

## Preliminary Official Statement Dated July 29, 2025

### NEW MONEY ISSUE: Book-Entry-Only

**RATING: S&P Global Ratings: "AA+"**

In the opinion of Bond Counsel, rendered in reliance upon and assuming the accuracy of and continuing compliance by the Town with certain representations and covenants relating to the applicable requirements of the Internal Revenue Code of 1986 (the "Code"), under existing law, interest on the Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of the federal alternative minimum tax under the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. In the opinion of Bond Counsel, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. (See "Tax Matters" herein.)



### Town of Beacon Falls, Connecticut \$5,000,000 General Obligation Bonds, Issue of 2025 (Bank Qualified)

**Dated: Date of Delivery**

**Due: August 15, 2026 - 2045,  
as shown below:**

Year	Principal	Coupon	Yield	CUSIP <sup>1</sup>	Year	Principal	Coupon	Yield	CUSIP <sup>1</sup>
2026	\$ 250,000	. _ %	. _ %	073581 _ _	2036	\$ 250,000	. _ %	. _ %	073581 _ _
2027	250,000	. _ %	. _ %	073581 _ _	2037	250,000	. _ %	. _ %	073581 _ _
2028	250,000	. _ %	. _ %	073581 _ _	2038	250,000	. _ %	. _ %	073581 _ _
2029	250,000	. _ %	. _ %	073581 _ _	2039	250,000	. _ %	. _ %	073581 _ _
2030	250,000	. _ %	. _ %	073581 _ _	2040	250,000	. _ %	. _ %	073581 _ _
2031	250,000	. _ %	. _ %	073581 _ _	2041	250,000	. _ %	. _ %	073581 _ _
2032	250,000	. _ %	. _ %	073581 _ _	2042	250,000	. _ %	. _ %	073581 _ _
2033	250,000	. _ %	. _ %	073581 _ _	2043	250,000	. _ %	. _ %	073581 _ _
2034	250,000	. _ %	. _ %	073581 _ _	2044	250,000	. _ %	. _ %	073581 _ _
2035	250,000	. _ %	. _ %	073581 _ _	2045	250,000	. _ %	. _ %	073581 _ _

The \$5,000,000 General Obligation Bonds, Issue of 2025 (the "Bonds") will be general obligations of the Town of Beacon Falls, Connecticut (the "Town") and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. See "Security and Remedies" herein. The Bonds will bear interest payable on February 15, 2026 and semiannually thereafter on August 15 and February 15 in each year until maturity. The Bonds are issuable only as fully-registered bonds, without coupons, and, when issued, will be registered in the name of Cede & Co., as bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. So long as Cede & Co. is the Bondowner, as nominee of DTC, reference herein to the Bondowner or owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds. See "Book-Entry-Only Transfer System" herein.

**The Bonds are subject to redemption prior to maturity as herein provided. See "Redemption Provisions" herein.**

**Electronic bids via PARITY® for the Bonds will be received until 11:30 A.M. (Eastern Time) on Wednesday, August 6, 2025, at Town Hall, 10 Maple Street, Beacon Falls, Connecticut 06403, as described in the Notice of Sale for the Bonds. (See Appendix D to this Official Statement).**

U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut 06103 will act as Registrar, Transfer Agent, Paying Agent and Certifying Agent for the Bonds.

The Bonds are offered for delivery when, as and if issued, subject to the final approving opinion of Pullman & Comley, LLC, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Bonds in book-entry-only form will be made to DTC in New York, New York on or about August 20, 2025.

*This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.*

<sup>1</sup> CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services managed on behalf of the American Bankers Association by FactSet Research Systems, Inc. which is not affiliated with the Town, and are included solely for the convenience of the holders of the Bonds. The Town is not responsible for the selection or uses of these CUSIP numbers and does not undertake any responsibility for their accuracy, and makes no representation as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

No dealer, broker, salesperson or other person has been authorized by the Town of Beacon Falls, Connecticut (the “Town”) to give any information or to make any representations, other than those contained in this Official Statement; and if given or made, such other information or representation must not be relied upon as having been authorized by the Town. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

This Official Statement has been prepared only in connection with the initial offering and sale of the Bonds and may not be reproduced or used in whole or in part for any other purpose. The information, estimates and expressions of opinion in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds shall, under any circumstances, create any implication that there has been no material change in the affairs of the Town since the date of this Official Statement.

Set forth in Appendix A – “2024 Financial Statements Excerpted from the Town’s Annual Comprehensive Financial Report” hereto is a copy of the report of the independent auditors for the Town with respect to the financial statements of the Town included in that appendix. The report speaks only as of its date, and only to the matters expressly set forth therein. The auditors have not been engaged to review this Official Statement or to perform audit procedures regarding the post-audit period, nor have the auditors been requested to give their consent to the inclusion of their report in Appendix A. Except as stated in their report, the auditors have not been engaged to verify the financial information set out in Appendix A and are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in that appendix.

Bond Counsel is not passing on and does not assume any responsibility for the accuracy or completeness of the statements made in this Official Statement, (other than matters expressly set forth in its opinion in Appendix B hereto), and makes no representation that it has independently verified the same.

Any references to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, any such websites and the information or links contained therein are not incorporated into, and are not part of, this offering document.

This Official Statement may include “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Without limiting the foregoing, the words “may,” “believe,” “could,” “might,” “possible,” “potential,” “project,” “will,” “should,” “expect,” “intend,” “plan,” “predict,” “anticipate,” “estimate,” “approximate,” “contemplate,” “continue,” “target,” “goal” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these words. All forward-looking statements included in this Official Statement are based on information available to the Town up to the date as of which such statements are to be made, or otherwise up to, and including, the date of this document, and the Town assumes no obligation to update any such forward-looking statements to reflect events or circumstances that arise after the date hereof or after the date of any report containing such forward-looking statement, as applicable. Actual results could differ materially from those anticipated in these forward-looking statements as a result of certain important factors, including, but not limited to (i) the effect of and from, future municipal, state and federal budgetary matters, including state and federal grants and other forms of financial aid to the Town; (ii) federal tax policy, including the deductibility of state and local taxes for federal tax purposes; (iii) macroeconomic economic and business developments, both for the country as a whole and particularly affecting the Town; (iv) financial services industry developments; (v) litigation or arbitration; (vi) climate and weather related developments, natural disasters and other acts of God; (vii) factors used in estimating future obligations of the Town; (viii) the effects of epidemics and pandemics, including economic effects; (ix) foreign hostilities or wars; (x) foreign or domestic terrorism or domestic violent extremism; and (xi) other factors contained in this Official Statement.

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## **Bond Issue Summary**

*The information in this Bond Issue Summary and the cover page is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. This Official Statement speaks only as of its date and the information herein is subject to change.*

<b>Date of Sale:</b>	Wednesday, August 6, 2025 at 11:30 A.M. (Eastern Time).
<b>Location of Sale:</b>	Town Hall, 10 Maple Street, Beacon Falls, Connecticut 06403.
<b>Issuer:</b>	Town of Beacon Falls, Connecticut (the "Town").
<b>Issue:</b>	\$5,000,000 General Obligation Bonds, Issue of 2025 (the "Bonds").
<b>Dated Date:</b>	Date of Delivery
<b>Principal and Interest Due:</b>	Principal due serially August 15, 2026 through August 15, 2045. Interest due February 15 and August 15 in each year until maturity, commencing February 15, 2026.
<b>Authorization and Purpose:</b>	The proceeds of the Bonds are being used to finance general purpose and sewer projects. See "Authorization and Purpose" and "Use of Proceeds" herein.
<b>Redemption:</b>	The Bonds are subject to redemption prior to maturity. See "Redemption Provisions" herein.
<b>Security:</b>	The Bonds will be general obligations of the Town, and the Town will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due.
<b>Credit Rating:</b>	The Bonds have been rated "AA+" from S&P Global Ratings ("S&P").
<b>Bond Insurance:</b>	The Town does not expect to purchase a credit enhancement facility.
<b>Basis of Award:</b>	Lowest True Interest Cost (TIC), as of the dated date.
<b>Tax Exemption:</b>	See "Tax Matters" herein.
<b>Bank Qualification:</b>	The Bonds <u>shall be</u> designated by the Town as qualified tax-exempt obligations under the provision of Section 265(b) of the Internal Revenue Code of 1986 for purposes of the deduction by financial institutions of interest expense allocable to the Bonds.
<b>Continuing Disclosure:</b>	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, annual financial information and operating data and notices of certain events with respect to the Bonds pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form attached as Appendix C to this Official Statement.
<b>Registrar, Transfer Agent, Certifying Agent, and Paying Agent:</b>	U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27 <sup>th</sup> Floor, Hartford, Connecticut 06103.
<b>Municipal Advisor:</b>	Phoenix Advisors, a division of First Security Municipal Advisors, Inc. of Milford, Connecticut will act as Municipal Advisor.
<b>Legal Opinion:</b>	Pullman & Comley, LLC, of Hartford, Connecticut will act as Bond Counsel.
<b>Delivery and Payment:</b>	It is expected that delivery of the Bonds in book-entry-only form will be made to The Depository Trust Company on or about August 20, 2025. Delivery of the Bonds will be made against payment in Federal Funds.
<b>Issuer Official:</b>	Questions concerning the Official Statement should be addressed to Natasha Nau, Finance Manager, Town of Beacon Falls, 10 Maple Avenue, Beacon Falls, CT 06403. Telephone (203) 729-4340.

## ***I. Bond Information***

### ***Introduction***

This Official Statement, including the cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of Beacon Falls, Connecticut (the “Town”), in connection with the issuance and sale of \$5,000,000 General Obligation Bonds, Issue of 2025 (the “Bonds”) of the Town.

The Bonds are being offered for sale at public bidding. A Notice of Sale dated July 29, 2025 has been furnished to prospective bidders. Reference is made to the Notice of Sale, attached hereto as Appendix D for the terms and conditions of the bidding.

This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds. Any statement made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any such opinion or estimate will be realized. No representation is made that past experience, as might be shown by financial or other information herein, will necessarily continue or be repeated in the future. All quotations from and summaries and explanations of provisions of statutes, charters, or other laws and acts and proceedings of the Town contained herein do not purport to be complete, are subject to repeal or amendment, and are qualified in their entirety by reference to such laws and the original official documents. All references to the Bonds and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

U.S. Bank Trust Company, National Association, will act as Registrar, Transfer Agent, Certifying Agent and Paying Agent for the Bonds.

The presentation of information in this Official Statement is intended to show recent historical trends and is not intended to indicate future or continuing trends in the financial or other positions of the Town.

The Town deems this Official Statement to be “final” for the purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), but it is subject to revision or amendment.

### ***Municipal Advisor***

Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Milford, Connecticut, has served as Municipal Advisor to the Town in connection with the issuance of the Bonds (the “Municipal Advisor”) and has assisted in matters related to the planning, structuring and terms of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of, or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement and the Appendices hereto. The Municipal Advisor is an Independent Registered Municipal Advisor pursuant to the Dodd-Frank Act and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

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## ***Global Health Emergency Risk***

### ***The COVID-19 Outbreak and Future Pandemics***

On January 30, 2020, the outbreak of COVID-19 was declared a Public Health Emergency of International Concern by the World Health Organization. On March 13, 2020, the President of the United States declared a national emergency as a result of the COVID-19 outbreak. On March 10, 2020, Governor Lamont declared a state of emergency throughout the State of Connecticut (the “State”) and took steps to mitigate the spread and impacts of COVID-19. As of May 11, 2023, the federal and State public health emergency declarations have been terminated.

In response to the COVID-19 pandemic, on March 11, 2021, President Biden signed into law the \$1.9 trillion American Rescue Plan Act of 2021 (the “Rescue Plan”) that provided various forms of financial assistance and other relief to state and local governments. The Town received \$1,841,404.54 in funding from the Rescue Plan. The Town spent the funds in Fiscal Year 2022 and Fiscal Year 2023 on EKG Machines for ambulances, sewer and stormwater improvements and improvements to the Wastewater Treatment Plant.

For information concerning the State’s actions in response to COVID-19, see <https://portal.ct.gov/coronavirus>. Neither the Town, nor the parties involved with the issuance of the Bonds, has reviewed the information provided by the State on its website and such parties take no responsibility for the accuracy thereof.

To date, the COVID-19 outbreak has had no material adverse effect on the finances of the Town.

Pandemics, epidemics and other public health emergencies, may adversely impact the Town and its revenues, expenses and financial condition. The Town cannot predict the duration and extent of such pandemics, epidemics and other health emergencies, or quantify the magnitude of their ultimate impact on the State and regional economy, or on the revenues and expenses of the Town. Pandemics, epidemics and other health emergencies may be ongoing, and their dynamic nature may lead to many uncertainties, including (i) the geographic spread as they evolve; (ii) the severity as they mutate; (iii) the duration of the outbreak; (iv) actions that may be taken by governmental authorities to contain or mitigate future outbreaks; (v) the development of medical therapeutics or vaccinations; (vi) travel restrictions; (vii) the impact of the outbreak on the local, State or global economy; (viii) whether and to what extent the State Governor may order additional public health measures; and (ix) the impact of the outbreak and actions taken in response to the outbreak on Town revenues, expenses and financial condition.

Prospective investors should assume that restrictions and limitations related to COVID-19 and any future variants or pandemics may be instituted by the State or federal government.

### ***Climate Change***

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. The Town faces certain threats due to climate change, including flooding, drought and damaging wind that could become more severe and frequent. The Town cannot predict the timing, extent or severity of climate change and its impact on the Town’s operations and finances. The Town is a member in the Naugatuck Valley Council of Government and a part of their regional Hazard Mitigation Plan. The Town is in the process of being certified by Sustainability CT.

## **Cybersecurity**

The Town, like many other public and private entities, relies on technology to conduct its operations. The Town and its departments face cyber threats from time to time, including but not limited to hacking, viruses, malware, phishing, and other attacks on computers and other sensitive digital networks and systems. To reduce the risk of a successful cybersecurity threat the Town has invested in IT security firewalls, anti-virus software, anti-malware software, and ransomware protection software. All of the Town computers and computer servers are protected by this security software and firewalls. These security protection systems are evaluated annually for upgrades or replacements.

To mitigate the risk of business operations impact and/or damage from cybersecurity incidents or cyber-attacks, the Town has invested in disaster recovery systems and a continuity of IT operations plan which leverages regular daily system backups. In the event of a cybersecurity incident recovery from an earlier state for any enterprise application system is possible. The Town currently has a cybersecurity insurance policy. No assurances can be given, however, that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact financial operations and/or damage the Town's digital networks and systems and the costs of remedying any such damage could be substantial. The Town staff will continue to participate in annual cybersecurity training. With the IT consultant, the Town continues to improve security measures and to pivot quickly in response to attempted cyber-attacks. In the past year, the Town has implemented MFA, device management and encryption, cloud backup and retention, endpoint detection response, check and ACH fraud protection on major bank accounts, and a password management system. The next level of cybersecurity that the Town is pursuing is Acceptable Use/Incident Response Plan policies.

## **Description of the Bonds**

The Bonds will be dated the date of delivery and will mature on August 15 in each of the years as set forth on the cover page of this Official Statement. Interest on the Bonds will be payable semiannually on February 15 and August 15 in each year until maturity, commencing February 15, 2026. Interest will be calculated on the basis of a 360-day year, consisting of twelve 30-day months and will be payable to the registered owner as of the close of business on the last business day of January and July, in each year, by check mailed to the registered owner; or so long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, by such other means as DTC, the Paying Agent and the Town shall agree. The Bonds will be fully registered bonds in denominations of \$5,000 or any integral multiple thereof.

U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, Hartford, Connecticut 06103 will act as Registrar, Transfer Agent and Paying Agent and Certifying Agent for the Bonds. The legal opinion for the Bonds will be rendered by Pullman & Comley LLC, Bond Counsel, of Hartford, Connecticut. See Appendix B to this Official Statement.

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## Redemption Provisions

The Bonds maturing on or before August 15, 2033 are not subject to redemption prior to maturity. The Bonds maturing on August 15, 2034 and thereafter are subject to redemption prior to maturity, at the election of the Town, on or after August 15, 2033 at any time, either in whole or in part, in such amounts and in such order of maturity, (but by lot within a maturity) as the Town may determine, at the redemption prices (expressed as a percentage of the principal amount of the Bonds to be redeemed), set forth in the following table, plus interest accrued and unpaid to the redemption date:

<b><u>Redemption Dates</u></b>	<b><u>Redemption Prices</u></b>
August 15, 2033 and thereafter .....	100%

Notice of redemption shall be given by the Town or its agent by mailing a copy of the redemption notice by first-class mail not less than thirty (30) days but not more than sixty (60) days prior to the redemption date to the registered owner of the Bonds at the address of such registered owner as the same shall last appear on the registration books for the Bonds kept for such purpose. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if sufficient funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption date.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot in such manner as the Town in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or a multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000.

The Town, so long as Cede & Co., as nominee of the Depository Trust Company ("DTC"), is the registered owner of the Bonds, will send any notice of redemption only to DTC (or successor securities depository) or its successor nominee. Any failure of DTC to advise any Direct Participant or of any Direct Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its contents or effect will not affect the validity of the redemption of such Bonds called for redemption. Redemption of a portion of the Bonds of any maturity by the Town will reduce the outstanding principal amount of Bonds of such maturity held by DTC. In such event it is the current practice of DTC to allocate by lot, through its book-entry system, among the interests held by Direct Participants in the Bonds to be redeemed, the interest to be reduced by such redemption in accordance with its own rules or other agreements with Direct Participants. The Direct Participants and Indirect Participants may allocate reductions of the interest in the Bonds to be redeemed held by the Beneficial Owners. Any such allocations of reductions of interests in the Bonds to be redeemed will not be governed by the determination of the Town authorizing the issuance of the Bonds and will not be conducted by or the responsibility of the Town, the Registrar or Paying Agent.

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## **Authorization and Purpose**

The Bonds are issued pursuant to the General Statutes of Connecticut, as amended, and resolutions approved by the voters of the Town at a Special Town Meeting held on August 12, 2024.

## **Use of Proceeds**

<i>Project</i>	<i>Amount Authorized</i>	<i>This Issue: The Bonds</i>
Upgrades & Improvements to Waste Water Treatment Plant .....	\$ 1,000,000	\$ 1,000,000
Various Capital Infrastructure Improvements .....	4,000,000	4,000,000
<b>Total</b> .....	<b>\$ 5,000,000</b>	<b>\$ 5,000,000</b>

## **Tax Matters**

**Federal Taxes.** In the opinion of Bond Counsel, under existing law, (i) interest on the Bonds is excluded from gross income for federal income tax purposes, and (ii) such interest is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations.

Bond Counsel's opinion with respect to the Bonds will be rendered in reliance upon and assuming the accuracy of and continuing compliance by the Town with its representations and covenants relating to certain requirements of the Internal Revenue Code of 1986 (the "Code"). The Code and regulations promulgated thereunder establish certain requirements which must be satisfied at and subsequent to the issuance of the Bonds in order that interest on the Bonds be and remain excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds irrespective of the date on which such noncompliance occurs. In the Tax Regulatory Agreement, which will be delivered concurrently with the issuance of the Bonds, the Town will covenant to comply with certain provisions of the Code and will make certain representations designed to assure compliance with such requirements of the Code including, but not limited to, investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of the Bond proceeds and certain other matters. The opinion of Bond Counsel delivered on the date of issuance of the Bonds is conditioned upon compliance by the Town with such requirements.

No other opinion is expressed by Bond Counsel regarding the federal tax consequences of the ownership of, or the receipt or accrual of interest on, the Bonds.

**Original Issue Discount.** The initial public offering prices of certain maturities of the Bonds may be less than the stated principal amount (the "OID Bonds"). Under existing law, the difference between the stated principal amount and the initial offering price of each maturity of the OID Bonds will constitute original issue discount. The offering prices relating to the yields set forth on the cover page of this Official Statement for such OID Bonds are expected to be the initial offering prices to the public (excluding bond houses and brokers) at which a substantial amount of the OID Bonds are sold. Under existing law, original issue discount on the OID Bonds accrued and properly allocable to the owners thereof under the Code is excludable from gross income for federal income tax purposes if interest on the OID Bonds is excludable from gross income for federal income tax purposes.

Under the Code, for purposes of determining an owner's adjusted basis in an OID Bond purchased at an original issue discount, original issue discount is treated as having accrued while the owner holds such OID Bond and will be added to the owner's basis. The owner's adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of such an OID Bond.

Prospective purchasers of OID Bonds should consult their own tax advisors as to the calculation of accrued original issue discount, the accrual of original issue discount in the case of owners of OID Bonds purchasing such OID Bonds after the initial offering and sale, and the state and local tax consequences of owning or disposing of such OID Bonds.

**Original Issue Premium.** The initial public offering prices of certain maturities of the Bonds may be more than their stated principal amounts payable at maturity (the “OIP Bonds”). In general, an owner who purchases an OIP Bond must amortize the original issue premium as provided in the applicable Treasury Regulations, and amortized premium reduces the owner’s basis in the OIP Bond for federal income tax purposes. Prospective purchasers of OIP Bonds at a premium to its principal amount should consult their tax advisors regarding the amortization of premium and its effect upon basis.

**Other Federal Tax Matters.** Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, certain insurance companies, recipients of Social Security or Railroad Retirement benefits, certain S corporations, foreign corporations subject to the branch profits tax, taxpayers eligible for the earned income credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Bond Counsel does not express any opinion regarding such collateral tax consequences. Prospective purchasers of the Bonds should consult their tax advisors regarding collateral federal income tax consequences. Prospective purchasers of the Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

**State Taxes.** In the opinion of Bond Counsel, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based for individuals, trusts and estates required to pay the federal alternative minimum tax.

Interest on the Bonds is included in gross income for purposes of the Connecticut corporation business tax.

Accrued original issue discount on an OID Bond is also excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based for individuals, trusts and estates required to pay the federal alternative minimum tax.

Owners of the Bonds should consult their own tax advisors with respect to the determination for state and local income tax purposes of original issue discount or original issue premium accrued upon sale or redemption thereof, and with respect to the state and local tax consequences of owning or disposing of such Bonds.

**Changes in Federal and State Tax Law.** Legislation affecting tax-exempt obligations is regularly considered by the United States Congress. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the issuance of the Bonds will not have an adverse effect on the tax status of interest on the Bonds or the market value or marketability of the Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

Investors in the Bonds should be aware that future legislative actions may increase, reduce or otherwise change (including retroactively) the financial benefits and the treatment of all or a portion of the interest on the Bonds for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Bonds may be adversely affected and the ability of holders to sell their Bonds in the secondary market may be reduced. The Bonds are not subject to special mandatory redemption, and the interest rates on the Bonds are not subject to adjustment, in the event of any such change in the tax treatment of interest on the Bonds.

**General.** The opinion of Bond Counsel is rendered as of its date, and Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to its attention or any changes in law that may occur after the date of its opinion. Bond Counsel’s opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date of issuance. Moreover, Bond Counsel’s opinion is not a guarantee of a particular result, and is not binding on the Internal Revenue Service or the courts; rather, such opinion represents Bond Counsel’s professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

The discussion above does not purport to deal with all aspects of federal or state or local taxation that may be relevant to a particular owner of the Bonds. Prospective owners of the Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal, state and local tax consequences of owning and disposing of the Bonds.

## ***Book-Entry Only Transfer System***

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each maturity of the Securities in the aggregate principal amount of such maturity and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a S&P Global rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on, and redemption premium, if any, with respect to the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest, and redemption premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the Town or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

The Town may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Town believes to be reliable, but the Town takes no responsibility for the accuracy thereof.

### ***DTC Practices***

The Town can make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners of the Bonds will act in a manner described in this Official Statement. DTC is required to act according to rules and procedures established by DTC and its participants which are on file with the Securities and Exchange Commission.

### ***Replacement Bonds***

In the event that: (a) DTC determines not to continue to act as securities depository for the Bonds, and the Town fails to identify another qualified securities depository for the Bonds to replace DTC; or (b) the Town determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds, the Town will issue fully registered Bond certificates directly to the Beneficial Owner. A Beneficial Owner of the Bonds, upon registration of certificates held in such Beneficial Owner's name, will become the registered owner of the Bonds.

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## ***Security and Remedies***

The Bonds will be general obligations of the Town and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. Unless paid from other sources, the Bonds are payable from general property tax revenues. The Town has the power under Connecticut General Statutes to levy ad valorem taxes on all taxable property in the Town without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. The Town may place a lien on the property for the amount of tax relief granted, plus interest, with respect to dwelling houses of qualified elderly persons of low income or qualified disabled persons. Under existing statutes, the State of Connecticut is obligated to pay the Town the amount of the tax revenue which the Town would have received except for the limitation under certain of the statutes upon its power to tax dwelling houses of qualified elderly person of low income.

Payment of the Bonds is not limited to property tax revenues or any other revenue source, but certain revenues of the Town may be restricted as to use and therefore may not be available to pay debt service on the Bonds.

There are no statutory provisions for priorities in the payment of general obligations of the Town. There are no statutory provisions for a lien on any portion of the tax levy or other revenues to secure the Bonds, or judgments thereon, in priority to other claims.

The Town is subject to suit on its general obligation and a court of competent jurisdiction has power in appropriate proceedings to render a judgment against the Town. Courts of competent jurisdiction also have power in appropriate proceedings to order a payment of a judgment on such bonds and notes from funds lawfully available therefore or, in the absence thereof, to order the Town to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising their discretion as to whether to enter such an order, the courts may take into account all relevant factors including the current operating needs of the Town and the availability and adequacy of other remedies.

Enforcement of a claim for payment of principal of or interest on the Bonds would also be subject to the applicable provisions of Federal bankruptcy laws as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion. Section 7-566 of the Connecticut General Statutes, as amended, provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State of Connecticut having the power to levy taxes and issue bonds or other obligations.

### ***THE TOWN HAS NEVER DEFAULTED IN THE PAYMENT OF PRINCIPAL OR INTEREST ON ITS BONDS OR NOTES***

## ***Qualification for Financial Institutions***

The Bonds shall be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986 for purposes of the deduction by financial institutions of interest expense allocable to the Bonds.

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## ***Availability of Continuing Disclosure Information***

The Town will enter into a Continuing Disclosure Agreement with respect to the Bonds, substantially in the form attached hereto as Appendix C to this Official Statement (the “Continuing Disclosure Agreement”), to provide or cause to be provided, in accordance with the requirements of the Securities and Exchange Commission Rule 15c2-12(b)(5) (the “Rule”), (i) annual financial information and operating data with respect to the Bonds, (ii) timely notice of the occurrence of certain events not in excess of 10 business days after the occurrence of such events with respect to the Bonds and (iii) timely notice of a failure by the Town to provide the required annual financial information and operating data on or before the date specified in the Continuing Disclosure Agreement with respect to the Bonds. The winning bidder’s obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the respective Continuing Disclosure Agreement.

The Town prepares, in accordance with State law, annual audited financial statements and files such annual audits with the State of Connecticut, Office of Policy and Management, on an annual basis. The Town provides, and will continue to provide, to Moody’s Investors Service ongoing disclosure in the form of the annual financial report, recommended and adopted budgets, and other materials relating to its management and financial condition, as may be necessary or requested.

The Rule, the Town has previously undertaken in continuing disclosure agreements entered into for the benefit of the holders of certain of its general obligation bonds and notes to provide certain annual financial information and event notices pursuant to the Rule. In the past five years the Town has not failed to comply in any material respect with its undertakings under such agreements.

## ***Ratings***

The Bonds have been rated “AA+” from S&P Global Ratings (“S&P”). The Town furnished the rating agency certain information and materials, some of which may not have been included in this Official Statement. The rating reflects only the view of the rating agency and an explanation of the significance of the rating may be obtained from such rating agency. There is no assurance that the rating will continue for any given period of time or that it will not be revised or withdrawn entirely if in the judgment of such rating agency, circumstances so warrant.

## ***Insurance***

The Town does not expect to purchase a credit enhancement facility.

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## **SECTION II – THE ISSUER**

### ***Description of the Town***

The Town of Beacon Falls (the “Town” of “Beacon Falls”) was incorporated from Bethany, Oxford, Naugatuck and Seymour in 1871. The Town is located in New Haven County, 14 miles north of New Haven and seven miles south of Waterbury and encompasses a geographic area of 9.8 square miles. The Town has a population of 6,089, is located in south-central Connecticut where it is bisected by the Naugatuck River. The area was formerly a Native American camping ground on which many relics such as arrowheads have been found and was first settled by colonists from Derby in 1678. The Town’s principal industries include agriculture, warehouse storage and manufacture of plastic molding and small hardware.

Connecticut Route 8 intersects Beacon Falls on a north/south axis. Route 8 connects with Interstate 95 to the south and Interstate 84 to the north, placing major urban centers including Hartford, New York and Boston within easy reach. Air transport is available locally at the Oxford Regional Airport. International facilities are located in Windsor Locks, Connecticut and New York, New York. Beacon Falls is a member of Regional School District Number 16 (the “District”) and is an active participant in the Naugatuck Valley Council of Governments.

