

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

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
(WITH INDEPENDENT AUDITORS' REPORT)**

Years Ended December 31, 2024 and 2023

**TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT AGENCY**

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1-3
<div style="border: 1px solid black; padding: 5px; margin: 10px auto; width: 80%;">REQUIRED SUPPLEMENTARY INFORMATION</div>	
Management's Discussion and Analysis	4-8
<div style="border: 1px solid black; padding: 5px; margin: 10px auto; width: 60%;">FINANCIAL STATEMENTS</div>	
Comparative Statement of Net Position	9
Comparative Statement of Revenues, Expenses, and Changes in Net Position	10
Comparative Statement of Cash Flows	11
Notes to Financial Statements	12-31
<div style="border: 1px solid black; padding: 10px; margin: 10px auto; width: 90%;">REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS</div>	
Schedule of Changes in the Total Other Postemployment Benefits (OPEB) Liability and Related Ratio	32
Schedule of Proportionate Share of the Net Pension Liability/(Asset)	33
Schedule of Pension Contributions	34
<div style="border: 1px solid black; padding: 5px; margin: 10px auto; width: 60%;">OTHER SUPPLEMENTARY INFORMATION</div>	
Schedule of Exemptions - Bonds	35
Schedule of Exemptions - Leases	36-40
<div style="border: 1px solid black; padding: 5px; margin: 10px auto; width: 60%;">OTHER REPORTS</div>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	41-42

Independent Auditors' Report

**To the Board of Directors
Town of Brookhaven Industrial Development Agency**

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, New York, as of and for the years ended December 31, 2024 and 2023, 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, 2024 and 2023, 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.

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.

Change in Accounting Policy

We draw attention to Note A17 in the notes to the financial statements which discloses the effects of the Agency's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 101, "*Compensated Absences*". Our opinion is not modified with respect to this matter.

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 judgement, 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) Asset 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.

Required Supplementary Information (continued)

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

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

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Agency's basic financial statements. The accompanying Schedule of Exemptions - Bonds and the Schedule of Exemptions – Leases ("Schedules") are presented for purposes of additional analysis and are not a required part of the financial statements. These Schedules are the responsibility of management and have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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 26, 2025, 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 26, 2025

REQUIRED SUPPLEMENTARY INFORMATION
Management's Discussion and Analysis

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS Years Ended December 31, 2024 and 2023

The following is a narrative overview and discussion of the financial activity of the Town of Brookhaven Industrial Development Agency's (the "Agency"), a component unit of the Town of Brookhaven, New York (the "Town"), for the years ended December 31, 2024 and 2023. This discussion is intended to provide an overview of the Agency's basic financial statements. Please read this information in conjunction with the financial statements. Management's Discussion and Analysis ("MD&A") is Required Supplementary Information specified in the Governmental Accounting Standards Board Statement No. 34.

FINANCIAL HIGHLIGHTS

The Agency's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at close of 2024 and 2023 by \$10,504,631 and \$9,376,398, respectively. These funds, except for the net investment in capital assets of \$53,346 and \$76,128, respectively, are unrestricted and may be utilized for the general operations of the Agency.

Charges for services totaled \$1,834,456 and \$3,598,719 in 2024 and 2023, respectively.

The increase in net position for the years ended December 31, 2024 and 2023 was \$1,128,233 and \$2,669,959, respectively.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Agency, a quasi-governmental entity was established in 1971 as an industrial development agency. It 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's operations are accounted for in an enterprise fund, accordingly the financial statements are prepared using the economic resources measurement focus and the full accrual basis of accounting, as is used by similar business activities in the private sector. The statements offer short and long-term financial information.

The MD&A serves as an introduction to the basic financial statements and 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 basic financial statements include the statement 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 statement 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 statement of cash flows report changes in cash and cash equivalents resulting from operating, noncapital financing, capital and related 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, 2024 and 2023

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. These 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:

	2024	2023	2022
Assets			
Current and other assets	\$ 12,172,695	\$ 12,087,753	\$ 7,934,545
Non current assets	112,946	156,018	281,915
Total Assets	<u>12,285,641</u>	<u>12,243,771</u>	<u>8,216,460</u>
Deferred Outflows of Resources	<u>518,783</u>	<u>625,407</u>	<u>354,965</u>
Liabilities			
Current liabilities	334,349	1,563,728	177,786
Long-term liabilities	1,435,320	1,570,145	798,905
Total Liabilities	<u>1,769,669</u>	<u>3,133,873</u>	<u>976,691</u>
Deferred Inflows of Resources	<u>530,124</u>	<u>358,907</u>	<u>888,295</u>
Net Position			
Net investment in capital assets	53,346	76,128	33,152
Unrestricted	10,451,285	9,300,270	6,673,287
Total Net Position	<u>\$ 10,504,631</u>	<u>\$ 9,376,398</u>	<u>\$ 6,706,439</u>

Total assets and deferred outflows of resources as of December 31, 2024 were \$12,804,424 which exceeded total liabilities and deferred inflows of resources by \$10,504,631 (i.e., net position).

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS Years Ended December 31, 2024 and 2023

FINANCIAL ANALYSIS OF THE AGENCY (continued)

Net Position (continued)

All of the Agency's net position, except for the net investment in capital assets of \$53,346, was unrestricted, which is available to support future Agency operations. Total net position of \$10,504,631 at December 31, 2024 increased by \$1,128,233 from the prior year.

Total assets and deferred outflows of resources decreased \$64,754 between December 31, 2024 and 2023. This change is primarily due to: a decrease in restricted cash of \$1,233,349 relating to less funds held by the Agency for the Ronkonkoma Hub project; a decrease in net depreciable/amortizable assets of \$43,072 primarily due to the sale of a vehicle and annual depreciation/amortization which was offset by acquisitions in furniture and fixtures and annual depreciation/amortization; a decrease in deferred outflows of resources related to pension of \$84,900 and other postemployment benefits ("OPEB") of \$21,724. This decrease was offset by an increase in unrestricted cash of \$1,316,570 primarily due to the Agency closing on 3 projects towards the end of 2024.

Total liabilities and deferred inflows of resources at December 31, 2024 decreased by \$1,192,987 from 2023. This change is primarily due to: a decrease in the amounts held and due to the Ronkonkoma Hub project of \$1,233,349; a decrease in the net pension liability of \$185,883 which is the result of changes in assumptions used in the actuarial valuation; and a decrease in lease payable of \$20,290 which is due to the current year's payments relating to the office lease. This decrease was offset by an increase in the other postemployment benefits liability of \$73,283 due to an increase in service cost and interest based on the actuarial valuation, which was offset by an increase in discount rate from 4.00% to 4.28%; an increase in the deferred inflows of resources relating to the pension of \$158,368 and other postemployment benefits of \$12,849, which are all attributable to changes in assumptions in their respective actuarial valuations.

Total assets and deferred outflows of resources as of December 31, 2023 were \$12,869,178 which exceeded total liabilities and deferred inflows of resources by \$9,376,398 (net position).

All of the Agency's net position as of December 31, 2023, except for the net investment in capital assets of \$76,128, was unrestricted, which was available to support future Agency operations. Total net position of \$9,376,398 at December 31, 2023 increased by \$2,669,959 from 2022.

Total assets and deferred outflows of resources increased \$4,297,753 between December 31, 2023 and 2022. This change was primarily due to: a \$4,149,051 increase in cash (including restricted cash), due to the results of operations and increase in restricted cash pertaining to a project, an increase in deferred outflows of resources related to pension of \$55,780, other postemployment benefits ("OPEB") of \$214,662 and increase in depreciable capital assets, net of depreciation of \$23,722 due to the acquisition of furniture and equipment. These increases were offset by a decrease in net pension asset – proportionate share of \$149,619 due to the change in net pension asset at December 31, 2022 to a liability at December 31, 2023.

Total liabilities and deferred inflows of resources at December 31, 2023, net increased by \$1,627,794 from 2022, which consisted of a \$2,157,182 increase in total liabilities and a \$529,388 decrease in deferred inflows of resources pertaining to pension and OPEB. The net increase in liabilities of \$2,157,182 was primarily attributable to the following: \$1,330,859 increase in other liabilities due to funds held for the Ronkonkoma Hub project, \$505,423 increase in net pension liability, \$12,359 increase in accrued compensated absences, an increase in total OPEB liability of \$337,948 as the discount rate decreased from 4.31% to 4.00%, a decrease in lease liability (current and long-term) of \$19,254 and lower outstanding accounts payable.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS Years Ended December 31, 2024 and 2023

FINANCIAL ANALYSIS OF THE AGENCY (continued)

Net Position (continued)

The changes in deferred inflows and outflows of resources related to changes in the Agency's pension and OPEB defined benefit plans. Factors affecting the Agency's deferred inflows and outflows of resources included changes in actuarial assumptions, proportionate share, differences between projected and actual investment earnings, etc. as disclosed in the notes to the financial statements. However, we do note that the significant decrease in deferred inflows of resources of \$529,388 in 2023 as compared to 2022, was primarily due to a decrease in pension related amounts of \$491,069.

