

**TOWN OF BROOKHAVEN INDUSTRIAL
DEVELOPMENT AGENCY**

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

Years Ended December 31, 2019 and 2018

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INDEPENDENT AUDITORS' REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the Town of Brookhaven Industrial Development Agency (the "Agency"), a component unit of the Town of Brookhaven, as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Agency's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

BEYOND THE NUMBERS...

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Agency, as of December 31, 2019 and 2018, and the respective changes in financial position, and cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of proportionate share of the net pension liability and schedule of pension contributions as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements of the Agency taken as a whole. The accompanying schedule of indebtedness - conduit debt, schedule of exemptions - bonds and schedule of exemptions - leases are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of indebtedness - conduit debt, schedule of exemptions - bonds and schedule of exemptions - leases 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2020, 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 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 internal control over financial reporting or on compliance. That report is an integral part of the audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Ahmed, Vijay, Zuh & Company PC

Hauppauge, New York
June 17, 2020

REQUIRED SUPPLEMENTARY INFORMATION
Management's Discussion and Analysis

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY MANAGEMENT'S DISCUSSION AND ANALYSIS

This section presents management's analysis of the Town of Brookhaven Industrial Development Agency's (the "Agency"), a component unit of the Town of Brookhaven, New York (the "Town"), financial condition and activities for the years ended December 31, 2019 and 2018. Please read this information in conjunction with the financial statements.

FINANCIAL HIGHLIGHTS

The Agency's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at close of 2019 and 2018 by \$3,093,132 and \$2,939,618, respectively. These funds, except for investments in capital assets, are unrestricted and may be utilized for the general operations of the Agency.

Charges for services totaled \$909,090 in 2019 and \$1,243,126 in 2018.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis ("MD&A") serves as an introduction to the basic financial statements and supplementary information. The MD&A represents management's examination and analysis of the Agency's financial condition and performance. Summary financial statement data, key financial and operational indicators used in the Agency's operating plan, and other management tools were used for this analysis.

The financial statements report information about the Agency, which is an enterprise-type fund. The Agency applies full accrual accounting methods as used by similar business activities in the private sector. The statements offer short and long-term financial information.

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

The statements of revenues, expenses, and changes in net position present the results of the Agency's activities over the course of the year and information as to how the net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

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

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

FINANCIAL ANALYSIS OF THE AGENCY

One of the most important objectives of the financial analysis is to determine if the Agency, as a whole, is better or worse off as a result of the year's activities. The statements of net position and the statements of revenues, expenses, and changes in net position provide useful information in this regard. The statements report the net position of the Agency and changes in these net positions.

**TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

FINANCIAL ANALYSIS OF THE AGENCY (continued)

The amount of net position, the difference between total assets, liabilities and deferred outflows/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:

	2019	2018	2017
Assets			
Current and other assets	\$ 3,327,716	\$ 3,089,818	\$ 2,666,318
Capital assets	1,560	10,067	18,802
Total Assets	<u>3,329,276</u>	<u>3,099,885</u>	<u>2,685,120</u>
Deferred Outflows of Resources	<u>85,407</u>	<u>140,068</u>	<u>78,753</u>
Liabilities			
Current liabilities	188,574	116,085	274,636
Long-term liabilities	94,464	51,746	100,754
Total Liabilities	<u>283,038</u>	<u>167,831</u>	<u>375,390</u>
Deferred Inflows of Resources	<u>38,513</u>	<u>132,504</u>	<u>14,965</u>
Net Position			
Net investment in capital assets	1,560	10,067	18,802
Unrestricted	3,091,572	2,929,551	2,354,716
Total Net Position	<u>\$ 3,093,132</u>	<u>\$ 2,939,618</u>	<u>\$ 2,373,518</u>

Total assets and deferred outflows of resources as of December 31, 2019 were \$3,414,683 which exceeded total liabilities and deferred inflows of resources by \$3,093,132 (i.e. net position). Of the Agency's net position, \$1,560 was net investment in capital assets, and \$3,091,572 was unrestricted, which is available to support future Agency operations. Total assets and deferred outflows of resources increased \$174,730 between December 31, 2019 and 2018, primarily due to the increase in cash and cash equivalents offset by a decrease in deferred outflows related to pension amounts.

**TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

FINANCIAL ANALYSIS OF THE AGENCY (continued)

Net Position (continued)

Total liabilities and deferred inflows of resources increased \$21,216 from prior year. The increase is primarily attributed to an increase in due to other governments of \$92,934 for payments in lieu of taxes received in December 2019, paid in January 2020 and increase in unearned revenue of \$3,000 due to annual administrative fee for the year 2020 received in 2019, an increase in compensated absences of \$1,000 from prior year due to a new employee hired in early 2019 and an increase in the net pension liability of \$41,718. These increases were offset by a decrease in accounts payable and accrued expenses, and other liabilities of \$23,445 and a decrease in deferred inflows of resources of \$93,991. The net position increased by \$153,514 from prior year.

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

Total assets and deferred outflows of resources as of December 31, 2018 were \$3,239,953 which exceeded total liabilities and deferred inflows of resources by \$2,939,618 (i.e. net position). Of the Agency's net position, \$10,067 was net investment in capital assets, and \$2,929,551 was unrestricted, which is available to support Agency's operations. Total assets and deferred outflows of resources increased \$476,080 between December 31, 2018 and 2017, primarily due to the \$424,346 increase in cash and cash equivalents stemming from operations, as well as increase in deferred outflows of resources of \$61,315.

Total liabilities and deferred inflows of resources decreased \$90,020 from 2017 to 2018. The decrease is primarily attributed to a decrease in due to other governments of \$244,956 for payments in lieu of taxes paid in January 2018 received in December 2017, and a decrease in the net pension liability of \$48,656. These decreases were offset by an increase in accounts payable, accrued expenses and compensated absences of \$72,128 and increase in deferred inflows of resources of \$117,539 and a \$13,925 increase in funds held for Ronkonkoma hub transit orientated development.

**TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

FINANCIAL ANALYSIS OF THE AGENCY (continued)

Operating Results

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

	2019	2018	2017
Operating Revenues			
Charges for services	\$ 909,090	\$ 1,243,126	\$ 1,260,739
Total Operating Revenues	909,090	1,243,126	1,260,739
Operating Expenses			
Contractual goods and services	805,566	702,659	677,845
Depreciation	8,507	8,735	8,736
Total Operating Expenses	814,073	711,394	686,581
Income from Operations	95,017	531,732	574,158
Non-Operating Revenues	58,497	34,368	9,781
Change in Net Position	153,514	566,100	583,939
Net Position at Beginning of Year	2,939,618	2,373,518	1,789,579
Net Position at End of Year	\$ 3,093,132	\$ 2,939,618	\$ 2,373,518

In 2019, the Agency's operating revenues decreased by \$334,036 or 26.87% from \$1,243,126 in 2018 to \$909,090 in 2019 primarily due to the number and size of the projects closed during the year, which drives closing fee revenues. The Agency's expenses increased \$102,679 or 14.43% from \$711,394 in 2018 to \$814,073 in 2019. The increase in expense is mainly due to increases in staffing and salaries/compensation levels during the year 2019.

In 2018, the Agency's operating revenues decreased slightly by \$17,613 or 1.40% from \$1,260,739 in 2017 to \$1,243,126 in 2018 primarily due to the number and size of the projects closed during the year, which drives closing fee revenues. The Agency's expenses increased \$24,813 or 3.61% from \$686,581 in 2017 to \$711,394 in 2018. The increase in expense is mainly due to an increase in salaries and related benefits primarily due to salary increases and incentive compensation payment made to employees of the Agency during the year 2018.

CAPITAL ASSET ADMINISTRATION

The Agency's capital assets of \$10,067 at December 31, 2018 less depreciation expense recognized during 2019 resulted in capital asset balance of \$1,560 at December 31, 2019. There were no additions during the 2019 year.

The Agency's capital assets of \$18,802 at December 31, 2017 less depreciation expense recognized during 2018 resulted in capital asset balance of \$10,067 at December 31, 2018. There were no additions during the 2018 year.

**TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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 1 Independence Hill, Farmingville, New York 11738.

**BASIC FINANCIAL
STATEMENTS**

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
STATEMENTS OF NET POSITION
December 31, 2019 and 2018

	2019	2018
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 3,187,679	\$ 3,047,084
Cash - restricted	105,812	16,600
Prepaid expenses	34,225	26,134
Total Current Assets	3,327,716	3,089,818
Non-current Assets:		
Depreciable capital assets, net of depreciation	1,560	10,067
Total Assets	3,329,276	3,099,885
DEFERRED OUTFLOWS OF RESOURCES		
Pension amounts	85,407	140,068
Total Deferred Outflows of Resources	85,407	140,068
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued expenses	79,762	99,485
Other liabilities	12,878	16,600
Unearned revenue	3,000	-0-
Due to other governments	92,934	-0-
Total Current Liabilities	188,574	116,085
Non-current Liabilities:		
Accrued compensated absences	14,167	13,167
Net pension liability	80,297	38,579
	94,464	51,746
Total Liabilities	283,038	167,831
DEFERRED INFLOWS OF RESOURCES		
Pension amounts	38,513	132,504
Total Deferred Inflows of Resources	38,513	132,504
NET POSITION		
Net investment in capital assets	1,560	10,067
Unrestricted	3,091,572	2,929,551
Total Net Position	\$ 3,093,132	\$ 2,939,618

See notes to financial statements.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
OPERATING REVENUES		
Charges for services	\$ 909,090	\$ 1,243,126
OPERATING EXPENSES		
Administration salaries, benefits and payroll taxes	560,105	483,889
Advertising, public relations and special projects	77,217	63,319
Insurance	40,657	36,391
Depreciation	8,507	8,735
Meeting, conferences and publications	16,165	12,378
Professional fees	46,366	49,031
Rent	18,000	18,000
Office expense	36,032	31,000
Travel and conferences	11,024	8,651
Total Operating Expenses	<u>814,073</u>	<u>711,394</u>
Income from Operations	<u>95,017</u>	<u>531,732</u>
NON-OPERATING REVENUES		
Interest income	<u>58,497</u>	<u>34,368</u>
Total Non-Operating Revenues	<u>58,497</u>	<u>34,368</u>
Changes in Net Position	153,514	566,100
Net Position at Beginning of Year	<u>2,939,618</u>	<u>2,373,518</u>
Net Position at End of Year	<u>\$ 3,093,132</u>	<u>\$ 2,939,618</u>

See notes to financial statements.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from charges for services and projects	\$ 909,090	\$ 1,243,126
Cash paid for payroll and related expenses	(556,717)	(476,673)
Cash payments for contractual expenses	(273,275)	(145,444)
Net Cash Provided by Operating Activities	<u>79,098</u>	<u>621,009</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash received for funds held for Ronkonkoma Hub Transit Orientated Development	-0-	20,607
Cash payments of funds held for Ronkonkoma Hub Transit Orientated Development	(3,722)	(6,682)
Cash received from recapture of project benefits	979	-0-
Cash received from payments in lieu of taxes and other	17,643,781	17,400,601
Cash paid for payments in lieu of taxes and other	(17,548,826)	(17,645,557)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>92,212</u>	<u>(231,031)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	<u>58,497</u>	<u>34,368</u>
Net Cash Provided by Investing Activities	<u>58,497</u>	<u>34,368</u>
Net Increase in Cash	229,807	424,346
Cash and Cash Equivalents at Beginning of Year	<u>3,063,684</u>	<u>2,639,338</u>
Cash and Cash Equivalents at End of Year	<u>\$ 3,293,491</u>	<u>\$ 3,063,684</u>
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Income from operations	\$ 95,017	\$ 531,732
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation expense	8,507	8,735
Increase in assets:		
Prepaid expenses	(8,091)	846
Decrease (Increase) in deferred outflows of resources	54,661	(61,315)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(19,723)	72,480
Accrued compensated absences	1,000	(352)
Net pension liability	41,718	(48,656)
(Decrease) increase in deferred inflows of resources	(93,991)	117,539
Net Cash Provided by Operating Activities	<u>\$ 79,098</u>	<u>\$ 621,009</u>

See notes to financial statements.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS

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 component unit of the Town of Brookhaven.

