

**TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of the Town of Brookhaven, NY)**

**FINANCIAL STATEMENTS
(WITH INDEPENDENT AUDITORS' REPORT)**

Years Ended December 31, 2021 and 2020

**TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT AGENCY**

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Independent Auditors' Report

To the Agency Board
Town of Brookhaven Industrial Development Agency
Farmingville, New York

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Town of Brookhaven Industrial Development Agency (the "Agency"), a component unit of the Town of Brookhaven, as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of December 31, 2021 and 2020, and the changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As described in Notes A, F, and L to the basic financial statements, the Agency, effective January 1, 2021, established an other postemployment benefit plan for healthcare benefits for its employees. The cost associated with past service costs as of the effective date of the plan is reported as a special item in the statement of revenues, expenses, and changes in net position. Our opinion is not modified with respect to this matter.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency, 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

Responsibilities of Management for the Financial Statements (continued)

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 Agency'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.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS 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 Agency'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 Agency'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, Schedule of Changes in the Total Other Postemployment Benefits Liability and Related Ratio, Schedule of Proportionate Share of the Net Pension Liability and Schedule of Pension Contributions as listed in the table of contents, 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.

Required Supplementary Information (continued)

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Management is responsible for the other supplementary information included in the financial statements. The other supplementary information consists of the accompanying Schedule of Indebtedness - Conduit Debt, Schedule of Exemptions - Bonds and Schedule of Exemptions - Leases but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other supplementary information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other supplementary information and consider whether a material inconsistency exists between the other supplementary information and the financial statements, or the other supplementary information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2022, on our consideration of the Agency'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 Agency'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 Agency's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP
PKF O'Connor Davies, LLP
Hauppauge, New York
March 16, 2022

REQUIRED SUPPLEMENTARY INFORMATION
Management's Discussion and Analysis

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS Years Ended December 31, 2021 and 2020

This section presents management's analysis of the Town of Brookhaven Industrial Development Agency's (the "Agency"), a component unit of the Town of Brookhaven, New York (the "Town"), financial condition and activities for the years ended December 31, 2021 and 2020. Please read this information in conjunction with the financial statements. Management's Discussion and Analysis is Required Supplementary Information specified in the Government Accounting Standards Board Statements No. 34.

FINANCIAL HIGHLIGHTS

The Agency's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at close of 2021 and 2020 by \$6,140,879 and \$2,974,404, respectively. These funds, except for the investment in capital assets, are unrestricted and may be utilized for the general operations of the Agency.

Charges for services totaled \$5,182,094 in 2021 and \$777,824 in 2020. Effective January 1, 2021, the Agency established an other postemployment plan for healthcare, which resulted in a special item expense of \$797,267, which represents the cost of providing future benefits associated with past service as of the effective date of the plan.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis ("MD&A") serves as an introduction to the basic financial statements. The MD&A represents management's discussion and analysis of the Agency's financial condition and performance. Summary financial statement data, key financial and operational indicators used in the Agency's operating plan, and other management tools were used for this analysis. The financial statements report information about the Agency, which is an enterprise-type fund. The Agency applies full accrual accounting methods as used by similar business activities in the private sector. The statements offer short and long-term financial information.

The financial statements include the statements of net position, statements of revenues, expenses, and changes in net position, statements of cash flows, and notes to the financial statements. The statements of net position include all of the Agency's assets, liabilities, and deferred outflows/inflows of resources, and provide information about the nature of such amounts.

The statements of revenues, expenses, and changes in net position present the results of the Agency's activities over the course of the year and information as to how the net position changed during the 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 the related cash flows.

The statements of cash flows report changes in cash and cash equivalents resulting from operating, financing and investing activities, as applicable.

The notes to the financial statements provide required disclosures and other information that is essential to a full understanding of material data provided in the statements. The notes present information about the Agency's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies, and subsequent events, if any.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2021 and 2020

FINANCIAL ANALYSIS OF THE AGENCY

One of the most important objectives of the financial analysis is to determine if the Agency, as a whole, is better or worse off as a result of the year's activities.

The statements of net position and the statements of revenues, expenses, and changes in net position provide useful information in this regard. The statements report the net position of the Agency and changes in these net positions.

The amount of net position, the difference between total assets and deferred outflows of resources and liabilities and deferred inflows of resources, is a significant measure of the financial health or financial position of the Agency.

Over time, increases or decreases in the Agency's net position is one indicator of whether its financial health is improving or deteriorating. However, other non-financial factors, such as changes in economic conditions, population growth, zoning, and new government legislation or changes to existing government legislation should be considered in evaluating the financial condition of the Agency.

The following comparative condensed financial statements and other selected information serve as the financial data and indicators for management's monitoring and planning.

Net Position

A summary of the Agency's condensed statements of net position at December 31st is presented as follows:

	2021	2020	2019
Assets			
Current and other assets	\$ 7,409,658	\$ 3,473,983	\$ 3,327,716
Capital assets	32,874	-0-	1,560
Total Assets	<u>7,442,532</u>	<u>3,473,983</u>	<u>3,329,276</u>
Deferred Outflows of Resources	<u>404,553</u>	<u>296,295</u>	<u>85,407</u>
Liabilities			
Current liabilities	257,371	373,979	188,574
Long-term liabilities	915,488	403,804	94,464
Total Liabilities	<u>1,172,859</u>	<u>777,783</u>	<u>283,038</u>
Deferred Inflows of Resources	<u>533,347</u>	<u>18,091</u>	<u>38,513</u>
Net Position			
Investment in capital assets	32,874	-0-	1,560
Unrestricted	6,108,005	2,974,404	3,091,572
Total Net Position	<u>\$ 6,140,879</u>	<u>\$ 2,974,404</u>	<u>\$ 3,093,132</u>

Total assets and deferred outflows of resources as of December 31, 2021 were \$7,847,085 which exceeded total liabilities and deferred inflows of resources by \$6,140,879 (i.e., net position).

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS Years Ended December 31, 2021 and 2020

FINANCIAL ANALYSIS OF THE AGENCY (continued)

Net Position (continued)

All of the Agency's net position, except for investment in capital assets, was unrestricted, which is available to support future Agency operations.

Total assets and deferred outflows of resources increased \$4,076,807, between December 31, 2021 and 2020, primarily due to the increase in cash (including restricted cash) of \$3,924,994 and an increase in deferred outflows related to pension amounts of \$108,258.

Total liabilities and deferred inflows of resources at December 31, 2021 increased by \$910,332 from the prior year, which consists of a \$395,076 increase in total liabilities and an increase of \$515,256 in deferred inflows of resources. The increase in liabilities is primarily attributed to increases of: \$860,020 in other postemployment benefits liability and \$131,804 in accounts payable and accrued expenses, other liabilities, and compensated absences. As noted previously, effective January 1, 2021, the Agency elected to provide other postemployment benefits for healthcare to its employees. These increases were offset by decreases of: \$207,894 in due to other governments due to timing of the receipt of payments in lieu of taxes and the disbursement/remittance of such to affected taxing jurisdictions, \$379,854 in the net pension liability, and \$9,000 in unearned revenue. The net position increased by \$3,166,475 from the prior year.

The changes in deferred inflows and outflows of resources relate to changes in the Agency's pension and other postemployment benefits defined benefit plans. Factors affecting the Agency's pension plan include amortization of pension related items, contributions subsequent to measurement date, and changes in actuarial assumptions, as disclosed in Note E.

Total assets and deferred outflows of resources as of December 31, 2020 were \$3,770,278 which exceeded total liabilities and deferred inflows of resources by \$2,974,404 (i.e., net position). All of the Agency's net position at December 31, 2020 was unrestricted, which is available to support future Agency operations.

Total assets and deferred outflows of resources increased \$355,595, between December 31, 2020 and 2019, primarily due to the increase in cash (including restricted cash) of \$146,027 and an increase in deferred outflows related to pension amounts of \$210,888.

Total liabilities and deferred inflows of resources at December 31, 2020 increased by \$474,323 from 2019, which consists of a \$494,745 increase in total liabilities and a decreased of \$20,422 in deferred inflows of resources. The increase in liabilities is primarily attributed to an increase of \$168,693 in due to other governments for payments in lieu of taxes received in December 2020, disbursed in January 2021, an increase in the net pension liability of \$301,155 and an increase in accounts payable and accrued expenses of \$18,204. The net position decreased by \$118,728 from the prior year.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS Years Ended December 31, 2021 and 2020

FINANCIAL ANALYSIS OF THE AGENCY (continued)

Operating Results

The Agency's condensed statements of revenues, expenses, and changes in net position for the years ended December 31st are presented as follows:

	2021	2020	2019
Operating Revenues			
Charges for services	\$ 5,182,094	\$ 777,824	\$ 909,090
Total Operating Revenues	<u>5,182,094</u>	<u>777,824</u>	<u>909,090</u>
Operating Expenses			
Salaries and fringe benefits	1,043,941	707,516	560,105
Contractual goods and services	198,483	213,670	245,461
Depreciation	5,309	1,560	8,507
Total Operating Expenses	<u>1,247,733</u>	<u>922,746</u>	<u>814,073</u>
Income (Loss) from Operations	<u>3,934,361</u>	<u>(144,922)</u>	<u>95,017</u>
Non-Operating Revenues	<u>29,381</u>	<u>26,194</u>	<u>58,497</u>
Income (Loss) before Special Item	3,963,742	(118,728)	153,514
Special Item	<u>(797,267)</u>	<u>-0-</u>	<u>-0-</u>
Net Change in Net Position	3,166,475	(118,728)	153,514
Net Position at Beginning of Year	<u>2,974,404</u>	<u>3,093,132</u>	<u>2,939,618</u>
Net Position at End of Year	<u>\$ 6,140,879</u>	<u>\$ 2,974,404</u>	<u>\$ 3,093,132</u>

In 2021, the Agency's operating revenues increased by \$4,404,270 or 566.23% from \$777,824 in 2020 to \$5,182,094 in 2021 primarily due to the increase in the number and size of the projects closed during the year, which drives closing fee revenues. The Agency's expenses increased \$324,987 or 35.22% from \$922,746 in 2020 to \$1,247,733 in 2021. The increase in expense is mainly due to increases in salaries/compensation levels during the year 2021. The special item expense of \$797,267 stems from the other postemployment benefit for healthcare plan which was established January 1, 2021. This expense represents the cost associated with past service of providing future healthcare benefits to retirees as of the effective date of this plan.

