

TOWN OF CANAAN
FALLS VILLAGE
CONNECTICUT



Photo courtesy of Rebecca Bloomfield Photography

2020
ANNUAL REPORT

ANNUAL REPORT ~ TOWN OF CANAAN ~ Falls Village, CT 06031-0047

July 1, 2019 through June 30, 2020

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~About the cover ~

*****ONE HUNDRED MAIN ******

**a brand new business opened by World
Famous Interior Designer Bunny Williams,
located at 100 Main Street**

Falls Village, CT 06031

2020 will be remembered as the year COVID-19 shut the world down. Amid the darkness, true heroes emerged – mail carriers, teachers, mechanics, small business owners, volunteers who sacrificed their own needs to give to others. A pictorial of a Few Faces of Falls Villagers to showcase those who carried us through this dark year is included

Front cover photo by Rebecca Bloomfield Photography; graphics by Faye H. Lawson; Annual report compiled and edited, and Faces of Falls Villager photos, by

Mary M. Palmer

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ABOUT OUR TOWN

Incorporated	October 1739
Population	1,062
Land Area	33.4 square miles

Registered voters:

Democrats - 316 Republicans-156

Unaffiliated-272 Other-4 748 voters

Property tax rate (mil rate) as of 2/25/2021 25.7 mils

Federal Lands Appalachian Trail

State Lands Point of Rocks Road, Robbins Swamp, Dean's Ravine and Music Mountain

Historic sites and places of interest: South Canaan Meetinghouse; Beebe Hill School House; Hunt Library; Railroad Depot, Railway Museum; Ames Historic Trail; CLP Walking trail by the power plant

Recreation Center: A beautiful municipal swimming pool, L-shaped, 6-lanes with fountain, and recreation area, was newly constructed in 2008 and opened in mid-summer of 2008. The entrance is located at 108 Route 63, Falls Village, CT 06031; the cross streets are Route 126 to the south and Route 63 to the north.

Education: Lee H. Kellogg School (K-8 population as of Feb. 2020 - approximately 60 students); Housatonic Valley Regional High School; Oliver Wolcott Technical High School. This year, students learned about "distance learning" - staying at home with a computer and wearing masks and staying 6' apart "social distancing."

Church: Falls Village Congregational Church, Beebe Hill Rd.

Government:

Local ~ Legislative authority is vested in the Town Meeting. Town Affairs are administered by a three-person Board of Selectmen. Fiscal affairs are reviewed and recommended by a Board of Finance. We have local ordinances; no charter.

State: The Town of Canaan is in the 64th State Assembly District served by State Representative Maria Horn, Democrat. This town is in the 30th Senatorial District served by Craig Miner, Republican.

Federal: The Town of Canaan is in the 5th Congressional District and is served by Representative Jahana Hayes, Democrat.

Our two United States Senators are Chris Murphy, Democrat and Richard Blumenthal, Democrat.

Town Hall, 108 Main Street, Falls Village, CT 06031-0047 Office Hours

Telephone: 860-824-0707; Fax 860-824-4506

Website: canaanfallsvillage.org

First Selectman Monday - Thursday 860-824-0707 ext. 23

9 AM-noon and First Saturday of month 10am-noon

Town Clerk Monday - Thursday 860-824-0707 ext. 10

Mon-Wed: 9 AM to 3 PM; Thursdays 9 AM - noon

Tax Collector Monday 9 AM - 3PM; 860-824-0707 ext. 13

Wednesday 9 AM - noon

Assessors Mon, Wed, Thursdays - 860-824-0707 ext. 14

Tuesdays: 9 AM - 3 PM

Registrar of Voters Wednesdays 9 AM - noon 860-824-0707 ext. 18

Building Inspector Wednesday 9 AM - noon 860-309-7852/860-824-0707

James O. Clarke, Building Official

Sanitarian Torrington Area Health Dept 860-489-0436 ext. 323

Julie Prue

Zoning Enforcement Officer Tom Scott-by appointment 860-824-0707 or

Planning & Zoning Commission Cell: 860-248-0802

Falls Village Day Care Monday-Friday 7:30 AM-5:15 PM 860-824-0882

Conservation Inland Wetland Commission-by appointment 860-824-0707

Fire Marshal by appointment 860-364-5758

Social Services/Senior Center Thursdays 9 - noon 860-824-9855 or

By appointment. Leave message for T.Graney on her machine 860-824-9855

Transfer Station, 100 Route 63, Falls Village, CT 06031 860-824-5819

Tuesdays, Fridays and Saturdays 8 AM to 3 PM

Town Pool, 108 Route 63, Falls Village -summer hours/Guests welcome 860-824-8026

Probate Court, 100 Pease Street, North Canaan 860-824-7012/fax 860-824-7248

Mondays through Thursdays - 9 AM to 4 PM

Falls Village-Canaan Historical Society, 44 Railroad Street, Falls Village, CT 06031

OPEN Tuesdays 9 AM - NOON and by appointment 860-824-8226

SCHEDULED BOARD/COMMISSION MEETINGS

BOARD of SELECTMAN Town Hall (if Holiday falls on Monday check for changes)	Second Monday of each month 7:30pm Town Website: canaanfallsvillage.org
BOARD of FINANCE Town Hall	Second Monday of each month 6:30pm March- Selectman and Board of Education estimates of expenditures are presented May- Public hearing/recommendations by Bd of Finance Town Meeting Nov/Dec- auditors report; set meeting dates/elect officers
BOARD OF EDUCATION Kellogg School	First Tuesday of each month 6:00pm
PLANNING & ZONING Town Hall COMMISSION	Fourth Thursday of each month 7:00pm
RECREATION COMMISSION	Third Monday of each month 7pm Town Hall
CONSERVATION	Third Monday of each month 7:00pm Town Hall
INLAND WETLANDS	(if Monday is a legal holiday then moved to following day)
HOUSATONIC RIVER COMMISSION Cornwall Consolidated School	Second Tuesday of each month 7:30pm
WATER COMMISSION Hall	Quarterly second Thursday 7:00pm Town
FIRE COMMISSION	Second Wednesday of each month 5:00pm at Fire House 188 Rt 7 S
REGION 1 SCHOOL DISTRICT Library (no July and August meetings)	First Monday of each month 6:30pm HVRHS
HISTORICAL SOCIETY BOARD Village	Third Thursday of each month 4:30pm Geer

TOWN OF CANAAN
Falls Village, Connecticut 06031-0047

Report covering July 1, 2019– June 30, 2020

The following lists of elected and appointed officials have been updated through
January 2020

ELECTED Officials:

Term Expires:

BOARD OF SELECTMEN (2 yr. term) 1 each party

As of Municipal Election of Nov 2019:

Henry W. Todd, First Selectman (R)	Nov. 2021
David R. Barger, Selectman (D)	Nov. 2021
Greg D. Marlowe, (R)	Nov. 2021

Henry W. Todd, First Selectman (R) 11/07/2017	Nov 2019
Greg D. Marlowe (R) 11/07/2017	Nov 2019
David R. Barger (D) (apt. 11/21/2017 Joel Jones declined to serve)	Nov 2019

TOWN CLERK & Registrar of Vital Statistics -Re-elected for another 4 year term.
Mary M. Palmer was first elected Nov. 1993; elected 6 more times; serving 28 years as a CT state certified town clerk. This position changed from “**elected**” to “**appointed**” as of Town Meeting of 9/6/17. See Vol. 16, Page 211 Town Minutes for more details. Mary’s term as elected Town Clerk ends January 2022.

Mary M. Palmer (D) 11/07/2017 (elected term ends. Jan. 2022)	Nov 2021
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Assistant Town Clerks:

Rebecca M. Juchert-Derungs (D) (re-appointed Nov 2017)

Cheryl A. Aeschliman (U), (appointed 5/9/2018 – 1st Monday 1/2022) resigned 5/7/2020

Arlene B. Benninger (U), appointed 5/18/2020

)

TREASURER (2-year term)

Linda S. Paviol (D)	Nov. 2021
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Linda S. Paviol (D) 11/07/2017	Nov 2019
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Deputy Treasurer:

Michelle Lynn Hansen (U) appointed Jan. 2012

Linda S. Paviol – D

Nov 2017

Deputy Treasurer:

Michelle Lynn Hansen (U) -appointed Jan. 2012

TAX COLLECTOR (2 yr. term) changed to **appointed**
 position 9/16/2017 per Town Meeting
Rebecca M. Juchert-Derungs (D) 11/07/2017
 8/15/2012 – appointed Tax Collector following resignation of Jean Bronson
 11/7/2013 – Elected Tax Collector

Term Expires:

Nov 2019

Rebecca Juchert-Derungs APPOINTED by Bd of Selectmen 12/9/2019 for 4-year term
Pat Ann Miller appointed 12/9/2019 for 4-year term by BOS 12/9/2019

Nov. 2023

Assistant Tax Collector: Mary M. Palmer (D)
 (first appointed 11/17/2011) re-appointed Nov 2019

*Rebecca M. Juchert-Derungs - D
 (appointed Assistant Tax Collector on 5/23/2012;
 8/15/2012 - Tax Collector following resignation of Jean Bronson
 11/7/2013 - Elected Tax Collector; re-elected 11/4/2015*

Nov 2017

*Assistant Tax Collector: Mary M. Palmer - D
 (first appointed 11/17/2011)*

BOARD OF FINANCE (6 yr. term) 6 members per ordinance (as of Nov. 2019 election)

Joel W. Jones (D)	Nov. 2025
Stephen J. Dean (R)	Nov. 2025
Louis J. Timolat (R) to fill vacancy for 2 years	Nov. 2021
John B. Allyn (R)	Nov. 2023
Richard C. Heinz (D)	Nov. 2021
Daniel Silverman (D)	Nov. 2023

BOARD OF FINANCE ALTERNATES (4 year term) 3 members /Minority
 Representation Statute applies separately to Alternates – as of Nov. 2019 election

Corinna M. Fleming (D)	Nov. 2023
Eric T. Carlson (R)	Nov. 2023
Daly Reville (D) –to fill vacancy for 2 years	Nov. 2021

John B. Allyn (R) 11/07/2017 elected <i>Chairman</i> 11/13/2017	Nov. 2023
Louis G. Timolat(R) (fill Greyson vacancy) 2 yr)	Nov. 2019
Joel W. Jones(D) (fill Joncyk vacancy) 2 yr	Nov. 2019
Richard C. Heinz(D) <i>Co-Chair</i> 11/13/2017	Nov. 2021
Henry Todd(R) - resigned 11/2017 due to conflict of office	Nov. 2021
Daniel Silverman(D) 11/07/2017	Nov. 2023
Stephen J Dean (U) apt 1/8/2018 (until next municipal election per statute)	Nov. 2019

*Thomas R. Grayson - R, Co-chair
 John B. Allyn - R, Co-chair
 Louis G. Timolat-R (complete Nielsen term)
 Joel W. Jones, D (complete Joncyk term)
 Richard C. Heinz, D
 Henry Todd, R*

*Nov. 2019
 Nov. 2017
 Nov. 2017
 Nov. 2019
 Nov. 2021
 Nov. 2021*

BOF as of 3/13/17: Grayson, Allyn (Co-Chairs), Timolat, Jones, Heinz and Todd
 Regular members (continued)
 Erica Jonczyk, D (elected 11/2013; resigned 8/8/16)
 Brenda L. Nielson, D (resigned 1/25/2016)

Nov. 2019
 Nov. 2017

BOF Alternates: (4 yr. term) 3 members per ordinance

Term Expires:

Joes W. Jones (moved to regular member on 8/8/16) creating (2-year vacancy)	Nov. 2019
Louis Timolat (moved to regular member on 2/8/16) creating (2-year vacancy)	Nov. 2019
Stephen J Dean (R seat) 11/07/2017 (apt regular board 1/8/2018 creating full term vacancy)	Nov. 2021
Linda E Bowen(D) 11/07/2017	Nov. 2019
Carol A Staats(R) 11/07/2017	Nov. 2019
1 full term vacancy	Nov. 2021
<i>Joes W. Jones (moved to regular member on 8/8/16)</i>	<i>Nov. 2019 (2-year vacancy)</i>
<i>Louis Timolat (moved to regular member on 2/8/16)</i>	<i>Nov. 2019 (2-year vacancy)</i>
<i>1 full term vacancy</i>	
<i>3/13/17 – no Alternates</i>	

BOARD OF ASSESSMENT APPEALS (4 yr. term) 3 members per ordinance

Louis G. Timolat(R)	Nov. 2023
Tami Reid(U) (apt 2/10/2020 to next municipal election 11/2021) (reappointed)	Nov. 2021
Susan Kelsey(R) (apt 2/10/2019 to next municipal election 2019) (reappointed)	Nov. 2021

Louis G. Timolat, R
Susan J. Kelsey, R
Tami Lois Reed – U

Nov. 2019
Nov. 2017
Nov. 2017

ZONING BOARD OF APPEALS (4 yr. term) 5 members; no more than 4 same party

Richard C. Heinz (D)	Nov. 2023
Barbara C. Riley (D)	Nov. 2023
Christopher S. Kinsella (D)	Nov. 2023
John P. Holland (D) Chairman	Nov. 2021
Stephen J. Dean (R)	Nov. 2021

John P. Holland (D) <i>Chairman</i> 11/7/17	Nov. 2021
Dennis S. Jasmine (R)	Nov. 2019
Ellery W. Sinclair (R) (appointed 12/9/2019 BOS)	Nov. 2019
Richard C Heinz (D) (apt. to fill Hafner position)	Nov. 2019
Stephen J Dean(R) seat 11/7/17	Nov. 2021
Marylou Sinclair, Clerk of the Board	

John P. Holland – D-Chairman
Ruth G. Giumarro – R
Dennis S. Jasmine – R
Ellery W. Sinclair – R

Nov 2017
Nov 2017
Nov 2019
Nov 2019

Zoning Board of Appeals Alternates (4 yr. term) 3 members

As of November 5, 2019 election – Two Regular Alternate Member Vacancies

And one “to fill 2-year vacancy” Alternate Member Vacancy

Barbara C. Riley (D) (11/2015 – 11/2019 –completed term)

Elected regular member Nov. 2019

Christopher S Kinsella(R) (11/7/2017-11/2021)-moved to regular member 2-YEAR vacancy

For ZBA Alternate position due to Kinsella moving to regular position.

Nov. 2021

Kevin Titus (R) 11/15-11/19 – completed term/Nov. 2019

CANAAN BOARD OF EDUCATION (4 yr. term) 5 members; **Term Expires:**
no more than 4 of same party – minority representation statute

Patricia Allyn Mechare (R) (Enrolled Democrat but won 11/17 election on Republican line	Nov. 2021
Theresa Snyder Graney (R) (Unaffiliated, won on Republican line)	Nov. 2021
Adam L. Sher (D)	Nov. 2021
Tanya P. Golden (D)	Nov. 2023
Maria Bulson (R) appointed by Bd of Ed on Jan. 7, 2020 to next Municipal election (2-year vacancy 2021 ballot)	Nov. 2021

Karen T. Lindquist (D) (apt. to fill Caiati position)	Nov. 2019
James A March(R) (fill 2 yr. vacancy) elected 11/7/17	Nov. 2019
Adam L. Sher (D) 11/7/2017	Nov. 2021
Patricia Allyn Mechare(R) seat 11/7/2017	Nov. 2021
Theresa Snyder Graney(R) seat 11/7/2017	Nov. 2021

*Karen T. Lindquist-D
Adam L. Sher-D
Lara D. Mittaud-R(Chairman)
Rachel E. Gall-U (ran on Democratic line-elected Chair
James March- R*

*Nov. 2019
Nov. 2017
Nov. 2017
Nov. 2017
Nov 2017*

REGION ONE BOARD OF ED REPRESENTATIVE (2-year term) 6 member one each town

Patricia Allyn Mechare (D) –Enrolled Democrat (cross-endorsed) **Nov. 2021**

Patricia Allyn Mechare(R) seat 11/7/17 (won election on Republican line/enrolled Democrat) **Nov. 2019**

Andrea Downs – R

Nov. 2017

REGISTRARS OF VOTERS (4 yr. term) – term ends in January after Nov. election

Carole K. McGuire (D)	Nov. 2022
Susan J Kelsey (R)	Nov. 2022

Deputy Registrars: Appointed 5/7/2019: Kay Carroll Blass, Deputy –Democrat;
5/15/2019: Tracy Atwood, Deputy – Republican; Kay Carroll Blass resigned 10/12/2020; Carole
K. McGuire (D) appointed Roxann Steinberg Whitaker as Deputy Democratic Registrar of
Voters on October 12, 2020.

Carole K. McGuire (D) and Susan J. Kelsey (R) November 2018

JUDGE OF PROBATE (4yr. term)

Diane Blick (D)	Nov. 2022
------------------------	------------------

Litchfield Hills Probate District includes 12 towns.
Phone 860-824-7012; fax 860-824-7428

CONSTABLES (2-year term) 7 members

Term Expires:

as of Nov. 11, 2019 election

Nov. 2021

Democrats: Janet R. Hanna; George F. Elling; John P. Holland; David R. Barger

Republicans: Louis G. Timolat

Constables from November 2017 election:

Democrats: George Elling, John Holland, David Barger – term expires Nov. 2019

Republicans: Tim Downs, Louis Timolat – term expires Nov. 2019

Susan Kelsey(R) (appt. 12/11/2017) - appointed by Selectmen

Nov. 2019

Wood Sinclair (R) (apt 12/11/2017) – appointed by Selectmen

Nov. 2019

JUSTICES OF THE PEACE:

JP's are not on the ballot; however, JP's are elected by town committee, except for the years Jan. 4, 2021 – Jan. 6, 2025, where Republican JP's were appointed by the Board of Selectmen on 1/11/2021 in accordance with CGS 9-220

JP's serving from January 4, 2021 through January 6, 2025:

Democrats: Lonnie Carter – lonniety@comcast.net; George F. Elling – jorgeelling@netscape.net; Janet R. Hanna – jrhanna06@gmail.com; Richard C. Heinz – dickcheinz@att.net; John P. Holland – jpmholland@hotmail.com; Joel W. Jones – joelwjones13@gmail.com; Louise M. March – weezerxr@gmail.com; Patricia Allyn Mechare – curtmechare@comcast.net; Mary M. Palmer – fallsvillagetc@yahoo.com; Barbara C. Riley – briley058@yahoo.com

Republicans: Louis G. Timolat – hemlock@snet.net; Hazel K. McGuire – Hazel06031@yahoo.com; Dennis M. Jacobs – jdjacobs04@sbcglobal.net; Susan J. Kelsey – scottishthistle54@gmail.com; Kevin W. Titus, Sr. - kvntitus5@gmail.com

Term: January 3, 2017 to January 4, 2021

George Anastasio –D, Lonnie Carter-D, Michael S. DeMazza –R, John P. Holland –D, Dennis M. Jacobs – R, Susan J. Kelsey – R, Louise M. March– D, Carole K. McGuire –D, Hazel K. McGuire – R, Patricia Allyn Mechare – D, Mary M. Palmer – D, Barbara C. Riley – D, Louis G. Timolat – R, Kevin W. Titus, Sr. - R

APPOINTED TOWN OFFICIALS

Term Expires:

Fire Commission (3yr. term) apt by selectman

Hazel K. McGuire (R)	appointed 2/10/2020	Dec. 2022
Lawrence O. Bulson (U)	appointed 2/10/2020	Dec. 2022
David A. Seney (D)	appointed 2/10/2020	Dec. 2022
Kimberly L. Mahoney (U)	appointed 2/10/2020	Dec. 2022
Timothy R. Downs (R)		June 2021

Lawrence O. Bulson (U) apt. 10/03/2106 to replace Lawson	Dec. 2019
Hazel K. McGuire (R) re-apt 2/6/17	Dec. 2019
David Arthur Seney (D) re-apt 2/6/17	Dec. 2019
Timothy R. Downs (R) re-apt 1/8/18	June 2021
Kimberly L. Mahoney (U) re-apt 2/6/17	Dec. 2019

Inland Wetland Commission (5yr. term) 5 members staggered see ordinance apt by selectman

Susan J. Kelsey(R) re-apt 2/6/17	Dec. 2021
Ellery W. Sinclair (R) Chair re-apt 2/6/17	Dec. 2021
Mark Burdick (D)	Dec. 2020
Brant L. Burz (U)	Dec. 2020
Felicia Brodzky-Jones (D)	Dec. 2020
Shamu Sadeh (D) alternate appt 1/8/2018	June 2023
Susan Kelsey-Secretary	

Planning & Zoning Commission: (5-year term) 8 members only 5 same party apt. by selectman

Frederick J. Laser(D) Chairman (appointed 2/10/2020)	Dec. 2024
Greg Marlowe(R)	May 2020
Thomas M. Scott (D) reappointed 2/6/17	Feb. 2021
Gregory Bruce Bidou (R) reappointed 2/6/2017	Feb. 2021
Vincent Joseph Inconiglios(D)	Feb. 2021
Clifton Jaeger (D) (resigned)	May 2020
Alice N. Macchi (U) (also Secretary to P&Z)	Dec. 2024
John Morrissey (D) (appointed 9/10/2018)	Dec. 2023
Garret Scavotto (D) (appointed 9/10/2018)	Dec. 2023

P & Z Alternates: (5-year term) see ordinance

Marc E. Rosen (D) apptd. 2/10/2020	May 2024
Ruth E. Skovron (D)	May 2020
Adam Sher (D) completed term	May 2017

Certified Assessor: apt Oct 1st, 2005

Hazel K. McGuire (R)
Theresa S. Graney (U) Appointed Assistant Clerk June 15, 2019

Recreation Commission (3-year term) 7 members

Term Expires:

Margaret Caiati (U) - appointed 1/14/18 resigned 5/2020	Dec. 2021
Nicholas H. Boyden (U) – appointed 1/14/18 resigned 10/28/2020	Dec. 2021
Darin Dodge <i>chairman</i> – resigned 10/28/2020	Nov. 2020
Shamu Sadeh (D) – resigned November 4, 2020	May 2019

Dan Carr , appointed 1/14/2018 (Chair)	Dec. 2021
Melissa Lopes (D) also serves as <i>Secretary</i>	Dec. 2021
Emily Petersen (U) appointed 1/14/2018 Director and member of Recreation	Dec. 2021
John Morrissey (D) appointed 12/10/20 via Zoom (Chair)	Dec. 2023
And appointed again on 3/9/2020-J. Morrissey-Rec.	
Susan N. Allen (D) appointed 12/10/2020 via Zoom	Dec. 2023
Edward (Ted) Moy(D) appointed 03//8/2020 via Zoom	May 2023
Daipai Horace (D) appointed 3/9/2020	Dec. 2022
Thomas R. Wilson (D) appointed 12/10/2020	Dec. 2023

Rec Commission Alternate: (3 yr. term) 1 member
1 Vacancy

Housatonic River Commission (3 year term)

Ellery W. Sinclair (R) appointed 2/10/2020	Dec. 2022
Kent Allyn (U) appointed 2/10/2020 (new appointment)	Dec. 2022

(3 yr. term) staggered see ordinance

1 member
1 alternate

Ellery W. Sinclair(R) member – to December 2021 (appointed 1/14/2018)
Karl Munson (R) appointed 1/14/2018 to December 2021
Kent Allyn (U) – appointed 8/13/2018 to serve as an Alternate while Karl Munson is away
May 2021

Water Commission (3yr. term) 5 members

***Town Meeting of January 10, 2019: Item 5 on Agenda: Shall the Town of Canaan rescind the Ordinance dated May 31, 1951 establishing a Water Commission in order to bring the waterworks directly under the control of the Board of Selectmen? Motion carried. One nay; one abstention. ***

Town Meeting of February 20, 2020 will consider the following: “Shall the Town of Canaan approve the sale of the water works to the Aquarion Water Company for \$345,000 subject to PURA approval?”

Dennis M Jacobs- R <i>Superintendent</i>	Dec. 2018
William S. Blass- D	May 2018
David James Blass-U	Dec. 2018
Patricia Allyn Mechare –D re-apt 2/6/17	Dec. 2019
Michael DeMazza-R re-apt 2/6/17	Dec. 2019

Library and School Association Board of Directors:

As of July 1, 2017

Henry Todd- President 2 yr. term	2019
Vice President 2 yr. term (no VP as of date 1/18/2018)	2019
Rebecca Juchert-Derungs-Secretary	2019
Ruth Giumarro- Treasurer	2020
Leone Young	2019
Garth Kobal	2018
Woods Sinclair	2018
Lonnie Carter	2019
Greg Marlowe	2018
Barbara Dienhardt	2018
Joel Jones	2021
Julia Panev	2021

Note: officers are elected from directors of association. President- one 2 yr term,Vice President-one 2 yr term, Vice President becomes President. Treasurer- 4 yr term with one consecutive term allowed. Secretary-4 yr term with one consecutive term allowed. Directors- 4 yr term with continuous consecutive term allowed.

Staff:

Erica Joncyk- Executive Director
Meg Sher- Assistant Director
Rita Delgado- Children's Librarian
Akke deVlas-Jasmine- Assistant Librarian

Falls Village Transfer Station located on Route 63, Falls Village, CT 06031
Hours of operation: Tuesday, Friday, Saturday 8 AM – 3 PM

Tracey M. Wilson appointed 9/26/2018 as Coordinator and Attendant
Peter G. Roussi appointed 9/26/2018 as Attendant

Emergency Management Director:

Michelle McGuire-Hansen

Municipal Agent, Social Service Agent and Energy Coordinator:

Theresa S. Graney - 860-824-9855

Town Counsel:

Judith Dixon retired

Roraback & Roraback – Chip Roraback appointed 8/13/2018

Animal Control Officer:

Lindsay Burr – 860-480-7568

(appointed by Bd. Of Selectmen on 3/8/2020 to 6/2022)

Mary M. Palmer – resigned March 3, 2021
(860) 824-0707 ext 10 – Town Hall

Sanitarian Torrington Area Health District joined 5/10/2001

Julie Prue- Registered Sanitarian 860-489-0436 x323

Louis G. Timolat -Representative (3-year term)

Louis G. Timolat – reappointed 5/13/2018 to 3

Mar. 2019

March 2022

Building Inspector:

Jim Clarke

Hours: Wed 1-3 PM cell: 1-860-309-7852

Zoning Enforcement Officer: Appointed 6/11/2018

Thomas M. Scott – zoningofficer@canaanfallsvillage.org cell: 860-248-0802

Sexton of Cemeteries:

Kent C. Allyn 860 824-5960 Town Cemeteries

Richard Heinz, Sexton, Grassy Hill Cemetery 860-824-7730

Fire Marshal:

Stanley MacMillan, Jr. (860) 364-5758; (860) 364-0909

Deputy: Charles Carlton, Jr. (apt 12/11/2017)

Robert Norton (apt 12/11/20017)

Fire Chief :

Timothy R. Downs

Transit District: Vacancy

Open Burning Official – Stanley MacMillan

Building Code Appeals Representative – Eugene F. Wright

Hearing Officer, Impounded Vehicles – Michael S. DeMazza

Northwest Regional Tourism District – Vacancy

Day Care/Extended Day Care Center:

Patricia Allyn Mechare, Chairman
Alice E. Soenksen, Secretary
Treasurer: Sonia Gale
Sharon Russell, Anne Marie Pohl, Cathy Caranci
Ashley Allyn, Director

Falls Village/Canaan Historical Society 860-824-8226

Judy Jacobs-President
Jeremy Dakin, Brian Ohler-Vice Presidents
Midge Cortesi- Curator of Museum

Town Historian:

Susan J. Kelsey, appointed 6/11/2018 scottishthistle54@gmail.com

NORTHWEST CT COUNCIL OF GOVERNMENTS:

Henry W Todd

HOUSATONIC YOUTH SERVICES BUREAU:
Nicholas Pohl, MSW – Executive Director

TREE WARDEN:

Corey Bush- apt. 01/01/2016
Resigned 12/30/2017
Mike Root (apt 12/11/2017)

NORTHWEST CT REGIONAL PLANNING COMMISSION:

Christopher S. Kinsella

NORTHWESTERN CONNECTICUT REGIONAL HOUSING COUNCIL:

Stephen Anthony Koshland

Tracy Atwood- Alternate appt 10/02/2017

Felicia Jones-Alternate appt 10/02/2017

VNA Northwest, Inc.:

Western Connecticut Convention and Visitors Bureau:

Susan Sweetapple

Cable Advisory Council of Northwest Connecticut:

Sergei Fedorjaczenko

MEMBERS OF THE TOWN HIGHWAY CREW:

Timothy R. Downs, DPW

David Kelsey, Ray Flint, Thomas Sherwood - Highway Maintenance

COMMUNICATIONS TOWERS:

Ellery W. Sinclair, Coordinator of Information

AFFORDABLE HOUSING:

Vacancies

Civil Preparedness: Michelle McGuire-Hansen

Falls Village Railroad Depot Project, 44 Railroad Street:

Judy Jacobs – Project Coordinator

Economic Development Committee – Felicia Jones appointed by BOS on 2/11/2018

Annual Report of The Board of Selectmen

The 2019-2020 year started as normally as possible. The biggest news in the summer and fall was the agreement to sell the waterworks of the town to Aquarion. This was passed at a town meeting on November 13, 2019. The process for actually finalizing this sale continues to be long and arduous. We completed the sales agreement in the first quarter and are now going through an authorization process with the Public Utilities Regulatory Authority. Initial hearings have been held and we anticipate final approval in March of 2021. Any sale of public assets like the waterworks must follow this path.

