

PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 18, 2026

**NEW ISSUE
SERIAL BONDS – BOOK ENTRY**

**RATING - S&P GLOBAL RATINGS: “ ”
MOODY’S RATINGS: “ ”
See “Ratings”, herein**

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

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

**TOWN OF BROOKHAVEN
SUFFOLK COUNTY, NEW YORK
(the “Town”)**

**\$46,433,000* GENERAL OBLIGATION (SERIAL) BONDS – 2026
(the “Bonds”)**

**BOND MATURITY SCHEDULE
(See Inside Front Cover)**

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

Prior Redemption: The Bonds maturing on September 1, 2034 and thereafter are subject to redemption prior to maturity, at the option of the Town, as a whole or in part, on any date on or after September 1, 2033. (See “Optional Redemption” under “THE BONDS,” herein.)

Form and Denomination: The Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”) as book-entry bonds. Individual purchases of the Bonds may be made in denominations of \$5,000 or integral multiples thereof, except for one necessary odd denomination. Bondholders will not receive certificates representing their respective interests in the Bonds purchased. See “Book-entry System” herein.

Payment: Payment of the principal of and interest on the Bonds will be made by the Town to DTC which will in turn remit such payment to its Participants for subsequent distribution to the Beneficial Owners of the Bonds in accordance with standing instructions and customary practices. Payment to the Beneficial Owners will be the responsibility of the DTC Direct Participant or Indirect Participant and not of DTC or the Town, subject to any statutory and regulatory requirements as may be in effect from time to time. See “BOOK-ENTRY SYSTEM” herein.

The Bonds are offered when, as and if issued and received by the Purchaser and subject to the receipt of the legal opinion as to the validity of the Bonds of Norton Rose Fulbright US LLP, Bond Counsel, and certain other conditions. Hawkins Delafield & Wood LLP will deliver an opinion as to certain matters, as Disclosure Counsel to the Town. It is anticipated that the Bonds will be available for delivery in New York, New York, through the facilities of DTC on or about September 10, 2026.

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

*Preliminary, subject to change.

TOWN OF BROOKHAVEN
SUFFOLK COUNTY, NEW YORK

\$46,433,000* GENERAL OBLIGATION (SERIAL) BONDS – 2026
MATURITIES, RATES AND YIELDS

Dated: September 10, 2026

Principal Due: September 1, 2028 -2038, inclusive

**Interest Due: March 1, 2027, September 1, 2027, and
semi-annually thereafter on March 1 and
September 1 in each year to maturity**

<u>Year</u>	<u>Amount**</u>	<u>Rate</u>	<u>Yield or Price</u>	<u>CUSIP #</u>
2028	\$3,488,000			
2029	3,620,000			
2030	3,755,000			
2031	3,895,000			
2032	4,040,000			
2033	4,195,000			
2034	4,350,000***			
2035	4,515,000***			
2036	4,680,000***			
2037	4,860,000***			
2038	5,035,000***			

*Preliminary, subject to change.

**Amounts are subject to adjustment by the Town following the sale, pursuant to the terms of the Notice of Sale relating to the Bonds, to achieve substantially level or declining annual debt service or to reduce excess proceeds for federal tax purposes.

***Subject to optional redemption prior to maturity.

CUSIP numbers have been assigned by an independent company not affiliated with the Town and are included solely for the convenience of the holders of the Bonds. The Town makes no representation as to their correctness on the Bonds or as indicated above.



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

Department of Finance
One Independence Hill
Farmingville, NY 11738
Telephone: (631) 451-6680
Fax: (631) 451-6692

TOWN BOARD

Daniel J. Panico, Supervisor

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

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

* * *

BOND COUNSEL

Norton Rose Fulbright US LLP
New York, New York

* * *

MUNICIPAL ADVISOR



Municipal Finance Advisory Service

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

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Website: www.munistat.com

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

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OFFICIAL STATEMENT

TOWN OF BROOKHAVEN SUFFOLK COUNTY, NEW YORK

\$46,433,000* GENERAL OBLIGATION (SERIAL) BONDS – 2026

[BOOK-ENTRY BONDS]

This Official Statement and the appendices hereto present certain information relating to the Town of Brookhaven, in the County of Suffolk, in the State of New York (the “Town,” “County” and “State,” respectively) in connection with the sale of \$46,433,000* General Obligation (Serial) Bonds – 2026 (the “Bonds”).

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

THE BONDS

Description of the Bonds

The Bonds will be dated September 10, 2026, and will mature on September 1 in each of the years 2028 to 2038, inclusive, in the principal amounts as set forth on the inside cover page hereof.

The Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”) as book-entry bonds. Individual purchases of the Bonds may be made in denominations of \$5,000 or integral multiples thereof, except for one necessary odd denomination. Bondholders will not receive certificates representing their respective interests in the Bonds purchased. See “BOOK-ENTRY SYSTEM” herein.

Interest on the Bonds will be payable on March 1, 2027, September 1, 2027 and semi-annually thereafter on March 1 and September 1 in each year to maturity. Principal and interest will be paid by the Town to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds, as described herein. The Bonds may be transferred in the manner described on the Bonds and as referenced in certain proceedings of the Town referred to therein.

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

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

Optional Redemption – Bonds

The Bonds maturing on or before September 1, 2033 will not be subject to redemption prior to maturity. The Bonds maturing on September 1, 2034 and thereafter will be subject to redemption prior to maturity, at the option of the Town, in whole or in part, and if in part, in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), on any date on or after September 1, 2033, at a redemption price equal to the principal amount of the Bonds to be redeemed plus accrued interest to the date of redemption.

Notice of such call for redemption shall be given by transmitting such notice to the registered owner not less than thirty (30) days nor more than sixty (60) days prior to the date set for such redemption. Notice of redemption having been given as aforesaid, the bonds so called for redemption shall, on the date of redemption set forth in such call for redemption, become due and payable together with interest to such redemption date. Interest shall cease to be paid thereon after such redemption date.

*Preliminary, subject to change.

Authorization and Purpose

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

Recent Date Authorized	Most Recent TBR #	Purpose	Amount Authorized	Amount Outstanding	Amount To Be Issued
01/12/2023	2023-65	Improvement of Facilities of Sewer District #2	1,000,000	-	\$119,000
12/19/2023	2023-852	Increase and Improvement of the Facilities of Sewer District No. 2	500,000	-	500,000
01/23/2025	2025-93	Improvement Of The Facilities Of The Town-Wide Lighting District	1,600,000	-	1,600,000
01/14/2021	2021-0071	Drainage Infrastructure Improvements	700,000	-	487,000
01/28/2021	2021-821	Reconstruction of Sidewalks and Curbs- North Country Rd	2,720,300	-	416,000
06/24/2021	2021-449	Storm Water & Drainage Improvements	6,250,000	-	1,000,000
01/25/2022	2022-106	Stormwater Management - Pipe Stave Hollow Rd	892,000	-	574,000
12/15/2022	2022-867	Stormwater and Drainage Improvements	4,500,000	-	1,400,000
12/19/2023	2024-724	Storm Water and Drainage	7,900,000	-	3,000,000
12/17/2024	2025-462	Storm Water and Drainage Infrastructure Improvements to Mitigate the Effects of Storm Water at Various Locations	12,500,000	-	800,000
12/17/2024	2024-845	Machinery And Equipment For Construction Or Maintenance Purposes For Use By The Town Highway Department	800,000	-	750,000
12/17/2024	2024-853	Various Road Reconstruction And Right-Of- Way Improvements	16,500,000	-	4,500,000
12/17/2024	2024-855	Acquisition Of Light Machinery And Equipment For Construction Or Maintenance Purposes For Use By The Town Highway Department, Each Item Costing Over \$15,000	150,000	-	100,000
12/17/2024	2024-858	Acquisition And Installation of Traffic Signals and Traffic Signal Systems	600,000	-	600,000
12/17/2024	2024-862	Cost Of The Rehabilitation Or Removal Of Trees	1,000,000	-	1,000,000
12/11/2025	2025-717	Rehabilitation Or Removal Of Trees	1,350,000	-	1,350,000
12/11/2025	2025-725	Storm Water and Drainage Infrastructure Improvements to Mitigate the Effects of Storm Water at Various Locations	12,100,000	-	4,000,000
12/11/2025	2025-729	Road Reconstruction And Right-Of-Way Improvements	10,200,000	-	8,000,000
08/25/2022	2022-635	Restoration of Swan River/Port Jeff Harbor	402,000	-	158,000
12/15/2022	2023-555	Various Improvements to Town Facilities	2,850,000	-	600,000
12/19/2023	2023-837	Acquisition of Heavy Machinery and Equipment	1,500,000	-	750,000
12/19/2023	2023-840	Construction or Reconstruction of Improvements to Marinas and Docks	1,000,000	-	400,000
12/19/2023	2023-842/2024-715	Improvements to Town Parks and Recreational Areas	2,950,000	-	150,000
02/01/2024	2024-109	Improvements to West Meadow Beach	130,000	-	104,000
06/06/2024	2024-443	Acquisition of Land Or Permanent Interests in Land, For Town Roads, Rights-Of-Way, Drainage Or Other Town Purposes	4,000,000	-	2,700,000
12/17/2024	2024-854	Acquisition of Land Or Permanent Rights- In-Land For Open Space And Farmland Preservation Purposes	4,500,000	-	1,000,000
12/17/2024	2024-856	Construction or Reconstruction of Improvements to Marinas and Docks at Various Locations	1,450,000	-	700,000
01/08/2026	2024-860- 2026-77	Cost Of Design, Engineering And Implementation Of The Capping Of The Landfill As Part Of Phase II Of The Motts Pond Remediation Project	600,000	-	600,000
12/17/2024	2024-861	Cost Of Construction or Improvements to Town-Owned Facilities, Including Construction of a Cool Down Building at the Town Landfill	700,000	-	700,000
12/17/2024	2024-864	Acquisition Of Machinery And Equipment For Construction Or Maintenance Purposes For Use By Various Town Departments, Each Item Costing Over \$15,000	675,000	-	675,000
Total			<u>\$113,319,300</u>	<u>-</u>	<u>\$46,433,000</u>

BOOK-ENTRY SYSTEM

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each series and maturity of the Bonds and deposited with DTC for all of the Bonds bearing the same rate of interest.

