

**TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT AGENCY**

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

Years Ended December 31, 2020 and 2019

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Independent Auditors' Report

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

Report on the 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, 2020 and 2019, 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of December 31, 2020 and 2019, and the 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 Supplementary 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 March 24, 2021, 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 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 24, 2021

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, 2020 and 2019. Please read this information in conjunction with the financial statements. Management's Discussion and Analysis is Required Supplementary Information specified in the Government Accounting Standards Board Statements No. 34.

FINANCIAL HIGHLIGHTS

The Agency's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at close of 2020 and 2019 by \$2,974,404 and \$3,093,132, respectively. These funds, except for the net investments in capital assets, are unrestricted and may be utilized for the general operations of the Agency.

Charges for services totaled \$777,824 in 2020 and \$909,090 in 2019.

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.

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

FINANCIAL ANALYSIS OF THE AGENCY (continued)

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

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

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

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

Net Position

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

	2020	2019	2018
Assets			
Current and other assets	\$ 3,473,983	\$ 3,327,716	\$ 3,089,818
Capital assets	-0-	1,560	10,067
Total Assets	3,473,983	3,329,276	3,099,885
Deferred Outflows of Resources	296,295	85,407	140,068
Liabilities			
Current liabilities	373,979	188,574	116,085
Long-term liabilities	403,804	94,464	51,746
Total Liabilities	777,783	283,038	167,831
Deferred Inflows of Resources	18,091	38,513	132,504
Net Position			
Investment in capital assets	-0-	1,560	10,067
Unrestricted	2,974,404	3,091,572	2,929,551
Total Net Position	\$ 2,974,404	\$ 3,093,132	\$ 2,939,618

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

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

FINANCIAL ANALYSIS OF THE AGENCY (continued)

Net Position (continued)

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

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

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, 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 investment in capital assets, and \$3,091,572 was unrestricted, which is available to support Agency's 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 stemming from operations, offset in part by a decrease in deferred outflows of resources.

Total liabilities and deferred inflows of resources increased \$21,216 from 2018 to 2019. The increase is primarily attributed to increases in due to other governments of \$92,934 for payments in lieu of taxes disbursed in January 2019 received in December 2018 and net pension liability of \$41,718; and these increases were offset by decreases of \$19,723 in accounts payable and accrued expenses and \$93,991 in deferred inflows of resources related to pensions.

**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 for the years ended December 31st are presented as follows:

	2020	2019	2018
Operating Revenues			
Charges for services	\$ 777,824	\$ 909,090	\$ 1,243,126
Total Operating Revenues	<u>777,824</u>	<u>909,090</u>	<u>1,243,126</u>
Operating Expenses			
Contractual goods and services	921,186	805,566	702,659
Depreciation	1,560	8,507	8,735
Total Operating Expenses	<u>922,746</u>	<u>814,073</u>	<u>711,394</u>
Income (Loss) from Operations	<u>(144,922)</u>	<u>95,017</u>	<u>531,732</u>
Non-Operating Revenues	<u>26,194</u>	<u>58,497</u>	<u>34,368</u>
Change in Net Position	<u>(118,728)</u>	<u>153,514</u>	<u>566,100</u>
Net Position at Beginning of Year	<u>3,093,132</u>	<u>2,939,618</u>	<u>2,373,518</u>
Net Position at End of Year	<u>\$ 2,974,404</u>	<u>\$ 3,093,132</u>	<u>\$ 2,939,618</u>

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

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 which was offset by decrease in expenses relating to advertising, public relations and special projects and meeting, conferences and publications.

CAPITAL ASSET ADMINISTRATION

The Agency's capital assets of \$1,560 at December 31, 2019 less depreciation expense recognized during 2020 resulted in capital asset balance of \$-0- at December 31, 2020. There were no additions during the 2020 year.

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.

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

However, 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 Agency 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 future revenues.

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
STATEMENTS OF NET POSITION
December 31, 2020 and 2019

	2020	2019
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 3,172,505	\$ 3,187,679
Cash - restricted	267,013	105,812
Prepaid expenses	34,465	34,225
Total Current Assets	3,473,983	3,327,716
Non-current Assets:		
Depreciable capital assets, net of depreciation	-0-	1,560
Total Assets	3,473,983	3,329,276
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	296,295	85,407
Total Deferred Outflows of Resources	296,295	85,407
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued expenses	97,966	79,762
Other liabilities	5,386	12,878
Unearned revenue	9,000	3,000
Due to other governments	261,627	92,934
Total Current Liabilities	373,979	188,574
Non-current Liabilities:		
Accrued compensated absences	22,352	14,167
Net pension liability	381,452	80,297
Total Liabilities	403,804	94,464
Total Liabilities	777,783	283,038
DEFERRED INFLOWS OF RESOURCES		
Pension related	18,091	38,513
Total Deferred Inflows of Resources	18,091	38,513
NET POSITION		
Investment in capital assets	-0-	1,560
Unrestricted	2,974,404	3,091,572
Total Net Position	\$ 2,974,404	\$ 3,093,132