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

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

1. Financial Reporting

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

2. Measurement Focus/Basis of Accounting

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

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

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS

A. Summary of Significant Accounting Policies (continued)

2. Measurement Focus/Basis of Accounting (continued)

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

3. Cash and Cash Equivalents

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

Restricted cash consists of monies held for a specific project 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 F), as applicable.

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

4. Prepaid Expenses

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

5. Capital Assets

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

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

Machinery and equipment	3-10 years
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TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS

A. Summary of Significant Accounting Policies (continued)

6. Deferred Outflows and Inflows of Resources

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. In addition to liabilities, the statements of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue/contra expense) until that time.

The Agency's deferred outflows and inflows of resources reported in the statements of net position are related to the defined benefit pension plan (a cost sharing plan) and are determined by the New York State Employees' Retirement System. This balance represents the effect of the net change in the Agency's proportion of the pension plan's collective net pension liability and differences between expected and actual experience, differences in projected and actual investment earnings and changes in assumptions not included in pension expense. Additionally, the pension related deferred outflows of resources, also includes the Agency contributions to the pension system subsequent to the measurement date.

7. Due to Other Governments

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

8. Net Position Classification

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported. Net position should be reported as restricted when constraints placed on net position use are either (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The Agency has no restricted net position.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS

A. Summary of Significant Accounting Policies (continued)

8. Net Position Classification (continued)

- 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 net investment in capital assets or restricted components of net position.

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

9. Pensions

For purposes of measuring 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.

10. Compensated Absences

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

11. Revenue

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

12. Advertising

The Agency follows the policy of charging the costs of advertising and marketing to expense as incurred. Advertising and marketing expense for the years ended December 31, 2019 and 2018 was approximately \$77,000 and \$63,000, respectively.

13. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred inflows/outflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS

A. Summary of Significant Accounting Policies (continued)

14. Recent Accounting Pronouncements

The Agency has adopted the following Statement of Governmental Accounting Standards Board ("GASB") during the year ended December 31, 2019 as follows:

- Statement No. 95, *"Postponement of the Effective Dates of Certain Authoritative Guidance"*.

The implementation of the aforementioned Statement had no impact on the Agency's financial statements.

15. Subsequent Events

Management has evaluated subsequent events through the date of the report, which is the date the financial statements were available to be issued.

B. Deposits and Investments

Deposits

Cash and cash equivalents consist of funds deposited in demand accounts and certificates of deposit with maturities of less than three months.

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 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.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS

B. Deposits and Investments (continued)

Deposits (continued)

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

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

At December 31, 2019, the carrying amount of the Agency's cash and cash equivalents totaled \$3,293,191, exclusive of petty cash of \$300. The bank balances totaled \$3,307,680, of which \$250,000 was covered by Federal Depository Insurance Corporation, \$3,057,680 was collateralized by letters of credit and securities held by the Agency's agent, a third-party financial institution.

C. Capital Assets

Capital asset activity for the years ended December 31, 2019 and 2018 is as follows:

	Balance 01/01/18	Additions	Balance 01/01/19	Additions	Balance 12/31/19
Depreciable assets:					
Vehicles	\$ 28,079	\$ -0-	\$ 28,079	\$ -0-	\$ 28,079
Computer equipment	15,599	-0-	15,599	-0-	15,599
Total depreciable capital assets	43,678	-0-	43,678	-0-	43,678
Accumulated depreciation:					
Vehicles	17,076	5,615	22,691	5,387	28,078
Computer equipment	7,800	3,120	10,920	3,120	14,040
Total accumulated depreciation	24,876	\$ 8,735	33,611	\$ 8,507	42,118
Total net depreciable assets	\$ 18,802		\$ 10,067		\$ 1,560

Depreciation expense totaled \$8,507 and \$8,735 for the years ended December 31, 2019 and 2018, 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, 2019 and 2018, 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 'payment in lieu of taxes' ("PILOT") payment. PILOT payments are billed annually, however, may be paid by the company on an optional annual or semi-annual basis.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS

D. Payments in Lieu of Taxes (continued)

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, 2019 and 2018, the Agency owed \$92,934 and \$-0-, respectively, to other governments for PILOT payments received and subsequently remitted to the local municipalities in January 2020.

E. Retirement System

Plan Description

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

Funding Policy

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

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

The Agency is required to contribute at an actuarially determined rate. During the years ended December 31, 2019 and 2018, the Agency paid \$52,789 and \$41,501, respectively, to the System for its regular pension contribution.

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

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS

E. Retirement System (continued)

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

At December 31, 2019 and 2018, the Agency reported a liability of \$80,297 and \$38,579, respectively, for its proportionate share of the net pension liability of the System. The net pension liability was measured as of March 31, 2019 and 2018, 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.