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"). The DTC Rules applicable to its participants are on file with the Securities and Exchange Commission (the "Commission"). More information about DTC can be found at www.dtcc.com.

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

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

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

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

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

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

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Town. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The Town may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered.

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

The information contained in the above section concerning DTC and DTC's book-entry system has been obtained from sample offering document language supplied by DTC, but the Town takes no responsibility for the accuracy thereof.

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

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

SECURITY AND SOURCE OF PAYMENT

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

ENFORCEMENT OF REMEDIES UPON DEFAULT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

THE TOWN

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

The Town, with a land area of over 259 square miles and a current estimated population of 492,778 (2024 US Census Bureau), is located in the central portion of Suffolk County approximately 60 miles east of Manhattan. It is the second largest town in the State by population and the fifth largest town in the State by land area. The south shore of the Town stretches for approximately 23 miles along the Great South Bay and the Atlantic Ocean and its north shore spans approximately 27 miles along Long Island Sound. The Town includes 8 incorporated villages and 19 independently governed school districts, and is primarily residential in character with considerable commercial development. Police protection is provided by the County and the incorporated villages; fire protection and emergency medical services are provided by local volunteer fire companies and ambulance districts. Certain independent taxing entities have the power to levy taxes upon property within the Town.

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

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

Villages:

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

School Districts:

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

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

Fire Districts:

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

Transportation

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

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

Located in the Town of Islip, on the Town's border, is Long Island MacArthur Airport ("MacArthur"). It serves as a major transportation hub and economic engine throughout the region, including the Town. Avelo Airlines, Breeze Airways, Cape Air, Frontier Airlines, Jet Blue Airways and Southwest Airlines, operate at MacArthur and offer direct flights to and from select airports throughout the United States.

Utilities and Other Services

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

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

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

Healthcare

There are four major hospitals located within the Town: NYU Langone-Suffolk, Stony Brook University Hospital, St. Charles Hospital, and John T. Mather Memorial Hospital.

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

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

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

John T. Mather Memorial Hospital (“Mather Hospital”) is an accredited 249-bed, not-for-profit community hospital dedicated to providing a wide spectrum of health care services of the highest quality to the residents of Suffolk County in a cost effective manner. Mather Hospital opened its doors on December 31, 1929 as the first not-for-profit community hospital in the Town of Brookhaven with only 54 beds. Its growth has continued over the years and the hospital now serves approximately 12,000 inpatients and 43,000 emergency cases a year. In December of 2017, Mather Hospital merged with Northwell Health making Mather Hospital Northwell’s 5th hospital in Suffolk County.

Education

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

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

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

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

Recreation

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

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

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

Economic Development

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

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

Planning and building activity in the Town have been extremely vibrant over the past year. Applications for new construction, Site Plans, Multi-family, and PRC (Senior Housing), have continued to be submitted, and are in the approval process. The Building Division continues to issue approximately 500 permits on a weekly basis, along with renewals and inspections.

Brookhaven's growth has been steady and visible over the last few decades, and plans are for even more development in the years to come. In a relatively short period of time, the largest township by area on Long Island has become a mega-center of activity for healthcare, technology, energy resources, higher education and small business. The Town has over 1,500-acres of ready-to-build prime industrial sites, including eight industrial parks, which are home to Stony Brook Technology Center and the 235-acre Research and Development Park in Shirley. Currently there are multiple projects proposed, totaling over 6 million square feet of logistics and distribution warehousing space. 1.2 million square feet have already been completed and are preparing for occupancy. These current proposals will create over 10,000 permanent and construction jobs for Town residents. A major rail dependent project will be completed for Home Depot in 2026/27 and an additional 1.5 million sq. ft. will be constructed, pursuant to a Town Board Change of Zone.

The Town was the recipient of a \$4.5 million New York Forward Empire State Development (ESD) grant to begin the revitalization of the North Bellport hamlet, the most impoverished community in the Town. The grant will fund eight projects, and these projects will have until 2027/28 to be completed:

1. **Implement Sidewalks and Lighting Improvements (\$1,300,000):** Implement new sidewalks on Atlantic Ave from Provost to Station Rd and Post Ave from Patchogue to Montauk Hwy. Install lighting on Atlantic Ave from Station Rd to North Dunton Ave, Post Ave, and Montauk Hwy.
2. **Develop Affordable Homeownership on Ecke Avenue (\$1,250,000):** Construct 32 homes with 32 Accessory Apartments (ADU) (64 total units) on vacant land.
3. **Create Storefronts and Office Space at 1700-1742 Montauk Highway (\$786,855):** Commercial development with first floor retail and second floor office and community space.
4. **Renovate a School Annex at 1415 Montauk Highway (\$446,000):** Renovate a school annex for Pre-K to second grade classes. Space will host events and programs open to the public.
5. **Upgrade Robert Rowley Park (\$345,152):** Park improvements including upgraded playground equipment and surfacing, landscaping, new benches, upgraded and increased lighting, pickleball courts, basketball court improvements, and upgraded fencing and paving.
6. **Enhance Bellport Station (\$200,000):** Improvements to Bellport Station including cleaned up vegetation and new landscaping.
7. **Improve Outdoor Space at the Boys and Girls Club (\$96,993):** Improvements include backyard and playground upgrades, basketball court construction, parking lot lighting, and a meditation garden.
8. **Upgrade the Facade at 1414 Montauk Highway (\$75,000):** Reface the exterior of the building and add new lighting, store signage, and a sidewalk complex sign.

In addition, to the private developer's affordable housing complex, a major supermarket is planned for the North Bellport community.

In 2019 the Town conducted a Blight Study and Urban Renewal Plan for the Mastic Beach hamlet, a low-to-moderate income community, and identified the Neighborhood Road area as the first step for redevelopment. The Town issued a Request for Qualifications (RFQ) for a Master Developer, and the private developer, Beechwood Organization, was selected. The Neighborhood Road Redevelopment Area (NRRA) project is a major revitalization effort, which will include approximately 650 residential units and over 20,000 square feet of retail space, in mixed use buildings, and public parking garages. Also, the Town will construct a new sewage treatment facility with a significant contribution to the costs by Suffolk County, to serve the NRRA project, and to revitalize an existing downtrodden commercial corridor in the Mastic Beach area. The SEQRA (State Environmental Quality Review Act) has been completed, and the applicant is preparing to submit a site plan for this project. The Town and applicant are currently working on the creation of a sewer district, bids for construction and design, and an eminent domain process to complete the acquisition of necessary parcels.

One of the larger projects in the Town is the Ronkonkoma Hub development. The Ronkonkoma Hub is a mixed-use development project that will result in over \$650 million of investment. The project at completion will consist of 1,450 residential units, approximately 195,000 square feet of retail, 360,000 square feet of office space and 60,000 square feet of flex space, which could include hospitality, conference, and exhibition space. Phase I, which is comprised of 450 rental apartments, has been completed; and Phase II, which is comprised of mixed-use office, hotel, residential and commercial space, is nearing completion. Certificates of Occupancy have been issued for the parking garage, commercial/mixed use space. It is expected that this project will continue to provide thousands of jobs and tax revenue, during the next few years, until it is completed. Once completed, it will be an economic engine, by providing future investment, ongoing job creation, and housing opportunities, for thousands of residents. The Town of Brookhaven Planning staff have amended the original plan and recently approved an additional 250+ units of rentals, along with commercial space.

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

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

The Town and the IDA have finalized an agreement with Sunrise Wind (Orstead) to be the host location for cable landing sites for offshore wind projects. The project is a \$4.2 billion investment that is expected to bring 924 megawatts of wind power. The Town expects to receive \$6.0 million in host fees once power is being produced, and another \$1.1 million annually in payments-in-lieu-of taxes (PILOTs), through the IDA, of which the Town portion is approximately \$100,000. Sunrise Wind is currently constructing the sub-station that will be utilized for transferring the power created by the wind turbines and has laid cable along William Floyd Parkway.

Brookhaven's Industrial Development Agency (IDA) and Local Development Corporation (LDC) are available to assist businesses in obtaining tax incentives and bonds to help businesses relocate to the Town and grow and remain within the Town, generating tax revenue and jobs. In 2025, the IDA closed on 10 projects, which included energy, manufacturing, and rental housing projects. These IDA supported projects will create and retain approximately 760 permanent and construction jobs and bring over \$420 million of private investments into the Town. These projects include Martosc an expansion for Biocogent, LLC and AE Manorville 2, which is a solar energy array and battery energy storage system (BESS) project. Also included are 214 W Main Owner, LLC, which is a market rate, rental housing complex and RA Oak Run, LLC and the Preserve at East Moriches, LLC, which are 55 and over rental housing complexes.

The IDA currently has 15 project applications that have been accepted by the IDA Board of Directors and are progressing towards closing. Among the projects with accepted applications are multiple renewable energy projects including Lawrence Aviation Solar, Holtsville Energy Storage, and KCE NY 21. In addition, there are rental housing projects that have been accepted including:

- Ronk Hub Phase 2c
- Scalamander Cove
- Sosunrise
- Mastic Dev.Co.LLC
- Vineyards at Coram
- D&F Alegria South
- Port Jeff Commons

D&F Alegria South and Port Jeff Commons are both 100% affordable housing complexes. Finally, the accepted application projects include Amneal, which is an expansion to an existing pharmaceutical manufacturing facility.

