

TOWN OF BROOKHAVEN, NEW YORK
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
(WITH INDEPENDENT AUDITORS' REPORT)

Year Ended December 31, 2021

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**FINANCIAL
SECTION**

INDEPENDENT AUDITORS' REPORT

Honorable Supervisor and Town Board
Town of Brookhaven
Brookhaven, New York

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Brookhaven, New York (the "Town"), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate fund information of the Town, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Honorable Supervisor and Town Board
Town of Brookhaven
Brookhaven, New York

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Audit Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of revenues, expenditures and changes in fund balances – budget and actual, schedule of changes in total other postemployment benefits liability and related ratio, schedule of proportionate share of the net pension liability – employee retirement system, schedule of pension contributions – employees' retirement system and schedule of pension liabilities – LOSAP plans be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Honorable Supervisor and Town Board
Town of Brookhaven
Brookhaven, New York

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules (as listed in the table of contents) are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 19, 2022 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Hauppauge, New York
July 19, 2022

REQUIRED SUPPLEMENTARY INFORMATION
Management's Discussion and Analysis

TOWN OF BROOKHAVEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

As management of the Town of Brookhaven (the "Town"), we offer readers of the financial statements this narrative overview and analysis of the financial activities for the year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with the Town's basic financial statements.

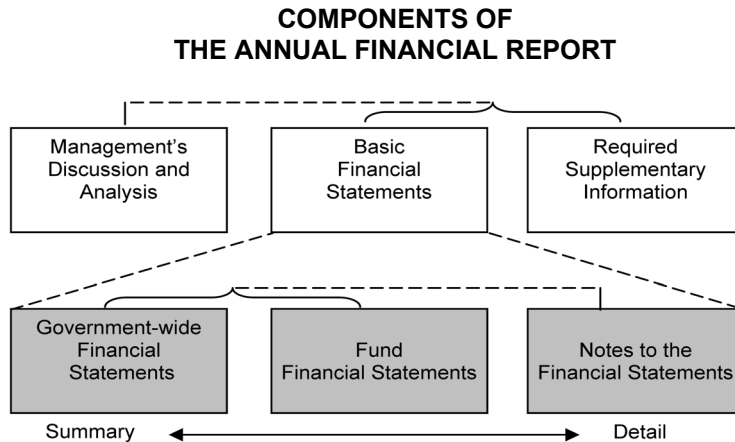
FINANCIAL HIGHLIGHTS

- Pursuant to the American Rescue Plan Act, the Town was awarded \$55 million in Coronavirus State and Local Fiscal Recovery awards, and of which \$8.0 million has been recognized as revenue in 2021 based on costs incurred for eligible projects. The remaining revenue will be recognized in future years as eligible expenses/expenditures are incurred.
- During fiscal year 2021, Net Position related to its governmental activities was \$320.8 million, which increased by \$20.2 million and the Net Position pertaining to business-type activities totaled \$536 thousand.
- During the year, the Town had total governmental activities revenues of \$385.1 million which consisted of program revenues of \$156.8 million and general revenues of \$228.3 million, while the Town's related expenses totaled \$365.0 million.
- The Town's credit ratings are as follows: Aaa assigned by Moody's Investor's and AAA assigned by Standard and Poor's.
- At December 31, 2021, the Town's governmental activities assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$320.8 million. Of this \$717.2 million represents the net investment in capital assets, \$53.0 million is restricted for various purposes, and \$449.4 million is net unrestricted deficit position, which does not necessarily indicate distress and is primarily due to the recognition of other postemployment benefits liability and expense.
- During fiscal year 2021, Total Fund Balance for governmental funds increased by \$6.0 million. Of the \$6.0 million increase in total governmental fund balance, \$4.7 million pertains to the Debt Service Fund, \$9.9 million deficit pertains to the Capital Projects Fund as no long-term financing was issued and \$11.2 million pertains to the Town's operating funds.
- At December 31, 2021, the Unassigned Fund Balance of the General Fund improved \$2.0 million, to \$57.8 million, or an 3.54% increase, and represents 70.33% of the total year end fund balance of \$82.2 million. The 2021 Unassigned Fund Balance represents 42.77% of the General Fund budgeted 2022 expenditures including operating transfers out. The increase in Unassigned Fund Balance is attributable to the 2021 revenues in excess of expenditures and conservative spending. There is no planned use of unrestricted components of fund balance to fund the 2022 operating budget.
- The Fund Balance for the combined Highway Funds increased by \$2.2 million to \$34.9 million, a 6.8% increase, at December 31, 2021, primarily due to the recognition of Public Assistance Program for Presidentially declared disasters ("Emergency Disaster Assistance Grant"), i.e., Tropical Storm Isaias.
- During 2021, \$33.9 million was transferred to the Capital Projects Fund, of which \$6.9 was financed from the Coronavirus State and Local Fiscal Recovery program, a federal assistance program established under the American Rescue Plan, and \$27.0 million was financed from existing resources. Of the \$27.8 million transfer from existing resources, \$15.9 million was from the General Fund, \$2.7 was from the Town Outside Village Fund, and \$7.3 million was from the combined Highway Fund and the remaining portion was from other operating funds. These transfers were made to finance future capital project costs whereby reducing the amount of costs to be financed with general obligation bonds.
- During 2021, the General Fund transferred \$10.0 million to the Debt Service Fund, which is restricted for future debt service costs of general obligation bonds issued for landfill closure and postclosure care costs.
- Notable portions of restricted total fund balances are as follows: \$26.8 million for future debt service and \$19.0 million in post-closure landfill reserve.