See notes to financial statements.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES		
Charges for services	\$ 777,824	\$ 909,090
OPERATING EXPENSES		
Administration salaries, benefits and payroll taxes	707,516	560,105
Advertising, public relations and special projects	61,892	77,217
Insurance	45,300	40,657
Depreciation	1,560	8,507
Meeting, conferences and publications	1,549	16,165
Professional fees	54,448	46,366
Rent	18,000	18,000
Office expense	27,744	36,032
Travel and conferences	4,737	11,024
Total Operating Expenses	<u>922,746</u>	<u>814,073</u>
Income (Loss) from Operations	<u>(144,922)</u>	<u>95,017</u>
NON-OPERATING REVENUES		
Interest income	<u>26,194</u>	<u>58,497</u>
Total Non-Operating Revenues	<u>26,194</u>	<u>58,497</u>
Changes in Net Position	<u>(118,728)</u>	<u>153,514</u>
Net Position at Beginning of Year	<u>3,093,132</u>	<u>2,939,618</u>
Net Position at End of Year	<u>\$ 2,974,404</u>	<u>\$ 3,093,132</u>

See notes to financial statements.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from charges for services and projects	\$ 783,824	\$ 912,090
Cash paid for payroll and related expenses	(629,486)	(556,717)
Cash payments for contractual expenses	(195,706)	(273,275)
Net Cash Provided (Used) by Operating Activities	(41,368)	82,098
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash payments of funds held for Ronkonkoma Hub Transit Orientated Development	(7,492)	(3,722)
Cash received from recapture of project benefits	30,984	979
Cash payments from recapture of project benefits	(30,984)	(979)
Cash received from payments in lieu of taxes and other	18,681,700	17,640,781
Cash paid for payments in lieu of taxes and other	(18,513,007)	(17,547,847)
Net Cash Provided by Noncapital Financing Activities	161,201	89,212
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	26,194	58,497
Net Cash Provided by Investing Activities	26,194	58,497
Net Increase in Cash and Cash Equivalents	146,027	229,807
Cash and Cash Equivalents at Beginning of Year	3,293,491	3,063,684
Cash and Cash Equivalents at End of Year	\$ 3,439,518	\$ 3,293,491
Unrestricted Cash	3,172,505	3,187,679
Restricted Cash	267,013	105,812
	\$ 3,439,518	\$ 3,293,491
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Income (loss) from operations	\$ (144,922)	\$ 95,017
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:		
Depreciation expense	1,560	8,507
Increase in assets:		
Prepaid expenses	(240)	(8,091)
Decrease (Increase) in deferred outflows of resources	(210,888)	54,661
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	18,204	(19,723)
Unearned income	6,000	3,000
Accrued compensated absences	8,185	1,000
Net pension liability	301,155	41,718
(Decrease) in deferred inflows of resources	(20,422)	(93,991)
Net Cash Provided (Used) by Operating Activities	\$ (41,368)	\$ 82,098

See notes to financial statements.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

A. Summary of Significant Accounting Policies

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

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

The Agency is governed by a Board ("Agency Board") consisting of seven members, and which is the legislative body responsible for overall operations. The members of the Agency's Board are appointed by the Town of Brookhaven (the "Town"). The Agency Board appoints the Executive Director of the Agency who is the Chief Executive Officer. The Agency is a 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
December 31, 2020

A. Summary of Significant Accounting Policies (continued)

2. Measurement Focus/Basis of Accounting (continued)

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

3. Cash and Cash Equivalents

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

Restricted cash consists of monies held for a specific project's expenses, receipt of payments in lieu of taxes ("PILOT") and which have not been remitted to the appropriate taxing jurisdictions (Note D) and recaptured benefits payable to the State of New York (Note G), 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
December 31, 2020

A. Summary of Significant Accounting Policies (continued)

6. Deferred Outflows and Inflows of Resources

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. 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. These balances represent the effects 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
December 31, 2020

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 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

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.

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.

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, 2020 and 2019 was approximately \$62,000 and \$77,000, 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, particularly given the significant social and economic disruptions and uncertainties associated with the ongoing COVID-19 ("Coronavirus") pandemic and the mitigation responses, and such differences may be material.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

A. Summary of Significant Accounting Policies (continued)

14. Recent Accounting Pronouncements

The Agency has adopted the following Statements of the Governmental Accounting Standards Board ("GASB") during the year ended December 31, 2020 as follows:

- Statement No. 83, *"Certain Asset Retirement Obligations"*
- Statement No. 84, *"Fiduciary Activities"*
- Statement No. 88, *"Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements"*
- Statement No. 90, *"Majority Equity Interest an amendment of GASB Statements No. 14 and No. 61"*

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

15. Subsequent Events

Subsequent events have been evaluated through March 24, 2021, which is the date the financial statements were available to be issued. Management has determined that there were no events that occurred that require additional disclosure.

16. Reclassifications

Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation.

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 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.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

B. Deposits (continued)

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

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

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

At December 31, 2020, the carrying amount of the Agency's cash and cash equivalents totaled \$3,439,218, exclusive of petty cash of \$300. The bank balances totaled \$3,447,513, of which \$250,000 was covered by Federal Depository Insurance Corporation, \$3,197,513 was collateralized by letters of credit and securities held by the Agency's agent, a third-party financial institution. At December 31, 2019, the carrying amount of the Agency's cash and cash equivalents totaled \$3,187,679.

C. Capital Assets

Capital asset activity for the years ended December 31, 2020 and 2019 is as follows:

	Balance 01/01/19	Additions	Balance 01/01/20	Additions	Balance 12/31/20
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	22,691	5,388	28,079	-0-	28,079
Computer equipment	10,920	3,119	14,039	1,560	15,599
Total accumulated depreciation	33,611	\$ 8,507	42,118	\$ 1,560	43,678
Total net depreciable assets	\$ 10,067		\$ 1,560		\$ -0-

Depreciation expense totaled \$1,560 and \$8,507 for the years ended December 31, 2020 and 2019, 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, 2020 and 2019, the Agency has not recorded any such impairment losses.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

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, 2020 and 2019, the Agency owed \$261,627 and \$92,934, respectively, to other governments for PILOT payments received and subsequently remitted to the local municipalities in January 2021 and January 2020, respectively.