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:

	2024	2023	2022
Operating Revenues			
Charges for services	\$ 1,834,456	\$ 3,598,719	\$ 1,665,093
Total Operating Revenues	<u>1,834,456</u>	<u>3,598,719</u>	<u>1,665,093</u>
Operating Expenses			
Salaries and fringe benefits	1,023,633	1,095,003	915,702
Contractual goods and services	283,524	216,198	234,378
Depreciation and amortization	36,752	38,881	15,068
Total Operating Expenses	<u>1,343,909</u>	<u>1,350,082</u>	<u>1,165,148</u>
Income from Operations	<u>490,547</u>	<u>2,248,637</u>	<u>499,945</u>
Non-Operating Revenues (Expenses)	<u>637,686</u>	<u>421,322</u>	<u>65,615</u>
Net Change in Net Position	1,128,233	2,669,959	565,560
Net Position at Beginning of Year	<u>9,376,398</u>	<u>6,706,439</u>	<u>6,140,879</u>
Net Position at End of Year	<u><u>\$ 10,504,631</u></u>	<u><u>\$ 9,376,398</u></u>	<u><u>\$ 6,706,439</u></u>

In 2024, the Agency's operating revenues decreased by \$1,764,263 or 49%, from \$3,598,719 in 2023 to \$1,834,456 in 2024, primarily due to a decrease in the number and size of project closings during 2024 as compared to 2023. The Agency's operating expenses decreased \$6,173, from \$1,350,082 in 2023 to \$1,343,909 in 2024. The decrease in expenses is mainly due to a decrease in administration salaries, benefits and payroll taxes of \$71,370, mainly due to a decrease in employee benefits (changes in actuarial assumptions) and the departure of one of the Agency employees, and a decrease in meetings conferences and publications of \$11,055. This decrease was offset by an increase in advertising, public relations and special projects of \$39,796, an increase in office expense of \$15,386, an increase in travel and conferences of \$10,743, and an increase in professional fees of \$9,468. Non-operating revenues/expenses increased by \$216,364 primarily due to \$206,389 more in interest income and \$9,002 gain on sale of capital asset.

In 2023, the Agency's operating revenues increased by \$1,933,626 or 116.13%, from \$1,665,093 in 2022 to \$3,598,719 in 2023, primarily due to the increase in the number and size of the projects closed during 2023 as compared to 2022, which drives closing fee revenues. The Agency's operating expenses increased \$184,934 or 15.87%, from \$1,165,148 in 2022 to \$1,350,082 in 2023. The increase in expenses was mainly due to an increase in administration salaries, benefits and payroll driven by increases in benefits.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS Years Ended December 31, 2024 and 2023

CAPITAL ASSET ADMINISTRATION

The Agency's capital assets, net totaled \$112,946 and \$156,018, at December 31, 2024 and 2023, respectively. During 2024, the Agency purchased \$9,248 of furniture and fixtures, and sold a vehicle no longer needed for operations that was partly depreciated, recognizing a gain on the sale of \$9,002. The Agency also recognized depreciation/amortization expense of \$36,752 in 2024. During 2023, the Agency purchased \$42,067 of furniture and \$20,536 of computer equipment; and recognized \$38,881 of depreciation and amortization expense.

A summary of capital assets at December 31, 2024 and 2023 is as follows:

	2024	2023
Right-to-use asset - leased office space	\$ 105,341	\$ 105,341
Furniture	60,464	51,216
Vehicles	-	34,595
Computer equipment	39,723	39,723
	<hr/>	<hr/>
Total depreciable/amortizable capital assets	205,528	230,875
	<hr/>	<hr/>
Total accumulated depreciation/amortization	92,582	74,857
	<hr/>	<hr/>
Total net depreciable/amortizable assets	<u>\$ 112,946</u>	<u>\$ 156,018</u>

Additional information on the Agency's capital assets can be found in Note C to the financial statements.

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
(A Component Unit of the Town of Brookhaven, NY)

COMPARATIVE STATEMENT OF NET POSITION

	December 31,	
	2024	2023
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 11,986,091	\$ 10,669,521
Cash - restricted	136,719	1,370,068
Due from other governments	236	-
Prepaid expenses	49,649	48,164
Total Current Assets	12,172,695	12,087,753
Non-current Assets:		
Depreciable/amortizable capital assets, net	112,946	156,018
Total Non-current Assets	112,946	156,018
Total Assets	12,285,641	12,243,771
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	325,845	410,745
Other postemployment benefits related	192,938	214,662
Total Deferred Outflows of Resources	518,783	625,407
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued expenses	100,349	107,170
Escrow deposits	136,719	1,370,068
Unearned revenue	6,500	2,000
Current portion of lease payable	21,381	20,290
Current portion of compensated absences payable	69,400	64,200
Total Current Liabilities	334,349	1,563,728
Non-current Liabilities:		
Lease payable	38,219	59,600
Compensated absences payable	31,056	31,900
Net pension liability	319,540	505,423
Total other postemployment benefits liability	1,046,505	973,222
Total Non-current Liabilities	1,435,320	1,570,145
Total Liabilities	1,769,669	3,133,873
DEFERRED INFLOWS OF RESOURCES		
Pension related	179,485	21,117
Other postemployment benefits related	350,639	337,790
Total Deferred Inflows of Resources	530,124	358,907
NET POSITION		
Net investment in capital assets	53,346	76,128
Unrestricted	10,451,285	9,300,270
Total Net Position	\$ 10,504,631	\$ 9,376,398

See notes to financial statements.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
(A component unit of the Town of Brookhaven, NY)

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

	Years Ended December 31,	
	2024	2023
OPERATING REVENUES		
Charges for services	\$ 1,834,456	\$ 3,598,719
OPERATING EXPENSES		
Administration salaries, benefits and payroll taxes	1,023,633	1,095,003
Advertising, public relations and special projects	67,118	27,322
Insurance	44,033	41,419
Depreciation and amortization	36,752	38,881
Meeting, conferences and publications	24,814	35,869
Professional fees	68,725	59,257
Rent	1,134	760
Office expense	60,582	45,196
Travel and conferences	17,118	6,375
Total Operating Expenses	1,343,909	1,350,082
Income from Operations	490,547	2,248,637
NON-OPERATING REVENUES (EXPENSES)		
Interest income	632,394	426,068
Gain on sale of vehicle	9,002	-
Interest expense - lease liability	(3,710)	(4,746)
Total Non-Operating Revenues (Expenses)	637,686	421,322
Change in Net Position	1,128,233	2,669,959
Net Position at Beginning of Year	9,376,398	6,706,439
Net Position at End of Year	\$ 10,504,631	\$ 9,376,398

See notes to financial statements.

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

COMPARATIVE STATEMENT OF CASH FLOWS

	Years Ended December 31,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from charges for services and projects	\$ 1,838,956	\$ 3,598,719
Cash paid for payroll and related expenses	(852,370)	(889,484)
Cash payments for contractual expenses	(293,732)	(230,508)
Cash received from escrow deposits	160,320	1,392,571
Cash payments from escrow deposits	(1,393,669)	(61,712)
Net Cash From Operating Activities	(540,495)	3,809,586
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash received from recapture of project benefits	-	34,926
Cash payments from recapture of project benefits	-	(34,926)
Cash received from payments in lieu of taxes and other	23,619,440	22,548,288
Cash paid for payments in lieu of taxes and other	(23,619,440)	(22,548,288)
Net Cash From Noncapital Financing Activities	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from sales of asset	24,570	-
Interest expense - lease liability	(3,710)	(4,746)
Repayment of lease liability	(20,290)	(19,254)
Acquisition of capital assets	(9,248)	(62,603)
Net Cash From Capital and Related Financing Activities	(8,678)	(86,603)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	632,394	426,068
Net Cash From Investing Activities	632,394	426,068
Net Change in Cash and Cash Equivalents	83,221	4,149,051
Cash and Cash Equivalents at Beginning of Year	12,039,589	7,890,538
Cash and Cash Equivalents at End of Year	\$12,122,810	\$12,039,589
Unrestricted Cash	\$11,986,091	\$10,669,521
Restricted Cash	136,719	1,370,068
	\$12,122,810	\$12,039,589
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES:		
Income from operations	\$ 490,547	\$ 2,248,637
Adjustments to reconcile income from operations to net cash provided (used) by operating activities:		
Depreciation and amortization expense	36,752	38,881
(Increase) decrease in assets:		
Due from other governments	(236)	2,863
Prepaid expenses	(1,485)	(7,020)
Net pension asset	-	149,619
(Increase) decrease in deferred outflows of resources	106,624	(270,442)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(6,821)	(10,153)
Unearned revenue	4,500	-
Escrow deposits	(1,233,349)	1,330,859
Accrued compensated absences	4,356	12,359
Total other postemployment benefits liability	73,283	337,948
Net pension liability	(185,883)	505,423
Increase (decrease) in deferred inflows of resources	171,217	(529,388)
Net Cash From Operating Activities	\$ (540,495)	\$ 3,809,586

See notes to financial statements.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS Years Ended December 31, 2024 and 2023

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 Entity

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.

