	<u>\$ 49,544,000</u>

Collective Pension Expense

The Town's expected contribution effort for allocation purposes totaled \$3,750,238 or 0.290% of the total expected contribution effort. The Town has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures in the General Fund for the year ended June 30, 2020.

The collective pension expense includes certain current period changes in the collective net pension liability, projected earnings on pension plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The portion of the collective pension expense attributed to the Town totaled \$6,084,882 or 0.290% of the total collective pension expense and has been recognized as an operating contribution and related education expenses in the statement of activities for the year ended June 30, 2020.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2018, and a measurement date of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.25% - 6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation
Administrative expenses	\$0 assumption as expenses are paid for by the General Assembly

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

TOWN OF CANTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 10 - PENSION PLANS *(Continued)*

Connecticut State Teachers' Retirement System *(Continued)*

Actuarial Assumptions *(Continued)*

Future cost-of-living increases for teachers who retired prior to September 1, 1992, are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5.0% 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 6.0% 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 5.0% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3.0%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

Long-Term Rate of Return

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The current capital market assumptions and the target asset allocation as provided by the Treasurer's Office are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Return</u>	<u>Standard Deviation</u>
Public Equity - US Equity	20.0%	8.1%	17.0%
Public Equity - International Developed Equi	11.0%	8.5%	19.0%
Public Equity - Emerging Markets Equity	9.0%	10.4%	24.0%
Fixed Income - Core Fixed Income	16.0%	4.6%	7.0%
Fixed Income - Inflation Linked Bonds	5.0%	3.6%	7.0%
Fixed Income - High Yield	6.0%	6.5%	11.0%
Fixed Income - Emerging Market Debt	5.0%	5.2%	11.0%
Private Equity	10.0%	9.8%	23.0%
Real Estate	10.0%	7.0%	15.0%
Alternative Investments - Real Assets	4.0%	8.2%	17.0%
Alternative Investments - Hedge Funds	3.0%	5.4%	7.0%
Liquidity Fund	1.0%	2.9%	1%
	<u>100.0%</u>		

The geometric rates of expected return shown in the table above are nominal returns net of investment expenses.

TOWN OF CANTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 10 - PENSION PLANS *(Continued)*

Connecticut State Teachers' Retirement System *(Continued)*

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 the State contributions will be made at the actuarially determined rates in 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.

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Board of Education Plan

Plan Description

The Town of Canton administers an other post-employment benefits program (the "OPEB Plan"), which is a single-employer defined benefit plan. The OPEB Plan provides healthcare insurance benefits for eligible retirees and their spouses through the Town's group health insurance plan, which covers both active and retired members. Benefit provisions are established by the Town and the General Statutes of the State of Connecticut. The OPEB Plan is considered to be part of the Town's financial reporting entity. The Plan does not issue a publicly available financial report and is not included in the financial statements of another entity.

Benefits Provided

Teachers and administrators: Teachers or administrators retiring under the Connecticut State Teachers Retirement System are eligible to receive health benefits for self and spouse. Normal retirement for teachers and administrators is the earliest of age 60 with 20 years of service, or completion of 35 years of service regardless of age. Early retirement is the earliest of age 60 with 10 years of service, any age with 25 years of service, or age 55 with 20 years of service.

Board of Education School secretaries: Grandfathered secretaries who are at least 55 years old and with 10 years of service are eligible to continue health insurance coverage for self and spouse. Normal retirement age for school secretaries is age 62 with 5 years of service.

Board of Education Custodians: Grandfathered custodians who were hired prior to July 1, 2007 are eligible to continue health insurance coverage for self and spouse. Normal retirement age for custodians is age 62 with 5 years of service.

Board of Education Central office staff: Retired central office employees are eligible to continue health insurance coverage for self and spouse.

Board of Education Nurses and Non-Union staff: A retired nurse of non-union support employee with 10 years of service shall be eligible to continue health insurance coverage for self and spouse.

TOWN OF CANTON, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Board of Education Plan (Continued)

Employees Covered by Benefit Terms

Membership of the Plan consisted of the following as of July 1, 2018, the date of the latest actuarial valuation:

Current retirees, beneficiaries, and dependents*	6
Current active participants	148
	154
	154

* Excludes over 65 Medicare eligible and dental only retirees who are paying 100% of the premiums

Contributions

Contribution requirements of the plan members and the Town are established in the provisions of the program and in accordance with the General Statutes of the State of Connecticut. Plan members are currently required to contribute 100% of their premiums to the Town, less any reimbursements received by the Town from the State Retirement Board for retired teachers. Town contributions made to its Other Post-Employment Benefits Trust Fund are based on an actuarially determined rate. Town contributions totaled \$58,211 for the year ended June 30, 2020.

Net OPEB Liability

The Town's net OPEB liability reported as of June 30, 2020 totaled \$98,930. The net OPEB liability was measured as of June 30, 2020 using the Entry Age Normal Method. The components of the net OPEB liability as of June 30, 2020, was as follows:

	OPEB Plan
Total OPEB liability	\$ 1,214,417
Plan fiduciary net position	1,115,487
Town's net OPEB liability	\$ 98,930

Plan fiduciary net position as a percentage of the total OPEB liability	91.85%
--	--------

Actuarial Assumptions - The total OPEB liability as of June 30, 2020 was determined using the following actuarial assumptions, applied to all period included in the measurement, unless otherwise specified:

Discount rate	6.25%	
Salary increases	3.50%	
Healthcare cost trend rate		
Medical and prescription drug	7.00% decreasing by 0.5% for 10 years to an ultimate level of 4.50%	

Mortality rates were based on the RP-2014 White Collar Tables for active employees and annuitants, projected to year 2020 based on Scale BB for teachers and administrators and the RP-2000 Mortality Table for Males and Females, and separate tables for active employees and annuitants, with general projection per Scale MP-2018 for non-certified employees.

TOWN OF CANTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Board of Education Plan *(Continued)*

Net OPEB Liability *(Continued)*

The long-term expected rate of returns on OPEB Plan investments were 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 OPEB Plan's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	37.50%	6.40%
International developed markets equity	27.50%	7.05%
Core Fixed Income	35.00%	1.15%
	100.00%	

Discount rate - The discount rate used to measure the total OPEB liability was 6.25%. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rates and that the Town's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member 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 rates of return on the OPEB Plan's investments were applied to all periods of projected benefit payments to determine the OPEB Plan's total OPEB liability.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balance as of June 30, 2019	\$ 1,154,969	\$ 1,059,003	\$ 95,966
Changes for the year:			
Service Cost	42,861	-	42,861
Interest	73,098	-	73,098
Contributions - employer	-	58,211	(58,211)
Net investment income	-	54,784	(54,784)
Benefit payments	(56,511)	(56,511)	-
Net Changes	59,448	56,484	2,964
Balance as of June 30, 2020	\$ 1,214,417	\$ 1,115,487	\$ 98,930

TOWN OF CANTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Board of Education Plan *(Continued)*

Changes in the Net OPEB Liability *(Continued)*

Sensitivity of the net OPEB liability to changes in the discount rate - The following presents the Town's net OPEB liability, calculated using the discount rate disclosed above, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.25%) or 1-percentage-point higher (7.25%) than the current rate:

	Discount Rates		
	1.0% Decrease	Current	1.0% Increase
Town's Net OPEB liability	\$ 201,522	\$ 98,930	\$ 5,419

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates - The following presents the Town's net OPEB liability, calculated using the discount rate disclosed above, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Healthcare Cost Trend Rates		
	1.0% Decrease	Current	1.0% Increase
Town's Net OPEB (asset) liability	\$ (38,446)	\$ 98,930	\$ 259,540

TOWN OF CANTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Board of Education Plan *(Continued)*

OPEB Plan Financial Statements

The following presents the statement of fiduciary net position and the statement of changes in fiduciary net position for the Town's OPEB Plan as of and for the year ended June 30, 2020:

Statement of Fiduciary Net Position

	OPEB Trust Fund Plan
ASSETS	
Cash and cash equivalents	\$ 39,763
Investments	1,075,724
Total assets	1,115,487
 NET POSITION	
Restricted for pension benefits	\$ 1,115,487

Statement of Changes in Fiduciary Net Position

	OPEB Trust Fund Plan
ADDITIONS	
Contributions:	
Employers	\$ 58,211
Plan members	-
Total contributions	58,211
Investment earnings:	
Interest and dividends	-
Net change in the fair value of investments, net of investment fees	54,784
Total investment earnings, net	54,784
Total additions	112,995
 DEDUCTIONS	
Benefit payments	56,511
Administrative expenses	-
Total deductions	56,511
Changes in net position	56,484
Net position - beginning	1,059,003
Net position - ending	\$ 1,115,487

TOWN OF CANTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Board of Education Plan *(Continued)*

OPEB Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2020, the Town recognized OPEB expense of \$91,043. At June 30, 2020, the Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferrd Outflows of Resources	Deferred Inflows of Resources	Net Amounts
Net difference between projected and actual earnings on pension plan investments	\$ 39,405	\$ -	\$ 39,405
Differences between expected and actual experience	383,035	(58,333)	324,702
Changes of assumptions	-	(176,821)	(176,821)
Total	\$ 422,440	\$ (235,154)	\$ 187,286

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

Year ended June 30,	
2021	\$ 41,318
2022	41,316
2023	28,110
2024	26,809
2025	24,537
Thereafter	25,196
Total	\$ 187,286

Connecticut State Teachers' Retirement System

Plan Description

The Connecticut Teachers' Retirement System ("TRS" or the "Plan") is the public pension plan offered by the State of Connecticut (the State) to provide retirement, disability, survivorship and health insurance benefits for Connecticut public school teachers and their beneficiaries. The Plan is governed by Connecticut Statute Title 10, Chapter 167a of the Connecticut General Statutes. TRS is a multiemployer pension plan administered by the Connecticut State Teachers' Retirement Board ("TRB"). The State Treasurer is responsible for investing TRS funds for the exclusive benefit of TRS members.

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

TOWN OF CANTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut State Teachers' Retirement System *(Continued)*

Benefit Provisions

The Plan covers retired teachers and administrators of public schools in the State who are receiving benefits from the Plan. The Plan provides healthcare insurance benefits to eligible retirees and their spouses. Any member that is currently receiving a retirement or disability benefit through the Plan is eligible to participate in the healthcare portion of the Plan. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the TRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

Any member that 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, any remaining portion is used to offset the district's cost. The subsidy amount is set by statute, and has not increased since July of 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 that is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the Plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage. If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug 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.

Contributions

State of Connecticut - 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 amended and certified by the TRB and appropriated by the General Assembly. The State pays for one third of plan costs through an annual appropriation in the General Fund.

Employers - School District employers are not required to make contributions to the Plan.

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.

Administrative Expenses

Administrative costs of the Plan are to be paid by the General Assembly per Section 10-183r of the Connecticut General Statutes.

TOWN OF CANTON, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut State Teachers' Retirement System *(Continued)*

Basis of Presentation

The components associated with the other postemployment benefits (OPEB) expense and deferred inflows and outflows of resources have been determined using the unrecognized portions of each year's experience and assumption changes as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2019. The net OPEB liability at June 30, 2019 has been calculated using the audited amounts. The OPEB trust fund is included in the TRS, and the TRS is included in the State of Connecticut audit as a pension trust fund. The State of Connecticut's Comprehensive Annual Financial Report can be obtained at www.ct.gov.

The accounting standards require participating employers to recognize their proportional share of the collective net OPEB liability, deferred outflows and inflows of resources and OPEB expense. Contributions remitted by the State are recognized when legally due, based upon statutory requirements.

Allocation Methodology

The allocations for participating employers are based on the expected contribution effort as measured June 30, 2018, the date of the latest biennial valuation. The allocations for participating employers are based on the expected contribution effort as measured June 30, 2018, the date of the latest biennial valuation. The liabilities of the June 30, 2018 actuarial valuation were rolled forward to the measurement date of June 30, 2019. The employer allocations were then applied to the net OPEB liability and OPEB expense to determine the amount applicable to each employer. Based upon the employee contributions made by the employees of each employer, as compared to the total employee contributions, an employer allocation percentage is calculated to six decimal places and is used to allocate the elements noted above. The employer allocation applied to Town totaled 0.290% as of the most recent measurement date.

Collective Net OPEB Liability

The following summarizes the collective net OPEB liability of the State for the TRS as of June 30, 2019, the measurement date, in addition to the Town's and State's proportionate shares of the collective net OPEB liability that is attributed to the Town:

Collective Net OPEB Liability of the State for the TRS		<u>\$ 2,662,587,000</u>
	<u>Proportion</u>	<u>Proportionate Share</u>
Town's proportionate share of the Collective Net OPEB Liability	0.000%	<u>\$ -</u>
State's proportionate share of the Collective Net OPEB Liability attributed to the Town	0.29%	<u>\$ 7,727,000</u>

TOWN OF CANTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut State Teachers' Retirement System *(Continued)*

Collective OPEB Expense

The Town's expected contribution effort for allocation purposes totaled \$102,497 or 0.290% of the total expected contribution effort. The Town has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures in the General Fund for the year ended June 30, 2020.

The collective OPEB expense includes certain current period changes in the collective net OPEB liability, projected earnings on OPEB plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The portion of the collective OPEB expense attributed to the Town totaled a negative \$(565,414) or 0.290% of the total collective OPEB expense and has been recognized as a reduction in operating contributions and related education expenses in the statement of activities for the year ended June 30, 2020.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2018 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Real Wage Growth	0.75%
Wage Inflation	3.25%
Salary increases	3.25% - 6.50%, including inflation
Long-term investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates:	
Pre-Medicare	5.95% for 2018 decreasing to an ultimate rate of 4.75% by 2025
Medicare	5.00% for 2018 decreasing to an ultimate rate of 4.75% by 2028

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

Long-Term Rate of Return

The long-term expected rate of return on plan assets is reviewed as part of the actuarial valuation process. Several factors are considered in evaluation 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 of investment expense and inflation) for each major asset class.