E. Retirement System

Plan Description

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

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, 2020 and 2019, the Agency paid \$65,375 and \$52,789, 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
December 31, 2020

E. Retirement System (continued)

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

At December 31, 2020 and 2019, the Agency reported a liability of \$381,452 and \$80,297, respectively, for its proportionate share of the net pension liability of the System. The net pension liability was measured as of March 31, 2020 and 2019, 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.

	2020	2019
System's actuarial valuation date	April 1, 2019	April 1, 2018
Net pension liability	\$381,452	\$80,297
Agency's portion of the System's total net pension liability	0.0014405%	0.0011333%
Change in the allocation of the System's total net pension liability since the prior measurement date	0.0003072%	0.0000620%

For the years ended December 31, 2020 and 2019, the Agency recognized a pension expense of \$132,074 and \$52,354, respectively, in the statements of revenues, expenses and changes in net position. At December 31, 2020 and 2019, the Agency's reported deferred outflows/inflows of resources related to the pension from the following sources:

	2020	2019
Deferred outflows of resources:		
Differences between expected and actual experience	\$ 22,450	\$ 15,812
Net difference between projected and actual investment earning on pension plan investments	195,551	-0-
Change in assumptions	7,681	20,183
Changes in proportion and differences between the Agency's contributions and proportionate share of contributions	21,582	9,820
Contributions made subsequent to the measurement date	49,031	39,592
Total Deferred Outflows of Resources - Pension Related	\$ 296,295	\$ 85,407
Deferred inflows of resources:		
Differences between expected and actual experience	\$ -0-	\$ 5,390
Change in assumptions	6,632	-0-
Net difference between projected and actual investment earning on pension plan investments	-0-	20,609
Changes in proportion and differences between the Agency's contributions and proportionate share of contributions	11,459	12,514
Total Deferred Inflows of Resources - Pension Related	\$ 18,091	\$ 38,513

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, 2020.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

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,	2021	\$ 39,387
	2022	57,406
	2023	72,433
	2024	59,947
		<u>\$ 229,173</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, 2020	March 31, 2019
Actuarial valuation date	April 1, 2019	April 1, 2018
Investment rate of return, net	6.80%	7.00%
Inflation	2.50%	2.50%
Salary increases	4.20%	4.20%
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, 2019 and 2018 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-2018 (April 1, 2019 valuation) and Scale MP-2014 (April 1, 2018 valuation).

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.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

E. Retirement System (continued)

The System's Actuarial Assumptions (continued)

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2020 and 2019 are summarized below:

Asset Type	March 31, 2020		March 31, 2019	
	Target Allocation	Long-Term Expected Rate of Return	Target Allocation	Long-Term Expected Rate of Return
Equity:				
Domestic equity	36.00%	4.05%	36.00%	4.55%
International equity	14.00%	6.15%	14.00%	6.35%
Alternatives:				
Private equity	10.00%	6.75%	10.00%	7.50%
Real estate	10.00%	4.95%	10.00%	5.55%
Absolute return strategies	2.00%	3.25%	2.00%	3.75%
Opportunistic portfolio	3.00%	4.65%	3.00%	5.68%
Real assets	3.00%	5.95%	3.00%	5.29%
Bonds and mortgages	17.00%	0.75%	17.00%	1.31%
Cash	1.00%	0.00%	1.00%	-0.25%
Inflation-indexed bonds	4.00%	0.50%	4.00%	1.25%
	<u>100.00%</u>		<u>100.00%</u>	

Discount Rate

The discount rate used to calculate the total pension liability as of March 31, 2020 and 2019 was 6.8% and 7.0%, respectively. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

E. Retirement System (continued)

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

The following presents the Agency's proportionate share of the net pension liability calculated by the System using the discount rate of 6.8% and 7.0% as of March 31, 2020 and 2019, respectively, as well as what the Agency's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1.00% Decrease	Current Assumption	1.00% Increase
Discount rate:			
March 31, 2020	5.80%	6.80%	7.80%
March 31, 2019	6.00%	7.00%	8.00%
Agency's proportionate share of the collective net pension liability/(asset) for the Plan year ended:			
March 31, 2020	\$ 700,071	\$ 381,452	\$ 88,001
March 31, 2019	\$ 351,070	\$ 80,297	\$(147,172)

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, 2020 and 2019 are as follows:

Measurement date	(Dollars in Thousands) March 31, 2020	(Dollars in Thousands) March 31, 2019
Employers' total pension liability	\$ (194,596,261)	\$ (189,803,429)
Plan net position	168,115,682	182,718,124
Employers' net pension liability	\$ (26,480,579)	\$ (7,085,305)
Ratio of Plan's net position to the Employers' total pension liability	86.39%	96.27%

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, 2020, and 2019, there were \$10,677,031 and \$23,986,910 of conduit debt outstanding, respectively.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

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.

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 2020 and 2019, the Agency received \$30,984 and \$979, respectively, for the recapture of sales and use tax-exemptions and subsequently were remitted to New York Sales Tax.

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, 2020 and 2019, the Agency paid the Town \$18,000 each year for office space rent and paid \$25,383 and \$25,601, 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
December 31, 2020

K. Coronavirus Pandemic

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 Agency 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 future revenues.