In 2020, the Agency's operating revenues decreased by \$131,266 or 14.44% from \$909,090 in 2019 to \$777,824 in 2020 primarily due to the number and size of the projects closed during the year, which drives closing fee revenues. The Agency's expenses increased \$108,673 or 13.35% from \$814,073 in 2019 to \$922,746 in 2020. The increase in expense is mainly due to increases in staffing and salaries/compensation levels during the year 2020.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS Years Ended December 31, 2021 and 2020

CAPITAL ASSET ADMINISTRATION

The Agency's capital assets totaled \$32,874 and \$-0- at December 31, 2021 and 2020, respectively. During 2021, the Agency recognized \$38,183 of additions and \$5,309 of depreciation. During 2020, the Agency recognized \$1,560 of depreciation.

ECONOMIC FACTORS AND NEXT YEAR'S PLAN

The overall mission of the Agency is to improve the quality of life for Brookhaven Town residents by promoting and assisting the growth of businesses that will increase employment opportunities, increase the commercial tax base, while being sensitive to the quality of the environment. To accomplish this mission, we will market to companies currently located within the Town, as well as those organizations external to the Town, utilizing the various incentives available to the Agency such as sales and use tax and partial mortgage recording tax exemptions, real estate tax abatements and the ability to issue tax-exempt and taxable bonds.

The Agency plans to continue and expand its assistance to the businesses located in or relocating to the Town of Brookhaven through:

- Local property tax abatements
- Sales and use tax exemptions
- Partial mortgage recording tax exemptions
- Federally tax-exempt and taxable revenue bonds

CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our readers with a general overview of the Agency's finances and to show the Agency's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town of Brookhaven Industrial Development Agency at One Independence Hill, Farmingville, New York 11738.

FINANCIAL STATEMENTS

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

COMPARATIVE STATEMENT OF NET POSITION

	December 31,	
	<u>2021</u>	<u>2020</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 7,285,004	\$ 3,172,505
Cash - restricted	79,508	267,013
Due from other governments	4,400	-0-
Prepaid expenses	40,746	34,465
	<u>7,409,658</u>	<u>3,473,983</u>
Total Current Assets		
Non-current Assets:		
Depreciable capital assets, net of depreciation	32,874	-0-
	<u>32,874</u>	<u>-0-</u>
Total Non-current Assets		
	<u>7,442,532</u>	<u>3,473,983</u>
Total Assets		
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	404,553	296,295
	<u>404,553</u>	<u>296,295</u>
Total Deferred Outflows of Resources		
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued expenses	162,279	97,966
Other liabilities	25,840	5,386
Unearned revenue	-0-	9,000
Due to other governments - PILOTs	53,733	261,627
Accrued compensated absences	15,519	-0-
	<u>257,371</u>	<u>373,979</u>
Total Current Liabilities		
Non-current Liabilities:		
Accrued compensated absences	53,870	22,352
Net pension liability	1,598	381,452
Total other postemployment benefits liability	860,020	-0-
	<u>915,488</u>	<u>403,804</u>
Total Non-current Liabilities		
	<u>1,172,859</u>	<u>777,783</u>
Total Liabilities		
DEFERRED INFLOWS OF RESOURCES		
Pension related	471,880	18,091
Other postemployment benefits related	61,467	-0-
	<u>533,347</u>	<u>18,091</u>
Total Deferred Inflows of Resources		
NET POSITION		
Investment in capital assets	32,874	-0-
Unrestricted	6,108,005	2,974,404
	<u>6,140,879</u>	<u>2,974,404</u>
Total Net Position		
	<u>\$ 6,140,879</u>	<u>\$ 2,974,404</u>

See notes to financial statements.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	Years Ended December 31,	
	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
Charges for services	\$ 5,182,094	\$ 777,824
OPERATING EXPENSES		
Administration salaries, benefits and payroll taxes	1,043,941	707,516
Advertising, public relations and special projects	31,869	61,892
Insurance	46,814	45,300
Depreciation	5,309	1,560
Meeting, conferences and publications	9,011	1,549
Professional fees	73,708	54,448
Rent	13,500	18,000
Office expense	20,133	27,744
Travel and conferences	3,448	4,737
Total Operating Expenses	<u>1,247,733</u>	<u>922,746</u>
Income (Loss) from Operations	<u>3,934,361</u>	<u>(144,922)</u>
NON-OPERATING REVENUES		
Interest income	14,481	26,194
Gain on sale of asset	14,900	-0-
Total Non-Operating Revenues	<u>29,381</u>	<u>26,194</u>
Income (Loss) before Special item	<u>3,963,742</u>	<u>(118,728)</u>
SPECIAL ITEM		
Other postemployment benefit expense - past service cost	<u>(797,267)</u>	<u>-0-</u>
Change in Net Position	3,166,475	(118,728)
Net Position at Beginning of Year	<u>2,974,404</u>	<u>3,093,132</u>
Net Position at End of Year	<u>\$ 6,140,879</u>	<u>\$ 2,974,404</u>

See notes to financial statements.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

COMPARATIVE STATEMENT OF CASH FLOWS

	Years Ended December 31,	
	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from charges for services and projects	\$ 5,173,094	\$ 783,824
Cash paid for payroll and related expenses	(907,007)	(629,486)
Cash payments for contractual expenses	<u>(144,851)</u>	<u>(195,706)</u>
Net Cash From Operating Activities	<u>4,121,236</u>	<u>(41,368)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash received (payments) of funds held for Ronkonkoma Hub Transit Orientated Development	20,454	(7,492)
Cash received from recapture of project benefits	-0-	30,984
Cash payments from recapture of project benefits	-0-	(30,984)
Cash received from payments in lieu of taxes and other	19,329,326	18,681,700
Cash paid for payments in lieu of taxes and other	<u>(19,537,220)</u>	<u>(18,513,007)</u>
Net Cash From Noncapital Financing Activities	<u>(187,440)</u>	<u>161,201</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from sales of asset	14,900	-0-
Acquisition of capital assets	<u>(38,183)</u>	<u>-0-</u>
Net Cash from Capital and Related Financing Activities	<u>(23,283)</u>	<u>-0-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	<u>14,481</u>	<u>26,194</u>
Net Cash From Investing Activities	<u>14,481</u>	<u>26,194</u>
Net Change in Cash and Cash Equivalents	3,924,994	146,027
Cash and Cash Equivalents at Beginning of Year	<u>3,439,518</u>	<u>3,293,491</u>
Cash and Cash Equivalents at End of Year	<u>\$ 7,364,512</u>	<u>\$ 3,439,518</u>
Unrestricted Cash	7,285,004	3,172,505
Restricted Cash	<u>79,508</u>	<u>267,013</u>
	<u>\$ 7,364,512</u>	<u>\$ 3,439,518</u>
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Income (loss) from operations	\$ 3,934,361	\$ (144,922)
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:		
Depreciation expense	5,309	1,560
Increase in assets:		
Due from other governments	(4,400)	-0-
Prepaid expenses	(6,281)	(240)
Increase in deferred outflows of resources	(108,258)	(210,888)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	64,313	18,204
Unearned revenue	(9,000)	6,000
Accrued compensated absences	47,037	8,185
Total other postemployment benefits liability	62,753	-0-
Net pension liability	(379,854)	301,155
Increase (decrease) in deferred inflows of resources	<u>515,256</u>	<u>(20,422)</u>
Net Cash From Operating Activities	<u>\$ 4,121,236</u>	<u>\$ (41,368)</u>

See notes to financial statements.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS Years Ended December 31, 2021 and 2020

A. Summary of Significant Accounting Policies

The Town of Brookhaven Industrial Development Agency (the “Agency”) was created as a New York State public benefit corporation. The Agency was established in 1971 pursuant to Title A of Article 18-A, Chapter 358 of the New York General Municipal Law (“NYGML”), at the request of the Town of Brookhaven. The Agency is a quasi-governmental, tax-exempt agency that was created to promote, develop, encourage and assist in acquiring, developing and equipping various business facilities, thereby advancing the job opportunities, general prosperity and economic welfare for the people of the Town of Brookhaven, New York. The Agency provides companies with the following incentives:

- Local property tax abatements
- Sales and use tax exemptions
- Partial mortgage recording tax exemptions
- Federally tax-exempt and taxable revenue bonds

The Agency is governed by a Board (“Agency Board”) consisting of seven members, and which is the legislative body responsible for overall operations. The members of the Agency’s Board are appointed by the Town of Brookhaven (the “Town”). The Agency Board appoints the Executive Director of the Agency who is the Chief Executive Officer. The Agency is a discretely presented component unit of the Town of Brookhaven.

