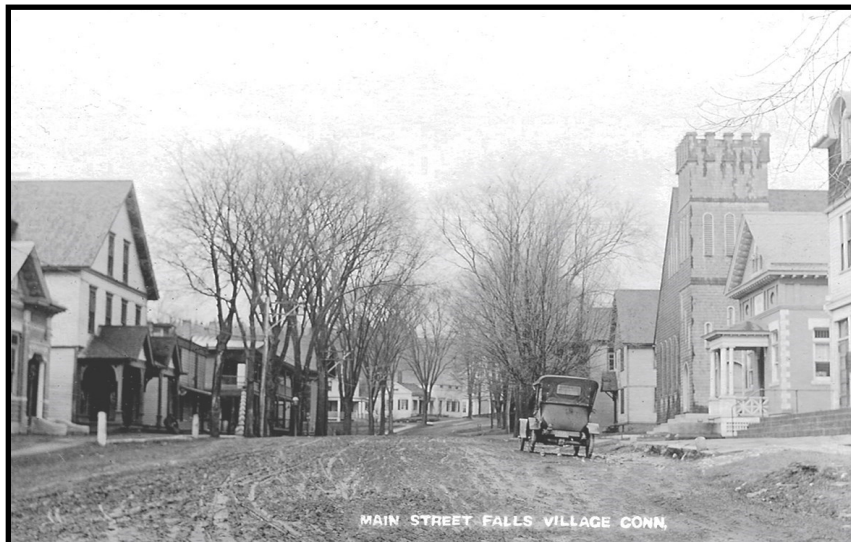


TOWN OF CANAAN
FALLS VILLAGE
CONNECTICUT

Annual Report
Fiscal Year July 1, 2021 - June 30, 2022



*Our look has changed, but our village heart
always remains the same.*



Main Street 1915

**Annual Report for the Town of Canaan
Falls Village
July 1, 2021 through June 30, 2022**

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.

About our Front Cover

The first photo is of Main Street in the year 1915
The second photo is the same spot, Main Street, January 18, 2023.
Thank you to Judy Jacobs at the Historical Society for providing the 1915 photo.

*We are dedicating this annual report
to the many irreplaceable townspeople
whom we have lost in the last two years*

Annual Report compiled and edited by Johanna Mann

This report is as of June 30, 2022. For an updated list of board and commission members,
please visit our website at canaanfallsvillage.org.

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Annual Financial Reports for July 1, 2021 through June 30, 2022

The Independent Auditors Report have separately numbered pages. It begins on page 53 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

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

Board of Selectmen:	Second Monday of each month. 7pm or immediately following the Board of Finance Meeting.
Board of Finance:	Second Monday of each month. 6:30pm.
Board of Education:	First Tuesday of each month. 6pm. Held at Kellogg School.
Planning and Zoning Commission:	Fourth Thursday of each month. 7pm. No August meeting unless necessary.
Recreation Commission:	Third Monday of each month. 7pm.
Inlands/Wetlands Conservation:	Third Monday of each month. 7pm.
Housatonic River Commission:	Second Tuesday of each month. 7:30pm. Held at Cornwall Consolidated School
Fire Commission:	Second Wednesday of each month. 5pm. Held at the Emergency Services Center, 188 Route 7 South, Falls Village
Region One School District:	First Monday of each month. 6:30pm. HVRHS library. (July and August meetings held only if necessary)
Historical Society Board:	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 and minutes, can be found on the
municipal calendar at canaanfallsvillage.org.*

TOWN OFFICIALS, DEPARTMENTS, TERM EXPIRATIONS

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) 2023

TOWN TREASURER

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

TAX COLLECTOR

Rebecca Juchert-Derungs, (D) 2023

REGISTRAR OF VOTERS

Roxann Whitaker (D) 2022 Susan Kelsey (R) 2022
Deputy Registrars – Joel Jones (D), Tracy Atwood (R)

BOARD OF FINANCE

Richard Heinz, Chair (D) 2027
Joel Jones (D) 2025, Stephen Dean (R) 2025, Amy Wynn (D) 2027
John Allyn (R) 2023, Daniel Silverman (D) 2023
Alternates: Corinna Fleming (D) 2023, Eric Carlson (R) 2023, David Wilburn (D) 2025

ASSESSORS

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

BOARD OF ASSESSMENT APPEALS

Tami Reid, Chair (R) 2025, Joel Jones (D) 2025, Susan Kelsey (R) 2025

FIRE COMMISSION

Hazel McGuire (R) 2023, Lawrence Bulson (U) 2023, David Seney (D) 2022,
Kimberly Mahoney (U) 2022, Timothy Downs (R) 2024

FIRE MARSHALL

Stanley MacMillan

PLANNING AND ZONING COMMISSION

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

RECREATION COMMISSION

Dan Carr (D), Chair 2023, Melissa Lopes (D) 2023, Edward Moy (D) 2022,
Daipai Horace (D) 2022, Thomas Wilson (D) 2023, Daniel Glass (D) 2023,
John Morrissey (D) 2023. *Recreation Director*: Emily Peterson 2023

INLANDS WETLAND COMMISSION

Mark Burdick, Chair (D) 2025, Ellery Sinclair, Vice Chair (R) 2026,
Susan Kelsey, Secretary (R) 2026, Brant Burz (U) 2025, Felicia Jones (D) 2025
Alternate: Shamu Sadeh (D) 2023

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) 2022 - *Alternate:* Kent Allyn (D) 2022

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, Barbara Deinhardt, John Holland

JUSTICES OF THE PEACE

Serving January 4, 2021 through January 6, 2025

Lonnie Carter (D) lonniety@comcast.net

Janet Hanna (D) jrhanna06@gmail.com

Joel Jones (D) joelwjones13@gmail.com

Patricia Allyn Mechare (D) curtmechare@comcast.net

Barbara Riley (D) briley058@yahoo.com

Hazel McGuire (R) hazel06031@yahoo.com

Susan Kelsey (R) scottishthistle54@gmail.com

George Elling (D) jorgeelling@netscape.net

Richard Heinz (D) dickcheinz@att.net

Louise March (D) weezerxr@gmail.com

Mary Palmer (D) fallsvillagetc@yahoo.com

Louis Timolat (R) hemlock@snet.net

Dennis Jacobs (R) jdcjacobs04@sbcglobal.net

Kevin Titus (R) kvntitus5@gmail.com

ABOUT OUR TOWN

INCORPORATED

October 1739

POPULATION

1053

LAND AREA

33.4 sq miles

REGISTERED VOTERS

744 total voters

326 Democrats, 148 Republicans, 267 Unaffiliated, 3 other

FEDERAL LANDS

Appalachian Trail

STATE LANDS

Point of Rocks Rd, Robbins Swamp, Dean's Ravine and Music Mtn.

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 64th State Assembly District and served by State Representative Maria Horn (D). We are within the 30th Senatorial District and served by State Senator Craig Miner (R).

FEDERAL GOVERNMENT

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

ANNUAL REPORTS

TOWN CLERK

I am very excited to be the official Town Clerk and Registrar of Vital Statistics. It has definitely been a challenging job but with each day, and every friendly face that comes in our doors, I am reminded of what a privilege and honor it is to be your Town Clerk.

If we haven't met, please feel free to come down to the Town Hall and introduce yourself. I am anxious to meet all of our residents and strive to be the very best Town Clerk I can be. I am here for you.

With the pandemic mostly behind us, 2021-2022 brought a breath of fresh air and lots of exciting news in our beautiful little village.

There were:

7 Births: 4 Boys and 3 Girls

8 couples were Married

And sadly 14 of our residents passed away.

During the July 1, 2021 – June 30, 2022 fiscal year, the Town Clerk's office recorded 313 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:	\$ 7,112.00
Cott & other expenses: \$10,076.23	Net (\$ 2,964.23)
State PA 05-22 for land protection:	\$ 2,424.00
State GP-005 affordable housing and historic preservation:	\$ 432.00
Town of Canaan conveyance tax:	\$44,949.55
Photocopies and fax fees: \$ 2,065.02	
Lease and other expenses: \$ 3,045.01	(\$979.00)
Fishing, Game licenses, permits (these can now be purchased on line)	\$2.00
Dog licenses:	\$499.00
Marriage licenses, death certificates and certified copies:	\$ 1,196.00

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 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.

The Town Clerk's office once again received the maximum grant allowed for a town with the population below 25,000. The amount this year was \$5,500. The grant was used to have a mobile shelving system installed in our main vault. This new shelving unit will provide much needed space for many more years of land record volumes. Included with the grant money I was able to have all but the current volumes of vital records filmed. I also had our old highway maps restored and bound in a beautiful volume and is now easily accessible.

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

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

Johanna M. Mann, Canaan Town Clerk

Appointed 1/3/2022

BOARD OF SELECTMEN

Last year saw the beginning of the end for our nemesis known as Covid. Although the year was a continuation of the pandemic, signs of improvement could be found. No mask mandate, schools returning to normal and a lessening of the pressure around daily life. The problem is still out there but because of the cooperation of our residents, we were one of or the only town never rated 'red' during the heights of infection. Thanks to all of you for this singular achievement.

On the governmental side, we have maintained the mill rate of the previous year and ended the year with a balance of uncommitted funds in our general fund of slightly over one million dollars. In large part, this was accomplished by the individual leaders of town departments who worked diligently to ensure that they stayed within their budget limits as well as did the Kellogg school and Housatonic Regional High School.

One of our large expenditures during the year was in our Information Technology department due to expanding our defenses against ransomware attacks and bringing us up to heightened standards of safety in data protection. Our insurance for events like this has become very expensive and would be more onerous without these improvements.

MIRA, which has handled our waste stream for years, announced the closure of its facility effective on June 30th, 2022. All of the plants within the state are reaching the end of their useful lives but MIRA was the first to call it a day. We are now shipping our waste out of state to disposal sites to the west which is not a long-term solution. We will continue to push the state to find a means of disposal that is both more efficient and local, including composting.

Our town received the first half of our ARPA money from the Federal government and have used \$136,000 of the first allotment in fiscal year 2021-2022. We will eventually receive an additional \$155,817 in the next fiscal year. These funds have been extremely beneficial to our town and our non-profit community.

During the year, we applied for a grant for Eversource for funding to create a solar installation at our town farm but were not given this grant. We are continuing our efforts to receive funding for this which can be used to offset the governmental electricity usage. Hopefully, we will get this in ensuing years.

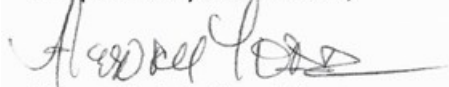
Eversource did give us a grant for an EV charging station in town which will be installed during the next fiscal year.

Cardinal Engineering has been working with the Town of Canaan on replacing a failed culvert of Cobble Road. The planning for this will continue in the next fiscal year. We also plan on replacing the bridge on Cobble Road which is the only bridge in the town that is rated 'poor' by the state. Because this bridge is over 20 feet in length, it is eligible for 100% federal funding. Replacing the culvert will be expensive but at least 50% of the cost will be covered by the state. We will continue to search for grants to offset the other 50%.

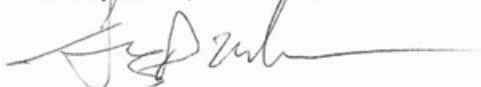
One of our best purchases in the year was an Owl system that allows us to broadcast our Board of Finance and Board of Selectmen meetings over the internet. This allows for participation of members of the boards who cannot attend personally, possible, it also gives citizens a chance to observe these live and hopefully gives greater transparency to how government works.

Good government depends on citizen participation. We appreciate the good work that our public works and staff in the office do every day to keep the Town of Canaan operating efficiently and well. You can help in this endeavor by joining any of our volunteer boards that do so much to keep this town healthy and progressing. So don't hesitate to become involved to help your community-we depend on it.

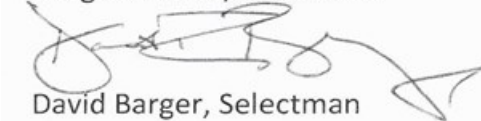
Respectively submitted,



Henry Todd, First Selectman



Greg Marlowe, Selectman



David Barger, Selectman

BOARD OF FINANCE

Summary of the Fiscal Year

Our Board membership delivered against sworn responsibilities in delivering against our agenda items throughout the year. We consistently listened to Public Comments, reviewed Communications, Secretary's Reports, Treasurer's Reports, Tax Collector's Reports, Board of Education's Reports and then received the First Selectman's Report at each monthly meeting. Four additional Special Meetings were held during this Fiscal Year, and we once again approved both the Municipal and Board of Education submitted budgets to go to Town Meeting. Both were subsequently approved.

Noteworthy items this year included the sale of our Town of Canaan Water Department to Aquarian, adding approximately \$190,000 to the General Fund. The septic system at 107 Main was repaired/upgraded to DOH standards to fully utilize this Town asset with a long-term business renter.

There was robust discussion about the Falls Village Housing Trust's potential receipt of a CBDG grant, and any potential Town liability associated with flawed execution of the grant. A subcommittee was formed to explore this issue further, specifically for the protection of the Town of Canaan, should the grant be awarded at some point in the future. That subcommittee stands at the ready to do that work should the need arise.

Another lively discussion was held regarding the federal ARPA Funds that our Town was to receive, specifically *who is authorized* to make the decisions on how those funds would be divided/spent. After several meetings it was agreed that the sole authority sits with the BOS. However, the BOS requested that the BOF review and provide feedback on the decisions made by the BOS on fund distribution.

Chair Dick Heinz submitted his resignation as Chair, and ultimately his BOF membership, due to health issues. Dick's experience and spirit are sorely missed, and the entire Board wishes him well in his recovery. Joel Jones was unanimously voted to replace Heinz as Chair until the next election cycle (November of 2023).

Johanna Mann replaced Mary Palmer as Town Clerk during this fiscal year. Denise Cohn was named Town Recording Secretary, replacing Johanna Mann.

Board of Finance, continued

King, King & Associates once again conducted our Annual Audit for the Fiscal Year 2020-2021, and the feedback was again positive and approving. They were once again approved to continue as our auditing firm for the next 3 Fiscal Years under contract. Linda Paviol continues to do an exemplary job as our Town Treasurer, and our policies, processes and books are in full compliance.

At the Thursday, May 26th, 2022 Special Meeting of the BOF we set the 2022-2023 Annual Mil Rate at 25.7, maintaining the rate from the previous year.

The Agenda's, Minutes and all related documents associated with Regular and Special Meetings of the Town of Canaan BOF throughout the year can be found online on the Town website at canaanfallsvillage.org.

I am proud to serve as this Board of Finance's Chair and stand behind the actions and decisions made by our Board throughout my tenure as Chair. I look forward to serving into the next Fiscal Year of 2022-2023 with my talented colleagues on this Board.

Respectfully submitted,

Joel Jones

Chairman, Town of Canaan Board of Finance

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 and training poll workers.

To stay abreast of new laws and pending legislation, Registrars attend conferences provided by the Registrars of Voters Association (ROVAC) and the SOTS's office. Registrars are required by statute to become certified through the Registrar Certification Program conducted by the University of Connecticut, and continuing education credits are mandatory to recertification. The Registrars also attend ROVAC county meetings to keep up to date and share with other Litchfield County Registrars. Registrars are required to be certified as Head Moderators and recertification is required every four years. Registrar Susan Kelsey is fully certified as both Registrar and Head Moderator; Registrar Roxann Steinberg Whitaker is a certified Head Moderator. The state mandated positions of Deputy Registrar are filled by G. Tracy Atwood and Joel Jones. Linda Paviol and G. Tracy Atwood also serve as certified Head Moderators.

From July 1, 2021 to June 30, 2022, in addition to adding and updating voter registrations, 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 Municipal Election in November and a Region #1 budget referendum in May. The Governor's temporary order allowing any voter to vote via absentee ballot, and the implementation of ballot drop boxes, should have enabled high voter turnout in the fall, but sadly the Municipal Election turnout was only 39% and for the Region #1 Budget Referendum only 47 people voted. The Registrars would like to remind the people of Falls Village that our democracy only works if the electorate VOTES. 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. And please VOTE.

Voter registration statistics for the Town are as follows:

	June 30, 2021	June 30, 2022
Democrat	313	326
Republican	151	148
Unaffiliated	272	267
Other	4	3
Total Registered:	740	744

Susan J. Kelsey, Registrar (R)

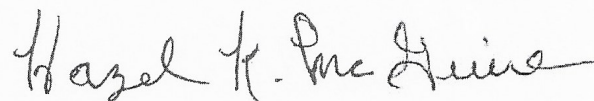
Roxann Steinberg Whitaker, Registrar (D)

ASSESSORS

	2021 NET GRAND LIST	2020 NET GRAND LIST
REAL ESTATE	160,191,250	158,410,820
PERSONAL PROPERTY	18,403,005	20,206,900
MOTOR VEHICLE	12,601,170	10,007,643
TOTALS	191,195,425	188,625,363
TOTAL TAX EXEMPT PROPERTY	61,804,600	61,794,600

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

Respectfully submitted,



Hazel K. McGuire

Connecticut Certified Municipal Assessor II

PLANNING AND ZONING

The Commission tackled items that the State brought to the forefront through recent legislation. These actions included opting-out of Public Act 21-29 which dictates specifics involving accessory apartments and discussing a possible response to the legalization of adult recreational cannabis. As a response to state-wide legislation and local zoning needs, The Commission prioritized concepts to update within its current zoning regulations. An example priority is the expansion of the Village Business zone within the center of historic downtown Falls Village.

During the fiscal year, there was a steady stream of land-use applications involving construction permits and lot configuration. Most of the authorized work involved home improvements projects such as home additions, new decks, and garages. A total of eight (8) zoning permits were issued administratively. The Commission worked with its Consultant Town Planner and ZEO, Janell Mullen, to update processes, forms, and approvals. An official Zoning Complaint Form was adopted so that all zoning enforcement complaints are formally filed in writing.

During the 2021-2022 Fiscal Year, the Commission committed to updating its current Zoning Regulations as well as set priorities for forthcoming changes and initiated the process to update the Town Plan of Conservation & Development as is required by the State every ten (10) years. That work will be witnessed in the year to come.

Respectfully submitted,

Fred Laser
Chairman

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

During the past year, the Commission held many of its meetings through Zoom to ensure the health of both its members and the public. The public is encouraged to participate in its Zoom meetings, which can be accessed via the Inland Wetlands/Conservation Commission Agendas posted on the Town website.