The long-term expected rate of return was determined by weighing 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.

TOWN OF CANTON, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut State Teachers' Retirement System *(Continued)*

Long-Term Rate of Return *(Continued)*

The target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Expected 10-Year Geometric Real Rate of Return	Standard Deviation
U.S. Treasuries (Cash Equivalents)	100.00%	0.41%	2.31%

Discount Rate

The discount rate used to measure the total OPEB liability was 3.50%. The projection of cash flows used to determine the discount rate was performed in accordance with the applicable standards. The projection's basis was an actuarial valuation performed as of June 30, 2018.

In addition to the actuarial methods and assumptions of the June 30, 2018 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 annual at a rate of 3.25%.
- 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.
- No future employer contributions were assumed to be made.

Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2019 and, as a result, the Municipal Bond Index Rate of 3.87% was used in the determination of the single equivalent rate.

NOTE 12 - RISK MANAGEMENT AND UNCERTAINTIES

Risk Management - Insurance

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or natural disasters. The Town established an internal service fund, the medical insurance fund, to account for and finance the risk of loss for the Town's employee medical benefits claims. The Town purchases commercial insurance for all other risks of loss. During the year ended June 30, 2020 deductibles paid by the Town were insignificant. Settled claims from these risks did not exceed commercial insurance coverage during the three years ended June 30, 2020. There were no significant reductions in insurance coverage from amounts held in the prior year.

A third party administers the medical insurance plan for which the Town pays a fee. The medical insurance fund provides coverage for all eligible Town and Board of Education employees. The Town has purchased a stop loss policy for total claims in any one year exceeding an aggregate of 125% of expected claims and for individual claims exceeding \$150,000 for hospital, major medical and century preferred.

TOWN OF CANTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 12 - RISK MANAGEMENT AND UNCERTAINTIES

Risk Management – Insurance (Continued)

The medical insurance fund is substantially funded by the Town’s General Fund based upon estimates for the number of employees and type of coverage (single or family) and trends in the insurance claims and estimates for administration. The claims liability reported at June 30, 2020 is recognized if information prior to the issuance of the financial statements and the amount of the possible loss can be reasonably estimated. The amount of claims payable 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. Claims payable does not include other allocated or unallocated claims adjustment expenses.

A schedule of changes in the claims liability for the years ended June 30, 2019 and 2020 is presented below:

<u>Year Ended June 30</u>	<u>Claims Payable, Beginning of Year</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>Claims Payable, End of Year</u>
2019	\$ 408,324	\$ 4,325,251	\$ 4,317,978	\$ 415,597
2020	415,597	4,429,452	4,540,308	304,741

Uncertainties - Pandemic

In early March 2020, there was a global outbreak of COVID-19 that was declared a Public Health Emergency of International Concern by the World Health Organization and was subsequently declared a state of emergency by the Governor of Connecticut and a national emergency by the President of the United States. The outbreak of the virus has affected travel, commerce and financial markets globally, and is widely expected to affect economic growth worldwide. On March 27, 2020, the United States Congress enacted the Coronavirus Aid, Relief, and Economic Stabilization Act (the “CARES Act”) that provides in excess of \$2 trillion of relief to industries and entities throughout the country, including state and local governments. On March 28, 2020, the President of the United States approved the Governor of Connecticut’s request for a disaster declaration for the State. On April 24, 2020, the United States Congress enacted legislation that provided an additional \$484 billion to replenish a small business loan program, support hospitals and expand COVID-19 testing.

The Town has received and continues to apply for additional funding from federal and state agencies to assist in covering certain costs associated with the response to the pandemic. However, the extent to which COVID-19 will impact the Town’s tax base, operations and its financial condition will ultimately depend on future developments that are uncertain and cannot be fully predicted with confidence at this time.

NOTE 13 - COMMITMENTS AND CONTINGENCIES

There are several legal matters pending against the Town. The outcome and eventual liability to the Town, if any, in these cases is not known at this time. The Town’s management, based upon consultation with legal counsel, estimates that potential claims against the Town, not covered by insurance, resulting from such litigation would not materially affect the financial position of the Town.

The Town has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under terms of the grant. Based on prior experience, Town management believes such disallowances, if any, will not be material.

TOWN OF CANTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 14 - RECENTLY ISSUED ACCOUNTING STANDARDS

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2020, which reflects the one year postponement pursuant to GASB Statement No. 95 issued in May 2020. The Town is currently evaluating the potential impact of adopting the Statement on its financial statements.

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources 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 Statement, 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, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2021, which reflects the eighteen month postponement pursuant to GASB Statement No. 95 issued in May 2020. The Town is currently evaluating the potential impact of adopting the Statement on its financial statements.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objective of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (b) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement should be applied prospectively and are effective for the Town's reporting period beginning July 1, 2021, which reflects the one year postponement pursuant to GASB Statement No.95 issued in May 2020. The Town does not expect this statement to have a material effect on its financial statements.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests - An Amendment of GASB Statements No. 14 and No. 61*. The objectives of this statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this statement are effective for the District's reporting period beginning July 1, 2020, which reflects the one year postponement pursuant to GASB Statement No. 95 issued in May 2020. The Town does not expect this statement to have a material effect on its financial statements.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2022, which reflects the one year postponement pursuant to GASB Statement No.95 issued in May 2020. The Town does not expect this statement to have a material effect on its financial statements.

TOWN OF CANTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 14 - RECENTLY ISSUED ACCOUNTING STANDARDS *(Continued)*

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and the requirements of this statement are effective for the Town's reporting period beginning July 1, 2021, which reflects the one year postponement pursuant to GASB Statement No. 95 issued in May 2020. The Town does not expect this statement to have a material effect on its financial statements.

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2020. The Town does not expect this statement to have a material effect on its financial statements.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this statement are effective for the Town's reporting period beginning July 1, 2022. The Town does not expect this statement to have a material effect on its financial statements.

In May 2020, the GASB issued Statement 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this statement are effective for the Town's reporting period beginning July 1, 2022. The Town does not expect this statement to have a material effect on its financial statements.

In June 2020, the GASB issued Statement 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statement No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2021. The Town is currently evaluating the potential impact of adopting this Statement on its financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF CANTON, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
-BUDGETARY BASIS - GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 34,846,729	\$ 34,846,729	\$ 34,823,420	\$ (23,309)
Intergovernmental	3,680,729	3,680,729	3,678,879	(1,850)
Charges for services	830,840	830,840	1,037,348	206,508
Investment income	260,000	260,000	254,650	(5,350)
Total revenues	<u>39,618,298</u>	<u>39,618,298</u>	<u>39,794,297</u>	<u>175,999</u>
EXPENDITURES				
Current:				
General government	788,536	717,571	692,171	(25,400)
Finance	765,501	845,824	756,021	(89,803)
Public safety	2,640,769	2,621,880	2,606,752	(15,128)
Public works	1,917,512	1,945,727	1,918,794	(26,933)
Human services	1,112,409	1,096,853	1,059,927	(36,926)
Insurance	299,564	299,565	295,165	(4,400)
Planning and development	357,414	364,779	350,479	(14,300)
Fringe benefits	2,210,037	2,229,543	2,229,543	-
Education	26,584,943	26,584,943	26,310,589	(274,354)
Debt service:				
Principal payments	1,610,000	1,610,000	1,610,000	-
Interest and fiscal charges	474,913	474,913	474,913	-
Total expenditures	<u>38,761,598</u>	<u>38,791,598</u>	<u>38,304,354</u>	<u>(487,244)</u>
Excess of revenues over expenditures	856,700	826,700	1,489,943	663,243
OTHER FINANCING SOURCES (USES)				
Appropriations of fund balance	100,000	130,000	-	(130,000)
Transfers in	100,000	100,000	100,000	-
Transfers out	(1,056,700)	(1,056,700)	(1,056,700)	-
Total other financing sources (uses)	<u>(856,700)</u>	<u>(826,700)</u>	<u>(956,700)</u>	<u>(130,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 533,243</u>	<u>\$ 533,243</u>

See accompanying notes to required supplementary information.

TOWN OF CANTON, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM (UNAUDITED)
LAST SIX FISCAL YEARS*
(Rounded to nearest thousand)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the collective net pension liability	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Town's proportionate share of the collective net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the collective net pension liability attributed to the Town	<u>49,544,000</u>	<u>38,201,000</u>	<u>37,488,000</u>	<u>39,550,000</u>	<u>31,383,000</u>	<u>29,008,000</u>
Total	<u>\$ 49,544,000</u>	<u>\$ 38,201,000</u>	<u>\$ 37,488,000</u>	<u>\$ 39,550,000</u>	<u>\$ 31,383,000</u>	<u>\$ 29,008,000</u>
Town's covered payroll	\$ 12,739,000	\$ 11,987,000	\$ 12,121,000	\$ 11,087,000	\$ 11,164,000	\$ 10,835,000
Town's proportionate share of the collective net pension liability as a percentage of its covered payroll	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Plan fiduciary net position as a percentage of the total collective pension liability	52.00%	57.69%	55.93%	52.56%	59.50%	61.51%

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

See accompanying notes to required supplementary information.

TOWN OF CANTON, CONNECTICUT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY
OTHER POST-EMPLOYMENT BENEFITS PLAN (UNAUDITED)
LAST FOUR FISCAL YEARS*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability				
Service cost	\$ 42,861	\$ 48,754	\$ 47,105	\$ 29,680
Interest	73,098	89,646	52,595	51,382
Differences between expected and actual experience	-	(70,461)	529,978	-
Changes in assumptions	-	(213,581)	-	-
Benefit payments, including refunds	(56,511)	(59,598)	(63,026)	(95,141)
Net change in total pension liability	59,448	(205,240)	566,652	(14,079)
Total OPEB liability - beginning	1,154,969	1,360,209	793,557	807,636
Total OPEB liability - ending	<u>1,214,417</u>	<u>1,154,969</u>	<u>1,360,209</u>	<u>793,557</u>
Plan fiduciary net position				
Contributions - employer	58,211	93,652	103,026	242,918
Net investment income	54,784	55,340	(3,619)	5,665
Benefit payments, including refunds	(56,511)	(59,598)	(63,026)	(95,141)
Administrative expenses	-	(5,845)	(2,426)	-
Net change in plan net position	56,484	83,549	33,955	153,442
Plan fiduciary net position - beginning	1,059,003	975,454	941,499	788,057
Plan fiduciary net position - ending	<u>1,115,487</u>	<u>1,059,003</u>	<u>975,454</u>	<u>941,499</u>
Town's net OPEB liability	<u>\$ 98,930</u>	<u>\$ 95,966</u>	<u>\$ 384,755</u>	<u>\$ (147,942)</u>
Plan fiduciary net pension as percentage of total OPEB liability	91.9%	91.7%	71.7%	118.6%
Covered employee payroll	\$ 12,679,074	\$ 10,653,154	\$ 10,870,565	\$ 10,029,183
Town net OPEB liability as a percentage of covered employee payroll	0.8%	0.9%	3.5%	-1.5%

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

See accompanying notes to required supplementary information.

TOWN OF CANTON, CONNECTICUT
SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS
OTHER POST-EMPLOYMENT BENEFITS PROGRAM (UNAUDITED)
LAST FOUR FISCAL YEARS*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 58,211	\$ 96,990	\$ 96,990	\$ 242,918
Contributions in relation to actuarially determined contribution	<u>58,211</u>	<u>93,562</u>	<u>103,026</u>	<u>242,918</u>
(Excess) deficiency of contribution	<u>\$ -</u>	<u>\$ 3,428</u>	<u>\$ (6,036)</u>	<u>\$ -</u>
Covered employee payroll	\$ 12,679,074	\$ 10,653,154	\$ 10,870,565	\$ 10,029,183
Contributions as a percentage of covered employee payroll	0.46%	0.88%	0.95%	2.42%
Annual money-weighted rate of return, net of investment expense	5.16%	5.65%	-0.37%	0.66%

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

See accompanying notes to required supplementary information.

TOWN OF CANTON, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET COLLECTIVE OPEB LIABILITY
CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM (UNAUDITED)
LAST THREE FISCAL YEARS*
(Rounded to nearest thousand)

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Town's proportion of the collective net OPEB liability	0.000%	0.000%	0.000%
Town's proportionate share of the collective net OPEB liability	\$ -	\$ -	\$ -
State's proportionate share of the collective net OPEB liability attributed to the Town	<u>7,727,000</u>	<u>7,637,000</u>	<u>9,649,000</u>
Total	<u>\$ 7,727,000</u>	<u>\$ 7,637,000</u>	<u>\$ 9,649,000</u>
Town's covered employee payroll	\$ 12,739,000	\$ 11,987,000	\$ 12,121,000
Town's proportionate share of the collective net OPEB liability as a percentage of its covered employee payroll	0.0%	0.0%	0.0%
Plan fiduciary net position as a percentage of the total collective OPEB liability	2.08%	1.49%	1.79%

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

TOWN OF CANTON, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
TOWN EMPLOYEE RETIREMENT PLAN (UNAUDITED)
LAST SEVEN FISCAL YEARS*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability							
Service cost	\$ 222,776	\$ 230,284	\$ 214,208	\$ 226,139	\$ 235,042	\$ 219,877	\$ 223,264
Interest	1,439,435	1,378,686	1,410,540	1,424,856	1,416,712	1,404,821	1,435,872
Changes in assumptions	(51,738)	566,559	361,841	(276,068)	-	343,231	514,507
Differences between expected and actual experience	(487,950)	423,526	(76,392)	(62,685)	(6,751)	(324,701)	(361,113)
Benefit payments, including refunds	(1,612,314)	(1,626,634)	(1,510,032)	(1,530,776)	(1,491,471)	(1,459,934)	(1,475,809)
Net change in total pension liability	(489,791)	972,421	400,165	(218,534)	153,532	183,294	336,721
Total pension liability - beginning	23,602,107	22,629,686	22,229,521	22,448,055	22,294,523	22,111,229	21,774,508
Total pension liability - ending	23,112,316	23,602,107	22,629,686	22,229,521	22,448,055	22,294,523	22,111,229
Plan net position							
Contributions - employer	1,048,642	1,011,461	1,034,241	1,081,283	1,056,295	1,043,495	1,007,679
Contributions - members	64,461	72,925	79,933	76,427	77,711	88,446	91,141
Net investment income	603,436	936,879	1,097,593	1,543,691	136,660	285,414	1,983,000
Benefit payments, including refunds	(1,612,314)	(1,626,634)	(1,510,032)	(1,530,776)	(1,491,471)	(1,459,934)	(1,475,809)
Administrative expenses	(28,886)	(30,427)	(29,139)	(55,589)	(26,209)	(23,093)	(51,190)
Net change in plan net position	75,339	364,204	672,596	1,115,036	(247,014)	(65,672)	1,554,821
Plan net position - beginning	17,020,219	16,656,015	15,983,419	14,868,383	15,115,397	15,181,069	13,626,248
Plan net position - ending	17,095,558	17,020,219	16,656,015	15,983,419	14,868,383	15,115,397	15,181,069
Town's net pension liability	<u>\$ 6,016,758</u>	<u>\$ 6,581,888</u>	<u>\$ 5,973,671</u>	<u>\$ 6,246,102</u>	<u>\$ 7,579,672</u>	<u>\$ 7,179,126</u>	<u>\$ 6,930,160</u>
Plan net pension as percentage of total pension liability	74.0%	72.1%	73.6%	71.9%	66.2%	67.8%	68.7%
Covered payroll	\$ 1,195,950	\$ 1,303,597	\$ 1,391,594	\$ 1,359,056	\$ 1,434,238	\$ 1,503,323	\$ 1,662,611
Town net pension liability as a percentage of covered payroll	503.1%	504.9%	429.3%	459.6%	528.5%	477.6%	416.8%

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

See accompanying notes to required supplementary information.