Building Permit Activity

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

Building Permits Issued - All Types

2017	-	14,771 permits
2018	-	15,666 permits
2019	-	16,262 permits
2020	-	17,908 permits
2021	-	18,362 permits
2022	-	19,241 permits
2023	-	19,667 permits
2024	-	19,817 permits
2025	-	20,747 permits

Source: Town of Brookhaven Building Division.

Governmental Organization

The Town was incorporated in 1655. The Town is a political subdivision of the State having its own elected legislative body, the Town Board, pursuant to Constitutional provisions.

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

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

The Town provides a majority of municipal services to its residents and maintains Town highways, planning, zoning, regulation of building construction and licensing of trades and occupations along with the usual municipal services, including recreational facilities and street lighting. The County has ten towns located therein. Some of such towns contain incorporated villages established for purposes of providing certain municipal services and facilities to their residents. Except for police protection and certain contractual arrangements for cooperative provision of some services or facilities, the Town does not rely in any manner upon the County or villages for purposes of providing local government needs. There are no cities within the Town. Police protection is provided by the County and fire protection and ambulance service are provided through various independent fire districts in the Town and voluntary fire organizations. Social services and health services, to the extent provided on a public basis, are essentially County responsibilities.

Financial Organization

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

Town Management Biographies

Town Supervisor, Daniel J. Panico

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

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

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

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

Town Deputy Supervisor & Councilman, Neil Foley

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

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

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

Town Attorney, Annette Eaderesto, Esq.

Ms. Eaderesto was re-appointed as Town Attorney for a seventh term in January 2025. She previously served as Special Counsel to the Town since 2002. She is also Independent Counsel to the Town's Industrial Development Agency and the Local Development Corporation.

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

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

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

Commissioner of Finance, Tamara Branson

Tamara Branson has served as Commissioner of Finance for the Town since 2012 and was appointed to her eighth term in January 2025. She is responsible for an operating budget of over \$365 million, a capital projects and grant portfolio of over \$155 million. She manages accounting, payroll, accounts receivable and payables, budgetary compliance, grants, and internal audit for the Town. She also manages the Town's cash investments, debt issuance, and all debt service payments.

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

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

Employees

The Town provides services through approximately 835 full-time employees, 735 of which are represented by the Suffolk Chapter of the Civil Service Employees Association, Inc. Of the civil service employees, approximately 314 are represented by the CSEA White Collar Unit, 215 are represented by the CSEA Highway Unit, and 206 are represented by the CSEA Blue Collar Unit. The Town entered into labor agreements with all such units for a twelve-year period ending December 31, 2031.

ECONOMIC AND DEMOGRAPHIC INFORMATION

Population Characteristics

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

Year	Town of Brookhaven	Suffolk County	New York State
1990	407,786	1,321,864	17,990,455
2000	448,248	1,419,369	18,976,457
2010	486,040	1,493,350	19,378,102
2020	485,773	1,525,920	20,201,249
2024 ^a	492,778	1,535,909	19,867,248

Source: United States Bureau of the Census.

a. Based on American Community Survey 5-Year Estimate (2020-2024).

Income Data

	Per Capita Money Income			
	2000	2010	2020	2024 ^a
Town of Brookhaven	\$24,191	\$32,663	\$42,388	\$48,863
County of Suffolk	26,577	35,755	46,466	55,754
State of New York	23,389	30,948	40,898	51,002

	Median Household Income			
	2000	2010	2020	2024 ^a
Town of Brookhaven	\$62,475	\$81,654	\$100,061	\$115,085
County of Suffolk	72,112	96,220	105,362	126,863
State of New York	51,691	67,405	71,117	85,820

Source: United States Bureau of the Census.

a. Based on American Community Survey 5-Year Estimate (2020-2024).

Unemployment Rates

<u>Annual Averages:</u>	<u>Town of Brookhaven (%)</u>	<u>Suffolk County (%)</u>	<u>New York State (%)</u>
2021	4.8	4.9	7.2
2022	3.0	3.1	4.4
2023	3.1	3.2	4.2
2024	3.5	3.5	4.3
2025	3.6	3.5	4.2
2026 (YTD)	4.2	4.1	4.8

Source: Department of Labor, State of New York.

Selected Listing of Larger Employers (As of 2025)

<u>Name</u>	<u>Type of Business</u>	<u>Estimated Number Of Employees</u>
State University at Stony Brook	Education	14,000
Stony Brook University Medical Center	Medical Center	7,500
Brookhaven National Laboratory	Laboratory	2,500
John T. Mather Hospital	Hospital	2,500
Sachem Union Free School District	Education	1,900
Zebra Technologies	Commercial	1,800
St. Charles Hospital	Hospital	1,800
Brookhaven Memorial Hospital	Hospital	1,700
Three Village Central School District	Education	1,600
William Floyd Union Free School District	Education	1,440
Amneal Pharmaceuticals	Commercial	900
Quality King Distributors	Commercial	700

Source: Division of Economic Development Town of Brookhaven.

INDEBTEDNESS OF THE TOWN

Constitutional and Statutory Requirements

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

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

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

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

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

Statutory Procedure

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

Pursuant to the Local Finance Law, the Town authorizes the issuance of indebtedness by the adoption of a bond resolution approved by at least two-thirds of the members of the Town Board, the finance board of the Town. Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds and notes subject to the legal restrictions (Constitution, Local Finance Law and case law) relating to the period of probable usefulness thereof.

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

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

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

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

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

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

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

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

Computation of Debt Limit and Calculation of Net Debt Contracting Margin
(As of August 18, 2026)

Fiscal Year Ending <u>December 31:</u>	Assessed <u>Valuation</u>	State Equalization <u>Rate (%)</u>	Full <u>Valuation</u>
2022	\$463,934,332	0.74	\$62,693,828,649
2023	464,404,242	0.62	74,903,910,000
2024	465,768,103	0.54	86,253,352,407
2025	463,815,214	0.53	87,512,304,528
2026	464,302,831	0.48	<u>96,729,756,458</u>
Total Five-Year Full Valuation			\$408,093,152,043
Average Five-Year Full Valuation			81,618,630,409
Debt Limit - 7% of Average Full Valuation			5,713,304,129
Inclusions:			
Outstanding Bonds:			
Various Purpose Bonds			350,010,000
Open Space Bonds Act of 2004 ^a			<u>6,930,000</u>
Sub-Total			356,940,000
Bond Anticipation Notes			<u>8,350,000</u>
Total Inclusions			<u>365,290,000</u>
Exclusions:			
Appropriations - Bonds			20,640,000
Appropriations - Notes			<u>0</u>
Total Exclusions			<u>20,640,000</u>
Total Net Indebtedness Before Issuing the Bonds			<u>344,650,000</u>
The Bonds			46,433,000
Less: BANs Being Redeemed by the Bonds			<u></u>
Net Effect of the Bonds			<u>46,433,000</u>
Total Net Indebtedness After Issuing the Bonds			<u>391,083,000</u>
Net Debt Contracting Margin			<u><u>\$5,322,221,129</u></u>
Percent of Debt Limit Exhausted			6.85%

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

Details of Short-Term Indebtedness Outstanding

As of the date of this Official Statement, the Town has Bond Anticipation Notes - 2026 outstanding in the amount of \$8,350,000. Such notes mature on June 23, 2027.

Debt Service Requirements - Outstanding Bonds ^a

Fiscal Year Ending December 31	Principal	Interest	Total
2026	\$65,300,000	\$15,946,616	\$81,246,616
2027	70,455,000	12,866,486	83,321,486
2028	51,320,000	10,033,625	61,353,625
2029	43,955,000	7,969,390	51,924,390
2030	36,510,000	6,376,146	42,886,146
2031	29,615,000	4,965,793	34,580,793
2032	22,220,000	3,811,645	26,031,645
2033	17,825,000	3,005,926	20,830,926
2034	18,185,000	2,319,944	20,504,944
2035	18,860,000	1,611,969	20,471,969
2036	13,015,000	1,007,384	14,022,384
2037	8,815,000	511,734	9,326,734
2038	2,050,000	211,406	2,261,406
2039	530,000	139,000	669,000
2040	550,000	117,800	667,800
2041	570,000	95,800	665,800
2042	590,000	73,000	663,000
2043	610,000	49,400	659,400
2044	625,000	25,000	650,000
Totals	<u>\$401,600,000</u>	<u>\$71,138,066</u>	<u>\$472,738,066</u>

a. Does not include subsidy received from the New York State Environment Facilities Corporation ("EFC") by the Town on Town Bonds delivered to EFC in connection with the issuance of EFC Bonds on behalf of the Town. Payments made to date in the 2026 fiscal year are also not reflected in the above presentation.

Trend of Town Indebtedness

	Fiscal Year Ending December 31:				
	2021	2022	2023	2024	2025
Debt Outstanding End of Year:					
Bonds	\$488,320,000	\$430,240,000	\$413,205,000	\$401,330,000	\$388,075,000
Open Space Bond Act					
Bonds	36,880,000	31,470,000	29,280,000	19,805,000	13,525,000
EFC Short Term Loan	-	-	-	-	-
Budget Notes	-	-	-	-	-
Bond Anticipation Notes	-	-	-	19,800,000	12,550,000
Total Debt Outstanding	<u>\$525,200,000</u>	<u>\$461,710,000</u>	<u>\$442,485,000</u>	<u>\$440,935,000</u>	<u>\$414,150,000</u>

Source: Financial statements of the Town 2021-2025.

Authorized But Unissued Debt

<u>Purpose</u>	<u>Authorized but Unissued</u>
Special District	\$ 10,705,270
Highway	86,015,300
General Purposes	<u>103,309,016</u>
 Totals	 <u><u>\$200,029,586</u></u>

The Bonds will finance \$46,433,000 of such authorized but unissued amount.