During the summer, we completed a fiber optic study for the Town of Canaan that recommended we build a hybrid system utilizing both fiber optic cable and a strong WIFI which would serve 90+ percent of our entire land area. In our view, this is something that is vital to our community as can be seen by our dependency on technology during the pandemic. However, there are several barriers that were in place that made this almost impossible. The first was removed last year when PURA's decision to not allow fiber to be placed on poles, called 'Municipal Gain', was reversed by state courts. There is still a lot that must be done legislatively to ease the construction of these networks, especially 'One Touch Make Ready' which would allow one person to move cables on a pole except for electricity to allow for fiber lines to be installed quickly and efficiently.

Lee H. Kellogg school removed the last municipal underground oil storage tank in December of 2019. This tank had the potential to be an environmental disaster and we are pleased this danger has been mitigated.

In February of 2020, the town was awarded a grant from the Volkswagen settlement by the state to purchase a new plow truck and the Boards approved the recommendation to a Town Meeting to purchase one for \$181,741.23. The grant amount reduced this expenditure by \$41,276.73.

On February 1, 2020, we received our first official notice of an epidemic in Wuhan, China. It didn't seem that distressing at that time. By March 20, 2020, the epidemic had really begun spreading throughout the United States and, following the State of Connecticut declaration of a Public Emergency, the Town of Canaan followed in step with all the 169 towns or cities in the state by declaring our own Public Emergency.

This unleashed a fire storm of Executive Orders from the state that you are all aware of and probably weary of thinking about. Our Town Hall was effectively closed, with limited hours for two months, and only resumed our normal schedules shortly before Memorial Day. We still remain in a lock-down status with visitors allowed in by appointment and with business conducted on the front steps with masks and social distancing. All meetings moved to a Zoom platform and remain so.

Town Meetings couldn't be held so the Board of Selectmen was given the task of doing the business of the Town Meeting, as stipulated in Executive Order 7-H. We passed a budget for the local school, the town as well as authorized a bridge study to get detailed analyses of the costs of repair and replacement in order to protect our critical infrastructure, approved the purchase of a 2001 Spartan Gladiator fire truck which was in very fine shape to replace two 1979 fire trucks for a total cost of \$175,000 and approved the banks we would use in the following year of 2020-21.

Shortly before year-end, we worked with the Recreation Commission to come up with a plan to allow our pool to open for the summer for our Town's residents.

To say that this was a 'terrible/horrible' year would be an understatement. The town staff and our public work crew have worked diligently to keep our town as safe as possible and to keep it operating under very constrained conditions. All of us have ^{been} inundated with Zoom calls, Go To Meeting and other forms of communication with state and local leaders to keep up to date on changing state regulations, best practices and just the general health and safety of the state and federal governments. The information flow was critical to all of us and special kudos go to Governor Lamont and his staff who have been invaluable assets during this crisis. Our town staff did an excellent job and rose to the occasion.

We would also like to thank all those who volunteer to serve on our local boards and commissions who are often overlooked. Without their support and efforts, the Town of Canaan could not function. Volunteerism is a key asset of this town and we salute all those who give so freely of their time.

Submitted for the Board of Selectman,

Henry W. Todd, First Selectman, Greg Marlowe and David Barger, Selectmen

ANNUAL REPORT OF THE TOWN CLERK

During the July 1, 2019-June 30, 2020 fiscal year, the Town Clerk's office recorded 271 documents on the land records. The State of Connecticut receives the majority of the revenue received from the \$60 recording fee, plus \$5.00 each additional page, as follows:

Land records recording fees:		\$6,166.00
Cott & other expenses: \$9,461.61	Net:	(\$3,295.61)
State PA 05-22 for land protection:	Net:	\$1,424.00
State GP-005 affordable housing and historic preservation:		\$ 374.00
Town of Canaan conveyance tax:		\$17,123.13
Photocopies and fax fees:	\$1,528.35	
Lease and other expenses:	\$3,570.15	(\$2,041.80)
Fishing, Game licenses, permits (these can now be purchased on line)	\$12.00	
Dog licenses	\$536.50	
Marriage licenses, death certificates and certified copies	\$1,104.00	

The Town Clerk's office once again received the maximum grant allowed for a town with a population below 25,000. The amount this year was \$5,500. The grant was used to renovate and restore Board of Selectmen and Board of Finance minutes.

More information continues to become available to the public electronically. Please visit: canaanfallsvillage.org to view minutes and agendas, tax information, pay taxes on-line with a credit card, and find links to the fire department, schools and other places of interest.

Mary M. Palmer, Canaan Town Clerk

Town of Canaan
Office of the Election Administrators
REGISTRARS OF VOTERS
July 1, 2019 to June 30, 2020
Office Hours: Wednesdays, 9:00 a.m. to noon, and as needed

The office of the Registrars of Voters is governed by the Connecticut General Statutes and financially supported by the municipality served. Registrars work under the direction of the Secretary of the State (SOTS).

Registrars, as the Town's Election Administration Officials, are responsible for voter education, organizing and conducting the annual canvass of voters, maintaining the accuracy of the registry list, updating voter files, preparing a department budget, and training election officials. Registrars are responsible for annual maintenance of voting tabulators, reprogramming, tracking and testing of memory cards. They are also responsible for providing Election Day Registration (EDR) services for those who want to register to vote on election day. A private voting procedure, referred to as the "Accessible Voting System" (both audio and visual), consists of a laptop computer and printer, and is available at the polling place for disabled voters. This system is also used at the site of EDR.

To stay abreast of new laws and pending legislation, Registrars attend conferences provided by the Registrars of Voters Association (ROVAC) and the SOTS's office. This year, the spring conference was cancelled due to the corona virus; the 2-day fall conference was held via zoom. Registrars are required by statute to become certified through the Registrar Certification Program conducted through the University of Connecticut; both registrars are certified. Continuing education credits are mandatory to retain certification, which are available through the conferences. The registrars also attend the ROVAC county meetings throughout the year to keep up to date and share with the other Litchfield County registrars. Registrars are required to be certified as "head moderators; recertification is required every four years. The Town currently has two additional certified "head moderators" (Linda Paviol and G. Tracy Atwood); the registrars would welcome additional townspeople to be become certified to moderate at elections and referendums. Kay Blass and G. Tracy Atwood continue to serve as the Deputy Democratic and Republican Deputy Registrars, respectively; we are grateful for their willingness to fill this state-mandated position.

From July 1, 2019 to June 30, 2020, several special voter enrollment sessions were held as required by the SOTS. The "First Vote" voter registration was held in February at HVRHS by the Salisbury and Canaan (Falls Village) registrars to enroll eligible students from the 6 town region. After much debate, the Presidential Primary, scheduled for April 28, 2020, was postponed due to the corona virus, as was the Regional School District #1 budget referendum. Needless to say, the virus presented many challenges to the registrars as the State struggled to balance public safety with ensuring one's right to vote.

The registrars appreciate the support received from Town officials and the willingness of residents to serve as official pollworkers. Any registered voter interested in becoming an election official is encouraged to contact the office of the registrars.

Voter statistics for the Town are as follows:

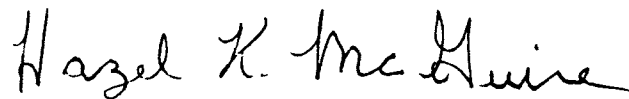
	<u>June 30, 2019</u>	<u>June 30, 2020</u>
Democratic	289	291
Republican	147	150
Unaffiliated	252	246
Other	4	4
Total registered:	692	691
Susan J. Kelsey, Registrar (R)		Carole K. McGuire, Registrar (D)

ASSESSOR'S ANNUAL REPORT

	2018 NET GRAND LIST	2019 NET GRAND LIST
REAL ESTATE	156,498,050	157,138,370
PERSONAL PROPERTY	16,015,250	15,988,641
MOTOR VEHICLE	9,087,230	9,496,403
TOTALS	181,600,530	182,623,414
TOTAL TAX EXEMPT PROPERTY	61,945,900	62,049,800

The Assessor's Office hours are Monday, Wednesday and Thursday
9 am to 12 pm and Tuesday 9 am to 3 pm or by appointment.

Respectfully submitted,



Hazel K. McGuire

Connecticut Certified Municipal Assessor II

LITCHFIELD HILLS PROBATE DISTRICT, #24

*Serving Canaan (Falls Village), Cornwall, Harwinton, Kent, Litchfield, Morris,
Norfolk, North Canaan, Salisbury, Sharon, Thomaston and Warren
www.litchfieldprobate.org*

The Honorable Diane S. Blick, Judge

Litchfield Location

Jinda F. Riiska, *Chief Clerk*
Dawn W. Pratt, *Clerk*
Meegan Buckley, *Asst. Clerk*
860-567-8065

Kent Location

Judge Blick
860-927-3729

Canaan Location

Beth L. McGuire, *Clerk*
Megan M. Williams, *Asst. Clerk*
860-824-7012

It is with great pleasure that I report to the residents of the Litchfield Hills Probate District the activity of the Probate Court for fiscal year July 1, 2019 through June 30, 2020 and request this report be included in the Town's next published Annual Report.

<u>Type of Matter</u>	<u>2018 – 2019 FY Number of Matters</u>	<u>2019 – 2020 FY Number of Matters</u>
Fee Waivers	55	79
Decedent's Estates	1,219	1,221
Trusts	223	175
Conservators	201	186
Name Changes	30	31
Guardian of the Person & Estate	96	72
Guardian of Persons with Intellectual Disabilities	94	105
Adult Commitment		2
Children's Matters:		
Adoptions/Termination of Parental Rights and Emancipation of a Minor/Determine Paternity	12	15
Power of Attorney Accounting Matters	5	1
Total probate matters handled	1,935	1,887
Passports processed	131	90

Overall, the number of probate matters handled by the Court decreased slightly due to the fact that from March 16, 2020 to June 16, 2020, each of the Town Halls where our court offices are located were closed to the public due to the Covid 19 pandemic (and to this date remain closed to the public) and only those with an appointment were allowed at the Court. Even during the pandemic, the Court has remained open and all work has been timely processed and hearings scheduled. All hearings are held either by teleconferencing or Webex video conferencing. After June 16, 2020 when pandemic restrictions began to be lifted, the Court saw an increase in the workload and the increase continues to be sustained.

The category Fee Waivers represents the number of matters which were handled by the Court for which no probate filing fee is collected due to the fact that the Petitioner is indigent.

The Court's location in the Litchfield Town Hall is open Monday through Friday 8:30 am to 4:30 pm. The Court's location in the North Canaan Town Hall is open Monday through Thursday 9:00 am to 4:00 pm. While the Kent Town Hall is closed to the public during the pandemic, I continue to be available to the residents of Kent by telephone or by appointment.

The Court Staff joins me in extending our sincerest appreciation to the town leaders, residents and professionals who utilize the services of the Probate Court for your continued support.

Respectfully submitted,

Diane S. Blick

Diane S. Blick
Judge of Probate

11/30/2020

Board of Finance Annual Report 2019-2020

This document and the Audited Financial Statements by King, King & Associates for the fiscal year ended June 30, 2020 form the Annual Report by the Board of Finance to the Town of Canaan.

The Board was co-chaired by John Allyn and Dick Heinz. Additional Board Members were Dan Silverman, Joel Jones, Louis Timolat and Steve Dean. Corinna Fleming, Linda Bowen and Carol Staats served as Alternates. After the November, 2019 election, the Board remained the same, but Corinna Fleming, Daly Reville and Eric Carlson were elected as Alternates. Rebecca Juchert-Derungs again served as Clerk.

The Board of Finance sent the Municipal and Board of Education Spending Plans for 2019-2020 to a Town Meeting on May 23, 2019. The Town approved the Municipal spending at \$1,977,325 and Board of Education spending at \$3,433,670. At Special Meeting following the Town Meeting, the Board of Finance met and unanimously voted to increase the mil rate for 2019-2020 by 0.7 mils to 24.60 mils for the fiscal year 2019-2020.

King, King & Associates, CPAs conducted the Annual Audit of the finances of the Town of Canaan. Town Treasurer, Linda Paviol, has experience working with the auditors and the process went smoothly. Mrs. Paviol does an outstanding job preparing monthly reports of the financial status of the Board of Education and the Town departments to keep the Board of Finance apprised of current affairs. The findings of the Audit, presented at the November 16, 2020 BOF meeting were that:

- The Town is in compliance in all major areas with generally acceptable accounting principles and the Town was determined to have adequate controls to ensure moneys are handled responsibly. The auditors found that the Town is using a Cash basis for reporting and should use an accrual basis. The Town will comply. Also, Auditors found that the Tax Collector is not keeping paper copies of Tax billing and should. The Treasurer will comply.
- The Town finished the 2019-2020 fiscal year with assets exceeding liabilities by \$4,678,523, a decrease of \$80,016 due to the planned use of General Fund surplus.
- The Town's net position increased by \$283,579 over fiscal year 2017-2018. This was the result of cost savings in all departments and better than anticipated tax collections and investment income.
- The General Fund ended with a balance of \$440,165. Total government expenses were \$4,755,469. The General Fund balance represents an 8.1% reserve in case of emergency. The Town also maintains Non-recurring Capital Reserve Accounts for future needs, such as a new sand/salt shed, new truck, etc. At the end of the year, Capital Reserve Accounts totaled \$1,128,595.

In March, 2020 the Board of Finance began reviewing Municipal and Board of Education Spending Plans for 20-2021. The budget process was complicated in 2020 by the coronavirus epidemic and because Falls Village sent more students to Region 1 in the fall of 2019. When voters approved the Region 1 Budget the assessment for students attending the high school from the Town of Canaan was increased by \$220,072 over the prior year. After the presentation of the educational spending plan by the Boards of Selectmen and Education, the Board of Finance requested that they review their plans for opportunities to reduce the bottom line. The Board of Education is to be commended as they were able to reduce the spending for Lee Kellogg to 0% increase. As a result, total BOE spending was up to \$3,653,737, a 6.4% increase. Selectmen presented a Municipal spending plan of \$1,862,244, which was a 0.4% decrease.

Selectmen were able to do this by trimming department budgets and removing contributions to Reserve Accounts to \$0 this year. The Town's department heads and the Board of Education recognized the severe and unique nature of the novel coronavirus. With so many people out of work or no longer connected to their usual cash flow, there was concern about the ability of taxpayers to meet their obligation.

At Town Meeting on May 28, 2020 expenses for Lee Kellogg School were approved at \$1,977,325. The Board of Finance met after the Town Meeting and set the mil rate at 25.7 mils, an increase of 1.1 mils.

The Board of Finance meets on the second Monday of each month (unless that falls on a holiday). The list of meetings scheduled for the year is posted in the Town Hall in January. Interested members of the public are encouraged to attend. A Public Comment forum starts each of our monthly meetings and we invite participation.

Respectfully submitted,

John Allyn (Co-Chair)

Richard Heinz (Co-Chair)

Louis Timolat

Daniel Silverman

Steven Dean

Joel Jones

Board of Assessment Appeals
Annual Report
July 1, 2019 – June 30, 2020

The Board of Assessment Appeals held its 2019 Grand List Motor Vehicle appeals session on September 16, 2019. No appeals were heard.

The 2019 Grand List Real Estate appeals session, typically scheduled in March, was postponed until July 1, 2020 due to the corona virus. During this session two appeals were received and heard. One petition was denied as the property's current assessment was deemed to be consistent with other comparables in the neighborhood. The second petition was denied as a remodeling building permit needed to first be obtained by the property owners prior to there being a temporary reduction in the property's assessment.

Tami Reid, Chairman; Louis Timolat, Susan Kelsey

Annual Report by the Planning & Zoning Commission to the Town of Canaan (7/1/19 – 6/30/20)

The current members of the Commission are as follows: Fred Laser, Chairman, Tom Scott, Zoning Enforcement Officer, Alice Macchi, Regular Member and Recording Secretary, Regular Members, Greg Bidou, Greg Marlowe, Vincent Inconiglios, John Morrissey and Garret Scavotto and Alternate Members, Mark Rosen and Ruth Skovron.

Tom Scott, ZEO, issued 11 Zoning Permits, 2 Special Permits and 1 Site Plan Review.

It is the general purpose and intent of the Zoning Regulations to foster the use and development of land in an orderly manner by both private and public interests. The Regulations are regularly reviewed and updated, as necessary, to anticipate and reflect the ever changing needs of the community and to guide land use activities in Canaan (Falls Village) in ways that will continue to maintain and enhance community character and protect the public health, safety and welfare.

We encourage diversity – of thought, age, race, ethnicity, religion, gender and sexual orientation. We strive to be inclusive and embrace and value education, community and the unique spirit of our Town's people and the appreciation of our natural surroundings and resources. The mountains, rivers, meadows, forests and farmland are the essence of Falls Village along with a growing and thriving village.

The Town of Canaan/Falls Village is committed to preserving its rural character and lifestyle. We believe the 2013 Plan of Conservation and Development provides a balanced and thoughtful approach to our Town's future needs and aspirations. We are committed to the implementation of the strategies listed in the 2013 Town Plan. We continue to work with the other Town boards, commissions, and volunteer groups and revisit the Plan every two years and check in on the progress we have all made in achieving our goals.

Respectfully submitted, Fred Laser, Chairman, Alice Macchi, Recording Secretary/Commissioner, Tom Scott, Zoning Enforcement Officer & Commissioners on behalf of the Town of Canaan Planning & Zoning Commission 1-20-2021

Inland Wetlands/Conservation Commission
Annual Report
July 1, 2019 – June 30, 2020

During the past year, the Inland Wetlands/Conservation Commission received and approved five applications. Said applications involved the following activities: 1) the replacement and installation of a driveway culvert (Six-Rod Road); 2) the construction of 5 buildings for affordable housing and associated road culvert resizing and replacement (River Road); 3) the construction of a garage in proximity to a pond (Johnson Road); 4) the addition of fill around a foundation within a floodplain (Sand Road); and 5) the construction of a pole barn in proximity to a watercourse (Music Mountain Road). A previously issued permit for the construction of a building and the installation of a septic system was reassigned (Sand Road).

The Commission continued to diligently review current inland wetlands and watercourses regulations to ensure they are in compliance with State legislative changes and updates. It is the Commission's goal to have new regulations in effect by the end of 2020.

The Commission worked closely with American Petroleum as they assisted Route 7 Fuels in resolving issues involving contaminated water and soil at the site of the gas station and convenience store at the intersection of Routes 7 and 63. The contaminated water was tested, treated, retested and released back into the ground on-site. All activities were carried out under the guidance of the State of Connecticut DEEP Water Permitting and Enforcement Division. The soil remains on-site and the Commission continues to advocate for its timely dispensation.

Jones has led efforts to have the Town become certified by Sustainable Connecticut, an organization that offers towns the opportunity to receive guidance and funding for projects qualifying under "sustainability". Jones has also established contact with Eversource, First Light, and the Appalachian Mountain Club regarding the need for on-going trail maintenance on their properties; Japanese barberry has become established along the trail and its eradication/maintenance needs to be addressed.

The Commission continues to budget for the treatment against Dutch Elm Disease of two feature elm trees in downtown Falls Village. The elm tree at Kellogg School is no longer being treated as it has become compromised due to severe storm damage and the cutting of its roots during the installation of the adjacent sidewalk.

The corona virus has dictated that the Commission's monthly meetings be held via Zoom. This arrangement has proven to be quite successful and will continue until the safety and health of the Commission members and guests can be guaranteed.

Mark Burdick, Chairman; Brant Burz, Felicia Jones, Susan Kelsey, Shamu Sadeh, Ellery Sinclair

Housatonic River Commission

“to coordinate on a regional basis the local management and protection of the Housatonic River Valley in northwestern Connecticut”

Annual Report 2019-2020

The Housatonic River Commission (HRC) held 10 regularly scheduled monthly meetings the past year. Meetings took place at 7:30 on the second Tuesday of each month. Starting in April 2020 the HRC meetings were held via Zoom due to the Pandemic. The Commission is made up of representatives appointed by the Board of Selectmen in each of the following towns along the Housatonic River: Canaan, Cornwall, Kent, New Milford, North Canaan, Salisbury, and Sharon. The HRC is responsible for monitoring and advising these seven towns on issues that involve the Housatonic River and working to maintain an environmentally healthy and scenic river corridor. The annual dues requested from each town remain at \$350 per year.

The work of recognizing the Housatonic River through the National Park Service’s (NPS) Wild and Scenic designation continues. Next steps include review and approval from the U.S. Secretary of Interior. Meanwhile quarterly meetings of the Housatonic Wild and Scenic Coordinating Committee have continued with representatives from NPS, Housatonic Valley Association (HVA), CT Dept. of Energy and Environmental Protection (CT DEEP), and Northwest Hills Council of Governments. At these meetings each group provides updates on their work addressing issues in the Housatonic River Management Plan including summer River Steward Program (HVA), angler surveys (CT DEEP) and river access management in the region.

HRC continues to monitor the PCB cleanup and remediation proposals for the Housatonic River.

As always, land use issues within the Housatonic River Corridor remain a significant concern. We continue to support efforts to address invasive plant species along the waterway, with several members working to monitor and in some cases control troublesome, aggressive invasives in the inner river corridor. Monitoring the work of the Housatonic Railroad, including their track repair, herbicide use and derailment risk also continue. The River Commission provided comments and suggestions on several proposed projects along the River, and all towns are reminded to please be sure that the HRC is notified on any proposed project within the River Corridor.

We welcome all citizens to come to our meetings and get involved in discussions about the River. We are also grateful for the support we have received from the member towns, local zoning officials, and the Northwest Hills Council of Governments.

NORTHWEST HILLS COUNCIL OF GOVERNMENTS

The Northwest Hills Council of Governments (COG) consists of the Mayors and First Selectmen from 21 member towns in the Northwest Corner. It is one of the nine Councils of Governments that have been established in Connecticut.

The COG meets on a monthly basis to discuss issues of municipal concern, oversee COG planning projects, and explore new opportunities for regional cooperation. More information on these and other COG activities is available at:
www.northwesthillscog.org.

A major focus area in 2020 was implementing the COG's Comprehensive Economic Development Strategy (CEDS) for the Region. Major strategies in the CEDS include expanding access to high speed fiber optic broadband, promoting tourism/arts/culture, supporting local farms, strengthening manufacturing, and encouraging entrepreneurs/innovation.

The COG also initiated an update to the Natural Hazard Mitigation Plans for all 21 towns in the region this year. FEMA requires that these plans be updated every 5 years for towns to remain eligible for various FEMA funding programs.

The NHCOC also continued to promote the on-line Interactive Regional Trail Map that was developed by the COG in cooperation with the Housatonic Valley Association to promote access to the public access trails in the region. A statewide CT Trailfinder website is now under development which will further draw attention to the outstanding trail resources we have in the Northwest Hills.

A Corridor Management Study of East Main Street in Torrington is a major transportation planning project that was initiated this year. The purpose of this study is to develop recommendations to enhance the safety, traffic flow, and streetscape of this heavily travelled corridor. The COG also continues to coordinate the popular Rural Independent Transportation Service, which offers trips to the elderly and disabled for medical appointments.

The COG is allocated about \$2M each year from ConnDOT for priority local road improvement projects and projects are currently underway in Burlington, Kent, Litchfield, Torrington, and Winchester. The NHCOC also serves as the oversight agent for about \$350,000 in Homeland Security Grant funding that is received each year for DEMHS Region 5. One of the projects funded with this grant is creation and update of digital parcel mapping for all 43 towns in DEMHS Region 5 to enhance emergency response.

In 2020, the COG continued coordination of a number of popular programs such as a prescription assistance program in cooperation with the Foundation for Community Health, a Neighbor-to-Neighbor program in cooperation with the Berkshire Taconic Community Foundation, a fuel bank program, the Northwest Hills Public Works Equipment Cooperative, and the region's cooperative purchasing program.

The COG also assists a number of organizations in the region including the Regional Housing Council, Northwest Hills Road Supervisors Association, Recycling Advisory Committee, the Regional Coordination Center for COVID-19 response and recovery, and the Housatonic River Commission. In addition, the COG hosts a quarterly “5th Thursday” forum for area Planning, Zoning, and Conservation Commission members to meet and discuss items of mutual interest, hear guest speakers, and provide input on regional plans.

Serving as officers of the COG in FY 2019-2020 were Don Stein, Chairman; Bob Valentine, Vice Chairman; Charlie Perotti, Secretary; and Michael Criss, Treasurer. COG staff includes Darlene Krukar, Office Manager; Jocelyn Ayer, Community and Economic Development Director; Janell Mullen, Regional Planner; and Rick Lynn, Executive Director.

Respectfully submitted,
Rick Lynn, AICP
Executive Director

Falls Village Volunteer Fire Department, Inc.

P.O. Box #1 * 188 Route 7 South * Falls Village, CT 06031
Phone: 860.824.5298 * Fax: 860.824.5346 * Email: fvvfd@comcast.net



Annual Report
July 1, 2019 - June 30, 2020

The past year found the Falls Village Volunteer Fire Department, Ambulance Service, and Junior Firefighters busy with responding to emergency calls and the ever-changing world of COVID-19. The department works hard to continually improve service to the community with ongoing training and equipment upgrades. To keep our operations as safe and efficient as possible our truck committee had been meeting to upgrade our current Engine 6. We purchased a 2001 Spartan Gladiator Firetruck that holds 6 firefighters and has a 1500 gallon per minute pump.

We are enjoying the space of The Emergency Services Center. We have been able to use it as a central location for regional meets and trainings. Many community events have been held in our meeting room also.

Maintaining a strong, healthy membership is an ongoing challenge. We are in need of individuals who are willing to participate in firefighter/Emergency Medical Services (EMS) training and assist with the operations of the department.

Training is an essential, integral, and ongoing component of our operations. Firefighter I, Firefighter II, Fire Police, Emergency Medical Response Technician (EMR), and Emergency Medical Technician (EMT) courses are the basic training required of our members. Training may range in length from an hour or so of in-house instruction, an evening or afternoon drill, to as lengthy as the Firefighter I and EMT course. Every two or three years, EMRs and EMTs must refresh their basic training skills and knowledge. CPR (cardiopulmonary resuscitation) and SAED (semi-automated external defibrillator), and Epi-pen (for anaphylactic reactions) skills must be refreshed every year. This year training has become difficult with COVID-19, we have had to do many zoom trainings, zoom meeting, social distance and mask wear when we have our weekly work details.

This past year, members of the fire department and ambulance responded to a total of 206 emergency calls. Medical calls account for the majority of these calls. Rescue and EMS calls (including motor vehicle accidents) account for 106 of these emergency responses. Other calls include automatic alarms, downed power lines, structure fires, furnace malfunctions, chimney fires, brush fires, cellar/basement pump outs, and mutual aid responses to assist our neighboring departments. We are sincerely appreciative of the efforts of the Ladies' Auxiliary for the food and beverages they provide to our volunteers when meals are missed, or they are out in the heat or cold for extended periods of time.

Unfortunately, we have had to cancel our Fundraising events such as the Ed McGuire Memorial Cannonball Run Road Race, Falls Village Car and Motorcycle Show and the Falls Village Truck Pull but these will continue to be our mainstays when we are able to hold them again. The support and generosity of the community and the Town of Canaan is sincerely appreciated; without this support our job would be most difficult.

In addition to firefighting and EMS responsibilities, several members serve on emergency services related boards and committees. Past Chief David Seney is a member and chairman of the Town of Canaan Board of Fire Commission along with Chief Timothy Downs.

We proudly presented Years of Service Awards to the following individuals:

5 Years

Emily Lynch

10 Years

Michelle Hansen

15 Years

Labecca Machia
Patricia Mechare
Doug Palmer

20 Years

Denny Jacobs

25 Years

Kent Allyn

50 Years

James Wood

55 Years

David Dodge

Congratulations, and thank you for your dedicated service!

The officers for 2019-2020 are:

FIRE DEPARTMENT

Fire Chief	Timothy Downs
Assistant Fire Chief	Matthew Hansen
Fire Captain	Raymond Flint
Lieutenant	Ben Menniges
Lieutenant	Dinnie Light
EMS Captain	Michelle Hansen
EMS 1 st Lieutenant	Andrea Downs
EMS 2 nd Lieutenant	Alan Lovejoy
Fire Police Captain	John Matthews
Fire Police Lieutenant	Robert Snyder

BOARD OF DIRECTORS

President	Timothy Paviol
Vice-President	Andrea Downs
Secretary	Beckie Seney
Treasurer	Linda Paviol
Chief	Timothy Downs
EMS Captain	Michelle Hansen
David Seney	
Raymond Flint	
Timothy Paviol	

LADIES' AUXILIARY

President	Linda Paviol
Vice-President	Michelle Hansen
Secretary	Alyssa King
Treasurer	Belle Becker

Help us better serve you by ensuring that your residence or business is clearly marked with a **reflective** 9-1-1 address that is **visible** from either direction on the road. Driving up and down the road not being able to locate an emergency is frustrating and time consuming; time we often don't have to waste in an emergency.

Homeowners and business owners may provide their own or order one through Matthew Hansen at (860) 671-0267.

A vital part of our fire and EMS team are the employers who release their employees for emergencies and most importantly our families. Without their support, flexibility, and understanding we could not serve the community as we do. We are appreciative of the sacrifices made.

Respectfully submitted,

A handwritten signature in cursive script that reads "Timothy Downs".

Timothy Downs
Chief

TOWN OF CANAAN

BUILDING OFFICIAL'S ANNUAL REPORT

The Building Official's office is located in the Town Hall at 108 Main St. Office hours are Wednesday 9am – 12pm. I can be reached at 860-824-0707 or my cell phone 860-309-7852. Contact the cell number for all inspections.