TOWN OF CANTON, CONNECTICUT
SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS
TOWN EMPLOYEE RETIREMENT PLAN (UNAUDITED)
LAST SEVEN FISCAL YEARS*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 1,048,642	\$ 1,011,461	\$ 1,034,241	\$ 1,081,283	\$ 1,056,295	\$ 1,043,495	\$ 1,007,680
Contributions in relation to actuarially determined contribution	<u>1,048,642</u>	<u>1,011,461</u>	<u>1,034,241</u>	<u>1,081,283</u>	<u>1,056,295</u>	<u>1,043,495</u>	<u>1,007,679</u>
(Excess) deficiency of contribution	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>
Covered payroll	\$ 1,195,950	\$ 1,303,597	\$ 1,391,594	\$ 1,359,056	\$ 1,434,238	\$ 1,503,323	\$ 1,662,611
Contributions as a percentage of covered employee payroll	87.68%	77.59%	74.32%	79.56%	73.65%	69.41%	60.61%
Annual money-weighted rate of return, net of investment expense	3.50%	5.58%	6.75%	10.05%	0.89%	1.85%	14.07%

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

See accompanying notes to required supplementary information.

TOWN OF CANTON, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
VOLUNTEER FIREFIGHTERS AND AMBULANCE PLAN (UNAUDITED)
LAST SEVEN FISCAL YEARS*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability							
Service cost	\$ 1,547	\$ 1,471	\$ 1,292	\$ 1,804	\$ 1,763	\$ 1,325	\$ 1,307
Interest	27,813	29,024	30,020	29,449	29,482	28,304	35,126
Differences between expected and actual experience	22,838	1,053	4,257	4,411	(13,499)	14,958	(27,818)
Changes in assumptions	(1,596)	(6,918)	8,508	(7,516)	-	21,164	(12,039)
Benefit payments, including refunds	(22,839)	(64,670)	(19,453)	(18,283)	(18,283)	(76,936)	(76,122)
Net change in total pension liability	27,763	(40,040)	24,624	9,865	(537)	(11,185)	(79,546)
Total pension liability - beginning	454,705	494,745	470,121	460,256	460,793	471,978	551,524
Total pension liability - ending	<u>482,468</u>	<u>454,705</u>	<u>494,745</u>	<u>470,121</u>	<u>460,256</u>	<u>460,793</u>	<u>471,978</u>
Plan net position							
Contributions - employer	26,697	33,414	33,114	31,182	27,745	41,800	41,000
Net investment income	14,162	21,242	24,017	31,450	2,383	6,782	50,974
Benefit payments, including refunds	(22,839)	(64,670)	(19,453)	(18,283)	(18,283)	(76,936)	(76,122)
Administrative expenses	(5,000)	(5,000)	(5,000)	(5,000)	(3,170)	(3,470)	(2,922)
Other	(8)	-	-	-	(26)	51	56
Net change in plan net position	13,012	(15,014)	32,678	39,349	8,649	(31,773)	12,986
Plan net position - beginning	331,723	346,737	314,059	274,710	266,061	297,834	284,848
Plan net position - ending	<u>344,735</u>	<u>331,723</u>	<u>346,737</u>	<u>314,059</u>	<u>274,710</u>	<u>266,061</u>	<u>297,834</u>
Town's net pension liability	<u>\$ 137,733</u>	<u>\$ 122,982</u>	<u>\$ 148,008</u>	<u>\$ 156,062</u>	<u>\$ 185,546</u>	<u>\$ 194,732</u>	<u>\$ 174,144</u>
Plan net pension as percentage of total pension liability	71.5%	73.0%	70.1%	66.8%	59.7%	57.7%	63.1%
Covered payroll	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Town net pension liability as a percentage of covered payroll	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

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

See accompanying notes to required supplementary information.

TOWN OF CANTON, CONNECTICUT
SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS
VOLUNTEER FIREFIGHTERS AND AMBULANCE PLAN (UNAUDITED)
LAST SEVEN FISCAL YEARS*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 26,697	\$ 30,614	\$ 30,314	\$ 29,582	\$ 26,544	\$ 34,824	\$ 34,859
Contributions in relation to actuarially determined contribution	<u>26,697</u>	<u>33,414</u>	<u>33,114</u>	<u>31,182</u>	<u>27,745</u>	<u>41,800</u>	<u>41,000</u>
(Excess) deficiency of contribution	<u>\$ -</u>	<u>\$ (2,800)</u>	<u>\$ (2,800)</u>	<u>\$ (1,600)</u>	<u>\$ (1,201)</u>	<u>\$ (6,976)</u>	<u>\$ (6,141)</u>
Covered payroll	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Contributions as a percentage of covered employee payroll	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Annual money-weighted rate of return, net of investment expense	4.12%	5.85%	7.20%	10.85%	0.84%	2.21%	18.63%

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

See accompanying notes to required supplementary information.

TOWN OF CANTON, CONNECTICUT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND

Budgetary Information

The Town adheres to the following procedures in establishing the budgetary data included in the financial statements:

- In May, the Board of Finance submits proposed operating budgets for the fiscal year commencing July 1 to a Town Meeting, at which taxpayer comments are obtained. The operating budgets include proposed expenditures and the means of financing them.
- Prior to July 1, the budgets are legally enacted through passage of a resolution.
- Expenditures are budgeted by function, department and object. The legal level of budgetary control, the level at which expenditures may not exceed appropriations, is established at the department level.
- The Board of Finance is authorized to make additional appropriations of up to \$25,000 in the aggregate and, with approval of five members, may authorize additional appropriations in excess of \$25,000, but not to exceed \$50,000, in the aggregate from fund balance or as a transfer from the contingency fund. If five members do not agree, a majority of those present and voting may recommend the appropriation for Town Meeting approval. Additional appropriations in excess of \$50,000 require approval at a Town Meeting. During the year ended June 30, 2020, the Board of Finance and Town Meeting approved additional appropriations of \$30,000 from General Fund unassigned fund balance.
- Formal budgetary integration is employed as a management control device during the year.
- 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 within their budget at their discretion. Any additional appropriations must have Board of Education, Board of Finance and, if necessary, Town Meeting approval.
- The budget is prepared on the modified accrual basis of accounting. "On-behalf" payments made by the State of Connecticut into the State Teachers' Retirement System are not recorded for budgetary purposes.
- 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 of the current year.
- Generally, all unexpended 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.

TOWN OF CANTON, CONNECTICUT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND *(Continued)*

Budgetary Information (Continued)

As described above, accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP basis"). A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2020:

	<u>Total Revenues</u>	<u>Total Expenditures</u>	<u>Other Financing Uses, Net</u>	<u>Net Change in Fund Balance</u>
Budgetary basis	\$ 39,794,297	\$ 38,304,354	\$ (956,700)	\$ 533,243
"On-behalf" payments - State Teachers' Retirement Fund	3,852,735	3,852,735	-	-
Adjustment for encumbrances	-	2,508	-	(2,508)
Reimbursement for certain grant costs recorded as a reduction to expenditures for budgetary purposes	491,708	491,708	-	-
Certain transfers recorded as expenditures for budgetary purposes	-	(360,822)	(360,822)	-
GAAP basis	<u>\$ 44,138,740</u>	<u>\$ 42,290,483</u>	<u>\$ (1,317,522)</u>	<u>\$ 530,735</u>

TOWN OF CANTON, CONNECTICUT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 2 - SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY - CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM

The Town began to report this schedule when it implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, in fiscal year 2015. GASB Statement No. 68 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of June 30, 2018. This information is utilized by the Town for reporting as of June 30, 2020.

Benefit Changes - Beginning January 1, 2018, member contributions increased from 6.0% to 7.0% of salary.

Assumption Changes - The following assumption changes had a significant effect on the measurement of the total pension liability.

- the inflation assumption was reduced from 2.75% to 2.50%,
- the real rate of return assumption was reduced from 5.25% to 4.40%, which when combined with the inflation assumption change, resulted in a decrease in the investment rate of return assumption from 8.00% to 6.90%, and
- the annual rate of wage increase assumption was increased from 0.50% to 0.75%.

NOTE 3 - SCHEDULE OF CHANGES IN NET OPEB LIABILITY - OTHER POST-EMPLOYMENT BENEFITS PLAN

The Town began to report this schedule when it implemented GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans other than Pension Plans*, in fiscal year 2017. GASB Statement No. 74 requires the information within this schedule to be presented for the ten most recent fiscal years.

The Town measures the total OPEB liability at the end of each fiscal year using the Entry Age Normal Method.

Benefit Changes - There have been no changes in benefit terms that have had a significant effect on the measurement of the total OPEB liability.

Assumption Changes - There have been no changes in assumption that have had a significant effect on the measurement of the total OPEB liability.

TOWN OF CANTON, CONNECTICUT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 4 - SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET OTHER POST-EMPLOYMENT BENEFITS LIABILITY - CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM

The Town began to report this schedule when it implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, in fiscal year 2018. GASB Statement No. 75 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of June 30, 2018. This information is utilized by the Town for reporting as of June 30, 2020.

Benefit Changes - The Plan was amended by the Board to include a new prescription drug plan, effective January 1, 2019.

Assumption Changes - The following assumption changes collectively had a significant effect on the measurement of the net OPEB liability:

- the discount rate used to measure plan obligations for financial accounting purposes was updated to equal the Municipal Bond Index Rate of 3.50% as of June 30, 2019;
- the expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on January 1, 2019; and
- the expected rate of inflation was decreased, and the Real Wage Growth assumption was increased.

NOTE 5 - SCHEDULE OF THE TOWN'S NET PENSION LIABILITY - TOWN EMPLOYEE RETIREMENT PLAN

The Town began to report this schedule when it implemented GASB Statement No. 67, *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25* in fiscal year 2014. GASB Statement No. 67 requires the information within this schedule to be presented for the ten most recent fiscal years.

Benefit Changes - There have been no changes in benefit terms that have had a significant effect on the measurement of the total pension liability.

Assumptions Changes - There have been no changes in assumptions that have had a significant effect on the measurement of the total pension liability.

TOWN OF CANTON, CONNECTICUT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 6 - SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS - TOWN EMPLOYEE RETIREMENT PLAN

The Town began to report this schedule when it implemented GASB Statement No. 67, *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25* in fiscal year 2014. GASB Statement No. 67 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial determined contribution rates are calculated as of January 1, two fiscal years prior to the fiscal year in which contributions are reported. Actuarial contributions for fiscal year ending June 30, 2020 were determined from the January 1, 2018 valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level percentage of Salary
Remaining amortization period	10 years
Asset valuation method	Market Value
Inflation	2.60%
Investment rate of return	6.25%
Salary increases	3.75%
Retirement age	Varies by year of service and age

Mortality based on RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2017.

NOTE 7 - SCHEDULE OF THE TOWN'S NET PENSION LIABILITY - VOLUNTEER FIREFIGHTERS AND AMBULANCE PLAN

The Town began to report this schedule when it implemented GASB Statement No. 67, *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25* in fiscal year 2014. GASB Statement No. 67 requires the information within this schedule to be presented for the ten most recent fiscal years.

Benefit Changes - There have been no changes in benefit terms that have had a significant effect on the measurement of the total pension liability.

Assumption Changes - There have been no changes in assumptions that have had a significant effect on the measurement of the total pension liability.

