

PRELIMINARY OFFICIAL STATEMENT DATED JULY 8, 2024

NEW ISSUE
SERIAL BONDS – BOOK ENTRY
BOND ANTICIPATION NOTES

MOODY'S INVESTOR SERVICE: "Aaa" & "MIG-1"
S&P GLOBAL RATINGS: "AAA" & "SP1+"
See "Rating", herein

In the opinion of Norton Rose Fulbright US LLP, New York, New York, Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the Bonds and the Notes will be excludable from gross income for federal income tax purposes under existing law, and interest on the Bonds and the Notes will not be subject to the alternative minimum tax on individuals. In the further opinion of Bond Counsel, under existing law interest on the Bonds and the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See "TAX MATTERS" herein for a description of the opinion of Bond Counsel and certain other tax consequences.

The Bonds and the Notes will NOT be designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986 (the "Code").

TOWN OF BROOKHAVEN
SUFFOLK COUNTY, NEW YORK
(the "Town")

\$51,485,000* PUBLIC IMPROVEMENT SERIAL BONDS - 2024
(the "Bonds")

BOND MATURITY SCHEDULE
(See Inside Front Cover)

Prior Redemption: The Bonds maturing on July 15, 2032 and thereafter are subject to redemption prior to maturity, at the option of the Town, as a whole or in part, on any date on or after July 15, 2031. (See "Optional Redemption" under "THE BONDS," herein.)

\$19,800,000 BOND ANTICIPATION NOTES – 2024
(the "Notes")

Dated Date: July 30, 2024

Maturity Date: July 30, 2025

Prior Redemption: The Notes will not be subject to redemption prior to their maturity.

Security and Sources of Payment: The Bonds and the Notes are general obligations of the Town of Brookhaven, Suffolk County, New York (the "Town") and will contain a pledge of the faith and credit of the Town for the payment of the principal thereof and interest thereon and, unless paid from other sources, the Bonds and the Notes are payable from ad valorem taxes which may be levied upon all the taxable real property within the Town, subject to certain statutory limitations imposed by Chapter 97 of the Laws of 2011, as amended. (See "Tax Levy Limit Law" herein.)

Form and Denomination: At the option of the purchaser, the Bonds and the Notes may be issued in registered certificated form in the name of the purchaser or registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC") as book-entry bonds and notes. Individual purchases of the Bonds and the Notes may be made in denominations of \$5,000 or integral multiples thereof. Bondholders will not receive certificates representing their respective interests in the Bonds purchased in book-entry form. See "BOOK-ENTRY SYSTEM," herein.

Payment: Payment of the principal of and interest on any Bonds and the Notes issued in book-entry form will be made by the Town to DTC which will in turn remit such payment to its Participants for subsequent distribution to the Beneficial Owners of the Bonds and the Notes in accordance with standing instructions and customary practices. Payment to the Beneficial Owners will be the responsibility of the DTC Participant or Indirect Participant and not of DTC or the Town, subject to any statutory and regulatory requirements as may be in effect from time to time. See "BOOK-ENTRY SYSTEM," herein. Payment of the principal of and interest on any Bonds and Notes registered in the name of the Purchaser will be payable at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder, at the bidder's expense.

The Bonds and the Notes are offered when, as and if issued and received by the purchaser and subject to the receipt of the legal opinion as to the validity of the Bonds and the Notes of Norton Rose Fulbright US LLP, Bond Counsel, and certain other conditions. It is anticipated that the Bonds and the Notes will be available for delivery, through the facilities of DTC in Jersey City, New Jersey, or as otherwise agreed with the purchaser, on or about July 30, 2024.

THE TOWN DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE RULE), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE BONDS AND THE NOTES HEREIN DESCRIBED. FOR A DESCRIPTION OF THE TOWN'S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE BONDS AND THE NOTES, AS DESCRIBED IN THE RULE, SEE "DISCLOSURE UNDERTAKING," HEREIN.

*Preliminary, subject to change.

TOWN OF BROOKHAVEN
SUFFOLK COUNTY, NEW YORK

\$51,485,000* PUBLIC IMPROVEMENT (SERIAL) BONDS – 2024

MATURITIES, RATES AND YIELDS

Dated: July 30, 2024

Principal Due: July 15, 2026-2044, inclusive
Interest Due: January 15, 2025, July 15, 2025
and semi-annually thereafter on
January 15 and July 15 in each year
to maturity

<u>Year</u>	<u>Amount**</u>	<u>Rate</u>	<u>Yield or Price</u>	<u>CUSIP #</u>
2026	\$3,620,000			
2027	3,735,000			
2028	3,860,000			
2029	3,985,000			
2030	4,115,000			
2031	4,250,000			
2032	4,390,000***			
2033	4,535,000***			
2034	4,685,000***			
2035	4,835,000***			
2036	4,990,000***			
2037	495,000***			
2038	515,000***			
2039	530,000***			
2040	550,000***			
2041	570,000***			
2042	590,000***			
2043	610,000***			
2044	625,000***			

*Preliminary, subject to change.

**Amounts are subject to adjustment by the Town following the sale, pursuant to the terms of the Notice of Sale relating to the Bonds, to achieve substantial level or declining annual debt service as provided in Section 58.00 (c)(2) of the Local Finance Law.

***Subject to prior redemption.



**TOWN OF BROOKHAVEN
SUFFOLK COUNTY, NEW YORK**

Department of Finance
One Independence Hill
Farmingville, NY 11738
Telephone: (631) 451-6680
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TOWN BOARD

Daniel J. Panico, Supervisor

Jonathan Kornreich - First District
Jane Bonner- Second District
Neil A. Manzella - Third District
Michael Loguercio - Fourth District
Neil Foley - Fifth District – Deputy Supervisor
Karen Dunne - Sixth District

Kevin J. LaValle, Town Clerk
Tamara Branson, Commissioner of Finance
Annette Eaderesto, Esq., Town Attorney
Louis J. Marcoccia, Receiver of Taxes

* * *

BOND COUNSEL

Norton Rose Fulbright US LLP
New York, New York

* * *

MUNICIPAL ADVISOR



Municipal Finance Advisory Service

12 Roosevelt Avenue
Port Jefferson Station, N.Y. 11776
(631) 331-8888

E-mail: info@munistat.com
Website: <https://www.munistat.com>

No dealer, broker, salesman or other person has been authorized by the Town to give any information or to make any representations, other than those contained in this Official Statement and if given or made, such other information or representations must not be relied upon as having been authorized by the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Town from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date hereof.

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OFFICIAL STATEMENT

TOWN OF BROOKHAVEN SUFFOLK COUNTY, NEW YORK

\$51,485,000 *PUBLIC IMPROVEMENT SERIAL BONDS - 2024 **and** **\$19,800,000 BOND ANTICIPATION NOTES – 2024**

This Official Statement and appendices thereto presents certain information relating to the Town of Brookhaven, in the County of Suffolk, in the State of New York (the "Town", "County" and "State," respectively) in connection with the sale of \$51,485,000 * Public Improvement Serial Bonds - 2024 (the "Bonds") and \$19,800,000 Bond Anticipation Notes – 2024 (the "Notes").

All quotations from and summaries and explanations of provisions of the Constitution and Laws of the State and acts and proceedings of the Town contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof and all references to the Bonds and the Notes and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and the Notes and such proceedings.

THE BONDS

Description of the Bonds

The Bonds will be dated July 30, 2024, and will mature on July 15 in each of the years 2026 to 2044, inclusive, in the principal amounts as set forth on the inside cover page hereof.

At the option of the purchaser, the Bonds may be either issued in registered certificated form in the name of the purchaser or registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC") as book-entry bonds. Individual purchases of the Bonds may be made in denominations of \$5,000 or integral multiples thereof. For Bonds issued as book-entry bonds through DTC, Bondholders will not receive certificates representing their respective interests in the Bonds purchased. See "BOOK-ENTRY SYSTEM," herein.

Interest on the Bonds will be payable on January 15, 2025 and July 15, 2025 and semi-annually thereafter on January 15 and July 15 in each year to maturity. For Bonds issued as book-entry bonds through DTC, principal and interest will be paid by the Town to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds, as described herein. The Bonds may be transferred in the manner described on the Bonds and as referenced in certain proceedings of the Town referred to therein.

The Record Date of the Bonds will be the last day of the month preceding each interest payment date.

The Town's contact information is as follows: Tamara Branson, Commissioner of Finance, Town of Brookhaven, Department of Finance - 3rd Floor, One Independence Hill, Farmingville, New York 11738, telephone number (631) 451-6680 and email: tbranson@brookhaven.org.

Optional Redemption for the Bonds

The Bonds maturing on or before July 15, 2031 will not be subject to redemption prior to maturity. The Bonds maturing on July 15, 2032 and thereafter, will be subject to redemption, at the option of the Town, prior to maturity, in whole or in part, and if in part, in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), on any date on or after July 15, 2031, at par plus accrued interest to the date of redemption.

Notice of such call for redemption shall be given by mailing such notice to the registered owner at least thirty (30) days prior to the date set for such redemption. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable together with interest to such redemption date. Interest shall cease to be paid thereon after such redemption date.

Authorization and Purpose for the Bonds

The Bonds are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Local Finance Law, and a bond resolution duly adopted by the Town Board, authorizing the issuance of serial bonds for the following capital project in and for the Town. Such purpose is as follows:

<u>Recent Date Authorized</u>	<u>Most Recent TBR #</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>Amount Issued To Date</u>	<u>Amount To Be Issued</u>
03/22/2018	2018-0279	Munsell Road Improvements	\$ 5,037,000	\$ 2,500,000	\$ 1,860,000
01/12/2023	2023-64	Town-Wide Lighting District Facility Improvements	1,000,000		1,000,000
01/12/2023	2023-68	Town-Wide Lighting District Facility Improvements	700,000		700,000
12/15/2022	2022-886	Various Road Reconstruction and Right of Way Improvements	16,200,000		16,200,000
12/15/2022	2022-868	Acquisition and Installation of Traffic Signs and Signals	600,000		600,000
12/15/2022	2022-867	Stormwater Drainage Improvements	4,500,000		1,100,000
12/19/2023	2023-844	Various Road Reconstruction	16,500,000		8,250,000
12/19/2023	2023-853	Acquisition and Installation of Traffic Signs and Signals	600,000		600,000
11/19/2020	2020-0613	Parking System	1,000,000	700,000	100,000
10/20/2022	2022-748	Various Improvements to Selden Athletic Complex	8,300,000	5,300,000	3,000,000
05/12/2022	2022-365	Acquisition of Hardware and Software	2,500,000		2,500,000
12/15/2022	2022-906	Acquisition of Hardware and Software for Various IT systems	1,000,000		650,000
12/15/2022	2022-871	Acquisition and Replacement of Machinery and Equipment	900,000		900,000
08/17/2023	2023-555	Various Improvements to Town Facilities	2,850,000		1,100,000
09/18/2023	2023-626	Open Space Land Acquisition	3,800,000		3,800,000
12/15/2022	2022-872	Construction and Reconstruction of Improvements to Marinas	400,000		400,000
12/15/2022	2022-870	Various Improvements to Town Parks	1,000,000		800,000
12/15/2022	2022-869	Various Improvements to Town Parking Lots	600,000		160,000
12/15/2022	2022-866	Acquisition of Heavy Equipment	1,700,000		1,200,000
06/29/2023	2023-456	Acquisition of Land or Permanent Right-in-Land	1,100,000		1,050,000
12/19/2023	2023-842	Improvements to Town Parks and Recreational Areas	2,600,000		1,300,000
02/01/2024	2024-121	Acquisition of Land for Open Space	5,500,000		2,250,000
12/19/2023	2023-869	Design, Engineering and Implementation of the Capping of Landfill	500,000		250,000
01/31/2019	2019-0099	Stormwater Drainage Improvements	650,000		280,000
04/28/2022	2022-322	Beaver Dam Creek	790,000		445,000
01/25/2018	2018-0111	Forge River Rd Dam Improvements	518,500		65,000
04/12/2018	2018-0311	Installation of Pump-Out Facilities	1,500,000		925,000
Total			<u>\$82,345,500</u>	<u>\$8,500,000</u>	<u>\$51,485,000</u>

THE NOTES

Description of the Notes

The Notes will be dated July 30, 2024 and will mature, without right of redemption prior to maturity, on July 30, 2025, with interest payable at maturity.

At the option of the purchaser(s), the Notes may be either registered to the purchaser(s) or registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”) as book-entry notes.

For those Notes registered to the purchaser(s), a single note certificate shall be delivered to the purchaser(s), for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable in lawful money of the United States of America (Federal Funds) at such bank or trust company located and authorized to do business in the State of New York as selected by the purchaser.

For those Notes issued as book-entry notes registered to Cede & Co., DTC will act as securities depository for the Notes and owners will not receive certificates representing their respective interests in the Notes. Individual purchases of such book-entry Notes may be made in denominations of \$5,000 or integral multiples thereof. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the Town to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. See "DESCRIPTION OF BOOK-ENTRY SYSTEM" herein.

The Town will act as Fiscal Agent for the Notes. Paying agent fees, if any, for those Notes registered to the purchaser will be paid by the purchaser(s). The Town’s contact information is as follows: Tamara Branson, Commissioner of Finance, Town of Brookhaven, Department of Finance - 3rd Floor, One Independence Hill, Farmingville, New York 11738, telephone number (631) 451-6680 and email: tbranson@brookhaven.org.

Optional Redemption

The Notes will not be subject to redemption prior to their maturity.

Authorization and Purpose for the Notes

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Town Law and the Local Finance Law, and bond resolutions duly adopted by the Town Board of the Town authorizing the issuance for the following purposes:

<u>Recent Date Authorized</u>	<u>Most Recent TBR #</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>Amount Issued To Date</u>	<u>Amount To Be Issued</u>
12/03/2020	2020-0650	Landfill Improvements	3,100,000		3,100,000
11/04/2021	2021-729	Landfill Improvements	10,000,000		8,000,000
12/15/2022	2022-885	Landfill Improvements	4,200,000		4,200,000
12/19/2023	2023-839	Various Original Improvements to the Town Landfill	4,500,000		4,500,000
Total			\$21,800,000	-	\$19,800,000

BOOK-ENTRY SYSTEM

So long as the Bonds remain in the Book-Entry-Only System, as described below, the Town will give such notice only to Cede & Co., or other successor nominee of DTC, as sole registered holder.

DTC will act as securities depository for any Bonds or Notes issued in book-entry form. Any such book-entry Bonds or Notes will be issued as fully registered securities, in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond certificate will be issued for each maturity of any book-entry Bonds and deposited with DTC. One fully registered note certificate will be issued for any book-entry Note bearing the same rate of interest and CUSIP number and will be deposited with DTC.

DTC is limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of certificates.

Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of the Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”) and together with Direct Participant, the (“Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

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

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

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

Beneficial Owners of the Bonds and the Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds and the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Bond and the Note documents. For example, Beneficial Owners of the Bonds and Notes may wish to ascertain that the nominee holding the Bonds and the Notes for their benefit has agreed to obtain and transmit notices to the Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

Principal and interest payments on the Bonds and the Notes will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the Town on the payable date, in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC (nor its nominee) or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town, disbursement of such payments to Direct Participants will be the responsibility of DTC), and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

Source: The Depository Trust Company, New York, New York.

The information contained in the above section concerning DTC and DTC’s book-entry system has been obtained from sample offering document language supplied by DTC, but the Town takes no responsibility for the accuracy thereof. In addition, the Town will not have any responsibility or obligation to Participants, to Indirect Participants or to any Beneficial Owner with respect to: (i) the accuracy of any records maintained by DTC, any Participant or any Indirect Participant; (ii) the payments by DTC or any Participant or any Indirect Participant of any amount with respect to the principal of, or premium, if any, or interest on the Bonds and the Notes or (iii) any notice which is permitted or required to be given to Bondowners and Noteowners.

THE TOWN WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY PARTICIPANTS, OR ANY INDIRECT PARTICIPANT; (II) THE PAYMENT BY DTC OR ANY PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST ON THE BONDS AND THE NOTES; (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO HOLDERS; (IV) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS AND THE NOTES; OR (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS HOLDER.

THE TOWN CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC WILL DISTRIBUTE TO DIRECT PARTICIPANTS OR THAT DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS AND THE NOTES (I) PAYMENTS OF THE PRINCIPAL OF OR INTEREST ON THE BONDS AND THE NOTES; (II) CONFIRMATION OF THEIR OWNERSHIP INTEREST IN THE BONDS; OR (III) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO. AS NOMINEE, AS REGISTERED OWNER OF THE BONDS AND THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SO SERVE AND ACT IN THE MANNER DESCRIBED IN THE OFFICIAL STATEMENT.

Security and Source of Payment

The Bonds and the Notes are general obligations of the Town and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Bonds and the Notes as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the Town is subject to the levy of ad valorem taxes to pay the Bonds and the Notes and interest thereon, without limitation as to rate or amount, except as to certain statutory limitations which may result from the application of Chapter 97 of the Laws of 2011, as amended. See "Tax Levy Limit Law" herein.

ENFORCEMENT OF REMEDIES UPON DEFAULT

The following description of factors affecting the possible enforcement of remedies upon a default by the Town is not intended to constitute legal advice and is not a substitute for obtaining the advice of counsel on such matters. Factors governing the availability of remedies against the Town are complex and the obligations of the Town, under certain circumstances, might not be enforced precisely as written.

General Municipal Law Contract Creditors' Provision. The Bonds and the Notes when duly issued and paid for will constitute a contract between the Town and the purchaser. Such contracts, if not honored, would generally be enforceable through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the Town upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might apply if there were a default in the payment of the principal of and interest on the Bonds and the Notes.

Unavailability of Remedies of Levy and Attachment. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. Under the general rule with respect to municipalities, judgments against the Town may not be enforced by levy and execution against property owned by the Town.

Constitutional Non-Appropriation Provision. The Constitution of the State, Article VIII, Section 2, contains the following provision relating to the annual appropriation of monies for the payment of principal of and interest on indebtedness of every county, city, town, village and school district in the State: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any owner of obligations issued for any such indebtedness." If the Town were to fail to make a required appropriation, however, the ability of affected owners of Town indebtedness to enforce this provision as written could be compromised or eliminated as described below under "Bankruptcy", "State Debt Moratorium Law" and "Possible Priority of Continuation of Essential Public Services".

Bankruptcy. The Federal Bankruptcy Code allows municipalities, such as the Town, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Should the Town file for relief under the Federal Bankruptcy Code there could be adverse effects on the owners of the Bonds and the Notes.

The State, in Section 85.80 of the Local Finance Law, has authorized any municipality in the State to file a petition with the United States District Court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness. Subject to such State consent, under the United States Constitution, Congress has jurisdiction over such matters and has enacted amendments to the existing federal bankruptcy statute, being Chapter 9 thereof, generally to the effect and with the purpose of affording

municipal corporations, under certain circumstances, with easier access to judicially approved adjustment of debt including judicial control over identifiable and unidentifiable creditors.

Under the United States Constitution, federal law is supreme and may be enforced irrespective of contrary state law. Accordingly, proceedings in accordance with the Federal Bankruptcy Code could result in an allocation of funds that fails to honor the faith and credit pledge required by the State Constitution.

No current State law purports to create any collateral or priority for owners of the Bonds and the Notes should the Town be under the jurisdiction of any court, pursuant to the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness. The Bonds and the Notes could be deemed unsecured obligations of the Town in a bankruptcy case.