The financial statements of the Agency have been prepared in conformity with generally accepted accounting principles in the United States, as prescribed by the Governmental Accounting Standards Board (“GASB”). GASB is the primary standard-setting body for establishing governmental accounting and financial reporting principles.

The Agency’s more significant accounting policies are described below.

1. Financial Reporting

The financial reporting entity includes all functions and activities of the Town of Brookhaven Industrial Development Agency. No other governmental organization has been included or excluded from the reporting entity.

2. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The Agency uses the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2021 and 2020

A. Summary of Significant Accounting Policies (continued)

2. Measurement Focus/Basis of Accounting (continued)

Revenues, expenses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. The financial statements include the statements of net position, statements of revenues, expenses, and changes in net position, and statements of cash flows.

3. Cash and Cash Equivalents

Generally, for purposes of reporting cash flows, cash equivalents are defined as short-term highly liquid investments and includes unrestricted and restricted cash. Cash equivalents are carried at amortized costs which approximates fair value.

Restricted cash consists of monies held for a specific project's expenses, receipt of payments in lieu of taxes ("PILOT") and which have not been remitted to the appropriate taxing jurisdictions (Note D) and recaptured benefits payable to the State of New York (Note H), as applicable.

Interest income is reported in the statement of revenues, expenses and changes in net position.

4. Prepaid Expenses

Certain payments to vendors reflect costs applicable to future periods and are reported as prepaid expenses.

5. Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more and an estimated useful life in excess of one year, are accounted for as capital assets. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except donated capital assets, which are recorded at acquisition value at the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided over the assets' estimated useful lives using the straight-line method of depreciation.

The range of estimated useful lives by type of asset is as follows:

Machinery and equipment	3-10 years
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TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS Years Ended December 31, 2021 and 2020

A. Summary of Significant Accounting Policies (continued)

6. Deferred Outflows and Inflows of Resources

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. The Agency has one item that qualifies for reporting in this category. The item relates to the net pension liability reported in the statement of net position. This represents the effect of the net change in the Agency's proportion of the collective net pension liability, the differences during the measurement periods between the Agency's contributions and its proportionate share of total contributions to the pension system not included in pension expense, change in assumptions and the Agency's contributions to the pension system made subsequent to the measurement date (see Note E).

In addition to liabilities, the statements of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue/contra expense) until that time. The Agency has two items that qualify for reporting in this category. The first item represents the effect of the net change in the Agency's proportion of the collective net pension liability and the differences during the measurement periods between the Agency's contributions and its proportionate share of total contributions to the pension system not included in, pension expense (see Note E). The second item represents the effects of the change in assumptions for the total other postemployment benefits (OPEB) liability. (See Note F).

7. Due to Other Governments

The Agency bills and collects payments in lieu of taxes from the project properties. These payments are deposited and subsequently are disbursed to the appropriate taxing jurisdictions, within 30 days of receipt by the Agency as required by law (see Note D). Payments collected are not considered revenues to the Agency and are disbursed to the appropriate taxing jurisdictions. Due to other governments consists of payments in lieu of taxes received that have been collected but not yet disbursed to the taxing jurisdictions. Also included in due to other governments are recaptured benefits payable to the State of New York, if any. Payments will be from the restricted cash.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS Years Ended December 31, 2021 and 2020

A. Summary of Significant Accounting Policies (continued)

8. Net Position Classification

In the financial statements, equity is classified as net position and may be displayed in three components, as applicable:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported. Net position should be reported as restricted when constraints placed on net position use are either (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The Agency has no restricted net position.
- c. Unrestricted net position - is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the investment in capital assets or restricted components of net position.

When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first, then unrestricted resources as needed.

9. Postemployment Benefits

The Agency offers pension and other postemployment benefits for healthcare to its employees, pursuant to defined benefit plans.

Pension

The measurements of the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, and information about the fiduciary net position of the New York State and Local Retirement System (the "System") have been determined on the same basis as they were reported by the System. For this purpose, the System recognizes benefit payments when due and payable in accordance with the benefit terms, and reports investments at fair value.

Other Postemployment Benefits

In addition to providing pension benefits, the Agency provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the Agency's employees may become eligible for these benefits if they reach normal retirement age and meet a length of service requirement.

Other postemployment benefits other than pensions ("OPEB") cost for retiree healthcare benefits is measured and disclosed using the accrual basis of accounting.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS Years Ended December 31, 2021 and 2020

A. Summary of Significant Accounting Policies (continued)

9. Postemployment Benefits (continued)

Other Postemployment Benefits (continued)

As a result of establishing this plan, the Agency reports the past service costs as a special item in the statement of revenues, expenses, and changes in net position. See Note F and Note L for additional information.

10. Compensated Absences

Certain qualifying Agency employees earn accrued leave time/paid time off in varying amounts. In the event of separation from service, employees are paid for a portion of accumulated unused accrued paid time off. The liability for the accrued leave time/paid time off is recorded in the statement of net position.

11. Revenue

The Agency's primary source of operating revenue is from application fees and financing fees (bond issuance and lease fees) which are computed as a percentage of the total project. Fees are recorded as income when earned at the time of closing on the projects. Nonoperating revenues consists of investment interest and earnings and gains/losses on sale of assets.

12. Advertising

The Agency follows the policy of charging the costs of advertising and marketing to expense as incurred. Advertising and marketing expense for the years ended December 31, 2021 and 2020 was approximately \$32,000 and \$62,000, respectively.

13. 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 of assets, liabilities, deferred inflows/outflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

14. Recent Accounting Pronouncements

The Agency has adopted the following Statements of the Governmental Accounting Standards Board ("GASB") during the year ended December 31, 2021 as follows:

- Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period*", and
- Statement No. 98, "*The Annual Comprehensive Financial Report*".

The implementation of the above Statements had no impact on the Agency's financial statements.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS Years Ended December 31, 2021 and 2020

A. Summary of Significant Accounting Policies (continued)

15. Subsequent Events

Subsequent events have been evaluated through March 16, 2022, which is the date the financial statements were available to be issued. Management has determined that there were no events that occurred that require additional disclosure.

16. Reclassifications

Reclassifications are made to the prior year's financial statements whenever necessary to conform to current year's presentation. Such reclassifications have had no effect on income as previously reported.

B. Deposits

Cash and cash equivalents consist of funds deposited in demand accounts.

The Agency's deposits and investments are governed by a formal investment policy. The Agency's monies must be deposited in commercial banks or trust companies, which are members of the Federal Deposit Insurance Corporation and located within New York State.

The Agency is authorized to use certificates of deposit and money market deposit accounts. Permissible investments include certificates of deposit and United States Treasuries with a maturity no longer than one year.

Collateral is required for demand deposits and time deposits accounts of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral include letters of credit, as well as obligations of the United States and its agencies and obligations of the State and its municipalities. The Agency's collateral agreements are based on the Agency's available balance.

Custodial Credit Risk - Deposits/Investments - Custodial credit risk for deposits exists when, in the event of the failure of a depository financial institution, a government may be unable to recover deposits or recover collateral securities that are in possession of an outside agency. Custodial credit risk for investments exists when, in the event of the failure of the counterparty, a government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party.

Deposits are required to be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either:

- Uncollateralized,
- Collateralized with securities held by the pledging financial institution, or
- Collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Agency's name.

At December 31, 2021, the carrying amount of the Agency's cash and cash equivalents totaled \$7,364,212, excluding petty cash of \$300. The bank balances totaled \$7,397,886, of which \$250,000 was covered by Federal Depository Insurance Corporation, \$7,147,886 was collateralized by letters of credit and securities held by the Agency's agent, a third-party financial institution. At December 31, 2020, the carrying amount of the Agency's cash and cash equivalents, excluding petty cash of \$300, totaled \$3,439,218.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2021 and 2020

C. Capital Assets

Capital asset activity for the years ended December 31, 2021 and 2020 is as follows:

	<u>Balance</u> 01/01/20	<u>Additions</u>	<u>Balance</u> 01/01/21	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> 12/31/21
Depreciable assets:						
Vehicles	\$ 28,079	\$ -0-	\$ 28,079	\$ 34,595	\$ 28,079	\$ 34,595
Computer equipment	15,599	-0-	15,599	3,588	-0-	19,187
Total depreciable capital assets	<u>43,678</u>	<u>-0-</u>	<u>43,678</u>	<u>38,183</u>	<u>28,079</u>	<u>53,782</u>
Accumulated depreciation:						
Vehicles	28,079	-0-	28,079	5,189	28,079	5,189
Computer equipment	14,039	1,560	15,599	120	-0-	15,719
Total accumulated depreciation	<u>42,118</u>	<u>\$ 1,560</u>	<u>43,678</u>	<u>\$ 5,309</u>	<u>\$ 28,079</u>	<u>20,908</u>
Total net depreciable assets	<u>\$ 1,560</u>		<u>\$ -0-</u>			<u>\$ 32,874</u>

Depreciation expense totaled \$5,309 and \$1,560 for the years ended December 31, 2021 and 2020, respectively.