TOWN OF CANTON, CONNECTICUT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 8 - SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS - VOLUNTEER FIREFIGHTERS AND AMBULANCE PLAN

The Town began to report this schedule when it implemented GASB Statement No. 67, *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25* in fiscal year 2014. GASB Statement No. 67 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial determined contribution rates are calculated as of January 1, two fiscal years prior to the fiscal year in which contributions are reported. Actuarial contributions for fiscal year ending June 30, 2020 were determined from the January 1, 2018 valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method	Level percentage of Salary
Remaining amortization period	10 years
Asset valuation method	Market value
Inflation	2.60%
Investment rate of return	6.25%
Retirement age	65 or 4 years of service

Mortality based on RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2017.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

GENERAL FUND

TOWN OF CANTON, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
PROPERTY TAXES				
Current year tax collections	\$ 34,601,729	\$ 34,601,729	\$ 34,630,463	\$ 28,734
Prior year tax collections	155,000	155,000	84,601	(70,399)
Tax interest and liens	90,000	90,000	108,356	18,356
Total property taxes	<u>34,846,729</u>	<u>34,846,729</u>	<u>34,823,420</u>	<u>(23,309)</u>
INTERGOVERNMENTAL REVENUES				
Town aid road	256,218	256,218	256,119	(99)
Education cost-sharing	3,400,195	3,400,195	3,385,324	(14,871)
State PILOT - disabled	793	793	795	2
State PILOT - veterans	2,198	2,198	2,178	(20)
State PILOT - State property	9,325	9,325	9,325	-
State PILOT - manufacturing	-	-	7,994	7,994
Housing Authority	12,000	12,000	17,144	5,144
Total intergovernmental revenues	<u>3,680,729</u>	<u>3,680,729</u>	<u>3,678,879</u>	<u>(1,850)</u>
CHARGES FOR SERVICES				
Telecom tax	20,000	20,000	20,620	620
BOE tuition fees	165,000	165,000	311,272	146,272
Hunting and fishing licenses	125	125	78	(47)
Town clerk miscellaneous permits and licenses	13,000	13,000	9,836	(3,164)
Dog licenses	1,200	1,200	1,086	(114)
Fire Marshall permits and fire reports	600	600	790	190
Building licenses and permits	175,000	175,000	236,118	61,118
Land use licenses and permits	1,400	1,400	1,573	173
Zoning license & fees	3,000	3,000	2,850	(150)
Zoning applications	6,000	6,000	4,345	(1,655)
Aquifer Protection applications	400	400	100	(300)
Planning applications	600	600	1,550	950
ZBA appeal fee	400	400	450	50
Inland wetlands	1,500	1,500	2,200	700
Newsletter advertising	1,300	1,300	525	(775)
BOE miscellaneous revenue	6,000	6,000	13,694	7,694
Town clerk conveyance tax	215,000	215,000	233,901	18,901
Tax and town clerk printing services	12,000	12,000	13,294	1,294
Tax CPACE Admin Fee	500	500	500	-
Bad check fees	300	300	560	260

(Continued)

TOWN OF CANTON, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (UNAUDITED) (Concluded)
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
CHARGES FOR SERVICES (Continued)				
Police printing and duplicating services	\$ 1,200	\$ 1,200	\$ 551	\$ (649)
Private duty - administration	75,000	75,000	77,267	2,267
Police gun permits	4,800	4,800	2,898	(1,902)
Police raffle tickets	100	100	-	(100)
Alarm registration fees	300	300	100	(200)
Vendor permits	200	200	820	620
Traffic fines	4,500	4,500	3,122	(1,378)
Police miscellaneous	1,500	1,500	1,580	80
Dog license/shelter fee	11,280	11,280	9,083	(2,197)
Dog adoption fee	10	10	-	(10)
Insurance rebates	18,000	18,000	24,951	6,951
Rental town property	9,000	9,000	4,040	(4,960)
AT&T tower	23,000	23,000	23,184	184
BOS miscellaneous revenue	3,000	3,000	5,623	2,623
Dial-a-Ride tickets	3,000	3,000	2,445	(555)
Swimming pool fees	32,000	32,000	14,711	(17,289)
Pool daily attendance fee	9,000	9,000	6,207	(2,793)
Building printing and duplicating services	-	-	11	11
Land use printing and duplicating services	125	125	232	107
Library printing and duplicating services	2,500	2,500	1,395	(1,105)
Library income	9,000	9,000	3,786	(5,214)
Total charges for services	<u>830,840</u>	<u>830,840</u>	<u>1,037,348</u>	<u>206,508</u>
INVESTMENT INCOME	<u>260,000</u>	<u>260,000</u>	<u>254,650</u>	<u>(5,350)</u>
Total revenues	<u>39,618,298</u>	<u>39,618,298</u>	<u>39,794,297</u>	<u>175,999</u>
OTHER FINANCING SOURCES				
Transfers in	100,000	100,000	100,000	-
Appropriations of fund balance	100,000	130,000	-	(130,000)
Total other financing sources	<u>200,000</u>	<u>230,000</u>	<u>100,000</u>	<u>(130,000)</u>
Total revenues and other other financing sources	<u>\$ 39,818,298</u>	<u>\$ 39,848,298</u>	<u>\$ 39,894,297</u>	<u>\$ 45,999</u>

(Concluded)

TOWN OF CANTON, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
GENERAL GOVERNMENT				
Board of Selectmen	\$ 158,156	\$ 42,229	\$ 38,392	\$ (3,837)
Chief Administrator	258,767	265,533	260,879	(4,654)
Election	31,735	31,735	26,853	(4,882)
Probate court	3,653	3,921	3,921	-
Town counsel	58,000	63,461	63,461	-
Town clerk	144,854	146,890	137,750	(9,140)
Information technologies	133,371	163,802	160,915	(2,887)
Total general government	<u>788,536</u>	<u>717,571</u>	<u>692,171</u>	<u>(25,400)</u>
FINANCE				
Board of Finance	140,460	140,460	62,064	(78,396)
Finance	419,417	496,125	488,525	(7,600)
Assessor	99,976	101,970	100,094	(1,876)
Tax collector	105,648	107,269	105,338	(1,931)
Total finance	<u>765,501</u>	<u>845,824</u>	<u>756,021</u>	<u>(89,803)</u>
PUBLIC SAFETY				
Police	2,073,410	2,123,531	2,111,481	(12,050)
Service incentive	23,887	24,287	24,287	-
Fire services	338,193	268,783	268,783	-
Fire marshal	59,890	59,890	56,812	(3,078)
Emergency services	145,389	145,389	145,389	-
Total public safety	<u>2,640,769</u>	<u>2,621,880</u>	<u>2,606,752</u>	<u>(15,128)</u>
PUBLIC WORKS				
Town hall	312,628	322,972	322,972	-
Park department	117,869	117,869	112,827	(5,042)
General highway	1,126,055	1,120,649	1,108,037	(12,612)
Town garage	46,035	53,978	53,978	-
Utilities	222,500	222,500	213,221	(9,279)
Community center	92,425	107,759	107,759	-
Total public works	<u>1,917,512</u>	<u>1,945,727</u>	<u>1,918,794</u>	<u>(26,933)</u>

(Continued)

TOWN OF CANTON, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (UNAUDITED) (Concluded)
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
HUMAN SERVICES				
Community agencies	\$ 95,303	\$ 95,303	\$ 89,477	\$ (5,826)
Senior/Social services	200,483	201,162	193,439	(7,723)
Park and recreation	192,096	194,692	171,315	(23,377)
Library	624,527	605,696	605,696	-
Total human services	<u>1,112,409</u>	<u>1,096,853</u>	<u>1,059,927</u>	<u>(36,926)</u>
INSURANCE	<u>299,564</u>	<u>299,565</u>	<u>295,165</u>	<u>(4,400)</u>
PLANNING AND DEVELOPMENT				
Building official	62,765	63,208	63,208	-
Town planner	294,649	301,571	287,271	(14,300)
Total planning and development	<u>357,414</u>	<u>364,779</u>	<u>350,479</u>	<u>(14,300)</u>
FRINGE BENEFITS	<u>2,210,037</u>	<u>2,229,543</u>	<u>2,229,543</u>	<u>-</u>
EDUCATION				
Education - operations	<u>26,584,943</u>	<u>26,584,943</u>	<u>26,310,589</u>	<u>(274,354)</u>
DEBT SERVICE				
Principal	1,610,000	1,610,000	1,610,000	-
Interest	474,913	474,913	474,913	-
Total debt service	<u>2,084,913</u>	<u>2,084,913</u>	<u>2,084,913</u>	<u>-</u>
Total expenditures	<u>38,761,598</u>	<u>38,791,598</u>	<u>38,304,354</u>	<u>(487,244)</u>
OTHER FINANCING USES				
Transfers out:				
Emergency Services Fund	124,278	124,278	124,278	-
Youth Services Bureau	11,300	11,300	11,300	-
Capital and Nonrecurring Fund	921,122	921,122	921,122	-
Total other financing uses	<u>1,056,700</u>	<u>1,056,700</u>	<u>1,056,700</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 39,818,298</u>	<u>\$ 39,848,298</u>	<u>\$ 39,361,054</u>	<u>\$ (487,244)</u>

(Concluded)

TOWN OF CANTON, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2020

Grand List Year	Balance Uncollected June 30, 2019	Current Levy	Lawful Corrections		Transfers To Suspense	Balance To Be Collected	Collections			Balance Uncollected June 30, 2020
			Additions	Deductions			Taxes	Interest and Lien Fees		
								Total		
2003	\$ 21,627	\$ -	\$ -	\$ -	\$ 21,627	\$ -	\$ -	\$ -	\$ -	
2004	21,768	-	-	-	-	21,768	-	-	-	21,768
2005	22,604	-	-	-	-	22,604	-	358	358	22,604
2006	23,393	-	-	-	-	23,393	-	330	330	23,393
2007	23,792	-	-	-	-	23,792	-	-	-	23,792
2008	29,656	-	249	249	-	29,656	249	-	249	29,407
2009	30,178	-	225	-	-	30,403	225	985	1,210	30,178
2010	-	-	215	-	-	215	215	81	296	-
2011	30,559	-	205	-	-	30,764	205	2,181	2,386	30,559
2012	31,126	-	198	-	-	31,324	198	1,911	2,109	31,126
2013	33,033	-	-	-	-	33,033	-	1,052	1,052	33,033
2014	34,702	-	-	-	389	34,313	-	907	907	34,313
2015	46,483	-	1,412	1,245	515	46,135	7,855	2,454	10,309	38,280
2016	90,079	-	1,413	1,401	1,600	88,491	25,914	7,700	33,614	62,577
2017	172,272	-	4,076	5,267	2,524	168,557	71,504	21,182	92,686	97,053
Total prior years	611,272	-	7,993	8,162	26,655	584,448	106,365	39,141	145,506	478,083
2018	-	34,760,268	275,541	208,480	4,035	34,823,294	34,600,014	74,624	34,674,638	223,280
Total	\$ 611,272	\$ 34,760,268	\$ 283,534	\$ 216,642	\$ 30,690	\$ 35,407,742	\$ 34,706,379	\$ 113,765	\$ 34,820,144	\$ 701,363

TOWN OF CANTON, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)
FOR THE YEAR ENDED JUNE 30, 2020

Total cash collections for the year ended
June 30, 2020:

Taxes	\$ 34,706,379
Interest and lien fees	113,765
Total	34,820,144

Reimbursement for revenue loss:

Tax relief (CGS 12-129d)	2,973
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Base	\$ 34,823,117
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	General Purposes	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2-1/4 times base	\$ 78,352,013	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	156,704,027	-	-	-
3-3/4 times base	-	-	130,586,689	-	-
3-1/4 times base	-	-	-	113,175,130	-
3 times base	-	-	-	-	104,469,351
Total debt limitation	78,352,013	156,704,027	130,586,689	113,175,130	104,469,351
Indebtedness:					
Bonds payable	8,851,800	5,573,200	-	-	-
Clean water loans	-	-	646,713	-	-
Total indebtedness	8,851,800	5,573,200	646,713	-	-
Debt limitation in excess of outstanding and authorized debt	\$ 69,500,213	\$ 151,130,827	\$ 129,939,976	\$ 113,175,130	\$ 104,469,351
Total capacity of borrowing (7 times base)	\$ 243,761,819				
Total present indebtedness	15,071,713				
Margin for additional borrowing	\$ 228,690,106				

CAPITAL AND NONRECURRING FUND

TOWN OF CANTON, CONNECTICUT
CAPITAL PROJECTS AUTHORIZATIONS
FOR THE YEAR ENDED JUNE 30, 2020

<u>Capital Projects</u>	<u>Authorization</u>	<u>Cumulative Expenditures</u>	<u>Balance - June 30, 2020</u>
Bonded Capital Projects Fund:			
School study expansion fund	\$ 22,500,000	\$ 22,113,138	\$ 386,862
CBPS roof	1,373,053	1,073,724	299,329
CHS/MS roof	1,164,654	1,111,634	53,020
Track/field (bleachers)	3,665,591	3,664,417	1,174
DPW Facility	3,762,452	3,756,810	5,642
Capital and Nonrecurring Funds:			
Town Wide Sidewalk Replacement (LOCIP)	112,722	112,722	-
Finance Office Renovation (LOCIP)	7,055	7,055	-
DPW Facility Replacement (LOCIP)	44,250	44,250	-
Highway - Pavement Management	4,434,521	4,199,432	235,089
Highway - Pavement Management (LOCIP)	283,885	283,885	-
Bridge Improvement Program	17,355	17,355	-
Bridge Improvement Program (LOCIP)	12,487	-	12,487
Highway Truck #8 Replacement	39,071	39,071	-
Town Wide Street Lights	93,864	93,864	-
Energy Efficiency Upgrades (Contingency)	65,000	56,679	8,321
Switch Upgrades	18,878	18,878	-
Cyber Security Evaluation	23,500	-	23,500
BOE/Town Network Switches	-	1,214	(1,214)
Police Servers	20,411	20,411	-
VOIP Phone Replacement	36,000	36,000	-
Farmington River Trail Island -Bridge ST	7,318	7,318	-
Open Space acquisitions	359,059	359,059	-
DEP Storm water Management Plan	104,200	82,038	22,162
Police Dept Technology Improvements	50,702	50,213	489
Marked patrol vehicles	303,304	256,367	46,937
Admin vehicles replacement - Police	25,201	25,201	-
Fire and EMS vehicles	3,465,926	2,932,766	533,160
EMS Paramedic Vehicle	50,000	48,311	1,689
Fire/EMS - Equipment	408,053	366,501	41,552
C'ville Station Bathrooms	54,778	54,778	-
C'ville Station Study	37,000	37,000	-
Highway Plow Replacement	12,500	10,942	1,558
New Mower Equipment	52,000	-	52,000
Sand Pro	20,813	20,813	-
Highway/Parks Equipment	378,075	378,075	-
Review of Zoning Regulations	67,711	67,711	-
Review of Zoning Maps	15,650	15,650	-
Subdivision Regulation Update	33,000	33,000	-
PED Xing Safety Beacons	33,000	20,290	12,710
Design Regulations - RT 44 & Collinsville	101,200	100,000	1,200
Collinsville Streetscape Phase II	148,302	148,302	-
MPP Improvement - Master Plan	9,900	12,000	(2,100)
Mills Pond Outdoor Stage	10,115	10,115	-
BOE - Capital improvements (windows)	1,620,500	1,306,758	313,742