The Town has 100 town roads, which equates to 34 lane-miles and a total of 4 bridges. The Town’s public water system comprises 1 reservoir, 292 miles of water mains and 185 fire hydrants. The Town has a wastewater treatment plant, various stormwater and sewer piping networks through town, 4 pump stations and a solar panel field. Beacon Falls has a dedicated MTA freight and passenger railroad station; approximately 4.5 miles of railroad runs alongside state highway (Route 8). The land distribution is estimated at 24% open space/other, 15% commercial/industrial, and 61% residential. The Town is bisected by approximately 8 miles of the Naugatuck River and has two large ponds and six parks.

There are approximately 2,525 residential homes and approximately 418 active businesses. Three large housing developments/units exist in Town. The District is separate from the Town and has an approximate enrollment of 1944 with 684 being from Beacon Falls. Principle industries include agriculture, retail, manufacturing, warehousing, construction, and service businesses.

The combined operating Fiscal Year 2026 budget for the Town and school district is \$26,265,590; the Town’s portion of this was \$9,849,862 while the district is the remaining \$15,616,852. The Town’s average capital budget is \$750,000 and it executes over \$500,000 in grants for various operating and capital needs annually. There are a total of 15 funds including the General and Capital Fund. The Town has 18 departments and 13 volunteer commissions, committees or boards. There is a total of 230 public servants including 104 paid staff (full-time, part-time, elected, seasonal and stipend) and 126 volunteers. Of the paid staff, only about 45 employees full-time and part-time who receive benefits (30 full-time).

The referenced departments/staff are spread out over a total of 6 locations/buildings: Town Hall, Wastewater Treatment Plant, Public Works Garage, Police Station, Beacon Hose Company No. 1 and the Senior Center.

The total Town Fiscal Year 2025 operating budget is \$10,275,139 (including transfers), which includes \$876,619 worth of capital projects. This represents a 6.5% increase from FY24. With the District’s estimated budget of \$15,059,277, the total Town 2025 budget is \$25,334,417. The District’s budget reflects a 0.76% increase. The recommended 2025 budget uses \$876,619 from fund balance and assumes a 98.9% collection rate, producing a mill rate of 29.33. This was a 0.29 mill increase from prior year.

The 6.5% increase will be used to support a 2.75% wage increase for all staff, a new Public Works Maintainer, additional part time police patrols, and pay per call stipends for Fire and EMS.

The Town is beginning to address long-neglected infrastructure to ensure continuity and quality of service to its residents. The interest payment of the proposed debt is included in the budget. The Town received approximately \$1.8M in American Rescue Plan Act (ARPA) funding, which has been fully spent.

The budget continues level-funding for all the quality town services currently available in the Town of Beacon Falls. Town Departments continue to develop performance metrics, which are utilized to enhance and improve services.

## ***Economic Development***

The Beacon Falls Plan of Conservation and Development (POCD) places high priority on improving Main Street and fostering overall economic development. These two topics are integrated since the Main Street area is also the prime commercial district of the Town. The Town received a number of grants over the years for economic development projects. Beacon Falls has historically been less developed than its surrounding neighbors due to a rolling and hilly terrain that has made development difficult and also tended to isolate the Town.

Past plans have called for industrial uses in the area accessed by Railroad Avenue between Route 8 and the Naugatuck River. A number of construction related businesses already operate in this area. In addition, the Town is also focusing on the development of a business park just north of Pines Bridge Road.

Beacon Falls intends to capitalize on its natural, commercial and suburban assets to formulate a connected transit-oriented design to attract visitors and make the Town a place to live, work and play. In 2012, the Town completed a streetscaping project along North Main Street, making it safer and more attractive by using Complete Streets best practices. The Town is now embarking on a Main Street multi-phase development plan. The Town anticipates this Main Street plan will revitalize the community by incentivizing current businesses to make improvements and also bring new businesses into Town.

Phase I involved replacing the subsurface on North Main Street. Phase II is an extensive connectivity, street scaping, and traffic calming project comprised of concrete ADA complaint sidewalk, curbing, driveway aprons, turf establishment, signage, pavement markings (crosswalks, etc.), rumble strips, street trees, street furniture, ornamental lighting, and a traffic signal on North Main. Following North Main Street, South Main Street's subsurface (Phase III) and connectivity (Phase IV) will be completed alongside the Connecticut Department of Transportation.

Over the last 5 years, the Town has embarked upon over \$5 million of paving and infrastructure rehabilitation throughout Town and around the downtown center. The Town hired an Economic Development Coordinator in April 2025 to help fill commercial vacancies and when complete, Beacon Falls residents should no longer be required to commute to Naugatuck to complete their shopping or recreate.

North Main Street infrastructure was discussed in the Town's 2013 POCD and the recent August 15, 2025 POCD update. North and South Main Street are the largest focal points in the document for economic development. The overarching Goal 1.1 is to "Preserve and enrich Beacon Falls' small-town charm" and a strategy is to "Promote development and redevelopment along Main Street to enhance the community hub and contribute to the Downtown's sense of place". Tied to this strategy is a policy to "Support efforts to improve the streetscape within the Downtown, prioritizing Main Street and Town Center (directly adjacent to Town Hall)". Beacon Falls' Residential Core consists of those areas zoned Residential District R-3 and are in close proximity to the Town Center (Town Hall) and Main Street Corridor. This land use area will benefit from continued maintenance of public infrastructure (roads, water, sewer), expansion of multimodal transportation opportunities (sidewalks, bike infrastructure, public transit), and enhancements to the Downtown area (train station, river access, streetscapes, etc.). Beacon Falls will transform Main Street into an attractive and desirable location for commercial businesses to flourish and create a safe pedestrian environment for residents and visitors.

## ***Description of Government***

The Town operates under the Town Meeting form of government. The Town Meeting serves as the legislative body of the Town and approves the annual budget and bond/note authorizations. Budget preparation and spending proposals are the responsibility of an elected six-member Board of Finance. Administrative matters are handled by an elected three-member Board of Selectmen. The First Selectman serves as the chief executive officer of the Town and is an ex-officio member of all Town boards, commissions and committees. Along with Prospect, Beacon Falls is a member of Regional School District Number 16.

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## ***Principal Municipal Officials***

<b><i>Office</i></b>	<b><i>Name</i></b>	<b><i>Manner of Selection/Term</i></b>	<b><i>Years of Service</i></b>
First Selectman .....	Gerard Smith	Elected/2 years	6 years
Chairman, Board of Finance ...	Kyle Brennan	Elected/6 years	2 years
Town Treasurer .....	Dalton Fennell	Elected/2 years	1.5 years
Assessor .....	Lisa Daigle	Appointed/Indefinite	6 years
Town Clerk .....	Leonard Greene, Sr.	Appointed/Indefinite	12 years
Tax Collector .....	Jennifer Bilsky	Appointed/Indefinite	5 years
Finance Manager .....	Natasha Nau	Appointed/Indefinite	6 years

### ***Summary of Municipal Services***

**Public Safety (Police):** The Beacon Falls Resident Trooper's Office is comprised of a resident trooper, three additional full-time officers (1 Corporal and 2 Class A officers), and ten part-time officers. The Department has an office staff of one. The First Selectman, also acts as the Chief of Police.

The Resident Trooper program covers, but is not limited to, enforcing any and all Town ordinances and State statutes, patrolling the streets, businesses and public areas of the Town to include Pent Recreation Field and High Rock State Park (assisting the Department of Energy and Environmental Protection when necessary). The trooper and police officers respond to activated alarms at local residences and businesses and investigate any burglaries, larcenies, criminal mischief, and vandalism complaints. The Department's motor vehicle responsibilities encompass responding to and investigating motor vehicle accidents in Town and, when requested by Troop I, on Connecticut Route 8. In addition, the troopers run radar and provide traffic enforcement, including DUI checks, in an attempt to reduce the number of serious accidents, and they assist disabled motorists when necessary. The officers respond to and investigate all calls regarding assaults, batteries, and breach of peace including domestic violence complaints and child abuse allegations. The police respond to Fire Department and ambulance calls and provide emergency first aid, if necessary. The Town is pursuing traffic camera technology to improve law enforcement and Main Street traffic calming. They also respond to calls for animal control when the regional Animal Control Officer is not available.

**Fire Protection:** Beacon Hose Company No. 1 (BHC) is the volunteer fire department, emergency medical service, and rescue provider of Beacon Falls, Connecticut 24/7/365. BHC has protected and served its town for 125 years and that responsibility is embraced as the Company moves into the future. Beacon Hose responds to between 225-400 fire/rescue calls and 750-900 EMS calls per year, hosts dozens of community events, and supports countless causes throughout the year. Beacon Hose was formed on May 11, 1899, as the Beacon Falls Fire Department. A few years later, the department took its current name as Beacon Hose Co. No. 1. BHC currently has a fleet of 14 vehicles including: one engine, one engine tanker, one tanker, one ladder truck, one rescue truck, two brush trucks, three ambulances, one SUV chief car, one EMS fly car and one utility truck. The BHC also owns a swift-water rescue boat and three trailers.

BHC operations are majority volunteer, except for a town-funded stipend for the chief and administrative assistant. The Town also pays BHC's Service Award Program, which is a pension-type benefit offered to all volunteers. BHC employs two EMS staff members weekdays during business hours; overnight and weekend calls are staffed by dedicated volunteer crews. EMS and Fire responders receive small stipends per call. All full-time salaries are funded through ambulance billing. Stipends are partially funded by the Town budget. The department also supplies mutual-aid fire and EMS services to area towns, including Naugatuck, Seymour, Oxford, and Bethany. Volunteers remain dedicated to training and equipment maintenance on a weekly basis, ensuring skilled and prepared responses in case of emergency. All funds used for emergency equipment, training, and maintenance are included in the town's municipal budget.

For the last fifteen years, the State of Connecticut has discussed and planned for a Fire Training Academy/Complex within the industrial park area in Town. If this becomes fully funded by the State, it will be a great economic development opportunity, as it will attract many fire and EMS members from all over the State.

**Public Works:** The Department of Public Works/Street Department provides many services to the community. As expected, the Department provides various levels of road maintenance on all Town roads, bridges, parking lots, and sidewalks as well as de-icing activities in winter months. The Department is responsible for the maintenance of all storm water drainage pipes and structures and the maintenance of all sanitary sewer lines and structures. In addition, Public Works conducts tree trimming and removal, repair and replacement of all regulatory/warning signs and signals, and leaf pickup. The Transfer Station, which handles bulky waste disposal, falls under the Department's responsibility along with the general maintenance of all Town buildings and grounds including lawn mowing and brush clearance at Town facilities, parks, and athletic fields.

Two Public Works employees are dedicated to working in the Parks.

The Department of Public Works embarked upon its bonded road paving/infrastructure plan and has successfully completed roadwork improvements to 20 roads using proceeds from the December 2021 bond issue.

**Public Education:** See "Educational System" herein.

**Sewers:** The Beacon Falls Water Treatment Plant operates under regulations promulgated by United States Environmental Protection Agency, the Connecticut Department of Energy and Environmental Protection, and local Town ordinances. The plant operates 24/7/365 under the direct supervision of three accredited and licensed personnel specializing in sewer treatment plant operations and maintenance. In addition to the plant, there are four pumping stations and approximately 23 miles of sanitary sewers and force mains.

The Town recently completed an upgrade of the Railroad Avenue pumping station at an estimated cost of \$750,000 to accommodate current and anticipated future flows (included in this issue). The plant currently has design flow for a capacity of 710,000 gallons per day. It currently treats between 600,000 to 700,000 gallons daily.

The Town completed an update to its SCADA system at the plant in 2020 and the plant is currently undergoing a digester tank cleaning project, which includes new tank cover and piping which will improve the efficiency of the digester process. The Town is also currently completing a \$1.5M electrical upgrade and generator purchase project through the December 2020 debt issue.

The Town also recently upgraded the South Digester at the Wastewater Treatment Plant using ARPA funding.

**Emergency Medical Services:** The Town maintains its own ambulance service housed in the Beacon Falls firehouse. The Beacon Hose Company #1 was formed in 1899 and operates three Type I ambulances and one First Response vehicle with two full time Emergency Medical Technicians employed by Beacon Hose Company #1 from Monday to Friday from 7:30 am to 4:00 pm, and on a volunteer basis for all other times, providing 24/7/365 coverage to the town. Paramedics also work the ambulances for a stipend. Dispatch to medical emergencies is accomplished by contract with the North West Public Safety Communications Center Public Safety Answering Point for Beacon Falls. The Town contributes operating funds to the ambulance service in the annual amount of over \$100,000. Fundraisers and gift contributions also benefit the emergency medical services. All residents of the Town are eligible to call on the ambulance service, and its forty members are trained as EMTs and MRTs in order to provide the maximum in emergency medical care.

**Emergency Management:** The Beacon Falls Emergency Management Director along with the volunteer Community Emergency Response Team (CERT) responds to natural disasters such as hurricanes, tornados, snowstorms, and other emergent events.

**Library:** The Beacon Falls Public Library provides a variety of programs and activities for all ages. A very active Friends of Beacon Falls Library raises money for purchases that exceed the means of the Library's Town-appropriated budget, provides support and refreshments at library-sponsored programs, and purchases the library's many family passes to area attractions (museums, aquariums and zoos) that residents borrow free of charge. The library stocks adult fiction and nonfiction including new releases and bestsellers, children's fiction and nonfiction, downloadable e-books and audio books in a variety of formats, DVDs for adults and children, children's videos, audio books on CD, and a small collection of children's read-along books on tape. Adult programs covering a range of topics are offered regularly throughout the year. Children's activities consist of preschool story times, puppet shows, nature programs, movies, crafts, etc. A full schedule of summer activities is offered each year for the Town's youth.

The Board and the Director have along-range planning process to formalize a comprehensive five-year plan for the library. The goal was to set general and specific goals to maintain or improve services and prepare for the future of the library within a new setting to meet the needs of the townspeople. In order to facilitate planning, seven areas were targeted: Customer Base, Collection, Facilities, Staffing, Programming, Technology, and Funding. Action plans and evaluations are ongoing to ensure that the library's overall mission to provide the residents of Beacon Falls an accessible and attractive central source of information, recreation, education, and cultural activities in an environment that responds to the changing needs of the community and evolving technological means of providing resources and services is accomplished.

**Parks and Recreation:** There are two large, attractive municipal parks within the Town and several pocket parks. Matthies Park (for Town residents only) offers approximately 360 acres of hiking, fishing, nature trails, ice-skating, and picnic areas. Pent Road Recreation Facility contains active sports accommodations for baseball, tennis, basketball, pickleball, and soccer along with a picnic pavilion. Toby's Pond is a location for kayaking and fishing and Riverbend Park is a new park developed as a fishing spot on the Naugatuck River. Veteran's Park and Volunteer Park are great concrete/brick parks for small gatherings and concerts. The Naugatuck State Forest, spanning both sides of the Naugatuck River Scenic Gorge, provides direct access to several thousand acres within the Town. Lantern Ridge is a newer open space park with great access to nature, wildlife and trails. In addition to the Public Works staff, the parks are also managed by the Parks and Recreation Commission.

As stated previously, the Town has been working hard over the last twenty years to develop its Main Street. The concept plan for Beacon Falls' portion of the Naugatuck Greenway not only includes sidewalks, crosswalks, and bike lanes, but also the development of additional trails and pathways, which will offer recreational opportunities.

**Health Services:** The Naugatuck Valley Health District ("NVHD") provides essential public health services by monitoring the community to diagnose and investigate health problems and hazards in the community. The mission is to inform, educate, and empower people about health issues. NVHD enforces laws and regulations that protect health and ensure safety. NVHD links people to needed personal health services and assures the provision of health care when otherwise unavailable.

Under Community Health, NVHD offers Women with Infants and Children, Healthy Start, lead poisoning screening and prevention, asthma detection and treatment, immunization services in the schools, and infectious disease awareness for meningitis, West Nile virus, rabies, tuberculosis, and Lyme disease. Environmental Health responsibilities include lead inspections, housing code enforcement, radon testing, septic and sewage inspection, food service compliance, and testing of private wells and public pools. Code and regulation activities encompass barbershops, hairdressers, cosmetologists, body piercing, well water, tattoos, and daycare licensing.

**Senior Services:** The Beacon Falls Senior Center is currently run by a Senior Center Director and Assistant Senior Center Director with support from volunteers. The Mini Bus Dispatcher and Driver provides transportation service to seniors for medical appointments, grocery store runs, and recreational activities in the Town's 12-passenger grant-funded bus. These services are largely supplemented by grants.

**Planning Department:** The Town empowers various land use/planning commissions and specialized personnel to perform unique and separate duties regarding planning, zoning, and land use functions. The various groups and individuals are charged with advancing public health, safety, and environmental protection through effective code enforcement.

These agencies are governed by the Connecticut General Statutes, local zoning regulations, and the Connecticut State Building Code, as well as other compliance directives. Supporting commissions include the Zoning Board of Appeals, Conservation Commission, Economic Development Commission, Board of Assessors, and the Board of Assessment Appeals.

Supporting personnel include a part-time shared Building Inspector, a part-time Land use administrator, a part-time Inland Wetlands Enforcement Officer, a full-time Assessor, Town Engineer, contracted ZEO, and Town Land Use Attorney.

**Solid Waste Disposal:** The Town provides curbside solid waste and recyclables collections to residents. The Town maintains a service contract for the hauling and disposal of solid waste and recyclables through the Connecticut Resources Recovery Authority in Bridgeport.

The base disposal fee effective July 1, 2024 through June 30, 2025 is approximately \$100.27 per ton for trash and \$93.02 per ton for recyclables. The Town is currently exploring waste reduction alternatives to reduce this cost, which continues to be a nation-wide concern.

**Refuse Collection:** Beacon Falls currently employs an outside contractor, who provides Town residents with weekly roadside trash collection and recycling services. The Department of Public Works/Street Department also operates a Transfer Station drop location for bulky waste disposal. The Transfer Station is generally open to the public on the last Saturday of each month, with the exception of the winter months.

## **Educational System**

Beacon Falls, along with the Town of Prospect, are the member towns comprising Regional School District No. 16 (the “District”), which oversees the school system for all grades pre-K–12.

The District was organized on November 20, 1969 under provisions of the Connecticut General Statutes, Chapter 164, Section 10-45, after approval by the member towns of Prospect and Beacon Falls. The District operates four schools located in the member towns which serve pre-kindergarten through twelfth grade students.

The District’s operating and debt service expenses are paid by the member towns in proportion to the number of pupils attending school from each town. Beacon Falls is liable for 34.93% of the Regional District’s operating budget for fiscal year 2024-2025. Payments are made to the District periodically throughout the fiscal year by the member towns. A member town may withdraw from the District pursuant to a vote of the legislative bodies of the respective towns and may apply to the regional board of education to institute procedures for the dissolution of the district as referred to in Connecticut General Statutes Section 10-63a through f. Such withdrawal or dissolution shall not impair the obligation of the withdrawing town or the district to holders of any bonds or other outstanding indebtedness issued prior to withdrawal or dissolution, per Connecticut General Statutes 10-63f.

The District is administered by an eight-person Board of Education comprising four individuals from each of the two member towns. The Board is charged with determining curriculum, setting school policy, and all personnel matters within its jurisdiction. The Board meets twice a month, alternating the location of the meeting between the two member towns.

## **School Enrollments**

<i>Historical</i>							
<i>Prospect</i>							
<i>School Year</i>	<i>Algonquin</i>	<i>Laurel Ledge</i>	<i>Elementary</i>	<i>Community</i>	<i>Long River</i>	<i>Woodland</i>	
<i>As of 10/1</i>	<i>Pre-K - 3</i>	<i>Pre-K - 5</i>	<i>Pre-K - 5</i>	<i>4 - 5</i>	<i>6 - 8</i>	<i>9 - 12</i>	<i>Total</i>
2015	373	398	-	219	570	693	2,253
2016	-	380	616	-	568	696	2,260
2017	-	358	604	-	548	681	2,191
2018	-	342	609	-	556	670	2,177
2019	-	296	608	-	538	674	2,116
2020	-	279	595	-	513	681	2,068
2021	-	273	592	-	467	639	1,971
2022	-	303	599	-	440	607	1,949
2023	-	295	605	-	433	591	1,924
2024	-	314	572	-	453	605	1,944
<i>School Year</i>	<i>Projected</i>						<i>Total</i>
2025	-	301	562	-	435	551	1,849

Source: Town of Beacon Falls, Board of Education

Note: Algonquin was demolished and Community is to be sold to a member town. These two schools were replaced by Prospect Elementary.

### School Facilities

<b>School</b>	<b>Grades</b>	<b>Date of Construction (Additions, Remodeling)</b>	<b>Number of Classrooms</b>	<b>10/1/2024 Enrollment</b>	<b>Rated Capacity</b>
Prospect Elementary .....	Pre-K-5	2015	43	572	643
Laurel Ledge .....	Pre-K-5	1952 (1989, 2015)	32	314	510
Long River Middle .....	6-8	1969 (1996)	48	453	750
Woodland High School ...	9-12	2001	45	605	800
<b>Total .....</b>			168	1,944	2,703

Source: Town of Beacon Falls, Board of Education

### Municipal Employees

	<b>2024-25</b>	<b>2023-24</b>	<b>2022-23</b>	<b>2021-22</b>	<b>2021-22</b>
General Government.....	50	49	49	51	46

Source: Town of Beacon Falls.

### Municipal Employees Bargaining Organizations

<b>Organization</b>	<b>Positions Covered</b>	<b>Current Contract Expiration Date</b>
Public Works – AFSCME, Council 4, No. 414 .....	10	6/30/2026
Police – AFSCME, Council 4, No. 415 .....	3	6/30/2027
Town Hall – AFSCME, Council 4, No. 423 .....	14	6/30/2027
<b>Total Organized .....</b>	27	
Non Union .....	23	
<b>Total Organized and Non-Union Employees.....</b>	50	

Source: Town of Beacon Falls.

General Statutes Sections 7-473c, 7-474 and 10-153a to 10-153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified teachers and certain other employees. The legislative body of a municipal entity may reject an arbitration panel's decision by a two-thirds majority vote. The State of Connecticut and the employee organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either party. In reaching its determination, the arbitration panel gives priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. For binding arbitration of teachers' contracts, in assessing the financial capability of a municipal entity, there is an irrefutable presumption that a budget reserve of (i) 5% or less with respect to teacher's contracts, and (ii) 15% or less with respect to municipal employees, is not available for payment of the cost of any item subject to arbitration. In the light of the employer's financial capability, the panel considers prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and the wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

## SECTION III – DEMOGRAPHIC AND ECONOMIC DATA SECTION

### Population Trends and Densities

Year	Actual		Density <sup>2</sup>
	Population <sup>1</sup>	% Increase	
2023 <sup>3</sup>	6,089	0.7%	621.3
2020	6,000	-0.8%	612.2
2010	6,049	15.3%	617.2
2000	5,246	3.1%	535.3
1990	5,086	27.3%	519.0
1980	3,995	12.7%	407.7
1970	3,546	22.9%	361.8

<sup>1</sup> U.S. Department of Commerce, Bureau of Census.

<sup>2</sup> Per square mile: 9.8 square miles.

<sup>3</sup> American Community Survey 2019-2023.

### Age Distribution of the Population

Age	Town of Beacon Falls		State of Connecticut	
	Number	Percent	Number	Percent
Under 5 years .....	213	3.5%	181,240	5.0%
5 to 9 years .....	324	5.3	195,390	5.4
10 to 14 years .....	161	2.6	217,297	6.0
15 to 19 years .....	363	6.0	238,145	6.6
20 to 24 years .....	339	5.6	233,423	6.5
25 to 34 years .....	623	10.2	449,771	12.5
35 to 44 years .....	664	10.9	451,461	12.5
45 to 54 years .....	834	13.7	462,543	12.9
55 to 59 years .....	439	7.2	260,758	7.2
60 to 64 years .....	609	10.0	257,548	7.2
65 to 74 years .....	1,027	16.9	376,023	10.4
75 to 84 years .....	430	7.1	187,378	5.2
85 years and over .....	63	1.0	87,371	2.4
<b>Total.....</b>	<b>6,089</b>	<b>100%</b>	<b>3,598,348</b>	<b>100%</b>
Median Age (Years) 2023.....	49.5		41.2	
Median Age (Years) 2010 <sup>1</sup> .....	41.5		40.0	

<sup>1</sup> U.S. Department of Commerce, Bureau of Census, 2010.

Source: American Community Survey 2019-2023.

### Comparative Income Measures

	Town of Beacon Falls		State of Connecticut	
Per Capita Income, 2023.....	\$	55,045	\$	54,409
Per Capita Income, 2010.....	\$	33,050	\$	36,775
Median Family Income, 2023.....	\$	128,364	\$	120,011
Median Family Income, 2010 .....	\$	93,056	\$	84,170

Source: American Community Survey 2019-2023.

## Income Distribution

<b>Income</b>	<b>Town of Beacon Falls</b>		<b>State of Connecticut</b>	
	<b>Families</b>	<b>Percent</b>	<b>Families</b>	<b>Percent</b>
\$ 0 - \$ 9,999.....	18	1.1%	22,973	2.5%
10,000 - 14,999.....	-	0.0	12,547	1.4
15,000 - 24,999.....	46	2.7	29,893	3.3
25,000 - 34,999.....	50	3.0	35,598	3.9
35,000 - 49,999.....	151	9.0	61,793	6.7
50,000 - 74,999.....	179	10.6	108,046	11.8
75,000 - 99,999.....	228	13.5	108,216	11.8
100,000 - 149,999.....	296	17.6	185,242	20.2
150,000 - 199,999.....	239	14.2	128,574	14.0
200,000 and over.....	479	28.4	224,258	24.5
<b>Total.....</b>	<b>1,686</b>	<b>100.0%</b>	<b>917,140</b>	<b>100.0%</b>

Source: American Community Survey 2019-2023.

## Educational Attainment

Years of School Completed – Age 25 and Over

	<b>Town of Beacon Falls</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Less than 9th grade.....	82	1.7%	101,530	4.0%
9th to 12th grade.....	29	0.6	118,019	4.7
High School graduate.....	1,463	31.2	647,094	25.5
Some college, no degree.....	677	14.4	410,591	16.2
Associate's degree .....	403	8.6	193,216	7.6
Bachelor's degree.....	1,067	22.8	581,935	23.0
Graduate or professional degree.....	968	20.6	480,468	19.0
<b>Total.....</b>	<b>4,689</b>	<b>100.0%</b>	<b>2,532,853</b>	<b>100.0%</b>
Total high school graduate or higher (%).		97.6%		91.3%
Total bachelor's degree or higher (%).		43.4%		41.9%

Source: American Community Survey 2019-2023.

## Labor Force Data

<b>Period</b>	<b>Town of Beacon Falls</b>		<b>Percentage Unemployed</b>		
	<b>Employed</b>	<b>Unemployed</b>	<b>Town of Beacon Falls</b>	<b>Waterbury Labor Market</b>	<b>State of Connecticut</b>
May 2025.....	3,493	120	3.3	4.3	3.9
<b>Annual Average</b>					
2024.....	3,441	118	3.3	4.4	3.5
2023.....	3,446	126	3.5	4.7	3.7
2022.....	3,422	131	3.7	5.2	4.1
2021.....	3,182	187	5.6	8.0	6.6
2020.....	3,215	213	6.2	8.5	7.3
2019.....	3,436	127	3.6	4.6	3.7
2018.....	3,403	133	3.8	5.1	4.1
2017.....	3,313	148	4.3	5.9	4.7
2016.....	3,246	164	4.8	6.5	5.3
2015.....	3,264	176	5.1	7.1	5.6

Source: State of Connecticut, Department of Labor.

**Major Employers  
As of July 2025**

<b>Employer</b>	<b>Nature of Business</b>	<b>Number of Employees</b>
NEJ .....	Retail Clothing Distributor	337
Regional School District No. 16 .....	Regional School District	184
Di Giorgi Roofing & Siding Inc.....	Roofing & Siding	172
Town of Beacon Falls .....	Municipality	50
Golden Rod Corporation .....	Manufacturing	49
Ansonia Steel Fabrication .....	Precision Steel Fabrication	45
Magna Steel Sales Inc.....	Steel Fabrication	20
O & G Industries .....	Masonry Products	18

*Source: Town of Beacon Falls, Finance Department.*

**Industry Classification**

<b>Sector</b>	<b>Town of Beacon Falls</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Agriculture, forestry, fishing and hunting, and mining.....	-	0.0%	7,261	0.4%
Construction.....	252	7.4	112,821	6.1
Manufacturing .....	422	12.4	195,355	10.6
Wholesale trade.....	80	2.4	37,294	2.0
Retail trade.....	384	11.3	192,535	10.5
Transportation warehousing, and utilities.....	81	2.4	84,571	4.6
Information.....	70	2.1	36,631	2.0
Finance, insurance, real estate, and leasing....	119	3.5	162,724	8.9
Professional, scientific, management, administrative, and waste management.....	411	12.1	223,982	12.2
Education, health and social services.....	1,031	30.3	490,839	26.7
Arts, entertainment, recreation, accommodation and food services.....	122	3.6	145,445	7.9
Other services (except public admin.).....	179	5.3	78,662	4.3
Public Administration.....	251	7.4	67,335	3.7
<b>Total Labor Force, Employed.....</b>	<b>3,402</b>	<b>100.0%</b>	<b>1,835,455</b>	<b>100.0%</b>

*Source: American Community Survey 2019-2023.*

**Commute to Work  
16 years of age and over**

	<b>Town of Beacon Falls</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Drove alone .....	2,700	79.6%	1,271,480	70.6%
Car pools .....	191	5.6	138,268	7.7
Used public transportation .....	19	0.6	61,239	3.4
Walked .....	48	1.4	44,756	2.5
Used other means .....	18	0.5	26,695	1.5
Worked at home .....	417	12.3	258,466	14.4
<b>Total .....</b>	<b>3,393</b>	<b>100.0%</b>	<b>1,800,904</b>	<b>100.0%</b>

Mean travel to work (minutes) ....	33.2	—	26.6
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*Source: American Community Survey 2019-2023.*



### Number and Value of Building Permits

<b>Fiscal Year Ended 6/30</b>	<b>Number of Permits</b>	<b>Construction Value</b>
2025 <sup>1</sup>	324	\$ 6,071,100
2024	423	8,262,540
2023	537	10,437,949
2022	437	12,404,488
2021	482	14,112,517
2020	335	9,487,728
2019	458	7,782,477
2018	352	6,764,844
2017	256	5,925,352
2016	132	4,477,793

<sup>1</sup> As of April 30, 2025.