L. New Pronouncements Not Yet Effective

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

Statement No. 87, *"Leases"* 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 leasees 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 (as extended by Statement No. 95, *"Postponement of the Effective Dates of Certain Authoritative Guidance"*).

Statement No. 89, *"Accounting for Interest Cost Incurred before the End of a Construction Period"* 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 (as extended by Statement No. 95, *"Postponement of the Effective Dates of Certain Authoritative Guidance"*).

Statement No. 91, *"Conduit Debt Obligations"* clarifies the existing definition of conduit debt obligations, establishes that a conduit debt obligation is not a liability of the issuer, establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations and also improves required not disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021 (as extended by Statement No. 95, *"Postponement of the Effective Dates of Certain Authoritative Guidance"*).

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

L. New Pronouncements Not Yet Effective (continued)

Statement No. 92, "*Omnibus 2020*" has been issued to provide guidance in leases, pension plans and a wide range of other accounting and financial reporting issues that were identified during the implementation and application of some earlier pronouncements. The requirements of this Statement are effective as follows: (a) paragraphs 6 and 7, fiscal years beginning after June 15, 2021, and (b) paragraphs 8, 9, 10 and 12, reporting beginning after June 15, 2021.

Statement No. 93, "*Replacement of Interbank Offered Rates*" amends certain provisions of GASB Statement No. 53, "*Accounting and Financial Reporting for Derivative Instruments*" (as amended) and Statement No. 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. Among other provisions, this Statement provides exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when LIBOR is replaced as the reference rate of the hedging derivative instrument's variable payment, clarifies the hedge accounting termination provisions when a hedge item is amended to replace the reference rate, clarifies the GASB Statement No. 53 definition of a *reference rate*, and identifies a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap. The requirements of this Statement are effective for years beginning after June 15, 2021 (as extended by Statement No. 95, "*Postponement of the Effective Dates of Certain Authoritative Guidance*"), except for the provisions that LIBOR is not an appropriate benchmark interest rate for a derivative instrument that hedges the interest rate of taxable debt, which is effective for years ending after December 31, 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.

Statement No. 96, "*Subscription-Based Information Technology Arrangements*", this Statement has been issued to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, "*Leases*", as amended. The requirements of this Statement are effective for years beginning after June 15, 2022.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

L. New Pronouncements Not Yet Effective (continued)

Statement No. 97, *"Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statement No. 14 and No. 84 and a suppression of GASB Statement No. 32"*, this Statement has been issued to (1) increase consistency in reporting of fiduciary component units in instances where the potential component unit does not have a governing board and the primary government performs the duties of a governing board (effective upon issuance); (2) mitigate costs associated with the reporting of certain defined contribution plans and employee benefits plans other than pension plans or OPEB plans as fiduciary component units (effective upon issuance); and (3) enhances relevance and consistency of accounting and financial reporting for Internal Revenue Service Section 457 deferred compensation plans that meet the definition of a pension plan for benefits provided through those plans. The requirements of this Statement are effective as follows:

- Paragraphs 4 and 5, effective upon issuance
- Paragraphs 6 to 9, effective years beginning after June 15, 2021
- All other requirements, effective reporting periods beginning after June 15, 2021.

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

**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, 2020
(Unaudited)

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

Note - Amounts presented were determined as of the System's measurement date of March 31st.

This schedule is intended to be presented for ten years. Additional years information will be included as it becomes available.

There were changes in assumptions with the discount rate from 7.00% March 31, 2019 to 6.80% March 31, 2020 Plan year.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF PENSION CONTRIBUTIONS
December 31, 2020
(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
2020	\$ 62,228	\$ 62,228	\$ -	\$ 460,709	13.51%
2019	49,967	49,967	-	387,336	12.90%
2018	40,029	40,029	-	380,450	10.52%
2017	35,941	35,941	-	249,368	14.41%
2016	35,617	35,617	-	271,758	13.11%
2015	38,609	38,609	-	241,982	15.96%
2014	46,915	46,915	-	243,008	19.31%
2013	50,258	50,258	-	246,810	20.36%
2012	22,858	22,858	-	244,433	9.35%
2011	10,173	10,173	-	91,158	11.16%

Note - Amounts presented for each year were determined as of December 31st and the contractually required. Contributions are based on the amounts invoiced by the New York State Local Retirement System. The Plan used the April 1, 2019 actuarial valuation to determine the employer rates for contributions payable to the Plan's year ended March 31, 2020.

**OTHER SUPPLEMENTARY
INFORMATION**

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF INDEBTEDNESS - CONDUIT DEBT
December 31, 2020
(Unaudited)

Company Name	Issue Date	Maturity Date	IDA Project Code	Interest Rate	Original Amount	Balance 01/01/20	Payments	Balance 12/31/20	Tax Status
A&E Platinum Partners (Enecon)	09/07	2033	4702-07-6A	6.30%	\$ 2,735,000	\$ 2,620,000	\$ -	\$ 2,620,000	Taxable
Blue Diamond Sheet Metal, Inc.	04/05	2020	4702-05-2A	5.62%	1,700,000	74,209	(74,209)	-	Taxable
Brookhaven Memorial Hospital	12/06	2030	4702-98-04A	5.18%	20,000,000	12,375,000	(12,375,000)	-	Exempt
Frank Lowe Rubber & Gasket Co., Inc.	12/06	2021	4702-06-9A	2.63%	6,270,000	3,125,314	(373,359)	2,751,955	Taxable
Pallets R Us, Inc.	11/08	2028	4702-07-3A	5.95%	9,500,000	5,792,387	(487,311)	5,305,076	Taxable
					<u>\$ 40,205,000</u>	<u>\$ 23,986,910</u>	<u>\$ (13,309,879)</u>	<u>\$ 10,677,031</u>	