Under the Federal Bankruptcy Code, a petition may be filed in the Federal Bankruptcy Court by a municipality that is insolvent, which generally means the municipality is unable to meet its debts as they mature. Generally, the filing of such a petition operates as a stay of any proceeding to enforce a claim against the municipality. The Federal Bankruptcy Code also requires that a plan be filed for the adjustment of the municipality's debt, which may modify or alter the rights of creditors. Any plan of adjustment can be confirmed by the court over the objections of creditors if the plan is found to be "fair and equitable" and in the "best interests of creditors." The Town may be able, without the consent and over the objection of owners of the Bonds and the Notes, to impair and alter the terms and provisions of the Bonds and the Notes, including the payment terms, interest rates, maturity dates, and payment sources, if the bankruptcy court finds that the alterations are "fair and equitable." If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it.

The rights of the owners of the Bonds and the Notes to receive interest and principal from the Town and the enforceability of the Town's faith and credit pledge to pay such interest and principal could be adversely affected by the restructuring of the Town's debt under Chapter 9 of the Federal Bankruptcy Code. No assurance can be given that any priority of owners of debt obligations issued by the Town (including the Bonds and the Notes) to payment from monies retained in any fund or from other sources would be recognized if a petition were filed by or on behalf of the Town under the Federal Bankruptcy Code. Such monies might, under such circumstances, be paid to satisfy the claims of all creditors generally, or might even be directed to satisfy other claims instead of being paid to the owners of the Bonds and the Notes.

Regardless of any specific adverse determinations in a bankruptcy proceeding of the Town, the fact of such a bankruptcy proceeding could have an adverse effect on the liquidity and market value of the Bonds and the Notes.

State Debt Moratorium Law. Unless the Federal Bankruptcy Code or other federal law applies, as described above, enforcement of the rights of Bond owners will generally be governed by State law. In 1975, a general State law debt service moratorium statute was enacted.

Under that legislation, the right to commence or continue an action in any court to collect or enforce certain short-term obligations of The City of New York was suspended. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such City of its faith and credit for the payment of obligations.

Accordingly, State legislation materially limiting the timing or manner of actions to enforce the faith and credit pledge against an issuer of general obligation debt (including that portion of Title 6-A of Article 2 of the Local Finance Law enacted in 1975 authorizing any municipality in a State-declared financial emergency period to petition to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality) could be determined to conflict with the State Constitution and may not be enforceable.

The Constitutional provision providing for first revenue set asides applies to the payment of interest on all indebtedness and to the payment of principal payments on bonds and notes, but does not apply to pay payment of principal due on tax anticipation notes, revenue anticipation notes or bond anticipation notes.

Possible Priority of Continuation of Essential Public Services. In prior years, certain events and legislation affecting an owner's remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of note or bondowners, such courts might hold that future events, including financial crises as they may occur in the State and in political subdivisions of the State, require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service.

No Past Due Debt. No principal of or interest on Town indebtedness is past due. The Town has never defaulted in the payment of the principal of and interest on any indebtedness.

THE TOWN

There follows in this Official Statement a brief description of the Town, together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and expenditures and general and specific funds.

The Town, with a land area of over 259 square miles and a current estimated population of 488,506 (2022 US Census Bureau), is located in the central portion of Suffolk County approximately 60 miles east of Manhattan. It is the second largest town in the State by population and the fifth largest town in the State by land area. The south shore of the Town stretches for approximately 23 miles along the Great South Bay and the Atlantic Ocean and its north shore spans approximately 27 miles along Long Island Sound. The Town includes 8 incorporated villages and 19 independently governed school districts, and is primarily residential in character with considerable commercial development. Police protection is provided by the County and the incorporated villages; fire protection and emergency medical services are provided by local volunteer fire companies and ambulance districts. Certain independent taxing entities have the power to levy taxes upon property within the Town.

Commercial facilities include regional covered shopping malls, such as the Smith Haven Mall, which includes Macy's, H&M, Dick's Sporting Goods, and Barnes & Noble; large warehouse/retail stores such as Home Depot, Lowe's Home Improvement Center, Sam's Club, Costco, Walmart, K-Mart, Target, Best Buy and Kohl's; smaller and medium-sized neighborhood shopping centers; and downtown commercial centers in Patchogue and Port Jefferson, for example. Larger institutional and governmental operations located in the Town include the Brookhaven National Laboratory, the State University at Stony Brook and Medical Center, the main campus of Suffolk County Community College and the Internal Revenue Service Center at Holtsville. Residential development consists primarily of single-family homes, but also includes a variety of other housing such as town-house condominium complexes, garden apartments and several planned retirement communities.

The following are lists of villages and certain districts located within the Town:

Villages^a:

Belle Terre, Bellport, Lake Grove, Old Field, Patchogue, Poquott, Port Jefferson and Shoreham.

^a. See also "Dissolution of the Village of Mastic Beach" herein

School Districts:

Bayport-Blue Point^a, Brookhaven-Comsewogue, Center Moriches, East Moriches, Eastport-South Manor, Fire Island, Longwood, Middle Country, Miller Place, Mount Sinai, Patchogue-Medford, Port Jefferson, Riverhead, Rocky Point, Sachem, Shoreham-Wading River^a, South Country, Three Village^a and William Floyd.

^a. Such School Districts are located in more than one town.

Fire Districts:

Bellport, Blue Point, Brookhaven, Centereach, Center Moriches, Cherry Grove, Coram, Davis Park, East Moriches, Eastport, Farmingville, Fire Island Pines, Gordon Heights, Hagerman, Holtsville, Manorville, Mastic, Mastic Beach, Medford, Middle Island, Miller Place, Mount Sinai, North Patchogue, Ocean Bay Park, Patchogue, Port Jefferson, Ridge, Rocky Point, Ronkonkoma, Selden, Setauket, Sound Beach, Stony Brook, Terryville, Wading River and Yaphank.

Transportation

Rail service is provided to the Town by three branches of the Long Island Rail Road, operated by the Metropolitan Transportation Authority. The Montauk line serves the south shore of the Town, the Main line serves the central portion of the Town, and the Port Jefferson line serves the north shore. All three lines provide transportation to New York City.

Interstate 495 (the Long Island Expressway) and Route 27 (Sunrise Highway) connect the Town with the New York City metropolitan area. Ferry service is available from Port Jefferson, on the Town's north shore, across Long Island Sound to Bridgeport, Connecticut. Davis Park Ferry Co. operates daily service to Davis Park and Watch Hill, Fire Island from the Sandspit Marina in Patchogue. Davis Park is a community and public beach operated by the Town.

Located in the Town of Islip, on the Town's border, is Long Island MacArthur Airport ("MacArthur"). It serves as a major transportation hub and economic engine throughout the region, including the Town. American Airlines, Southwest Airlines, Frontier and Breeze operate at MacArthur and offer direct flights to and from select airports throughout the United States. Currently, there are plans to build a Customs Office within the airport to allow services of international flights from airports with "pre-clearance" status, which would raise the airport's profile and strengthen the economic engine that MacArthur provides.

Utilities and Other Services

Throughout the Town, gas and electricity are provided by National Grid and the Public Service Enterprise Group of Long Island, respectively.

The Suffolk County Water Authority is the primary supplier of water for the Town and is responsible for the financing and construction of the necessary facilities. There are also several private water companies and water districts in the Town, all of which were established prior to 1963.

The County, through the establishment of County improvement districts, is primarily responsible for providing sanitary sewer services, and for the financing and construction of facilities required therefor. The Town had previously established two Town sewer improvement districts, and pursuant to agreement, the County has assumed the responsibility for operation and maintenance of these facilities. Sewer District #2 has completed construction in an area of expected commercial development and the Town expects it to contribute to significant growth in the near future.

Healthcare

There are four major hospitals located within the Town: Long Island Community Hospital, Stony Brook University Hospital, St. Charles Hospital, and John T. Mather Memorial Hospital.

Long Island Community Hospital is a 306 bed, not-for-profit community hospital located in Patchogue. It has been in existence since 1956 and has grown since, while serving the 28 communities throughout central Suffolk County. In 2017, the hospital completed a \$61 million expansion and a 13,000 square foot addition, including a new cardiac care center.

Stony Brook University Hospital (SBUH) is Long Island's premier academic medical center. With approximately 600 beds, SBUH serves as the region's only tertiary care center and Level 1 Trauma Center, and is home to the Stony Brook Heart Institute, Stony Brook Cancer Center, Stony Brook Long Island Children's Hospital, Stony Brook Neurosciences Institute, and Stony Brook Digestive Disorders Institute. SBUH also includes Suffolk County's only Level 4 Regional Prenatal Center, state-designated AIDS Center, state-designated Comprehensive Psychiatric Emergency Program, state-designated Burn Center, the Christopher Pendergast ALS Center of Excellence, and Kidney Transplant Center. It is home of the nation's first Pediatric Multiple Sclerosis Center.

St. Charles Hospital is a 231 bed acute-care community hospital located in Port Jefferson. It is a member of Catholic Health Services of Long Island, and has served the residents of the Three Village area for more than 100 years. It is a not-for-profit hospital that features three centers of excellence: Maternal/Child, Orthopedics, and Long Island's premier center for rehabilitation. It is renowned for its outstanding customer service and has scored as one of the top hospitals on Long Island in the delivery of high quality care.

John T. Mather Memorial Hospital ("Mather Hospital") is an accredited 248-bed, not-for-profit community hospital dedicated to providing a wide spectrum of health care services of the highest quality to the residents of Suffolk County in a cost effective manner. Mather Hospital opened its doors on December 31, 1929 as the first not-for-profit community hospital in the Town of Brookhaven with only 54 beds. Its growth has continued over the years and the hospital now serves approximately 12,000 inpatients and 43,000 emergency cases a year. In December of 2017, Mather Hospital merged with Northwell Health making Mather Hospital Northwell's 5th hospital in Suffolk County.

Education

College facilities in the Town include the State University at Stony Brook, Suffolk County Community College, and Saint Joseph's College.

Stony Brook University has a campus that has 1,039 acres and is located on the north shore of Long Island. Within the campus is a sports stadium that holds 8,300 people, a performing arts center that has a 5,000 square foot art gallery as well as five theaters that hold more than 50 world class performances annually and more than 450 music events each year. The University is Long Island's largest single site employer providing nearly 14,000 jobs. As Long Island's only public research university, Stony Brook produces the educated workforce that drives the area's high tech economy.

Suffolk County Community College (SCCC) has approximately 25,000 students enrolled in its three locations, Selden, Brentwood and Riverhead. It is the largest community college in New York State. SCCC offers Associate degrees in Arts, Science, and Applied Science as well as professional certificates in more than 100 programs of study.

Saint Joseph's College has two campuses, one in Brooklyn, New York and the other located in Patchogue, New York. The Long Island campus is 27 acres and features modern, state of the art facilities, including the recently completed Business Technology Center, an athletic center, theater, library, auditorium, and athletic field for its students to participate in sports and extracurricular activities.

Recreation

The Town operates a number of parks, marinas and beaches which are important to maintaining the high quality of life that attracts appropriate development. The Fire Island National Seashore, a major regional recreation area, attracts thousands of visitors to the Town every summer.

The Town of Brookhaven Ecology Site, Park & Animal Preserve is located on a reclaimed landfill. Since 1974, when the landfill closed, the Town of Brookhaven employees worked to re-vegetate the hills filled with garbage and to build a modern recreational and educational facility. Some of the amenities at the Holtsville Park include: a triple pool complex; exercise-trail fitness course; nature preserve and ecology center, featuring buffalo, bobcats, eagles, ecology exhibits and tours, free compost, greenhouses and a picnic area.

There are six boating marinas located within the Town. They consist of the Port Jefferson Marina, Mt. Sinai Marina, Sandspit Marina, Blue Point Marina, Forge River Marina, and Davis Park Marina. Fifteen dock and boat launch facilities throughout the Town allow residents to participate in activities such as fishing, boating, swimming, kayaking, and other water sports and activities. Stretching along the north and south shores, the Town has eight beaches that offer a variety of amenities, such as picnic areas, playgrounds, fishing and concession stands. The beaches consist of Cedar, Corey, West Meadow, Davis Park, Great Gun, Shirley, Cedar West and Shoreham Beach.

The Town abounds with the art of live performances. Theater lovers and concert goers know that the finest regional presentations can be found in any of several live theaters in the Town. There are five theaters throughout the Town allowing residents to see world class performances. In addition, there are ten different museums offering unique collections, objects and memorabilia.

Economic Development

The Town has a master plan for development which is updated from time to time to reflect changes in population and growth. This plan affords a coordinated approach to meeting the Town's development goals while at the same time protecting the Town's underground water supply and other natural resources and preserving the generally high quality of life of the Town's residents. The Town is currently compiling data, that will used to complete the scope of work, to update the master plan, to address land use and strong economic data.

The plan calls for suburban residential development and economic development of clean, light industry and service industries such as electronics and data processing, along with a strong commercial and retail component. Also, the Town has dedicated over \$150 million to the funding of the acquisition of land for the purpose of preserving open space over the last 10 years.

Planning and Building activity in the Town of Brookhaven have been extremely vibrant. Applications for new construction, Site Plans, Multi-family, and PRC (Senior Housing), have continued to be submitted, and are in the approval process. The Building Division continues to issue approximately 500-750 permits on a weekly basis, along with renewals and inspections. Brookhaven's growth has been steady and visible over the last few decades, and plans are for even more development in the years to come. In a relatively short period of time, the largest township by area on Long Island has become a mega-center of activity for healthcare, technology, energy resources, higher education and small business. The Town has over 1,500-acres of ready-to-build prime industrial sites, including eight industrial parks, which are home to Stony Brook Technology Center and the Town's 235-acre Research and Development Park in Shirley. Currently there are multiple projects proposed, totaling over 6 million square feet of logistics and distribution warehousing space. 800K square feet has already been completed and are preparing for occupancy. These current proposals will create over 10,000 permanent and construction jobs, for Town residents.

The private sector has been particularly robust with some 24,500 businesses within the Town. There are electronics firms, construction companies big and small, internationally known investment outfits such as Renaissance Technologies Corp., major national distributors including Quality King Inc., bakeries such as Tate's, which was purchased by Mondelez International, Inc., Blue Point Brewery, an Anheuser Busch company that chose to expand in Patchogue Village, and WHTB Glass, an international organization that chose the Town for its only US location.

One of the larger projects is the Ronkonkoma Hub development. The Ronkonkoma Hub is a mixed-use development project that will result in over \$650 million of investment. The project at completion will consist of 1,450 residential units, approximately 195,000 square feet of retail, 360,000 square feet of office space and 60,000 square feet of flex space, which could include hospitality, conference, and exhibition space. Phase I, which is comprised of 450 rental apartments, has been completed; and Phase II, which is comprised of mixed-use office, hotel, residential and commercial space, is nearing completion. Certificates of Occupancy have been issued for the parking garage, commercial/mixed use space. This project will continue to provide thousands of jobs and tax revenue, during the next few years, until it is completed. Once completed, it will be economic engine, by providing future investment, ongoing job creation, and housing opportunities, for thousands of residents.

The best-known entities in the Town, which are recognized nationally and internationally, are Brookhaven National Laboratory (BNL) and the State University of New York at Stony Brook, home of Stony Brook University Hospital. These major institutions are not only job-generators, but also creators of new businesses, new technologies and the nation's future leaders in science and technology. BNL, as it is commonly called on Long Island, grew up with the region in the years immediately after World War II. It occupies a 5,300-acre site, employs 3,350 well-paid employees and generates close to \$1 billion annually in economic output to the region. BNL is the only national lab of its kind in the Northeast and is one of New York State's largest centers of scientific research. Two of BNL's major international projects are the National Synchrotron Light Source and the Relativistic Heavy Ion Collider. BNL has made available some of its scientific research to businesses, which are working to develop the research into commercial enterprises.

Stony Brook is one of the State University's largest campuses, and specializes in science, engineering and technology. The college has more than 13,000 employees on its more than 1,000-acre campus. Stony Brook is rated among the top 100 universities in the country, and among the top 35 public universities. It has approximately 25,000 students and generates over \$4.5 billion in spending for the economy. Stony Brook estimates that its students and families spend approximately \$200 million on Long Island. It accounts for 4% of the Long Island economy. Stony Brook University Hospital has added significantly to Long Island's system of healthcare. The facility has over 600 beds, 6,500 employees, 1,220 physicians and has a total estimated annual economic impact of \$2.1 billion.

Brookhaven's Industrial Development Agency (IDA) and Local Development Corporation (LDC) are available to assist businesses in obtaining tax incentives and bonds to help businesses relocate to the Town and grow and remain within the Town, generating tax revenue and jobs. In 2023, the IDA closed on 12 projects, which included energy, manufacturing, and warehouse projects. These IDA supported projects will create and retain approximately 4,400 permanent and construction jobs and bring over \$820 million of private investments into the Town. These projects include September Mornings and 10 Donald's Way, which are spec industrial warehouses. Also included are Sunrise Wind and BLSF, which are energy projects; HSRE EB East Patchogue, which is an over 55 rental housing complex; and CD Ramsay, which is a manufacturer.

The IDA currently has 21 project applications that have been accepted by the IDA Board of Directors and are progressing towards closing. Among the projects with accepted applications are multiple renewable energy projects including MAC Solar, Holtsville Solar, Mastic Beach Solar, AE Manorville 2, Holtsville Energy Storage, and Yaphank Energy Storage. In addition, there are rental housing projects that have been accepted including the Preserve at East Moriches, Scalamander Cove, R Squared Patchogue, Medford Gardens, Port Jeff Commons, and Ferrandino & Sons Development. Medford Gardens and Port Jeff Commons are both 100% affordable housing complexes. Also included in the accepted project applications is Ronk Hub NOVA, which is the third phase of the Ronkonkoma Transit Oriented Development and the result of the Urban Renewal Plan. Ronk Hub NOVA includes both retail space and rental apartments. Finally, the accepted application projects include Nassau Provisions Kosher Foods and Horseblock 4, which are both manufacturing facilities.

The Town and the IDA have finalized an agreement with Sunrise Wind to be the host location for cable landing sites for offshore wind projects. The project is a \$4.2 billion project that is expected to bring 924 megawatts of wind power. The Town expected to receive \$5-\$6 million in impact fees once power is being produced and another \$1.1 million annually in payments-in-lieu-of taxes. Sunrise Wind is currently constructing the sub-station that will be utilized for transferring the power created by the wind turbines.

Building Permit Activity

The Town's Planning and Environment - Building Division is responsible for the administration and enforcement of the New York State Uniform Fire Prevention and Building Code. A building permit is required for various types of improvements such as new homes, additions, alterations, solar, detached garages, sheds, decks, gazebos and swimming pools. Granting commercial building permits as well as accessory apartment and house rental permits are also the responsibility of the Town. The following represents the building permit activity within the Town over the last several years.

Building Permits Issued - All Types

2016	-	14,159 permits
2017	-	14,771 permits
2018	-	15,666 permits
2019	-	16,262 permits
2020	-	17,908 permits
2021	-	18,362 permits
2022	-	19,241 permits
2023	-	19,667 permits

Source: Town of Brookhaven Building Division.