The Agency has been identified as a component unit of the Town. In accordance with the criteria enumerated in GASB Statement No. 61, *“The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and 34”*, the Agency’s financial statements have been discretely presented in the Town’s financial statements.

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. Revenue is recognized when earned and expenses are recognized when a liability is incurred or economic asset used, regardless of the timing of the related cash flows. 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 Agency distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with ongoing operations. Operating revenues consist of charges for services and operating expenses are expenses incurred in providing those services. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2024 and 2023

A. Summary of Significant Accounting Policies (continued)

2. Measurement Focus/Basis of Accounting (continued)

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

4. Due from Other Governments

In 2021, the Agency entered into an agreement with the Town of Brookhaven Local Development Corporation (“LDC”) whereas the LDC agreed to reimburse the Agency for pro-rata costs of the Agency's all shared services including such as office expenses, marketing events, memberships costs, office rent, office supplies publication costs. At December 31, 2024 and 2023, due from other governments totaled \$236 and \$-0-, respectively.

5. Prepaid Expenses

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

6. Capital Assets

Capital assets, including right-to-use leased assets, purchased or acquired with an original cost or value of \$5,000 or more and an estimated useful life in excess of one year, are accounted for as capital assets. All capital assets, excluding the right-to-use leased 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. Right-to-use leased assets are valued at the present value of the expected lease payments pursuant to the lease agreement and adjusted for certain items (if applicable) defined by GASB. 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/amortization on all assets is provided using the straight line of method over the assets’ estimated useful lives and in the case of right-to-use leased assets over the shorter of the estimated useful life or lease term, including options to extend which are reasonable expected to be exercised.

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

Right-to-use asset - leased office space	5 years
Furniture and fixtures	5-7 years
Vehicles	3-10 years
Computer equipment	5 years

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS Years Ended December 31, 2024 and 2023

A. Summary of Significant Accounting Policies (continued)

7. 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 assets that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. The Agency has two items that qualify for reporting in this category. The first item relates to the net pension (liability)/asset 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)/asset, 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 G). The second item represents the effects of the change in assumptions and payment for the total OPEB liability (See Note H).

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 assets 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)/asset 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 G). The second item represents the effects of the change in assumptions and payment for the total OPEB liability (See Note H).

8. 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.

9. Lease Payable

A lease is defined as a contractual agreement which conveys control of the right to use another entity's nonfinancial asset as specified in a contract/agreement, for a minimum contractual period in an exchange or exchange-like transaction. Where the contractual period is greater than twelve months, including options to renew which are reasonably expected to be exercised, a lease liability and associated asset (right-to-use asset) is recognized in the statement of net position. At the inception of the lease, the lease liability is measured at the present value of payments expected to be made during the lease term (including options to renew which are reasonably expected to be exercised), less lease incentives. The lease liability may be remeasured subsequently in certain circumstances, such as a change in the lease term.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS Years Ended December 31, 2024 and 2023

A. Summary of Significant Accounting Policies (continued)

10. Escrow Deposits

From time to time, the Agency holds monies on behalf of companies which is providing assistance to for a brief period of time, normally within thirty to sixty days. The deposits held are disbursed in accordance with the project entity's directions.

11. 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/amortization, 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.

12. 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.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS Years Ended December 31, 2024 and 2023

A. Summary of Significant Accounting Policies (continued)

12. Postemployment Benefits (continued)

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. OPEB cost for retiree healthcare benefits is measured and disclosed using the accrual basis of accounting.

13. Compensated Absences

The liability for compensated absences represents the accumulated paid time off ("leave"/"leave days") and salary related payments which have been earned for services previously rendered by employees in accordance with the Agency's various collective bargaining agreements, accumulates, is allowed to be carried over to subsequent year(s) and is deemed more likely than not (by management) to be used for time off or otherwise paid/settled in the future. The liability is calculated based on each employees' rate of pay and the number of unused leave days accumulated as of year-end, management's assumption that the likelihood of future use (either by use during employment or settlement/payment upon separation from service) is probable, and the salary-related payments that are directly and incrementally associated with payments for the leave. The Agency utilizes historical data of past usage patterns to estimate the expected usage and payment of compensated absences. The liability for compensated absences is reflected in the financial statements as current and long-term liabilities.

14. 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.

15. 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, 2024 and 2023 was approximately \$67,000 and \$27,000, respectively.

16. 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.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS Years Ended December 31, 2024 and 2023

A. Summary of Significant Accounting Policies (continued)

17. Change in Accounting Policy

The Agency implemented the provisions of GASB Statement No. 101, “*Compensated Absences*”, for the year ended December 31, 2024. The Agency recognizes the value of unused leave time owed to employees upon separation from employment and also recognizes as part of the compensated absences liability an estimated amount of unused leave earned as of year-end that will be used by employees as time off in future years. The implementation of this statement had no impact on net position as of January 1, 2024.

18. 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 or net position as previously reported.

19. Subsequent Events

Subsequent events have been evaluated through March 26, 2025, 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.

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.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS Years Ended December 31, 2024 and 2023

B. Deposits (continued)

At December 31, 2024, the carrying amount of the Agency's cash and cash equivalents totaled \$12,122,510, excluding petty cash of \$300. The bank balances totaled \$12,143,886, of which \$500,000 was covered by Federal Deposit Insurance Corporation, \$11,643,886 was collateralized by irrevocable standby letters of credit issued by the Federal Home Loan Bank of New York, a third-party financial institution. At December 31, 2023, the carrying amount of the Agency's cash and cash equivalents, excluding petty cash of \$300, totaled \$12,039,289.

C. Capital Assets

Capital asset activity for the years ended December 31, 2024 and 2023 is as follows:

	Balance 01/01/23	Additions	Deletions	Balance 01/01/24	Additions	Deletions	Balance 12/31/24
Depreciable/amortizable assets:							
Right-to-use asset - leased office space	\$105,341	\$ -	\$ -	\$ 105,341	\$ -	\$ -	\$105,341
Furniture and fixtures	9,149	42,067	-	51,216	9,248	-	60,464
Vehicles	34,595	-	-	34,595	-	34,595	-
Computer equipment	19,187	20,536	-	39,723	-	-	39,723
Total depreciable/amortizable capital assets	<u>168,272</u>	<u>62,603</u>	<u>-</u>	<u>230,875</u>	<u>9,248</u>	<u>34,595</u>	<u>205,528</u>
Accumulated depreciation/amortization :							
Right-to-use asset - leased office space	7,024	21,068	-	28,092	21,068	-	49,160
Furniture	408	7,439	-	7,847	10,860	-	18,707
Vehicles	12,108	6,919	-	19,027	-	19,027	-
Computer equipment	16,436	3,455	-	19,891	4,824	-	24,715
Total accumulated depreciation	<u>35,976</u>	<u>\$ 38,881</u>	<u>\$ -</u>	<u>74,857</u>	<u>\$ 36,752</u>	<u>\$ 19,027</u>	<u>92,582</u>
Total net depreciable/amortizable assets	<u>\$132,296</u>			<u>\$ 156,018</u>			<u>\$112,946</u>

Depreciation and amortization expense totaled \$36,752 and \$38,881 for the years ended December 31, 2024 and 2023, 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, 2024 and 2023, 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, 2024 and 2023, there were no amounts owed by the Agency to other governments for PILOT payments.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2024 and 2023

E. Changes in Long-Term Liabilities

Changes in long-term liabilities for the years ended December 31, 2024 and 2023 are as follows:

	Balance 1/1/24	Increases	Reductions	Balance 12/31/24	Non-current Liabilities due within one year	Non-current Liabilities
Compensated absences *	\$ 96,100	\$ 4,356	\$ -	\$ 100,456	\$ 69,400	\$ 31,056
Lease liability	79,890	-	20,290	59,600	21,381	38,219
Other postemployment benefits	973,222	129,971	56,688	1,046,505	-	1,046,505
Net pension liability - proportionate share	505,423	150,908	336,791	319,540	-	319,540
Total non-current liabilities	<u>\$ 1,654,635</u>	<u>\$ 285,235</u>	<u>\$ 413,769</u>	<u>\$ 1,526,101</u>	<u>\$ 90,781</u>	<u>\$ 1,435,320</u>

	Balance 1/1/23	Increases	Reductions	Balance 12/31/23	Non-current Liabilities due within one year	Non-current Liabilities
Compensated absences *	\$ 83,741	\$ 12,359	\$ -	\$ 96,100	\$ 64,200	\$ 31,900
Lease liability	99,144	-	19,254	79,890	20,290	59,600
Other postemployment benefits	635,274	337,948	-	973,222	-	973,222
Net pension liability - proportionate share	505,423	-	-	505,423	-	505,423
Total non-current liabilities	<u>\$ 818,159</u>	<u>\$ 855,730</u>	<u>\$ 19,254</u>	<u>\$ 1,654,635</u>	<u>\$ 84,490</u>	<u>\$ 1,570,145</u>

* The change in the compensated absences liability presented is a net change.