(Continued)

TOWN OF CANTON, CONNECTICUT
CAPITAL PROJECTS AUTHORIZATIONS (Concluded)
FOR THE YEAR ENDED JUNE 30, 2020

<u>Capital Projects</u>	<u>Authorization</u>	<u>Cumulative Expenditures</u>	<u>Balance - June 30, 2020</u>
Capital and Nonrecurring Funds (Continued) :			
BOE - Athletic Field - turf & track replacement	\$ 531,000	\$ -	\$ 531,000
BOE - Athletic Field - camera	10,000	7,791	2,209
BOE - Athletic field & track lights	256,316	252,453	3,863
BOE - CIP Building projects	15,000	-	15,000
BOE - CHS Nurse's Office ADA	117,445	113,705	3,740
BOE - CHS Walk in Cooler Replacement	55,000	35,531	19,469
BOE - CIS chimney/liner repaid	13,200	-	13,200
BOE - CIS ADA Curb Repair	23,400	16,142	7,258
BOE - CIS Nurse's Area Bathroom ADA	19,541	15,039	4,502
BOE - CIS Courtyard Project	44,450	45,015	(565)
BOE - Core modular network switch	53,563	-	53,563
BOE - District-wide security camera project	185,312	185,107	205
BOE - CBPS ADA/Environmental Testing	19,382	-	19,382
BOE - CHS Sidewalk Repair	50,000	9,800	40,200
BOE - Replace GYM Doors	25,000	-	25,000
BOE - CHS Environmental Controls Replacement	23,943	-	23,943
BOE - CIS Title Flooring Replacement	40,345	-	40,345
BOE - CBPS Tile Flooring Replacement	95,301	53,027	42,274
BOE - CBPS Brick and Sidewalk Repairs	25,000	-	25,000
Community Center Improvements	150,000	150,000	-
Community Center Improvements (LOCIP)	14,632	14,632	-
Town Hall improvements (LOCIP)	133,279	94,021	39,258
Town Hall - Chillers	157,543	157,543	-
Town Hall - Roof Replacement	55,000	-	55,000
Town Hall - air handlers	43,729	43,729	-
Town Hall- lead abatement & repaint exterior trim	34,786	34,786	-
Financial Software Conversion	117,403	116,740	663
Highway - Truck 11 replacement	77,145	77,145	-
Secret Lake Sewer Re-routing	339,837	339,837	-
Town Bridge			
Federal Grant	5,377,732	2,556,551	2,821,181
STEAP Grant	200,000	200,000	-
Town Match	936,646	542,893	393,753
Total	<u>\$ 54,283,984</u>	<u>\$ 48,055,233</u>	<u>\$ 6,228,751</u>

(Concluded)

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds account for the proceeds of specific revenue sources that are restricted, committed, or assigned for specified purposes. Nonmajor special revenue funds include the following:

School Cafeteria Fund – A fund created to account for the operations of school cafeterias.

BOE Consolidated Fund – A fund established to account for various Board of Education proceeds of specific revenue sources that are committed for specified purposes but not recorded in another special revenue fund.

Sewer Assessment Fund – This fund is used to account for the financing of sanitary sewer improvements that benefit certain properties. Revenues in this fund include sewer assessment charges and investment earnings committed to repayment of sewer related debt.

Miscellaneous Grants Fund – To account for miscellaneous grant revenue and expenditures.

Parks and Recreation Fund – To account for recreational, social and cultural programs to meet the needs of all segments of the community, including youths, teens, adults, seniors and individuals with special needs.

Senior Services Fund – To account for the operations of senior services and programs.

Drug Forfeiture DARE Fund – To account for revenues and expenditures related to substance abuse education, prevention and related programs from funds received from state and federal programs.

Emergency Services Fund – To account for revenues and expenditures related to the provision of emergency medical services and the receipt of fees for such services.

Library Special Revenue Fund – To account for gifts, donations and bequests made to the library for collection development and technology infrastructure.

Youth Services Fund – To account for the proceeds from grants and sales from events sponsored by the Youth Services Bureau for counseling, programming and youth services activities.

Donations Special Revenue Fund – To account for miscellaneous donations given to the Town.

Transfer Stations Fund – A fund established to account for the collection of user charges for operations of the transfer station.

WPCA Operations Fund – A fund established to account for the collection of sewer use charges and inspection fees that finance the operating expenditures of the wastewater treatment facility.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

PERMANENT FUNDS

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

Amelia Dyer Fund – A fund established to provide for maintenance of the Dyer Cemetery.

Canton Gate Fund – A fund established to account for donations and expenditures related to maintenance and repair of a metal sculpture entitled "Canton Gate" located at Mills Pond Recreation Area.

Cemetery Fund – A fund established to account for revenue and expenditures related to the Town's cemeteries. The interest on the investment of the fund is used for expenses on the Town's cemeteries.

Open Space Endowment Fund – To maintain open space at Griswold Farms. The interest from the endowment will be used to mow grassed areas within the Green and perform general maintenance.

TOWN OF CANTON, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF JUNE 30, 2020

	Nonmajor Special Revenue Funds						
	School Cafeteria Fund	BOE Consolidated Fund	Sewer Assessment Fund	Miscellaneous Grants Fund	Parks and Recreation Fund	Senior Services Fund	Drug Forfeiture DARE Fund
ASSETS							
Cash and cash equivalents	\$ 24,944	\$ 133,187	\$ 65,200	\$ -	\$ 247,268	\$ -	\$ -
Receivables:							
User charges, net	-	-	-	-	-	-	-
Other	-	3,804	-	-	-	-	-
Due from other funds	8,941	-	-	3,800	2,906	8,776	1,473
Other	14,543	-	-	-	-	-	-
Total assets	<u>\$ 48,428</u>	<u>\$ 136,991</u>	<u>\$ 65,200</u>	<u>\$ 3,800</u>	<u>\$ 250,174</u>	<u>\$ 8,776</u>	<u>\$ 1,473</u>
LIABILITIES							
Accounts payable	\$ 7,835	\$ 1,169	\$ -	\$ 2,333	\$ 3,719	\$ 132	\$ -
Accrued liabilities:							
Salaries and benefits payable	-	-	-	-	1,595	-	-
Due to other funds	-	6,928	-	-	-	-	-
Unearned revenue	28,911	-	-	-	71,218	-	-
Total liabilities	<u>36,746</u>	<u>8,097</u>	<u>-</u>	<u>2,333</u>	<u>76,532</u>	<u>132</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - sewer charges	-	-	-	-	-	-	-
FUND BALANCES							
Nonspendable	14,543	-	-	-	-	-	-
Restricted	-	-	-	1,467	-	-	1,473
Committed	-	128,894	65,200	-	173,642	8,644	-
Unassigned	(2,861)	-	-	-	-	-	-
Total fund balances	<u>11,682</u>	<u>128,894</u>	<u>65,200</u>	<u>1,467</u>	<u>173,642</u>	<u>8,644</u>	<u>1,473</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 48,428</u>	<u>\$ 136,991</u>	<u>\$ 65,200</u>	<u>\$ 3,800</u>	<u>\$ 250,174</u>	<u>\$ 8,776</u>	<u>\$ 1,473</u>

(Continued)

TOWN OF CANTON, CONNECTICUT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS (Continued)
 AS OF JUNE 30, 2020

	Nonmajor Special Revenue Funds						Total
	Emergency Services Fund	Library Special Revenue Fund	Youth Services Fund	Donations Special Revenue Fund	Transfer Station Fund	WPCA Operations Fund	
ASSETS							
Cash and cash equivalents	\$ 183,577	\$ 28,550	\$ -	\$ -	\$ 70,538	\$ 1,298,986	\$ 2,052,250
Receivables:							
User charges, net	-	-	-	-	-	60,694	60,694
Other	46,933	20,425	-	-	1,636	-	72,798
Due from other funds	-	12,837	31,637	78,315	3,817	-	152,502
Other	-	-	-	-	-	-	14,543
Total assets	<u>\$ 230,510</u>	<u>\$ 61,812</u>	<u>\$ 31,637</u>	<u>\$ 78,315</u>	<u>\$ 75,991</u>	<u>\$ 1,359,680</u>	<u>\$ 2,352,787</u>
LIABILITIES							
Accounts payable	\$ 4,721	\$ 1,728	\$ 9,506	\$ 277	\$ 18,861	\$ 21,059	\$ 71,340
Accrued liabilities:							
Salaries and benefits payable	21,609	-	-	-	253	1,114	24,571
Due to other funds	186,739	-	-	-	-	96,244	289,911
Unearned revenue	-	-	-	-	1,000	-	101,129
Total liabilities	<u>213,069</u>	<u>1,728</u>	<u>9,506</u>	<u>277</u>	<u>20,114</u>	<u>118,417</u>	<u>486,951</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - sewer charges	-	-	-	-	-	58,242	58,242
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	14,543
Restricted	-	60,084	-	78,038	-	-	141,062
Committed	17,441	-	22,131	-	55,877	1,183,021	1,654,850
Unassigned	-	-	-	-	-	-	(2,861)
Total fund balances	<u>17,441</u>	<u>60,084</u>	<u>22,131</u>	<u>78,038</u>	<u>55,877</u>	<u>1,183,021</u>	<u>1,807,594</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 230,510</u>	<u>\$ 61,812</u>	<u>\$ 31,637</u>	<u>\$ 78,315</u>	<u>\$ 75,991</u>	<u>\$ 1,359,680</u>	<u>\$ 2,352,787</u>

(Continued)

TOWN OF CANTON, CONNECTICUT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS (Concluded)
 AS OF JUNE 30, 2020

	Permanent Funds					Total Nonmajor Governmental Funds
	Amelia Dyer Fund	Canton Gate Fund	Cemetery Fund	Open Space Endowment Fund	Total	
ASSETS						
Cash and cash equivalents	\$ 3,693	\$ 586	\$ 6,515	\$ 24,462	\$ 35,256	\$ 2,087,506
Receivables:						
User charges, net	-	-	-	-	-	60,694
Other	-	-	-	-	-	72,798
Due from other funds	-	-	-	-	-	152,502
Other	-	-	-	-	-	14,543
Total assets	<u>\$ 3,693</u>	<u>\$ 586</u>	<u>\$ 6,515</u>	<u>\$ 24,462</u>	<u>\$ 35,256</u>	<u>\$ 2,388,043</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71,340
Accrued liabilities:						
Salaries and benefits payable	-	-	-	-	-	24,571
Due to other funds	-	-	-	-	-	289,911
Unearned revenue	-	-	-	-	-	101,129
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>486,951</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - sewer charges	-	-	-	-	-	58,242
FUND BALANCES						
Nonspendable	2,000	500	3,100	20,000	25,600	40,143
Restricted	1,693	86	3,415	4,462	9,656	150,718
Committed	-	-	-	-	-	1,654,850
Unassigned	-	-	-	-	-	(2,861)
Total fund balances	<u>3,693</u>	<u>586</u>	<u>6,515</u>	<u>24,462</u>	<u>35,256</u>	<u>1,842,850</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,693</u>	<u>\$ 586</u>	<u>\$ 6,515</u>	<u>\$ 24,462</u>	<u>\$ 35,256</u>	<u>\$ 2,388,043</u>

(Concluded)

TOWN OF CANTON, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	Nonmajor Special Revenue Funds						
	School Cafeteria Fund	BOE Consolidated Fund	Sewer Assessment Fund	Miscellaneous Grants Fund	Parks and Recreation Fund	Senior Services Fund	Drug Forfeiture DARE Fund
REVENUES							
Intergovernmental	\$ 109,162	\$ -	\$ -	\$ 34,740	\$ -	\$ -	\$ -
Charges for services	191,166	122,211	96,475	-	383,975	6,081	-
Other	-	5,124	-	-	6,307	500	-
Investment income	-	-	516	-	4,184	-	-
Total revenues	<u>300,328</u>	<u>127,335</u>	<u>96,991</u>	<u>34,740</u>	<u>394,466</u>	<u>6,581</u>	<u>-</u>
EXPENDITURES							
Current:							
General government	-	-	-	8,500	-	-	-
Public safety	-	-	-	5,776	-	-	-
Public works	-	-	-	-	-	-	-
Human services	-	-	-	18,997	390,465	5,468	-
Education	300,328	125,728	-	-	-	-	-
Debt service:							
Principal payments	-	-	64,305	-	-	-	-
Interest and fiscal charges	-	-	13,626	-	-	-	-
Total expenditures	<u>300,328</u>	<u>125,728</u>	<u>77,931</u>	<u>33,273</u>	<u>390,465</u>	<u>5,468</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	1,607	19,060	1,467	4,001	1,113	-
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	1,607	19,060	1,467	4,001	1,113	-
Fund balances - beginning	<u>11,682</u>	<u>127,287</u>	<u>46,140</u>	<u>-</u>	<u>169,641</u>	<u>7,531</u>	<u>1,473</u>
Fund balances - ending	<u>\$ 11,682</u>	<u>\$ 128,894</u>	<u>\$ 65,200</u>	<u>\$ 1,467</u>	<u>\$ 173,642</u>	<u>\$ 8,644</u>	<u>\$ 1,473</u>

(Continued)

TOWN OF CANTON, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS *(Continued)*
 FOR THE YEAR ENDED JUNE 30, 2020