The Agency evaluates capital assets for prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. The Agency's policy is to record an impairment loss in the period when the Agency determines that the carrying amount of the asset will not be recoverable. At December 31, 2021 and 2020, the Agency has not recorded any such impairment losses.

D. Payments in Lieu of Taxes

The Agency, as a condition of providing assistance, may require that the benefiting company remit a PILOT payment. PILOT payments are billed annually, however, may be paid by the company on an optional annual or semi-annual basis.

Receipts of PILOT payments are deposited and subsequently are disbursed to the appropriate taxing jurisdictions within 30 days of receipt by the Agency as required by law. PILOT payments are not considered revenues of the Agency.

At December 31, 2021 and 2020, the Agency owed \$53,733 and \$261,627, respectively, to other governments for PILOT payments received and subsequently remitted to the local municipalities in January 2022 and January 2021, respectively.

E. Retirement System

Plan Description

The Agency participates in the New York State and Local Employees' Retirement System (the "System"), which is a cost-sharing multiple-employer defined benefit pension plan and the Public Employees' Group Life Insurance Plan, collectively (the "Plan"). The System provides retirement benefits, as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). As set forth in the NYSRSSL, the Comptroller of the State of New York ("Comptroller") serves as a sole trustee and administrative head of the System.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2021 and 2020

E. Retirement System (continued)

Funding Policy

The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the System and for the custody and control of their funds. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be found on the website of the Office of the New York State Comptroller or obtained by writing to the New York State and Local Employees' Retirement System, 110 State Street, Albany, New York 12244.

Plan members who joined the system before July 27, 1976 are not required to make contributions. Those joining after July 27, 1976 and before January 1, 2010 with less than ten years of membership are required to contribute 3% of their annual salary. Those joining on or after January 1, 2010 and before April 1, 2012 are required to contribute 3% of their salary for NYSERS members throughout active membership. Those joining on or after April 1, 2012 are required to contribute between 3% and 6%, depending upon their salary, throughout active membership. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund.

The Agency is required to contribute at an actuarially determined rate. During the years ended December 31, 2021 and 2020, the Agency paid \$82,033 and \$63,375, respectively, to the System for its regular pension contribution based on the Plan year end of March 31st.

The Agency's contribution to the System was equal to 100% of the contributions required for each year.

Pension Liabilities, Pension Expense and Deferred Outflows/Inflow of Resources Related to Pensions

At December 31, 2021 and 2020, the Agency reported a liability of \$1,598 and \$381,452, respectively, for its proportionate share of the net pension liability of the System. The net pension liability was measured as of March 31, 2021 and 2020, respectively, for the System. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The Agency's proportion of the net pension liability was based on a projection of the Agency's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined by the System. Below is the Agency's proportionate share of the net pension liability of the System and its related employer allocation percentage.

	2021	2020
System's actuarial valuation date	April 1, 2020	April 1, 2019
Net pension liability	\$1,598	\$381,452
Agency's portion of the System's total net pension liability	0.0016062%	0.0014405%
Change in the allocation of the System's total net pension liability since the prior measurement date	0.001657	0.0003072

For the years ended December 31, 2021 and 2020, the Agency recognized a pension expense of \$43,559 and \$132,074, respectively, in the statements of revenues, expenses and changes in net position.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2021 and 2020

E. Retirement System (continued)

Pension Liabilities, Pension Expense and Deferred Outflows/Inflow of Resources Related to Pensions
(continued)

At December 31, 2021 and 2020, the Agency's reported deferred outflows/inflows of resources related to the pension from the following sources:

	2021	2020
Deferred outflows of resources:		
Differences between expected and actual experience	\$ 19,532	\$ 22,450
Net difference between projected and actual investment earning on pension plan investments	-0-	195,551
Change in assumptions	294,070	7,681
Changes in proportion and differences between the Agency's contributions and proportionate share of contributions	29,426	21,582
Contributions made subsequent to the measurement date	61,525	49,031
Total Deferred Outflows of Resources - Pension Related	\$ 404,553	\$ 296,295
Deferred inflows of resources:		
Differences between expected and actual experience	\$ -0-	\$ -0-
Change in assumptions	5,546	6,632
Net difference between projected and actual investment earning on pension plan investments	459,430	-0-
Changes in proportion and differences between the Agency's contributions and proportionate share of contributions	6,904	11,459
Total Deferred Inflows of Resources - Pension Related	\$ 471,880	\$ 18,091

The Agency's contribution made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent year.

Other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending December 31,	2022	\$ (21,181)
	2023	(4,354)
	2024	(18,413)
	2025	(84,904)
		\$ (128,852)

The System's Actuarial Assumptions

The total pension liability as of the measurement dates was determined by using an actuarial valuation as of April 1st, with update procedures used to roll forward the System's total pension liability to the measurement date of March 31st.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2021 and 2020

E. Retirement System (continued)

The System's Actuarial Assumptions (continued)

The System's actuarial valuation used the following actuarial assumptions:

	Measurement Date	
	March 31, 2021	March 31, 2020
Actuarial valuation date	April 1, 2020	April 1, 2019
Investment rate of return, net	5.90%	6.80%
Inflation	2.70%	2.50%
Salary increases	4.40%	4.20%
Cost of living adjustments	1.40%	1.30%
Decrement tables	April 1, 2015 - March 2020 System's Experience	April 1, 2010 - March 2015 System's Experience

Annuitant mortality rates for the April 1, 2020 and 2019 actuarial valuations are based on April 1, 2015 to March 31, 2020 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2020 and April 1, 2010 to March 31, 2015 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2018, respectively.

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

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2021 and 2020 are summarized below:

Asset Type	March 31, 2021		March 31, 2020	
	Target Allocation	Long-Term Expected Rate of Return	Target Allocation	Long-Term Expected Rate of Return
Equity:				
Domestic equity	32.00%	4.05%	36.00%	4.05%
International equity	15.00%	6.30%	14.00%	6.15%
Alternatives:				
Private equity	10.00%	6.75%	10.00%	6.75%
Real estate	9.00%	4.95%	10.00%	4.95%
Absolute return strategies	3.00%	4.50%	2.00%	3.25%
Credit	4.00%	3.63%	3.00%	4.65%
Real assets	3.00%	5.95%	3.00%	5.29%
Fixed income	23.00%	0.00%	17.00%	0.75%
Cash	1.00%	0.50%	1.00%	0.00%
Inflation-indexed bonds	0.00%	0.00%	4.00%	0.50%
	<u>100.00%</u>		<u>100.00%</u>	

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2021 and 2020

E. Retirement System (continued)

Discount Rate

The discount rate used to calculate the total pension liability as of March 31, 2021 and 2020 was 5.9% and 6.8%, respectively. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the Systems' 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 Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the Agency's proportionate share of the net pension liability calculated by the System using the discount rate of 5.9% and 6.8% as of March 31, 2021 and 2020, respectively, as well as what the Agency's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>1.00% Decrease</u>	<u>Current Assumption</u>	<u>1.00% Increase</u>
Discount rate:			
March 31, 2021	4.90%	5.90%	6.90%
March 31, 2020	5.80%	6.80%	7.80%
Agency's proportionate share of the collective net pension liability/(asset) for the Plan year ended:			
March 31, 2021	<u>\$ 443,920</u>	<u>\$ 1,598</u>	<u>\$ (406,324)</u>
March 31, 2020	<u>\$ 700,071</u>	<u>\$ 381,452</u>	<u>\$ 88,001</u>

Pension Plan Fiduciary Net Position

The components of the System's net pension liability of the employers as of the respective measurement date as of March 31, 2021 and 2020 are as follows:

	(Dollars in Thousands) <u>March 31, 2021</u>	(Dollars in Thousands) <u>March 31, 2020</u>
Measurement date		
Employers' total pension liability	\$ (220,680,157)	\$ (194,596,261)
Plan net position	<u>220,580,583</u>	<u>168,115,682</u>
Employers' net pension liability	<u>\$ (99,574)</u>	<u>\$ (26,480,579)</u>
Ratio of Plan's net position to the Employers' total pension liability	99.95%	86.39%

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2021 and 2020

F. Other Postemployment Benefits Obligation – Healthcare Benefits

In the basic financial statements, the cost of postemployment healthcare benefits, like the cost of pension benefits, generally should be associated with the period in which the cost occurs, rather than in the future year when it will be paid. The Agency recognizes the cost of postemployment healthcare in the year when the employee services are received and provides information useful in assessing potential demands on the Agency’s future cash flows.

Plan Description

Effective January 1, 2021, the Agency elected to provide other postemployment benefits for healthcare to its employees.

Postemployment benefits other than pensions are provided to eligible retirees and beneficiaries/surviving spouse under a single-employer defined benefit plan. Postemployment benefits other than pensions consist of providing healthcare coverage (or a portion thereof) and life insurance benefits to eligible retirees and survivors in accordance with the provisions of the OPEB plan.