	2019	2018
System's actuarial valuation date	April 1, 2018	April 1, 2017
Net pension liability	\$80,297	\$38,579
Agency's portion of the System's total net pension liability	0.0011333%	0.0011953%
Change in the allocation of the System's total net pension liability since the prior measurement date	0.0000620%	0.0002669%

For the years ended December 31, 2019 and 2018, the Agency recognized a pension expense of \$52,354 and \$47,597, respectively, in the statements of revenues, expenses and changes in net position. At December 31, 2019 and 2018, the Agency's reported deferred outflows/inflows of resources related to the pension from the following sources:

	2019	2018
Deferred outflows of resources:		
Differences between expected and actual experience	\$ 15,812	\$ 13,760
Net difference between projected and actual investment earning on pension plan investments	-0-	56,033
Change in assumptions	20,183	25,581
Changes in proportion and differences between the Agency's contributions and proportionate share of contributions	9,820	13,567
Contributions made subsequent to the measurement date	39,592	31,127
Total Deferred Outflows of Resources - Pension Amounts	<u>\$ 85,407</u>	<u>\$ 140,068</u>
Deferred inflows of resources:		
Differences between expected and actual experience	\$ 5,390	\$ 11,371
Net difference between projected and actual investment earning on pension plan investments	20,609	110,603
Changes in proportion and differences between the Agency's contributions and proportionate share of contributions	12,514	10,530
Total Deferred Inflows of Resources - Pension Amounts	<u>\$ 38,513</u>	<u>\$ 132,504</u>

The Agency's contribution made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS

E. Retirement System (continued)

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

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

Years Ending December 31, 2020	\$ 16,123
2021	(16,266)
2022	(2,123)
2023	9,568
	<u>\$ 7,302</u>

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.

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

	Measurement Date	
	March 31, 2019	March 31, 2018
Actuarial valuation date	April 1, 2018	April 1, 2017
Investment rate of return, net	7.00%	7.00%
Inflation	2.50%	2.50%
Salary increases	4.20%	3.80%
Cost of living adjustments	1.30%	1.30%
Decrement tables	April 1, 2010 - March 2015 System's Experience	April 1, 2010 - March 2015 System's Experience

Annuitant mortality rates for the April 1, 2018 and 2017 actuarial valuations are based on April 1, 2010 to March 31, 2015 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014.

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, 2019 and 2018 are summarized below:

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS

E. Retirement System (continued)

The System's Actuarial Assumptions (continued)

Asset Type	March 31, 2019		March 31, 2018	
	Target Allocation	Long-Term Expected Rate of Return	Target Allocation	Long-Term Expected Rate of Return
Equity:				
Domestic equity	36.00%	4.55%	36.00%	4.55%
International equity	14.00%	6.35%	14.00%	6.35%
Alternatives:				
Private equity	10.00%	7.50%	10.00%	7.75%
Real estate	10.00%	5.55%	10.00%	5.80%
Absolute return strategies	2.00%	3.75%	2.00%	4.00%
Opportunistic portfolio	3.00%	5.68%	3.00%	5.89%
Real assets	3.00%	5.29%	3.00%	5.54%
Bonds and mortgages	17.00%	1.31%	17.00%	1.31%
Cash	1.00%	-0.25%	1.00%	-0.25%
Inflation-indexed bonds	4.00%	1.25%	4.00%	1.50%
	<u>100.00%</u>		<u>100.00%</u>	

Discount Rate

The discount rate used to calculate the total pension liability as of March 31, 2019 and 2018 was 7.0%. 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.

The following presents the Agency's proportionate share of the net pension liability calculated by the System using the discount rate of 7.0% as of March 31, 2019 and 2018, as well as what the Agency's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.0%) or 1-percentage point higher (8.0%) than the current rate:

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS

E. Retirement System (continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

	1.00% Decrease	Current Assumption	1.00% Increase
	6.00%	7.00%	8.00%
Agency's proportionate share of the collective net pension liability/(asset) for the Plan year ended:			
March 31, 2019	\$ 351,070	\$ 80,297	\$(147,172)
March 31, 2018	\$ 291,898	\$ 38,579	\$(175,719)

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, 2019 and 2018 are as follows:

Measurement date	(Dollars in Thousands) March 31, 2019	(Dollars in Thousands) March 31, 2018
Employers' total pension liability	\$ (189,803,429)	\$ (183,400,590)
Plan net position	182,718,124	180,173,145
Employers' net pension liability	\$ (7,085,305)	\$ (3,227,445)
Ratio of Plan's net position to the Employers' total pension liability	96.27%	98.24%

F. 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, 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, 2019, and 2018, there were \$23,986,910 and \$30,015,266 of conduit debt outstanding, respectively.

G. 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.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS

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

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. During 2019, the Agency received \$979 for the recapture of sales and use tax-exemptions and subsequently were remitted to New York Sales Tax. During 2018, the Agency did not impose any recapture benefits.

H. Lease Commitments

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

I. 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.

J. Related Party Transactions

The Agency and the Town of Brookhaven have some personnel in common. Salaries and related benefits for these common employees are paid for by the Town and the Agency. Additionally, the Agency rents the office space from the Town on a month to month basis.

During the years ended December 31, 2019 and 2018, the Agency paid the Town \$18,000 each year for office space rent and paid \$25,601 and \$24,934, respectively, to the Town for the Agency's share of employee benefits paid by the Town related to a shared employee.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS

K. New Pronouncements Not Yet Effective

The following statements have been issued by the GASB and are to be implemented in future years, as applicable:

Statement No. 83, *"Certain Assets Retirement Obligations"*, as amended by Statement No. 95, *"Postponement of the Effective Dates of Certain Authoritative Guidance"*, establishes criteria for determining the timing and pattern of recognition of a liability and corresponding deferred outflow of resources for asset retirement obligations. It also addresses that measurement of both the asset retirement obligation and deferred outflows of resources should be based on the estimated of the current value of expected outlays. The requirements of this Statement are effective for reporting periods beginning after June 15, 2019.