TOWN OF BROOKHAVEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to basic financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.



Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business. The intent of the government-wide financial statements is to give the reader a long-term view of the Town's financial condition.

The Statement of Net Position presents financial information on all of the Town's assets, liabilities and deferred inflows/outflows of resources with the difference between those categories reported as net position. Over time, increases or decreases in the Town's net position is one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Town's property tax base and the condition of the Town's buildings, roads, drainage and other assets to assess the overall health of the Town.

The Statement of Activities presents information showing how the Town's net position changed during the most recent year. Revenues and expenses are reported by activity to give the reader an understanding of how each of the Town's activities is being supported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods. This method is known as the accrual basis of accounting and is different from the modified accrual basis of accounting used in the Town's fund financial statements.

The Town's government-wide financial statements include both the governmental activities of the Town itself (known as the primary government) and of its legally separate nonmajor component units for which the Town is financially accountable. Financial information of these nonmajor component units is reported separately (discretely presented) from the financial information presented for the primary government.

Governmental Activities

The Town's basic services are reported herein, include general government support; public safety; health; transportation; economic assistance and opportunity; culture and recreation and home and community services. Property taxes, mortgage taxes, franchise fees, user fees for services, fines, and state and federal grants finance these activities. The Town also charges fees to customers to help it cover the cost of certain services it provides.

TOWN OF BROOKHAVEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Business-Type Activities

The Town's business-type activities reports the operations of the Town of Brookhaven Local Development Corporation, whose purpose is to promote the expansion of business and creation of jobs with the Town.

Discretely Presented Component Unit

Component units are legally separate organizations for which the Town is either financially accountable, or the nature and significance of the relations with the Town is such that exclusion would cause the Town's financial statements to be misleading or incomplete. These entities are either reported in a separate column in the government-wide statements as a discretely presented component unit or as a blended component unit (see business-type activities). The Town includes one separate legal entity in its report as a nonmajor discretely presented component unit. Note A.1 describes the component units.

Fund Financial Statements

The fund financial statements focus on current available resources and are organized and operated on the basis of funds, each of which is defined as an accounting entity with a self-balancing set of accounts established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The Town, like other governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental, proprietary and fiduciary funds.

Governmental Funds

The Town's activities are reported in governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term effect of the Town's near-term financial decisions. Both the governmental funds balance sheet and governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains various individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental funds statement of revenues, expenditures, and changes in funds balances for the six (6) major funds. The General Fund, Town Outside Village Fund, Highway Fund, Refuse and Garbage Fund, Debt Service Fund, and Capital Projects Fund are reported as major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the other supplementary information section in this report.