F. Lease Payable

The Agency leases office space pursuant to a lease agreement commencing on September 1, 2022, for a term of five years with an option to extend for two additional five year terms and is payable in monthly installments of \$2,000. If the option to renew is exercised, monthly rent will be increased by the CPI.

The lease payable consists of the obligation pursuant to a noncancellable lease agreement for office space as mentioned above. The amount of the lease liability reported is equal to the present value of lease payments during the remainder of the lease term. The subsequent lease payments have been discounted using a discount rate of 5.25%, based on the Agency's incremental borrowing rates for leases. Key assumptions in determining the liability include the evaluation of the lease term and the discount rate.

Aggregate minimum principal and interest payment requirement for leasing activity, are as follows:

Years Ending December 31,	Principal	Interest	Total
2025	\$ 21,381	\$ 2,619	\$ 24,000
2026	22,531	1,469	24,000
2027	15,688	312	16,000
	<u>\$ 59,600</u>	<u>\$ 4,400</u>	<u>\$ 64,000</u>

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS Years Ended December 31, 2024 and 2023

G. 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.

Benefits Provided

The System provides retirement benefits, as well as death and disability benefits.

The System classifies participants into tiers (tiers 1-6) based on their date of hire, and defines retirement benefits per each tier. Below is a summary of benefits applicable to the Agency's employees/participants.

Tiers 3, 4, and 5

Eligibility: Tier 3, 4, and 5 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4, and 5 is 62.

Benefit calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2% of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5% of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reductions in benefits.

Final average salary is the average of the wages earned in the three highest consecutive years of employment. For Tier 3, 4 and 5 members, each year's compensation used in the final average salary calculation is limited to no more than 10% greater than the average of the previous two years.

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63.

Benefit calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75% of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2% of final average salary is applied for each year of service over 20 years. Tier 6 members with five or more years of service can retire as early as age 55 with reduced benefits.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS Years Ended December 31, 2024 and 2023

G. Retirement System (continued)

Benefits Provided (continued)

Tier 6 (continued)

Final average salary is the average of the wages earned in the five highest consecutive years of employment. For Tier 6 members, each year's compensation used in the final average salary calculation is limited to no more than 10% greater than the average of the previous four years. Subsequent to the measurement date, the plan was amended which changed the definition of the final average earnings to be based on the average of the member's three highest consecutive years of earnings. The plan amendment also excludes certain earned overtime pay between April 1, 2022 and March 31, 2024 from Tier 6 contribution rates. The amendment is effective for those members who retire on April 1, 2024.

Disability Retirement Benefits

Disability retirement benefits are available to ERS members unable to perform their job duties because of permanent physical or mental incapacity. There are three general types of disability benefits: ordinary, performance of duty, and accidental disability benefits. Eligibility, benefit amounts, and other rules such as any offsets of other benefits depend on a member's tier, years of service, and plan.

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all retirees who have attained age 62 and have been retired for five years; (ii) all retirees who have attained age 55 and have been retired for ten years; (iii) all disability retirees, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years; and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible retiree as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50% of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1% or exceed 3%.

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.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2024 and 2023

G. Retirement System (continued)

Funding Policy (continued)

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. The Agency's regular pension contribution paid to the Plan during the years ended December 31, 2024 and 2023 totaled \$86,122 and \$77,262, respectively.

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

Pension Liability/(Asset), Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

At December 31, 2024 and 2023, the Agency reported a liability of \$319,540 and \$505,423, respectively, for its proportionate share of the net pension liability of the System. The net pension liability was measured as of March 31, 2024 and 2023, 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.

	2024	2023
System's actuarial valuation date	April 1, 2023	April 1, 2022
Net pension liability	\$319,540	\$505,423
Agency's portion of the System's total net pension liability	0.0021702%	0.0023569%
Change in the allocation of the System's total net pension liability since the prior measurement date	-0.0001867	0.0005266

For the years ended December 31, 2024 and 2023, the Agency recognized a pension expense of \$150,908 and \$192,099, 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, 2024 and 2023

G. Retirement System (continued)

Pension Liability/(Asset), Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

At December 31, 2024 and 2023, the Agency’s reported deferred outflows/inflows of resources related to the pension from the following sources:

	2024	2023
Deferred outflows of resources:		
Differences between expected and actual experience	\$ 102,924	\$ 53,831
Change in assumptions	120,811	245,467
Changes in proportion and differences between the Agency's contributions and proportionate share of contributions	30,051	46,856
Contributions made subsequent to the measurement date	72,059	64,591
Total Deferred Outflows of Resources - Pension Related	\$ 325,845	\$ 410,745
Deferred inflows of resources:		
Differences between expected and actual experience	\$ 8,713	\$ 14,194
Change in assumptions	-	2,714
Net difference between projected and actual investment earning on pension plan investments	156,094	2,969
Changes in proportion and differences between the Agency's contributions and proportionate share of contributions	14,678	1,240
Total Deferred Inflows of Resources - Pension Related	\$ 179,485	\$ 21,117

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, 2025	\$ (49,164)
2026	66,872
2027	94,380
2028	(37,787)
	\$ 74,301

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, 2024 and 2023

G. Retirement System (continued)

The System's Actuarial Assumptions (continued)

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

	Measurement Date	
	March 31, 2024	March 31, 2023
Actuarial valuation date	April 1, 2023	April 1, 2022
Investment rate of return, net	5.90%	5.90%
Inflation	2.90%	2.90%
Salary increases	4.40%	4.40%
Cost of living adjustments	1.50%	1.50%
Decrement tables	April 1, 2015 - March 31, 2020 System's For Both Periods	

Annuitant mortality rates for the April 1, 2023 and 2022 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-2021.

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, 2024 and 2023 are summarized below:

Asset Type	March 31, 2024		March 31, 2023	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Equity:				
Domestic equity	32.00%	4.00%	32.00%	4.30%
International equity	15.00%	6.65%	15.00%	6.85%
Alternatives:				
Private equity	10.00%	7.25%	10.00%	7.50%
Real estate	9.00%	4.60%	9.00%	4.60%
Absolute return strategies	3.00%	5.25%	3.00%	5.38%
Credit	4.00%	5.40%	4.00%	5.43%
Real assets	3.00%	5.79%	3.00%	5.84%
Fixed income	23.00%	1.50%	23.00%	1.50%
Cash	1.00%	0.25%	1.00%	0.00%
	100.00%		100.00%	

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2024 and 2023

G. Retirement System (continued)

Discount Rate

The discount rate used to calculate the total pension liability as of March 31, 2024 and 2023 was 5.9%. 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/(Asset) to the Discount Rate Assumption

The following presents the Agency's proportionate share of the net pension liability/(asset) calculated by the System using the discount rate of 5.9% as of March 31, 2024 and 2023, 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 (4.9%) or 1-percentage point higher (6.9%) than the current rate:

	<u>1.00% Decrease</u>	<u>Current Assumption</u>	<u>1.00% Increase</u>
Discount rate:			
March 31, 2024 and 2023	4.90%	5.90%	6.90%
Agency's proportionate share of the collective net pension liability/(asset) for the Plan year ended:			
March 31, 2024	<u>\$ 1,004,666</u>	<u>\$ 319,540</u>	<u>\$ (252,683)</u>
March 31, 2023	<u>\$ 1,221,391</u>	<u>\$ 505,423</u>	<u>\$ (92,851)</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, 2024 and 2023 are as follows:

	(Dollars in Thousands)	
Measurement date	<u>March 31, 2024</u>	<u>March 31, 2023</u>
Employers' total pension liability/(asset)	\$ 240,696,851	\$ 232,627,259
Plan net position	<u>225,972,801</u>	<u>211,183,223</u>
Employers' net pension liability/(asset)	<u>\$ 14,724,050</u>	<u>\$ 21,444,036</u>
Ratio of Plan's net position to the Employers' total pension liability/(asset)	93.88%	90.78%

H. 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.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2024 and 2023

H. Other Postemployment Benefits Obligation – Healthcare Benefits (continued)

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, 2024, the effective date of the OPEB valuation as of December 31, 2024 and 2023 is as follows:

Active employees	5
Inactive employees currently receiving benefits	-
Inactive employees entitled to but not yet receiving benefits	-
	<u> </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, 2024 and 2023

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

Total OPEB Liability

The Agency's total OPEB liability of \$1,046,505 and \$973,222 as of December 31, 2024 and 2023, respectively, were measured and determined by an actuarial valuation using the alternative measurement as allowed for small plans as of January 1, 2024, with updated procedures used to roll forward 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 measured as of December 31, 2024 is based on the January 1, 2023 valuation and rolled forward to the December 31, 2024 measurement date. The total OPEB liability measured as of December 31, 2023 is based on the January 1, 2023 valuation.