When applying for a building permit for a new building or an addition to an existing building, you must go to the Town Hall in Falls Village and get a "Route Sheet". You will need the approval of the town boards and commissions before coming to me for a building permit. When you actually apply for the building permit you will need plans and specifications for the building project indicating that it will comply with the requirements of the Connecticut State Building Code. I will review the plans and help you with the code requirements.

Building permits are required for almost any work except projects listed under building code R105.2 Work Exempt From Permit. One critical item that require building permits are swimming pools. Whether above ground or in ground, you will need a permit for the pool and enclosure and also for the electrical work. If you are heating the pool a permit will also be required. If you have any question about whether or not a permit is required, please contact us and we will be glad to help.

The State of Connecticut adopted the 2015 Building Codes on October 1, 2018 along with the amendments.

As you might expect, there has been a surge in people wanting to install emergency generators since the extended power outage. These require permits for the fuel source, generator and electrical hookup in order that they may be inspected for compliance with state building codes.

During the past fiscal year, 137 permits were issued which were for interior renovations, additions, garages, barns, solar installations and many repairs– inside and out. These permits also include one (1) new home and two (2) demolition. There were three (3) Certificates of Occupancy issued during this period.

Fee income received during this past year was \$23,040.50 with expenses (including wages) totaling \$11,530.35.

James O. Clarke
Building Official

TORRINGTON AREA HEALTH DISTRICT
ANNUAL REPORT: JULY 1, 2019 – JUNE 30, 2020

The TAHD served over 133,000 people in twenty boroughs, cities and towns covering 611 square miles.

The TAHD **Community Health Program** partnered with DPH and FoodCore to investigate: **8** giardiasis, **26** campylobacteriosis, **28** salmonellosis, and **5** shiga toxin producing organisms. TAHD provided guidance to school nurses, daycares and community members on a variety of health issues. TAHD nurses administered **576** doses of flu vaccine to local residents. TAHD consulted with **31** residents regarding potential rabies exposures which resulted in TAHD submitting **21 specimens** to the State of CT Laboratory for rabies testing. Ticks brought in by **62** residents were sent to the Connecticut Agricultural Experiment Station for Lyme disease bacteria testing.

TAHD remains an active member of **Fit Together**, a Northwest Connecticut Healthy Eating and Active Living Initiative. Fit Together awarded mini grants to multiples schools and organizations that promoted healthy eating and active living. A linear fitness park was installed on the Sue Grossman Greenway.

The TAHD continues to be an active member of the **Litchfield County Opiate Task Force (LCOTF)**. This task force continues to work on strategies and solutions to the heroin/opiate addiction and overdose epidemic. TAHD is in year 3 of the **Strategic Prevention Framework for Prescription Drugs (SPF Rx) grant**; a comprehensive prevention strategy to raise community awareness and bring prescription drug abuse prevention activities and education to communities. This response utilizes the CT statewide “*Change the Script*” campaign to promote awareness and track overdoses in a system called Overdose Detection Mapping Application Program (ODMAP). TAHD partnered with other state agencies and local health departments/districts to conduct Academic Detailing on Opioid Safety through 2 modules: CT Prescription Monitoring and Reporting System (CPMRS) and Naloxone.

The TAHD **Immunization Action Program (IAP)** worked with local providers and hospitals to ensure compliance with CT childhood immunization laws. TAHD had an outstanding rate of 100% for referrals and children who were successfully updated into CT WiZ, the new CT Immunization System implemented in September 2018. This year’s focus was onboarding health care providers and agencies, pharmacists, and hospitals, to using this system so when the COVID vaccine is available every dose will be tracked.

TAHD worked with partner agencies to provide the following **community health programs** however, **all were cancelled in the 2nd half of the year due to COVID:**

MATTER OF BALANCE (MOB):

This program increases personal activity levels to help prevent falls. TAHD partnered with Farmington Valley Health District (FVHD) and trained staff from area Assisted Living Facilities to become certified in MOB.

DIABETES SELF-MANAGEMENT PROGRAM:

Participants learn strategies to manage diabetes and live healthier lives. One six-week workshop was held. **12** individuals received certificates for completing the workshop.

WALK WITH EASE:

The Arthritis Foundation’s six-week program helps people with arthritis reduce pain, increase balance and improve overall health. One community program (ongoing) was offered this past year.

The TAHD **Childhood Lead Poisoning Prevention Program** provided case management for more than **46** children with blood lead levels ($\geq 5\mu\text{dI}$) as well as provided educational information to more than **100** families. Abatement / Remediation Orders were issued for **4** properties.

TAHD **Environmental Health Program** resulted in the following inspections/licenses/permits: **971** food inspections, **744** temporary food permits, **81** new septic systems, **311** repaired septic systems, **191** private well permits, **105** private pool permits, **127** beauty salons & barber shops inspections, **451** house addition permits, **273** soil tests, **23** subdivision lots, **22** public pools and beaches were inspected, and **16** daycare centers inspected.

Records show that approximately **340** samples were submitted to the state lab for testing of drinking water, beach and pool water, lead in water, soil and dust, and stool samples for pathogens. Sanitarians investigated **227** complaints of various public health concerns; **13** legal orders/voluntary compliances were issued for enforcement purposes.

The **TAHD-Medical Reserve Corps (MRC) Program** was very active this year. They assisted with Stop the Bleed Train the Trainer sessions. Two members received grant funding to attend Mental Health First Aid (MHFA) training and then became MHFA trainers. During the COVID response, TAHD members assisted Charlotte Hungerford Hospital (ER staffing, COVID-19 testing, etc.) and helped with regional and local distribution of supplies (Food and personal protective equipment).

The **TAHD Emergency Preparedness Program** worked with local and regional community partners on emergency protocols and plans. TAHD is also the Region 5 lead health department and coordinates regional preparedness.

COVID-19 – The 2nd half of FY20 was consumed with COVID-19 Planning and Response by all staff of the TAHD. Community and Environmental programs were scaled back.

Highlights of Activities

Jan.-March

Multiple planning meetings and presentation on COVID-19 to our partners: Chief Elected and Public Safety Officials, Public and Private Schools, Vulnerable population groups, Long Term Care facilities, and the public.

March -COVID-19 case follow up and contact tracing implemented for 1st cases within the TAHD

April – June

Full Response to COVID-19. TAHD office closed to public. Majority of staff worked remotely.

Staff participated in weekly planning, consultation, and response meetings with member towns, health officials, Department of Public Health, Long-term care coordination, shelters and vulnerable populations and schools.

TAHD distributed PPE from our preparedness supplies to TAHD providers (Health Care Providers, VNS, EMS, group homes, FQHC's) etc. for COVID-19. This included a total of 10,000 surgical masks, 3000 N-95 masks, 300 Gowns, 300 safety glasses and 30 bottles of hand sanitizer.

April - June TAHD staff organized and distributed personal protective equipment (PPE) from DPH to local and region 5 partners to Region 5 LHD's and providers weekly on Fridays from the TAHD and Region 5 Distribution Site (Doyle's Medical Warehouse located at 500 Technology Park, Torrington).

Case and Contact follow up was provided and as of 6/30/20, TAHD had 1162 confirmed COVID-19 cases.

The TAHD partners with Phoenix Labs for its **Water Testing Program**. Phoenix Labs, a full-service lab located in Manchester, CT offers a wide range of testing of drinking water. This partnership allows TAHD to offer a local option for water testing to its member towns. In addition, TAHD offers free technical advice on private drinking water wells, sampling procedures, and water testing results.

Robert Rubbo, MPH, Director of Health

ANIMAL CONTROL OFFICER

A total of 109 dogs were licensed from July 1, 2019 to June 30, 2020.

For your dog's safety and because it is the law, **license your dog** by July 1st of each year. If you are new to town, put this on your list of first things to do. It is also a great gift idea to give your pet an identification tag with his or her name and owner's telephone number to wear whenever the pet is outside. This simple gesture would be a great help in returning these distressed animals to their owners quickly. Also, consider having your dog micro-chipped so your dog can come home!

The Department of Energy and Environmental Protection (DEEP provides services related to rabid wildlife. Field assistance by DEEP Law Enforcement Division Conservation Officers is limited to situations in which animals present a significant threat of exposure to humans. The DEEP Emergency Dispatch is staffed 24 hours a day, 7 days a week, and can be reached at (860) 424-3333.

Calls of complaint about dogs and other animals cannot be anonymous. Your call **IS** confidential until it is released through legal due process. All requests for information on complaints must be in writing for Freedom of Information (FOI).

If there is a complaint of abuse or neglect of a dog, a licensed veterinarian makes the determination as to whether the dog has been intentionally abused or not. If someone complains publicly, then the information about that complaint most likely will become public.

Any complaint should be in writing enumerating dates and times, and notarized, except for roaming dogs. If you pick up a roaming dog and tie it to your back step, then you don't need that in writing. However, if you are complaining of barking dogs, you have to document three separate incidents of one hour each of continuous barking. You will need to swear a notarized affidavit to this effect. Sworn affidavits are required by the courts. On a first offense, complainant does not have to appear; second incidents – whoever complains may be required to appear in court. Photos are always helpful, especially if the camera can print the date and time when the photo is taken. Also, short video clips are especially helpful.

Mary M. Palmer, Animal Control Officer

DM Hunt Library Annual Report to the Town FY 2019-2020

As you might imagine, it was a very eventful year for the Library. Until the middle of March, we were doing great! Many people in our community were visiting the library to borrow books, e-books or videos, or to use the computers, attend one of our many programs, participate in bi-weekly children's story hours, view the wonderful local art on our ArtWall, or buy a book at our monthly book sales. The place was bustling!

Then came the pandemic. Almost overnight, we had to shut down. After about a month, our dedicated staff figured out how to continue to meet the needs of the community under the new restrictions. They established a program for curbside pickup of books so that patrons could request a book and either pick it up outside the library or have it delivered, if they were unable to get to town. Our children's librarian recorded story hours on You Tube for our youngest patrons. The staff compiled and distributed listings for virtual cultural resources available to anyone interested.

Of course, many programs had to stop. Book sales, Art Wall receptions, and fundraisers were suspended. Since June, we have gradually resumed more services. The library is now open regular hours, but the number of people allowed inside the building is restricted, we collect contact tracing information, and everyone must have their temperature checked before entering, wear a mask and socially distance. Monthly book sales have resumed, but with similar restrictions and the use of disposable gloves. Story hours are held outside under the tent. Unfortunately we have had to cancel our tag sale, Music Mountain book sales, and annual Auction in the Village for this year.

We have continued to make improvements in our physical plant. Some rot and other deterioration had been noted in parts of the wooden structure (cupola, balusters, post caps) that had to be repaired and repainted. That work has been largely completed. We have made improvements on the second floor of the building, upgrading the electrical capabilities and access and strengthening the Wi-Fi access. The purchase of rolling book carts allowed us to put sale books out of the way in-between monthly book sales. The result is a beautiful work and study space (that will be great for programming, when that day returns!) Some of the renovation work upstairs was made possible by grants from the NW Connecticut Community Foundation, The Berkshire Taconic Community Foundation, and the Foundation of Community Health.

We ended the fiscal year in good shape, thanks to the generosity of our donors and the Town. We remain very concerned about what impact the COVID-19 pandemic will have on our finances, particularly because we will not be able to hold the auction, but we are hopeful that our community will step up to support us.

Barbara Deinhardt
President
August, 2020

VOLUNTEERS 2019/2020

The following list of volunteers includes Board members, Friends, local businesses, and neighbors who have shared responsibility for various tasks and services. Our volunteers assist the library in many ways including selling books at the library and at Music Mountain during concerts, preparing baskets for drawings, organizing and working at fundraising events and programs, soliciting advertisements and donations, baking delectable desserts and nibbles for the Art Wall, helping to produce the summer newsletter, making posters, signage, building shelves, maintenance of the library building and grounds. Please let us know if any names have been omitted or spelled incorrectly so corrections may be made.

Gail & Kent Allyn, Ann & Greg Bidou, Blackberry River Baking Co., Lonnie Carter, Vance Canon, Century Aggregates, Kay & Terry Blass, Heather Chapman, Cathy Cronin, Jeremy Dakin, Elizabeth Decker, Decker & Beebe, Inc., Barbara Deinhardt & Dan Silverman, Rita Delgado & Jeff Ruskin, Susan Dempsey, Rebecca J. & Michael Derungs, Jeff Dodge, Tim Downs, George Elling, Linda Erwin, Falls Village Fire Department, Falls Village Highway Dept., Falls Village Inn, Falls Village Package Store, Zoe & Sergei Fedorjackzenko, 4-H Club of Goshen, Bobby Giumarro, Ruth Giumarro, Sofia Giumarro, Great Mountain Forest, Jandi Hanna, Harney & Sons, Tracy Hayhurst, Donna & Dick Heinz, David, Laurie & John Hodgson, Betsy Howie, Isabella Freedman Jewish Retreat Center, Denny, Judy & David Jacobs, Akke & Dennis Jasmine, Erica Joncyk, Felicia & Joel Jones, Garth Kobal & Ray Rigdon, LaBonne's Epicurean Market, Mary & Richard Lanier, Jenny Law & Alan Lovejoy, Chuck Lemmen, Margo Lewis, Sara & Scott Jack, Lillian Lovett, Lynn & Greg Marlowe, Julia & Andre Menassa - Panev-, Laura Munson, Oblong Books, Lisa Paris & Franco, Linda Pavio, Daly Reville, Cindy Ross, Tom Scott, Francis Schell & Page Dickey, Meg & Adam Sher, Toni Siegel, Mary Lu & Woods Sinclair, Lisa Spadaccini, Mary Sullivan, Patrick Sullivan, Susan Sweetapple, Carol Timolat, Henry & Pam Todd, Toymaker's Café, Elizabeth Tyburski, Eric Veden, Laurie Wadsworth, Olivia Wadsworth, Bunny Williams, Roxann & Warren Whitaker, Amy Wynn, Tom Vigeant, Leone Young and all those who donated funds, items and services and all the businesses who placed advertisements in our brochures.

Falls Village Recreation Commission

Annual Report July 1, 2019 - June 30, 2020

The Falls Village Recreation Commission is composed of volunteers and municipal employees devoted to providing recreational, cultural, and leisure activities for residents of all ages and abilities in our town. The Commission believes in developing programs and activities that enhance and enrich the lives of our residents and building the spirit of community within our town.

Members during the 2019-2020 year included: Darin Dodge (Chairman), Melissa Lopes, Margaret Caiati, Dan Carr, Nicholas Boyden, Emily Peterson, and John Morrissey. Recreation Director Janice Connor continued to work throughout 2019, and brought many new ideas to the town including: instructional fitness and yoga classes, children's trips and educational classes. However, she resigned from her position at the end of the year with December 31st 2019, as her last official day.

John Morrissey became a member of the commission in February 2020. Emily Peterson stepped down from her volunteer position on the commission and was appointed to the position of Recreation Director in April 2020. Members Nicholas Boyden, Shamu Sedah and Margaret Caiati resigned from the commission during the spring of 2020. Residents interested in becoming part of the Recreation Commission should contact the town offices.

The town pool, our greatest recreational attraction, opened June 22nd, 2019 for another successful summer of swim lessons, aquasize classes on both Mondays and Tuesdays, and several family fun events such as movie nights, s'mores nights and a Fourth of July party. Returning Waterfront Director: Taylor Hurley, directed lifeguarding staff, and organized the swimming lessons and aquasize classes throughout the 2019 summer season. However, as the 2020 pool season approached, Taylor informed the commission in May that she would not be returning.

The Creative Kidz Club, under the direction of Anne McNeil, continues to grow in popularity. This activity provides both seasonal employment opportunities for several Falls Village residents as well as an educational program for Falls Village families at a reasonable cost. Spécial thanks go out to all those involved during three week sessions that began on July 8th, 2019 for the children of Falls Village.

Each year the Commission hosts the Town's seasonal events in cooperation with the Kellogg 8th grade class. In October, the annual Halloween party and costume parade was held at the Center on Main and brought trick-or-treaters of all ages. An interactive magic show was performed by

local long time resident, Sandy Rhodes. As winter set in, Santa made an appearance at the Town's Annual Tree Lighting and Holiday Party arriving by firetruck. Children enjoyed cookies from Freund's Farm Market and Hot Chocolate donated by Toymakers Cafe while waiting to visit with Santa inside the Children's Theater.

The Ski Club successfully returned this year, with another generous grant of \$1k from the Salisbury Winter Sports Association. The ski club had another fantastic season departing from the Lee H. Kellogg School every Wednesday, in February.

A group of aspiring Curlers gathered at the Norfolk Curling Club in January, ready to learn the game and participate in a fun night. In January, the Commission began the process of a replacement pool cover, requesting quotes from different companies. A pool cover was ordered for \$14,014.54.

In March, the Commission temporarily moved to remote meetings, using "Zoom", as Covid-19 set in. As a result of the pandemic, the annual Easter Egg Hunt was cancelled in April, fingers crossed for it's return for Spring 2020.

Shade at the pool is continues to be our highest priority, and future projects still include the development of a pergola for the southwest side of the pool, playground maintenance and landscaping. Future development of the property depends on successful fundraising events or state funding.

The Commission would like to thank the Town of Canaan Board of Selectmen, the town offices, and the Department of Public Works for all their assistance for helping to keep Recreational activities in our town safe.

Annual Report (Social Services/Senior Center)
(July 1st, 2019-June 30, 2020)

Senior Center

What a year to report due to a part of it being affected by the pandemic. Up until March 13th, 2020 our seniors from the Towns of Falls Village and North Canaan continued to meet on Thursdays for socialization and lunch as well as a number of other different activities like; arts & crafts; Wii bowling; bingo; cards & games; and guest speakers. We our weekly Yoga with the seniors. Yoga has been very beneficial and rewarding for this seniors. The Seniors continued to be fortunate to be able go on "field trips/outings" once monthly during the months of July through February until the pandemic hit in March 2020. Once will get through this, we are hoping to go on field trips again. During these pandemic times, seniors have maintained contact through weekly phones call and some FaceTime calls using iPads that were purchased through grants funds in hopes to keep the seniors connected and provide opportunities for socialization. When the weather was nice our senior group met several times on the Falls Village Green for lunch while being able to socially distance to visit with another. Isabela Freeman Adamah Farm once again provided fresh produce to our seniors during the months of June through November.

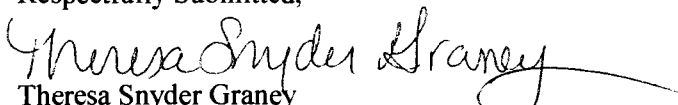
Social Services

Social Services has remained busy during the pandemic and continues to offer comprehensive services for individuals and families of all ages. During the pandemic social services has received grants from the Northwest Community CT Foundation and United Way to help families adversely affected by the pandemic. The Social Service agent evaluates the needs of Town of Canaan (Falls Village) residents and provides information about community/state resources that are available, and makes referrals as needed. Home visits can be arranged. Services are provided in a supportive & professional environment. The specific services offered and provided by the Social Worker include: Helping families applying for the CT State Energy Assistance program and Operation Fuel programs; SNAP benefits; Medicare/Medicaid; CT Health Insurance; Prescription Assistance Programs and other types of paperwork for various state/federal programs. Falls Village Social Services also maintains a small food Pantry that is generously supplied by Falls Village Congregational Church, Lee Kellogg School and private donors. Falls Village Social Services continues to help families with Thanksgiving Day meals donated by the Falls Village Congregational Church and Toy Maker's Café. Falls Village Social Services continues to provide the "Holiday Gift Program" (to families in need), which helped many families enjoy the holiday through donations from Falls Village Congregational Church, Lee H. Kellogg School teachers/staff, Troop B, Sand Road Animal Hospital, ST. John's Episcopal Church, St. Mary's Catholic Church, The Canaan FVW and local private citizens. Without these supports, we would not be able to help assist our local families in need. Many Thanks to all who supported this program. Supplying backpacks and "back to school" clothes/sneakers has continued for a fourth year to Falls Village families in need.

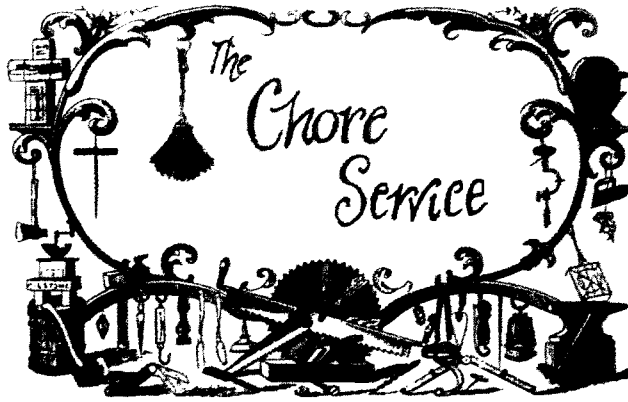
A special "**Thank You**" goes out the Falls Village Congregational Church; Troop B; Toy Maker Café; Lee H. Kellogg School; Sand Road Animal Hospital; St. John's Episcopal Church; St. Mary's Catholic Church; The Canaan VFW; Northwest Community Foundation for Giving and a number of private Falls Village donors for their continued support during the holiday season as well as donations given towards food and fuel during the year. It would not be possible to offer our "families in need" assistance during the holiday season and throughout the year without this support.

"**Thank you**", to everyone who has donated to our town's fuel fund and or the Northwest Fuel Bank. Your generosity is keeping your neighbors warm. I am continuously pleased with the ongoing kindness and generosity demonstrated by local organizations and citizens in our town. Hoping for Healthy & Safe 2021!!

Respectfully Submitted,


Theresa Snyder Graney
Social Services Coordinator/Municipal Agent

Dolores Perotti, President
Ceely Ackerman, Salisbury
Patricia Chamberlain, Sharon
Michelle Considine, Canaan
John Green, Cornwall
Dinny Greene, Cornwall
Carla Herman, Cornwall
Priscilla McCord, Lakeville
Judy Sheridan, Kent
Michael Volstad, Salisbury
Patricia Wright, Executive Director



Serving The Towns Of:
Canaan
Cornwall
Falls Village
Kent
Norfolk
Salisbury/Lakeville
Sharon

Chore Service – Falls Village Town Report 2020

The Chore Service, founded in 1992, provides non-medical help at home such as cleaning, running errands, yard work, etc., for clients in Canaan, Cornwall, Falls Village, Kent, Norfolk, Salisbury/Lakeville and Sharon. Clients contribute only what they can (if they can) toward the service, and Chore Workers are paid \$14.00 per hour for their time. Fundraising, grants, and town contributions make up the difference between what clients can contribute and the cost of providing services.

From July, 2019 through June, 2020, The Chore Service provided services to three Falls Village residents. These 3 clients received over 40 hours of help with cleaning and errands as well as received snow removal and yard work so that they could continue to remain safely in their homes. Two Chore workers who live in Falls Village earned over \$4,600 last year. Our federal grant monies that subsidizes services for those age 60 and over is always depleted before the year ends, so we are delighted that the Town of Falls Village continues to contribute to these services.

Here is what a few clients had to say about Chore Service recently:

"I cannot believe the difference Chore has made in my life. I sincerely appreciate you."

"You didn't give up until you found the right person for me. That is pretty great."

"We consider ourselves so fortunate to have your agency to help us to survive."

"She's not only my chore girl, and I want no one else, but she's become one of my closest friends."

"It is a wonderful service for our town and I am grateful for it."

As we face shrinking Federal and State grants, we are most grateful for the support of our donors, including the Town of Falls Village, for your generosity.

Thank you!

Pat Wright, Executive Director

P.O. Box 522, Lakeville, CT 06039
Telephone: (860) 435-9177 • Fax: (860) 492-0730
chore@choreservice.org

Falls Village-Canaan Historical Society

Annual Report 2019-2020

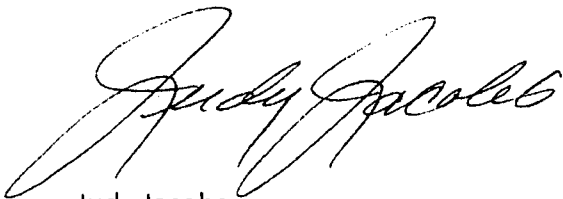
The Falls Village-Canaan Historical Society continued with its popular summer lecture series 1st Tuesday at Seven at the South Canaan Meetinghouse during the summer of 2019. However, due to the Coronavirus, we were unable to host the lectures in 2020, along with our other fundraising activities such as the Peddlers Flea Market and the book sales at Music Mountain. Meetings were held via Zoom during the colder months and then at the South Canaan Meetinghouse where we could safely distance ourselves.

We raised enough funds over the past several years to have two sides of the Meetinghouse painted. The job came out very well and we hope to raise enough funds to do the other two sides in the summer of 2021.

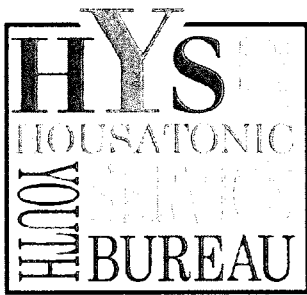
We continued to work on our museum, collection and files and responding to inquiries at the Falls Village Depot. Prior to the pandemic, we welcome many visitors to both the museum and the Beebe Hill Schoolhouse. We closed the buildings during early March 2020 and we resumed having a limited amount of visitors starting in June of 2020.

Our Annual Dinner and Meeting, traditionally held at Geer Village in May, was held via Zoom in 2020. Our Board for 2020-2021 consists of the following: Judy Jacobs, President; Ruth Adotte and Richard Heinz, Vice Presidents; Charles Lemmon, Treasurer; Kay Blass, Recording Secretary; Cheryl Aeschliman, Corresponding Secretary; Midge Cortesi, Curator and Archivist; Cheryl Aeschliman, South Canaan Meetinghouse curator; Sally Greco, Beebe Hill Schoolhouse curator; Kay Blass, Assistant Curator. Directors: Frank Hadsell, Pat Graf, Bunny McGuire, Larry Bulson, Sally Greco, Mary Lu Sinclair, William Beebe, Peter Chizinski, Timothy Abbott & Tracey Wilson.

Respectfully submitted,

A handwritten signature in cursive script, reading "Judy Jacobs".

Judy Jacobs
President



Housatonic Youth Service Bureau
2019-2020 Annual Report

Town of Falls Village

The Housatonic Youth Service Bureau (HYSB) has proudly served the Northwest Corner for nearly 30 years. Founded to respond to the needs of the children, youth, and families living in the Region One School District, HYSB is a 501(c)3 nonprofit organization that serves the towns of North Canaan, Canaan, Salisbury/Lakeville, Sharon, Cornwall and Kent. Our licensed clinicians provide a variety of services that promote the overall health and wellbeing of children and youth, ages 3-21, and their families living in our community.

The fall of 2019 began the way most years do with students returning to school and activities and families settling into a routine. HYSB worked with 121 students in the region, 11 of whom resided in Falls Village, and provided 145 counseling hours to Falls Village youth and families. Our clinicians provided one-one no-cost services to students in their homes, at Lee H. Kellogg School, and at Housatonic Valley Regional High School.

Additionally, our staff provided support through our group programming efforts. These group sessions are designed to engage youth who may not otherwise benefit from our services by creating a safe environment where they can connect with their peers and HYSB counselors to discuss sensitive topics and share strategies for overcoming adversity and learning when and how to engage with other adults and authorities. Our groups are created based on the unique needs that are identified within each community.

The spring of 2020 turned into a period of great uncertainty relating to the COVID-19 pandemic. HYSB recognized the critical need to continue providing services and seamlessly transitioned to a virtual counseling system enabling our clinicians to maintain their connections to their clients. During the months following the state of Connecticut shutdown, HYSB staff worked tirelessly to continue evaluating our tele-health options and finding creative ways to meet with clients outside to ensure our services were maintained at full capacity while following strict health and safety guidelines. We are pleased to share that our tele-health options remain intact and we have taken additional steps to bring our group programs back into our Region One classrooms virtually through a collaborative effort with our schools.

Services like our mental health counseling, case management services, referral services, community outreach, youth empowerment programs, the HYSB Summer Internship Program, and other services are free for the youth and families in the town of Falls Village. All of this is made possible through town support and through the giving of generous donors from all six towns, and beyond. We are incredibly grateful for your continued financial support and look forward to continue or work together for the town of Falls Village.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Kelly Parker', is written over a horizontal line.

Kelly Parker
Executive Director



Salisbury Visiting Nurse Association
HOME HEALTH | HOSPICE | HOME ASSISTANCE

Salisbury Visiting Nurse Association
30A Salmon Kill Rd, Salisbury, CT 06068
860-435-0816 | 860-435-4852 fax
info@salisburyvna.org
www.salisburyvna.org

Salisbury Visiting Nurse Association Fiscal year 2019/2020 Report to the Town of Canaan/Falls Village

Founded in 1904 Salisbury Visiting Nurse Association (SVNA) is the oldest and most comprehensive not-for-profit home care agency in the Northwest Corner. Our mission is to provide advanced, compassionate health and hospice care at home and in our local community.

The year of 2020 held upheaval for all- SVNA certainly felt the impact of the Covid 19 Pandemic. From July 1, 2019 to March 2020, it was business as usual at SVNA but with the influx of Covid 19 cases into Connecticut, SVNA experienced the stressors of providing front line care to infected patients. During this period SVNA postponed all of our wellness programs for the health and safety of our community. We did however continue to perform our core programs of home health and hospice and our Home Assistance program was busier than ever supplying caregivers to seniors to keep them safe at home by providing services such as grocery shopping and errand services, along with their regular personal care clients. SVNA provided Hospice care to patients dying of Covid 19 virus which was especially difficult due to their family members having to remain physically distanced. SVNA is proud to say we were able to provide care to our community during this time of crisis, which is not yet over, and we plan to continue to provide needed care for whatever our community is experiencing.