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF EXEMPTIONS - BONDS
 December 31, 2020
 (Unaudited)

Project Code	Total Project Amount	Bond/Project/Applicant Name and Address	Estimated Amount of Tax Exemptions	Purpose for which Bond or Note was Issued	Year Financial Assistance is Planned to End	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
4702-07-3A	\$ 9,500,000	Nicla Enterprises, 38-42 Wyandanch Ave, Wyandanch NY	209710	Manufacturing	2028	0	0	\$ 29,193	\$ 43,065	\$ 134,940	\$ 29,193	\$ 43,065	\$ 134,940
4702-05-2A	\$ 1,700,000	Blue Diamond Sheet Metal, Inc., 36 Commercial Blvd, Medord, NY	95022	Manufacturing	2020	40	0	13,388	19,750	61,884	13,388	19,750	61,884
4702-06-9A	\$ 6,270,000	Frank Lowe Rubber & Gasket Co., Inc., 10 Dubon Court, Suite 1, Farmingdale, NY	136304	Manufacturing	2016	8	0	3,996	6,173	22,016	3,996	6,173	22,016
4702-07-6A	\$ 3,595,000	ENECON Corporation, 700 Hicksville Rd Bethpage, NY	84527	Manufacturing	2027	20	0	10,862	13,825	59,840	10,862	13,825	59,840
4702-98-04A	\$ 20,000,000	Brookhaven Memorial Hospital, 101 Hospital Rd, Patchogue, NY	0	Civic Facility	2030	128	992	-	-	-	-	-	-

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF EXEMPTIONS - LEASES
December 31, 2020
(Unaudited)

Project Code	Is the applicant a Not-for-Profit corporation?	Lease Project/Applicant Name/Address	Estimated Amount of Tax Exemptions	Purpose for which Each Transaction was Made	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	Actual Payments Made		Payments Due Per Agreement			
							County PILOT	Local PILOT	School District PILOT	County PILOT	Local PILOT	School District PILOT
4702-18-14B	N	10 National (Intercounty), 10 National Boulevard, MEDFORD, NY 11763	0	Wholesale Trade	4	67	\$ 56,991	\$ 72,454	\$ 311,753	\$ 56,991	\$ 72,454	\$ 311,753
4702-16-7A	N	14 Glover, LLC (Brookhaven Hospital / Foley), 14 Glover Drive, YAPHANK, NY 11980	932,282	Services	137	0	13,378	19,735	61,837	13,378	19,735	61,837
4702-14-13A	N	AARCO, 83 HORSEBLOCK RD, YAPHANK, NY 11980	0	Wholesale Trade	15	0	5,359	6,820	24,771	5,359	6,820	24,771
4702-19-2A	N	ACE-Calabro Solar 2 LLC 2019 Facility, 135 Dawn Drive, SHIRLEY, NY 11967	18,993	Transportation, Communication, Electric, Gas and Sanitary Services	0	0	-	-	-	-	-	-
4702-19-1A	N	ACE-Calabro Solar LLC 2019 Facility, 135 Dawn Drive, SHIRLEY, NY 11967	18,993	Transportation, Communication, Electric, Gas and Sanitary Services	0	0	-	-	-	-	-	-
4702-18-3A	N	ACE-Town Hall Solar, 1 Independence Hill, FARMINGVILLE, NY 11738	0	Construction	0	0	-	-	-	-	-	-
4702-19-12A	N	AE Town Hall Solar 2, 1 Independence Hill, FARMINGVILLE, NY 11738	59,593	Other Categories	0	0	-	-	-	-	-	-
4702-17-6A	N	AVR Yaphank Hotel, Yaphank Blvd, YAPHANK, NY 11980	651,004	Other Categories	37	0	1,015	1,568	5,593	1,015	1,568	5,593
4702-16-10B	N	Aarco (Old Dock Rd Yaphank), 21 Old Dock Road, YAPHANK, NY 11980	0	Other Categories	4	43	1,700	2,163	7,857	1,700	2,163	7,857
4702-18-8A	N	Amneal Pharmaceuticals LLC 2019 Facility, 19 Nicholas Drive, YAPHANK, NY 11980	225,841	Manufacturing	7	0	8,365	10,926	46,085	8,365	10,926	46,085
4702-09-1A	N	Atlantic Fluid and Power, 90 Precision Drive, SHIRLEY, NY 11967		Manufacturing	5	0	-	-	-	-	-	-
4702-20-2A	N	Bellport Residences LLC, Atlantic Avenue, BELLPORT, NY 11713	0	Other Categories	3	0	-	-	-	-	-	-
4702-16-6A	N	Blue Point Brewery, 225 West Main Street, PATCHOGUE, NY 11772	0	Manufacturing	28	33	35,707	45,813	189,228	35,707	45,813	189,228
4702-08-8A	N	Briad Lodging Grp, Horseblock Rd, BELLPORT, NY 11713	476,899	Other Categories	0	0	1,187	1,751	5,488	1,187	1,751	5,488
4702-20-SA	N	Brightview Port Jefferson, 1175 NY-112, PORT JEFFERSON STATION, NY 11776	0	Continuing Care Retirement Communities	60	0	-	-	-	-	-	-

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF EXEMPTIONS - LEASES
 December 31, 2020
 (Unaudited)