Governmental Organization

The Town was incorporated in 1655. The County has ten towns located therein. Some of such towns contain incorporated villages established for purposes of providing certain municipal services and facilities to their residents. The Town is a political subdivision of the State having its own elected legislative body, the Town Board, pursuant to Constitutional provisions and, except for certain contractual arrangements for cooperative provisions of some services or facilities, the Town does not rely in any manner upon the County or villages for purposes of providing local government needs. There are no cities within the Town.

The legislative body of the Town is its Town Board of seven members, the presiding officer of which is the Town Supervisor who is the chief fiscal officer of the Town and is elected for a four-year term. The six additional members of the Town Board are also elected for four-year terms. The Supervisor is elected at large; council members are elected from six councilmanic districts.

Additional Town officers are the Receiver of Taxes and the Town Clerk (both elected to four-year terms) and the Superintendent of Highways (elected to a two-year term). The Town Board appoints the Commissioner of Finance and the Town Attorney.

The Town provides a majority of municipal services to its residents and maintains Town highways, planning, zoning, regulation of building construction and licensing of trades and occupations along with the usual municipal services including recreational facilities and street lighting. Police protection is provided by the County and fire protection and ambulance service is provided through various independent fire districts in the Town and voluntary fire organizations. Social services and health services, to the extent provided on a public basis, are essentially County responsibilities.

Financial Organization

Pursuant to the Local Finance Law, the Supervisor is the chief fiscal officer of the Town. According to the New York State Town Law, the Town Board is empowered to appoint a Commissioner of Finance and to delegate to such Commissioner certain financial functions of the Town as provided by law. The Commissioner of Finance serves as the Accounting Officer of the Town and Town Comptroller and Budget Director. Her duties include the administration, direction and control of Accounting, Accounts Payable, Accounts Receivable, Audit and Control, Payroll, Operating and Capital Budgeting, and forecasting and financial reporting.

Town Management Biographies

Town Supervisor, Daniel J. Panico

Dan Panico currently serves as Supervisor for the Town of Brookhaven. Prior to his tenure as Supervisor, he served as Deputy Supervisor from 2012 to 2023, and was an elected Councilman for the Town of Brookhaven 6th Council District in 2010, for which he served nearly 14 years. In addition, he was a member of the Town of Brookhaven Planning Board for over two years; in this capacity he helped shape the character of Brookhaven to ensure that development was done in a responsible manner.

Over the course of his career in public service, Dan has authored landmark legislation including the Brookhaven Town tax cap, anti-nepotism law and sweeping ethics reform. A pioneer in the areas of land use, zoning and planning, he has helped preserve thousands of acres of farmland and open space, worked to prevent over development, and has emphasized redevelopment of our existing developed lands. He is credited with spearheading the most aggressive crackdown on illegal housing and blighted structures in the history of Brookhaven Town. Raising the quality of life for all has been the hallmark of his tenure.

Prior to his Town of Brookhaven service, Dan practiced law and served as a Senior Deputy Suffolk County Clerk, managing both Supreme and County Court cases to provide for the orderly and efficient entry and filing of record-breaking litigation. He worked to make Suffolk County one of the first counties in New York State to utilize and implement electronic filing. Dan has been recognized by numerous organizations over the years, including the "40 under 40" award by Long Island Business News and "Elected Official of the Year" by Touro Law School twice.

Dan attended Stony Brook University where he received a double major bachelor's degree in history and political science. He earned a law degree from Touro Law School where he served as President of the Student Bar Association, Class Orator, and received numerous awards upon graduation including an award for Excellence in Land Use, Zoning and Planning.

Town Deputy Supervisor & Councilman, Neil Foley

Neil Foley has served as the Brookhaven Town Councilman for the 5th district for the past nine years. His prior contributions include service on the Town of Brookhaven Zoning Board of Appeals. With a wealth of business experience spanning 25 years in the pharmaceutical sector, Neil also is Senior Vice President of Government Affairs & Sales at New York Cancer and Blood.

Throughout his professional journey, Neil has garnered numerous merit awards, recognizing his outstanding achievements and exceptional leadership within his council district. Beyond his career in the pharmaceutical industry, Neil actively participates in volunteer opportunities. He is an active member of the Patchogue Elks organization, holds a seat on the board of the Patchogue Medford Youth Council and is Vice President of the Bayport Blue Point Little League, an organization boasting over 600 members.

Demonstrating a strong commitment to charitable causes, Neil supports organizations such as the National Association of Mental Illness and The American Cancer Society. Neil is a graduate of Misericordia University.

Town Attorney, Annette Eaderesto, Esq.

Ms. Eaderesto was re-appointed as Town Attorney for a sixth term in January 2024. She previously served as Special Counsel to the Town since 2002. She is also Independent Counsel to the Town's Industrial Development Agency and the Local Development Corporation.

In addition to Ms. Eaderesto's responsibilities for all legal and litigation matters for the Town, she is responsible for the Town Investigations Division, the securing and demolition of dangerous properties, and the management of the Town's Open Space Acquisition Program.

Prior to her appointment as Special Counsel in 2002, Ms. Eaderesto was Town Attorney from 1999 to 2002; was Deputy Town Attorney from 1996 until 1998; was a principal in the law firm of Blake & Eaderesto, P.C.; and was an Assistant Town Attorney from 1984 to 1985.

Ms. Eaderesto is a 1982 graduate of Hofstra University School of Law; is admitted to practice law in the State of New York and the Federal District Courts for the Eastern and Southern Districts of the State of New York; and has concentrated principally in the area of land use and municipal law.

Commissioner of Finance, Tamara Branson

Tamara Branson has served as Commissioner of Finance for the Town since 2012 and was appointed to her seventh term in January 2024. She is responsible for an operating budget of over \$337 million, a capital projects and grant portfolio of over \$155 million. She manages accounting, payroll, accounts receivable and payables, budgetary compliance, grants, and internal audit for the Town. She also manages the Town's cash investments, debt issuance, and all debt service payments.

Prior to the Town of Brookhaven, Ms. Branson served as Comptroller for the Town of Southampton for three years. She spent sixteen years at Prudential Financial in their domestic and international securities, commodities, and private banking businesses, serving a variety of roles including Chief Operating Officer for international businesses. Ms. Branson also worked for Price Waterhouse Coopers for six years and began her career as a fund accountant for a liberal arts college.

Ms. Branson possesses over 40 years of financial management experience in the public and private sectors and has B.S. from Guilford College and a Master of Accountancy degree from Virginia Tech.

Employees

The Town provides services through approximately 853 full-time employees, 750 of which are represented by the Suffolk Chapter of the Civil Service Employees Association, Inc. Of the civil service employees, approximately 325 are represented by the CSEA White Collar Unit, 215 are represented by the CSEA Highway Unit, and 210 are represented by the CSEA Blue Collar Unit. The Town entered into labor agreements with all such units for a twelve-year period ending December 31, 2031.

ECONOMIC AND DEMOGRAPHIC INFORMATION

Population Characteristics

The Town's population trend, as compared to the County and the State, is shown below:

<u>Year</u>	<u>Town of Brookhaven</u>	<u>Suffolk County</u>	<u>New York State</u>
1990	407,786	1,321,864	17,990,455
2000	448,248	1,419,369	18,976,457
2010	486,040	1,493,350	19,378,102
2020	485,773	1,525,920	20,201,249
2022 ^a	488,506	1,525,465	19,677,152

Source: United States Bureau of the Census.

a. Based on American Community Survey 5-Year Estimate (2018-2022).

Income Data

	<u>Per Capita Money Income</u>			
	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>2022^a</u>
Town of Brookhaven	\$24,191	\$32,663	\$42,388	\$47,994
County of Suffolk	26,577	35,755	46,466	53,317
State of New York	23,389	30,948	40,898	47,421

	<u>Median Household Income</u>			
	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>2022^a</u>
Town of Brookhaven	\$62,475	\$81,654	\$100,061	\$106,993
County of Suffolk	72,112	96,220	105,362	119,838
State of New York	51,691	67,405	71,117	79,557

Source: United States Bureau of the Census.

a. Based on American Community Survey 5-Year Estimate (2018-2022).

Unemployment Rates

<u>Annual Averages:</u>	<u>Town of Brookhaven (%)</u>	<u>Suffolk County (%)</u>	<u>New York State (%)</u>
2019	3.6	3.7	4.0
2020	8.2	8.5	10.0
2021	4.8	4.9	7.2
2022	3.0	3.1	4.4
2023	3.1	3.2	4.2
2024 (YTD)	3.9	4.0	4.3

Source: Department of Labor, State of New York.

Selected Listing of Larger Employers
(As of 2023)

<u>Name</u>	<u>Type of Business</u>	<u>Estimated Number Of Employees</u>
State University at Stony Brook	Education	14,000
Stony Brook University Medical Center	Medical Center	7,500
Brookhaven National Laboratory	Laboratory	2,500
John T. Mather Hospital	Hospital	2,500
Sachem Union Free School District	Education	1,900
Zebra Technologies	Commercial	1,800
St. Charles Hospital	Hospital	1,800
Brookhaven Memorial Hospital	Hospital	1,700
Three Village Central School District	Education	1,600
William Floyd Union Free School District	Education	1400
Amneal Pharmaceuticals	Commercial	900
Quality King Distributors	Commercial	700

Source: Division of Economic Development Town of Brookhaven.

INDEBTEDNESS OF THE TOWN

Constitutional and Statutory Requirements

The State Constitution limits the power of the Town (as well as other municipalities and school districts of the State) to issue obligations and contract indebtedness. Such constitutional limitations include the following, in summary form, and are generally applicable to the Town and the Bonds and the Notes:

Purpose and Pledge. The Town shall not give or loan any money or property to or in aid of any individual or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The Town may contract indebtedness only for a Town purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the Town has authorized the issuance of indebtedness having substantially level or declining annual debt service. The Town is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and bond anticipation notes.

General. The Town is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation, assessment, borrowing money, contracting indebtedness and loaning the credit of the Town so as to prevent abuses in the exercise of such powers; however, as has been noted under “Security and Source of Payment”, the State Legislature is prohibited by a specific constitutional provision from restricting the power of the Town to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limit Law imposes a statutory limitation on the Town’s power to increase its annual tax levy. The amount of such increase is limited by the formulas set forth in the Tax Levy Limit Law. See “Tax Levy Limit Law,” herein.

Statutory Procedure

In general, the State Legislature has authorized the power and procedure for the Town to borrow and incur indebtedness through the enactment of the Local Finance Law, subject to the provisions set forth above. The power to spend money generally derives from other law, including specifically the Town Law and the General Municipal Law.

Pursuant to the Local Finance Law, the Town authorizes the issuance of indebtedness by the adoption of a bond resolution approved by a super-majority of the members of the Board of Trustees, the finance board of the Town. Customarily, the Board of Trustees has delegated to the Town Supervisor, as chief fiscal officer of the Town, the power to authorize and sell bonds and bond anticipation notes in anticipation of the sale of authorized bonds.

The Local Finance Law also provides that where a bond resolution is published with a statutory form of notice, in summary or in full, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

- (1) such obligations are authorized for a purpose for which the Town is not authorized to expend money, or
- (2) there has not been substantial compliance with the provisions of law which should have been complied with in the authorization of such obligations, and
an action contesting such validity is commenced within twenty days after the date of such publication, or,
- (3) such obligations are authorized in violation of the provisions of the State Constitution.

Except on rare occasions the Town complies with the estoppel procedure. It is a procedure that is recommended by Bond Counsel but is not an absolute legal requirement.

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds and notes subject to the legal restrictions (Constitution, Local Finance Law and case law) relating to the period of probable usefulness thereof.

The Town Board, as the finance Board of the Town, has the power to enact bond resolutions. In addition, such finance Board has the power to authorize the sale and issuance of obligations. However, such finance board may delegate the power to sell the obligations to the Town Supervisor, the chief fiscal officer of the Town, pursuant to the Local Finance Law.

Statutory law in New York permits bond anticipation notes to be renewed each year, provided that annual principal installments are made in reduction of the total amount of such notes outstanding. These installments must commence no later than two years from the date of the first issuance of such notes, and such renewals may generally not extend more than five years beyond the original date of borrowing. (See "Payment and Maturity" under "Constitutional Requirements" herein).

In general, the Local Finance Law contains provisions granting the Town with power to issue certain other short-term general obligation indebtedness, including revenue and tax anticipation notes and budget notes (See "Indebtedness of the Town" herein).

There is no constitutional limitation on the amount that may be raised by the Town by tax on real estate in any fiscal year to pay principal and interest on all indebtedness. However, the Tax Levy Limit Law imposes a statutory limitation on the procedures necessary for the Town to increase its annual tax levy. The amount of such increases is limited by the formulas set forth in the new Tax Levy Limit Law, unless the Town Board overrides the limitation. See "Tax Levy Limit Law" herein.

The following pages set forth certain details with respect to the indebtedness of the Town.

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Computation of Debt Limit and Calculation of Net Debt Contracting Margin
(As of July 8, 2024)

Fiscal Year Ending <u>December 31:</u>	Assessed <u>Valuation</u>	State Equalization <u>Rate (%)</u>	Full <u>Valuation</u>
2020	\$463,147,320	0.79	\$58,626,243,038
2021	463,693,247	0.77	60,219,902,208
2022	463,934,332	0.74	62,693,828,649
2023	464,404,242	0.62	74,903,910,000
2024	465,768,103	0.54	<u>86,253,352,407</u>
Total Five Year Full Valuation			\$342,697,236,302
Average Five Year Full Valuation			68,539,447,260
Debt Limit - 7% of Average Full Valuation			4,797,761,308
Inclusions:			
Outstanding Bonds:			
Various Purpose Bonds			377,655,000
Open Space Bonds Act of 2004			<u>22,430,000</u>
Sub-Total			400,085,000
Bond Anticipation Notes			<u>0</u>
Total Inclusions			<u>400,085,000</u>
Exclusions:			
Appropriations			<u>18,230,000</u>
Total Exclusions			<u>18,230,000</u>
Total Net Indebtedness			<u>381,855,000</u>
Net Debt Contracting Margin			<u><u>\$4,415,906,308</u></u>
Percent of Debt Limit Exhausted			7.96%

- a. In November 2004, the Town's residents approved a \$100 million bond referendum to acquire open space and parkland. Such authorization was funded by the issuance of the Town's \$100,000,000 Open Space Preservation Serial Bonds – 2007, which were issued on May 1, 2007 and refunded on May 19, 2015. The final maturity is May 1, 2027.

Details of Short-Term Indebtedness Outstanding

As of the date of this Official Statement, the Town has no short-term debt outstanding.

Debt Service Requirements - Outstanding Bonds ^a

Fiscal year Ending December 31:	Principal	Interest	Total
2024	\$60,630,000	\$18,341,537	\$78,971,537
2025	64,180,000	14,339,907	78,519,908
2026	65,660,000	11,569,749	77,229,749
2027	67,360,001	8,674,711	76,034,712
2028	47,090,000	6,223,750	53,313,750
2029	37,030,000	4,532,940	41,562,940
2030	29,110,000	3,333,471	32,443,471
2031	21,635,000	2,333,143	23,968,143
2032	13,910,000	1,579,945	15,489,945
2033	9,170,000	1,147,726	10,317,726
2034	9,215,000	807,844	10,022,844
2035	9,570,000	458,369	10,028,369
2036	3,145,000	230,184	3,375,184
2037	3,245,000	129,334	3,374,334
2038	1,535,000	51,806	1,586,806
Totals	<u>\$442,485,001</u>	<u>\$73,754,419</u>	<u>\$516,239,420</u>

a. Does not include subsidy received from the New York State Environment Facilities Corporation (“EFC”) by the Town on Town Bonds delivered to EFC in connection with the issuance of EFC Bonds on behalf of the Town. Refunded Bonds and the payments made to date in the 2024 fiscal year are also not reflected in the above presentation.

Trend of Town Indebtedness

	Fiscal Year Ending December 31:				
	2019	2020	2021	2022	2023
Debt Outstanding End of Year:					
Bonds	\$493,688,700	\$543,320,000	\$488,320,000	\$430,240,000	\$413,205,000
Open Space Bond Act Bonds	46,920,000	42,025,000	36,880,000	31,470,000	29,280,000
EFC Short Term Loan	-	-	-	-	-
Budget Notes	-	-	-	-	-
Bond Anticipation Notes	-	-	-	-	-
Total Debt Outstanding	<u>\$540,608,700</u>	<u>\$585,345,000</u>	<u>\$525,200,000</u>	<u>\$461,710,000</u>	<u>\$442,485,000</u>

Source: Financial statements of the Town 2019-2023.

Authorized But Unissued Debt

<u>Purpose</u>	<u>Authorized but Unissued</u>
Special District	\$ 10,077,000
Highway	78,303,751
General Purposes	<u>102,927,532</u>
 Totals	 <u><u>\$191,308,283</u></u>

The above authorized but unissued debt projects also include approximately \$77 million in projects that the Town expects to receive a portion of grant reimbursement from various State and federal organizations. The Town does not intend or expect to have to borrow the entire amount authorized for such projects depending on the amount and/or timing of the reimbursement. In addition, on an annual basis, the Town reviews its authorized but unissued list of projects and closes out or rescinds authorizations as it deems necessary. The issuance of the Bonds and Notes will finance \$71.3 million of the net authorized amount.

See also “*Debt Management and Capital Budget Policy*” herein.

Calculation of Estimated Overlapping and Underlying Indebtedness

<u>Overlapping Units</u>	<u>Applicable Total Indebtedness^a</u>	<u>Applicable Exclusions</u>	<u>Applicable Net Indebtedness</u>
County of Suffolk ^b	\$ 271,565,672	\$ 43,689,620	\$ 227,876,052
Villages	24,841,327	0	24,841,327
School Districts ^c	632,645,127	390,941,828	241,703,299
Fire Districts	<u>77,282,901</u>	<u>0</u>	<u>77,282,901</u>
 Totals	 <u><u>\$1,006,335,027</u></u>	 <u><u>\$434,631,448</u></u>	 <u><u>\$571,703,579</u></u>

Sources: Annual Reports of the respective units for the most recently completed fiscal year on file with the Office of the State Comptroller or more recently published Official Statements.

a. Based on applicable respective valuations.

b. Applicable exclusions are comprised of Sewer District Bonds; revenue anticipation notes; tax anticipation notes; Assets on Hand for Debt; and Appropriations.

c. Applicable exclusions are comprised of Estimated State Aid for School Buildings.

Cash Flow Borrowing

The Town has not issued any cash-flow notes over the past several years and does not anticipate any in the foreseeable future.

Debt Ratios

The following table sets forth certain ratios relating to the Town's indebtedness as of the date of this Official Statement.

	<u>Amount</u>	<u>Per Capita^a</u>	<u>Percentage Of Full Value (%)^b</u>
Total Direct Debt	\$ 400,085,000	\$819	0.46
Net Direct Debt	381,855,000	782	0.44
Total Direct & Applicable Total Overlapping Debt	1,406,420,027	2,879	1.63
Net Direct & Applicable Net Overlapping Debt	953,558,579	1,952	1.11

a. The current population of the Town is 488,506 (U.S. Census - 2022).

b. The Town's full value of taxable real property for 2023-24 is \$86,253,352,407.

Dissolution of the Village of Mastic Beach

On November 17, 2016, the residents of the Village of Mastic Beach (“Village”) approved a referendum calling for the dissolution of the Village effective December 31, 2017. Pursuant to Section 790 of the New York State General Municipal Law following the dissolution of the Village, the Town assumed all outstanding debts, liabilities and obligations of the Village.