Statement No. 84, *"Fiduciary Activities"*, as amended by Statement No. 95, *"Postponement of the Effective Dates of Certain Authoritative Guidance"*, establishes criteria for identifying fiduciary activities of all state and local governments. The criteria focus is generally on (1) whether a government is controlling the assets of the fiduciary activity, and (2) the beneficiaries with whom a fiduciary relationship exists. The Statement establishes the four fiduciary funds that should be reported (as applicable): 1) pension and other employee benefit trust funds, 2) investment trust funds, 3) private purpose trust funds, and 4) custodial funds. This Statement also provides guidance for recognition of a liability when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

Statement No. 87, *"Leases"*, as amended by Statement No. 95, *"Postponement of the Effective Dates of Certain Authoritative Guidance"*, establishes accounting and financial reporting of leases. It requires the recognition of certain lease assets and liabilities for leases that were previously classified as operating leases. For leases with terms in-excess of 12 months, the Statement requires the leases to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

Statement No. 88, *"Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements"* as amended by Statement No. 95, *"Postponement of the Effective Dates of Certain Authoritative Guidance"*, was issued to improve information disclosed in the notes to financial statements related to debt and clarifies which liabilities governments should include when disclosing information related to debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2019.

Statement No. 89, *"Accounting for Interest Cost Incurred before the End of a Construction Period"*, as amended by Statement No. 95, *"Postponement of the Effective Dates of Certain Authoritative Guidance"*, requires that interest costs incurred before the end of a construction period be recognized as an expense. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset recorded in a business-type activity or enterprise fund. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS

K. New Pronouncements Not Yet Effective (Continued)

Statement No. 90, *"Majority Equity Interests - an Amendment of GASB Statements No. 14 and 61"* as amended by Statement No. 95, *"Postponement of the Effective Dates of Certain Authoritative Guidance"*, provides guidance regarding the accounting and financial reporting of a government's majority equity interest in a legally separate organization. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

Statement No. 91, *"Conduit Debt Obligations"*, as amended by Statement No. 95, *"Postponement of the Effective Dates of Certain Authoritative Guidance"*, was issued to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

Statement No. 92, *"Omnibus 2020"*, as amended by Statement No. 95, *"Postponement of the Effective Dates of Certain Authoritative Guidance"*, was issued to enhance comparability in accounting and financial reporting and consistency of authoritative language on various topics. The requirements of this Statement are effective for reporting periods as follows: paragraphs 4,5,6,7,8,9,10, and 12 effective years beginning after June 15, 2021.

Statement No. 93, *"Replacement of Interbank Offered Rates"*, as amended by Statement No. 95, *"Postponement of the Effective Dates of Certain Authoritative Guidance"*, amends certain provisions of GASB Statement No. 53, *"Accounting and Financial Reporting for Derivative Instruments"* as amended) and 87, *"Leases"*. It has been issued to address the various accounting and reporting implications that will result from the replacement of LIBOR, as LIBOR will cease to exist in 2021. The requirements of this Statement, except for paragraph 11b, 13 and 14, are effective for reporting periods beginning after June 15, 2020. The requirement of paragraph 11b is effective for reporting periods ending after December 31, 2021 and paragraphs 13 and 14 are effective for years beginning after June 15, 2021.

Statement No. 94, *"Public-Private and Public-Public Partnerships and Availability Payment Arrangements"*, this Statement has been issued to improve financial reporting related to public-private and public-public partnership arrangements, in which one a government (transferor) contracts with an operator (governmental or nongovernmental entity) to provide public services by conveying the right to operate or use a nonfinancial assets. The requirements of this Statement are effective for years beginning after June 15, 2022.

The Agency is currently evaluating the impact of the above pronouncements.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS

L. Subsequent Events

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken globally and especially in New York State to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Authority operates. While it is unknown how long these conditions will last and what the complete financial effect will be to the Agency, the Agency is expecting this matter to negatively impact its revenues.

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

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
December 31, 2019
(Unaudited)

	March 31,				
	2019	2018	2017	2016	2015
Agency's proportion of the net pension liability	0.0011333%	0.0011953%	0.0009284%	0.000871506%	0.0008559%
Agency's proportionate share of the net pension liability	\$ 80,297	\$ 38,579	\$ 87,235	\$ 139,878	\$ 28,915
Agency's covered-employee payroll	\$ 398,525	\$ 253,875	\$ 235,848	\$ 221,695	\$ 183,006
Agency's proportionate share of the net pension liability as a percentage of its covered payroll	20.15%	15.20%	36.99%	63.09%	15.80%
System's fiduciary net position as a percentage of total pension liability	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.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF PENSION CONTRIBUTIONS
December 31, 2019
(Unaudited)

Years Ended December 31,	Contractually Required Contributions	Contributions Recognized by the Plan in Relation to the Contractually Required Contributions	Contribution Deficiency (excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2019	\$ 49,967	\$ 49,967	\$ -	\$ 387,336	12.90%
2018	40,029	40,029	-	380,450	10.52%
2017	35,941	35,941	-	249,368	14.41%
2016	35,617	35,617	-	271,758	13.11%
2015	38,609	38,609	-	241,982	15.96%
2014	46,915	46,915	-	243,008	19.31%
2013	50,258	50,258	-	246,810	20.36%
2012	22,858	22,858	-	244,433	9.35%
2011	10,173	10,173	-	91,158	11.16%
2010	6,533	6,533	-	78,650	8.31%

OTHER INFORMATION

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF INDEBTEDNESS - CONDUIT DEBT
December 31, 2019
(Unaudited)