Project Code	Is the applicant a Not-for-Profit corporation?	Lease Project/Applicant Name/Address	Estimated Amount of Tax Exemptions	Purpose for which Each Transaction was Made	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	Actual Payments Made			Payments Due Per Agreement		
							County PILOT	Local PILOT	School District PILOT	County PILOT	Local PILOT	School District PILOT
4702-19-8A	N	Brooks Partners LLC, 440 Main Street, PORT JEFFERSON, NY 11777	225,172	Other Categories	6	0	-	-	-	-	-	-
4702-15-13C	N	Burmax, 28 Barretts Avenue, HOLTSVILLE, NY 11742	242,765	Other Categories	9	161	22,604	25,947	98,230	22,604	25,947	98,230
4702-19-7A	N	C2 NY Brookhaven, 55 Bicycle Path, FARMINGVILLE, NY 11738	0	Transportation, Communication, Electric, Gas and Sanitary Services	0	0	-	-	-	-	-	-
4702-18-7A	N	CD Ramsay Realty, LLC/Creative Biolabs Inc 2018 Facility, Ramsay Road and Precision Drive, SHIRLEY, NY 11967	8,077	Manufacturing	5	17	948	1,464	5,221	948	1,464	5,221
4702-11-2A	N	CMD WOODWORING, 37C CEDARHURST AVENUE, MEDFORD, NY 11763		Manufacturing	3	13	-	-	-	-	-	-
4702-13-17A	N	CROSS SOUND CABLE, 1 LILCO RD, SHOREHAM, NY 11786	1,963,068	Transportation, Communication, Electric, Gas and Sanitary Services	0	0	250,556	265,458	1,204,918	250,556	265,458	1,204,918
4702-07-2A	N	Caithness Long Island, LLC, Horseblock Road, YAPHANK, NY 11980	11,550,417	Manufacturing	27	0	1,402,484	1,784,890	6,482,821	1,402,484	1,784,890	6,482,821
4702-15-2A	N	Crestwood, 32 SAWGRASS DRIVE, BELLPORT, NY 11713	0	Other Categories	6	40	1,441	2,125	6,659	1,441	2,125	6,659
4702-14-2A	N	D&F Patchogue, 131 EAST MAIN STREET, PATCHOGUE, NY 11772	0	Other Categories	50	0	3,122	4,006	16,545	3,122	4,006	16,545
4702-14-1A	N	E&B Holtsville, NORTH OCEAN AVE, HOLTSVILLE, NY 11742	643,906	Other Categories	70	0	1,249	1,702	5,429	1,249	1,702	5,429
4702-18-10A	N	Engel Burman at Mt. Sinai, LLC 2019 Facility, 879 Route 25A, MOUNT SINAI, NY 11766	590,453	Continuing Care Retirement Communities	4	0	4,742	5,084	24,802	4,742	5,084	24,802
4702-15-15A	N	Excel Holdings 6 (Extended Stay), 65 Union Avenue, RONKONKOMA, NY 11779	419,859	Other Categories	24	0	1,378	1,443	5,989	1,378	1,443	5,989
4702-19-10B	N	Four Key's Realty, LLC (Wallace Oakland Trust), 19 Zorn Boulevard, YAPHANK, NY 11980	0	Other Categories	8	22	-	-	-	-	-	-
4702-15-8A	N	Four Keys / United Fence and Guard Rails, Zorn Boulevard, YAPHANK, NY 11980		Manufacturing	46	38	2,941	3,743	13,596	2,941	3,743	13,596
4702-18-4A	N	Four-L Realty, 665-667 Union Avenue, HOLTSVILLE, NY 11742	0	Manufacturing	24	18	-	-	-	-	-	-

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF EXEMPTIONS - LEASES
December 31, 2020
(Unaudited)