Source: Town of Beacon Falls, Building Department.

### Age Distribution of Housing

<b>Year Built</b>	<b>Town of Beacon Falls</b>		<b>State of Connecticut</b>	
	<b>Units</b>	<b>Percent</b>	<b>Units</b>	<b>Percent</b>
1939 or earlier.....	368	13.8%	313,434	20.4%
1940 to 1969.....	571	21.4	516,528	33.6
1970 to 1979.....	426	16.0	210,611	13.7
1980 to 1989.....	212	7.9	197,533	12.9
1990 to 1999.....	247	9.3	116,617	7.6
2000 or 2009.....	435	16.3	108,430	7.1
2010 or later.....	409	15.3	72,896	4.7
<b>Total Housing Units.....</b>	<b>2,668</b>	<b>100.0%</b>	<b>1,536,049</b>	<b>100.0%</b>

Source: American Community Survey 2019-2023.

### Housing Units by Type of Structure

<b>Housing Units</b>	<b>Town of Beacon Falls</b>		<b>State of Connecticut</b>	
	<b>Units</b>	<b>Percent</b>	<b>Units</b>	<b>Percent</b>
1-unit, detached.....	1,770	66.3%	901,187	58.7%
1-unit, attached.....	325	12.2	95,202	6.2
2 units.....	170	6.4	118,295	7.7
3 or 4 units.....	58	2.2	126,755	8.3
5 to 9 units.....	-	-	76,750	5.0
10 to 19 units.....	-	-	55,290	3.6
20 or more units.....	151	5.7	150,986	9.8
Mobile home.....	194	7.3	10,967	0.7
Boat, RV, van, etc.....	-	-	617	0.0
<b>Total Inventory.....</b>	<b>2,668</b>	<b>100.0%</b>	<b>1,536,049</b>	<b>100.0%</b>

Source: American Community Survey 2019-2023.

## Housing Unit Vacancy Rates

<b>Housing Units</b>	<b>Town of Beacon Falls</b>		<b>State of Connecticut</b>	
	<b>Units</b>	<b>Percent</b>	<b>Units</b>	<b>Percent</b>
Occupied housing units .....	2,651	99.4%	1,420,170	92.5%
Vacant housing units .....	17	0.6%	115,879	7.5%
<b>Total units .....</b>	<b>2,668</b>	<b>100.0%</b>	<b>1,536,049</b>	<b>100.0%</b>
Homeowner vacancy rate .....	—	0.0	—	0.9
Rental vacancy rate .....	—	0.0	—	4.6

Source: American Community Survey 2019-2023.

## Owner-Occupied Housing Units

<b>Specified Owner-Occupied Units</b>	<b>Town of Beacon Falls</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Less than \$50,000.....	249	11.4%	22,174	2.5%
\$50,000 to \$99,000.....	14	0.6	15,116	1.7
\$100,000 to \$149,999.....	-	-	38,832	4.4
\$150,000 to \$199,000.....	247	11.3	77,152	8.8
\$200,000 to \$299,999.....	496	22.8	233,824	26.6
\$300,000 to \$499,999.....	872	40.0	319,703	36.3
\$500,000 or more.....	302	13.9	173,643	19.7
\$1,000,000 or more.....	31	1.4	59,468	6.8
<b>Total.....</b>	<b>2,180</b>	<b>100.0%</b>	<b>880,444</b>	<b>100.0%</b>
<b>Median Value.....</b>	<b>\$323,900</b>		<b>\$343,200</b>	

Source: American Community Survey 2019-2023.

## Land Use Summary

Beacon Falls contains approximately 6,259 acres. While detailed land use information is not available, the Conservation Commission, based on review of Assessment Records, estimates that about 40 percent of the community (2,130 acres) is occupied for residential, commercial, or institutional use, and 28 percent (2,100 acres) is protected open space or water. Conversely, about 32 percent of land in Town (1,970 acres) is vacant or uncommitted to a specific use and may be capable of supporting additional development in the future.

After considering physical and environmental constraints on the vacant and underdeveloped, it is estimated that Beacon Falls could eventually contain as many as 3,400 total housing units if fully developed under existing zoning. Thus based on typical household sizes currently in place, Beacon Falls could eventually build out to roughly 9,000 people.

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## **SECTION IV – TAX BASE DATA**

### **Tax Collection**

#### **Assessments**

The Town completed a physical revaluation effective October 1, 2021. The next statistical revaluation is planned for October 1, 2026. Under Section 12-62 of the Connecticut General Statutes, the Town must update all real estate values every five years, with a physical inspection every ten years. The Assessor's Office is responsible for the preparation of the Town's annual Grand List. The Grand List is a complete listing of all properties in the Town, their ownership, and their assessed value as of October 1st in each year. Grand List information is used by the Board of Finance to set the mill rate which in turn becomes the basis for the Town's annual tax levy. Any property owner who wishes to appeal their assessment may do so before the Board of Assessment Appeals. Assessments are computed at seventy (70%) percent of market value at the time of last revaluation. As the Grand List is prepared, tax maps are also updated. Building changes are updated through extensive field work. The Assessor's Office also administers the State of Connecticut's elderly tax relief programs and the veterans and blind exemption programs.

Motor vehicle lists are furnished to the Town by the State of Connecticut and appraisals of motor vehicles are accomplished in accordance with an automobile price schedule developed by the National Automobile Dealers Association and as recommended by the State Office of Policy and Management. Section 12-71b of the Connecticut General Statutes provides that motor vehicles which are registered with the Commissioner of Motor Vehicles after the October 1 assessment date but before the next August 1 are subject to a property tax as if the motor vehicle had been included on the October 1 Grand List. The tax is prorated, and the proration is based on the number of months of ownership between October 1 and the following July 31. Cars purchased in August and September are not taxed until the next October 1 Grand List. If the motor vehicle replaces a motor vehicle that was taxed on the October Grand List, the taxpayer is entitled to certain credits.

#### **Motor Vehicle Property Tax Rate**

Section 12-71e(a) of the Connecticut General Statutes (the "General Statutes") has been amended whereby the mill rate for motor vehicles shall not exceed 32.46 mills for the assessment year commencing October 1, 2021, and each assessment year thereafter. Section 12-71e(b) of the General Statutes has been amended to state that no district or borough may set a motor vehicle mill rate that if combined with the motor vehicle mill rate of the town, city, consolidated town and city or consolidated town and borough in which such district or borough is located would result in a combined motor vehicle mill rate above 32.46 mills for the assessment year commencing October 1, 2021, and each assessment year thereafter. Section 4-66f of the General Statutes diverts a portion of State collected sales tax revenue to provide funding to municipalities to mitigate the revenue loss attributed to the motor vehicle property tax cap. The Town's mill rate for motor vehicles for the assessment year commencing October 1, 2024 (the fiscal year ending June 30, 2026) is 30.46 mills.

All commercial personal property (furniture, fixtures, equipment, machinery, computers, and leased equipment) is assessed annually. An assessor's check and audit are completed periodically. Assessments for both personal property and motor vehicles are computed at seventy percent (70%) of present market value.

Section 12-124a of the Connecticut General Statutes permits a municipality, upon approval by its legislative body, to abate property taxes on owner-occupied residences to the extent that the taxes exceed eight percent of the owner's total income, from any source, adjusted for self-employed persons to reflect expenses allowed in determining adjusted gross income. The owner must agree to pay the amount of taxes abated with interest at 6% per annum, or at such rate approved by the legislative body, at such time that the residence is sold or transferred or on the death of the last surviving owner. A lien for such amounts is recorded in the land records but does not take precedence over any mortgage recorded before the lien. The Town has not approved the use of this abatement provision to date.

## Levy

Property taxes are levied on all assessed property on the Grand List of October 1 preceding the beginning of the fiscal year. Real estate tax bills are payable in two installments on July 1 and January 1. Real estate taxes of less than \$50 are due in full in July. Personal Property and motor vehicle taxes on the Grand List of October 1 are due in full on July 1; motor vehicle taxes on the supplement to the October 1 Grand List are due in full on January 1. A margin against delinquencies, legal reductions, and Grand List adjustments such as Assessor Certificates of Correction, is provided by adjusting the grand list when computing anticipated property tax revenue from the current levy. An estimate for delinquent taxes and outstanding interest and lien fees anticipated to be collected during the fiscal year is normally included as a revenue item in the budget. Delinquent taxes are billed monthly with interest charged at the rate of one and one-half percent per month with a minimum charge of \$2. In accordance with State statutes, the oldest outstanding tax is collected first. Outstanding real estate tax accounts are automatically liened each year prior to June 30 with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills. Delinquent motor vehicle and personal property accounts deemed uncollectable are transferred to a suspense account after three years at which time they cease to be carried as receivables. Unpaid real estate accounts become uncollectable fifteen years after the due date in accordance with state statutes. Section 12-165 of the Connecticut General Statutes, as amended, requires each municipality to write off, on an annual basis, the property taxes which are deemed to be uncollectible.

### Taxable Grand List (\$ in thousands)

Grand List As Of 10/1	Commercial and Industrial					Exemptions, Veterans			
	Residential Real Property (%)	Real Property (%)	Other (%)	Personal Property (%)	Motor Vehicle (%)	Gross Taxable Grand List (000's)	Relief and Disabled (000's)	Net Taxable Grand List (000's)	Percent Growth
2024	73.0	7.7	1.8	7.2	10.2	\$ 655,625	\$ 15,483	\$ 640,142	-0.1%
2023	72.6	7.7	1.8	7.4	10.4	656,134	15,360	640,774	0.9%
2022	72.2	7.8	1.8	7.3	10.9	651,102	15,842	635,260	2.9%
2021 <sup>1</sup>	74.2	8.3	1.8	7.1	10.9	633,889	16,291	617,598	22.6%
2020	72.5	8.5	2.1	6.5	10.4	512,387	8,540	503,847	2.9%
2019	73.5	9.1	2.1	5.6	9.7	499,024	9,553	489,471	2.2%
2018	72.7	9.3	2.3	6.0	9.7	486,442	7,456	478,986	1.3%
2017	72.6	9.5	2.4	6.1	9.4	480,445	7,436	473,009	1.8%
2016 <sup>1</sup>	73.5	10.0	2.5	5.2	8.8	473,541	9,119	464,422	-5.1%
2015	75.9	9.1	2.4	4.7	7.9	497,214	7,703	489,511	2.1%

<sup>1</sup> Revaluation.

Source: Town of Beacon Falls, Assessor's Office.

### Major Taxpayers

Name of Taxpayer	Nature of Business	Taxable Assessed Value	Percent of Net Taxable Grand List <sup>1</sup>
Beacon Mill NCM, Et Al .....	Commercial Real Estate	\$ 18,947,320	2.96%
Connecticut Light & Power .....	Electric Utility	14,155,350	2.21%
United Rentals North America Inc .....	Equipment Rental	5,402,970	0.84%
Aquarion Water Co. of Connecticut ....	Water Utility	4,037,520	0.63%
Murtha Enterprises, Inc. ....	Warehousing & Commercial R.E.	3,878,120	0.61%
Murtha Industrial Four LLC .....	Warehousing & Commercial R.E.	3,133,230	0.49%
6130 Bergenline, LLC .....	Manufacturer Drapery Hardware	2,397,970	0.37%
APG, LLC .....	Manufacturing	2,295,020	0.36%
CRC Development, LLC .....	Industrial Real Estate	2,268,630	0.35%
MHC 83 (HW PORTFOLIO), LLC .....	Commercial RE Storage Units	2,099,030	0.33%
<b>Total</b> .....		<b>\$ 58,615,160</b>	<b>9.16%</b>

<sup>1</sup> Based on the Net Taxable Grand List of October 1, 2024 of \$640,142,000.

Source: Town of Beacon Falls, Assessor's Office.

### Tax Collections

<b>Grand List of 10/1</b>	<b>Fiscal Year Ending 6/30</b>	<b>Net Taxable Grand List (000's)</b>	<b>Mill Rate</b>	<b>Adjusted Annual Levy</b>	<b>Percent of Annual Levy Collected at End of Fiscal Year</b>	<b>Percent of Annual Levy Uncollected at End of Fiscal Year</b>	<b>Percent of Annual Levy Uncollected as of 6/30/2024</b>
2023	2025	\$ 640,774	29.83	\$ 19,116,086	<i>IN COLLECTIONS</i>		
2022	2024	635,260	29.54	18,746,313	98.5	1.5	1.50%
2021 <sup>1</sup>	2023	617,598	28.31	17,345,056	98.0	2.0	0.75%
2020	2022	503,847	34.90	17,416,102	98.9	1.1	0.45%
2019	2021	489,471	35.90	17,377,420	98.7	1.3	0.00%
2018	2020	478,986	35.90	17,257,777	98.4	1.6	0.02%
2017	2019	473,009	35.90	17,652,587	98.6	1.4	0.04%
2016 <sup>1</sup>	2018	464,422	35.90	17,355,369	98.4	1.6	0.04%
2015	2017	489,511	32.90	16,104,912	99.1	0.9	0.05%
2014	2016	479,222	33.40	16,006,015	97.4	2.6	0.05%

<sup>1</sup> Revaluation.

Source: Town of Beacon Falls, Tax Collector

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## SECTION V – DEBT SECTION

### Debt Summary Pro Forma As of August 20, 2025

#### Outstanding Short-term Debt

As of August 20, 2025, the Town does not have any outstanding short-term debt.

#### Outstanding Bonded Debt

##### Long-Term Debt:

					Fiscal Year
Date	Purpose	Interest Rate %	Original Issue	Amount Outstanding <sup>1</sup>	of Final Maturity
2012	MERS Pension Obligation.....	8.06	\$ 1,651,756	\$ 1,056,410	2036
2016	General Purpose.....	2.00-3.00	3,385,000	1,210,000	2032
2016	Sewers.....	2.00-3.00	965,000	550,000	2037
2020	General Purpose.....	2.00-5.00	1,585,000	760,000	2033
2020	Sewers.....	2.00-5.00	1,610,000	765,000	2033
2021	General Purpose.....	2.00-5.00	5,000,000	4,250,000	2042
2021	Sewers.....	2.00-5.00	1,000,000	850,000	2042
<b>Total Outstanding Bonded Debt.....</b>			<b>\$ 15,196,756</b>	<b>\$ 9,441,410</b>	
<b>This Issue</b>					
2025	General Purpose.....	tbd	\$ 4,000,000	\$ 4,000,000	2046
2025	Sewers.....	tbd	1,000,000	1,000,000	2046
<b>Total This Issue.....</b>			<b>\$ 5,000,000</b>	<b>\$ 5,000,000</b>	
<b>Grand Total.....</b>			<b>\$ 20,196,756</b>	<b>\$ 14,441,410</b>	

<sup>1</sup> Excludes bonds refunded or defeased.

#### Capital Leases

As of June 30, 2024 the Town has \$1,096,911 of outstanding capital leases.

### Overlapping/Underlying Debt Pro Forma As of August 20, 2025

The jurisdictions with boundaries overlapping or underlying Town boundaries is based upon information received by the Town from sources specified below. This does not reflect authorized but unissued indebtedness of those jurisdictions. The Town has not assumed responsibility to verify the information below.

#### Overlapping Debt

The Town of Beacon Falls, along with the Town of Prospect, is a member of Regional School District Number 16 (the “District”). See “Educational System” herein. As of August 20, 2025, the District has \$15,125,000 in bonds outstanding. For the fiscal year ending June 30, 2026, the Town of Beacon Falls’ pro rata share of the District’s outstanding net debt is 35.19%, or \$5,322,488.

#### Underlying Debt

The Town does not have any underlying debt.

**Bonded Debt Maturity Schedule <sup>1</sup>**  
**Pro Forma**  
**As of August 20, 2025**

<b>Fiscal Year Ended 6/30</b>	<b>Principal Payments</b>	<b>Interest Payments</b>	<b>Total Debt Service</b>	<b>This Issue</b>			<b>Total Principal</b>	<b>Cumulative Principal Retired %</b>
				<b>General Purpose</b>	<b>Sewer</b>	<b>Total</b>		
2026 <sup>2</sup>	\$ 630,000	\$ 218,425	\$ 848,425	\$ -	\$ -	\$ -	\$ 630,000	4.36%
2027	962,525	287,447	1,249,972	200,000	50,000	250,000	1,212,525	12.76%
2028	958,381	245,001	1,203,382	200,000	50,000	250,000	1,208,381	21.13%
2029	959,710	202,184	1,161,894	200,000	50,000	250,000	1,209,710	29.50%
2030	696,549	163,606	860,155	200,000	50,000	250,000	946,549	36.06%
2031	703,942	144,127	848,069	200,000	50,000	250,000	953,942	42.66%
2032	706,930	124,052	830,982	200,000	50,000	250,000	956,930	49.29%
2033	515,564	105,403	620,967	200,000	50,000	250,000	765,564	54.59%
2034	474,896	87,994	562,890	200,000	50,000	250,000	724,896	59.61%
2035	484,980	70,772	555,752	200,000	50,000	250,000	734,980	64.70%
2036	495,369	52,705	548,074	200,000	50,000	250,000	745,369	69.86%
2037	352,564	33,800	386,364	200,000	50,000	250,000	602,564	74.03%
2038	300,000	27,000	327,000	200,000	50,000	250,000	550,000	77.84%
2039	300,000	21,000	321,000	200,000	50,000	250,000	550,000	81.65%
2040	300,000	15,000	315,000	200,000	50,000	250,000	550,000	85.46%
2041	300,000	9,000	309,000	200,000	50,000	250,000	550,000	89.27%
2042	300,000	3,000	303,000	200,000	50,000	250,000	550,000	93.08%
2043	-	-	-	200,000	50,000	250,000	250,000	94.81%
2044	-	-	-	200,000	50,000	250,000	250,000	96.54%
2045	-	-	-	200,000	50,000	250,000	250,000	98.27%
2046	-	-	-	200,000	50,000	250,000	250,000	100.00%
<b>Total.....</b>	<b>\$ 9,441,410</b>	<b>\$ 1,810,516</b>	<b>\$ 11,251,926</b>	<b>\$ 4,000,000</b>	<b>\$ 1,000,000</b>	<b>\$ 5,000,000</b>	<b>\$ 14,441,410</b>	

<sup>1</sup> Excludes bonds refunded or defeased.

<sup>2</sup> Excludes \$327,107 in principal payments and \$111,130 in interest payments from July 1, 2025 through August 20, 2025.

**Comparison of Annual Debt Service  
to General Fund Expenditures and Transfers Out**

<b>Fiscal Year Ended 6/30</b>	<b>Total Debt Service</b>	<b>Total General Fund Expenditures <sup>1</sup></b>	<b>Ratio of Total Debt Service To General Fund Expenditures</b>
2025 <sup>2</sup>	\$ 1,160,450	\$ 25,378,252	4.57%
2024	1,214,548	23,889,932	5.08%
2023	1,263,848	23,331,370	5.42%
2022	951,181	22,974,708	4.14%
2021	855,628	22,179,487	3.86%
2020	910,206	22,133,505	4.11%
2019	934,133	22,438,069	4.16%
2018	967,631	21,899,298	4.42%
2017	580,155	22,221,599	2.61%
2016	556,981	21,639,960	2.57%

<sup>1</sup> Includes transfers out.

<sup>2</sup> Subject to audit.

Source: Town of Beacon Falls Finance Department.

**Current Debt Statement  
Pro Forma  
As of August 20, 2025**

**Long-Term Debt Outstanding:**

General Purpose (Includes this issue).....	\$	10,220,000
Schools.....		-
Sewers (Includes this issue).....		3,165,000
Pension .....		1,056,410
<b>Total Long-Term Debt.....</b>		<b>14,441,410</b>
<b>Short-Term Debt .....</b>		<b>-</b>
<b>Direct Debt.....</b>		<b>14,441,410</b>
<b>Overlapping Debt (Share of RSD #16 Debt).....</b>		<b>5,322,488</b>
<b>Total Overall Debt.....</b>		<b>19,763,898</b>
Less: School Construction Grants Receivable (As of June 30, 2025) .....		-
<b>Total Overall Net Debt.....</b>	<b>\$</b>	<b>19,763,898</b>

**Current Debt Ratios  
Pro Forma  
As of August 20, 2025**

Population (2023) <sup>1</sup> .....	6,089
Net Taxable Grand List (10/1/24) .....	\$640,142,000
Estimated Full Value (70%).....	\$914,488,571
Equalized Grand List (10/1/22) <sup>2</sup> .....	\$1,171,644,863
Money Income per Capita (2023) <sup>1</sup> .....	\$55,045

	<b>Direct Debt</b>	<b>Total Overall Debt</b>	<b>Total Overall Net Debt</b>
Per Capita.....	\$2,371.72	\$3,245.84	\$3,245.84
Ratio to Net Taxable Grand List.....	2.26%	3.09%	3.09%
Ratio to Estimated Full Value.....	1.58%	2.16%	2.16%
Ratio to Equalized Grand List.....	1.23%	1.69%	1.69%
Debt per Capita to Money Income per Capita.....	4.31%	5.90%	5.90%

<sup>1</sup> American Community Survey 2019-2023.

<sup>2</sup> Office of Policy and Management, State of Connecticut.

**THE TOWN OF BEACON FALLS HAS NEVER DEFAULTED IN THE PAYMENT OF ITS  
DEBT OBLIGATIONS EITHER AS TO PRINCIPAL OR INTEREST**



## ***Authority to Incur Debt***

The Town has the power to incur indebtedness as provided by the Connecticut General Statutes. The issuance of bonds and notes is authorized by the Town Meeting upon the recommendation of the Board of Finance and the Board of Selectmen. Notes and bonds may be issued to meet certain emergency appropriations as provided in the Connecticut General Statutes. The issuance of refunding bonds is authorized by a resolution adopted by the Board of Selectman only.

When general obligation bonds have been authorized, bond anticipation notes may be issued maturing in not more than two years (CGS Sec. 7-378). Temporary notes may be renewed up to ten years from their original date of issue as long as all project grant payments are applied toward payment of temporary notes when they become due and payable, and the legislative body schedules principal reductions by the end of the third year and for each subsequent year during which such temporary notes remain outstanding in an amount equal to a minimum of 1/20<sup>th</sup> (1/30<sup>th</sup> for sewer projects and certain school projects) of the estimated net project cost (CGS Sec. 7-378a). The term of the bond issue is reduced by the amount of time temporary financing exceeds two years.

Temporary notes must be permanently funded no later than ten years from their initial borrowing date, except for sewer notes issued in anticipation of State and/or Federal grants. If a written commitment exists, the municipality may renew the sewer notes from time to time in terms not to exceed six months until such time that the final grant payments are received (CGS Sec. 7-378b).

Temporary notes may also be issued for up to 15 years for certain capital projects associated with the operation of a waterworks system (CGS Sec. 7-244a) or a sewage system (CGS Sec. 7-264a). In the first year following the completion of the project(s), or in the sixth year following the original date of issue (whichever is sooner), and in each year thereafter, the notes must be reduced by 1/15<sup>th</sup> of the total amount of the notes issued by funds derived from certain sources of payment specified by statute. Temporary notes may be issued in one-year maturities for up to 15 years in anticipation of sewer assessments receivable, such notes to be reduced annually by the amount of assessments received during the preceding year (CGS Sec. 7-269a).

## ***Maturities***

General obligation (serial or term) bonds are required to be payable in maturities wherein a succeeding maturity may not exceed any prior maturity by more than 50% or aggregate annual principal and interest payments must be substantially equal. (The foregoing does not apply to refunding bonds, the issuance of which results in net present value savings to the Town.) The term of the issue may not exceed twenty years except in the case of sewer bonds and certain school bonds which may mature in up to thirty years. Legislation adopted in 2017 provides an exception to the 20 year term limit by authorizing 30 year terms for bonds issued prior to July 1, 2022

## ***Temporary Financing***

When general obligation bonds have been authorized, bond anticipation notes may be issued maturing in not more than two years (CGS Sec. 7-378). Temporary notes may be renewed up to ten years from their original date of issue as long as all project grant payments are applied toward payment of temporary notes when they become due and payable and the legislative body schedules principal reductions starting at the end of the third and continuing in each subsequent year during which such temporary notes remain outstanding in an amount equal to a minimum of 1/20<sup>th</sup> (1/30<sup>th</sup> for certain school and sewer projects) of the estimated net project cost (CGS Sec. 7-378a). The term of the bond issue is reduced by the amount of time temporary financing exceeds two years, or, for sewer projects, by the amount of time temporary financing has been outstanding.

Temporary notes may be funded beyond ten years from the initial borrowing if a written commitment exists for State and/or Federal grants for terms not to exceed six months until such time that the final grant payments are received (CGS Sec. 7-378b).

Temporary notes may also be issued for up to fifteen years for certain capital projects associated with the operation of a waterworks system (CGS Sec. 7-244a) or a sewage system (CGS Sec. 7-264a). In the first year following the completion of the project(s), or in the sixth year (whichever is sooner), and in each year thereafter, the notes must be reduced by at least 1/15<sup>th</sup> of the total amount of the notes issued by funds derived from certain sources of payment. Temporary notes may be issued in one year maturities for up to fifteen years in anticipation of sewer assessments receivable, such notes to be reduced annually by the amount of assessments received during the preceding year (CGS Sec. 7-269a).

## ***Limitation of Indebtedness***

Municipalities shall not incur indebtedness through the issuance of bonds which will cause aggregate indebtedness by class to exceed the following:

General Purposes:	2.25 times annual receipts from taxation
School Purposes:	4.50 times annual receipts from taxation
Sewer Purposes:	3.75 times annual receipts from taxation
Urban Renewal Purposes:	3.25 times annual receipts from taxation
Unfunded Past Pension Purposes:	3.00 times annual receipts from taxation

“Annual receipts from taxation” (the “base”) are defined as total tax collections, including interest and penalties, late payment of taxes and state payments under Connecticut General Statutes Sections 12-129d and 7-528. In no case shall total indebtedness exceed seven times the base.

Section 7-374 of the Connecticut General Statutes also provides for exclusion from the debt limitation calculation debt: (i) issued in anticipation of taxes; (ii) issued for the supply of water, for the supply of gas, for the supply of electricity, for electric demand response, for conservation and load management, for distributed generation, for renewable energy projects, for the construction of subways for cables, wires and pipes, for the construction of underground conduits for cables, wires and pipes, for the construction and operation of a municipal community antenna television system and for two or more of such purposes; (iii) issued in anticipation of the receipt of proceeds from assessments which have been levied upon property benefited by any public improvement; (iv) issued in anticipation of the receipt of proceeds from any state or federal grant for which the town or municipality has received a written commitment or for which an allocation has been approved by the State Bond Commission or from a contract with the state, a state agency or another municipality providing for the reimbursement of capital costs but only to the extent such indebtedness can be paid from such proceeds; (v) issued for water pollution control projects in order to meet the requirements of an abatement order of the Commissioner of the Department of Energy and Environmental Protection, provided the municipality files a certificate signed by its chief fiscal officer with the commissioner demonstrating to the satisfaction of the commissioner that the municipality has a plan for levying a system of charges, assessments or other revenues which are sufficient, together with other available funds of the municipality, to repay such obligations as the same become due and payable; and (vi) upon placement in escrow of the proceeds of refunding bonds, notes or other obligations or other funds of the municipality in an amount sufficient, together with such investment earnings thereon as are to be retained in said escrow, to provide for the payment when due of the principal of and interest on such bond, note or other evidence of indebtedness.