At the time of the dissolution, the Village had \$765,000 in bonds outstanding from a bond issue originally issued in 2013 to finance the construction of Village Hall. Upon the sale of Village Hall in December, 2017, the Village placed the proceeds of the sale, along with other available funds, in an escrow account to defease the bonds. The escrow agent redeemed the bonds on November 15, 2020.

Effective for the start of the Town’s fiscal year beginning January 1, 2018, the Town, with the approval from the New York State Comptroller’s Office, increased the tax levy in the area of the former Village by the necessary amount to pay for the costs of providing services to the former Village residents. Along with the tax levy, other obligations will be offset by recurring revenues, such as building permit fees, and franchise fees. The Town has earned an annual \$1 million (expected to be received in perpetuity) Citizen Empowerment Tax Credit grant from the State as part of the dissolution.

FINANCES OF THE TOWN

Financial Statements and Accounting Procedures

The Town maintains its financial records in accordance with the Uniform System of Accounts for Towns prescribed by the State Comptroller. The financial records of the Town are audited by independent accountants. The last such audit available for public inspection covers the fiscal year ended December 31, 2023. (Such audit was completed by the firm PKF O’Connor Davies, LLP) and is attached as Appendix B. In addition, the financial affairs of the Town are subject to periodic compliance review by the Office of the State Comptroller to ascertain whether the Town has complied with the requirements of various State and federal statutes. As required by law, the Town also prepares an Annual Financial Report Update Document for submission to the New York State Comptroller. A summary of the operating results for the fiscal years ending 2019-2023 is attached as Appendix A hereto.

Fund Structure and Accounts

The Town utilizes fund accounting to record and report its various service activities. A fund represents both a legal and an accounting entity which segregates the transactions of specific programs in accordance with regulations, restrictions or limitations.

There are three basic fund types: (1) governmental funds that are used to account for basic services and capital projects; (2) proprietary funds that account for operations of a commercial nature; and (3) fiduciary funds that account for assets held in a trustee capacity. Account groups, which do not represent funds, are used to record fixed assets and long-term obligations that are not accounted for in a specific fund.

The Town maintains the following major funds: General Funds, Highway Road Repair, Refuse and Garbage, and Capital Projects Funds. The Town-Wide General Fund is the operating fund of the Town and accounts for general tax revenues, miscellaneous receipts not allocated by law or contractual agreement to other funds, general operating expenses, and fixed charges. The Community Development Fund is used to account for projects financed by grants from the Department of Housing and Urban Development. The Town does not utilize any funds of a proprietary nature. Fiduciary funds consist of the Trust and Agency Fund.

Basis of Accounting

The Town maintains its records and reports on the modified accrual basis of accounting for recording transactions in its Governmental Funds. Under this method, (1) revenues are recorded when received in cash except for revenues which are material and susceptible to accrual (measurable and available to finance the year’s operations) which are recorded when earned, and (2) expenditures, other than retirement plan contributions, vacation and sick pay and accrued interest on bond anticipation notes and general long-term debt, and recorded at the time liabilities are incurred.

Investment Policy

Pursuant to the statutes of the State of New York and its adopted Investment Policy, the Town is permitted to temporarily invest moneys which are not required for immediate expenditures, with the exception of moneys the investment of which is otherwise provided for by law, in the following investments: (1) special time deposit accounts in, or certificates of deposit issued by a bank or trust company located and authorized to do business in the State, provided however, that such time deposit account or certificate of deposit is payable within such time as the proceeds shall be needed to meet the expenditures for which such moneys were obtained and provided further that such time deposit account or certificate of deposit, in excess of the amount insured under the Federal Deposit Insurance Act, be secured

by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (4) obligations of the State of New York; or (5) in the case of moneys held in certain reserve funds established by the Town pursuant to law, in obligations of the Town. Any investments made by the Town pursuant to law are required to be payable or redeemable at the option of the Town within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the owner, within two years of the date of purchase. These statutes also require that the Town's investments, unless registered or inscribed in the name of the Town, must be purchased through, delivered to and held in custody of a bank or trust company in the State. All such investments held in the custody of a bank or trust company must be held pursuant to a written custodial agreement as that term is defined in the law.

Collateral is required for demand deposit, money market accounts and certificates of deposit not covered by federal deposit insurance and the eligible securities utilized for such collateral must be held by a third party financial institution, pursuant to security and custodial agreements. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of New York State and its municipalities and school districts.

The Town maintains a list of financial institutions and dealers approved for investment purposes. All financial institutions with which the Town conducts business must be credit worthy. Banks are required to provide their most recent Consolidated Report of Condition (Call Report) at the request of the Town. Security dealers not affiliated with a bank are required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers. The chief fiscal officer is responsible for evaluating the financial position and maintaining a listing of proposed depositories, trading partners and custodians. Such listing shall be evaluated at least annually.

The chief fiscal officer is authorized to contract for the purpose of investments: (1) by participation in a cooperative investment program with another authorized governmental entity pursuant to Article 5G of the General Municipal Law where such program meets all the requirements set forth in the Office of the State Comptroller Opinion No. 88-46, and the specific program has been authorized by the governing board; and (2) by utilizing an ongoing investment program with an authorized trading partner pursuant to a contract authorized by the governing board.

All purchased obligations, unless registered or inscribed in the name of the Town, shall be purchased through, delivered to and held in the custody of a bank or trust company. Such obligations shall be purchased, sold or presented for redemption or payment by such bank or trust company only in accordance with prior written authorization from the officer authorized to make the investment. All such transactions shall be confirmed in writing to the Town by the bank or trust company. Any obligation held in the custody of a bank or trust company shall be held pursuant to a written custodial agreement as described in General Municipal Law, §10.

The custodial agreement shall provide that securities held by the bank or trust company, as agent of and custodian for, the Town, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The agreement shall describe how the custodian shall confirm the receipt and release of the securities. Such agreement shall include all provisions necessary to provide the Town a perfected interest in the securities.

Financial Operations

The Supervisor functions as the chief fiscal officer as provided in Section 2.00 of the Local Finance Law; in this role, the Supervisor is responsible for the Town's accounting and financial reporting activities, which are delegated to and carried out by the Commissioner of Finance. In addition, the Supervisor serves as the Budget Officer and, with the assistance of the Commissioner of Finance, prepares the annual tentative budget for submission to the Town Board. Budgetary compliance during the year is the responsibility of the Commissioner of Finance.

The Town Board, as a whole, serves as the finance board of the Town and is responsible for authorizing, by resolution, all material financial transactions such as operating and capital budgets and bonded debt. Pursuant to Section 30.00 of the Local Finance Law, the Supervisor has been authorized to issue or renew certain specific types of bonds or notes. As required by law, the Supervisor must execute an authorizing certificate which then becomes a matter of public record.

Town finances are operated primarily through the Town-Wide and Part-Town General and Highway Funds. All real property taxes and most of the other Town revenues are credited to these funds. Current operating expenditures are paid from these funds subject to available appropriations. The Town also has various special districts, which are accounted for within separate funds. The primary sources of income for these districts comes from special assessments levied against district properties at the same time real estate taxes are levied. Capital projects, machinery and equipment, roads, drainage, parks and land purchases are accounted for in special capital projects funds until recognized as an asset of the Town. The Town observes a calendar year (January 1 through December 31) for operating and reporting purposes.

The State Comptroller’s Fiscal Stress Monitoring System and Audit

The New York State Comptroller has reported that New York State’s school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System (“FSMS”) to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State’s school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district’s ST-3 report filed with the State Education Department annually, and each municipality’s annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in “significant fiscal stress”, in “moderate fiscal stress,” as “susceptible to fiscal stress” or “no designation”. Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of “no designation.” This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity’s financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The most current applicable report of the State Comptroller designates the Town as “No Designation”. (Fiscal Score: 0.0%). The Fiscal Score for the fiscal year ending 2022 was 1.7% and the Fiscal Score for the fiscal year ending 2021 was 3.3%.

See the State Comptroller’s official website for more information on FSMS. Reference to this website implies no warranty of accuracy of information therein.

In addition, the Office of the State Comptroller helps local government officials manage government resources efficiently and effectively. The Comptroller oversees the fiscal affairs of local governments statewide, as well as compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through its audits, which identify opportunities for improving operations and governance. The most recent audit performed was released in September, 2019. The Town was included in the audit of five towns throughout Nassau and Suffolk Counties. The objective of the audit was to determine whether the Town Assessor properly administered school real property exemptions. Such audit reviewed the period December 1, 2017 through November 30, 2018. The complete report may be found on the State Comptroller’s official website. Reference to this website implies no warranty of accuracy of information therein.

2019-2023 General Fund Results of Operations

The results of financial operations in the General Fund showing the total revenues and expenditures including transfers are set forth below.

	Fiscal Year Ending December 31:				
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Revenues	\$132,534,481	\$130,818,954	\$160,893,714	\$156,718,286	\$154,848,212
Expenditures	131,039,423	123,931,292	157,279,739	151,774,368	153,650,753
Operating Surplus (Deficit)	1,495,058	6,887,662	3,613,975	4,943,918	1,197,459
Fund Balance Beginning of the Year	69,508,061	71,003,119	78,553,218	82,167,193	87,111,111
Adjustments		662,437			
Fund Balance End of the Year	<u>\$71,003,119</u>	<u>\$78,553,218</u>	<u>\$82,167,193</u>	<u>\$87,111,111</u>	<u>\$88,308,570</u>

In 2020, the Town adjusted its fund balance due to the implementation of GASB 84.
Source: Audited Financial Statements of the Town (2018-2022)

Fund Balance Policies and Reserves

The Town Board maintains fund balance policies for the Town-Wide General Fund (25%), the Part Town Fund (20%), the Highway Fund (10%), the Part Town Highway Fund (10%), and Special Districts (7%). Such percentages represent the total overall fund balance as a percentage of budgeted expenditures. In the event of an emergency or if a need were to occur that necessitated the appropriation of funds that would result in reducing the total fund balance in any of the Funds below the threshold, a resolution of the Town Board is required to approve such appropriation. In addition, after such appropriation, the Town would begin the process of reducing expenditures or raising revenues during the current or ensuing fiscal years to restore the total fund balance in the Funds to at least a minimum percentage of operating expenditures.

The Town was in compliance with its fund balance policies in all Funds at the end of fiscal year 2023.

The Town has established several reserves for specific purposes including a Post Closure Landfill Reserve, Snow Removal Reserve, and an Environmental Preservation Open Space Fund to fund future capital needs. The Post Closure Landfill Reserve had a balance of \$24.7 million as of December 21, 2023.

In addition, the Town has a Debt Reserve Fund. The Town is required to set aside premium earned or excess bond proceeds from completed capital projects to help offset interest cost and or annual debt service in the ensuing years. As of December 31, 2023, the Town had \$17.9 million in its Debt Reserve, of which \$1.9 million is dedicated to the Town's Landfill Debt.

Budgetary Procedure

Each year the Supervisor is responsible for preparing a tentative budget. The Supervisor holds several meetings with the Commissioner of Finance, the Town Board Members, and Department Heads in preparing the tentative budget. The Supervisor then presents his tentative budget to the Town Clerk by September 30th each year. The Town Clerk presents the Supervisor's tentative budget to the Town Board by October 5th. The Town Board may accept the Supervisor's tentative budget and adopt it as the Town's preliminary budget or make revisions to the Supervisor's tentative budget before adopting a preliminary budget for the Town. The Town Board will convene a public hearing on or before the Thursday immediately following the general election where it will take comments on the Town's preliminary budget. Revisions may be made to the Town's preliminary budget as a result of the public hearing. A final version of the preliminary budget is then prepared by the Town Board and adopted as the final budget by November 20th each year. The budget is not subject to referendum.

Operating Budget Limitations

On November 2, 2010, a majority of the voters of the Town approved a local law to limit the operating budget expenditures. The total dollar amount of expenditures in the annual adopted budget for the Town-wide General Fund shall not increase above the total dollar amount of expenditures in the most recent adopted operating budget for the Town-wide General Fund by more than the three-year average of revenue growth rate plus the three-year average population growth rate for the three previous completed fiscal years. When the calculated growth rate is less than zero percent, adopted expenditures shall not exceed expenditures in the most recent adopted budget.

Notwithstanding the provisions of the local law, the Town Board may provide for an increase in spending in the Town-Wide General Fund in excess of the amount defined by a vote of three-fourths of the Town Board.

Property Tax Revenue Limitation

On November 2, 2010, a majority of the voters of the Town approved a local law limiting property tax rates in the subsequent years. Pursuant to the local law, the Town Board shall not increase property taxes from the previous year in any amount that would increase the total property tax rate by more than four (4%) percent over the previous year for Town budget purposes including in the Town-Wide General Fund and the Part-Town General Fund, except for special and improvement district expenditures, including but not limited to water, streetlight, sewer, park, fire protection, ambulance, special road improvements and other similar special and improvement district purposes.

The Town Board may provide for an increase in the property tax rate in excess of four (4%) percent limitation by an affirmative vote of a supermajority of the Town Board. As discussed in the section entitled "*Tax Levy Limit Law*," Chapter 97 of the Laws of 2011 was enacted on June 24, 2011, which imposes a limitation on the tax levy growth of municipalities, including the Town, school districts and fire districts in the State. In addition to its local law, the Town is subject to Chapter 97 and the limitations imposed by the Tax Levy Limit Law. (See "*Tax Levy Limit Law*" herein).

The CARES Act

The Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act, was signed into Law by President Trump on March 27, 2020. The Town of Brookhaven did not qualify for any direct allocation of funds as the Town's population was just below the 500,000 threshold, and Suffolk County did not reallocate any of its funding to any municipalities in the County. However, the Town did receive CARES Act funding through its HUD Grant programs as a reimbursable allocation.

The Town received its first CARES Act allocation from HUD on June 11, 2020 for three Grant programs, and an increase in CARES Act allocations for two of the programs on December 15, 2020. The total CARES Act allocations received by the Town from HUD are as follows:

Community Development Block Grant Program (CDBG)	\$4,594,315
Emergency Solutions Grant (ESG)	\$2,733,588
Housing Opportunities for Persons with AIDS (HOPWA)	\$316,249

As of the date of this Official Statement, the Town has spent approximately \$7.5 million of such amount.

The American Rescue Plan Act

On March 11, 2021, President Biden signed into law the American Rescue Plan Act of 2021 (“ARPA”). ARPA is a \$1.9 trillion COVID-19 relief package that includes \$350 billion to state, local and territorial governments to keep their frontline workers employed, distribute the vaccine, increase testing, reopen schools and maintain vital services. ARPA also includes an additional \$1,400 payment to eligible individuals and families, enhanced unemployment aid, rental and utility assistance to low- and moderate-income households, an increase in food stamp benefits, additional funding for child care and an increase in child care tax credits.

The Town was allocated \$55.0 million in direct aid through ARPA and received 50% of its allocation on June 1, 2021 and received the remaining 50% in 2022. According to the U.S. Treasury Final Rule, the Town must obligate all \$55.0 million of the funds by December 31, 2024 and expend them by December 31, 2026.

The Town completed the 2021 Recovery Plan Performance Report on August 31, 2021, and updated that report which was filed with the U.S. Treasury on July 22, 2022, and updated again and filed on July 31, 2023. The Town Board focused on certain expenditure categories as part of the first allocation of \$27.5 million: Public Health, Services to Disproportionately Impacted Communities, Water and Sewer Infrastructure Improvements, and Provision of Government Services (Revenue Replacement). All project allocations were made via Resolution and unanimously approved by the Town Board.

The Town completed the Treasury Report for the Project and Expenditures as of March 2024 in April 2024. As reported in the April 2024 report, the Town Board has allocated \$52.5 million to 72 different projects, of which \$46.68 million has been obligated, and \$31.25 million spent. Most of the Town’s ARPA projects are for various critical infrastructure projects targeted to the Low-to-Moderate income areas of the Town. They include water quality improvements, sewer improvements, and roads and sidewalks.

The Emergency Rental Assistance Program

The Town received a direct allocation from the U.S. Treasury Department for the Emergency Rental Assistance Program, authorized by the Consolidated Appropriations Act of 2021 enacted December 27, 2020 in the amount of \$14.3 million (ERA1). A second direct Emergency Rental Assistance Program allocation from the U.S. Treasury Department to the Town was authorized by the American Rescue Plan Act of 2021, in the amount of \$14.9 million (ERA2), for a total of \$29.2 million.

The Town redirected both the ERA1 and ERA2 monies to New York State to administer the program on behalf of Brookhaven residents, and all the available monies have been fully subscribed and subsidized by the State, for total Emergency Rental Assistance payments for Town of Brookhaven residents of \$52.0 million.

Summary of 2023 Town Budget

The 2023 Tentative Operating Budget complies with the New York State Property Tax Levy Cap for fiscal year 2023, as well as the Town’s Tax Rate and Debt Management Cap for the General Fund.

All major tax districts are structurally balanced in the 2023 Tentative Operating Budget, and no fund balance is utilized to balance the budget for the seven major tax districts for the fifth year in a row. The total property tax levy increase for all the seven major tax districts is 1.92%.

The 2023 Tentative Operating Budget assumes a continuation of the current economic environment, with tight labor markets, higher than normal inflation, and increasing interest rates. However, financial flexibility has been built in to sustain a downturn in the economy should that occur.

The combination of staffing increases, promotions, and cost of living increases included in the Collective Bargaining Agreements represents a total budgetary increase of \$3.1 million in 2023, in total employee compensation across all Tax Districts, versus the 2022 Adopted Budget, or 4.07%. The resultant increase in the related total employee benefit costs is \$3.2 million, or 5.35%, for a total increase in 2023 for employee costs of \$6.3 million, or 4.61%.

Commodity prices escalated in 2022 in areas such as building materials, asphalt, fuel, and general supplies, all of which have been incorporated into the 2023 contractual expenditures budgets. Total contractual spending in the 2023 Tentative Budget for all Tax Districts is \$112.8 million, or \$6.7 million higher than the 2022 Adopted Operating Budget. This represents an increase of 6.33% in one year, compared to an average increase of 2.5% in the recent past for the Major Operating Tax Districts.

While the 2023 Tentative Operating Budget assumes cost of living increases for several of the fees, excluding mortgage tax receipts and FEMA reimbursements, the 2023 estimated departmental revenues are less than the estimated 2022 revenues by approximately \$6.0 million, or 5.0%.

Summary of 2023 Town Budget

<u>Fund</u>	<u>Appropriations</u>	<u>Non-Property Tax Revenues</u>	<u>Less: Application of Surplus</u>	<u>2023 Property Taxes</u>
General - Town Wide	\$140,657,597	\$112,072,597	\$ 0	\$ 28,585,000
Highway - Town Wide	8,562,693	340,700	0	8,221,993
Total Full Town Funds	149,220,290	112,413,297	0	36,806,993
General - Part Town	26,245,754	18,287,596	0	7,958,158
Highway - Part Town	66,427,377	2,359,205	0	64,068,172
Street Lighting	5,399,809	113,697	0	5,286,112
Refuse & Recycle	48,294,964	1,736,100	0	46,558,864
Total Outside Village Tax Districts	146,367,904	22,496,598	0	123,871,306
Total Major Tax District	295,588,194	134,909,895	0	160,678,299
Open Space - Town Wide	10,685,484	155,500	0	10,529,984
Other Special Districts & Airport	23,691,948	1,826,466	464,414	21,401,068
Total Special Tax Districts	34,377,432	1,981,966	464,414	31,931,052
Total Tax Districts	\$329,965,626	\$136,891,861	\$464,414	\$192,609,351

Source: Adopted Budget of the Town - 2023.

