

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 23, 2024

NEW ISSUE

BOND ANTICIPATION NOTES

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Fire District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code; however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, in the opinion of Bond Counsel, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York. See "Tax Matters" herein.

The Fire District will NOT designate the Notes as "qualified tax-exempt obligations" pursuant to the provision of Section 265(b)(3) of the Code.

**TERRYVILLE FIRE DISTRICT, IN THE TOWN OF BROOKHAVEN
SUFFOLK COUNTY, NEW YORK**

**\$11,300,000 BOND ANTICIPATION NOTES – 2024
(the "Notes")**

Date of Issue: November 21, 2024

Maturity Date: November 21, 2025

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

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

The Notes will be issued in registered form and, at the option of the purchaser(s), the Notes will be (i) registered in the name of the successful bidder(s) or (ii) registered to Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York ("DTC") as book-entry notes.

If the Notes are registered in the name of the successful bidder, a single note certificate will be issued 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 Federal Funds by the Fire District, at such bank or trust company located and authorized to do business in the State of New York as selected by the successful bidders.

If the Notes are issued in book-entry form, such notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases 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 Fire District 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. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Fire District will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See "Description of Book-Entry-Only System" herein).

Proposals for the Notes will be received at 11:00 A.M. (Prevailing Time) on November 7, 2024 at the offices of Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776.

The Notes are offered subject to the final approving opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel, and certain other conditions. Munistat Services, Inc. has served as Municipal Advisor to the Fire District in connection with the issuance of the Notes. It is expected that delivery of the Notes will be made in Jersey City, New Jersey or as otherwise agreed on or about November 21, 2024.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM "DEEMED FINAL" BY THE FIRE DISTRICT FOR THE PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"). FOR A DESCRIPTION OF THE FIRE DISTRICT'S AGREEMENT TO PROVIDE NOTICES OF EVENTS FOR THE NOTES, AS DESCRIBED IN THE RULE, SEE "DISCLOSURE UNDERTAKING" HEREIN.

November , 2024

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstance shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

**TERRYVILLE FIRE DISTRICT, IN THE TOWN OF BROOKHAVEN
SUFFOLK COUNTY, NEW YORK**

19 Jayne Boulevard
Port Jefferson Station, NY 11776
Telephone (631) 473-9303

BOARD OF COMMISSIONERS

Lee Brett, Chairman

Daniel Grusso
James Guma
Steve McCarren
James Rant

Margaret Gironda, Fire District Treasurer
Marilyn Peterson, Secretary
Chris P. Ring, Esq., Fire District Attorney

* *

HAWKINS

BOND COUNSEL

Hawkins Delafield & Wood LLP
New York, New York

* * *

MUNICIPAL ADVISOR



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No dealer, broker, salesman or other person has been authorized by the Fire District 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 there any sale of the Notes 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 Fire District 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 Fire District since the date hereof.

TABLE OF CONTENTS

	Page
THE NOTES	1
DESCRIPTION	1
NO OPTIONAL REDEMPTION	1
BOOK-ENTRY SYSTEM.....	1
AUTHORIZATION FOR AND PURPOSE OF NOTES	3
SECURITY AND SOURCE OF PAYMENT	3
RISK FACTORS	4
CYBERSECURITY	4
REMEDIES UPON DEFAULT	4
MUNICIPAL BANKRUPTCY	6
NO PAST DUE DEBT	6
THE FIRE DISTRICT	6
DESCRIPTION	6
DISTRICT ORGANIZATION	6
EMPLOYEES	6
ECONOMIC AND DEMOGRAPHIC INFORMATION	7
POPULATION TRENDS	7
INCOME DATA	7
UNEMPLOYMENT RATES.....	7
INDEBTEDNESS OF THE FIRE DISTRICT	8
STATUTORY PROCEDURE.....	8
COMPUTATION OF DEBT LIMIT AND DEBT CONTRACTING MARGIN	10
DETAILS OF SHORT-TERM INDEBTEDNESS OUTSTANDING.....	10
TREND OF OUTSTANDING INDEBTEDNESS.....	10
DEBT SERVICE REQUIREMENTS - OUTSTANDING BONDS	10
AUTHORIZED BUT UNISSUED DEBT	11
CALCULATION OF ESTIMATED OVERLAPPING AND UNDERLYING INDEBTEDNESS	11
DEBT RATIOS.....	11
FINANCES OF THE FIRE DISTRICT	11
INDEPENDENT AUDIT.....	11
INVESTMENT POLICY	11
SERVICE AWARD PROGRAM	12
EMPLOYEE PENSION SYSTEM	12
BUDGETARY PROCEDURES	13
REVENUES	13
<i>Real Property Taxes</i>	13
EXPENDITURES	13

TABLE OF CONTENTS - CONTINUED

	Page
TAX INFORMATION.....	14
REAL PROPERTY TAXES	14
TAX COLLECTION PROCEDURE	14
TAX LEVY LIMIT LAW	14
VALUATIONS, RATES AND LEVIES	15
SELECTED LISTING OF LARGE TAXABLE PROPERTIES.....	15
LITIGATION.....	15
TAX MATTERS.....	16
OPINION OF BOND COUNSEL	16
CERTAIN ONGOING FEDERAL TAX REQUIREMENTS AND CERTIFICATIONS.....	16
CERTAIN COLLATERAL FEDERAL TAX CONSEQUENCES	16
ORIGINAL ISSUE DISCOUNT	17
NOTE PREMIUM	17
INFORMATION REPORTING AND BACKUP WITHHOLDING	17
MISCELLANEOUS	18
LEGAL MATTERS.....	18
DISCLOSURE UNDERTAKING.....	18
RATING.....	18
MUNICIPAL ADVISOR.....	18
ADDITIONAL INFORMATION	19
APPENDIX A: FINANCIAL INFORMATION	
APPENDIX B: AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023	
APPENDIX C: FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL	
APPENDIX D: FORM OF EVENTS NOTICE UNDERTAKING	

OFFICIAL STATEMENT

TERRYVILLE FIRE DISTRICT, IN THE TOWN OF BROOKHAVEN SUFFOLK COUNTY, NEW YORK

Relating To

\$11,300,000 BOND ANTICIPATION NOTES - 2024 (the "Notes")

This Official Statement, including the cover page and appendices thereto, has been prepared by the Fire District and presents certain information relating to the Fire District's \$11,300,000 Bond Anticipation Notes – 2024 (the "Notes"). All quotations from and summaries and explanations of provisions of the Constitution and laws of the State of New York (the "State") and acts and proceedings of the Fire District 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 Notes and the proceedings of the Fire District relating thereto are qualified in their entirety by reference to the definitive form of the Notes and such proceedings.

THE NOTES

Description

The Notes are general obligations of the Fire District. The Fire District has pledged its faith and credit for the payment of the principal of and interest on the Notes and, unless paid from other sources, the Notes are payable from ad valorem taxes which may be levied upon all the taxable real property within the Fire District, subject to certain statutory limitations imposed by the Tax Levy Limit Law. (See "*Tax Levy Limit Law*" herein).

The Notes will be dated and will mature, without the option of prior redemption, as indicated on the cover page hereof.

The Fire District Treasurer will act as Fiscal Agent for any Notes issued in book-entry form and the purchaser may act as Paying agent for any Notes registered in the name of the purchaser. Paying agent fees, if any, for those Notes registered to the purchaser will be paid by the purchaser(s). The Fire District's contact information is as follows: Margaret Gironda, Fire District Treasurer, Terryville Fire District, in the Town of Brookhaven, 19 Jayne Boulevard, Port Jefferson Station, NY 11776, Phone (631) 473-9303, and email: mgironda@tfdmail.org.