The OPEB plan is subject to change in the future and the benefits provided may be modified. No assets have been accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Agency, as administrator of the plan, does not issue a separate report.

To provide these benefits, the Agency currently participates in the New York State Health Insurance Plan (“NYSHIP”), which offers health insurance coverage to New York State public employees through the Empire Plan (an indemnity health insurance plan) or approved health maintenance organization (“HMO”). Currently, healthcare insurance coverage is through the Empire Core Plan plus Enhancement. The New York State Department of Civil Service administers NYSHIP.

The Agency pays healthcare insurance premiums to NYSHIP on a monthly basis. Health insurance premiums paid by the Agency are based on benefits paid throughout New York State during the year or from a choice of HMOs. Under the provisions of the Empire Plan, premiums are adjusted on a prospective basis for any losses experienced by the Empire Plan. The Agency has the option to terminate its participation in the Empire Plan at any time without liability for its respective share of any previously incurred losses.

To be eligible for benefits upon retirement, full and part-time employees must have attained the age of 55 and have 10 more years of service with the Agency. Employees who terminate active employment can vest in the retiree healthcare benefits. The Agency will contribute 100% of the premium for eligible retired employees.

The number of participants as of January 1, 2021, the effective date of the OPEB valuation as of December 31, 2021 is as follows

Active employees	5
Inactive employees currently receiving benefits	0
Inactive employees entitled to but not yet receiving benefits	<u>0</u>
Total	<u>5</u>

There have been no significant changes in the number of employees or the type of coverage since that date.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2021 and 2020

F. Other Postemployment Benefits Obligation - Healthcare Benefits (continued)

Total OPEB Liability

The Agency's total OPEB liability of \$860,020 was measured as of December 31, 2021 and was determined by an actuarial valuation as of January 1, 2021, with updated procedures used to rollforward the total OPEB liability to the measurement date.

Funding Policy

The Agency currently pays for other postemployment benefits on a pay-as-you-go basis.

Actuarial Methods and Assumptions

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of future events far into the future. Amounts determined regarding the funded status of a plan and the employer's annual required contributions are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

The total OPEB liability is measured as of December 31, 2021 is based on the January 1, 2021 valuation and rolled forward procedures to the measurement date, was determined using the following actuarial assumptions and other inputs:

Payroll growth rate	3.50%
Discount rate	2.25%
Healthcare cost trend rates	6.5% decreasing to 4.5% in year 2036
Cost method	Entry Age Normal- Alternative Measurement Method
Participation rate	100%
Mortality	PubG.H-2010 Mortality Table with Scale MP-2020 for Mortality Improvement

The discount rate was based on the S&P Municipal Bond 20 Year High-Grade Rate Index as of the measurement date. The discount rate used to measure the total OPEB liability at December 31, 2021 was 2.25% and 1.93% was used to measure the initial liability as of January 1, 2021.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2021 and 2020

F. Other Postemployment Benefits Obligation - Healthcare Benefits (continued)

Changes in the Total OPEB Liability

The following table shows the components of the other postemployment benefits liability for the year ended December 31, 2021:

Balance, January 1, 2021*	\$ 797,267
Changes for the year:	
Service cost	114,712
Interest	15,387
Changes of assumptions	<u>(67,346)</u>
Balance at end of year	<u>\$ 860,020</u>

* The OPEB plan commenced January 1, 2021.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate and Health Care Trend Rate

The following presents the total OPEB liability of the Agency at December 31, 2021, as well as what the Agency's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	Discount Rate		
	1% Increase	Valuation Rate	1% Decrease
	3.25%	2.25%	1.25%
Total OPEB Liability	<u>\$ 683,646</u>	<u>\$ 860,020</u>	<u>\$ 1,091,889</u>

The following presents the total OPEB liability of the Agency at December 31, 2021, as well as what the Agency's total OPEB liability would be if it were calculated using healthcare cost trend rates that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend:

	Health Care Trend		
	1% Increase	Valuation Rate	1% Decrease
	7.50%	6.50%	5.50%
Total OPEB Liability	<u>\$ 1,153,233</u>	<u>\$ 860,020</u>	<u>\$ 648,736</u>

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2021 and 2020

F. Other Postemployment Benefits Obligation - Healthcare Benefits (continued)

OPEB Expense and Deferred Outflow of Resources and Deferred Inflow of Resources Related to OPEB

For the year ended December 31, 2021, the Agency recognized OPEB expense of \$124,220. At December 31, 2021, the Agency reported deferred outflows of resources related to OPEB from the following sources:

Change of assumptions	<u><u>\$ 61,467</u></u>
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The amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For Years Ending December 31,	2022	\$ 5,879
	2023	5,879
	2024	5,879
	2025	5,879
	2026	5,879
	2027-2031	29,395
	2032	<u>2,677</u>
		<u><u>\$ 61,467</u></u>

G. Conduit Debt Obligations

The Agency has at times, issued revenue bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, control or ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the Agency, the Town, nor any political subdivision thereof, is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2021, and 2020, there were \$4,786,553 and \$10,677,031 of conduit debt outstanding, respectively.

H. Recapture of Abatements Payment “Benefits”

Recapture of benefits includes property tax abatements, partial mortgage recording tax exemptions, and full sales and use tax exemptions payment.

The Agency is empowered by its enabling legislation to grant various benefits in connection with qualifying projects it agrees to help finance, including granting exemptions from the imposition of sales and use taxes on purchases for use in connection with a project. However, it is the policy of the Agency to grant benefits with respect to a qualifying project only in return for a commitment from the business receiving the Agency benefits to operate and maintain the project consistent with the term of the lease agreement or the life of the bonds. Failure to do so may result in financial penalties being imposed on the business in the form of a required recapture of benefits payment, the severity of which is dependent upon the length of time the project is, in fact, operated and maintained pursuant to the applicable project financing documentation. As required, the Agency would remit any applicable sales and use taxes recaptured to New York State including the local portion and any interest, real property tax recaptured would be allocated on a pro-rata basis for distribution to the local taxing jurisdictions.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS Years Ended December 31, 2021 and 2020

H. Recapture of Abatements Payment “Benefits” (continued)

During 2021 and 2020, the Agency received \$-0- and \$30,984, respectively, for the recapture of sales and use tax-exemptions and subsequently were remitted to New York State.

I. Lease Commitments

The Agency assists private-sector companies (the “companies”) with the acquisition of industrial and commercial facilities deemed to be in the public interest. Upon closing on the properties, the Agency takes title or leasehold interest as a nominal owner (which allows the Agency to pass through tax and other incentives) and the companies take title as beneficial owners. The Agency then leases the properties to the companies for a negligible amount, if any. The lease terms usually expire in conjunction with the payments in lieu of taxes of the companies. The leasing transactions are not recorded in the accompanying financial statements of the Agency.

J. Litigation

The Agency is subject to litigation in the ordinary conduct of its affairs. Management does not believe, however, that such litigation, individually or in the aggregate, is likely to have a material adverse effect on the financial condition of the Agency.

K. Related Party Transactions

At December 31, 2021 and 2020, the Agency reports a receivable from the Town of Brookhaven Local Development Corporation (“LDC”), a related party with a common Board of Directors, of \$4,400 and \$-0-. Pursuant to an inter-municipal agreement, the Corporation will reimburse the IDA for an allocation of certain shared costs.

During the year ended, December 31, 2021 and 2020, the Agency rented office from the Town and recognized rent expense of \$13,500 and \$18,000, respectively.

L. Special Item

Effective January 1, 2021, the Agency established an other postemployment benefit plan to provide healthcare coverage for eligible retirees and applied the provisions of GASB Statement No. 75, “*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*”. The implementation of this Statement requires that the OPEB liability to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees’ past periods of (total OPEB liability), less the amount of the OPEB plan’s fiduciary net position. As a result, the Agency reports a special item expense of \$797,267 which is the cost associated with past service as of January 1, 2021. This cost is the same amount as the January 1, 2021 balance of the total OPEB liability.

