

# TOWN OF CANAAN

## FALLS VILLAGE

# ANNUAL REPORT

JULY 1, 2022 THROUGH JUNE 30, 2023



**CONGRATULATIONS**  
**TO THE**  
**FALLS VILLAGE VOLUNTEER FIRE DEPARTMENT**  
**1924~2024**

*Photo courtesy of the FVVFD*  
*2017 Dedication Ceremony and current apparatus*

# **Annual Report for the Town of Canaan Falls Village July 1, 2022 through June 30, 2023**

*Falls Village is committed to nurturing a welcoming community that respects the dignity and humanity of all of its neighbors and residents – regardless of race, ethnicity, nationality, age, economic status, religious beliefs, sexual orientation, gender identity or differing abilities.*

## **DEDICATION**

**The Falls Village Volunteer Fire Department is celebrating its 100th Anniversary this year, 2024. This annual report is dedicated to the many volunteers who have served our Volunteer Fire Department and Emergency Services. As a community, we are forever indebted to their volunteerism and support. Thank you FVVFD!**



*75th Anniversary parade*

Annual Report compiled and edited by Johanna Mann

This report is as of June 30, 2023. For an updated list of board and commission members, please visit our website at [canaanfallsvillage.org](http://canaanfallsvillage.org).

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## Annual Financial Reports for July 1, 2022 through June 30, 2023

The Independent Auditors Report have separately numbered pages. It begins on page 50 of this report and continues until the last page.

## **TOWN OFFICES, HOURS AND PHONE NUMBERS**

**Phone: 860-825-0707**

**Fax: 860-824-4503**

**Website: [canaanfallsvillage.org](http://canaanfallsvillage.org)**

**Assessors: 860-824-0707 ext. 14**

Monday, Wednesday and Thursday 9am to noon. Tuesday 9am to 3pm

**Building Inspector: 860-824-0707 ext. 22**

Wednesday 9am to noon or by appointment **860-309-7852 cell**

**Falls Village/Canaan Historical Society: 860-824-8226**

44 Railroad Street, Open Tuesday 9am to noon and by appointment.

**Fire Marshall: by appointment 860-364-5758**

**First Selectman: 860-824-0707 ext. 23**

Monday through Thursday 9am-noon

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

**Planning & Zoning Commission: by appointment 860-824-0707 ext. 22**

**Probate Court: 100 Pease Street, North Canaan, CT 860-824-7012**

Monday through Thursday 9am to 4pm.

**Registrars of Voters: 860-824-0707 ext. 18**

Wednesday 9am to noon

**Sanitarian: Torrington Area Health District 860-489-0436 ext. 323**

Julie Prue – call for appointment

**Social Services/Senior Center: by appointment 860-824-9855**

**Tax Collector: 860-824-0707 ext. 13**

Monday 9am – 3pm, Wednesday 9am – noon

**Town Clerk: 860-824-0707 ext. 10**

Monday through Wednesday 9am-3pm, Thursday 9am-noon.

**Town Pool: 860-824-8026**

108 Route 63. Summer hours

**Transfer Station: 860-824-5819**

100 Route 63. Tuesdays, Fridays and Saturdays, 9am to 3pm

**Treasurer: 860-824-0707 ext. 11**

Monday through Wednesday 9am-3pm, Thursday 9am-noon.

**Zoning Enforcement Officer: Janell Mullen 860-824-0707 ext.22**



## REGULARLY SCHEDULED BOARD AND COMMISSION MEETINGS

<b>Board of Selectmen:</b>	Second Monday of each month. 6pm
<b>Board of Finance:</b>	Second Monday of each month. 7:00pm or immediately following the Board of Selectmen.
<b>Board of Education:</b>	First Tuesday of each month. 5pm. Held at Kellogg School.
<b>Planning and Zoning Commission:</b>	Fourth Thursday of each month. 6:30pm. No August meeting unless necessary.
<b>Recreation Commission:</b>	Second Wednesday of each month. 7pm.
<b>Inlands/Wetlands Conservation:</b>	Third Monday of each month. 7pm.
<b>Housatonic River Commission:</b>	Second Tuesday of each month. 7:30pm. Held at Cornwall Consolidated School
<b>Fire Commission:</b>	Second Wednesday of each month. 5pm. Held at the Emergency Services Center, 188 Route 7 South, Falls Village
<b>Region One School District:</b>	First Monday of each month. 6:30pm. HVRHS library. (July and August meetings held only if necessary)
<b>Historical Society Board:</b>	Third Thursday of each month. 4:30pm. Held at Geer Village, North Canaan, CT.

*Unless otherwise noted, all meetings are held at the Town of Canaan Town Hall.  
108 Main Street, Falls Village, CT 06031. 860-824-0707*

*Holidays can alter the schedule from time to time.  
All meetings scheduled, along with agendas, minutes, location and Zoom information,  
can be found on the municipal calendar at [canaanfallsvillage.org](http://canaanfallsvillage.org).*

# **TOWN OFFICIALS, DEPARTMENTS, TERM EXPIRATIONS**

*As of June 30, 2023*

## **BOARD OF SELECTMEN**

Henry Todd, (R) First Selectman 2023  
Greg Marlowe, (R) Selectman 2023      David Barger, (D) Selectman 2023

## **TOWN CLERK AND REGISTRAR OF VITAL STATISTICS**

Johanna Mann, (D) 2026

## **TOWN TREASURER**

Linda Paviol, (D) 2023  
*Deputy Treasurer*, Michelle Hansen (R)

## **TAX COLLECTOR**

Rebecca Juchert-Derungs, (D) 2025

## **REGISTRAR OF VOTERS**

Denise Cohn (D) 2026    Susan Kelsey (R) 2026  
*Deputy Registrars* – Melissa Lopes (D)    Tracy Atwood (R)

## **BOARD OF FINANCE**

Dan Silverman, Chair (D) 2023  
Corinna Fleming (D) 2023, Stephen Dean (R) 2025, Amy Wynn (D) 2027  
Eric Carlson (R) 2023, David Wilburn (D) 2023  
*Alternates*: Judy Jacobs (R) 2023, Carol Staats (R) 2023

## **ASSESSORS**

Hazel McGuire, (R), Assessor - Theresa Graney, (U), Assistant Assessor

## **BOARD OF ASSESSMENT APPEALS**

Tami Reid, Chair (R) 2025, Susan Kelsey (R) 2023

## **FIRE COMMISSION**

Hazel McGuire (R) 2023, Lawrence Bulson (U) 2023, David Seney (D) 2025,  
Kimberly Mahoney (U) 2025, Timothy Downs (R) 2024

## **FIRE MARSHALL**

Stanley MacMillan

## **PLANNING AND ZONING COMMISSION**

Fred Laser, Chair (D) 2024, Vincent Inconiglios (D) 2026, Stephen Koshland (U) 2024, Greg Marlowe (R) 2025,  
Edward Moy (D) 2027, Garrett Scavato (D) 2023, Douglas Cohn (D) 2023, Ruth Skovron (U) 2024  
*Alternates*: Marc Rosen (D) 2024, *Zoning Enforcement Officer & Consultant* - Janell Mullen

## **RECREATION COMMISSION**

Dan Carr (D) Chair 2024, Melissa Lopes (D) 2024, Edward Moy (D) 2025,  
Daipai Horace (D) 2025, Thomas Wilson (D) 2023, Daniel Glass (D) 2023,  
*Recreation Director*: Emily Peterson 2023

**INLANDS WETLANDS CONSERVATION COMMISSION**

Mark Burdick, Chair (D) 2025, Ellery Sinclair, Vice Chair (R) 2026,  
Susan Kelsey, Secretary (R) 2026, Brant Burz (U) 2025, Matt Gallagher (D) 2025  
*Alternate:* Marlene VanGulick (D) 2028

**ZONING BOARD OF APPEALS**

Richard Heinz (D) 2023, Barbara Riley (D) 2023,  
Christopher Kinsella (D) 2023, John Holland (D) 2025,  
Stephen Dean (R) 2025  
*Alternates:* G. Warren Whitaker (D) 2025, Lee Baldwin (U), 2025

**HOUSATONIC RIVER COMMISSION**

Ellery Sinclair (R) 2025 - *Alternate:* Kent Allyn (D) 2025

**CONSTABLES**

Janet Hanna, George Elling, John Holland, David Barger, Lou Timolat,  
Tim Downs, Dan Shaw. (all terms expire 2023)

**BOARD OF EDUCATION - Lee H Kellogg**

Patricia Allyn Mechare, Chair, (D) 2025, Theresa Graney (U) 2025,  
Adam Sher (D) 2025, Tanya Golden (D) 2023, Maria Bulson (R) 2023

**REGION ONE BOARD OF EDUCATION REPRESENTATIVE**

Patricia Allyn Mechare (D) 2023

**REGION ONE BOARD OF EDUCATION**

Patricia Allyn Mechare, Chair, Canaan/Falls Village, 2023  
John Sanders, Vice Chair, Cornwall 2023  
Jenn Duncan, Secretary, Kent 2023  
Keith Moon, Treasurer, Salisbury 2023  
Ned Gow, North Canaan 2023,  
Sara Cousins, Sharon, 2023

**REGION ONE SUPERINTENDENT OF SCHOOLS**

Lisa Carter

**DAVID M HUNT LIBRARY**

Selectmen Appointees: Henry Todd (2023) , Barbara Deinhardt (2023) , John Holland (2025)

**JUSTICES OF THE PEACE**

Serving January 4, 2021 through January 6, 2025

Lonnie Carter (D) lonniety@comcast.net	George Elling (D) jorgeelling@netscape.net
Janet Hanna (D) jrhanha06@gmail.com	Richard Heinz (D) dickcheinz@att.net
Susan Kelsey (R) scottishthistle54@gmail.com	Louise March (D) weezerxr@gmail.com
Patricia Allyn Mechare (D) curtmechare@comcast.net	Mary Palmer (D) fallsvillaget@ yahoo.com
Barbara Riley (D) briley058@yahoo.com	Louis Timolat (R) hemlock@snet.net
Hazel McGuire (R) hazel06031@yahoo.com	Dennis Jacobs (R) jdcjacobs04@sbcglobal.net

## **ABOUT OUR TOWN**

### **INCORPORATED**

October 1739

### **POPULATION**

1078

### **LAND AREA**

33.4 sq miles

### **REGISTERED VOTERS**

712 total voters

311 Democrats, 133 Republicans, 265 Unaffiliated, 3 Other

### **FEDERAL LANDS**

Appalachian Trail

### **STATE LANDS**

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

### **HISTORIC SITES**

South Canaan Meeting House, Beebe Hill School, David M Hunt Library, the Great Falls, Railroad Depot & Railway Museum, Historic Trails.

### **RECREATION CENTER**

A beautiful municipal swimming pool, l-shaped with 6 lanes, fountain and recreation area. The pool is open all summer and is located at 108 Route 63 in Falls Village.

### **EDUCATION**

Falls Village is home to Lee H Kellogg School (K-8) and the Region One High School – Housatonic Valley Regional High School. Oliver Wolcott Technical School is located in Torrington with bus service to and from Falls Village.

### **LOCAL GOVERNMENT**

Legislative authority is vested in the Town Meetings. 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 GOVERNMENT**

The Town of Canaan is located in the 64<sup>th</sup> State Assembly District and served by State Representative Maria Horn (D). We are within the 30<sup>th</sup> Senatorial District and served by State Senator Steve Harding ( R).

### **FEDERAL GOVERNMENT**

We are within the 5<sup>th</sup> Congressional District and served by Representative Jahana Hayes (D) and US Senators Christopher Murphy (D) and Richard Blumenthal (D).

## TOWN CLERK

It has been an amazing year as the Town Clerk and Registrar of Vital Statistics for this beautiful town! I love the diversity of what I do each day. I have enjoyed getting to know many of our residents. I am reminded daily of what a privilege and honor it is to be your Town Clerk.

My door is always open. If we haven't met, please feel free to come down to the Town Hall and introduce yourself. I truly want to meet all of our residents and get to know each of you. I will forever keep my promise to this town and strive to be the very best Town Clerk I can be. I am here for you.

COVID seems to have become a "normal" part of our day-to-day life. Our small but mighty town has done a fantastic job to pick up and move forward. Our town has stepped right up and scheduled fun and exciting events for our residents and those of the surrounding towns to come and enjoy. My family loved joining the Halloween festivities as "The Addams" Family!!

There were:

12 Births: 6 Boys and 6 Girls

8 couples were married

Sadly, 15 of our residents passed away.

During the July 1, 2022 – June 30, 2023, fiscal year, the Town Clerk's office recorded 221 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:		\$ 4,543.00
Cott & other expenses:	8,287.51 Net	\$ (2,712.49)
State PA 05-22 for land protection:		\$ 1,488.00
State GP-005 affordable housing and historic preservation:		\$ 338.00
Town of Canaan conveyance tax:		\$ 28,763.35
Photocopies and fax fees:		\$ 1,888.25
Lease and other expenses:	\$ 2,926.84	\$ (1,038.59)
Fishing, Game licenses, permits (these can now be purchased on line)		\$ 15.00
Dog licenses:		\$ 541.00
Marriage licenses, death certificates and certified copies:		\$ 1,386.00

We welcomed numerous home sales with lots of new and friendly faces brought to town. It is always exciting to have new residents and we welcome the opportunity to get even more people involved.

My main objective this past year has again been to bring all of our records up to date, organized and accessible. I have made great strides in this task and I look forward to bringing even more organization to our records and historical data.

More information continues to become available to the public electronically. Please visit: [canaanfallsvillage.org](http://canaanfallsvillage.org) to view minutes and agenda, tax information, pay taxes on-line with a credit card, and find links to places of interest in town.

I want to personally recognize our Volunteer Fire Department. This year they celebrate their 100<sup>th</sup> Anniversary. These dedicated men and woman are a vital part of our community. They come to our aid, morning, noon and night. They make themselves known and present to our children at school and around our community. Having school aged children and grandchildren in town, I take comfort knowing that they know these dedicated men and woman through fun and games. When these same emergency responders need to come to their aid, they find comfort in their presence because they know them. We are truly blessed to live in such a beautiful village.

As always, it takes a village and we certainly have a mighty one, for which I am grateful. I very much look forward to serving you as the Town Clerk this coming fiscal year and many years thereafter.

Johanna M. Mann, Canaan Town Clerk  
Appointed 1/3/2022



## BOARD OF SELECTMEN

Over the course of the last year, we can take a great deal of pride in our community. The Lee H. Kellogg School, the D.M. Hunt Library, the Falls Village Daycare Center, the Falls Village/Canaan Historical Society, the Center on Main, the Beebe Hill Schoolhouse...just a few of the “gems” in our community.

On the governmental side, we find the Town of Canaan ending its fiscal year with a balance of uncommitted funds of close to one million dollars. This was achieved by virtue of the fiscal responsibility of those in our town departments, as well as the Lee H. Kellogg School and Housatonic Valley Regional High School by maintaining their budgets.

The Planning and Zoning Commission along with Planimetrics continues to develop the Plan of Conservation and Development for our Town by January of 2024. A plan is completed every (10) years with its purpose to create and establish a common vision for the future of a community and help in developing those policies that will assist in reaching those policies’ goals. We would like to thank our Planning and Zoning Commission, consultants and the residents of Canaan for their input in the process.

One of the committees that has been recently formed is the Infrastructure Committee. This committee has gathered a list of all of our roadways, bridges, buildings and other assets within the town. As a committee, their focus is to examine those assets that may need updating and/or repair. The goal is to keep the town’s assets serviceable for years to come.

For a number of years, the centerpiece of MIRA’s Connecticut Solid Waste System had been the Resource Recovery Facility in Hartford. This facility closed in July of 2022 and we found ourselves with a number of other towns in the state shipping our municipal solid waste out of state. This is not a long term solution. In conjunction with the Connecticut Department of Energy and Environmental Protection, the MIRA Dissolution Authority and the Northwest Hills Council of Governments, we are working on finding a solution that is local, efficient, cost effective and environmentally sound. Our Transfer Station’s initiative with Curbside Compost has paid off in reducing the amount of compostable food waste that would have been deposited with trash.

The “blink” EV Charging Station is now fully operational after encountering several problems. Longer charging cables have been installed to accommodate the EV’s utilizing the EVSE.

The Town continues to work with Cardinal Engineering through the permitting process on replacing a failed culvert on Cobble Road. This project’s cost will be covered (50%) by the State of Connecticut and we will continue to seek grants that will help us offset the other (50%) We also continue to work on a plan to replace the bridge on Cobble Road which is the single bridge rated “poor” by the State of Connecticut. This bridge is over (20) feet in length and is eligible for (100%) federal funding.

Looking ahead to 2024, will be the 100th Anniversary of the Falls Village Volunteer Fire Department. The FVVFD was founded on November 24, 1924 replacing what was known as “bucket brigades”. This yearlong celebration is marked by events each month involving the FVVFD. As we have learned over the years, the FVVFD has been an anchor in our community and truly epitomizes “selfless service to the community”.

Another anchor within our community is the Town of Canaan Social Services. As we enter the post COVID 19 era, the work of our Social Services continues to offer a number of comprehensive services for individuals and families from infant to senior. The Social Service Agent assists in providing information and referrals including, but not limited to the Operation Fuel Program, Prescription Assistance Programs and Connecticut Health Insurance Programs just to name a few.

We are truly grateful for the work performed by our Town Hall Staff as well as our Department of Public Works. It is through their efforts that the Town of Canaan operates efficiently on a daily basis. You can also help our town...*get involved!* We have many volunteer Boards and Committees that help make our town a vibrant and growing community. So again...please *get involved* in helping and serving our community.

In closing, we would like to thank each and every member of our community. It is extremely gratifying to see the community come together at many of the events that we have in our town.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'David R. Barger', with a long horizontal line extending to the right.

David R. Barger, First Selectman - on behalf of the Board of Selectmen

*“Municipal institutions are to liberty what primary schools are to science: they bring it within the people’s reach, and teach them how to use and enjoy it. A nation may establish a system of free government, but without the spirit of municipal institutions it cannot have the spirit of liberty.” - Alexis de Tocqueville*

## BOARD OF FINANCE

The Board was chaired by Joel Jones until March 2023, when Dan Silverman became chair. Joel Jones resigned from the board effective after the May 8, 2023 meeting. David Wilburn was voted to fill Joel Jones term. Additional Board Members were Steve Dean, Corinna Fleming, Eric Carlson, and Amy Wynn, with Judy Jacobs, Ginger Betti and Carol Statts serving as alternates. Denise Cohn served as recording secretary.

A Public Hearing was held on May 22, 2023, to present the Education and Municipal Spending Plans to the Public and receive public comment. After the Public Hearing the Board of Finance voted unanimously to approve the Spending Plans as presented. The Board of Finance approved the Municipal spending at \$2,247,689 and Board of Education spending at \$3,620,410 for educational expenses (Lee H Kellogg School \$2,217,831; Region One \$1,402,579) for fiscal year 2023-2024. At the Board of Finance Special Meeting on May 22, 2023, the Board of Finance met and unanimously voted to lower and set the Property Tax mil rate for the Town of Canaan for the fiscal year 2022-2023 at 21.0.

A significant matter was deliberated at length by the Board of Finance regarding whether to fund the infrastructure of Frontier so that they could supply fiber optic service to specific roads in town that Frontier was unwilling to service otherwise. The Board of Finance, after holding a Town discussion on the issue, voted not to authorize a Town Meeting to approve the project.

### Audit

King, King & Associates, CPAs, conducted the Annual Audit of the finances of the Town of Canaan for the year 2022-2023 and the results were presented at the December 2023 meeting of the Board of Finance. During FY 2022-2023, Town Treasurer, Linda Paviol, with Deputy Treasurer, Michelle Hansen, worked with the auditors. The findings of the Audit, presented at the December 11, 2023 Board of Finance 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 issued a Management Letter to the Board of Finance dated November 27, 2023, concerning internal control over financial reporting and regarding compliance and other matters *Management's responses concern two areas, and are as follows:*

Utilization of the Payable Function for the Reserve Funds

*Management response:* In the future the Town policy will reflect their intention to pay close attention in assuring that all reserve funds are reconciled in the correct period.

Transfers from Board of Education Budget to Education Reserve Funds

*Management response:* The Town has already worked with the Board of Education to correct this issue for the future.

### Financial Summary

The Town finished the 2022-2023 fiscal year with assets exceeding liabilities by \$5,169,693 (*net position*), an increase of \$183,930 compared to the previous fiscal year. This is attributed to higher than anticipated revenues in the form of property tax collections, conveyance taxes and building permit fees, unanticipated grants received, as well as cost savings in most expense areas of the town departments and the Board of Education.

The Town activities revenue totaled \$6,234,988 for fiscal year 2022-2023, an increase of \$395,958 from the prior fiscal year. The most significant factor contributing to this increase is the favorable investment results on the LOSAP (a benefit program for active volunteers of emergency services)

## *Board of Finance, Financial Summary, continued*

The Town activities revenue totaled \$6,234,988 for fiscal year 2022-2023, an increase of \$395,958 from the prior fiscal year. The most significant factor contributing to this increase is the favorable investment results on the LOSAP (a benefit program for active volunteers of emergency services) investment and increase in operating grants and contributions due to the ARPA (American Rescue Plan) funds and the state's contribution for Teacher's Retirement during the year.

The original General Fund budget provided for the use of \$235,379 of fund balance to finance approved expenditure appropriations not financed by projected revenue. Additional appropriations to the General Fund were made by the Board of Finance during the year for the Dog Fund, Planning & Zoning, and Town Hall, bringing the final adjusted use of fund balance to \$271,379. Due to better than anticipated revenues and the diligence of employees and department heads, only \$3,128 of the fund balance was utilized. As a result of the positive budgetary variances, \$268,251 was able to be returned to the fund balance.

The General Fund ended with a balance of \$735,749 or 12% of general fund expenditures, which is available in case of emergency. The Town also maintains Capital Reserve Accounts for future needs. At the end of the year, these Capital Reserve Accounts totaled \$961,867.

Treasurer, Linda Paviol has done 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. We wish her well in her retirement, starting November 2023, and look forward to working with the new Treasurer, Michelle Hansen.