No Optional Redemption

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

Book-Entry System

In the event that the Notes are issued in book-entry form, DTC will act as securities depository for any Notes issued as book-entry notes. Such 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 note certificate will be issued for each Note bearing the same rate of interest and CUSIP number and will be deposited with DTC.

DTC is a 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”). Standard & Poor’s assigns a rating of “AA+” to DTC. 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 Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of each actual purchaser of each Note (“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 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 Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all 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 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 Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such 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 Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of the Notes may wish to ascertain that the nominee holding 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 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 Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on 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 Fire District 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 Fire District, 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 Fire District, 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.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the Fire District. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered to the Noteowners. The Fire District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In such event, note certificates will be printed and delivered to the Noteowners.

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 Fire District takes no responsibility for the accuracy thereof. In addition, the Fire District 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 Notes or (iii) any notice which is permitted or required to be given to Noteowners.

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

Authorization for and Purpose of Notes

The Notes are being issued in accordance with the Constitution and statutes of the State of New York, including the Local Finance Law, and pursuant to the Bond Resolution duly adopted by the Board of Commissioners of the Fire District on December 14, 2023, and subsequently approved as a proposition by a majority of the qualified voters of the Fire District voting thereon at the Special Election held on January 23, 2024, to finance the construction of a new firehouse and improvements to the existing firehouse. The total project cost is \$17,990,000, which includes \$13,375,000 for construction and improvements to the Fire District buildings and facilities. This covers additions and upgrades to the Station 2 substation, \$2,235,000 for the construction of a freestanding metal building at the Station 2 site, and \$2,380,000 for improvements to the main firehouse building.

For further information regarding bond authorizations of the Fire District for capital purposes and other matters relating thereto see "*Indebtedness of the Fire District*", herein.

Security and Source of Payment

Each Note when duly issued and paid for will constitute a contract between the Fire District and the holder thereof.

The Notes will be general obligations of the Fire District and will contain a pledge of the faith and credit of the Fire District for the payment of the principal thereof and the interest thereon. The pledge of the faith and credit of municipalities and school districts mandated by Article VIII, Section 2, of the New York Constitution was upheld by the Court of Appeals in several cases decided at the time of the New York City financial crisis in the 1970s and 1980s (see *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 NY 2d 731 (1976) and subsequent cases). The opinion of the Court of Appeals in the *Flushing National Bank* decision states that "...an obligation containing a pledge of the City's 'faith and credit' is secured by a promise both to pay and to use in good faith the City's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words 'faith' and 'credit' are used and they are not tautological." In the words of the Court of Appeals, "That is what the words say and this is what the courts have held they mean..." is a clear statement as to the meaning of the pledge of faith and credit. Albeit the pledge of the faith and credit of a fire district (including the Fire District) is not constitutionally mandated, such pledge is required pursuant to the Local Finance Law (Section 100.00) for the incurrence of fire district indebtedness and should be accorded a similar judicial interpretation.

For the payment of such principal of and interest on the Notes, the Fire District has the power and statutory authority to cause the levy of ad valorem taxes on all taxable real property in the Fire District, subject to certain statutory limitations imposed by the Tax Levy Limit Law. (See "*Tax Levy Limit Law*" herein).

Pursuant to the Section 100.00 of the New York State Local Finance Law, the Fire District is required to pledge its faith and credit for the payment of the principal of and interest on the Notes. The State is precluded from restricting the power of the Fire District to require the levy of 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 Fire District's power to cause an increase to its annual tax levy, unless the Fire District complies with certain procedural requirements to permit the Town, on behalf of the Fire District, to levy certain year-to-year increases in real property taxes. (See "*Tax Levy Limit Law*" herein).

RISK FACTORS

There are certain potential risks associated with an investment in the Notes, and investors should be thoroughly familiar with this Official Statement, including its appendices, in order to make an informed investment decision. Investors should consider, in particular, the following factors:

The Fire District's credit rating could be affected by circumstances beyond the Fire District's control. Economic conditions such as the rate of unemployment and inflation, termination of commercial operations by corporate taxpayers and employers, as well as natural catastrophes, could adversely affect the assessed valuation of Fire District property and its ability to maintain fund balances and other statistical indices commensurate with its current credit rating. As a consequence, a decline in the Fire District's credit rating could adversely affect the market value of the Notes.

If and when an owner of any of the Notes should elect to sell a Note prior to its maturity, there can be no assurance that a market will have been established, maintained and continue in existence for the purchase and sale of any of those Notes. The market value of the Notes is dependent upon the ability of holder to potentially incur a capital loss if such Note is sold prior to its maturity.

There can be no assurance that adverse events including, for example, the seeking by another municipality in the State or elsewhere of remedies pursuant to the Federal Bankruptcy Act or otherwise, will not occur which might affect the market price of and the market for the Notes. In particular, if a significant default or other financial crisis should occur in the affairs of the State or any of its municipalities, public authorities or other political subdivisions thereby possibly further impairing the acceptability of obligations issued by those entities, both the ability of the Fire District to arrange for additional borrowing(s) as well as the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

Future amendments to applicable statutes whether enacted by the State or the United States of America affecting the treatment of interest paid on municipal obligations, including the Notes, for income taxation purposes could have an adverse effect on the market value of the Notes (see "*TAX MATTERS*" herein).

The enactment of the Tax Levy Limit Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the Fire District, without providing exclusion for debt service on obligations issued by municipalities and fire districts, including the Fire District, may affect the market price and/or marketability for the Notes. (See "*Tax Levy Limit Law*" herein.)

Federal or State legislation imposing new or increased mandatory expenditures by municipalities, school districts and fire districts in the State, including the Fire District could impair the financial condition of such entities, including the Fire District and the ability of such entities, including the Fire District, to pay debt service on their respective obligations.

A public health threat such as the COVID-19 pandemic may also affect the operations and/or finances of the Fire District.

CYBERSECURITY

The Fire District, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the Fire District faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the Fire District invests in various forms of cybersecurity and operational controls; however, no assurances can be given that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage Fire District digital networks and systems and the costs of remedying any such damage could be substantial.

REMEDIES UPON DEFAULT

Neither the Notes, nor the proceedings with respect thereto, specifically provide any remedies which would be available to owners of the Notes should the Fire District default in the payment of principal of or interest on the Notes, nor do they contain any provisions for the appointment of a trustee to enforce the interests of the owners of the Notes upon the occurrence of any such default. Each Note is a general obligation contract between the Fire District and the owners for which the faith and credit of the Fire District are pledged and while remedies for enforcement of payment are not expressly included in the Fire District's contract with such owners, any permanent repeal by statute or constitutional amendment of a bond or note holder's remedial right to judicial enforcement of the contract should, in the opinion of Bond Counsel, be held unconstitutional. (See also "*Security and Source of Payment*" herein for discussion of the statutory (but not constitutional) mandate that a fire district, including the Fire District, pledge its faith and credit to the payment of its indebtedness.)