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**Statement of Statutory Debt Limitation <sup>1</sup>**  
**Pro Forma**  
**As of August 20, 2025**

Total Tax Collections (including interest and lien fees) received by the Treasurer	
for the year ended June 30, 2024 .....	\$ 18,985,742
Reimbursement For Revenue Loss (Tax relief for elderly).....	3,915
<b>Base for Debt Limitation Computation.....</b>	<b>\$ 18,989,657</b>

	<b>General Purpose</b>	<b>Schools</b>	<b>Sewers</b>	<b>Urban Renewal</b>	<b>Unfunded Pension</b>
<b>Debt Limitation:</b>					
2 <sup>1</sup> / <sub>4</sub> times base.....	\$ 42,726,728	-	-	-	-
4 <sup>1</sup> / <sub>2</sub> times base.....	-	\$ 85,453,457	-	-	-
3 <sup>3</sup> / <sub>4</sub> times base.....	-	-	\$ 71,211,214	-	-
3 <sup>1</sup> / <sub>4</sub> times base.....	-	-	-	\$ 61,716,385	-
3 times base.....	-	-	-	-	\$ 56,968,971
<b>Total Debt Limitation.....</b>	<b>\$ 42,726,728</b>	<b>\$ 85,453,457</b>	<b>\$ 71,211,214</b>	<b>\$ 61,716,385</b>	<b>\$ 56,968,971</b>

<b>Indebtedness:</b>					
Bonds Outstanding.....	\$ 6,220,000	\$ -	\$ 2,165,000	\$ -	\$ 1,056,410
Bonds – This Issue.....	4,000,000	-	1,000,000	-	-
Notes.....	-	-	-	-	-
Debt Authorized But Unissued.....	10,470,000	-	-	-	-
<b>Total Net Indebtedness.....</b>	<b>20,690,000</b>	<b>-</b>	<b>3,165,000</b>	<b>-</b>	<b>1,056,410</b>

**DEBT LIMITATION IN EXCESS**

<b>OF OUTSTANDING INDEBTEDNESS....</b>	<b>\$ 22,036,728</b>	<b>\$ 85,453,457</b>	<b>\$ 68,046,214</b>	<b>\$ 61,716,385</b>	<b>\$ 55,912,561</b>
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<sup>1</sup> Excludes bonds refunded or defeased.

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation or \$132,927,599

**Authorized but Unissued Debt**  
**Pro Forma**  
**As of August 20, 2025**

<b>Project</b>	<b>Amount Authorized</b>	<b>Previously Bonded</b>	<b>New Money</b>	<b>This Issue: The Bonds</b>	<b>Authorized But Unissued Debt</b>
Upgrades & Improvements to Waste Water Treatment Plant .....	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -
Various Capital Infrastructure Improvements .....	4,000,000	-	4,000,000	4,000,000	-
Construction of New Community/Library/Senior Center Building <sup>1</sup> ...	10,470,000	-	-	-	10,470,000
<b>Total.....</b>	<b>\$ 15,470,000</b>	<b>\$ -</b>	<b>\$ 5,000,000</b>	<b>\$ 5,000,000</b>	<b>\$ 10,470,000</b>

<sup>1</sup> The Town is no longer pursuing this project and no future debt is expected to be issued for the Community/Library/Senior Center building.

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## **SECTION VI – FINANCIAL ADMINISTRATION**

### ***Fiscal Year***

The Town's fiscal year begins July 1 and ends June 30.

### ***Summary of Accounting Principles***

The Town's accounting system is organized on a fund basis and uses funds and account groups to report on its financial position and results of operations. The General Fund is the general operating fund of the Town government. The Town's General Fund accounting records are maintained on a modified accrual basis, with major revenues recorded when earned and expenditures recorded when incurred. Proprietary Fund type revenues and expenses are recognized on the accrual basis of accounting whereby revenues and expenses are recognized when incurred. The accounting policies of the Town conform to generally accepted accounting principles as applied to governmental units. (See Appendix A – "Audited Financial Statements, Notes to Financial Statements").

### ***Budget Adoption Procedure***

The Board of Selectmen is responsible for preparing preliminary estimates for the Town budget. The Board of Finance presents the annual budget to the Annual Town Meeting, to approve all transfers of appropriations in budget accounts, to recommend all issues of notes or bonds, and to set the tax rate. The Town follows a procedure as outlined below:

In January each department head, officer, head of office, board and/or commission submits detailed estimates of expenditures for the ensuing fiscal year to the Board of Selectmen and Board of Finance.

The Board of Selectmen reviews all proposed estimates of expenditures as well as estimated revenues to be collected.

After discussing and reaching agreement, the Board of Selectmen forwards the proposed budget to the Board of Finance for review. The Board of Finance then prepares a proposed General Town Budget.

The Board of Finance holds a public hearing on the proposed budget prior to presenting it to the Annual Town Meeting in May. Following approval of the proposed budget at the Town meeting, the Board of Finance establishes the tax rate.

The Town Meeting legally appropriates this budget as one balance for revenue and on department basis for expenditures and transfers. The Board of Finance is authorized to approve additional appropriations up to and including \$20,000 per department per year, however, no more than one additional appropriation per department can be made without town meeting approval.

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### **Capital Improvement Plan**

<b>Purpose</b>	<b>Fiscal 2025-26</b>	<b>Fiscal 2026-27</b>	<b>Fiscal 2027-28</b>	<b>Fiscal 2028-29</b>	<b>Fiscal 2029-30</b>	<b>Total</b>
Fire & EMS, Fire Marshal .....	\$ 323,706	\$ 603,539	\$ 1,525,475	\$ 225,475	\$ 375,475	\$ 3,053,670
Infrastructure & Roads .....	7,509,600	8,200,000	3,500,000	250,000	250,000	19,709,600
Lancaster Drive Industrial Park Extension ...	-	1,500,000	-	-	-	1,500,000
Wolfe Ave Senior Affordable Housing .....	-	1,200,000	-	-	-	1,200,000
Parks & Recreation .....	172,511	215,000	200,000	200,000	200,000	987,511
Police .....	118,989	64,489	50,000	50,000	50,000	333,478
Public Works .....	241,535	399,835	137,835	39,835	76,835	895,875
Senior Services .....	50,000	70,000	50,000	50,000	100,000	320,000
Town Hall Departments .....	112,870	110,000	50,000	50,000	305,000	627,870
Waste Water Treatment .....	687,000	600,000	1,000,000	200,000	200,000	2,687,000
<b>Total .....</b>	<b>\$ 9,216,211</b>	<b>\$ 12,962,863</b>	<b>\$ 6,513,310</b>	<b>\$ 1,065,310</b>	<b>\$ 1,557,310</b>	<b>\$ 31,315,004</b>

<b>Funding</b>	<b>Fiscal 2025-26</b>	<b>Fiscal 2026-27</b>	<b>Fiscal 2027-28</b>	<b>Fiscal 2028-29</b>	<b>Fiscal 2029-30</b>	<b>Total</b>
Tax Revenue .....	\$ 980,876	\$ 465,000	\$ 300,000	\$ 550,000	\$ 755,000	\$ 3,050,876
Sewer Waste Water Treatment Fund .....	112,000	-	-	-	-	112,000
Police Private Duty Fund .....	48,989	64,489	50,000	50,000	50,000	263,478
Equipment/Vehicle Replacement Fund .....	80,475	60,475	-	-	100,000	240,950
Grants .....	4,890,471	10,700,000	2,500,000	-	-	18,090,471
To Be Determined .....	-	1,272,899	2,663,310	465,310	652,310	5,053,829
Bonding .....	3,103,400	400,000	1,000,000	-	-	4,503,400
<b>Total Funding Sources.....</b>	<b>\$ 9,216,211</b>	<b>\$ 12,962,863</b>	<b>\$ 6,513,310</b>	<b>\$ 1,065,310</b>	<b>\$ 1,557,310</b>	<b>\$ 31,315,004</b>

### **Annual Audit**

The Town, in accordance with the provisions of Chapter 111 of the Connecticut General Statutes (Sec. 7-391 through 7-397), is required to undergo an annual audit by an independent public accountant. The auditor is required to conduct the audit under the guidelines outlined by the State Office of Policy and Management, which also receives a copy of the audit report. For the fiscal year ended June 30, 2024, the financial statements of the various funds of the Town were audited by MahoneySabol, Glastonbury, Connecticut. The annual audits are conducted in compliance with Chapter 111 and contain the financial statements of the Town and the auditor's opinion thereon, in addition to specific comments and recommendations.

### **Pension Plans**

Union employees, police officers and other Town employees participate in the Connecticut Municipal Employees' Retirement System ("CMERS"). CMERS is a cost-sharing, multiple employer public employee retirement system established by the State of Connecticut, and administered by the State Retirement Commission to provide benefits for employees of participating municipalities. CMERS, considered to be part of the State's financial reporting entity, is included in the State's financial reports as a pension trust fund. CMERS issues a publicly available financial report which may be obtained by writing to the State of Connecticut Retirement Services Division, Office of the State Comptroller, 165 Capitol Avenue, Hartford, Connecticut 06106.

Plan provisions are set by State Statute. CMERS provides retirement benefits, as well as death and disability benefits. Covered employees, hired after September 30, 1969 and not over age 55 when hired, who work at least 20 hours per week are eligible to participate. Employees hired before September 30, 1969 do not need to meet the 20 hours per week requirement to be eligible to participate. Benefits vest after 10 years of continuous service. Participants who retire after age 55 with 10 years of service or after 25 years of service, irrespective of age, are entitled to an annual retirement benefit, payable monthly for life.

Required employee plan contributions are 2.75% of earnings upon which Social Security tax is paid, plus 5% of earnings on which no Social Security tax is paid. Each participating municipality is required to contribute amounts necessary to finance the remaining costs of the plan. In addition to the monthly contribution, the Town is obligated to CMERS for the unfunded accrued liability of its participants that existed at the inception of Town participation in CMERS.

The chart below shows the Town's contributions:

	<b>2025 <sup>1</sup></b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Actuarially Determined Contribution.....	\$ 309,246	\$ 339,350	\$ 269,736	\$ 239,277	\$ 218,810
Contributions in Relation to the Actuarially Determined Contribution.....	309,246	339,350	269,736	239,277	218,810
Contribution Deficiency (Excess).....	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentage of ADC.....	100.00%	100.00%	100.00%	100.00%	100.00%
Covered Payroll.....	\$ 1,805,945	\$ 1,835,464	\$ 1,557,661	\$ 1,467,115	\$ 1,449,184
Contributions as a Percentage of Covered Payroll.....	17.12%	18.49%	17.32%	16.31%	15.10%

<sup>1</sup> Budgeted amounts.

The following presents the net pension liability, calculated using the discount rate of 7.00% as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.0%) or 1- percentage point higher (8.0%) than the current rate:

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Proportionate Share of the Net Pension Liability (Asset) as of June 30, 2024 .....	\$ 4,226,605	\$ 3,038,302	\$ 2,041,847

### **Other Post-employment Benefits**

Contribution requirements of the plan members and the Town are established in the provisions of the program and in accordance with the General Statutes of the State of Connecticut. Currently, employees who are age 55 and older, with 20 years of service in the Town, are eligible to receive benefits. Town Hall employees hired after July 1, 2005 and Public Works employees hired after July 1, 2003 must serve 25 years to be eligible for medical coverage. For the Police, Town and Public Works employees all retirees under the age of 65 contribute at the same level as active employees, which may be adjusted from time to time. After the age of 65, employees contribute 50% of Medicare supplemental cost. For fiscal year 2024, the Town and retirees contributions totaled \$20,800 and were funded on a pay-as-you-go basis.

The following table shows the components of the Town's annual OPEB cost for the year ended June 30, 2024, the amount actually contributed to the plan and changes in the Town's net OPEB obligation:

	<b>2024</b>	<b>2023</b>	<b>2022</b>
<i>Total OPEB Liability</i>			
Service Cost.....	\$ 38,182	\$ 36,891	\$ 35,302
Interest on Total OPEB Liability.....	27,320	21,136	20,648
Difference Between Expected..... and Actual Experience.....	(6,152)	(76,824)	-
Effect Assumptions Changes or Inputs.....	(14,585)	(192,207)	7,358
Benefits Payments, Including Refunds.....	(20,798)	(19,918)	(21,485)
Net Change in Total OPEB Liability.....	23,967	(230,922)	41,823
Total OPEB Liability - Beginning.....	720,594	951,516	909,693
Total OPEB Liability - Ending.....	\$ 744,561	\$ 720,594	\$ 951,516

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50%) or 1-percentage-point higher (4.50%) than the current discount rate:

	<b>Current</b>		
	<b>1% Decrease</b>	<b>Discount Rate</b>	<b>1% Increase</b>
	<b>(2.93%)</b>	<b>(3.93%)</b>	<b>(4.93%)</b>
Total OPEB Liability.....	\$ 868,279	\$ 744,561	\$ 643,980

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate**

The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	<b>Healthcare Cost Trend Rates</b>		
	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
Total OPEB Liability.....	\$ 623,162	\$ 744,561	\$ 901,982

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### Comparative Balance Sheet – General Fund

	<i>Actual</i> <b>6/30/2024</b>	<i>Actual</i> <b>6/30/2023</b>	<i>Actual</i> <b>6/30/2022</b>	<i>Actual</i> <b>6/30/2021</b>	<i>Actual</i> <b>6/30/2020</b>
<b>Assets:</b>					
Cash and cash equivalents.....	\$ 6,714,740	\$ 5,740,395	\$ 5,842,180	\$ 6,860,225	\$ 4,766,689
Investments.....	605,283	542,597	482,002	424,871	-
Receivables:					
Property taxes and interest.....	731,935	893,384	720,638	733,717	814,947
Interest on property taxes.....	462,101	-	-	-	-
Assessments.....	-	560,895	619,447	692,175	811,662
Intergovernmental.....	9,645	22,029	23,681	46,285	35,278
Loans.....	-	-	-	-	-
Other.....	5,022	4,472	3,507	15,902	13,253
Due from other funds.....	49,767	18,032	171,937	16,943	21,788
Inventories.....	10,793	13,638	20,117	7,782	14,863
<b>Total Assets .....</b>	<b>\$ 8,589,286</b>	<b>\$ 7,795,442</b>	<b>\$ 7,883,509</b>	<b>\$ 8,797,900</b>	<b>\$ 6,478,480</b>
<b>Liabilities:</b>					
Accounts and other payables.....	\$ 328,554	\$ 364,060	\$ 295,337	\$ 494,726	\$ 279,486
Accrued liabilities .....	-	-	-	-	-
Due to other funds.....	1,378,289	1,132,642	1,208,911	1,684,797	827,773
Deferred property taxes.....	-	-	-	-	-
Deferred sewer assessments.....	-	-	-	-	-
Performance Bonds.....	76,147	-	-	-	-
Salaries and Benefits Payable.....	115,773	126,535	97,471	85,865	65,265
Unearned revenue.....	25,407	25,407	10,200	11,987	13,179
Deferred mortgage receivable.....	-	-	-	-	-
<b>Total Liabilities .....</b>	<b>\$ 1,924,170</b>	<b>\$ 1,648,644</b>	<b>\$ 1,611,919</b>	<b>\$ 2,277,375</b>	<b>\$ 1,185,703</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable Revenue - Property Taxes & Interest....	\$ 643,819	\$ 671,343	\$ 661,719	\$ 635,247	\$ 688,595
Unavailable Revenue - Assessments & Interest.....	462,125	560,895	619,447	692,175	811,662
<b>Total Deferred Inflows of Resources .....</b>	<b>\$ 1,105,944</b>	<b>\$ 1,232,238</b>	<b>\$ 1,281,166</b>	<b>\$ 1,327,422</b>	<b>\$ 1,500,257</b>
<b>Fund Balances:</b>					
Nonspendable.....	\$ 10,793	\$ 13,638	\$ 20,117	\$ 7,782	\$ 14,863
Restricted.....	-	-	-	-	-
Committed.....	613,743	551,080	485,112	434,497	6,691
Assigned.....	876,619	491,014	847,981	1,143,704	47,142
Unassigned.....	4,058,017	3,858,828	3,637,214	3,607,120	3,723,824
<b>Total Fund Balances.....</b>	<b>\$ 5,559,172</b>	<b>\$ 4,914,560</b>	<b>\$ 4,990,424</b>	<b>\$ 5,193,103</b>	<b>\$ 3,792,520</b>
<b>Total Liabilities and Fund Balances.....</b>	<b>\$ 8,589,286</b>	<b>\$ 7,795,442</b>	<b>\$ 7,883,509</b>	<b>\$ 8,797,900</b>	<b>\$ 6,478,480</b>
<b>Operating revenues .....</b>	<b>\$ 24,367,146</b>	<b>\$ 22,885,192</b>	<b>\$ 22,700,606</b>	<b>\$ 23,183,004</b>	<b>\$ 22,735,737</b>
Fund balance as percent of					
operating revenues .....	22.81%	21.47%	21.98%	22.40%	16.68%



## General Fund Revenues and Expenditures

The General Fund revenues, expenditures, and changes in fund balance for the fiscal years ended June 30, 2017 through 2020 have been derived from audited financial statements. The fiscal year 2021 estimated actuals and fiscal year 2022 budget has been provided by the Town. (Appendix A – “Audited Financial Statements” was taken from the Annual Comprehensive Financial Report of the Town of Beacon Falls for the fiscal year ended June 30, 2020).

	<b>Adopted Budget 2025-26 <sup>1,2</sup></b>	<b>Adopted Budget 2024-25 <sup>1,2</sup></b>	<b>Actual 2023-24</b>	<b>Actual 2022-23</b>	<b>Actual 2021-22</b>	<b>Actual 2020-21</b>
<b>Revenues:</b>						
Property taxes .....	\$ 18,974,693	\$ 19,129,564	\$ 19,004,103	\$ 17,767,247	\$ 17,886,224	\$ 17,935,317
Intergovernmental .....	4,415,621	4,391,169	4,524,495	4,608,156	4,294,932	4,338,208
Charges for services .....	302,900	337,900	359,506	356,964	452,273	339,304
Other .....	118,000	118,000	26,248	38,449	45,460	545,118
Investment income.....	400,000	350,000	452,794	114,376	21,717	25,057
<b>Total Revenues.....</b>	<b>\$ 24,211,214</b>	<b>\$ 24,326,633</b>	<b>\$ 24,367,146</b>	<b>\$ 22,885,192</b>	<b>\$ 22,700,606</b>	<b>\$ 23,183,004</b>
<b>Expenditures:</b>						
Current:						
General government.....	\$ 3,382,606	\$ 3,364,760	\$ 2,951,512	\$ 2,860,921	\$ 2,841,981	\$ 2,535,567
Public works.....	2,559,973	2,408,639	2,107,023	1,873,986	1,860,391	1,890,915
Public safety, health, and welfare.....	2,212,230	2,077,561	1,791,872	1,684,248	1,386,653	1,368,890
Culture and recreation .....	346,053	330,946	318,793	313,273	258,238	253,149
Education.....	15,616,852	15,059,277	14,944,603	14,670,570	14,151,316	14,773,551
Sanitation.....	-	-	-	-	-	-
Contingency and other.....	100,000	100,000	-	-	-	-
Capital outlay.....	798,876	-	-	97,856	-	-
Debt service.....	1,249,000	1,160,450	1,214,548	1,263,848	951,181	855,628
<b>Total Expenditures.....</b>	<b>\$ 26,265,590</b>	<b>\$ 24,501,633</b>	<b>\$ 23,328,351</b>	<b>\$ 22,764,702</b>	<b>\$ 21,449,760</b>	<b>\$ 21,677,700</b>
Revenues over (under) expenditures.....	(2,054,376)	(175,000)	1,038,795	120,490	1,250,846	1,505,304
<b>Other Financing Sources Uses:</b>						
Bond issuance.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond premiums.....	-	-	-	-	-	-
Sale of capital assets.....	-	-	-	-	-	-
Financed Purchases.....	-	-	-	97,856	-	-
Operating Transfers In.....	1,147,876	1,051,619	167,398	272,458	71,423	30,013
Operating Transfers (Out).....	(798,876)	(876,619)	(561,581)	(566,668)	(1,524,948)	(501,787)
<b>Total other Financing Sources (uses) ...</b>	<b>\$ 349,000</b>	<b>\$ 175,000</b>	<b>\$ (394,183)</b>	<b>\$ (196,354)</b>	<b>\$ (1,453,525)</b>	<b>\$ (471,774)</b>
<b>Revenues and other financing sources over (under) expenditures and other financing (uses).....</b>						
	<b>\$ (1,705,376)</b>	<b>\$ -</b>	<b>\$ 644,612</b>	<b>\$ (75,864)</b>	<b>\$ (202,679)</b>	<b>\$ 1,033,530</b>
<b>Fund Balance, July 1.....</b>	<b>\$ 5,559,172</b>	<b>\$ 5,559,172</b>	<b>\$ 4,914,560</b>	<b>\$ 4,990,424</b>	<b>\$ 5,193,103</b>	<b>\$ 3,792,520</b>
<b>Prior period adjustment.....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>367,053</b>
<b>Fund Balance, June 30.....</b>	<b>\$ 3,853,796</b>	<b>\$ 5,559,172</b>	<b>\$ 5,559,172</b>	<b>\$ 4,914,560</b>	<b>\$ 4,990,424</b>	<b>\$ 5,193,103</b>

<sup>1</sup> Budgetary basis.

<sup>2</sup> Subject to audit.

## **Intergovernmental Revenues**

<b>Fiscal Year Ended 6/30</b>	<b>Intergovernmental Revenues</b>	<b>Total Revenues</b>	<b>Percent</b>
2025 <sup>1</sup>	\$ 4,391,169	\$ 24,326,633	18.1%
2024	4,524,495	24,367,146	18.6%
2023	4,608,156	22,885,192	20.1%
2022	4,294,932	22,700,606	18.9%
2021	4,338,208	23,183,004	18.7%
2020	4,699,339	22,735,737	20.7%

<sup>1</sup> Subject to audit.

Source: Town of Beacon Falls Audited Financial Reports 2020-2024. 2025 provided by the Town's Finance Director.

**Municipal General Budget Expenditures Cap:** Connecticut General Statutes Section 4-661 creates a cap on adopted general budget expenditures for municipalities in Connecticut in order for municipalities to be eligible to receive the full amount of the State's municipal revenue sharing grant. Beginning in fiscal year ending June 30, 2018, and in each fiscal year thereafter, the Office of Policy and Management (“OPM”) must reduce the municipal revenue sharing grant amount for those municipalities whose adopted general budget expenditures (with certain exceptions including but not limited to debt service, special education, implementation of court orders or arbitration awards, budgeting for an audited deficit, nonrecurring grants, capital expenditures of \$100,000 or more, or payments on unfunded pension liabilities, and certain major disaster or emergency expenditures) exceeds the spending limits specified in the statute. For each applicable fiscal year, OPM must determine the municipality's percentage growth in general budget expenditures over the prior fiscal year and reduce the grant if the growth rate is equal to or greater than 2.5% or the inflation rate, whichever is greater, each of those amounts adjusted by an amount proportionate to any increase in the municipality's population from the previous fiscal year. The reduction is generally equal to 50 cents for every dollar the municipality spends over this cap. Each municipality must annually certify to the Secretary of the OPM whether such municipality has exceeded the cap set forth in the statute and if so the amount by which the cap was exceeded.

See “Tax Base Data” herein.

### **Investment Policy**

The Town has an investment policy published in the Financial Policy Manual . In accordance with Connecticut General Statutes, the Town's Board of Selectmen designates the qualified public depositories which the Treasurer may use for public deposits, including investments. Eligible investments for Connecticut municipalities are governed by the Connecticut General Statutes, Sections 7-400 - 7-402. The Town Treasurer invests the Town's operating and working capital funds accordingly.

In addition, the Town monitors the risk-based capital ratios and collateral requirements of the qualified public depositories, as defined by the Connecticut General Statutes, Section 36a-330, for which it places deposits or makes investments.

See Appendix A – “Audited Financial Statements, Notes to Financial Statements, Note 1” herein for more information.

### **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 has obtained worker compensation insurance 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.

## **SECTION VII – ADDITIONAL INFORMATION**

### ***Litigation***

Following consultation with the Town Attorney, and other attorneys providing legal services to the Town, Town officials advise that the Town of Beacon Falls, Connecticut, its officers, employees, boards and commissions are named defendants in a number of lawsuits. With regard to these pending lawsuits, it is the Town officials' opinion that such pending litigation will not be finally determined so as to result individually or in the aggregate in final judgments against the Town that would materially adversely affect its financial position.

### ***Documents Furnished at Delivery***

The winning bidder will be furnished the following documents when the Bonds are delivered:

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds or the levy or collection of taxes to pay them.
2. A certificate on behalf of the Town, signed by the Selectmen, the Treasurer and the Finance Manager which will be dated the date of delivery and which will certify, to the best of said officials' knowledge and belief, that at the time the bids were awarded for the Bonds, the descriptions and statements in the Official Statement relating to the Town and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Official Statement.
3. A receipt for the purchase price of the Bonds.
4. The approving opinion of Pullman & Comley, LLC, Bond Counsel, of Hartford, Connecticut in substantially, the form attached hereto as Appendix B.
5. An executed Continuing Disclosure Agreement for the Bonds in substantially the form attached hereto as Appendix C.
6. The Town has prepared an Official Statement for the Bonds which is dated August \_\_, 2025. The Town deems such Official Statement final as of its date for purposes of SEC Rule 15c2-12 (b)(1), but it is subject to revision or amendment. The Town will make available to the winning bidder of the Bonds a reasonable number of copies of the final official statement at the Town's expense. The copies of the Official Statement will be made available to the winning bidder no later than seven business days of the bid opening. If the Town's Municipal Advisor is provided with the necessary information from the winning bidder by noon of the day following the day bids on the Bonds are received, the copies of the final Official Statement will include an additional cover page and other pages indicating the interest rates, yields or reoffering prices, the name of the managing underwriter, the name of the insurer, if any, and any changes on the Bonds. The winning bidder shall arrange with the Municipal Advisor the method of delivery of the copies of the Official Statement to the winning bidder.

A record of the proceedings taken by the Town in authorizing the Bonds will be kept on file at the office of U.S. Bank Trust Company, National Association, and may be examined upon reasonable request.

## ***Concluding Statement***

This Official Statement is submitted only in connection with the sale of the Bonds by the Town and may not be reproduced or used in whole or in part for any other purpose.

The following officials, in their capacity as officers of the Town, and in the name and on behalf of the Town, do hereby certify in connection with this issue that they have examined this Official Statement, and to the best of their knowledge and belief, the description and statements relating to the Town and its finances were true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

By:

\_\_\_\_\_  
Gerard Smith, *First Selectman*

By:

\_\_\_\_\_  
Michael A. Krenesky, *Selectman*

By:

\_\_\_\_\_  
Peter J. Betkoski, *Selectman*

By:

\_\_\_\_\_  
Dalton Fennell, *Treasurer*

By:

\_\_\_\_\_  
Natasha Nau, *Finance Manager*

Dated as of August \_\_, 2025

## ***Appendix A***

### ***2024 Financial Statements Excerpted from the Town's Annual Comprehensive Financial Report***

The following includes the General Purpose Financial Statements of the Town of Beacon Falls, Connecticut for the fiscal year ended June 30, 2024. The supplemental data that was a part of that report has not been reproduced herein. A copy of the complete report is available upon request from Barry J. Bernabe, Managing Director, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 53 River Street, Suite 1, Milford, Connecticut 06460. Telephone (203) 283-1110.

## INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Finance  
Town of Beacon Falls, 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 Beacon Falls, Connecticut, (the Town) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town'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 Beacon Falls, Connecticut, as of June 30, 2024, 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 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'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 Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town'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 on pages 4 through 13 and the information on pages 47 through 54 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's basic financial statements. The accompanying combining and individual fund financial statements and 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 fund financial statements and 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 13, 2024, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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'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's internal control over financial reporting and compliance.

*Mahoney Sabol & Company, LLP*

Certified Public Accountants  
Glastonbury, Connecticut  
December 13, 2024



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**MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED**

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**TOWN OF BEACON FALLS, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2024**

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The management of the Town of Beacon Falls, Connecticut, (the Town) offers the readers of its financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2024.

**FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$24,566,524 (net position). Of this amount, \$5,398,645 represents the Town's unrestricted net position, which may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net position increased by \$3,960,022 during the current fiscal year.
- As of the close of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$12,777,520, an increase of \$719,752 in comparison with the prior year.
- At the close of the current fiscal year, unassigned fund balance of the General Fund was \$4,058,017 or 16.0% of the Town's fiscal year 2025 budgetary expenditure appropriations. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover approximately 1.92 months of General Fund expenditures.
- The Town's total capital assets increased by \$2,710,516 or 11.2% during the current year.
- The Town's total long-term debt, consisting of general obligation bonds and financed purchases, decreased by \$507,328 or 4.6% during the current fiscal year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**Government-wide Financial Statements**

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

The statement of net position presents information on all of the Town's assets, deferred outflows and inflows of resources and liabilities, with net position as the residual of these elements. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

**TOWN OF BEACON FALLS, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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**OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)***

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

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

The government-wide financial statements can be found on pages 14 and 15 of this report.

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town are governmental funds.

***Governmental Funds***

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Town's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains several governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Bonded Projects Fund and the Unbudgeted Grants Fund, all of which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 16 through 19 of this report.