(Unaudited)							Actual Payments Made		Payments Due Per Agreement			
Project Code	Is the applicant a Not-for-Profit corporation?	Lease Project/Applicant Name/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	County PILOT	Local PILOT	School District PILOT	County PILOT	Local PILOT	School District PILOT
4702-15-7A	N	GREENWOOD ENERGY / ACE HOLTSTVILLE, 249 Buckley Road, HOLTSTVILLE, NY 11742	0	Construction	0	0	-	-	-	-	-	-
4702-08-6A	N	Global Tissue, 870 Expressway Dr., YAPHANK, NY 11980	0	Manufacturing	91	0	1,334	1,743	7,350	1,334	1,743	7,350
4702-15-1-A	N	Greenwood Energy / ACE Manorville, 2 Paper Mill Road, MANORVILLE, NY 11949	0	Construction	0	0	-	-	-	-	-	-
4702-18-12B	N	HSRE Lake Grove (BK @ Lake Grove), 2995 Middle Country Road, LAKE GROVE, NY 11755	643,632	Continuing Care Retirement Communities	60	0	9,335	14,133	49,813	9,335	14,133	49,813
4702-18-9A	N	HSRE-EB Mount Sinai, LLC 2019 Facility, 400 Sutton Court, MOUNT SINAI, NY 11766	1,195,298	Continuing Care Retirement Communities	60	0	1,731	1,856	9,052	1,731	1,856	9,052
4702-18-1A	N	Holtstville Industrial, 1 Corporate Drive, HOLTSTVILLE, NY 11742	202,110	Manufacturing	50	0	7,797	8,951	33,886	7,797	8,951	33,886
4702-13-15A	N	ISLANDAIRE, 17 Bellemeade Rd, SETAUKET, NY 11733	0	Manufacturing	29	133	1,190	1,323	6,602	1,190	1,323	6,602
4702-15-5A2	N	J-Cad, 664 BLUEPOINT AVENUE, HOLTSTVILLE, NY 11742	45,929	Wholesale Trade	12	33	3,469	3,982	15,074	3,469	3,982	15,074
4702-19-13A	N	KJR Holding, 2052 Route 112, MEDFORD, NY 11763		Other Categories	3	0	-	-	-	-	-	-
4702-12-2A	N	LAX/Amneal Pharmaceuticals, 50 Horseblock Rd, YAPHANK, NY 11980	0	Manufacturing	400	190	57,686	85,098	266,645	57,686	85,098	266,645
4702-10-1A	N	LI Precast/Geotach Realty, Inc., 20 Striz Rd, BELLPORT, NY 11713	0	Manufacturing	5	0	3,663	5,355	16,931	3,663	5,355	16,931
4702-19-9A	N	Long Island Avenue Holding, LLC, Long Island Avenue, YAPHANK, NY 11980	0	Other Categories	13	0	-	-	-	-	-	-
4702-13-8A	N	MS PACKAGING, 53 ZORN BLVD, YAPHANK, NY 11980	0	Manufacturing	4	4	1,284	1,894	5,936	1,284	1,894	5,936
4702-18-2A	N	Macedo (Meso), 689 Station Road, BELLPORT, NY 11713	44,540	Manufacturing	8	42	3,108	4,446	14,364	3,108	4,446	14,364
4702-12-5A	N	Maehr Realty Associates, 14 Sawgrass Rd, BELLPORT, NY 11713	0	Manufacturing	4	9	259	382	1,198	259	382	1,198
4702-17-2C	N	McKeon Door East, 10 Sawgrass Drive, BELLPORT, NY 11713	64,543	Manufacturing	10	0	454	670	2,098	454	670	2,098
4702-06-7A	N	McKeon Rolling Steel Door, Inc., 44 Sawgrass Drive, BELLPORT, NY 11713	0	Manufacturing	20	0	7,088	10,456	32,762	7,088	10,456	32,762

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF EXEMPTIONS - LEASES
December 31, 2020
(Unaudited)

Project Code	Is the applicant a Not-for-Profit corporation?	Lease Project/Applicant Name/Address	Estimated Amount of Tax Exemptions	Purpose for which Each Transaction was Made	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	Actual Payments Made		Payments Due Per Agreement			
							County PILOT	Local PILOT	School District PILOT	County PILOT	Local PILOT	School District PILOT
4702-14-7A	N	Meadows at Yaphank-Phase I A, WILLIAM FLOYD PKWY, SHIRLEY, NY 11967	1,342,697	Other Categories	9	0	105,085	162,315	578,930	105,085	162,315	578,930
4702-19-5A	N	Medford Branch/H.O. Penn Machinery Company, 20 Platinum Court, MEDFORD, NY 11763	2,560	Manufacturing	0	26	-	-	-	-	-	-
4702-17-7A	N	NAA Properties/H.A.E. Air, 19 Pinehurst Drive, BELLPORT, NY 11713	25,100	Other Categories	3	44	252	372	1,167	252	372	1,167
4702-03-2A	N	Omega Moulding Company, One Sawgrass Drive, BELLPORT, NY 11713		Manufacturing	180	0	-	-	-	-	-	-
4702-20-3A	N	On the Common at Rocky Point, King Road and Prince Street, ROCKY POINT, NY 11778	22,058	Other Categories	2	0	-	-	-	-	-	-
4702-20-1A	N	Orbit Bloom Energy, 3601 Horseblock Road, MEDFORD, NY 11763	0	Other Categories	1	0	-	-	-	-	-	-
4702-15-10A	N	Overbay, 217 West Broadway, PORT JEFFERSON, NY 11777		Other Categories	3	0	-	-	-	-	-	-
4702-15-9A	N	Penn & Sons, Plantinum Court, MEDFORD, NY 11763	0	Manufacturing	7	0	870	1,107	4,793	870	1,107	4,793
4702-05-1A	N	Quality King Distributors, Inc./SARG, LLC, 35 Sawgrass Drive, BELLPORT, NY 11713	856,983	Manufacturing	5	0	9,047	13,347	41,821	9,047	13,347	41,821
4702-14-5A	N	Rail Realty, 14 SHEEP PASTURE RD, PORT JEFFERSON, NY 11777	414,220	Other Categories	5	0	2,360	3,035	12,145	2,360	3,035	12,145
4702-17-3A	N	Regent Tech Industries, Inc. / NICSTENIK LLC, 202 Mastic Blvd. East, SHIRLEY, NY 11967	31,933	Manufacturing	3	2	1,914	3,157	11,616	1,914	3,157	11,616
4702-99-01A	N	Renaissance Technologies, 600 Route 25A, EAST SETAUKET, NY 11733	444,637	Finance, Insurance and Real Estate	84	0	58,055	64,524	322,059	58,055	64,524	322,059
4702-14-8A	N	Ronk HUB Phase I Facility, Union Avenue / Mill Road, RONKONKOMA, NY 11779	0	Wholesale Trade	10	0	-	-	-	-	-	-
4702-15-12A	N	S POWER / FTS PROJECT OWNER, 112 ROUTE 25A, SHOREHAM, NY 11786	453,766	Transportation, Communication, Electric, Gas and Sanitary Services	0	0	43,421	47,770	208,809	43,421	47,770	208,809
4702-19-4A	N	SHI-III Coram, LLC 2019 Facility, 463 Middle Country Road, CORAM, NY 11727	250,552	Continuing Care Retirement Communities	50	0	18,496	29,605	101,899	18,496	29,605	101,899
4702-16-11B	N	SHOREHAM SOLAR (Duke), 24 Cooper Street, SHOREHAM, NY 11786	0	Transportation, Communication, Electric, Gas and Sanitary Services	0	0	95,466	105,029	459,094	95,466	105,029	459,094