Company Name	Issue Date	Maturity Date	IDA Project Code	Interest Rate	Original Amount	Balance 01/01/19	Payments	Balance 12/31/19	Tax Status
A&E Platinum Partners (Enecon)	09/07	2033	4702-07-6A	6.30%	\$ 2,735,000	\$ 2,735,000	\$ (115,000)	\$ 2,620,000	Taxable
Blue Diamond Sheet Metal, Inc.	04/05	2020	4702-05-2A	5.62%	1,700,000	244,640	(170,431)	74,209	Taxable
Brookhaven Memorial Hospital	12/06	2030	4702-98-04A	5.18%	20,000,000	13,200,000	(825,000)	12,375,000	Exempt
Frank Lowe Rubber & Gasket Co., Inc.	12/06	2021	4702-06-9A	2.63%	6,270,000	3,478,457	(353,143)	3,125,314	Taxable
Intercounty Appliances Corp.	01/05	2025	4702-04-3A	0.89%	9,000,000	4,105,000	(4,105,000)	-0-	Taxable
Pallets R Us, Inc.	11/08	2028	4702-07-3A	5.95%	9,500,000	6,252,169	(459,782)	5,792,387	Taxable
					<u>\$ 49,205,000</u>	<u>\$ 30,015,266</u>	<u>\$ (6,028,356)</u>	<u>\$ 23,986,910</u>	

**TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF EXEMPTIONS - BONDS**

December 31, 2019

Project Code	Total Project Amount	Bond/Project/Applicant Name and Address	Estimated Amount of Tax Exemptions	Purpose for which Bond or Note was Issued	Year Financial Assistance is Planned to End	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	Actual Payments Made			Payments Due Per Agreement		
								County PILOT	Local PILOT	School District PILOT	County PILOT	Local PILOT	School District PILOT
4702-00-8A	\$ 5,250,000	FrameMica Corporation 519 Johnson Ave, Bohemia, NY	\$ 196,426	Manufacturing	2020	168	0	\$ 3,274	\$ 4,371	\$ 15,731	\$ 3,274	\$ 4,371	\$ 15,731
4702-07-3A	\$ 9,500,000	Nicla Enterprises, 38-42 Wyandanch Ave, Wyandanch NY	202,637	Manufacturing	2028	0	0	5,847	8,769	28,094	5,847	8,769	28,094
4702-05-2A	\$ 1,700,000	Blue Diamond Sheet Metal, Inc., 36 Commercial Blvd, Medord, NY	91,816	Manufacturing	2020	40	0	12,570	18,851	60,395	12,570	18,851	60,395
4702-06-9A	\$ 6,270,000	Frank Lowe Rubber & Gasket Co., Inc., 10 Dubon Court, Suite 1, Farmingdale, NY	133,739	Manufacturing	2016	8	0	1,404	2,288	8,125	1,404	2,288	8,125
4702-07-6A	\$ 3,595,000	ENECON Corporation, 700 Hicksville Rd Bethpage, NY	82,744	Manufacturing	2027	20	0	470	623	2,717	470	623	2,717
4702-98-04A	\$ 20,000,000	Brookhaven Memorial Hospital, 101 Hospital Rd, Patchogue, NY	-	Civic Facility	2030	128	992	-	-	-	-	-	-
4702-98-05A	\$ 3,750,000	Emma S. Clark Memorial Library Foundation, 120 Main Street, Setauket, NY 11733	-	Other Categories	2018	1	45	-	-	-	-	-	-

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF EXEMPTIONS - LEASES
December 31, 2019

Project Code	Is the applicant a Not for Profit corporation?	Lease Project and Applicant Name and Address	Estimated Amount of Tax Exemptions	Purpose for which Each Transaction was Made	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	Actual Payments Made			Payments Due Per Agreement		
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4702-16-7A	N	14 Glover LLC, 101 Hospital Road, Patchogue, NY 11772	900,838	Services	137	0	24,643	36,956	118,401	24,643	36,956	118,401
4702-14-13A	N	AARCO PRODUCTS INC, 21 OLD Rd, Yaphank NY, 11980	85,343	Wholesale Trade	15	0	5,074	6,774	24,381	5,074	6,774	24,381
4702-16-10B	N	AARCO/First on Old Dock LLC , 21 Old Dock Rd, Yaphank, NY 11980	104,987	Other Categories	4	43	1,072	1,432	5,153	1,072	1,432	5,153
4702-06-6A	N	Able Electronics, Inc., 40 Sawgrass Drive Bellport, NY 11713	0	Manufacturing	3	0	-	-	-	-	-	-
4702-18-3A	N	ACE-Town Hall Solar/Agilitas Energy, 401 Edgewater Place, Suite 265, Wakefield, MA 01888	37,310	Construction	0	0	-	-	-	-	-	-
4702-09-1A	N	Exhale Properties/Atlantic Fluid and Power, 90 Precision Drive, Shirley, NY 11967	49,104	Manufacturing	5	16	3,021	4,923	17,481	3,021	4,923	17,481
4702-17-6A	N	AVR Yaphank Hotel/Rose Breslin Associates, 1 Executive Bldg, Yonkers, NY 11980	210,337	Other Categories	37	0	-	-	-	-	-	-
4702-16-6A	N	Blue Point Brewery, One Busch Place, Saint Louis, MO 63118	474,274	Manufacturing	28	33	34,475	46,165	190,106	34,475	46,165	190,106
4702-08-8A	N	Briad Lodging Grp, 78 Okner Pkwy, Livingston, NJ 07039	460,813	Other Categories	0	0	1,115	1,672	5,356	1,115	1,672	5,356
4702-15-13C	N	Burmax/Scheff Rlty, 28 Barretts Ave, Holtsville, NY 11742	162,250	Other Categories	9	161	21,482	25,869	96,548	21,482	25,869	96,548
4702-18-14B	N	10 National Medford LLC, 7 Penn Plaza, Suite 1100, New York, NY 10001	567,709	Wholesale Trade	4	67	53,610	71,057	307,882	53,610	71,057	307,882
4702-07-2A	N	Caithness Corporation, 565 Fifth Avenue, NY, 10017	11,229,700	Manufacturing	27	0	1,354,421	1,808,191	6,507,583	1,354,421	1,808,191	6,507,583
4702-11-2A	N	CMD REALTY ASSOCIATES, 37C CEDARHURST AVENUE, NY, 11763	14,901	Manufacturing	3	13	154	206	741	154	206	741
4702-19-2A	N	Agilitas Energy, LLC, 401 Edgewater Pl, Suite 265, Wakefield, MA 01880	140,198	Transportation, Communication, Electric, Gas and Sanitary Services	0	0	-	-	-	-	-	-