	Nonmajor Special Revenue Funds						Total
	Emergency Services Fund	Library Special Revenue Fund	Youth Services Fund	Donations Special Revenue Fund	Transfer Station Fund	WPCA Operations Fund	
REVENUES							
Intergovernmental	\$ -	\$ 7,818	\$ 25,676	\$ -	\$ -	\$ -	\$ 177,396
Charges for services	466,794	1,049	-	-	245,978	1,031,548	2,545,277
Other	10,814	20,760	-	33,624	-	-	77,129
Investment income	405	636	-	-	664	16,376	22,781
Total revenues	<u>478,013</u>	<u>30,263</u>	<u>25,676</u>	<u>33,624</u>	<u>246,642</u>	<u>1,047,924</u>	<u>2,822,583</u>
EXPENDITURES							
Current:							
General government	-	-	-	-	-	-	8,500
Public safety	678,548	-	-	18,010	-	-	702,334
Public works	-	-	-	-	212,699	793,744	1,006,443
Human services	-	19,082	43,140	1,049	-	-	478,201
Education	-	-	-	-	-	-	426,056
Debt service:							
Principal payments	-	-	-	-	-	-	64,305
Interest and fiscal charges	-	-	-	-	-	-	13,626
Total expenditures	<u>678,548</u>	<u>19,082</u>	<u>43,140</u>	<u>19,059</u>	<u>212,699</u>	<u>793,744</u>	<u>2,699,465</u>
Excess (deficiency) of revenues over expenditures	(200,535)	11,181	(17,464)	14,565	33,943	254,180	123,118
OTHER FINANCING SOURCES (USES)							
Transfers in	124,278	-	11,300	-	-	-	135,578
Transfers out	-	-	-	-	-	(58,000)	(58,000)
Total other financing sources (uses)	<u>124,278</u>	<u>-</u>	<u>11,300</u>	<u>-</u>	<u>-</u>	<u>(58,000)</u>	<u>77,578</u>
Net change in fund balances	(76,257)	11,181	(6,164)	14,565	33,943	196,180	200,696
Fund balances - beginning	<u>93,698</u>	<u>48,903</u>	<u>28,295</u>	<u>63,473</u>	<u>21,934</u>	<u>986,841</u>	<u>1,606,898</u>
Fund balances - ending	<u>\$ 17,441</u>	<u>\$ 60,084</u>	<u>\$ 22,131</u>	<u>\$ 78,038</u>	<u>\$ 55,877</u>	<u>\$ 1,183,021</u>	<u>\$ 1,807,594</u>

(Continued)

TOWN OF CANTON, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS *(Concluded)*
 FOR THE YEAR ENDED JUNE 30, 2020

	Permanent Funds				Total	Total Nonmajor Governmental Funds
	Amelia Dyer Fund	Canton Gate Fund	Cemetery Fund	Open Space Endowment Fund		
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 177,396
Charges for services	-	-	-	-	-	2,545,277
Other	-	-	-	-	-	77,129
Investment income	4	1	6	370	381	23,162
Total revenues	<u>4</u>	<u>1</u>	<u>6</u>	<u>370</u>	<u>381</u>	<u>2,822,964</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	8,500
Public safety	-	-	-	-	-	702,334
Public works	-	-	-	-	-	1,006,443
Human services	-	-	-	-	-	478,201
Education	-	-	-	-	-	426,056
Debt service:						
Principal payments	-	-	-	-	-	64,305
Interest and fiscal charges	-	-	-	-	-	13,626
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,699,465</u>
Excess (deficiency) of revenues over expenditures	4	1	6	370	381	123,499
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	135,578
Transfers out	-	-	-	-	-	(58,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>77,578</u>
Net change in fund balances	4	1	6	370	381	201,077
Fund balances - beginning	<u>3,689</u>	<u>585</u>	<u>6,509</u>	<u>24,092</u>	<u>34,875</u>	<u>1,641,773</u>
Fund balances - ending	<u>\$ 3,693</u>	<u>\$ 586</u>	<u>\$ 6,515</u>	<u>\$ 24,462</u>	<u>\$ 35,256</u>	<u>\$ 1,842,850</u>

(Concluded)

FIDUCIARY FUNDS

PRIVATE PURPOSE TRUST FUNDS

Private Purpose Trust Funds are used to report resources held under trust arrangements under which principal and income benefit individuals, private organizations, or other governments. Private Purpose Trust Funds include the following:

Julia Wheelock Private Purpose Trust Fund – To account for a charity fund established as a result of a contribution made by Julia Wheelock to be used for specific purposes.

School Scholarships Trust Fund – Fund established to account for various contributions made to be used for the specific purpose of giving school scholarships to individuals meeting certain criteria.

Alice Collins Private Purpose Trust Fund – To account for a charity fund established as a result of a contribution made by Alice Collins.

AGENCY FUNDS

Agency funds are used to report resources held by the Town in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. Agency funds include the following:

Student Activities Funds – To account for monies from various self-funding school activity funds.

Performance Bonds Fund – To account for cash bonds and other cash and investments held by the Town to ensure compliance with specifications and regulations with respect to various building projects and improvements.

TOWN OF CANTON, CONNECTICUT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
AS OF JUNE 30, 2020

	Julia Wheelock Private Purpose Trust Fund	School Scholarships Private Purpose Trust Fund	Alice Collins Private Purpose Trust Fund	Total
ASSETS				
Cash and cash equivalents	\$ 1,092	\$ 18,055	\$ -	\$ 19,147
Receivables	-	-	52,182	52,182
Total assets	<u>1,092</u>	<u>18,055</u>	<u>52,182</u>	<u>71,329</u>
NET POSITION				
Held in trust	<u>\$ 1,092</u>	<u>\$ 18,055</u>	<u>\$ 52,182</u>	<u>\$ 71,329</u>

TOWN OF CANTON, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Julia Wheelock Private Purpose Trust Fund	School Scholarships Private Purpose Trust Fund	Alice Collins Private Purpose Trust Fund	Total
ADDITIONS				
Investment earnings:				
Interest	\$ 1	\$ 98	\$ 8,177	\$ 8,276
Total additions	<u>1</u>	<u>98</u>	<u>8,177</u>	<u>8,276</u>
DEDUCTIONS				
Awards expense	-	-	519	519
Total deductions	<u>-</u>	<u>-</u>	<u>519</u>	<u>519</u>
Change in net position	1	98	7,658	7,757
Net position - beginning	<u>1,091</u>	<u>17,957</u>	<u>44,524</u>	<u>63,572</u>
Net position - ending	<u>\$ 1,092</u>	<u>\$ 18,055</u>	<u>\$ 52,182</u>	<u>\$ 71,329</u>

TOWN OF CANTON, CONNECTICUT
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
AS OF JUNE 30, 2020

	<u>Student Activities Fund</u>	<u>Performance Bonds Fund</u>	<u>Total Agency Funds</u>
ASSETS			
Cash and cash equivalents	\$ 253,929	\$ 77,076	\$ 331,005
Total assets	<u>\$ 253,929</u>	<u>\$ 77,076</u>	<u>\$ 331,005</u>
LIABILITIES			
Due to student groups	\$ 253,929	\$ -	\$ 253,929
Due to others	-	77,076	77,076
Total liabilities	<u>\$ 253,929</u>	<u>\$ 77,076</u>	<u>\$ 331,005</u>

TOWN OF CANTON, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Balance, July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2020</u>
Student Activities Fund				
Assets				
Cash and cash equivalents	\$ 243,056	\$ 177,251	\$ 166,378	\$ 253,929
Total assets	<u>\$ 243,056</u>	<u>\$ 177,251</u>	<u>\$ 166,378</u>	<u>\$ 253,929</u>
Liabilities				
Due to student groups	\$ 243,056	\$ 177,251	\$ 166,378	\$ 253,929
Total liabilities	<u>\$ 243,056</u>	<u>\$ 177,251</u>	<u>\$ 166,378</u>	<u>\$ 253,929</u>
Performance Bonds Fund				
Assets				
Cash and cash equivalents	\$ 66,574	\$ 15,002	\$ 4,500	\$ 77,076
Other assets	7,377	-	7,377	-
Total assets	<u>\$ 73,951</u>	<u>\$ 15,002</u>	<u>\$ 11,877</u>	<u>\$ 77,076</u>
Liabilities				
Due to others	\$ 73,951	\$ 15,002	\$ 11,877	\$ 77,076
Total liabilities	<u>\$ 73,951</u>	<u>\$ 15,002</u>	<u>\$ 11,877</u>	<u>\$ 77,076</u>
Total All Agency Funds				
Assets				
Cash and cash equivalents	\$ 309,630	\$ 192,253	\$ 170,878	\$ 331,005
Other assets	7,377	-	7,377	-
Total assets	<u>\$ 317,007</u>	<u>\$ 192,253</u>	<u>\$ 178,255</u>	<u>\$ 331,005</u>
Liabilities				
Due to student groups	\$ 243,056	\$ 177,251	\$ 166,378	\$ 253,929
Due to others	73,951	15,002	11,877	77,076
Total liabilities	<u>\$ 317,007</u>	<u>\$ 192,253</u>	<u>\$ 178,255</u>	<u>\$ 331,005</u>

STATISTICAL SECTION

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

CONTENTS	<u>Page</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.	113
Revenue Capacity	
These schedules contain information to help the reader assess the factors affecting the Town's ability to generate its property taxes.	118
Debt Capacity	
These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.	121
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place and to help make comparisons over time and with other governments.	124
Operating Information	
These schedules contain information about the Town's operations and resources to help the reader understand how the Town's financial information relates to the services the Town provides and the activities it performs.	126

Sources: Unless otherwise noted, the information in the accompanying tables is derived from the comprehensive annual financial reports for the relevant year. The Town implemented Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definition* in fiscal year 2011: tables presenting fund balance of governmental funds will be adjusted prospectively.

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	\$ 65,050,035	\$ 66,915,083	\$ 68,836,543	\$ 68,507,474	\$ 68,457,855	\$ 71,995,080	\$ 73,131,894	\$ 74,453,963	\$ 76,620,103	\$ 77,537,574
Restricted	195,690	188,941	2,157,341	1,776,086	247,454	834,994	828,613	837,826	832,220	858,511
Unrestricted	10,430,810	10,819,600	8,388,911	10,682,153	6,416,292	3,151,643	4,557,636	5,045,895	5,099,212	7,122,809
Total governmental activities net position	<u>\$ 75,676,535</u>	<u>\$ 77,923,624</u>	<u>\$ 79,382,795</u>	<u>\$ 80,965,713</u>	<u>\$ 75,121,601</u>	<u>\$ 75,981,717</u>	<u>\$ 78,518,143</u>	<u>\$ 80,337,684</u>	<u>\$ 82,551,535</u>	<u>\$ 85,518,894</u>
Primary government										
Net investment in capital assets	\$ 65,050,035	\$ 66,915,083	\$ 68,836,543	\$ 68,507,474	\$ 68,457,855	\$ 71,995,080	\$ 73,131,894	\$ 74,453,963	\$ 76,620,103	\$ 77,537,574
Restricted	195,690	188,941	2,157,341	1,776,086	874,395	834,994	828,613	837,826	832,220	858,511
Unrestricted	10,430,810	10,819,600	8,388,911	10,682,153	5,789,351	3,151,643	4,557,636	5,045,895	5,099,212	7,122,809
Total primary government net position	<u>\$ 75,676,535</u>	<u>\$ 77,923,624</u>	<u>\$ 79,382,795</u>	<u>\$ 80,965,713</u>	<u>\$ 75,121,601</u>	<u>\$ 75,981,717</u>	<u>\$ 78,518,143</u>	<u>\$ 80,337,684</u>	<u>\$ 82,551,535</u>	<u>\$ 85,518,894</u>

TOWN OF CANTON, CONNECTICUT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting - Unaudited)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General government	\$ 894,897	\$ 1,039,555	\$ 1,001,928	\$ 877,521	\$ 991,454	\$ 995,311	\$ 898,470	\$ 1,268,738	\$ 903,739	\$ 1,011,494
Finance	628,901	630,161	616,021	611,252	654,707	636,916	588,371	616,074	895,315	1,009,186
Public safety	3,331,099	3,745,346	3,742,340	3,794,628	4,233,915	4,135,258	4,053,859	4,347,884	4,613,091	4,545,791
Public works	4,025,525	3,798,912	3,756,394	4,056,903	4,765,620	4,419,757	4,566,521	4,545,446	4,726,501	4,596,463
Human services	2,075,242	1,757,010	1,842,378	2,293,716	2,145,042	2,283,244	2,219,903	2,248,461	2,399,375	2,348,602
Planning and development	412,522	516,349	397,349	430,018	456,019	469,375	469,605	490,167	529,412	504,704
Education	26,812,865	29,175,305	28,575,843	29,028,494	31,681,702	31,128,878	31,411,650	33,307,209	31,081,600	34,083,055
Interest expense	518,332	443,258	235,955	375,522	408,197	507,194	450,043	536,865	478,402	425,252
Total governmental activities expenses	<u>38,699,383</u>	<u>41,105,896</u>	<u>40,168,208</u>	<u>41,468,054</u>	<u>45,336,656</u>	<u>44,575,933</u>	<u>44,658,422</u>	<u>47,360,844</u>	<u>45,627,435</u>	<u>48,524,547</u>
Program Revenues										
Governmental activities:										
Charges for services	3,612,213	3,946,473	3,223,492	3,083,040	4,215,385	3,870,748	4,034,306	3,570,697	3,735,100	3,700,579
Operating grants and contributions	6,443,116	7,811,474	7,839,917	8,784,709	8,260,543	8,613,637	8,527,424	10,571,975	7,622,983	11,103,192
Capital grants and contributions	1,161,429	1,604,047	291,602	136,424	1,318,602	499,737	1,147,631	285,322	1,288,815	1,426,525
Total governmental activities program revenues	<u>11,216,758</u>	<u>13,361,994</u>	<u>11,355,011</u>	<u>12,004,173</u>	<u>13,794,530</u>	<u>12,984,122</u>	<u>13,709,361</u>	<u>14,427,994</u>	<u>12,646,898</u>	<u>16,230,296</u>
Net (Expense)/Revenue	<u>(27,482,625)</u>	<u>(27,743,902)</u>	<u>(28,813,197)</u>	<u>(29,463,881)</u>	<u>(31,542,126)</u>	<u>(31,591,811)</u>	<u>(30,949,061)</u>	<u>(32,932,850)</u>	<u>(32,980,537)</u>	<u>(32,294,251)</u>
General Revenues and Other Changes in Net Position										
Property taxes levied for general purposes	29,064,965	29,714,311	30,045,052	30,854,953	31,435,595	32,255,415	33,076,593	34,244,826	34,755,765	34,885,306
Grants and contributions not restricted to specific programs	244,971	255,742	188,078	121,714	175,311	142,916	324,197	115,539	33,103	37,437
Unrestricted investment earnings	44,948	20,938	18,174	12,148	15,094	53,596	84,697	244,084	405,520	338,867
Miscellaneous	-	-	21,064	57,984	-	-	-	-	-	-
Total governmental activities general revenues and other changes in net position	<u>29,354,884</u>	<u>29,990,991</u>	<u>30,272,368</u>	<u>31,046,799</u>	<u>31,626,000</u>	<u>32,451,927</u>	<u>33,485,487</u>	<u>34,604,449</u>	<u>35,194,388</u>	<u>35,261,610</u>
Change in Net Position	<u>\$ 1,872,259</u>	<u>\$ 2,247,089</u>	<u>\$ 1,459,171</u>	<u>\$ 1,582,918</u>	<u>\$ 83,874</u>	<u>\$ 860,116</u>	<u>\$ 2,536,426</u>	<u>\$ 1,671,599</u>	<u>\$ 2,213,851</u>	<u>\$ 2,967,359</u>