The above authorized but unissued debt projects include approximately \$75 million in projects for which the Town expects to receive grant reimbursement from various State and federal organizations to pay all or a part of the project cost. The Town does not intend or expect to have to borrow the entire amount authorized for such projects depending on the amount and/or timing of the reimbursement. In addition, on an annual basis, the Town reviews its authorized but unissued list of projects and closes out or rescinds authorizations as it deems necessary.

See also “*Capital Plans and Budgeting*” under “*FINANCES OF THE TOWN*” herein.

Calculation of Estimated Overlapping and Underlying Indebtedness

<u>Overlapping Units</u>	<u>Applicable Total Indebtedness ^a</u>	<u>Applicable Exclusions</u>	<u>Applicable Net Indebtedness</u>
County of Suffolk ^b	\$244,996,079	\$15,945,769	\$229,050,310
Villages ^b	17,494,000	125,000	17,369,000
School Districts ^c	574,633,940	394,614,586	180,019,354
Fire Districts	<u>70,743,677</u>	<u>0</u>	<u>70,743,677</u>
 Totals	 <u><u>\$907,867,696</u></u>	 <u><u>\$410,685,355</u></u>	 <u><u>\$497,182,341</u></u>

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

- a. Based on applicable respective valuations.
- b. Applicable exclusions are comprised of Sewer District Bonds; revenue anticipation notes; tax anticipation notes; Assets on Hand for Debt; and Appropriations.
- c. Applicable exclusions are comprised of Estimated State Aid for School Buildings.

Cash Flow Borrowing

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

Debt Ratios

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

	Amount	Per Capita ^a	Percentage Of Full Value (%) ^b
Total Direct Debt	\$365,290,000	\$741	0.38
Net Direct Debt	344,650,000	699	0.36
Total Direct & Applicable Total Overlapping Debt	1,273,157,696	2,584	1.32
Net Direct & Applicable Net Overlapping Debt	841,832,341	1,708	0.87

a. The current population of the Town is 492,778 (U.S. Census - 2024).

b. The Town's full value of taxable real property for 2025-26 is \$96,729,756,458.

FINANCES OF THE TOWN

Financial Statements and Accounting Procedures

The Town maintains its financial records in accordance with the Uniform System of Accounts for Towns prescribed by the State Comptroller. The financial records of the Town are audited by independent accountants. The last such audit available for public inspection covers the fiscal year ended December 31, 2025 and is attached as Appendix B hereto. Such audit was completed by the firm PKF O'Connor Davies, LLP. In addition, the financial affairs of the Town are subject to periodic compliance review by the Office of the State Comptroller to ascertain whether the Town has complied with the requirements of various State and federal statutes. As required by law, the Town also prepares an Annual Financial Report ("AFR") for submission to the New York State Comptroller. A summary of the operating results for the fiscal years ending 2021-2025 is attached as Appendix A hereto.

Fund Structure and Accounts

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

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

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

Basis of Accounting

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

Investment Policy

Pursuant to the statutes of the State of New York and its adopted Investment Policy, the Town is permitted to temporarily invest moneys which are not required for immediate expenditures, with the exception of moneys the investment of which is otherwise provided for by law, in the following investments: (1) special time deposit accounts in, or certificates of deposit issued by a bank or trust company located and authorized to do business in the State, provided however, that such time deposit account or certificate of deposit is payable within such time as the proceeds shall be needed to meet the expenditures for which such moneys were obtained and provided further that such time deposit account or certificate of deposit, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (4) obligations of the State of New York; or (5) in the case of moneys held in certain reserve funds established by the Town pursuant to law, in obligations of the Town. Any investments made by the Town pursuant to law are required to be payable or redeemable at the option of the Town within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the owner, within two years of the date of purchase. These statutes also require that the Town's investments, unless registered or inscribed in the name of the Town, must be purchased through, delivered to and held in custody of a bank or trust company in the State. All such investments held in the custody of a bank or trust company must be held pursuant to a written custodial agreement as that term is defined in the law.

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

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

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

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

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

Financial Operations

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

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

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

The State Comptroller's Fiscal Stress Monitoring System and Audit

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

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

The most current applicable report of the State Comptroller designates the Town as "No Designation". (Fiscal Score: 0.0%). The Fiscal Score for the fiscal year ending 2024 was 0.0% and the Fiscal Score for the fiscal year ending 2023 was 0.0%.

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

In addition, the Office of the State Comptroller helps local government officials manage government resources efficiently and effectively. The Comptroller oversees the fiscal affairs of local governments statewide, as well as compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through its audits, which identify opportunities for improving operations and governance. The most recent audit performed was released on May 6, 2025. The Town was included in the audit of 12 towns and 7 cities throughout New York State. The objective of the audit was to assess the physical accessibility to programs and services at selected buildings. The complete report may be found on the State Comptroller's official website. Reference to this website implies no warranty of accuracy of information therein.

2021-2025 General Fund Results of Operations

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

	Fiscal Year Ending December 31:				
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenues	\$160,893,714	\$156,718,286	\$154,848,212	\$150,328,809	\$174,829,143
Expenditures	<u>\$157,279,739</u>	<u>\$151,774,368</u>	<u>\$153,650,753</u>	<u>\$142,488,395</u>	<u>\$169,933,421</u>
Operating Surplus (Deficit)	\$3,613,975	\$4,943,918	\$1,197,459	\$7,840,414	\$4,895,722
Fund Balance Beginning of the Year	<u>\$78,553,218</u>	<u>\$82,167,193</u>	<u>\$87,111,111</u>	<u>\$88,308,570</u>	<u>\$96,148,984</u>
Adjustments					
Fund Balance End of the Year	<u>\$82,167,193</u>	<u>\$87,111,111</u>	<u>\$88,308,570</u>	<u>\$96,148,984</u>	<u>\$101,044,706</u>

Source: Audited Financial Statements of the Town (2021-2025).

Fund Balance Policies and Reserves

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

The Town was in compliance with its fund balance policies in all Funds at the end of fiscal year 2025.

The Town has established several reserves for specific purposes including a Post Closure Landfill Reserve, Snow Removal Reserve, and an Environmental Preservation Open Space Fund to fund future capital needs. The Post Closure Landfill Reserve had a balance of \$27.0 million as of December 31, 2025.

In addition, the Town has a Debt Reserve Fund. The Town is required to set aside premium earned or excess bond proceeds from completed capital projects to help offset interest cost and or annual debt service in the ensuing years. As of December 31, 2025, the Town had \$29.7 million in its Debt Reserve Fund, of which \$1.2 million is dedicated to the Town's Landfill Debt.

Budgetary Procedure

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

Operating Budget Limitations

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

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

Property Tax Revenue Limitation

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

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

The American Rescue Plan Act

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

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

The Town has completed several Recovery Plan Performance Reports, and the Town Board has focused on certain expenditure categories as part of the Treasury allocation of \$55.0 million: Public Health, Services to Disproportionately Impacted Communities, Water and Sewer Infrastructure Improvements, and Provision of Government Services (Revenue Replacement). All project allocations were made via Resolution and unanimously approved by the Town Board.

The Town completed the Treasury Report for the Project and Expenditures as of March 2026 in April 2026. As reported in the April 2026 report, the Town Board has allocated and obligated its entire \$55.0 million allocation from treasury to 80 different projects and has spent \$52.29 million of this allocation. Most of the Town’s ARPA projects are for various critical infrastructure projects targeted to the Low-to-Moderate income areas of the Town. They include water quality improvements, sewer improvements, roads and sidewalks. The Town expects to spend all of its allocation by December 31, 2026 as required.

The Emergency Rental Assistance Program

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

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

Summary of 2026 Town Budget

The 2026 Operating Budget was adopted as final on November 20, 2025. All major tax districts are structurally balanced in the 2026 Operating Budget as no fund balance is utilized to balance the budget for the eighth consecutive year. The total Property Tax Levy increase was well below NYS 2% Property Tax Levy Cap, coming in at 1.71%.

The 2026 Operating Budget continues all constituent services and prioritizes funding to the core functions of government. Departmental revenue projections and contractual spending estimates are conservative. The 2026 Budget fully funded rising employee costs, including the New York State changes to the Retirement Tiers, that greatly increased Town pension contributions, while preserving fund balance levels and compliance in all tax districts.

The Town developed the 2026 Budget with a continued focus on increased Public Safety, Code Enforcement and funding for Parks and Open Space maintenance. The flat garbage collection and disposal User Fee for residential properties was slightly reduced in 2026, to \$396 annually for a single-family home. The 2026 Operating Budget lowered Property Taxes by 1.3% across the nine Ambulance Districts versus the 2025 Budget due to the continuation of Insurance Billing recoveries.

The Town has incorporated into the 2026 budget the significant reduction in Landfill Fees resulting from the ceasing of acceptance of Construction & Debris into the Landfill cells. Much of this was accomplished through a net reduction in Full Time Staff count of 10 positions in the 2026 Budget versus 2025. Investments in technology for many departments over the past four years, which streamlined and automated manually intensive tasks, also has contributed to the Town’s cost efficiencies.

Planning and Building revenues remained strong in 2025 and were anticipated to remain so into 2026. The Mortgage Tax Receipts Revenue Budget increased slightly in 2026 vs 2025 in consideration of an increase in actual collections in 2025, primarily driven by higher home values. Interest rates remained higher than anticipated in 2025, but the 2026 Operating Budget planned for a reduction in rates during 2026 and maintained Interest Income estimates similar to the 2025 Budget.

Due to the set salary COLA increases for the three major Collective Bargaining Agreements in 2024, salary increases for 2026 were easily estimated at a 2.5% increase for 2026. The Town participates in the New York State Health Insurance Program (NYSHIP), which increased premiums on average by 12.5% for fiscal years 2024 and 2025. Therefore, the 2026 Operating Budget assumed another 12% increase for 2026.