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
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4702-19-1A	N	Agilitas Energy, LLC, 401 Edgewater Pl, Suite 265, Wakefield, MA 01880	153,072	Transportation, Communication, Electric, Gas and Sanitary Services	0	0	-	-	-	-	-	-
4702-15-2A	N	CRESTWOOD FARMS INC, 22 SPENCE STREET, BAY SHORE NY, 11706	19,853	Other Categories	6	40	1,372	2,058	6,594	1,372	2,058	6,594
4702-13-17A	N	CROSS SOUND CABLE COMPANY LLC, 110 TURNPIKE ROAD, WESTBOROUGH MA, 01581	1,923,779	Transportation, Communication, Electric, Gas and Sanitary Services	0	0	235,348	270,903	1,180,937	235,348	270,903	1,180,937
4702-14-2A	N	D&F PATCHOGUE A.L. LLC, 100 SCHOOLHOUSE RD, Levittown, NY, 11756	16,611	Other Categories	50	0	2,954	3,956	16,292	2,954	3,956	16,292
4702-07-7A	N	DeRossa, 250 Knickerbocker Ave, Bohemia, NY, 11716	0	Manufacturing	2	0	-	-	-	-	-	-
4702-14-1A	N	EB AT HOLTSVILLE LLC, 67 CLINTON RD, Garden City, NY, 11530	8,544	Other Categories	70	0	1,186	1,701	5,332	1,186	1,701	5,332
4702-15-14A	N	Excel Holdings, 1901 Fort Myers Drive, Arlington, VA, 22209	0	Other Categories	0	0	-	-	-	-	-	-
4702-15-15A	N	Excel Holdings, 1901 Fort Myers Drive, Arlington, VA, 22209	7,673	Other Categories	24	0	1,162	1,288	5,223	1,162	1,288	5,223
4702-15-8A	N	Four Keys Realty, 25 Mill Road, Ronkonkoma, NY, 11779	69,867	Manufacturing	46	38	2,784	3,717	13,378	2,784	3,717	13,378
4702-18-4A	N	Four-L Realty, 90 West Industry CT, Deer Park, NY 11729	0	Manufacturing	24	18	-	-	-	-	-	-
4702-08-6A	N	Global Tissue, 870 Expressway Dr., Yaphank, NY, 11980	311,230	Manufacturing	91	0	1,257	1,721	7,274	1,257	1,721	7,274
4702-15-7A	N	GREENWOOD ENERGY HOLDINGS, 134 E. 40TH STREET, NY, 10016	0	Construction	0	0	-	-	-	-	-	-
4702-15-1-A	N	Greenwood Energy Holdings, 134 East 40 Street, NY NY, 10016	0	Construction	0	0	-	-	-	-	-	-
4702-18-1A	N	Holtville Industrial, 10 HUB Drive, Suite 5, Melville, NY 11747	200,489	Manufacturing	50	0	7,559	9,103	33,972	7,559	9,103	33,972

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
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4702-13-15A	N	ISLANDAIRE, 22 RESEARCH WAY, Seauker, NY, 11733	105,258	Manufacturing	29	133	1,128	1,312	6,496	1,128	1,312	6,496
4702-15-5A2	N	J-CAD REALTY LLC, 664 BLUEPOINT AVE, Holtsville, NY, 11742	44,484	Wholesale Trade	12	33	3,297	3,970	14,818	3,297	3,970	14,818
4702-10-1A	N	LI Precast, 20 Stiriz Rd, Belport, NY, 11713	119,827	Manufacturing	5	0	3,439	5,108	16,523	3,439	5,108	16,523
4702-12-5A	N	Maehr Industries, 86C Horseblock Road, Yaphank, NY, 11980	39,083	Manufacturing	4	9	244	365	1,171	244	365	1,171
4702-17-2C	N	McKeon Door East/Joe McKeon Realty Enterprises, 44 Sawgrass Drive, Bellpoint, NY 11713	0	Manufacturing	10	0	-	-	-	-	-	-
4702-06-7A	N	McKeon Rolling Steel Door Co., Inc., 95 29th Street, Brooklyn, NY, 11232	121,700	Manufacturing	20	0	3,376	5,063	16,220	3,376	5,063	16,220
4702-14-7A	N	Meadows at Yaphank/ROSE-BRESLIN ASSOC, LLC, ONE EXECUTIVE BLVD, NY, 10701	1,317,429	Other Categories	9	0	101,052	164,692	584,741	101,052	164,692	584,741
4702-18-13B	N	Mondelez Global, 100 Deforest Ave, East Hanover, NJ 07936	101,656	Manufacturing	10	67	8,532	10,554	48,188	8,532	10,554	48,188
4702-13-8A	N	Thanx M.S. Zorn Blvd., LLC, 50-1 Industrial Way, Rocky Point, NY 11778	145,520	Manufacturing	4	4	1,223	1,835	5,878	1,223	1,835	5,878
4702-19-7A	N	C2 NY Brookhaven, 55 Fifth Avenue, 18th Floor, New York, NY 10003	0	Transportation, Communication, Electric, Gas and Sanitary Services	0	0	-	-	-	-	-	-
4702-18-7A	N	CD Ramsay Realty, LLC, 45-1 Ramsay Road, Shirley, NY 11967	0	Manufacturing	5	17	-	-	-	-	-	-
4702-17-7A	N	NAA Properties/H.A.E. Air, 12 Gabrielle Court, Saint James, NY 11780	0	Other Categories	3	44	-	-	-	-	-	-
4702-06-8A	N	North Shore Components, Inc., 100 Kroemer Avenue, Riverhead, NY, 11901	0	Manufacturing	4	0	-	-	-	-	-	-
4702-03-2A	N	Omega Moulding Co., Ltd., 75 Austin Boulevard, Commack, NY, 11725	252,235	Manufacturing	180	0	34,706	52,048	166,752	34,706	52,048	166,752