Another major change occurred on August 30, 2020 when SVNA merged with Foothills VNA, a similar but larger home health agency located in Winsted Ct. The decision was not made lightly by our board of directors and the goal was to strengthen access to home care in the Northwest Corner for years to come. I am pleased to say that although the merger has affected back office procedures to create shared efficiencies it has not changed the hands on care our caregivers are know for providing. The SVNA board remains committed to serving the home care needs of the community.

During Fiscal year 2020 with funding from the Town of Canaan/Falls Village, Salisbury Visiting Nurse Association was able to provide the following services, free of charge, to residents of Falls Village.

Health Guidance

Health Guidance visits are for patients that require some additional help in order to maintain their health and safety at home. Patients can be seen monthly or bimonthly in their home by a SVNA nurse. The services may include the following:

- Physical assessment
- Medication review
- Chronic care/disease management
- Screenings for risk of falling, depression, skin breakdown
- Education & teaching on health, nutrition, and physical activity

- Home safety evaluation
- Stress management

Wellness Clinics

SVNA Wellness Clinics provide participants with a holistic, individual centered health screening including blood pressure, heart rate, pulse oximetry analysis, health history, and identification of risk factors for future conditions.

SVNA remains committed to helping our residents in our local community remain safe, healthy, and independent at home. We appreciate all of the support the town of Falls Village has provided over the years. While we are operating under our new name of Visiting Nurse and Hospice of Litchfield County, staff from this branch office will continue to serve those in need.

Respectfully Submitted,

Nancy Deming



EX- Executive Director , Current Clinical Supervisor, SVNA

Women's Support Services Annual Report
01 July 2019 – 30 June 2020
Town of Canaan / Falls Village

Next year will be Women's Support Services 40th Anniversary. From humble beginnings in a single room at the Sharon Hospital, to a well-known agency of ten staff members providing an array of support services to victims of domestic violence and their families, WSS has come a long way. One thing that has not changed however, has been the number of victims of domestic violence. Across the country, these statistics have not changed significantly. As we launched our strategic planning process last year, we recognized that if we want to reduce the number of victims in the future, we need to embrace a mission focused on creating change within our community:

We create social change to end interpersonal, relationship violence by challenging attitudes and beliefs about power, control, and gender norms and by advocating for victims and survivors.

In the midst of these exciting developments, COVID-19 struck. While working remotely, we dismantled our major fundraising event, Trade Secrets, and drew upon our partnerships – with town social workers, the state police, area healthcare professionals and the schools, and many, many others, to ensure client support and safety. **Thank you to the Town of Canaan / Falls Village for being a partner during this difficult time.** Despite the curveball thrown at us, there are many positive developments to report:

- Communication and coordination among healthcare providers, emergency services providers and Women's Support Services has improved dramatically. With the addition of a second *Community Educator* last year, WSS has been able to engage in consistent outreach, training, and information dissemination. This work was bolstered by the recruitment of a full-time *Family and Child Advocate* and the increase in hours of our *Family Violence Victim Advocate* at court, as well as the training of new cohorts of volunteers.
- Women's Support Services developed a significantly more robust community education program. Our additional outreach position enabled us to focus on outreach to: local medical providers and emergency service providers, area businesses (both the *Main Street Partners* program as well as the Tri-State Chamber of Commerce), elder care facilities and spiritual communities.
- The second *Community Educator*, in collaboration with the *Prevention Education Coordinator*, launched our **Boys + Men** programming in the fall of 2019. During the course of the year, programming was delivered at The Salisbury School, Marvelwood and The Hotchkiss School.

- We have seen significant developments in the relationship of WSS with the Region One schools:
 - The WSS *Prevention Education Coordinator* was asked to deliver human trafficking training to all 7th and 8th grade classes.
 - WSS staff members met regularly throughout the winter with the Principal, Assistant Principal, school counselors, and teachers at Housatonic Valley Regional High School to strategize and more deliberately engage WSS in curriculum development and planning.
 - All K-8 faculty (150 educators) were trained on gender awareness. Additionally, faculty in Salisbury and Cornwall received DV101 training and 32 educators received additional training during the Regional Professional Development Day in October 2019. All HVRHS teachers participated in a training on school climate and the foundational context for WSS's work with students during 2019.
 - After the schools were closed due to COVID-19, WSS staff members facilitated 7 teacher workshops around SEL (social and emotional learning) needs in April and May. These workshops were available for all K-12 Region One educators, in collaboration with the school counselors and nurses.
- WSS improved our outreach to Latinx community members, working in collaboration with Grace Immigrant Outreach, recruiting bilingual volunteers, and translating our brochures, office signage and other communications materials.

From 01 July 2019 through 30 June 2020, Women's Support Services:

- Provided support services to **635 clients**, 391 of whom were new clients.
- The composition of our new clients includes:
 - 377 adults and 14 children
 - 303 female, 88 male clients
- Responded to **901 hotline crisis requests**.
- Provided **emergency shelter to 32 people for a total of 634 nights** of shelter. This included 20 women, 2 men, and 10 children.
- Provided criminal and civil court advocacy and support to **466 victims of family violence**.
- Conducted **187 prevention workshops** to children and teens in local schools, daycares, and camps.

During this reporting period, the COVID-19 pandemic resulted in a state-wide shutdown in mid-March 2020. Despite the requirement to work remotely and shelter at home, our client numbers did not decrease significantly from last year. More understandably, we did see a decrease in prevention education programming. We had been on track to provide significantly more programming to our students this year over last year. However, we worked closely with the area schools to deliver remote training on social and emotional learning (SEL) and we provided virtual reading sessions for younger students. We were also able to use this time to significantly strengthen our online capabilities and our remote work in the schools this fall has gotten off to a strong start as a result.

Women's Support Services activities in Canaan / Falls Village:

- ❖ 6 Clients assisted (4 female and 2 male)
- ❖ 35 Prevention Education programs delivered at: Housatonic Valley Regional High School, Lee H. Kellogg School, Canaan Child Care Center and Falls Village Daycare
- ❖ K-8 faculty training: Creating gender-inclusive schools and the social-emotional development of boys
- ❖ HVHRS faculty training: School climate training, as well as training on creating gender inclusive schools and the social-emotional development of boys
- ❖ Remote Social and Emotional Learning (SEL) training for HVRHS and Lee H. Kellogg School
- ❖ Delivered activity bags for kids to the Town Park & Rec Department
- ❖ 5 Main Street Partners

January 27, 2021

Office of the First Selectman
108 Main Street
P.O. Box 47
Falls Village, CT 06031

Dear Sirs,

Susan B. Anthony Project has been providing free and confidential crisis services to victims of domestic violence and sexual assault for 38 years. We provide services in twenty towns in northwest Connecticut, including the Town of Canaan.

In your area, we provide sexual assault services.

Services provided by Susan B. Anthony Project which are available to Canaan residents include a 24-hour crisis-line, counseling, advocacy, and support groups for victims of sexual assault and their families. This means that if a woman is raped and needs advocacy services with the police, in the hospital emergency room, or in court, those services are provided by the staff of Susan B. Anthony Project. SBAP is a member of the Child Abuse Investigative Team (CAIT). For a child who has been sexually abused and who may need support or whose parent(s) would benefit from support and/or counseling, may receive services at SBAP.

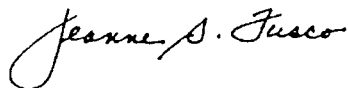
In addition to our crisis services, the community education program of Susan B. Anthony Project reaches thousands every year offering prevention programs to school children as well as civic and community groups.

In 2020, we provided direct services to 8 residents for a total of 95 individual services and educational programs to 29 Canaan students. We fully anticipate continuing to provide services and educational programs to residents of Canaan and rely on support from all towns in our service area.

This year, we are requesting \$1,500 from the Town of Canaan to support Susan B. Anthony Project. We are grateful for your past and continued support and hope that you will fund this request, so together we can work to end interpersonal violence.

If you need any additional information, please contact me.

Sincerely,



Jeanne Fusco
Executive Director

Enclosure

Lee H. Kellogg School



47 Main Street, P.O. Box 237
Falls Village, CT 06031
Phone: 860-824-7791 Fax 860-824-7892
Website: www.kelloggschool.org

Alexandra Juch, Principal

2019-2020 Annual Report
Lee H. Kellogg School

June 25, 2020

Dear Falls Village Community,

At Kellogg School our staff is committed to educating the whole child. Our community focus, multi-age classrooms, and small class sizes provide us with a unique opportunity to support and personalize student learning to meet the academic and social needs of all our students so they evolve into leaders of their own learning.

We are fortunate to have a strong team of committed teachers and support staff. Our team is a blend of veteran and newer teachers as well as special educators such as a speech pathologist, school psychologist, and occupational therapist who come to us from Pupil Services. This year we welcomed two new teachers, Ms. Kaleigh Rogers, PE and Health, and Ms. Bethany Franklin, Music. We also welcomed a new school nurse to our team, Melissa Dean.

Over the course of the 2019-20 school year, Kellogg has remained committed to producing high quality student work in both academics and the Arts. This year Kellogg teachers extended our student advisory groups and academic extension periods to offer student academic support and guidance throughout the school year. We expanded our *Study 3:15* for after school academic support to include fourth grade students.

In October, two Kellogg students accompanied me to the Connecticut State Library in Hartford to represent Kellogg students and receive our awards from Governor Lamont. Kellogg School was recognized as one of eight top performing elementary schools in the *Governor's Summer Reading Challenge* for both the summer of 2017 and 2018!

The community spoke and we listened. In parent partnership meetings Kellogg families asked for more outdoor time for students. This year we incorporated Outdoor Education into our schedule during teacher early release days. On these mornings students were divided into grade level bands of K-4 and 5-8 and participated in various outdoor collaborative activities and games regardless of the weather. The learning targets for our Outdoor Education program were "*I can work cooperatively and collaboratively with my peers to solve problems to complete a task.*" Students learned how to work together, spending part of these mornings playing cooperative games. The most recent outdoor education day this spring was hands on, as students learned how to safely build, fuel, and feed their

campfire. Following this, students gathered around the campfire they built, to sing songs and enjoy hot chocolate together.

Rising to the Covid-19 challenge began in earnest on March 16 as I instructed our staff to prepare for what we anticipated would be a two week school closure with supplemental learning. Within twenty minutes of the all school morning meeting, I notified all staff of the sudden approval of the regional waiver for Distance Learning. The course correction was significant, requiring a completely different selection of materials for students and teachers, which meant including additional digital resources and creating hard copy packets especially for younger students. A staging area was established in the airlock entrance with tables and grade level bins for family packet pickups. Initial planning included establishing new layers of teacher, family, student and staff daily communication platforms. This required different types of scheduling assignments for staff in both paraprofessional and building staff, HYSB resources, and family safety nets as we prepared to go live the next day. These rapid changes would foreshadow the fluidity of the weeks to come.

Everyone thoughtfully began planning for families who faced many of the same challenges as our staff. I recognized there would be a transition phase; a gradual release of responsibility that would likely take some time as families adapted to their new life at home and a distance learning platform. I knew this was going to look very different for every family and we would have to keep adjusting our practice until this stabilized. Teacher surveys, family feedback and daily spreadsheets provided me with important information about how staff and families were faring overall. Based on the feedback from all schools, and multiple administrative meetings, the Central Office instructed all K-8 schools to instead shift to a 4 day instructional week for students with Friday as a catch up day. Teachers would spend Friday planning for the upcoming week, working with individual students, and participating in virtual professional learning opportunities provided for Region One teachers.

We enabled and distributed additional devices to meet the demands of our multi student households where access had been a challenge, and began including more social learning opportunities for students which helped to reduce some of the social isolation of being separated from their friends. Parents received written reminders regarding responsible online use and the importance of monitoring their child's online behavior to prevent bullying or inappropriate behavior, enabling all students to feel safe online. Our regular building based teacher meetings began happening on Google Meets providing us with time to discuss individual student progress, look at overall student trends, and find solutions to address these. These virtual meetings also provided us with the opportunity to see and interact with each other which began to reduce the social isolation felt by our staff who have always worked closely together as a team.

We revamped every Kellogg practice to meet the new normal of Covid-19. Kristen Panzer, Kellogg School secretary, began assembling and delivering weekly meals for Falls Village children through the generous donation of the White Hart Inn from March until the end of June. Art teacher Chris Hanley took the Region One Art Show online, posting student work for all to see. Perhaps the most poignant was the promotion ceremony for the class of 2020. Instead of our traditional community 8th grade promotion ceremony with personal student tributes, chorus program, and community gatherings, we held a drive-in ceremony in the main parking lot of Kellogg School. Kellogg teachers standing at 6'

intervals, looked on as five Kellogg students walked up to the podium in the Kellogg School parking lot to receive their certificates: Joshua Aaron Crump, Logan Michael Dean, Cerena Jane Fechteler, Keegan William Olsen, and Hazel Marie Palmer.

The end of the school year is a time to honor and recognize those students who exemplify our Kellogg values of leadership, community service, or should be otherwise noted for academic growth, high quality work and academic achievement:

- The *Peter G. Lawson Citizenship Award* recipient is an 8th grade student selected by the faculty of Kellogg school for outstanding commitment to the community of Falls Village. The faculty chose 2020 graduating student, Hazel Marie Palmer for this honor. Presenting the award this year was Canaan Board of Education Chairman, Patricia Mechare.
- Out of the class of 2020, four students earned *Presidential Education Awards*. Founded in 1883, the President's Education Awards program honors individual graduating students for their achievement and hard work by the President of the United States and the U.S. Secretary of Education. The *Presidential Award of Academic Achievement* is given to the student or students who have demonstrated an extraordinary commitment to learning. This year it was my pleasure to present these to the following 8th grade students; Logan Michael Dean, Cerena Jane Fechteler, Keegan William Olsen, and Hazel Marie Palmer.
- This year 8th grade student, Hazel Marie Palmer was the recipient of the 2019 *Litchfield County Superintendents Award*. Hazel Palmer is a kind and respectful 8th grade student at Lee H. Kellogg School who exemplifies the spirit of community service, teamwork and school spirit. A committed member of Student Council, Hazel spearheads many school activities and demonstrates teamwork and sportsmanship in three middle school sports. Whether distributing music at the town's tree lighting event, serving milk to students or playing a solo in the holiday concert, Hazel Palmer consistently gives 100%!
- The Connecticut Association of Board of Education (CABE) Leadership Award recognizes students who are willing to take on a challenge, who show concern for others, a willingness to commit to a project, diplomacy, and an ability to honor a commitment. This year the middle school team recommended two seventh grade students to the Board of Education for their leadership skills; Tessa Dekker and Katelin Lopes.
- Tessa is a 7th grade student who excels in leadership in small groups. She helps move projects forward without dominating. In a small group she will make sure that everyone has a chance to participate, while also being a strong participant herself and making sure she is gathering the information she needs to succeed in her own understanding. In sports as well as academics, Tessa holds herself to a high level of excellence and when she struggles, is not afraid to ask questions and have dialogue about how she could improve. She frequently speaks up without hesitation to assist others in the hallway and in class, always in a kind and respectful manner.

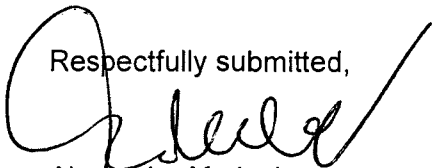
- Katelin is a 7th grade student who embraces learning for the sake of learning and demonstrates a strong growth mindset. She enjoys not only academic challenges, but also social challenges in which she tries to bring people together through caring and thoughtful leadership. She is quick to help others in need in class and recess, but also as a helper in teaching other students how to keep their lockers organized. Katelin is kind, but is also strong in the face of social challenges such as disrespect or unkindness from others. She strives to heal wounds and bring people together.

As a school based organization, the Friends of Lee Kellogg School, (FOLKS) volunteers are an invaluable part of our school. They have donated countless hours to provide additional in-school cultural assemblies for students, hosted the Back to School picnic for families, staff dinners during fall parent teacher conferences, Book Fair, Teacher Appreciation Day plant delivery, and fund raising efforts that have benefited all of us!

I would like to thank the following community and school volunteers and organizations who have continued to play a significant role in the Kellogg School community this year; The Town Garage and its crew, Hunt Library, Town Selectman, Board of Finance, Friends of Lee Kellogg School (FOLKS), Town of Canaan Social Worker, Theresa Graney, Housatonic Youth Service Bureau (HYSB), Women's Support Services (WSS), Falls Village Flower Farm, and countless parents, grandparents and community members and especially those supporting the fund raising activities conducted by 7th and 8th grade families to offset the expenses of the annual 8th Grade Class trip to Quebec. Your commitment to our Kellogg School community has been essential to the educational success of our students.

I am proud and committed to be serving the students and families of this community and maintaining the high quality academic, artistic, and athletic programs that define a Kellogg education. On the last day of school, teachers and staff invited parents and students to our *Suntastic Last Day Wave Parade*. Teachers and staff holding signs assembled on the front lawn of the school waving to parents and students and they drove by honking and waving as we heralded the end of the 2019-20 school year, one which we will never forget!

Respectfully submitted,



Alexandra M. Juch

Principal, Lee H. Kellogg School

Housatonic Valley Regional High School Regional School District One

Ian Strever
Principal

Steven Schibi
Assistant Principal



246 Warren Turnpike Road
Falls Village, Connecticut
06031
Telephone (860) 824-5123
Fax (860) 824-5419

The 2019-2020 school year was an historic and unprecedented experience for everyone involved. Housatonic Valley Regional High School began the year with two goals that were continuations of our work the previous year:

- To have teachers consistently use research-based instructional strategies
- To implement the Regional Teacher Evaluation Plan with fidelity

Our experience over the past few years and educational research have substantiated the need for and value of social-emotional learning to equip every member of our community with the wherewithal to address the personal challenges we all face in life.

Therefore, our Leadership Team revised our third goal:

- To cultivate an environment of positive social and emotional health, safety, and well-being for all students in order to develop lifelong learners.

Consequently, we spent time during our professional learning workshops to explore the ways that schools are addressing not only the social-emotional needs of students but how we can leverage social-emotional strategies to improve instruction and learning. Our ninth-grade team, now coordinated to focus on the needs of our transitioning students, explored how the Habits of Mind that are in place at our elementary and middle schools might be revised for use in the high school, and our renewed focus on effectively transitioning students to the high school resulted in a nurturing environment for those students that will surely result in a more successful experience later in high school.

We also continued to evolve our grading practices toward a standards-based approach. This year, parents were able to see both numerical and alphabetical grades, with plans to migrate to a letter-only system for 20-21. All assignments will be scored with the ten available score points (A+, A, A-, B+, B, B-, C+, C, C-, and NYP; for AP and ECE courses the grade scale will be A+, A, A-, B+, B, B-, C+, C, C-, F) using existing rubrics that are aligned to subject-area standards. This paves the way for precise and actionable feedback about student performance and achievement in a standards-based system. Over the next few years, we will anchor this feedback to the qualities in our Portrait of



a Graduate that describe the kind of students we want to develop through our comprehensive program.

We continued to clarify these qualities in our professional work at the beginning and middle of the school year by elaborating our definitions of them and aligning the qualities with experiences in the school that we already offer to develop student proficiency in each area. For instance, part of being a “Communicator” is being able to speak to an audience, and we offer numerous opportunities for students to present material to others and receive feedback about their presentations. Ultimately, we will report this feedback in our standards-based reporting system so that all stakeholders can know their progress toward attaining the values that mean the most to us as a school community.

Unfortunately, much of our work was suspended by the need to respond to the Covid-19 pandemic. While the emergency placed unprecedented demands on schools to design distance learning experiences, our 1-1 Chromebook program, robust network infrastructure, and remarkable staff rose to the challenge almost overnight. Teachers quickly adapted to new technology tools, and many of our teachers who have been using Google Classroom for years were able to practically flip a switch to change the instructional paradigm. Most classes embraced an asynchronous teaching model, assigning learning experiences that students completed with the support of online resources and teacher help sessions over Google Meet.

We carefully tracked students during the quarantine, and while we adopted a Pass/Fail grading system to account for the great disparities in the amount of home support students received, many students struggled to keep pace, especially as the quarantine extended to the end of the year. Our entire adult staff did yeoman’s work to track and connect with students, including home visits and food delivery, but some students continued to struggle without the daily interaction they experienced in school. We are currently developing extensive supports for the 20-21 school year to bring those students into the school building as often as possible.

Graduation for the Class of 2020 was a singular experience that took place off-campus for the first time in our history. The school teamed up with Lime Rock Park to hold an in-person, socially distanced commencement exercise that allowed our student speakers to address their peers who attended in their vehicles. Representative Maria Horn addressed the crowd of over 150 cars, the occupants of which all passed through temperature screening to be allowed into the park. A car parade brought everyone back to the school to receive their diplomas on the front steps to incorporate a modicum of tradition into an event that no attendee will soon forget.

Planning for the upcoming school year began before the past year had ended, and all of the regional schools participated in the development of a comprehensive plan to open schools safely in the fall. The keystone of the plan is a three-part model for low- moderate- and high-infection returns to the classroom, with all systems oriented toward a full return at some point next year. The difficulty of cohorting high

school students and the logistics of providing a safe return have led us to embrace a hybrid model for the fall, in which approximately half of the school would be in the building for two days a week, followed by a distance learning and deep cleaning day, and then the other half of the student population returning for two more days. We are hopeful that infection rates and vaccine development will trend positively in the fall, allowing us to return to a full community as soon as possible. Regardless, Housatonic has demonstrated the capacity to respond to the ever-changing demands of our communities, thanks to our close collaboration with them and the support from families and taxpayers around the region.

Each year, we have the opportunity at Region One to reflect upon the events and achievements for the Annual Town Report. The schools of Canaan, Cornwall, Kent, North Canaan, Salisbury, Sharon and Housatonic Valley Regional High School are the seven districts that comprise Region One's 275 square miles.

I now have the privilege of serving as the Interim Superintendent of Schools, to follow Dr. Pam Vogel, who worked in Region One for the past five years. While the transition to a new position always presents a learning curve, making the transition to this position in the midst of the COVID-19 pandemic has been an altogether new experience for me and for everyone in the Region. We have been forced to change our way of life and consequently, our educational process to ensure the health, safety and emotional well-being of our students and staff while ensuring that students are receiving the best education possible in this new environment. Fortunately, we have strong teams of Board of Education members, administrators, teachers and support staff, who have worked together to create an effective plan for operating our schools.

This report includes information from the 2019-2020 school year. During that time, I was the Assistant Superintendent and was responsible for curriculum development, planning professional learning for teachers and support staff, data collection and analysis, and the management of the federal grant process. Specific accomplishments in these areas throughout the year included:

- Completion of English Language Arts and Math curriculum for grades 4-8;
- Introduction of social emotional learning curriculum for grades Pre-k-12;
- Introduction of the Alpine/Educlimber computer platform to warehouse student achievement data;
- Adoption of a new screening tool that allows for analysis of student reading, writing and math skills in grade K-12 and that also includes a social emotional screener;
- Continuation of the instructional coaching program for certified teachers; and
- Commencement of a curriculum review for English Language Arts, Social Studies and Math for grades 9-12.

This work is all aligned with the Region One Strategic Plan that includes the following goals:

Goal/Initiative 1: To implement a guaranteed and viable curriculum tied to comprehensive formative and summative assessments utilizing the Connecticut Core Standards, National Content Standards, and the Instructional Core (student, teacher, content).

This includes:

- Alignment of Curriculum to Instruction and Assessment^[SEP]o Formative and Summative Assessments Aligned to the Connecticut Core Standards^[SEP]
- Curriculum and Instruction that engages and challenges students to construct new knowledge and skills
- Strategies for Intervention^[SEP]
- Regional Continuum of Professional Practice

Goal/Initiative 2: To improve student achievement, as evidenced by multiple data sources such as local, regional, state, and national assessments.

Goal/Initiative 3: To continue to implement the regional teacher and school leader evaluation plans, with precision, fidelity, and purpose, and aligned to the district's school improvement goals.

Goal/Initiative 4: To promote positive social and emotional health and well-being for all students.

All work was proceeding according to plan until we had to close our schools due to the arrival of COVID-19, a dangerous and highly contagious virus. From March 16 through the end of the school year, all Region One schools functioned as remote learning environments, where all teachers and students were teaching and learning from their homes. Teachers had to instantaneously edit and revise curriculum as well as understand and use digital teaching tools to deliver their instruction. Parents and caregivers had to simultaneously work from home while supervising their children during their online learning. Thus, parents and students had to learn the digital tools and work closely with teachers to understand the schedule and the learning expectations. While the days were long and stressful for all involved, all parties worked hard to ensure that they had access to curriculum and that they could continue learning.

Having an electronic device and access to internet services were important factors necessary to support student success with distance learning. Fortunately, most of our schools are 1:1 and most students have their own computers, so the availability of devices was not an issue. However, the switch to online learning was particularly challenging in Region One due to inconsistent internet access for both teachers and students. We worked with local service providers to ensure that families received financial support when needed. Additionally, we surveyed families to identify areas where access to broadband service is weak so that we could consider the creation of hotspots to improve service. Improving broadband access is an ongoing process and one that will likely continue for several years.

Another challenge that we were able to overcome, was the continuation of food service during the time that our schools were closed. The USDA subsidized the provision of meals to all children between the ages of 3-18 for those schools who participated in the federal lunch program. The White Hart Inn and the Cornwall Social Services group provided food service for the Lee H. Kellogg and Cornwall Consolidated Schools as they do not participate in the federal program. Lunches were delivered to each home by the All Star bus company, which was staffed by Region One support staff to help with dropping off the meals. We are extremely thankful for the assistance provided by all parties involved to ensure the alleviation of any food insecurity in the area.

To keep our schools safe places for learning, both pre- and post- COVID 19, budget and infrastructure needs have been attended to, through the oversight of each Board of Education, Building and Grounds Committees in each school, and Sam Herrick, Regional Shared Services Business Manager.

Sam Herrick oversees the districts' projects. These are the projects that have taken place over the past year:

Cornwall Consolidated School

- Replaced the exterior doors
- Upgraded the heating controls to DDC from pneumatic
- Installed new air conditioning units
- Replaced the floor treads to the back steps to the library

Kent Center School

- Renovated the student locker rooms and replaced all lockers
- Improved the playground safety and drainage issues
- Patched the holes in the parking lots and repaired any sidewalk damage
- Created a student lounge for 7th and 8th graders
- Renovated the Teachers Lounge area
- Updated the gymnasium and replaced all wall mats
- Repaired the maintenance garage and replaced the garage door

Lee H. Kellogg School

- Painted the front exterior of the building
- Replaced the wood shingles at the rear of the building

North Canaan Elementary School

- Renovated the Principal's Office

Salisbury Central School

- Installed air conditioning in the remainder of the upper building (except the gym)
- Refinished the 4th and 5th grade restrooms with new fixtures, ceilings, floors, and paint
- Converted the underutilized science room into two smaller classrooms and a conference room
- Screened and topcoated the gym floor with polyurethane and completed painting in the K-3 wing

Sharon Center School

- Removed asbestos flooring and replaced with new VCT tile (lower and upper levels)
- Removed and replaced the underground storage tank

High School

- Upgraded the heating controls (part of a multi-year project)
- Replaced the exterior steps outside of the Library Reading Room
- Repaired the greenhouse masonry wall
- Installed a drainage pipe at the west bank

These projects were completed pre-pandemic as well as during the time when schools were closed.

It was a complex and challenging year, but with the help of our stakeholders, we managed to work together to continue student learning. We thank our Boards of Education, parents, community members, staff, and everyone who supports our students and the programs that enhance their educational experience in Region One Schools. COVID-19 will remain with us during the 2020-2021 school year, but we now have some experience and understanding of how to work together to ensure that our students continue to learn and grow. At times like this, it truly takes a village and we are fortunate that ours is so strong.

Respectfully submitted,

Lisa B. Carter, Interim Superintendent of Schools

TOWN OF CANAAN, CT

Annual Financial Statements

For the Year Ended June 30, 2020

KING, KING & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

TOWN OF CANAAN, CT
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INDEPENDENT AUDITOR'S REPORT

To the Board of Finance
The Town of Canaan, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Canaan, CT, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Canaan, CT'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.

TOWN OF CANAAN
Notes to the Financial Statements

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Canaan, CT, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows, and the respective budgetary comparison for the General Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension schedules on pages 4–10 and 51-54 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 of Canaan, CT's basic financial statements. The introductory section, supplemental and combining individual nonmajor fund financial statements, and supplemental schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of state financial assistance 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 nonmajor fund financial statements and the schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and supplemental schedules 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 October 26, 2020 on our consideration of the Town of Canaan, CT'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 of Canaan, CT's internal control over financial reporting and compliance.



King, King & Associates, CPAs
Winsted, CT
October 26, 2020

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TOWN OF CANAAN, CT
Management's Discussion and Analysis
June 30, 2020

As management of the Town of Canaan, CT, we offer readers of the Town of Canaan, CT's financial statements this narrative overview and analysis of the financial activities of the Town of Canaan, CT for the fiscal year ended June 30, 2020.