The Town has benefited from a robust grants program, including \$55 million in American Rescue Plan Act (ARPA) monies, and reduced its annual borrowing needs over the past few years. As such, Debt Service for outstanding long-term serial bonds was reduced by \$1.0 million in the 2026 Operating Budget.

Summary of 2026 Town Budget ^a

Fund	Appropriations	Non-Property Tax Revenues	Less: Application of Surplus	2026 Property Taxes
General - Town Wide	\$ 105,778,063	\$ 74,614,251	\$ -	\$ 31,163,812
Highway - Town Wide	6,333,036	485,700		5,847,336
Total Full Town Funds	112,111,099	75,099,951	0	37,011,148
General - Part Town	37,678,529	23,554,682		14,123,847
Highway - Part Town	72,212,722	3,643,442		68,569,280
Street Lighting	5,945,738	241,500		5,704,238
Total Outside Village Tax Districts	115,836,989	27,439,624	0	88,397,365
Total Major Tax Districts	227,948,088	102,539,575	0	125,408,513
Open Space Preservation	11,726,105	219,000		11,507,105
Parks & Recreation	43,995,405	10,097,500		33,897,905
Animal Shelter/Ecology Center	4,838,426	100,880		4,737,546
Other Special Districts & Airport	30,128,402	9,473,781	390,000	20,264,621
Total Special Tax Districts	90,688,338	19,891,161	390,000	70,407,177
Total Tax Districts	\$ 318,636,426	\$ 122,430,736	\$ 390,000	\$ 195,815,690

Source: Adopted Budget of the Town - 2026.

- a. In 2026, the Town is charging a User Fee for Residential Garbage Collection instead of a tax amount. The contractual costs associated with the collection of Residential Garbage have been removed from the Property Tax.

Capital Plans and Budgeting

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

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

In addition, in prior years the Town has built new cells and currently caps existing cells at the Brookhaven Town Solid Waste Management Facility (the "Landfill"), and regularly purchases machinery and equipment therefor, improves Town buildings and other facilities, and acquires and improves parks, marinas, and recreational facilities.

In general, the need for capital funding for the above-described projects is anticipated to continue and to be in amounts substantially the same as in the past for the next few years. Bond authorizations for such projects are not anticipated to be substantially different than have generally prevailed in the past.

The Town does not provide capital financing for water facilities since the Suffolk County Water Authority and the County maintain primary responsibility for these structures. The Town is responsible for two Sewer Districts that are fully built. Developers have generally been required to construct sewer treatment plants or connections as a condition to subdivision approval.

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

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

Adopted Capital Budget Summary 2026-2030 ^a

	Fiscal Year Ending December 31:				
	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
General Services	\$450,000	\$650,000	\$650,000	\$650,000	\$650,000
Information Technology	485,000				
Parks, Sports & Recreation	6,085,000	8,150,000	4,350,000	2,850,000	1,350,000
Planning Building & Environmental	500,000	500,000	250,000	250,000	
Town Clerk	817,232	350,000	229,054		
Public Safety	565,000	585,000	285,000	285,000	285,000
Town Attorney	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Town Hall Improvements	1,370,000	2,415,000	2,250,000	250,000	100,000
Waste Management	1,550,000	600,000	1,100,000	10,600,000	100,000
Highway Part-Town	29,020,000	28,535,500	23,281,000	20,660,000	19,385,000
Highway Town-Wide	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Street Lighting	1,600,000	2,175,000	1,750,000	1,300,000	1,300,000
Open Space Acquisitions	2,500,000	4,000,000	4,000,000	4,000,000	4,000,000
Special Districts					
Total Borrowing Estimate	<u>\$47,542,232</u>	<u>\$50,560,500</u>	<u>\$40,745,054</u>	<u>\$43,445,000</u>	<u>\$29,770,000</u>

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

Revenues

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

Real Property Taxes

See "Real Property Tax Information", herein.

Recycling and Sustainable Materials Management

Brookhaven Solid Waste Management Facilities. The Town operates two solid waste management facilities, one located at 350 Horseblock Road in Brookhaven, and the second located at 2 Papermill Road in Manorville. The main facility located in Brookhaven includes many New York State Department of Environmental Conservation (NYSDEC) regulated activities including a landfill that until recently accepted construction and demolition debris (C&D), waste to energy incinerator ash, and other materials, a municipal solid waste transfer station, material recycling / recovery facility, resident drop off, and a yard waste processing facility. Prior to 2025, the Landfill generally received more processed construction and demolition (C&D) debris than waste to energy incinerator ash and other materials including auto shredder residue and soils. In an effort to prioritize remaining landfill airspace and better support waste to energy processes, supporting the regional circular economy of waste on Long Island, the Town chose to stop accepting commercial processed C&D at the end of 2024. In 2025, in addition to incinerator ash, auto shredder residue, and some soils are also landfilled.

The Town residential waste and recycling program is primarily managed at this facility where curbside collection carts bring:

- Non-recyclable waste to the Transfer Station where it is consolidated and trucked offsite to a Waste To Energy (WTE) facility in Hempstead, incinerated, and the ash returned to the Town facility and placed in the landfill;
- Recyclables are brought in and delivered to the Material Recycling and Recovery Facility;
- Yard waste is brought to the Yard waste Processing area onsite.

Annually, the Town receives approximately 350,000 tons of ash from three area resource recovery facilities. On January 1, 2015, the Town amended and renegotiated its “Ash for Trash” agreement with ReWorld Hempstead (formerly known as (fka) Covanta Hempstead). Brookhaven’s residential municipal solid waste, approximately 220,000 tons per year, is transferred to ReWorld Hempstead for processing and in return, ReWorld Hempstead sends its ash, approximately 210,000 tons per year, to the Brookhaven Landfill for disposal. On October 28, 2018, the Town reached an agreement under which ReWorld Hempstead will deliver ash from the Town of Huntington and Smithtown, approximately 82,000 tons per year, to the Brookhaven Landfill. This agreement expired on December 31, 2024 and a new agreement was executed in January 2025 with a term extending until December 31, 2026 with the ability to extend. In addition, the Town has an Inter-Municipal Agreement (IMA) with the Town of Islip under which Islip delivers approximately 60,000 tons of ash per year to the Town.

Presently, the Town is actively filling Cell 6 Phases XIII. As of January 6, 2026, the landfill has an estimated 1.3 million cubic yards of capacity remaining for waste filling. It is expected the remaining capacity will be exhausted by the end of 2028. To better manage leachate and gas generation, the Town has had the long-standing practice of capping cells (or phases) as they reach capacity. All of Cells 1-4 have been capped since 1998, and all of Cell 5 has been capped. In 2025, the Town completed a 23-acre cap project in accordance with NYSDEC rules and regulations. As of December 2025 approximately 57 acres of Cell 6 remain uncapped. The Town anticipates two (2) additional capital cap projects totaling approximately 57 acres to be initiated in 2027 with the final cap in 2029. The Town has applied for federal grants to help offset construction costs.

In 2020, the Town entered into a consent judgment with the United States Environmental Protection Agency and agreed to a number of items including submission of a new Title V air permit, various additional landfill gas monitoring, and the construction of a new enclosed ground flare. The Town has satisfactorily complied with the compliance and reporting requirements of the consent judgment for a period of three years and completed all required payments and special environmental projects. The Town has requested termination of the consent judgment and is awaiting response.

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

The Town now pays an operating fee to Winters Bros. Brookhaven MRF, LLC (Winters Bros. Recycling of Long Island, LLC purchased by Waste Management of New York, LLC in 2024), with a deduction from that fee coming from a share of the recycling revenues. A 2019 amendment to the agreement called for Winters Bros. to make an upfront payment of \$700,000 with seven (7) additional, \$100,000 payments to be made over the next seven years. The initial \$700,000 payment was made in the spring of 2020, and the seventh of the seven (7) \$100,000 payments was received on January 27, 2026. Recycling markets remained weak in fiscal year 2025, with a net cost of \$725,391.

State Aid

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

Based on the unaudited financial statements of the Town for fiscal year ending 2025, the Town received approximately 10.17% of its total General Fund operating revenue from State aid in 2025. There is no assurance, however, that State appropriations for aid to municipalities will continue, either pursuant to existing formulas or in any form whatsoever.

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

The following table sets forth the percentage of the Town's General Fund revenue (including transfers) comprised of State aid for each of the fiscal years 2021 through 2025.

Fiscal Year Ended December 31:	General Fund Total Revenue	State Aid	State Aid To Revenues (%)
2021	\$160,809,024	\$28,405,143	17.66
2022	156,718,286	24,392,638	15.56
2023	152,411,083	18,069,203	11.86
2024	150,073,319	17,240,367	11.49
2025	174,710,436	17,770,802	10.17

Source: Town's audited financial statements (2021-2025).

Expenditures

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

Pension Systems

Substantially all employees of the Town are members of the New York State and Local Employees' Retirement System ("ERS") or ("NYS Retirement System"), a cost-sharing multiple public employer retirement system. The obligation of employers and employees to contribute and the benefit to employees are governed by the State Retirement System and Social Security Law (the "Retirement System Law"). The NYS Retirement System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts, which are collected through annual billings to all participating employers. Generally, all full-time employees participate in the NYS Retirement System.

Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations.

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

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

As of December 31, 2025, the Town does not have any amortized amounts due to the NYS Retirement System, nor does it expect to amortize any payments for the foreseeable future.

Recent changes in State law implemented changes in employee benefits for certain employee's, including a reduction in required contributions for Tier 6 employees. Such charges are expected to result in increased costs to participating employers, including the Town.