The Commission worked closely with the DEEP and soil testing labs in reviewing soil tests results, monitoring the replacement of fuel tanks, and reviewing plans for the disposition of the soil at Route 7 Fuels. The Town was assured that the soil was not contaminated and acceptable for deposition at the transfer station.

The Commission continues to advocate for regulations restricting herbicide spraying along the railroad right of way, particularly in sensitive wetland areas and along the Housatonic River. Sinclair has been working with a group of concerned individuals from towns abutting the Housatonic, along with local and state legislators, to raise interest and garner support, ultimately leading to legislation adopting said spraying regulations.

During the past year, the feature American Elm gracing the Town's Main Street across from the former Toymaker's Cafe saw its demise, in spite of the Commission's diligent injection efforts over many years to protect it from Dutch Elm Disease; the verdict is still out regarding the cause of its death. Two additional elms, one at Kellogg School and one on Brewster Street are likewise under the Commission's radar and continue to be monitored by professional arborists.

The Commission continues to support activities sponsored by Sustainable CT, through which the Town has received a "Bronze" rating. Commission members participated in several planning meetings with The Nature Conservancy to provide input for a report that will provide guidance for the upcoming Town Plan of Development and Conservation. A Forestry Advisory Committee, to be made up of IW/CC members, was endorsed.

The Commission helped to defray expenses for an invasive species workshop focusing on knotweed and Ailanthus.

The hemp farm operation on Stein Lane was reviewed in detail by the Commission to determine if said activity was in violation of wetland regulations. A soil scientist was hired to determine soil types within the confines of the operation and it was determined that the soils were not wetland soils and hence, the activity not in violation of regulations.

The Commission continues to encourage and support volunteer efforts of residents to assist in the clean-up of our Town roadsides.

Four permits were issued during the past year; two were for building construction within the wetlands upland review; one was for a culvert replacement across a brook; and one was for a building demolition within the upland review area. Routing sheets in conjunction with the issuance of building permits continue to be reviewed by the Commission to ensure compliance with wetland regulations.

Mark Burdick (Chairman), Ellery Sinclair (Vice Chairman), Susan Kelsey (Secretary),
Brant Burz, Felica Jones and Shamu Sadeh (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 and March the Board met to review motor vehicle and real estate appeals, respectively. No appeals were filed or heard during these sessions.

The Board encourages taxpayers to consult with the town assessor preliminarily before filing applications for appeals.

Tami Reed (Chairman), Susan Kelsey (Secretary), Louis Timolat

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 questions 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, 138 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 (2) demolition. There were eight (8) Certificates of Occupancy/Certificate of Approval issued during this period.

Fee income received during this past year was \$20,866.21 with expenses (including wages) totaling \$10,161.72.

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 2021-2022 year included: Emily Peterson (Director), John Morrissey (Co-Chairman), Dan Carr (Co-Chairman), Melissa Lopes (Secretary), Susan Allen, Daipai Horace, Edward Moy, Daniel Glass, and Thomas Wilson. Susan Allen resigned from the commission December 21st, 2021 and John Morrissey , resigned during the summer of 2022.

New members included Daniel Glass, who was appointed on March 17th, 2022. Residents interested in becoming members of the Recreation Commission should contact the town offices.

The town pool, which is considered our greatest recreational attraction, opened on June 23rd, 2021. The pool season went smoothly overall, open to Falls Village residents only but allowing residents to bring guests with them. Water fitness classes and swim lessons were offered again to residents. An outdoor movie night at the pool was held in August, where families enjoyed the feature film “Jumanji” on the lawn with s’mores. 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, 2021.

The Creative Kidz Club returned for three weeks in July. Under the direction of Amy Adams, 20 resident children utilized the Recreation Center property for the day camp (Monday-Friday, 9AM-3PM.) Children enjoyed outdoor crafts, games, swimming and more.

The Falls Village Recreation Commission invited residents, families, local businesses and organizations to participate in “Trunk or Treat Main Street” on October 31, 2021. 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, 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 and displays, voted on by families in town as they trick-or-treated around the town. Due to the success of the event, it will be making a return for 2022.

As winter set in, Santa made an appearance at the Town's Annual Tree Lighting and Holiday Party. The event was held outdoors on the Town Green on December 18th bringing many residents together to spread holiday cheer and to also remember those who passed with memorial luminaries on the sidewalk. Residents sipped hot chocolate donated by the Falls Village Cafe and carols were sung around the tree with live music performed by a group from the Falls Village Congregational Church. Families created eco-friendly and bird-friendly ornaments with the help of the Children's Theater and hung them on the tree.

The Ski Club successfully 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 every Wednesday, in February 2022, 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 much anticipated return on a very brisk day in March 2022 with help from several members of the Kellogg 8th grade class. The event had an excellent turn out from Falls Village resident children on the Recreation Center property where eggs were spread out for small groups of children to collect. The Housatonic Valley Regional FFA brought a petting zoo to the event for families to also enjoy.

The Commission would also like to thank the Town of Canaan Board of Selectmen, the town offices, the town constables, the Falls Village Volunteer Fire Department, Michelle Hanson, Emergency Management Director, and the Department of Public Works for all their assistance for helping to keep Recreational activities in our town safe.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'Emily Peterson', with a stylized, flowing script.

Emily Peterson, Falls Village Recreation Director

FALLS VILLAGE VOLUNTEER FIRE DEPARTMENT

Covid continued to influence many of the operations of the department during this fiscal year. Although the department returned to in person training and meetings, many of our other events remained on hold. The department was still uncomfortable holding many of their fundraising events or attending the fundraising events of other departments.

One of the most significant events about this year is the numerous Covid vaccine clinics that were held at the Emergency Services Center. Because of these clinics many of the residents of the Northwest Corner, Southern Berkshire County, MA and Eastern Dutchess County, NY were able to be vaccinated which helped everyone to return to normal operations. We have been very lucky to partner with Griffin Health to offer these clinics at no cost. According to the staff at Griffin Health, this clinic is one of the best attended.

Once we could return to normal operations again a Training Officer was officially appointed to the department. This has meant that much of the truck and equipment maintenance, as well as training that was neglected during covid was brought up to date and now happens on a weekly basis. This has had a direct effect on the condition of our equipment and the skill set of our members.

The fire department responded to 192 calls during this time period. 130 of them were EMS calls, 41 calls were for a public assist such as auto alarms, downed trees, flooding or wires down. The department continues to see a steady number of calls. Mutual aid is being used more and more often here and elsewhere. Covid has had a significant effect on membership in both the ranks of EMS and the fire service. As always we are looking for new members. No experience required. Training will be provided and there are a number of roles that a person can fill. Anyone who has an interest or who wishes to learn more can stop at the firehouse any Thursday night to meet the members and learn how they might be able to help the department. Do not let age or physical ability stop you from becoming part of the department. There are many varied roles that need to be filled.

Last year we had a number of members who attended classes at the Regional Fire School in Bakerville, CT. Thom Wilson took Fire 1 and Joel Jones took Exterior Firefighter. An EMR class was offered in Falls Village and two of our members are currently finishing up the process of becoming certified. This class was offered as a hybrid class, 50% in person and 50% remotely. It was wonderful to have an educational opportunity offered right here in our own fire house.

Many of our members serve on Regional committees as well as our serving our own department. This includes the Regional Ropes Course, Regional Coordinators, Instructors at the Regional Fire School, Litchfield County Dispatch, Chiefs Council just to name a few. This helps to bring additional resources to our department as well as elevating the skill set of our own members.

The department is starting to look forward towards our Centennial event. We held our first meeting of membership on November 12th, 2024. The 100th Anniversary Committee has started it's work of preparing to celebrate this significant milestone. Watch for information on our social media of upcoming events and announcements and plan to celebrate with us.

Falls Village Fire Department Line Officers

Chief: Matthew Hansen
Assistant Chief: Timothy Downs
Captain: Raymond Flint
First Lieutenant: Ben Menniges
Second Lieutenant: Dinnie Light

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 Auxiliary

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

Board of Directors

President: Timothy Paviol
Vice President: Andrea Downs
Secretary: Beckie Seney
Treasurer: Linda Paviol
John Allyn
Raymond Flint
Hazel McGuire
David Seney
Matthew Hansen: Chief
Michelle Hansen: EMS Chief

Service Awards

Fire Department

Dinnie Light – 5 years
Thomas Sherwood – 5 years
Felicia Jones – 10 years
Joel Jones – 10 years
Raymond Flint – 10 years
David Seney – 30 years
Julia Wilson – 35 years
Curt Mechare – 45 years
James Johnson – 45 years
Robert Wood – 45 years
William Beebe – 50 years
Eugene Wright – 55 years

Ladies Auxiliary

Susan Gawal – 35 years
Hazel McGuire – 50 years

Help us better serve you by ensuring that that your residence or business is clearly marked with a reflective 9-1-1 address sign that is visible from either direction on the road. Driving up and down the road not being able to locate an emergency is frustrating and time consuming time we often don't have to waste in an emergency. Homeowners and business owners may provide their own or order one through Matthew Hansen at (860) 671-0267.

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

Respectively Submitted,

Matthew Hansen
Chief, Falls Village Volunteer Fire Department

SOCIAL SERVICES/SENIOR CENTER

Senior Center

Seniors from the Towns of Falls Village and North Canaan have (despite the on-going pandemic) continue to meet on Thursdays for socialization and lunch as well as a number of other different activities which include: arts & crafts; Wii bowling; bingo; cards & games; and guest speakers (we offered a full day of on-sight assistance for “Medicare open enrollment” again this year). We have continued our weekly Yoga with the seniors. Yoga has been very beneficial and rewarding for these seniors and has now become the “new favorite activity” at the senior center. The seniors are taking what they have learned in the yoga classes and are applying it to the daily lives. Bingo and Wii bowling also remain favorite activities. Due to the ongoing Pandemic the past year, the number of trips off site have been limited with the senior group. Our senior group attended plays at the Sharon TriArts. The senior group went to the movies and lunch in Winsted. The Group was finally able to take one of the most favorite trips, to the Christmas Tree Shops, followed by lunch. Things are finally starting to feel normal in our group once again. We are to hoping to incorporate more off site trips this coming year. On a very sad note, we lost one of our beloved seniors, Norman Jasmine, way too soon. We all miss you Norman!

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

I am continuously pleased with the ongoing kindness and generosity demonstrated by local organizations (Falls Village Congregation Church, Northwest Community Foundation) and citizens in our town. **“Thank you”**, to everyone who has donated to our town’s fuel fund and or the Northwest Fuel Bank. Your generosity is keeping your neighbors warm.

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

Wishing everyone Health and Happiness this next year.

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

DAVID M HUNT LIBRARY

The David M. Hunt Library continued to adapt during the second year of the COVID pandemic and we had a very successful year serving our community. We continued to offer programs by hosting children's programs outdoors and a variety of adult programs, primarily outdoors or on Zoom, on topics from wildlife to witch hazel to writing. We launched August fest in August 2021, a casual outdoor community party/fundraiser with live music, beer & brats, and a small silent auction held on the library grounds. August fest brought our community together to socialize in a safe and fun way, and exceeded our expectations for both attendance and fundraising. We hosted numerous hands-on artisan events and in June 2022, led by local artist Rika Laser, in conjunction with the Falls Village Equity Project, we gathered nearly a hundred Falls Villagers of all ages to paint a colorful crosswalk tribute to our town. 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 12,439 Hunt items and used interlibrary loan services 2,800 times. Book group, Trivia Night, ArtWall receptions, author readings and special events are successfully drawing patrons back to the library.

Donations to the annual appeal and by local businesses surpassed expectations. Thank you for your support! Our dedicated Friends of the Library continued monthly book sales and added new tote bags for sale. In July 2021, the Friends organized the first "Discover Falls Village Weekend" Artisan Crafts Fair featuring a variety of vendors on library grounds, and held a huge tag sale at Center on Main the same weekend. ArtWall hosted five popular exhibitions over the year and sales were high. The May Homegrown Plant Sale did very well, making it a great year for library fundraisers all around. We received a grant from the Berkshire Taconic Community Foundation to underwrite the cost of acquiring software to track donations, events, and sales which we will implement in the coming year.

We occupy an 1890's building which showed its age in challenging ways this year, and each issue brought unexpected expenses. Discovery of cracks in the ceiling of the children's room resulted in roof replacement over that section of the building, and the chimney was also repaired. Discovery of mold in an unused area of the basement has meant long consultations with creative local contractors to devise a solution to our wet basement. Even with some donations of contractor time and materials, this presents the library with an unanticipated \$20,000 expense heading in to the next fiscal year. Financially, the library did well this year despite ending the year with a loss of \$10,655 due to roof and chimney repairs. Total cash assets at year end were \$61,078.86. Endowment funds at year end were \$482,083.03. The library hopes to receive a special grant for \$10,000 from ARPA funding in addition to the yearly town grant of \$49,750.

Volunteer Appreciation Day was held in April to thank Friends of the Library and our many volunteers, past and present, and to honor Garth Kobal in recognition of his many years of service to D.M. Hunt. In May, our director Erica Joncyk encountered health issues that necessitated her taking medical leave through the end of the fiscal year. In her absence our wonderful and dedicated staff put in extra hours to keep the library open and functioning for which we are grateful. We extend our great thanks to Acting Executive Director Meg Sher, Children's Librarian Rita Delgado, and Library Assistant Paula Rogers.

We are so thankful for the community that makes this library the wonderful place that it is.

Respectfully Submitted,

Roxann Steinberg Whitaker, President

August 2022

David M. Hunt Library and School Association

Board of Directors August 2021 - July 2022

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</u>	<u>Term Expires</u>
President, Bosco Schell	2022
Vice President, Roxann Steinberg Whitaker	2023
Treasurer, Henry Todd *	2022
Secretary, Toni Siegel	2023
Barbara Deinhardt *	2022
John Holland *	2025
Rebecca Juchert-Derungs	2024
Garth Kobal	2025
Frankie Lucostic	2025
Julia Menassa-Panev	2025
Daly Reville	2023 (resigned October 2021)
Woods Sinclair	2023
Carol Taylor	2025
Kyle Wilkinson	2025
Leone Young	2023

* Board of Selectmen's' Nominees

Library Staff

Erica Joncyk, Executive Director
Meg Sher, Assistant Director and Acting Executive Director
Rita Delgado, Children's Librarian
Paula Rogers, Library Assistant

David M. Hunt Library
63 Main Street, Falls Village, CT 06031
860-824-7424 ~ dmhuntlibrary@gmail.com

DAVID M HUNT LIBRARY

VOLUNTEERS 2021/2022

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, 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 Altermus, Ginny Apple, Toby Ayer, Ann & Greg Bidou, Jean Bronson, Lonnie Carter, Kay & Terry Blass, Rebecca Bloomfield, Joe Brien, Heather Chapman, Decker & Beebe, Inc., Barbara Deinhardt & Dan Silverman, Rita Delgado, Tommy Edwards, Maria Ehrlich & Kenny Rogers, Falls Village Café, Falls Village Fire Department, Falls Village Highway Dept., Falls Village Inn, Falls Village Package Store, Zoe & Sergei Fedorjaczenko, 4-H Club of Goshen, Bobby Giumarro, Ruth Giumarro, Joe Giumarro, Great Mountain Forest, Lynn Martorell Gumbert, Jandi Hanna, Michelle Hansen, Donna Heinz, David, Laurie & John Hodgson, John Holland, Sara Jack , Denny, Judy & David Jacobs, Ani Jenkins, Peter and Krystyna Jensen, Erica Joncyk, Rebecca Jucheret – Derungs & Michael Derungs, Shrey Kanade, Jim Kennedy, Sayeeda Khan, Garth Kobal & Ray Rigdon, Jim Kennedy, LaBonne's Epicurean Market, Mary & Richard Lanier, Sara, Rika & Liz Laser, Jenny Law & Alan Lovejoy, Frankie Lucostic, Greg Marlowe, Julia Menassa – Panev, Laura & Karl Munson, Nina Noonan, Oblong Books, Andrew Oulette, Linda Paviol, Daly Reville, Shamu, Ibby, & Jaimie Sadeh, Tom Scott, Bosco Schell & Page Dickey, John Segalla, Meg, Eli & Adam Sher, Dan Shaw, Toni Siegel, Mary Lu & Woods Sinclair, Bradin Spear, Mary Sullivan, Patrick Sullivan, Carol Taylor, Lou Timolat, Henry & Pam Todd, Elizabeth Tyburski, Eric Veden, Western Connecticut Area Agency on Aging, 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.



Falls Village-Canaan Historical Society, Inc.

P.O. Box 206

Falls Village, CT 06031

860-824-8226

fvchs8226@gmail.com

President's Annual Report

By Judy Jacobs

The Falls Village-Canaan Historical Society remained busy in 2021-2022, despite Covid still looming around. During 2021, we were unable to hold our major fundraiser 1st Tuesday at Seven, our summer talks, since it is held inside the South Canaan Meetinghouse and we were worried about social distancing. It was the second year we cancelled the talks, leaving us with a substantial revenue loss, money we depend on to continue with the painting and repairs on the Meetinghouse. The Talks did return in 2022 and we were very fortunate that supporters stepped up to the plate and contributed to our annual appeal so we were able to do the final exterior painting, finishing the belfry and steeple. Valley Restorations has made the Meetinghouse look better than it has in years.

Happily, we were able to have the popular Peddlers Flea Market in September, another fundraiser for us. We also had our annual dinner and meeting in person, with guest speaker Lydia Downs in May.

In the spring, the Historical Society was thrilled when the Housatonic Valley FFA students offered to help restore the caboose that sits downtown. The students sanded and helped prep the caboose for painting to be completed in warmer weather sometime in 2023.

We continue to work in the museum and office at the Falls Village Depot and are close to having the displays complete. Visitors are welcome on Tuesday mornings and by appointment by calling 860-824-8226 or emailing fvchs8226@gmail.com.

We turned our attention to addressing some needed and expensive maintenance to the Falls Village Depot. We planned to do exterior painting and at some point we need to do some wood replacement on the platform. We were unpleasantly surprised that we needed a new roof on the Depot, too. Maintaining two historic buildings sure is expensive!

We were thrilled to have been awarded \$7,300 from CT Humanities CT Cultural Fund Operating Support Grant! This helped us tremendously since we were unable to do most of our fundraising events due to Covid in 2020 and 2021. 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. This award was truly needed and appreciated by the Historical Society.

Lee H. Kellogg School 2021-2022 Annual Report



At Kellogg, we know we can!