FINANCIAL HIGHLIGHTS

- The assets of the Town of Canaan, CT exceeded its liabilities at the close of the most recent fiscal year by \$4,678,523 (*net position*). Of this amount, \$2,032,305 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors. Net Position of \$9,887 was restricted for Special Revenue Fund purposes. The balance of \$2,636,331 is invested in capital assets.
- The government's total net position decreased by \$80,016. This decrease is attributable to planned use of surplus.
- The Town's governmental funds reported, on a current financial resources basis, combined ending fund balances of \$2,043,348 a decrease of \$219,740 from the prior fiscal year. Of this amount, \$440,165 is available for spending at the government's discretion with town approval (*unassigned fund balance*) and \$286,009 has been assigned for subsequent year's appropriations. Additional amounts of \$31,915 have been set for Cemetery Maintenance.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$440,165 or 8.1% percent of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town of Canaan, CT's basic financial statements. The Town of Canaan, CT's basic financial statements are comprised of 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 of Canaan, CT's finances, in a manner similar to a private-sector business.

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

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

TOWN OF CANAAN, CT
Management's Discussion and Analysis
June 30, 2020

Both of the government-wide financial statements distinguish functions of the Town of Canaan, CT that are principally supported by tax revenues, grants 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 of Canaan, CT include general government, public safety, public works, health and welfare, culture and recreation, sanitation and education. The operations of the Canaan Water Department are reported as a business-type activity.

The government-wide financial statements can be found on pages 11-12 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 of Canaan, CT, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Canaan, CT 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 cash and other financial resources that can be readily converted to cash flow in and out, and balances left at year-end that are available for spending. Consequently, the governmental fund financial statements provide a near or short-term view of the Town's finances that may be useful in evaluating the Town's near-term financing requirements. *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 a government'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 government'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 of Canaan, CT maintains thirty (30) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Fire Truck Equipment Reserve Fund, which are considered to be major funds. The remaining twenty-eight funds are combined into a single aggregated presentation in the financial statements. Individual fund data for each of these nonmajor funds is reported as supplementary information to the financial statements.

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

The basic governmental fund financial statements can be found on pages 13-17 of this report.

TOWN OF CANAAN, CT
Management's Discussion and Analysis
June 30, 2020

Proprietary Funds: Proprietary Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town's proprietary fund presents the same information as is reported for the Canaan Water Department in the business-type activities sections of the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 18-20 of this report.

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to provide services to the Town of Canaan. The accounting used for fiduciary funds is much like that used for proprietary funds. The Town maintains one pension trust fund, three private-purpose funds, and three custodial.

The basic fiduciary fund financial statements can be found on pages 21-22 of this report.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23-50 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Canaan, CT, assets exceeded liabilities by \$4,678,523 at the close of the most recent fiscal year.

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Current and Other Assets	\$ 2,534,991	\$ 3,077,703	\$ 38,159	\$ 32,819	\$ 2,573,150	\$ 3,110,522
Capital Assets	4,349,077	4,051,641	502,721	516,771	4,851,798	4,568,412
Total Assets	<u>\$ 6,884,068</u>	<u>\$ 7,129,344</u>	<u>\$ 540,880</u>	<u>\$ 549,590</u>	<u>\$ 7,424,948</u>	<u>\$ 7,678,934</u>
Deferred Outflows of Resources	16,825	3,429	-	-	16,825	3,429
Current Liabilities	\$ 336,951	\$ 302,082	\$ 1,424	\$ 15,723	\$ 338,375	\$ 317,805
Long-term Liabilities	2,172,231	2,379,519	210,418	227,260	2,382,649	2,606,779
Total Liabilities	<u>2,509,182</u>	<u>2,681,601</u>	<u>211,842</u>	<u>242,983</u>	<u>2,721,024</u>	<u>2,924,584</u>
Deferred Inflows of Resources	42,226	2,310	-	-	42,226	2,310
Net Position:						
Net Investment in Capital Assets	2,344,028	2,259,296	292,303	289,511	2,636,331	2,548,807
Restricted	9,887	11,403	-	-	9,887	11,403
Unrestricted	1,995,570	2,181,233	36,735	17,096	2,032,305	2,195,259
Total Net Position	<u>\$ 4,349,485</u>	<u>\$ 4,451,932</u>	<u>\$ 329,038</u>	<u>\$ 306,607</u>	<u>\$ 4,678,523</u>	<u>\$ 4,755,469</u>

TOWN OF CANAAN, CT
Management's Discussion and Analysis
June 30, 2020

A portion of the Town of Canaan, CT's net position (56.3%) reflects its net investment in capital assets (e.g. land, buildings, machinery and equipment, and infrastructure assets such as roads, bridges and water system assets). The Town of Canaan, CT uses these assets to provide services to its citizens; consequently, these assets are not available for spending. Of the Town of Canaan, CT's remaining net position, \$9,887 is restricted for special revenue fund purposes, and \$2,032,305 or (43.4%) of fund balance is unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.

The unrestricted net position reported last year was \$2,195,259. At the end of the current fiscal year, the Town of Canaan, CT is able to report positive balances in all categories of net position for the government as a whole.

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
REVENUES						
<i>General Revenues:</i>						
Property Taxes	\$ 4,504,249	\$ 4,267,699	\$ -	\$ -	\$ 4,504,249	\$ 4,267,699
Grants and Contributions, not						
Restricted to Specific Programs	119,184	116,766	-	-	119,184	116,766
Unrestricted Investment Earnings	21,347	33,385	-	-	21,347	33,385
Other Income	33,523	42,518	-	-	33,523	42,518
<i>Program Revenues:</i>						
Charges for Services	117,085	101,274	84,846	82,916	201,931	184,190
Operating Grants and Contributions	843,717	932,415	-	-	843,717	932,415
Capital Grants and Contributions	-	-	-	-	-	-
Total Revenues	<u>5,639,105</u>	<u>5,494,057</u>	<u>84,846</u>	<u>82,916</u>	<u>5,723,951</u>	<u>5,576,973</u>
EXPENSES						
<i>Governmental Activities:</i>						
General Government	486,712	499,008	-	-	486,712	499,008
Public Safety	310,202	128,966	-	-	310,202	128,966
Public Works	581,509	523,202	-	-	581,509	523,202
Health and Welfare	149,767	141,522	-	-	149,767	141,522
Culture and Recreation	98,616	88,017	-	-	98,616	88,017
Sanitation	118,868	108,612	-	-	118,868	108,612
Education	3,919,716	3,644,004	-	-	3,919,716	3,644,004
Public Water Utility	-	-	62,415	74,708	62,415	74,708
Interest on Long-Term Debt	76,162	85,356	-	-	76,162	85,356
Total Expenses	<u>5,741,552</u>	<u>5,218,687</u>	<u>62,415</u>	<u>74,708</u>	<u>5,803,967</u>	<u>5,293,395</u>
Change in Net Position	(102,447)	275,370	22,431	8,208	(80,016)	283,578
Beginning Net Position, as restated	<u>4,451,932</u>	<u>4,176,562</u>	<u>306,607</u>	<u>298,399</u>	<u>4,758,539</u>	<u>4,474,961</u>
Ending Net Position	<u>\$ 4,349,485</u>	<u>\$ 4,451,932</u>	<u>\$ 329,038</u>	<u>\$ 306,607</u>	<u>\$ 4,678,523</u>	<u>\$ 4,758,539</u>

Governmental activities: Governmental activities decreased the Town of Canaan, CT's net position by \$80,016.

Governmental activities revenues totaled \$5,639,105 for fiscal year 2020, an increase of \$145,048 from the prior fiscal year. The most significant factor contributing to this increase is the increase in property taxes revenues.

TOWN OF CANAAN, CT
Management's Discussion and Analysis
June 30, 2020

Key elements of this increase are as follows:

Eighty percent (80%) of the revenues of the Town were derived from property taxes, followed by fifteen percent (15%) capital and operating grants, two percent (2%) charge for services, two percent (2%) unrestricted grants, and one percent (1%) other income and investment income.

Major revenue factors included:

- Property Tax Collections were greater than the amount budgeted
- Conveyance Tax, Recreation and Transfer Station Fees were greater than the amount budgeted

Major expense factors include:

- Cost savings in most departments due to the diligence of department heads and employees
- Cost savings by the Board of Education

Business-type activities. Business-type activities increased the Town's net position by \$22,431.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds: The focus of the Town of Canaan, CT'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 of Canaan, CT's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town of Canaan, CT's governmental funds reported combined ending fund balances of \$2,043,648 a decrease of \$219,740 in comparison with the prior fiscal year. Twenty-two percent (22%) of this total constitutes unassigned fund balance and is available for spending at the government's discretion.

At the end of the current fiscal year, the Town of Canaan, CT is able to report positive balances in all categories of fund balance for the government as a whole.

Proprietary Fund: The Town of Canaan, CT's proprietary fund is the Water Department Fund. Its net assets increased \$22,431 during the fiscal year resulting in ending net assets of \$329,038. As discussed earlier this increase was attributable to lower repairs and maintenance costs in the Town's Water Department.

General Fund: The General Fund is the chief operating fund of the Town of Canaan, CT. At the end of the current fiscal year, the total fund balance of the General Fund was \$1,022,025 of which \$286,009 was assigned for the next fiscal year, \$31,915 was assigned to Cemetery Maintenance, \$22,649 was committed to Post-Employment Retirement Benefits and \$241,287 was committed to the Length of Service Award Plan. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and the amount assigned for future periods to total fund expenditures. Unassigned fund balance and the amount assigned for future periods represents 13.4 percent of total General Fund expenditures for the fiscal year ending June 30, 2020.

TOWN OF CANAAN, CT
Management's Discussion and Analysis
June 30, 2020

During the current fiscal year, the fund balance of the Town of Canaan, CT's General Fund decreased by \$156,576, less than the projected decrease at year-end. Key factors in this decrease are as follows:

- There was a budgeted use of fund balance of \$342,693; however, due to better than anticipated revenues and controlled spending in various departments, the use of fund balance was limited to \$157,719.
- Cost savings in most of the town's departments.

General Fund Budgetary Highlights

The original General Fund budget provided for the use of \$337,893 of fund balance to finance approved expenditure appropriations not financed by projected revenue. An additional appropriation for William Surdam (Daycare) Building maintenance (\$4,800) was made during the year. Due to the diligence of employees and department heads, and greater revenue than budgeted, \$157,719 of the budgeted use of surplus was used during the year.

On the budgetary basis of accounting, transfers to other Town funds totaling \$114,000 were charged to Town departmental appropriations. All of these appropriations were included in the original budget as transfer to non-recurring accounts.

On the budgetary basis, General Fund revenues for the fiscal year were \$39,318 more than budgetary projections, while expenditures were \$147,656 less than budgeted amounts due primarily to cost savings of many Town departments. The final amended General fund budget provided for the use of fund balance of \$342,693. As a result of the positive budgetary variances, only \$157,719 of the \$342,693 budgeted use of fund balance needed to be utilized.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets: The Town of Canaan, CT's investment in capital assets, net of accumulated depreciation, is \$4,851,798. This investment in capital assets includes land, building and improvements, furniture, vehicles, equipment, and infrastructure assets (roads, culverts, bridges and water system assets).

Additional information on the Town's capital assets can be found in Note 7 on pages 35 - 36 of this report.

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

- Sand Road Paving
- Removal in In-Ground Oil Tanks and Installation of Propane Tanks at Lee H. Kellogg School
- Replace Ramp and Door at Town Hall

TOWN OF CANAAN, CT
Management's Discussion and Analysis
June 30, 2020

CAPITAL ASSETS
(Net of Depreciation)

	<u>2020</u>	<u>2019</u>
Land	\$ 379,825	\$ 379,825
Buildings and Improvements	2,185,936	2,305,137
Infrastructure	1,348,244	1,280,038
Machinery and Equipment	435,072	466,466
Water System	<u>502,721</u>	<u>516,771</u>
Total	<u>\$ 4,851,798</u>	<u>\$ 4,948,237</u>

Long-term debt: During the year, the town repaid the \$28,284 balance of the general obligation bond debt which was incurred to finance Lee H. Kellogg School construction costs incurred in prior fiscal years.

The Town issued general obligation bonds totaling \$2,300,000 on July 1, 2014 to finance the design and construction of the Falls Village Volunteer Emergency Services Center, requiring annual principal payments of \$115,000. The balance was \$1,711,457 at year-end. General obligation bonds totaling \$350,000 were issued on August 1, 2015 to finance the Lee H. Kellogg School Roof and Amesville Bridge. Payments of \$17,500 plus interest will be made over 20 years. The balance was \$280,000 at year-end.

The Town signed an agreement to pay for LED Lighting upgrades at the Town Hall, Town Garage and the Day Care Center during the year. The project will be paid over 48 months. The balance for these projects was \$13,027 at June 30, 2020.

The Town's long-term debt at fiscal year-end also included \$210,418 in borrowing that was utilized to finance the water system tank replacement project.

Additional information on the Town of Canaan, CT's long-term debt can be found in Note 8 on pages 36 - 39 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Economic factors affecting the Town of Canaan, CT, including those that were considered in preparing the Town's General Fund budget for the 2020-2021 fiscal year, and those that will affect future budgets are as follows:

- State grant funding is expected to decrease.
- The education appropriations to Regional School District No. 1 for fiscal year 2020-2021 increased by \$220,072 due to an increase in the town's student population percentage of the overall school population.
- Governor Lamont issued an executive order to municipalities within Connecticut to provide tax relief by either, 1) Providing a ninety-day deferment of taxes, or 2) Lowering the interest rate for late payments to a 3% annual rate for a 90-day period from July 1st – September 30th. The Town of Canaan chose option #2.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Town of Canaan, CT's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Board of Selectmen, Town of Canaan, and P.O. Box 47, Falls Village, CT 06031.

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TOWN OF CANAAN, CT

Statement of Net Position

June 30, 2020

	Primary Government		
	<u>Governmental</u>	<u>Business-Type</u>	
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
ASSETS			
<i>Current Assets:</i>			
Cash and Cash Equivalents	\$ 1,907,064	\$ 9,808	\$ 1,916,872
Investments	467,068	-	467,068
State and Federal Grants Receivable	-	-	-
Other Receivables	-	28,351	28,351
Property Taxes Receivable (Net)	119,776	-	119,776
Interest Receivable	41,083	-	41,083
<i>Noncurrent Assets:</i>			
Nondepreciable Capital Assets	379,825	-	379,825
Capital Assets, Net of Depreciation	<u>3,969,252</u>	<u>502,721</u>	<u>4,471,973</u>
Total Assets	<u>\$ 6,884,068</u>	<u>\$ 540,880</u>	<u>\$ 7,424,948</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pension	<u>16,825</u>	<u>-</u>	<u>16,825</u>
LIABILITIES:			
<i>Current Liabilities:</i>			
Accounts Payable	\$ 315,936	\$ 1,424	\$ 317,360
Refundable Advances	21,015	-	21,015
<i>Noncurrent Liabilities:</i>			
Due Within One Year	137,713	17,221	154,934
Due in More Than One Year	<u>2,034,518</u>	<u>193,197</u>	<u>2,227,715</u>
Total Liabilities	<u>2,509,182</u>	<u>211,842</u>	<u>2,721,024</u>
DEFERRED INFLOWS OF RESOURCES			
Changes in Assumptions Related to OPEB	<u>42,226</u>	<u>-</u>	<u>42,226</u>
NET POSITION			
Net Investment in Capital Assets	2,344,028	292,303	2,636,331
Restricted for Special Revenue Fund Purposes	9,887	-	9,887
Unrestricted	<u>1,995,570</u>	<u>36,735</u>	<u>2,032,305</u>
Total Net Position	<u>\$ 4,349,485</u>	<u>\$ 329,038</u>	<u>\$ 4,678,523</u>

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

TOWN OF CANAAN, CT
Statement of Activities
For the Year Ended June 30, 2020

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges For Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government</u>		
					<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
Functions/Programs:							
Primary Government:							
Governmental Activities:							
General Government	\$ 486,712	\$ 68,846	\$ 6,950	\$ -	\$ (410,916)	\$ -	\$ (410,916)
Public Safety	310,202	-	-	-	(310,202)	-	(310,202)
Public Works	581,509	-	187,691	-	(393,818)	-	(393,818)
Health & Welfare	149,767	-	-	-	(149,767)	-	(149,767)
Sanitation	118,868	33,908	-	-	(84,960)	-	(84,960)
Education	3,919,716	-	647,206	-	(3,272,510)	-	(3,272,510)
Culture & Recreation	98,616	14,331	1,870	-	(82,415)	-	(82,415)
Interest	76,162	-	-	-	(76,162)	-	(76,162)
Total Governmental Activities	5,741,552	117,085	843,717	-	(4,780,750)	-	(4,780,750)
Business-Type Activities:							
Water Department	62,415	84,846	-	-	-	22,431	22,431
Total Business-Type Activities	62,415	84,846	-	-	-	22,431	22,431
Total Primary Government	\$ 5,803,967	\$ 201,931	\$ 843,717	\$ -	(4,780,750)	22,431	(4,758,319)
General revenues:							
Property taxes levied for general purposes					4,504,249	-	4,504,249
Grants not restricted to specific purpose					119,184	-	119,184
Other Income					33,523	-	33,523
Unrestricted investment income					21,347	-	21,347
Total general revenues					4,678,303	-	4,678,303
Change in net position					(102,447)	22,431	(80,016)
Net position - beginning as restated					4,451,932	306,607	4,758,539
Net position - ending					\$ 4,349,485	\$ 329,038	\$ 4,678,523

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

TOWN OF CANAAN, CT

Balance Sheet

Governmental Funds

June 30, 2020

	General Fund	Fire Truck & Equip Reserves	Nonmajor Governmental Funds	Total
ASSETS				
Cash and Cash Equivalents	\$ 691,680	\$ 359,134	\$ 856,250	\$ 1,907,064
Investments	465,104	-	1,964	467,068
Grants Receivable	-	-	-	-
Property Taxes Receivable, Net	119,776	-	-	119,776
Interfund Receivables	-	-	-	-
Total Assets	<u>\$ 1,276,560</u>	<u>\$ 359,134</u>	<u>\$ 858,214</u>	<u>\$ 2,493,908</u>
LIABILITIES				
Accounts Payable	\$ 140,211	\$ 175,000	\$ 725	\$ 315,936
Deferred Revenue	1,015	-	-	1,015
Interfund Payables	-	-	-	-
Refundable Advances	-	-	20,000	20,000
Total Liabilities	<u>141,226</u>	<u>175,000</u>	<u>20,725</u>	<u>336,951</u>
Deferred Inflows of Resources				
Deferred Taxes	113,309	-	-	113,309
Total Deferred Inflows of Resources	<u>113,309</u>	<u>-</u>	<u>-</u>	<u>113,309</u>
FUND BALANCES				
Restricted for:				
Special Revenue Fund Purposes	-	-	9,887	9,887
Committed to:				
Length of Service Awards Program	241,287	-	-	241,287
Capital Projects (also see page 54)	-	184,134	827,602	1,011,736
OPEB Obligations (Note 11)	22,649	-	-	22,649
Assigned to:				
Cemetery Maintenance	31,915	-	-	31,915
Subsequent Year's Budget	286,009	-	-	286,009
Unassigned	440,165	-	-	440,165
Total Fund Balances	<u>1,022,025</u>	<u>184,134</u>	<u>837,489</u>	<u>2,043,648</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 1,276,560</u>	<u>\$ 359,134</u>	<u>\$ 858,214</u>	<u>\$ 2,493,908</u>

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

TOWN OF CANAAN, CT
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2020

Fund balances reported in governmental funds Balance Sheet \$ 2,043,648

**Amounts reported for governmental activities in the government- wide
Statement of Net Position are different because:**

The governmental fund Balance Sheet includes revenues that will only
be available to pay current period liabilities. Adjustments are necessary
to accrue receivables for all earned revenues.

Interest on taxes \$ 41,083

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

Capital Assets 7,815,046

Accumulated Depreciation (3,465,969)

Deferred revenue for property taxes and grants are reported in the
funds but accrued as revenue in the government-wide statements
and added to net position.

Property taxes 113,309

Certain changes related to pensions are deferred and amortized over time

Deferred Inflows - OPEB (42,226)

Deferred Outflows - OPEB 16,825

Long-term liabilities are not due and payable in the current period
and, therefore, are not reported in the fund statements.

(2,172,231)

Net position of governmental activities \$ 4,349,485

TOWN OF CANAAN, CT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

	<u>General</u>	<u>Fire Truck & Equip Reserves</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
Revenues				
Property Taxes	\$ 4,485,335	\$ -	\$ -	\$ 4,485,335
Unrestricted Grants and Contributions	119,184	-	-	119,184
Operating Grants and Contributions	632,982	-	3,917	636,899
Charges for Services	115,840	-	1,245	117,085
Other Income	33,523	-	-	33,523
Investment Earnings	18,556	1,667	1,124	21,347
Total Revenues	<u>5,405,420</u>	<u>1,667</u>	<u>6,286</u>	<u>5,413,373</u>
Expenditures				
Current				
General Government	571,553	-	1,571	573,124
Public Safety	124,794	175,000	8,681	308,475
Public Works	502,977	-	-	502,977
Health & Welfare	143,369	-	-	143,369
Sanitation	117,583	-	-	117,583
Culture & Recreation	63,258	-	1,056	64,314
Education	3,664,516	-	14,073	3,678,589
Debt Service	236,946	-	-	236,946
Capital Outlay	-	-	7,736	7,736
Total Expenditures	<u>5,424,996</u>	<u>175,000</u>	<u>33,117</u>	<u>5,633,113</u>
Excess/(Deficiency) of Revenues Over Expenditures	(19,576)	(173,333)	(26,831)	(219,740)
Other Financing Sources/(Uses)				
Transfers In	-	25,000	112,000	137,000
Transfers Out	(137,000)	-	-	(137,000)
Total Other Financing Sources/(Uses)	<u>(137,000)</u>	<u>25,000</u>	<u>112,000</u>	<u>-</u>
Net Change in Fund Balances	(156,576)	(148,333)	85,169	(219,740)
Fund Balances - Beginning, as restated	1,178,601	332,467	752,320	2,263,388
Fund Balances - Ending	<u>\$ 1,022,025</u>	<u>\$ 184,134</u>	<u>\$ 837,489</u>	<u>\$ 2,043,648</u>

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

TOWN OF CANAAN, CT

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 **\$ (219,740)**

Amounts reported for *governmental activities* in the statement of activities are different because:

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

<i>Capital Expenditures</i>	143,023
<i>Depreciation Expense</i>	(225,412)

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

191,110

Compensated absences and pension contributions are expended in the funds when resources are used, but are expensed in the Statement of Activities when the liability is incurred. This is the amount by which the accrued liability exceeded the resources expended.

<i>Compensated Absences</i>	(4,255)
<i>Termination Benefits</i>	20,433
<i>Net Amortization of Pension Inflows and Outflows</i>	(26,520)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds but are accrued in the government-wide financial statements.

<i>Property Taxes</i>	<u>18,914</u>
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Change in net position of governmental activities \$ (102,447)

TOWN OF CANAAN, CT
 Budgetary Comparison Statement
 General Fund
 For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts Budgetary Basis	Differences Over (Under)
	Original	Final Adjusted		
Revenues				
Property Taxes	\$ 4,467,373	\$ 4,467,373	\$ 4,485,335	\$ 17,962
Intergovernmental	446,854	452,354	451,595	(759)
Investment Income	10,000	10,000	10,202	202
Departmental:	79,050	79,050	99,412	20,362
Other Revenue:	50,300	50,300	49,851	(449)
Use of Fund Balance to Finance Budget	337,893	342,693	157,719	(184,974)
Total Revenues	5,391,470	5,401,770	5,254,114	(147,656)
Expenditures				
Current:				
General Government	583,275	582,779	548,756	(34,023)
Public Safety	154,196	154,196	139,794	(14,402)
Public Works	543,106	543,106	502,977	(40,129)
Health and Welfare	138,080	144,859	144,110	(749)
Culture and Recreation	70,825	70,825	63,003	(7,822)
Sanitation	119,878	119,878	117,583	(2,295)
Education	3,433,670	3,433,670	3,386,945	(46,725)
Debt Service	234,440	238,457	236,946	(1,511)
Total Expenditures	5,277,470	5,287,770	5,140,114	(147,656)
Excess/(Deficiency) of Revenues Over Expenditures	114,000	114,000	114,000	-
Other Financing Sources/(Uses)				
Transfers In	-	-	-	-
Transfers Out	(114,000)	(114,000)	(114,000)	-
Total Other Financing Sources/(Uses)	(114,000)	(114,000)	(114,000)	-
Revenues and other financing sources over/ (under) expenditures and other financing uses	\$ -	\$ -	\$ -	\$ -
Fund Balances, beginning			820,935	
Less: Use of Fund Balance to Finance Budget			(157,719)	
Fund Balances, ending			<u>\$ 663,216</u>	

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

TOWN OF CANAAN, CT
Statement of Net Position
Proprietary Fund
June 30, 2020

	Water Department Fund
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 9,808
Accounts Receivable	<u>28,351</u>
Total Current Assets	<u>\$ 38,159</u>
 Noncurrent Assets	
Capital Assets, net of accumulated depreciation	<u>502,721</u>
Total Noncurrent Assets	<u>\$ 502,721</u>
 Total Assets	<u>\$ 540,880</u>
 DEFERRED OUTFLOWS OF RESOURCES	 <u>-</u>
 LIABILITIES	
Current Liabilities:	
Accounts Payable	\$ 1,424
Interfund Advances	-
Current Portion of Long-term Debt	<u>17,221</u>
Total Current Liabilities	<u>18,645</u>
Non-Current Liabilities:	
Non-Current Portion of Note Payable	<u>193,197</u>
Total Non-Current Liabilities	<u>193,197</u>
 Total Liabilities	<u>211,842</u>
 DEFERRED INFLOWS OF RESOURCES	 <u>-</u>
 NET POSITION	
Invested in capital assets	292,303
Unrestricted	<u>36,735</u>
Total Net Position	<u>\$ 329,038</u>

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

TOWN OF CANAAN, CT
Statement of Revenues, Expenses, and Changes in Net Fund Position
Proprietary Fund
For the Year Ended June 30, 2020

	Water Department <u>Fund</u>
OPERATING REVENUES	
Charges for Services:	
Water Charges	\$ 84,846
Total Operating Revenues	<u>84,846</u>
OPERATING EXPENSES	
Personnel	10,227
Office Supplies	555
Materials and Plant Supplies	11,486
Repairs and Maintenance	936
Utilities	8,679
Insurance	100
Water Testing	9,302
Depreciation	<u>14,050</u>
Total Operating Expenses	<u>55,335</u>
 Operating Income/(Loss)	 29,511
NONOPERATING REVENUES/(EXPENSES)	
Interest Expense	<u>(7,080)</u>
Total Nonoperating Revenues/(Expenses)	<u>(7,080)</u>
 Change in Net Position	 22,431
Total Net Position - Beginning	<u>306,607</u>
Total Net Position - Ending	<u><u>\$ 329,038</u></u>

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

TOWN OF CANAAN, CT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2020

	Water Department Fund
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 82,651
Payments for salaries and benefits	(10,227)
Payments to Suppliers	<u>(45,357)</u>
Net Cash Provided/(Used by) Operating Activities	<u>27,067</u>
Cash Flows from Noncapital Financing Activities:	<u>-</u>
Cash Flow from Capital and Related Financing Activities:	
Principal payments on notes	(16,842)
Interest payments on notes	(7,080)
Acquisition and construction of capital assets	<u>-</u>
Net Cash Provided/(Used by) Capital and related Financing Activities	<u>(23,922)</u>
Cash Flow from Investing Activities:	<u>-</u>
Net Increase in Cash and Cash Equivalents	3,145
Balances - Beginning of the Year	<u>6,663</u>
Balances - End of the Year	<u><u>\$ 9,808</u></u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:	
Operating Income/(Loss)	\$ 29,511
Change in Assets and Liabilities:	
Receivables, Net	(2,195)
Accounts Payable	(14,299)
Depreciation Expense	<u>14,050</u>
Net Cash Provided/(Used by) Operating Activities	<u><u>\$ 27,067</u></u>

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

TOWN OF CANAAN, CT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	<u>Pension Trust Fund</u>	<u>Private-Purpose Trust Funds</u>	<u>Custodial Funds</u>	<u>Totals</u>
Assets				
Cash and Cash Equivalents	\$ -	\$ 19,963	\$ 21,583	\$ 41,546
Investments - Mutual Funds	779,237	-	-	779,237
Contributions Receivable	23,107	-	-	23,107
Total Assets	<u>\$ 802,344</u>	<u>\$ 19,963</u>	<u>\$ 21,583</u>	<u>\$ 843,890</u>
Deferred Outflows of Resources	-	-	-	-
Liabilities				
Due to Student Groups	\$ -	\$ -	-	\$ -
Due to Others	-	-	-	-
Total Liabilities	-	-	-	-
Deferred Inflows of Resources	-	-	-	-
Net Position, As Restated				
Reserved for Donor's Intentions	-	19,963	-	19,963
Restricted for Individuals & Organizations	-	-	21,583	21,583
Restricted for Pensions	802,344	-	-	802,344
Total Net Position	<u>\$ 802,344</u>	<u>\$ 19,963</u>	<u>\$ 21,583</u>	<u>\$ 843,890</u>

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

TOWN OF CANAAN, CT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2020

	Pension Trust Fund	Private-Purpose Trust Funds	Custodial Funds	Total
Additions				
Contributions				
Town	\$ 23,107	\$ -	-	\$ 23,107
Employees	32,082	-	-	32,082
Foundation Grants	-	3,900	-	3,900
Private Donations	-	6,798	-	6,798
Events & Activities	-	-	21,521	21,521
Total Contributions	55,189	10,698	21,521	87,408
Investment Income				
Interest and Dividends	-	13	-	13
Net Increase in Fair Value of Investments	68,015	-	-	68,015
Total Investment Income	68,015	13	-	68,028
Total Additions	123,204	10,711	21,521	155,436
Deductions				
Benefits Paid	591,125	-	-	591,125
Plan Administration	1,336	657	-	1,993
Financial Assistance	-	18,975	-	18,975
Events & Activities	-	-	12,917	12,917
Total Deductions	592,461	19,632	12,917	625,010
Change in Net Position	(469,257)	(8,921)	8,604	(469,574)
Net Position - Beginning, as restated	1,271,601	28,884	12,979	1,313,464
Net Position - Ending	\$ 802,344	\$ 19,963	\$ 21,583	\$ 843,890

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

TOWN OF CANAAN
Notes to the Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Town of Canaan, Connecticut (the Town) have been prepared in conformance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Town's significant accounting policies are described below.