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,

Amy Wynn, on behalf of the Board of Finance

Dan Silverman (chair), Eric Carlson, Steve Dean, Corinna Flemming, David Wilburn



*Falls Village Volunteer Fire Department*

*1948 Cadillac Ambulance*

## REGISTRARS OF VOTERS

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 of Connecticut (SOTS). Connecticut state law mandates that each town elect one Democrat and one Republican Registrar; Town of Canaan's Registrars serve four-year terms. Registrars work on a non-partisan basis to serve all of the electors of their Town. As the Town's Election Administration Officials, Registrars are responsible for registering voters, voter education, conducting the annual canvass of voters, maintaining the accuracy of the registry list, updating voter files, preparing a department budget, and training election officials. A voter list is printed and posted in Town Hall during the first week of each month. Registrars are also responsible for annual maintenance of voting tabulators, and reprogramming, tracking and testing of memory cards used to tabulate elections, and ensuring the proper reporting of election results. The Registrars provide Election Day Registration (EDR) services for those who wish to register and vote on election day. The Registrars set up the polling place, and also maintain and provide a voting procedure referred to the "Accessible Voting System" (both audio and visual) with a laptop computer and printer for use by voters who need accommodations to cast their ballots. The Registrars help recruit and train poll workers, work with the Town Clerk to make sure that registration deadlines and elections are legally noticed, that ballots are ordered correctly and timely, and assist election Moderators in staffing Town elections.

From July 1, 2022 to June 30, 2023, in addition to registering many voters new to Town, the Registrars worked diligently with the help of SOTS, the Town Clerk, those who work in Town Hall, and with the support and cooperation of our townspeople to conduct a safe election and referendum each year. The Registrars appreciate very much the willingness of residents to serve as official poll workers—we cannot have elections without them. The Registrars welcome additional townspeople to become certified to moderate at elections and referendums. Any registered voter interested in becoming an election official or poll worker is encouraged to contact the Office of the Registrars—we need your help. Early voting is on the radar for 2024, so stay tuned!

Voter registration statistics for the Town are as follows:

	June 30, 2022	June 30, 2023
Democrat	326	311
Republican	148	133
Unaffiliated	267	265
Other	3	3
Total Registered:	<hr/> 744	<hr/> 712

Susan J. Kelsey, Registrar (R)

Denise Cohn, Registrar (D)



## ASSESSOR'S ANNUAL REPORT

	<u>2021 GRAND LIST</u>	<u>2022 GRAND LIST</u> (Revaluation)
REAL ESTATE	160,191,250	205,044,250
PERSONAL PROPERTY	18,403,005	18,306,515
MOTOR VEHICLE	12,601,170	13,832,552
TOTAL	191,195,425	237,183,317
TAX EXEMPT RE	61,794,600	70,579,370

The Assessor's Office hours are Monday, Tuesday & Wednesday 9 am to 12 pm or by appointment. Always available at [assessor@canaanfallsvillage.org](mailto:assessor@canaanfallsvillage.org)

Respectfully submitted,



*Kayla B. Johnson*  
Connecticut Certified Municipal Assessor I

*Theresa Snyder Graney*  
Assessor's Clerk



1941 North Canaan Parade

## PLANNING AND ZONING

During the Fiscal Year of 2022-2023, The Plan of Conservation and Development (POCD) update was at the forefront of the Planning and Zoning (P&Z) Commission's priorities. In addition to updating the ten-year plan that sets the stage for the Town's future development and policy initiatives, The P&Z continued to receive and review a steady stream of applications associated with new single family home construction, possible subdivisions, home businesses, and shared accessways.

The P&Z also tackled items that were a state mandate as a result of 2021 statewide legislation. These actions included amending the zoning regulations to include provisions for limited cannabis licenses in light industrial zones, updates to the regulations with respects to accessory dwelling units, and coming into compliance with [Public Act 23-142](#), as required.

Most of the authorized work involved the construction of new single-family homes, major residential renovations, and other home improvements such as additions and garages. A total of twenty-two (22) zoning permits were issued administratively.

The Commissioners (listed below, as of June 30, 2023) continued to work with their Consultant Town Planner and ZEO, Janell Mullen, to standardize processes, forms, and approvals. The P&Z has made efforts to interface regularly with other town agencies and boards with an intent interest on fulfilling shared educational opportunities and requirements.

Fred Laser, Chair	Vincent Inconiglios	Garrett Scavatto
Stephen Koshland	Greg Marlowe	Marc Rosen, Alternate
Douglas Cohn	Edward Moy	Ruth Skovron, Alternate
Alice Macchi, Recording Secretary		

Upon the finalization of the POCD, the P&Z has committed to updating its current Zoning Regulations. The first priorities include strengthening the home business regulations and petitioning for an expansion of the mixed-use and small business opportunities within the center of historic downtown Falls Village.

Chairman, Fred Laser

## ZONING BOARD OF APPEALS

No application for a variance from a decision of the Zoning Officer or Commission was submitted this fiscal year.

John P. Holland  
Chairman

## INLAND WETLANDS/CONSERVATION COMMISSION

A permit was issued to the Town by the Commission for the replacement of the bridge on Cobble Road over Wangum Brook. Several site inspections were conducted at construction sites, driveway installation sites, riparian stabilization sites, and timber harvesting landing sites to ensure best management practices were being followed. The Commission is part of the Town "Routing Sheet" building permit process, requiring the Commission to sign off on all proposed building activities.

Member Sinclair has actively participated in the Housatonic River Working Group, formed to address herbicide spraying by the Housatonic Railroad throughout several towns in northwestern Connecticut. It is the goal of this Group that legislation similar to that adopted in Massachusetts, be adopted in Connecticut to regulate herbicide use along the railroad, particularly in those sensitive areas along watercourses and wetlands. The Group is working with our State legislators and various State agencies to achieve their goal.

Member Felicia Jones' resignation was received and she was acknowledged by members for her numerous efforts and contributions to the Commission and to the Town during her tenure on the Commission. Shamu Sadeh also resigned as an alternate member. Matthew Gallagher, who had replaced Shamu Sadeh as an alternate, was made a regular member and Marleen VanGulick was appointed an alternate.

The Commission again sponsored an Earth Day roadside cleanup under the guidance of member VanGulick and Dan Carr. Trash along our town roads continues to be a concern of the Commission.

Numerous suggestions were made for incorporation into the Town Plan of Conservation and Development. Suggestions included increased oversight on herbicide spraying along town roads near watercourses and wetlands and education to reduce landowner use of chemicals; public education to reduce roadside trash; passage of legislation to regulate herbicide use by the Housatonic Railroad; encourage invasive species management by mechanical means; encourage agricultural businesses and forestry; implement a community fuelwood program; and encourage use of native plantings in town projects requiring revegetation.

The Commission continues to finance scheduled feeding of the elm tree on Brewster Street; the elm on Main Street died and was subsequently removed.

As part of the Sustainable CT program, the Community Resilience Building Workshop Group, under the guidance of Dan Carr and Janna Shiller, has met to address issues relating to community resiliency and agriculture advancement.



Respectfully submitted,

Mark Burdick (Chairman),  
Ellery Sinclair (Vice Chairman),  
Susan Kelsey (Secretary),  
Brant Burz,  
Matt Gallagher  
Marlene VanGulick (alternate)

## BOARD OF ASSESSMENT APPEALS

The Board of Assessment Appeals holds two sessions during the year to review taxpayer questions and concerns regarding real estate and motor vehicle assessments. In September, the Board met to review motor vehicle appeals; no applications were received. In March, the Board met to review real estate appeals. Generally, real estate assessments throughout town saw a significant increase, largely due to the Town's revaluation having occurred at the end of "Covid"; assessment increases were largely influenced by the increase in real estate sale prices of comparable properties during this period. Four real estate appeals were heard during the March session. No changes were granted on two of the appeals as the Board felt the assessments were similar to comparable properties. Grade changes were reduced on two properties.

The Board encourages taxpayers to consult initially with the town assessor to discuss concerns prior to filing applications for appeals.

Tami Reed (Chairman), Susan Kelsey (Secretary)



*Falls Village Volunteer Fire Department - 1915 Chemical Cart in 1935 Parade*

*The first piece of apparatus the FVVD owned.*

## **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 may be contacted 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. All forms may be printed from the town website.

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 2022 Building Codes on October 1, 2022 along with the amendments.

There is an internet website called Upcodes where you can find State of Connecticut building codes IBC2021 & IRC 2021 plus all fire and utility codes.

During the past fiscal year, 137 permits were issued which were for interior renovations, additions, garages, barns, solar installations, generators and many repairs– inside and out. These permits also include two (3) demolition. There were eight (4) Certificates of Occupancy/ Certificate of Approval issued during this period.

Fee income received during this past year was \$30,129.00 with expenses (including wages) totaling \$12,251.17.

James O. Clarke  
Building Official



## FALLS VILLAGE RECREATION COMMISSION

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 2022-2023 year included: Emily Peterson (Director), Ted Moy (Co-Chairman), Dan Carr (Co-Chairman), Melissa Lopes (Secretary), Daipai Horace (resigned) Daniel Glass, and Thomas Wilson (resigned August 8th, 2023).

To kick off summer, the Recreation Commission hosted a Block Party and BBQ on June 18th, 2022. The event included live music, lawn games, and an ice cream truck on the Town Green. Children decorated their bicycles and paraded down Main Street.

The town pool, which is considered our greatest recreational attraction, opened on June 20th, 2022. The pool season went smoothly overall, and was open to the public daily from 11:00AM to 7:00PM. Water fitness classes and swim lessons were offered again to residents. Once again, staffing was limited towards the end of the season, as lifeguards returned to school, which resulted in closing the pool season on August 16th, 2022.

Creative Kidz Club returned at full capacity for 3 consecutive weeks in July at the Recreation Center property. Children enjoyed learning about Dungeons & Dragons with Thom Wilson, and “not so cuddly creatures” with Sharon Audubon during Animal Adventures Week.

The Falls Village Recreation Commission invited residents, families, local businesses and organizations to participate in “Trunk or Treat Main Street” on October 31, 2022. This community event provided Falls Village families with a central, safe, and fun place to trick-or-treat on Halloween night. The event proved to be very successful again, as many residents took part by distributing goodie bags or treats from the decorated trunk of a vehicle along Main Street. Prizes were awarded for the top three best decorated vehicles, houses, and displays, voted on by families in town as they trick-or-treated around the town.

As winter set in, Santa made an appearance at the Town’s Annual Tree Lighting and Holiday Celebration. The event was first held outdoors on the Town Green on December 17th 2022 bringing many residents together to spread holiday cheer and to also remember those who passed with memorial luminaries on the sidewalk. Carols were sung around the decorated tree. Ornaments were made by families earlier in the day at the D.M. Hunt Library at a “drop in ornament making workshop.”

The Ski Club returned, with another generous grant from the Salisbury Winter Sports Association. The ski club had another fantastic season departing from the Lee H. Kellogg School in February 2023, under the direction of Dan Carr. No bussing was available again this winter, so families provided their own transportation.

The annual Easter Egg Hunt made its return on a rain date of April 8th 2023. The event had an excellent turn out from Falls Village resident children on the Recreation Center property where the Easter Bunny made an appearance and eggs were spread out for small groups of children to collect. The Falls Village Volunteer Fire Department provided fire truck rides at the event for families to also enjoy.

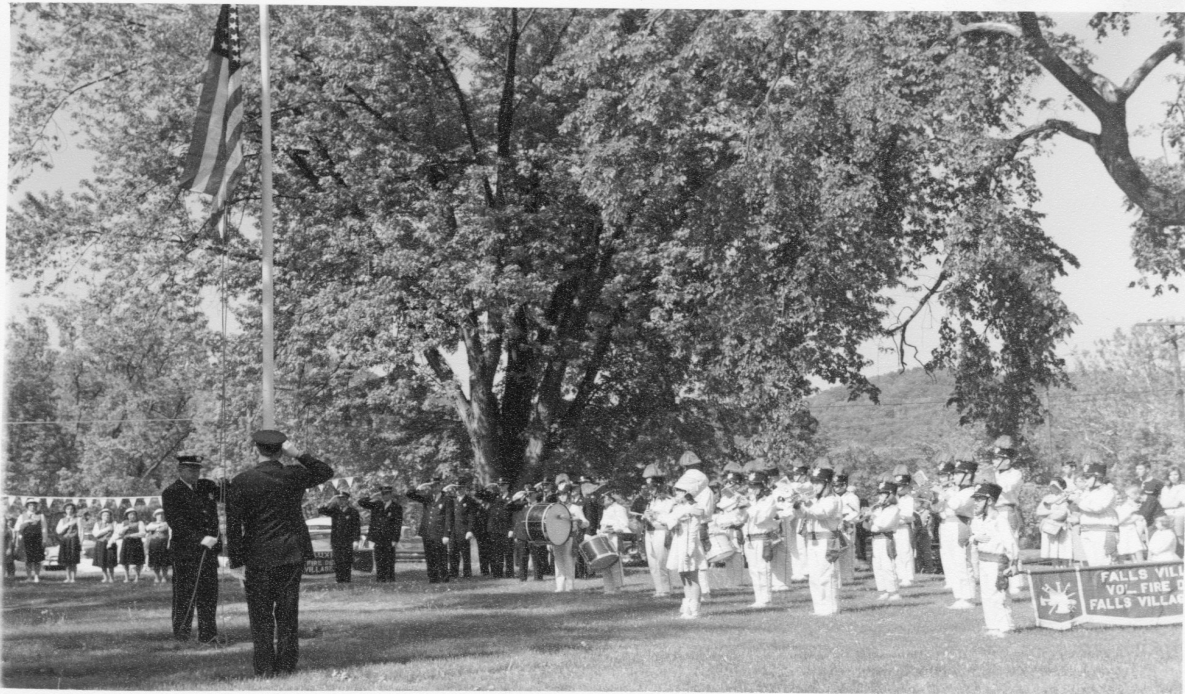
On May 29th 2022, the Recreation Commission helped organize the Memorial Day parade which was conducted down Main Street. It was followed by a ceremony on the town green.

The Commission would like to thank the Falls Village Volunteer Fire Department and Fire Police, and the Department of Public Works for all their assistance for helping to keep Recreational activities in our town safe.

Respectfully submitted,



Emily Peterson, Falls Village Recreation Director



*Falls Village Volunteer Fire Department - Memorial Day 1965—Falls Village Town Green*

# FALLS VILLAGE VOLUNTEER FIRE DEPARTMENT

This past year our operations returned to closer to normal. We were able to resume our normal Thursday night work details. We engaged in in-person trainings and continuing education as well as in person fund raising. Along with responding to calls we spent most of this past year doing maintenance and education on the many things that were neglected during covid due to not being able to be at the fire house in person accept to respond to calls.

One of our biggest projects that we took on was getting an OSHA audit. This was a lengthy process and it required us to review every system within our department to make sure that we are using all of the safest methods available to us. We increased our training to make sure everyone was compliant, and we updated all of our records.

We also needed to update our reporting software to be compliant with new State and Federal mandates. This is a costly annual unfunded mandated expense that had to be picked up by our fire commission budget. This requirement is mandated for the town, and the fire department is volunteering their time to enter all of the data.

We had a slight increase in our call volume this past year. The department responded to 199 calls. 105 of those calls were EMS, 92 were for car accidents, downed power lines, cellar pump outs, public assists, and we had two fire calls. We received a grant that allowed us to purchase new self contained air packs for our interior fire fighters. We also started to replace the oldest in service vehicle in our fleet. We are replacing the 1965 International Brush truck with a 2024 Ford. We expect the new truck to be fully operational within the next few months.

This past year our membership increased by three. We are very happy to have new members and training is provided to them during our Thursday night details or they can sign up to take any number of classes offered at our fire school, at neighboring departments or within our own fire house. We had one member complete his EMR training.

The Department started the planning the events to celebrate our 100<sup>th</sup> Anniversary. This is a significant milestone for our department. We are one of the oldest departments in the northwest corner. We established a committee of both old and new members, fire fighters, EMS and Ladies Auxiliary members. There will be monthly events held during this coming year, and we hope that everyone in the community will join us in celebrating this significant milestone.

As always, we are looking for new members to join our department. There are many ways that a person can serve the department and all training will be provided to you.

Lastly, do not forget to have your 911 signs visible from the road in case of an emergency. We want to be able to find you quickly. If you need a 911 sign you can call the fire house number, 860-824-5298, to leave a message, and Hazel McGuire will get back to you.

Respectfully submitted,

Matthew Hansen

Fire Chief



Matthew Hansen, Fire Chief

**Falls Village Fire Department Line Officers**

Chief: Matthew Hansen  
Assistant Chief: Timothy Downs  
Captain: Raymond Flint  
First Lieutenant: Thom Wilson  
Second Lieutenant: Ben Menniges

**Falls Village Ambulance Officers**

Captain: Michelle Hansen  
First Lieutenant: Andrea Downs  
Second Lieutenant: Thomas Sherwood

**Fire Police Officers:**

Captain: John Matthews  
First Lieutenant: Peter Pixley

**Ladies Auxillary:**

President: Linda Paviol  
Vice President: Michelle Hansen  
Secretary: Alyssa King  
Treasurer: Gail Clark

**Board of Directors:**

President: Timothy Paviol  
Vice President: Andrea Downs  
Secretary: Michelle Hansen  
Treasurer: Linda Paviol  
Bill Beebe  
Raymond Flint  
Hazel McGuire  
David Seney  
Matthew Hansen: Chief  
Michelle Hansen: EMS Captain

## **Service Awards**

### **Fire Department**

#### **5 Years**

David Barger  
David Jacobs  
Judy Jacobs  
Hazel McGuire

#### **10 Years**

Bradford Sincovic

#### **15 Years**

Jeremy Downs  
Matthew Hansen

#### **20 Years**

Linda Paviol  
Timothy Paviol

#### **25 Years**

Andrea Downs  
Beckie Seney

#### **35 Years**

Paul Padua

#### **50 Years**

Edward Dickinson

### **Ladies Auxiliary**

#### **20 Years**

Alyssa King

#### **25 Years**

Michelle Hansen



## **SOCIAL SERVICES/SENIOR CENTER**

### **Senior Center**

The Senior Center is fully back to a normal schedule pre-pandemic time. Seniors from Falls Village and North Canaan continue to meet on Thursdays for socialization, lunch and many activities. This past year the seniors started a new collaboration with Kellogg School. The 7<sup>th</sup> grade class from Kellogg School visited the senior center regularly once a month to socialize with the seniors. This collaboration was a wonderful experience for both the students and the seniors. New friendships were made. These visits will continue next year school year with the addition of including visits from the K, 1 & 2 classes as well. The seniors continue to be involved in many different activities which include: arts & crafts; Wii bowling; bingo; cards & games and guest speakers. We continue to offer a full day of on-sight assistance for “Medicare open enrollment” in November. Our senior group attended plays at the Sharon TriArts, went on shopping trips, went to Fascia’s Chocolates (made their own chocolate bar) this past year. We are hoping to incorporate more off-site trips this coming year. On a very sad note, we lost several of our beloved seniors; Aurelia Blodgett-AKA- *Lemon Squares Queen*; Jane Ellen Canfield and Stephanie Yeaton way too soon. We all miss you Ladies!

### **Social Services**

Social Services has remained busy during this past year and continues to offer comprehensive services for individuals and families of all ages. During the past year, social services received grants from the Northwest Community CT Foundation, Berkshire Taconic Foundation and The Jane Lloyd Fund to help families in need. The Social Service agent evaluates the needs of Falls Village residents and provides information about community/state resources that are available, and makes referrals as needed. Home visits are arranged when needed. The specific services offered and provided by the Social Worker include: assisting families applying for the CT State Energy Assistance program; Operation Fuel program; SNAP benefits; Medicare/Medicaid; CT Health Insurance; Prescription Assistance Programs as well as other various state/federal programs. Services are provided in a supportive & professional confidential environment. Falls Village Social Services maintains a small food Pantry that is generously supplied by Falls Village Congregational Church, Lee Kellogg School and private donors. Adamah Farm graciously donates fresh vegetables to the Thursday senior group from June-October. Thank you Adamah! Falls Village Social Services continues to help families with Thanksgiving Day meals donated by the Falls Village Congregational Church and private donors. Falls Village Social Services continues to coordinate the “Holiday Gift Program”, which help many families in need enjoy the holiday through donations from Falls Village Congregational Church, Lee H. Kellogg School teachers/staff, Troop B, Sand Road Animal Hospital, St. Mary’s Catholic Church, BD and local private citizens. This program helped 24 children enjoy the holiday in a special way. Without these supports, we would not be able to help assist our local families in need. Many Thanks to all who support this program. The “back to school” program which includes backpacks/school supplies and clothes/sneakers continues for Falls Village children in need. In August 16 backpacks were fully supplied for students this year.

A big “Thank You” to the ongoing kindness and generosity demonstrated by local organizations (Falls Village Congregation Church, Northwest Community Foundation) and private citizens in our town who have donated to our town’s fuel fund. Your generosity is keeping your neighbors warm.

The ongoing kindness and generosity demonstrated by local organizations and citizens in our town is heartwarming to witness. Falls Village is a wonderful community supporting one another.

Respectfully Submitted,  
Theresa Snyder Graney  
Social Services Coordinator/Municipal Agent

## DAVID M HUNT LIBRARY

The David M. Hunt Library resumed normal operations in 2022-2023 as the COVID pandemic began to wane and we had a very successful year serving our community. We continued to host children's programs mostly outdoors, and a wide variety of adult programs resumed indoors, although when weather allowed we held many programs outdoors. We also added new joint programs with the Falls Village/Canaan Historical Society and with the Falls Village Recreation Commission. Program attendance and library patronage are increasing, and although circulation dropped a bit from the prior year, our town of roughly 1,300 people checked out 12,200 Hunt items and used interlibrary loan services 2,900 times. Trivia Night, ArtWall receptions, author readings, lectures, and special events are also continuing to successfully draw patrons to the library.

Donations to the annual appeal were steady and local businesses, beginning to recover from the economic hit of the pandemic, are beginning to contribute in greater numbers. Thank you for your support! Our dedicated Friends of the Library continued monthly book sales. The library had very successful fundraisers this year. Summer focused on the incredible Friends Tag Sale at The Center on Main over Falls Village Car Show weekend, and Augustfest, which continues to attract more than 100 attendees and is a fun community gathering in support of the library. The 12x12 Art Show returned and saw more pieces of art submitted than ever before. In February we revived the beloved library event Midwinter in the Village, featuring local readers and storytellers, live music by the Galactic Overtones, and delicious food provided by volunteers. Attendees of all ages packed the library and raised \$2,500, more than twice the budgeted amount. ArtWall hosted numerous popular exhibitions over the year and raised over \$9,000. The Homegrown Plant Sale in May also did well, making it a good year for library fundraisers all around. Our fundraisers are successful thanks to our dedicated volunteers, including the Friends of the Library and Board of Directors.