The Town adopts annually an appropriated Operating and Capital budget for its General and Special Revenue Funds, except for the following funds: one of the Debt Service Funds, Special Grants Fund, Special Miscellaneous Housing Trust Fund, and the Permanent Fund and certain inactive Special Districts Funds. A budgetary comparison schedule for each major fund (which adopted a budget) can be found in the section labeled "Required Supplementary Information Other Than Management's Discussion and Analysis".

TOWN OF BROOKHAVEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Fund Financial Statements (continued)

Proprietary Funds

The Town maintains one proprietary fund which is classified as an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses the enterprise fund to account for its blended component unit, the Town of Brookhaven Local Development Corporation.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government and as the resources are not available to support the Town's programs, these funds are not reflected in the government-wide financial statements. The Town has one fiduciary fund, a custodial fund, which primarily accounts for real property taxes billed and collected on behalf of other local municipalities.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the basic financial statements.

Other Information

In addition to the basic financial statements this report contains supplementary information immediately following the notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Brookhaven, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$320.8 million (governmental activities) and \$536 thousand (business-type activities) at the close of the most recent year.

Our analysis below focuses on the net position and changes in net position of the Town as a whole.

Condensed Statement of Net Position
As of December 31,

	Governmental Activities		Business-Type Activities	
	2021	2020	2021	2020
Assets				
Current and other assets	\$ 488,173,827	\$ 460,299,800	\$ 547,975	\$ 618,235
Non-current receivables and other assets	12,493,281	11,369,732		
Capital assets	1,304,571,545	1,313,995,762		
Total Assets	1,805,238,653	1,785,665,294	547,975	618,235
Deferred Outflows of Resources	165,293,586	146,406,659	-	-
Liabilities				
Current and other liabilities	143,412,595	119,703,851	11,784	3,640
Long-term liabilities	1,207,898,245	1,267,163,294		
Total Liabilities	1,351,310,840	1,386,867,145	11,784	3,640
Deferred Inflows of Resources	298,385,119	244,589,814	-	-
Net Position				
Net investment in capital assets	717,166,622	716,527,550		
Restricted	53,055,969	46,487,122		
Unrestricted	(449,386,311)	(462,399,678)	536,191	614,595
Total Net Position	\$ 320,836,280	\$ 300,614,994	\$ 536,191	\$ 614,595

TOWN OF BROOKHAVEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Governmental Activities

The Town's governmental activities net position includes \$717.2 million in net investment in capital assets, \$53.0 million in net position restricted for specific purposes (primarily for capital projects, landfill post-closure costs, and debt service) and \$449.4 million in net unrestricted net deficit position.

By far, the largest portion of the Town of Brookhaven's governmental activities net position (\$717.2 million) reflects its investment in capital assets (e.g. land, buildings, machinery, equipment and infrastructure) less any related debt used to acquire those assets that is still outstanding. The Town of Brookhaven uses these capital assets to provide services to citizens; consequently, the related net position is not available for future spending.

Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves will not be used to liquidate these liabilities.

An additional portion of the Town's governmental activities net position, 16.6% or \$53.0 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance is an unrestricted net deficit of \$449.4 million, the majority of which stems from recognizing long-term liabilities such as post-retirement health benefits, accrued compensated absences, judgment and claims liabilities, and the Town's share of the New York State Pension Plan net pension liability.

The unrestricted net position balance decreased by \$13.0 million during 2021. The deficit balance of unrestricted net position does not necessarily indicate stress. The deficit balance of unrestricted net position arose primarily due to long-term liabilities which include other postemployment benefits, pension liabilities (employees' retirement and length of service award program), compensated absences, deferred compensation, claims and judgments payable, landfill closure and post-closure care costs, and pollution remediation obligations that will be funded through future budgetary appropriations as they become payable in future periods. At the end of the current year, the Town reports positive balances in the categories of net investment in capital assets and restricted. The same held true for the prior year.