The 2021-2022 school year began unexpectedly with the resignation of Principal, Alexandra Juch, and my appointment as Interim Principal. I worked three days a week at the school. Assistant Superintendents, Jill Pace and Scott Fellows shared the helm one day a week, and Superintendent of Schools, Lisa Carter, the other day.

This year, we welcomed staff members Matt Kandel in grades 3-4, replacing Eileen Gargan who retired and Lauren Montagna in K, 1, 2 who replaced me upon my retirement in June. We also welcomed Amanda Hitchcock as our school counselor and Michael Hritz, as a .4 music teacher. Mr. Hritz worked at both Kellogg and North Canaan Elementary School, but announced his resignation from Kellogg effective January 21, 2022 for personal reasons. We also welcomed Office Administrator, Laurie Wadsworth, who replaced Kristen Panzer, Head Custodian, Chad Olsen who replaced Andrew Whitford, and evening custodian, Labecca Machia. Sara VanDeusen replaced paraprofessional, Amy Adams in K, 1, 2. After an extensive search, Stacey Calo, one of three finalists for the principal's position was formally hired by the Board of Education at their January meeting, officially taking the reins on February 1 Chris Hanley, our art teacher, announced her retirement commencing July 1, after a twenty year career at Kellogg. Kellogg is undergoing a great deal of change!

In September, we rolled out our Code of Conduct, *Be respectful, be responsible, be safe* and our PBIS (Positive Behavior Intervention Supports) rules, routines and protocols through a gameshow format. For the various games, students were either in person, acting as contestants with a small audience, or virtual observers. Students enjoyed playing Match Game, Wheel of Fortune, Hollywood Squares, and Jeopardy. It was a fun way to reinforce rules and procedures and learn from one another.

Despite COVID-19, we resumed a greater degree of normalcy this year. Although still practicing social distancing, students were able to move from their six foot bubbles to distancing three feet apart. This allowed us to replace desks in some rooms with tables, and allowed students to change classes and move more freely through the school. We returned to eating in the lunchroom in two lunch waves, and continued with hot lunch provided just for us by the high school kitchen. With adjustments, we held an in-person Open House in September and student conferences and the Book Fair in October. Although modified, we resumed Community Meetings (outside and virtually), offered a 9/11 Day of Service, honored local veterans on the town green on Veterans Day, caroled around town, and continued our new tradition of decorating our school windows with a winter theme. We like to call this our *Fifth Avenue Windows at 47 Main Street*.

Lee H. Kellogg School 2021-2022 Annual Report

Kellogg's faculty worked with Expeditionary Learning (EL) Consultant, Freeman Stein. Our focus was on lesson design, the use of learning targets and criteria to guide teaching and learning, with the ultimate on-going goal being students who are leaders of their own learning. An offshoot of this work was a visit in the fall to the EL Four Rivers Charter School, by Lisa Carter, Jill Pace, Scott Fellows, Joseph Markow, and Robin Faust. This onsite visit allowed us to examine our own practices and to think about what kind of school we desire to be. As a faculty, we examined and explored some of EL's Core Practices, five pillars of Region One's Portrait of a Graduate, Habits of Mind, and the new Continuum of Professional Practice. We also focused on Social Emotional Learning (SEL), beginning our day with a Morning Meeting, K-8. Teachers created goals with an emphasis on SEL, incorporating the sixteen Habits of Mind when planning lessons.

When the omicron variant hit, we adjusted once again. We added desks to classrooms, separated tables, made modifications in the lunchroom, and returned to our six foot bubbles until omicron subsided. We remained vigilant at all time by wiping down tables, washing hands, and providing mask breaks.

We were fortunate to have PCR testing done in our schools. Initially all unvaccinated students, ages 5-12 were eligible for weekly testing. As students became fully vaccinated, just those unvaccinated remained eligible. School nurse, Melissa Dean, arranged for a vaccination clinic to be held at the school for students ages 5-12. When omicron began hitting our population, we began weekly testing of all vaccinated and unvaccinated students with parental consent. We are fortunate that the majority of our student body is fully vaccinated.

Building projects through February included the replacement of the east wing door, and asbestos abatement in the K, 1, 2 wing in preparation for a new heating system that will be installed this summer.

My final, final chapter at Lee H. Kellogg has come to an end after 40 and a half years. Thank you one and all for your support of our lovely little school. It is the heartbeat of Falls Village, and a place I will forever hold dear. As I close the door for the final time, a new door opens under the extremely capable hands and leadership of Stacey Calo and the LHK Staff. It has been a wonderful journey, and the train will continue traveling on to exciting new endeavors for Kellogg's students.

Respectfully submitted with love, appreciation, and gratitude,

Robin Faust
Interim Principal, Lee H. Kellogg School
August 16, 2021 – January 30, 2022

Lee H. Kellogg School 2021-2022 Annual Report

LEE H. KELLOGG SCHOOL
47 Main Street
Post Office Box 237
Falls Village, Connecticut 06031
Phone: (860) 824-7791 • Fax: (860) 824-7892



Stacey Calo
Principal
calo@kelloggschool.org

ENTER- MRS. STACEY CALO, FEBRUARY 1, 2022

I began my transition as the new principal of Kellogg School in January of 2022. I was so excited to join the Kellogg community and felt welcomed and supported not only by Robin Faust and Lisa Carter but also by the students, families and staff. Starting in February, I began to immerse myself in all things Kellogg, from virtual Meet and Greets, classroom visits, community meetings and celebrations. Students at Kellogg were busy actively learning and working together as best they could while maintaining Covid protocols.

Our Falcons celebrated literacy in March, shared their portfolios with their families in student-led conferences, and members of Student Council reopened our school store. Kellogg students celebrated Read Across America Week. This is an annual event endorsed by the National Education Association. It was launched in 1998 and focuses on motivating children to read, offers an opportunity to be introduced to new books and authors as well as celebrating literacy. We had guest readers sharing read alouds and books in all of our classrooms and we offered a Dr. Seuss theme week to students as well. Also in March, members of our Kellogg community were able to choose whether or not to wear their masks at school. As a community, staff and students showed empathy and acceptance of one another as they made their personal choice on this issue.

In the Spring, Kellogg Falcons were able to spend more time outside and embraced opportunities to come together as a school community. Students enjoyed a visit from Gilbert the Party Pig, interacting with community members during our Earth Day Celebration, and returned to in person Community Meetings. We resumed field trips and our 6th and 7th graders participated in a week of outdoor education at Camp Jewel in Ivoryton, Connecticut. Our eighth graders spent a week in Boston, soaking up history from the Freedom Trail, the Boston Tea Party Museum to learning about the Salem Witch Trials and visiting Boston landmarks like Fenway Park. All grade levels participated in day trips and enjoyed learning outside of our school walls.

Lee H. Kellogg School 2021-2022 Annual Report

As our eighth graders prepared to move on to highschool, student leadership awards were presented to LHK eighth grade students at a Canaan BOE meeting. Silas Tripp and Iby Sadeh were awarded the Connecticut Association of Board of Education Leadership Award. Madison Graney was awarded the Litchfield County Superintendent Association Leadership Award. The Falls Village community came together to celebrate their graduation and share in their send off. First Selectman, Henry Todd attended and presented the Peter G. Lawson citizenship award to Mary Worden.

As a school community, we said goodbye to our beloved art teacher, Christine Hanley. Chris retired after twenty years at Kellogg; she and her husband are moving to Ireland to be with her daughters and grandchildren. We are excited to welcome Susana Martinez-Bauer and Rebecca Perugini to Kellogg. Susana will be replacing Chris as our new Art teacher and Rebecca will be teaching Science.

The past few years have posed great challenges to education but our students, families and staff members problem solved and persevered. They found success by thinking out of the box and I believe we have come out strong. The Kellogg staff worked hard to make the social and emotional well being for our children a priority. There is an abundance of kindness being shared at Kellogg and I am proud and grateful to be a part of this unique learning community.

HOUSATONIC VALLEY REGIONAL HIGH SCHOOL

Ian Strever
Principal

Steven Schibi
Assistant Principal



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

The 2021-2022 was expected to mark a “return to normalcy” for schools across the country, yet the persistence of the Covid-19 pandemic continued to complicate school operations. Although students returned to school as usual in the fall, we required face masks and publicized opportunities for vaccination that were available in the region’s schools. Quarantine requirements caused extended absences for many students, and the Omicron variant wreaked havoc on international travel opportunities during the Winter Break.

By the end of the year, however, mask restrictions were no longer in place, and Housatonic experienced one of the busiest months of May in recent history, with many organizations holding year-end celebrations that had not taken place for several years. These began with our performances of *Into the Woods*, the school musical, in March, and continued with art openings, musical concerts, FFA events, and National Honor Society inductions, culminating in the first truly traditional graduation since 2019, with no social distancing or mask mandates in place. Of particular note was the number and amount of scholarships and awards to our graduates that totaled over \$500,000. We thank our generous communities for their continued support of our young people as they embark on the next chapters of their lives.

A new point of focus this year was on the social and emotional welfare of our students. We continued to integrate Habits of Mind, a set of characteristics that describe the traits of effective learners and citizens, such as “persistence” and “communicating with clarity.” These are important foundational skills for students as they acquire academic content, and thanks to research about brain function, we are learning more and more about their integral role in student success.

We also added a Social Worker to our staff last year to support at-risk students both in and out of the classroom. Rachel Novak accepted the position last summer and began working with students in our alternative school, Bridges, to address the obstacles to their academic success. This was a helpful addition to our School Counseling team, which lost a member through retirement the previous year.

Staffing was a challenge across the school this year, with some long-term absences, departures, and retirements. We hired several replacement paraprofessionals, a tutor, two long-term substitute teachers and, recently, two new Mathematics teachers and a Special Education teacher to fill vacancies in those areas. This represents a significant “changing of the guard” in our Mathematics department, and we are excited for what our new teachers will bring to the school.

As a school, we continue to work with our students to become the most welcoming and accepting school we can be. Next year we will run courses in Black, Indigenous, and People of Color (BIPOC) Literature, as well as African American and Hispanic American History. Our students met several times to discuss the issue of diversity and acceptance as a school, and while our efforts to promote a safe and inclusive environment are ongoing, we are already planning a mural for our cafeteria that symbolizes our commitment to those values.

We are in the early stages of planning more extensive renovations to our cafeteria and auditorium, two of the most prominent public spaces in our building that are often the focal points for community gatherings as well as school events. Next year, we will present a comprehensive plan for updating these spaces and finalizing the installation of our Farm to Table culinary classroom that is scheduled to begin this summer.

Although our international trips this year were curtailed due to the impact of Omicron, we have a trip to Greece scheduled for this summer and trips to Scotland/Ireland and Japan planned for the following year. Our International Travel Club has raised tens of thousands of dollars to offset the costs of these experiences to make them available for all of our students as they work toward becoming more globally aware.

The resumption of these kinds of activities may not herald a “return to normalcy,” but they do mark a desire to define a “new normal” that respects the threat of infectious diseases and the importance of social and emotional wellbeing while providing a comprehensive and rigorous education. To that end, our school Leadership Team adopted several changes to our grading practices that are designed to encourage student involvement in formative learning, timely work submission, and preparation for rigorous, comprehensive final exams. Two years of learning during a pandemic has taught us a lot about how to persevere through challenges, and we are looking forward to applying those lessons to the social and academic challenges of our time.

Ian Strever
Principal, HVRHS

REGION ONE SCHOOL DISTRICT

2021-2022 was a year characterized by perseverance and resilience on behalf of Region 1 staff, students, and their parents/caregivers as we all learned to live with continued presence of COVID-19. Protocols for vaccination, testing, masks and quarantine influenced classroom environments and student/staff attendance. However despite the occurrence of virus surges as it morphed into new variants, Region 1 staff remained dedicated to providing a high quality education to our students and our students remained engaged in their learning. By the end of the year, school operations had returned to near normal and the year ended on a positive note.

National media has publicized data indicating significant learning loss for students at all grade levels. This has not been the experience for students in Region 1. State summative data indicate that, while not yet attaining pre-pandemic levels of achievement, most students finished the year meeting or exceeding grade level expectations in the tested areas of English/Language Arts, Math and Science. Additionally, students were able to participate in school plays and concerts, art shows, athletic competition and field trips. Everyone worked together to successfully navigate COVID-19 disruptions, including substitute teacher and bus driver shortages.

As school staff worked hard to return schools to normal operations to the greatest extent possible, they closely monitored student mental health and the impact the pandemic has had on students. Administrators have used some of the federal ARP/ESSER funds to hire support students by adding counseling staff to ensure the presence of trained clinicians to support them. They have also planned team-building, student discussion groups and other engaging activities to cultivate safe and healthy school climates.

With respect to physical plants, school building committees continued to complete repairs and any new construction projects as needed.

Finally, administrators have worked with school safety committees to ensure that schools are safe and secure.

Region 1 staff, students and their families successfully weathered another challenging year as a result of their commitment to engaging in high quality learning experiences while caring for the well being of one another. We are proud of and thankful for the strength of the Region 1 community.

Respectfully submitted,

Lisa B. Carter





Falls Village Day Care Center

35 Page Road
Falls Village, Connecticut 06031
Phone: 860-824-0882 / Fax 860-824-8195
email: fvdccdiretor@gmail.com

Despite a challenging year the Center has flourished because of our amazingly dedicated staff. 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 provided for infants, toddlers and preschoolers. A before and after school program is provided as needed. Each age group had a curriculum specifically designed for their needs. All programs have been filled and there is often a waiting list. We have a core of dedicated providers, but it hasn't always been easy when our numbers grow and we need additional staff to meet the State mandated student/teacher ratio.

COVID continued to be problematic as the State of Connecticut had strict guidelines that dictated when the Center must close if there was a confirmed case. There were only a few cases, but through the diligence of the Director and staff, the Center made the proper adjustments.

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. As we get back to a more normal day-to-day routine, 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



NORTHWEST CONSERVATION DISTRICT ANNUAL REPORT FOR 2021-2022

1185 New Litchfield Street * Torrington, CT 06790 * 860 626 7222 * www.nwcd.org

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

TECHNICAL SERVICES AND PROJECTS IN SUPPORT OF OUR MISSION

During 2021-2022, we partnered with our town's land use commissions and staff on site development reviews and field inspections for land use in residential, agricultural, commercial, and urban settings. When we review and make recommendations on proposed land use changes, we balance development with protection of natural resources. 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.

EDUCATIONAL SERVICES AND PROJECTS IN SUPPORT OF OUR MISSION

In order to safely continue our educational initiatives, we offered virtual workshops on topics including LID and stormwater management, residential rain gardens, soil health, renewable energy options, pollinator gardens, home composting, invasive plant management, and best agricultural management practices. We led a district-wide No-Mow-May initiative and supported the state-wide Pollinator Pathway Northeast (www.pollinatorpathway.org). Many of our "virtual" programs also support SustainableCT towns with their certification efforts.

The CT Envirothon Program (www.ctenvirothon.org) provides 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 goes on to compete at a National Conservation Foundation (NCF) competition. Because of the pandemic, the workshops were again adapted to an online format. Monthly webinars or material releases for the four main stations – Aquatics, Forestry, Soils and Wildlife were placed on CT Envirothon's Youtube channel. The Field Day Competition, held at the Tolland County Agricultural Center, saw 21 teams competing including 6 teams from NWCD area schools; Housatonic Valley Regional, Nonnewaug Regional 14, Northwestern Regional 7 and Marvelwood. The Field Day winning team, Housatonic Valley, participated in the NCF July competition in Oxford, Ohio. Visit www.ctenvirothon.org for more information.

EARTH DAY PLANT SALE

Our Earth Day Plant Sale was held at the Goshen Fairgrounds as a "Pre-order – Scheduled Pick-Up" three-day event in late April with overwhelming support from our many faithful customers. We continue to encourage people to make personal changes to promote clean air, clean water, healthy soils, and quality habitat for all.

OUTREACH AND WEBSITE

The "Voice of Conservation" bi-annual newsletter, and a new yearly "Education Edition" in print form and electronic offerings through our website, and Facebook. Recorded webinars and educational articles are offered on our website and items of interest on our Facebook and Instagram pages. We are planning additional on-line outreach to conserve valuable resources and reaches a wider audience. To be added to our mailing list, email info@nwcd.org

THANKS TO YOU!

The Northwest Conservation District is very grateful for the ongoing support and partnership of the 34 municipalities that we serve and the generous contributions of local individuals, our funders, and many faithful volunteers. The generous support that we have received this year and past years allowed us to move forward on a long-term goal to provide scholarships for graduating high school seniors and college students interested in pursuing careers in environmental sciences and becoming future environmental stewards. We are here to serve you and welcome feedback and requests for information, assistance, and educational programming.

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 2021-2022

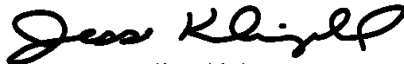
The Housatonic River Commission (HRC) held eleven regularly scheduled monthly meetings over the past year. Meetings took place at 7:30 on the second Tuesday of each month. Due to the continued challenges with COVID, all but two meetings were held over Zoom. The Commission is made up of representatives appointed by the Board of Selectmen in each of the following towns along the Housatonic River: Canaan, Cornwall, Kent, New Milford, North Canaan, Salisbury, and Sharon. The HRC is responsible for monitoring and advising these seven towns on issues that involve the Housatonic River and working to maintain an environmentally healthy and scenic river corridor. The annual dues requested from each town are \$400 per year.

The process of recognizing the Housatonic River through the National Park Service’s (NPS) Wild and Scenic designation as a Partnership River with federal financial support continues with significant help from Housatonic Valley Association (HVA). Quarterly meetings of the Housatonic Wild and Scenic Coordinating Committee have continued with representatives from NPS, HVA, CT Dept. of Energy and Environmental Protection (CT DEEP), FirstLight Power, and Northwest Hills Council of Governments (NHCOG). At these meetings, each group provides updates on their work addressing issues in the Housatonic River Management Plan including HVA’s successful River Information and Outreach (RIO) program, fishing management (CT DEEP), and river access. Tremendous time and energy have been spent on river access as dynamic changes in river usage resulted in noteworthy action by towns to maintain safety. 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.

Now two decades since the historic EPA/GE/Pittsfield consent decree 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 continue. 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.