The total OPEB liability as of December 31, 2024 and 2023 was measured and determined using the following actuarial assumptions and other inputs:

Payroll growth rate	3.50%
Discount rate	4.28% (2024) and 4.00% (2023)
Healthcare cost trend rates	7% decreasing to 4.5% in year 2038
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.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2024 and 2023

H. 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, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Beginning of Year	\$ 973,222	\$ 635,274
Changes for the year:		
Service cost	91,042	74,181
Interest	38,929	27,380
Difference between expected & actual	-	102,604
Changes of assumptions	<u>(56,688)</u>	<u>133,783</u>
Balance at end of year	<u>\$ 1,046,505</u>	<u>\$ 973,222</u>

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, 2024, 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:

	<u>Discount Rate</u>		
	<u>1% Increase</u>	<u>Current Rate</u>	<u>1% Decrease</u>
	5.28%	4.28%	3.28%
Total OPEB Liability	<u>\$ 859,294</u>	<u>\$ 1,046,505</u>	<u>\$ 1,286,549</u>

The following presents the total OPEB liability of the Agency at December 31, 2023, 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:

	<u>Discount Rate</u>		
	<u>1% Increase</u>	<u>Current Rate</u>	<u>1% Decrease</u>
	5.00%	4.00%	3.00%
Total OPEB Liability	<u>\$ 791,369</u>	<u>\$ 973,222</u>	<u>\$ 1,208,139</u>

The following presents the total OPEB liability of the Agency at December 31, 2024, 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:

	<u>Health Care Trend</u>		
	<u>1% Increase</u>	<u>Current Rate</u>	<u>1% Decrease</u>
	5.50%	4.50%	3.50%
Total OPEB Liability	<u>\$ 1,337,594</u>	<u>\$ 1,046,505</u>	<u>\$ 827,567</u>

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2024 and 2023

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

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

The following presents the total OPEB liability of the Agency at December 31, 2023, 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	Current Rate	1% Decrease
	5.50%	4.50%	3.50%
Total OPEB Liability	<u>\$ 1,261,996</u>	<u>\$ 973,222</u>	<u>\$ 758,667</u>

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

For the years ended December 31, 2024 and 2023, the Agency recognized OPEB expense of \$107,856 and \$84,967, respectively. At December 31, 2024, the Agency reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected & actual experience	\$ 83,745	\$ -
Change of assumptions	109,193	350,639
	<u>\$ 192,938</u>	<u>\$ 350,639</u>

At December 31, 2023, the Agency reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected & actual experience	\$ 93,175	\$ -
Change of assumptions	121,487	337,790
	<u>\$ 214,662</u>	<u>\$ 337,790</u>

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2024 and 2023

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

OPEB Expense and Deferred Outflow of Resources and Deferred Inflow of Resources Related to OPEB (continued)

The amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For Years Ending December 2025	\$ (22,115)
2026	(22,115)
2027	(22,115)
2028	(22,115)
2029	(22,115)
2030-2034	<u>(47,126)</u>
	<u><u>\$(157,701)</u></u>

I. 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, 2024, and 2023, there was no conduit debt outstanding.

J. 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. There were no amounts received for recapture of sales and use tax-exemptions during 2024. During 2023, the Agency received \$34,926 for the recapture of sales and use tax-exemptions and subsequently were remitted to New York State.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS Years Ended December 31, 2024 and 2023

K. 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. These leasing transactions are not subject to GASB Statement No. 87, "Leases" and therefore are not recorded in the accompanying financial statements of the Agency.

L. 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.

M. Related Party Transactions

The Town of Brookhaven Local Development Corporation ("LDC") is a related party with a common Board of Directors. Pursuant to an inter-municipal agreement, the LDC reimburses the IDA for an allocation of certain costs. At December 31, 2024 and 2023, the IDA has a receivable from the LDC totaling \$236 and \$-0-, respectively.

The Agency leases office space from the Town, see Note F for additional information. In September 2022, the Agency executed a written long-term lease agreement with the Town. At December 31, 2024 and 2023, the Agency's rent payments totaled \$24,000 both years.

N. 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, 2024
(Unaudited)

Total OPEB Liability:	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 973,222	\$ 635,274	\$ 860,020	\$ 797,267
Service costs	91,042	74,181	108,865	114,712
Interest	38,929	27,380	19,350	15,387
Difference between expected & actual experience	-	102,604	-	-
Change of assumptions and other inputs	<u>(56,687)</u>	<u>133,783</u>	<u>(352,961)</u>	<u>(67,346)</u>
Balance, end of year	<u>\$ 1,046,506</u>	<u>\$ 973,222</u>	<u>\$ 635,274</u>	<u>\$ 860,020</u>
 Covered employee payroll	 <u>\$ 566,104</u>	 <u>\$ 546,960</u>	 <u>\$ 502,500</u>	 <u>\$ 447,290</u>
 Total OPEB liability as a percentage of covered employee payroll	 184.86%	 177.93%	 126.42%	 192.27%

Notes to the Schedule:

Discount Rate	4.28%	4.00%	4.31%	2.25%
Measurement Date December 31,	2024	2023	2022	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/(ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2024
(Unaudited)**

	March 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Agency's proportion of the net pension liability/(asset)	0.0021702%	0.0023569%	0.0018303%	0.0016062%	0.0014405%	0.0011333%	0.0011953%	0.0009284%	0.0008715%	0.0008559%
Agency's proportionate share of the net pension liability/(asset)	\$ 319,540	\$ 505,423	\$ (149,619)	\$ 1,598	\$ 381,452	\$ 80,297	\$ 38,579	\$ 87,235	\$ 139,878	\$ 28,915
Agency's covered-employee payroll	\$ 647,159	\$ 640,583	\$ 679,245	\$ 512,208	\$ 451,596	\$ 398,525	\$ 253,875	\$ 235,848	\$ 221,695	\$ 183,006
Agency's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	49.38%	78.90%	-22.03%	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/(asset)	93.88%	90.78%	103.65%	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.

There were no changes in assumptions with the discount rate of 5.90% for the March 31, 2024 and March 31, 2023 Plan years.

The change in the Agency's proportionate share of the net pension liability is mainly attributable to the increase in plan fiduciary net assets due to investment gains during the March 31, 2024 plan year as compared to 2023.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

**SCHEDULE OF PENSION CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2024
(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>
2024	\$ 93,589	93,589	-	\$ 618,953	15.12%
2023	83,907	83,907	-	630,597	13.31%
2022	78,454	78,454	-	672,267	11.67%
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%

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, 2023 actuarial valuation to determine the employer rates for contributions payable to the Plan's year ended March 31, 2024.