Summary of 2024 Town Budget

The 2024 Operating Budget complies with the New York State Property Tax Levy Cap for fiscal year 2024, as well as the Town's Tax Rate and Debt Management Cap for the General Fund. All major tax districts are structurally balanced as no fund balance is utilized to balance the budget for the seven major tax districts for the sixth year in a row.

The 2024 Operating Budget continues all constituent services, is conservative in its revenue projections and contractual spending estimates, fully funds rising employee costs without reducing staffing, and preserves fund balance level in the major Tax Districts.

Fiscal year 2023 saw a further stabilization of prices. Planning and Building revenues remain strong in 2023 and are anticipated to continue into 2024. However, landfill operations have been impacted negatively due to the impending closure, with declining volumes as customers find alternatives for the disposal of construction and debris. The 2024 Operating Budget plans for the trend to continue with lower budgetary estimates than 2023. Mortgage tax receipts are significantly less than the prior two years, but on target with the 2023 estimates.

Rising interest rates and prudent investment strategies have yielded higher than planned interest income in 2023, which have more than offset the revenue shortfalls Townwide. The 2024 Operating Budget assumes interest rates will remain constant in the first half of the year and plans for a decline in interest rates in the second half. The enhanced interest income contributes to the Town's ability to stay below the 2.0% Tax Levy Cap in the wake of lower landfill fees.

The Town has completed negotiations for the three major Collective Bargaining Agreements, allowing for more certain estimates in 2024 for employee salary increases. Townwide, the increase in employee salaries is 5.4%. The higher percentage increase is related to incremental increase due to advancement, additional employees, and an increase to the New York State Minimum Wage in 2024. NYS retirement contribution estimates have been provided by the State Comptroller’s Office and contribution rates will increase as a percentage of salary from 13.2% to 14.9% on average in 2024, or a 12.2% increase. Total contractual spending in the 2024 Operating Budget Townwide is relatively flat due to cost reductions at the Landfill related to volume reductions and lower estimates for the cost of snow removal. Unspent budgets over the past five years have increased the Snow Removal Reserves in the Highway Funds to \$9.7 million and can be utilized should weather patterns change and there is significant snowfall during 2024.

Summary of 2024 Town Budget

Fund	Appropriations	Non-Property Tax Revenues	Less: Application of Surplus	2024 Property Taxes
General - Town Wide	\$ 139,960,039	\$ 108,333,799	\$ -	\$ 31,626,240
Highway - Town Wide	8,961,220	627,700		8,333,520
Total Full Town Funds	148,921,259	108,961,499	0	39,959,760
General - Part Town	27,588,804	18,837,632		8,751,172
Highway - Part Town	69,105,536	3,998,750		65,106,786
Street Lighting	5,689,001	298,197		5,390,804
Refuse & Recycle	48,734,213	1,453,788		47,280,425
Total Outside Village Tax Districts	151,117,554	24,588,367	0	126,529,187
Total Major Tax District	300,038,813	133,549,866	0	166,488,947
Open Space - Town Wide	10,935,921	224,000		10,711,921
Other Special Districts & Airport	26,416,258	6,079,749	565,042	19,771,467
Total Special Tax Districts	37,352,179	6,303,749	565,042	30,483,388
Total Tax Districts	\$ 337,390,992	\$ 139,853,615	\$ 565,042	\$ 196,972,335

Source: Adopted Budget of the Town - 2024.

Capital Plans and Budgeting

The Town is responsible for providing constituent services on a Town-wide basis. The villages, which comprise approximately 5% of the total area of the Town, are primarily responsible for certain capital needs within their respective corporate boundaries.

The Town maintains a road system outside of the villages consisting of approximately 3,337 lane miles. The road system requires regular road resurfacing, full depth reclamation, drainage, traffic safety enhancements, street lighting and traffic signals, sweeping, along with the condemnation of land for drainage purposes and acquisition of machinery and equipment therefor. The Town continues to acquire land for the purpose of preserving open space (See “*Development and Economic Activity*” herein). The Town is also responsible for the financing and construction of road and storm water surface drainage improvements outside of the villages.

In addition, the Town regularly builds new cells and caps existing cells at the Brookhaven Town Solid Waste Management Facility (the “Landfill”), and purchases machinery and equipment therefor, improves Town buildings and other facilities, and acquires and improves parks, marinas, and recreational facilities.

In general, the need for capital funding for the above described projects is anticipated to continue and to be in amounts substantially the same as in the past for the next few years. Bond authorizations for such projects are not anticipated to be substantially different than have generally prevailed in the past. (See also “*Debt Management and Capital Budget Policy*” herein).

The Town does not provide capital financing for water facilities since the Suffolk County Water Authority and the County maintain primary responsibility for these structures. The Town is responsible for two Sewer Districts that are fully built, and there are no plans for new districts at this time. Developers have generally been required to construct sewer treatment plants or connections as a condition to subdivision approval.

The Town annually adopts a multi-year capital plan to prioritize capital needs and resources to ensure that key assets are replaced, improved or upgraded in a timely manner.

The proposed estimated borrowing needs over the next several years are stated below. The Town intends to continue to apply for grant funding to supplement the costs for much of the proposed public improvement projects. In addition, capital projects may be authorized after the adoption of the capital plan to reflect changing needs, priorities and funding opportunities. Therefore, the amounts stated below are not necessarily the amounts that will ultimately be borrowed.

Adopted Capital Budget Summary 2024-2028 ^a

	Fiscal Year Ending December 31:				
	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
General Services	\$470,000	\$500,000	\$500,000	\$400,000	\$400,000
Information Technology	240,000	150,000	75,000	75,000	75,000
Parks, Sports & Recreation	5,250,000	9,225,000	3,100,000	1,300,000	1,300,000
Planning Building & Environmental	875,000	500,000	1,000,000		
Public Information	125,000				
Public Safety	1,075,000	225,000	225,000	225,000	225,000
Town Attorney	1,500,000	1,200,000	1,200,000	1,200,000	1,200,000
Town Hall Improvements	1,485,000	460,000	840,000	1,850,000	270,000
Waste Management	5,625,000	1,650,000	2,250,000	500,000	10,400,000
Highway Part-Town	25,525,000	27,875,000	17,600,000	17,500,000	17,500,000
Highway Town-Wide	850,000	850,000	850,000	850,000	850,000
Street Lighting	2,225,000	1,875,000	1,450,000	1,450,000	1,450,000
Open Space Acquisitions	4,000,000	2,500,000	2,500,000	2,500,000	2,500,000
Special Districts	500,000				
Total Borrowing Estimate	<u>\$49,745,000</u>	<u>\$47,010,000</u>	<u>\$31,590,000</u>	<u>\$27,850,000</u>	<u>\$36,170,000</u>

a. Does not include authorizations from previous years that may be financed through the issuance of bonds.

Revenues

The Town receives most of its revenues from real property taxes, departmental charges for services and tipping fees from the Town Landfill. A summary of such revenues and other financing sources for the five most recently completed fiscal years may be found in the Statements of Revenues, Expenditures and Changes in Fund Balance in Appendix A hereto.

Real Property Taxes

See "Real Property Tax Information", herein.

Recycling and Sustainable Materials Management

Brookhaven Landfill. The Landfill operates under a New York State Department of Environmental Conservation (NYSDEC) Permit. The Landfill accepts processed construction and demolition (C&D) debris, alternate operating cover (AOC) and ash from resource recovery facilities.

Annually, the Town receives approximately 350,000 tons of ash from three area resource recovery facilities. On January 1, 2015, the Town amended and renegotiated its “Ash for Trash” agreement with Covanta Hempstead. Brookhaven’s residential municipal solid waste, approximately 220,000 tons per year, is transferred to Covanta Hempstead for processing and in return, Covanta Hempstead sends its ash, approximately 210,000 tons per year, to the Brookhaven Landfill for disposal. On October 28, 2018 the Town reached an agreement under which Covanta Hempstead will deliver Huntington & Smithtown’s ash, approximately 82,000 tons per year, to the Brookhaven Landfill. The Covanta agreement expires December 31, 2024. In addition, the Town has an Inter-Municipal Agreement (IMA) with the Town of Islip for approximately 60,000 tons of ash per year. The Islip IMA expires December 31, 2024. The Town also has IMAs pertaining to Ash for Trash and Ash Disposal with the Villages of Patchogue and Lake Grove.

Approximately fifteen NYSDEC permitted C&D processing facilities are approved and have been approved to utilize the Brookhaven Landfill in 2024. These facilities collectively are anticipated to deliver approximately 245,000 tons of processed C&D debris and 125,000 tons of AOC in 2024. Due to the Landfill's airspace limitations, the Town anticipates it will cease accepting the majority C&D and AOC on or about December 31, 2024. Any loss in revenues is expected to be replaced with an increase in property taxes.

Presently, the Town is actively filling Cell 6 Phases XI and XII. Cell 6 Phase XIII, which is the Landfill’s final Cell Phase, is complete and certified by NYSDEC. The Town anticipates beginning to fill this phase in the second quarter of 2024. Inclusive of the anticipated airspace from Cell 6 Phase XIII, as of January 4, 2024, the landfill has an estimated 2.05 million cubic yards of capacity remaining. It is expected the remaining capacity will be exhausted by the beginning of 2028.

To better manage leachate and gas generation, the Town has had the long-standing practice of capping cells (or phases) as they reach capacity. All 95 acres of Cells 1-4 have been capped since 1998, all 53.7 acres of Cell 5 have been capped. Cell 6, in its entirety, has a footprint of approximately 116 acres. To date, approximately 41 acres have been capped in accordance with NYSDEC rules and regulations with an additional 23 acres planned to be capped between July 2024 and November 2024; leaving approximately 50 acres to be capped once final contour grades are achieved.

The Town entered into a consent order with the United States Environmental Protection Agency and agreed to a number of items including submission of a new Title V air permit, various additional Landfill gas monitoring, and the construction of a new enclosed ground flare.

Pursuant to the consent order the Town purchased and installed a new enclosed ground flare at a cost of \$3.1 million, which replaced the 25-year-old ground flare. The new ground flare commenced operation on January 8, 2021. This new flare embraces the best available technology for landfill emissions control.

Material Recycling Facility (MRF). On October 1, 2019, the Town and Winters Bros. Brookhaven MRF LLC (“Winters Bros”) entered into a ten-year management agreement to operate, manage and maintain the Material Recovery Facility at the Town Solid Waste Management Facility in Brookhaven. The Town pays the vendor a target facility revenue, for receipt and management of all recyclable materials collected from the Brookhaven Waste District, both fiber and commingled recyclables, and receives offsets to the operational costs thru the actual commodity rate pricing of the recovered materials. The stable pricing is determined by the previous year’s average commodity pricing, and the projected operational expenses. The current year reconciliation is achieved thru comparison of actual commodity pricing compared to the Target average commodity pricing of the current year. Reconciliation of the commodity pricing is conducted on a quarterly basis (8th Amendment).

The Town pays an operating fee to Winters Bros. with a deduction from that fee coming from a share of the recycling revenues. The Seventh Amendment called for Winters Bros. to make an upfront payment of \$700,000 with seven (7) additional, \$100,000 payments to be made over the next seven years. The initial \$700,000 payment was made in the spring of 2020 and the fifth of the seven (7) \$100,000 payments posted on January of 2024. In April of 2024, the contract was amended again to allow for recycling residue disposal fee of \$45/ton to be charged for residue in excess of 15% of the recyclable material.

Despite continued volatility in the recycling market, in fiscal year 2022, the Town's dual stream recycling program had net revenues of approximately \$730,000. In 2023, the recycling market continued to decline with a net cost of \$388,561. In 2024, the net cost is forecasted to be \$340,000.

State Aid

The Town receives a portion of its General Fund Budget from the State predominantly through mortgage recording taxes. The State imposes a tax for recording a mortgage on real property located with the State. The mortgage recording tax includes a basic tax of \$0.50 per \$100 of mortgage principal, with additional taxes of \$0.25 to \$1.25 per \$100 of mortgage principal based on certain conditions.

Based on the audited financial statements of the Town for fiscal year ending 2022, the Town received approximately 15.56% of its total General Fund operating revenue from State aid in 2022. There is no assurance, however, that State appropriations for aid to municipalities will continue, either pursuant to existing formulas or in any form whatsoever.

Although the Town cannot predict at this time whether there will be any delays and/or reductions in State aid in the current year or in future fiscal years or whether there will be other monies made available to pay State aid in future years, the Town may be able to mitigate the impact of any delays or reductions by reducing expenditures, increasing revenues appropriating other available funds on hand, and/or by any combination of the foregoing.

The following table sets forth the percentage of the Town’s General Fund revenue (including transfers) comprised of State aid for each of the fiscal years 2019 through 2023.

Fiscal Year Ending <u>December 31:</u>	General Fund <u>Total Revenue</u>	<u>State Aid</u>	State Aid To <u>Revenues (%)</u>
2019	\$132,522,753	\$16,338,127	12.33
2020	129,586,922	22,450,808	17.32
2021	160,809,024	28,405,143	17.66
2022	156,718,286	24,392,638	15.56
2023 (Unaudited)	152,411,083	18,069,203	11.86

Source: Town’s audited financial statements.

Expenditures

Based on the Annual Financial Reports of the Town, the major categories of expenditure in the General Fund are General Government Support, Public Safety, Culture and Recreation, Home and Community Services and Employee Benefits. A summary of the expenditures for the five most recently completed fiscal years may be found in Appendix A - Financial Statements.

Pension Systems

Substantially all employees of the Town are members of the New York State and Local Employees’ Retirement System (“ERS”) or the New York State and Local Police and Fire Retirement System (“PFRS” and together with ERS, the “NYS Retirement System”), cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefit to employees are governed by the State Retirement System and Social Security Law (the “Retirement System Law”). The NYS Retirement System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts, which are collected through annual billings to all participating employers. Generally, all full-time employees participate in the NYS Retirement System. ERS is non-contributory with respect to members hired prior to July 27, 1976. All ERS members hired on or after July 27, 1976, with less than ten years’ experience, must contribute 3% of gross annual salary toward the cost of retirement programs. The PFRS is non-contributory for all police and fire fighters.

Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the NYS Retirement System in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% to 20% (percentage dependent on tier) of payroll for the ERS and PFRS, respectively. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments.

The investment of monies, and assumptions underlying same, of the NYS Retirement System covering the Town’s employees is not subject to the direction of the Town. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the NYS Retirement System (“UAALs”). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment returns and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the Town, which could affect other budgetary matters. Concerned investors should contact the NYS Retirement System administrative staff for further information on the latest actuarial valuations of the NYS Retirement System.

In the event that there are capital market declines in the future, the State's Retirement System portfolio may experience negative investment performance and downward trends in market earnings. As a result of the foregoing, the employer contribution rate for the State's Retirement System in future years may be higher than the minimum contribution rate established under applicable law. Since 2010, various forms of legislation have been enacted to allow local governments and school districts the option of amortizing required contributions to the NYS Retirement System. However, although these options reduce near term payments, it may require higher than normal contributions in later years.

As of December 31, 2023, the Town does not have any amortized amounts due to the NYS Retirement System, nor does it expect to amortize any payments for the foreseeable future.

Required Contributions to the NYS Retirement System

The following table sets forth the Town's payments to the NYS Retirement System for the last five years, and 2024 (Estimated):

Fiscal Year Ending <u>December 31:</u>	Employees' NYS Retirement <u>System Contribution</u>
2019	\$ 9,949,117
2020	9,981,478
2021	10,563,883
2022	9,331,148
2023	9,396,519
2024 (Estimate)	11,805,386

The Governmental Accounting Standards Board ("GASB") Statement No. 68, Accounting and Financial Reporting for Pensions ("GASB 68") revised and established new financial reporting requirements for the Town beginning with its fiscal year ended December 31, 2015.

GASB 68 requires the Town to recognize its long-term obligation for its share of State pension benefits as a liability and to more comprehensively and comparably measure the annual costs of its share of State pension benefits. As of December 31, 2022, the Town's net pension liability/(asset) was (\$19,920,527).

For additional information on GASB 68, please reference the Town's audited financial statements for the fiscal year ended December 31, 2023 attached as Appendix B.

Other Post Employment Benefits

The Town provides post-retirement healthcare benefits to various categories of former employees. These costs may rise substantially in the future. School districts and Boards of Cooperative Education Services, unlike other municipal units of government in the State, have been prohibited from reducing retiree health benefits or increasing health care contributions received or paid by retirees below the level of benefits or contributions afforded to or required from active employees. This protection from unilateral reduction of benefits had been extended annually by the New York State Legislature until recently when legislation was enacted to make permanent these health insurance benefit protections for retirees. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of the date hereof. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

GASB Statement No. 75 ("GASB 75") of the Governmental Accounting Standards Board ("GASB"), requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other post-employment benefits ("OPEB"). GASB 75 generally requires that employers account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Under previous rules, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements. Only current payments to existing retirees were recorded as an expense.

GASB 75 requires that state and local governments adopt the actuarial methodologies to determine annual OPEB costs. Annual OPEB costs for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due.

During the year ended December 31, 2018, the Town adopted GASB 75, which supersedes and eliminates GASB 45. Under GASB 45, based on actuarial valuation, an annual required contribution ("ARC") will be determined for each state or local government. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

GASB 75 establishes new standards for recognizing and measuring OPEB liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures to provide more transparent reporting and useful information about the liability and cost of benefits. Municipalities and school districts are required to account for OPEB within the financial statements rather than only noted in the footnotes as previously required by GASB 45. It is measured as of a date no earlier than the end of the employer’s prior fiscal year and no later than the employer’s current fiscal year. The discount rate is based on 20-year, tax exempt general obligation municipal bonds. There is no amortization of prior service cost.

Those that have more than 200 participants are required to have a full actuarial valuation annually. Plans with fewer than 200 participants are required to have a full valuation every two years.

The implementation of GASB 75 resulted in the reporting of the entire actuarial accrued liability for other post-employment benefits. Based on the report prepared by USI Consulting for the Town, the Town’s total OPEB liability at December 31, 2023 is as follows:

Total OPEB Liability at Dec 31, 2022	<u>\$475,411,546</u>
Charges for the Year:	
Service Cost	12,681,936
Interest	15,678,535
Changes of Benefit Terms	0
Differences Between Expected and Actual Experience	(74,013,421)
Changes in Assumptions or Other Inputs	46,979,172
Benefit Payments	<u>(14,070,682)</u>
Net Changes	<u>(12,744,460)</u>
Total OPEB Liability at Dec 31, 2023	<u><u>\$462,667,086</u></u>

Actuarial valuation will be required every 2 years for OPEB plans with more than 200 members and every 3 years if there are less than 200 members.

At this time, New York State has not developed a legal framework or guidelines for the creation and use of irrevocable trusts for the funding of OPEB. As a result, the Town had decided to continue funding the expenditure on a pay-as-you-go basis.

REAL PROPERTY TAX INFORMATION

Real Property Taxes

The following table sets forth the percentage of the Town’s revenue for each of the fiscal years 2019 through 2023 and as budgeted for 2024.