**TOWN OF BEACON FALLS, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2024**

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**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

**Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20 through 46 of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information other than this management's discussion and analysis that can be found on pages 47 through 54 of this report. Combining and individual fund statements and schedules can be found on pages 55 through 64 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net Position**

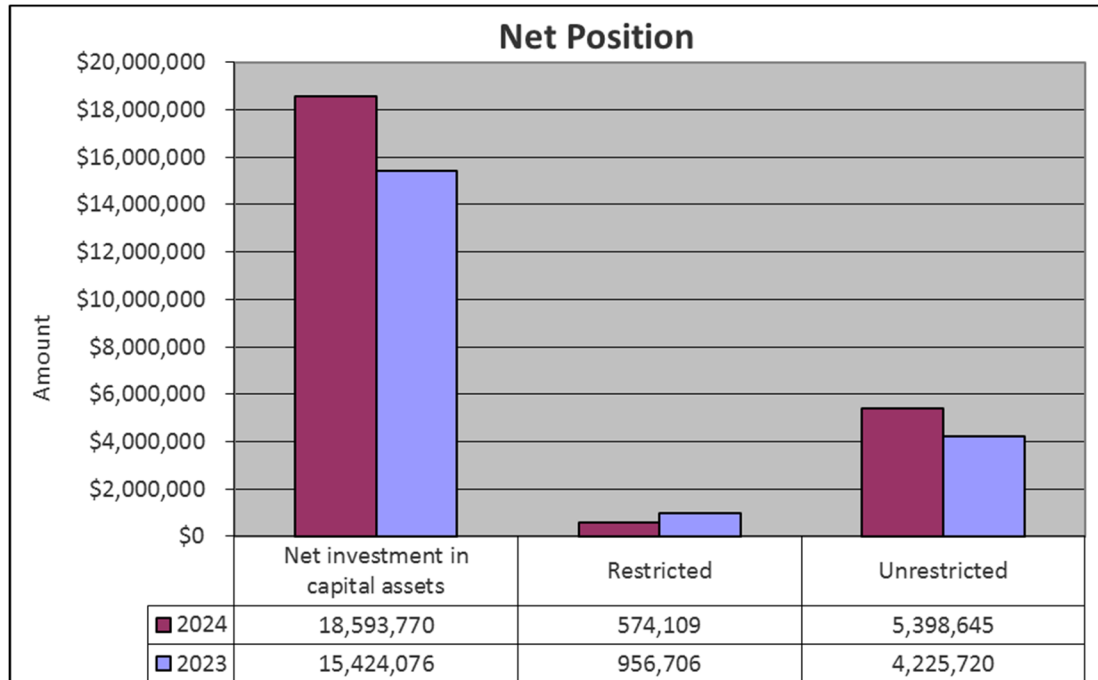
Over time, net position may serve as one measure of a government's financial position. Net position of the Town totaled \$24,566,524 and \$20,606,502 as of June 30, 2024 and 2023, respectively, and are summarized as follows.

	<b>2024</b>	<b>2023</b>	<b>\$ Variance</b>	<b>% Variance</b>
Current and other assets	\$ 15,085,540	\$ 16,119,942	\$ (1,034,402)	-6.4%
Capital assets	26,892,777	24,182,261	2,710,516	11.2%
Total assets	<u>41,978,317</u>	<u>40,302,203</u>	<u>1,676,114</u>	4.2%
Deferred outflows of resources	<u>1,674,019</u>	<u>1,427,229</u>	<u>246,790</u>	17.3%
Other liabilities	1,261,211	2,894,988	(1,633,777)	-56.4%
Long-term liabilities	17,051,839	17,271,591	(219,752)	-1.3%
Total liabilities	<u>18,313,050</u>	<u>20,166,579</u>	<u>(1,853,529)</u>	-9.2%
Deferred inflows of resources	<u>772,762</u>	<u>956,351</u>	<u>(183,589)</u>	-19.2%
Net position:				
Net investment in capital assets	18,593,770	15,424,076	3,169,694	20.6%
Restricted	574,109	956,706	(382,597)	-40.0%
Unrestricted	5,398,645	4,225,720	1,172,925	27.8%
Total net position	<u><u>\$ 24,566,524</u></u>	<u><u>\$ 20,606,502</u></u>	<u><u>\$ 3,960,022</u></u>	19.2%

**TOWN OF BEACON FALLS, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2024**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Net Position (Continued)**



As of June 30, 2024, approximately 75.7% of the Town's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

2.3% of the Town's net position is subject to external restrictions on how they may be used and are therefore presented as restricted net position.

The remainder of the Town's net position is considered unrestricted. Overall, net position increased by \$3,960,022 in comparison with the prior year. Significant changes in the Town's net position included the following:

*Current and other assets:* The Town reported a decrease in cash and cash equivalents driven by the use of Local Transportation Capital Improvement Program funds received from the State in the prior year to fund the Burton Road Reconstruction and Retaining Wall Replacement project during the current year.

*Capital assets:* The Town reported an increase in capital assets driven by road reconstruction and related infrastructure projects, including the Burton Road Reconstruction and Retaining Wall Replacement project and the Beacon Valley Road project. These projects were primarily funded from State grants from the Local Transportation Capital Improvement Program.

*Other liabilities:* Other liabilities decreased as a result of the recognition of unearned grant funds reported in the prior year, primarily related to the Local Transportation Capital Improvement Program.

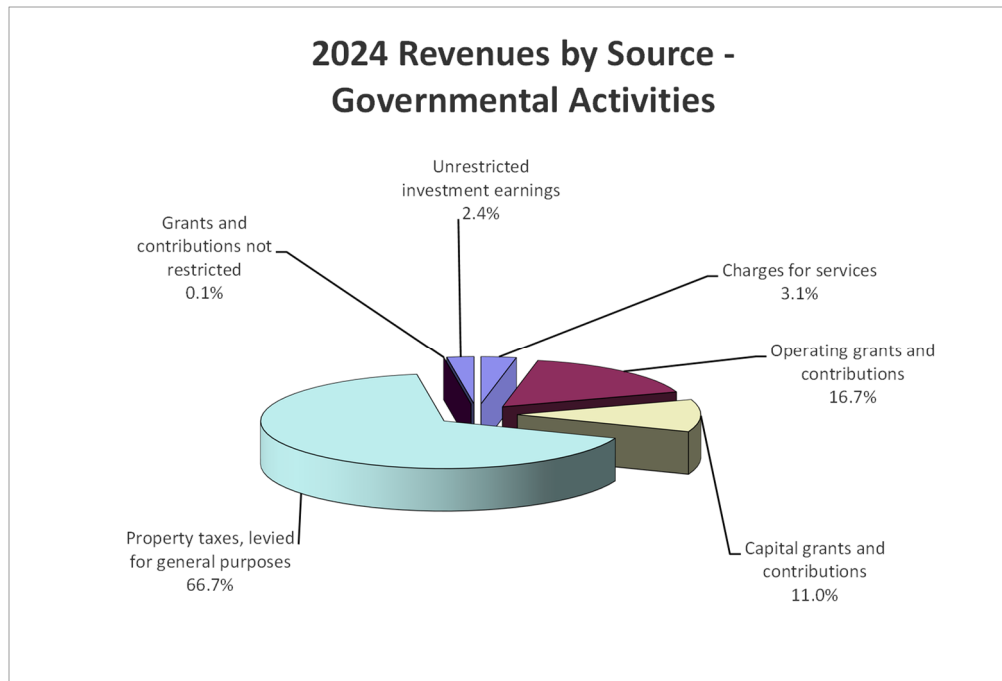
**TOWN OF BEACON FALLS, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2024**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Change in Net Position**

Changes in net position for the years ended June 30, 2024 and 2023 are as follows.

	<u>2024</u>	<u>2023</u>	<u>\$ Variance</u>	<u>% Variance</u>
<b>Revenues</b>				
Program revenues:				
Charges for services	\$ 875,141	\$ 900,784	\$ (25,643)	-2.8%
Operating grants and contributions	4,752,278	4,514,599	237,679	5.3%
Capital grants and contributions	3,113,815	2,802,305	311,510	11.1%
General revenues:				
Property taxes, levied for general purposes	18,877,809	17,718,319	1,159,490	6.5%
Grants and contributions not restricted to specific programs	203,242	321,610	(118,368)	-36.8%
Unrestricted investment earnings	673,796	257,534	416,262	161.6%
Total revenues	<u>28,496,081</u>	<u>26,515,151</u>	<u>1,980,930</u>	7.5%
<b>Expenses</b>				
General government	\$ 3,164,555	2,941,994	222,561	7.6%
Public works	3,295,895	2,828,544	467,351	16.5%
Public safety	2,379,800	2,229,656	150,144	6.7%
Health and welfare	177,473	172,146	5,327	3.1%
Culture and recreation	384,730	381,615	3,115	0.8%
Education	14,944,603	14,670,570	274,033	1.9%
Interest expense	189,003	184,841	4,162	2.3%
Total expenses	<u>24,536,059</u>	<u>23,409,366</u>	<u>1,126,693</u>	4.8%
Change in net position	<u>\$ 3,960,022</u>	<u>\$ 3,105,785</u>	<u>\$ 854,237</u>	27.5%

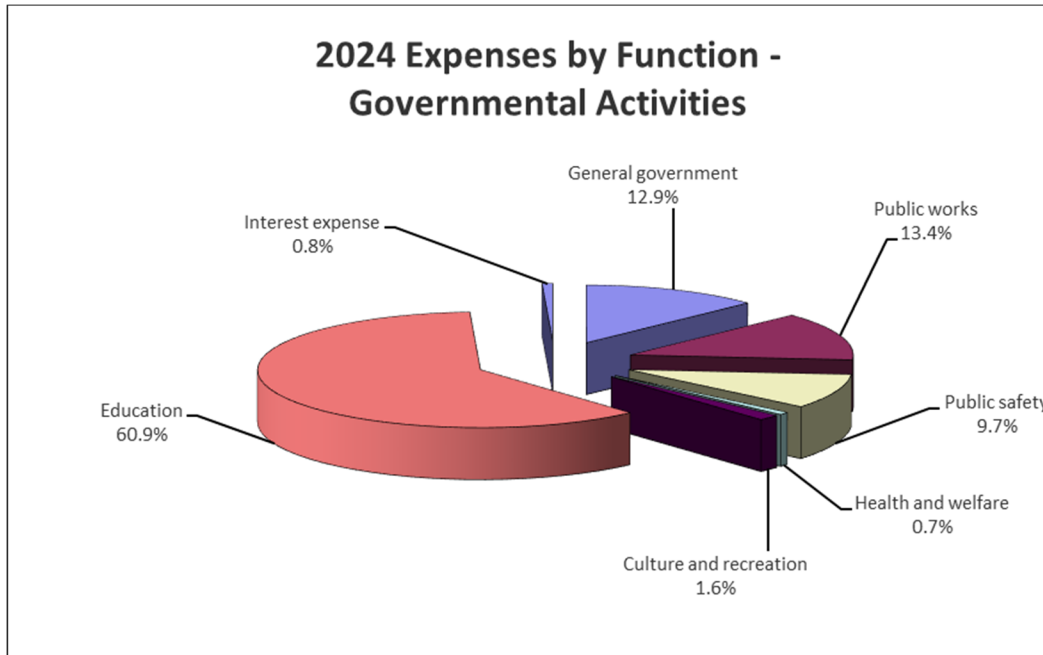


**TOWN OF BEACON FALLS, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)***

**Change in Net Position *(Continued)***



**Governmental Activities**

Governmental activities increased the Town's net position by \$3,960,022. This is a \$854,237 increase over the Town's prior year change in net position.

Revenues generated by the Town increased by \$1,980,930 or 7.5% in comparison to the prior year. Significant changes in revenues were as follows:

- An increase in capital grants and contributions of \$311,510 or 11.1%. Capital grants and contributions typically fluctuate year over year since revenues are recognized in connection with non-recurring capital projects. During fiscal year 2024, capital grants and contributions were recognized in connection with road and other infrastructure improvements funded by the State's Local Transportation Capital Improvement Program.
- A decrease in grants and contributions not restricted to specific programs of \$118,368. This decrease was driven by the receipt of a Municipal Transition grant in the prior year in the amount of \$142,406.
- An increase in unrestricted investment earnings of \$416,262, driven by an increase in interest earned on short-term investments.

Expenses incurred by the Town increased by \$1,126,693 or 4.8% in comparison to the prior year. Significant changes in expenses were as follows:

- An increase in public works expenses of \$467,351 or 16.5% over the prior year. This increase was driven by the increase in depreciation expense as a result of newly capitalized road and sewer projects.
- An increase in education expenses of \$274,033 or 1.9%, which is entirely related to the increase in the assessment levied by Regional School District No. 16 to fund the District's operating costs.

**TOWN OF BEACON FALLS, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)***

**FINANCIAL ANALYSIS OF THE TOWN'S FUNDS**

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

**Governmental Funds**

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$12,777,520.

**General Fund**

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, fund balance of the General Fund was \$5,559,172, of which \$4,058,017 was unassigned. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 16.0% of the Town's fiscal year 2025 budgetary expenditure appropriations. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover approximately 1.92 months of General Fund expenditures.

The fund balance of the Town's General Fund increased by \$644,612 during the current fiscal year.

**Bonded Projects Fund**

The fund balance of the Bonded Projects Fund decreased by \$293,338 during the current fiscal year, which resulted in an ending fund balance of \$3,026,107 as of June 30, 2024.

**Unbudgeted Grants Fund**

The fund balance of the Unbudgeted Grants Fund increased by \$63,815 during the current fiscal year, which resulted in an ending fund balance of \$101,426 as of June 30, 2024.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The original operating budget for the General Fund planned for the utilization of fund balance in the amount of \$491,014. Additional appropriations in the amount of \$139,318 were authorized during the year ended June 30, 2024.

The actual net change in fund balance of the General Fund on a budgetary basis was an increase of \$581,949, resulting in an overall favorable budgetary variance of \$1,212,281. Budgetary revenues were \$726,709 more than expected, primarily due to favorable variances on tax collections, interest income and State-aid from a Municipal Revenue Sharing grant. Expenditures were \$485,572 less than budgeted with favorable variances across all departments.



**TOWN OF BEACON FALLS, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2024**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

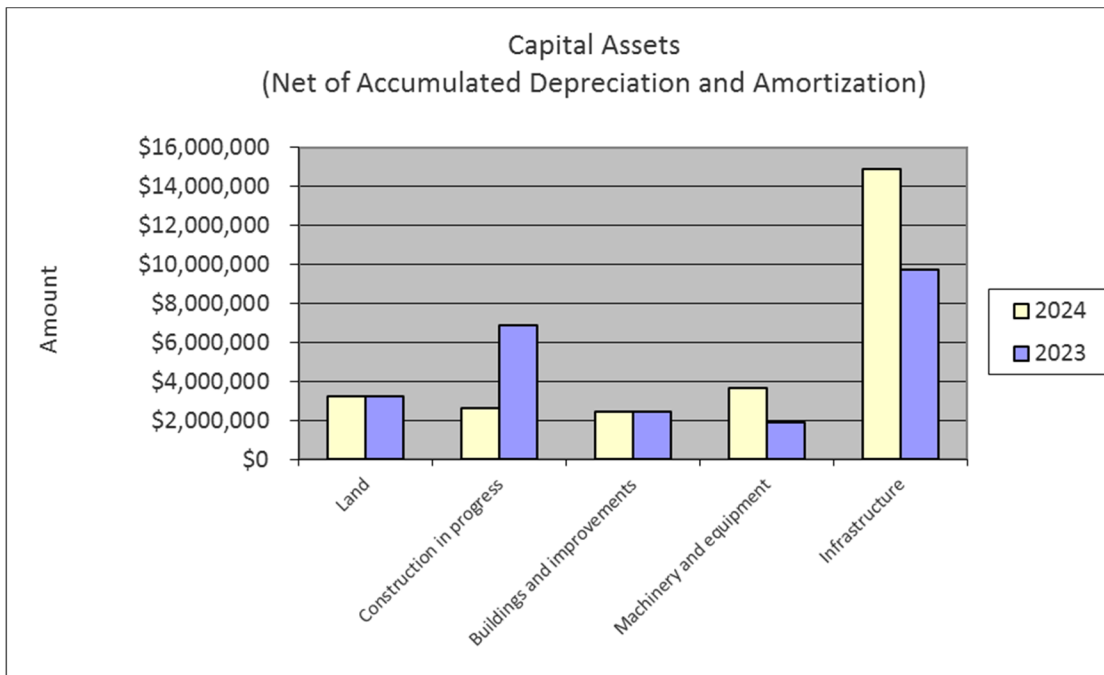
The Town's investment in capital assets for its governmental activities as of June 30, 2024 and 2023 totaled \$26,892,777 and \$24,182,261, respectively (net of accumulated depreciation and amortization). This investment in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, and infrastructure. The total increase in the Town's investment in capital assets for the current fiscal year was \$2,710,516 or 11.2%.

Major capital asset additions during the current year included the following:

- outlays related to road and sewer improvements in the amount of \$3.2 million;
- outlays related to the purchase of a plow truck in the amount of \$230 thousand; and
- outlays related to the purchase of an ambulance in the amount of \$355 thousand.

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

	<b>2024</b>	<b>2023</b>	<b>\$ Variance</b>	<b>% Variance</b>
Land	\$ 3,254,425	\$ 3,254,425	\$ -	0.0%
Construction in progress	2,625,851	6,862,373	(4,236,522)	-61.7%
Buildings and improvements	2,450,259	2,435,524	14,735	0.6%
Machinery and equipment	3,674,751	1,899,524	1,775,227	93.5%
Infrastructure	14,887,491	9,730,415	5,157,076	53.0%
Totals	<u>\$ 26,892,777</u>	<u>\$ 24,182,261</u>	<u>\$ 2,710,516</u>	<u>11.2%</u>



Additional information on the Town's capital assets can be found in Note 3 of this report.

**TOWN OF BEACON FALLS, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

**CAPITAL ASSET AND DEBT ADMINISTRATION *(Continued)***

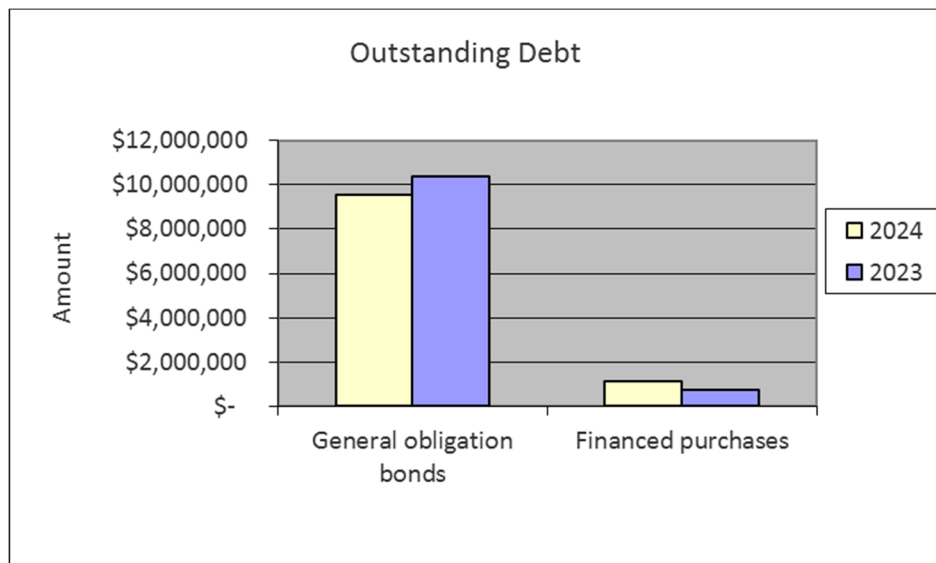
**Long-term Debt**

At the end of the current fiscal year, the Town had total long-term debt outstanding of \$10,626,911. This entire amount is comprised of debt backed by the full faith and credit of the Town. The Town's total long-term debt decreased by \$507,328 or 4.6% during the current fiscal year. Current year debt activity includes the issuance of \$573,317 of financed purchases off set by regularly scheduled debt service payments.

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

The following table is a two-year comparison of long-term and short-term bonded debt outstanding:

	<b>2024</b>	<b>2023</b>	<b>\$ Variance</b>	<b>% Variance</b>
General obligation bonds	\$ 9,530,000	\$ 10,410,000	\$ (880,000)	-8.5%
Financed purchases	1,096,911	724,239	372,672	51.5%
	<u>\$ 10,626,911</u>	<u>\$ 11,134,239</u>	<u>\$ (507,328)</u>	-4.6%



Additional information on the Town's long-term debt can be found in Note 6 of this report.

**TOWN OF BEACON FALLS, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

A summary of key economic factors affecting the Town are as follows:

- Significant estimates affecting next year's budget that are subject to change in the near term consist of the following:
  - For purposes of calculating property tax revenues for fiscal year 2025, the assessor's grand list was used along with an estimated tax rate, and an estimated rate of collection, with deductions for taxes to be paid by the State on behalf of certain taxpayers.
  - Intergovernmental grants were based on estimates from the State.
  - It is unknown how the weakened economy will impact real estate activity and related revenues collected by the Land Use Department, the Town Clerk, the Building Department and the amount of conveyance taxes and interest income.

All of these factors were considered in preparing the Town's budget for fiscal year 2025.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Office, Town of Beacon Falls, 10 Maple Avenue, Beacon Falls, Connecticut 06403.

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## **BASIC FINANCIAL STATEMENTS**

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**TOWN OF BEACON FALLS, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2024**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 12,670,242
Investments	615,423
Receivables:	
Property taxes and interest, net	731,935
Assessments and interest, net	118,539
Grants and contracts	27,356
Other	64,263
Other assets	10,793
Noncurrent assets:	
Receivables:	
Assessments	343,562
Loans	503,427
Capital assets:	
Non-depreciable	5,880,276
Depreciable, net	21,012,501
Total assets	<u>41,978,317</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension related	1,386,369
LOSAP related	84,883
OPEB related	181,792
Deferred charges on refunding	20,975
Total deferred outflows of resources	<u>1,674,019</u>
<b>LIABILITIES</b>	
Accounts payable	759,824
Salaries and benefits payable	115,773
Accrued interest payable	59,135
Unearned revenue	250,332
Performance bonds	76,147
Noncurrent liabilities:	
Due within one year	1,237,796
Due in more than one year	15,814,043
Total liabilities	<u>18,313,050</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension related	160,963
LOSAP related	287,101
OPEB related	324,698
Total deferred inflows of resources	<u>772,762</u>
<b>NET POSITION</b>	
Net investment in capital assets	18,593,770
Restricted for:	
Loan rehabilitation program	562,618
Other programs	11,491
Unrestricted	5,398,645
Total net position	<u><u>\$ 24,566,524</u></u>

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

**TOWN OF BEACON FALLS, CONNECTICUT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental activities:					
General government	\$ 3,164,555	\$ 358,242	\$ 68,946	\$ -	\$ (2,737,367)
Public works	3,295,895	102,301	439,435	3,103,815	349,656
Public safety	2,379,800	396,525	203,806	-	(1,779,469)
Health and welfare	177,473	-	-	-	(177,473)
Culture and recreation	384,730	18,073	6,512	10,000	(350,145)
Education	14,944,603	-	4,033,579	-	(10,911,024)
Interest expense	189,003	-	-	-	(189,003)
Total governmental activities	<u>\$ 24,536,059</u>	<u>\$ 875,141</u>	<u>\$ 4,752,278</u>	<u>\$ 3,113,815</u>	<u>(15,794,825)</u>
General revenues:					
	Property taxes and assessments, levied for general purposes				18,877,809
	Grants and contributions not restricted to specific programs				203,242
	Unrestricted investment earnings				673,796
	Total general revenues				<u>19,754,847</u>
		Change in net position			3,960,022
		Net position - beginning			<u>20,606,502</u>
		Net position - ending			\$ 24,566,524

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

**TOWN OF BEACON FALLS, CONNECTICUT**  
**BALANCE SHEET -**  
**GOVERNMENTAL FUNDS**  
**AS OF JUNE 30, 2024**

	<b>General Fund</b>	<b>Bonded Projects Fund</b>	<b>Unbudgeted Grants Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 6,714,740	\$ 3,217,495	\$ 463,651	\$ 2,274,356	\$ 12,670,242
Investments	605,283	-	-	10,140	615,423
Receivables:					
Property taxes and interest, net	731,935	-	-	-	731,935
Assessments and interest, net	462,101	-	-	-	462,101
Intergovernmental	9,645	-	17,711	-	27,356
Loans	-	-	-	503,427	503,427
Other	5,022	-	-	59,241	64,263
Due from other funds	49,767	9,618	96,940	1,385,180	1,541,505
Inventories	10,793	-	-	-	10,793
Total assets	<u>\$ 8,589,286</u>	<u>\$ 3,227,113</u>	<u>\$ 578,302</u>	<u>\$ 4,232,344</u>	<u>\$ 16,627,045</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 328,554	\$ 134,168	\$ 209,799	\$ 87,303	\$ 759,824
Salaries and benefits payable	115,773	-	-	-	115,773
Due to other funds	1,378,289	66,838	46,462	49,916	1,541,505
Performance bonds	76,147	-	-	-	76,147
Unearned revenue	25,407	-	220,615	4,310	250,332
Total liabilities	<u>1,924,170</u>	<u>201,006</u>	<u>476,876</u>	<u>141,529</u>	<u>2,743,581</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes and interest	643,819	-	-	-	643,819
Unavailable revenue - assessments and interest	462,125	-	-	-	462,125
Total deferred inflows of resources	<u>1,105,944</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,105,944</u>
<b>FUND BALANCES</b>					
Nonspendable	10,793	-	-	10,000	20,793
Restricted	-	3,026,107	-	564,109	3,590,216
Committed	613,743	-	101,426	3,516,706	4,231,875
Assigned	876,619	-	-	-	876,619
Unassigned	4,058,017	-	-	-	4,058,017
Total fund balances	<u>5,559,172</u>	<u>3,026,107</u>	<u>101,426</u>	<u>4,090,815</u>	<u>12,777,520</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,589,286</u>	<u>\$ 3,227,113</u>	<u>\$ 578,302</u>	<u>\$ 4,232,344</u>	<u>\$ 16,627,045</u>

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

**TOWN OF BEACON FALLS, CONNECTICUT**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2024**

Total fund balance for governmental funds	\$	12,777,520
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Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. Those assets consist of:

Land	\$	3,254,425	
Construction in progress		2,625,851	
Buildings and improvements		4,871,088	
Machinery and equipment		9,376,769	
Infrastructure		26,930,892	
Less: accumulated depreciation and amortization		<u>(20,166,248)</u>	
Total capital assets, net			26,892,777

Deferred outflows and inflows of resources resulting from changes in the components of the net pension, total OPEB and total LOSAP liabilities are reported in the statement of net position.		880,282
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Some of the Town's taxes, assessments, and interest receivables will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.		1,105,944
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Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position.

Accrued interest	(59,135)	
Long-term debt:		
Bonds	(9,530,000)	
Unamortized premium	(585,010)	
Deferred charges on refunding	20,975	
Financed purchases	(1,096,911)	
Other long-term liabilities:		
Compensated absences	(103,575)	
Pension obligation	(1,123,517)	
Net pension liability	(3,038,302)	
Total OPEB liability	(744,561)	
Total LOSAP liability	<u>(829,963)</u>	
Total long-term liabilities		<u>(17,089,999)</u>

Net position of governmental activities	\$	<u><u>24,566,524</u></u>
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*The accompanying notes are an integral part of these financial statements .*



**TOWN OF BEACON FALLS, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<b>General Fund</b>	<b>Bonded Projects Fund</b>	<b>Unbudgeted Grants Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>					
Property taxes	\$ 18,867,115	\$ -	\$ -	\$ -	\$ 18,867,115
Assessments	136,988	-	-	-	136,988
Intergovernmental	4,524,495	12,120	3,217,515	-	7,754,130
Charges for services	359,506	-	-	505,919	865,425
Interest income	452,794	66,581	56,671	97,750	673,796
Other	26,248	-	11,579	287,094	324,921
Total revenues	<u>24,367,146</u>	<u>78,701</u>	<u>3,285,765</u>	<u>890,763</u>	<u>28,622,375</u>
<b>EXPENDITURES</b>					
Current:					
General government	2,951,512	-	9,474	4,303	2,965,289
Public works	2,107,023	-	-	-	2,107,023
Public safety	1,613,226	-	-	334,686	1,947,912
Health and welfare	178,646	-	-	-	178,646
Culture and recreation	318,793	-	2,665	6,395	327,853
Education	14,944,603	-	-	-	14,944,603
Debt service:					
Principal payments	897,690	-	-	182,955	1,080,645
Interest and fiscal charges	316,858	-	-	15,855	332,713
Capital outlays	-	305,457	3,209,811	1,075,988	4,591,256
Total expenditures	<u>23,328,351</u>	<u>305,457</u>	<u>3,221,950</u>	<u>1,620,182</u>	<u>28,475,940</u>
Excess (deficiency) of revenues over expenditures	1,038,795	(226,756)	63,815	(729,419)	146,435
<b>OTHER FINANCING SOURCES (USES)</b>					
Financed purchases	-	-	-	573,317	573,317
Transfers in	167,398	-	-	628,163	795,561
Transfers out	(561,581)	(66,582)	-	(167,398)	(795,561)
Total other financing sources (uses)	<u>(394,183)</u>	<u>(66,582)</u>	<u>-</u>	<u>1,034,082</u>	<u>573,317</u>
Net change in fund balances	644,612	(293,338)	63,815	304,663	719,752
Fund balances - beginning	<u>4,914,560</u>	<u>3,319,445</u>	<u>37,611</u>	<u>3,786,152</u>	<u>12,057,768</u>
Fund balances - ending	<u>\$ 5,559,172</u>	<u>\$ 3,026,107</u>	<u>\$ 101,426</u>	<u>\$ 4,090,815</u>	<u>\$ 12,777,520</u>

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

**TOWN OF BEACON FALLS, CONNECTICUT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

Net change in fund balances - total governmental funds	\$	719,752
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Total change in net position reported for governmental activities in the statement of activities is different because:

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

Expenditures for capital assets	\$ 4,483,926	
Depreciation and amortization expense	(1,664,033)	
Net adjustment		2,819,893

In the statement of activities, only the loss on the sale of capital assets is reported whereas the proceeds from the sale increase financial resources in the governmental funds.	(109,377)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of long-term obligations is as follows:

Debt issued or incurred:		
Financed purchases	(573,317)	
Principal repayments:		
Bonds	880,000	
Financed purchases	200,645	
Net adjustment		507,328

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

Accrued interest	5,917	
Amortization of bond premium	145,523	
Deferred amount on refunding	(7,730)	
Compensated absences	1,605	
Pension obligation	62,093	
Net pension liability	(422,562)	
Total OPEB liability	(23,967)	
Total LOSAP liability	(50,268)	
		(289,389)

Deferred outflows and inflows of resources resulting from changes in the components of the net pension, total OPEB and total LOSAP liabilities are amortized as a component of pension, OPEB and LOSAP expense in the statement of activities.	438,109
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Certain revenues reported in the statement of activities do not provide current financial resources and therefore are reported as deferred inflows of revenue in governmental funds. This amount represents the change in unavailable revenues.	(126,294)
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Change in net position of governmental activities	\$	<u>3,960,022</u>
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*The accompanying notes are an integral part of these financial statements.*

**TOWN OF BEACON FALLS, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2024**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Town of Beacon Falls, Connecticut, (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government 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.