Business-Type Activities

The unrestricted net position pertaining to business-type activities totaled \$536 thousand, a decrease of \$78 thousand during the year. The entire balance is unrestricted and is available for future operations.

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TOWN OF BROOKHAVEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Condensed Statement of Activities and Changes in Net Position
For the year ended December 31,

	Governmental Activities		Business-Type Activities	
	2021	2020	2021	2020
Program Revenues				
Charges for services	\$ 99,834,636	\$ 80,760,506	\$ 5,000	\$ 346,768
Operating grants and contributions	36,785,601	28,602,525		
Capital grants and contributions	20,153,738	22,128,710		
Total Program Revenues	<u>156,773,975</u>	<u>131,491,741</u>	<u>5,000</u>	<u>346,768</u>
General Revenues				
Real property taxes	183,692,064	179,598,396		
Other real property tax items	2,548,302	2,394,168		
Non-property tax items	8,817,550	8,663,945		
Interest and investment earnings	893,625	1,682,770	1,444	1,480
State and local aid - unrestricted	28,515,578	22,251,949		
Gain (loss) on disposition of capital assets	(1,159,302)	79,365		
Compensation for loss and other	5,012,935	1,176,266		
Total General Revenues	<u>228,320,752</u>	<u>215,846,859</u>	<u>1,444</u>	<u>1,480</u>
Total Revenues	<u>385,094,727</u>	<u>347,338,600</u>	<u>6,444</u>	<u>348,248</u>
Program Expenses				
General government support	\$ 55,902,226	\$ 59,456,149		
Public safety	27,340,352	26,000,436		
Health	15,287,771	14,831,135		
Transportation	84,416,196	77,978,724		
Economic assistance and opportunity	1,025,091	1,930,908	84,848	20,003
Culture and recreation	38,955,023	36,363,957		
Home and community services	125,727,577	122,195,796		
Debt interest and other costs	16,219,205	16,510,485		
Total Expenses	<u>364,873,441</u>	<u>355,267,590</u>	<u>84,848</u>	<u>20,003</u>
Change in Net Position	<u>20,221,286</u>	<u>(7,928,990)</u>	<u>(78,404)</u>	<u>328,245</u>
Net Position at Beginning of Year	300,614,994	305,681,911	614,595	286,350
Cumulative effect of change in accounting principle, GASB No. 84	-	2,862,073	-	
Net Position at Beginning of Year, As Restated	<u>300,614,994</u>	<u>308,543,984</u>	<u>614,595</u>	<u>286,350</u>
Net Position at End of Year	<u>\$ 320,836,280</u>	<u>\$ 300,614,994</u>	<u>\$ 536,191</u>	<u>\$ 614,595</u>

* The Town's 2020 condensed statement presented above reflect the cumulative effect of a change in accounting principles stemming from the implementation of GASB Statement No. 84 "Fiduciary Activities", information was not available to restate the 2019 balances.

Overall, general revenues of \$228.3 million increased \$12.5 million with that of the 2020 revenues of \$215.8 million. The overall \$12.5 million increase in general revenues consists of increases of: \$4.1 million in real property taxes, \$6.3 million in state and local aid unrestricted (mortgage taxes), \$3.8 in compensation for loss and other (contractual agreement and settlements), and which was offset by decrease of \$1.2 from loss on disposition of assets.

TOWN OF BROOKHAVEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Overall, program revenues of \$156.8 million increased \$25.3 million from \$131.5 million in 2020. Notable changes from 2020 are as follows:

- Charges for Services of \$99.8 million increased \$19.0 million from the 2020 revenues of \$80.8 million. Charges for service related to increases of: \$12.8 million in home and community charges stemming from \$10.8 million of landfill and recycling fees, \$1.3 million in cleanup of premises and demolition of unsafe property fees; \$2.6 million in culture and recreation fee due to ease of restrictions and rebound from the COVID-19 pandemic; \$1.6 million in fees from general government support services stemming from foreclosure registration fees, Yaphank lake remediation fees, and increase revenue from rental of property; and \$1.1 million in fees for public safety services (fines, public safety fees generated from the fire marshals, code enforcement and building division).
- Operating Grants and Contributions of \$36.8 million increased by \$8.2 million from the 2020 amounts of \$28.6 million. Operating grants and contributions related to transportation function increased by \$5.8 million, primarily due to \$5.6 million more of Emergency Disaster Assistance Grant related to costs incurred from the impact of tropical storm Isaias; and \$1.7 million more of home and community grants and contributions stemming from \$2.3 million increase in various U.S. Department of Housing and Human Services Department ("HUD") grants (Section 8, Community Development Block Grant, Emergency Solutions and Home Investment Partnership) which includes additional awards pursuant to federal COVID-19 economic relief under the CARES Act, \$1.1 million grant revenue from federal Emergency Rental Program, \$1.1 million in aid under Emergency Disaster Assistance Grant, and a decrease of \$2.3 million in Jumpstart Suffolk award (a one-time award).
- Capital Grants and Contributions of \$20.2 million decreased by \$2.1 million from 2020 amounts of \$22.1 million and is primarily due to the following: a \$5.7 increase in capital grants for transportation due to \$6 million from the Coronavirus State and Local Fiscal Recovery award; a \$3.5 decrease in capital grants for public safety purposes related to the NYS municipal consolidation and efficiency award of \$2.9 million; a \$2.7 million decrease in capital grants for general government support purposes as the Town received \$1.3 million less in contributions from local sources and \$1.1 million less from the Emergency Disaster Assistance Grant related to an alternative project resulting from Hurricane Sandy.

Overall, total expense from governmental activities was \$364.9 million, which increased by \$9.6 million from the 2020 expense of \$355.3 million, much of which pertains to fluctuations of costs incurred pertaining to general government support, transportation, culture and recreation and home and community services. Increases (decreases) in functional expense are as follows: general government support (\$3.6 million), public safety \$1.3 million, health \$456 thousand, transportation \$5.1 million, economic and assistance (\$905 thousand), culture and recreation \$2.6 million, and transportation \$4.9 million. Debt interest and related costs decreased slightly by \$291 thousand. Notable changes in functional expenses from the prior year are discussed below.

- Transportation expense increase of \$6.4 million is primarily due to \$2.8 million more in snow removal costs, \$700 thousand more in street maintenance costs, \$1.7 million of allocated employee benefits (primarily increases in OPEB and workers compensation and partially offset by decrease in pension expense), and \$1.0 million in depreciation.
- Home and community expense increase of \$3.5 is primarily due to \$1.6 million more in administering the various HUD grants, \$1.1 million expense incurred in administering the Emergency Rental Assistance program, and \$2.9 million more in depreciation expense. These increases were offset by \$1.9 million less spent on projects and equipment which did not meet the Town's capitalization policy.
- Culture and recreation expense increase of \$2.6 million stems from \$1.6 million more in employee benefits (primarily increases in OPEB and workers compensation and partially off-set by decrease in pension expenses) and \$1.4 million increase in operating its parks, recreation, sports and cultural resources division for the enjoyment of its residents as the COVID-19 restrictions eased and rebound of the economy.

TOWN OF BROOKHAVEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
 December 31, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

- Public safety expenses increase of \$1.3 million stems from \$610 thousand more in employee benefits (increases in OPEB and workers compensation and partially offset by decrease in pension), and \$780 thousand of additional operational costs within the building and fire marshal departments.
- General government support expenses decreased by \$3.6 million as the Town incurred costs in 2020 and not 2021 for emergency and debris cleanup costs incurred due to tropical storm Isaias of \$2.8 million and \$708 thousand incurred in response to the COVID-19 pandemic.

Regarding the discussion of the impact of changes related to pension, OPEB and workers' compensation, it is important to understand the pension, OPEB and workers' compensation expenses are actuarially determined and as such are sensitive to changes in actuarial assumptions. The significant increase in the OPEB expense of \$13.1 million primarily relates to the decrease in the discount rate and updated demographic assumptions (mortality, retirement, disability, and termination rates). Workers' compensation expense increased by \$8.2 million due to more incurred but not reported claims included in the liability based on an actuarial study. Pension expense decrease of \$16.4 million resulted from changes in actuarial assumptions and differences in expected and actual investment earnings.