Upon default in the payment of principal of or interest on the Notes, at the suit of the owner, a Court has the power, in proper and appropriate proceedings, to render judgment against the Fire District. The present statute limits interest on the amount adjudged due to contract creditors to nine per centum per annum from the date due to the date of payment. 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. A Court also has the power, in proper and appropriate proceedings, to order payment of a judgment on such Notes from funds lawfully available therefor or, in the absence thereof, to order the Fire District to take all lawful action to obtain the same, including to cause the raising of the required amount in the next annual tax levy. In exercising its discretion as to whether to issue such an order, the Court may take into account all relevant factors, including the current operating needs of the Fire District and the availability and adequacy of other remedies. Upon any default in the payment of the principal of or interest on a Note, the owner of such Note could, among other remedies, seek to obtain a writ of mandamus from a Court ordering the governing body of the Fire District to cause the assessment, levy and collection of an *ad valorem* tax, upon all taxable property of the Fire District subject to taxation by the Fire District, sufficient to pay the principal of and interest on the Notes as the same shall come due and payable (and interest from the due date to date of payment) and otherwise to observe the covenants contained in the Notes and the proceedings with respect thereto all of which are included in the contract with the owners of the Notes. The mandamus remedy, however, may be impracticable and difficult to enforce. Further, the right to enforce payment of the principal of or interest on the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles, which may limit the specific enforcement of certain remedies.

In 1976, the New York Court of Appeals, the State's highest court, held in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), that the New York State legislation purporting to postpone the payment of debt service on New York City obligations was an unconstitutional moratorium in violation of the New York State constitutional faith and credit mandate included in all municipal debt obligations. While that case can be viewed as a precedent for protecting the remedies of holders of bonds or notes of the Fire District, there can be no assurance as to what a Court may determine with respect to future events, including financial crises as they may occur in the State and in municipalities of the State, that require the exercise by the State of its emergency and police powers to assure the continuation of essential public services. (See also, *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 1088 (1977), where the Court of Appeals described the pledge as a direct Constitutional mandate.)

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the Fire District.

Pursuant to Article VIII, Section 2 of the State Constitution, municipalities and school districts are required to provide an annual appropriation of monies for the payment of due and payable principal of and interest on indebtedness. Specifically, this constitutional provision states: "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 holder of obligations issued for any such indebtedness." This Constitutional provision providing for first revenue set aside does not apply by its terms to the Fire District. However, pursuant to Section 100.00 of the Local Finance Law, a fire district, including the Fire District, must pledge its faith and credit to the payment of its indebtedness.

While the courts in the State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have generally upheld and sustained the rights of holders of bonds or notes, such courts might hold that future events, including a financial crisis as such may occur in the State or in any of its political subdivisions, including municipalities and fire districts of the State, may 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.

MUNICIPAL BANKRUPTCY

The Federal Bankruptcy Code (Chapter IX) allows public bodies, such as municipalities, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Title 6-A of the Local Finance Law specifically authorizes any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While this Local Finance Law provision does not apply to school districts and fire districts, there can be no assurance that it will not become applicable in the future. As such, the undertakings of the Fire District should be considered with reference, specifically, to Chapter IX, and, in general, to other bankruptcy laws affecting creditors' rights and municipalities. Bankruptcy proceedings by the Fire District if authorized by the State in the future could have adverse effects on bondholders and/or noteholders including (a) delay in the enforcement of their remedies, (b) subordination of their claims to those supplying goods and services to the Fire District after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (c) imposition without their consent of a reorganization plan reducing or delaying payment of the Notes.

The above references to said Chapter IX are not to be construed as an indication that the State will consent in the future to the right of the Fire District to file a petition with any 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 or that the Fire District is currently considering or expects to resort to the provisions of Chapter IX if authorized to do so in the future.

No Past Due Debt

No principal or interest payment on Fire District indebtedness is past due. The Fire District has never defaulted in the payment of the principal of and/or interest on any indebtedness.

THE FIRE DISTRICT

Description

The Terryville Fire District is located within the Town of Brookhaven in North-Central Suffolk, approximately 60 miles east of New York City. Being the largest town in Suffolk County, the Town of Brookhaven encompasses approximately 368 square miles. In 1788, Brookhaven was officially recognized as a Town. Located within the Town are the State University of New York at Stony Brook and Suffolk Community College. According to the 2000 census, Brookhaven's population is estimated at 448,248.

The Fire District's estimated population is 21,168. The Fire District itself is primarily suburban-residential in character and is composed of mostly single family homes with some garden apartments. Commercial activity, such as shopping, churches, banks and a library are located within the Fire District. Also located within the Fire District is Brookhaven-Comsewogue Union Free School District.

The Fire District is traversed by the Nesconset Highway and Route 112 as well as a local network of County and Town Roads. The Long Island Railroad maintains a station on the border of the Fire District.

District Organization

The Fire District is governed by a five-member Board of Fire Commissioners. Each Commissioner is elected for a five-year term. Each term is staggered so that every year one Commissioner is elected at large. The Chairman is elected by the Commissioners themselves. There is no limitation as to the number of terms which may be served by members of the Board. The Board appoints a Fire District Treasurer, Fire District Deputy Treasurer, and Fire District Secretary.

Employees

The Fire District has 22 full-time and 43 paid part-time employees, of which 21 are represented by organized labor units. That expired on 12/31/23, and is currently in negotiations.

ECONOMIC AND DEMOGRAPHIC INFORMATION

Population Trends

The following table sets forth population statistics for the Town of Brookhaven, Suffolk County and New York State.

<u>Year</u>	<u>Town of Brookhaven</u>	<u>Suffolk County</u>	<u>New York State</u>
2000	448,248	1,419,369	18,976,457
2010	486,040	1,493,350	19,378,102
2020	482,671	1,481,364	19,514,849
2023	488,497	1,525,465	19,571,216

a. Based on American Community Survey 1-year Estimated (2022).

Income Data

Income data are not available for the Fire District as such. The smallest area for which such statistics are available (which includes the Fire District) is the Town of Brookhaven. The information set forth below with respect to such Town is included for information purposes only. It should not be inferred from the inclusion of such data in this Statement that the Fire District is necessarily representative of the Town or vice versa.

	<u>Per Capita Money Income</u>				
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>2022^a</u>
Town of Brookhaven	\$16,726	\$24,191	\$32,663	\$42,388	\$49,059
County of Suffolk	18,481	26,577	35,755	46,466	54,127
State of New York	16,501	23,389	30,948	40,898	47,173

	<u>Median Household Income</u>				
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>2022^a</u>
Town of Brookhaven	\$47,074	\$62,475	\$81,654	\$100,061	\$114,845
County of Suffolk	53,244	72,112	84,506	105,362	122,498
State of New York	39,741	51,691	55,603	71,117	81,386

Source: United States Bureau of the Census.

a. Based on American Community Survey 1-Year Estimates (2022).

Unemployment Rates

<u>Annual Averages:</u>	<u>Town of Brookhaven (%)</u>	<u>Suffolk County (%)</u>	<u>New York State (%)</u>
2019	3.6	3.6	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 (7 Month Average)	3.6	3.7	4.2

Source: Department of Labor, State of New York.

INDEBTEDNESS OF THE FIRE DISTRICT

Constitutional Requirements. The New York State Constitution (Article VIII, Section 2) does not directly address the power of fire districts, including the Fire District, to contract indebtedness and the levy of taxes upon real estate in support thereof (although Article VIII, Section 3 thereof excludes, inter alia, fire districts from limitations imposed therein upon municipal or other corporations possessing the power to contract indebtedness or to levy or require the levy of taxes or benefit assessments upon real estate).

Local Finance Law Requirements. The New York State Local Finance Law limits the power of the Fire District (and municipalities, school and other fire districts of the State) to issue obligations and contract indebtedness. Such limitations include the following, in summary form, and are generally applicable to the Fire District and the Notes.