Jesse Klingebiel, Secretary

TORRINGTON AREA HEALTH DISTRICT
ANNUAL REPORT: JULY 1, 2021 – JUNE 30, 2022

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: **7** giardiasis, **4** campylobacteriosis, and **14** salmonellosis cases. TAHD guided schools, daycares, and community members on a variety of health issues and administered **563** flu vaccines to residents. TAHD consulted with 7 residents regarding potential rabies exposures submitting **7 specimens** to the DPH Laboratory for rabies testing. Ticks brought in by **64** 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 is the cornerstone of the groups outreach and educational efforts. Fit together allocates its resources for community assistance and has awarded \$15,000 in mini grants to community partners to support projects that align with Fit Together's mission and strategies. These included funds to assist the Torrington Kids Marathon, a new Torrington Kids Golf program, the Torrington Middle School Fitness trail, fitness equipment for the Gilbert School and healthy snacks and healthier food preparation at Café Yum in the Torrington Public Schools. Fit Together 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 is an active member of the **Litchfield County Opiate Task Force (LCOTF)** and a member of the LCOTF executive committee, working on strategies and solutions to the opiate epidemic. TAHD received a grant to provide programming for the Statewide Expansion and Response Project for the Overdose Detection Mapping Application to ensure comprehensive coordination of services. This application along with the data from the medical examiner's office and our Spike response alert allows our team to respond to a suspected drug overdose. TAHD staff provided training to local pharmacies and medical offices on the CT Prescription Monitoring and Reporting System, Naloxone administration, Medication Assisted Treatment, and Resetting Pain Expectations as part of the **Academic Detailing on Opioid Safety**. TAHD is also part of Rural Communities Opioid Response Program-Implementation (RCORP) aimed at reducing the morbidity and mortality of substance use disorder (SUD), including opioid use disorder (OUD), in high-risk rural communities. This will advance RCORP's goal by strengthening and expanding prevention, treatment, and recovery services to enhance rural residents' ability to access treatment and move towards recovery.

TAHD entered into a contract 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.

TAHD is an active member of the **National Diabetes Prevention Program** working to prevent or delay type 2 diabetes. This is a yearlong, lifestyle change program designed for people with prediabetes and those at high risk for type 2 diabetes. Goals for participants include 150 minutes of weekly activity and 5 to 7% weight loss. TAHD began the first program in November at the Winchester Senior Center. At completion of the program, participants will receive a Certificate of Completion.

The TAHD **Immunization Action Program (IAP)** worked with local providers and hospitals to ensure compliance with CT childhood immunization laws. TAHD has partnered with 12 medical and 40

community-based organizations in the district to educate, bring awareness, and encourage immunization. TAHD provided medical providers with educational materials for staff and patients to promote vaccine confidence and promoted educational events. For community partners, we have set up displays in libraries, museums, food banks and attended numerous events such as back-to-school night & health fairs. TAHD distributed approximately 100 posters in public spaces such as post offices, coffee shops, libraries, and town halls. To encourage vaccination, TAHD continues to utilize social media.

The TAHD **Childhood Lead Poisoning Prevention Program** provided case management for more than 40 children with blood lead levels ($\geq 5\mu\text{dI}$) as well as provided educational information to more than 100 families. Abatement/Remediation Orders were issued for 1 property. 2 abatements were completed.

TAHD **Environmental Health Program** resulted in the following inspections/licenses/permits: **868** food inspections, **349** temporary food permits, **121** new septic systems, **309** repaired septic systems, **207** private well permits, **111** private pool permits, **248** beauty salons & barber shops inspections, **560** house addition permits, **366** soil tests, **38** subdivision lots, **69** public pools were inspected, and **20** daycare centers inspected. Records show that approximately **366** 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 **287** complaints of various public health concerns; **25** legal orders/voluntary compliances were issued for enforcement purposes.

The TAHD **Emergency Preparedness Program** continues to work with local and regional community partners. Activities included: outbreak investigations, contact tracing, consultation (health partners, public safety, town, and school officials) receiving and distribution of personal protective equipment, and vaccination clinics. A Point of Dispensing (POD) drill was done at the Torrington Middle School.

The **Medical Reserve Corps (MRC) Program** aimed its focus on local community education with a wide range of topics. Educational and training opportunities consisted of Heart Saver First Aid, CPR/AED courses, Mental Health during the COVID19 Pandemic, Opioid Crisis, recognition, and response, STOP the BLEED, and Emergency Preparedness in the home. TAHD's goal was to increase awareness and create a training curriculum so the public can better protect themselves and others in a safe, timely, and effective manner.

To date, TAHD has vaccinated 10,641 individuals for COVID through public and private clinics as well as homebound vaccinations. During November-January we held COVID-19 booster clinics. TAHD partnered with Hartford Healthcare, New Opportunities, Community Health & Wellness as well as The Office of Rural Health for the pediatric population and have hosted approximately 20 mobile vaccination clinics through DPH & Griffin Health Care. TAHD continues to distribute at-home COVID-19 test kits throughout the community including community centers, libraries, shelters, and food pantries.

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



Robert Rubbo, MPH, Director of Health



2022 ANNUAL REPORT

The Northwest Hills Council of Governments (NHCOCG) 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.

NHCOCG generally meets on a monthly basis 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.

NHCOCG experienced a complete organizational changeover during the last Fiscal Year (FY), which consisted of the latter half of 2021 and the first half of 2022. Executive Director Rick Lynn retired after more than 30 years and was replaced by Robert Phillips prior to the start of the FY. Office Manager, Darlene Krukar retired after more than 20 years of service to the region. Community Development Director, Jocelyn Ayer assumed a new position outside of the COG, as did Janell Mullen; former Regional Planner for the COG. Staffing needs were analyzed along with a strategic planning exercise which resulted in modified titles and roles such as Assistant Director, Senior Regional Planner, and Financial/Office Manager, which were filled by Emily Hultquist, Kathryn Faraci and Sarah Better, respectively. Emily brought many years of previous experience with her from the Capitol Region Council of Governments (CRCOG), Kathryn retired from the state DOT and brought her 35 years of expertise to the region, and Sarah brought banking experience as well as small business management to the COG.

Prior to the restaffing efforts, NHCOCG operated with only two staff for approximately 2.5 months. Despite these staffing challenges, work continued on the implementation of the COG's Comprehensive Economic Development Strategy (CEDS) for the region later in the FY. Major strategies outlined in the 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. A new round of funding from US EDA was applied for and granted at the end of the FY and will provide for an update to our 5-year CEDS and continued implementation of the goals and objectives.

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

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



NHCOG also serves as the oversight agent for approximately \$385,000 in Homeland Security Grant funding that is received each year for the Department of Emergency Management and Homeland Security (DEMHS) Region 5. There are a number of projects and equipment acquisitions to support this program within multiple Emergency Support Function groups in Region 5 (all of NHCOG and portions of NVCOC and WESTCOC).

In 2021, NHCOG 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. The Fuel Bank program partnership that was previously managed by NHCOG was concluded.

NHCOG also continued to assist local organizations including the Regional Housing Council, Northwest Hills Road Supervisors Association, Recycling Advisory Committee, and the Housatonic River Commission.

In addition, NHCOG 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. However, two of the planned events had to be cancelled due to insufficient staffing levels.

Serving as officers of NHCOG during FY 2021-2022 were Don Stein, Chairman; Bob Valentine, followed by Henry Todd, Vice Chairmen; Charlie Perotti, Secretary; and Michael Criss, 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 that they may remain safely and independently at home. Chore employs local, caring people to provide essential services such as house cleaning, laundry, companionship, transportation, yard work, etc. to residents in North Canaan, Cornwall, Falls Village, Kent, Norfolk, Salisbury/Lakeville, and Sharon. Services are partially funded by a grant from the Western Connecticut Area Agency on Aging which subsidizes clients aged 60 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 2021 through June 2022, Chore provided services to 9 Falls Village residents. These residents received over 190 hours of help with chores such as cleaning, errands, and yard work so that they could continue to remain safely in their homes. One Chore Worker who lives in Falls Village earned over \$2,350 last year.

Chore applied for ARPA funding and is grateful for those towns that allocated funds to help reduce Chore's negative financial impact resulting from the pandemic. We are also thankful for those towns which are still considering our funding requests, including the Town of Falls Village.

Safety for both clients and workers remains a priority. COVID safety protocols and training remain in place with PPE supplied to workers and clients in need.

The need for services continues to grow and no one is ever turned away for the ability to pay. Like many businesses, Chore continues to be affected by the labor shortage and found it essential to increase worker compensation. Chore continues to seek ways to attract additional workers and volunteers.

Our federal grant monies are depleted before the year ends, so we are delighted that the Town of Falls Village continues to contribute to these services. Many thanks to those that 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. Also, if you are looking for employment or volunteer opportunities and would like to make a difference in someone's life, please give Chore a call.

Respectfully submitted,

Jane MacLaren
Executive Director
jane@choreservice.org

FALLS VILLAGE TOWN REPORT 2021-2022

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, IV Therapy, Dietary, Pediatrics, Wound Care, and Chronic Disease Management.

VNHLC is very proud to be named to the HomeCare Elite for 9 consecutive years and identified as one of the best Home Care Agencies in the United States.

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

VNHLC cared for 2,442 patients and provided 56,861 patient visits in 2021-2022.

VNHLC is proud of its long-standing history with the Town of Falls Village. 41 persons from Falls Village received home health services from VNHLC during the past year.

Eighty-three (83%) percent of all our patients were age 65 or older.

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 dieticians.

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 1,500 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



Women's Support Services Annual Report

01 July 2021 – 30 June 2022

Town of Canaan/Falls Village

This past year has arguably been one of the busiest years Women's Support Services (WSS) has ever experienced. The numbers speak for themselves. During the past year we:

Provided support services to **821 clients - 9 of these clients were from Canaan/Falls Village.**

Of this number, 412 were new clients. This is a nearly 30% increase in two years.

The composition of our new clients includes:

381 adults and 31 children

297 female, 111 male clients, 4 clients who chose 'Other'

Responded to **1485 hotline crisis requests – a nearly 65% increase in two years.**

Provided **emergency shelter to 20 people for a total of 2,135 nights of shelter. This included 11 women, 2 men, and 7 children.**

Provided criminal and civil court advocacy and support to **670 victims of family violence – a 44% increase over two years.**

Conducted **194 prevention workshops to children and teens** in area schools. We are now active in every single elementary/middle school in the region, as well as Housatonic Valley Regional High School.

The increasing requests for support and expansion of programming has fueled growth in other areas as well. WSS recruited an additional Advocate this spring, bringing our Client Services team to 5 full-time staff. We have also added a Director of Operations, bringing us to 12 full-time staff members altogether. We also moved into new offices this spring, and we now have the space to host events and training workshops – and room for all of our staff members! We are also in the midst of plans to create a welcoming community space, complete with kitchen and laundry, a dining area, and space for clients and their families to rest, do homework, and have a sense of normalcy, all while accessing vital services and supports under one roof. **Thank you to the Town of Canaan/Falls Village for your grant of \$1,500 last year, which has been critical in helping Women's Support Services meet the increased requests from our clients and community.**

Our growing team has brought us diversity, critical skills, and increased capacity. Our new Director of Community Engagement, in collaboration with the Director of Clients Services, revised our prevention education program to create a seamless progression of lessons from grade 6 – grade 12. In the Region One Middle Schools and High School, every student will access WSS programming. Also exciting is the fact that our Prevention Education team has begun engaging parents around the topics we are discussing with their children at school. This is a critical point for helping parents and caretakers to reinforce the lessons and strategies their students are learning, and will also be a learning opportunity for them. The Director also revitalized our certification training program for volunteers and re-launched our *Early Years Program*, which focuses on Kindergarten - Grade 2. This program is largely volunteer-run.

I felt like a rock star reading to the class! The kids loved brainstorming. The class was very engaged and loved asking questions during and after hearing the story. It was the end of their school day when I left. As I walked outside, I overheard one of the students talking with her dad. She was excited to show him her paper and tell him about the story from class. I'm hoping that by bringing home her paper, she (and the other students) will share the lessons with her siblings and other people outside of class.

~ Amanda Gregg, WSS Volunteer

We are also better able to serve our clients. We now have staff members who are bilingual in English and Spanish, we have more options for emergency and interim housing, and we have the capacity to provide consistent support to clients who enter the Rapid Re-housing program, but still need on-going support. Most clients need support beyond counseling. They need help accessing services, obtaining legal documents, negotiating with agencies, organizing meetings and childcare, etc. If they don't have a car or just need someone to be with them, there is an entirely different level of support that is required.

We are also expanding our community education program, which helps healthcare and emergency service providers identify victims of abuse and refer to them to our services. We are engaging area businesses and other community partners to ensure that we are reaching the people who need our services, to raise awareness about the many forms of domestic violence, and to spread the message that abuse is not acceptable and victims are to be believed, not blamed.

The on-going support of the Town of Canaan/Falls Village has been critical to the continued strengthening of our programs and support services. Thank you.



Housatonic Youth Service Bureau
2021-2022 Annual Report

Town of Falls Village

Happy Birthday HYSB! In December 2021 the Housatonic Youth Service Bureau celebrated its 30th birthday...30 years of service to the youth and families of Region One.

We proudly serve the Northwest Corner as the only mental health agency providing FREE clinical services to children ages 3-21 and their families and we continue to grow and expand our programs to meet the increasing needs of our communities.

The Housatonic Youth Service Bureau is a 501(c)3 nonprofit organization that serves the towns of North Canaan, Canaan, Salisbury/Lakeville, Sharon, Cornwall, and Kent. Our licensed clinicians provide a variety of free services that promote the overall health and wellbeing of children and their families and impact the lives of thousands living in our community.



Learning about personal
superpowers and creating our
own superheroes!

Post-pandemic fallout continues to have a huge impact in the work that we do; families are still coping with loss, anxiety, feelings of isolation, and hesitation about how/when to return to "normal" while also facing judgement and even criticism for those decision. We have also noted in significant increase in truancy cases being referred to our Juvenile Review Board. During the 2021-2022 school year, HYSB worked with 132 students in the region for individual counseling, 40 of those students resided in Falls Village.

Throughout the 2021-2022 school year our clinical staff visited each of the 7 public schools as well as some of our private schools weekly to provide in-person counseling services to children during the school day. One of the critical differences between HYSB and other providers is our relationships with the school communities. This partnership allows us to be in the schools during the school days brining the services directly to the students and eliminating the barriers of transportation, scheduling, parent/caregiver availability, etc.

In addition to our counseling services, HYSB offers custom group programming which is based on the unique needs within each community and designed to provide a safe environment where children can connect with their peers and HYSB social workers to discuss sensitive topics and share strategies for overcoming adversity and learning when and how to engage with other adults and authorities.

***Your continued annual support makes it possible for HYSB to
make a difference in the lives of thousands within our community.***

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



Through the funding from the Town of Falls Village and generous donors across Region One, HYSB is able to continue to offer our free services, such as mental health counseling, community outreach, youth empowerment and summer internship programs as well as case management services, referral services, and other services for the children and families in the community. We are incredibly grateful for your continued financial support and look forward to continuing our work together for the children and families of Falls Village.

Sincerely,

A handwritten signature in cursive script, reading 'Kelly Parker'.

Kelly Parker
Executive Director



HYSB staff use a variety of methods when talking with clients including art therapy, play, traditional talk therapy, etc. Our focus is on the comfort and confidence of our clients during all of their sessions.



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

LITCHFIELD HILLS PROBATE DISTRICT #24

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

The Honorable Diane S. Blick, Judge

Litchfield Location

Dawn W. Pratt, Clerk
Carolyn Poley, *Assistant Clerk*
860-567-8065

Kent Location

Judge Blick
860-927-3729

Canaan Location

Beth L. McGuire, *Chief Clerk*
Megan W. Foley, *Clerk*
860-824-7012

It is with great pleasure that I report to the residents of the Litchfield Hills Probate District the activity of the Probate Court for fiscal year July 1, 2021 through June 30, 2022 and request this report be included in the Town's next published Annual Report.

<u>Type of Matter</u>	<u>2020 – 2021 FY Number of Matters</u>	<u>2021 – 2022 FY Number of Matters</u>
Fee Waivers	99	78
Decedent's Estates	1,355	1389
Trusts	205	162
Conservators	226	222
Name Changes	46	24
Guardian of the Person & Estate	126	95
Guardian of Persons with Intellectual Disabilities	154	167
Adult Commitment	2	0
Children's Matters:		
Adoptions/Termination of Parental Rights and Emancipation of a Minor/Determine Paternity	12	10
Power of Attorney Accounting Matters	4	0
Total probate matters handled	2,227	2,147

Throughout the pandemic, the Court has remained open, all cases have been timely processed and hearings promptly scheduled. Currently, hearings are held either in-person, by teleconferencing or by Webex video conferencing.

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

This is the last Report which I will be providing. Effective January 1, 2023 I am retiring as I am reaching the mandated retirement age set by statute. It has truly been an honor to serve as your Judge of Probate for the past 16 years.

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

Respectfully submitted,

Diane S. Blick

Diane S. Blick
Judge of Probate

11/21/2022



Susan B. Anthony Project
SAFETY • HEALING • GROWTH

179 Water Street
Torrington, Connecticut 06790
860-489-3798
www.sbaproject.org

Board of Directors

Maria Salomone, *President*
Nancy Boland, *Vice-President*
Matthew F. Oneglia, *Treasurer*
Sarah Worden, *Secretary*
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Hon. Anne C. Dranginis (Ret.)
Kirstin M. Etela
Mark Famiglietti
Charlotte Jones Voiklis
Megan Kowalchick
Kathryn E. Litwin
Effie Mwando
Tyler Pratt
Jessica Wright-McGurk

Executive Director

Jeanne S. Fusco

January 16, 2023

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

Dear Sirs,

Susan B. Anthony Project has been providing free and confidential crisis services to victims of domestic violence and sexual assault for 40 years. We provide services in twenty towns in northwest Connecticut, including the Town of Canaan.

In your area, we provide sexual assault services.

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

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

In 2022, we provided direct services to 13 residents for a total of 316 individual services and educational 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.

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

If you need any additional information, please contact me.

Sincerely,
Jeanne Fusco
Executive Director

Established in 1983, Susan B. Anthony Project promotes safety, healing and growth for all survivors of domestic and sexual abuse and advocates for the autonomy of women and the end of interpersonal violence.

The following pages are the
Independent Auditors Report
Town of Canaan
Fiscal year July 1, 2021
through June 30, 2022

TOWN OF CANAAN, CT

Annual Financial Statements

For the Year Ended June 30, 2022

Please note—the Auditors Annual Report has it's own Table of Contents and page numbers.