**OTHER SUPPLEMENTARY
INFORMATION**

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

SCHEDULE OF EXEMPTIONS - BONDS
 For Year Ended December 31, 2024
 (Unaudited)

Project Name and Address	Project Purpose	Federal Tax Status	Is the applicant a Not for Profit corporation?	Original estimate of jobs to be created	Original estimate of jobs to be retained	State Sales Tax Exemption	Local Sales Tax Exemption (Sum of City/Town/Village)	County Real Property Tax Exemption	Local Property Tax Exemption	School Property Tax Exemption	Mortgage Recording Tax Exemption	Total Exemptions	
												Net of RPTL Section 485-b Exemptions	Total Exemptions Net of PILOTs Received
Pallets R Us/Nicola Ent, Miller Ave, Bellport, NY 11713	Manufacturing	Taxable	N	-	-	\$ -	\$ -	\$ 30,202	\$ 46,199	\$ 146,309	\$ -	\$ 222,710	\$ (1,568)

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

SCHEDULE OF EXEMPTIONS - LEASES
For Year Ended December 31, 2024
(Unaudited)

Project Code	Project Name and Address	Project Purpose	Is the applicant a Not for Profit corporation?	Original estimate of jobs to be created	Original estimate of jobs to be retained	State Sales Tax Exemption	Local Sales Tax Exemption (Sum of City/Town/Village)	County Real Property Tax Exemption	Local Property Tax Exemption	School Property Tax Exemption	Mortgage Recording Tax Exemption	Total Exemptions	Total Exemptions Net of PILOTs Received
4702-23-6A	10 Donald's Way LLC, 10 Donald's Way, Medford, NY 11763	Other Categories	N	35	-	\$ 314,313	\$ 363,421	\$ -	\$ -	\$ -	\$ -	\$ 677,734	\$ 677,734
4702-18-14B	10 National (Intercounty), 10 National Boulevard, Medford, NY 11763	Wholesale Trade	N	4	67	-	-	76,550	104,669	434,959	-	616,178	138,610
4702-16-7A	14 Glover, LLC (Brookhaven Hospital / Foley), 14 Glover Drive, Yaphank, NY 11980	Services	N	137	-	-	-	-	-	-	-	-	-
4702-24-1A	885 Waverly LLC / Nassau Provisions Kosher Foods, 885 Waverly Avenue, Holtsville, NY 11742	Other Categories	N	17	-	22,015	25,454	-	-	-	54,000	101,469	101,469
4702-14-13A	AARCO, 83 Horeseblock Road, Yaphank, NY 11980	Wholesale Trade	N	15	-	-	-	13,066	17,590	63,042	-	93,698	53,698
4702-19-2A	ACE-Calabro Solar 2 LLC 2019 Facility, 135 Dawn Drive, Shirley NY 11967	Transportation, Communication, Electric, Gas and Sanitary Services	N	-	-	-	-	-	-	-	-	-	-
4702-19-1A	ACE-Calabro Solar LLC 2019 Facility, 135 Dawn Drive, Shirley, NY 11967	Transportation, Communication, Electric, Gas and Sanitary Services	N	-	-	-	-	-	-	-	-	-	-
4702-18-3A	ACE-Town Hall Solar, 1 Independence Hill, Farmingville, NY 11738	Construction	N	-	-	-	-	-	-	-	-	-	-
4702-19-12A	AE Town Hall Solar 2, 1 Independence Hill, Farmingville, NY 11738	Other Categories	N	-	-	-	-	-	-	-	-	-	-
4702-21-5A	AE-ESS Cassel LLC, 550 North Ocean Avenue, Patchogue, NY 11772	Clean Energy	N	-	-	-	-	-	-	-	-	-	-
4702-17-6A	AVR Yaphank Hotel, Yaphank Boulevard, Yaphank, NY 11980	Other Categories	N	37	-	-	-	304,682	358,014	1,269,270	-	1,931,966	1,233,785
4702-22-1A	AVR-SP Brookhaven JV LLC, Precision Drive, Shirley, NY 11967	Other Categories	N	70	-	5,417	6,263	22,062	35,338	125,598	-	194,678	101,026
4702-16-10B	Aarco (Old Dock Rd Yaphank), 21 Old Dock Road, Yaphank, NY 11980	Other Categories	N	4	43	-	-	16,074	21,639	77,551	-	115,264	85,616
4702-21-9A	Acropolis Framing (15 Commercial), 15 Commercial Boulevard, Medford, NY 11763	Manufacturing	N	3	15	-	-	4,648	6,362	26,566	-	37,576	23,737
4702-22-4A	American Organic Energy, LLC, 445 Horseblock Road, Yaphank, NY 11980	Other Categories	N	11	-	1,119,095	1,293,944	4,407	6,697	21,264	-	2,445,407	2,426,151
4702-21-14A	American Regent Inc., 5 Ramsey Road, Shirley, NY 11967	Manufacturing	N	-	375	90,461	104,595	60,574	97,023	344,843	-	697,496	235,506
4702-21-22A	Amneal (50 Horseblock-NM AMNL), 50 Horseblock Road, Yaphank, NY 11980	Manufacturing	N	400	190	-	-	90,738	137,872	437,789	-	666,399	218,943
4702-18-8A	Amneal Pharmaceuticals LLC 2019 Facility, 19 Nicholas Drive, Yaphank NY 11980	Manufacturing	N	7	-	-	-	29,658	41,036	168,842	-	239,536	162,212
4702-23-9A	BLSF, LLC, 350 Horseblock Road, Yaphank NY 11980	Clean Energy	N	-	-	-	-	-	-	-	-	-	-
4702-21-12A	Bactolac Pharmaceutical Inc., Ramsey Road, Yaphank, NY 11980	Manufacturing	N	30	-	-	-	3,075	4,925	17,504	-	25,504	(498)
4702-20-2A	Bellport Residences LLC, Atlantic Avenue, Bellport, NY 11713	Other Categories	N	3	-	-	-	36,149	53,211	175,116	-	264,476	194,983
4702-21-1A	Biocogent LLC / Research Property Holdings, LLC, 19 Pinehurst Drive, Bellport, NY 11713	Manufacturing	N	15	-	-	-	3,630	5,515	17,512	-	26,657	24,718

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

SCHEDULE OF EXEMPTIONS - LEASES
For Year Ended December 31, 2024
(Unaudited)

Project Code	Project Name and Address	Project Purpose	Is the applicant a Not for Profit corporation?	Original estimate of jobs to be created	Original estimate of jobs to be retained	State Sales Tax Exemption	Local Sales Tax Exemption (Sum of City/Town/Village)	County Real Property Tax Exemption	Local Property Tax Exemption	School Property Tax Exemption	Mortgage Recording Tax Exemption	Total Exemptions	Total Exemptions Net of PILOTs Received	
4702-16-6A	Blue Point Brewery, 225 West Main Street, Patchogue, NY 11772	Manufacturing	N	28	33	\$ -	\$ -	\$ -	61,702	84,805	349,570	\$ -	496,077	203,012
4702-20-SA	Brightview Port Jefferson, 1175 NY-112, Port Jefferson Station, NY 11776	Continuing Care Retirement Communities	N	60	-	-	-	119,825	173,311	660,366	-	953,502	929,667	
4702-24-4A	Brookhaven Solar Invest, 249 Buckley Road, Holtsville, NY 11742	Clean Energy	N	-	-	-	-	-	-	-	-	-	-	
4702-19-8A	Brooks Partners LLC, 440 Main Street, Port Jefferson, NY 11777	Other Categories	N	6	-	-	-	41,480	61,546	151,663	-	254,689	130,860	
4702-15-13C	Burmax, 28 Barretts Avenue, Holtsville, NY 11742	Other Categories	Y	9	161	-	-	38,369	48,434	175,629	-	262,432	99,482	
4702-23-2B	CD Ramsay Realty, LLC/Creative Biolabs Inc. 2022 Facility, Ramsay Road and Precision Drive, Shirley NY 11967	Manufacturing	Y	8	30	-	-	1,050	1,693	6,001	-	8,744	276	
4702-13-17A	Cross Sound Cable, 1 Lico Road, Shoreham, NY 11786	Transportation, Communication, Electric, Gas and Sanitary Services	N	-	-	-	-	280,607	357,148	1,443,294	-	2,081,049	218,257	
4702-13-6A	CV Village at Coram/Wincoram Commons, Route 112, Coram, NY 11727	Other Categories	N	4	-	-	-	114,919	208,644	656,877	-	980,440	900,126	
4702-07-2A	Caithness Long Island, LLC, Horseblock Road, Yaphank, NY 11980	Manufacturing	N	27	-	-	-	1,712,346	2,321,533	8,295,134	-	12,329,013	2,658,817	
4702-15-2A	Crestwood, 32 Sawgrass Drive, Bellport, NY 11713	Other Categories	N	6	40	-	-	2,959	4,514	14,334	2,660	24,467	13,402	
4702-14-2A	D&F Patchogue, 131 East Main Street, Patchogue, NY 11772	Other Categories	N	50	-	-	-	88,145	121,151	499,385	-	708,681	683,063	
4702-14-1A	E&B Holtsville, North Ocean Avenue, Holtsville, NY 11742	Other Categories	N	70	-	-	-	98,515	144,225	450,940	-	693,680	684,610	
4702-23-11A	EDP Renewables, 55 Bicycle Path, Farmingville, NY 11738	Clean Energy	N	-	-	-	-	-	-	-	-	-	-	
4702-15-15A	Excel Holdings 6 (Extended Stay), 65 Union Avenue, Ronkonkoma, 11779	Other Categories	N	24	-	-	-	67,405	76,703	308,538	-	452,646	443,105	
4702-23-12A	Fairfield Knolls at Mount Sinai Fee Owner, LLC, 300 Sutton Court, Mount Sinai, NY 11766	Other Categories	N	-	4	-	-	163,328	182,133	911,566	-	1,257,027	1,005,017	
4702-19-10B	Four Key's Realty, LLC (Wallace Oakland Trust), 19 Zorn Boulevard, Yaphank, NY 11980	Other Categories	N	8	22	-	-	10,697	14,400	51,609	-	76,706	54,756	
4702-18-4A	Four-L Realty, 665-667 Union Avenue, Holtsville, NY 11742	Manufacturing	N	24	18	-	-	11,877	15,102	54,588	-	81,567	76,908	
4702-22-2A	FourGen-H, 586 Union Avenue, Holtsville, NY 11742	Other Categories	N	-	-	15,918	18,405	-	-	-	-	34,323	34,323	
4702-22-3A	FourGen-S, 19 N. Belle Mead Road, East Setauket, NY 11733	Other Categories	N	-	-	22,617	26,150	-	-	-	-	48,767	48,767	
4702-00-8A	Frameric Corporation, 2 Todd Court, Yaphank, NY 11980	Manufacturing	N	168	-	-	-	30,851	41,533	148,848	-	221,232	100,993	
4702-21-3A	Frameric Corporation (19 Nicholas), 19 Nicholas Drive Suite 100, Yaphank, NY 11980	Manufacturing	N	8	-	-	-	29,658	41,036	168,842	-	239,536	168,740	
4702-21-23A	Frank Lowe (44 Ramsey), 44 Ramsey Road, Yaphank, NY 11980	Manufacturing	N	8	-	-	-	17,370	27,822	98,885	-	144,077	(16,848)	