**Financial Reporting Entity**

The Town was incorporated in 1871. The Town operates under a Board of Selectmen, Town Meeting and Board of Finance form of government.

The legislative power of the Town is vested with the Board of Selectmen and by Town Meeting. The Board of Selectmen may enact, amend or repeal ordinances and resolutions. The administration of the Town offices and agencies is the responsibility of the First Selectman.

The Board of Finance is responsible for financial and taxation matters as prescribed by the Connecticut General Statutes, and is responsible for presenting fiscal operating budgets for Town Meeting approval.

The Town provides the following services: public works, public safety, culture and recreation, education and general administrative services.

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

**Government-wide and Fund Financial Statements**

**Government-wide Financial Statements**

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

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

**TOWN OF BEACON FALLS, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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

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

**Fund Financial Statements**

The fund financial statements provide information about the Town's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The Town reports the following major governmental funds:

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

*Bonded Projects Fund* - This fund is used to account for the proceeds from the issuance of debt to fund authorized capital projects.

*Unbudgeted Grants Fund* - This fund is used to account for the financial activity of unbudgeted grants and related capital expenditures.

**Measurement Focus and Basis of Accounting**

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. 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.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, claims and judgments, and postemployment benefits are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the Town the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

**TOWN OF BEACON FALLS, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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

**Measurement Focus and Basis of Accounting *(Continued)***

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

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

**Cash and Cash Equivalents**

The Town's cash and cash equivalents include short-term highly liquid investments with original maturities of three months or less when purchased.

**Investments**

Investments consist of funds invested in an insurance contract. Investments in this type of contract are measured by the Town at contract value, which approximates fair value.

**Property Taxes, Sewer Assessment and Usage Charges**

Property taxes are assessed as of October 1. Taxes are billed in the following July and are due in two installments, July 1 and January 1. Personal property and motor vehicle taxes are billed in July and are due in one installment, July 1. Taxes become delinquent thirty days after the installment is due and interest on delinquent accounts is charged at a rate of 1.5% per month. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date. Based on historical collection experience and other factors, the Town has established an allowance for uncollectible taxes and interest of \$119,000 as of June 30, 2024.

Sewer and water assessments are levied over various periods, and annual installments on the amounts levied are due and payable similar to property taxes. The Town may foreclose liens against property benefited by special assessment, when assessment payers are in arrears.

**Loans Receivable**

The Town administers a loan program for low to moderate income families through the Small Cities grant program. The loans bear an interest rate of 0%. Repayment of the loans is deferred, but the loans become due and payable upon sale or transfer of the property, the owner's demise, or when the subject property is no longer the applicant's principal place of residence. The notes may be paid in full or in part by the borrower at any time without penalty.

**Leases (as Lessor)**

The Town recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the Town initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

**TOWN OF BEACON FALLS, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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

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

**Capital Assets**

Capital assets, which include property, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$5,000 with an estimated useful life in excess of two years. Donated capital assets are recorded at acquisition value at the date of donation. All other assets are recorded at historical cost, or estimated historical cost, if purchased or constructed. Intangible assets lack physical substance, are nonfinancial in nature and have a useful life that extends beyond a single reporting period. Intangible assets with no legal, contractual, or regulatory factors limiting their useful life are considered to have an indefinite useful life. The costs of normal maintenance and repairs that do not add to the value of a capital asset or materially extend capital asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Assets	Years
Buildings	15 - 50
Machinery and equipment	8 - 15
Infrastructure	15 - 60

**Unearned Revenue**

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

**Deferred Outflows and Inflows of Resources**

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

Deferred inflows of resources in the governmental funds balance sheet consists of unavailable revenues. Unavailable revenues are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred outflows and inflows of resources in the government-wide statement of net position consists of deferred charges on refundings and deferred charges on pension and OPEB expenses. Deferred charges on refundings are being amortized to interest expense using the effective-interest method over the life of the related bonds. Deferred charges on pension and OPEB expenses resulting from changes in the components of the Town's net pension and total OPEB liabilities are being amortized as a component of pension and OPEB expense on a systematic and rational basis.

**Long-term Obligations**

***Long-term Debt***

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

**TOWN OF BEACON FALLS, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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

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

**Long-term Obligations *(Continued)***

***Long-term Debt (Continued)***

In the government-wide financial statements, long-term debt is reported as liabilities in the statement of net position. Premiums and discounts on long-term debt are deferred and amortized over the life of the related debt using the effective interest rate method and the debt is reported net of any unamortized premium or discount. In the governmental fund financial statements, premiums and discounts are recognized in the current period.

The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

***Leases (as Lessee)***

The Town recognizes a lease liability and an intangible right-to-use lease asset (lease asset) for a noncancellable lease in the government-wide financial statements. The Town recognizes lease liabilities with an initial, individual value of \$20,000 or more. At the commencement of a lease, the Town initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

***Compensated Absences***

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

**Net Position**

For government-wide reporting, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

*Net investment in capital assets* - This component of net position consists of capital assets, net of accumulated depreciation and amortization and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of those assets. Deferred outflows and inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related are also included in this component of net position.

**TOWN OF BEACON FALLS, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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

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

**Net Position *(Continued)***

*Restricted net position* - This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on the use of those assets either by external parties or by law through constitutional provision or enabling legislation.

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

***Net Position Flow Assumption***

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's practice to consider restricted net position to have been depleted before unrestricted net position is applied.

**Fund Balance**

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called fund balance. The Town's governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes.

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

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

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

*Committed* - Amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Finance (the highest level of decision making authority of the Town) and cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same formal action. The formal action required to be taken by the Board of Finance to commit fund balance includes formal voting procedures consistent with the Town's budgeting procedures.

*Assigned* - Amounts are constrained by the Town's intent to be used for specific purposes, but are not restricted or committed. The Board of Finance and Board of Selectmen may assign fund balance as needed to meet the obligations of the Town.

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



**TOWN OF BEACON FALLS, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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

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

**Fund Balance *(Continued)***

***Fund Balance Flow Assumption***

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's practice to use restricted resources first, then unrestricted resources as needed. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance.

**Interfund Activity**

During the course of operations the Town has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. Further, certain activity occurs during the year involving transfers of resources between funds reported at gross amounts as transfers in/out. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS**

**Cash Deposits**

A reconciliation of the Town's cash deposits as of June 30, 2024 is as follows:

Government-wide statement of net position:	
Cash and cash equivalents	\$ 12,670,242
Add: Certificate of deposit presented as an investment	10,140
Less: cash equivalents considered investments for disclosure purposes	<u>(4,359,612)</u>
	<u><u>\$ 8,320,770</u></u>

**TOWN OF BEACON FALLS, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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

**Cash Deposits *(Continued)***

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2024, \$7,942,825 of the Town's bank balance of \$8,442,825 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 7,148,543
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	794,282
	<u>\$ 7,942,825</u>

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

**Investments**

A reconciliation of the Town's investments as of June 30, 2024 is as follows:

Government-wide statement of net position:	
Investments	\$ 615,423
Less: Certificate of deposit presented as an investment	(10,140)
Add: cash equivalents considered investments for disclosure purposes	4,359,612
	<u>\$ 4,964,895</u>

As of June 30, 2024, the Town's investments consist of the following:

Investment type	Valuation Basis	Value	Investment Maturities (In Years) Less Than 1
<b>Debt securities:</b>			
<b><i>Governmental Activities:</i></b>			
Short-Term Investment Fund	Amortized cost	\$ 4,359,612	<u>\$ 4,359,612</u>
<b>Other investments:</b>			
<b><i>Governmental Activities:</i></b>			
Insurance contracts	Contract value	605,283	
		<u>\$ 4,964,895</u>	

**TOWN OF BEACON FALLS, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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

**Investments *(Continued)***

**Interest Rate Risk**

The Town does not have a formal investment policy that limits Town investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, its practice is to structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

**Credit Risk**

The Town has no investment policy that would further limit its investment choices beyond those already limited by Connecticut state statutes. Connecticut state statutes permit the Town to invest in: (1) obligations of the United States, including its instrumentalities and agencies; (2) in obligations of any state or of any political subdivision, authority or agency thereof, provided such obligations are rated within one of the top two rating categories of any recognized rating service; (3) in shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations; (4) or in obligations of the State of Connecticut or of any political subdivision thereof, provided such obligations are rated within one of the top three rating categories of any recognized rating service. Other provisions of the statutes cover specific municipal funds with particular investment authority. The provisions of the statutes regarding the investment of municipal pension funds does not specify permitted investments. Therefore, the investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable pension plan.

The Town's investments in debt securities, whose ratings are required to be disclosed, were rated by Standard & Poor's as follows:

	<u>AAA</u>
<b>Debt Securities:</b>	
<b><i>Governmental Activities:</i></b>	
Short-Term Investment Fund	<u>\$    4,359,612</u>

**Custodial Credit Risk**

For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town's investments in external investment pools, mutual funds and insurance contracts are not evidenced by securities and are therefore not exposed to custodial credit risk. The Town's investments in corporate bonds and common stock are held in book entry form in the name of the Town and are therefore also not exposed to custodial credit risk.

**TOWN OF BEACON FALLS, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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

**Investments *(Continued)***

**Concentrations of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of the Town's investment in a single issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from concentration of credit risk disclosures. The Town places no limit on the amount of investment in any one issuer. As of June 30, 2024, 12.2% of the Town's investments consist of insurance contracts held with Empower. The Short-Term Investment Fund is managed by the Cash Management Division of the Office of the State Treasurer and is not subject to concentration of credit risk disclosures.

**NOTE 3 - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2024 consisted of the following:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental Activities</b>					
Capital assets, not being depreciated:					
Land	\$ 3,254,425	\$ -	\$ -	\$ -	\$ 3,254,425
Construction in progress	6,862,373	3,382,864	(89,357)	(7,530,029)	2,625,851
Total capital assets, not being depreciated	<u>10,116,798</u>	<u>3,382,864</u>	<u>(89,357)</u>	<u>(7,530,029)</u>	<u>5,880,276</u>
Capital assets, being depreciated:					
Buildings and improvements	4,747,982	74,193	-	48,913	4,871,088
Machinery and equipment	7,435,700	944,017	(322,050)	1,319,102	9,376,769
Infrastructure	20,715,059	82,852	(29,033)	6,162,014	26,930,892
Total capital assets, being depreciated	<u>32,898,741</u>	<u>1,101,062</u>	<u>(351,083)</u>	<u>7,530,029</u>	<u>41,178,749</u>
Less accumulated depreciation and amortization for:					
Buildings and improvements	2,312,458	108,371	-	-	2,420,829
Machinery and equipment	5,536,176	467,872	(302,030)	-	5,702,018
Infrastructure	10,984,644	1,087,790	(29,033)	-	12,043,401
Total accumulated depreciation and amortization	<u>18,833,278</u>	<u>1,664,033</u>	<u>(331,063)</u>	<u>-</u>	<u>20,166,248</u>
Total capital assets, being depreciated, net	<u>14,065,463</u>	<u>(562,971)</u>	<u>(20,020)</u>	<u>7,530,029</u>	<u>21,012,501</u>
Governmental activities capital assets, net	<u>\$ 24,182,261</u>	<u>\$ 2,819,893</u>	<u>\$ (109,377)</u>	<u>\$ -</u>	<u>\$ 26,892,777</u>

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

Governmental Activities:	
General government	\$ 42,628
Public works	1,204,763
Public safety	360,625
Culture and recreation	56,017
Total depreciation and amortization expense - governmental activities	<u>\$ 1,664,033</u>

**TOWN OF BEACON FALLS, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

**NOTE 4 - INTERFUND RECEIVABLES AND PAYABLES**

Interfund receivable and payable balances at June 30, 2024 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
<b>Governmental Funds:</b>		
General Fund	Other Governmental Funds	\$ 49,767
Bonded Projects Fund	General Fund	9,618
Unbudgeted Grants Fund	General Fund	96,940
Other Governmental Funds	General Fund	1,271,731
	Unbudgeted Grants Fund	46,462
	Bonded Projects Fund	66,838
	Other Governmental Funds	149
		<u>1,385,180</u>
Total interfund receivables/payables		<u>\$ 1,541,505</u>

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

**NOTE 5 - INTERFUND TRANSFERS**

Interfund transfers for the year ended June 30, 2024 consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
<b>Governmental Funds</b>		
General Fund	Other Governmental Funds	\$ 167,398
Other Governmental Funds	General Fund	561,581
	Bonded Projects Fund	66,582
		<u>628,163</u>
Total transfers		<u>\$ 795,561</u>

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

**TOWN OF BEACON FALLS, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

**NOTE 6 - LONG-TERM LIABILITIES**

**Changes in Long-term Liabilities**

Changes in the Town's long-term liabilities for the year ended June 30, 2024, are as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending</b>	<b>Due Within One Year</b>
<b>Governmental Activities</b>					
<i>Long-term Debt:</i>					
Bonds payable:					
General obligation bonds	\$ 10,410,000	\$ -	\$ (880,000)	\$ 9,530,000	\$ 885,000
Unamortized premium	730,533	-	(145,523)	585,010	-
Total bonds payable	11,140,533	-	(1,025,523)	10,115,010	885,000
Financed purchases	724,239	573,317	(200,645)	1,096,911	239,689
<i>Other Long-term Liabilities:</i>					
Compensated absences	105,180	3,021	(4,626)	103,575	21,000
Pension obligation	1,185,610	-	(62,093)	1,123,517	67,107
Net pension liability (see Note 7)	2,615,740	422,562	-	3,038,302	-
Total LOSAP liability (see Note 7)	779,695	50,268	-	829,963	-
Total OPEB liability (see Note 9)	720,594	23,967	-	744,561	25,000
	<u>\$ 17,271,591</u>	<u>\$ 1,073,135</u>	<u>\$ (1,292,887)</u>	<u>\$ 17,051,839</u>	<u>\$ 1,237,796</u>

Long-term liabilities have typically been liquidated by the General Fund.

**General Obligation Bonds**

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations of the Town for which full faith and credit are pledged and payable from taxes levied on all taxable properties located within the Town. General obligation bonds currently outstanding are as follows:

<b>Purpose of Bonds</b>	<b>Date of Issue</b>	<b>Original Issue</b>	<b>Interest Rates</b>	<b>Maturity Date</b>	<b>Amount Outstanding</b>
<b>Governmental Activities</b>					
Bonds Payable					
General Obligation Bonds	1/2017	\$ 4,350,000	2.0% - 3.0%	1/15/2037	\$ 2,280,000
General Obligation Refunding Bonds	11/2020	3,195,000	2.0% - 5.0%	3/15/2033	1,850,000
General Obligation Bonds	11/2021	6,000,000	2.0% - 5.0%	12/1/2041	5,400,000
					<u>\$ 9,530,000</u>

**Financed Purchases**

The Town has entered into financed purchase arrangements for the acquisition of capital assets. The contracts include non-appropriation clauses and provide the obligors with a security interest in the underlying assets in the event of default. Ownership of the underlying assets are transferred to the Town at the end of the contract. The Town makes equal annual payments of principal and interest at an interest rates ranging from 2.3% to 5.3% through various maturity dates.

**TOWN OF BEACON FALLS, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 6 - LONG-TERM LIABILITIES *(Continued)***

**Advance Refundings**

The Town has refunded general obligation bonds in prior years. At June 30, 2024, \$2,130,000 of defeased bonds remain outstanding. The difference between the reacquisition price (the amount placed in escrow) and the net carrying amount of the refunded bonds resulted in deferred charges on refundings. This amount, net of accumulated amortization, has been presented as a deferred outflow of resources in the government-wide financial statements and is being amortized to interest expense using the effective-interest method over the life of the new bonds. Amortization of deferred charges on refundings totaled \$7,730 for the year ended June 30, 2024.

The general obligation bonds refunded are considered defeased and the liability for those bonds has been removed from the statement of net position. Proceeds from the issuance of the refunding bonds are being held by an escrow agent in an irrevocable trust fund to provide all future debt service payments on the refunded bonds.

**Legal Debt Limit**

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts, as defined in the statute. Further, the statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal and pension deficit. The statute does exclude from the Town's aggregate debt calculation any debt issued (a) in anticipation of taxes; (b) for water, gas, or electricity supply, electric demand response, conservation and load management, distributed generation, renewable energy projects, cable, wire, and pipe subway construction, underground cable, wire, and pipe conduit construction, constructing and operating a municipal community antenna television system, or a combination of such projects; (c) in anticipation of public improvement benefit assessment revenue; (d) in anticipation of state or federal grant funding; (e) for water pollution control projects in order to meet the energy and environmental protection commissioner's abatement order requirements; and debt issued (f) for which funds have been placed in escrow (from the proceeds of refunding bonds, notes, or other obligations or other municipal funds) in an amount sufficient, together with investment earnings, to provide for the payment when due of the principal of and interest on such debt. The Town did not exceed this statutory debt limitation as of June 30, 2024.

**Overlapping Debt**

The Town is a member of Regional School District No. 16 (the District). The Town is contingently liable for its pro-rata share of the District's outstanding bonds. At June 30, 2024, the District's total outstanding debt, consisting of general obligation bonds was \$16,940,000. The Town's share is approximately 35.4% of the total, or \$5,996,760. Such outstanding indebtedness represents general obligations of Regional School District No. 16 and its member towns. However, the Town is not required to record its share in the accompanying statement of net position.

**TOWN OF BEACON FALLS, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

**NOTE 6 - LONG-TERM LIABILITIES *(Continued)***

**Long-term Debt Service Requirements**

The debt service requirements for the Town's long-term debt are as follows:

Year ending June 30:	General Obligation Bonds		Financed Purchases	
	Principal	Interest	Principal	Interest
2025	\$ 885,000	\$ 275,450	\$ 239,689	\$ 44,475
2026	890,000	239,000	247,897	36,266
2027	890,000	202,300	256,434	27,730
2028	880,000	165,700	81,461	18,848
2029	875,000	129,200	85,811	14,497
2030-2034	2,560,000	374,394	185,619	15,000
2035-2039	1,650,000	170,343	-	-
2040-2042	900,000	27,000	-	-
	<u>\$ 9,530,000</u>	<u>\$ 1,583,387</u>	<u>\$ 1,096,911</u>	<u>\$ 156,816</u>

**Pension Obligation**

The Town participates in the Connecticut Municipal Employee Retirement System (MERS). Upon joining MERS, the Town became obligated and entered into an agreement to pay MERS for prior unfunded actuarial accrued liabilities for Town employees participating in MERS.

Annual debt service requirements to maturity on the unfunded pension obligation are as follows as of June 30, 2024:

Year ending June 30:	Governmental Activities	
	Principal	Interest
2025	\$ 67,107	\$ 90,726
2026	72,525	85,308
2027	78,381	79,452
2028	84,710	73,123
2029	91,549	66,284
2030-2034	581,312	207,853
2035-2036	147,933	12,680
	<u>\$ 1,123,517</u>	<u>\$ 615,426</u>



**TOWN OF BEACON FALLS, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

**NOTE 7 - PENSION PLANS**

The Town accounts for activity relating to two pension plans, (1) the Connecticut's Municipal Employees' Retirement System and 2) a Length of Service Award Program (LOSAP). As of and for the year ended June 30, 2024, the plans had the following balances reported in the Town's government-wide financial statements:

	<b>Total Pension Liability</b>	<b>Net Pension Liability</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Pension Expense</b>
Connecticut Municipal Employees' Retirement System	\$ -	\$ 3,038,302	\$ 1,386,369	\$ 160,963	\$ 320,514
Length of Service Award Program (LOSAP)	829,963	-	84,883	287,101	18,836
	<u>\$ 829,963</u>	<u>\$ 3,038,302</u>	<u>\$ 1,471,252</u>	<u>\$ 448,064</u>	<u>\$ 339,350</u>

Detailed disclosures for each plan follow.

**Connecticut Municipal Employees' Retirement System**

The Town participates in the Connecticut's Municipal Employees' Retirement System (CMERS). CMERS is the public pension plan offered by the State of Connecticut for municipal employees in participating municipalities. The plan was established in 1947 and is governed by Connecticut Statute Title 7, Chapter 113. Chapter 113, Part II of the General Statutes of Connecticut, which can be amended by legislative action, establishes PERS benefits, member contribution rates, and other plan provisions.

Municipalities may designate which departments are to be covered under the CMERS. There are no minimum age or service requirements. Membership is mandatory for all regular full time employees of participating departments except Police and Fire hired after age 60.

The plan has 4 sub plans as follows:

- General employees with social security
- General employees without social security
- Police officers and fire fighters men with social security
- Police officers and fire fighters without social security

Certain employees of the Town are eligible to participate in CMERS and are classified either within the general employees with social security sub plan or the police officers and firefighters with social security sub plan. The following disclosures have been provided for these sub plans.

*Plan administration* - CMERS is a cost-sharing defined benefit pension plan administered by the Connecticut State Retirement Commission. The State Retirement Commission is responsible for the administration of the CMERS. The State Treasurer is responsible for investing CMERS funds for the exclusive benefit of CMERS members.

*Benefits provided* - The Plan provides retirement, disability and death benefits as defined in the Statutes. General employees are eligible to retire at age 55 with 5 years of continuous service, or 15 years of active non-continuous service. Employees under the age of 55 are eligible to retire with 25 years of service. Police are eligible at the compulsory retirement age for police and fire members are eligible at the age of 65.

**TOWN OF BEACON FALLS, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 7 - PENSION PLANS *(Continued)***

**Connecticut Municipal Employees' Retirement System *(Continued)***

**Plan Description *(Continued)***

For members covered by social security, the benefit is 1.5% of the average final compensation not in excess of the year's breakpoint plus 2.0% of average final compensation in excess of the year's breakpoint, times years of service.

The maximum benefit is 100% of average final compensation and the minimum benefit is \$1,000 annually. Both the minimum and the maximum include workers' compensation and social security benefits. If any member covered by social security retires before age 62, the benefit until age 62 is reached or a social security disability award is received, is computed as if the member is not under social security.

Employees are eligible for early retirement after 5 years of active continuous or 15 years of active non-continuous service. The benefit is calculated on the basis of average final compensation and service to date of termination. Deferred to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.

Employees are eligible for service-related disability benefits from being permanently or totally disabled from engaging in the service of the municipality provided such disability has arisen out of and in the course of employment with the municipality. Disability due to hypertension or heart disease, in the case of fire fighters and police officers, is presumed to have been suffered in the line of duty. Disability benefits are calculated based on compensation and service to the date of the disability with a minimum benefit (including workers' compensation benefits) of 50% of compensation at the time of disability.

Employees are eligible for non-service-related disability benefits with 10 years of service and being permanently or totally disabled from engaging in gainful employment in the service of the municipality. Disability benefits are calculated based on compensation and service to the date of the disability. The plan also offers a pre-retirement death benefit in the form of a lump sum return of contributions with interest or surviving spouse benefit depending on length of service.

In 2023, the Connecticut Legislature passed House Bill 6930, an Act Concerning the Development of Best Practices for Governance Structures of Municipal Retirement Plans. Certain benefit and provision changes were made to include cost-of-living adjustments, benefit formula multiplier was increased for certain members effective July 1, 2025, and a Deferred Retirement Option Plan is offered beginning July 1, 2025 for eligible members.

*Contributions* - The contribution requirements of plan members are established and may be amended by the State Retirement Commission. The Town is required to contribute annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability and a prior service amortization payment which covers the liabilities of the system not met by member contributions. There is also an administrative fee per active and retired member. For the fiscal year beginning July 1, 2023, employees covered by social security are required to contribute 4.75% of compensation up to the social security taxable wage base plus 7.5% of compensation, if any, in excess of such base. The contribution rate will increase each year through fiscal year 2025 per Public Act 19-124.

**Summary of Significant Accounting Policies**

*Pensions* - For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions and pension expense, information about the fiduciary net position of CMERS and additions and deletions from CMERS' net position are prepared on the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

**TOWN OF BEACON FALLS, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 7 - PENSION PLANS *(Continued)***

**Connecticut Municipal Employees' Retirement System *(Continued)***

**Summary of Significant Accounting Policies *(Continued)***

*Investment policy* - The CMERS' policy in regard to the allocation of invested assets is established and may be amended by the State Retirement Commission. It is the policy of the State to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The State Treasurer is responsible for investing CMERS funds for the exclusive benefit of CMERS members.

**Collective Net Pension Liability**

The total estimated collective net pension liability of the CMERS as of June 30, 2023 was \$1.415 billion, the most recent available reporting provided by the Board. The portion that was associated with the Town totaled \$3,038,302 or approximately 0.215%. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. The portion of the net pension liability associated with the Town was based on the 2023 actuarial (expected) payroll amounts reported by participating employers. Expected payroll adjusts actual payroll for known changes in the status of employees, annualized salaries for partial year employees and anticipated salary increases.

*Actuarial assumptions* - The total pension liability for the CMERS was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.5% - 9.5%, including inflation
Long-term investment rate	7.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the Pub-2010 Mortality Tables set-forward one year (except Active employees) and projected generationally with Scale MP-2021.

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

**TOWN OF BEACON FALLS, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

**NOTE 7 - PENSION PLANS *(Continued)***

**Connecticut Municipal Employees' Retirement System *(Continued)***

**Collective Net Pension Liability *(Continued)***

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Target Expected Real Rate of Return</u>
Global Equity	37.0%	6.8%
Public Credit	2.0%	2.9%
Core Fixed Income	13.0%	0.4%
Liquidity Fund	1.0%	-0.4%
Risk Mitigation	5.0%	0.1%
Private Equity	15.0%	11.2%
Private Credit	10.0%	6.1%
Real Estate	10.0%	6.3%
Infra. & Natural Resources	7.0%	7.7%
	<u>100.0%</u>	

*Discount rate* - The discount rate used to measure the CMERS' total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate* - The following presents the Town's proportionate share of the collective net pension liability calculated using the discount rate of 7.00%, as well as what the Town's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
Proportionate share of the collective net pension liability	\$ 4,226,605	\$ 3,038,302	\$ 2,041,847

*Pension plan fiduciary net position* - Detailed information about the CMERS plan's fiduciary net position is included in the State of Connecticut's basic financial statements.

**TOWN OF BEACON FALLS, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

**NOTE 7 - PENSION PLANS *(Continued)***

**Connecticut Municipal Employees' Retirement System *(Continued)***

**Pension Expense and Deferred Outflows and Inflows of Resources**

For the year ended June 30, 2024, the Town recognized pension expense related to the CMERS of \$320,514. At June 30, 2024, the Town reported its proportionate share of deferred outflows of resources related to the CMERS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Net Deferrals</b>
Difference between expected and actual experience	\$ 242,747	\$ 33,662	\$ 209,085
Net difference between projected and actual earnings on pension plan investments	246,103	-	246,103
Changes of assumptions	310,725	-	310,725
Contributions paid to the CMERS subsequent to the measurement date	309,246	-	309,246
Other	277,548	127,301	150,247
Total	<u>\$ 1,386,369</u>	<u>\$ 160,963</u>	<u>\$ 1,225,406</u>

Amounts reported as deferred outflows and inflows of resources related to the CMERS will be recognized as an increase to pension expense in future years as follows:

Year ended June 30,	
2025	\$ 516,950
2026	182,774
2027	391,412
2028	101,955
2029	32,315
	<u>\$ 1,225,406</u>

**Length of Service Award Program (LOSAP)**

**Plan Description**

The Town sponsors a length of service award program (LOSAP), a defined benefit service award program, for the benefit of the volunteer fire, EMS, and rescue personnel of Beacon Hose Co. No. 1. The plan was established June 1995 by the Town and was revised in October 2020. Changes to the plan, including discontinuation of the LOSAP Plan, may be made by the Town.