M. New Pronouncements Not Yet Effective

GASB has issued several statements which are to be implemented in futures years. The Agency is currently evaluating the impact of the various pronouncements on its financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN MANAGEMENT'S DISCUSSION
AND ANALYSIS**

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

**SCHEDULE OF CHANGES IN THE AGENCY'S TOTAL OTHER POSTEMPLOYMENT BENEFITS
LIABILITY AND RELATED RATIO
REQUIRED SUPPLEMENTARY INFORMATION**

December 31, 2021
(Unaudited)

Total OPEB Liability:	<u>2021</u>
Balance, January 1,	\$ 797,267
Service costs	114,712
Interest	15,387
Change of assumptions and other inputs	(67,346)
Benefit payments	<u>-0-</u>
Balance, end of year	<u>\$ 860,020</u>
Covered employee payroll	<u>\$ 447,290</u>
Total OPEB liability as a percentage of covered employee payroll	192.27%

Notes to the Schedule:

Measurement Date December 31, 2021

The effective date of this Plan is January 1, 2021.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Agency presents information for these years for which information is available.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2021
(Unaudited)**

	March 31,						
	2021	2020	2019	2018	2017	2016	2015
Agency's proportion of the net pension liability	0.0016062%	0.0014405%	0.0011333%	0.0011953%	0.0009284%	0.000871506%	0.0008559%
Agency's proportionate share of the net pension liability	\$ 1,598	\$ 381,452	\$ 80,297	\$ 38,579	\$ 87,235	\$ 139,878	\$ 28,915
Agency's covered-employee payroll	\$ 512,208	\$ 451,596	\$ 398,525	\$ 253,875	\$ 235,848	\$ 221,695	\$ 183,006
Agency's proportionate share of the net pension liability as a percentage of its covered payroll	0.31%	84.47%	20.15%	15.20%	36.99%	63.09%	15.80%
System's fiduciary net position as a percentage of total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.95%

Note - Amounts presented were determined as of the System's measurement date of March 31st.
This schedule is intended to be presented for ten years. Additional years information will be included as it becomes available.
There were changes in assumptions with the discount rate from 6.80% March 31, 2020 to 5.90% March 31, 2021 Plan year.
The decrease in the Agency's proportionate share of the net pension liability is mainly attributable to the increase in plan fiduciary net assets due to investments gains, and which was offset by a decrease in the discount rate (as described above) effective with the March 31, 2021 measurement date.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

**SCHEDULE OF PENSION CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2021
(Unaudited)**

<u>Years Ended December 31,</u>	<u>Contractually Required Contributions</u>	<u>Contributions Recognized by the Plan in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2021	\$ 77,869	\$ 77,869	\$ -	\$ 605,366	12.86%
2020	62,228	62,228	-	460,709	13.51%
2019	49,967	49,967	-	387,336	12.90%
2018	40,029	40,029	-	380,450	10.52%
2017	35,941	35,941	-	249,368	14.41%
2016	35,617	35,617	-	271,758	13.11%
2015	38,609	38,609	-	241,982	15.96%
2014	46,915	46,915	-	243,008	19.31%
2013	50,258	50,258	-	246,810	20.36%
2012	22,858	22,858	-	244,433	9.35%

Note - Amounts presented for each year were determined as of December 31st and contractually required. Contributions are based on the amounts invoiced by the New York State Local Retirement System. The Plan used the April 1, 2020 actuarial valuation to determine the employer rates for contributions payable to the Plan's year ended March 31, 2021.

**OTHER SUPPLEMENTARY
INFORMATION**

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

SCHEDULE OF INDEBTEDNESS - CONDUIT DEBT
 December 31, 2021
 (Unaudited)

<u>Company Name</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>IDA Project Code</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance 01/01/21</u>	<u>Payments</u>	<u>Balance 12/31/21</u>	<u>Tax Status</u>
A&E Platinum Partners (Enecon)	09/07	2033	4702-07-6A	6.30%	\$ 2,735,000	\$ 2,620,000	\$ (2,620,000)	\$ -	Taxable
Frank Lowe Rubber & Gasket Co., Inc.	12/06	2021	4702-06-9A	2.63%	6,270,000	2,751,955	(2,751,955)	-	Taxable
Pallets R Us, Inc.	11/08	2028	4702-07-3A	5.95%	9,500,000	5,305,076	(518,523)	4,786,553	Taxable
					<u>\$ 18,505,000</u>	<u>\$ 10,677,031</u>	<u>\$ (5,890,478)</u>	<u>\$ 4,786,553</u>	

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

SCHEDULE OF EXEMPTIONS - BONDS
 December 31, 2021
 (Unaudited)

Project Code	Total Project Amount	Bond/Project/Applicant Name and Address	Estimated Amount of Tax Exemptions	Purpose for which Bond or Note was Issued	Year Financial Assistance is Planned to End	Federal Tax Status of Bonds	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	Actual Payments Made			Payments Due Per Agreement		
									County PILOT	Local PILOT	School District PILOT	County PILOT	Local PILOT	School District PILOT
4702-05-2A	\$ 1,700,000	Blue Diamond Sheet Metal, Inc., 1165 Station Road, Medford, NY 11763	96,321	Manufacturing	2020	Taxable	40	0	\$ 13,099	\$ 19,985	\$ 63,237	\$ 13,099	\$ 19,985	\$ 63,237
4702-07-3A	\$ 9,500,000	Pallets R Us/Nicolla Ent, Miller Ave, Bellport, NY 11713	212,578	Manufacturing	2028	Taxable	0	0	28,741	43,850	138,752	28,741	43,850	138,752

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

SCHEDULE OF EXEMPTIONS - LEASES
December 31, 2021

Project Code	Is the applicant a Not for Profit corporation?	Lease Project Name and Address	Estimated Amount of Tax Exemptions	Purpose for which Each Transaction was Made	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	Actual Payments Made			Payments Due Per Agreement		
							County PILOT	Local PILOT	School District PILOT	County PILOT	Local PILOT	School District PILOT
4702*-15-3A	N	T.Mina Supply, 924 Old Medford Road, LLC, 15 Fiarchild Court, Plainview, NY 11803	30,996	Other Categories	8	9	356	506	1,930	356	506	1,930
4702-00-8A	N	Framerica Corporation, 2 Todd Court, Yaphank, NY 11980	212,306	Manufacturing	168	0	3,369	4,686	16,264	3,369	4,686	16,264
4702-00-9A	N	Uncle Wally's/United Baking, 41 Natcon Drive, SHIRLEY, NY 11967	133,048	Manufacturing	71	0	1,206	1,874	7,002	1,206	1,874	7,002
4702-05-1A	N	Quality King Disbtibutors, Inc./SARG LLC, Sawgrass Drive, Bellport, NY 11743	868,703	Manufacturing	5	0	12,416	18,943	59,942	12,416	18,943	59,942
4702-06-7A	N	McKeon Rolling Steel Door, Inc., 44 Sawgrass Drive, Bellport, NY 11713	127,671	Manufacturing	20	0	10,467	15,969	50,531	10,467	15,969	50,531
4702-07-2A	N	Caithness Long Island, LLC, Horseblock Road, Yaphank, NY 11980	11,825,788	Manufacturing	27	0	1,339,614	1,863,417	6,467,165	1,339,614	1,863,417	6,467,165
4702-08-6A	N	Global Tissue, 870 Expressway Dr., Yaphank, NY 11980	327,261	Manufacturing	91	0	1,297	1,847	7,528	1,297	1,847	7,528
4702-08-8A	N	Briad Lodging Grp, Horseblock Rd, Bellport, NY 11713	483,421	Other Categories	0	0	1,162	1,772	5,608	1,162	1,772	5,608
4702-09-4A	N	Six Roses/Clare Rose, South Service Rd LIE, Yaphank, NY 11980	619,478	Wholesale Trade	0	0	6,531	10,148	37,912	6,531	10,148	37,912
4702-10-1A	N	LI Precast, 20 Stiriz Rd, Bellport, NY 11713	125,748	Manufacturing	5	0	3,584	5,419	17,301	3,584	5,419	17,301
4702-12-2A	N	LAX/Amneal Pharmaceuticals, 50 Horseblock Rd, YAPHANK, NY 11980	0	Manufacturing	400	190	-	-	-	-	-	-
4702-12-5A	N	Maehr Realty Associates, 14 Sawgrass Rd, Bellport, NY 11713	40,999	Manufacturing	4	9	258	394	1,247	258	394	1,247
4702-12-9A	N	Suffolk Transportation, 1162 Old Town Rd, Coram, NY 11727	76,969	Other Categories	158	9	3,368	5,613	19,552	3,368	5,613	19,552
4702-13-11A	N	Selden Commercial Center, 635 Middle Country Rd, Coram, NY 11727	288,641	Other Categories	7	19	20,451	35,026	115,699	20,451	35,026	115,699