We received a grant from The Foundation for Community Health to underwrite the cost of hiring a consultant to help us write a new Strategic Plan. Maureen Sullivan, our consultant, helped us survey residents and identify the community needs we are meeting well as well as the gaps we need to fill. Thank you to the more than 160 residents who completed surveys and participated in focus groups. We dedicated significant time and effort to identifying our key objectives to work on over the next few years so that we may continue and expand our service to the community, secure the financial health of the library, and address the challenges we face with our building and grounds. Please take a look at the Strategic Plan on our website at [Huntlibrary.org](http://Huntlibrary.org).

Hunt library was chosen as one of only six CT libraries for an 18 month pilot project with international non-profit Libraries without Borders (LwB), which works to assess underserved populations and find ways to increase accessibility and visibility of library services. LwB's work and our strategic planning process complimented each other, and we gained insight from their report which was informed by more than 30 one-on-one conversations with various community and library stakeholders as well as a number of focus groups. The LwB community assessment report—available on our website—includes information on library usage and community perceptions, library programs and recommendations for increased engagement with what LwB found to be our most underserved populations, children ages 5-20 and adults ages 20-44. In the coming year we will develop a plan with Libraries without Borders to increase library services, accessibility and usage for these groups.

Our beautiful 1890's building continues to give us unexpected maintenance issues. We are still working with local contractors to devise a solution to our wet basement. Even with some donations of time and materials, the library still faces \$20,000 in expense and the work is not yet complete.

In addition, we have \$26,000 of exterior painting to do. We finished the 2022-23 fiscal year with a loss of \$11,450 despite our fundraisers coming in at or above budget. This loss required us to draw down our cash reserves which was used primarily to cover building expenses. We have cash assets entering 2023-2024 of \$64,904. Of this amount, \$12,500 are set aside in our capital improvement and emergency reserve accounts. Our endowment at year end is \$493,000.

### *David M. Hunt Library, continued*

We sadly bid goodbye to our longtime Executive Director Erica Joncyk as she retired from the library in October 2022. Erica's 24 years of service were exceptional; when you are next on library grounds you will see the bench dedicated to her—on the lawn, under a magnificent tree, and a lovely place for enjoying a good read outdoors. The Board was thrilled to promote Assistant Director Meg Sher, who has been with the library for ten years, to the Executive Director post—she is only the 8th head librarian in the library's 132 year history. Devon Jenkins served as the new Assistant Director, alongside Children's Librarian Rita Delgado and Library Assistant Paula Rogers. Our mission is that the D.M. Hunt Library is a welcoming, accessible place where everyone in our community can be inspired, empowered, and engaged. While honoring our past, we prepare for the future by providing a doorway to a wide array of knowledge, experience, and ideas. Please visit!

Respectfully Submitted,

Roxann Steinberg Whitaker President,  
Board of Directors

August 2023

## **VOLUNTEERS 2022/2023**

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, organizing and working at fundraising events and programs, soliciting advertisements and donations, baking delectable desserts and nibbles for the Art Wall receptions and special events, helping to produce the summer newsletter and annual appeal, 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.

ADAMAH farm, Gail & Kent Allyn, Marsha Altemus, Ginny Apple, Ann & Greg Bidou, Vance Cannon, Lonnie Carter, Kay & Terry Blass, Rebecca Bloomfield, Heather Chapman, Decker & Beebe, Inc., Barbara Deinhardt & Dan Silverman, Rita Delgado, Maria Ehrlich & Kenny Rogers, Falls Village Café, Falls Village Fire Department, Falls Village Highway Dept., Falls Village Inn, Falls Village Package Store, Zoë & Sergei Fedorjaczenko, Matt Gallagher, Bobby Giumarro, Ruth Giumarro, Joe Giumarro, Sofia Giumarro, Great Mountain Forest, Jandi Hanna, Michelle Hansen, Donna & Dick Heinz, David, Laurie & John Hodgson, John Holland, Sara Jack, Denny, Judy & David Jacobs, Ani Jenkins, Devon Jenkins, Peter and Krystyna Jensen, John Robshaw Textiles, Erica Joncyk, Rebecca Juchert-Derungs & Michael Derungs, Shrey Kanade, Garth Kobal & Ray Rigdon, LaBonne's Epicurean Market, Sara & Rika Laser, Jenny Law, Frankie Lucostic, Greg Marlowe, Julia Menassa-Panev, Lara Mittaud, Laura Munson, Nina & David Noonan, Oblong Books, Andrew Oulette, Linda Paviol, Jeff Ruskin, Shamu, Ibby, Yonah, Lev & Jaimie Sadeh, Tom Scott, Bosco Schell & Page Dickey, Eli & Adam Sher, Dan Shaw, Toni Siegel, Mary Lu & Woods Sinclair, Janna Siller, Carly Sugar, Mary Sullivan, Patrick Sullivan, Carol Taylor, Lou & Carol Timolat, Henry & Pam Todd, Elizabeth Tyburski, Eric Veden, Olivia Wadsworth, Roxann & Warren Whitaker, Amy Wynn, Leone Young and all those who donated funds, items and services and all the businesses who placed advertisements in our brochures.

David M. Hunt Library and School Association  
Board of Directors August 2022 - July 2023

The Board of Directors of the Association shall elect from the Directors at each annual meeting of the Association four Officers: President, Vice President, Secretary and Treasurer. Terms are as follows: President, one two-year term, no consecutive terms. Vice President, one two-year term, no consecutive terms. Vice President becomes President when the President leaves office. Treasurer, four-year terms, one consecutive term allowed. Secretary, four year terms, one consecutive term allowed. Directors, four year terms, continuous consecutive terms allowed.

	<u>Board Term Expires</u>
President, Roxann Steinberg Whitaker	2027 (fills unexpired President term until 7/1/23)
Vice President, Bosco Schell	2026 (fills unexpired V.P. term until 7/1/23)
Treasurer, Henry Todd *	2026
Secretary, Toni Siegel	2027
Barbara Deinhardt *	2026
Nina Embiricos	2026
John Holland *	2025
Rebecca Juchert-Derungs	2024
Garth Kobal	2023
Frankie Lucostic	2025
Dan Shaw	2026
Carol Taylor	2025 (resigned 12/1/2022)
Rusty Tunnard	2026
Kyle Wilkinson	2026
Leone Young	2027

Woods Sinclair, Director Emeritus

\* Board of Selectmens' Nominees

Library Staff 2022-2023

Meg Sher, Executive Director  
Devon Jenkins, Assistant Director  
Rita Delgado, Children's Librarian  
Paula Rogers, Library Assistant

David M. Hunt Library  
63 Main Street, Falls Village, CT 06031  
860-824-7424  
email: dmhuntlibrary@gmail.com  
website: huntlibrary.org

Friends of the David M. Hunt Library  
Zoë Fedorjaczko, President





## *Falls Village-Canaan Historical Society, Inc.*

P.O. Box 206

Falls Village, CT 06031

860-824-8226

[fvchs8226@gmail.com](mailto:fvchs8226@gmail.com)

## President's Annual Report

*By Judy Jacobs*

The Falls Village-Canaan Historical Society completed many extensive repairs on our two buildings, The Falls Village Railroad Depot and the South Canaan Meetinghouse during 2022 and 2023. To help offset the cost of doing these repairs, we did fundraisers and we received ARPA funding thanks to the Town of Canaan (Falls Village). We have also been awarded grants from CT Humanities CT Cultural Fund Operating Support Grant. Support has been provided to us from CT Humanities (CTH), with funding provided by the Connecticut State Department of Economic and Community Development/Connecticut Office of the Arts (COA) from the Connecticut State Legislature.

The Town of Canaan owns the Beebe Hill Schoolhouse, however, the Historical Society operates a museum and maintains the interior of the Schoolhouse. We open it for tours in the summer months on Saturday mornings and by appointment.

The Historical Society maintains its main museum and office at the Falls Village Depot located on Railroad Street. It is open to the public on Tuesday mornings and by appointment.

We also own the South Canaan Meetinghouse where we hold lectures and the Peddlers Flea Market during the warmer months. It is also available to rent for weddings and other events.

The Historical Society provides help with genealogy and research. Much effort has been put into scanning over 22,000 railroad slides of local scenes gifted to the Society by the late Peter McLachlan, a local railroad engineer. The slides were presented during the 1<sup>st</sup> Tuesday at 7 Summer Talks at the South Canaan Meetinghouse, resulting in a record setting attendance. We are working on getting all the slides and other Historical Society photographs online for easy access to our collection.

For more information on the Falls Village-Canaan Historical Society, please visit our website at [www.fallsvillage-canaanhistoricalsociety.org](http://www.fallsvillage-canaanhistoricalsociety.org).

Respectfully submitted,

Judy Jacobs, President



## Lee H. Kellogg

Kellogg students and staff gathered in the front courtyard, around the flagpole on the morning of our first day of school. Our custodian, Mr. Olsen raised the flag and we shared a community Pledge of Allegiance and took a quiet moment to set our intentions for the new year. Next, we welcomed some new students and our new Science teacher Becky Perugini, Jess Willey our Physical Education teacher, Music teacher Danielle O'Neill, and new Art teacher, Suzana Bauer. We then welcomed seven new Kindergarten students to our Kellogg family. Our Falcons ended the ceremony with the Kellogg song.

In early September we invited our families to an open house and FOLKS family picnic. It was wonderful to see so many families mix and mingle through the halls of Kellogg as their proud students toured them through their classes introducing them to their teachers. We joined FOLKS in planning a potluck picnic dinner complete with ice cream sundaes that Nurse Dean and I served. It was a wonderful way to kick off the new school year and let our LHK families know how grateful we were to partner with them as we grow and celebrate our learners and that post Covid, they are all once again welcome at Kellogg School. Lynn Shea joined our LHK staff later that week as our new Social Worker.

In the beginning of the year, we established our Bunches. "Bunches" continued to offer our students an opportunity to meet as multi-aged groups throughout the school year. Our September focus was on Positive Behavior and our Bunches worked together to make silent movies that demonstrated positive behavior in all school settings. Our Bunches will gather each month to grow our school community at Kellogg.

Link to Behavior Expectations Video: [https://safeshare.tv/x/nB36a6N4\\_Z0#](https://safeshare.tv/x/nB36a6N4_Z0#)

We piloted a new STEAM program (Science, Technology, Engineering, Art and Math) at Kellogg School. K-8 students participated in exploring and creating standard based learning activities. This program promotes creativity, innovation and collaboration allowing students to choose, plan, test and retest. STEAM takes place at the end of the day during FLEX periods in our co-taught classes. Our STEAM team worked to plan Power Hours, maker space activities, choice projects and multi-age clubs based on students' interest.

Ted Perotti and his video crew worked through a Region One initiative to create a promotional video for our school. The video crew really caught our LHK community in action. They spent an entire day visiting classrooms and interviewing teachers and students. I have included the links below.

<https://vimeo.com/775866133/ba318f0557>

<https://youtu.be/WXiFp-sno7s>

LHK celebrated Veterans Day by inviting Veterans from our community to our in-school ceremony. Our Falcons honored the Veterans by singing patriotic songs, presenting them with patriotic art work and handmade gifts. Our celebration ended with a light reception to show our gratitude to these brave men and women.

Our community garden was in full swing throughout the year and students harvested the last of our spinach and mixed up some spinach pesto biscuits for all our Falcons to share. With the remainder of our crop, we were able to donate a sizable share to the Salisbury Food Pantry. Students baked spinach and strawberry muffins and added them to our dessert trays at our Friendsgiving Feast. Our first Friendsgiving- With the help of Andrew Ouellette, our Bunches had their first Lunch Bunch while celebrating "Friendsgiving". All students and staff shared in a holiday meal and LHK families donated desserts. We truly are blessed here at Kellogg and we are hoping to make this a new LHK tradition.

Students continue to learn in and outside of our classrooms. Writers across grade levels were finishing up units and celebrating by sharing their published work with their classmates. Our 8th grade Social Studies students wrote, and participated in a mock trial of Goldilocks vs The Three Bears, while their 7th grade peers participated as the live jury. Our broadcasting group filmed and interviewed the town election process. LHK students continue to explore and learn from our beautiful Falls Village community. It's great to be a Falcon!

Our students are growing and showing their learning in the fine arts. Students have been collaborating with our community to showcase their research, learning and artistic interpretation of birds. They have chosen their own birds to research and study and have been working on an art project to celebrate their learning. Their project was showcased at the DM Hunt Library in February. All students have been experimenting and learning instruments in class and our band students are persevering and growing with their instrument of choice. We have two students that will be joining the Regional Band and we couldn't be prouder of Logan Miller and Aidan Krupa. Our Winter Concert at Kellogg took place on Thursday, January 19, 2023.

Our students were on the move and spreading their wings across Falls Village.

Visits to Hunt Library during and after school

Visits to the Senior Center

Walking field trips around town

Town Hall and Post Office visits

Holiday Caroling

Students also gave back to their community with gifts of warmth and necessities for our senior citizens, canned food donations and monetary donations to various Falls Village organizations.

The Building Committee met on January 13th. Topics discussed were the roof project, the current state of the water softener, and Aquarion's request to install a water meter in front of the building. The committee will meet again in early spring. Also in January, LHK had the opportunity to work with the Falls Village Community and Development Corporation. We were so excited to work with FVCDC and their grant to promote diversity, equity and inclusion. The grant brought programs to our students through the Youth Non Violence Training. Our middle school students participated in a program presented by the CT Center for Nonviolence. As a PBIS (Positive Behavioral Interventions and Supports) school, taking personal responsibility for one's own actions is at the forefront of our philosophy. The program expanded on Dr. Martin Luther King Jr.'s childhood and his development on becoming an internationally recognized Nonviolence Leader. The students participated in a discussion about some of his iconic messages on unity in our country and the world. They also shared their thoughts on how to use communication to build bridges across differences. We were grateful for Felicia Jones for including us in her grant and Carol Taylor for this unique opportunity.

LHK celebrated National Read Aloud Day on February 1st. Guest readers shared books to all grade levels and readers were treated to a light reception. We were thankful for our readers and Nikki Blass who coordinated the event. Guest Readers were: Steven Schibi (Asst Principal at HVRHS), Joel Jones (Chair of Board of Finance), Andrea Downs (Former LHK parent/paramedic/volunteer with FV Ambulance), Robin Faust (LHK Retiree), Ian Strever (Principal at HVRHS), Mr. Todd (First Selectman), Eileen Gargan (LHK Retiree), Marie Bulson (LHK BOE) and Sam Herrick (Business Manager).

LHK teachers used mid-year assessments and to look at student data collaboratively allowing them to check in and set new learning goals. Data chats between teachers and students took place at the middle school level and all K-8 students prepared their portfolios for student-led conferences during the month of March. Teachers also checked in on their own goals and were able to share and reflect in our mid-year check ins.

During the spring we offered a six week session of Study 3:15 Enrichment. Enrichment opportunities were: Reading Buddies, Yoga, and Art Club. Each club offered up to 12-15 spots for any K-8 students that were interested. This was a huge success and helped out families that were looking for no cost after school activities for their students.

Also in the spring, we worked to build an outdoor education program. We were able to provide hands-on, outdoor experiences while collaborating with Ed Thorney. We were able to build community and culture, raise expectations and standards and increase connection between students. Our outdoor excursions and education allowed Kellogg students to build essential life skills and better coping mechanisms to encourage independence and confidence. Students were able to seek support and cooperation from their peers and facilitators to create a positive outlook and worked to reduce any anxiety/stress from everyday life.

The eighth graders were a huge part of our year and served as responsible role models and dedicated community volunteers. They spent four days in May exploring Washington DC and its history for their class trip. They were honored by the Falls Village Congregational Church community at a Dessert Dinner and lastly, took part in planning their graduation ceremony. Our graduates were honored with special tributes presented by our teachers and staff in our all purpose room. A community reception followed the ceremony.

As our year came to a close, LHK partnered once again with the Falls Village Equity Project and The CT Center for Nonviolence to celebrate Juneteenth. This took place on our last day of school with a Juneteenth, Commemoration and Celebration for all students at Kellogg School. CT Center for Nonviolence brought nonviolence certified facilitators to conduct developmentally appropriate sessions that include interactive exercises to explore the National Holiday of Juneteenth. Students learned the meaning of the Juneteenth holiday as well as culturally relevant, historical information about the holiday through songs and stories that illuminated the material.



Respectfully submitted by Stacey Calo,  
Principal of Lee H. Kellogg School.





## ***Falls Village Day Care Center***

35 Page Road  
Falls Village, Connecticut 06031  
Phone: 860-824-0882 / Fax 860-824-8195  
email: [fvdccddirector@gmail.com](mailto:fvdccddirector@gmail.com)

The Center provides for infants, toddlers and preschoolers. A before and after school program is provided as needed. All programs have been filled and there is often a waiting list.

Each age group has a curriculum specifically designed for their needs. The day care has experienced a substantial growth in our pre-school program and the numbers in the infant/toddler and after-school programs have remained steady. The staff and Director are absolutely amazing and flexible. They are eager to continue their professional development, have an outstanding working relationship in providing the best curricula-based activities and the most appropriate care for the youngsters in their charge. Led by the Center's Director Ashley Allyn, they have provided the kind and loving care and outstanding programs for which our Center has become known.

The Center has worked diligently in tantum with the State of Connecticut to comply with all State mandates, which are very specific and strict regarding the care of children. We are very proud of the fact that under the Director's guidance that we have several staff members who are recent graduates of our local high school. We have also welcomed a student who comes to the Center after school and during vacation periods. Currently we are providing full or part-time employment for four of our residents.

This year the Director of the Center and members of the Board of Directors worked with the Board of Selectmen to replace the middle section of the building's roof and upgrade the outdoor lighting with appropriate fixtures and lumens and the security system using ARPA funds. Many areas of the inside of the Center have been painted and freshened up through the coordination of the Director of the Center.

The Town of Canaan has continued to be of great support, as it has been for the forty plus years of the Center's existence. We are committed to continuing to provide this valuable service to our town's young families.

Respectfully submitted,

*Patricia Allyn Mechare*

Patricia Allyn Mechare  
Chairman of the Board of Directors



Ian Strever  
*Principal*

Steven Schibi  
*Assistant Principal*



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

The 2022-23 school year saw the launching of Housatonic's Capstone course, a graduation requirement beginning with the Class of 2023. In the spring of the junior year, students worked with a Capstone teacher to design a project based on personal interest and a specific research question. Students then spent the next seven months carrying out their project and sharing it with the public. At the heart of Capstone are the attributes of our Portrait of the Graduate. Students are required, through their public presentation, to discuss how their project helped them develop Confidence, Self Advocacy, Communication, Problem Solving, and Global and Environmental Awareness. Outcomes from the projects allow for curriculum developers to consider what changes may need to be made to provide our students with instruction and opportunity to practice 21st Century Skills, and more importantly, they offer our students a way to explore their passions and think about learning outside of the classroom. Over the two-day "Expo" event, small audiences saw a variety of projects: students pursuing their drone and CNA licenses; students creating literature from illustrated children's books to historical essays; students raising awareness about topics from boating safety to mental health; a motorized bike; an ozone engine; and a pollinator garden, just to name a few. As the presentations continued, more and more students attended them to support their friends and ask authentic questions about their work.

In a related effort, we expanded our student-led conference program so that all 9th and 10th grade students had the opportunity to reflect on their growth as individuals as well as areas in which they see the need and potential for future growth. This reflective work is based upon the five aforementioned qualities of the Portrait of a Graduate, and students, parents, and advisors used the experience to inform decisions about the student's educational future.

Additionally, we have made strides in collaborating as a region to achieve greater student outcomes. Through advisory lessons, students starting in Grade 6 develop an understanding of a variety of attributes including time management, self advocacy, learning styles, workplace skills and attitudes, and defining success. Elementary school students are using the same digital platform for this work, and reports on their progress are shared with the high school. These student success plans, along with the region-wide efforts toward developing students in the image of our Portrait of a Graduate are unifying the region in ways that have been a long time in coming. The Salisbury Stars program recognizes students at Salisbury Central School for achievement on Portrait of a Graduate qualities, and students at Salisbury Central and the Cornwall Consolidated School complete mini-capstone projects that prepare them for larger projects at Housatonic. Work continues to create a balance between a focus on the social/emotional learning that is derived from Habits of Mind and the Portrait of a Graduate, with elementary schools putting greater emphasis on the former and the high school on the latter. Changes have been made to the regional calendar for next year to allow for shared release time to facilitate greater cooperation between the elementary and high school faculty.

## *HVRHS, continued*

The 2022-23 school year saw a return of midyear and final assessments for nearly all courses at Housatonic. Throughout the fall of 2022, teachers developed mid-year assessments with the goal of a 1-2 hour summative assessment for each course. The length of these assessments increases with grade level. Teachers developed these assessments during professional learning time, including work with a consultant on how to review student standard performance and how to use the performance data to drive further instruction for the remainder of the course, as well as identifying areas where curricular modifications are needed.

In the winter and spring of 2022-23, Principal Strever worked with the new Assistant Superintendent, Dr. Jeanine Rose, on a systematic effort to meet with the academic departments to discuss and plan for curricular needs. The district's goal is to have a written curriculum for every course accessible online within five years. Courses without written curricula were identified and prioritized for completion. The curriculum template requires curriculum writers to address Standards, Skills, Summative Assessments, and 21st Century Skills. A curriculum review cycle is also being developed to ensure learning that meets the evolving needs of our small towns as well as the larger world.





HVRHS Mural in the cafeteria - Installed in 2023 and funded by the 21st Century Fund and National Endowment for the Arts

## 2022-2023 Region 1 Annual Report to Towns

The 2022-2023 school year began in full swing as we returned to completely normal routines and activities in a post-pandemic school environment. Staff and students welcomed the return of collaborative classroom environments and robust athletic and after-school activities.