Required Contributions to the NYS Retirement System

The following table sets forth the Town's payments to the NYS Retirement System for the last five years, and 2026 (Estimated):

Fiscal Year Ending <u>December 31:</u>	Employees' NYS Retirement <u>System Contribution</u>
2021	\$10,563,883
2022	9,331,148
2023	9,396,519
2024	10,274,078
2025	11,326,815
2026 (Estimate)	12,910,464

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

GASB 68 requires the Town to recognize its long-term obligation for its share of State pension benefits as a liability and to more comprehensively and comparably measure the annual costs of its share of State pension benefits. As of December 31, 2025, the Town's net pension liability/(asset) was (\$37,803,816).

For additional information on GASB 68, please reference the Town's audited financial statements for the fiscal year ended December 31, 2025.

Other Post Employment Benefits

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

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

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

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

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

The implementation of GASB 75 resulted in the reporting of the entire actuarial accrued liability for other post-employment benefits. Based the report prepared by USI Consulting for the Town, the Town’s total OPEB liability at December 31, 2025 is as follows:

Total OPEB Liability at Dec 31, 2024	<u>\$419,668,042</u>
Charges for the Year:	
Service Cost	11,857,538
Interest	16,621,734
Changes of Benefit Terms	0
Differences Between Expected and Actual Experience	(24,700,708)
Changes in Assumptions or Other Inputs	(35,188,917)
Benefit Payments	<u>(15,294,667)</u>
Net Changes	<u>(46,705,020)</u>
Total OPEB Liability at Dec 31, 2025	<u><u>\$372,963,022</u></u>

Actuarial valuation will be required every 2 years for OPEB plans with more than 100 members.

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

REAL PROPERTY TAX INFORMATION

Real Property Taxes

The following table sets forth the percentage of the Town's revenue for each of the fiscal years 2021 through 2025 and as budgeted for 2026.

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

<u>Fiscal Year Ended December 31:</u>	<u>Total Revenue</u> ^a	<u>Real Property Taxes</u> ^a	<u>Real Property Taxes to Revenues (%)</u>
2021	\$316,545,778	\$153,642,638	48.54
2022	312,548,930	157,468,374	50.38
2023	317,268,714	160,685,135	50.65
2024	316,640,725	168,378,542	53.18
2025	345,333,545	205,345,019	59.46
2026 (Budgeted))	276,781,919	164,043,964	59.27

a. The amounts above include the following funds: General Town-Wide, General Town Outside Villages, Highway Full Town, Highway Part Town, Refuse & Garbage and Street Lighting. Special District Funds are not included in the above table. In 2026, the Town will charge a User Fee for Residential Garbage Collection instead of a tax amount. The contractual costs associated with the collection of Residential Garbage have been removed from the Property Tax.

Source: Town's audited financial statements (2021-2025), and Town's budget (2026).

Tax Collection Procedure

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

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

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

	Fiscal Year Ending December 31:				
	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Total Tax Levy ^a	\$ 1,784,827,239	\$ 1,834,934,346	\$ 1,873,238,246	\$ 1,967,072,382	\$ 2,035,771,096
Amount to Town Supervisor	1,547,119,573	1,585,924,927	1,624,529,329	1,705,077,582	1,761,675,259
Amount to County Treasurer	237,707,666	248,009,419	248,708,917	261,994,800	274,095,837
Uncollected as of Final Report	79,570,014	79,047,876	77,652,024	81,991,125	N/A
Percent Uncollected	4.46%	4.30%	4.14%	4.16%	N/A
Tax Rates Per \$100 of Assessed Valuation:					
General Town:					
Town Wide	\$ 5.956	\$ 6.135	\$ 6.773	\$ 6.592	\$ 6.689
Outside Incorporated Villages	2.000	1.937	2.121	2.208	3.419
Highway:					
Town Wide	\$ 1.564	\$ 1.765	\$ 1.785	\$ 1.224	\$ 1.255
Outside Incorporated Villages	15.097	15.594	15.774	16.265	16.578

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

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Town of Brookhaven Tax Warrant Components

Taxing Jurisdiction	2025		2026	
	Levy Amount	Percent (%)	Levy Amount	Percent (%)
School Districts	\$ 1,341,551,099	68.20%	\$ 1,384,743,446	68.02%
Suffolk County	261,994,800	13.32	274,095,837	13.46
Fire Districts	119,789,765	6.09	125,746,290	6.18
Highway Part Town	66,984,454	3.41	68,569,280	3.37
Refuse and Garbage Districts	51,554,391	2.62	50,937,805	2.50
Town General Town Wide	68,667,334	3.49	69,799,264	3.43
Ambulance Districts	13,840,537	0.70	13,660,793	0.67
Open Space Preservation	11,270,212	0.57	11,507,105	0.57
Town General Part Town	9,091,932	0.46	14,123,847	0.69
Highway Town Wide	5,700,248	0.29	5,847,336	0.29
Lighting Districts	5,724,606	0.29	5,704,238	0.28
Out of County Tuition	3,870,301	0.20	3,458,233	0.17
Special Library Districts	3,089,030	0.16	3,191,965	0.16
Demolition of Unsafe Structures	215,656	0.01	406,845	0.02
Town Sewer Districts	971,425	0.05	1,116,664	0.05
Water Districts	826,036	0.04	876,928	0.04
Fire Protection Districts	625,641	0.03	630,328	0.03
Clean up of Premises	288,425	0.02	272,825	0.01
Erosion Districts	188,835	0.01	371,390	0.02
Dock Districts	567,183	0.03	449,258	0.02
Park Districts	196,200	0.01	53,360	0.00
Green Homes	51,428	0.00		0.00
Road Improvement			196,200	0.01
Unpaid Sewer and Water Rents	12,844	0.00	11,859	0.00
	<u>\$ 1,967,072,382</u>	<u>100.00%</u>	<u>\$ 2,035,771,096</u>	<u>100.00%</u>

Tax Levy Limit Law

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

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

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

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

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

Selected Listing of Large Taxable Properties 2025 Assessment Roll ^a

Name	Assessed Valuation ^b
LIPA	\$13,760,211
Marketspan	13,045,350
Keyspan	7,557,913
Mall at Smith Haven LLC	1,260,144
Verizon	787,561
Point of Woods Association	698,805
PR IVC Rosemont Property LLC	628,020
North Isle Village Inc.	480,660
Villas at Pine Hill DE LLC	474,785
LBV Ventures LLC	441,500
B33 Centereach II LLC	406,300
FRG FK Pines I LLC	374,790
Pine Hills South CO DE LLC	374,350
Fairfield Townhouses at Coram LLC	345,000
Independence Plaza SC LLC	340,000
Total: ^c	<u>\$40,975,389</u>

a. Assessment roll established in 2025 for levy and collection of taxes during the 2026 Fiscal Year. See also "Tax Certiorari Claims" herein.

b. The New York State Office of Real Property Services annually establishes an equalization rate in an effort to determine full market value. For 2026 the Town's Equalization Rate is 0.48% and the Full Valuation is \$96,729,756,458.

c. Represents approximately 8.83% of the total taxable assessed valuation of the Town for 2026.

LITIGATION AND OTHER PROCEEDINGS

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

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

Tax Certiorari Claims

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

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

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

CYBERSECURITY

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

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

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

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

ENVIRONMENTAL

The Town has an elevated risk to rising sea levels and extreme weather events such as hurricanes and nor’easters. The Town and other levels of government have been active in addressing environmental risk and mitigating exposure to weather events. The Town has a number of projects completed and ongoing that will further strengthen its ability to handle future weather event, and partners with New York State, Suffolk County, and the Federal governments to address erosion control, coastal flooding, and the restoration of natural habitats. The magnitude of the impact on the Town’s operations, economy and financial condition of rising sea levels, coastal flooding and more frequent and extreme weather events is indeterminate and unpredictable; however, over the past 14 years, since Superstorm Sandy, the Town has been able to meet the financial demands of significant weather events without the need for any borrowing due to more than adequate reserve levels.

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

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

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

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

DISCLOSURE UNDERTAKING

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

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

Fiscal Year Ending <u>December 31:</u>	Financial & Operating <u>Information</u>	Audited Financial <u>Statements</u>
2021	06/29/2022	06/29/2022 ^a
2022	06/29/2023	06/27/2023
2023	06/28/2024	06/28/2024 ^b
2024	06/30/2025	06/30/2025 ^c
2025	06/24/2026	06/24/2026

-
- a. Unaudited Financial Statements were filed on June 29, 2022. Audited Financial Statements were filed on July 28, 2022.
 - b. Unaudited Financial Statements were filed on June 28, 2024. Audited Financial Statements were filed on July 22, 2024.
 - c. Unaudited Financial Statements were filed on June 30, 2025. Audited Financial Statements were filed on July 24, 2025.