TOWN OF CANTON, CONNECTICUT
PROGRAM REVENUES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting - Unaudited)

Function/Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
General government	\$ 624,356	\$ 845,875	\$ 267,791	\$ 340,528	\$ 338,574	\$ 335,325	\$ 368,822	\$ 336,894	\$ 376,347	\$ 371,367
Finance	10,456	10,852	935	310	12,198	9,236	9,515	900	845	1,085
Public safety	163,215	711,072	522,306	379,038	523,079	601,469	648,884	661,085	575,515	582,822
Public works	1,940,735	2,318,664	1,849,138	1,668,589	2,502,057	1,985,738	2,653,643	2,443,129	3,088,746	3,110,863
Human services	622,891	307,913	449,985	725,094	425,877	485,293	436,072	474,467	508,637	509,674
Planning and development	145,160	174,506	133,102	166,939	180,016	135,556	170,754	214,264	288,465	249,419
Education	7,709,945	8,993,112	8,131,754	8,723,675	9,812,729	9,431,505	9,421,671	10,297,255	7,808,343	11,405,066
Total governmental activities	<u>\$ 11,216,758</u>	<u>\$ 13,361,994</u>	<u>\$ 11,355,011</u>	<u>\$ 12,004,173</u>	<u>\$ 13,794,530</u>	<u>\$ 12,984,122</u>	<u>\$ 13,709,361</u>	<u>\$ 14,427,994</u>	<u>\$ 12,646,898</u>	<u>\$ 16,230,296</u>

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Nonspendable	\$ 112,660	\$ 24,079	\$ 57,533	\$ 57,554	\$ 58,776	\$ 60,060	\$ 290,332	\$ 136,507	\$ 38,279	\$ 40,588
Restricted	1,336,646	1,336,646	-	-	-	-	-	-	-	-
Committed	53,396	-	1,336,636	-	-	-	-	-	-	-
Assigned	390,128	315,286	12,919	7,349	12,500	165,121	40,823	205,500	102,500	200,000
Unassigned	3,518,488	5,001,299	5,106,180	5,536,556	5,579,884	5,874,855	5,866,975	6,154,811	7,176,725	7,607,651
Total general fund	\$ 5,411,318	\$ 6,677,310	\$ 6,513,268	\$ 5,601,459	\$ 5,651,160	\$ 6,100,036	\$ 6,198,130	\$ 6,496,818	\$ 7,317,504	\$ 7,848,239
All Other Governmental Funds										
Nonspendable	\$ 44,481	\$ 35,160	\$ 25,680	\$ 25,600	\$ 30,688	\$ 32,077	\$ 32,066	\$ 39,495	\$ 37,039	\$ 40,143
Restricted	1,750,499	1,490,541	2,131,661	1,750,486	221,854	160,725	157,143	2,496,487	367,266	326,622
Committed	2,818,142	2,861,911	1,743,290	4,151,923	6,860,002	4,204,392	5,186,100	4,713,254	4,283,316	4,920,281
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	(4,081)	(3,641)	(33,091)	(23,598)	(1,259)	(4,729)	-	-	-	(2,861)
Total all other governmental funds	\$ 4,609,041	\$ 4,383,971	\$ 3,867,540	\$ 5,904,411	\$ 7,111,285	\$ 4,392,465	\$ 5,375,309	\$ 7,249,236	\$ 4,687,621	\$ 5,284,185

TOWN OF CANTON, CONNECTICUT
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting - Unaudited)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Property taxes	\$ 29,012,299	\$ 29,773,217	\$ 30,135,693	\$ 30,757,812	\$ 31,733,732	\$ 32,330,018	\$ 33,112,181	\$ 34,234,046	\$ 34,798,780	\$ 34,823,420
Intergovernmental	7,784,900	9,437,258	8,354,058	8,894,997	9,661,554	9,162,872	9,970,240	8,489,496	10,966,575	10,895,103
Charges for services	2,625,660	2,898,245	3,053,419	3,137,618	3,069,074	2,973,675	3,142,693	3,502,873	3,610,891	3,596,625
Other	153,403	55,087	128,299	188,366	102,978	64,605	52,306	634,529	293,863	90,992
Interest and investment income	43,867	20,744	17,993	12,055	14,323	48,936	77,066	225,951	405,520	338,887
Total revenues	39,620,129	42,184,551	41,689,462	42,990,848	44,581,661	44,580,106	46,354,486	47,086,895	50,075,629	49,745,027
Expenditures										
General government	614,887	688,629	683,845	606,691	670,931	643,265	613,618	655,478	680,136	700,671
Finance	459,057	463,263	475,252	445,228	459,846	458,168	434,401	456,432	632,981	734,021
Public safety	2,161,670	2,557,241	2,598,003	2,577,844	2,648,500	2,844,815	2,929,419	3,125,630	3,133,489	3,187,633
Public works	2,718,606	2,557,995	2,444,974	2,760,194	2,917,056	2,812,291	2,928,992	2,893,249	2,926,847	2,927,739
Human services	1,532,965	1,208,662	1,289,224	1,672,221	1,324,665	1,453,309	1,439,331	1,455,658	1,509,892	1,526,828
Insurance	289,829	264,194	314,191	296,355	264,850	260,952	265,515	282,791	301,110	295,165
Planning and development	270,406	274,169	273,708	286,964	283,098	314,692	328,119	358,457	362,737	350,481
Fringe benefits	1,694,173	1,720,161	1,856,288	1,939,927	2,004,216	1,913,132	1,968,175	2,088,560	2,212,290	2,229,545
Board of Education	25,832,404	27,268,436	28,143,664	29,132,416	29,478,811	29,439,331	29,976,203	30,883,675	32,014,790	32,134,033
Capital outlays	1,544,891	1,848,902	2,356,956	7,701,870	7,629,580	4,894,069	2,384,223	4,698,819	5,818,142	2,368,768
Debt service:										
Principal	1,996,866	1,855,210	1,783,985	1,115,352	983,272	1,279,357	1,520,555	1,511,777	1,683,024	1,674,305
Interest	513,892	438,071	281,117	334,344	443,847	556,234	503,001	573,882	541,120	488,539
Total expenditures	39,629,646	41,144,933	42,501,207	48,869,406	49,108,672	46,869,615	45,291,552	48,984,408	51,816,558	48,617,728
Excess of revenues over (under) expenditures	(9,517)	1,039,618	(811,745)	(5,878,558)	(4,527,011)	(2,289,509)	1,062,934	(1,897,513)	(1,740,929)	1,127,299
Other Financing Sources (Uses)										
Sale of capital asset	21,797	1,304	17,605	17,468	46,001	19,665	18,004	-	-	-
Issuance of note payable	-	-	-	-	-	-	-	-	-	-
Issuance of refunding bonds	-	-	8,030,000	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	(8,550,000)	-	-	-	-	-	-	-
Issuance of bonds	-	-	-	6,855,000	5,600,000	-	-	3,825,000	-	-
Bond premium	-	-	633,667	131,152	137,485	-	-	245,128	-	-
Transfers in	886,482	1,150,577	1,931,140	3,403,760	2,459,007	2,623,523	2,440,552	2,371,190	1,786,618	1,575,522
Transfers out	(886,482)	(1,150,577)	(1,931,140)	(3,403,760)	(2,459,007)	(2,623,523)	(2,440,552)	(2,371,190)	(1,786,618)	(1,575,522)
Total other financing sources (uses)	21,797	1,304	131,272	7,003,620	5,783,486	19,665	18,004	4,070,128	-	-
Net change in fund balances	12,280	1,040,922	(680,473)	1,125,062	1,256,475	(2,269,844)	1,080,938	2,172,615	(1,740,929)	1,127,299
Fund balance, beginning of year	10,008,079	10,020,359	11,061,281	10,380,808	11,505,870	12,762,345	10,492,501	11,573,439	13,746,054	12,005,125
Fund balance, end of year	\$ 10,020,359	\$ 11,061,281	\$ 10,380,808	\$ 11,505,870	\$ 12,762,345	\$ 10,492,501	\$ 11,573,439	\$ 13,746,054	\$ 12,005,125	\$ 13,132,424
Debt service as a percentage of noncapital expenditures	6.59%	5.84%	5.14%	3.52%	3.44%	4.37%	4.72%	4.69%	4.83%	4.66%
Total debt service	\$ 2,510,758	\$ 2,293,281	\$ 2,065,102	\$ 1,449,696	\$ 1,427,119	\$ 1,835,591	\$ 2,023,556	\$ 2,085,659	\$ 2,224,144	\$ 2,162,844
Noncapital expenditures	38,084,755	39,296,031	40,144,251	41,167,536	41,479,092	41,975,543	42,907,329	44,502,597	46,074,118	46,447,724

TOWN OF CANTON, CONNECTICUT
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	Real Property		Personal Property		Tax Exempt Property	Total Taxable Assessed Value	(1) Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Motor Vehicle	Other					
2011	\$ 855,154,780	\$ 145,149,260	\$ 73,111,883	\$ 40,184,710	\$ 72,187,140	\$ 1,113,600,633	26.09	\$ 1,637,647,990	68.00%
2012	860,594,030	145,276,840	76,411,446	38,942,620	77,970,170	1,121,224,936	26.28	1,601,749,907	70.00%
2013	863,844,300	145,420,680	81,015,730	40,671,380	78,124,410	1,130,952,090	26.42	1,575,595,650	71.78%
2014	868,168,870	147,358,270	80,008,380	40,404,030	78,347,180	1,135,939,550	26.91	1,553,687,300	73.11%
2015	818,863,860	150,628,250	82,109,950	42,493,880	78,884,460	1,094,095,940	28.56	1,562,994,200	70.00%
2016	823,311,293	151,403,947	82,751,003	43,343,280	79,054,260	1,100,809,523	29.19	1,488,586,238	73.95%
2017	832,277,800	149,467,680	84,004,529	43,264,480	78,699,140	1,109,014,489	29.76	1,607,651,531	68.98%
2018	839,172,640	146,649,940	87,643,713	44,178,850	82,897,450	1,117,645,143	30.49	1,554,910,972	71.88%
2019	838,293,993	150,690,620	87,994,090	46,099,299	83,283,400	1,123,078,002	30.70	1,552,114,127	72.36%
2020	779,907,182	160,773,350	90,404,371	49,785,630	88,873,828	1,080,870,533	32.03	1,543,858,847	70.01%

(1) The Total Direct Tax Rate shown above is the mill rate. The mill rate is divided by 1,000 and then multiplied by the taxable assessed value in arriving at the current property tax levy.

Source: Town of Canton, Office of the Assessor

Note: By State law, property is assessed at 70% of actual value with periodic revaluation of real property. The estimated actual amount is the equalized grand list which is estimated by the State of Connecticut, Office of Policy and Management.

Table 7

TOWN OF CANTON, CONNECTICUT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

<u>Taxpayer</u>	<u>2020</u>			<u>2011</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Town Taxable Assessed Grand List</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Town Taxable Assessed Grand List</u>
	W/S Peak Canton Properties LLC	\$ 40,917,800	1	3.79%	\$ 33,470,440	1
Eversource	21,726,310	2	2.01%	14,193,100	2	1.27%
Kohls	7,084,000	3	0.66%	5,658,410	3	0.51%
Wakefern Food Corp	6,843,760	4	0.63%	4,781,040	5	0.43%
CPIMM1 UCHSCCT LLC	5,859,315	5	0.54%			
New Horizons Inc.	5,057,150	6	0.47%	5,205,280	4	0.47%
Connecticut Water Company	4,561,190	7	0.42%	3,563,930	7	0.32%
CT SVC LLC	4,484,900	8	0.41%			
Boulder Ridge Assoc Limited PRTN	4,303,030	9	0.40%	4,672,580	6	0.42%
Canton Village Shopping Center LLC	3,030,170	10	0.28%			
Collinsville Savings Society				2,656,800	8	0.24%
Bahre Henry J &				2,457,150	9	0.22%
Maple Glen Associates				2,354,640	10	0.21%
	<u>\$ 103,867,625</u>		<u>9.61%</u>	<u>\$ 79,013,370</u>		<u>7.10%</u>

Source: Town of Canton, Offices of the Assessor

TOWN OF CANTON, CONNECTICUT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 29,069,980	\$ 28,696,728	98.72%	\$ 343,074	\$ 29,039,802	99.83%
2012	29,535,976	29,182,732	98.80%	353,244	29,535,976	99.91%
2013	29,937,828	29,614,732	98.92%	292,537	29,907,269	99.70%
2014	30,598,767	30,259,423	98.89%	308,218	30,567,641	99.57%
2015	31,314,580	30,984,208	98.94%	297,339	31,281,547	98.94%
2016	32,234,923	31,950,097	99.12%	250,513	32,200,610	99.89%
2017	33,080,496	32,790,714	99.12%	251,502	33,042,216	99.88%
2018	34,114,455	33,969,161	99.57%	82,717	34,051,878	99.82%
2019	34,573,474	34,502,543	99.79%	71,504	34,574,047	100.00%
2020	34,760,268	34,600,014	99.54%	-	34,600,014	99.54%

Source: Town of Canton, Office of the Tax Collector.