Please see the next page for details. Thank you.

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, 2022, 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, 2022, 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 judgement 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 judgement 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 judgement, 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, 47-49, and 50-52 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. 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, and other supplemental schedules 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 December 5, 2022, 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
December 5, 2022

TOWN OF CANAAN, CT
Management's Discussion and Analysis
June 30, 2022

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, 2022.

FINANCIAL HIGHLIGHTS

- The assets of the Town of Canaan, CT exceeded its liabilities at the close of the most recent fiscal year by \$4,985,763 (*net position*). Of this amount, \$2,248,102 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors. Net Position of \$15,429 was restricted for Special Revenue Fund purposes. The balance of \$2,722,232 is invested in capital assets.
- The government's total net position increased by \$367,610.
- The Town's governmental funds reported, on a current financial resources basis, combined ending fund balances of \$2,317,188 an increase of \$230,981 from the prior fiscal year. Of this amount, \$832,673 is available for spending at the government's discretion with town approval (*unassigned fund balance*) and \$235,379 has been assigned for subsequent year's appropriations. Additional amounts of \$33,326 have been set for Cemetery Maintenance.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$832,673 or 15% percent of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

TOWN OF CANAAN, CT
Management's Discussion and Analysis
June 30, 2022

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, 2022

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 \$4,985,763 at the close of the most recent fiscal year.

	Governmental Activities		Business-Type Activities		Totals	
	2022	Restated 2021	2022	2021	2022	Restated 2021
Current and Other Assets	\$ 2,798,134	\$ 2,457,161	\$ -	\$ 186,602	\$ 2,798,134	\$ 2,643,763
Capital Assets	4,452,419	4,440,522	-	-	4,452,419	4,440,522
Total Assets	<u>\$ 7,250,553</u>	<u>\$ 6,897,683</u>	<u>\$ -</u>	<u>\$ 186,602</u>	<u>\$ 7,250,553</u>	<u>\$ 7,084,285</u>
Deferred Outflows of Resources	31,359	14,694	-	-	31,359	14,694
Current Liabilities	\$ 325,124	\$ 224,689	\$ -	\$ 186,602	\$ 325,124	\$ 411,291
Long-term Liabilities	1,913,663	2,048,876	-	-	1,913,663	2,048,876
Total Liabilities	<u>2,238,787</u>	<u>2,273,565</u>	<u>-</u>	<u>186,602</u>	<u>2,238,787</u>	<u>2,460,167</u>
Deferred Inflows of Resources	57,362	35,943	-	-	57,362	35,943
Net Position:						
Net Investment in Capital Assets	2,722,232	2,573,185	-	-	2,722,232	2,573,185
Restricted	15,429	24,658	-	-	15,429	24,658
Unrestricted	2,248,102	2,020,310	-	-	2,248,102	2,020,310
Total Net Position	<u>\$ 4,985,763</u>	<u>\$ 4,618,153</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,985,763</u>	<u>\$ 4,618,153</u>

TOWN OF CANAAN, CT
Management's Discussion and Analysis
June 30, 2022

A portion of the Town of Canaan, CT's net position (55%) reflects its net investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure assets such as roads and bridges). 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, \$15,429 is restricted for special revenue fund purposes, and \$2,248,102 or (45%) 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 \$2,020,310. At the end of the current fiscal year, the Town of Canaan, CT is able to report positive balances in all categories of net position for the government as a whole.

	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
REVENUES						
<i>General Revenues:</i>						
Property Taxes	\$ 4,886,248	\$ 4,743,156	\$ -	\$ -	\$ 4,886,248	\$ 4,743,156
Grants and Contributions, not			-	-		
Restricted to Specific Programs	135,981	129,151	-	-	135,981	129,151
Unrestricted Investment Earnings	(38,584)	66,745	-	-	(38,584)	66,745
Other Income	54,735	35,298	-	-	54,735	35,298
Loss on Disposal of Assets	-	-	-	(146,013)	-	(146,013)
<i>Program Revenues:</i>						
Charges for Services	157,426	132,966	-	70,994	157,426	203,960
Operating Grants and Contributions	584,141	935,852	-	-	584,141	935,852
Capital Grants and Contributions	59,093	41,276	-	-	59,093	41,276
Total Revenues	<u>5,839,040</u>	<u>6,084,444</u>	<u>-</u>	<u>(75,019)</u>	<u>5,839,040</u>	<u>6,009,425</u>
EXPENSES						
<i>Governmental Activities:</i>						
General Government	581,173	565,676	-	-	581,173	565,676
Public Safety	151,894	137,431	-	-	151,894	137,431
Public Works	599,275	615,479	-	-	599,275	615,479
Health and Welfare	159,170	146,303	-	-	159,170	146,303
Culture and Recreation	107,554	89,359	-	-	107,554	89,359
Sanitation	142,636	135,027	-	-	142,636	135,027
Education	3,679,423	4,256,622	-	-	3,679,423	4,256,622
Public Water Utility	-	-	-	67,417	-	67,417
Interest on Long-Term Debt	50,305	71,765	-	-	50,305	71,765
Total Expenses	<u>5,471,430</u>	<u>6,017,662</u>	<u>-</u>	<u>67,417</u>	<u>5,471,430</u>	<u>6,085,079</u>
Change in Net Position						
before Transfers	367,610	66,782	-	(142,436)	367,610	(75,654)
Transfers	-	186,602	-	(186,602)	-	-
Change in Net Position	367,610	253,384	-	(329,038)	367,610	(75,654)
Beginning Net Position	4,618,153	4,349,485	-	329,038	4,618,153	4,678,523
Ending Net Position	<u>\$ 4,985,763</u>	<u>\$ 4,602,869</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,985,763</u>	<u>\$ 4,602,869</u>

Governmental activities: Governmental activities increased the Town of Canaan, CT's net position by \$367,610. The beginning net position was restated due to the reclassification of the Student Activities Fund to the proper fund type.

Governmental activities revenues totaled \$5,839,040 for fiscal year 2022, a decrease of \$245,404 from the prior fiscal year. The most significant factor contributing to this decrease is the unfavorable investment results on the LOSAP investment and decrease in operating grants and contributions due to a reduction in the state's contribution for Teacher's retirement.

TOWN OF CANAAN, CT
Management's Discussion and Analysis
June 30, 2022

Key elements of this decrease are as follows:

Eighty-four percent (84%) of the revenues of the Town were derived from property taxes, followed by eleven percent (11%) capital and operating grants, three percent (3%) charge for services, two percent (2%) unrestricted grants, and minimal other income and investment income.

Major revenue factors included:

- Property Tax Collections were greater than the amount budgeted
- Conveyance Tax, Town Clerk Fees and Transfer Station Fees were greater than the amount budgeted
- Greater than budgeted Other Revenue due to PILOT from Music Mountain and Isabella Freedman, and tuition revenue from Kellogg School

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 \$2,317,188 an increase of \$230,981 in comparison with the prior fiscal year. Thirty-six percent (36%) 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 \$1,343,886 of which \$235,379 was assigned for the next fiscal year, \$33,326 was assigned to Cemetery Maintenance, \$25,192 was committed to Post-Employment Retirement Benefits and \$217,316 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 19 percent of total General Fund expenditures for the fiscal year ending June 30, 2022.

TOWN OF CANAAN, CT
Management's Discussion and Analysis
June 30, 2022

During the current fiscal year, the fund balance of the Town of Canaan, CT's General Fund increased by \$142,752, less than the projected decrease at year-end. Key factors in this decrease are as follows:

- There was a budgeted use of fund balance of \$79,553; however, due to better than anticipated revenues and controlled spending in various departments, the use of fund balance was not utilized.
- Cost savings in most of the town's departments.

General Fund Budgetary Highlights

The original General Fund budget provided for the use of \$54,718 of fund balance to finance approved expenditure appropriations not financed by projected revenue. Additional appropriations were authorized for historic preservation \$5,500, training \$535, planning & Zoning \$3,500, health insurance \$12,000, accounting services \$1,200, website \$2,000 and hydrants and water \$5,600. Due to the diligence of employees and department heads, the net change in fund balance of the General Fund was a net increase of \$194,335.

On the budgetary basis, General Fund revenues for the fiscal year were \$8,968 less than budgetary projections due to not utilizing the use of fund balance and greater than anticipated tax collections, conveyance taxes and other revenues. Budgetary expenditures were \$203,303 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 \$79,553. As a result of the positive budgetary variances, \$194,355 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 \$4,452,419. 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 pages 31 of this report.

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

- Security Cameras and Skylights at Kellogg School
- Septic System at 107 Main Street
- Milling and Paving of Music Mountain Road
- Replacement body for Public Works Truck
- Elevator refurbishing at 107 Main Street
- Engineering costs for Cobble Road Bridge replacement

TOWN OF CANAAN, CT
Management's Discussion and Analysis
June 30, 2022

CAPITAL ASSETS
(Net of Depreciation)

	<u>2022</u>	<u>2021</u>
Land and Non-Depreciable Assets	\$ 412,325	\$ 379,825
Buildings and Improvements	2,018,180	2,076,126
Infrastructure	1,433,446	1,396,182
Machinery and Equipment	<u>588,468</u>	<u>588,389</u>
Total	<u>\$ 4,452,419</u>	<u>\$ 4,440,522</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 \$1,481,457 at year-end. General obligation bonds totaling \$350,000 were issued on August 1, 2015 to finance the Lee H. Kellogg School Roof and Amesville Bridge. Payments of \$17,500 plus interest will be made over 20 years. The balance was \$245,000 at year-end.

The Town signed an agreement to pay for LED Lighting upgrades at the Town Hall, Town Garage and the Day Care Center during the year. The project will be paid over 48 months. The balance for these projects was \$3,730 at June 30, 2022.

Additional information on the Town of Canaan, CT's long-term debt can be found in Note 7 on pages 32 - 33 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 2022-2023 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 2022-2023
- Mill rate to remain constant due to proceeds from the sale of Water Department
- Received first round of ARPA funds totaling \$155,818 during fiscal year ending June 30 2021, and the balance is expected during the fiscal year ending June 30, 2023. Of the total amount, \$50,171 was used for the septic at 107 Main St. and additional amounts have been earmarked as follows: \$45,000 for Cobble Road Bridge, \$12,000 for town garage boiler replacement, \$14,700 for the Falls Village Historical Society roof repairs, \$10,000 for the D. M. Hunt Library drainage issues and \$3,000 for electric vehicle charging stations on Main St. Once the second round is received, the balance of the funds will be allocated.

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.

TOWN OF CANAAN, CT

Statement of Net Position

June 30, 2022

	<u>Governmental Activities</u>
ASSETS	
<i>Current Assets:</i>	
Cash and Cash Equivalents	\$ 2,151,413
Investments	445,655
State and Federal Grants Receivable	18,530
Property Taxes Receivable (Net)	109,945
Interest Receivable	54,591
Lease Payments Receivable	18,000
<i>Noncurrent Assets:</i>	
Nondepreciable Capital Assets	412,325
Capital Assets, Net of Depreciation	<u>4,040,094</u>
 Total Assets	 <u>7,250,553</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pension	<u>31,359</u>
 LIABILITIES:	
<i>Current Liabilities:</i>	
Accounts Payable	\$ 222,949
Refundable Advances	102,175
<i>Noncurrent Liabilities:</i>	
Due Within One Year	136,230
Due in More Than One Year	<u>1,777,433</u>
 Total Liabilities	 <u>2,238,787</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred Lease Inflows	18,000
Changes in Assumptions Related to OPEB	<u>39,362</u>
Total Deferred Inflows of Resources	<u>57,362</u>
 NET POSITION	
Net Investment in Capital Assets	2,722,232
Restricted for Special Revenue Fund Purposes	15,429
Unrestricted	<u>2,248,102</u>
 Total Net Position	 <u>\$ 4,985,763</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, 2022

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges For Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
<u>Functions/Programs:</u>					
<u>Primary Government:</u>					
Governmental Activities:					
General Government	\$ 581,173	\$ 100,065	\$ 20,804	\$ -	\$ (460,304)
Public Safety	151,894	-	-	-	(151,894)
Public Works	599,275	-	187,922	59,093	(352,260)
Health & Welfare	159,170	-	-	-	(159,170)
Sanitation	142,636	47,444	-	-	(95,192)
Education	3,679,423	-	374,438	-	(3,304,985)
Culture & Recreation	107,554	9,917	977	-	(96,660)
Interest	50,305	-	-	-	(50,305)
Total Governmental Activities	<u>5,471,430</u>	<u>157,426</u>	<u>584,141</u>	<u>59,093</u>	<u>(4,670,770)</u>
General revenues:					
Property taxes levied for general purposes					4,886,248
Grants not restricted to specific purpose					135,981
Other Income					54,735
Unrestricted investment income (loss)					(38,584)
Total general revenues					<u>5,038,380</u>
Change in net position					367,610
Net position - beginning as restated					<u>4,618,153</u>
Net position - ending					<u>\$ 4,985,763</u>

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

TOWN OF CANAAN, CT

Balance Sheet
Governmental Funds
June 30, 2022

	General <u>Fund</u>	ARPA <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	<u>Total</u>
ASSETS				
Cash and Cash Equivalents	\$ 1,132,685	\$ 96,725	\$ 922,003	\$ 2,151,413
Investments	443,683	-	1,972	445,655
Grants Receivable	18,530	-	-	18,530
Taxes Receivable, Net	109,945	-	-	109,945
Interest & Lien Fees Receivable	54,591	-	-	54,591
Lease Receivable	18,000	-	-	18,000
Interfund Receivables	-	-	50,000	50,000
Total Assets	<u>\$ 1,777,434</u>	<u>\$ 96,725</u>	<u>\$ 973,975</u>	<u>\$ 2,848,134</u>
LIABILITIES				
Accounts Payable	\$ 222,276	\$ -	\$ 673	\$ 222,949
Deferred Revenue	5,450	-	-	5,450
Interfund Payables	50,000	-	-	50,000
Refundable Advances	-	96,725	-	96,725
Total Liabilities	<u>277,726</u>	<u>96,725</u>	<u>673</u>	<u>375,124</u>
Deferred Inflows of Resources				
Leases	18,000	-	-	18,000
Deferred Taxes	137,822	-	-	137,822
Total Deferred Inflows of Resources	<u>155,822</u>	<u>-</u>	<u>-</u>	<u>155,822</u>
FUND BALANCES				
Restricted for:				
Special Revenue Fund Purposes	-	-	15,429	15,429
Committed to:				
Length of Service Awards Program	217,316	-	-	217,316
Capital Projects	-	-	957,873	957,873
OPEB Obligations (Note 10)	25,192	-	-	25,192
Assigned to:				
Cemetery Maintenance	33,326	-	-	33,326
Subsequent Year's Budget	235,379	-	-	235,379
Unassigned	832,673	-	-	832,673
Total Fund Balances	<u>1,343,886</u>	<u>-</u>	<u>973,302</u>	<u>2,317,188</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 1,777,434</u>	<u>\$ 96,725</u>	<u>\$ 973,975</u>	<u>\$ 2,848,134</u>

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

TOWN OF CANAAN, CT

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

June 30, 2022

Fund balances reported in governmental funds Balance Sheet \$ 2,317,188

**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>	8,532,155
<i>Accumulated Depreciation</i>	(4,079,736)

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>	137,822
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Certain changes related to pensions are deferred and amortized over time

<i>Deferred Inflows - OPEB</i>	(39,362)
<i>Deferred Outflows - OPEB</i>	31,359

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>	(1,726,457)
<i>LED Lighting Upgrades</i>	(3,730)
<i>Compensated Absences</i>	(47,498)
<i>Termination benefits</i>	(7,023)
<i>OPEB Liability</i>	<u>(128,955)</u>

Net position of governmental activities \$ 4,985,763

TOWN OF CANAAN, CT

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2022

	<u>General</u>	<u>ARPA Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
Revenues				
Property Taxes	\$ 4,909,975	\$ -	\$ -	\$ 4,909,975
Unrestricted Grants and Contributions	135,981	-	-	135,981
Operating Grants and Contributions	621,215	-	40,171	661,386
Capital Grants and Contributions	-	59,093	-	59,093
Charges for Services	156,943	-	483	157,426
Other Income	54,735	-	-	54,735
Investment Earnings	(39,364)	-	780	(38,584)
Total Revenues	<u>5,839,485</u>	<u>59,093</u>	<u>41,434</u>	<u>5,940,012</u>
Expenditures				
Current				
General Government	627,742	-	15,304	643,046
Public Safety	144,801	-	5,773	150,574
Public Works	482,575	-	-	482,575
Health & Welfare	153,616	-	-	153,616
Sanitation	142,212	-	-	142,212
Culture & Recreation	72,040	-	1,212	73,252
Education	3,699,942	-	30,334	3,730,276
Debt Service	182,805	-	-	182,805
Capital Outlay	-	59,093	91,582	150,675
Total Expenditures	<u>5,505,733</u>	<u>59,093</u>	<u>144,205</u>	<u>5,709,031</u>
Excess/(Deficiency) of Revenues Over Expenditures	333,752	-	(102,771)	230,981
Other Financing Sources/(Uses)				
Transfers In	-	-	191,000	191,000
Transfers Out	(191,000)	-	-	(191,000)
Total Other Financing Sources/(Uses)	<u>(191,000)</u>	<u>-</u>	<u>191,000</u>	<u>-</u>
Net Change in Fund Balances	142,752	-	88,229	230,981
Fund Balances - Beginning, as restated	<u>1,201,134</u>	<u>-</u>	<u>885,073</u>	<u>2,086,207</u>
Fund Balances - Ending	<u>\$ 1,343,886</u>	<u>\$ -</u>	<u>\$ 973,302</u>	<u>\$ 2,317,188</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, 2022

Net change in fund balances-total governmental funds \$ 230,981

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>	244,035
<i>Depreciation Expense</i>	(232,138)

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>	132,500
<i>LED Lighting Project</i>	4,649
<i>Adjustment for OPEB Obligation</i>	(19,742)

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>	(3,392)
<i>Termination Benefits</i>	21,198
<i>Net Amortization of Pension Inflows and Outflows</i>	13,246

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>(23,727)</u>
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Change in net position of governmental activities \$ 367,610