Reporting Entity

The Town of Canaan, CT (the "Town") was incorporated in 1739. It operates under a Board of Selectmen, Town Meeting, Board of Finance form of government and provides a full range of services including public safety, public works, sanitation, health and welfare, culture and recreation, education, and general administrative services to its residents.

Accounting principles generally accepted in the United States of America require that the reporting entity include 1) the primary government, 2) organizations for which the primary government is financially accountable, and 3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided by the GASB have been considered and there are no entities which should be presented as component units of the Town.

Government-wide and fund financial statements

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

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

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

The various funds included in the financial statements are described below:

Governmental Funds are those through which most governmental functions typically are financed. The governmental funds are as follows:

The *General Fund* is the primary operating fund of the Town. It is used to account for all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property taxes, state grants, licenses, permits, charges for services, and earnings on investments.

Special Revenue Funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

TOWN OF CANAAN

Notes to the Financial Statements

Capital Project Funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds for assets that will be held in trust for individuals, private organizations, or other governments.

Proprietary Funds are used to account for activities that are similar to those often found in the private sector. These funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. The proprietary funds are as follows:

Enterprise Funds account for operations that are financed in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Fiduciary Funds are used to account for assets held by the town in a trustee capacity or as an agent for individuals, private organizations, and other governments. Fiduciary funds are not included in the government-wide statements. The fiduciary funds are as follows:

Pension Trust Funds are used for the accumulation of resources to be used for retirement benefits.

Private-Purpose Trust Funds are used to account for resources legally held in trust for the benefit of individuals, private organizations or other governments.

Custodial Funds are primarily utilized to account for monies held as custodian for outside student groups.

Measurement focus, basis of accounting, and financial statements presentation

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

Amounts reported as program revenues in the government-wide financial statements include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

TOWN OF CANAAN
Notes to the Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Their revenues are recognized when they become measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Exceptions to this general rule include: voluntary non-exchange transactions when all eligibility requirements have been met. Expenditures are generally recorded when a liability is incurred. Exceptions to this general rule include: compensated absences, pension obligations, and claims and judgments that are recorded only when payment is due.

Property taxes when levied, licenses, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as governmental fund revenues of the current fiscal period. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when program eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the Town, or specifically identified.

The Town reports the following major governmental funds:

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

The *Fire Truck and Equipment Reserve* accounts for resources allocated for the purchase of fire trucks and equipment.

Additionally, the government reports the following fund types:

Proprietary Fund Types

Enterprise Funds are used to account for Water Department Fund fees and expenses.

Fiduciary Fund Types

Private-Purpose Trust Funds are used to account for resources legally held in trust for the benefit of individuals, private organization, or other governments.

Pension Trust Funds are used to account for the accumulation of resources to be used for retirement benefits.

Custodial Funds account for monies held as a custodian for outside groups and agencies.

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

Amounts reported as *program revenues* include 1) charges to members and residents for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions.

TOWN OF CANAAN

Notes to the Financial Statements

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the funds are charges to customers for services and reimbursements for modifications made to planned water line improvements. Operating expenses for the funds include the cost of operations and maintenance, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Water Department Fund, reported as a major enterprise-type proprietary fund, is the Town's only proprietary fund.

Estimates

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

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity

Cash and Cash Equivalents - The deposit of public funds is controlled by the Connecticut General Statutes. The Town maintains separate accounts with depositories where necessary. Cash applicable to a particular fund is readily identifiable. Cash in excess of current requirements is invested in various interest-bearing accounts, certificates of deposit, and pooled investment funds that may be deemed to be cash equivalents based on maturity date or availability of conversion to cash. Cash and cash equivalents are stated at cost, which approximates market value. The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months from the original date of acquisition. The above definition of cash applies to the proprietary funds' statement of cash flows.

Investments - In general, State of Connecticut Statutes allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust, obligations of any U.S. or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. The pension and other trust funds may also invest in stocks or bonds or other securities selected by the trustee. Investments are stated at fair value, primarily utilizing quoted market prices, with the exception of certificates of deposit (cost), and money market funds (amortized cost).

The Town's investments consist of governmental fund certificates of deposit and a UBS investment account set aside for the Length of Service Awards Program (LOSAP). Other investments are stated at Fair Value, primarily utilizing quoted market prices, as provided by the Custodian. Certificates of Deposit are reported at cost.

TOWN OF CANAAN
Notes to the Financial Statements

Fair Value of Financial Instruments - In accordance with GASB 72, the town is required to measure the fair value of its assets and liabilities under a three-level hierarchy, as follows:

Level 1: Quoted market prices for identical assets or liabilities to which an entity has access to at the measurement date.

Level 2: Inputs and information other than quoted market indices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

- a. Quoted prices for similar assets or liabilities in active markets.
- b. Quoted prices for identical or similar assets in markets that are not active;
- c. Observable inputs other than quoted prices for the assets or liability;
- d. Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

Level 3: Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

Observable inputs reflect the assumptions market participants would use in pricing the asset or liability developed from sources independent of the reporting entity; and *unobservable inputs* reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

Property Taxes - In accordance with Connecticut General Statutes, property taxes are assessed as of October 1, levied on the following July 1, and are due in two installments, July 1, and January 1. Motor vehicle taxes are due in one installment on July 1, and supplemental motor vehicle taxes are due in full January 1. The Town has established an allowance for estimated uncollectible property taxes in the amount of \$8,500. Taxes not paid on or before the first day of the month next succeeding the month in which they became due and payable, or if not due and payable on the first day of the month, on or before the same date of the next succeeding month corresponding to that day of the month on which they all become due and payable, are considered delinquent. Continuing liens are filed within two years of the original due date. An allowance based on historical collection experience is provided for uncollectible taxes. Property taxes, interest, and lien fees receivable that are not considered available to liquidate general fund liabilities of the current period are reported as a deferred inflow of resources on the governmental fund balance sheet, and accordingly, are not recognized as revenue in the fund financial statements during the current fiscal period.

Advances to and from other funds - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

Capital Assets - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

TOWN OF CANAAN

Notes to the Financial Statements

Major outlays for capital assets and improvements are capitalized as projects are constructed. As permitted under GASB 34, the Town has prospectively capitalized its governmental activities infrastructure assets in the statement of net position beginning July 1, 2003. The Town's governmental activities infrastructure assets acquired before July 1, 2003 have not been capitalized and are not reported as capital assets in the government-wide financial statements.

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

<u>Assets</u>	<u>Years</u>
Buildings & Improvements	15-50
Infrastructure	40-60
Water system assets	30-50
Equipment	4-60

Capital asset acquisitions are reported as expenditures and no depreciation is taken in the governmental fund financial statements.

Compensated absences – Employees accumulate, by prescribed formula, vacation and sick days for subsequent use or for payment upon termination or retirement. Expenses to be paid in future periods are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only for amounts expected to be paid with available resources, for example, as a result of employee resignations and retirements.

Long-term obligations – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the 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 recognized as an expense in the period they are incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued, including capital leases, 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 services.

Long-term debt - Is recognized as a liability of a governmental fund when it is due or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

Deferred outflows/inflows of resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

TOWN OF CANAAN

Notes to the Financial Statements

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, Deferred Taxes, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. The town reports deferred inflows on the Government-wide basis related to a change in OPEB assumptions. These amounts are deferred and included in pension expense in a systematic and rational manner.

Retirement plan accounting-

Pension Trust Funds- In the pension trust funds employee contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due pursuant to legal requirements of the plan. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Governmental Funds- In the governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources.

Funding Policy- The Town funds its contributions in accordance with the terms of each plan.

Fund equity and net position- In the government-wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduces this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents the net position of the Town, which is not restricted for any project or other purpose.

When both restricted and unrestricted resources are available for certain expenses, the Town expends restricted resources first and uses unrestricted resources when the restricted funds are depleted.

In the fund financial statements, fund balances of governmental funds are classified in the following five separate categories:

Nonspendable Fund Balance – Indicates amounts that cannot be spent because they are either not in spendable form, or are legally or contractually required to be maintained intact. Examples are items that are not expected to be converted to cash including inventory, prepaid expenditures and permanent fund principal.

Restricted Fund Balance – Indicates amounts that are restricted to specific purposes. The spending constraints placed on the use of fund balance amounts are externally imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

TOWN OF CANAAN
Notes to the Financial Statements

Committed Fund Balance – Indicates amounts that can be used only for specific purposes pursuant to constraints imposed by formal budgetary action of the Board of Finance and Town Meeting in accordance with provisions of the Connecticut General Statutes.

Assigned Fund Balance – Indicates amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by formal action of Town officials.

Unassigned Fund Balance – Represents the remaining fund balance after amounts are set aside for all other classifications.

The Town has not established a formal policy for its use of restricted and unrestricted (committed, assigned, unassigned) fund balance; however, the Town generally used restricted fund balance first if the expenditure meets the restricted purpose, followed by committed, assigned and unassigned amounts.

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes reconciliation between *fund balance-total governmental funds* and *net position-governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities, including notes payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this difference are as follows:

Bonds Payable	\$ 1,991,457
Capital Lease	565
LED Lighting Upgrades	13,026
Compensated Absences	36,300
Termination Benefits	27,589
OPEB Liability	<u>103,294</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ 2,172,231</u>

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances-total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. Elements which comprise these changes include debit issuance and repayments and compensated absences. The details to these elements are below.

TOWN OF CANAAN
Notes to the Financial Statements

The details concerning the issuance and repayment of debt are as follows:

Bond Principal Payments	\$ 160,784
Payments on Capital Lease	1,690
LED Lighting Project	4,647
OPEB Obligation	<u>23,989</u>

Net adjustment to decrease <i>net changes in fund balances- total governmental funds</i> to arrive at changes in net position of governmental activities	<u>\$ 191,110</u>
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NOTE 3 – BUDGETS AND BUDGETARY ACCOUNTING

The Town follows these procedures in establishing budgetary data reflected in the financial statements:

Governmental Funds- Department heads, officers and agencies of the Town file estimates of expenditures to be made and revenues to be collected in the upcoming year to the Board of Finance. These estimates, as revised by the Board of Finance, are recommended as the annual operating budget for adoption at the Town meeting in May. Upon the adoption of the budget, the Board of Finance is authorized to transfer appropriated amounts between departments, and to authorize additional departmental appropriations totaling less than \$20,000. Town meeting approval is required whenever additional appropriations for a department exceed \$20,000 in the aggregate. The legal level of control at which expenditures may not exceed appropriations is at the departmental level. Appropriations for capital projects do not lapse until completion of the applicable projects. Annual General Fund unexpended appropriations lapse at fiscal year-end.

The Town does not have legally adopted annual budgets for its special revenue funds, and capital project funds, because budgetary control is alternatively achieved by constraints imposed by intergovernmental grant agreements, or Connecticut General Statutes.

Encumbrance accounting, under which purchase orders, contracts, and other commitments are recorded in order to reserve that portion of the applicable appropriation, is frequently employed by governmental units as an extension of formal budgetary integration in the governmental funds. The Town is not utilizing encumbrance accounting.

The Town prepares its annual budget on a basis of accounting ("budgetary basis") which differs in some respects from the United States Generally Accepted Accounting Principles basis ("GAAP basis") of accounting.

TOWN OF CANAAN
Notes to the Financial Statements

Budgetary/GAAP Reconciliation

A reconciliation of General Fund operations as presented in accordance with the GAAP basis of accounting, to the amounts presented on the budgetary basis, is as follows:

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources/(Uses)</u>	<u>Change</u>
Budgetary Basis	\$ 5,254,114	\$ 5,140,114	\$ (114,000)	\$ -
Fund Balance Assigned to:				
Cemetery Maintenance	607	1,759	-	(1,152)
OPEB Reserve - see note 9	35	-	2,500	2,535
Rent Account Activity	102	256	-	(154)
Interfund Transfers Appropriated From:				
Departmental Budgets	-	(25,500)	(25,500)	-
Teachers Retirement System				
on-behalf Payments - see note 9	277,246	277,246	-	-
Teachers Retirement System OPEB	7,577	7,577	-	-
Use of Fund Balance to finance budget	(157,719)	-	-	(157,719)
Net LoSAP Contributions and Expense	7,710	7,796	-	(86)
Grant Revenue Passed Through to:				
Region One School District	15,748	15,748	-	-
GAAP Basis	<u>\$ 5,405,420</u>	<u>\$ 5,424,996</u>	<u>\$ (137,000)</u>	<u>\$ (156,576)</u>

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS

The deposits of public funds are controlled by the Connecticut General Statutes.

Deposits and Investments

Credit Risk – Generally, credit risk is defined as the risk that an issuer of a debt type investment will not fulfill its obligation to the holder. The Town has no credit risk policy beyond that of the Connecticut General Statutes.

Nationally recognized organizations assign ratings to various types of debt type instruments. The Town's mutual fund investments consist primarily of equity mutual funds for which no credit risk disclosure is required.

Custodial Credit Risk – Deposits. This is the risk that in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party.

TOWN OF CANAAN
Notes to the Financial Statements

The Town deposits its public funds in conformance with Connecticut General Statutes (Section 7-402), and actively manages its deposits in such a manner as to ensure that substantially all deposits are at all times either insured by Federal Depository insurance or secured with collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository's risk based capital ratio. The Town has obtained pledge agreements from two of its three banks in amounts greater than those required by Connecticut General Statutes.

At June 30, 2020, Town bank deposits had a book balance of \$2,184,199 and a bank balance of \$2,581,541, including certificates of deposits classified as investments, which were insured by Federal Depository insurance. Of the bank balance, the Federal Depository Insurance Corporation insured \$1,452,010. The remaining balances of Town deposits were exposed to custodial credit risk as follows: \$812,455 was collateralized under security agreements protecting the Town's interest in collateral held by bank trust departments or agents but not in the Town's name, and \$317,076 was uninsured and uncollateralized.

Custodial Credit Risk - Investments – This is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The manner by which the Town addresses custodial credit risk associated with certificates of deposit is described in the previous sections of this footnote. The Town does not have a formal policy for custodial credit risk associated with other types of cash equivalents and investments; however, the Town's pension plan mutual fund investments are not directly exposed to custodial credit risk.

Interest Rate Risk – The Town does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The table presents information about the exposure of the Town's investments to this risk using the segmented time distribution model.

As of June 30, 2020, the Town had the following investments:

			Investment Maturities	
		Maturity		
Governmental Funds:	Reported Value	Not Applicable	Less Than 1 yr.	1-5 yrs.
General fund - certificates of deposit	\$ 225,781	\$ -	\$ -	\$ 225,781
FVVFD LOSAP	241,287	241,287	-	-
Total governmental funds	<u>\$ 467,068</u>	<u>\$ 241,287</u>	<u>\$ -</u>	<u>\$ 225,781</u>
Fiduciary Funds:				
Town pension plan - mutual funds	\$ 779,237	\$ 779,237	\$ -	\$ -
Total fiduciary funds	<u>\$ 779,237</u>	<u>\$ 779,237</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF CANAAN
Notes to the Financial Statements

Fair Value Measurements

The following is a summary of assets measured at fair value.

	June 30, 2020	Fair Value Measurements Using		
		Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Deposit Account	\$ 16,392	\$ 16,392	\$ -	\$ -
Mutual Funds	779,237	779,237	-	-
Equities	142,186	142,186	-	-
Fixed Income	82,709	82,709	-	-
Total Investments Reported at Fair Value	<u>\$ 1,020,524</u>	<u>\$ 1,020,524</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 5 – RECEIVABLES

Town receivable balances at June 30, 2020 are as follows:

	General Fund	Proprietary Fund	Non-Major Proprietary Fund	Pension Trust Funds	Totals
Property Taxes	\$ 128,276	\$ -	\$ -	\$ -	\$ 128,276
Accrued Interest and Fees	41,083	-	-	-	41,083
Water User Fees	-	28,351	-	-	28,351
Intergovernmental	-	-	-	-	-
Pension Contributions	-	-	-	23,107	23,107
Total Gross Receivables	<u>169,359</u>	<u>28,351</u>	<u>-</u>	<u>23,107</u>	<u>220,817</u>
Allowance for Collection Losses	<u>(8,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,500)</u>
Total Net Receivables	<u>\$ 160,859</u>	<u>\$ 28,351</u>	<u>\$ -</u>	<u>\$ 23,107</u>	<u>\$ 212,317</u>

Advance property tax collections, and governmental grant funds received but not earned in accordance with the terms of grant agreements, are reports as unearned revenue in the liabilities section of both the governmental activities column of the statement of net position, and in the governmental funds balance sheet.

To reflect that a portion of property taxes, interest, and lien fees receivable at June 30, 2020 are not considered available to liquidate general fund liabilities of the current period, the governmental funds balance sheet reports property tax revenue, unavailable for expenditure in the current fiscal year of \$113,309 as a deferred inflow of resources.

NOTE 6 – INTERFUND BALANCES

There were no Interfund advances that resulted from various interfund transactions.

TOWN OF CANAAN
Notes to the Financial Statements

Interfund Transfers during the year ended June 30, 2020 were as follows:

<u>Transfers In:</u>			
<u>Transfers Out:</u>	<u>Major Fund</u>	<u>Nonmajor Funds</u>	<u>Totals</u>
General Fund	\$ 25,000	\$ 112,000	\$ 137,000
	<u>\$ 25,000</u>	<u>\$ 112,000</u>	<u>\$ 137,000</u>

Transfers are used to account for unrestricted revenues from the General Fund used to finance various programs accounted for in other funds in accordance with budget authorizations and reimbursed expenditures capital improvements.

NOTE 7 – CAPITAL ASSETS

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 379,825	\$ -	\$ -	\$ 379,825
Total capital assets, not being depreciated	<u>379,825</u>	<u>-</u>	<u>-</u>	<u>379,825</u>
Capital assets, being depreciated:				
Buildings & Improvements	4,714,577	-	-	4,714,577
Infrastructure	1,397,901	115,265	-	1,513,166
Furniture, Equipment and Vehicles	1,405,132	27,758	-	1,432,890
Total capital assets, being depreciated	<u>7,517,610</u>	<u>143,023</u>	<u>-</u>	<u>7,660,633</u>
Less accumulated depreciation for:				
Buildings & Improvements	2,409,440	119,199	-	2,528,639
Infrastructure	117,863	47,061	-	164,924
Furniture, Equipment and Vehicles	938,666	59,152	-	997,818
Total accumulated depreciation	<u>3,465,969</u>	<u>225,412</u>	<u>-</u>	<u>3,691,381</u>
Total capital assets, being depreciated, net	<u>4,051,641</u>	<u>(82,389)</u>	<u>-</u>	<u>3,969,252</u>
Governmental activities capital assets, net	<u>\$ 4,431,466</u>	<u>\$ (82,389)</u>	<u>\$ -</u>	<u>\$ 4,349,077</u>
Business-type Activities:				
Capital assets, not being depreciated:				
Construction in process	\$ -	\$ -	\$ -	\$ -
Total capital assets, not being depreciated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital assets, being depreciated:				
Water System	756,630	-	-	756,630
Less accumulated depreciation for:				
Water System	239,858	14,051	-	253,909
Business-type activities, capital assets, net	<u>\$ 516,772</u>	<u>\$ (14,051)</u>	<u>\$ -</u>	<u>\$ 502,721</u>

TOWN OF CANAAN
Notes to the Financial Statements

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

Governmental activities:

General Government	\$ 27,793
Public Safety	1,728
Public Works	86,143
Health and Welfare	7,371
Culture and Recreation	34,301
Sanitation	1,285
Education	66,791
	<u>\$ 225,412</u>

Business-type activities:

Public Water Utility	<u>\$ 14,051</u>
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NOTE 8 – LONG-TERM DEBT

Governmental Activities

Long-term liability activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Governmental Activities:					
General Obligation Bonds-Kellogg	\$ 28,284	\$ -	\$ 28,284	\$ -	\$ -
General Obligation Bond (School Roof)	297,500	-	17,500	280,000	17,500
General Obligation Bond	1,826,457	-	115,000	1,711,457	115,000
Capital Lease	2,255	-	1,690	565	565
LED Lighting	17,674	-	4,648	13,026	4,648
Net OPEB Liability	127,283	-	23,989	103,294	-
Compensated Absences - BOE	1,580	451	-	2,031	-
Compensated Absences - Town	30,464	3,805	-	34,269	-
Termination Benefits	48,022	-	20,433	27,589	-
Total	<u>\$ 2,379,519</u>	<u>\$ 4,256</u>	<u>\$ 211,544</u>	<u>\$ 2,172,231</u>	<u>\$ 137,713</u>

The General Fund has historically been used to liquidate other long-term liabilities.

General Obligation Bonds

The Town issues general obligation bonds to provide financing for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. Bonds payable are secured by the general revenue raising powers of the Town.

General Obligation Bond Issue

On July 1, 2014 the Town issued of general obligation bonds totaling \$2,300,000 to finance the design and construction of a Falls Village Volunteer Emergency Services Center. Annual debt service requirements of the bonds are \$115,000 commencing July 1, 2015, and maturing July 1, 2034. The bonds provide for an initial interest rate of 3.565%, with adjustment to the Treasury Rate plus the Treasury Rate margin on July 1, 2021, July 1, 2027, and July 1, 2032. General obligation bonds were issued on August 20, 2015 to finance the Lee H Kellogg School roof and Amesville Bridge projects. Annual debt service requirements are \$17,500 commencing August 1, 2016 and maturing August 1, 2035 with interest calculated at 3.61% payable semi-annually.

TOWN OF CANAAN
Notes to the Financial Statements

At June 30, 2020 the Town was indebted under the following general obligation bonds:

	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate %</u>	<u>Original Issue</u>	<u>Balance June 30, 2020</u>
Amesville Bridge & School Roof	8/2016	8/2035	3.61%	350,000	\$ 280,000
Emergency Services Building	7/2014	7/2034	3.57%	2,300,000	1,711,457
				Total	<u>\$ 1,991,457</u>

The annual debt service requirements of the Town's bonded indebtedness are as follows:

<u>Year Ending</u>	<u>Governmental activities</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 132,500	\$ 71,121
2022	132,500	66,390
2023	132,500	61,659
2024	132,500	56,927
2025	132,500	52,195
2026-2030	662,500	190,005
2031-2035	648,957	71,718
2036	17,500	632
Total	<u>\$ 1,991,457</u>	<u>\$ 570,647</u>

LED Lighting

The town entered into a financing agreement for lighting upgrades at the Town Hall, Town Garage and the Day Care. Monthly payments ranging from \$179.67 to \$81.19 will be made. Interest has not been imputed as the amount is immaterial.

2021	\$ 4,648
2022	4,648
2023	<u>3,730</u>
Total	<u>\$ 13,026</u>

Termination Benefits

The collective bargaining agreement between the Canaan Board of Education (BOE) and the Lee H. Kellogg Faculty Association (LHKFA) provides a severance benefit to members of LHKFA who have been employed by the BOE for at least twenty years. Eligible members receive fifteen percent of their basic salary upon retirement. In addition, the BOE has offered one-time benefit packages to individual employees. At June 30, 2020 a liability for the amount of severance benefits earned by eligible individuals (\$27,589) is reflected in the government-wide statement of net position.

TOWN OF CANAAN
Notes to the Financial Statements

Business-Type Activities:

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Due Within One Year
Note Payable	\$ 227,260	\$ -	\$ 16,842	\$ 210,418	\$ 17,221

The Water fund has a \$350,000 note dated November 25, 2009 to finance the replacement of two water tanks at the municipal water works system; monthly principal and interest payments based upon the loan's outstanding balance beginning November 25, 2010; final maturity November 25, 2030; interest 3.25%.

The annual debt service requirements of the indebtedness are as follows:

Year(s)	Business-Type Activities		
	Principal	Interest	Total
2021	\$ 17,221	\$ 6,701	\$ 23,922
2022	17,815	6,107	23,922
2023	18,411	5,511	23,922
2024	19,027	4,895	23,922
2025	19,652	4,270	23,922
2026-2030	108,630	10,979	119,609
2031	9,662	82	9,744
Total	\$ 210,418	\$ 38,545	\$ 248,963

Operating Leases

The Town has entered into several lease agreements for equipment. These leases require monthly payments from \$169 to \$600. These leases expire ranging from February 2020 to February 2021. Total lease expense for 2020 was \$6,832. Future minimum lease payments under current agreements are as follows:

Year ending June 30:	
2021	\$ 1,354

Capital Lease

The Town has entered into a long-term lease purchase with Avaya in September, 2015 for the Town Hall phone system. The lease payments commenced in October 2015. The lease term is for five years with monthly lease payments of \$140.87. The following is an analysis of the lease properties under the capital lease by major classes.

Equipment	\$ 8,452
Less: Accumulated Depreciation	(7,888)
Total, net of depreciation	\$ 564

TOWN OF CANAAN
Notes to the Financial Statements

The following is a schedule of the future minimum lease payments under the capital lease together with the present value of the net minimum lease payment as of June 30, 2020.

June 30, 2021	\$ 565
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Interest has not been imputed on the lease payments as it is considered immaterial.

NOTE 9 – EMPLOYEE RETIREMENT PLANS

Defined Contribution Plan

Plan Description - The Town provides retirement benefits through a single-employer defined contribution pension plan, the Town of Canaan Retirement Plan (the “plan”), for all eligible employees and elected officials, except certified personnel of the Board of Education who are covered by the State of Connecticut Teachers’ Retirement System. The plan, which does not issue stand-alone financial statements, is considered to be part of the Town’s financial reporting entity and is included in the Town’s financial statements as a Pension Trust fund.

Plan benefits, and contribution requirements, are established by the plan, which may be amended by the Town. At June 30, 2020 the net position available for benefits was \$802,344. Vested benefits totaled \$792,029.

Plan Membership - At June 30, 2020 there were eleven active participants who have met the minimum service requirement under the plan.

Benefits Provided - To be eligible, participants must be twenty-one years old, and have completed twelve months of service working at least 1,000 hours. Eligible participants may make voluntary contributions to the plan in accordance with Section 457 of the Internal Revenue Code, which are fully vested. Town contributions to the plan are three percent of annual compensation. In addition, the Town makes matching contributions based on prescribed formula, equivalent to no more than three percent of participant compensation. Participants direct the investment of contributed funds, and are fully vested after six years of service, at which time their account balances are available for distribution.

Contributions - The Town contributed \$23,107 to plan participant accounts during the fiscal year, while employees contributed \$32,082. Pension benefits and distributions of \$591,125 were paid to participants during the fiscal year. Plan administration costs of \$1,336 were deducted from the investment account. The Town’s outstanding liability to the plan at fiscal year-end was \$23,107.

Summary of Significant Accounting Policies

Basis of Accounting – The pension trust funds’ financial statements are prepared on the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

Valuation of Investments – fair value, primarily using quoted market prices.

TOWN OF CANAAN
Notes to the Financial Statements

Teacher's Retirement Board

Plan Description: Teachers, principals, superintendents, or supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers' Retirement System (the "System"). The System is a multiemployer cost sharing defined benefit pension plan administered by the Connecticut State Teachers' Retirement Board (CTRB). Chapter 167a of the State Statutes grants authority to establish and amend the benefited terms to the CTRB Board. The CTRB issues a publicly available financial report that can be obtained at www.ct.gov, or by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106. *Benefit Provisions:* The Plan provides retirement, disability survivorship and health insurance 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% of the average annual salary times years of credited service (maximum benefit is 75% of average annual salary during the 3 highest years of salary).

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

Disability Retirement: Employees are eligible for service-related disability regardless of length of service. Five years of credited service is required for non-service-related disability eligibility. Disability benefits are calculated as 2% per year of service times the average of the highest three years of pensionable salary, but not less than 15% of average annual salary, nor more than 50%.

Contributions: Per Connecticut General Studies Section 10-183z, contribution requirements of active employees and the State of Connecticut are approved, amended, and certified by the State Teachers Retirement Board and appropriated by the General Assembly.

Employer (School Districts): School District employers are not required to make contributions to the plan. The statutes require the State of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount, that, when combined with employee contributions, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability. The contributions made by the State on behalf of the District for the year ended June 30, 2020 were estimated to be \$277,246, and were recognized as revenues and expenditures.

Employees: Participants are required to contribute 8.25% of their annual salary to the System as required by the CGS Section 10-183b (7). For the year ended June 30, 2020 the certified teachers' contribution to the Connecticut Teachers Retirement Board was \$74,457.