With respect to academic news, Region 1 school students continued to grow and learn in all disciplines. However, there were some notable shifts in curriculum, instruction and assessment that included:

- adopting instructional practices for pre-kindergarten-third grade students that are aligned with the new CT State Department of Education (CSDE) Science of Reading legislation. All Pre-k-8 schools are required to acquire new materials and training to successfully implement this new curriculum. Grant funding is being used to offset much of this cost.
- changing instructional strategies in the grade 5-12 mathematics classrooms to incorporate more peer-to-peer interaction and higher order thinking with respect to critical thinking and problem-solving.
- a return to mid-term and final exams at HVRHS as a means of assessing summative learning with respect to the key learning targets in each discipline as well as preparation for similar assessments that students may encounter in college or other postsecondary experiences that may require an examination for certification or licensure.

Student social emotional support remains a priority for all schools. Toward that end, all Region 1 schools benefited from a grant award received by EdAdvance, the local Regional Educational Service Center, located in Litchfield, CT. All seven schools in the region are able to add a .5 school counselor to their staff for the next five years with no charge to the schools. With this addition, each Pre-k-8 school now has 1.5 counselors and the High School has 2.5 school counselors and one social worker.

Many students continue to participate in the visual and performing arts in all of the Region 1 Schools. Dramatic performances and art shows are wonderful opportunities for students to show their talent and exhibit their work. Students also have field trip opportunities that include attendance at live performances and museum visits. Finally, the Pre-k-8 schools have opportunities to meet with local authors to listen to their stories and learn about their craft.

Athletics and extracurricular activities made a comeback in the post-pandemic environment. Student participation has increased from the previous year and is expected to continue as we move farther away from the pandemic. The 2022-2023 year was the second year of The Region 1 Middle School Athletics and Activities program, which fields teams from all Pre-k-8 schools as well as provides students with access to the Art Garage and Sci-Tech Center located on the HVRHS campus.

All Region 1 school facilities continue to be well maintained. Local school Board of Education Building Committees collaborate with their municipal governments to develop the scope and funding for major projects. For HVRHS, a Board of Education Building Committee consisting of representatives from all six towns in the Region oversees the maintenance of the High School building in Falls Village, which also houses the Pupil Services and the Central Office.

*Region One, Continued*

2022-2023 was a great year of learning and growing for all students. The success of the Region 1 program depends on the generous investment of all of the stakeholders in each of our towns. We are thankful for everyone's support as we continue to work together for the benefit of all.

Respectfully submitted,  
Lisa B. Carter







## **NORTHWEST CONSERVATION DISTRICT ANNUAL REPORT FOR 2022-2023**

1185 New Litchfield Street \* Torrington, CT 06790 \* 860 626 7222 \* [www.nwcd.org](http://www.nwcd.org)

The Northwest Conservation District (NWCD) is an environmental non-profit organization serving 34 municipalities in northwestern Connecticut. Our mission is to promote conservation and protect the environment through education and technical assistance services.

### **TECHNICAL SERVICES PROVIDED TO MUNICIPALITIES**

During 2022-2023, we assisted our towns' land-use departments and citizens with on site development reviews and field inspections of sites in a variety of land use settings. Our recommendations on proposed land use changes balance development with protection of the natural environment. We provide practical, science-based solutions using the latest techniques, including Low Impact Development (LID), to ensure that projects work with the landscape and are designed to address changes in our climate. Our professional soil scientist is able to review inland-wetland delineations.

### **EDUCATIONAL SERVICES AND PROJECTS ACROSS THE DISTRICT**

We conducted workshops on topics including LID and stormwater management, residential rain gardens, soil health, renewable energy options, pollinator gardens, home composting, invasive plant management, cover crops and other best agricultural management practices. We support the work of the state-wide Pollinator Pathway Northeast ([www.pollinatorpathway.org](http://www.pollinatorpathway.org)).

We provide support to USDA-NRCS's conservation planning program and to farms in our District through our Climate Smart Agriculture Initiative that provides free cover crop seed to farmers to help them transition to healthy soil practices.

We support the CT Envirothon Program ([www.ctenvirothon.org](http://www.ctenvirothon.org)) providing hands-on science for high school students through workshops and educational support. Participating schools take part in an annual May Field Day statewide competition and the winning team competes at a National Conservation Foundation (NCF) competition. Twenty-six teams participated in the event. NWCD participating schools included Housatonic Valley Regional; Northwest Regional 7; Marvelwood School from Kent, and Nonnewaug High School winner of the statewide competition and that went on to the international competition in Canada.

### **EARTH DAY PLANT SALE**

Our Earth Day Plant Sale is held annually at the Goshen Fairgrounds over a three-day period in late April. Through the plant sale, we continue to encourage people to make personal changes to promote clean air, clean water, healthy soils, and quality habitat. This year we provided extensive educational material with an expanded display of literature and information boards on many topics and we shared literature from many of our northwest corner partners. NWCD staff and Master Gardeners are on hand to help people select the right plants for their needs and growing conditions.

### **OUTREACH AND WEBSITE**

We continue to publish our "Voice of Conservation" bi-annual newsletter, as well as a new yearly "Education Edition" in print form and electronic offerings through our website. Recorded webinars and educational articles are offered on our website with news and links to Facebook, Instagram and YouTube.

Lawrence Rousseau, Chairman, Northwest Conservation District

# Housatonic River Commission

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

## **Annual Report 2022-2023**

The Housatonic River Commission (HRC) held 11 regularly scheduled monthly meetings in the past year. Meetings took place at 7:30 on the second Tuesday of each month. Most meetings were held virtually over Zoom, but also in person at Cornwall Consolidated School. Adjusting our operations slightly in response to the River’s Wild and Scenic Designation, the Commission continued work with non-voting representatives from HVA, the CT DEEP, National Park Service (NPS), FirstLight, and Northwest Hills Council of Governments. The voting members continued to be our town commissioners and alternates from Canaan, Cornwall, Kent, New Milford, North Canaan, Salisbury, and Sharon.

The HRC continues to have a primary responsibility for monitoring and advising these seven towns on issues that involve the Housatonic River and working to maintain a healthy and scenic river corridor. The annual dues requested from each town are \$400 per year. Much of the time at our meetings this year focused on building the framework around our participation in the Wild and Scenic River Partnership Program and funding from NPS, including establishing guidelines for our expanded operations and approval of future grants from HRC to support River projects and management. These efforts are structured to maintain local control for these projects within the framework of HRC. We are grateful for the tremendous guidance from NPS in this transition, especially Liz Lacy and Jackie Dias.

Our monthly meetings continued to provide space for updates from each of our supporting partners on their work addressing issues including HVA’s successful River Information and Outreach (RIO) program, fishing management (CT DEEP), and river access. HRC’s mission includes maintaining public access, and the proposed Ruggles Landing is being partnered with the state and town of North Canaan to allow for safe river usage. In addition, HRC continues to monitor the PCB cleanup and remediation proposals for the rest of 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 continues. The River Commission provided comments and suggestions on many proposed projects as development along the River continues to increase significantly. All towns are reminded to please be sure that the HRC is notified of 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.

## **TORRINGTON AREA HEALTH DISTRICT ANNUAL REPORT: JULY 1, 2022 – JUNE 30, 2023**

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: **6** giardiasis, **10** campylobacteriosis, and **10** salmonellosis cases. TAHD guided schools, daycares, and community members on a variety of health issues and administered **566** flu vaccines to residents. TAHD consulted with 13 residents regarding potential rabies exposures submitting **9 specimens** to the DPH Laboratory for rabies testing. Ticks brought in by **52** residents were sent to the Connecticut Agricultural Experiment Station for Lyme disease bacteria testing.

TAHD is an active member of **Fit Together**, a Northwest Connecticut Healthy Eating and Active Living Initiative. The 5210-fitness initiative serves as the cornerstone of the group's outreach and educational efforts. Fit Together allocates its resources to provide community assistance and has awarded \$15,000 in mini-grants to community partners. These grants aim to support projects that align with Fit Together's mission and strategies. Some of the funded projects include assisting the Torrington Kids Marathon, purchasing spin bikes for Oliver Wolcott School, buying local fruits and veggies for the school meal program in Torrington Schools, and obtaining stencils and paint to create black tops around schools. These areas serve as a creative way to promote a variety of physical activities. Fit Together has also supported sustainable healthy environmental opportunities in Torrington and Winsted by designating funding for a new all-level fitness trail along the Sue Grossman Still River Greenway.

TAHD actively participates in the **Litchfield County Opiate Task Force (LCOTF)** and as a member of the LCOTF executive committee, developing strategies and solutions to combat the opiate epidemic. Additionally, TAHD staff has provided training sessions to local pharmacies and medical offices on various topics such as the CT Prescription Monitoring and Reporting System, Naloxone administration, Medication-Assisted Treatment, and Resetting Pain Expectations. This training falls under the Academic Detailing on Opioid Safety initiative. Furthermore, TAHD is also involved in the Rural Communities Opioid Response Program (RCORP). The primary objective of RCORP is to reduce the morbidity and mortality associated with substance use disorder (SUD), including opioid use disorder (OUD), in high-risk rural communities. By participating in this program, TAHD aims to strengthen and expand prevention, treatment, and recovery services, allowing rural residents to access appropriate treatment and make progress toward their recovery goals.

TAHD contracted with United Way of Connecticut (UWC) to expand upon cross-sector efforts within the state to implement a comprehensive public health approach to suicide prevention to reduce suicide morbidity and mortality among three key vulnerable populations in the state: 1) middle-aged adults 35-64 years of age, particularly those in high-risk occupations or with serious mental illness or substance use disorder, 2) young adults 18-24 years of age and 3) adolescents 10-17 years of age. The TAHD provides QPR training to community members with the goal of reducing suicidal behaviors and saving lives. QPR Gatekeeper Trainers deliver this training and offer an innovative, practical, and proven suicide prevention approach. QPR is an excellent method for individuals and organizations to empower our communities in effectively intervening on behalf of suicidal and in-crisis individuals.

TAHD is an active member of the **National Diabetes Prevention Program**, dedicated to preventing or delaying the onset of type 2 diabetes. The program is designed for individuals with prediabetes and those at high risk for type 2 diabetes, spanning an entire year and focusing on promoting lifestyle changes. The program's objectives for participants involve engaging in 150 minutes of physical activity each week and achieving weight loss of 5 to 7%. The first session for this year commenced in November at the Litchfield Community Center.



The **TAHD Immunization Action Program (IAP)** collaborates with local providers and hospitals to ensure compliance with CT childhood immunization laws. In partnership with 12 medical and 40 community-based organizations in the district, TAHD focuses on educating, raising awareness, and promoting immunization. To support medical providers, TAHD supplies them with educational materials for both staff and patients, aiming to foster vaccine confidence and organizing educational events. Additionally, for community partners, TAHD arranges displays in libraries, museums, and food banks, and actively participates in various events such as back-to-school nights and health fairs. Posters are distributed in public spaces like post offices, coffee shops, libraries, and town halls to further spread the message. To boost vaccination efforts, TAHD continues to leverage social media.

The **TAHD Childhood Lead Poisoning Prevention Program** provided case management for more than 40 children with blood lead levels ( $\geq 3.5\mu\text{dl}$ ) as well as provided educational information to more than 100 families. Abatement/Remediation Orders were issued for 9 properties. 7 abatements were completed.

**TAHD Environmental Health Program** resulted in the following inspections/licenses/permits: **875** food inspections, **806** temporary food permits, **118** new septic systems, **252** repaired septic systems, **167** private well permits, **130** private pool permits, **200** beauty salons & barber shops inspections, **616** house addition permits, **355** soil tests, **28** subdivision lots, **43** public pools were inspected, and **26** daycare centers inspected. Records show that approximately **557** 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 **293** complaints of various public health concerns; **24** legal orders/voluntary compliances were issued for enforcement purposes.

**TAHD Emergency Preparedness Program** continues to work and participate with local, regional, and state community partners to prepare for unprecedented events. The activities include but are not limited to outbreak investigation, surveillance, consultation and communication with health partners, public safety, town, and school officials, receiving and distributing personal protective equipment, promoting flu vaccination clinics, practicing closed point of distribution drills (POD) at Housatonic Valley Regional High School and meet CT-DPH deliverable by conducting multi-regional and multi-agency Anthrax tabletop exercise.

The **TAHD Medical Reserve Corps (MRC)** continues to work actively and recruit new volunteers with the goal of focusing on local community health and well-being. The program's main emphasis lies in education and outreach, covering a wide range of topics. These include but are not limited to, first aid, CPR/AED, QPR Gatekeeper, Stop the Bleed training, Human trafficking training, Build an Emergency Kit, and generic emergency preparedness at home. Moreover, the program actively participates in local fairs and community outreach events. The primary objective of TAHD MRC is to raise awareness and develop a comprehensive training curriculum. This curriculum aims to better equip the public in protecting themselves and their family members in a safe, timely, and effective manner. As of July 2023, TAHD has successfully recruited 220 volunteers and plans to retain and recruit even more.

TAHD continues to distribute at-home COVID-19 test kits throughout the community including community centers, libraries, shelters, and food pantries.

Robert Rubbo, MPH, Director of Health



## 2023 ANNUAL REPORT

The Northwest Hills Council of Governments (NHCOC) 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.

NHCOC generally meets monthly to discuss issues of municipal concern, oversee COG planning projects, and explore new opportunities for regional cooperation. Additional information on COG initiatives and activities is available at: [www.northwesthillscog.org](http://www.northwesthillscog.org)

At the conclusion of the Fiscal Year, NHCOC approved a budget that realized increases in funding and services levels in many areas. These areas included an increase in the state Regional Service Grant (RSG), an increase in the state DOT planning funds for the region, the creation of a regional opioid response fund and a \$1.2M award from Health Resources and Services Administration over the next 4 years for the establishment of a Rural Health Network Project Director to continue the work in this area over the last couple of years. Leonardo Ghio was added to NHCOC staff as the new Project Director for this work.

During the Fiscal Year of July 1<sup>st</sup>, 2022, and June 30<sup>th</sup>, 2023, NHCOC planned for a relocation of the home office from Goshen to Litchfield in space within the EdAdvance building at 355 Goshen Road. The move will become official on September 1<sup>st</sup>, 2023, and will provide additional office space for a growing staff, several sizes of conference room space and efficiencies with other overhead costs along with full time access to our current Information Technology services provided by EdAdvance.

NHCOC also initiated a review and update of the region's Comprehensive Economic Development Strategy (CEDS). Major strategies outlined in the current CEDS include expanding access to high-speed fiber optic broadband (Fiber to the Home – FTTH), promoting tourism/arts/culture, supporting local farms, strengthening manufacturing, and encouraging entrepreneurs and innovation. The 2<sup>nd</sup> round of 3-year funding from US EDA was applied for and granted at the end of the FY and will provide for the continued update to our 5-year CEDS and continued implementation of the goals and objectives contained within.

NHCOC is allocated about \$2M each year from ConnDOT for priority local road improvement projects (LOTICIP) and projects are currently in various stages of approval/development in Burlington, Litchfield, Torrington, and Winchester.

NHCOC also serves as the oversight agent for approximately \$365,000 in Homeland Security Grant funding that is received each year for the Department of Emergency Management and



Homeland Security (DEMHS) Region 5. There are several projects and equipment acquisitions to support this program within multiple Emergency Support Function groups in region-5 (all of NHCOC and portions of NVCOG and WESTCOG).

In 2022-2023, NHCOC continued coordination of numerous 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, the Northwest Hills Public Works Equipment Cooperative, and the region's cooperative purchasing program. NHCOC also started a few new programs including being the fiduciary of a Produce Rx Program and the recent designation of the Wild and Scenic status for a portion of the Housatonic River working with the 7-town membership of the Housatonic River Commission (HRC).

NHCOC continuously promotes the on-line Interactive Regional Trail Map that was developed by NHCOC in cooperation with the Housatonic Valley Association to promote access to the public trails in the region.

In addition, NHCOC continued to host 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. These also have been utilized to meet the new statutory requirements of Land Use Officials annual training program.

Serving as officers of NHCOC during the majority of FY 2022-2023 were Henry Todd, Chairman, Mike Criss, Vice Chairmen; Charlie Perotti, Secretary; and Tom Weik, Treasurer.

Respectfully submitted,

*Robert Phillips*

Robert A Phillips, AICP  
Executive Director



## *Chore Service, Inc.*

Chore Service, founded in 1992, provides in-home, non-medical assistance to seniors and people with disabilities within the community so they may remain safely and independently at home. Chore employs local, caring people to provide essential services such as house cleaning, laundry, companionship, transportation, and yard work to North Canaan, Cornwall, Falls Village, Kent, Norfolk, Salisbury/Lakeville, and Sharon residents. Services are partially funded by a grant from the Western Connecticut Area Agency on Aging, which subsidizes clients aged sixty and over regardless of income. Client contributions supplement the grant along with donations from towns, churches, charitable foundations, and donors so that the program can remain affordable for everyone. When necessary, referrals are made to the VNA, physicians, social workers, etc., to assure safety.

From July 2022 through June 2023, Chore provided services to 11 Falls Village residents. These residents received 267 hours of help with chores such as cleaning, errands, and yard work so that they could continue to remain safely in their homes. Two Chore Workers who live in Falls Village earned, in total, over \$8,000 last year.

Chore began the year asking the pivotal question, “How can we expand to provide additional much-needed services to more people while ensuring our long-term financial viability?” This question was the basis for many discussions during several board and staff sessions led by an outside consultant. As a result, we have developed and adopted a three-year strategic plan, which meets those goals. Our mission will remain the same, but ways to expand our scope of services, increase community partnership, and address cuts in federal funding drive our strategy.

Our federal grant monies are depleted before the year ends, so we are delighted that the Town of Falls Village continues contributing to these services—many thanks to those who have supported and continue to support Chore. We are most grateful for the generous support of all our donors, including the Town of Falls Village.

Chore Service remains committed to helping our most vulnerable community members. If you need assistance or know someone who might benefit from our services, please call (860) 435-9177 or visit our website at [www.choreservice.org](http://www.choreservice.org). Also, if you seek employment or volunteer opportunities and want to make a difference in someone’s life, please call Chore.

Respectfully submitted,

Jane MacLaren  
Executive Director  
[jane@choreservice.org](mailto:jane@choreservice.org)





## VISITING NURSE & HOSPICE OF LITCHFIELD COUNTY, INC.

Visiting Nurse & Hospice of Litchfield County was created in 2020 by the mergers of Salisbury Visiting Nurse Association (est. 1904), VNA Northwest (Bantam, est. 1928) and Foothills Visiting Nurse & Home Care (Winsted, est. 1922). The combined agencies will be caring for the residents of all towns in Litchfield County plus Burlington, Canton, and Hartland.

VNHLC is a State licensed, Medicare certified, non-profit VNA providing care 24 hours a day, 7 days a week. VNHLC provides services in the areas of Skilled Nursing, Physical, Occupational and Speech Therapies, Medical Social Work, Hospice, Dietary, Pediatrics, Wound Care, Chronic Disease Management and non-medical Home Assistance Programs.

VNHLC employs 115 people, 95% of whom reside locally in Northwest Connecticut.

VNHLC cared for 2,204 patients and provided 50,198 patient visits in 2022-2023.

VNHLC is proud of its long-standing history with the Town of Falls Village. 36 persons from Falls Village received home health services from VNHLC during the past year.

Eighty-four (84%) percent of all our patients were age 65 or older and 24% lived alone.

VNHLC also offers, with funding assistance from the town, the following services free of charge to residents of Falls Village:

### Flu Clinics

Matter of Balance Classes – classes focus on how to maintain balance, continue moving and exercise at any age.

### Blood Pressure Clinics

Health Promotion Visits - VNHLC receives an annual allocation from the town to help defray the costs of providing free Health Promotion visits and Public Health Programs. Health Promotion is a program in which certain elderly at-risk patients, who normally live alone and no longer qualify for insurance benefits, are routinely monitored free of charge by one of our staff nurses, therapists, social workers, or dietitians.

Structured Bereavement Groups are held twice a year. The groups are free and open to anyone in the community who has lost a family member or friend. The bereavement coordinator is also always available to meet privately with people. Just before the holiday season, an event, The Tree of Lights, is held to honor and remember VNHLC patients who have passed within the past 18 months to which family members and caregivers are invited.

This past year VNHLC was able to conduct public and many private flu clinics and administered more than 1,400 flu vaccines to mostly high-risk individuals. All ages, 18 and older, were welcome to attend.

Since VNHLC is a non-profit health agency, the Board of Directors serve on a voluntary basis and represent all the towns in which full services are provided.

Referrals for services are accepted from anyone and services are provided regardless of ability to pay, as long as contributions, grants and other appropriations are sufficient to cover these costs.

*Michael Caselas*  
Executive Director



**Housatonic Youth Service Bureau**  
*2022-2023 Annual Report*

**Town of Canaan/Falls Village**

In December 2022, the Housatonic Youth Service Bureau marked its 31st year of service to the youth and families of Region One. We take pride in being the sole mental health agency providing FREE clinical services to children ages 3-21 and their families. As we celebrate another year, we reflect on our growth and the expansion of our programs to meet the evolving needs of our communities.



The Housatonic Youth Service Bureau, a 501(c)3 nonprofit organization, serves the towns of North Canaan, Canaan, Salisbury/Lakeville, Sharon, Cornwall, and Kent. Our licensed clinicians offer a variety of free services that foster the overall health and well-being of children and their families, impacting the lives of thousands within our community.

The lingering effects of the post-pandemic fallout continue to influence our work. Families are struggling to regain control of their schedules, commitments, expectations from work/school/activities. In 2020 the world came to a standstill, and everyone found their schedules empty and workloads emptied. For the first time in 2+ years the world seems to be back in full function and young people in particular are struggling to keep up. Our youngest clients are experiencing this hustle and bustle for the first time, and many of them are finding their support systems are less accessible.

To combat these feelings and offer our support, HYSB's clinical staff visit each of the seven public schools (as well as some private schools) on a weekly basis to offer in-person counseling services to children. These services are offered during the school day, so they are not adding to the already busy schedules of our client families. This also ensures that parents are not being forced to choose between counseling or work/sports/clubs/etc.

Beyond counseling, HYSB provides customized group programming tailored to the unique needs of each community. These programs create a safe environment where children can connect with peers and HYSB social workers to discuss sensitive topics, share strategies for overcoming adversity, and learn when and how to engage with other adults and authorities. Some program highlights include the formation of a Rainbow Alliance club at HVRHS, as well as a Teen Leadership Program, Girls Circle, and our continued work with the regional Juvenile Review Board.