TOWN OF CANAAN, CT
 Budgetary Comparison Statement
 General Fund
 For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts <u>Budgetary Basis</u>	Differences Over (Under)
	<u>Original</u>	<u>Final Adjusted</u>		
Revenues				
Property Taxes	\$ 4,847,672	\$ 4,847,672	\$ 4,909,975	\$ 62,303
Intergovernmental	515,460	520,960	455,527	(65,433)
Investment Income	8,000	8,000	1,814	(6,186)
Departmental	84,950	84,950	136,378	51,428
Other Revenue	42,700	42,700	71,173	28,473
Use of Fund Balance to Finance Budget	<u>54,718</u>	<u>79,553</u>	<u>-</u>	<u>(79,553)</u>
Total Revenues	<u>5,553,500</u>	<u>5,583,835</u>	<u>5,574,867</u>	<u>(8,968)</u>
Expenditures				
Current:				
General Government	622,872	647,607	596,041	(51,566)
Public Safety	165,507	171,107	159,801	(11,306)
Public Works	562,715	562,715	482,575	(80,140)
Health and Welfare	157,721	157,721	155,785	(1,936)
Culture and Recreation	66,986	66,986	72,040	5,054
Sanitation	148,291	148,291	142,212	(6,079)
Education	3,519,558	3,519,558	3,463,273	(56,285)
Debt Service	<u>183,850</u>	<u>183,850</u>	<u>182,805</u>	<u>(1,045)</u>
Total Expenditures	<u>5,427,500</u>	<u>5,457,835</u>	<u>5,254,532</u>	<u>(203,303)</u>
Excess/(Deficiency) of Revenues				
Over Expenditures	126,000	126,000	320,335	194,335
Other Financing Sources/(Uses)				
Transfers In	-	-	-	-
Transfers Out	<u>(126,000)</u>	<u>(126,000)</u>	<u>(126,000)</u>	<u>-</u>
Total Other Financing Sources/(Uses)	<u>(126,000)</u>	<u>(126,000)</u>	<u>(126,000)</u>	<u>-</u>
Revenues and other financing sources over/ (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 194,335</u>	<u>\$ 194,335</u>
Fund Balances, beginning			621,828	
Less: Use of Fund Balance to Finance Budget			<u>-</u>	
Fund Balances, ending			<u>\$ 816,163</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, 2022

	<u>Pension Trust Fund</u>	<u>Private-Purpose Trust Funds</u>	<u>Custodial Funds</u>	<u>Totals</u>
Assets				
Cash and Cash Equivalents	\$ -	\$ 28,294	\$ 4,121	\$ 32,415
Investments - Mutual Funds	970,345	-	-	970,345
Contributions Receivable	29,282	-	-	29,282
Total Assets	<u>\$ 999,627</u>	<u>\$ 28,294</u>	<u>\$ 4,121</u>	<u>\$ 1,032,042</u>
Deferred Outflows of Resources	-	-	-	-
Liabilities				
Due to Others	\$ -	\$ -	-	\$ -
Total Liabilities	-	-	-	-
Deferred Inflows of Resources	-	-	-	-
Net Position, As Restated				
Reserved for Donor's Intentions	-	28,294	-	28,294
Restricted for Individuals & Organizations	-	-	4,121	4,121
Restricted for Pensions	999,627	-	-	999,627
Total Net Position	<u>\$ 999,627</u>	<u>\$ 28,294</u>	<u>\$ 4,121</u>	<u>\$ 1,032,042</u>

TOWN OF CANAAN, CT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2022

	<u>Pension Trust Fund</u>	<u>Private-Purpose Trust Funds</u>	<u>Custodial Funds</u>	<u>Total</u>
Additions				
Contributions				
Town	\$ 29,179	\$ -	-	\$ 29,179
Employees	20,782	-	-	20,782
Foundation Grants	-	2,500	-	2,500
Private Donations	-	5,352	-	5,352
Events & Activities	-	-	119	119
Investment Income				
Interest and Dividends	-	8	-	8
Net Increase in Fair Value of Investments	(229,515)	-	-	(229,515)
Total Additions	<u>(179,554)</u>	<u>7,860</u>	<u>119</u>	<u>(171,575)</u>
Deductions				
Benefits Paid	-	-	-	-
Plan Administration	-	788	-	788
Financial Assistance	-	4,701	-	4,701
Events & Activities	-	-	-	-
Total Deductions	<u>-</u>	<u>5,489</u>	<u>-</u>	<u>5,489</u>
Change in Net Position	<u>(179,554)</u>	<u>2,371</u>	<u>119</u>	<u>(177,064)</u>
Net Position - Beginning, as restated	<u>1,179,181</u>	<u>25,923</u>	<u>4,002</u>	<u>1,209,106</u>
Net Position - Ending	<u>\$ 999,627</u>	<u>\$ 28,294</u>	<u>\$ 4,121</u>	<u>\$ 1,032,042</u>

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

TOWN OF CANAAN
Notes to the Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Government-wide and fund financial statements

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

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

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

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

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

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

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

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

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	\$ 5,574,867	\$ 5,254,532	\$ (126,000)	\$ 194,335
Fund Balance Assigned to:				
Cemetery Maintenance	2,012	331	-	1,681
OPEB Reserve - see note 9	20	-	2,500	2,520
Rent Account Activity	1	-	-	1
Interfund Transfers Appropriated From:				
Departmental Budgets	-	(67,500)	(67,500)	-
Teachers Retirement System				
on-behalf Payments - see note 9	256,935	256,935	-	-
Teachers Retirement System OPEB	6,046	6,046	-	-
Net LoSAP Contributions and Expense	(41,411)	16,701	-	(58,112)
ESSER Grant Fund to Kellogg School	26,788	26,788	-	-
Residual Water Department Collections	2,327	-	-	2,327
Grant Revenue Passed Through to:				
Region One School District	11,900	11,900	-	-
GAAP Basis	<u>\$ 5,839,485</u>	<u>\$ 5,505,733</u>	<u>\$ (191,000)</u>	<u>\$ 142,752</u>

TOWN OF CANAAN
Notes to the Financial Statements

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	\$ 2,151,413	\$ 32,415	\$ 2,183,828

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, 2022.

Cash and Cash Equivalents	\$ 2,183,828
Plus: Investments (CDs)	228,339
	<u>\$ 2,412,167</u>

At June 30, 2022, Town bank deposits had a book balance of \$2,412,167 and a bank balance of \$2,419,135, including certificates of deposits classified as investments, which were insured by Federal Depository insurance. Of the bank balance, the Federal Depository Insurance Corporation insured \$1,460,057. The remaining balances of Town deposits were exposed to custodial credit risk as follows: \$934,144 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 \$24,934 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, 2022, 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	\$ 228,339	\$ -	\$ -	\$ 228,339
FVFD LOSAP	217,316	217,316	-	-
Total governmental funds	<u>\$ 445,655</u>	<u>\$ 217,316</u>	<u>\$ -</u>	<u>\$ 228,339</u>
Fiduciary Funds:				
Town pension plan - mutual funds	\$ 970,345	\$ 970,345	\$ -	\$ -
Total fiduciary funds	<u>\$ 970,345</u>	<u>\$ 970,345</u>	<u>\$ -</u>	<u>\$ -</u>
Total Investments	<u>\$ 1,416,000</u>			

Fair Value Measurements

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

	June 30, 2022	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	\$ 3,165	\$ 3,165	\$ -	\$ -
Mutual Funds	1,104,113	1,104,113	-	-
Fixed Income	<u>80,383</u>	<u>80,383</u>	<u>-</u>	<u>-</u>
Total	1,187,661	<u>\$ 1,187,661</u>	<u>\$ -</u>	<u>\$ -</u>
Add Certificates of Deposit not included above	<u>228,339</u>			
Total Investments Reported at Fair Value	<u>\$ 1,416,000</u>			

NOTE 4 – RECEIVABLES

Town Receivables

Town receivable balances at June 30, 2022 are as follows:

	General Fund	Pension Trust Funds	Totals
Property Taxes	\$ 118,445	\$ -	\$ 118,445
Accrued Interest and Fees	54,591	-	54,591
Intergovernmental	18,530	-	18,530
Pension Contributions	<u>-</u>	<u>29,282</u>	<u>29,282</u>
Total Gross Receivables	<u>191,566</u>	<u>29,282</u>	<u>220,848</u>
Allowance for Collection Losses	<u>(8,500)</u>	<u>-</u>	<u>(8,500)</u>
Total Net Receivables	<u>\$ 183,066</u>	<u>\$ 29,282</u>	<u>\$ 212,348</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, 2022 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 \$137,822 as a deferred inflow of resources.

Leases Receivable

The Town entered into two leases ranging in monthly payments of \$600-\$1,000 per month through April 2023. The receivable has not been discounted as the discount amount is immaterial. The town recognized \$15,700 in rental income for the year ended June 30, 2022.

NOTE 5 – INTERFUND BALANCES

An Interfund payable in the General Fund resulted from the additional appropriation to the Kellogg School Capital Projects Fund at year-end from the unexpended Kellogg School Funds. An Interfund receivable is accounted for in the Kellogg School Capital Fund.

Due To:			
Due From:	General Fund	Nonmajor Funds	Totals
General Fund	\$ -	\$ 50,000	\$ 50,000
	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>

Interfund Transfers during the year ended June 30, 2022 were as follows:

Transfers Out:			
Transfers In:	Nonmajor		Totals
	General Fund	Governmental Funds	
Non-Major Funds	\$ 191,000	\$ -	\$ 191,000
	<u>\$ 191,000</u>	<u>\$ -</u>	<u>\$ 191,000</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.

TOWN OF CANAAN
Notes to the Financial Statements

NOTE 6 – CAPITAL ASSETS

Governmental Activities:	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 379,825	\$ -	\$ -	\$ 379,825
Construction in Progress	-	32,500	-	32,500
Total capital assets, not being depreciated	<u>379,825</u>	<u>32,500</u>	<u>-</u>	<u>412,325</u>
Capital assets, being depreciated:				
Buildings & Improvements	4,723,277	54,952	-	4,778,229
Infrastructure	1,608,166	91,500	-	1,699,666
Furniture, Equipment and Vehicles	1,576,852	65,083	-	1,641,935
Total capital assets, being depreciated	<u>7,908,295</u>	<u>211,535</u>	<u>-</u>	<u>8,119,830</u>
Less accumulated depreciation for:				
Buildings & Improvements	2,647,149	112,900	-	2,760,049
Infrastructure	211,985	54,235	-	266,220
Furniture, Equipment and Vehicles	988,464	65,003	-	1,053,467
Total accumulated depreciation	<u>3,847,598</u>	<u>232,138</u>	<u>-</u>	<u>4,079,736</u>
Total capital assets, being depreciated, net	<u>4,060,697</u>	<u>(20,603)</u>	<u>-</u>	<u>4,040,094</u>
Governmental activities capital assets, net	<u>\$ 4,440,522</u>	<u>\$ 11,897</u>	<u>\$ -</u>	<u>\$ 4,452,419</u>

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

Governmental activities:	
General Government	\$ 26,713
Public Safety	1,320
Public Works	99,861
Health and Welfare	6,529
Culture and Recreation	34,302
Sanitation	424
Education	62,989
	<u>\$ 232,138</u>

TOWN OF CANAAN
Notes to the Financial Statements

NOTE 7 – LONG-TERM DEBT

Governmental Activities

Long-term liability activity for the year ended June 30, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Governmental Activities:					
General Obligation Bond (School Roof)	\$ 262,500	\$ -	\$ 17,500	\$ 245,000	\$ 17,500
General Obligation Bond	1,596,457	-	115,000	1,481,457	115,000
LED Lighting	8,379	-	4,649	3,730	3,730
Net OPEB Liability	109,213	19,742	-	128,955	-
Compensated Absences - BOE	2,467	-	1,416	1,051	-
Compensated Absences - Town	41,639	4,808	-	46,447	-
Termination Benefits	28,221	-	21,198	7,023	-
Total	<u>\$ 2,048,876</u>	<u>\$ 24,550</u>	<u>\$ 159,763</u>	<u>\$ 1,913,663</u>	<u>\$ 136,230</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.

At June 30, 2022 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, 2022</u>
Amesville Bridge & School Roof	8/2016	8/2035	2.88%	\$ 350,000	\$ 245,000
Emergency Services Building	7/2014	7/2034	2.40%	2,300,000	1,481,457
				Total	<u>\$ 1,726,457</u>

TOWN OF CANAAN
Notes to the Financial Statements

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

Year Ending	Governmental activities	
	Principal	Interest
2023	\$ 132,500	\$ 48,546
2024	132,500	44,814
2025	132,500	41,082
2026	132,500	37,350
2027	132,500	33,618
2028-2032	662,500	112,110
2033-2036	401,457	22,902
Total	<u>\$ 1,726,457</u>	<u>\$ 340,422</u>

LED Lighting

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

2023	\$ 3,730
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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, 2022 a liability of \$7,023 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 10.49%, which is based upon student enrollment. The Town's portion of the bond principal for Regional School District No. 1 is as follows:

	Principal
Bonds Outstanding	\$4,400,000
Town's Pro Rata %	10.49%
Town's Share	\$ 461,639

TOWN OF CANAAN
Notes to the Financial Statements

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, 2022 the net position available for benefits was \$999,627. Vested benefits totaled \$995,769.

Plan Membership - At June 30, 2022 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 \$29,179 to plan participant accounts during the fiscal year, while employees contributed \$20,882. There were no pension benefits and distributions paid to participants during the fiscal year. The Town’s outstanding liability to the plan at fiscal year-end was \$29,282.

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, or by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106.

TOWN OF CANAAN
Notes to the Financial Statements

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, 2022 were estimated to be \$256,935, 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, 2022 the certified teachers' contribution to the Connecticut Teachers Retirement Board was \$54,389.

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions: At June 30, 2022 the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>3,068,541</u>
Total	<u>\$ 3,068,541</u>

The annual actuarial valuation used as a basis was performed on June 30, 2021. At June 30, 2022 the Town had no proportionate share of the net pension liability.

TOWN OF CANAAN
Notes to the Financial Statements

For the year ended June 30, 2022, the Town recognized benefits expense and contribution revenue of \$256,935 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized \$198,081 for pension expense related to actuarial liabilities for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions: The total pension liability was determined by an actuarial valuation as of June 30, 2021, 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:

TOWN OF CANAAN
Notes to the Financial Statements

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity Fund	20.00%	5.6%
Developed Market Int'l Stock Fund	11.00%	6.0%
Emerging Market Int'l Stock Fund	9.00%	7.9%
Core Fixed Income Fund	16.00%	2.1%
Inflation Linked Bond Fund	5.00%	1.1%
Emerging Market Debt Fund	5.00%	2.7%
High Yield Bond Fund	6.00%	4.0%
Real Estate Fund	10.00%	4.5%
Private Equity	10.00%	7.3%
Alternative Investments	7.00%	2.9%
Liquidity Fund	1.00%	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, 2022 the net position available for benefits was \$217,316.

At December 31, 2021, the date of the last annual program report, there were forty-one plan participants of which twenty-two 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 \$27,917 was paid from the fund in retirement benefits to participants. Administration expenses of the plan were \$3,784.

TOWN OF CANAAN
Notes to the Financial Statements

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 \$25,192 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, 2022, 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 was measured as of July 1, 2021 with a measurement dated of June 30, 2022. 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.

TOWN OF CANAAN
Notes to the Financial Statements

Actuarial assumptions – The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement unless otherwise specified:

Annual Payroll Increase	2.5% annually
Salary Increases	3.5% annually
Investment rate of return	Self-funded by the town
Healthcare Cost Trend Rates	Rate was reset to 7.0% downgrading down .5% per annum to an ultimate rate of 4.5% in years 2025 and later
Mortality	RPH-2014 Total Dataset Headcount-Weighted Fully Generational Mortality Table using Projection Scale MP-2021

Discount Rate – The discount rate used to measure the total OPEB liability was 3.54% 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 3.54% 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 (2.54%) or 1-percentage-point higher (4.54%) than the current rate:

	<u>1% Decrease</u> <u>Discount Rate</u> 2.54%	<u>Current</u> <u>Discount Rate</u> 3.54%	<u>1% Increase</u> <u>Discount Rate</u> 4.54%
Net OPEB liability as of June 30, 2022	\$137,405	\$128,955	\$121,025

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>5.5% Decreasing to 4.0%</u>	<u>Healthcare Cost Trend Rates</u> <u>6.5% Decreasing to 5.0%</u>	<u>1% Increase</u> <u>7.5% Decreasing to 6.0%</u>
\$116,013	\$128,955	\$143,925

TOWN OF CANAAN
Notes to the Financial Statements

	Total Pension <u>Liability</u>
Balance at June 30, 2021	\$ 109,213
Changes for the year:	
Service Cost	7,633
Interest	2,996
Changes in Benefit Terms	-
Differences between Expected and Actual Experience	22,184
Changes of Assumptions and other Inputs	(11,205)
Benefit Payments, including Refunds of Member Contributions	(1,866)
Net Investment Income	-
Other	-
Net Changes	<u>19,742</u>
Balance at June 30, 2022	<u>\$ 128,955</u>

OPEB Expense - For the year ended June 30, 2022, the Town recognized OPEB expense of \$8,362.

	Deferred Outflows <u>of Resources</u>	Deferred Inflows <u>of Resources</u>
Experience Loss	\$ (19,210.0)	\$ 28,340
Change in Assumptions	(12,149)	11,022
Investment Gain (Loss)	-	-
Total	<u>(31,359)</u>	<u>39,362</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, 2022:

Year ended June 30,	2023	\$ (2,267)
	2024	(2,267)
	2025	(2,267)
	2026	(2,267)
	2027	(1,131)
	Thereafter	2,196

Connecticut Teacher's Retirement System - OPEB

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

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

TOWN OF CANAAN
Notes to the Financial Statements

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

Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

Contributions - Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are amended and certified by the TRB and appropriated by the General Assembly. The State pays for one third of plan costs through annual appropriation in the General Fund. School district employers are not required to make contributions to the Plan. The State of Connecticut's estimated allocated contribution to the Plan on behalf of the Town was \$6,046.

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, 2022, the certified teacher's contribution to the Connecticut Teacher's Board was \$9,714.

Actuarial Assumptions - The total OPEB liability was determined by an actuarial valuation as of June 30, 2020 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

TOWN OF CANAAN
Notes to the Financial Statements

Municipal bond index rate:

Measurement Date	2.16%
Prior Measurement Date	2.21%

The projected fiduciary net is projected to be depleted in 2023.