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions: At June 30, 2020 the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Town were as follows:

TOWN OF CANAAN
Notes to the Financial Statements

Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>3,662,689</u>
Total	<u>\$ 3,662,689</u>

The annual actuarial valuation used as a basis was performed on June 30, 2018. At June 30, 2020 the Town had no proportionate share of the net pension liability.

For the year ended June 30, 2020, the Town recognized benefits expense and contribution revenue of \$277,246 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized \$449,841 for pension expense related to actuarial liabilities for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions: The total pension 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	2.5 Percent
Salary increases, including inflation	3.25-6.50 Percent
Investment rate of return	6.9 Percent, net of pension plan investment expense, including inflation

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

Future Cost-of-Living increases for members 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% 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 benefits adjustments are made that are consistent with those provided by Social Security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%. For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1%.

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 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 plan's target asset allocation are summarized in the following table:

TOWN OF CANAAN
Notes to the Financial Statements

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Public Equity - U.S. Equities	20.00%	8.1%
Public Equity - International Dev. Equity	11.00%	8.5%
Public Equity - Emerging Markets Equity	9.00%	10.4%
Fixed Income - Core Fixed Income	16.00%	4.6%
Fixed Income - Inflation Linked Bonds	5.00%	3.6%
Fixed income - High Yield	6.00%	6.5%
Fixed income - Emerging Market Debt	5.00%	5.2%
Private Equity	10.00%	9.8%
Real Estate	10.00%	7.0%
Alternative Inv. - Real Assets	4.00%	8.2%
Alternative Inv. - Hedge Funds	3.00%	5.4%
Liquidity Fund	1.00%	2.9%
Total	100%	

Discount Rate: The discount rate used to measure the total pension liability was 6.9%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that state contributions will be made at 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 members. Therefore, the long-term expected rate of return on pension investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The Town's proportionate share of the net pension liability is \$0 and therefore the change in the discount rate would only impact the amount recorded by the State of Connecticut.

VOLUNTEER SERVICE INCENTIVE PROGRAM

General Information about the Plan

Plan Description - The Town provides retirement benefits for members of the Falls Village Volunteer Fire Department (FVVFD) through the Town of Canaan – Falls Village Volunteer Fire Department, Inc. Service Award Program (the "program"). The program is administered by a committee consisting of representatives of the Town and the FVVFD. The program, which does not issue stand-alone financial statements, is considered to be part of the Town's financial reporting entity and is included in the General Fund. The assets are not accumulated in a trust. At June 30, 2020 the net position available for benefits was \$241,287.

At December 31, 2019 the date of the last annual program report, there were thirty-eight plan participants of which nineteen were entitled to vested program benefits. To be eligible, members of the FVVFD must be at least eighteen years old and have earned sixty-five points under a system prescribed by the FVVFD. The Town's annual contribution to the program is based upon availability of funds and is allocated by prescribed formula to participants based on years of service. Participants become fully vested after five years of service. The normal retirement age for receiving benefits is sixty-two, at which time participants are eligible for lump sum distributions of account balances. Participants may also apply for early disability distributions under certain circumstances as prescribed by the United States Social Security Administration. During the fiscal year, the Town contributed \$15,000 to the program and \$19,534 was paid from the fund in retirement benefits to participants. Administration expenses of the plan were \$3,263.

TOWN OF CANAAN
Notes to the Financial Statements

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS

Town OPEB

Summary of Significant Accounting Policies – For purposes of measuring the Net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Town of Canaan and additions to/ deductions from the Town's fiduciary net position have been determined on the same bases as they are reported by the Town. For this purpose, the Town recognizes benefit payments when due and payable in accordance with the benefit terms.

Plan Description - The Town of Canaan Retiree Health Insurance Program provides post-employment health insurance coverage for Department of Public Works employees who attain age sixty-two and who have completed at least twenty-five years of continuous full-time service through a single-employer defined benefit plan. The Town does not issue stand-alone financial statements. No assets are accumulated in a trust as the plan is self-funded by the Town. Assets totaling \$22,649 are committed by the Town.

Benefits Provided - The plan provides for Town-financed individual health insurance coverage for eligible retirees on the same basis as is provided for full-time Town employees. On February 10, 2014, the plan was amended to cease coverage at such time as eligible retirees first become eligible for Medicare. The plan also provides funding of fifty percent of the cost of spousal health insurance costs or family coverage. The plan continues to provide supplemental Medicare coverage to one surviving spouse who was receiving plan benefits prior to the plan amendment. Bi-annual actuarial valuations are made to re-determine the annual required contributions ("ARC"). Data from the Town's latest actuarial valuation, made July 1, 2019, has been updated by the Town's actuary to reflect the effect of the plan amendment. The contribution requirements of plan members and the Town are established and may be amended by the Town.

Employees covered by benefit terms - At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	1
Inactive employees entitled to but not yet received benefit payments	-
Active Employees	<u>4</u>
Total	<u><u>5</u></u>

Contributions - The Town funds post-employment benefits on a pay-as-you-go basis. The Town has not established a trust fund to irrevocably segregate assets to fund the liability associated with the benefits, which would require the reporting of a trust fund in accordance with GASB guidelines; however, the Town is committing funds for future benefit costs via annual General Fund appropriations. The Town's funding and payment of postemployment benefits are accounted for in the General Fund. There are no requirements for employees to contribute.

TOWN OF CANAAN

Notes to the Financial Statements

Net OPEB Liability – The Town's OPEB Liability was measured as of July 1, 2019 with a measurement dated of June 30, 2020. The total OPEB liability, the Fiduciary Net Position, the Net OPEB Liability and Deferred (Outflows)/Inflows of resources are based on calculations as of the Valuation Date projected to the end of the fiscal year.

Actuarial assumptions – The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement unless otherwise specified:

Annual Payroll Increase	2.5% annually
Salary Increases	3.5% annually
Investment rate of return	Self-funded by the town
Healthcare Cost Trend Rates	Rate was reset to 7.5% in 2019, downgrading down .5% per annum to an ultimate rate of 4.5% in years 2025 and later

Mortality RPH-2014 Total Dataset Headcount-Weighted Fully
Generational Mortality Table using Projection Scale MP-2019

Discount Rate – The discount rate used to measure the total OPEB liability was 2.21% from the Bond Buyer's 20 Index. The projection of cash flows used to determine the discount rate assumed the town will cover payments for current active and inactive employees on a Pay-as-you-go basis.

Sensitivity of the net pension liability to changes in the discount rate – The following presents the net OPEB liability, calculated using the discount rate of 2.21% as well as what the Town's OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21%) or 1-percentage-point higher (3.21%) than the current rate:

	<u>1% Decrease Discount Rate</u> 1.21%	<u>Current Discount Rate</u> 2.21%	<u>1% Increase Discount Rate</u> 3.21%
Net OPEB liability as of June 30, 2020	\$112,243	\$103,294	\$95,292

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates – The following presents the net OPEB liability to the town, as well as what the cost liability would be if it were calculated using healthcare cost trend rates that a 1 percentage point lower or 1% higher than the current healthcare cost trend rates:

<u>1% Decrease</u> <u>6.5% Decreasing to 3.5%</u>	<u>Healthcare Cost Trend Rates</u> <u>7.5% Decreasing to 4.5%</u>	<u>1% Increase</u> <u>8.5% Decreasing to 5.5%</u>
\$91,653	\$103,294	\$116,880

TOWN OF CANAAN
Notes to the Financial Statements

	Total Pension Liability
Balance at June 30, 2019	\$ 127,283
Changes for the year:	
Service Cost	4,516
Interest	3,672
Changes in Benefit Terms	-
Differences between Expected and Actual Experience	(46,199)
Changes of Assumptions and other Inputs	15,888
Benefit Payments, including Refunds of Member Contribution:	(1,866)
Net Investment Income	-
Other	-
Net Changes	<u>(23,989)</u>
Balance at June 30, 2020	<u>\$ 103,294</u>

OPEB Expense - For the year ended June 30, 2020, the Town recognized OPEB expense of \$23,989.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience Gain	\$ -	\$ 40,246
Change in Assumptions	<u>(16,825)</u>	<u>1,980</u>
Total	<u>(16,825)</u>	<u>42,226</u>

Amounts received as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expenses as follows for the year ending June 30, 2021:

Year ended June 30,	2021	\$ (3,791)
	2022	(3,791)
	2023	(3,791)
	2024	(3,791)
	2025	(3,791)
	Thereafter	(6,446)

Connecticut Teacher's Retirement System - OPEB

Plan Description - 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 multiemployer 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 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.

TOWN OF CANAAN
Notes to the Financial Statements

Any member that is not currently participating in Medicare Parts A & B is eligible to continue healthcare 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.

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 - 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 annual appropriation in the General Fund.

School district employers are not required to make contributions to the Plan. The State of Connecticut's estimated allocated contribution to the Plan on behalf of the Town was \$7,577.

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.

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

Inflation	2.5%
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

Municipal bond index rate:

Measurement Date	3.5%
Prior Measurement Date	3.87%

The projected fiduciary net position is projected to be depleted in 2019.

Single equivalent interest rate

Measurement Date	3.5%, net of OPEB plan investment expense, including price inflation
Prior Measurement Date	3.87%, net of OPEB plan investment expense, including price inflation

TOWN OF CANAAN
Notes to the Financial Statements

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 GASB 75 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.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected 10-Year Geometric Real Rate of Return</u>	<u>Standard Deviation</u>
U.S. Treasuries (Cash Equivalents)	100.0%	0.41%	2.31%
Price inflation		2.5%	
Expected rate of return (Rounded nearest 0.25%)		3.00%	

Discount Rate - The discount rate used to measure the total OPEB liability was 3.5%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. 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 annually 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 was used in the determination of the single equivalent rate.

TOWN OF CANAAN
Notes to the Financial Statements

Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rates - The following presents the total OPEB liability, calculated using current cost trend rates, as well as what the Plan's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than current healthcare cost trend rates:

	<u>1% Lower Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Higher Trend Rates</u>
Initial Healthcare Cost Trend Rate	4.95% / 4.00%	5.95% / 5.00%	6.95% / 6.00%
Ultimate Healthcare Cost Trend Rate	3.75%	4.75%	5.75%
Total OPEB Liability	\$475,876	\$571,218	\$698,577

Sensitivity of the Net OPEB Liability to Changes in Discount Rates - The following presents the net OPEB liability, calculated using the current discount rate, as well as what the 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:

	<u>1% Decrease (2.5%)</u>	<u>Current Discount Rate (3.5%)</u>	<u>1% Increase (4.5%)</u>
Net OPEB liability	\$ 680,736	\$ 571,231	\$ 484,032

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions: At June 30, 2020 the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

Town's proportionate share of the net OPEB Liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>571,218</u>
Total	<u>\$ 571,218</u>

The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. At June 30, 2020, the Town had no proportionate share of the net OPEB liability.

NOTE 11 – RISK MANAGEMENT

The Town is exposed to various risks of loss involving torts, theft of, damage to, and destruction of assets, errors and omissions, injuries of employees, natural disaster and public official liabilities. The Town generally obtains commercial insurance for these risks. Coverage has not been significantly reduced and settled claims have not exceeded commercial coverage in any of the last three fiscal years.

TOWN OF CANAAN
Notes to the Financial Statements

The Town obtains its worker compensation and employer liability coverage as a member of Connecticut Interlocal Risk Management Agency (CIRMA), a public entity risk pool established for the purpose of administering an interlocal risk management program pursuant to the provisions of Connecticut General Statutes. CIRMA is to be self-sustaining through members' premiums but purchases reinsurance for its protection at various levels for all lines of coverage provided. Members may be subject to supplemental assessment in the event of deficiencies.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Capital Projects

The Towns of Salisbury and Canaan jointly secured Federal Local Bridge Program financing, through the State of Connecticut Department of Transportation for 80% of the cost to replace a bridge that spans the Housatonic River between the two Towns, and jointly formed a committee to oversee the project. The project was completed, however, has not passed final inspections. Final payments have not been made.

Federal and State Grants

The Town has received Federal and State 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.

Sale of Water Department Assets

During the year, the town approved selling the Water Department assets for \$345,000 to Aquarian Water Company. The purchase is pending the approval from the CT Department of Public Health and PURA.

NOTE 13 – PRIOR PERIOD RESTATEMENT

	<u>Governmental Activities</u>	<u>Custodial Funds</u>
Net position as previously reported at June 30, 2019	\$ 4,448,862	\$ -
To reclassify funds as a result of the implementation of GASB 84	<u>3,070</u>	<u>12,979</u>
Net position as restated at July 1, 2019	<u>\$ 4,451,932</u>	<u>\$ 12,979</u>

NOTE 14 – RISKS AND UNCERTAINTIES

The World Health Organization declared the coronavirus outbreak ("COVID-19") a pandemic. The impact of COVID-19 could negatively affect the Town's operations, vendors, and/or taxpayer base. The extent to which the COVID-19 impacts the Town's financial position will depend upon future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions taken to contain the coronavirus or its impact, among others.

TOWN OF CANAAN
Notes to the Financial Statements

NOTE 15 – GASB PRONOUNCEMENTS ISSUED, BUT NOT YET EFFECTIVE

The Governmental Accounting Standards Board (GASB) is the standard setting board for governmental entities. The following are statements which have been approved by GASB, but are not yet effective:

- ***GASB Statement No. 87, Leases.*** This statement improves the 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 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.
- ***GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period.*** The objectives of this statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred. As a result, interest cost before the end of a construction period will not be included in the historical cost of the capital asset. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2021.

TOWN OF CANAAN, CT
State Teacher's Retirement System
Proportionate Share of Net Pension Liability
June 30, 2020

Schedule of Proportionate Share of Net Pension Liability		<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net pension associated with Town							
Total		<u>3,662,689</u>	<u>2,824,146</u>	<u>2,850,418</u>	<u>3,007,213</u>	<u>2,716,332</u>	<u>2,510,705</u>
Town's covered-employee payroll		<u>\$ 3,662,689</u>	<u>\$ 2,824,146</u>	<u>\$ 2,850,418</u>	<u>\$ 3,007,213</u>	<u>\$ 2,716,332</u>	<u>\$ 2,510,705</u>
Town's proportionate share of the net pension liability (asset) as a percentage of its covered -employee payroll.		<u>\$ 902,504</u>	<u>\$ 884,347</u>	<u>\$ 874,757</u>	<u>\$ 806,484</u>	<u>\$ 843,048</u>	<u>\$ 816,883</u>
Plan fiduciary net position as a percentage of the total pension liability		<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Changes in Benefit Terms:	Beginning January 1, 2018, member contributions increased from 6% to 7% of salary	<u>52.00%</u>	<u>57.69%</u>	<u>55.93%</u>	<u>52.26%</u>	<u>59.50%</u>	<u>61.56%</u>
Changes in Assumptions:	The inflation assumption was reduced from 2.75% to 2.5%						
	Real rate of return assumption reduced to 4.4% which, when combined with the inflation assumption change, results in a decrease in the investment rate of return assumption from 8% to 6.9%						

Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

TOWN OF CANAAN, CT
State Teacher's Retirement System
Note to Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability
Year-ended June 30, 2020

Change of benefit terms	None
Actuarial Assumptions	The total pension liability was determined by an actuarial valuation as of June 30, 2018
Actuarial Cost Method	Entry Age
Amortization Method	Level percent of pay, closed
Remaining Amortization period	17.6 years
Asset Valuation Method	4 year smoothed market
Inflation	2.75%
Salary Increases	3.25%-6.50%, including inflation
Investment Rate of Return	8.0%, net of investment related expense

TOWN OF CANAAN, CT
State Teacher's Retirement System
Proportionate Share of Net OPEB Liability
June 30, 2020

Schedule of Proportionate Share of Net Pension Liability		2020		2019		2018	
Town's proportion of the net OPEB liability		0.00%		0.00%		0.00%	
Town's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
State of Connecticut's proportionate share of the net OPEB associated with Town		571,218		564,576		733,680	
Total	\$ 571,218	\$ 571,218	\$ 564,576	\$ 733,680			
Town's covered-employee payroll	\$ 902,504	\$ 884,347	\$ 874,757				
Town's proportionate share of the net OPEB liability (asset) as a percentage of its covered - employee payroll	0.00%	0.00%	0.00%				
Plan fiduciary net position as a percentage of the total OPEB liability	2.08%	1.49%	1.79%				

Changes in Benefit Terms: Effective July 1, 2018, the Medicare Advantage Plan was added to available options.

Changes in Assumptions: The expected rate of return on assets was changed from 2.75% to 3.00% to reflect the anticipated return on cash and other high quality short-term fixed income investments.
The discount rate was increased from 3.56% to 3.87% to reflect the change in the Municipal bond Index Rate.
Various other assumptions such as long-term health care cost rates and medical and prescription claim rates were updated to better reflect anticipated plan experience.

TOWN OF CANAAN, CT
Schedule of Changes in the Total OPEB Liability and Related Ratios
June 30, 2020

	2020	2019	2018	2017
Total OPEB Liability				
Service Cost	\$ 4,516	\$ 6,402	\$ 6,522	\$ -
Interest	3,672	4,627	4,063	-
Changes in Benefit Terms	-	-	-	-
Differences between expected and actual experience	(46,199)	-	-	-
Changes in assumptions and other inputs	15,888	3,874	(2,970)	-
Benefit Payments	(1,866)	(1,502)	(1,397)	-
Net Changes in Total OPEB Liability	(23,989)	13,401	6,218	-
Total OPEB Liability - Beginning	\$ 127,283	\$ 113,882	\$ 107,664	\$ -
Total OPEB Liability - Ending	\$ 103,294	\$ 127,283	\$ 113,882	\$ 107,664
Plan Fiduciary Net Position				
Contributions - Employer	\$ -	\$ -	\$ -	\$ -
Contributions - Employee	-	-	-	-
Net Investment Income	-	-	-	-
Benefit Payments	-	-	-	-
Administrative Expenses	-	-	-	-
Net Change in Plan Fiduciary Net Position	-	-	-	-
Total Fiduciary Net Position, Beginning	\$ -	\$ -	\$ -	\$ -
Total Fiduciary Net Position, Ending	\$ -	\$ -	\$ -	\$ -
Net OPEB Liability, Ending	\$ 103,294	\$ 127,283	\$ 113,882	\$ 107,664
Covered-Employee Payroll	\$ 206,128	\$ 204,650	\$ 199,659	
Total OPEB Liability as a percentage of Covered Employee Payroll	50.11%	62.20%	57.04%	
Notes:				
Assumption Changes:				
Discount Rate	2.21%	3.50%	3.87%	3.58%
Plan Changes:				
	None	None	None	None

See accountant's report.

TOWN OF CANAAN, CT
Schedule of Budgeted and Actual Revenues
General Fund - Budgetary Basis
For the Year Ended June 30, 2020

	ORIGINAL APPROPRIATIONS	AMENDED APPROPRIATIONS	ACTUAL REVENUES	ACTUAL OVER / (UNDER) BUDGETED
TAXES				
General Property Tax	\$ 4,467,373	\$ 4,467,373	\$ 4,485,335	\$ 17,962
Total Taxes	<u>4,467,373</u>	<u>4,467,373</u>	<u>4,485,335</u>	<u>17,962</u>
INTERGOVERNMENTAL				
Education Equalization	139,220	139,220	139,220	-
Elderly Tax Relief	2,000	2,000	1,963	(37)
State Owned Property (PILOT)	58,344	58,344	58,749	405
Colleges and General/Chronic				
Disease Hospitals (PILOT)	1,406	1,406	1,406	-
Pequot/Mohegan Fund	6,202	6,202	6,202	-
LOCIP	19,326	19,326	18,488	(838)
Town Aid for Roads	170,012	170,012	169,203	(809)
Historic Document Preservation	-	5,500	5,500	-
Telecomm Property Tax	5,500	5,500	5,760	260
Other Grants	44,844	44,844	45,104	260
Total Intergovernmental	<u>446,854</u>	<u>452,354</u>	<u>451,595</u>	<u>(759)</u>
INVESTMENT INCOME	<u>10,000</u>	<u>10,000</u>	<u>10,202</u>	<u>202</u>
DEPARTMENTAL				
Conveyance Tax	10,000	10,000	17,123	7,123
Planning and Zoning Fees	1,500	1,500	1,390	(110)
Public Works	2,000	2,000	-	(2,000)
Building Permits	20,000	20,000	23,040	3,040
Recreation	8,500	8,500	14,331	5,831
Town Clerk Fees	7,550	7,550	9,080	1,530
Transfer Station	29,000	29,000	33,908	4,908
Inland Wetlands Permits	500	500	540	40
Total Departmental	<u>79,050</u>	<u>79,050</u>	<u>99,412</u>	<u>20,362</u>
OTHER REVENUES				
Property Rentals	17,100	17,100	14,900	(2,200)
Copier and Fax Fees	1,200	1,200	1,528	328
Miscellaneous Other	32,000	32,000	33,423	1,423
Total Other Revenue	<u>50,300</u>	<u>50,300</u>	<u>49,851</u>	<u>(449)</u>
OTHER SOURCES				
Use of Fund Balance	337,893	342,693	157,719	(184,974)
Total Other Sources	<u>337,893</u>	<u>342,693</u>	<u>157,719</u>	<u>(184,974)</u>
TOTALS	<u>\$ 5,391,470</u>	<u>\$ 5,401,770</u>	<u>\$ 5,254,114</u>	<u>\$ (147,656)</u>

See accountant's report.

TOWN OF CANAAN, CT
Schedule of Budgeted and Actual Expenditures
General Fund - Budgetary Basis
For the Year Ended June 30, 2020

1 of 2

	ORIGINAL	AMENDED	ACTUAL	Over
	APPROPRIATIONS	APPROPRIATIONS	EXPENDITURES	(Under)
GENERAL GOVERNMENT				
Selectmen	\$ 61,043	\$ 61,850	\$ 61,850	-
Town Hall	40,591	46,441	47,116	675
Legal	13,404	3,404	1,786	(1,618)
Board of Assessors	46,333	46,333	45,288	(1,045)
Board of Assessment Appeals	1,500	1,500	38	(1,462)
Board of Finance	29,050	29,050	26,203	(2,847)
Tax Collector	30,443	30,443	28,360	(2,083)
Treasurer	36,314	36,314	35,498	(816)
Town Clerk	48,785	54,285	49,041	(5,244)
Planning and Zoning	17,551	17,551	11,872	(5,679)
Zoning Board of Appeals	500	500	-	(500)
Registrar of Voters	21,000	17,956	10,510	(7,446)
Insurance	34,830	34,830	34,028	(802)
Benefits	176,050	176,050	172,443	(3,607)
Inland Wetland Commission	2,500	2,500	1,709	(791)
35 Railroad St. Property	3,888	4,279	4,279	-
107 Main St Maintenance	19,493	19,493	18,735	(758)
Totals - General Government	583,275	582,779	548,756	(34,023)
PUBLIC SAFETY				
Street Lights	7,700	7,700	6,644	(1,056)
General Public Safety	56,746	56,746	44,621	(12,125)
Fire Commission	89,750	89,750	88,529	(1,221)
Totals - Public Safety	154,196	154,196	139,794	(14,402)
PUBLIC WORKS				
Road Maintenance	519,043	519,043	483,716	(35,327)
Town Garage	24,063	24,063	19,261	(4,802)
Totals - Public Works	543,106	543,106	502,977	(40,129)
HEALTH AND WELFARE				
Non-municipal Public Benefit Activities	56,700	56,700	56,228	(472)
Daycare Grant	10,000	10,000	10,000	-
William Surdam Building	9,750	16,452	17,011	559
Public Health	18,244	18,244	17,409	(835)
Social Services	40,386	40,463	40,462	(1)
General Assistance	3,000	3,000	3,000	-
Totals - Health and Welfare	138,080	144,859	144,110	(749)
CULTURE AND RECREATION				
Recreation Commission	70,825	70,825	63,003	(7,822)
Totals - Culture and Recreation	70,825	70,825	63,003	(7,822)

See accountant's report

TOWN OF CANAAN, CT
Schedule of Budgeted and Actual Expenditures
General Fund - Budgetary Basis
For the Year Ended June 30, 2020

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	ORIGINAL	AMENDED	ACTUAL	Over
	APPROPRIATIONS	APPROPRIATIONS	EXPENDITURES	(Under)
SANITATION				
Waste Management	<u>119,878</u>	<u>119,878</u>	<u>117,583</u>	<u>(2,295)</u>
EDUCATION				
Salaries	1,173,327	1,173,327	1,186,224	12,897
Benefits	413,924	413,924	342,299	(71,625)
Services	52,752	52,752	45,490	(7,262)
Property Services	37,588	37,588	51,009	13,421
Purchased Services	159,193	159,193	141,331	(17,862)
Supplies	115,229	115,229	110,782	(4,447)
Property & Equipment	813	813	39,309	38,496
Capital Fund Appropriation	23,000	23,000	23,000	-
Region #1 Tuition	1,456,345	1,456,345	1,446,914	(9,431)
Dues and Fees	<u>1,499</u>	<u>1,499</u>	<u>587</u>	<u>(912)</u>
Totals - Education	<u>3,433,670</u>	<u>3,433,670</u>	<u>3,386,945</u>	<u>(46,725)</u>
DEBT SERVICE				
Principal	156,767	160,784	160,784	-
Interest	<u>77,673</u>	<u>77,673</u>	<u>76,162</u>	<u>(1,511)</u>
Totals - Debt Service	<u>234,440</u>	<u>238,457</u>	<u>236,946</u>	<u>(1,511)</u>
OTHER FINANCING USES				
Transfers Out:				
Transfers to Other Funds	<u>114,000</u>	<u>114,000</u>	<u>114,000</u>	<u>-</u>
TOTAL APPROPRIATIONS				
AND EXPENDITURES	<u>\$ 5,391,470</u>	<u>\$ 5,401,770</u>	<u>\$ 5,254,114</u>	<u>\$ (147,656)</u>

See accountant's report

TOWN OF CANAAN, CT
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

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SPECIAL REVENUE FUNDS

	Economic Growth Grant Fund	Special Projects Fund	Dog Fund	School Milk Fund	Berzine Fund	Daniel Maynard Fund	Denise Blair Memorial Fund	Recreation Fund	IW Cobble Hill Tower Fund
Assets:									
Cash and Cash Equivalents	\$ 20,000	\$ 311	\$ 5,381	\$ 440	\$ 668	\$ 3,173	\$ 663	\$ 3,597	\$ 287
Investments	-	-	-	-	-	-	-	-	-
Total Assets	\$ 20,000	\$ 311	\$ 5,381	\$ 440	\$ 668	\$ 3,173	\$ 663	\$ 3,597	\$ 287
Liabilities and Fund Balances									
Liabilities:									
Accounts Payable	\$ -	\$ -	\$ 725	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned Grant Revenue	20,000	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-	-
Total Liabilities	20,000	-	725	-	-	-	-	-	-
Fund Balances:									
Restricted	-	-	4,656	440	668	3,173	663	-	287
Committed	-	311	-	-	-	-	-	3,597	-
Total Fund Balances	-	311	4,656	440	668	3,173	663	3,597	287
Total Liabilities and Fund Balances	\$ 20,000	\$ 311	\$ 5,381	\$ 440	\$ 668	\$ 3,173	\$ 663	\$ 3,597	\$ 287

TOWN OF CANAAN, CT
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

CAPITAL PROJECTS FUNDS							
	Training Fund	Board of Assessors Revaluation Fund	Planning and Zoning Regulations Fund	Ambulance Fund	Truck and Heavy Equipment Fund	107 Main Street Property Fund	Computer Fund
Assets:							
Cash and Cash Equivalents	\$ -	\$ 56,906	\$ 35,711	\$ 13,262	\$ 219,849	\$ 45,205	\$ 1,660
Investments	1,964	-	-	-	-	-	-
Total Assets	\$ 1,964	\$ 56,906	\$ 35,711	\$ 13,262	\$ 219,849	\$ 45,205	\$ 1,660
Liabilities and Fund Balances							
Liabilities:							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned Grant Revenue	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-	-
Fund Balances:							
Restricted	-	-	-	-	-	-	-
Committed	1,964	56,906	35,711	13,262	219,849	45,205	1,660
Total Fund Balances	1,964	56,906	35,711	13,262	219,849	45,205	1,660
Total Liabilities and Fund Balances	\$ 1,964	\$ 56,906	\$ 35,711	\$ 13,262	\$ 219,849	\$ 45,205	\$ 1,660

See accountant's report.
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TOWN OF CANAAN, CT
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

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CAPITAL PROJECTS FUNDS

	Bulky Waste Fund	Kellogg School Technology Fund	Kellogg School Capital Fund	Pool Fund	Registrars Voting Machine Fund	Painting Fund	Capital Project Fund	Environmental Cleanup Fund
Assets:								
Cash and Cash Equivalents	\$ 60,683	\$ 8,406	\$ 79,938	\$ 13,534	\$ 11,004	\$ 38,435	\$ 76,056	\$ 22,866
Investments	-	-	-	-	-	-	-	-
Total Assets	\$ 60,683	\$ 8,406	\$ 79,938	\$ 13,534	\$ 11,004	\$ 38,435	\$ 76,056	\$ 22,866
Liabilities and Fund Balances								
Liabilities:								
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned Grant Revenue	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-	-	-
Fund Balances:								
Restricted	-	-	-	-	-	-	-	-
Committed	60,683	8,406	79,938	13,534	11,004	38,435	76,056	22,866
Total Fund Balances	60,683	8,406	79,938	13,534	11,004	38,435	76,056	22,866
Total Liabilities and Fund Balances	\$ 60,683	\$ 8,406	\$ 79,938	\$ 13,534	\$ 11,004	\$ 38,435	\$ 76,056	\$ 22,866