*Plan administration* - LOSAP is a single-employer defined benefit plan administered by the Town.

*Plan membership* - As of the date of the latest actuarial valuation, membership consisted of the following:

Active participants	55
Vested terminated	23
Retired and beneficiaries	6
	<u>84</u>

**TOWN OF BEACON FALLS, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

**NOTE 7 - PENSION PLANS *(Continued)***

**Length of Service Award Program (LOSAP) *(Continued)***

**Plan Description *(Continued)***

*Benefits provided* - Normal benefits consist of the participant's number of years credited service, not to exceed 30 years, multiplied by \$5.00. The minimum benefit would be \$35.00 per month. The maximum benefit would be \$150.00 per month. For all years of credited service beginning on July 1, 2020, the benefit multiplier will be increased from \$5.00 to \$10.00 and the maximum benefit to a participant retiring on their normal entitlement date after July 1, 2020 shall be \$300.00 per month. Participants become fully vested upon attaining more than 7 years of credited service.

*Contributions* - There is no participant contribution requirements. The Town may make periodic payments to a trust based on actuarial estimates for the purpose of accumulating sufficient funds to provide for the benefits. The Town contributed \$52,848 for the year ended June 30, 2024, which exceeded the actuarial determined contribution of \$48,865.

**Summary of Significant Accounting Policies**

The LOSAP program is administered through a trust. Payments under the program are made from the general assets of the sponsors. The trust does not meet the criteria of an irrevocable trust because the assets are not protected from the Town's creditors. Accordingly, the Town reports its proportionate share of the total LOSAP service award liabilities which have been measured at the actuarial present value of projected benefit payments without offset from the trust assets.

**Total LOSAP Liability**

The Town's LOSAP liability reported as of June 30, 2024 totaled \$829,963. The total LOSAP liability was determined by an actuarial valuation as of July 1, 2023 rolled forward to June 30, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	3.97%, net of investment expense
Discount rate	3.97%
Mortality	RP-2000 projected to 2030

**Changes in the Total LOSAP Liability**

	<b>Total LOSAP Liability</b>
Balance as of June 30, 2023	\$ 779,695
<b>Changes for the year:</b>	
Service cost	27,866
Interest	30,850
Difference between expected and actual experience	16,593
Changes of assumptions	(17,561)
Benefit payments, including refunds of member contributions	(7,480)
<b>Net changes</b>	<b>50,268</b>
Balance as of June 30, 2024	<b>\$ 829,963</b>

**TOWN OF BEACON FALLS, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

**NOTE 7 - PENSION PLANS *(Continued)***

**Length of Service Award Program (LOSAP) *(Continued)***

**Changes in the Total LOSAP Liability *(Continued)***

*Sensitivity of the Total LOSAP Liability to Changes in the Discount Rate* - The following presents the total LOSAP liability of the Town, as well as what the Town's total LOSAP liability would be if it were calculated using a discount rate that is 1- percentage-point lower (2.97%) or 1-percentage-point higher (4.97%) than the current discount rate:

	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
Total LOSAP Liability	\$ 1,009,067	\$ 829,963	\$ 690,842

**LOSAP Expense and Deferred Outflows and Inflows of Resources**

For the year ended June 30, 2024, the Town recognized LOSAP expense of \$18,836. As of June 30, 2024, the Town reported deferred outflows of resources related to LOSAP from the following source:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferrals</u>
Difference between expected and actual experience	\$ 19,337	\$ 40,744	\$ (21,407)
Changes of assumptions	65,546	246,357	(180,811)
	<u>\$ 84,883</u>	<u>\$ 287,101</u>	<u>\$ (202,218)</u>

Amounts reported as deferred outflows of resources related to OPEB will be recognized as a decrease to LOSAP expense as follows:

Year Ended June 30:	
2025	\$ (39,880)
2026	(39,880)
2027	(39,880)
2028	(39,880)
2029	(39,880)
Thereafter	(2,818)
	<u>\$ (202,218)</u>

**NOTE 8 - OTHER RETIREMENT PLAN**

**Deferred Compensation Plan**

The Town offers all employees who are eligible for benefits a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Town is not required to make contributions to this plan. Amounts contributed by employees into this plan totaled \$47,480 for the year ended June 30, 2024. Deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are held in trust for the exclusive benefit of the plan participants and their beneficiaries. Therefore, the accounts of the deferred compensation plans are not reported in the basic financial statements of the Town.

**TOWN OF BEACON FALLS, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

**Town Plan**

**Plan Description**

The Town provides healthcare insurance benefits for eligible retirees through the Town's group health insurance plan, which covers both active and retired members (the Plan). Benefit provisions are established by various collective bargaining and employment agreements with the Town. The Plan is considered to be part of the Town's financial reporting entity. The Plan does not issue a publicly available financial report and is not included in the financial statements of another entity.

**Benefits Provided**

Contribution requirements of the plan members and the Town are established in the provisions of the program and in accordance with the General Statutes of the State of Connecticut. Currently, employees who are age 55 and older, with 20 years of service in the Town, are eligible to receive benefits. Town Hall employees hired after July 1, 2005 and public works employees hired after July 1, 2003 must serve 25 years to be eligible for medical coverage. For the Police, Town and Public works employees all retirees under the age of 65 contribute at the same level as active employees, which may be adjusted from time to time. After the age of 65, employees contribute 50% of Medicare supplemental cost. For fiscal year 2024, the Town and retirees contributions totaled \$34,505 and were funded on a pay-as-you-go basis. The Town has not established a trust fund as of June 30, 2024, to irrevocably segregate assets to fund the liability for post-employment benefits, which would require the reporting of a trust fund.

**Employees Covered by Benefit Terms**

As of June 30, 2024, the measurement date, the following employees were covered by the benefit terms:

Retirees, beneficiaries, and dependents currently receiving benefits	9
Inactive plan members entitled to but not yet receiving benefits	1
Active participants	<u>22</u>
	<u>32</u>

The Town's OPEB liability reported as of June 30, 2024 totaled \$744,561. The total OPEB liability was measured as of June 30, 2024 based upon the results of the actuarial valuation performed as of June 30, 2024.

*Actuarial Assumptions and Other Inputs* - The total OPEB liability reported as of June 30, 2024 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	3.93%
Payroll growth rate	2.40%
Healthcare cost trend rates:	6.50% reduced by 0.20% per year, 4.40% ultimate rate

The discount rate was based on the Bond Buyer 20 (GO 20 Index) as of the measurement date, which represents municipal bond trends based on a portfolio of 20 general obligation bonds that mature in 20 years.

Mortality rates were based on pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables projected to the valuation date with Scale MP-2021.



**TOWN OF BEACON FALLS, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

**NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

**Town Plan *(Continued)***

**Changes in the Total OPEB Liability**

	<b>Total OPEB Liability</b>
Balance as of June 30, 2023	\$ 720,594
<b>Changes for the year:</b>	
Service cost	38,182
Interest	27,320
Difference between expected and actual experience	(6,152)
Changes of assumptions	(14,585)
Benefit payments, including refunds of member contributions	(20,798)
<b>Net changes</b>	<b>23,967</b>
Balance as of June 30, 2024	<b>\$ 744,561</b>

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate* - The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1- percentage-point lower (2.93%) or 1-percentage-point higher (4.93%) than the current discount rate:

	<b>1% Decrease</b>	<b>Current Discount</b>	<b>1% Increase</b>
Total OPEB Liability	\$ 868,279	\$ 744,561	\$ 643,980

*Sensitivity of the Total OPEB liability to Changes in the Healthcare Cost Trend Rates* - The following presents the total OPEB liability of the Town, as well as what the Town's total 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 the current healthcare cost trend rates:

	<b>1% Decrease</b>	<b>Current Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
Total OPEB Liability	\$ 623,162	\$ 744,561	\$ 901,982

**TOWN OF BEACON FALLS, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

**Town Plan *(Continued)***

**OPEB Expense and Deferred Outflows and Inflows of Resources**

For the year ended June 30, 2024, the Town recognized OPEB expense of \$56,861. As of June 30, 2024, the Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Net Deferrals</b>
Difference between expected and actual experience	\$ 33,377	\$ 83,669	\$ (50,292)
Changes of assumptions	148,415	241,029	(92,614)
	<u>\$ 181,792</u>	<u>\$ 324,698</u>	<u>\$ (142,906)</u>

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized as an increase (decrease) to OPEB expense as follows:

Year Ended June 30:	
2025	\$ (8,641)
2026	(7,857)
2027	2,246
2028	4,918
2029	(6,306)
Thereafter	(127,266)
	<u>\$ (142,906)</u>

**NOTE 10 - RISK MANAGEMENT**

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God. The Town purchases commercial insurance for all risks of loss, including blanket and umbrella. Coverage has not been materially reduced, nor have settled claims exceeded commercial coverage in any of the past three years.

**TOWN OF BEACON FALLS, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

**NOTE 11 - FUND BALANCE**

Fund balance of the Town's governmental funds have been classified as follows as of June 30, 2024:

	General Fund	Bonded Projects Fund	Unbudgeted Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Inventories	\$ 10,793	\$ -	\$ -	\$ -	\$ 10,793
Endowment	-	-	-	10,000	10,000
	<u>10,793</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>20,793</u>
Restricted for:					
Capital purposes	-	3,026,107	-	-	3,026,107
Loan rehabilitation program	-	-	-	562,618	562,618
Other purposes	-	-	-	1,491	1,491
	<u>-</u>	<u>3,026,107</u>	<u>-</u>	<u>564,109</u>	<u>3,590,216</u>
Committed to:					
Town Clerk activities	8,460	-	-	-	8,460
Public safety programs	-	-	-	107,867	107,867
Public safety - LOSAP Benefits	605,283	-	-	-	605,283
Sewer waste water system	-	-	-	1,644,019	1,644,019
Library programs	-	-	-	16,860	16,860
Recreation programs	-	-	-	21,080	21,080
Grant programs	-	-	101,426	-	101,426
Capital purposes	-	-	-	788,736	788,736
Debt service	-	-	-	938,144	938,144
	<u>613,743</u>	<u>-</u>	<u>101,426</u>	<u>3,516,706</u>	<u>4,231,875</u>
Assigned to:					
Subsequent year's budget:					
Capital and nonrecurring	876,619	-	-	-	876,619
	<u>876,619</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>876,619</u>
Unassigned	4,058,017	-	-	-	4,058,017
	<u>\$ 5,559,172</u>	<u>\$ 3,026,107</u>	<u>\$ 101,426</u>	<u>\$ 4,090,815</u>	<u>\$ 12,777,520</u>

**NOTE 12 - COMMITMENTS AND CONTINGENCIES**

**Litigation, Claims and Assessments**

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

**Federal Awards and State Financial Assistance**

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

**TOWN OF BEACON FALLS, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

**NOTE 12 - COMMITMENTS AND CONTINGENCIES *(Continued)***

**Capital Projects Authorizations**

The following is a summary of available commitments for authorized capital projects as of June 30, 2024:

	<u>Authorization</u>	<u>Cumulative Expenditures</u>	<u>Balance</u>
Town roads	\$ 5,000,000	\$ 2,987,857	\$ 2,012,143
Wastewater treatment plant upgrades	2,000,000	987,982	1,012,018
	<u>7,000,000</u>	<u>3,975,839</u>	<u>3,024,161</u>
Road work	772,975	579,117	193,858
Codification	9,960	8,964	996
Fire - workout room	18,015	2,655	15,360
Assembly room upgrades	10,000	9,279	721
Accounting software	35,000	20,305	14,695
Transfer station - 10 year permit renewal	10,000	-	10,000
Demo/abatement Wolfe Ave	99,999	93,450	6,549
Spreader & Ram	7,410	6,151	1,259
Building & parks security	51,500	48,913	2,587
Garage generator	58,500	58,056	444
Generator for 35 North Main	59,012	57,481	1,531
Fire marshal vehicle	3,764	-	3,764
Fire extinguisher simulator	1,711	-	1,711
Data center development	100,000	-	100,000
POCD	39,995	38,670	1,325
Playscape additions at Pent Road	10,000	9,413	587
UTVs, trailers & skid Pumps	55,281	54,673	608
Workspace counter replacement	5,000	-	5,000
SCBA and mask fit testing machine	853	-	853
Multibank radio for EMD	9,000	-	9,000
Public works garage wall repair	23,951	-	23,951
Pent road walking track	110,000	82,852	27,148
Storage solution & safety	8,900	4,800	4,100
Swing set replacement at Matthies	4,240	4,177	63
Town hall elevator repairs	26,118	26,118	-
Radio tower repeater & repairs	19,999	3,280	16,719
Unassigned	28,868	-	28,868
	<u>1,580,051</u>	<u>1,108,354</u>	<u>471,697</u>
	<u>\$ 8,580,051</u>	<u>\$ 5,084,193</u>	<u>\$ 3,495,858</u>

**TOWN OF BEACON FALLS, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 13 - SUBSEQUENT EVENTS**

In August 2024, the Town appropriated and authorized the issuance of debt not to exceed \$4,000,000 for various capital infrastructure improvements.

In August 2024, the Town appropriated and authorized the issuance of debt not to exceed \$1,000,000 for costs in connection with upgrades and improvements to the Town's Wastewater Treatment Plant.

In August 2024, the Town appropriated and authorized the issuance of debt not to exceed \$10,470,000 for costs in connection with the construction of a new community/library/senior center building. This authorization includes a provision for reducing the debt issuance based on estimated grant reimbursements of approximately \$9.4 million. The Town plans to proceed with the project only if it secures the necessary grant funding.

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## REQUIRED SUPPLEMENTARY INFORMATION

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**TOWN OF BEACON FALLS, CONNECTICUT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (UNAUDITED)**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget Over (Under)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
Property taxes	\$ 18,732,016	\$ 18,732,016	\$ 18,867,115	\$ 135,099
Assessments	120,000	120,000	136,988	16,988
Intergovernmental	4,350,392	4,350,392	4,524,495	174,103
Charges for services	369,100	369,100	374,506	5,406
Other	18,000	18,000	26,248	8,248
Interest income	70,000	70,000	456,865	386,865
Total revenues	<u>23,659,508</u>	<u>23,659,508</u>	<u>24,386,217</u>	<u>726,709</u>
<b>EXPENDITURES</b>				
Current:				
General government	3,228,511	3,225,312	2,951,488	(273,824)
Public works	2,141,916	2,185,694	2,107,023	(78,671)
Public safety	1,652,040	1,754,926	1,680,192	(74,734)
Library	236,553	236,553	235,193	(1,360)
Health and welfare	180,865	184,761	178,646	(6,115)
Recreation	86,050	88,448	83,600	(4,848)
Education	14,990,623	14,990,623	14,944,603	(46,020)
Contingency	100,000	-	-	-
Debt service:				
Principal payments	880,000	880,000	880,000	-
Interest and fiscal charges	312,950	312,950	312,950	-
Total expenditures	<u>23,809,508</u>	<u>23,859,267</u>	<u>23,373,695</u>	<u>(485,572)</u>
Excess (deficiency) of revenues over expenditures	(150,000)	(199,759)	1,012,522	1,212,281
<b>OTHER FINANCING SOURCES (USES)</b>				
Appropriation of fund balance	491,014	630,332	-	(630,332)
Transfers in	150,000	152,398	152,398	-
Transfers out	(491,014)	(582,971)	(582,971)	-
Total other financing sources (uses)	<u>150,000</u>	<u>199,759</u>	<u>(430,573)</u>	<u>(630,332)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 581,949</u>	<u>\$ 581,949</u>

*See accompanying notes to required supplementary information.*

**TOWN OF BEACON FALLS, CONNECTICUT**  
**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY -**  
**CONNECTICUT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (UNAUDITED)**  
**LAST TEN FISCAL YEARS**

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Town's proportion of the net pension liability	0.22%	0.19%	0.19%	0.21%	0.21%	0.22%	0.42%	0.37%	0.39%	0.24%
Town's proportionate share of the net pension liability	<u>\$ 3,038,302</u>	<u>\$ 2,615,740</u>	<u>\$ 1,326,241</u>	<u>\$ 2,318,092</u>	<u>\$ 2,148,456</u>	<u>\$ 2,079,219</u>	<u>\$ 1,048,812</u>	<u>\$ 1,239,994</u>	<u>\$ 751,849</u>	<u>\$ 571,948</u>
Town's covered payroll	\$ 1,835,464	\$ 1,557,661	\$ 1,467,115	\$ 1,449,184	\$ 1,458,170	\$ 1,576,326	\$ 1,427,086	\$ 1,483,591	\$ 1,421,731	\$ 1,162,152
Town's proportionate share of the net pension liability as a percentage of its covered payroll	165.5%	167.9%	90.4%	160.0%	147.3%	131.9%	73.5%	83.6%	52.9%	49.2%
Plan fiduciary net position as a percentage of the total pension liability	69.54%	68.71%	82.59%	71.18%	72.69%	73.60%	91.68%	88.29%	92.72%	90.48%

*See accompanying notes to required supplementary information.*



**TOWN OF BEACON FALLS, CONNECTICUT**  
**SCHEDULE OF CONTRIBUTIONS -**  
**CONNECTICUT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (UNAUDITED)**  
**LAST TEN FISCAL YEARS**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 310,908	\$ 269,736	\$ 239,277	\$ 218,810	\$ 200,241	\$ 187,619	\$ 180,710	\$ 188,395	\$ 180,221	\$ 182,357
Contributions in relation to the contractually required contribution	<u>310,908</u>	<u>269,736</u>	<u>239,277</u>	<u>218,810</u>	<u>200,241</u>	<u>187,619</u>	<u>180,710</u>	<u>188,395</u>	<u>180,221</u>	<u>182,357</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,835,464	\$ 1,557,661	\$ 1,467,115	\$ 1,449,184	\$ 1,458,170	\$ 1,576,326	\$ 1,427,086	\$ 1,483,591	\$ 1,421,731	\$ 1,162,152
Contributions as a percentage of covered payrol	16.94%	17.32%	16.31%	15.10%	13.73%	11.90%	12.66%	12.70%	12.68%	15.69%

*See accompanying notes to required supplementary information.*

**TOWN OF BEACON FALLS, CONNECTICUT**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY -**  
**OTHER POST-EMPLOYMENT BENEFITS PROGRAMS (UNAUDITED)**  
**LAST SEVEN FISCAL YEARS\***

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Total OPEB liability							
Service cost	\$ 38,182	\$ 36,891	\$ 35,302	\$ 26,735	\$ 23,481	\$ 30,329	\$ 35,639
Interest on total OPEB liability	27,320	21,136	20,648	24,245	25,222	24,958	21,948
Difference between expected and actual experience	(6,152)	(76,824)	-	(25,259)	-	108,953	-
Changes of assumptions	(14,585)	(192,207)	7,358	241,052	33,198	(162,329)	(77,813)
Benefit payments, including refunds	(20,798)	(19,918)	(21,485)	(45,728)	(43,003)	(37,991)	(56,844)
Net change in total OPEB liability	23,967	(230,922)	41,823	221,045	38,898	(36,080)	(77,070)
Total OPEB liability - beginning	720,594	951,516	909,693	688,648	649,750	685,830	762,900
Total OPEB liability - ending	<u>\$ 744,561</u>	<u>\$ 720,594</u>	<u>\$ 951,516</u>	<u>\$ 909,693</u>	<u>\$ 688,648</u>	<u>\$ 649,750</u>	<u>\$ 685,830</u>

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

*See accompanying notes to required supplementary information.*

**TOWN OF BEACON FALLS, CONNECTICUT**  
**SCHEDULE OF CHANGES IN TOTAL LOSAP LIABILITY -**  
**LENGTH OF SERVICE AWARD PROGRAM (UNAUDITED)**  
**LAST FOUR FISCAL YEARS\***

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Total LOSAP liability				
Service Cost	\$ 27,866	\$ 25,614	\$ 24,555	\$ 42,225
Interest	30,850	28,946	40,413	17,723
Differences between expected and actual experience	16,593	6,118	(65,187)	-
Changes of assumptions	(17,561)	(26,023)	(337,968)	117,982
Benefit payments, including refunds	(7,480)	(7,460)	(7,310)	(4,390)
Net change in total LOSAP liability	50,268	27,195	(345,497)	173,540
Total LOSAP liability - beginning	779,695	752,500	1,097,997	924,457
Total LOSAP liability - ending	<u>\$ 829,963</u>	<u>\$ 779,695</u>	<u>\$ 752,500</u>	<u>\$ 1,097,997</u>

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

**TOWN OF BEACON FALLS, CONNECTICUT**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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

A legally adopted budget is authorized annually for the General Fund. The Town adheres to the following procedures in establishing the budgetary data included in the General Fund financial statements, in accordance with provisions of Connecticut General Statutes:

- The head of each department, office or agency of the Town, supported wholly or in part from Town funds, except the Regional Board of Education, files with the Board of Selectmen a detailed estimate of the expenditures to be made and the revenues, other than property taxes, to be collected in the ensuing fiscal year.
- Expenditures are budgeted by function, department and object. The legal level of budgetary control, the level at which expenditures may not exceed appropriations, is established at the department level.
- The Board of Selectmen reviews the budget estimates with the heads of all Town supported departments, offices and agencies. In preparing the proposed budget, the Board of Selectmen may add to, delete from or eliminate requests made by the various departments, offices and agencies. The Board of Selectmen includes in the budget the estimated budget request of Regional School District No. 16. The Board of Selectmen submits its budget recommendations to the Board of Finance.
- The Board of Finance may review the budget requests with the head of each department, board, agency and commission. These estimates are recommended as the annual operating budget for adoption either at the Town meeting in May or at Town referendum, in accordance with Connecticut General Statutes.
- The Board of Finance may authorize the transfer of appropriations between departments, and may authorize supplemental appropriations during the year provided that such appropriations do not cumulatively exceed \$20,000. Transfers and additional appropriations exceeding \$20,000 require Town meeting approval.
- Unexpended appropriations lapse at the end of the fiscal year. Appropriations for capital projects do not lapse until completion of the applicable project.
- The General Fund budget is prepared on a modified accrual basis of accounting. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued, and accordingly encumbrances outstanding at year-end are reflected in budgetary reports as expenditures in the current year.

**TOWN OF BEACON FALLS, CONNECTICUT**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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

As described above, accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP basis"). A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2024:

	Total Revenues	Total Expenditures	Other Financing Sources (Uses), Net	Net Change in Fund Balance
Budgetary basis	\$ 24,386,217	\$ 23,373,695	\$ (430,573)	\$ 581,949
Transfers out recorded as expenditures for budgetary purposes	(36,390)	-	36,390	-
LOSAP activity	17,318	(45,368)	-	62,686
Town Clerk Fund activity	1	24	-	(23)
GAAP basis	<u>\$ 24,367,146</u>	<u>\$ 23,328,351</u>	<u>\$ (394,183)</u>	<u>\$ 644,612</u>

**NOTE 2 - SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CONNECTICUT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM**

Actuarial valuations are prepared every year with the most recent available actuarial valuation performed as of June 30, 2023. This information is utilized by the District for reporting as of June 30, 2024.

*Benefit Changes* - The following benefit changes had a significant effect on the measurement of the collective net pension liability reported as of June 30, 2024:

- In 2023, the Connecticut Legislature passed House Bill 6930, an Act Concerning the Development of Best Practices for Governance Structures of Municipal Retirement Plans. Certain benefit and provision changes were made to include Cost-of-Living Adjustments, benefit formula multiplier was increased for certain members effective July 1, 2025.

*Assumption Changes* - The following assumption changes had a significant effect on the measurement of the collective net pension liability reported as of June 30, 2024.

- Mortality rates were updated based on the Pub-2010 Mortality Tables set-forward one year (except Active employees) and projected generationally with Scale MP-2021.
- Salary increases were updated to 3.00% - 9.50%, including inflation.

**TOWN OF BEACON FALLS, CONNECTICUT**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 3 - SCHEDULE OF CONTRIBUTIONS - CONNECTICUT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM**

Actuarially determined contribution rates are calculated as of June 30 for the fiscal year ending two years after the valuation date.

**Methods and Assumptions Utilized**

- Actuarial cost method: Entry Age Normal
- Amortization method: Level dollar, closed;
- Single equivalent amortization period: Blended 24.3 to 24.4 years depending on Tier
- Asset valuation method: Market Value on the measurement date.
- Inflation: 2.50%;
- Salary increases: 3.00% to 9.50%, including inflation
- Investment rate of return: 7.00%, net of investment related expenses; and
- Mortality rates were based on the Pub-2010 Mortality Tables set-forward one year (except Active employees) and projected generationally with Scale MP-2021.

**NOTE 4 - SCHEDULE OF CHANGES IN TOTAL LOSAP LIABILITY**

The Town began to report this schedule in the current fiscal year. GASB Statement No. 73 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of July 1, 2023. This information is utilized by the Town for reporting as of June 30, 2024.

*Benefit Changes* - There have been no changes in benefit terms that have had a significant effect on the measurement of the total LOSAP liability reported as of June 30, 2024.

*Assumption Changes* - There were no changes in assumptions that had a significant effect on the measurement of the total LOSAP liability reported as of June 30, 2024.

**NOTE 5 - SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY - OTHER POST-EMPLOYMENT BENEFITS PLAN**

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

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of July 1, 2023. This information is utilized by the Town for reporting as of June 30, 2024.

*Benefit Changes* - There have been no changes in benefit terms that have had a significant effect on the measurement of the total OPEB liability reported as of June 30, 2024.

*Assumption Changes* - There have been no changes in assumptions that have had a significant effect on the measurement of the total OPEB liability reported as of June 30, 2024.

## ***Appendix B***

### ***Form of Opinion of Bond Counsel***

## APPENDIX B – FORM OF OPINION OF BOND COUNSEL

August \_\_, 2025

Town of Beacon Falls  
10 Maple Avenue  
Beacon Falls, CT 06403

We have acted as Bond Counsel to the Town of Beacon Falls, Connecticut (the “Town”) in connection with the issuance by the Town of its \$\_\_\_\_\_ General Obligation Bonds, Issue of 2025 (the “Bonds”) dated August \_\_, 2025. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents (including, but not limited to, a Tax Regulatory Agreement of the Town dated the date hereof (the “Agreement”)) as we have deemed necessary to give the opinions below.

Regarding questions of fact material to the opinions below, we have relied on the certified proceedings and other certifications of representatives of the Town and certifications of others furnished to us without undertaking to verify them by independent investigation.

Based on the foregoing, we are of the opinion that when the Bonds are duly certified by U.S. Bank Trust Company, National Association, the Bonds will be valid and legally binding general obligations of the Town payable as to both principal and interest from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to Connecticut statutes. We are further of the opinion that the Agreement is a valid and binding agreement of the Town and was duly authorized by the Town.

The Internal Revenue Code of 1986 (the “Code”) establishes certain requirements that must be satisfied at and subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be excluded from gross income under Section 103 of the Code. In the Agreement, the Town has made covenants and representations designed to assure compliance with such requirements of the Code. The Town has covenanted in the Agreement that it will at all times comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds to ensure that interest on the Bonds shall not be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds, including covenants regarding, among other matters, the use, expenditure and investment of the proceeds of the Bonds.

In rendering the below opinions regarding the federal treatment of interest on the Bonds, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectations, and certifications of fact contained in the Agreement, and (ii) continuing compliance by the Town with the covenants set forth in the Agreement as to such tax matters.



The Town has designated the Bonds as “qualified tax exempt obligations” within the meaning of Code Section 265(b)(3) for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

Based on the foregoing, we are of the opinion that interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Code, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the Town comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes under Section 103 of the Code. The Town has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences caused by ownership or disposition of, or receipt of interest on the Bonds.

We are further of the opinion that, under existing statutes, interest on the Bonds is excludable from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based for individuals, trusts and estates required to pay the federal alternative minimum tax. We express no opinion regarding other state and other State of Connecticut tax consequences caused by ownership or disposition of, or receipt of interest on the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting the rights and remedies of creditors, and by equitable principles, whether considered at law or in equity.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Preliminary Official Statement, the Official Statement and other offering material relating to the Bonds.

The opinions given in this opinion letter are given as of the date set forth above, and we assume no obligation to revise or supplement them to reflect any facts or circumstances or changes in law that may come later to our attention or occur.

Respectfully,

PULLMAN & COMLEY, LLC

## ***Appendix C***

### ***Form of Continuing Disclosure Agreement***

## APPENDIX C - FORM OF CONTINUING DISCLOSURE AGREEMENT

*In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will agree, pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the following form, to provide, or cause to be provided, (i) annual financial information and operating data, (ii) in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of certain events with respect to the Bonds and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement.*

### **Continuing Disclosure Agreement**

This Continuing Disclosure Agreement ("Agreement") is made as of August \_\_, 2025 by the Town of Beacon Falls, Connecticut (the "Issuer") acting by its undersigned officers, duly authorized, in connection with the issuance of \$ \_\_\_\_\_ General Obligation Bonds, Issue of 2025, dated as of August \_\_, 2025 (the "Bonds"), for the benefit of the beneficial owners from time to time of the Bonds.

**Section 1. Definitions.** For purposes of this Agreement, the following capitalized terms shall have the following meanings:

"Final Official Statement" means the official statement of the Issuer dated August \_\_, 2025 prepared in connection with the Bonds.