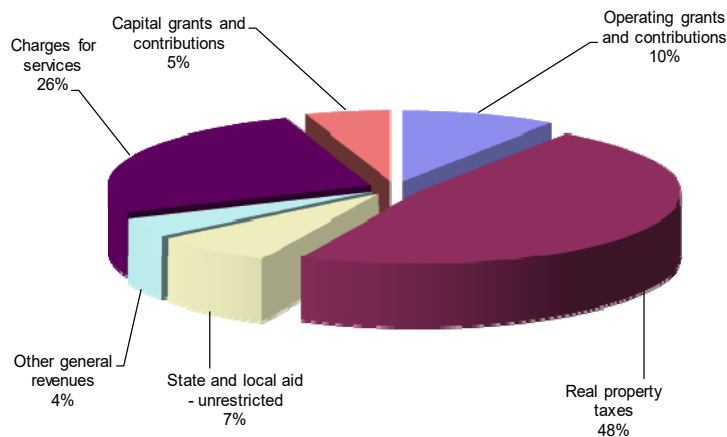
Governmental Activities

Net Cost of Services
 Governmental Activities
 For the Years Ended December 31,

	Total Cost of Services		Program Revenues		Net Cost of Services	
	2021	2020	2021	2020	2021	2020
General government support	\$ 55,902,226	\$ 59,456,149	\$ 8,885,257	\$ 9,344,033	\$ (47,016,969)	\$ (50,112,116)
Public safety	27,340,352	26,000,436	11,746,911	14,274,470	(15,593,441)	(11,725,966)
Health	15,287,771	14,831,135	1,826,029	1,970,342	(13,461,742)	(12,860,793)
Transportation	84,416,196	77,978,724	25,086,919	12,769,311	(59,329,277)	(65,209,413)
Economic assistance and opportunity	1,025,091	1,930,908	638,729	244,408	(386,362)	(1,686,500)
Culture and recreation	38,955,023	36,363,957	7,844,972	4,806,207	(31,110,051)	(31,557,750)
Home and community services	125,727,577	122,195,796	100,666,802	88,004,697	(25,060,775)	(34,191,099)
Interest on debt	16,219,205	16,510,485	78,356	78,273	(16,140,849)	(16,432,212)
	<u>\$ 364,873,441</u>	<u>\$ 355,267,590</u>	<u>\$ 156,773,975</u>	<u>\$ 131,491,741</u>	<u>\$ (208,099,466)</u>	<u>\$ (223,775,849)</u>

The cost of all governmental activities this year was approximately \$364.9 million. The net cost of these services after being subsidized by program revenues of \$156.6 million was \$208.1 million.