Single equivalent interest rate:

Measurement Date	2.17%, net of OPEB plan investment expense, including inflation
Prior Measurement Date	2.21%, net of OPEB plan investment expense

Healthcare cost trend rates:

Medicare	5.125% for 2020 decreasing to an ultimate Rate of 4.5% by 2023
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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%	-0.42%	1.780%
Price inflation		2.50%	
Expected rate of return (rounded to the nearest .25%)		2.00%	

TOWN OF CANAAN
Notes to the Financial Statements

Discount Rate - The discount rate used to measure the total OPEB liability was 2.17%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection's basis was an actuarial valuation performed as of June 30, 2020.

In addition to the actuarial methods and assumptions of the June 30, 2020 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

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

Based on those assumptions, the plan's fiduciary net position was projected to be depleted in 2023 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

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	\$280,576	\$334,312	\$409,411

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:

	1% Decrease <u>(1.17%)</u>	Current Discount Rate <u>(2.17%)</u>	1% Increase <u>(3.17%)</u>
Net OPEB liability	\$ 410,022	\$ 334,312	\$ 276,513

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions: At June 30, 2022 the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

TOWN OF CANAAN
Notes to the Financial Statements

Town's proportionate share of the net OPEB Liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>334,312</u>
Total	<u>\$ 334,312</u>

The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. At June 30, 2022, 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

Capital Projects

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

Federal and State Grants

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

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 \$600 per month to \$1,000 per month through April 30, 2023. There is an option to renew for each of the leases. A total of \$15,700 of rental income has been recognized for the year ending June 30, 2022. Deferred Lease inflows and Leases Receivable of \$18,000 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. 91 – Conduit Debt Obligations** – The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2022.
- **GASB Statement No. 94 – Public-Private and Public-Public Partnerships and Availability Payment Arrangements** – The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this statement are effective for the Town's reporting period beginning July 1, 2022.
- **GASB Statement No. 96 – Subscription-Based Information Technology Arrangements** – This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2022.
- **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.

TOWN OF CANAAN
Notes to the Financial Statements

- **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

NOTE 14 – ADOPTION OF NEW ACCOUNTING STANDARD AND RESTATEMENTS

As a result of the implementation of GASB No. 87, *Leases*, as of July 1, 2021, the Town made the following reporting change: a receivable for future lease payments due to the town under lease agreements, and a corresponding deferred inflows of resources +was added to the Statement of Net Position.

In addition, the Town has determined that the Student Activities Fund should be reported as a Special Revenue Fund instead of a Custodial Fund in accordance with GASB No. 84. The changes to the fund balance and net position are as follows:

	Governmental Activities	Nonmajor Governmental Funds	Custodial Funds
Net position/fund balance as reported at June 30, 2021	\$ 4,602,869	\$ 869,789	\$ 19,286
Reclassify student activity fund to proper fund type	15,284	15,284	(15,284)
Net position/fund balance as restated at July 1, 2021	<u>\$ 4,618,153</u>	<u>\$ 885,073</u>	<u>\$ 4,002</u>

TOWN OF CANAAN, CT
State Teacher's Retirement System
Proportionate Share of Net Pension Liability
June 30, 2022

Schedule of Proportionate Share of Net Pension Liability		2022	2021	2020	2019	2018	2017	2016	2015
Town's proportion of the net pension liability		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$	-	\$ -	\$ -	-	\$ -	-	\$ -	-
State of Connecticut's proportionate share of the net pension associated with Town			3,874,379	3,662,689	2,824,146	2,850,418	3,007,213	2,716,332	2,510,705
Total	\$	3,068,541	3,874,379	3,662,689	2,824,146	2,850,418	3,007,213	2,716,332	2,510,705
Town's covered-employee payroll	\$	3,068,541	3,874,379	3,662,689	2,824,146	2,850,418	3,007,213	2,716,332	2,510,705
Town's proportionate share of the net pension liability (asset) as a percentage of its covered -employee payroll.	\$	777,000	876,403	902,504	884,347	874,757	806,484	843,048	816,883
Plan fiduciary net position as a percentage of the total pension liability		60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.56%

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	30 years
Asset valuation method	4-year smoothed market
Inflation	2.50%
Salary increase	3.25-6.5%, 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.

TOWN OF CANAAN, CT
State Teacher's Retirement System
Proportionate Share of Net OPEB Liability
June 30, 2022

Schedule of Proportionate Share of Net Pension Liability		<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%
Town's proportionate share of the net OPEB liability	\$	-	\$	-	\$	-
State of Connecticut's proportionate share of the net OPEB associated with Town		<u>334,312</u>	<u>577,864</u>	<u>571,218</u>	<u>564,576</u>	<u>733,680</u>
Total	\$	<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>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>
Plan fiduciary net position as a percentage of the total OPEB liability		<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.

TOWN OF CANAAN, CT
Schedule of Changes in the Total OPEB Liability and Related Ratios
June 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability						
Service Cost	\$ 7,633	\$ 5,107	\$ 4,516	\$ 6,402	\$ 6,522	\$ -
Interest	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	(11,205)	414	15,888	3,874	(2,970)	-
Benefit Payments	(1,866)	(1,976)	(1,866)	(1,502)	(1,397)	-
Net Changes in Total OPEB Liability	19,742	5,919	(23,989)	13,401	6,218	-
Total OPEB Liability - Beginning	\$ 109,213	\$ 103,294	\$ 127,283	\$ 113,882	\$ 107,664	\$ -
Total OPEB Liability - Ending	\$ 128,955	\$ 109,213	\$ 103,294	\$ 127,283	\$ 113,882	\$ 107,664
Plan Fiduciary Net Position						
Contributions - Employer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - Employee	-	-	-	-	-	-
Net Investment Income	-	-	-	-	-	-
Benefit Payments	-	-	-	-	-	-
Administrative Expenses	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	-	-	-	-	-	-
Total Fiduciary Net Position, Beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Fiduciary Net Position, Ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB Liability, Ending	\$ 128,955	\$ 109,213	\$ 103,294	\$ 127,283	\$ 113,882	\$ 107,664
Covered-Employee Payroll	\$ 222,269	\$ 211,281	\$ 206,128	\$ 204,650	\$ 199,659	
Total OPEB Liability as a percentage of Covered Employee Payroll	58.02%	51.69%	50.11%	62.20%	57.04%	
Notes:						
Plan Changes:	None	None	None	None	None	None
Assumption Changes:						
Discount Rate	3.54%	2.16%	2.21%	3.50%	3.87%	3.58%
Trend Rate	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 with Scale MP-2021	RPH-2014 Headcount-Weighted Fully with Scale MP-2021	RPH-2014 Headcount-Weighted Fully with Scale MP-2019	RPH-2000 Fully Generational Table with scale AA		

TOWN OF CANAAN, CT
Schedule of Budgeted and Actual Revenues
General Fund - Budgetary Basis
For the Year Ended June 30, 2022

	ORIGINAL APPROPRIATIONS	AMENDED APPROPRIATIONS	ACTUAL REVENUES	ACTUAL OVER / (UNDER) BUDGETED
TAXES				
General Property Tax	\$ 4,847,672	\$ 4,847,672	\$ 4,909,975	\$ 62,303
Total Taxes	<u>4,847,672</u>	<u>4,847,672</u>	<u>4,909,975</u>	<u>62,303</u>
INTERGOVERNMENTAL				
Education Equalization	125,752	125,752	125,752	-
Elderly Tax Relief	2,000	2,000	1,831	(169)
State Owned Property (PILOT)	58,344	58,344	56,928	(1,416)
Colleges and General/Chronic Disease Hospitals (PILOT)	1,406	1,406	-	(1,406)
Pequot/Mohegan Fund	6,202	6,202	6,202	-
LOCIP	18,488	18,488	18,530	42
Town Aid for Roads	169,236	169,236	169,392	156
Historic Document Preservation	-	5,500	5,500	-
Telecomm Property Tax	6,000	6,000	5,117	(883)
Educational Grants	-	-	372	372
Other Grants	128,032	128,032	65,903	(62,129)
Total Intergovernmental	<u>515,460</u>	<u>520,960</u>	<u>455,527</u>	<u>(65,433)</u>
INVESTMENT INCOME				
	<u>8,000</u>	<u>8,000</u>	<u>1,814</u>	<u>(6,186)</u>
DEPARTMENTAL				
Conveyance Tax	12,000	12,000	44,950	32,950
Planning and Zoning Fees	1,500	1,500	1,495	(5)
Public Works	-	-	-	-
Building Permits	20,000	20,000	20,866	866
Recreation	2,000	2,000	9,917	7,917
Town Clerk Fees	8,450	8,450	11,166	2,716
Transfer Station	40,500	40,500	47,444	6,944
Inland Wetlands Permits	500	500	540	40
Total Departmental	<u>84,950</u>	<u>84,950</u>	<u>136,378</u>	<u>51,428</u>
OTHER REVENUES				
Property Rentals	19,500	19,500	18,500	(1,000)
Copier and Fax Fees	1,200	1,200	2,065	865
Miscellaneous Other	22,000	22,000	50,608	28,608
Total Other Revenue	<u>42,700</u>	<u>42,700</u>	<u>71,173</u>	<u>28,473</u>
OTHER SOURCES				
Use of Fund Balance	<u>54,718</u>	<u>79,553</u>	-	(79,553)
Total Other Sources	<u>54,718</u>	<u>79,553</u>	-	(79,553)
TOTALS	<u>\$ 5,553,500</u>	<u>\$ 5,583,835</u>	<u>\$ 5,574,867</u>	<u>\$ (8,968)</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, 2022

1 of 2

	ORIGINAL	AMENDED	ACTUAL	Over
	APPROPRIATIONS	APPROPRIATIONS	EXPENDITURES	(Under)
GENERAL GOVERNMENT				
Selectmen	\$ 58,538	\$ 59,073	\$ 57,326	(1,747)
Town Hall	43,685	45,685	43,070	(2,615)
Legal	13,445	13,445	3,904	(9,541)
Board of Assessors	49,090	49,090	49,059	(31)
Board of Assessment Appeals	1,500	1,500	1,042	(458)
Board of Finance	28,250	29,450	25,279	(4,171)
Tax Collector	31,424	31,424	27,339	(4,085)
Treasurer	37,976	37,976	37,225	(751)
Town Clerk	56,258	61,758	57,583	(4,175)
Planning and Zoning	20,701	24,201	21,419	(2,782)
Zoning Board of Appeals	500	500	-	(500)
Registrar of Voters	21,000	21,000	10,765	(10,235)
Insurance	40,630	40,630	38,572	(2,058)
Benefits	187,350	199,350	196,877	(2,473)
Inland Wetland Commission	2,500	2,500	1,498	(1,002)
35 Railroad St. Property	3,905	3,905	3,756	(149)
Economic Development	2,000	2,000	-	(2,000)
107 Main St Maintenance	24,120	24,120	21,327	(2,793)
Totals - General Government	<u>622,872</u>	<u>647,607</u>	<u>596,041</u>	<u>(51,566)</u>
PUBLIC SAFETY				
Street Lights	7,700	7,700	6,914	(786)
General Public Safety	62,807	62,807	49,296	(13,511)
Fire Commission	95,000	100,600	103,591	2,991
Totals - Public Safety	<u>165,507</u>	<u>171,107</u>	<u>159,801</u>	<u>(11,306)</u>
PUBLIC WORKS				
Road Maintenance	536,575	536,575	462,619	(73,956)
Town Garage	26,140	26,140	19,956	(6,184)
Totals - Public Works	<u>562,715</u>	<u>562,715</u>	<u>482,575</u>	<u>(80,140)</u>
HEALTH AND WELFARE				
Non-municipal Public Benefit Activities	71,497	71,497	70,425	(1,072)
Daycare Grant	10,000	10,000	10,000	-
William Surdam Building	12,792	12,792	12,286	(506)
Public Health	17,534	17,534	17,534	-
Social Services	42,898	42,898	42,549	(349)
General Assistance	3,000	3,000	2,991	(9)
Totals - Health and Welfare	<u>157,721</u>	<u>157,721</u>	<u>155,785</u>	<u>(1,936)</u>
CULTURE AND RECREATION				
Recreation Commission	66,986	66,986	72,040	5,054
Totals - Culture and Recreation	<u>66,986</u>	<u>66,986</u>	<u>72,040</u>	<u>5,054</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, 2022

2 of 2

	ORIGINAL APPROPRIATIONS	AMENDED APPROPRIATIONS	ACTUAL EXPENDITURES	Over (Under)
SANITATION				
Waste Management	<u>148,291</u>	<u>148,291</u>	<u>142,212</u>	<u>(6,079)</u>
EDUCATION				
Salaries	1,199,492	1,166,837	1,166,395	(442)
Benefits	408,186	283,833	282,256	(1,577)
Services	62,457	51,491	51,491	-
Property Services	41,467	114,385	114,385	-
Purchased Services	179,359	174,370	160,690	(13,680)
Supplies	128,487	145,046	145,046	-
Property & Equipment	676	34,308	47,988	13,680
Capital Fund Appropriation	15,000	65,000	65,000	-
Region #1 Tuition	1,482,835	1,482,835	1,428,569	(54,266)
Dues and Fees	<u>1,599</u>	<u>1,453</u>	<u>1,453</u>	<u>-</u>
Totals - Education	<u>3,519,558</u>	<u>3,519,558</u>	<u>3,463,273</u>	<u>(56,285)</u>
DEBT SERVICE				
Principal	132,500	132,500	132,500	-
Interest	<u>51,350</u>	<u>51,350</u>	<u>50,305</u>	<u>(1,045)</u>
Totals - Debt Service	<u>183,850</u>	<u>183,850</u>	<u>182,805</u>	<u>(1,045)</u>
OTHER FINANCING USES				
Transfers Out:				
Transfers to Other Funds	<u>126,000</u>	<u>126,000</u>	<u>126,000</u>	<u>-</u>
TOTAL APPROPRIATIONS AND EXPENDITURES	<u>\$ 5,553,500</u>	<u>\$ 5,583,835</u>	<u>\$ 5,380,532</u>	<u>\$ (203,303)</u>

See accountant's report

TOWN OF CANAAN, CT
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

SPECIAL REVENUE FUNDS

	Economic Growth Grant Fund	Special Projects Fund	Dog Fund	School Milk Fund	Berzine Fund	Daniel Maynard Fund	Denise Blair Memorial Fund	Kellogg School Student Funds	Recreation Fund	IW Cobble Hill Tower Fund
Assets:										
Cash and Cash Equivalents	\$ -	\$ 63	\$ 2,213	\$ 249	\$ 669	\$ 3,179	\$ 664	\$ 8,840	\$ 3,352	\$ 288
Investments	-	-	-	-	-	-	-	-	-	-
Due from General Fund	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ -	\$ 63	\$ 2,213	\$ 249	\$ 669	\$ 3,179	\$ 664	\$ 8,840	\$ 3,352	\$ 288
Liabilities and Fund Balances										
Liabilities:										
Accounts Payable	\$ -	-	\$ 673	-	-	-	-	-	-	-
Unearned Grant Revenue	-	-	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-	-	-
Total Liabilities	-	-	673	-	-	-	-	-	-	-
Fund Balances:										
Restricted	-	-	1,540	249	669	3,179	664	8,840	-	288
Committed	-	63	-	-	-	-	-	-	3,352	-
Total Fund Balances	-	63	1,540	249	669	3,179	664	8,840	3,352	288
Total Liabilities and Fund Balances	\$ -	\$ 63	\$ 2,213	\$ 249	\$ 669	\$ 3,179	\$ 664	\$ 8,840	\$ 3,352	\$ 288

TOWN OF CANAAN, CT
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

CAPITAL PROJECTS FUNDS											
	Training Fund	Board of Assessors Revaluation Fund	Planning and Zoning Regulations Fund	Ambulance Fund	Truck and Heavy Equipment Fund	107 Main Street Property Fund	Computer Fund	Bulky Waste Fund	Kellogg School Technology Fund	Kellogg School Capital Fund	Pool Fund
Assets:											
Cash and Cash Equivalents	\$ -	\$ 56,361	\$ 38,278	\$ 18,289	\$ 67,520	\$ 37,805	\$ 2,664	\$ 65,797	\$ 18,426	\$ 100,023	\$ 18,550
Investments	1,972	-	-	-	-	-	-	-	-	-	-
Due from General Fund	-	-	-	-	-	-	-	-	-	50,000	-
Total Assets	\$ 1,972	\$ 56,361	\$ 38,278	\$ 18,289	\$ 67,520	\$ 37,805	\$ 2,664	\$ 65,797	\$ 18,426	\$ 150,023	\$ 18,550
Liabilities and Fund Balances											
Liabilities:											
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned Grant Revenue	-	-	-	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-	-	-	-	-	-
Fund Balances:											
Restricted	-	-	-	-	-	-	-	-	-	-	-
Committed	1,972	56,361	38,278	18,289	67,520	37,805	2,664	65,797	18,426	150,023	18,550
Total Fund Balances	1,972	56,361	38,278	18,289	67,520	37,805	2,664	65,797	18,426	150,023	18,550
Total Liabilities and Fund Balances	\$ 1,972	\$ 56,361	\$ 38,278	\$ 18,289	\$ 67,520	\$ 37,805	\$ 2,664	\$ 65,797	\$ 18,426	\$ 150,023	\$ 18,550

See accountant's report.
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TOWN OF CANAAN, CT
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

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
Assets:									
Cash and Cash Equivalents	\$ 11,015	\$ 43,508	\$ 76,105	\$ 23,908	\$ 111,352	\$ 2,242	\$ 1,001	\$ 209,642	\$ 922,003
Investments	-	-	-	-	-	-	-	-	1,972
Due from General Fund	-	-	-	-	-	-	-	-	50,000
Total Assets	\$ 11,015	\$ 43,508	\$ 76,105	\$ 23,908	\$ 111,352	\$ 2,242	\$ 1,001	\$ 209,642	\$ 973,975
Liabilities and Fund Balances									
Liabilities:									
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 673
Unearned Grant Revenue	-	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-	-	-	673
Fund Balances:									
Restricted	-	-	-	-	-	-	-	-	15,429
Committed	11,015	43,508	76,105	23,908	111,352	2,242	1,001	209,642	957,873
Total Fund Balances	11,015	43,508	76,105	23,908	111,352	2,242	1,001	209,642	973,302
Total Liabilities and Fund Balances	\$ 11,015	\$ 43,508	\$ 76,105	\$ 23,908	\$ 111,352	\$ 2,242	\$ 1,001	\$ 209,642	\$ 973,975