"MSRB" means the Municipal Securities Rulemaking Board established under the Securities Exchange Act of 1934, as amended, or any successor thereto.

"Repository" means the MSRB or any other information repository established pursuant to the Rule as amended from time to time.

"Rule" means Rule 15c2-12 under the Securities Exchange Act of 1934, as of the date of this Agreement.

"SEC" means the Securities and Exchange Commission of the United States, or any successor thereto.

### **Section 2. Annual Financial Information.**

(a) The Issuer agrees to provide or cause to be provided to each Repository, in accordance with the provisions of the Rule and of this Agreement, annual financial information and operating data (commencing with information and data for the fiscal year ending June 30, 2025) as follows:

(i) Financial statements of the Issuer's general fund for the prior fiscal year which statements shall be prepared in accordance with generally accepted accounting principles or mandated state statutory principles as in effect from time to time. As of the date of this Agreement, the Issuer prepares its financial statements in accordance with generally accepted accounting principles. The financial statements will be audited.

(ii) The following financial information and operating data to the extent not included in the financial statements described in (i) above:

- (A) amounts of the net taxable grand list applicable to the fiscal year,
- (B) listing of the ten largest taxpayers on the applicable grand list, together with each such taxpayer's taxable valuation thereon,
- (C) percentage of the annual property tax levy uncollected as of the close of the fiscal year,
- (D) schedule of annual debt service on outstanding long-term bonded indebtedness as of the close of the fiscal year,
- (E) calculation of total direct debt, total net direct debt, and total overall net debt (reflecting overlapping and underlying debt), as of the close of the fiscal year,
- (F) total direct debt, total net direct debt and total overall net debt of the Issuer per capita,
- (G) ratios of the total direct debt, total net direct debt and total overall net debt of the Issuer to the Issuer's applicable net taxable grand list,
- (H) statement of statutory debt limitation as of the close of the fiscal year, and
- (I) funding status of the Issuer's pension benefit obligation.

(b) The financial information and operating data described above will be provided on or before the date eight months after the close of the fiscal year for which such information is being provided (the "Filing Due Date"). The Issuer's fiscal year currently ends on June 30. The Issuer reserves the right to provide unaudited financial statements if audited financial statements are not available as of the Filing Due Date, provided that the Issuer shall promptly provide audited financial statements when available.

(c) Annual financial information and operating data may be provided in whole or in part by cross-reference to other documents available to the public on the MSRB's Internet Web site referenced in the Rule as amended from time to time or filed with the SEC. All or a portion of the financial information and operating data may be provided in the form of a comprehensive annual financial report.

(d) The Issuer reserves the right (i) to provide financial statements which are not audited if no longer required by law, (ii) to modify from time to time the format of the presentation of such information or data, and (iii) to modify the accounting principles it follows to the extent required by law, by changes in generally accepted accounting principles, or by changes in accounting principles adopted by the Issuer; provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule.

### **Section 3. Notice of Certain Events.**

The Issuer agrees to provide or cause to be provided, in a timely manner not in excess of ten business days after the occurrence of the event, to each Repository notice of the occurrence of any of the following events with respect to the Bonds:

- (a) principal and interest payment delinquencies;

- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the bonds, or other material events affecting the tax status of the Bonds;
- (g) modifications to rights of holders of the Bonds, if material;
- (h) Bond calls, if material, and tender offers;
- (i) Bond defeasances;
- (j) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (m) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (o) incurrence of a financial obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation, any of which affect security holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

*Events (d) and (e).* The Issuer does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Bonds, unless the Issuer applies for or participates in obtaining the enhancement.

*Event (f).* Event (f) is relevant only to the extent interest on the Bonds is excluded from gross income for federal income tax purposes.

*Event (h).* The Issuer does not undertake to provide the above-described event notice of a mandatory scheduled redemption, not *otherwise* contingent upon the occurrence of an event, if (A) the terms, dates and amounts of redemption are set forth in detail in the Final Official Statement, (B) the sole matter to be determined is which of the Bonds will be redeemed in the case of a partial redemption, (C) notice of redemption is given to the holders of the Bonds to be redeemed as required under the terms of the Bonds,

and (D) public notice of redemption is given pursuant to Exchange Act Release No. 23856 of the SEC, even if the originally scheduled amounts are reduced due to prior optional redemptions or Bond purchases.

*Events (o) and (p).* The term “financial obligation” is defined as a (i) debt obligation, (ii) derivative instrument entered into in connection with or pledged as security or a source of payment for an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). The term financial obligation does not include municipal securities for which a final official statement has been filed with MSRB pursuant to the Rule.

#### **Section 4. Notice of Failure to Provide Annual Financial Information.**

The Issuer agrees to provide or cause to be provided, in a timely manner, to each Repository notice of any failure by the Issuer to provide annual financial information as set forth in Section 2(a) hereof on or before the date set forth in Section 2(b) hereof.

#### **Section 5. Use of Agents.**

Annual financial information and operating data and notices to be provided pursuant to this Agreement may be provided by the Issuer or by any agents which may be employed by the Issuer for such purpose from time to time.

#### **Section 6. Termination.**

The obligations of the Issuer under this Agreement shall terminate upon the earlier of (i) payment or legal defeasance, at maturity or otherwise, of all of the Bonds, or (ii) such time as the Issuer ceases to be an obligated person with respect to the Bonds within the meaning of the Rule.

#### **Section 7. Enforcement.**

The Issuer acknowledges that the undertakings set forth in this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Bonds. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure within a reasonable time (but not exceeding 30 days with respect to the undertakings set forth in Section 2 of this Agreement or five business days with respect to the undertakings set forth in Sections 3 and 4 of this Agreement) from the time the Issuer's Treasurer, or a successor, receives written notice from any beneficial owner of the Bonds of such failure. The present address of the Treasurer is Town Hall, 10 Maple Avenue, Beacon Falls, Connecticut 06403.

In the event the Issuer does not cure such failure within the time specified above, the beneficial owner of any Bonds shall be entitled only to the remedy of specific performance. The parties expressly acknowledge and agree that no monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute an event of default with respect to the Bonds.

#### **Section 8. Miscellaneous.**

(a) All documents provided by the Issuer to a Repository pursuant to the Issuer's undertakings set forth in Sections 2, 3 and 4 of this Agreement shall be in an electronic format as prescribed by the MSRB from time to time and shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(b) The Issuer shall have no obligation to provide any information, data or notices other than as set forth in this Agreement; provided, however, nothing in this Agreement shall be construed as prohibiting the Issuer from providing such additional information, data or notices from time to time as it deems appropriate in connection with the Bonds. If the Issuer elects to provide any such additional information, data or notices, the Issuer shall have no obligation under this Agreement to update or continue to provide further additional information, data or notices of the type so provided.

(c) This Agreement shall be governed by the laws of the State of Connecticut.

(d) Notwithstanding any other provision of this Agreement, the Issuer may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver is made in connection with a change of circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Issuer, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Bonds, and (ii) the provisions of the Agreement as so amended or waived would have complied with the requirements of the Rule, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances, in each case as of the date of such amendment to the Agreement or waiver. A copy of any such amendment or waiver will be filed in a timely manner with each Repository. The annual financial information provided on the first date following adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating or financial information provided.

(e) This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but such counterparts shall together constitute but one and the same instrument.

TOWN OF BEACON FALLS, CONNECTICUT

By \_\_\_\_\_  
GERARD F. SMITH  
First Selectman

By \_\_\_\_\_  
MICHAEL A. KRENESKY  
Selectman

By \_\_\_\_\_  
PETER J. BETKOSKI  
Selectman

By \_\_\_\_\_  
DALTON FENNELL  
Treasurer

***Appendix D***

***Notice of Sale***



## APPENDIX D – NOTICE OF SALE

### NOTICE OF SALE

**TOWN OF BEACON FALLS, CONNECTICUT  
\$5,000,000 GENERAL OBLIGATION BONDS, ISSUE OF 2025  
(BANK QUALIFIED)  
BOOK-ENTRY-ONLY**

NOTICE IS GIVEN that ELECTRONIC BIDS solely via **PARITY**® will be received by the TOWN OF BEACON FALLS, CONNECTICUT (the “Issuer”), until 11:30 A.M. (E.T.) on WEDNESDAY,

AUGUST 6, 2025

(the “Sale Date”) for the purchase, when issued, of all (but not less than all) of the Issuer’s \$5,000,000 General Obligation Bonds, Issue of 2025, dated August 20, 2025 (the “Bonds”), at no less than par and accrued interest from the date of the Bonds to the date of delivery, if any, maturing on August 15 in the principal amounts and in each of the years as follows:

<u>Maturity</u>	<u>Amount (\$)</u>	<u>Maturity</u>	<u>Amount (\$)</u>
2026	250,000	2036	250,000
2027	250,000	2037	250,000
2028	250,000	2038	250,000
2029	250,000	2039	250,000
2030	250,000	2040	250,000
2031	250,000	2041	250,000
2032	250,000	2042	250,000
2033	250,000	2043	250,000
2034	250,000	2044	250,000
2035	250,000	2045	250,000

The Bonds will bear interest commencing February 15, 2026 and semiannually thereafter on August 15 and February 15 in each year until maturity, as further described in the Preliminary Official Statement (as hereinafter defined), at the rate or rates per annum specified by the winning bidder.

### Optional Redemption

The Bonds maturing on or before August 15, 2033 are not subject to redemption prior to maturity. The Bonds maturing on August 15, 2034 and thereafter are subject to redemption prior to maturity, at the election of the Issuer, on or after August 15, 2033, at any time, either in whole or in part, in such amounts and in such order of maturity (but by lot within a maturity) as the Issuer may determine, at the redemption prices (expressed as a percentage of the principal amount of the

Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Price</u>
August 15, 2033 and thereafter	100.0%

### **Nature of Obligation**

The Bonds will constitute general obligations of the Issuer, and the Issuer will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. Unless paid from other sources, the Bonds are payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the Issuer without limit as to rate or amount, except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to provisions of the Connecticut General Statutes, as amended.

### **Bank Qualification**

The Bonds SHALL be designated by the Issuer as qualified tax exempt obligations under the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986 for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

### **Registration**

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to The Depository Trust Company (“DTC”), New York, New York, registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 or any integral multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The purchaser, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, registered in the name of Cede & Co. Principal of, redemption premium, if any, and interest on the Bonds will be payable by the Issuer or its agent to DTC or its nominee as registered owner of the Bonds. Principal and interest payments by DTC to participants of DTC will be the responsibility of DTC; principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Issuer will not be responsible or liable for payments by DTC to its participants or by DTC participants or indirect participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. Upon receipt from the Issuer, the Paying Agent will pay principal of and interest on the Bonds directly to DTC so long as DTC or its nominee, Cede & Co, is the bondholder.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds and the Issuer fails to identify another qualified securities depository to replace DTC, or (b) the Issuer determines to discontinue the book-entry system of evidence and transfer of

ownership of the Bonds, the Issuer will authenticate and deliver replacement Bonds in the form of fully registered certificates. Any such replacement Bonds will provide that interest will be payable by check mailed by the Paying Agent to the registered owner whose name appears on the registration books of the Issuer as of the close of business on the record date preceding each interest payment date.

### **Record Date**

The record dates for the Bonds will be the last business day of January and July in each year.

### **Proposals**

Each bid must be for the entire \$5,000,000 of the Bonds. Each proposal must specify the amount bid for the Bonds (which shall be the aggregate par value of the Bonds, and, at the option of the bidder, a premium), and must specify in a multiple of one-twentieth of one percent ( $1/20$  of 1%) or one-eighth of one percent ( $1/8$  of 1%) the rate or rates of interest per annum which the Bonds are to bear, provided that such proposal shall not state (a) more than one interest rate for any Bonds having a like maturity or (b) any interest rate for any Bonds of one maturity which exceeds the interest rate stated in such proposal for Bonds of a different maturity by more than three (3) percentage points. In addition to the amount bid for the Bonds, the purchaser must pay an amount equal to the interest on the Bonds accrued to the date of delivery. For the purpose of the bidding process, the time as maintained on **PARITY®** shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost ("TIC") to the Issuer, as described under "Basis of Award" below, represented by the rate or rates of interest and the bid price specified in their respective bids. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. No proposal for less than par and accrued interest to the date of delivery will be considered.

### **Basis of Award; Right to Reject Proposals; Waiver; Right to Cancel; Postponement; Change of Terms**

Unless all bids are rejected, as between proposals which comply with this Notice of Sale, the Bonds will be awarded to the bidder whose bid proposes the lowest true interest cost ("TIC") to the Issuer. The TIC will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds results in an amount equal to the purchase price for the Bonds, excluding interest accrued to the date of delivery. If there is more than one bidder making said offer at the same lowest TIC, the Bonds will be sold to the bidder whose proposal is selected by the Issuer by lot from among all such proposals. It is requested that each proposal be accompanied by a statement of the percentage of TIC computed and rounded to six decimal places. Such statement shall not be considered as part of the proposal. The purchase price must be paid in immediately available federal funds.

The right is reserved to reject any and all proposals and to reject any proposal not complying with this Notice of Sale and to waive any irregularity or informality with respect to any proposal.

The Issuer further reserves the right to cancel or postpone the sale to another time and date in its sole discretion for any reason, including Internet difficulties. The Issuer will use its best efforts to notify prospective bidders in a timely manner of any need for a cancellation or postponement. Upon the establishment of an alternative sale date, any bidder may submit proposals for the purchase of the Bonds in accordance with the provisions of this Notice of Sale.

## **CUSIP Numbers**

The deposit of the Bonds with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of Phoenix Advisors, a division of First Security Municipal Advisors, Inc. (“Phoenix Advisors”), to obtain CUSIP numbers for the Bonds prior to delivery, and Phoenix Advisors, will provide the CUSIP Service Bureau with the final details of the sale, including the identity of the winning bidder. The Issuer will not be responsible for any delay occasioned by the inability to deposit the Bonds with DTC due to the failure of Phoenix Advisors to obtain such numbers and to supply them to the Issuer in a timely manner. Neither the failure to print such CUSIP number on any bond, nor any error with respect thereto, shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid for by the Issuer; provided, however, that the Issuer assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

## **Electronic Proposals Bidding Procedure**

Electronic bids for the purchase of the Bonds must be submitted through the facilities of **PARITY®**. Any prospective bidder must be a subscriber of the BiDCOMP competitive bidding system. Further information about **PARITY®**, including any fee charged, may be obtained from **PARITY®**, c/o i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Support (telephone: (212) 849-5021 or (212) 849-5023 – email notice: [munis@spglobal.com](mailto:munis@spglobal.com) or [parity@i-deal.com](mailto:parity@i-deal.com)). The Issuer neither will confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

Once an electronic bid made through the facilities of **PARITY®** is communicated to the Issuer, it shall constitute an irrevocable offer, in response to this Notice, and shall be binding upon the bidder as if made by the signed, sealed bid delivered to the Issuer. By submitting a bid for the Bonds via **PARITY®**, the bidder represents and warrants to the Issuer that such bidder’s bid for the purchase of the Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such bid by the Issuer will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Bonds on the terms described in this Notice. **The Issuer shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of **PARITY®**, or the inaccuracies of any information, including bid information or worksheets supplied by **PARITY®**, the use of **PARITY®** facilities being the sole risk of the prospective bidder. Each Bidder is solely responsible for knowing the terms of the sale as set forth herein.**

**Disclaimer.** Each **PARITY®** prospective electronic bidder shall be solely responsible to make necessary arrangements to access **PARITY®** for the purpose of submitting its bid in a timely manner and in compliance with the requirements of this Notice. Neither the Issuer nor **PARITY®** shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the Issuer or **PARITY®** shall be responsible for a bidder's failure to make a bid or for the proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, **PARITY®**. The Issuer is using **PARITY®** as a communication mechanism, and not as the Issuer's agent, to conduct the electronic bidding for the Bonds. The Issuer is not bound by any advice and determination of **PARITY®** to the effect that any particular bid complies with the terms of this Notice and in particular the bid requirements herein set forth. All costs and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of bids via **PARITY®** are the sole responsibility of the bidders; and the Issuer is not responsible directly or indirectly, for any of such costs or expenses. If the prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a bid for the Bonds, the prospective bidder should telephone **PARITY®** at (212) 849-5021 or (212) 849-5023. If any provision of this Notice shall conflict with information provided by **PARITY®**, this Notice shall control.

For the purpose of the electronic bidding process, the time as maintained on **PARITY®** shall constitute the official time.

### **Certifying Agent, Registrar, Paying Agent and Transfer Agent**

The Bonds will be authenticated by U.S. Bank Trust Company, National Association, Hartford, Connecticut. U.S. Bank Trust Company, National Association will also act as Registrar, Paying Agent and Transfer Agent.

### **Delivery, Payment and Closing Requirements**

At or prior to the delivery of the Bonds the purchaser shall be furnished, without cost, with (a) the approving opinion of Pullman & Comley, LLC of Hartford, Connecticut, Bond Counsel ("Bond Counsel") (see "Bond Counsel Opinion" below); (b) a signature and no litigation certificate, in form satisfactory to said firm, dated as of the date of delivery of the Bonds, and stating that there is no litigation pending, or to the knowledge of the signer or signers thereof threatened, affecting the validity of the Bonds or the power of the Issuer to levy and collect taxes to pay them; (c) a signed copy of the Official Statement prepared for this bond issue; (d) a certificate of Issuer Officials relating to the accuracy and completeness of the Official Statement; (e) a Continuing Disclosure Agreement; and (f) a receipt of payment for the Bonds.

The Bonds will be delivered against payment in immediately available federal funds through the facilities of DTC, New York, New York or its agent via Fast Automated Securities Transfer ("FAST") on or about August 20, 2025 (the "Closing Date").

The Issuer will have no responsibility to pay for any expenses of the purchaser except to the extent specifically stated in this Notice of Sale. The purchaser will have no responsibility to

pay for any of the Issuer's costs of issuance except to the extent specifically stated in this Notice of Sale.

The purchaser will be responsible for the clearance or exemption with respect to the status of the Bonds for sale under securities or "Blue Sky" laws and the preparation of any surveys or memoranda in connection with such sale. The Issuer shall have no responsibility for such clearance, exemption or preparation.

### **Bond Counsel Opinion**

The legality of the issue will be passed upon by Bond Counsel, and the purchaser will be furnished with its opinion, without charge, substantially in the form set forth in Appendix B to the Official Statement. The opinion will state that the Bonds are valid and binding obligations of the Issuer. If the Competitive Sale Rule (as defined below in the "Establishment of Issue Price" section) is met, Bond Counsel will require as a precondition to release of its opinion that the purchaser of such Bonds deliver to it a completed "issue price" certificate, or similar certificate, regarding expectations or public offering prices, as applicable, with respect to the Bonds awarded to such bidder, as described below under "Establishment of Issue Price".

### **Establishment of Issue Price**

In order to provide the Issuer with information that enables it to comply with certain requirements of the Internal Revenue Code of 1986 (the "Code"), relating to the exclusion of interest on the Bonds from the gross income of their owners, the winning bidder will be required to complete, execute, and deliver to the Issuer at or prior to the delivery of the Bonds an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the Public (the "Initial Offering Price") or the actual sales price or prices of the Bonds, as circumstances may determine, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of Bond Counsel. Communications relating to this "Establishment of Issue Price" section, the completed certificate(s) and any supporting information shall be delivered to (1) Bond Counsel at Glenn G. Rybacki, Esq., Pullman & Comley, LLC, 90 State House Square, Hartford, CT 06103, Telephone: (860) 424-4391, E-mail: [grybacki@pullcom.com](mailto:grybacki@pullcom.com) and (2) the Municipal Advisor at Barry J. Bernabe, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 53 River Street, Milford, CT 06460, Telephone: (203) 283-1110, E-mail: [bbernabe@muniadvisors.com](mailto:bbernabe@muniadvisors.com) (the "Municipal Advisor"). Questions related to this "Establishment of Issue Price" section should be directed to Bond Counsel or the Municipal Advisor. For purposes of this "Establishment of Issue Price" section, Bond Counsel may act on behalf of the Issuer and the Municipal Advisor may act on behalf of the Issuer.

By submitting a bid, each bidder is certifying that its bid is a firm offer to purchase the Bonds, is a good faith offer which the bidder believes reflects current market conditions, and is not a "courtesy bid" being submitted for the purpose of assisting in meeting the competitive sale requirements relating to the establishment of the "issue price" of the Bonds pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of

municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds.

By submitting a bid, a bidder represents to the Issuer that it has an established industry reputation for underwriting new issuances of municipal bonds such as the Bonds, represents that such bidder's bid is submitted for or on behalf of such bidder by an officer or agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of the Bonds, and understands that upon award by the Issuer that this Notice of Sale constitutes a written contract between such bidder, as winning bidder, and the Issuer.

By submitting a bid, the bidder agrees that if the Competitive Sale Rule (as set forth below) is not met, it will satisfy either the Actual Sales Rule (as set forth below) or the Hold-the-Offering-Price Rule (as set forth below).

Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied.

***Notification of Contact Information of Winning Bidder.*** Promptly upon award, the winning bidder shall notify the Municipal Advisor and Bond Counsel of the contact name, telephone number and e-mail address of the person(s) of the winning bidder for purposes of communications concerning this "Establishment of Issue Price" section.

***Competitive Sale Rule.*** The Issuer intends that the provisions of Treasury Regulations Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "Competitive Sale Rule") because:

- (1) the Issuer shall disseminate, or have disseminated on its behalf, this Notice of Sale to potential bidders in a manner that is reasonably designed to reach potential bidders;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Issuer anticipates receiving bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the Issuer anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest true interest cost ("TIC"), as set forth in this Notice of Sale.

***Competitive Sale Rule Met.*** The Issuer, or the Municipal Advisor on behalf of the Issuer, shall at the time of award advise the winning bidder if the Competitive Sale Rule has been met. Within two (2) hours of award (or such other time as agreed to by Bond Counsel), the winning bidder shall provide Bond Counsel and the Municipal Advisor, via e-mail, a completed "ISSUE PRICE CERTIFICATE" in the form attached hereto as Attachment A.

***Competitive Sale Rule Not Met.*** In the event that the Competitive Sale Rule is not satisfied, the Issuer, or the Municipal Advisor on behalf of the Issuer, shall at the time of award advise the winning bidder. The Issuer may determine to treat (i) the first price at which ten percent (10%) of a Maturity of the Bonds (the “Actual Sales Rule”) is sold to the Public as the issue price of that Maturity, and/or (ii) the Initial Offering Price to the Public as of the Sale Date of any Maturity of the Bonds as the issue price of that Maturity (the “Hold-the-Offering-Price Rule”), in each case applied on a Maturity-by-Maturity basis. In the event that the Competitive Sale Rule is not satisfied, the winning bidder, by 4:30 p.m. (E.T.) on the Sale Date, shall notify and provide, via e-mail, Bond Counsel and the Municipal Advisor (I) of the first price at which ten percent (10%) of each Maturity of Bonds has been sold to the Public and (II) reasonable supporting documentation or certifications of such price the form of which is acceptable to Bond Counsel; i.e., those Maturities of the Bonds that satisfy the Actual Sales Rule as of the Sale Date. After such receipt, the Issuer, or Bond Counsel on behalf of the Issuer, shall promptly confirm with the winning bidder, via e-mail, which Maturities of the Bonds shall be subject to the Actual Sales Rule and which Maturities shall be subject to the Hold-the-Offering-Price Rule.

For those Maturities of Bonds subject to the Hold-the-Offering-Price Rule, the winning bidder shall (i) provide Bond Counsel (via e-mail) a copy of pricing wire or equivalent communication for the Bonds (ii) confirm that each Underwriter (as defined below) has offered or will offer all of the Bonds to the Public on or before the date of award at the Initial Offering Prices and (ii) agree, on behalf of each Underwriter participating in the purchase of the Bonds, that each Underwriter will neither offer nor sell unsold Bonds of any Maturity to which the Hold-the-Offering-Price Rule shall apply to any person at a price that is higher than the Initial Offering Price for such Maturity during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the Sale Date; or
- (2) the date on which the Underwriters have sold at least ten percent (10%) of that Maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price.

The winning bidder shall promptly advise Bond Counsel and the Municipal Advisor, via e-mail, when the Underwriters have sold ten percent (10%) of that Maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to (A) report the prices at which it sells to the Public the unsold Bonds of each Maturity allotted to it until it is notified by the winning bidder that either the Actual Sales Rule has been satisfied as to the Bonds of that Maturity or all Bonds of that Maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so



long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the Public the unsold Bonds of each Maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the Actual Sales Rule has been satisfied as to the Bonds of that Maturity or all Bonds of that Maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a Related Party (as defined below) to an Underwriter shall not constitute sales to the Public for purposes of this Notice of Sale.

***Definitions.*** For purposes of this “Establishment of Issue Price” section:

- (1) “Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (2) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.
- (3) “Related Party” generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.
- (4) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

## **Official Statement**

For more information regarding the Bonds or the Issuer, reference is made to the Preliminary Official Statement dated July 29, 2025 (the “Official Statement”) describing the Bonds and the financial condition of the Issuer. The Preliminary Official Statement is available in electronic format at <https://munihub.com>, and such electronic access is being provided as a matter of convenience only. Copies of the Preliminary Official Statement may be obtained from Barry J. Bernabe, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 53 River Street, Milford, CT 06460, Telephone: (203) 283-1110, E-mail: [bbernabe@muniadvisors.com](mailto:bbernabe@muniadvisors.com). The Issuer

deems such Official Statement to be a final official statement for purposes of complying with Securities and Exchange Commission Rule 15c2-12 (the “Rule”), but such Official Statement is subject to revision or amendment as appropriate. The Issuer will make available to the purchaser a reasonable number of copies of the final Official Statement at the Issuer’s expense, and the final Official Statement will be made available to the purchaser by no later than the earlier of the delivery of the Bonds or by the seventh (7th) business day after the day bids on the Bonds are received. If the Issuer’s Municipal Advisor, is provided with the necessary information from the purchaser by 12:00 o’clock noon on the day after the Sale Date, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating(s), yields or reoffering prices and the name of the managing underwriter of the Bonds, and any corrections. The purchaser shall arrange with the Municipal Advisor the method of delivery of the copies of the final Official Statement to the purchaser. Additional copies of the final Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

### **Continuing Disclosure Agreement**

As required by the Rule, the Issuer will undertake, pursuant to a Continuing Disclosure Agreement (the “Agreement”), to provide annual financial information and operating data including audited financial statements, notice of the occurrence of certain events with respect to the Bonds within ten (10) business days of such event, and timely notice of any failure by the Issuer to provide annual reports on or before the date specified in the Agreement. A form of the Agreement is attached to the Official Statement as Appendix C. The purchaser’s obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to delivery of the Bonds, an executed Agreement.

#### **TOWN OF BEACON FALLS, CONNECTICUT**

**GERARD F. SMITH**  
First Selectman

**PETER J. BETKOSKI**  
Selectman

**MICHAEL A. KRENESKY**  
Selectman

**DALTON FENNELL**  
Treasurer

July 29, 2025

**ATTACHMENT A**

**ISSUE PRICE CERTIFICATE**

*(If Competitive Sale Rule Met)*

TOWN OF BEACON FALLS, CONNECTICUT  
\$ \_\_\_\_\_ GENERAL OBLIGATION BONDS, ISSUE OF 2025  
Dated August 20, 2025

The undersigned, on behalf of [UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”).

1. ***Due Authorization.*** The undersigned is a duly authorized representative of [SHORT NAME OF UNDERWRITER], the purchaser of the Bonds.

2. ***Purchase Price.*** The TOWN OF BEACON FALLS, CONNECTICUT (the “Issuer”) sold to [SHORT NAME OF UNDERWRITER], for delivery on or about August 20, 2025, the Bonds at a price of par (\$ \_\_\_\_\_), plus an aggregate net premium of \$ \_\_\_\_\_ and less an underwriter’s discount of \$ \_\_\_\_\_, resulting in an aggregate net purchase price of \$ \_\_\_\_\_.

3. ***Reasonably Expected Initial Offering Price.***

(a) As of August 6, 2025 (the “Sale Date”), the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in **Schedule A** (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as **Schedule B** is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

4. ***Defined Terms.***

(a) “Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than fifty percent (50%) common ownership, directly or indirectly.

(c) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Bonds to the Public (including a member of the selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

5. ***Representations and Information.*** The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986 and the Treasury Regulations thereunder (collectively, the “Code”). The undersigned understands that the foregoing information will be relied upon by the Issuer in making its certification as to issue price of the Bonds under the Code and with respect to compliance with the federal income tax rules affecting the Bonds. Pullman & Comley, LLC, bond counsel, may rely on the foregoing representations in rendering its opinion on the exclusion from federal gross income of the interest on the Bonds, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer relating to the Bonds. Except as set forth above, no third party may rely on the foregoing certifications, and no party may rely hereon for any other purpose.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of August \_\_, 2025.

[UNDERWRITER]

By: \_\_\_\_\_  
Name:  
Title:

**Schedule A to Issue Price Certificate**

<u>Maturity, August 15</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>	<u>Price (\$, not Yield)</u>
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			

**Schedule B to Issue Price Certificate**

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