The Town derives a portion of its revenues from a tax on real property (see “*Statement of Revenues, Expenditures and Changes in Fund Balance*” in Appendix A, herein.). On June 24, 2011, the Tax Levy Limit Law was enacted, which imposes a tax levy limitation upon the municipalities, school districts and fire districts in the State, including the Town, without providing an exclusion for debt service on obligations issued by municipalities and fire districts, including the Town. The Tax Levy Limit Law could require the Town to find alternative revenue sources, reduce expenditures or both to provide funds to pay debt service. (See “*Tax Levy Limit Law*” herein).

Fiscal Year Ending <u>December 31:</u>	<u>Total Revenue</u> ^a	Real Property <u>Taxes</u> ^a	Real Property <u>Taxes to Revenues (%)</u>
2019	\$282,148,131	\$148,215,602	52.53
2020	274,745,673	150,028,798	54.61
2021	316,545,778	153,642,638	48.54
2022	312,548,930	157,468,374	50.38
2023 (Unaudited)	317,268,714	160,685,135	50.65
2024 (Budgeted)	300,038,813	166,488,947	55.49

a. The amounts above include the following funds: General Town-Wide, General Town Outside Villages, Highway Full Town, Highway Part Town, Refuse & Garbage and Street Lighting. Special District Funds are not included in the above table. See also “Dissolution of the Village of Mastic Beach” herein.

Source: Town’s audited financial statements (2019-2023) and Town’s budgets (2024).

Tax Collection Procedure

The Town, the County, and the school districts and the fire districts located in the Town, each prepare their own budgets and notify the Town as to the amount of taxes to levy for each respective unit. The Town also prepares the budgets and levies and collects the taxes for special districts in the Town other than fire districts. The Town Receiver of Taxes (the "Town Receiver") collects all real estate taxes for the Town (including its special districts), the County, school districts and fire districts on a single tax bill. Real property tax payments are payable in two equal installments. The first portion is due December 1 of the year preceding the year for which the same is levied but it is payable without penalty until January 10. The second portion is payable May 10, and is payable without penalty until May 31. After May 31, all taxes must be paid to the County Treasurer with a 5% penalty charge and interest at the rate of 1% per month from February 1.

The Town Receiver distributes the collected tax money first to the Town (including its special districts), school districts and fire districts. Any balance remaining after the Town (including its special districts), school districts and fire districts have received their tax revenues in full is distributed to the County. On June 1 of each year the Town Receiver turns over uncollected items to the County Treasurer who continues the collection of such items. Responsibility for the collection of unpaid taxes rests with the County. As a result, as long as uncollected taxes as of June 1 are less than the County's share of the total taxes, the Town is assured of 100% collection of its tax revenues.

Tax Levy Collection Record and Tax Rates Fiscal Year Ending December 31:

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Total Tax Levy ^a	\$1,717,299,290	\$1,750,612,575	\$1,784,827,239	\$1,834,934,346	\$1,873,238,246
Amount to Town Supervisor	1,477,738,778	1,515,687,690	1,547,119,573	1,585,924,927	1,624,529,329
Amount to County Treasurer	239,560,512	234,924,885	237,707,666	248,009,419	248,708,917
Uncollected as of Final Report	111,348,008	93,339,556	79,570,014	79,047,876	N/A
Percent Uncollected	6.48%	5.33%	4.46%	4.30%	N/A
Tax Rates Per \$100 of Assessed Valuation:					
General Town:					
Town Wide	\$5.331	\$5.836	\$5.956	\$6.135	\$6.773
Outside Incorporated Villages	1.970	2.000	2.000	1.937	2.121
Highway:					
Town Wide	\$1.554	\$1.564	\$1.564	\$1.765	\$1.785
Outside Incorporated Villages	15.246	15.097	15.097	15.594	15.774

a. Includes the County, the Town, Special Districts, School Districts and Fire Districts.

Town of Brookhaven Tax Warrant Components

<u>Taxing Jurisdiction</u>	<u>2023</u>		<u>2024</u>	
	<u>Levy Amount</u>	<u>Percent (%)</u>	<u>Levy Amount</u>	<u>Percent (%)</u>
School Districts	\$ 1,273,581,323	69.41	\$ 1,303,020,299	69.56
Suffolk County	248,009,418	13.52	248,708,917	13.28
Fire Districts	113,350,345	6.18	117,002,380	6.25
Highway Part Town	64,070,090	3.49	65,106,872	3.48
Refuse and Garbage Districts	48,466,983	2.64	49,162,495	2.62
Town General Town Wide	28,589,397	1.56	31,628,587	1.69
Ambulance Districts	16,013,027	0.87	14,437,749	0.77
Open Space Preservation	10,533,040	0.57	10,714,987	0.57
Town General Part Town	7,958,482	0.43	8,752,431	0.47
Highway Town Wide	8,223,499	0.45	8,337,715	0.45
Lighting Districts	5,287,249	0.29	5,391,815	0.29
Out of County Tuition	3,340,950	0.18	3,472,752	0.19
Special Library Districts	2,940,777	0.16	3,019,599	0.16
Demolition of Unsafe Structures	737,615	0.04	730,562	0.04
Town Sewer Districts	955,245	0.05	916,376	0.05
Water Districts–Stony Brook	890,057	0.05	898,889	0.05
Fire Protection Districts	626,458	0.03	629,938	0.03
Clean up of Premises	350,117	0.02	296,624	0.02
Erosion Control Districts	182,527	0.01	205,826	0.01
Dock Districts	591,331	0.03	572,061	0.03
Road Improvement	185,294	0.01	180,594	0.01
Park Districts	50,784	0.00	49,228	0.00
Unpaid Sewer and Water Rents	17,446	0.00	14,599	0.00
	<u>\$ 1,834,951,454</u>	<u>100.00</u>	<u>\$ 1,873,251,294</u>	<u>100.00</u>

Tax Levy Limit Law

Although the State Legislature is limited by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay “interest on or principal of indebtedness theretofore contracted”, the State Legislature may from time to time impose additional limitations on the ability to issue new indebtedness or to raise taxes therefor.

Chapter 97 of the Laws of 2011, as amended (the “Tax Levy Limit Law” or the “Law”), generally applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities to levy certain year-to-year increases in real property taxes.

The Town is subject to the Tax Levy Limit Law, beginning with the Town’s budget for its fiscal year beginning January 1, 2012. Pursuant to the Tax Levy Limit Law, additional procedural requirements are imposed if a municipality seeks to increase the tax levy by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index, over the amount of the Town’s prior year’s tax levy (the “Tax Levy Increase Limit”). In the event the Town seeks to adopt a budget requiring a tax levy exceeding the Tax Levy Increase Limit, a favorable vote of at least five members of the seven-member Town Board would be required. The Town Board would also be required to act by local law rather than simply by resolution, and a public hearing would be required.

The Law permits certain exceptions to the Tax Levy Increase Limit. The Town may levy taxes exceeding the Tax Levy Increase Limit, if necessary, to support the following expenditures: (i) funds needed to pay judgments arising out of tort actions that exceed five percent of the total tax levied by the Town in the prior fiscal year and (ii) required pension payments (but only that portion of such payments attributable to the average actuarial contribution rate exceeding two percentage points). Taxes necessary for these expenditures will not be included in the calculation of the Tax Levy Increase Limit.

The Law also provides for adjustments to be made to the Town's Tax Levy Increase Limit based upon changes in the assessed value of the taxable real property in the Town. Additionally, the Town is permitted to carry forward a certain portion of its unused tax levy capacity from the prior year.

Selected Listing of Large Taxable Properties
2023 Assessment Roll ^a

<u>Name</u>	<u>Assessed Valuation</u> ^b
Marketspan	\$15,025,019
LIPA	11,791,417
Keyspan	7,860,114
Mall at Smith Haven LLC	1,260,144
New York State University	920,595
Verizon	837,971
Point of Woods Association	697,715
PR IVC Rosemont Property LLC	628,020
North Isle Village Inc.	480,660
Villas at Pine Hill DE LLC	474,500
Zebra Technologies Enterprise Corp	450,000
B33 Centereach II LLC	406,300
LBV Ventures LLC	399,500
FRG FK Pines I LLC	374,650
Pine Hills South CO DE LLC	374,350
Total ^c	\$41,980,955

a. Assessment roll established in 2023 for levy and collection of taxes during the 2024 Fiscal Year. See also "Tax Certiorari Claims" herein.

b. The New York State Office of Real Property Services annually establishes an equalization rate in an effort to determine full market value. For 2024 the Town's Equalization Rate is 0.54% and the Full Valuation is \$86,253,352,407.

c. Represents approximately 9.01% of the total taxable assessed valuation of the Town for 2024.

LITIGATION AND OTHER PROCEEDINGS

The Town is subject to a number of lawsuits and other legal proceedings in the ordinary conduct of its affairs. The Town does not believe however, that such suits, individually or in the aggregate, are likely to have a materially adverse effect on the financial condition of the Town. The Town has determined that in recent years all litigation against the Town has been settled within budgetary appropriations for such purposes, or within available insurance coverages. The Town is a self-insured entity with a retention of the first \$1,000,000 for any one loss and maintains an excess policy of \$10,000,000 and a further excess policy of \$25,000,000 over and above the first \$10,000,000 of excess coverage. Additionally, there are a number of pending lawsuits seeking monetary damages against the Town that have been referred to and are being handled by the Town's insurance carriers.

Multiple legal actions have been brought against the Town alleging personal injuries related to potential toxic substances and/or odors at the Landfill. The Town moved for dismissal, which is presently pending on appeal in the New York State Appellate Division, where all Landfill matters have been consolidated. Based upon the documentation obtained thus far, the Town believes it will succeed on the underlying litigation and pending appeal. Should the Town not prevail, adequate reserves exist to settle the lawsuit, or the Town could borrow to finance a settlement of the litigation.

In 2017, LIPA commenced a lawsuit against the County of Suffolk and the Suffolk County Comptroller to stop the sale of their facilities by tax sale in relation to their nonpayment of property taxes. The County and County Comptroller commenced a third-party action against all ten (10) towns in Suffolk County, including the Town of Brookhaven. The Supreme Court granted a motion by the County of Suffolk and dismissed the LIPA complaint in its entirety, ordering LIPA to pay the \$58 million in back taxes. The Court also dismissed the third-party actions against all the towns in Suffolk County. LIPA filed a notice of appeal and the Court's decision is pending in the Second Department. The dispute with LIPA regarding the classification of LIPA properties for property tax levies remains ongoing.

Tax Certiorari Claims

In common with other municipalities, there are a number of tax certiorari proceedings pending involving properties that are subject to the levy of Town taxes. The plaintiffs in these matters have asserted that their properties are over-assessed and are seeking assessment reductions. A refund of excess taxes is also generally requested. Historically, tax certiorari claims have been settled through negotiations, resulting in amounts, at times, substantially less than originally claimed. Real Property Tax Law section 727 prohibits further changes in assessment for three years absent special circumstances and also prohibits plaintiffs from filing any challenge to assessment of the subject parcel for that three year period. In this manner, any settlements provide for future adjustments with no direct outlay of money. (See "*Tax Collection Procedure*" and "*LITIGATION AND OTHER PROCEEDINGS*" herein.)

The Long Island Power Authority ("LIPA") initiated a tax certiorari proceeding to challenge their property tax assessment. In the first quarter of 2019, the Town and LIPA executed a settlement agreement of the pending real property tax reduction proceedings, after a court ruling in December of 2018. Reductions in assessments will be phased in annually until tax year 2026/27. There were no refunds for the years 2010/11 (when the first proceeding was filed) to the date of settlement. The settlement will not have a material effect on the Town's financial condition or taxable assessed valuation.

In December 2021, the Town renegotiated the 2018 settlement pursuant to a clause in the 2018 settlement documents which provided that the Town could reopen the Stipulation and Order upon certain conditions. In December 2021 an Amendment to the Stipulation and Order was filed with the Court in which the original schedule of reductions was not altered but the Town agreed not to increase the assessed value in the year following the nine years of scheduled reductions of tax bills for the Port Jefferson power plant parcels, that is the 2027/28 tax year. LIPA agreed to pay the Town \$1,000,000 on or before July 1, 2024, \$750,000 on or before July 1, 2025 and \$750,000 on or before July 1, 2026.

CYBERSECURITY

The Town, like many other public and private entities, relies on technology to conduct its operations. As a result, the Town faces cyber threats to its systems and data including, but not limited to, hacking, viruses, ransomware, malware and phishing attacks.

The Town has adopted several strategic initiatives and invested significantly to implement various forms of enhanced cybersecurity environments, systems, equipment, and education programs. The Town continually has invested in monitoring tools and operational protocols and controls to mitigate the risk of business operations impact and/or damage from cyber attacks and to safeguard data.

In addition, the Town has a policy of conducting periodic risk assessments, various hacking tests, and regular reviews of its network systems. The Town's Data Center is located in a major Government Cloud Service Provider, which is FedRAMP certified, and continues the process of upgrading and replacing its major systems with SaaS solutions.

While the Town has invested in various forms of cybersecurity strategies and operational controls, no assurances can be given that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The result of any such attack could impact business operations and/or damage the Town's network and systems and could result in unexpected costs to the Town.

ENVIRONMENTAL

The Town has an elevated risk to rising sea levels and extreme weather events such as hurricanes and nor'easters. The Town and other levels of government have been active in addressing environmental risk and mitigating exposure to weather events. The Town has a number of projects completed and ongoing that will further strengthen their ability to handle future weather event, and partners with New York State, Suffolk County, and the Federal governments to address erosion control, coastal flooding, and the restoration of natural habitats. The magnitude of the impact on the Town's operations, economy and financial condition of rising sea levels, coastal flooding and more frequent and extreme weather events is indeterminate and unpredictable; however, over the past 13 years the Town has been able to meet the financial demands of significant weather events without the need for any borrowing due to more than adequate reserves levels.

RISK FACTORS

AND

MARKET FACTORS AFFECTING FINANCINGS OF THE STATE AND MUNICIPALITIES OF THE STATE

The financial condition of the Town and the market price of and the market for the Bonds and the Notes could be affected by a variety of factors, many of which are beyond the Town's control, including, for example: (i) certain adverse events in the domestic and world economy; (ii) a significant default or other financial crisis occurring in the affairs of the State or its agencies or political subdivisions; and (iii) a seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code. These events may affect the acceptability of obligations issued by borrowers within the State or the ability of the Town to arrange for additional borrowings. In addition, the market for and the market value of the Bonds and the Notes could be adversely affected if the Town encountered real or perceived difficulty in marketing notes or bonds to pay principal on outstanding notes at maturity. The Town, like other issuers, is dependent on the orderly functioning of the municipal debt markets to refinance existing debt coming due, and could be unable to pay its notes at maturity if market access proved unavailable.

The Town is dependent in part on financial assistance from the State. If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes and revenues in order to pay State aid to municipalities and school districts in the State, the Town may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State in order to make State aid payments to the Town. (See also "State Aid".)

The State's Annual Information Statement and other information about the State's finances are provided by the State Division of the Budget on its website.

DISCLOSURE UNDERTAKING

In accordance with the requirements of Rule 15c2-12 as the same may be amended or officially interpreted from time to time (the "Rule") promulgated by the Securities and Exchange Commission, the Town has agreed to provide, at the time of delivery of the Bonds and the Notes, an executed Annual and Continuing Disclosure Undertaking in substantially the form attached as Appendix C.

The following table sets forth the annual filings for each of the five preceding fiscal years.

<u>Fiscal Year Ending</u> <u>December 31:</u>	<u>Financial & Operating</u> <u>Information</u>	<u>Audited Financial</u> <u>Statements</u>
2019	06/26/2020	06/25/2020
2020	06/29/2021	06/29/2021
2021	06/29/2022	07/22/2022
2022	06/29/2023	06/27/2023
2023	06/28/2024	06/28/2024 ^a

a. Unaudited Financial Statements.

TAX MATTERS

Tax Exemption

The delivery of the Bonds and the Notes (the "Obligations") is subject to the opinion of Bond Counsel to the effect that interest on the Obligations for federal income tax purposes (1) will be excludable from gross income, as defined in Section 61 of the Internal Revenue Code of 1986, as amended to the date of such opinion (the "Code"), pursuant to Section 103 of the Code and existing regulations, published rulings, and court decisions, and (2) will not be an item of tax preference for purposes of the alternative minimum tax on individuals. The statutes, regulations, rulings, and court decisions on which such opinion is based are subject to change.

In rendering the foregoing opinions, Bond Counsel will rely upon representations and certifications of the Town made in a certificate (the "Tax Certificate") dated the date of delivery of the Obligations pertaining to the use, expenditure, and investment of the proceeds of the Obligations and will assume continuing compliance by the Town with the provisions of the Tax Certificate subsequent to the issuance of the Obligations. The Tax Certificate contains covenants by the Town with respect to, among other matters, the use of the proceeds of the Obligations and the facilities financed therewith by persons other than state or local governmental units, the manner in which the proceeds of the Obligations are to be invested, the periodic calculation and payment to the United States Treasury of arbitrage "profits" from the investment of proceeds, and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Obligations to be includable in the gross income of the owners thereof from the date of the issuance.

Bond Counsel's opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the Town described above. No ruling has been sought from the Internal Revenue Service (the "IRS") with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on tax-exempt obligations. If an audit of the Obligations is commenced, under current procedures the IRS is likely to treat the Town as the "taxpayer," and the owners of the Obligations would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Obligations, the Town may have different or conflicting interests from the owners of the Obligations. Public awareness of any future audit of the Obligations could adversely affect the value and liquidity of the Obligations during the pendency of the audit, regardless of its ultimate outcome.

In the opinion of Bond Counsel, under existing law interest on the Obligations is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

Except as described above, Bond Counsel expresses no opinion with respect to any federal, state or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Obligations. Prospective purchasers of the Obligations should be aware that the ownership of tax-exempt obligations such as the Obligations may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a Financial Asset Securitization Investment Trust ("FASIT"), corporations subject to the alternative minimum tax on adjusted financial statement income, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

Existing law may change so as to reduce or eliminate the benefit to holders of the Obligations of the exclusion of interest thereon from gross income for federal income tax purposes. Proposed legislative or administrative action, whether or not taken, could also affect the value and marketability of the Obligations. Prospective purchasers of the Obligations should consult with their own tax advisors with respect to any proposed changes in tax law.

Tax Accounting Treatment of Discount and Premium on Certain Obligations

The initial public offering price of certain Obligations (the "Discount Obligations") may be less than the amount payable on such Obligations at maturity. An amount equal to the difference between the initial public offering price of a Discount Obligation (assuming that a substantial amount of the Discount Obligations of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Obligation. A portion of such original issue discount allocable to the holding period of such Discount Obligation by the initial purchaser will, upon the disposition of such Discount Obligation (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Obligations described above under "Tax Exemption." Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Obligation, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Obligation and generally will be allocated to an initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during the tax year.

However, such interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a FASIT, corporations subject to the alternative minimum tax on adjusted financial statement income, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Obligation by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Obligation in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Obligation was held) is includable in gross income. Owners of Discount Obligations should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Obligations for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Obligations.