Purpose and Pledge. Pursuant to the Local Finance Law, the Fire District 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 Fire District may contract indebtedness only for a Fire District 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, or to be paid in one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, 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 periods of probable usefulness of the objects or purposes as determined by statute or in the alternative, the weighted average period of probable usefulness of the several objects or purposes for which such indebtedness is to be contracted; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the Fire District has authorized the issuance of indebtedness having substantially level or declining annual debt service. The Fire District is required to provide an annual appropriation for the payment of interest due during the fiscal year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds, bond anticipation notes and capital notes.

General. The Fire District is subject to certain statutory limitations restricting the powers of the Fire District in the areas of taxation, assessment, borrowing money, contracting indebtedness and loaning the credit of the Fire District, so as to prevent abuses in the exercise of such powers. As has been noted under "*Security and Source of Payment*", the State Legislature is prohibited from restricting the power of the Fire District to cause the levy of 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 Fire District's power to increase its annual tax levy, unless the Fire District complies with certain procedural requirements to permit the Fire District to cause the levy of certain year-to-year increases in real property taxes. (See "*Tax Levy Limit Law*" herein).

Statutory Procedure

In general, the State Legislature has authorized the power and procedure for the Fire District to borrow and incur indebtedness subject, of course, to the provisions set forth above. The power to spend money, however, generally derives from other laws, including the Town Law and the General Municipal Law.

Pursuant to the Local Finance Law, the Fire District authorizes the issuance of bonded indebtedness by the adoption of a bond resolution approved by a vote of at least three-fifths of the entire membership of the Board of Fire Commissioners, which, pursuant to the Local Finance Law, is the finance board of the Fire District. All of such resolutions are subject to referendum.

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, appropriates the requisite funds, authorizes the issuance of serial bonds to finance the appropriation, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect to such object or purpose.

Each bond resolution also provides for the authorization of the issuance of bond anticipation notes prior to the issuance of the subject serial bonds. Statutory law in New York permits notes to be renewed each year provided that (i) amortization of principal commences within two years of the date of incurrence of the debt, and, (ii) such renewals do not (with certain exceptions) extend more than five years beyond the original date of borrowing. (See "*Payment and Maturity*" under "*Constitutional Requirements*" herein).

The Local Finance Law also provides a twenty-day statute of limitations after publication of a bond resolution, together with a statutory form of notice which, in effect, stops legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement. Except on rare occasion, the Fire District complies with this estoppel procedure.

In addition, pursuant to the bond resolution, the Board of Fire Commissioners may delegate to the Fire District Treasurer, the chief fiscal officer of the Fire District, the power to issue and sell bonds and bond anticipation notes.

In general, the Local Finance Law contains similar provisions providing the Fire District with power to issue general obligation revenue anticipation notes, tax anticipation notes, deficiency notes and budget notes, subject to the prescribed statutory procedures and limitations.

Debt Limit. The Fire District has the power to contract indebtedness for any Fire District purpose authorized by the Legislature of the State so long as the aggregate principal amount thereof shall not exceed three per centum (3.00%) of the full valuation of taxable real property of the Fire District, except as otherwise provided by the New York Local Finance Law, and subject to certain enumerated exclusions and deductions such as cash or appropriations for principal of debt. The three per centum limit may be exceeded if the proposition for approval of the bond resolution is approved by a two-thirds vote of the qualified voters of the Fire District and the State Comptroller consents thereto. The method for determining full valuation is by taking the assessed valuation of taxable real property for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Board of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined.

There is no constitutional limitation on the amount that may be raised by the Fire District 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 power of the Fire District to increase its annual tax levy, unless the Fire District complies with certain procedural requirements to permit the Fire District to cause the levy of certain year-to-year increases in real property taxes. (See "*Tax Levy Limit Law*" herein).

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The following table sets forth the computation of the debt limit of the Fire District and its debt contracting margin:

Computation of Debt Limit and Debt Contracting Margin
(As of October 23, 2024)

<u>In Town of:</u>	<u>Assessed Valuation</u>	<u>State Equalization Rate (%)</u>	<u>Full Valuation</u>
Brookhaven (2023-2024)	\$21,394,915	0.54	\$3,962,021,296
Debt Limit - 3% of Full Valuation			\$118,860,639
Inclusions:			
Outstanding Bonds			\$0
Bond Anticipation Notes			<u>0</u>
Total Indebtedness			<u>0</u>
Appropriations			<u>0</u>
Total Net Indebtedness			<u>0</u>
Net Debt Contracting Margin			<u><u>118,860,639</u></u>
Per Cent of Debt Contracting Margin Exhausted			0.00%

a. ^{_____} The latest completed assessment roll for which a State Equalization Rate has been established.

Details of Short-Term Indebtedness Outstanding

As of the date of this Official Statement, the Fire District has no short-term indebtedness outstanding.

Trend of Outstanding Indebtedness

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Bonds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
BANs	-	-	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

Source: ^{_____} Financial Statements of the Fire District

Debt Service Requirements - Outstanding Bonds

As of the date of this Official Statement, the Fire District does not have any long-term debt outstanding.

Authorized but Unissued Debt

The Fire District has authorized but unissued debt in the aggregate amount of \$17,990,000 for the construction and improvements to firehouse buildings and facilities. The Notes will finance \$11,300,000 of such authorized amount. (See “*Authorization for and Purpose of Notes*” herein.)

Calculation of Estimated Overlapping and Underlying Indebtedness

<u>Overlapping Units</u>	<u>Date of Report</u>	<u>Percentage Applicable (%)</u>	<u>Applicable Total Indebtedness</u>	<u>Applicable Net Indebtedness</u>
County of Suffolk	05/31/2024	0.84	\$10,343,179	\$ 8,727,110
Town of Brookhaven	08/14/2024	4.59	21,388,941	20,799,126
Brookhaven-Comsewogue UFSD	06/30/2024	75.24	20,785,050	15,443,292
Totals			\$52,517,170	\$44,969,528

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.

Debt Ratios (As of October 23, 2024)

	<u>Amount</u>	<u>Per Capita^a</u>	<u>Percentage of Full Value (%)^b</u>
Total Direct Debt	\$ 0	\$ 0	0.000
Net Direct Debt	0	0	0.000
Total Direct & Applicable Total Overlapping Debt	52,517,170	3,282	1.326
Net Direct & Applicable Net Overlapping Debt	44,969,528	2,811	1.135

- a. The current population of the Fire District is 16,000.
b. The full valuation of taxable property is \$3,962,021,296.

FINANCES OF THE FIRE DISTRICT

Independent Audit

The financial affairs of the Fire District are subject to periodic compliance review by the Office of the State Comptroller to ascertain whether the Fire District has complied with the requirements of various state and federal statutes. The financial statements of the Fire District are audited each year by an independent public accountant. The last such audit covers the fiscal year ended December 31, 2023, which is included herein as Appendix B.

Investment Policy

Pursuant to State law, including Sections 10 and 11 of the GML, the Fire District is generally permitted to deposit moneys in banks or trust companies located and authorized to do business in the State. All such deposits, including special time deposit accounts and certificates of deposit, in excess of the amount insured under the Federal Deposit Insurance Act, are required to be secured in accordance with the provisions of and subject to the limitations of Section 10 of the GML.