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

SCHEDULE OF EXEMPTIONS - LEASES
December 31, 2021

Project Code	Is the applicant a Not for Profit corporation?	Lease Project Name and Address	Estimated Amount of Tax Exemptions	Purpose for which Each Transaction was Made	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	Actual Payments Made			Payments Due Per Agreement		
							County PILOT	Local PILOT	School District PILOT	County PILOT	Local PILOT	School District PILOT
4702-13-6A	N	CV VILLAGE AT CORAM/WINCORAM COMMONS, Route 112, CORAM, NY 11727	931,895	Other Categories	4	0	8,934	14,887	51,861	8,934	14,887	51,861
4702-13-15A	N	ISLANDAIRE, 17 Bellemeade Rd, SETAUKET, NY 11733	110,151	Manufacturing	29	133	1,168	1,345	6,783	1,168	1,345	6,783
4702-13-17A	N	CROSS SOUND CABLE, 1 LILCO RD, Shoreham, NY 11786	2,060,620	Transportation, Communication, Electric, Gas and Sanitary Services	0	0	245,256	277,440	1,232,654	245,256	277,440	1,232,654
4702-13-8A	N	MS PACKAGING, 53 ZORN BLVD, YAPHANK, NY 11980	152,659	Manufacturing	4	4	1,264	1,929	6,104	1,264	1,929	6,104
4702-14-13A	N	AARCO, 83 HORSEBLOCK RD, YAPHANK, NY 11980	89,918	Wholesale Trade	15	0	5,221	7,263	25,206	5,221	7,263	25,206
4702-14-1A	N	E&B Holtsville, NORTH OCEAN AVE, HOLTSVILLE, NY 11742	641,989	Other Categories	70	0	1,251	1,753	5,546	1,251	1,753	5,546
4702-14-2A	N	D&F Patchogue, 131 EAST MAIN STREET, PATCHOGUE, NY 11772	624,577	Other Categories	50	0	3,113	4,171	16,863	3,113	4,171	16,863
4702-14-5A	N	RAIL REALTY LLC., 414 Main St, Port Jefferson, NY 11777	412,300	Other Categories	5	0	2,364	3,236	12,290	2,364	3,236	12,290
4702-14-7A	N	Meadows at Yaphank-Phase I A, WILLIAM FLOYD PKWY, SHIRLEY, NY 11967	1,363,543	Other Categories	9	0	103,271	160,468	599,522	103,271	160,468	599,522
4702-14-8A	N	Ronk HUB Phase I Facility, Union Avenue / Mill Road, RONKONKOMA, NY 11779	2,360,323	Wholesale Trade	10	0	15,361	16,523	68,116	15,361	16,523	68,116
4702-15-10A	N	Overbay LLC., 217 West Broadway, Port Jefferson, NY 11777	338,763	Other Categories	3	0	4,907	6,768	16,325	4,907	6,768	16,325
4702-15-12A	N	S POWER / FTS PROJECT OWNER, 112 ROUTE 25A, SHOREHAM, NY 11786	469,091	Transportation, Communication, Electric, Gas and Sanitary Services	0	0	41,096	51,488	207,417	41,096	51,488	207,417
4702-15-13C	N	Burmax, 28 Barretts Avenue, HOLTSVILLE, NY 11742	241,821	Other Categories	9	161	22,632	26,728	100,360	22,632	26,728	100,360
4702-15-15A	N	Excel Holdings 6 (Extended Stay), 65 Union Avenue, RONKONKOMA, NY 11779	418,325	Other Categories	24	0	1,381	1,485	6,124	1,381	1,485	6,124

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

SCHEDULE OF EXEMPTIONS - LEASES
December 31, 2021

Project Code	Is the applicant a Not for Profit corporation?	Lease Project Name and Address	Estimated Amount of Tax Exemptions	Purpose for which Each Transaction was Made	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	Actual Payments Made			Payments Due Per Agreement		
							County PILOT	Local PILOT	School District PILOT	County PILOT	Local PILOT	School District PILOT
4702-15-1-A	N	Greenwood Energy / ACE Manorville, 2 Paper Mill Road, MANORVILLE, NY 11949	0	Construction	0	0	-	-	-	-	-	-
4702-15-2A	N	Crestwood, 32 SAWGRASS DRIVE, BELLPORT, NY 11713	20,815	Other Categories	6	40	1,418	2,164	6,848	1,418	2,164	6,848
4702-15-5A2	N	J-Cad, 664 BLUEPOINT AVENUE, HOLTSVILLE, NY 11742	45,780	Wholesale Trade	12	33	3,473	4,101	15,401	3,473	4,101	15,401
4702-15-7A	N	GREENWOOD ENERGY / ACE HOLTSVILLE, 249 Buckley Road, HOLTSVILLE, NY 11742	0	Construction	0	0	-	-	-	-	-	-
4702-15-9A	N	Penn & Sons, Plantinum Court, MEDFORD, NY 11763	74,225	Manufacturing	7	0	871	1,143	5,058	871	1,143	5,058
4702-16-10B	N	Aarco (Old Dock Rd Yaphank), 21 Old Dock Road, YAPHANK, NY 11980	110,613	Other Categories	4	43	2,209	3,073	10,664	2,209	3,073	10,664
4702-16-1A	N	WHTB Glass, 101 Precision Drive, SHIRLEY, NY 11967	113,629	Manufacturing	50	0	806	1,253	4,681	806	1,253	4,681
4702-16-4A	N	UI SUPPLIES (Jones Venture, 22 OLD DOCK ROAD, YAPHANK, NY 11980	44,746	Wholesale Trade	13	1	2,201	3,135	12,779	2,201	3,135	12,779
4702-16-5A	N	Yaphank AVR Blvd Chelsea, The Boulevard West, YAPHANK, NY 11980	33,764	Continuing Care Retirement Communities	50	0	3,967	5,649	23,028	3,967	5,649	23,028
4702-16-6A	N	Blue Point Brewery, 225 West Main Street, PATCHOGUE, NY 11772	437,204	Manufacturing	28	33	35,602	47,700	192,859	35,602	47,700	192,859
4702-16-7A	N	14 Glover, LLC (Brookhaven Hospital / Foley), 14 Glover Drive, YAPHANK, NY 11980	0	Services	137	0	-	-	-	-	-	-
4702-16-9A	N	Shoreham Energy (J-Power), 227 North Country Road, SHOREHAM, NY 11786	1,409,852	Transportation, Communication, Electric, Gas and Sanitary Services	0	6	178,591	193,487	901,372	178,591	193,487	901,372
4702-17-2C	N	McKeon Door East, 10 Sawgrass Drive, BELLPORT, NY 11713	65,425	Manufacturing	10	0	447	682	2,158	447	682	2,158
4702-17-6A	N	AVR Yaphank Hotel, Yaphank Blvd, YAPHANK, NY 11980	837,136	Other Categories	37	0	55,463	86,181	321,981	55,463	86,181	321,981

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

SCHEDULE OF EXEMPTIONS - LEASES
December 31, 2021

Project Code	Is the applicant a Not for Profit corporation?	Lease Project Name and Address	Estimated Amount of Tax Exemptions	Purpose for which Each Transaction was Made	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	Actual Payments Made			Payments Due Per Agreement		
							County PILOT	Local PILOT	School District PILOT	County PILOT	Local PILOT	School District PILOT
4702-18-10A	N	Engel Burman at Mt. Sinai, LLC 2019 Facility, 879 Route 25A, MOUNT SINAI, NY 11766	181,257	Continuing Care Retirement Communities	4	0	4,695	5,201	25,426	4,695	5,201	25,426
4702-18-11B	N	SHOREHAM SOLAR (Duke), 24 Cooper Street, SHOREHAM, NY 11786	1,190,769	Transportation, Communication, Electric, Gas and Sanitary Services	0	0	90,355	113,202	456,032	90,355	113,202	456,032
4702-18-12B	N	HSRE Lake Grove (BK @ Lake Grove), 2995 Middle Country Road, LAKE GROVE, NY 11755	659,376	Continuing Care Retirement Communities	60	0	9,091	14,222	51,434	9,091	14,222	51,434
4702-18-13B	N	Tate's (Mondelēz Global), 62 Pine Street, EAST MORICHES, NY 11940	105,620	Manufacturing	10	67	9,167	11,341	51,559	9,167	11,341	51,559
4702-18-14B	N	10 National (Intercounty), 10 National Boulevard, MEDFORD, NY 11763	591,858	Wholesale Trade	4	67	55,750	73,036	321,237	55,750	73,036	321,237
4702-18-1A	N	Holtsville Industrial, 1 Corporate Drive, HOLTSMVILLE, NY 11742	186,256	Manufacturing	50	0	7,963	9,404	35,312	7,963	9,404	35,312
4702-18-2A	N	Macedo (Meso), 689 Station Road, BELLPORT, NY 11713	45,154	Manufacturing	8	42	3,059	4,528	14,769	3,059	4,528	14,769
4702-18-3A	N	ACE-Town Hall Solar, 1 Independence Hill, FARMINGVILLE, NY 11738	0	Construction	0	0	-	-	-	-	-	-
4702-18-4A	N	Four-L Realty, 665-667 Union Avenue, HOLTSMVILLE, NY 11742	75,209	Manufacturing	24	18	664	784	2,943	664	784	2,943
4702-18-5A	N	Triple Five Aviation, 1300 William Floyd Parkway, SHIRLEY, NY 11967	761,807	Other Categories	50	0	45,722	64,966	265,434	45,722	64,966	265,434
4702-18-6A	N	United Rentals Realty, 250 Orchard Road, EAST PATCHOGUE, NY 11772	25,404	Other Categories	20	0	480	716	2,315	480	716	2,315
4702-18-7A	N	CD Ramsay Realty, LLC/Creative Biolabs Inc 2018 Facility, Ramsay Road and Precision Drive, SHIRLEY, NY 11967	8,202	Manufacturing	5	17	931	1,447	5,407	931	1,447	5,407
4702-18-8A	N	Amneal Pharmaceuticals LLC 2019 Facility, 19 Nicholas Drive, YAPHANK, NY 11980	232,683	Manufacturing	7	0	7,905	11,259	45,893	7,905	11,259	45,893
4702-18-9A	N	HSRE-EB Mount Sinai, LLC 2019 Facility, 400 Sutton Court, MOUNT SINAI, NY 11766	648,742	Continuing Care Retirement Communities	60	0	1,713	1,898	9,280	1,713	1,898	9,280