TAX MATTERS

Tax Exemption

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

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

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

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

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

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

Tax Accounting Treatment of Discount and Premium on Certain Obligations

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

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

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

LEGAL MATTERS

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

RATINGS

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

MUNICIPAL ADVISOR

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

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

ADDITIONAL INFORMATION

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

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

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

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

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

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

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

, 2026

APPENDIX A

FINANCIAL INFORMATION

Statement of Revenues, Expenditures and Changes in Fund Balances

General Fund - Town Wide

Fiscal Years Ending December 31:					
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenues:					
Real Property Taxes	\$ 27,137,427	\$ 27,794,217	\$ 28,591,047	\$ 31,633,804	\$ 68,680,511
Other Property Tax Items	1,210,565	1,251,652	1,293,120	1,476,034	2,102,831
Non-Property Tax items	8,817,550	8,406,684	8,240,350	7,912,195	7,353,086
Departmental Income	69,258,395	67,035,986	58,126,301	56,322,006	36,611,631
Intergovernmental Charges	5,434,586	5,644,360	5,127,406	5,253,082	6,037,133
Use of Money and Property	4,849,667	7,082,130	11,422,667	11,294,980	11,666,285
Licenses and Permits	187,845	213,136	247,458	242,199	228,941
Fines and Forfeitures	106,655	109,642	128,585	139,010	165,833
Sale of Property	1,622,682	796,867	525,913	2,666,031	3,289,981
Miscellaneous Local Sources	662,868	254,015	2,116,395	3,405,372	1,875,615
Interfund Revenues	3,512,222	3,562,611	3,829,652	4,077,306	4,342,030
State Aid	28,405,143	24,392,638	18,069,203	17,240,367	17,770,802
Federal Aid	9,603,419	10,174,348	14,692,986	8,410,933	14,585,757
Total Revenues	<u>160,809,024</u>	<u>156,718,286</u>	<u>152,411,083</u>	<u>150,073,319</u>	<u>174,710,436</u>
Expenditures:					
General Government Support	37,454,302	42,780,189	44,746,493	39,178,145	41,627,281
Public Safety	4,161,650	4,702,960	4,863,681	5,304,372	5,726,476
Transportation	2,331,886	2,487,289	2,226,969	2,152,863	1,741,187
Economic Assistance & Opportunity	1,334,381	1,543,491	1,662,714	1,857,097	1,992,654
Culture and Recreation	20,614,013	23,571,203	24,413,848	28,118,723	29,415,658
Home & Community Services	13,501,434	13,418,881	13,114,518	12,886,393	14,757,592
Employee Benefits	10,415,101	10,205,293	10,998,343	10,994,086	9,051,449
Capital Outlay		735,009	341,648		
Debt Service			228,386	227,741	227,802
Total Expenditures	<u>89,812,767</u>	<u>99,444,315</u>	<u>102,596,600</u>	<u>100,719,420</u>	<u>104,540,099</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>70,996,257</u>	<u>57,273,971</u>	<u>49,814,483</u>	<u>49,353,899</u>	<u>70,170,337</u>
Other Financing Sources (Uses):					
Transfer In	84,690	2,114,567	2,109,266	255,490	118,707
Transfer (Out)	(67,466,972)	(54,444,620)	(51,054,153)	(41,768,975)	(65,393,322)
Premium on Obligations					
Subscription-Based IT Arrangements Issued			327,863		
Total Other Financing Sources (Uses)	<u>(67,382,282)</u>	<u>(52,330,053)</u>	<u>(48,617,024)</u>	<u>(41,513,485)</u>	<u>(65,274,615)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>3,613,975</u>	<u>4,943,918</u>	<u>1,197,459</u>	<u>7,840,414</u>	<u>4,895,722</u>
Fund Balance, Beginning of Year	<u>78,553,218</u>	<u>82,167,193</u>	<u>87,111,111</u>	<u>88,308,570</u>	<u>96,148,984</u>
Adjustment to Fund Balance Due to Accounting Changes					
Fund Balance, Beginning of Year, as Restated	<u>78,553,218</u>	<u>82,167,193</u>	<u>87,111,111</u>	<u>88,308,570</u>	<u>96,148,984</u>
Fund Balance, End of Year	<u>\$ 82,167,193</u>	<u>\$ 87,111,111</u>	<u>\$ 88,308,570</u>	<u>\$ 96,148,984</u>	<u>\$ 101,044,706</u>

NOTE: This Schedule is NOT audited.

Sources: Audited Financial Statements (2021-2025)

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

	Fiscal Years Ending December 31:				
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenues:					
Real Property Taxes	\$ 8,172,959	\$ 7,899,914	\$ 7,958,158	\$ 8,751,172	\$ 9,091,932
Other Property Tax Items	1,927	7,741	9,313	19,479	19,142
Departmental Income	13,805,523	15,606,670	16,702,958	17,448,355	19,635,519
Use of Money and Property	79,364	284,320	935,952	1,202,616	1,199,054
Licenses and Permits	73,109	84,826	106,366	129,117	101,831
Fines and Forfeitures	1,639,969	1,771,076	2,105,220	2,518,266	3,347,499
Sale of Property and Comp. for Loss					
Miscellaneous Local Sources	1,925,156	96,698	1,977,776	214,196	157,334
State and Other Local Government Aid	5,402	1,818,224	1,808,932	1,935,477	1,935,477
Federal Aid	5,239	3,985	50,306	4,289	766
Total Revenues	<u>25,708,648</u>	<u>27,573,454</u>	<u>31,654,981</u>	<u>32,222,967</u>	<u>35,488,554</u>
Expenditures:					
General Government Support	3,334,121	3,288,876	3,540,195	4,392,820	5,051,559
Public Safety	11,706,049	11,999,857	12,059,231	12,777,077	12,971,251
Health	593,317	645,586	665,125	685,988	681,884
Home & Community Services	3,995,381	4,236,377	4,208,222	4,362,519	4,861,191
Employee Benefits	1,661,884	1,841,366	2,006,481	2,324,392	2,380,383
Debt Service					
Total Expenditures	<u>21,290,752</u>	<u>22,012,062</u>	<u>22,479,254</u>	<u>24,542,796</u>	<u>25,946,268</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,417,896</u>	<u>5,561,392</u>	<u>9,175,727</u>	<u>7,680,171</u>	<u>9,542,286</u>
Other Financing Sources (Uses):					
Transfers In	82,312	346,837	280,464	21,547	91,136
Transfers (Out)	(3,505,055)	(13,627,230)	(4,953,667)	(5,235,770)	(8,844,432)
Premium on Obligations					
Total Other Financing Sources (Uses)	<u>(3,422,743)</u>	<u>(13,280,393)</u>	<u>(4,673,203)</u>	<u>(5,214,223)</u>	<u>(8,753,296)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>995,153</u>	<u>(7,719,001)</u>	<u>4,502,524</u>	<u>2,465,948</u>	<u>788,990</u>
Fund Balance, Beginning of Year	<u>23,082,606</u>	<u>24,077,759</u>	<u>16,358,758</u>	<u>20,861,282</u>	<u>23,327,230</u>
Adjustment to Fund Balance Due to Accounting Changes					
Fund Balance, Beginning of Year, as Restated	<u>23,082,606</u>	<u>24,077,759</u>	<u>16,358,758</u>	<u>20,861,282</u>	<u>23,327,230</u>
Fund Balance, End of Year	<u>\$ 24,077,759</u>	<u>\$ 16,358,758</u>	<u>\$ 20,861,282</u>	<u>\$ 23,327,230</u>	<u>\$ 24,116,220</u>

NOTE: This Schedule is NOT audited.
Sources: Audited Financial Statements (2021-2025)

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

	Fiscal Years Ending December 31:				
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenues:					
Real Property Taxes	\$ 68,983,528	\$ 71,040,869	\$ 72,290,165	\$ 73,440,306	\$ 72,684,702
Other Real Property Tax Items	955,551	1,095,966	1,166,823	1,217,412	1,189,312
Departmental Income	130,576	101,292	107,153	109,201	95,319
Intergovernmental Charges	448,898	205,645	141,543	251,143	582,933
Use of Money and Property	172,716	690,213	2,881,419	3,031,814	2,393,595
Licenses and Permits	766,889	913,461	1,053,439	920,730	1,172,038
Sale of Property	152,724	131,084	551,930	130,522	47,662
Miscellaneous Local Sources	42,485	15,944	16,477	22,359	17,114
State Aid	943,514	44,711	31,221	146,939	20,765
Federal Aid	5,715,907	1,241,850	93,364	6,674	6,067
Total Revenues	<u>78,312,788</u>	<u>75,481,035</u>	<u>78,333,534</u>	<u>79,277,100</u>	<u>78,209,507</u>
Expenditures:					
General Government Support	105,186				
Transportation	36,714,708	38,143,630	36,778,192	42,792,441	45,921,909
Employee Benefits	5,748,924	5,326,603	6,817,768	5,346,554	5,755,800
Debt Service		493,133			
Total Expenditures	<u>42,568,818</u>	<u>43,963,366</u>	<u>43,595,960</u>	<u>48,138,995</u>	<u>51,677,709</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>35,743,970</u>	<u>31,517,669</u>	<u>34,737,574</u>	<u>31,138,105</u>	<u>26,531,798</u>
Other Financing Sources (Uses):					
Premiums on Obligations					
Transfers In	19,719	502,097	39,352	300,000	133,209
Transfers (Out)	<u>(33,528,568)</u>	<u>(26,772,728)</u>	<u>(29,483,126)</u>	<u>(36,395,398)</u>	<u>(29,176,256)</u>
Total Other Financing Sources (Uses)	<u>(33,508,849)</u>	<u>(26,270,631)</u>	<u>(29,443,774)</u>	<u>(36,095,398)</u>	<u>(29,043,047)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>2,235,121</u>	<u>5,247,038</u>	<u>5,293,800</u>	<u>(4,957,293)</u>	<u>(2,511,249)</u>
Fund Balance, Beginning of Year	<u>32,633,324</u>	<u>34,868,445</u>	<u>40,115,483</u>	<u>45,409,283</u>	<u>40,451,990</u>
Adjustment to Fund Balance Due to Accounting Changes					
Fund Balance, Beginning of Year, as Restated	<u>32,633,324</u>	<u>34,868,445</u>	<u>40,115,483</u>	<u>45,409,283</u>	<u>40,451,990</u>
Fund Balance, End of Year	<u>\$ 34,868,445</u>	<u>\$ 40,115,483</u>	<u>\$ 45,409,283</u>	<u>\$ 40,451,990</u>	<u>\$ 37,940,741</u>

NOTE: This Schedule is NOT audited.