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

SCHEDULE OF EXEMPTIONS - LEASES
For Year Ended December 31, 2024
(Unaudited)

Project Code	Project Name and Address	Project Purpose	Is the applicant a Not for Profit corporation?	Original estimate of jobs to be created	Original estimate of jobs to be retained	State Sales Tax Exemption	Local Sales Tax Exemption (Sum of City/Town/Village)	County Real Property Tax Exemption	Local Property Tax Exemption	School Property Tax Exemption	Mortgage Recording Tax Exemption	Total Exemptions	Total Exemptions Net of PILOTs Received
4702-15-7A	Greenwood Energy / ACE Holtsville, 249 Buckley Road, Holtsville, NY 11742	Construction	N	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4702-21-16A	GS AA Vistas Owner LLC, 588 N. Bicycle Path, Port Jefferson Station, NY 11776	Finance, Insurance and Real Estate	N	-	3	-	-	165,251	240,650	914,397	-	1,320,298	1,230,392
4702-08-6A	Global Tissue, 870 Expressway Dr., Yaphank, NY 11980	Manufacturing	N	91	-	-	-	41,713	57,716	237,472	-	336,901	130,608
4702-15-1-A	Greenwood Energy / ACE Manorville, 2 Paper Mill Road, Manorville, NY 11949	Construction	N	-	-	-	-	-	-	-	-	-	-
4702-23-8A	Grove Apartments, 400 East Main Street, Patchogue, NY 11772	Other Categories	N	4	-	80,027	92,530	-	-	-	-	172,557	172,557
4702-18-12B	HSRE Lake Grove (BK @ Lake Grove), 2995 Middle Country Road, Lake Grove, NY 11755	Continuing Care Retirement Communities	Y	60	-	-	-	88,145	142,414	500,381	-	730,940	651,617
4702-23-5A	HSRE-EB East Patchogue, LLC, Sipp Avenue, East Patchogue, NY 11772	Other Categories	N	5	-	385,715	445,979	-	-	-	-	831,694	831,694
4702-18-8A	HSRE-EB Mount Sinai, LLC 2019 Facility, 400 Sutton Court, Mount Sinai, NY 11766	Continuing Care Retirement Communities	N	60	-	-	-	88,145	98,294	491,956	-	678,395	542,389
4702-24-2A	Hawkins Ave Development RHP2-B, 9 Hawkins Avenue, Suite 3500, Ronkonkoma, NY 11779	Other Categories	N	15	-	44,513	51,467	-	-	-	-	95,980	95,980
4702-18-1A	Holtsville Industrial, 1 Corporate Drive, Holtsville, NY 11742	Manufacturing	N	50	-	-	-	29,534	37,281	135,187	-	202,002	146,099
4702-24-5A	Horseblock 4 LLC, Southeast Corner of Horseblock Road and Miller Avenue, Yaphank, NY 11980	Other Categories	N	20	-	3,963	4,582	-	-	-	-	8,545	8,545
4702-23-1A	Hydro Metal Holdings/Boilermatic, 20 Pinehurst Drive, Bellport, NY 11713	Manufacturing	N	14	56	1,818	2,103	6,792	10,321	32,772	-	53,806	28,541
4702-13-15A	Islandaire, 17 Bellemeade Road, Setauket, NY 11733	Manufacturing	N	29	133	-	-	14,459	17,058	83,479	-	114,996	105,130
4702-21-8A	Integrated Structures Corp., 4 Pinehurst Drive, Bellport, NY 11713	Manufacturing	N	7	55	-	-	7,746	11,849	37,525	-	57,120	31,938
4702-15-5A2	J-Cad 664 Bluepoint Avenue, 664 Bluepoint Avenue, Holtsville, NY 11742	Wholesale Trade	N	12	33	-	-	7,230	9,192	33,227	-	49,649	25,269
4702-19-13A	KJR Holding, 2052 Route 112, Meford, NY 11763	Other Categories	N	3	-	-	-	8,742	12,806	49,257	-	70,805	34,103
4702-19-9A	Long Island Avenue Holding, LLC, Long Island Avenue, Yaphank, NY 11980	Other Categories	N	13	-	-	-	103	144	590	-	837	-
4702-24-7A	MCP Yaphank PropCo, LLC, 1 Meadow Lane, Yaphank, NY 11980	Other Categories	N	50	-	-	-	-	-	-	-	-	-
4702-21-21A	MDS Building Ventures, LLC, LIE Service Road and Natcon Drive, Shirley, NY 11967	Wholesale Trade	N	13	-	51,920	60,032	25,821	41,630	147,590	-	326,993	303,446
4702-24-8A	MPH Cross Island Power, LLC, 227 N. Country Road, Shoreham, NY 11786	Clean Energy	N	-	-	-	-	-	-	-	-	-	-
4702-13-8A	MS Packaging, 53 Zorn Boulevard, Yaphank, NY 11980	Manufacturing	N	4	4	31,940	36,931	21,689	33,177	105,069	-	228,806	218,941
4702-17-2C	McKeon Door East, 10 Sawgrass Drive, Bellport, NY 11713	Manufacturing	N	10	-	-	-	9,295	14,219	45,030	-	68,544	65,056

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

SCHEDULE OF EXEMPTIONS - LEASES
For Year Ended December 31, 2024
(Unaudited)