The Fire District may also temporarily invest moneys in: (1) obligations of the United States of America; (2) 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; (3) obligations of the State of New York; (4) with the approval of the New York State Comptroller, in tax anticipation notes or revenue anticipation notes issued by any municipality, school district, or district corporation, other than those notes issued by the Fire District, itself; (5) certificates of participation issued in connection with installment purchase agreements entered into by political subdivisions of the State pursuant to Section 109-b(10) of the GML; (6) obligations of a New York public benefit corporation which are made lawful investments for municipalities pursuant to the enabling statute of such public benefit corporation; or (7) in the case of moneys held in certain reserve funds established by the Fire District pursuant to law, in obligations of the Fire District.

All of the foregoing investments are required to be payable or redeemable at the option of the owner 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. Unless registered or inscribed in the name of the Fire District, such instruments and investments must be purchased through, delivered to and held in custody of a bank or trust company in the State pursuant to a written custodial agreement as provided by Section 10 of the GML.

The Board of Fire Commissioners of the Fire District has adopted an investment policy and such policy conforms with applicable laws of the State governing the deposit and investment of public moneys. All deposits and investments of the Fire District are made in accordance with such policy.

Service Award Program

The Fire District sponsors a Length of Service Award Program (LOSAP) with two components, pre- and post-entitlement age.

The original LOSAP was adopted by resolution on October 1, 1990, affirmed by the residents in a special election on July 17, 1990 and became effective January 1, 1991. The program, consistent with the provisions of Section 216 of the General Municipal Law, is a defined benefit plan where the award to be paid to eligible volunteers is twenty dollars (\$20.00) per month for each qualified year of active firefighter's service, not to exceed forty (40) years, with benefit payment commencing when the eligible volunteer firefighter reaches age sixty-two (62). To earn a year of credited service a participant must accumulate a minimum of fifty (50) points under the Fire District's LOSAP Point System. The participant's accrued benefit is 100% vested after the volunteer firefighter has earned credit for five (5) years, attains entitlement ages, is awarded a finding of total and permanent disability or dies. All active volunteer firefighters who are members of the Terryville Fire Department are eligible to participate in this component of the LOSAP.

The second component of the LOSAP is for post entitlement age volunteer firefighters who have not yet reached the maximum number of years provided in Section 216 of the General Municipal Law for earning credit in a defined benefit plan program. Post entitlement age LOSAP was adopted by resolution of the Board of Fire Commissioners on October 14, 2004, approved by resident electors at the regular fire district election conducted on December 14, 2004 and became effective January 1, 2005. Credit is earned in the identical manner as the original component of the LOSAP but the benefit is paid annually as a lump sum payment in the year that follows the successful completion of a year of firefighting service. The benefit decreases in value based on the participant's age. All active volunteer firefighters who are members of the Terryville Fire Department and fifty-five (55) years of age and older are eligible to participate in this component of the LOSAP.

The total number of years a participant can earn credit for firefighting services cannot exceed forty (40) years regardless of the LOSAP component or components the credit was earned in.

Employee Pension System

Substantially all employees of the Fire District are members of the New York State and Local Employees' Retirement System (the "Retirement System"). The Retirement System is a cost-sharing multiple public employer retirement system. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement Systems Law"). The 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 for employees hired prior to January 1, 2010. The Retirement System Law generally provides that all participating employers in the Retirement Systems are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement System. The Retirement System is non-contributory with respect to members hired prior to July 27, 1976. All members hired on or after July 27, 1976 must contribute three percent of their gross annual salary towards the costs of retirement programs until they attain ten years in the Retirement System, at such time contributions become voluntary. On December 10, 2009, the Governor signed into law the creation of a new Tier V, which is effective for new Retirement System employees hired after January 1, 2010

and before April 1, 2012. Retirement System employees in Tier V contribute 3% of their salaries and there is no provision for these contributions to cease for Tier V employees after a certain period of service. Additionally, on March 16, 2012, the Governor signed into law the new Tier VI pension program, effective for new Retirement System employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for final average salary calculation from 3 years to 5 years. Tier VI employees will vest in the system after ten years of employment and will continue to make employee contributions throughout employment.

As a result of significant capital market declines in the recent past, in certain years the State’s Retirement System portfolio has experienced negative investment performance and severe downward trends in market earnings. As a result of the foregoing, it is anticipated that the employer contribution rate for the State’s Retirement System in future years may be significantly higher than the minimum contribution rate established under applicable law. The Office of the New York State Comptroller has informed participating employers that due to the global economic crisis of 2008-2009, the rate of return of the pension fund experienced an unprecedented decline and consequently, for several years, contribution rates increased. The Employer Contribution Stabilization Program, signed into law on August 11, 2010 gives local governments the option to amortize a portion of annual pension costs. Amortizations are paid in equal installments over a ten-year period at an interest rate that is set annually. The interest rate for 2011 fiscal year was 5 percent. The interest rate for 2012 is 3.75 percent. Under such legislation, local governments and school districts that choose to amortize will be required to set aside and reserve funds for certain future rate increases. The legislation also authorizes local governments and school district to establish reserve accounts to fund future payment increases that are a result of fluctuations in pension plan performance. The Fire District has decided not to amortize any payments to the Retirement System and has no plans to do so in the foreseeable future.

The Fire District is required to contribute an actuarially determined rate. The Fire District’s contributions made to the Retirement System were equal to 100% of the contributions required for each year. The required contributions for the five most recently completed fiscal years are as follows:

Fiscal Year Ending <u>December 31:</u>	<u>LOSAP</u>	<u>ERS</u>
2019	\$298,571	\$175,806
2020	212,814	181,348
2021	209,119	239,968
2022	228,359	195,929
2023	232,481	220,013
2024 (Budgeted)	272,521	285,000
2025 (Budgeted)	273,921	318,062

Sources: Audited Financial Statements and Fire Districts Officials.

Budgetary Procedures

The Board of Fire Commissioners, with the assistance of the Fire District Treasurer, prepares a budget each year. The budget is then adopted by the Board as its final budget for the coming fiscal year. The budget is not subject to referendum unless the operating portion exceeds the limitations provided by law. The budget is submitted to the Town of Brookhaven and the Town is specifically prohibited from making any change in the Fire District budget, which is included in the Town budget. Following adoption by the Town Board such budget becomes the adopted budget of the Town, which levies and collects taxes for Fire District purposes.

Revenues

The Fire District receives most of its revenue from a real property tax on all non-exempt real property situated within the Fire District. A summary of such revenues for the five most recently completed fiscal years and the amounts budgeted for 2024 and 2025 may be found in Appendix A.

Real Property Taxes

See "Tax Information", herein.

Expenditures

A summary of such Expenditures for the five most recently completed fiscal years and the amounts budgeted for 2024 and 2025 may be found in Appendix A.

TAX INFORMATION

Real Property Taxes

Methods and procedures to require the levy, collection and enforcement of this tax are governed by the Real Property Tax Law. Real property assessment rolls used by the Fire District are prepared by the Town. Assessment valuations are determined by the Town assessor and the State Office of Real Property Services which is responsible for certain utility and railroad property. In addition, the State Office of Real Property Services annually establishes State Equalization Rates for all localities in the State, which are determined by statistical sampling of market sales/assessment studies. The equalization rates are used in the calculation and distribution of certain State aid and are used by many localities in the calculation or debt contracting and real property taxing limitations. The Fire District is not subject to constitutional real property taxing limitations. However, the Tax Levy Limit Law imposes a statutory limitation on the Fire District's power to increase its annual tax levy. As a result, the power of the Fire District to cause the levy of real estate taxes on all the taxable real property within the Fire District is subject to statutory limitations set forth in Tax Levy Limit Law.