Sources: Audited Financial Statements (2021-2025)

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

	Fiscal Years Ending December 31:				
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenues:					
Real Property Taxes	\$ 44,319,760	\$ 45,704,410	\$ 46,559,653	\$ 47,280,795	\$ 49,163,268
Other Real Property Tax Items	645	697	21,337	35,297	30,373
Departmental Income	2,081,047	1,295,500	1,351,603	561,734	427,327
Use of Money and Property	54,975	196,540	1,118,016	1,154,890	1,037,674
Fines and Forfeitures	1,500	2,250	13,135	26,282	86,055
Sale of Property	6,440	9,500	9,687	13,018	16,544
Miscellaneous	3,278		34,684	123,463	56,000
State Aid	60,518	339,452			
Federal Aid			110,135		
Total Revenues	<u>46,528,163</u>	<u>47,548,349</u>	<u>49,218,250</u>	<u>49,195,479</u>	<u>50,817,241</u>
Expenditures:					
General Government Support	2,101		47,147,799		
Home and Community Services	<u>44,897,870</u>	<u>45,414,749</u>		<u>48,563,782</u>	<u>49,640,178</u>
Total Expenditures	<u>44,899,971</u>	<u>45,414,749</u>	<u>47,147,799</u>	<u>48,563,782</u>	<u>49,640,178</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,628,192</u>	<u>2,133,600</u>	<u>2,070,451</u>	<u>631,697</u>	<u>1,177,063</u>
Other Financing Sources (Uses):					
Transfers In	37,613	3,860	50		
Transfers (Out)			(567,446)		
Total Other Financing Sources (Uses)	<u>37,613</u>	<u>3,860</u>	<u>(567,396)</u>	<u>0</u>	<u>0</u>
Fund Balance, Beginning of Year	<u>1,228,890</u>	<u>2,894,695</u>	<u>5,032,155</u>	<u>6,535,210</u>	<u>7,166,907</u>
Prior Period Adjustment					
Fund Balance, End of Year	<u>\$ 2,894,695</u>	<u>\$ 5,032,155</u>	<u>\$ 6,535,210</u>	<u>\$ 7,166,907</u>	<u>\$ 8,343,970</u>

NOTE: This Schedule is NOT audited.
Sources: Audited Financial Statements (2021-2025)

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

	Fiscal Years Ending December 31:				
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenues:					
Real Property Taxes and Tax Items	\$ 10,231,473	\$ 10,538,344	\$ 10,529,984	\$ 10,711,921	\$ 11,270,212
Other Real Property Tax Items	147,888	172,000	178,284	187,744	195,189
Use of Money and Property	49,568	218,633	1,219,700	1,027,877	865,360
Federal Aid					841
Miscellaneous				128,106	111,695
Total Revenues	<u>10,428,929</u>	<u>10,928,977</u>	<u>11,927,968</u>	<u>12,055,648</u>	<u>12,443,297</u>
Expenditures:					
General Government Support				206,621	145,855
Debt Service:					
Principal	60,145,000	63,490,000	77,670,000	70,776,770	70,968,695
Interest	21,642,060	20,331,192	17,678,706	18,306,283	17,196,191
Bond Issuance Costs					
Total Expenditures	<u>81,787,060</u>	<u>83,821,192</u>	<u>95,348,706</u>	<u>89,289,674</u>	<u>88,310,741</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(71,358,131)</u>	<u>(72,892,215)</u>	<u>(83,420,738)</u>	<u>(77,234,026)</u>	<u>(75,867,444)</u>
Other Financing Sources (Uses):					
Transfers In	76,092,995	73,308,013	69,487,421	86,531,085	91,692,239
Transfers (Out)			(248,709)	(10,944,233)	(11,484,211)
Premium on Obligations			6,560,186	6,618,652	5,171,331
Refunding Bonds Issued			2,675,000	51,020,000	16,965,000
Debt Service - Principal Currently Refunded			(2,675,000)		
Payment to Refunded Bond Escrow Agent				(52,945,627)	(18,304,484)
Total Other Financing Sources (Uses)	<u>76,092,995</u>	<u>73,308,013</u>	<u>75,798,898</u>	<u>80,279,877</u>	<u>84,039,875</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>4,734,864</u>	<u>415,798</u>	<u>(7,621,840)</u>	<u>3,045,851</u>	<u>8,172,431</u>
Fund Balance, Beginning of Year	<u>20,942,634</u>	<u>25,677,498</u>	<u>26,093,296</u>	<u>18,471,456</u>	<u>21,517,307</u>
Prior Per Adjustments					
Fund Balance, End of Year	<u>\$ 25,677,498</u>	<u>\$ 26,093,296</u>	<u>\$ 18,471,456</u>	<u>\$ 21,517,307</u>	<u>\$ 29,689,738</u>

NOTE: This Schedule is NOT audited.

Sources: Audited Financial Statements (2021-2025)

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

	Fiscal Years Ending December 31:				
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenues:					
Real Property Taxes	\$ 24,861,611	\$ 24,991,369	\$ 26,687,295	\$ 25,162,271	\$ 25,383,014
Other Property Tax Items	154,237	157,853	193,332	233,136	216,918
Departmental Income	1,864,475	3,044,257	2,660,311	5,229,647	7,035,319
Use of Money and Property	346,912	800,996	1,710,127	1,764,756	1,633,103
Investment Loss from LOSAP	1,360,859	(1,434,489)	1,413,475	1,446,247	1,385,009
Fines and Forfeitures				27,485	50,390
Sale of Property & Compensation for Loss	150	7,537	16,015	14,677	100
Miscellaneous Local Sources	63,609	101,427	7,652	60,983	0
State Aid	7,899				0
Federal Aid	23,265,905	23,992,915	27,129,112	30,357,956	31,734,293
Total Revenues	<u>51,925,657</u>	<u>51,661,865</u>	<u>59,817,319</u>	<u>64,297,158</u>	<u>67,438,146</u>
Expenditures:					
General Government Support					
Public Safety	576,106	619,665	619,051	619,677	620,680
Health	12,383,768	13,232,566	14,042,012	17,130,496	17,418,611
Transportation	4,299,588	4,686,707	4,487,338	4,851,149	4,870,672
Culture and Recreation	42,010	43,303	42,590	44,609	96,372
Home & Community Services	26,542,394	28,799,863	30,895,059	33,941,293	35,833,034
Employee Benefits	17,073	29,902	32,242	37,835	41,642
Debt Service					0
Total Expenditures	<u>43,860,939</u>	<u>47,412,006</u>	<u>50,118,292</u>	<u>56,625,059</u>	<u>58,881,011</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>8,064,718</u>	<u>4,249,859</u>	<u>9,699,027</u>	<u>7,672,099</u>	<u>8,557,135</u>
Other Financing Sources (Uses):					
Premiums on Obligations					
Operating Transfers In	309,263		248,709	46,478	489,169
Operating Transfers (Out)	(5,736,986)	(6,915,946)	(8,499,039)	(6,487,266)	(6,987,494)
Sale of Capital Assets		2,004,800	390,000		
Total Other Financing Sources (Uses)	<u>(5,427,723)</u>	<u>(4,911,146)</u>	<u>(7,860,330)</u>	<u>(6,440,788)</u>	<u>(6,498,325)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>2,636,995</u>	<u>(661,287)</u>	<u>1,838,697</u>	<u>1,231,311</u>	<u>2,058,810</u>
Fund Balance, Beginning of Year, as Restated	<u>26,557,781</u>	<u>29,194,776</u>	<u>28,533,489</u>	<u>30,372,186</u>	<u>31,603,497</u>
Prior Period Adjustments					
Fund Balance, End of Year	<u>\$ 29,194,776</u>	<u>\$ 28,533,489</u>	<u>\$ 30,372,186</u>	<u>\$ 31,603,497</u>	<u>\$ 33,662,307</u>

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

NOTE: This Schedule is NOT audited.

Sources: Audited Financial Statements (2021-2025)

TOWN OF BROOKHAVEN

APPENDIX B

**AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025**

[▶ Click Here For 2025 Audit](#)

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

APPENDIX C

FORM OF ANNUAL AND CONTINUING DISCLOSURE UNDERTAKING

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

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

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

“*Bonds*” means the Issuer’s General Obligation (Serial) Bonds – 2026, dated September 10, 2026.

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

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

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

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

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

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

B. Annual Reports. The Issuer shall electronically file annually with the MSRB, (1) within six months after the end of each fiscal year ending after the date hereof, financial information and operating data with respect to the Issuer of the general type contained in or cross referenced in the Issuer’s final Official Statement, dated September 10, 2026 under the headings “**THE TOWN**”, “**ECONOMIC AND DEMOGRAPHIC INFORMATION**”, “**INDEBTEDNESS OF THE TOWN**”, “**FINANCES OF THE TOWN**”, “**REAL PROPERTY TAX INFORMATION**”, and “**LITIGATION AND OTHER PROCEEDINGS**”, and in **APPENDICES A**, and (2) if not provided as part of such financial information and operating data, audited financial statements of the Issuer, when and if available. If audited financial statements are not available at that time the Issuer will electronically file unaudited financial statements when available. Any financial statements so to be electronically filed shall be prepared in accordance with the accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation, and shall be audited, if the Issuer commissions an audit of such statements and the audit is completed within the period during which they must be provided.

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

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

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

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

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

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

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

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

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

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

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

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

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

Dated: September 10, 2026

Supervisor

APPENDIX D

FORM OF OPINION OF NORTON ROSE FULBRIGHT US LLP



September 10, 2026

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

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Re: Town of Brookhaven, Suffolk County, New York
\$46,433,000 General Obligation (Serial) Bonds – 2026

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$46,433,000 General Obligation (Serial) Bonds – 2026 (collectively, the “Obligation”), of the Town of Brookhaven, Suffolk County, New York (the “Obligor”), dated September 10, 2026.

We have examined:

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

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

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

In our opinion:

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

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

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or

supplement our opinions to reflect any facts or circumstances that may hereafter come to our attention or to reflect any changes in any law that may hereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

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

Very truly yours,