TOWN OF CANTON, CONNECTICUT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of Actual Property Value	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Unamortized Premium	Notes Payable	Capital Leases				
2011	\$ 10,920,000	\$ 5,895	\$ 1,473,541	-	\$ 12,399,436	0.76%	2.71%	\$ 1,199
2012	9,260,000	-	1,278,330	-	10,538,330	0.66%	2.22%	1,020
2013	7,480,000	544,923	1,079,346	-	9,104,269	0.54%	1.90%	828
2014	13,285,000	661,086	1,013,994	-	14,960,080	0.92%	3.09%	1,384
2015	17,960,000	732,125	955,722	-	19,647,847	1.21%	4.08%	1,830
2016	16,740,000	665,679	896,365	-	18,302,044	1.23%	3.65%	1,771
2017	15,280,000	599,233	835,810	-	16,715,043	1.04%	3.40%	1,617
2018	17,655,000	765,659	774,033	-	19,194,692	1.23%	3.79%	1,860
2019	16,035,000	686,956	711,009	-	17,432,965	1.12%	3.23%	1,697
2020	14,425,000	608,254	646,714	-	15,679,968	1.02%	3.11%	1,438

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

Table 10

TOWN OF CANTON, CONNECTICUT
RATIOS OF NET GENERAL BONDED DEBT
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Governmental Activities		Total Primary Government	Percentage of Actual Property Value	Percentage of Personal Income	Per Capita
	General Obligation Bonds					
2011	\$	10,920,000	\$ 10,920,000	0.67%	2.79%	\$ 1,131
2012		9,260,000	9,260,000	0.58%	2.03%	896
2013		7,480,000	7,480,000	0.47%	1.58%	724
2014		13,285,000	13,285,000	0.86%	2.94%	1,285
2015		17,960,000	17,960,000	1.15%	3.88%	1,738
2016		16,740,000	16,740,000	1.12%	3.34%	1,620
2017		15,280,000	15,280,000	0.95%	3.11%	1,478
2018		17,655,000	17,655,000	1.14%	3.48%	1,711
2019		16,721,957	16,721,957	1.08%	3.10%	1,628
2020		15,033,254	15,033,254	0.97%	2.98%	1,379

Note 1: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

Note 2: In 2019 the Town began presenting General Obligation Bonds net of related premiums, discounts and adjustments.

TOWN OF CANTON, CONNECTICUT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)

	Fiscal Year				
	2011	2012	2013	2014	2015
Debt limit	\$ 202,930,959	\$ 202,930,959	\$ 210,854,798	\$ 214,649,813	\$ 221,508,910
Total net debt applicable to limit	20,555,513	18,879,030	24,456,921	29,341,569	28,762,297
Legal Debt Margin	<u>\$ 182,375,446</u>	<u>\$ 184,051,929</u>	<u>\$ 186,397,877</u>	<u>\$ 185,308,244</u>	<u>\$ 192,746,613</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>10.13%</u>	<u>9.30%</u>	<u>11.60%</u>	<u>13.67%</u>	<u>12.98%</u>
	Fiscal Year				
	2016	2017	2018	2019	2020
Debt limit	\$ 228,486,069	\$ 231,913,626	\$ 239,660,652	\$ 243,554,682	\$ 243,761,819
Total net debt applicable to limit	27,482,940	24,615,810	18,874,141	17,191,117	15,071,713
Legal Debt Margin	<u>\$ 201,003,129</u>	<u>\$ 207,297,816</u>	<u>\$ 220,786,511</u>	<u>\$ 226,363,565</u>	<u>\$ 228,690,106</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>12.03%</u>	<u>10.61%</u>	<u>7.88%</u>	<u>7.06%</u>	<u>6.18%</u>

Note: Connecticut General Statutes, Section 7-374(b) limits the amount of general obligation debt a government entity may use to 7 times total tax collections, including interest and lien fees and the tax relief for the elderly freeze grant.

Table 12

TOWN OF CANTON, CONNECTICUT
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	(1) Population	Personal Income	Per Capita Personal Income	(1) Median Age	(2) School Enrollment	(3) Unemployment Rate
2011	9,652	\$ 391,340,340	\$ 40,545	42	1,758	6.8%
2012	10,335	456,524,131	44,173	40	1,761	5.7%
2013	10,333	474,191,703	45,891	44	1,728	5.6%
2014	10,335	451,122,750	43,650	44	1,688	3.9%
2015	10,335	463,318,050	44,830	44	1,619	3.6%
2016	10,334	500,785,640	48,460	45	1,631	4.2%
2017	10,336	490,928,992	47,497	46	1,619	3.2%
2018	10,319	506,642,262	49,098	47	1,610	3.5%
2019	10,270	539,883,630	52,569	47	1,551	2.9%
2020	10,902	503,704,452	46,203	47	1,576	3.2%

- (1) CERC
 (2) Town of Canton, Board of Education
 (3) State of Connecticut, Labor Department, Office of Research and Statistics

TOWN OF CANTON, CONNECTICUT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

<u>Employer</u>	<u>2020</u>			<u>2011</u>		
	<u>(1)</u> <u>Employees</u>	<u>Rank</u>	<u>Percentage</u> <u>of Total Town</u> <u>Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage</u> <u>of Total Town</u> <u>Employment</u>
Town of Canton, including BOE	390	1	10.96%	454	1	13.51%
Farmington Valley ARC	325	2	9.13%	175	3	5.21%
ShopRite	170	3	4.78%	192	2	5.71%
Cherry Brook Health Center	141	4	3.96%	143	4	4.25%
Kohl's Department Store	90	5	2.53%	113	5	3.36%
Mitchell Auto Group	69	6	1.94%	87	6	2.59%
Martel Transportation	63	7	1.77%	47	8	1.40%
Suburban Sanitation Service	46	8	1.29%			
Acura of Avon	34	9	0.96%	46	9	1.37%
Barnes & Noble	27	10	0.76%	40	10	1.19%
Dick's Sporting Goods				54	7	1.61%
Total (2)	<u>3,559</u>		<u>38.07%</u>	<u>3,361</u>		<u>40.20%</u>

(1) Telephone Survey - Local Businesses

(2) State of Connecticut Department of Labor

TOWN OF CANTON, CONNECTICUT
FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)

Function/Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government:										
General government:										
Management services	3.8	3.8	3.8	3.6	3.1	2.9	2.8	3.2	3.1	3.1
Finance	7.2	7.0	7.0	6.1	6.4	6.5	6.7	6.3	8.8	8.3
Planning	4.3	4.1	4.1	4.0	3.0	3.7	3.8	3.8	3.8	3.8
Building	1.0	1.3	1.3	1.3	1.3	1.2	1.4	1.6	0.6	0.8
Other	2.6	2.1	2.1	1.9	2.0	1.9	1.9	2.0	1.9	1.9
Public safety:										
Officers	14.0	14.8	15.2	14.3	15.0	15.0	15.0	15.0	15.1	15.1
Civilians	5.9	5.9	5.8	5.4	5.6	5.9	6.2	5.7	5.7	5.7
Fire services	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.6	0.8
Public works	14.6	15.2	15.1	15.6	19.0	18.7	17.7	17.9	17.6	16.6
Parks and recreation	7.1	6.4	5.7	5.9	7.1	5.4	6.6	8.3	9.2	8.7
Public libraries	11.4	11.3	10.8	11.4	11.0	11.7	10.9	11.0	10.9	10.8
Human Services	1.4	1.4	1.7	1.7	1.9	2.2	2.0	2.0	2.6	2.5
Town properties	21.6	22.0	22.1	21.0	19.4	19.1	20.1	20.1	20.1	20.1
Board of Education:										
Certified	146.0	155.0	151.0	154.2	149.6	150.5	154.2	153.9	146.1	150.0
Non-certified	118.0	111.0	125.0	118.4	117.4	123.1	127.2	118.1	118.0	141.6
Total	359.0	361.4	370.8	364.9	361.9	367.9	376.6	369.1	364.1	389.8

Source: Town of Canton, Various Town Departments

Note: A full-time employee is scheduled to work either 1,820 hours per year (35 hour work week) or 2,080 hours per year (40 hour work week) (including vacation and sick leave). Full-time equivalent employment is calculated by dividing total labor hours by either 1,820 or 2,080.

TOWN OF CANTON, CONNECTICUT
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)

Function/Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Marriage licenses issued	32	24	29	21	17	26	25	17	23	13
Boards and Agencies										
Registered voters	6,737	6,805	6,960	6,952	6,973	6,953	7,515	7,492	7,690	7,636
Elections and referenda	2	2	3	3	2	2	1	1	2	1
Planning and Development										
Building permits issued	510	615	715	739	700	634	689	773	785	995
Building inspections conducted	550	816	846	771	753	656	794	887	787	931
Value of building permits	8,288,890	9,754,641	9,485,968	10,634,294	12,140,474	7,728,509	9,115,870	11,714,865	21,701,443	17,147,270
Public Safety										
Arrests	217	182	192	190	135	129	120	78	101	84
Parking violations	70	37	71	64	52	29	49	44	31	22
Traffic violations	1,807	1,549	1,962	2,204	1,641	1,547	937	738	736	765
Emergency responses	2,825	3,088	3,031	1,745	3,130	2,587	3,770	3,043	3,810	3,833
Inspections	237	225	225	277	280	335	210	220	276	330
Calls for service	11,627	10,209	13,661	13,549	11,870	10,176	11,335	10,860	11,419	15,062
Public Works										
Street resurfacing (in miles)	5.8	1.9	6.3	11.4	5.7	4.2	2.2	3.2	3.7	3.2
Potholes repaired	N/A	120	210	197	206	123	124	100	91.0	93.0
Miles of roads maintained	70.8	71.2	71.2	71.2	71.2	71.2	71.2	71.2	71.2	71.0
Acres of grounds maintained	110	110	110	110	110	110.0	110.0	110.0	115.0	115.0
Refuse collected (tons per day)	10.5	15.9	11.5	11.2	11.2	11.2	8.4	9.0	8.5	8.5
Recyclables collected (tons per day)	2.8	3.8	3.4	3.0	2.9	2.9	3.0	3.3	3.0	2.1
Parks and recreation										
Summer season programs	117	134	158	137	153	171	176	166	162	160
Indoor season programs	94	100	76	82	135	123	132	153	153	149
Public libraries										
Volumes in collection	83,428	85,073	85,200	81,968	85,610	85,103	85,439	80,350	78,592	76,324
Items circulated	183,447	178,329	168,939	160,233	151,529	144,119	132,622	128,650	121,173	104,190
Human services										
Meals on wheels provided	9,064	8,863	7,778	10,390	8,464	10,446	11,480	9,165	6,448	4,454
Senior mini-bus trips	1,836	2,492	4,049	3,346	3,120	4,279	4,158	3,577	4,004	901
Households provided energy assistance	193	230	160	167	158	183	132	204	197	40
Households provided food voucher assistance	36	48	46	27	58	37	45	32	14	27
Education										
Elementary schools	2	2	2	2	2	2	2	2	2	2
Middle schools	1	1	1	1	1	1	1	1	1	1
High schools	1	1	1	1	1	1	1	1	1	1
Sewer										
Average daily sewage treatment (thousands of gallons)	701	753	630	680	530	507	500	570	780	587

Source: Various Town departments

TOWN OF CANTON, CONNECTICUT
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)

<u>Function/Program</u>	Fiscal Year									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>Public Safety</u>										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	3	3	3	3	3	3	3	3	3	2
Police vehicles	9	11	10	10	10	10	10	10	10	10
Fire vehicles	9	9	9	9	9	9	9	9	9	9
Ambulances	2	2	2	2	2	2	3	3	3	3
<u>Public Works</u>										
Miles of town roads	70.8	71.2	71.2	71.2	71.2	71.2	71.2	71.2	71.2	71.2
Linear feet of sidewalks	-	-	-	-	-	-	-	-	-	-
Streetlights	-	-	-	-	-	-	-	196	196	196
Traffic signals	-	-	-	-	-	-	-	1	1	1
Public works vehicles	15	16	16	16	16	16	16	16	16	16
<u>Parks and recreation</u>										
Acreage	110	110	110	110	110	110	110	110	115	115
Parks and greens	3	3	3	3	3	3	3	3	3	3
Athletic fields	12	12	12	12	12	12	12	12	12	12
Swimming pools	1	1	1	1	1	1	1	1	1	1
<u>Public Libraries</u>										
Libraries	1	1	1	1	1	1	1	1	1	1
<u>Human Services</u>										
Community center	1	1	1	1	1	1	1	1	1	1
Senior mini-buses	1	1	1	1	1	1	1	1	1	1
<u>Education</u>										
Schools	4	4	4	4	4	4	4	4	4	4
<u>Water</u>										
Fire hydrants	-	-	-	-	-	-	-	-	-	-
<u>Sewer</u>										
Sanitary sewers (miles)	22	22	22	22	26	26	26	26	26	26
Storm sewers (miles)	12.47	12.71	12.71	12.47	12.71	12.96	12.96	12.96	12.96	12.99
Catch basins	1,560	1,575	1,580	1,585	1,625	1,640	1,643	1,643	1,643	1,648
Treatment capacity (thousands of gallons)	950	950	950	950	950	950	950	950	950	950

Source: Various Town departments