The following table sets forth the percentage of the Fire District's General Fund revenue (excluding other financing sources) comprised of real property taxes for each of the fiscal years 2019 through 2023, inclusive and the amounts budgeted for the 2024 and 2025 fiscal years.

Fiscal Year Ending <u>December 31:</u>	<u>Total Revenue</u>	Real Property <u>Taxes</u>	Real Property Taxes to <u>Revenues (%)</u>
2019	\$5,994,552	\$5,881,422	0.98
2020	6,028,207	5,995,734	0.99
2021	6,285,399	6,133,380	0.98
2022	6,637,047	6,274,807	0.95
2023	8,570,404	6,404,176	0.75
2024 (Budgeted)	6,615,807	6,545,261	0.99
2025 (Budgeted)	8,349,032	6,676,807	0.80

Sources: Audited Financial Statements (2019-2022), Annual Financial Report (2023) and Adopted Budget of the Fire District (2024).

Tax Collection Procedure

Real property taxes for the fire District are levied and billed with taxes for County and Town purposes. Fire District taxes are collected by the Town. The Town is required to pay the full amount of each warrant presented by the Fire District, whether or not these amounts are actually collected by the Town. Accordingly, the Fire District receives 100% of its tax levy May 1st each year. The Town enforces delinquent taxes through tax lien proceedings and in-rem foreclosure proceedings. Town County, and special district taxes or assessments for the period from January 1st to December 31st are due in a single payment on April 1st. Payment may be made without penalty until April 30th, after which the penalty is 2% during May, 5% during June and July, 7% during August and September, 10% during October, November and December and 12% thereafter to tax lien date (generally the following May).

Tax Levy Limit Law

Prior to the enactment of Chapter 97 of the New York Laws of 2011, as amended (the "*Tax Levy Limit Law*") all the taxable real property within the Fire District had been subject to the levy of ad valorem taxes to pay the bonds and notes of the Fire District and interest thereon without limitation as to rate or amount. However, the Tax Levy Limit Law imposes a tax levy limitation upon the Fire District for any fiscal year commencing after January 1, 2012, without providing an exclusion for debt service on obligations issued by the Fire District. As a result, the power of the Fire District to cause the levy of real estate taxes on all the taxable real property within the Fire District, to pay the principal of and interest on the Notes, is subject to the statutory limitations imposed by the Tax Levy Limit Law.

The following is a brief summary of certain relevant provisions of Tax Levy Limit Law. The summary is not complete and the full text of the Tax Levy Limit Law should be read in order to understand the details and implications thereof.

The Tax Levy Limit Law imposes a limitation on increases in the real property tax levy of the Fire District, subject to certain exceptions. The Tax Levy Limit Law permits the Fire District to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor", which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by: (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, with the result expressed as a decimal to four places. The Fire District is required to calculate its tax levy limit for the upcoming year in accordance with the provisions above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limit Law sets forth certain exclusions to the real property tax levy limitation of the Fire District, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Fire District. The Board of Fire Commissioners of the Fire District can adopt a resolution, approved by a vote of sixty percent of the total voting power of the Board of Fire Commissioners, to override the tax levy limit for a given year.

There can be no assurances that the Tax Levy Limit Law will not come under legal challenge for violating applicable law (i) for not providing an exception for debt service on obligations issued prior to the enactment of the Tax Levy Limit Law, (ii) by effectively eliminating the exception for debt service to general real estate tax limitations, and (iii) by limiting the pledge of its faith and credit by a fire district for the payment of debt service on obligations issued by such fire district because the Tax Levy Limit Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation bonds or notes of the Fire District or such indebtedness incurred after the effective date of the Tax Levy Limit Law.

Valuations, Rates and Levies

A summary of Valuations and Levies may be found in Appendix A.

Selected Listing of Large Taxable Properties 2023-24 Assessment Roll

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
LIPA	Utility	\$370,348
Heatherwood House at Port Jefferson DE LLC	Apartments	277,040
460 Old Town RD Owners Corp.	Commercial	250,000
Port Jefferson Town Properties Owner LLC	Commercial	232,800
H G C Co LLC	Commercial	186,666
1500 Property Partners LLC	Commercial	161,000
LKG Port Jefferson LLC C/O Saul Lerner Management	Commercial	150,000
Centro Heritage SPE 4 LLC	Commercial	145,640
WB Woodcrest Associates LLC	Commercial	132,100
Port Plaza (E&A) LLC	Commercial	184,393
	Total ^a	\$2,089,987

a. Represents 9.77% of the 2023-24 Assessed Valuation of the Fire District.

LITIGATION

In common with other fire districts, the Fire District from time to time may receive notices of claim and is party to litigation. Currently, in the opinion of the Fire District attorney, unless other wise set forth herein and apart from matters provided for by applicable insurance coverage, there are no claims or actions pending in which the Fire District has not asserted and/or has the ability to assert a substantial and adequate defense, no which, if determined against the Fire District, would have a substantial adverse material effect on the financial condition of the Fire District

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Fire District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code; however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. The Tax Certificate of the Fire District (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Notes will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Fire District in connection with the Notes, and Bond Counsel has assumed compliance by the Fire District with certain ongoing provisions and procedures set forth in the Tax Certificate relating to compliance with applicable requirements of the Code to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel to the Fire District, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

Bond Counsel expresses no opinion as to any other federal, state or local tax consequences arising with respect to the Notes, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Notes.

Certain Ongoing Federal Tax Requirements and Certifications

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Notes, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Notes to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The Fire District, in executing the Tax Certificate, will certify to the effect that the Fire District will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Notes. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Note. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Notes.

Prospective owners of the Notes should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Notes may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

“Original issue discount” (“OID”) is the excess of the sum of all amounts payable at the stated maturity of a Note (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the “issue price” of a maturity (a note with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Notes. In general, the issue price for each maturity of Notes is expected to be the initial public offering price set forth in this Official Statement. Bond Counsel further is of the opinion that, for any Notes having OID (a “Discount Note”), OID that has accrued and is properly allocable to the owners of the Discount Notes under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Notes.

In general, under Section 1288 of the Code, OID on a Discount Note accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Note. An owner’s adjusted basis in a Discount Note is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Discount Note. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Note even though there will not be a corresponding cash payment.

Owners of Discount Notes should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Notes.

Note Premium

In general, if an owner acquires a note for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the note after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “note premium” on that note (a “Premium Note”). In general, under Section 171 of the Code, an owner of a Premium Note must amortize the note premium over the remaining term of the Premium Note, based on the owner’s yield over the remaining term of the Premium Note, determined based on constant yield principles (in certain cases involving a Premium Note callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such note). An owner of a Premium Note must amortize the note premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the note premium allocable to that period. In the case of a tax-exempt Premium Note, if the note premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Note may realize a taxable gain upon disposition of the Premium Note even though it is sold or redeemed for an amount less than or equal to the owner’s original acquisition cost. Owners of any Premium Note should consult their own tax advisors regarding the treatment of note premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of note premium on, sale, exchange, or other disposition of Premium Notes.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest on tax-exempt obligations, including the Notes. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification,” or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Note through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Notes from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner’s federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Notes under federal or state law or otherwise prevent beneficial owners of the Notes from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Notes.