The purchase price of certain Obligations (the “Premium Obligations”) paid by an owner may be greater than the amount payable on such Obligations at maturity. An amount equal to the excess of a purchaser’s tax basis in a Premium Obligation over the amount payable at maturity constitutes premium to such purchaser. The basis for federal income tax purposes of a Premium Obligation in the hands of such purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Obligation. The amount of premium which is amortizable each year by a purchaser is determined by using such purchaser's yield to maturity. Purchasers of the Premium Obligations should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Obligations for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Obligations.

Notice 94-84, 1994-2 C.B. 559, states that the IRS is studying whether the stated interest portion of the payment at maturity on a short-term debt obligation (such as the Notes), that matures not more than one year from the date of issue, bears a stated fixed rate of interest and is described in Section 103(a) of the Code, is (i) qualified stated interest that is excluded from the stated redemption price at maturity of the obligation (within the meaning of Section 1273 of the Code) but is excluded from gross income pursuant to Section 103(a) of the Code, or (ii) is not qualified stated interest and, therefore, is included by the taxpayer in the stated redemption price at maturity of the obligation, creating or increasing (as to that taxpayer) original issue discount on the obligation that is excluded from gross income pursuant to Section 103(a) of the Code. Notice 94-84 states that until the IRS provides further guidance with respect to tax-exempt short-term debt obligations, a taxpayer holding such obligations may treat the stated interest payable at maturity either as qualified stated interest or as included in the stated redemption price at maturity of the obligation. However, the taxpayer must treat the amounts to be paid at maturity on all tax-exempt short-term debt obligations in a consistent manner. Notice 94-84 does not address various aspects necessary to the application of the latter method (including, for example, the treatment of a holder acquiring its Note other than in the original public offering or at a price other than the original offering price). Each person considering acquiring the Notes should consult its own tax advisor with respect to the tax consequences of ownership of and of the election between the choices of treatment of the stated interest payable at maturity on the Notes.

LEGAL MATTERS

The legality of the authorization and issuance of the Bonds and the Notes will be covered by the unqualified legal opinion of Norton Rose Fulbright US LLP, New York, New York, Bond Counsel. Such legal opinion of Bond Counsel will be delivered in substantially the form attached hereto as “Appendix D”.

RATINGS

Moody’s Investors Service (“Moody’s”), 7 WTC at Greenwich Street, New York, NY, Phone: (212) 553-4055 and Fax: (212) 298-6761 has assigned a rating of “Aaa” to the Bonds and S&P Global Ratings (“S&P”) 55 Water Street, New York, NY 10041, Telephone: (877) 299-2569 and Fax: (212) 438-5153, has assigned ratings of “AAA” to the Bonds. These ratings reflect only the view of such rating agencies and an explanation of the significance of such ratings should be obtained from such rating agencies. Generally, a rating agency bases its ratings on the information and materials furnished to it and on investigation, studies and assumptions by the rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of such ratings could have an adverse affect on the market price of the Bonds or the availability of a secondary market for such Bonds.

Moody’s Investors Service (“Moody’s”), 7 WTC at Greenwich Street, New York, NY, Phone: (212) 553-4055 and Fax: (212) 298-6761 has assigned a rating of “MIG-1” to the Notes and S&P Global Ratings (“S&P”) 55 Water Street, New York, NY 10041, Telephone: (877) 299-2569 and Fax: (212) 438-5153, has assigned ratings of “SP1+” to the Notes.. These ratings reflect only the view of such rating agencies and an explanation of the significance of such ratings should be obtained from such rating agencies. Generally, a rating agency bases its ratings on the information and materials furnished to it and on investigation, studies and assumptions by the rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of such ratings could have an adverse affect on the market price of the Notes or the availability of a secondary market for such Notes.

MUNICIPAL ADVISOR

Munistat Services, Inc. (the “Municipal Advisor”), is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent municipal advisor to the Town on matters relating to debt management. The Municipal Advisor is a municipal advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Bonds and the Notes and has reviewed and commented on certain legal documents, including this Official Statement.

The advice on the plan of financing and the structuring of the Bonds and the Notes was based on materials provided by the Town and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the Town or the information set forth in this Official Statement or any other information available to the Town with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

ADDITIONAL INFORMATION

Additional information may be obtained upon request from the business office of the Town: Tamara Branson, Commissioner of Finance of the Town, Town of Brookhaven, Department of Finance - 3rd Floor, One Independence Hill, Farmingville, New York 11738, telephone number (631) 451-6680 and email: tbranson@brookhaven.org or from the office of Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776, telephone number (631) 331-8888.

Munistat Services, Inc. may place a copy of this Official Statement on its website at www.munistat.com. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Munistat Services, Inc. has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the Town nor Munistat Services, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Munistat Services, Inc. and the Town disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Munistat Services, Inc. and the Town also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be, in fact, realized. This Official Statement is not to be construed as a contract or agreement between the Town and the original purchasers or owners of any of the Bonds and the Notes.

Except for its review of the descriptions of the terms of the Bonds and the Notes and its approving legal opinion to be rendered on the Bonds and the Notes as Bond Counsel to the Town, Norton Rose Fulbright US LLP, has not participated in the preparation of this Official Statement, nor verified the accuracy, completeness or fairness of the information contained herein, and accordingly, expresses no opinion with respect thereto.

The preparation and distribution of this Official Statement has been authorized by the Town Supervisor pursuant to bond resolutions of the Town which delegate to the Town Supervisor the power to sell and issue the Bonds and the Notes.

This Official Statement has been duly executed and delivered by the Supervisor of the Town of Brookhaven, New York.

By: DANIEL J. PANICO
Town of Brookhaven
Brookhaven, New York

July , 2024

APPENDIX A

FINANCIAL INFORMATION

Balance Sheets
Select Governmental Funds

Fiscal Year Ending December 31, 2023

	General <u>Fund</u>	Town Outside <u>Village</u>	Highway <u>Funds</u>	Refuse and <u>Garbage</u>	Debt <u>Service</u>	Non-Major Governmental <u>Funds^a</u>
Assets:						
Cash & Cash Equivalents	\$ 87,454,615	\$ 29,113,769	\$ 70,592,941	\$ 23,008,056	\$ 21,197,528	\$ 25,377,739
Cash - Restricted	32,635,172	319	55	27		1,860,766
Receivables, net						
Accounts	14,865,826	108,576	193,418	214,046		70,119
Leases	39,731,793					4,798,315
Property Taxes	26,289,473	7,239,896	54,626,676	35,464,948	7,967,786	18,730,906
Due From Other Funds	6,145,444	24,624	4,990	50	18,082	125,794
State and Federal Aid Receivables	249,407	17,731	61,273	79,988		1,317,291
Due From Other Governments	4,130,493	77,105	105,585	625		
Insurance Escrow Deposits	477,672					
Prepays	2,754,290	320,012	471,756	54,267		78,141
Inventory of Material and Supplies	221,689		1,798,565	15,313		164,610
LOSAP Investment						11,177,631
Total Assets	<u>\$ 214,955,874</u>	<u>\$ 36,902,032</u>	<u>\$ 127,855,259</u>	<u>\$ 58,837,320</u>	<u>\$ 29,183,396</u>	<u>\$ 63,701,312</u>
Liabilities:						
Accounts Payable	\$ 3,298,432	\$ 239,798	\$ 1,604,041	\$ 4,527,840		\$ 1,437,483
Accrued Liabilities	4,127,846	899,700	1,078,024	174,965		443,114
Due to Other Funds	6,900,099	54,208	163,936	254		978,355
Due to Other Governments	74,751	22,787	1,732	278		233,261
Unearned Revenue	24,552,964					59,695
Guaranty, Bid and Escrow Deposits	632,004	5,217,904	3,783,577			3,400
Claims and Judgments Payable	8,900,000	124,603	2,374,229	21,627		315,964
Total Liabilities	<u>48,486,096</u>	<u>6,559,000</u>	<u>9,005,539</u>	<u>4,724,964</u>	<u>0</u>	<u>3,471,272</u>
Deferred Inflows of Resources:						
Unavailable Revenue:						
Real Property Taxes	35,281,021	9,481,750	73,440,437	47,577,146	10,711,940	25,143,812
Settlements	4,500,000					
Leases	38,380,187					4,714,042
Total Deferred Inflows of Resources	<u>78,161,208</u>	<u>9,481,750</u>	<u>73,440,437</u>	<u>47,577,146</u>	<u>10,711,940</u>	<u>29,857,854</u>
Fund Balance:						
Nonspendable	4,327,585	320,012	2,270,321	69,580	18,471,456	1,874,251
Restricted	27,005,245	117,035	51,072			13,614,632
Assigned	378,909	20,424,235	43,087,890	6,465,630		14,883,303
Unassigned	56,596,831					
Total Fund Balance	<u>88,308,570</u>	<u>20,861,282</u>	<u>45,409,283</u>	<u>6,535,210</u>	<u>18,471,456</u>	<u>30,372,186</u>
Total Liabilities and Fund Balances	<u>\$ 214,955,874</u>	<u>\$ 36,902,032</u>	<u>\$ 127,855,259</u>	<u>\$ 58,837,320</u>	<u>\$ 29,183,396</u>	<u>\$ 63,701,312</u>

a. Non-Major Governmental Funds include Ambulance, Docks, Erosion Control, Fire Protection, Street Lighting, Park, Sewer, Sidewalk and Water Districts.

NOTE: This Schedule is NOT audited. Fund Balance designations reflect the classification for GASB Statement #54.

Sources: Unaudited Financial Reports (2023)

Balance Sheets
Select Governmental Funds

Fiscal Year Ending December 31, 2022

	General Fund	Town Outside Village	Highway Funds	Refuse and Garbage	Debt Service	Non-Major Governmental Funds ^a
Assets:						
Cash & Cash Equivalents	\$ 66,304,327	\$ 22,342,813	\$ 43,843,659	\$ 12,624,445	\$ 23,154,521	\$ 17,661,279
Investments	23,733,814	4,154,827	12,966,121	3,210,796	252,654	4,836,064
Cash - Restricted	38,424,127	306	53	26		1,644,919
Receivables, net						
Accounts	12,172,902	68,026	177,411	62,190		324,075
Accrued Interest	245,405	42,960	134,068	33,199	2,612	50,006
Leases	40,412,047					4,518,969
Property Taxes	27,647,649	7,583,207	62,183,859	40,067,969	9,057,872	23,306,403
Due From Other Funds	1,305,584	336,910	2,097	3,214	4,148,020	117,602
State and Federal Aid Receivables	412,253	4,610	4,603	177,724		1,935,988
Due From Other Governments	4,666,222	139,092	41,678	300	7,601	2,839
Insurance Escrow Deposits	477,672					
Prepays	3,996,899	655,733	1,247,316	126,044		116,968
Inventory of Material and Supplies	264,549		1,437,236	219,324		220,410
LOSAP Investment						9,842,762
Total Assets	\$ 220,063,450	\$ 35,328,484	122,038,101	\$ 56,525,231	\$ 36,623,280	\$ 64,578,284
Liabilities:						
Accounts Payable	\$ 4,312,984	\$ 346,998	\$ 1,991,598	\$ 4,616,965		\$ 2,575,121
Accrued Liabilities	4,756,166	798,529	2,780,790	240,949		472,395
Due to Other Funds	4,710,937	55,883	181,071	1,341		679,733
Due to Other Governments	84,840	10,379	1,835	412		163,644
Unearned Revenue	37,979,686					359,323
Guaranty, Bid and Escrow Deposits	708,569	8,872,689	3,529,096			3,400
Claims and Judgments Payable	6,188,629	189,475	1,148,065	56,311		260,244
Total Liabilities	58,741,811	10,273,953	9,632,455	4,915,978	0	4,513,860
Deferred Inflows of Resources:						
Unavailable Revenue:						
Real Property Taxes	32,110,453	8,695,773	72,290,163	46,577,098	10,529,984	27,037,328
Settlements	2,500,000					
Leases	39,600,075					4,493,607
Total Deferred Inflows of Resources	74,210,528	8,695,773	72,290,163	46,577,098	10,529,984	31,530,935
Fund Balance:						
Nonspendable	5,073,420	655,733	2,684,552	345,368		1,818,808
Restricted	25,500,549	24,457	1,123,295		26,093,296	12,382,230
Assigned	377,678	15,678,568	36,307,636	4,686,787		14,580,144
Unassigned	56,159,464					(247,693)
Total Fund Balance	87,111,111	16,358,758	40,115,483	5,032,155	26,093,296	28,533,489
Total Liabilities and Fund Balances	\$ 220,063,450	\$ 35,328,484	\$ 122,038,101	\$ 56,525,231	\$ 36,623,280	\$ 64,578,284

a. Non-Major Governmental Funds include Ambulance, Docks, Erosion Control, Fire Protection, Street Lighting, Park, Sewer, Sidewalk and Water Districts.

NOTE: This Schedule is NOT audited. Fund Balance designations reflect the classification for GASB Statement #54.

Sources: Audited Financial Reports of the Town (2022)

Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund - Town Wide

	Fiscal Years Ending December 31:				
	2019	2020	2021	2022	2023
Revenues:					
Real Property Taxes	\$ 24,293,664	\$ 24,809,514	\$ 27,137,427	\$ 27,794,217	\$ 28,591,047
Other Property Tax Items	1,323,712	1,122,023	1,210,565	1,251,652	1,293,120
Non-Property Tax items	9,095,137	8,663,945	8,817,550	8,406,684	8,240,350
Departmental Income	59,363,038	55,846,154	69,258,395	67,035,986	58,126,301
Intergovernmental Charges	8,609,641	5,075,929	5,434,586	5,644,360	5,127,406
Use of Money and Property	4,970,145	4,235,127	4,849,667	7,082,130	11,422,667
Licenses and Permits	222,283	304,693	187,845	213,136	257,458
Fines and Forfeitures	142,301	152,542	106,655	109,642	128,585
Sale of Property	3,746,592	1,848,039	1,622,682	796,867	525,913
Miscellaneous Local Sources	247,623	1,283,327	662,868	254,015	2,116,395
Interfund Revenues	3,417,856	3,466,657	3,512,222	3,562,611	3,829,652
State Aid	16,338,127	22,450,808	28,405,143	24,392,638	18,069,203
Federal Aid	752,634	328,164	9,603,419	10,174,348	14,692,986
Total Revenues	132,522,753	129,586,922	160,809,024	156,718,286	152,421,083
Expenditures:					
General Government Support	42,381,098	38,048,235	37,454,302	42,780,189	44,746,493
Public Safety	4,350,922	3,901,437	4,161,650	4,702,960	4,863,681
Transportation	2,190,055	2,226,252	2,331,886	2,487,289	2,226,969
Economic Assistance & Opportunity	1,832,558	1,821,453	1,334,381	1,543,491	1,662,714
Culture and Recreation	21,531,771	19,194,569	20,614,013	23,571,203	24,413,848
Home & Community Services	14,459,844	13,563,550	13,501,434	13,418,881	13,114,518
Employee Benefits	10,804,985	10,100,714	10,415,101	10,205,293	10,998,343
Capital Outlay				735,009	341,648
Debt Service					228,386
Total Expenditures	97,551,233	88,856,210	89,812,767	99,444,315	102,596,600
Excess (Deficiency) of Revenues Over (Under) Expenditures	34,971,520	40,730,712	70,996,257	57,273,971	49,824,483
Other Financing Sources (Uses):					
Transfer In	11,728	379,326	84,690	2,114,567	2,109,266
Transfer (Out)	(33,488,190)	(35,075,082)	(67,466,972)	(54,444,620)	(51,054,153)
Premium on Obligations		852,706			
Subscription-Based IT Arrangements Issued					327,863
Total Other Financing Sources (Uses)	(33,476,462)	(33,843,050)	(67,382,282)	(52,330,053)	(48,617,024)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,495,058	6,887,662	3,613,975	4,943,918	1,207,459
Fund Balance, Beginning of Year	69,508,061	71,003,119	78,553,218	82,167,193	87,111,111
Adjustment to Fund Balance Due to Accounting Changes		662,437			
Fund Balance, Beginning of Year, as Restated	69,508,061	71,665,556	78,553,218	82,167,193	87,111,111
Fund Balance, End of Year	\$ 71,003,119	\$ 78,553,218	\$ 82,167,193	\$ 87,111,111	\$ 88,318,570

NOTE: This Schedule is NOT audited.

Sources: Audited Financial Reports (2018-2022) & Unaudited Financial Reports (2023)

**Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund - Town Outside Villages**

	Fiscal Years Ending December 31:				
	2019	2020	2021	2022	2023
Revenues:					
Real Property Taxes	\$ 8,281,440	\$ 8,038,927	\$ 8,172,959	\$ 7,899,914	\$ 7,958,158
Other Property Tax Items	3,719	3,372	1,927	7,741	9,313
Departmental Income	15,434,830	12,447,578	13,805,523	15,606,670	16,702,958
Use of Money and Property	447,499	177,767	79,364	284,320	935,952
Licenses and Permits	66,215	82,048	73,109	84,826	106,366
Fines and Forfeitures	2,295,550	1,211,923	1,639,969	1,771,076	2,105,220
Sale of Property and Comp. for Loss		1,894			
Miscellaneous Local Sources	2,317,799	1,886,877	1,925,156	96,698	1,977,776
Interfund Revenues					
State and Other Local Government Aid	26,702	49,441	5,402	1,818,224	1,808,932
Federal Aid	1,011	817	5,239	3,985	50,306
Total Revenues	28,874,765	23,900,644	25,708,648	27,573,454	31,654,981
Expenditures:					
General Government Support	3,343,886	3,221,135	3,334,121	3,288,876	3,540,195
Public Safety	13,023,733	10,920,070	11,706,049	11,999,857	12,059,231
Health	641,364	593,705	593,317	645,586	665,125
Home & Community Services	4,464,986	3,988,930	3,995,381	4,236,377	4,208,222
Employee Benefits	1,320,665	1,565,378	1,661,884	1,841,366	2,006,481
Debt Service					
Total Expenditures	22,794,634	20,289,218	21,290,752	22,012,062	22,479,254
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>6,080,131</u>	<u>3,611,426</u>	<u>4,417,896</u>	<u>5,561,392</u>	<u>9,175,727</u>
Other Financing Sources (Uses):					
Transfers In		296,455	82,312	346,837	280,464
Transfers (Out)	(3,679,231)	(1,083,930)	(3,505,055)	(13,627,230)	(4,953,667)
Premium on Obligations		14,844			
Total Other Financing Sources (Uses)	(3,679,231)	(772,631)	(3,422,743)	(13,280,393)	(4,673,203)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>2,400,900</u>	<u>2,838,795</u>	<u>995,153</u>	<u>(7,719,001)</u>	<u>4,502,524</u>
Fund Balance, Beginning of Year	<u>17,797,772</u>	<u>20,198,672</u>	<u>23,082,606</u>	<u>24,077,759</u>	<u>16,358,758</u>
Adjustment to Fund Balance Due to Accounting Changes		45,139			
Fund Balance, Beginning of Year, as Restated	<u>17,797,772</u>	<u>20,243,811</u>	<u>23,082,606</u>	<u>24,077,759</u>	<u>16,358,758</u>
Fund Balance, End of Year	<u>\$ 20,198,672</u>	<u>\$ 23,082,606</u>	<u>\$ 24,077,759</u>	<u>\$ 16,358,758</u>	<u>\$ 20,861,282</u>

NOTE: This Schedule is NOT audited.