Your annual support empowers HYSB to make a positive impact on the lives of thousands in our community. With funding from the Town of Canaan/Falls Village and generous donors across Region One, HYSB sustains free services, including mental health counseling, community outreach, youth empowerment, summer internship programs, case management, and referral services. We express heartfelt gratitude for your continued financial support and eagerly anticipate continuing our collaborative efforts for the well-being of the children and families in our community.

Sincerely,  
Kelly Parker, Executive Director

PO Box 356 | Falls Village, CT 06031 | P: (860) 824-4720  
[www.hysb.org](http://www.hysb.org) | [info@hysbct.org](mailto:info@hysbct.org)

# LITCHFIELD HILLS DISTRICT PROBATE COURT

74 West Street, Post Office Box 505

Litchfield, CT 06759-0505

Telephone: 860-567-8065

Facsimile: 860-567-2538

Re: Annual Report for Fiscal Year 2022 – 2023—Town of Canaan/Falls Village

The Litchfield Hills Probate Court handles a wide range of important and sensitive issues, including not only overseeing decedent's estates and trusts, but also issues affecting children, the elderly, persons with intellectual disabilities, and individuals with psychiatric disabilities.

The Court is primarily concerned with Trusts and Estates, Conservatorships, Children's Matters, Intellectual Disabilities, and Mental Health Commitments, but also handles a wide variety of other matters.

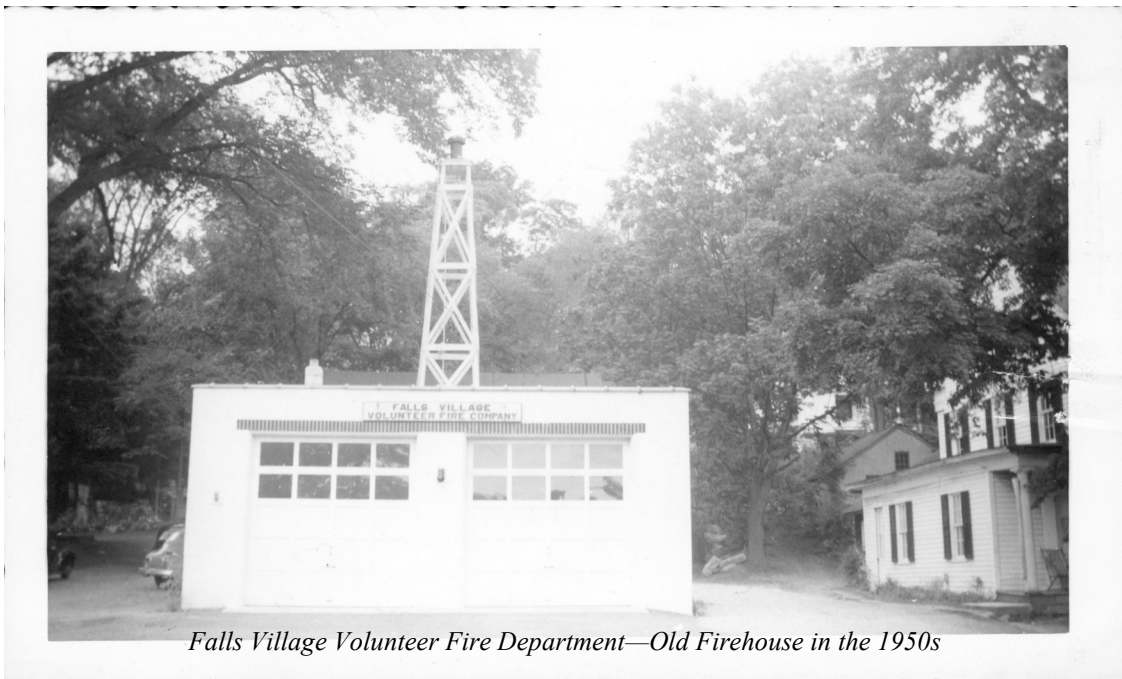
At this beginning of the year, the Honorable Diane S. Blick retired after sixteen years of dedicated service to the Court. Her work at the Court built an exemplary record of accomplishment and compassion. Upon her retirement, Jordan M. Richards took office and is serving in his first term as Judge of Probate.

During its most recent fiscal year, the Court experienced an increase in the number of new cases filed. According to information collected by the Office of the Probate Administrator, the Court is more than 7% busier than it was last year.

Beth McGuire continues to serve as the Chief Clerk of the Court. She and Megan Foley work in the North Canaan office. Dawn Pratt and an assistant clerk work in the Court's Litchfield office. All of the staff members at the Court are knowledgeable, dedicated, and look forward to assisting anyone who comes to the Court.

Respectfully submitted,

Honorable Jordan M. Richards



*Falls Village Volunteer Fire Department—Old Firehouse in the 1950s*

# PROJECT SAGE

Support • Advocate • Guide • Educate  
to end relationship violence

## Project SAGE Annual Report 01 July 2022 – 30 June 2023 Town of Canaan/Falls Village

Over the past year, the urgent need for Project SAGE's client and community services remains present, as demonstrated by the statistics below:

From July 1, 2022 through June 30, 2023, Project SAGE provided the following supports:

- Support services were provided to **805 clients (55 of these clients were from Canaan/Falls Village.)**
- **Of this number, 429 were new clients.** This is a 10% increase since 2020.
- The composition of our new clients includes:
  - 405 adults and 24 children
  - 305 identified as female and 124 identified as male
- Project SAGE responded to **2,040 hotline crisis requests – this number has more than doubled since 2020.**
- Provided **emergency shelter to 41 people for a total of 1,719 nights of shelter. This included 26 women, 2 men, and 13 children.**
- Provided criminal and civil court advocacy and support to **624 victims of family violence – a more than 30% increase since 2020.**
- Conducted **over 250 prevention workshops to children and teens** in area schools, totaling **over 3,200 child and student interactions.** We are now active in every single elementary/middle school in the region, as well as Housatonic Valley Regional High School.

Project SAGE continues to innovate and grow to meet the increasing, complex needs of our clients. In December of 2022, Women's Support Services officially announced a name change to Project SAGE (**S**upport – **A**dvocate – **G**uide – **E**ducate). Chosen to honor the wisdom and experience of our clients and their capacity to make their own choices, Project SAGE illustrates that domestic violence affects everyone and we serve people of all ages, identities, and backgrounds. The name change offered an opportunity to reintroduce ourselves to the community and reinvigorate critical conversations on the need to end relationship violence. With this in mind, the past year has been one of tremendous change and growth. **Thank you to the Town of Canaan/Falls Village for your generous grant of \$1,500 last year, which has been critical in helping Project SAGE continue strengthening our programs and support services.**

With an agency comprised of 12 full-time staff members, Project SAGE has been able to meet the increasing requests for our services. Clients are received in warm, inviting spaces at our new home at 13a Porter Street in Lakeville and the expanded office space has accommodated an ever-growing staff. In addition to full-time staff, the agency created opportunities for interns of various ages and backgrounds to gain experience relevant to their educational or professional pursuits. Interns provided support to program and prevention education staff and became certified volunteers through the 20-hour training program.

*The work you all do is so inspiring, and I am so grateful  
to have been part of it.*

*Christina B., High School Intern*





January 31, 2024

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

Dear Sir or Madam,

Susan B. Anthony Project has been providing free and confidential crisis services to victims of domestic violence and sexual assault for 41 years. We provide services in twenty towns in northwest Connecticut, including the Town of Canaan.

In your area, we provide sexual assault services.

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.

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 2023, we provided direct services to 7 residents for a total of 246 individual services and education prevention programs for Region 6 which included 6 Falls Village 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.

If you need any additional information, please contact me.

Sincerely,

Jeanne Fusco  
Executive Director

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# **TOWN OF CANAAN, CT**

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Annual Financial Statements

For the Year Ended June 30, 2023

**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 Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Canaan, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Canaan's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Canaan, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

## ***Auditor's Responsibility for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the pension and OPEB schedules on pages 4-10, 45-47, and 48-50 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Canaan's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, and other 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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, other supplemental schedules, and the schedule of expenditures of state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2023, on our consideration of the Town of Canaan's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Canaan's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Canaan's internal control over financial reporting and compliance.



King, King & Associates, CPAs  
Winsted, CT  
November 27, 2023

**TOWN OF CANAAN, CT**  
Management's Discussion and Analysis  
June 30, 2023

---

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, 2023.

**FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the Town of Canaan, CT exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$5,169,693 (*net position*). Of this amount, \$2,229,453 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors. Net Position of \$23,765 was restricted for Special Revenue Fund purposes. The balance of \$2,916,475 is invested in capital assets.
- The government's total net position increased by \$183,930.
- The Town's governmental funds reported, on a current financial resources basis, combined ending fund balances of \$2,309,690 a decrease of \$7,498 from the prior fiscal year. Of this amount, \$735,749 is available for spending at the government's discretion with town approval (*unassigned fund balance*) and \$323,542 has been assigned for subsequent year's appropriations. Additional amounts of \$32,783 have been set for Cemetery Maintenance.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$735,749 or 12% 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, deferred outflows of resources, liabilities, and deferred inflows of resources, 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, 2023

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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 town has no business-type activities as the Water Department was sold last fiscal year. 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 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 two categories: governmental 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 ARPA 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, 2023

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**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 two custodial.

The basic fiduciary fund financial statements can be found on pages 18-19 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 20-46 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 \$5,169,693 at the close of the most recent fiscal year.

SUMMARY STATEMENT OF NET POSITION

	<u>Governmental Activities</u>		
	<u>2023</u>	<u>2022</u>	<u>Variance</u>
Current and Other Assets	\$ 2,976,958	\$ 2,798,134	\$ 178,824
Capital Assets	<u>4,435,296</u>	<u>4,452,419</u>	<u>(17,123)</u>
Total Assets	<u>\$ 7,412,254</u>	<u>\$ 7,250,553</u>	<u>\$ 161,701</u>
Deferred Outflows of Resources	<u>25,840</u>	<u>31,359</u>	<u>(5,519)</u>
Current Liabilities	\$ 493,120	\$ 325,124	\$ 167,996
Long-term Liabilities	<u>1,714,944</u>	<u>1,913,663</u>	<u>(198,719)</u>
Total Liabilities	<u>2,208,064</u>	<u>2,238,787</u>	<u>(30,723)</u>
Deferred Inflows of Resources	<u>60,337</u>	<u>57,362</u>	<u>2,975</u>
Net Position:			
Net Investment in			
Capital Assets	2,916,475	2,722,232	194,243
Restricted	23,765	15,429	8,336
Unrestricted	<u>2,229,453</u>	<u>2,248,102</u>	<u>(18,649)</u>
Total Net Position	<u>\$ 5,169,693</u>	<u>\$ 4,985,763</u>	<u>\$ 183,930</u>

**TOWN OF CANAAN, CT**  
**Management's Discussion and Analysis**  
**June 30, 2023**

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A portion of the Town of Canaan, CT's net position (56%) reflects its net investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure assets such as roads and bridges) less any related debt used to acquire those assets that is still outstanding. 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, \$23,765 is restricted for special revenue fund purposes, and \$2,229,453 or (43%) 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 \$2,248,102. 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.

**STATEMENT OF CHANGES IN NET POSITION**

	2023	2022	Variance
<b>REVENUES</b>			
<i>Program:</i>			
Charges for services	\$ 163,338	\$ 157,426	\$ 5,912
Operating grants and contributions	891,283	584,141	307,142
Capital grants and contributions	-	59,093	(59,093)
<i>General:</i>			
Property taxes	4,936,006	4,886,248	49,758
Grants and contributions, not restricted to specific programs	161,962	135,981	25,981
Unrestricted investment earnings	37,259	(38,584)	75,843
Other	45,150	54,735	(9,585)
Total Revenues	<u>6,234,998</u>	<u>5,839,040</u>	<u>395,958</u>
<b>EXPENSES</b>			
<i>Governmental Activities:</i>			
General Government	739,839	581,173	158,666
Public Safety	179,495	151,894	27,601
Public Works	636,800	599,275	37,525
Sanitation	146,255	142,636	3,619
Health & Welfare	175,347	159,170	16,177
Culture and Recreation	126,642	107,554	19,088
Education	4,004,984	3,679,423	325,561
Interest on long-term debt	41,706	50,305	(8,599)
Total Expenses	<u>6,051,068</u>	<u>5,471,430</u>	<u>579,638</u>
Change in Net Position	183,930	367,610	<u>\$ (183,680)</u>
Beginning Net Position	4,985,763	4,618,153	
Ending Net Position	<u>\$ 5,169,693</u>	<u>\$ 4,985,763</u>	

**Governmental activities:** Governmental activities increased the Town of Canaan, CT's net position by \$183,930. Governmental activities revenues totaled \$6,234,988 for fiscal year 2023, an increase of \$395,958 from the prior fiscal year. The most significant factor contributing to this increase is the favorable investment results on the LOSAP investment and increase in operating grants and contributions due to the expenditure of ARPA funds and the state's contribution for Teacher's Retirement during the year.

**TOWN OF CANAAN, CT**  
Management's Discussion and Analysis  
June 30, 2023

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Key elements of this increase are as follows:

Seventy-nine percent (79%) of the revenues of the Town were derived from property taxes, followed by fourteen percent (14%) intergovernmental operating grants, three percent (3%) charge for services, three percent (3%) 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 and Building Permits were greater than the amount budgeted
- Unanticipated ESSER Education Grants and additional town grants were received

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

### **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 \$2,309,690 a decrease of \$7,498 in comparison with the prior fiscal year. Thirty-one percent (31%) 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.

**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 \$1,347,823 of which \$323,542 was assigned for the next fiscal year, \$32,783 was assigned to Cemetery Maintenance, \$27,720 was committed to Post-Employment Retirement Benefits and \$228,029 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 eighteen percent (18%) of total General Fund expenditures for the fiscal year ending June 30, 2023.

**TOWN OF CANAAN, CT**  
Management's Discussion and Analysis  
June 30, 2023

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During the current fiscal year, the fund balance of the Town of Canaan, CT's General Fund increased by \$3,937. Key factors in this decrease are as follows:

- There was a budgeted use of fund balance of \$271,379; however, due to better than anticipated revenues and controlled spending in various departments, only \$3,128 was utilized.
- Cost savings in most of the town's departments.

### **General Fund Budgetary Highlights**

The original General Fund budget provided for the use of \$235,379 of fund balance to finance approved expenditure appropriations not financed by projected revenue. Additional appropriations were made during the year for the Dog Fund \$15,000, Planning & Zoning \$17,000, and Town Hall \$4,000, bringing the final adjusted use of fund balance to \$271,379. Due to better than anticipated revenues and the diligence of employees and department heads, \$3,128 was utilized.

On the budgetary basis, General Fund revenues for the fiscal year were \$152,970 greater than budgetary projections due to only utilizing \$3,128 of fund balance, greater than anticipated tax collections, conveyance taxes, grants and other revenues. Budgetary expenditures were \$152,970 less than budgeted amounts due to cost savings in General Government, Public works road maintenance and Educational assessments to Region 1.

The final amended General fund budget provided for the use of fund balance of \$271,379. As a result of the positive budgetary variances, \$268,251 was able to be returned to fund balance.

### **CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets:** The Town of Canaan, CT's investment in capital assets, net of accumulated depreciation, is \$4,435,296. This investment in capital assets includes land, building and improvements, furniture, vehicles, equipment, and infrastructure assets (roads, culverts and bridges).

Additional information on the Town's capital assets can be found in Note 6 on page 30 of this report.

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

- New Boiler at Day Care Center
- Elevator at 107 Main Street
- Replace Boiler at Town Garage
- Mill and Pave Music Mountain Road
- Mill and Pave Wagnum Road
- Engineer costs for Cobble Road Bridge replacement
- Walkway Parking & lighting

**TOWN OF CANAAN, CT**  
Management's Discussion and Analysis  
June 30, 2023

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**CAPITAL ASSETS**  
(Net of Depreciation)

	<u>2023</u>	<u>2022</u>
Land and Non-Depreciable Assets	\$ 466,530	\$ 412,325
Buildings and Improvements	1,951,724	2,018,180
Infrastructure	1,484,230	1,433,446
Machinery and Equipment	<u>532,812</u>	<u>588,468</u>
Total	<u>\$ 4,435,296</u>	<u>\$ 4,452,419</u>

**Long-term debt:** 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 \$1,366,457 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 requiring annual payments of \$17,500 plus interest. During the year an additional payment was made. The balance was \$152,364 at year-end.

Additional information on the Town of Canaan, CT's long-term debt can be found in Note 7 on pages 31 - 32 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 2023-2024 fiscal year, and those that will affect future budgets are as follows:

- State grant funding is expected to remain constant.
- The education appropriations to Regional School District No. 1 are expected to remain constant for fiscal year 2023-2024.
- Mill rate to decrease by 4.7 mills due to a healthy fund balance and the revaluation.
- Received ARPA funds totaling \$311,636 during fiscal years ending June 30, 2021 and 2023. As of June 30, 2023, \$85,716 is left to be disbursed.
- The proposed sale of 35 Railroad Street for \$300,000.

**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.



# Falls Village Volunteer Fire Department

## 1924 to 2024





# Falls Village Volunteer Fire Department

## 1924 to 2024





# Falls Village Volunteer Fire Department

## 1924 to 2024





# Falls Village Volunteer Fire Department

## 1924 to 2024



**TOWN OF CANAAN, CT**

## Statement of Net Position

June 30, 2023

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	Governmental Activities
<b>ASSETS</b>	
<i>Current Assets:</i>	
Cash and Cash Equivalents	\$ 2,307,152
Investments	460,265
State and Federal Grants Receivable	18,274
Property Taxes Receivable (Net)	104,379
Interest Receivable	58,888
Lease Payments Receivable	28,000
<i>Noncurrent Assets:</i>	
Nondepreciable Capital Assets	466,530
Capital Assets, Net of Depreciation	<u>3,968,766</u>
 Total Assets	 <u>7,412,254</u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Outflows Related to Pension	<u>25,840</u>
 <b>LIABILITIES:</b>	
<i>Current Liabilities:</i>	
Accounts Payable	\$ 418,158
Refundable Advances	74,962
<i>Noncurrent Liabilities:</i>	
Due Within One Year	132,500
Due in More Than One Year	<u>1,582,444</u>
 Total Liabilities	 <u>2,208,064</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Lease Inflows	28,000
Changes in Assumptions Related to OPEB	<u>32,337</u>
Total Deferred Inflows of Resources	<u>60,337</u>
 <b>NET POSITION</b>	
Net Investment in Capital Assets	2,916,475
Restricted for Special Revenue Fund Purposes	23,765
Unrestricted	<u>2,229,453</u>
 Total Net Position	 <u>\$ 5,169,693</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, 2023

		<b>Program Revenues</b>			Net (Expense)
					Revenue and
					Changes in Net
					Position
	<u>Expenses</u>	<u>Charges</u>	<u>Operating</u>	<u>Capital</u>	
		<u>For Services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Governmental</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>Activities</u>
<b><u>Functions/Programs:</u></b>					
<b>Primary Government:</b>					
Governmental Activities:					
General Government	\$ 739,839	\$ 98,554	\$ 106,599	\$ -	\$ (534,686)
Public Safety	179,495	-	13,618	-	(165,877)
Public Works	636,800	-	254,389	-	(382,411)
Health & Welfare	175,347	-	-	-	(175,347)
Sanitation	146,255	47,126	-	-	(99,129)
Education	4,004,984	-	514,450	-	(3,490,534)
Culture & Recreation	126,642	17,658	2,227	-	(106,757)
Interest	41,706	-	-	-	(41,706)
Total Governmental Activities	<u>6,051,068</u>	<u>163,338</u>	<u>891,283</u>	<u>-</u>	<u>(4,996,447)</u>
General revenues:					
Property taxes levied for general purposes					4,936,006
Grants not restricted to specific purpose					161,962
Other Income					45,150
Unrestricted investment income (loss)					<u>37,259</u>
Total general revenues					5,180,377
Change in net position					183,930
Net position - beginning					<u>4,985,763</u>
Net position - ending					<u>\$ 5,169,693</u>

See accountant's report

**TOWN OF CANAAN, CT**

Balance Sheet  
Governmental Funds  
June 30, 2023

	General Fund	ARPA Fund	Nonmajor Governmental Funds	Total
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,241,830	\$ 85,716	\$ 979,606	\$ 2,307,152
Investments	458,287	-	1,978	460,265
Grants Receivable	18,274	-	-	18,274
Taxes Receivable, Net	104,379	-	-	104,379
Interest & Lien Fees Receivable	58,888	-	-	58,888
Lease Receivable	28,000	-	-	28,000
Interfund Receivables	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,909,658</b>	<b>\$ 85,716</b>	<b>\$ 981,584</b>	<b>\$ 2,976,958</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 384,346	\$ 14,095	\$ 19,717	\$ 418,158
Deferred Revenue	3,341	-	-	3,341
Interfund Payables	-	-	-	-
Refundable Advances	-	71,621	-	71,621
<b>Total Liabilities</b>	<b>387,687</b>	<b>85,716</b>	<b>19,717</b>	<b>493,120</b>
<b>Deferred Inflows of Resources</b>				
Leases	28,000	-	-	28,000
Deferred Taxes	146,148	-	-	146,148
<b>Total Deferred Inflows of Resources</b>	<b>174,148</b>	<b>-</b>	<b>-</b>	<b>174,148</b>
<b>FUND BALANCES</b>				
Restricted for:				
Special Revenue Fund Purposes	-	-	23,765	23,765
Committed to:				
Length of Service Awards Program	228,029	-	-	228,029
Capital Projects	-	-	938,102	938,102
OPEB Obligations (Note 10)	27,720	-	-	27,720
Assigned to:				
Cemetery Maintenance	32,783	-	-	32,783
Subsequent Year's Budget	323,542	-	-	323,542
Unassigned	735,749	-	-	735,749
<b>Total Fund Balances</b>	<b>1,347,823</b>	<b>-</b>	<b>961,867</b>	<b>2,309,690</b>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>\$ 1,909,658</b>	<b>\$ 85,716</b>	<b>\$ 981,584</b>	<b>\$ 2,976,958</b>

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, 2023

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**Fund balances reported in governmental funds Balance Sheet** **\$ 2,309,690**

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

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

<i>Capital Assets</i>	8,755,166
<i>Accumulated Depreciation</i>	(4,319,870)

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.