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
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4702-15-10A	N	Overbay LLC, 217 West Broadway, Port Jefferson, NY 11777	839	Other Categories	3	0	-	-	-	-	-	-
4702-15-9A	N	Penn Fabricators, 106 Bellport Avenue, NY, 11980	71,198	Manufacturing	7	0	817	1,084	4,729	817	1,084	4,729
4702-06-4A	N	Precision International, 210 Knickerbocker Avenue, Bohemia, NY, 11716	0	Manufacturing	10	0	-	-	-	-	-	-
4702-05-1A	N	Quility King/Nussdorf Associates, 2060 9th Avenue, Ronkonkoma, NY, 11779	828,077	Manufacturing	5	0	8,619	12,926	41,411	8,619	12,926	41,411
4702-14-5A	N	RAIL REALTY LLC, 414 MAIN ST, Port Jefferson, NY, 11777	71,136	Other Categories	5	0	2,253	2,759	12,189	2,253	2,759	12,189
472-17-3A	N	Regent Tech Industries, Inc.NICSTENIK LLC, 15 Thompson Rd, Shelter Island, NY 11964	31,239	Manufacturing	3	2	1,801	3,059	11,501	1,801	3,059	11,501
4702-99-01A	N	Renaissance Technologies Corp., 25 E. Loop Road, Stony Brook, NY, 11790	431,985	Finance, Insurance and Real Estate	84	0	54,509	63,432	314,044	54,509	63,432	314,044
4702-14-8A	N	Ronkonhamo HUB LC, 45 Research Way, Suit 100, Setauket, NY 11733	1,263,900	Wholesale Trade	10	0	-	-	-	-	-	-
4702-15-12A	N	FTS PROJECT OWNER 2, 2180 SOUTH 1300 EAST, Salt Lake City, UT, 84106	41,874	Transportation, Communication, Electric, Gas and Sanitary Services	0	0	41,120	52,546	206,334	41,120	52,546	206,334
4702-16-9A	N	Shoreham Energy /J Power USA Generation, 1900 E. Gold Rd, Suite 1030, Schaumburg, IL 60173	509,705	Transportation, Communication, Electric, Gas and Sanitary Services	0	6	172,000	188,931	863,069	172,000	188,931	863,069
4702-18-11B	N	Shoreham Solar/Duke Energy Renewable Solar, 550 South Caldwell Street, Charlotte, NC 28202	1,142,015	Transportation, Communication, Electric, Gas and Sanitary Services	0	0	90,408	115,530	453,651	90,408	115,530	453,651
4702-09-4A	N	Six Roses LLC, 72 Clare Rose Blvd, NY, 11772	598,832	Wholesale Trade	0	0	6,234	10,161	36,075	6,234	10,161	36,075
4702-08-5A	N	Stafford Assoc, 24 Hub Rd., NY, 11733	115,125	Manufacturing	6	0	8,322	9,685	47,948	8,322	9,685	47,948
4702-12-9A	N	Suffolk Transportation/JENNA GRACE PROPERTIES, LLC, 10 MOFFITT BLVD, Bay Shore, NY, 11706	73,568	Other Categories	158	9	3,250	5,368	18,806	3,250	5,368	18,806

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
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4702*-15-3A	N	T. Mina Supply, 924 Old Medford Road, LLC, 15 Fairchild Court, Plainview, NY 11803	26,217	Other Categories	8	9	337	487	1,859	337	487	1,859
4702-07-5A	N	Tower Fasteners, 1690 N. Ocean Ave, Holtsville, NY, 11742	0	Manufacturing	13	65	-	-	-	-	-	-
4702-16-4A	N	USI Supplies/JONES VENTURE, 723 BROADWAY AVENUE, Holdbrook, NY, 11741	42,555	Wholesale Trade	13	1	2,135	2,923	12,355	2,135	2,923	12,355
4702-18-6A	N	United Rentals Realty, 100 Stamford Pl, Ste 700, Stamford, CT 06902	0	Other Categories	20	0	-	-	-	-	-	-
4702-16-8A	N	The Vistas of Port Jefferson, 377 Oak Street, Sute 110, Garden City, NY 11530	745,291	Other Categories	20	0	-	-	-	-	-	-
4702-16-5A	N	Yaphank AVR Blvd Chelsea, 1 Executive Blvd., Yonkers, NY 10701	1,320,674	Continuing Care Retirement Communities	50	0	3,847	5,267	22,261	3,847	5,267	22,261

OTHER REPORTS

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED UPON THE AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Town of Brookhaven Industrial Development Agency (the "Agency") as of and for the year ended December 31, 2019 and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated June 17, 2020.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 may exist that have not been identified.

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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 determination of financial statement amounts. 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 the 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.

Alhant, Vijay, 2nd & Conny PC

Hauppauge, New York
June 17, 2020



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH AGENCY INVESTMENT POLICY

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

Report

We have examined the Town of Brookhaven Industrial Development Agency's (the "Agency") compliance with the Agency's investment policy during the period January 1, 2019 through December 31, 2019.

Management's Responsibility

Management is responsible for the Agency's compliance with their investment policy.

Auditors' Responsibility

Our responsibility is to express an opinion on the Agency's compliance based on our examination. Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Agency's compliance with specified requirements.

Opinion

In our opinion, the Agency complied, in all material respects, with the aforementioned requirements during the period January 1, 2019 through December 31, 2019.

Other Matters

This report is intended solely for the information and use of the Board, audit committee, management of the Agency, Authority Budget Office, and the New York State Comptroller's Office and is not intended to be and should not be used by anyone other than these specified parties.

Albrecht, Viggiano, Zureck & Company P.C.

Hauppauge, New York
June 17, 2020

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