Prospective purchasers of the Notes should consult their own tax advisors regarding the foregoing matters.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes will be subject to the final approving opinion of the law firm of Hawkins Delafield & Wood LLP, Bond Counsel to the Fire District with respect to the Notes, which will be available at the time of delivery of the Notes, substantially in the form set forth in Appendix C.

DISCLOSURE UNDERTAKING

This Official Statement is in a form “deemed final” by the Fire District for the purposes of Securities and Exchange Commission Rule 15c2-12 (the “Rule”). At the time of the delivery of the Notes, the Fire District will provide an executed copy of its “Undertaking to Provide Notices of Events” (the “Undertaking”) substantially in the form set forth in Appendix D.

RATING

The Notes are not rated. Subject to the approval of the Fire District, the purchaser(s) of the Notes may have a rating completed after the sale at the expense of the purchaser(s), including any fees to be incurred by the Fire District, such as a rating action that may require the filing of a material event notification to EMMA and/or the provision of a supplement to the Final Official Statement.

The Fire District does not presently have a credit rating because it does not have any long-term debt.

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 Fire District 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 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 Notes was based on materials provided by the Fire District and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the Fire District or the information set forth in this Official Statement or any other information available to the Fire District 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 from the office of Margaret Girona, Fire District Treasurer, Terryville Fire District, in the Town of Brookhaven, 19 Jayne Boulevard, Port Jefferson Station, NY 11776, Phone (631) 473-9303, and email: mgirona@tfdmail.org or from Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776, telephone number (631) 331-8888 and website: www.munistat.com.

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 Fire District nor Munistat Services, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Munistat Services, Inc. and the Fire District 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 Fire District 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 Fire District and the original purchasers or owners of any of the Notes.

The preparation and distribution of this Official Statement has been authorized by various resolutions of the Fire District which delegates to the Fire District Treasurer the power to sell and issue the Notes.

By: s/s MARGARET GIRONDA
Fire District Treasurer
Terryville Fire District, in the Town of Brookhaven
Port Jefferson Station, New York

October , 2024

APPENDIX A

FINANCIAL INFORMATION

Balance Sheet
Governmental Funds

	Fiscal Year Ending December 31:	
	2023	2022
Assets:		
Cash & Cash Equivalents:		
Unrestricted Cash	\$ 2,809,129	\$ 1,217,027
Restricted Cash	3,950,599	4,328,211
Service Award Program Assets	2,921,673	2,967,452
Due From Federal Government		189,491
Prepaid Expense	548,692	463,709
Total Assets	\$ 10,230,093	\$ 9,165,890
Liabilities:		
Accounts Payable	\$ 291,050	\$ 317,591
Accrued Liabilities		
Deferred Inflows of Resources	71,936	302,891
Total Liabilities	\$ 362,986	\$ 620,482
Fund Balance:		
Nonspendable Fund Balance	\$ 548,692	\$ 463,709
Restricted:		
Reserves	3,759,892	4,032,097
Service Award Program	2,921,673	2,967,452
Contingency and Tax Stabilization Reserve	117,329	112,663
Employee Benefits Reserve	73,378	70,460
Assigned Unappropriated	550,522	33,713
Unassigned (Operating)	1,895,621	865,314
Total Fund Equity	\$ 9,867,107	\$ 8,545,408
Total Liabilities and Fund Equity	\$ 10,230,093	\$ 9,165,890

Source: Audited Annual Financial Reports (2022-2023)

Results of Operations and Changes in Fund Equity
Governmental Funds

	Fiscal Year Ending December 31:				
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Revenues:					
Real Property Taxes	\$ 5,881,422	\$ 5,995,734	\$ 6,133,380	\$ 6,274,807	\$ 6,404,176
Interest and Earnings	66,448	27,500	128,609	160,704	430,257
Payments in Lieu of Taxes			3,946	5,736	5,831
Ambulance Charges					1,712,681
Leases					11,982
Rental of Real Property				5,875	
Sale of Equipment	240	4,711	17,000	7	1,916
Insurance Recoveries					
Refund of Prior Years Expenditures	46,269		2,287	114	3,408
Unclassified	173	262	177		
Miscellaneous				313	
Sale of Equipment					153
Grant				189,491	
Total Revenues	<u>5,994,552</u>	<u>6,028,207</u>	<u>6,285,399</u>	<u>6,637,047</u>	<u>8,570,404</u>
Expenditures:					
Fire Protection	978,431	901,378	1,006,629	1,132,403	1,486,342
Personal Services	1,822,888	2,008,129	2,078,692	2,137,634	2,144,101
Equipment and Capital Outlay	695,625	1,318,757	1,212,645	1,043,712	1,831,378
New York State Retirement	175,806	181,348	239,968	195,929	220,013
Local Pension Fund - Length of Service Award Program	297,787	226,465	327,639	347,665	392,839
Social Security	146,700	159,340	154,650	163,326	164,017
Metropolitan Transportation Authority Tax				7,240	7,582
Worker's Compensation and VFBL Insurance	361,465	326,779	260,096	215,947	229,536
Medical and Accident Insurance				494,853	535,249
State Unemployment Insurance	5,127	4,121	13,629	12,958	12,340
Life Insurance	32,845	29,786	44,004	40,747	41,294
Hospital, Medical and Dental Insurance	379,856	347,743	357,271		
Disability Insurance					757
Other Employee Benefits	12,784	13,276	16,024	17,492	15,070
Installment Purchase Debt - Principal				144,934	150,427
Installment Purchase Debt - Interest				23,253	17,760
Total Expenditures	<u>4,909,314</u>	<u>5,517,122</u>	<u>5,711,247</u>	<u>5,978,093</u>	<u>7,248,705</u>
Other Financing Sources/Uses:					
Interfund Transfers In					
Interfund Transfers (Out)					
Total Detail Financing Sources/Uses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Changes in Fund Equity	<u>1,085,238</u>	<u>511,085</u>	<u>574,152</u>	<u>658,954</u>	<u>1,321,699</u>
Fund Equity Beginning of Year	<u>2,749,933</u>	<u>3,835,171</u>	<u>4,346,256</u>	<u>7,886,454</u>	<u>8,545,408</u>
Prior Period Adjustments			2,966,046 ^a		
Fund Equity End of Year	<u>\$ 3,835,171</u>	<u>\$ 4,346,256</u>	<u>\$ 7,886,454</u>	<u>\$ 8,545,408</u>	<u>\$ 9,867,107</u>

a. The Following restatement was performed to find balance at the beginning of 2022 due to the adoption of GASB 87, as required by the regulatory basis of accounting as prescribed by the OSC. The implementation of GASB 87 requires lessors to recognize a lease receivable and a deferred inflow of resources at the commencement of a lease term.

Note: This Schedule is not Audited.