Project Code	Project Name and Address	Project Purpose	Is the applicant a Not for Profit corporation?	Original estimate of jobs to be created	Original estimate of jobs to be retained	State Sales Tax Exemption	Local Sales Tax Exemption (Sum of City/Town/Village)	County Real Property Tax Exemption	Local Property Tax Exemption	School Property Tax Exemption	Mortgage Recording Tax Exemption	Total Exemptions	Total Exemptions Net of PILOTs Received
4702-06-7A	McKeon Rolling Steel Door, Inc., 44 Sawgrass Drive, Bellport, NY 11713	Manufacturing	N	20	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4702-14-7A	Meadows at Yaphank-Phase I A, William Floyd Parkway, Shirley, NY 11967	Other Categories	N	9	-	-	-	170,415	274,755	974,091	-	1,419,261	503,171
4702-19-5A	Medford Branch/H.O. Penn Machinery Company, 20 Platinum Court, Medford, NY 11763	Manufacturing	N	-	26	-	-	6,248	8,492	35,569	-	50,309	22,660
4702-24-6A	Medford Gardens, Horseblock Road, Medford, NY 11763	Other Categories	N	7	-	-	-	-	-	-	-	-	-
4702-21-18A	Middle Country Meadows, LLC 1277 Middle Country Road, Selden, NY 11784	Finance, Insurance and Real Estate	N	5	-	-	-	4,148	7,121	23,547	-	34,816	(8,796)
4702-21-20A	NP/Winters Long Island Industrial, LLC, East of Sills Road South of LIE, Yaphank, NY 11980	Other Categories	N	1,094	-	-	-	55,614	63,432	183,968	-	303,014	14,757
4702-20-3A	On the Common at Rocky Point, King Road and Prince Street, Rocky Point, NY 11778	Other Categories	N	2	-	-	-	53,609	12,338	53,609	-	119,556	66,271
4702-20-1A	Orbit Bloom Energy, 3601 Horseblock Road, Medford, NY 11763	Other Categories	N	1	-	-	-	41,313	57,561	236,143	-	335,017	145,543
4702-15-10A	Overbay, 217 West Broadway, Port Jefferson, NY 11777	Other Categories	N	3	-	-	-	43,243	64,162	158,109	-	265,514	204,082
4702-15-9A	Penn & Sons, Plantinum Court, Medford, NY 11763	Manufacturing	N	7	-	-	-	9,577	13,108	54,738	-	77,423	69,919
4702-21-17A	Port Development, LLC, 1 North Country Road, Port Jefferson, NY 11777	Finance, Insurance and Real Estate	N	5	-	45,417	52,513	191,433	285,965	702,769	-	1,278,097	1,239,330
4702-21-4A	Port Jefferson Crossing, LLC, 1609-1615 Main Street, Port Jefferson, NY 11777	Finance, Insurance and Real Estate	N	2	-	-	-	3,481	5,072	19,259	-	27,812	(38,424)
4702-05-1A	Quality King Distributors, Inc./SARG, LLC, 35 Sawgrass Drive, Bellport, NY 11713	Manufacturing	N	5	-	-	-	123,422	188,793	597,894	-	910,109	522,548
4702-24-3A	R Squared Patchogue, 303 East Main Street, East Patchogue, NY 11772	Other Categories	N	2	-	56,852	65,735	-	-	-	281,250	403,837	403,837
4702-14-5A	Rail Realty, 14 Sheep Pasture Road, Port Jefferson, NY 11777	Other Categories	N	5	-	-	-	56,960	82,769	315,181	-	454,910	435,921
4702-14-8A	Ronk HUB Phase I Facility, Union Avenue / Mill Road, Ronkonkoma, NY 11779	Wholesale Trade	N	10	-	-	-	378,787	434,313	1,740,867	-	2,553,967	2,453,968
4702-21-10A	Ronk Hub Phase 2 (Hawkins Ave Development RHP2), Ronkonkoma, NY 11779	Finance, Insurance and Real Estate	N	45	-	343,207	396,830	20,726	23,764	95,255	-	879,782	740,037
4702-15-12A	S Power / FTS Project Owner, 112 Route 25A, Shoreham, NY 11786	Transportation, Communication, Electric, Gas and Sanitary Services	N	-	-	-	-	68,186	96,961	352,114	-	517,261	190,939
4702-13-11A	Selden Commercial Center, 635 Middle Country Road, Coram, NY 11727	Other Categories	N	7	19	-	-	36,027	62,246	205,348	-	303,621	121,968
4702-19-4A	SHI-III Coram, LLC 2019 Facility, 463 Middle Country Road, Coram, NY 11727	Continuing Care Retirement Communities	N	50	-	-	-	56,805	103,134	324,697	-	484,636	289,117
4702-18-11B	Shoreham Solar (Duke), 24 Cooper Street, Shoreham, NY 11786	Transportation, Communication, Electric, Gas and Sanitary Services	N	-	-	-	-	170,415	242,355	880,074	-	1,292,844	604,975
4702-12-9A	Suffolk Transportation, 1162 Old Town Road, Coram, NY 11727	Other Categories	N	158	9	-	-	9,492	17,233	54,254	-	80,979	50,701

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

SCHEDULE OF EXEMPTIONS - LEASES
For Year Ended December 31, 2024
(Unaudited)

Project Code	Project Name and Address	Project Purpose	Is the applicant a Not for Profit corporation?	Original estimate of jobs to be created	Original estimate of jobs to be retained	State Sales Tax Exemption	Local Sales Tax Exemption (Sum of City/Town/Village)	County Real Property Tax Exemption	Local Property Tax Exemption	School Property Tax Exemption	Mortgage Recording Tax Exemption	Total Exemptions	Total Exemptions Net of PILOTs Received
4702-23-7A	September Morning LLC, 0 Ramsey Road, Shirley, NY 11967	Other Categories	N	29	-	\$ 63,700	\$ 73,653	\$ -	\$ -	\$ -	\$ -	\$ 137,353	\$ 137,353
4702-16-9A	Shoreham Energy (J-Power), 227 North Country Road, Shoreham, NY 11786	Transportation, Communication, Electric, Gas and Sanitary Services	N	-	6	-	-	206,564	253,736	1,066,756	-	1,527,056	175,662
4702-09-4A	Six Roses/Clare Rose, South Service Rd LIE, Yaphank, NY 11980	Wholesale Trade	N	-	-	-	-	77,462	124,575	442,769	-	644,806	5,896
4702-21-2A	South Setauket ILU, LLC, 1 Jefferson Ferry Drive, South Setauket, NY 11720	Continuing Care Retirement Communities	N	34	242	-	-	154,923	182,763	894,414	-	1,232,100	458,247
4702-21-13A	Sun River Town Homes LLC N/o, Sunrise Highway between Jerusalem Hollow Road, Manorville, NY 11949	Finance, Insurance and Real Estate	N	3	-	-	-	2,033	3,072	10,442	187,500	203,047	187,500
4702-23-4A	Sunrise Wind, LLC, 608 Union Avenue, Holbrook, NY 11741	Clean Energy	N	-	-	4,086,334	4,724,787	-	-	-	-	8,811,121	8,811,121
4702-22-5A	Sunrise Wind LLC O&M, 22 Research Way, East Setauket, NY 11733	Other Categories	N	65	-	110,305	127,539	17,042	20,104	98,386	-	373,376	302,146
4702*-15-3A	T. Mina Supply (924 Old Medford Road LLC), 924 Old Medford Road, Medford, NY 11763	Other Categories	N	8	9	-	-	2,551	3,763	14,512	-	20,826	17,863
4702-18-13B	Tate's (Mondelez Global), 62 Pine Street, East Moriches, NY 11940	Manufacturing	N	10	67	-	-	-	-	-	-	-	-
4702-21-19A	The Arboretum at Farmingville, 0 Farm to Market Road, Farmingville, NY 11738	Finance, Insurance and Real Estate	N	5	-	225,040	260,201	10,124	14,821	46,340	-	556,526	369,823
4702-21-15A	Topgolf USA Holtsville, LLC, 5231 Expressway Drive, North Holtsville, NY 11742	Other Categories	N	85	-	-	-	36,149	45,962	166,136	-	248,247	203,106
4702-16-4A	UI Supplies (Jones Venture), 22 Old Dock Road, Yaphank, NY 11980	Wholesale Trade	N	13	1	-	-	5,681	7,915	32,470	-	46,066	26,841
4702-00-9A	Uncle Wally's/United Baking, 41 Natcom Drive, Shirley, NY 11967	Manufacturing	N	71	-	-	-	16,696	26,742	95,048	-	138,486	41,802
4702-19-3A	United Meat Products, Inc. 2019 Facility, 50 Sawgrass Drive, Bellport, NY 11713	Manufacturing	N	16	-	-	-	8,779	13,429	42,528	-	64,736	28,355
4702-18-6A	United Rentals Realty, 250 Orchard Road, East Patchogue, NY 11772	Other Categories	N	20	-	-	-	7,488	11,258	36,274	-	55,020	51,294
4702-21-6A	Visiontron Corp. (925 Waverly), 925 Waverly Avenue, Holtsville, NY 11742	Manufacturing	N	6	74	-	-	19,365	24,623	89,001	-	132,989	67,925
4702-23-3A	WF Industrial XII, W/S of Sills Road on N/S of LIE, North Service Road, Yaphank, NY 11980	Other Categories	N	181	-	-	-	-	-	-	-	-	-
4702-22-6A	WF Industrial XIII, 645 National Boulevard, Medford, NY 11763	Other Categories	N	45	-	10,231	11,829	17,558	23,704	92,708	-	156,030	132,099
4702-16-1A	WHTB Glass, 101 Precision Drive, Shirley, NY 11967	Manufacturing	N	50	-	-	-	14,201	22,896	81,174	-	118,271	111,119
4702-20-5A	Williams Realty Holdings Group (Interstate) 355 Sills Road YAPHANK NY 11980	Manufacturing	N	3	3	-	-	15,245	21,232	86,957	-	123,434	57,833
4702-16-5A	Yaphank AVR Blvd Chelsea The Boulevard West YAPHANK NY 11980	Continuing Care Retirement Communities	N	50	-	-	-	82,626	133,213	472,286	-	688,125	550,947
4702-21-7A	Yaphank Fuel Cell Park LLC 350 Horseblock Road YAPHANK NY 11980	Transportation, Communication, Electric, Gas and Sanitary Services	N	1	-	-	-	-	-	-	-	-	-

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

**Honorable Board of Directors
Town of Brookhaven Industrial Development Agency**

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"), a component unit of the Town of Brookhaven, New York, as of and for the year ended December 31, 2024 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 26, 2025.

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 were not 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 26, 2025