<i>Property taxes, interest and liens receivable greater than 60 days</i>	146,148
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Certain changes related to pensions are deferred and amortized over time

<i>Deferred Inflows - OPEB</i>	(32,337)
<i>Deferred Outflows - OPEB</i>	25,840

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

<i>Bonds Payable</i>	(1,518,821)
<i>Compensated Absences</i>	(51,760)
<i>Termination benefits</i>	(7,092)
<i>OPEB Liability</i>	<u>(137,271)</u>

**Net position of governmental activities** **\$ 5,169,693**

# TOWN OF CANAAN, CT

## Statement of Revenues, Expenditures, and Changes in Fund Balances

### Governmental Funds

For the Year Ended June 30, 2023

	<u>General</u>	<u>ARPA Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
<b>Revenues</b>				
Property Taxes	\$ 4,927,680	\$ -	\$ -	\$ 4,927,680
Intergovernmental	782,599	180,922	20,222	983,743
Charges for Services	160,820	-	2,518	163,338
Other Income	42,650	-	-	42,650
Investment Earnings	34,980	-	2,279	37,259
Total Revenues	<u>5,948,729</u>	<u>180,922</u>	<u>25,019</u>	<u>6,154,670</u>
<b>Expenditures</b>				
Current				
General Government	690,485	-	20,000	710,485
Public Safety	151,150	-	13,412	164,562
Public Works	515,798	-	-	515,798
Health & Welfare	161,859	-	7,538	169,397
Sanitation	146,255	-	-	146,255
Culture & Recreation	90,848	-	1,493	92,341
Education	3,858,191	-	16,268	3,874,459
Debt Service	174,206	-	75,136	249,342
Capital Outlay	-	180,922	58,607	239,529
Total Expenditures	<u>5,788,792</u>	<u>180,922</u>	<u>192,454</u>	<u>6,162,168</u>
Excess/(Deficiency) of Revenues Over Expenditures	159,937	-	(167,435)	(7,498)
<b>Other Financing Sources/(Uses)</b>				
Transfers In	-	-	156,000	156,000
Transfers Out	(156,000)	-	-	(156,000)
Total Other Financing Sources/(Uses)	<u>(156,000)</u>	<u>-</u>	<u>156,000</u>	<u>-</u>
Net Change in Fund Balances	3,937	-	(11,435)	(7,498)
<b>Fund Balances - Beginning, as restated</b>	<u>1,343,886</u>	<u>-</u>	<u>973,302</u>	<u>2,317,188</u>
<b>Fund Balances - Ending</b>	<u>\$ 1,347,823</u>	<u>\$ -</u>	<u>\$ 961,867</u>	<u>\$ 2,309,690</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, 2023

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**Net change in fund balances-total governmental funds** \$ (7,498)

**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>	223,011
<i>Depreciation Expense</i>	(240,134)

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.

<i>Bond Principal Payments</i>	207,636
<i>LED Lighting Project</i>	3,730
<i>Adjustment for OPEB Obligation</i>	(8,316)

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>	(4,262)
<i>Termination Benefits</i>	(69)
<i>Net Amortization of Pension Inflows and Outflows</i>	1,506

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>8,326</u>
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Change in net position of governmental activities \$ 183,930



**TOWN OF CANAAN, CT**  
 Budgetary Comparison Statement  
 General Fund  
 For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts <b><u>Budgetary Basis</u></b>	Differences Over (Under)
	<u>Original</u>	<u>Final Adjusted</u>		
<b>Revenues</b>				
Property Taxes	\$ 4,913,722	\$ 4,913,722	<b>\$ 4,927,680</b>	\$ 13,958
Intergovernmental	450,334	456,834	<b>498,800</b>	41,966
Investment Income	4,000	4,000	<b>12,910</b>	8,910
Departmental	98,250	248,250	<b>286,332</b>	38,082
Other Revenue	57,100	57,100	<b>69,465</b>	12,365
Use of Fund Balance to Finance Budget	<u>235,379</u>	<u>271,379</u>	<u><b>3,128</b></u>	<u>(268,251)</u>
Total Revenues	<u>5,758,785</u>	<u>5,951,285</u>	<u><b>5,798,315</b></u>	<u>(152,970)</u>
<b>Expenditures</b>				
Current:				
General Government	692,149	713,019	<b>664,298</b>	(48,721)
Public Safety	176,398	177,298	<b>166,150</b>	(11,148)
Public Works	576,755	726,755	<b>665,798</b>	(60,957)
Health and Welfare	162,099	177,099	<b>175,368</b>	(1,731)
Culture and Recreation	72,271	77,271	<b>90,848</b>	13,577
Sanitation	158,093	158,093	<b>146,255</b>	(11,838)
Education	3,621,541	3,621,541	<b>3,589,392</b>	(32,149)
Debt Service	<u>173,479</u>	<u>174,209</u>	<u><b>174,206</b></u>	<u>(3)</u>
Total Expenditures	<u>5,632,785</u>	<u>5,825,285</u>	<u><b>5,672,315</b></u>	<u>(152,970)</u>
Excess/(Deficiency) of Revenues Over Expenditures	126,000	126,000	<b>126,000</b>	-
<b>Other Financing Sources/(Uses)</b>				
Transfers In	-	-	-	-
Transfers Out	<u>(126,000)</u>	<u>(126,000)</u>	<u><b>(126,000)</b></u>	<u>-</u>
Total Other Financing Sources/(Uses)	<u>(126,000)</u>	<u>(126,000)</u>	<u><b>(126,000)</b></u>	<u>-</u>
<b>Revenues and other financing sources over/ (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ -</u>	<u><b>\$ -</b></u>	<u>\$ -</u>
Fund Balances, beginning			<b>816,163</b>	
Less: Use of Fund Balance to Finance Budget			<u><b>(3,128)</b></u>	
Fund Balances, ending			<u><b>\$ 813,035</b></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, 2023

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	<u>Pension Trust Fund</u>	<u>Private-Purpose Trust Funds</u>	<u>Custodial Funds</u>	<u>Totals</u>
<b>Assets</b>				
Cash and Cash Equivalents	\$ -	\$ 22,805	\$ 3,500	\$ 26,305
Investments - Mutual Funds	1,130,089	-	-	1,130,089
Contributions Receivable	<u>28,797</u>	<u>-</u>	<u>-</u>	<u>28,797</u>
<b>Total Assets</b>	<u>\$ 1,158,886</u>	<u>\$ 22,805</u>	<u>\$ 3,500</u>	<u>\$ 1,185,191</u>
<b>Deferred Outflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Liabilities</b>				
Due to Others	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>				
<b>Net Position, As Restated</b>				
Restricted for Donor's Intentions	-	22,895	-	22,895
Restricted for Individuals & Organizations	-	-	3,500	3,500
Restricted for Pensions	<u>1,158,886</u>	<u>-</u>	<u>-</u>	<u>1,158,886</u>
<b>Total Net Position</b>	<u>\$ 1,158,886</u>	<u>\$ 22,895</u>	<u>\$ 3,500</u>	<u>\$ 1,185,281</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, 2023

	<u>Pension Trust Fund</u>	<u>Private-Purpose Trust Funds</u>	<u>Custodial Funds</u>	<u>Total</u>
<b>Additions</b>				
Contributions				
Town	\$ 28,673	\$ -	\$ -	\$ 28,673
Employees	18,375	-	-	18,375
Foundation Grants	-	4,000	-	4,000
Private Donations	-	13,314	-	13,314
Events & Activities	-	-	1,252	1,252
Investment Income				
Interest and Dividends	-	9	-	9
Net Increase in Fair Value of Investments	170,981	-	-	170,981
<b>Total Additions</b>	<u>218,029</u>	<u>17,323</u>	<u>1,252</u>	<u>236,604</u>
<b>Deductions</b>				
Benefits Paid	58,770	-	-	58,770
Plan Administration	-	-	-	-
Financial Assistance	-	20,805	-	20,805
Events & Activities	-	2,007	1,873	3,880
<b>Total Deductions</b>	<u>58,770</u>	<u>22,812</u>	<u>1,873</u>	<u>83,455</u>
<b>Change in Net Position</b>	159,259	(5,489)	(621)	153,149
<b>Net Position - Beginning</b>	<u>999,627</u>	<u>28,384</u>	<u>4,121</u>	<u>1,032,132</u>
<b>Net Position - Ending</b>	<u>\$ 1,158,886</u>	<u>\$ 22,895</u>	<u>\$ 3,500</u>	<u>\$ 1,185,281</u>

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

**TOWN OF CANAAN**  
Notes to the Financial Statements

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**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.

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

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

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*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.

**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* account for resources held by the Town in a purely custodial capacity.

**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 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.

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.

## TOWN OF CANAAN

### Notes to the Financial Statements

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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 *ARPA Fund* accounts for resources provided by the American Rescue Plan Act.

Additionally, the government reports the following fund types:

#### ***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.

#### **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.

**TOWN OF CANAAN**  
Notes to the Financial Statements

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**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.

*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.

**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.



**TOWN OF CANAAN**  
Notes to the Financial Statements

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*Leases Receivable* – The Town's lease receivable is the amount expected to be received during the lease terms. The amounts have not been discounted as the discount amount is considered immaterial. A corresponding deferred inflow of resources is also recorded and the inflow of resources will be recorded on a straight-line basis over the term of the leases.

*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.

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.

**TOWN OF CANAAN**  
Notes to the Financial Statements

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*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.

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 and leases. 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.

**TOWN OF CANAAN**  
Notes to the Financial Statements

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*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.

*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.

**TOWN OF CANAAN**  
Notes to the Financial Statements

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**NOTE 2 – 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.

**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	\$ 5,798,315	\$ 5,672,315	\$ (126,000)	\$ -
Fund Balance Assigned to:				
Cemetery Maintenance	141	684	-	(543)
OPEB Reserve - see note 9	28	-	2,500	2,528
Rent Account Activity	1	-	-	1
Interfund Transfers Appropriated From Dept. Budgets	-	(32,500)	(32,500)	-
Teachers Retirement System on behalf payments	249,049	249,049	-	-
Teachers Retirement System OPEB	3,528	3,528	-	-
Net LoSAP Contributions and Expense	21,900	11,187	-	10,713
National Opioid Settlement grossed-up for Fund Basis	-	3,307	-	(3,307)
Music Mountain Paving netted for Fund Basis	(150,000)	(150,000)	-	-
Residual Water Department Collections	(2,327)	-	-	(2,327)
Use of Fund Balance	(3,128)	-	-	(3,128)
Grant Revenue Passed to Region One School District	<u>30,862</u>	<u>30,862</u>	<u>-</u>	<u>-</u>
GAAP Basis	<u>\$ 5,948,369</u>	<u>\$ 5,788,432</u>	<u>\$ (156,000)</u>	<u>\$ 3,937</u>

**TOWN OF CANAAN**  
Notes to the Financial Statements

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**NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS**

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

**Deposits and Investments**

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.

	Governmental Funds	Fiduciary Funds	Total
Cash and Cash Equivalents	\$ 2,307,152	\$ 26,305	\$ 2,333,457

*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. The Town has obtained pledge agreements from two of its three banks in amounts greater than those required by Connecticut General Statutes. The following is a summary of cash & cash equivalents at June 30, 2023.

Cash and Cash Equivalents	\$ 2,333,457
Plus: Investments (CDs)	232,236
	<u>\$ 2,565,693</u>

At June 30, 2023, Town bank deposits had a book balance of \$2,565,693 and a bank balance of \$2,669,960, including certificates of deposits classified as investments, which were insured by Federal Depository insurance. Of the bank balance, the Federal Depository Insurance Corporation insured \$1,374,353. The remaining balances of Town deposits were exposed to custodial credit risk as follows: \$1,151,530 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 \$144,077 was uninsured and uncollateralized.

*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* - 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.

**TOWN OF CANAAN**  
Notes to the Financial Statements

**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, 2023, the Town had the following investments:

	Reported Value	Maturity Not Applicable	Investment Maturities	
			Less Than 1 yr.	1-5 yrs.
Governmental Funds:				
General fund - certificates of deposit	\$ 230,258	\$ -	\$ -	\$ 230,258
Training Fund CD	1,978	-	1,978	-
FVFD LOSAP	228,029	228,029	-	-
Total governmental funds	<u>\$ 460,265</u>	<u>\$ 228,029</u>	<u>\$ 1,978</u>	<u>\$ 230,258</u>
Fiduciary Funds:				
Town pension plan - mutual funds	\$ 1,130,089	\$ 1,130,089	\$ -	\$ -
Total Fiduciary Funds	<u>\$ 1,130,089</u>	<u>\$ 1,130,089</u>	<u>\$ -</u>	<u>\$ -</u>

**Fair Value Measurements**

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

	June 30, 2023	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	\$ 5,470	\$ 5,470	\$ -	\$ -
Mutual Funds	1,245,309	1,245,309	-	-
Fixed Income	107,339	107,339	-	-
Total	1,358,118	<u>\$ 1,358,118</u>	<u>\$ -</u>	<u>\$ -</u>
Add Certificates of Deposit not included above	232,236			
Total Investments Reported at Fair Value	<u>\$ 1,590,354</u>			

**NOTE 4 – RECEIVABLES**

Town Receivable balances at June 30, 2023, are as follows:

	General Fund	Pension Trust Fund	Total
Receivables:			
Property Taxes	\$ 112,879	\$ -	\$ 112,879
Interest, Liens, and Fees	58,888	-	58,888
Intergovernmental	18,274	-	18,274
Leases Receivable	28,000	-	28,000
Pension Contributions	-	28,797	28,797
Gross Receivables	<u>218,041</u>	<u>28,797</u>	<u>246,838</u>
Less Allowance for Collection Losses	<u>(8,500)</u>	<u>-</u>	<u>(8,500)</u>
Net Total Receivables	<u>\$ 209,541</u>	<u>\$ 28,797</u>	<u>\$ 238,338</u>

**TOWN OF CANAAN**  
Notes to the Financial Statements

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, 2023, 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 \$146,148 as a deferred inflow of resources.

**NOTE 5 – INTERFUND BALANCES**

There were no Interfund advances that resulted from various interfund transactions at June 30, 2023.

Interfund Transfers during the year ended June 30, 2023 were as follows:

<u>Transfers In:</u>	<u>Transfers Out:</u>		<u>Totals</u>
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	
Non-Major Funds	\$ 156,000	\$ -	\$ 156,000
	<u>\$ 156,000</u>	<u>\$ -</u>	<u>\$ 156,000</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 6 – CAPITAL ASSETS**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 379,825	\$ -	\$ -	\$ 379,825
Construction in Progress	32,500	54,205	-	86,705
Total capital assets, not being depreciated	<u>412,325</u>	<u>54,205</u>	<u>-</u>	<u>466,530</u>
Capital assets, being depreciated:				
Buildings & Improvements	4,778,229	48,243	-	4,826,472
Infrastructure	1,699,665	107,902	-	1,807,567
Furniture, Equipment and Vehicles	1,641,936	12,661	-	1,654,597
Total capital assets, being depreciated	<u>8,119,830</u>	<u>168,806</u>	<u>-</u>	<u>8,288,636</u>
Less accumulated depreciation for:				
Buildings & Improvements	2,760,049	114,699	-	2,874,748
Infrastructure	266,220	57,117	-	323,337
Furniture, Equipment and Vehicles	1,053,467	68,318	-	1,121,785
Total accumulated depreciation	<u>4,079,736</u>	<u>240,134</u>	<u>-</u>	<u>4,319,870</u>
Total capital assets, being depreciated, net	<u>4,040,094</u>	<u>(71,328)</u>	<u>-</u>	<u>3,968,766</u>
Governmental activities capital assets, net	<u>\$ 4,452,419</u>	<u>\$ (17,123)</u>	<u>\$ -</u>	<u>\$ 4,435,296</u>



**TOWN OF CANAAN**  
Notes to the Financial Statements

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

Governmental activities:

General Government	\$ 27,107
Public Safety	1,315
Public Works	104,445
Health and Welfare	6,925
Culture and Recreation	34,301
Education	66,041
	<u>\$ 240,134</u>

**NOTE 7 – LONG-TERM DEBT**

***Governmental Activities***

Long-term liability activity for the year ended June 30, 2023, was as follows:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>Balance</u>	Current <u>Portion</u>
Governmental Activities:					
General Obligation Bond (School Roof)	\$ 245,000	\$ -	\$ 92,636	\$ 152,364	\$ 17,500
General Obligation Bond	1,481,457	-	115,000	1,366,457	115,000
LED Lighting	3,730	-	3,730	-	-
Net OPEB Liability	128,955	8,316	-	137,271	-
Compensated Absences - BOE	1,051	313	-	1,364	-
Compensated Absences - Town	46,447	3,949	-	50,396	-
Termination Benefits	7,023	69	-	7,092	-
Total	<u>\$ 1,913,663</u>	<u>\$ 12,647</u>	<u>\$ 211,366</u>	<u>\$ 1,714,944</u>	<u>\$ 132,500</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 originally provided 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. The debt was refinanced in April 2021 at a fixed rate of 2.4% through July 1, 2026, and 1.87% above the five-year treasury rate thereafter. 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 originally calculated at 3.61% payable semi-annually. The debt was refinanced in April 2021 at a fixed rate of 2.88% through maturity. The Amesville Bridge was completed during the year and an extra payment of \$75,136 was made to paydown the debt.

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At June 30, 2023 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, 2023</u>
Amesville Bridge & School Roof	8/2016	8/2035	2.88%	\$ 350,000	\$ 152,364
Emergency Services Building	7/2014	7/2034	2.40%	2,300,000	1,366,457
				Total	<u>\$ 1,518,821</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>
2024	\$ 132,500	\$ 44,814
2025	132,500	41,082
2026	132,500	37,350
2027	132,500	33,618
2028	132,500	29,886
2029-2033	639,864	84,558
2034-2036	<u>216,457</u>	<u>9,156</u>
	<u>\$ 1,518,821</u>	<u>\$ 280,464</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, 2023, a liability of \$7,092 representing the amount of severance benefits earned by eligible individuals is reflected in the government-wide statement of net position.

#### **Overlapping Debt**

Canaan is a member of the Regional School District No. 1, along with the Towns of Cornwall, Kent, North Canaan, Salisbury, and Sharon. Canaan's scheduled payment to the School District is a pro rata share of 9.8765%, which is based upon student enrollment. The Town's portion of the bond principal for Regional School District No. 1 is as follows:

	<u>Principal</u>
Bonds Outstanding	\$3,975,000
Town's Pro Rata %	9.8765%
Town's Share	\$ 392,591

**TOWN OF CANAAN**  
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**NOTE 8 – 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, 2023, the net position available for benefits was \$1,158,885. Vested benefits totaled \$1,152,935.

*Plan Membership* - At June 30, 2023, there were ten 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 equal to 100% of employee contributions up to two percent compensation, plus 200% of employee contributions between 2% and 3%. 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 \$28,673 to plan participant accounts during the fiscal year, while employees contributed \$18,375. The Town paid \$58,770 in distributions to participants during the fiscal year. The Town’s outstanding liability to the plan at fiscal year-end was \$28,797.

**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.

**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](http://www.ct.gov), or by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106.

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

**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, 2023 were estimated to be \$249,049, and were recognized as revenues and expenditures.

**Employees:** Participants are required to contribute 7.00% of their annual salary to the System as required by the CGS Section 10-183b (7). For the year ended June 30, 2023 the certified teachers' contribution to the Connecticut Teachers Retirement Board was \$59,663.

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

Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>3,163,332</u>
Total	<u>\$ 3,163,332</u>

The annual actuarial valuation used as a basis was performed on June 30, 2022. At June 30, 2023, the Town had no proportionate share of the net pension liability.

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For the year ended June 30, 2023, the Town recognized benefits expense and contribution revenue of \$249,409 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized \$305,740 for pension expenses 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, 2022, using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.5 Percent
Salary increases, including inflation	3.00-6.50 Percent
Investment rate of return	6.9 Percent, net of pension plan investment expense, including inflation

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

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:

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<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity Fund	20.00%	5.4%
Developed Market Int'l Stock Fund	11.00%	6.4%
Emerging Market Int'l Stock Fund	9.00%	8.6%
Core Fixed Income Fund	13.00%	0.8%
Emerging Market Debt Fund	5.00%	3.8%
High Yield Bond Fund	3.00%	3.4%
Real Estate Fund	19.00%	5.2%
Private Equity	10.00%	9.4%
Private Credit	5.00%	6.5%
Alternative Investments	3.00%	3.1%
Liquidity Fund	2.00%	-0.4%
Total	<u>100%</u>	

**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, 2023, the net position available for benefits was \$228,029.

At December 31, 2022, the date of the last annual program report, there were thirty-seven plan participants of which eighteen 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 equally to participants that earned a year of service credit. 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 \$23,031 was paid from the fund in retirement benefits to participants. Administration expenses of the plan were \$3,156.

**TOWN OF CANAAN**  
Notes to the Financial Statements

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**NOTE 9 – 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 \$27,720 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, 2021 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, 2023, 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.

*Net OPEB Liability* – The Town's OPEB Liability is based on the July 1, 2021 valuation with a measurement date of June 30, 2023. 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.



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*Actuarial assumptions* – The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement unless otherwise specified:

Payroll Growth Rate	2.5% annually
Participant Salary Increases	3.5% annually
Investment rate of return	Self-funded by the town
Healthcare Cost Trend Rates	Rate was reset to 7.0% downgrading down .5% per annum to an ultimate rate of 4.5% in years 2026 and later
Mortality	RPH-2014 Total Dataset Headcount-Weighted Fully Generational Mortality Table using Projection Scale MP-2021

*Discount Rate* – The discount rate used to measure the total OPEB liability was 3.65% 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 3.65% 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 (2.65%) or 1-percentage-point higher (4.65%) than the current rate:

	<u>1% Decrease</u> <u>Discount Rate</u> 2.65%	<u>Current</u> <u>Discount Rate</u> 3.65%	<u>1% Increase</u> <u>Discount Rate</u> 4.65%
Net OPEB liability as of June 30, 2023	\$145,572	\$137,271	\$129,432

*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>5% Decreasing to 4.0%</u>	<u>Healthcare Cost Trend Rates</u> <u>6% Decreasing to 5.0%</u>	<u>1% Increase</u> <u>7% Decreasing to 6.0%</u>
\$123,086	\$137,271	\$153,721

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	<u>Total Pension Liability</u>
Balance at June 30, 2022	\$ 128,955
Changes for the year:	
Service Cost	6,408
Interest	4,757
Changes in Benefit Terms	-
Differences between Expected and Actual Experience	-
Changes of Assumptions and other Inputs	(889)
Benefit Payments, including Refunds of Member Contributions	(1,960)
Net Investment Income	-
Other	-
Net Changes	<u>8,316</u>
Balance at June 30, 2023	<u>\$ 137,271</u>

*OPEB Expense* - For the year ended June 30, 2023, the Town recognized OPEB expense of \$8,770.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Experience Loss	\$ (16,236)	\$ 22,387
Change in Assumptions	(9,604)	9,950
Investment Gain (Loss)	-	-
Total	<u>\$ (25,840)</u>	<u>\$ 32,337</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, 2023:

Year ended June 30,	2024	\$ (2,395)
	2025	(2,395)
	2026	(2,395)
	2027	(1,259)
	2028	1,386
	Thereafter	561

**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](http://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.

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

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 \$3,528.