Source: Audited Annual Financial Reports (2019-2023)

BUDGET SUMMARIES

	Fiscal Year Ending December 31:	
	<u>2024</u>	<u>2025</u>
Revenues:		
Real Property Taxes	\$ 6,545,261	\$ 6,676,807
Interest & Earnings	50,000	130,000
PILOT	8,570	22,000
Cell Tower Receivables	11,976	12,225
EMS Income	0	1,000,000
EMS 2024 Carryover	0	508,000
	<hr/>	<hr/>
Total revenues	\$ <u>6,615,807</u>	\$ <u>8,349,032</u>
Expenditures:		
Non Exempt from Statutory Spending Limitation	\$ 1,271,766	\$ 1,902,125
Exxempt from Statutory Spending Limitation	252,000	254,000
Salaries	2,750,000	3,075,600
State Retirement System	285,000	318,062
Local Pension Fund	272,521	273,921
Social Security	210,100	236,000
Workers' Compensation	242,000	190,000
Life Insurance	50,000	44,000
Unemployment Insurance	20,000	18,000
Hospital, Medical & Accident Insurance	640,320	727,324
Cancer Policy	15,100	17,000
Interest on Bonds	0	508,000
Transfer to Apparatus Fund	400,000	85,000
Transfer to Buildings & Grounds Fund	100,000	400,000
Transfer to Purchase of Equipment Fund	107,000	300,000
	<hr/>	<hr/>
Total Expenditures	\$ <u>6,615,807</u>	\$ <u>8,349,032</u>

Source: Adopted Budgets of the Fire District.

FINANCIAL INFORMATION

Valuations, Tax Levies and Tax Rates

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Terryville Fire District:					
Assessed Valuation	21,214,510	21,451,074	21,227,360	21,311,135	21,394,915
Equalization Rate	0.79%	0.77%	0.74%	0.62%	0.54%
Full Valuation	<u>2,685,381,013</u>	<u>2,785,853,766</u>	<u>2,868,562,162</u>	<u>3,437,279,839</u>	<u>3,962,021,296</u>
Tax Levy	\$ 5,995,734	\$ 6,133,380	\$ 6,274,807	\$ 6,404,176	\$ 6,545,261
Tax Rate per \$1,000 of Assessed Valuation	\$ 28.26	\$ 28.59	\$ 29.56	\$ 30.05	\$ 30.59

TERRYVILLE FIRE DISTRICT, IN THE TOWN OF BROOKHAVEN

APPENDIX B

**AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023**

[▶ Click Here For 2023 AUDIT](#)

NOTE: SUCH FINANCIAL REPORT AND OPINIONS WERE PREPARED AS OF THE DATE THEREOF AND HAVE NOT BEEN REVIEWED AND /OR UPDATED BY THE FIRE DISTRICT'S AUDITORS IN CONNECTION WITH THE PREPARATION AND DISSEMINATION OF THIS OFFICIAL STATEMENT. CONSENT OF THE AUDITORS FOR INCLUSION OF THE AUDITED FINANCIAL REPORT IN THIS OFFICIAL STATEMENT HAS NOT BEEN REQUESTED NOR OBTAINED.

NOT PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES ("GAAP").

APPENDIX C

FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL

FORM OF OPINION OF BOND COUNSEL

Hawkins Delafield & Wood LLP
7 World Trade Center
250 Greenwich Street
New York, New York 10007

November 21, 2024

The Board of Commissioner of the
Terryville Fire District, in the Town of Brookhaven,
County of Suffolk, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the Terryville Fire District, in the Town of Brookhaven (the “Fire District”), in the County of Suffolk, a district corporation of the State of New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the \$11,300,000 Bond Anticipation Notes – 2024 (the “Notes”) of the Fire District dated and delivered on the date hereof.

In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof. Based upon and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Notes are valid and legally binding general obligations of the Fire District for which the Fire District has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the Fire District is subject to the levy of ad valorem real estate taxes to pay the Notes and interest thereon, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended. The enforceability of rights or remedies with respect to such Notes may be limited by bankruptcy, insolvency, or other laws affecting creditors’ rights or remedies heretofore or hereafter enacted.

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code; however, interest on the Notes is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.

The Code establishes certain requirements that must be met subsequent to the issuance of the Notes in order that the interest on the Notes be and remain excludable from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Notes, restrictions on the investment of proceeds of the Notes prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause the interest on the Notes to become subject to federal income taxation retroactive to the date of issuance thereof, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of issuance of the Notes, the Fire District will execute a Tax Certificate relating to the Notes containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the Fire District represents that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that the interest on the Notes will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in this paragraph 2, we have relied upon and assumed (i) the material accuracy of the Fire District's certifications, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of the interest on the Notes, and (ii) compliance by the Fire District with the procedures and certifications set forth in the Tax Certificate as to such tax matters.

3. Under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Notes, or the ownership or disposition thereof, except as stated in paragraphs 2 and 3 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Notes.

We give no assurances as to the accuracy, sufficiency or completeness of the Preliminary or Final Official Statement or any proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the Fire District which have been or may hereafter be furnished or disclosed to purchasers of said Notes.

Very truly yours,

APPENDIX D

FORM OF EVENTS NOTICE UNDERTAKING

UNDERTAKING TO PROVIDE NOTICES OF EVENTS

Section 1. Definitions

“EMMA” shall mean the Electronic Municipal Market Access System implemented by the MSRB.

“GAAP” shall mean generally accepted accounting principles as in effect from time to time in the United States.

“Holder” shall mean any registered owner of the Securities and any beneficial owner of Securities within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934.

“Issuer” shall mean the Terryville Fire District, in the Town of Brookhaven, in the County of Suffolk, a district corporation of the State of New York.

“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Purchaser” shall mean the financial institution referred to in the Certificate of Determination, executed by the Fire District Treasurer as of November 21, 2024.

“Rule 15c2-12” shall mean Rule 15c2-12 under the Securities Exchange Act of 1934, as amended through the date of this Undertaking, including any official interpretations thereof.

“Securities” shall mean the Issuer’s **\$11,300,000 Bond Anticipation Note-2024**, dated November 21, 2024, maturing November 21, 2025, and delivered on the date hereof.

Section 2. Obligation to Provide Notices of Events. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided either directly or through Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776 to the Electronic Municipal Market Access (“EMMA”) System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of such Board contemplated by the Undertaking, in a timely manner, not in excess of ten (10) business days after the occurrence of any such event, notice of any of the following events with respect to the Securities:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;

- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) 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 of determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
- (vii) modifications to rights of Securities holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Securities, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the Issuer;

Note to clause (12): For the purposes of the event identified in clause (12) above, the event 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 U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government 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;

- (xiii) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into 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;
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) incurrence of a financial obligation, as defined in Rule 15c2-12, 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

(xvi) 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.

(b) Nothing herein shall be deemed to prevent the Issuer from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated hereunder.

(c) Nothing herein shall be deemed to prevent the Issuer from providing notice of the occurrence of certain other events, in addition to those listed above, if the Issuer determines that any such other event is material with respect to the Securities; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

Section 3. Remedies. If the Issuer shall fail to comply with any provision of this Undertaking, then any Holder of Securities may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Undertaking; provided that the sole and exclusive remedy for breach of this Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Undertaking shall not constitute an event of default on the Securities.

Section 4. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with (b)(5) of the Rule and is delivered for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 5. Amendments. Without the consent of any holders of Securities, the Issuer at any time and from time to time may enter into any amendments or changes to this Undertaking for any of the following purposes:

- (a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;

- (d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;
- (e) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

provided that no such action pursuant to this Section 5 shall adversely affect the interests of the Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 6. Termination. This Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Securities shall have been paid in full or the Securities shall have otherwise been paid or legally defeased in accordance with their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to the EMMA System. Such notice shall state whether the Securities have been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 7. Undertaking to Constitute Written Agreement or Contract. This Undertaking shall constitute the written agreement or contract for the benefit of Holders of Securities, as contemplated under Rule 15c2-12.

Section 8. Governing Law. This Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of **November 21, 2024**.

TERRYVILLE FIRE DISTRICT, IN THE TOWN OF BROOKHAVEN, NEW YORK

By: _____
Fire District Treasurer