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

SCHEDULE OF EXEMPTIONS - LEASES
December 31, 2021

Project Code	Is the applicant a Not for Profit corporation?	Lease Project Name and Address	Estimated Amount of Tax Exemptions	Purpose for which Each Transaction was Made	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	Actual Payments Made			Payments Due Per Agreement		
							County PILOT	Local PILOT	School District PILOT	County PILOT	Local PILOT	School District PILOT
4702-19-10B	N	Four Key's Realty, LLC (Wallace Oakland Trust), 19 Zorn Boulevard, YAPHANK, NY 11980	73,611	Other Categories	8	22	2,865	3,985	13,830	2,865	3,985	13,830
4702-19-12A	N	AE Town Hall Solar 2, 1 Independence Hill, FARMINGVILLE, NY 11738	0	Other Categories	0	0	-	-	-	-	-	-
4702-19-13A	N	KJR Holding, 2052 Route 112, MEDFORD, NY 11763	65,322	Other Categories	3	0	4,086	5,806	22,133	4,086	5,806	22,133
4702-19-1A	N	ACE-Calabro Solar LLC 2019 Facility, 135 Dawn Drive, SHIRLEY, NY 11967	0	Transportation, Communication, Electric, Gas and Sanitary Services	0	0	-	-	-	-	-	-
4702-19-2A	N	ACE-Calabro Solar 2 LLC 2019 Facility, 135 Dawn Drive, SHIRLEY, NY 11967	0	Transportation, Communication, Electric, Gas and Sanitary Services	0	0	-	-	-	-	-	-
4702-19-3A	N	United Meat Products, Inc. 2019 Facility, 50 Sawgrass Drive, BELLPORT, NY 11713	61,790	Manufacturing	16	0	4,163	6,351	20,096	4,163	6,351	20,096
4702-19-4A	N	SHI-III Coram, LLC 2019 Facility, 463 Middle Country Road, CORAM, NY 11727	472,827	Continuing Care Retirement Communities	50	0	18,919	31,528	109,829	18,919	31,528	109,829
4702-19-5A	N	Medford Branch/H.O. Penn Machinery Company, 20 Platinum Court, MEDFORD, NY 11763	48,346	Manufacturing	0	26	2,972	3,898	17,254	2,972	3,898	17,254
4702-19-7A	N	C2 NY Brookhaven, 55 Bicycle Path, FARMINGVILLE, NY 11738	751	Transportation, Communication, Electric, Gas and Sanitary Services	0	0	-	-	-	-	-	-
4702-19-8A	N	Brooks Partners LLC, 440 Main Street, PORT JEFFERSON, NY 11777	303,818	Other Categories	6	0	-	-	-	-	-	-
4702-19-9A	Y	Long Island Avenue Holding, LLC, Long Island Avenue, YAPHANK, NY 11980	369	Other Categories	13	0	-	-	-	-	-	-
4702-20-\$A	N	Brightview Port Jefferson, 1175 NY-112, PORT JEFFERSON STATION, NY 11776	409,668	Continuing Care Retirement Communities	60	0	-	-	-	-	-	-
4702-20-1A	N	Orbit Bloom Energy, 3601 Horseblock Road, MEDFORD, NY 11763	325,430	Other Categories	1	0	23,599	33,611	137,001	23,599	33,611	137,001
4702-20-2A	N	Bellport Residences LLC, Atlantic Avenue, BELLPORT, NY 11713	856,979	Other Categories	3	0	-	-	-	-	-	-

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

SCHEDULE OF EXEMPTIONS - LEASES
December 31, 2021

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							County PILOT	Local PILOT	School District PILOT	County PILOT	Local PILOT	School District PILOT
4702-20-3A	N	On the Common at Rocky Point, King Road and Prince Street, ROCKY POINT, NY 11778	142,022	Other Categories	2	0	-	-	-	-	-	-
4702-20-5A	N	Williams Realty Holdings Group (Interstate), 355 Sills Road, YAPHANK, NY 11980	4,291	Manufacturing	3	3	-	-	-	-	-	-
4702-21-10A	N	Hawkins Ave Development RHPS, LLC, Railroad Avenue and Hawkins Avenue, RONKONKOMA, NY 11779	96,826	Other Categories	45	0	-	-	-	-	-	-
4702-21-11A	N	Coast 2 Coast Real Estate LLC, 20 Pinehurst Drive, BELLPORT, NY 11713	28,614	Services	20	15	-	-	-	-	-	-
4702-21-12A	N	Bactolac Pharmaceutical Inc, Ramsey Road, YAPHANK, NY 11980	5,156	Manufacturing	30	0	-	-	-	-	-	-
4702-21-13A	N	Sun River Town Homes LLC, Sunrise Highway, CENTER MORICHES, NY 11934	0	Finance, Insurance and Real Estate	3	0	-	-	-	-	-	-
4702-21-14A	N	American Regent Inc, 5 Ramsey Road, SHIRLEY, NY 11967	0	Manufacturing	0	375	-	-	-	-	-	-
4702-21-15A	N	Topgolf USA Holtsville LLC, 5231 Expressway Drive North, HOLTSVILLE, NY 11742	0	Other Categories	85	0	-	-	-	-	-	-
4702-21-16A	N	GS AA Vistas Owner LLC, 588 N. Bicycle Path, PORT JEFFERSON STATION, NY 11776	1,203,997	Finance, Insurance and Real Estate	0	3	6,822	9,645	35,461	6,822	9,645	35,461
4702-21-17A	N	Port Development LLC, 1 North Country Road, PORT JEFFERSON, NY 11777	0	Finance, Insurance and Real Estate	5	0	-	-	-	-	-	-
4702-21-18A	N	Middle Country Meadows LLC, 1277 Middle Country Road, SELDEN, NY 11784	258,750	Finance, Insurance and Real Estate	5	0	-	-	-	-	-	-
4702-21-19A	N	The Arboretum at Farmingville, 0 Farm to Market Road, FARMINGVILLE, NY 11738	0	Finance, Insurance and Real Estate	5	0	-	-	-	-	-	-
4702-21-1A	N	Biocogent LLC / Research Property Holdings, LLC, 19 Pinehurst Drive, BELLPORT, NY 11713	25,854	Manufacturing	15	0	249	379	1,200	249	379	1,200
4702-21-20A	N	NP/Winters Long Island Industrial LLC, East of Sills Road, YAPHANK, NY 11980	0	Finance, Insurance and Real Estate	1094	0	-	-	-	-	-	-

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

SCHEDULE OF EXEMPTIONS - LEASES
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4702-21-21A	N	MDS Building Ventures, LLC, LIE Service Road and Natcon Drive, SHIRLEY, NY 11967	0	Wholesale Trade	13	0	-	-	-	-	-	-
4702-21-22A	N	LAX Hotel, LLC, 50 Horseblock Road, YAPHANK, NY 11980	1,198,580	Manufacturing	400	190	54,884	83,735	264,961	54,884	83,735	264,961
4702-21-23A	N	Warco/Frank Lowe Rubber & Gasket Co., Inc., 44 Ramsey Road, YAPHANK, NY 11980	138,421	Manufacturing	8	0	7,701	11,966	44,705	7,701	11,966	44,705
4702-21-2A	N	South Setauket ILU, LLC, 1 Jefferson Ferry Drive, SOUTH SETAUKET, NY 11720	0	Continuing Care Retirement Communities	34	242	-	-	-	-	-	-
4702-21-3A	N	Framerica Corporation (19 Nicholas), 19 Nicholas Drive, YAPHANK, NY 11980	9,339	Manufacturing	8	0	-	-	-	-	-	-
4702-21-4A	N	Port Jefferson Crossing LLC, 1609-1615 Main Street, PORT JEFFERSON, NY 11777	243,712	Finance, Insurance and Real Estate	1.5	0	-	-	-	-	-	-
4702-21-5A	N	AE-ESS Cassel LLC, 550 North Ocean Avenue, PATCHOGUE, NY 11772	0	Clean Energy	0	0	-	-	-	-	-	-
4702-21-6A	N	925 Waverly Avenue Associates., LLC/Visiontron Corp., 925 Waverly Avenue, HOLTSVILLE, NY 11742	63,047	Manufacturing	6	74	-	-	-	-	-	-
4702-21-7A	N	Yaphank Fuel Cell Park LLC, 350 Horseblock Road, YAPHANK, NY 11980	0	Transportation, Communication, Electric, Gas and Sanitary Services	1	0	-	-	-	-	-	-
4702-21-8A	N	Integrated Structures Corp., 4 Pinehurst Drive, Bellport, NY 11713	16,875	Manufacturing	7	55	-	-	-	-	-	-
4702-21-9A	N	15 Commercial LLC /Acropolis Framing Inc., 15 Commercial Boulevard, MEDFORD, NY 11763	19,490	Manufacturing	3	15	-	-	-	-	-	-
4702-99-01A	N	Renaissance Technologies, 600 Route 25A, EAST SETAUKET, NY 11733	452,072	Finance, Insurance and Real Estate	84	0	56,802	65,413	329,857	56,802	65,413	329,857

There was no other method of financial assistance utilized by these projects, other than the tax exemptions.

OTHER REPORTS

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

Independent Auditors' Report

To the Agency Board
Town of Brookhaven Industrial Development Agency
Farmingville, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Town of Brookhaven Industrial Development Agency (the "Agency") as of and for the year ended December 31, 2021 and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated March 16, 2022.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Hauppauge, New York

March 16, 2022