Sources: Audited Financial Reports (2018-2022) & Unaudited Financial Reports (2023)

Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund - Highway Funds

	Fiscal Years Ending December 31:				
	2019	2020	2021	2022	2023
Revenues:					
Real Property Taxes	\$ 67,957,219	\$ 69,439,553	\$ 68,983,528	\$ 71,040,869	\$ 72,290,165
Other Real Property Tax Items	935,834	958,250	955,551	1,095,966	1,166,823
Departmental Income	231,362	112,923	130,576	101,292	107,153
Intergovernmental Charges	447,746	46,610	448,898	205,645	141,543
Use of Money and Property	927,499	397,020	172,716	690,213	2,881,419
Licenses and Permits	665,573	613,473	766,889	913,461	1,053,439
Sale of Property	174,072	207,466	152,724	131,084	551,930
Miscellaneous Local Sources	4,761	117,281	42,485	15,944	16,477
Interfund Revenues					
State Aid	216,541	8,129	943,514	44,711	31,221
Federal Aid	390,605	85,030	5,715,907	1,241,850	93,364
Total Revenues	<u>71,951,212</u>	<u>71,985,735</u>	<u>78,312,788</u>	<u>75,481,035</u>	<u>78,333,534</u>
Expenditures:					
General Government Support		2,464,785	105,186		
Transportation	37,130,095	32,670,305	36,714,708	38,143,630	36,778,192
Employee Benefits	5,593,333	5,206,279	5,748,924	5,326,603	6,817,768
Debt Service				493,133	
Total Expenditures	<u>42,723,428</u>	<u>40,341,369</u>	<u>42,568,818</u>	<u>43,963,366</u>	<u>43,595,960</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>29,227,784</u>	<u>31,644,366</u>	<u>35,743,970</u>	<u>31,517,669</u>	<u>34,737,574</u>
Other Financing Sources (Uses):					
Premiums on Obligations		276,478			
Transfers In	2,002,989	1,699	19,719	502,097	39,352
Transfers (Out)	(24,836,648)	(26,996,890)	(33,528,568)	(26,772,728)	(29,483,126)
Total Other Financing Sources (Uses)	<u>(22,833,659)</u>	<u>(26,718,713)</u>	<u>(33,508,849)</u>	<u>(26,270,631)</u>	<u>(29,443,774)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>6,394,125</u>	<u>4,925,653</u>	<u>2,235,121</u>	<u>5,247,038</u>	<u>5,293,800</u>
Fund Balance, Beginning of Year	<u>20,797,176</u>	<u>27,191,301</u>	<u>32,633,324</u>	<u>34,868,445</u>	<u>40,115,483</u>
Adjustment to Fund Balance Due to Accounting Changes		<u>516,370</u>			
Fund Balance, Beginning of Year, as Restated	<u>20,797,176</u>	<u>27,707,671</u>	<u>32,633,324</u>	<u>34,868,445</u>	<u>40,115,483</u>
Fund Balance, End of Year	<u>\$ 27,191,301</u>	<u>\$ 32,633,324</u>	<u>\$ 34,868,445</u>	<u>\$ 40,115,483</u>	<u>\$ 45,409,283</u>

NOTE: This Schedule is NOT audited.

Sources: Audited Financial Reports (2018-2022) & Unaudited Financial Reports (2023)

**Statement of Revenues, Expenditures and Changes in Fund Balances
Refuse and Garbage**

	Fiscal Years Ending December 31:				
	2019	2020	2021	2022	2023
Revenues:					
Real Property Taxes	\$ 42,428,575	\$ 42,436,100	\$ 44,319,760	\$ 45,704,410	\$ 46,559,653
Other Real Property Tax Items	2,762	2,117	645	697	21,337
Departmental Income	386,755	1,185,490	2,081,047	1,295,500	1,351,603
Use of Money and Property	387,437	138,982	54,975	196,540	1,118,016
Fines and Forfeitures	23,500	3,200	1,500	2,250	13,135
Sale of Property	10,420	6,774	6,440	9,500	9,687
Miscellaneous	2,000	2,002	3,278		34,684
State Aid	146,009	81,927	60,518	339,452	
Federal Aid					110,135
Total Revenues	<u>43,387,458</u>	<u>43,856,592</u>	<u>46,528,163</u>	<u>47,548,349</u>	<u>49,218,250</u>
Expenditures:					
General Government Support		139,958	2,101		47,147,799
Home and Community Services	43,474,530	45,698,736	44,897,870	45,414,749	
Total Expenditures	<u>43,474,530</u>	<u>45,838,694</u>	<u>44,899,971</u>	<u>45,414,749</u>	<u>47,147,799</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(87,072)</u>	<u>(1,982,102)</u>	<u>1,628,192</u>	<u>2,133,600</u>	<u>2,070,451</u>
Other Financing Sources (Uses):					
Transfers In			37,613	3,860	50
Transfers (Out)					(567,446)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>37,613</u>	<u>3,860</u>	<u>(567,396)</u>
Fund Balance, Beginning of Year	<u>3,298,064</u>	<u>3,210,992</u>	<u>1,228,890</u>	<u>2,894,695</u>	<u>5,032,155</u>
Fund Balance, End of Year	<u>\$ 3,210,992</u>	<u>\$ 1,228,890</u>	<u>\$ 2,894,695</u>	<u>\$ 5,032,155</u>	<u>\$ 6,535,210</u>

NOTE: This Schedule is NOT audited.

Sources: Audited Financial Reports (2018-2022) & Unaudited Financial Reports (2023)

Statement of Revenues, Expenditures and Changes in Fund Balances
Debt Service Fund

	Fiscal Years Ending December 31:				
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Revenues:					
Real Property Taxes and Tax Items	\$ 9,857,058	\$ 10,128,388	\$ 10,231,473	\$ 10,538,344	\$ 10,529,984
Other Real Property Tax Items	142,239	145,104	147,888	172,000	178,284
Use of Money and Property	312,880	168,702	49,568	218,633	1,219,700
Miscellaneous					
Total Revenues	<u>10,312,177</u>	<u>10,442,194</u>	<u>10,428,929</u>	<u>10,928,977</u>	<u>11,927,968</u>
Expenditures:					
General Government Support					
Debt Service:					
Principal	92,377,400	56,818,700	60,145,000	63,490,000	77,670,000
Interest	21,284,976	21,787,474	21,642,060	20,331,192	17,678,706
Bond Issuance Costs	289,815	425,117			
Refunding Escrow					
Total Expenditures	<u>113,952,191</u>	<u>79,031,291</u>	<u>81,787,060</u>	<u>83,821,192</u>	<u>95,348,706</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(103,640,014)</u>	<u>(68,589,097)</u>	<u>(71,358,131)</u>	<u>(72,892,215)</u>	<u>(83,420,738)</u>
Other Financing Sources (Uses):					
Transfers In	60,133,573	63,792,477	76,092,995	73,308,013	69,487,421
Transfers (Out)		(11,562)			(248,709)
Premium on Obligations	5,858,038	22,243,417			6,560,186
Refunding Bonds Issued	34,800,000	77,780,000			2,675,000
Debt Service - Principal Currently Refunded		(88,320,000)			(2,675,000)
Payments to Escrow Holder - Adv Ref Bonds					
Total Other Financing Sources (Uses)	<u>100,791,611</u>	<u>75,484,332</u>	<u>76,092,995</u>	<u>73,308,013</u>	<u>75,798,898</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(2,848,403)</u>	<u>6,895,235</u>	<u>4,734,864</u>	<u>415,798</u>	<u>(7,621,840)</u>
Fund Balance, Beginning of Year	<u>16,895,802</u>	<u>14,047,399</u>	<u>20,942,634</u>	<u>25,677,498</u>	<u>26,093,296</u>
Prior Per Adjustments					
Fund Balance, End of Year	<u>\$ 14,047,399</u>	<u>\$ 20,942,634</u>	<u>\$ 25,677,498</u>	<u>\$ 26,093,296</u>	<u>\$ 18,471,456</u>

NOTE: This Schedule is NOT audited.

Sources: Audited Financial Reports (2018-2022) & Unaudited Financial Reports (2023)

**Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds**

	Fiscal Years Ending December 31:				
	2019	2020	2021	2022	2023
Revenues:					
Real Property Taxes	\$ 22,686,343	\$ 24,770,480	\$ 24,861,611	\$ 24,991,369	\$ 26,687,295
Other Property Tax Items	136,927	160,131	154,237	157,853	193,332
Departmental Income	1,640,390	755,376	1,864,475	3,044,257	2,660,311
Use of Money and Property	702,843	601,544	346,912	800,996	1,710,127
Investment Loss from LOSAP	1,553,732	1,354,752	1,360,859	(1,434,489)	1,413,475
Sale of Property & Compensation for Loss	13,689	5,723	150	7,537	16,015
Miscellaneous Local Sources	212,006	191,438	63,609	101,427	7,652
State Aid	73,600	0	7,899		
Federal Aid	18,105,972	20,347,907	23,265,905	23,992,915	27,129,112
Total Revenues	45,125,502	48,187,351	51,925,657	51,661,865	59,817,319
Expenditures:					
General Government Support		28,775			
Public Safety	597,471	574,557	576,106	619,665	619,051
Health	10,815,736	11,883,520	12,383,768	13,232,566	14,042,012
Transportation	5,146,149	4,322,707	4,299,588	4,686,707	4,487,338
Culture and Recreation	44,109	29,999	42,010	43,303	42,590
Home & Community Services	21,938,476	23,759,551	26,542,394	28,799,863	30,895,059
Employee Benefits			17,073	29,902	32,242
Debt Service					
Total Expenditures	38,541,941	40,599,109	43,860,939	47,412,006	50,118,292
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,583,561	7,588,242	8,064,718	4,249,859	9,699,027
Other Financing Sources (Uses):					
Premiums on Obligations		43,064			
Operating Transfers In	336,562	406,546	309,263		248,709
Operating Transfers (Out)	(4,845,326)	(5,891,653)	(5,736,986)	(6,915,946)	(8,499,039)
Sale of Capital Assets				2,004,800	390,000
Total Other Financing Sources (Uses)	(4,508,764)	(5,442,043)	(5,427,723)	(4,911,146)	(7,860,330)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	2,074,797	2,146,199	2,636,995	(661,287)	1,838,697
Fund Balance, Beginning of Year, as Restated	22,289,285	24,364,082	26,557,781	29,194,776	28,533,489
Prior Period Adjustments		47,500			
Fund Balance, End of Year	\$ 24,364,082	\$ 26,557,781	\$ 29,194,776	\$ 28,533,489	\$ 30,372,186

Non-Major Governmental Funds include Ambulance, Docks, Erosion Control, Fire Protection, Street Lighting, Park, Sewer, Sidewalk and Water Districts

NOTE: This Schedule is NOT audited.

Sources: Audited Financial Reports (2018-2022) & Unaudited Financial Reports (2023)

APPENDIX B

**UNAUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2023**

[▶ Click Here For 2023 Unaudited Financial Statements](#)

NOTE: SUCH FINANCIAL STATEMENTS AND OPINIONS WERE PREPARED AS OF THE DATE THEREOF AND HAVE NOT BEEN REVIEWED AND/OR UPDATED IN CONNECTION WITH THE PREPARATION AND DISSEMINATION OF THIS OFFICIAL STATEMENT. CONSENT OF THE AUDITORS HAS NOT BEEN REQUESTED OR OBTAINED.

APPENDIX C

FORM OF DISCLOSURE UNDERTAKING

**ANNUAL AND CONTINUING
DISCLOSURE UNDERTAKING CERTIFICATE
PURSUANT TO RULE 15c2-12 OF THE
SECURITIES AND EXCHANGE COMMISSION**

On the date hereof, the Issuer is issuing its Obligations (as defined herein). To facilitate compliance with Rule 15c2-12 of the Securities and Exchange Commission (the “SEC”) promulgated under the Securities Exchange Act of 1934, as amended by the underwriter (as defined in the Rule), the Issuer hereby undertakes for the benefit of the record and beneficial owners from time to time of the Obligations (the “Holders”), as follows:

A. Definitions. As used in this Undertaking, the following terms have the meanings ascribed to such terms below:

“*Bonds*” means the Issuer’s Public Improvement (Serial) Bonds – 2024, dated July 30, 2024.

“*Financial Obligation*” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii); provided that “financial obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“*Issuer*” means the Town of Brookhaven, Suffolk County, New York.

“*MSRB*” means the Municipal Securities Rulemaking Board.

“*Notes*” means the Issuer’s Bond Anticipation Notes - 2024, dated July 30, 2024.

“*Obligations*” means the Bonds and the Notes.

“*Rule*” means SEC Rule 15c2-12, as amended from time to time.

“*SEC*” means the United States Securities and Exchange Commission.

“*Undertaking*” means this Annual and Continuing Disclosure Undertaking.

B. Annual Reports. With respect to the Bonds, the Issuer shall electronically file annually with the MSRB, (1) within six months after the end of each fiscal year ending after the date hereof, financial information and operating data with respect to the Issuer of the general type contained in or cross referenced in the Issuer’s final Official Statement, dated _____, 20____ under the headings “**THE TOWN**”, “**ECONOMIC AND DEMOGRAPHIC INFORMATION**”, “**INDEBTEDNESS OF THE TOWN**”, “**FINANCES OF THE TOWN**”, “**REAL PROPERTY TAX INFORMATION**”, and “**LITIGATION AND OTHER PROCEEDINGS**”, and in **APPENDICES A AND B**, and (2) if not provided as part of such financial information and operating data, audited financial statements of the Issuer, when and if available. If audited financial statements are not available at that time the Issuer will electronically file unaudited financial statements when available. Any financial statements so to be electronically filed shall be prepared in accordance with the accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation, and shall be audited, if the Issuer commissions an audit of such statements and the audit is completed within the period during which they must be provided.

If the Issuer changes its fiscal year, it will electronically file with the MSRB notice of the change (and of the date of the new fiscal year end) prior to the next date by which the Issuer otherwise would be required to provide financial information and operating data pursuant to this Undertaking.

The financial information and operating data to be electronically filed pursuant to this Undertaking may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB’s Internet Web site or filed with the SEC.

C. **Event Notices.** With respect to the Obligations, the Issuer shall electronically file with the MSRB notice of any of the following events in a timely manner and not more than ten business days after occurrence of the event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax-exempt status of the Obligations, or other material events affecting the tax status of the Obligations;
- (7) Modifications to rights of holders of the Obligations, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Obligations, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the Issuer, which shall occur as described below;
- (13) The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For these purposes, any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

The Issuer shall electronically file with the MSRB, in a timely manner, notice of any failure by the Issuer to provide *financial* information or operating data in accordance with this Undertaking by the time required by this Undertaking.

D. Filings with the MSRB. All financial information, operating data, financial statements, notices, and other documents provided to the MSRB in accordance with this Undertaking shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

E. Limitations, Disclaimers, and Amendments. The Issuer shall be obligated to observe and perform the covenants specified in this Undertaking for so long as, but only for so long as, the Issuer remains an “obligated person” with respect to the Obligations within the meaning of the Rule.

The provisions of this Undertaking are for the sole benefit of the holders and beneficial owners of the Obligations, and nothing in this Undertaking, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Issuer undertakes to provide only the financial information, operating data, financial statements and notices which it has expressly agreed to provide pursuant to this Undertaking and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Issuer’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Undertaking or otherwise, except as expressly provided herein. The Issuer does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE ISSUER BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, WHETHER NEGLIGENT OR WITH OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS UNDERTAKING, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR *MANDAMUS* OR SPECIFIC PERFORMANCE.

No default by the Issuer in observing or performing its obligations under this Undertaking shall constitute a breach of or default on the Obligations.

Nothing in this Undertaking is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

The provisions of this Undertaking may be amended by the Issuer from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Issuer, but only if (1) the provisions of this Undertaking, as so amended, would have permitted an underwriter to purchase or sell Obligations in the primary offering of the Obligations in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the holders of a majority in aggregate principal amount of the outstanding respective Obligations consent to such amendment or (b) a person that is unaffiliated with the Issuer (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the holders and beneficial owners of the respective Obligations. The Issuer may also repeal or amend the provisions of this Undertaking if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the Issuer also may amend the provisions of this Undertaking in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not have prevented an underwriter from lawfully purchasing or selling Obligations in the primary offering of the Obligations, giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule. If the Issuer so amends the provisions of this Undertaking, the Issuer shall include with any amended financial information or operating data next provided in accordance with this Undertaking an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

IN WITNESS WHEREOF, I have hereunto set my hand this _____, 2024.

Supervisor

APPENDIX D

FORM OF OPINION OF NORTON ROSE FULBRIGHT US LLP

July 30, 2024

Town of Brookhaven,
County of Suffolk,
State of New York

Norton Rose Fulbright US LLP
1301 Avenue of the Americas
New York, New York 10019-6022
United States

Tel +1 212 318 3000
Fax +1 212 318 3400
nortonrosefulbright.com

Re: Town of Brookhaven, Suffolk County, New York
\$51,485,000 Public Improvement (Serial) Bonds - 2024
\$19,800,000 Bond Anticipation Notes - 2024

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$51,485,000 Public Improvement (Serial) Bonds - 2024 and \$19,800,000 Bond Anticipation Notes – 2024 (collectively, the “Obligation”) of the Town of Brookhaven, County of Suffolk, State of New York (the “Obligor”), dated the date hereof.

We have examined:

- (1) the Constitution and statutes of the State of New York;
- (2) the Internal Revenue Code of 1986, as amended to the date hereof (the “Code”), including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder;
- (3) a tax certificate (the “Tax Certificate”) executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligation that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligation not to be includable in the gross income of the owners thereof for federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligation and investment earnings thereon, making required payments to the federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligation to be includable in the gross income of the owners thereof for federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligation and investment earnings thereon on certain specified purposes; and
- (4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligation, including the form of the Obligation. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public

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officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the Tax Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

- (a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, without limitation as to rate or amount, except as to certain statutory limitations which may result from the application of Chapter 97 of the Laws of 2011 of the State of New York, as amended, provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said state or the federal government affecting the enforcement of creditors' rights; and (ii) may be subject to the exercise of judicial discretion.
- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said state or the federal government affecting the enforcement of creditors' rights.
- (c) Under existing law, interest on the Obligation (1) will be excludable from the gross income, as defined in section 61 of the Code, of the owners thereof for federal income tax purposes, pursuant to section 103 of the Code and existing regulations, published rulings, and court decisions, assuming continuing compliance after the date hereof by the Obligor with the provisions of the Tax Certificate, and (2) will not be an item of tax preference for purposes of the federal alternative minimum tax on individuals. Under existing law, interest on the Obligation is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

We express no opinion with respect to any other federal, state or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Obligation. Ownership of tax-exempt obligations such as the Obligation may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, owners of an interest in a financial asset securitization investment trust, individual recipients of Social Security or Railroad Retirement Benefits, individuals otherwise qualifying for the earned income tax credit, corporations subject to the alternative minimum tax on adjusted financial statement income, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may hereafter come to our attention or to reflect any changes in any law that may hereafter occur or become effective. Moreover, our opinions are

not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

The scope of our engagement in relation to the issuance of the Obligation has extended solely to the examination of the facts and law incident to rendering the opinion expressed herein. Such opinion is not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Obligor, together with other legally available sources of revenue, if any, will be sufficient to enable the Obligor to pay the principal of or interest on the Obligation as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligation for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligation, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,