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. For the year ended June 30, 2023, the certified teacher's contribution to the Connecticut Teacher's Board was \$10,678.

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

Inflation	2.50%
Real Wage Growth	0.50%
Wage Inflation	3.00%
Salary Increases	3.00-6.50% including inflation
Long-term investment rate of return	3.00%, net of OPEB plan investment expense, including inflation

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Municipal bond index rate:

Measurement Date	3.54%
Prior Measurement Date	2.16%

The projected fiduciary net position is projected to be depleted in 2027

Single equivalent interest rate:

Measurement Date	3.53%, net of OPEB plan investment expense, including price inflation
Prior Measurement Date	2.17%, net of OPEB plan investment expense, including price inflation

Healthcare cost trend rates:

Medicare	Known increases until calendar year 2024, then general trend decreasing to an ultimate rate of 4.5% by 2031.
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Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females as ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

*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)	100.00%	-0.98%	1.12%
Price inflation		2.50%	
Expected rate of return (rounded to the nearest .25%)		1.50%	

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*Discount Rate* - The discount rate used to measure the total OPEB liability was 3.53%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection's basis was an actuarial valuation performed as of June 30, 2022.

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

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

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

*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	4.125%	5.125%	6.125%
Ultimate Healthcare Cost Trend Rate	3.50%	4.50%	5.50%
Total OPEB Liability	\$238,430	\$277,035	\$330,229

*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 (2.53%)</u>	<u>Current Discount Rate (3.53%)</u>	<u>1% Increase (4.53%)</u>
Net OPEB liability	\$ 334,989	\$ 277,035	\$ 233,017

*Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions:* At June 30, 2023 the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

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Town's proportionate share of the net OPEB Liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>277,035</u>
Total	<u><u>\$ 277,035</u></u>

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

**NOTE 10 – 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.

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 11 – COMMITMENTS AND CONTINGENCIES**

**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.

**NOTE 12 –LEASES**

**Town as Lessor**

The Town owns a building in the town center that is leased to two tenants. Rent payments vary from \$325 per month to \$1,000 per month through April 30, 2024. There is an option to renew for each of the leases. A total of \$22,600 of rental income has been recognized for the year ending June 30, 2023. Deferred Lease inflows and Leases Receivable of \$28,000 have been recognized in the Government-wide financial statements.

**NOTE 13 – GASB PRONOUNCEMENTS ISSUED, BUT NOT YET EFFECTIVE**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements:

- **GASB Statement No. 99 – *Omnibus 2022*** - The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITAs are effective for the Town's reporting period beginning July 1, 2022. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for the Town's reporting period beginning July 1, 2023.
- **GASB Statement No. 100 – *Accounting Changes and Error Corrections*** - The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for the Town's reporting period beginning July 1, 2023.
- **GASB Statement No. 101 – *Compensated Absences*** - The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for the Town's reporting period beginning July 1, 2024.



**TOWN OF CANAAN, CT**  
State Teacher's Retirement System  
Proportionate Share of Net Pension Liability  
June 30, 2023

	Schedule of Proportionate Share of Net Pension Liability								
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net pension associated with Town	<u>3,163,332</u>	<u>3,068,541</u>	<u>3,874,379</u>	<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>
Total	<u>\$ 3,163,332</u>	<u>\$ 3,068,541</u>	<u>\$ 3,874,379</u>	<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-payroll	<u>\$ 852,607</u>	<u>\$ 777,000</u>	<u>\$ 876,403</u>	<u>\$ 902,504</u>	<u>\$ 884,347</u>	<u>\$ 874,757</u>	<u>\$ 806,484</u>	<u>\$ 843,048</u>	<u>\$ 816,883</u>
Town's proportionate share of the net pension liability (asset) as a percentage of its covered - payroll.	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>54.06%</u>	<u>60.77%</u>	<u>49.24%</u>	<u>52.00%</u>	<u>57.69%</u>	<u>55.93%</u>	<u>52.26%</u>	<u>59.50%</u>	<u>61.56%</u>

**Notes to Schedule**

Actuarial cost method	Entry Age
Amortization method	Level percent of pay closed, grading to a level dollar amortization method for the June 30, 2024 valuation
Single Equivalent amortization period	27.8 years
Asset valuation method	4-year smoothed market
Inflation	2.50%
Salary increase	3.0-6.5%, including inflation
Investment rate of return	6.9% net of investment related expense

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

See accountant's report.

**TOWN OF CANAAN, CT**  
State Teacher's Retirement System  
Proportionate Share of Net OPEB Liability  
June 30, 2023

	Schedule of Proportionate Share of Net Pension Liability					
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Town's proportion of the net OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net OPEB associated with Town	<u>277,035</u>	<u>334,312</u>	<u>577,864</u>	<u>571,218</u>	<u>564,576</u>	<u>733,680</u>
Total	<u>\$ 277,035</u>	<u>\$ 334,312</u>	<u>\$ 577,864</u>	<u>\$ 571,218</u>	<u>\$ 564,576</u>	<u>\$ 733,680</u>
Town's covered-employee payroll	<u>\$ 852,607</u>	<u>\$ 777,000</u>	<u>\$ 876,403</u>	<u>\$ 902,504</u>	<u>\$ 884,347</u>	<u>\$ 874,757</u>
Town's proportionate share of the net OPEB liability (asset) as a percentage of its covered - employee payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>9.46%</u>	<u>6.11%</u>	<u>2.50%</u>	<u>2.08%</u>	<u>1.49%</u>	<u>1.79%</u>

**Notes to Schedule**

Actuarial Cost Method	Entry Age
Amortization Method	Level percent of payroll over an open period
Amortization Period	30 years
Asset Valuation Method	Market Value of assets
Investment Rate of Return	3.00%, net of investment related expenses including price inflation
Price Inflation	2.50%

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

See accountant's report.

**TOWN OF CANAAN, CT**  
Schedule of Changes in the Total OPEB Liability and Related Ratios  
June 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total OPEB Liability</b>							
Service Cost	\$ 6,408	\$ 7,633	\$ 5,107	\$ 4,516	\$ 6,402	\$ 6,522	\$ -
Interest	4,757	2,996	2,374	3,672	4,627	4,063	-
Changes in Benefit Terms	-	-	-	-	-	-	-
Differences between expected and actual experience	-	22,184	-	(46,199)	-	-	-
Changes in assumptions and other inputs	(889)	(11,205)	414	15,888	3,874	(2,970)	-
Benefit Payments	(1,960)	(1,866)	(1,976)	(1,866)	(1,502)	(1,397)	-
<b>Net Changes in Total OPEB Liability</b>	<b>8,316</b>	<b>19,742</b>	<b>5,919</b>	<b>(23,989)</b>	<b>13,401</b>	<b>6,218</b>	<b>-</b>
<b>Total OPEB Liability - Beginning</b>	<b>\$ 128,955</b>	<b>\$ 109,213</b>	<b>\$ 103,294</b>	<b>\$ 127,283</b>	<b>\$ 113,882</b>	<b>\$ 107,664</b>	<b>\$ -</b>
<b>Total OPEB Liability - Ending</b>	<b>\$ 137,271</b>	<b>\$ 128,955</b>	<b>\$ 109,213</b>	<b>\$ 103,294</b>	<b>\$ 127,283</b>	<b>\$ 113,882</b>	<b>\$ 107,664</b>
<b>Plan Fiduciary Net Position</b>							
Contributions - Employer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - Employee	-	-	-	-	-	-	-
Net Investment Income	-	-	-	-	-	-	-
Benefit Payments	-	-	-	-	-	-	-
Administrative Expenses	-	-	-	-	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fiduciary Net Position, Beginning</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Fiduciary Net Position, Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net OPEB Liability, Ending</b>	<b>\$ 137,271</b>	<b>\$ 128,955</b>	<b>\$ 109,213</b>	<b>\$ 103,294</b>	<b>\$ 127,283</b>	<b>\$ 113,882</b>	<b>\$ 107,664</b>
Covered-Employee Payroll	\$ 227,826	\$ 222,269	\$ 211,281	\$ 206,128	\$ 204,650	\$ 199,659	
Total OPEB Liability as a percentage of Covered Employee Payroll	60.25%	58.02%	51.69%	50.11%	62.20%	57.04%	
Notes:							
Plan Changes:	None	None	None	None	None	None	None
Assumption Changes:							
Discount Rate	3.65%	3.54%	2.16%	2.21%	3.50%	3.87%	3.58%
Trend Rate	6.5% initially, grading down to 4.5% in 2026	7.0% initially, grading down to 4.5% in 2026	7.0% initially, grading down to 4.5% in 2025	7.5% initially, grading down to 4.5% in 2025	7.5% initially, grading down to 5.0% in 2023	8.0% initially, grading down to 5.0% in 2023	
Mortality Table	RPH-2014 Headcount- Weighted Fully Generational Table with Scale MP- 2021	RPH-2014 Headcount- Weighted Fully Generational Table with Scale MP- 2021	RPH-2014 Headcount- Weighted Fully Generational Table with Scale MP- 2021	RPH-2014 Headcount- Weighted Fully Generational Table with Scale MP- 2019	RPH-2000 Fully Generational Table with scale AA		

See accountant's report.

**TOWN OF CANAAN, CT**  
Schedule of Budgeted and Actual Revenues  
General Fund - Budgetary Basis  
For the Year Ended June 30, 2023

	<b>ORIGINAL APPROPRIATIONS</b>	<b>AMENDED APPROPRIATIONS</b>	<b>ACTUAL REVENUES</b>	<b>ACTUAL OVER / (UNDER) BUDGETED</b>
<b>TAXES</b>				
General Property Tax	\$ 4,913,722	\$ 4,913,722	\$ 4,927,680	\$ 13,958
<b>Total Taxes</b>	<u>4,913,722</u>	<u>4,913,722</u>	<u>4,927,680</u>	<u>13,958</u>
<b>INTERGOVERNMENTAL</b>				
Education Equalization	125,752	125,752	<b>125,752</b>	-
Elderly Tax Relief	2,500	2,500	<b>1,771</b>	(729)
State Owned Property (PILOT)	77,153	77,153	<b>77,153</b>	-
Pequot/Mohegan Fund	6,202	6,202	<b>6,202</b>	-
LOCIP	18,491	18,491	<b>18,541</b>	50
Town Aid for Roads	169,392	169,392	<b>169,643</b>	251
Historic Document Preservation	-	5,500	<b>5,500</b>	-
Telecomm Property Tax	6,000	6,000	<b>6,005</b>	5
Educational Grants	-	-	<b>17,402</b>	17,402
Other Grants	44,844	45,844	<b>70,831</b>	24,987
<b>Total Intergovernmental</b>	<u>450,334</u>	<u>456,834</u>	<u>498,800</u>	<u>41,966</u>
<b>INVESTMENT INCOME</b>	<u>4,000</u>	<u>4,000</u>	<u>12,910</u>	<u>8,910</u>
<b>DEPARTMENTAL</b>				
Conveyance Tax	14,000	14,000	<b>28,763</b>	14,763
Planning and Zoning Fees	1,500	1,500	<b>1,540</b>	40
Public Works	-	150,000	<b>150,000</b>	-
Building Permits	20,000	20,000	<b>33,475</b>	13,475
Recreation	10,300	10,300	<b>17,658</b>	7,358
Town Clerk Fees	8,450	8,450	<b>7,770</b>	(680)
Transfer Station	43,500	43,500	<b>47,126</b>	3,626
Inland Wetlands Permits	500	500	-	(500)
<b>Total Departmental</b>	<u>98,250</u>	<u>248,250</u>	<u>286,332</u>	<u>38,082</u>
<b>OTHER REVENUES</b>				
Property Rentals	23,400	23,400	<b>22,600</b>	(800)
Copier and Fax Fees	1,700	1,700	<b>1,888</b>	188
Miscellaneous Other	32,000	32,000	<b>44,977</b>	12,977
<b>Total Other Revenue</b>	<u>57,100</u>	<u>57,100</u>	<u>69,465</u>	<u>12,365</u>
<b>OTHER SOURCES</b>				
Use of Fund Balance	235,379	271,379	<b>3,128</b>	(268,251)
<b>Total Other Sources</b>	<u>235,379</u>	<u>271,379</u>	<u>3,128</u>	<u>(268,251)</u>
<b>TOTALS</b>	<u>\$ 5,758,785</u>	<u>\$ 5,951,285</u>	<u>\$ 5,798,315</u>	<u>\$ (152,970)</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, 2023

1 of 2

	<b>ORIGINAL</b>	<b>AMENDED</b>	<b>ACTUAL</b>	<b>Over</b>
	<b>APPROPRIATIONS</b>	<b>APPROPRIATIONS</b>	<b>EXPENDITURES</b>	<b>(Under)</b>
<b>GENERAL GOVERNMENT</b>				
Selectmen	\$ 58,608	\$ 58,608	\$ 56,363	(2,245)
Town Hall	46,700	50,700	52,155	1,455
Legal	13,714	7,714	2,776	(4,938)
Board of Assessors	52,791	52,791	52,524	(267)
Board of Assessment Appeals	1,500	1,500	1,004	(496)
Board of Finance	29,250	30,850	31,095	245
Tax Collector	33,011	33,011	31,691	(1,320)
Treasurer	41,136	41,136	40,585	(551)
Town Clerk	51,163	55,433	48,531	(6,902)
Planning and Zoning	37,010	54,010	37,387	(16,623)
Zoning Board of Appeals	500	500	-	(500)
Registrar of Voters	22,960	22,960	18,736	(4,224)
Insurance	44,356	44,356	42,720	(1,636)
Benefits	224,450	224,450	217,949	(6,501)
Inland Wetland Commission	2,250	2,250	1,007	(1,243)
35 Railroad St. Property	4,450	4,450	4,301	(149)
Economic Development	2,100	2,100	2,100	-
107 Main St Maintenance	26,200	26,200	23,374	(2,826)
Totals - General Government	692,149	713,019	664,298	(48,721)
<b>PUBLIC SAFETY</b>				
Street Lights	7,700	8,600	8,722	122
General Public Safety	63,698	63,698	52,259	(11,439)
Fire Commission	105,000	105,000	105,169	169
Totals - Public Safety	176,398	177,298	166,150	(11,148)
<b>PUBLIC WORKS</b>				
Road Maintenance	549,180	699,180	641,958	(57,222)
Town Garage	27,575	27,575	23,840	(3,735)
Totals - Public Works	576,755	726,755	665,798	(60,957)
<b>HEALTH AND WELFARE</b>				
Non-municipal Public Benefit Activities	71,497	71,497	70,425	(1,072)
Daycare Grant	10,000	10,000	10,000	-
William Surdam Building	14,100	14,100	13,929	(171)
Public Health	18,188	33,188	33,188	-
Social Services	45,314	45,314	44,826	(488)
General Assistance	3,000	3,000	3,000	-
Totals - Health and Welfare	162,099	177,099	175,368	(1,731)
<b>CULTURE AND RECREATION</b>				
Recreation Commission	72,271	77,271	90,848	13,577
Totals - Culture and Recreation	72,271	77,271	90,848	13,577

See accountant's report.

**TOWN OF CANAAN, CT**  
Schedule of Budgeted and Actual Expenditures  
General Fund - Budgetary Basis  
For the Year Ended June 30, 2023

2 of 2

	<b>ORIGINAL APPROPRIATIONS</b>	<b>AMENDED APPROPRIATIONS</b>	<b>ACTUAL EXPENDITURES</b>	<b>Over (Under)</b>
<b>SANITATION</b>				
Waste Management	<u>158,093</u>	<u>158,093</u>	<u>146,255</u>	<u>(11,838)</u>
<b>EDUCATION</b>				
Salaries	1,230,782	1,213,867	<b>1,213,866</b>	(1)
Benefits	404,712	351,493	<b>334,414</b>	(17,079)
Services	89,514	89,514	<b>74,869</b>	(14,645)
Property Services	39,667	60,217	<b>60,217</b>	-
Purchased Services	186,484	187,106	<b>172,209</b>	(14,897)
Supplies	155,327	172,724	<b>172,724</b>	-
Property & Equipment	1,200	32,765	<b>47,661</b>	14,896
Capital Fund Appropriation	15,000	15,000	<b>15,000</b>	-
Region #1 Tuition	1,497,256	1,497,256	<b>1,497,256</b>	-
Dues and Fees	<u>1,599</u>	<u>1,599</u>	<u>1,176</u>	<u>(423)</u>
Totals - Education	<u>3,621,541</u>	<u>3,621,541</u>	<u>3,589,392</u>	<u>(32,149)</u>
<b>DEBT SERVICE</b>				
Principal	132,500	132,500	<b>132,500</b>	-
Interest	<u>40,979</u>	<u>41,709</u>	<u>41,706</u>	<u>(3)</u>
Totals - Debt Service	<u>173,479</u>	<u>174,209</u>	<u>174,206</u>	<u>(3)</u>
<b>OTHER FINANCING USES</b>				
Transfers Out:				
Transfers to Other Funds	<u>126,000</u>	<u>126,000</u>	<u>126,000</u>	<u>-</u>
<b>TOTAL APPROPRIATIONS AND EXPENDITURES</b>	<u>\$ 5,758,785</u>	<u>\$ 5,951,285</u>	<u>\$ 5,798,315</u>	<u>\$ (152,970)</u>

See accountant's report.

**TOWN OF CANAAN, CT**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2023

1 of 3

SPECIAL REVENUE FUNDS										
	<u>Special Projects Fund</u>	<u>Dog Fund</u>	<u>School Milk Fund</u>	<u>Berzine Fund</u>	<u>Daniel Maynard Fund</u>	<u>Denise Blair Memorial Fund</u>	<u>Kellogg School Student Funds</u>	<u>Recreation Fund</u>	<u>IW Cobble Hill Tower Fund</u>	<u>Training Fund</u>
<b>Assets:</b>										
Cash and Cash Equivalents	\$ 63	\$ 9,145	\$ 215	\$ 669	\$ 3,182	\$ 664	\$ 10,601	\$ 4,086	\$ 288	\$ -
Investments	-	-	-	-	-	-	-	-	-	1,978
Due from General Fund	-	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 63</b>	<b>\$ 9,145</b>	<b>\$ 215</b>	<b>\$ 669</b>	<b>\$ 3,182</b>	<b>\$ 664</b>	<b>\$ 10,601</b>	<b>\$ 4,086</b>	<b>\$ 288</b>	<b>\$ 1,978</b>
<b>Liabilities and Fund Balances</b>										
<b>Liabilities:</b>										
Accounts Payable	\$ -	\$ 999	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned Grant Revenue	-	-	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>999</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>										
Restricted	-	8,146	215	669	3,182	664	10,601	-	288	-
Committed	63	-	-	-	-	-	-	4,086	-	1,978
<b>Total Fund Balances</b>	<b>63</b>	<b>8,146</b>	<b>215</b>	<b>669</b>	<b>3,182</b>	<b>664</b>	<b>10,601</b>	<b>4,086</b>	<b>288</b>	<b>1,978</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 63</b>	<b>\$ 9,145</b>	<b>\$ 215</b>	<b>\$ 669</b>	<b>\$ 3,182</b>	<b>\$ 664</b>	<b>\$ 10,601</b>	<b>\$ 4,086</b>	<b>\$ 288</b>	<b>\$ 1,978</b>

See accountant's report.



**TOWN OF CANAAN, CT**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2023

2 of 3

CAPITAL PROJECTS FUNDS										
	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
<b>Assets:</b>										
Cash and Cash Equivalents	\$ 38,060	\$ 38,818	\$ 23,312	\$ 112,654	\$ 36,778	\$ 3,667	\$ 70,875	\$ 23,445	\$ 133,387	\$ 23,561
Investments	-	-	-	-	-	-	-	-	-	-
Due from General Fund	-	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 38,060</b>	<b>\$ 38,818</b>	<b>\$ 23,312</b>	<b>\$ 112,654</b>	<b>\$ 36,778</b>	<b>\$ 3,667</b>	<b>\$ 70,875</b>	<b>\$ 23,445</b>	<b>\$ 133,387</b>	<b>\$ 23,561</b>
<b>Liabilities and Fund Balances</b>										
<b>Liabilities:</b>										
Accounts Payable	\$ -	\$ 18,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned Grant Revenue	-	-	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>18,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>										
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	38,060	20,818	23,312	112,654	36,778	3,667	70,875	23,445	133,387	23,561
<b>Total Fund Balances</b>	<b>38,060</b>	<b>20,818</b>	<b>23,312</b>	<b>112,654</b>	<b>36,778</b>	<b>3,667</b>	<b>70,875</b>	<b>23,445</b>	<b>133,387</b>	<b>23,561</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 38,060</b>	<b>\$ 38,818</b>	<b>\$ 23,312</b>	<b>\$ 112,654</b>	<b>\$ 36,778</b>	<b>\$ 3,667</b>	<b>\$ 70,875</b>	<b>\$ 23,445</b>	<b>\$ 133,387</b>	<b>\$ 23,561</b>

See accountant's report.