TOWN OF CANAAN, CT
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

SPECIAL REVENUE FUNDS

	Economic Growth Grant Fund	Special Projects Fund	Dog Fund	School Milk Fund	Berzine Fund	Daniel Maynard Fund	Denise Blair Memorial Fund	Kellogg School Student Funds	Recreation Fund	IW Cobble Hill Tower Fund	Training Fund
Revenues:											
Operating Grants and Contributions	\$ 15,304	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,890	\$ 977	\$ -	\$ -
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	483	-	-	-	-	-	-	-	-
Investment Income	-	-	-	-	1	3	1	-	-	-	5
Total Revenues	15,304	-	483	-	1	3	1	23,890	977	-	5
Expenditures:											
General Government	15,304	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	5,773	-	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-	-	30,334	1,212	-	-
Education	-	-	-	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-	-	-	-
Debt Outlay	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	15,304	-	5,773	-	-	-	-	30,334	1,212	-	-
Excess/(deficiency) of Revenues over Expenditures	-	-	(5,290)	-	1	3	1	(6,444)	(235)	-	5
Other Financing Sources/(Uses):											
Transfers In	-	-	2,500	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-	-	-
Excess/(Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	-	-	(2,790)	-	1	3	1	(6,444)	(235)	-	5
Beginning Fund Balances, As Restated	-	63	4,330	249	668	3,176	663	15,284	3,587	288	1,967
Ending Fund Balances	\$ -	\$ 63	\$ 1,540	\$ 249	\$ 669	\$ 3,179	\$ 664	\$ 8,840	\$ 3,352	\$ 288	\$ 1,972

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, 2022

CAPITAL PROJECTS												
	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	Registrars Voting Machine Fund	
Revenues:												
Operating Grants and Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-	-	
Charges for Services	-	-	-	-	-	-	-	-	-	-	-	
Investment Income	49	31	14	59	38	2	53	11	45	9	5	
Total Revenues	49	31	14	59	38	2	53	11	45	9	5	
Expenditures:												
General Government	-	-	-	-	-	-	-	-	-	-	-	
Public Safety	-	-	-	-	-	-	-	-	-	-	-	
Culture & Recreation	-	-	-	-	-	-	-	-	-	-	-	
Education	-	-	-	-	-	-	-	-	-	-	-	
Health and Welfare	-	-	-	-	-	-	-	-	-	-	-	
Debt Outlay	-	-	-	-	-	-	-	-	-	-	-	
Capital Outlay	4,651	-	-	50,000	9,431	-	-	-	-	-	-	
Total Expenditures	4,651	-	-	50,000	9,431	-	-	-	-	-	-	
Excess/(deficiency) of Revenues over Expenditures	(4,602)	31	14	(49,941)	(9,393)	2	53	11	45	9	5	
Other Financing Sources/(Uses):												
Transfers In	4,000	2,500	5,000	45,000	7,500	1,000	5,000	5,000	60,000	5,000	-	
Transfers Out	-	-	-	-	-	-	-	-	-	-	-	
Excess/(Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	(602)	2,531	5,014	(4,941)	(1,893)	1,002	5,053	5,011	60,045	5,009	5	
Beginning Fund Balances, As Restated	56,963	35,747	13,275	72,461	39,698	1,662	60,744	13,415	89,978	13,541	11,010	
Ending Fund Balances	\$ 56,361	\$ 38,278	\$ 18,289	\$ 67,520	\$ 37,805	\$ 2,664	\$ 65,797	\$ 18,426	\$ 150,023	\$ 18,550	\$ 11,015	

TOWN OF CANAAN, CT
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

CAPITAL PROJECTS FUNDS									
	Painting Fund	Capital Project	Environmental Cleanup Fund	Salt Shed Fund	Bridge Repair Fund	Tree Replacement Reserve	Fire Truck & Equipment Reserve	Total	
Revenues:									
Operating Grants and Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,171
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	483
Investment Income	35	23	19	91	11	1	274	780	
Total Revenues	35	23	19	91	11	1	274	41,434	
Expenditures:									
General Government	-	-	-	-	-	-	-	-	15,304
Public Safety	-	-	-	-	-	-	-	-	5,773
Culture & Recreation	-	-	-	-	-	-	-	-	1,212
Education	-	-	-	-	-	-	-	-	30,334
Health and Welfare	-	-	-	-	-	-	-	-	-
Debt Outlay	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	27,500	-	-	-	91,582
Total Expenditures	-	-	-	-	27,500	-	-	-	144,205
Excess/(deficiency) of Revenues over Expenditures	35	23	19	91	(27,489)	1	274	(102,771)	
Other Financing Sources/(Uses):									
Transfers In	5,000	-	1,000	2,000	15,000	500	25,000	191,000	
Transfers Out	-	-	-	-	-	-	-	-	-
Excess/(Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	5,035	23	1,019	2,091	(12,489)	501	25,274	88,229	
Beginning Fund Balances, As Restated	38,473	76,082	22,889	109,261	14,731	500	184,368	885,073	
Ending Fund Balances	\$ 43,508	\$ 76,105	\$ 23,908	\$ 111,352	\$ 2,242	\$ 1,001	\$ 209,642	\$ 973,302	

TOWN OF CANAAN, CT
Combining Statement of Net Position
Fiduciary Funds
June 30, 2022

	Pension Trust Fund	Private Purpose Trust Funds					Custodial Funds			
		Total					Friends of			
		Defined Contribution Plan	Fuel Bank Fund	Social Services Fund	Falls Village Scholarship Fund	Private Purpose Trust	Senior Center Fund	Kellogg School Fund	Total Custodial Funds	
Assets										
Cash	\$ -	\$ 4,874	\$ 10,967	\$ 12,453	\$ 28,294	\$ 405	\$ 3,716	\$ 4,121		
Investments	970,345	-	-	-	-	-	-	-		
Contributions Receivable	29,282	-	-	-	-	-	-	-		
Total Assets	\$ 999,627	\$ 4,874	\$ 10,967	\$ 12,453	\$ 28,294	\$ 405	\$ 3,716	\$ 4,121		
Liabilities										
Due to Others	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Total Liabilities	-	-	-	-	-	-	-	-		
Net Position										
Reserved for donor's intentions	-	4,874	10,967	12,453	28,294	-	-	-		
Restricted for Individuals & Organizations	-	-	-	-	-	405	3,716	4,121		
Restricted for Pensions	999,627	-	-	-	-	-	-	-		
Total Net Position	\$ 999,627	\$ 4,874	\$ 10,967	\$ 12,453	\$ 28,294	\$ 405	\$ 3,716	\$ 4,121		

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, 2022

	Pension Trust Fund	Private Purpose Trust Funds					Custodial Funds			
		Fuel Bank Fund	Social Services Fund	Falls Village Scholarship Fund	Total Private Purpose Trust Funds	Total Private Purpose Trust Funds	Senior Center Fund	Friends of Kellogg School Fund	Total Custodial Funds	
Revenues	Defined Contribution Plan									
Contributions:										
Town	\$ 29,179	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Employee	20,782	-	-	-	-	-	-	-	-	-
Foundation Grants	-	1,100	1,400	-	2,500	2,500	-	-	-	-
Private Donations	-	400	430	4,522	5,352	5,352	-	-	-	-
Events & Activities	-	-	-	-	-	-	-	119	119	119
Investment Income:										
Interest and dividends	-	2	6	-	8	8	-	-	-	-
Net Increase/Decrease in Fair Value of Investments	(229,515)	-	-	-	-	-	-	-	-	-
Total Revenues	(179,554)	1,502	1,836	4,522	7,860	7,860	-	119	119	119
Expenditures										
Benefits Paid	-	-	-	-	-	-	-	-	-	-
Plan Administration	-	-	-	788	788	788	-	-	-	-
Financial Assistance	-	551	1,150	3,000	4,701	4,701	-	-	-	-
Activities & Fees	-	-	-	-	-	-	-	-	-	-
Change in Net Position	-	551	1,150	3,788	5,489	5,489	-	-	-	-
Net Position - Beginning, as restated	(179,554)	951	686	734	2,371	2,371	-	119	119	119
	1,179,181	3,923	10,281	11,719	25,923	25,923	405	3,597	4,002	4,002
Net Position - Ending	999,627	\$ 4,874	\$ 10,967	\$ 12,453	\$ 28,294	\$ 28,294	\$ 405	\$ 3,716	\$ 4,121	\$ 4,121

See accountant's report.

TOWN OF CANAAN, CT

Report of the Property Tax Collector

Fiscal Year Ended June 30, 2022

Grand List	Amount of Taxes Collectible	Current Levy	Lawful Corrections		Transferred To Suspense	Adjusted Taxes Collectible	Actual Collections		Balance Uncollected 06/30/22
			Additions	Deductions			Taxes	Interest & Liens	
01-Oct									
2020	\$ -	\$ 4,871,861	\$ 10,587	\$ 34,233	\$ 242	\$ 4,847,973	\$ 4,800,215	\$ 46,901	\$ 47,758
2019	52,529	-	-	235	-	52,294	30,867	9,706	21,427
2018	33,345	-	-	175	-	33,170	20,954	9,003	12,216
2017	11,216	-	13	-	-	11,229	3,480	2,921	7,749
2016	6,117	-	-	-	109	6,008	973	1,115	5,035
2015	5,049	-	-	-	165	4,884	344	370	4,540
2014	3,737	-	-	-	131	3,606	-	-	3,606
2013	3,032	-	-	-	91	2,941	-	-	2,941
2012	2,157	-	-	-	94	2,063	-	-	2,063
2011	2,171	-	-	-	-	2,171	-	-	2,171
2010	2,172	-	-	1	-	2,171	-	-	2,171
2009	1,318	-	-	-	-	1,318	-	-	1,318
	122,843	4,871,861	10,600	34,644	832	4,969,828	4,856,833	70,016	112,995
	<u>4,202</u>							Outstanding Credits	<u>5,450</u>
	<u>\$ 127,045</u>							Total uncollected	<u>\$ 118,445</u>
						Suspense			
						<u>299</u>			
						Total Collections	<u>\$ 4,857,132</u>	<u>\$ 70,428</u>	

See accountant's report.

TOWN OF CANAAN, CT
Schedule of Debt Limitation
June 30, 2022

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

\$ 4,754,670

Reimbursement for revenue loss on:

Tax relief for elderly

-

Base

\$ 4,754,670

	General Purposes	Schools	Sewers	Urban Renewal	Pension Deficit
Debt Limitation:					
2 1/4 times base	\$ 10,698,008	-	-	\$ -	-
4 1/2 times base	-	21,396,015	-	-	-
3 3/4 times base	-	-	17,830,013	-	-
3 1/4 times base	-	-	-	15,452,678	-
3 times base	-	-	-	-	14,264,010
Total Debt Limitation	<u>\$ 10,698,008</u>	<u>\$ 21,396,015</u>	<u>\$ 17,830,013</u>	<u>\$ 15,452,678</u>	<u>\$ 14,264,010</u>

Indebtedness:

Town Notes Payable

-

Town Bonds Payable

1,621,352

105,105

Overlapping Debt:

Regional School District #1

491,639

-

Total Indebtedness

596,744

1,621,352

Debt Limitation in excess of

Outstanding and Authorized Debt

\$ 9,076,656

\$ 20,799,271

\$ 17,830,013

\$ 15,452,678

\$ 14,264,010

NOTE: In no case should this total indebtedness exceed seven times the base of \$4,754,670 or \$33,282,690

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, 2022, 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 December 5, 2022.

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
December 5, 2022



**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, 2022. 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, 2022.

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.

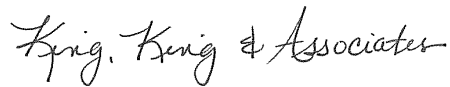
Report on Internal Control over Compliance

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
December 5, 2022

TOWN OF CANAAN, CT
Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2022

State Grantor/Pass - Through <u>Grantor/Program Title</u>	State Grant Program <u>Core-CT Number</u>	<u>Expenditures</u>
Department of Transportation		
Town Aid Roads	12052-DOT57131-43455	\$ 84,696
Town Aid Roads	13033-DOT57131-43459	84,696
Connecticut State Library		
Historic Document Preservation	12060-CSL66094-35150	5,500
Department of Energy & Environmental Protection		
Recreation & Natural Heritage Trust	17161-DEP43153-43656	145
Department of Housing		
Bond Consolidation Receipts	12039-DOH46920-40233	15,304
Judicial Department		
Public Acts	34001-JUD95162-40001	265
State Department of Education		
Talent Development	11000-SDE64370-12552	372
Office of Policy and Management		
Local Capital Improvement	11000-OPM20600-40254	18,530
Tiered PILOT	11000-OPM20600-17111	56,924
MRSA-Tiered PILOT	12060-OPM20600-35691	20,229
Municipal Purpose & Projects -Grants-in-aid	12052-OPM20600-43587	20,712
Property Tax Relief for Disabled Homeowners	11000-OPM20600-17011	83
Property Tax Relief for Veterans	11000-OPM20600-17024	1,748
Total State Financial Assistance Before Exempt Programs		<u>309,204</u>
EXEMPT PROGRAMS		
Office of Policy and Management		
Mashantucket Pequot and Mohegan Fund Grant	12009-OPM20600-17005	6,202
Municipal Stabilization	11000-OPM20600-17104	24,132
Department of Education		
Education Cost Sharing	11000-SDE64370-17041	<u>125,752</u>
Total Exempt Programs		<u>156,086</u>
Total State Financial Assistance		<u>\$ 465,290</u>

See notes to schedule.

TOWN OF CANAAN
NOTES TO THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL
ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2022

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, 2022. 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, 2022

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, 2022 and issued our unmodified report thereon dated December 5, 2022.

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:

<u>State Grantor And Program</u>	<u>State Core - CT Number</u>	<u>Expenditures</u>
Department of Transportation		
Town Aid Road Grants - Municipal	12052-DOT57131-43455	\$ 84,696
Town Aid Road Grants - STO	13033-DOT57131-43459	\$ 84,696
Tiered PILOT	11000-OPM20600-17111	\$ 56,924
MRSA-Tiered PILOT	12060-OPM20600-35691	\$ 20,229

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 December 5, 2022, 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.

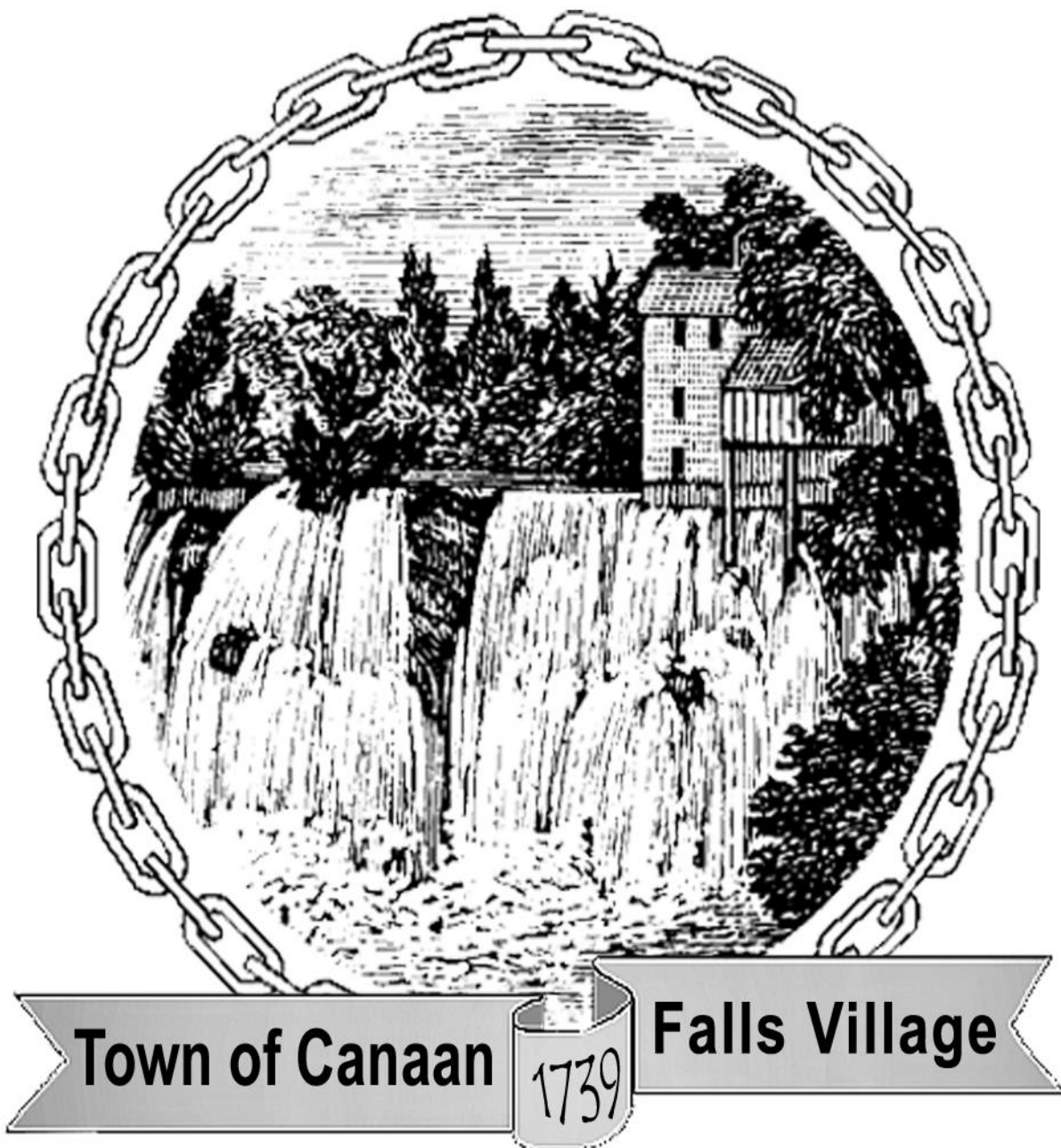
We would like to thank all of the dedicated volunteers in our community who give an enormous amount of time to our town, non-profits, events and help our community businesses thrive.

There are far too many to list, but know we are grateful for all of our volunteers and the time and effort they give to our town.

Falls Village is an amazing community filled with hundreds of individuals committed to work hard to make the Town of Canaan an even better place to live and prosper.

We are forever grateful for every single one of you.

THANK YOU!



"Liberty and Property"