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF EXEMPTIONS - LEASES
December 31, 2020
(Unaudited)

Project Code	Is the applicant a Not-for-Profit corporation?	Lease Project/Applicant Name/Address	Estimated Amount of Tax Exemptions	Purpose for which Each Transaction was Made	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	Actual Payments Made			Payments Due Per Agreement		
							County PILOT	Local PILOT	School District PILOT	County PILOT	Local PILOT	School District PILOT
4702-12-9A	N	SUFFOLK TRANSPORTATION, 1162 OLD TOWN RD, CORAM, NY 11727	0	Other Categories	158	9	3,449	5,521	19,003	3,449	5,521	19,003
4702-16-9A	N	Shoreham Energy (J-Power), 227 North Country Road, SHOREHAM, NY 11786	1,384,892	Transportation, Communication, Electric, Gas and Sanitary Services	0	6	182,175	190,227	876,078	182,175	190,227	876,078
4702-09-4A	N	Six Roses/Clare Rose, South Service Rd LIE, YAPHANK, NY 11980	610,317	Wholesale Trade	0	0	6,645	10,265	36,610	6,645	10,265	36,610
4702-08-5A	N	Stafford Assoc./Demks Inc., 31 Bennetts Rd., SETAUKET, NY 11733	118,497	Manufacturing	6	0	8,864	9,851	49,171	8,864	9,851	49,171
4702*-15-3A	N	T. Mina Supply (924 Old Medford Road LLC), 924 Old Medford Road, MEDFORD, NY 11763	0	Other Categories	8	9	356	492	1,889	356	492	1,889
4702-18-13B	N	Tale's (Mondelēz Global), 62 Pine Street, EAST MORICHES, NY 11940	105,103	Manufacturing	10	67	9,097	10,876	49,657	9,097	10,876	49,657
4702-18-5A	N	Triple Five Aviation, 1300 William Floyd Parkway, SHIRLEY, NY 11967	745,780	Other Categories	50	0	46,799	64,125	257,823	46,799	64,125	257,823
4702-16-4A	N	UI SUPPLIES (Jones Venture, 22 OLD DOCK ROAD, YAPHANK, NY 11980	43,431	Wholesale Trade	13	1	2,273	2,968	12,520	2,273	2,968	12,520
4702-19-3A	N	United Meat Products, Inc. 2019 Facility, 50 Sawgrass Drive, BELLPORT, NY 11713	60,957	Manufacturing	16	0	4,228	6,237	19,543	4,228	6,237	19,543
4702-18-6A	N	United Rentals Realty, 250 Orchard Road, EAST PATCHOGUE, NY 11772	0	Other Categories	20	0	-	-	-	-	-	-
4702-16-8A	N	Vistas of Port Jefferson, 588 Bicycle Path, PORT JEFFERSON STATION, NY 11776	0	Other Categories	20	0	-	-	-	-	-	-
4702-16-1A	N	WHTB Glass, 101 Precision Drive, SHIRLEY, NY 11967	111,891	Manufacturing	50	0	820	1,267	4,520	820	1,267	4,520
4702-20-5A	N	Williams Realty Holdings Group (Interstate), 355 Sills Road, YAPHANK, NY 11980	0	Manufacturing	3	3	-	-	-	-	-	-
4702-16-5A	N	Yaphank AVR Blvd Chelsea, The Boulevard West, YAPHANK, NY 11980	58,690	Continuing Care Retirement Communities	50	0	4,095	5,349	22,560	4,095	5,349	22,560
4702-13-6A	N	CV VILLAGE AT CORAM/WINCORAM COMMONS, Route 112, CORAM, NY 11727	534,258	Other Categories	4	0	9,149	14,644	50,404	9,149	14,644	50,404
4702-13-12A	N	Grucci Properties East, 20 Pinehurst, BELLPORT, NY 11713	0	Manufacturing	26	0	424	626	1,962	424	626	1,962

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF EXEMPTIONS - LEASES
December 31, 2020
(Unaudited)

Project Code	Is the applicant a Not-for-Profit corporation?	Lease Project/Applicant Name/Address	Estimated Amount of Tax Exemptions	Purpose for which Each Transaction was Made	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	Actual Payments Made			Payments Due Per Agreement		
							County PILOT	Local PILOT	School District PILOT	County PILOT	Local PILOT	School District PILOT
4702-13-11A	N	SELDEN COMMERCIAL CENTER, 635 MIDDLE COUNTRY RD, CORAM, NY 11727	282,176	Other Categories	7	0	20,962	35,003	111,854	20,962	35,003	11,854
4702-00-8A	N	Framerica Corporation, 2 Todd Court, YAPHANK, NY 11980	207,260	Manufacturing	168	0	3,458	4,401	15,984	3,458	4,401	15,984
4702-00-9A	N	Uncle Wally's/United Baking, 41 Natcon Drive, SHIRLEY, NY 11967	131,014	Manufacturing	71	0	1,227	1,896	6,761	1,227	1,896	6,761

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

OTHER REPORTS

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Town of Brookhaven Industrial Development Agency (the "Agency") as of and for the year ended December 31, 2020 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 24, 2021.

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 may exist that have not been identified.

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, 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 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 24, 2021