TOWN OF CANAAN, CT
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

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CAPITAL PROJECTS FUNDS

	<u>Salt Shed Fund</u>	<u>Bridge Repair Fund</u>	<u>Tree Replacement Reserve</u>	<u>Emergency Services Building</u>	<u>Total</u>
Assets:					
Cash and Cash Equivalents	\$ 109,152	\$ 28,563	\$ 500	\$ -	\$ 856,250
Investments	-	-	-	-	1,964
Total Assets	\$ 109,152	\$ 28,563	\$ 500	\$ -	\$ 858,214
Liabilities and Fund Balances					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 725
Unearned Grant Revenue	-	-	-	-	20,000
Due to Other Funds	-	-	-	-	-
Total Liabilities	-	-	-	-	20,725
Fund Balances:					
Restricted	-	-	-	-	9,887
Committed	109,152	28,563	500	-	827,602
Total Fund Balances	109,152	28,563	500	-	837,489
Total Liabilities and Fund Balances	\$ 109,152	\$ 28,563	\$ 500	\$ -	\$ 858,214

See accountant's report.
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TOWN OF CANAAN, CT
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

SPECIAL REVENUE FUNDS

	Economic Growth Grant Fund	Special Projects Fund	Dog Fund	School Milk Fund	Berzine Fund	Daniel Maynard Fund	Denise Blair Memorial Fund	Recreation Fund	IW Cobble Hill Tower Fund	Youth Service Bureau Fund
Revenues:										
Operating Grants and Contributions	\$ -	1,450	\$ -	597	\$ -	\$ -	\$ -	1,870	\$ -	\$ -
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	1,245	-	-	-	-	-	-	-
Investment Income	-	1	-	-	-	5	-	-	-	-
Total Revenues	-	1,451	1,245	597	-	5	-	1,870	-	-
Expenditures:										
General Government	-	1,571	-	-	-	-	-	-	-	-
Public Safety	-	-	4,677	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-	-	1,056	-	-
Education	-	-	-	1,473	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-	-	-
Debt Outlay	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Total Expenditures	-	1,571	4,677	1,473	-	-	-	1,056	-	-
Excess/(deficiency) of Revenues over Expenditures	-	(120)	(3,432)	(876)	-	5	-	814	-	-
Other Financing Sources/(Uses):										
Transfers In	-	-	2,500	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-	-
Excess/(Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	-	(120)	(932)	(876)	-	5	-	814	-	-
Beginning Fund Balances, as Restated	-	431	5,588	1,316	668	3,168	663	2,783	287	-
Ending Fund Balances	\$ -	\$ 311	\$ 4,656	\$ 440	\$ 668	\$ 3,173	\$ 663	\$ 3,597	\$ 287	\$ -

TOWN OF CANAAN, CT
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	CAPITAL PROJECTS										
	Training Fund	Board of Assessors Revaluation Fund	Planning and Zoning Regulations Fund	Ambulance Fund	Truck and Heavy Equipment Fund	107 Main Street Property Fund	Computer Fund	Bulky Waste Fund	Kellogg School Technology Fund	Kellogg School Capital Fund	Pool Fund
Revenues:											
Operating Grants and Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-	-	-
Investment Income	13	87	55	20	332	68	2	93	13	59	11
Total Revenues	13	87	55	20	332	68	2	93	13	59	11
Expenditures:											
General Government	-	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-	-	-	-
Debt Outlay	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	7,736	-
Total Expenditures	-	-	-	-	-	-	-	-	-	7,736	-
Excess/(deficiency) of Revenues over Expenditures	13	87	55	20	332	68	2	93	13	(7,677)	11
Other Financing Sources/(Uses):											
Transfers In	-	7,000	2,500	5,000	40,000	7,500	1,000	5,000	3,000	20,000	5,000
Transfers Out	-	-	-	-	-	-	-	-	-	-	-
Excess/(Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	13	7,087	2,555	5,020	40,332	7,568	1,002	5,093	3,013	12,323	5,011
Beginning Fund Balances, as Restated	1,951	49,819	33,156	8,242	179,517	37,637	658	55,590	5,393	67,615	8,523
Ending Fund Balances	\$ 1,964	\$ 56,906	\$ 35,711	\$ 13,262	\$ 219,849	\$ 45,205	\$ 1,660	\$ 60,683	\$ 8,406	\$ 79,938	\$ 13,534

See accountant's report
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TOWN OF CANAAN, CT
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

CAPITAL PROJECTS FUNDS									
	Registrars Voting Machine Fund	Painting Fund	Capital Project	Environmental Cleanup Fund	Salt Shed Fund	Bridge Repair Fund	Tree Replacement Reserve	Emergency Services Building	Total
Revenues:									
Operating Grants and Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,917
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	1,245
Investment Income	9	59	38	46	170	43	-	-	1,124
Total Revenues	9	59	38	46	170	43	-	-	6,286
Expenditures:									
General Government	-	-	-	-	-	-	-	-	1,571
Public Safety	-	-	-	-	-	-	-	4,004	8,681
Culture & Recreation	-	-	-	-	-	-	-	-	1,056
Education	-	-	-	12,600	-	-	-	-	14,073
Health and Welfare	-	-	-	-	-	-	-	-	-
Debt Outlay	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	7,736
Total Expenditures	-	-	-	12,600	-	-	-	4,004	33,117
Excess/(deficiency) of Revenues over Expenditures	9	59	38	(12,554)	170	43	-	(4,004)	(26,831)
Other Financing Sources/(Uses):									
Transfers In	-	5,000	-	1,000	2,000	5,000	500	-	112,000
Transfers Out	-	-	-	-	-	-	-	-	-
Excess/(Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	9	5,059	38	(11,554)	2,170	5,043	500	(4,004)	85,169
Beginning Fund Balances, as Restated	10,995	33,376	76,018	34,420	106,982	23,520	-	4,004	752,320
Ending Fund Balances	\$ 11,004	\$ 38,435	\$ 76,056	\$ 22,866	\$ 109,152	\$ 28,563	\$ 500	\$ -	\$ 837,489

See accountant's report
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TOWN OF CANAAN, CT
Combining Statement of Net Position
Fiduciary Funds
June 30, 2020

	Pension Trust Fund	Private Purpose Trust Funds						Custodial Funds				
		Total						Friends of				
		Defined Contribution Plan	Fuel Bank Fund	Social Services Fund	Falls Village Scholarship Fund	Private Purpose Trust	Senior Center Fund	Student Activity Funds	Kellogg School Fund	Total Custodial Funds		
Assets												
Cash	\$ -	\$ -	\$ 4,071	\$ 9,288	\$ 6,604	\$ 19,963	\$ 405	\$ 17,481	\$ 3,697	\$ 21,583		
Investments	779,237	-	-	-	-	-	-	-	-	-		
Contributions Receivable	23,107	-	-	-	-	-	-	-	-	-		
Total Assets	\$ 802,344	\$ 802,344	\$ 4,071	\$ 9,288	\$ 6,604	\$ 19,963	\$ 405	\$ 17,481	\$ 3,697	\$ 21,583		
Liabilities												
Due to Student Groups	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Due to Others	-	-	-	-	-	-	-	-	-	-		
Total Liabilities	-	-	-	-	-	-	-	-	-	-		
Net Position												
Reserved for donor's intentions	-	-	4,071	9,288	6,604	19,963	-	-	-	-		
Restricted for Individuals & Organizations	-	-	-	-	-	-	405	17,481	3,697	21,583		
Restricted for Pensions	802,344	-	-	-	-	-	-	-	-	-		
Total Net Position	\$ 802,344	\$ 802,344	\$ 4,071	\$ 9,288	\$ 6,604	\$ 19,963	\$ 405	\$ 17,481	\$ 3,697	\$ 21,583		

See accountant's report.

TOWN OF CANAAN, CT
Combining Statement of Revenues, Expenses, and Changes in Net Position
Fiduciary Funds
For the Year Ended June 30, 2020

	Pension Trust Fund	Private Purpose Trust Funds						Custodial Funds				
		Defined Contribution Plan	Fuel Bank Fund	Social Services Fund	Falls Village Scholarship Fund	Total Private Purpose Trust	Senior Center Fund	Student Activity Funds	Friends of Kellogg School Fund	Total Custodial Funds		
Revenues												
Contributions:												
Town	\$	23,107	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee		32,082	-	-	-	-	-	-	-	-	-	-
Foundation Grants		-	1,000	2,900	-	3,900	-	-	-	-	-	-
Private Donations		-	192	1,561	5,045	6,798	62	19,481	1,978	21,521		
Total Contributions		55,189	1,192	4,461	5,045	10,698	62	19,481	1,978	21,521		
Investment Income:												
Interest and dividends	\$	-	4	8	1	13	-	-	-	-	-	-
Net Increase/Decrease in Fair Value of Investments		68,015	-	-	-	-	-	-	-	-	-	-
Total Investment Income		68,015	4	8	1	13	-	-	-	-	-	-
Total Revenues		123,204	1,196	4,469	5,046	10,711	62	19,481	1,978	21,521		
Expenditures												
Benefits Paid	591,125		-	-	-	-	-	-	-	-	-	-
Plan Administration	1,336		-	-	657	657	-	-	-	-	-	-
Financial Assistance	-		1,452	3,523	14,000	18,975	-	-	-	-	-	-
Activities & Fees	-		-	-	-	-	-	-	-	-	-	-
		592,461	1,452	3,523	14,657	19,632	-	11,594	1,323	12,917		
Change in Net Position		(469,257)	(256)	946	(9,611)	(8,921)	62	7,887	655	8,604		
Net Position - Beginning, as Restated		1,271,601	4,327	8,342	16,215	28,884	343	9,594	3,042	12,979		
Net Position - Ending		802,344	4,071	9,288	6,604	19,963	405	17,481	3,697	21,583		

See accountant's report.

TOWN OF CANAAN, CT

Report of the Property Tax Collector

Fiscal Year Ended June 30, 2020

Grand List	Amount of Taxes Collectible	Current Levy	Lawful Corrections		Transferred To Suspense	Adjusted Taxes Collectible	Actual Collections		Balance Uncollected 06/30/20
			Additions	Deductions			Taxes	Interest & Liens	
01-Oct									
2018	\$ -	\$ 4,478,507	\$ 704	\$ 3,259	\$ 76	\$ 4,475,876	\$ 4,409,022	\$ 13,085	\$ 66,854
2017	57,603	-	767	730	-	57,640	33,223	7,254	24,417
2016	18,842	-	-	-	-	18,842	5,580	2,936	13,262
2015	11,857	-	-	4	-	11,853	4,011	2,213	7,842
2014	5,202	-	4	-	488	4,718	940	137	3,778
2013	3,781	-	-	-	464	3,317	215	206	3,102
2012	2,374	-	-	-	81	2,293	-	-	2,293
2011	2,336	-	-	-	113	2,223	-	-	2,223
2010	2,172	-	-	-	-	2,172	-	-	2,172
2009	1,318	-	-	-	-	1,318	-	-	1,318
	105,485	4,478,507	1,475	3,993	1,222	4,580,252	4,452,991	25,831	127,261
	1,622							Outstanding Credits	1,015
	\$ 107,107							Total uncollected	\$ 128,276
						Suspense	385	405	
						Total Collections	\$ 4,453,376	\$ 26,236	

See accountant's report.

TOWN OF CANAAN, CT
Schedule of Debt Limitation
June 30, 2020

Total Prior-Year Tax Collections - including interest and lien fees
Received by Treasurer

\$ 4,238,402

Reimbursement for revenue loss on:

Tax relief for elderly

-

Base

\$ 4,238,402

	General Purposes	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2 1/4 times base	\$ 9,536,405	-	-	\$ -	-
4 1/2 times base	-	19,072,809	-	-	-
3 3/4 times base	-	-	15,894,008	-	-
3 1/4 times base	-	-	-	13,774,807	-
3 times base	-	-	-	-	12,715,206
Total Debt Limitation	\$ 9,536,405	\$ 19,072,809	\$ 15,894,008	\$ 13,774,807	\$ 12,715,206

Indebtedness:

Town Notes Payable 210,418

Town Bonds Payable 1,871,337

120,120

-

-

Overlapping Debt:

Regional School District #1

620,501

-

-

Total Indebtedness

2,081,755

740,621

-

-

Debt Limitation in excess of

Outstanding and Authorized Debt

\$ 7,454,650

\$ 18,332,188

\$ 15,894,008

\$ 13,774,807

\$ 12,715,206

NOTE: In no case should this total indebtedness exceed seven times the base of \$4,238,402 or \$29,668,814

See accountant's report.

**Report on Internal Control over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards**

Independent Auditor's Report

Board of Finance
Town of Canaan, Connecticut
107 Main St
Canaan, CT

We have audited, 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 the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Canaan, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Canaan's basic financial statements, and have issued our report thereon dated October 26, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Canaan's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of the Town of Canaan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Canaan's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit the attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned cost items **2020-01** and **2019-02** to be significant deficiencies.

Compliance and Other Matters

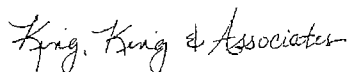
As a part of obtaining reasonable assurance about whether the Town of Canaan's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Town of Canaan's Responses to Findings

The Town of Canaan's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The town of Canaan's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal controls and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Canaan's internal control or compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Town of Canaan's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



King, King & Associates, CPAs
Winsted, Connecticut
October 26, 2020

**Report on Compliance for Each Major Program; Report on Internal Control over
Compliance; and Report on the Schedule of Expenditures of State Financial Assistance
Required by the State Single Audit Act**

Independent Auditor's Report

Board of Finance
Town of Canaan, Connecticut
107 Main St
Canaan, CT

Report on Compliance for Each Major State Program

We have audited the Town of Canaan's compliance with the types of compliance requirements described in Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the Town of Canaan's major state programs for the year ended June 30, 2020. The Town of Canaan's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of Canaan's major state programs based on audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G. S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Town of Canaan's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Town of Canaan's compliance.

Opinion on Each Major State Program

In our opinion, the Town of Canaan, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2020.

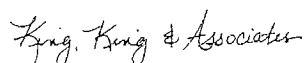
Report on Internal Control over Compliance

Management of the Town of Canaan, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Canaan's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the compliance for each major state program and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Canaan's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.



King, King & Associates, CPAs
Winsted, Connecticut
October 26, 2020

TOWN OF CANAAN, CT
Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2020

State Grantor/Pass - Through <u>Grantor/Program Title</u>	State Grant Program <u>Core-CT Number</u>	<u>Expenditures</u>
Department of Transportation		
Town Aid Roads	12052-DOT57131-43455	\$ 84,601
Town Aid Roads	13033-DOT57131-43459	84,602
Connecticut State Library		
Historic Document Preservation	12060-CSL66094-35150	5,500
Judicial Department		
Public Acts	34001-JUD95162-40001	260
Office of Policy and Management		
Local Capital Improvement	11000-OPM20600-40254	18,488
Payment in Lieu of taxes on state-owned property	11000-OPM20600-17004	58,344
Payment in Lieu of taxes - Tax-exempt property	11000-OPM20600-17006	1,406
Municipal Purpose & Projects -Grants-in-aid	12052-OPM20600-43587	20,712
Property Tax Relief for Disabled Homeowners	11000-OPM20600-17011	93
Property Tax Relief for Veterans	11000-OPM20600-17024	<u>1,870</u>
Total State Financial Assistance Before Exempt Programs		<u>275,876</u>
EXEMPT PROGRAMS		
Office of Policy and Management		
Mashantucket Pequot and Mohegan Fund Grant	12009-OPM20600-17005	6,202
Municipal Stabilization	11000-OPM20600-17104	24,132
Department of Education		
Education Cost Sharing	11000-SDE64370-17041	<u>139,220</u>
Total Exempt Programs		<u>169,554</u>
Total State Financial Assistance		<u>\$ 445,430</u>

See notes to schedule.

TOWN OF CANAAN
NOTES TO THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL
ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2020

The accompanying schedule of expenditures of state financial assistance includes state grant activity of the Town of Canaan under programs of the State of Connecticut for the fiscal year ended June 30, 2020. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs including the construction and maintenance of public roads.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Canaan, CT conform to accounting principles generally accepted in the United States of America as applicable to Governments.

The information in the Schedule of Expenditures of State Financial Assistance is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Basis of Accounting

The expenditures reported on the Schedule of Expenditures of State Financial Assistance are reported on the accrual basis of accounting. In accordance with Section 4-236-22 of the Regulation to the State Single Audit Act, certain grants are not dependent on expenditure activity, and accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule of Expenditure of State Financial Assistance.

TOWN OF CANAAN
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

We audited the financial statements of the Town of Canaan as of and for the year ended June 30, 2020 and issued our unmodified report thereon dated October 26, 2020.

Internal control over financial reporting:

- Material weakness(es) identified? Yes ✓ No
- Significant deficiency(ies) identified? ✓ Yes None Reported
- Noncompliance material to financial statements noted? Yes ✓ No

State Financial Assistance

Internal control over major programs:

- Material weakness(es) identified? Yes ✓ No
- Significant deficiency(ies) identified? Yes ✓ None Reported

We have issued an unmodified opinion relating to compliance for major State programs.

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the

Regulations to the State Single Audit Act? Yes ✓ No

- The following schedule reflects the major programs included in the audit:

<i>State Grantor And Program</i>	<i>State Core - CT Number</i>	<i>Expenditures</i>
Department of Transportation		
Town Aid Road Grants Transportation Fund	12052-DOT57131-43455	\$ 84,601
Town Aid Road Grants Transportation Fund	13033-DOT57131-43459	\$ 84,602

Note: While these programs have different State Core CT Numbers, they are considered one major program for testing purposes.

- Dollar threshold used to distinguish between type A and type B programs \$100,000

II. FINANCIAL STATEMENT FINDINGS

- We have issued reports dated October 26, 2020, in internal control over financial reporting and on compliance and other matters based on our audit of financial statements performed in accordance with *Government Auditing Standards*.
- Our report on compliance indicated no reportable instances of noncompliance.
- Our report on internal control over financial reporting indicated significant deficiencies as described below:

FINDING 2019-02

Criteria:

Generally Accepted Auditing Standards (GAAS) require that financial statements be maintained on the accrual basis of accounting.

Condition:

Many funds are maintained on the cash basis, whereby revenues are recorded when received and expenses are recorded when paid.

Context:

The Town does not have a procedure to ensure that outstanding receivables and payables are recorded in all of the funds.

Effect:

Controls over payables are weakened. Significant payables in connection with Capital Projects were omitted from year-end financial reports.

Cause:

Past practice.

Recommendation:

We recommend that the Town implement a process to track receivables and payables for all Town funds.

Management's Response / Views of Responsible Officials

The Town concurs with this finding and will provide the auditors with a list of payables and receivables at year-end.

FINDING 2020-01

Criteria:

Documentation of tax payments consisting of bill stubs and duplicate bills are to be retained for 3 years according to the State of Connecticut Record Retention Guide.

Condition:

We were unable to test a record of individual bill payments to the posted rate book.

Context:

The Tax Collector relies on the electronic record of tax payments and does not retain the original source documents.

Effect:

Although payment information is able to be generated out of the software, the Town does not have contemporaneous source documentation supporting tax payments. The Town is not in compliance with CT Record Retention requirements.

Cause:

Unaware of Record Retention Requirements.

Recommendation:

We recommend that the Tax collector retain records in accordance with CT Record Retention Requirements.

Management's Response / Views of Responsible Officials

The Town concurs with this finding and will retain records in accordance with CT Record Retention Requirements.

III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

- No findings or questioned costs are reported related to State Financial Assistance Programs.



Jacob's Garage – Reesha Jacquier-Jacobs, David Jacobs, Dennis Gage of "My Classic Car", Judy Jacobs, and Denny Jacobs.



TINA HANLON - clean and sanitize Town Hall during pandemic



HENRY W. TODD - First Selectman



DAVID R. BARGER _ SELECTMAN



GREG MARLOWE - SELECTMAN



MICHELLE LYNN MCGUIRE HANSEN - Emergency Management Director,
EMT Deputy Treasurer/Bookkeeper



HAZEL K. MC GUIRE - CERTIFIED ASSESSOR



THERESA S. GRANEY - Social Services and Director of Senior Center
Assistant Clerk to Assessor



MARY M. PALMER, TOWN CLERK AND ANIMAL CONTROL OFFICER
 Showing Marabeth Tyler's Great Pyrenees dog "Snowy" its breed on the poster from the Guide to Purebred Dogs from the American Kennel Club.





ARLENE BUMBACO BENNINGER - ASSISTANT TOWN CLERK



CAROLE K. MC GUIRE - REGISTRAR OF VOTERS (DEMOCRAT)



STATE OF CONNECTICUT - OFFICIAL BALLOT DROP BOX -
INSTALLED SEPTEMBER 2020 TO FACILITATE ABSENTEE AKA
MAIL-IN BALLOTS DURING A PANDEMIC (COVID-19)

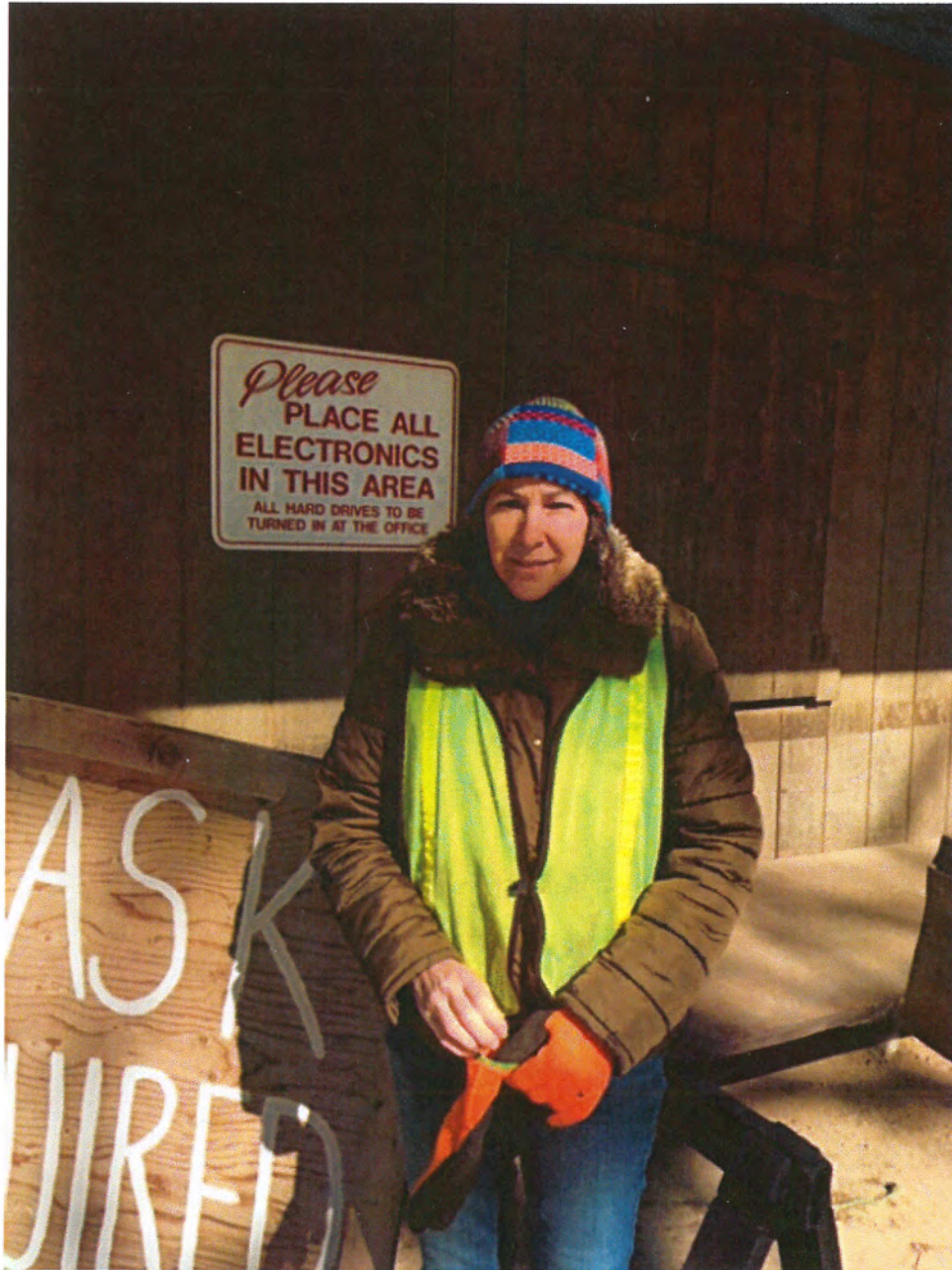


SUSAN J. KELSEY, REPUBLICAN REGISTRAR OF VOTERS

ROXANN STEINBERG WHITAKER, DEPUTY DEMOCRATIC REGISTRAR
OF VOTERS



Erica Joncyk - Exécutive Director/Librarian
David M. Hunt Memorial Library



Tracey M. Wilson -Transfer Station Operation Co-ordinator



PETER G. ROUSSIS - Landfill Attendant

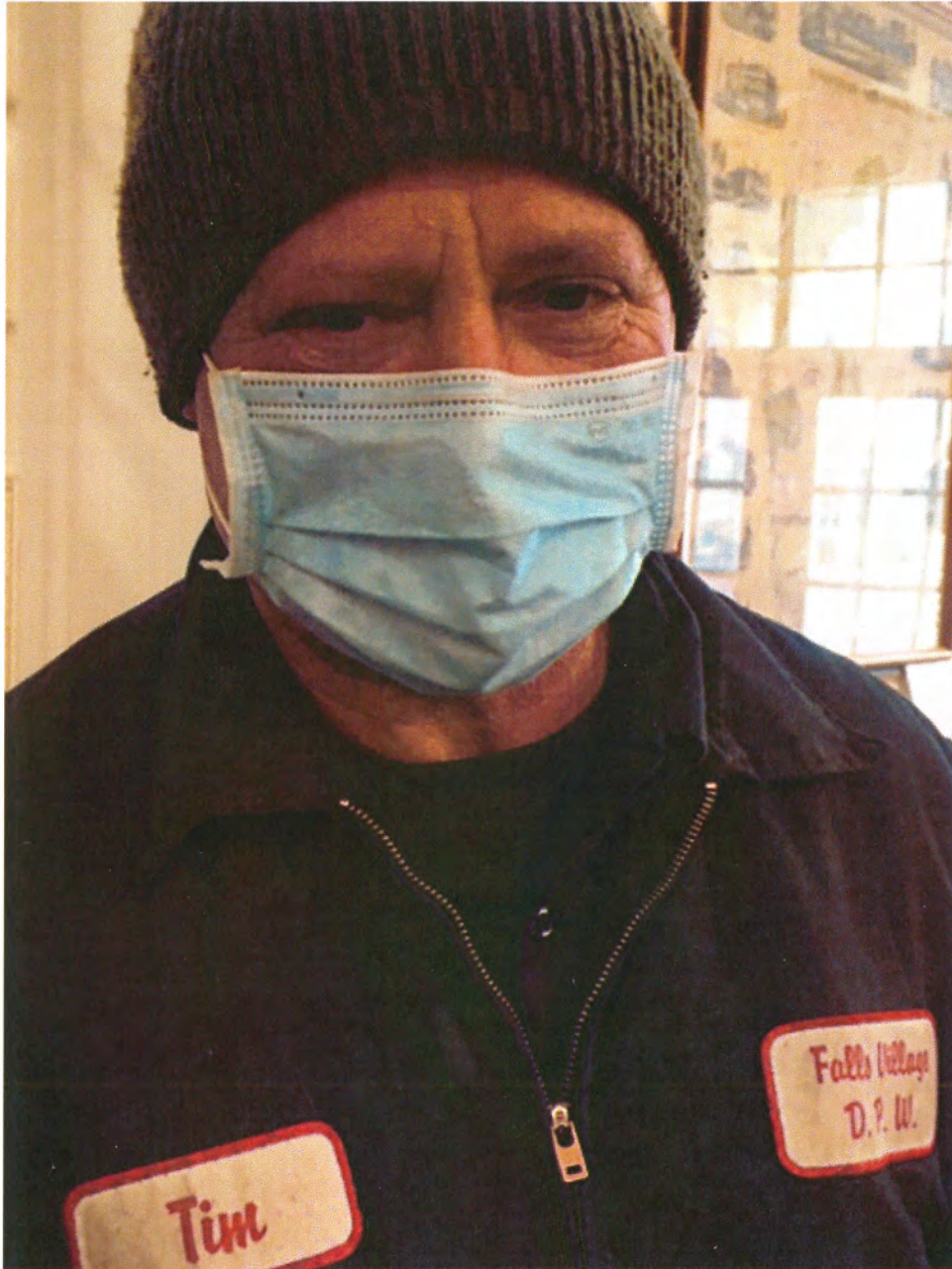


BRANDI
ROUSSIS

MAIL
CARRIER

FALLS VILLAGE,
CONNECTICUT

06031



TIM DOWNS - FIRE CHIEF and Supervisor, Dept. of Public Works



ANDREA DOWNS
EMT and PARAMEDIC



SUSAN SWEETAPPLE and COLIN - Owners of The Falls Village Inn





Toymakers Café ~ September 8, 2020

Top left: Olivia Wadsworth, Emily Hennessey, Sabrina O'Brien, Bindi,
Greg Bidou and far right: Annie Bidou Closing day: Sept. 7, 2020