**TOWN OF CANAAN, CT**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2023

3 of 3

CAPITAL PROJECTS FUNDS									
	Registrars Voting Machine Fund	Painting Fund	Capital Project	Environmental Cleanup Fund	Salt Shed Fund	Bridge Repair Fund	Tree Replacement Reserve	Fire Truck & Equip Reserve	Total
<b>Assets:</b>									
Cash and Cash Equivalents	\$ 11,021	\$ 48,556	\$ 1	\$ 18,112	\$ 113,498	\$ 17,256	\$ 1,502	\$ 236,190	\$ 979,606
Investments	-	-	-	-	-	-	-	-	1,978
Due from General Fund	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 11,021</b>	<b>\$ 48,556</b>	<b>\$ 1</b>	<b>\$ 18,112</b>	<b>\$ 113,498</b>	<b>\$ 17,256</b>	<b>\$ 1,502</b>	<b>\$ 236,190</b>	<b>\$ 981,584</b>
<b>Liabilities and Fund Balances</b>									
<b>Liabilities:</b>									
Accounts Payable	\$ -	\$ -	\$ -	\$ 718	\$ -	\$ -	\$ -	\$ -	\$ 19,717
Unearned Grant Revenue	-	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>718</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,717</b>
<b>Fund Balances:</b>									
Restricted	-	-	-	-	-	-	-	-	23,765
Committed	11,021	48,556	1	17,394	113,498	17,256	1,502	236,190	938,102
<b>Total Fund Balances</b>	<b>11,021</b>	<b>48,556</b>	<b>1</b>	<b>17,394</b>	<b>113,498</b>	<b>17,256</b>	<b>1,502</b>	<b>236,190</b>	<b>961,867</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 11,021</b>	<b>\$ 48,556</b>	<b>\$ 1</b>	<b>\$ 18,112</b>	<b>\$ 113,498</b>	<b>\$ 17,256</b>	<b>\$ 1,502</b>	<b>\$ 236,190</b>	<b>\$ 981,584</b>

See accountant's report.

**TOWN OF CANAAN, CT**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2023

<b>SPECIAL REVENUE FUNDS</b>										
	<b>Special Projects Fund</b>	<b>Dog Fund</b>	<b>School Milk Fund</b>	<b>Berzine Fund</b>	<b>Daniel Maynard Fund</b>	<b>Denise Blair Memorial Fund</b>	<b>Kellogg School Student Funds</b>	<b>Recreation Fund</b>	<b>IW Cobble Hill Tower Fund</b>	<b>Training Fund</b>
<b>Revenues:</b>										
Operating Grants and Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,995	\$ 2,227	\$ -	\$ -
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Charges for Services	-	2,518	-	-	-	-	-	-	-	-
Investment Income	-	-	-	-	3	-	-	-	-	6
<b>Total Revenues</b>	<b>-</b>	<b>2,518</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>17,995</b>	<b>2,227</b>	<b>-</b>	<b>6</b>
<b>Expenditures:</b>										
General Government	-	-	-	-	-	-	-	-	-	-
Public Safety	-	13,412	-	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-	-	1,493	-	-
Education	-	-	34	-	-	-	16,234	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-	-	-
Debt Outlay	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>13,412</b>	<b>34</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,234</b>	<b>1,493</b>	<b>-</b>	<b>-</b>
<b>Excess/(deficiency) of Revenues over Expenditures</b>	<b>-</b>	<b>(10,894)</b>	<b>(34)</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>1,761</b>	<b>734</b>	<b>-</b>	<b>6</b>
<b>Other Financing Sources/(Uses):</b>										
Transfers In	-	17,500	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-	-
<b>Excess/(Deficiency) of Revenues and Other Sources over Expenditures and Other Uses</b>	<b>-</b>	<b>6,606</b>	<b>(34)</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>1,761</b>	<b>734</b>	<b>-</b>	<b>6</b>
<b>Beginning Fund Balances</b>	<b>63</b>	<b>1,540</b>	<b>249</b>	<b>669</b>	<b>3,179</b>	<b>664</b>	<b>8,840</b>	<b>3,352</b>	<b>288</b>	<b>1,972</b>
<b>Ending Fund Balances</b>	<b>\$ 63</b>	<b>\$ 8,146</b>	<b>\$ 215</b>	<b>\$ 669</b>	<b>\$ 3,182</b>	<b>\$ 664</b>	<b>\$ 10,601</b>	<b>\$ 4,086</b>	<b>\$ 288</b>	<b>\$ 1,978</b>

See accountant's report

**TOWN OF CANAAN, CT**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2023

	<b>CAPITAL PROJECTS</b>									
	<b>Board of Assessors Revaluation Fund</b>	<b>Planning and Zoning Regulations Fund</b>	<b>Ambulance Fund</b>	<b>Truck and Heavy Equipment Fund</b>	<b>107 Main Street Property Fund</b>	<b>Computer Fund</b>	<b>Bulky Waste Fund</b>	<b>Kellogg School Technology Fund</b>	<b>Kellogg School Capital Fund</b>	<b>Pool Fund</b>
<b>Revenues:</b>										
Operating Grants and Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-	-
Investment Income	48	40	23	134	42	3	78	19	65	11
<b>Total Revenues</b>	<b>48</b>	<b>40</b>	<b>23</b>	<b>134</b>	<b>42</b>	<b>3</b>	<b>78</b>	<b>19</b>	<b>65</b>	<b>11</b>
<b>Expenditures:</b>										
General Government	-	20,000	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-	-	-
Debt Outlay	-	-	-	-	-	-	-	-	-	-
Capital Outlay	22,349	-	-	-	8,569	-	-	-	26,701	-
<b>Total Expenditures</b>	<b>22,349</b>	<b>20,000</b>	<b>-</b>	<b>-</b>	<b>8,569</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,701</b>	<b>-</b>
<b>Excess/(deficiency) of Revenues over Expenditures</b>	(22,301)	(19,960)	23	134	(8,527)	3	78	19	(26,636)	11
<b>Other Financing Sources/(Uses):</b>										
Transfers In	4,000	2,500	5,000	45,000	7,500	1,000	5,000	5,000	10,000	5,000
Transfers Out	-	-	-	-	-	-	-	-	-	-
<b>Excess/(Deficiency) of Revenues and Other Sources over Expenditures and Other Uses</b>	(18,301)	(17,460)	5,023	45,134	(1,027)	1,003	5,078	5,019	(16,636)	5,011
<b>Beginning Fund Balances</b>	56,361	38,278	18,289	67,520	37,805	2,664	65,797	18,426	150,023	18,550
<b>Ending Fund Balances</b>	<b>\$ 38,060</b>	<b>\$ 20,818</b>	<b>\$ 23,312</b>	<b>\$ 112,654</b>	<b>\$ 36,778</b>	<b>\$ 3,667</b>	<b>\$ 70,875</b>	<b>\$ 23,445</b>	<b>\$ 133,387</b>	<b>\$ 23,561</b>

See accountant's report

**TOWN OF CANAAN, CT**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2023

<b>CAPITAL PROJECTS FUNDS</b>									
	<b>Registrars Voting Machine Fund</b>	<b>Painting Fund</b>	<b>Capital Project</b>	<b>Environmental Cleanup Fund</b>	<b>Salt Shed Fund</b>	<b>Bridge Repair Fund</b>	<b>Tree Replacement Reserve</b>	<b>Fire Truck &amp; Equipment Reserve</b>	<b>Total</b>
<b>Revenues:</b>									
Operating Grants and Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,222
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	2,518
Investment Income	6	48	20	24	146	14	1	1,548	2,279
<b>Total Revenues</b>	<b>6</b>	<b>48</b>	<b>20</b>	<b>24</b>	<b>146</b>	<b>14</b>	<b>1</b>	<b>1,548</b>	<b>25,019</b>
<b>Expenditures:</b>									
General Government	-	-	-	-	-	-	-	-	20,000
Public Safety	-	-	-	-	-	-	-	-	13,412
Culture & Recreation	-	-	-	-	-	-	-	-	1,493
Education	-	-	-	-	-	-	-	-	16,268
Health and Welfare	-	-	-	7,538	-	-	-	-	7,538
Debt Outlay	-	-	75,136	-	-	-	-	-	75,136
Capital Outlay	-	-	988	-	-	-	-	-	58,607
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>76,124</b>	<b>7,538</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>192,454</b>
<b>Excess/(deficiency) of Revenues over Expenditures</b>	<b>6</b>	<b>48</b>	<b>(76,104)</b>	<b>(7,514)</b>	<b>146</b>	<b>14</b>	<b>1</b>	<b>1,548</b>	<b>(167,435)</b>
<b>Other Financing Sources/(Uses):</b>									
Transfers In	-	5,000	-	1,000	2,000	15,000	500	25,000	156,000
Transfers Out	-	-	-	-	-	-	-	-	-
<b>Excess/(Deficiency) of Revenues and Other Sources over Expenditures and Other Uses</b>	<b>6</b>	<b>5,048</b>	<b>(76,104)</b>	<b>(6,514)</b>	<b>2,146</b>	<b>15,014</b>	<b>501</b>	<b>26,548</b>	<b>(11,435)</b>
<b>Beginning Fund Balances</b>	<b>11,015</b>	<b>43,508</b>	<b>76,105</b>	<b>23,908</b>	<b>111,352</b>	<b>2,242</b>	<b>1,001</b>	<b>209,642</b>	<b>973,302</b>
<b>Ending Fund Balances</b>	<b>\$ 11,021</b>	<b>\$ 48,556</b>	<b>\$ 1</b>	<b>\$ 17,394</b>	<b>\$ 113,498</b>	<b>\$ 17,256</b>	<b>\$ 1,502</b>	<b>\$ 236,190</b>	<b>\$ 961,867</b>

See accountant's report

**TOWN OF CANAAN, CT**  
Combining Statement of Net Position  
Fiduciary Funds  
June 30, 2023

	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	Friends of Kellogg School Fund	Total Custodial Funds
<b>Assets</b>								
Cash	\$ -	\$ 4,587	\$ 10,958	\$ 7,260	\$ 22,805	\$ 405	\$ 3,095	\$ 3,500
Investments	1,130,089	-	-	-	-	-	-	-
Contributions Receivable	28,797	-	-	-	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 1,158,886</u></b>	<b><u>\$ 4,587</u></b>	<b><u>\$ 10,958</u></b>	<b><u>\$ 7,260</u></b>	<b><u>\$ 22,805</u></b>	<b><u>\$ 405</u></b>	<b><u>\$ 3,095</u></b>	<b><u>\$ 3,500</u></b>
<b>Liabilities</b>								
Due to Others	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Liabilities</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Net Position</b>								
Reserved for donor's intentions	-	4,587	10,958	7,350	22,895	-	-	-
Restricted for Individuals & Organizations	-	-	-	-	-	405	3,095	3,500
Restricted for Pensions	1,158,886	-	-	-	-	-	-	-
<b>Total Net Position</b>	<b><u>\$ 1,158,886</u></b>	<b><u>\$ 4,587</u></b>	<b><u>\$ 10,958</u></b>	<b><u>\$ 7,350</u></b>	<b><u>\$ 22,895</u></b>	<b><u>\$ 405</u></b>	<b><u>\$ 3,095</u></b>	<b><u>\$ 3,500</u></b>

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, 2023

	<b>Pension Trust Fund</b>	<b>Private Purpose Trust Funds</b>				<b>Custodial Funds</b>		
	<b>Defined Contribution Plan</b>	<b>Fuel Bank Fund</b>	<b>Social Services Fund</b>	<b>Falls Village Scholarship Fund</b>	<b>Total Private Purpose Trust</b>	<b>Senior Center Fund</b>	<b>Friends of Kellogg School Fund</b>	<b>Total Custodial Funds</b>
<b>Revenues</b>								
Contributions:								
Town	\$ 28,673	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee	18,375	-	-	-	-	-	-	-
Foundation Grants	-	2,600	1,400	-	4,000	-	-	-
Private Donations	-	-	-	13,314	13,314	-	-	-
Events & Activities	-	-	-	-	-	-	1,252	1,252
Investment Income:								
Interest and dividends	-	3	6	-	9	-	-	-
Net Increase/Decrease in Fair Value of Investments	170,981	-	-	-	-	-	-	-
<b>Total Revenues</b>	<u>218,029</u>	<u>2,603</u>	<u>1,406</u>	<u>13,314</u>	<u>17,323</u>	<u>-</u>	<u>1,252</u>	<u>1,252</u>
<b>Expenditures</b>								
Benefits Paid	58,770	-	-	-	-	-	-	-
Plan Administration	-	-	-	-	-	-	-	-
Financial Assistance	-	2,890	1,415	16,500	20,805	-	-	-
Activities & Fees	-	-	-	2,007	2,007	-	1,873	1,873
	<u>58,770</u>	<u>2,890</u>	<u>1,415</u>	<u>18,507</u>	<u>22,812</u>	<u>-</u>	<u>1,873</u>	<u>1,873</u>
Change in Net Position	159,259	(287)	(9)	(5,193)	(5,489)	-	(621)	(621)
<b>Net Position - Beginning, as restated</b>	<u>999,627</u>	<u>4,874</u>	<u>10,967</u>	<u>12,543</u>	<u>28,384</u>	<u>405</u>	<u>3,716</u>	<u>4,121</u>
<b>Net Position - Ending</b>	<u>\$ 1,158,886</u>	<u>\$ 4,587</u>	<u>\$ 10,958</u>	<u>\$ 7,350</u>	<u>\$ 22,895</u>	<u>\$ 405</u>	<u>\$ 3,095</u>	<u>\$ 3,500</u>

See accountant's report.



**TOWN OF CANAAN, CT**  
Report of the Property Tax Collector  
Fiscal Year Ended June 30, 2023

<u>Grand List</u>	<u>Amount of Taxes Collectible</u>	<u>Current Levy</u>	<u>Lawful Corrections</u>		<u>Transferred To Suspense</u>	<u>Adjusted Taxes Collectible</u>	<u>Actual Collections</u>		<u>Balance Uncollected 06/30/23</u>
			<u>Additions</u>	<u>Deductions</u>			<u>Taxes</u>	<u>Interest &amp; Liens</u>	
01-Oct									
2021	\$ -	\$ 4,930,152	\$ 11,136	\$ 35,651	\$ -	\$ 4,905,637	\$ 4,857,890	\$ 45,396	\$ 47,747
2020	46,959	-	674	3,692	-	43,941	26,262	7,340	17,679
2019	20,627	-	118	44	-	20,701	10,501	4,492	10,200
2018	12,480	-	-	175	-	12,305	5,503	1,643	6,802
2017	7,404	-	-	1	-	7,403	1,904	516	5,499
2016	5,035	-	-	-	-	5,035	-	-	5,035
2015	4,540	-	-	-	-	4,540	176	206	4,364
2014	3,606	-	(1)	-	1,182	2,423	96	142	2,327
2013	2,941	-	-	-	487	2,454	233	354	2,221
2012	2,063	-	-	-	-	2,063	59	107	2,004
2011	2,171	-	-	-	-	2,171	-	-	2,171
2010	2,171	-	-	-	-	2,171	-	-	2,171
2009	1,318	-	-	-	-	1,318	-	-	1,318
	111,315	4,930,152	11,927	39,563	1,669	5,012,162	4,902,624	60,196	109,538
	5,450						Outstanding Credits		3,341
	<u>\$ 116,765</u>						Total uncollected		<u>\$ 112,879</u>
							Suspense	1,413	2,458
							Total Collections	<u>\$ 4,904,037</u>	<u>\$ 62,654</u>

See accountant's report.

**TOWN OF CANAAN, CT**  
Schedule of Debt Limitation  
June 30, 2023

Total Prior-Year Tax Collections - including interest and lien fees

Received by Treasurer \$ 4,927,560

**Reimbursement for revenue loss on:**

Tax relief for elderly -

Base \$ 4,927,560

	General Purposes	Schools	Sewers	Urban Renewal	Pension Deficit
<b>Debt limitation:</b>					
2 1/4 times base	\$ 11,087,010	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	22,174,020	-	-	-
3 3/4 times base	-	-	18,478,350	-	-
3 1/4 times base	-	-	-	16,014,570	-
3 times base	-	-	-	-	14,782,680
Total Debt Limitation	<u>\$ 11,087,010</u>	<u>\$ 22,174,020</u>	<u>\$ 18,478,350</u>	<u>\$ 16,014,570</u>	<u>\$ 14,782,680</u>

**Indebtedness:**

Town Notes Payable	-	-	-	-	-
Town Bonds Payable	1,421,224	97,598	-	-	-

**Overlapping Debt:**

Regional School District #1	-	392,591	-	-	-
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Total Indebtedness	<u>1,421,224</u>	<u>490,189</u>	<u>-</u>	<u>-</u>	<u>-</u>
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Debt Limitation in excess of

Outstanding and Authorized Debt	<u>\$ 9,665,786</u>	<u>\$ 21,683,831</u>	<u>\$ 18,478,350</u>	<u>\$ 16,014,570</u>	<u>\$ 14,782,680</u>
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NOTE: In no case should this total indebtedness exceed seven times the base of \$4,927,560 or \$34,492,920

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, each major fund and the aggregate remaining fund information of the Town of Canaan, as of and for the year ended June 30, 2023, 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 November 27, 2023.

### **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) to determine the 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 an 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.

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 attention by those charged with governance.

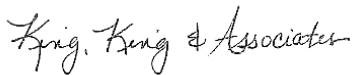
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

## **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*.

## **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  
November 27, 2023



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**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  
Opinion on Each Major State Program**

We have audited the Town of Canaan, CT's (Town) compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the Town's major state programs for the year ended June 30, 2023. The Town's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town, complied, in all material respects, with the types of 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, 2023.

**Basis for Opinion on Each Major State Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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 (C.G.S Section 4-230 to 4-236). Our responsibilities under those standards and the State Single Audit Act are further described in the Auditors' Responsibilities for the Audit of Compliance section of the report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Town's state programs.

## **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the State Single Audit will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on the compliance about the Town's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the State Single Audit Act, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

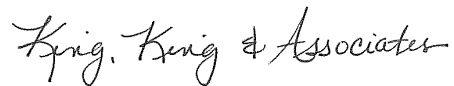
## **Report on Internal Control over Compliance**

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 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.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

A handwritten signature in cursive script that reads "King, King & Associates".

King, King & Associates, CPAs  
Winsted, CT  
November 27, 2023

**TOWN OF CANAAN, CT**  
Schedule of Expenditures of State Financial Assistance  
For the Year Ended June 30, 2023

State Grantor/Pass - Through <u>Grantor/Program Title</u>	State Grant Program <u>Core-CT Number</u>	<u>Expenditures</u>
<b>Department of Transportation</b>		
Town Aid Roads	12052-DOT57131-43455	\$ 84,821
Town Aid Roads	13033-DOT57131-43459	84,821
<b>Connecticut State Library</b>		
Historic Document Preservation	12060-CSL66094-35150	5,500
<b>Department of Energy &amp; Environmental Protection</b>		
Recreation & Natural Heritage Trust	17161-DEP43153-43656	1857
<b>Department of Revenue Services</b>		
Fees & Permits	11000-DRS16410-10020	10
<b>Department of Social Services</b>		
Fees & Permits	11000-DSS60439-10020	20
<b>Judicial Department</b>		
Public Acts	34001-JUD95162-40001	270
<b>State Department of Education</b>		
Talent Development	11000-SDE64370-12552	207
<b>Office of Policy and Management</b>		
Local Capital Improvement	11000-OPM20600-40254	19,320
Tiered PILOT	11000-OPM20600-17111	60,740
MRSA-Tiered PILOT	12060-OPM20600-35691	16,413
Municipal Purpose & Projects -Grants-in-aid	12052-OPM20600-43587	20,712
Municipal Revenue Sharing	12060-OPM20600-35458	20,857
Property Tax Relief for Disabled Homeowners	11000-OPM20600-17011	23
Property Tax Relief for Veterans	11000-OPM20600-17024	1,748
Total State Financial Assistance Before Exempt Programs		<u>317,319</u>
<b>EXEMPT PROGRAMS</b>		
<b>Office of Policy and Management</b>		
Mashantucket Pequot and Mohegan Fund Grant	12009-OPM20600-17005	6,202
Municipal Stabilization	11000-OPM20600-17104	24,132
<b>Department of Education</b>		
Education Cost Sharing	11000-SDE64370-17041	<u>125,752</u>
Total Exempt Programs		<u>156,086</u>
Total State Financial Assistance		<u>\$ 473,405</u>

See notes to schedule.



**TOWN OF CANAAN**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL**  
**ASSISTANCE**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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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, 2023. 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, 2023

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**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, 2023 and issued our unmodified report thereon dated November 27, 2023.

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:

<b><u>State Grantor And Program</u></b>	<b><u>State Core - CT Number</u></b>	<b><u>Expenditures</u></b>
<b>Department of Transportation</b>		
Town Aid Road Grants - Municipal	12052-DOT57131-43455	\$ 84,821
Town Aid Road Grants - STO	13033-DOT57131-43459	\$ 84,821

Note: While the Town Aid Road 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 November 27, 2023, 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 indicate no significant deficiencies.

## **III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS**

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



To the Board of Finance of  
The Town of Canaan

In planning and performing our audit of the financial statements of the Town of Canaan as of and for the year ended June 30, 2023 in accordance with auditing standards generally accepted in the United States of America, we considered the Town's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. The following paragraphs summarize our comments and suggestions concerning those matters. This letter does not affect our report dated November 27, 2023 on the financial statements of the Town of Canaan.

## **UTILIZATION OF THE PAYABLE FUNCTION FOR THE RESERVE FUNDS**

### **Observation**

The payable function is not consistently used for the reserve funds. Our testing found 6 items that were recorded to the subsequent year.

### **Recommendation**

We recommend that the payable function be consistently utilized to capture activity in the correct period.

### **Management response**

In the future the Town policy will reflect their intention to pay close attention in assuring that all reserve funds are reconciled in the correct period.

## **TRANSFERS FROM BOARD OF EDUCATION BUDGET TO EDUCATION RESERVE FUNDS**

### **Observation**

The Board of Education budgets appropriations to the BOE Capital Reserves (Kellogg School Technology Fund and the Kellogg School Capital Fund) as part of the annual education budget. The Board of Education Budget is to be spent on the maintenance and support of education. The BOE has no general means to hold funds from one year to the next.

**Recommendation**

The appropriation for funding capital reserves should come out of the town's budget. Any BOE budget year-end surpluses should be returned to the town.

**Management response**

The Town has already worked with the Board of Education to correct this issue for the future.

Sincerely,

A handwritten signature in cursive script that reads "King, King & Associates".

King, King & Associates, CPAs  
Winsted, CT  
November 27, 2023