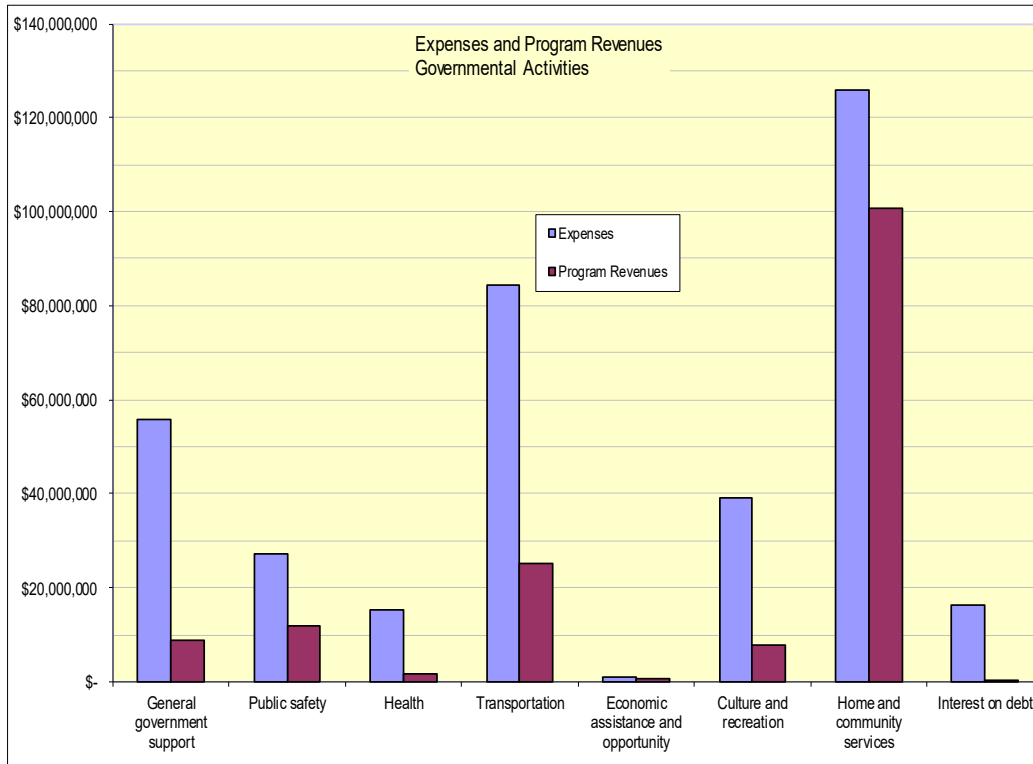
Revenue by Source
 Governmental Activities
 for the year ended December 31, 2021



TOWN OF BROOKHAVEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
 December 31, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Governmental Activities (continued)



FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

Governmental Funds

General Fund

As the Town completed the 2021 fiscal year, the General Fund's Unassigned Fund Balance was \$57.8 million, an increase of \$2.0 million, or 3.5% over 2020. The Post-Closure Landfill Reserve increased to \$19.0 million, a \$1.7 million increase over 2020, of which resulted from the \$2.0 per ton surcharge imposed by the Town Board to build the reserve and \$137 thousand allocated pursuant to Local Law 18b-4 pertaining to the 2021 excess revenues and \$54 thousand of allocated interest income.

Revenues of \$160.8 million, excluding other financing resources were \$30.4 million more than originally planned, while expenditures of \$89.8 million were \$6.1 million less than originally budgeted and other financing uses were \$33.4 million more than originally planned. The \$30.6 million positive variance in revenues (original budget) is primarily attributable to \$7.7 million more in departmental income and intergovernmental charges from substantially all departments due to conservative budgeting for uncertainty related to COVID-19, however with the ease in COVID-19 restrictions the Town's services resumed to more normal level; \$13.0 million more in state aid attributable to an increase in mortgage taxes as interest rates remained favorable for refinancing and the growth in the real estate market; and \$9.1 million more in federal aid resulting from \$8.2 million of Coronavirus State and Local Fiscal Recovery Program and \$987 thousand received under the Emergency Disaster grant.

Total expenditures of \$89.8 million were \$6.1 million less than originally planned in most areas due to thoughtful conservative spending by the Town, with notable changes in \$2.1 million less in landfill operations and \$1.5 million less in general government support costs. and \$1.4 million less in unallocated employee benefits (health care cost).

TOWN OF BROOKHAVEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS (continued)

Governmental Funds (continued)

General Fund (continued)

Other financing uses (transfers to other funds) exceeded the original budgeted amount by \$33.0 million. During 2021, the Town transferred \$22.8 million to the Capital Projects Fund of which \$22.6 million is to support the acquisition of certain capital projects resulting in less future debt issuances, and \$370 thousand transferred in accordance with Local Law 18b-4 (Joseph Macchia Environmental Fund). In planning for the landfill closure costs to be incurred in the near future, the Town also transferred \$10 million to the Debt Service Fund, which is restricted for repayment of future debt issued for landfill closure and postclosure care costs.

The General Fund revenues (excluding other financing sources) increased \$31.2 million from \$129.6 million in 2020 to \$160.8 million in 2021. Compared to 2020, the change in revenues is due to increases in: departmental revenue of \$13.4 million stemming from increase landfill fees including intergovernmental charges of \$11.9 million and fees from Parks department (parks and recreation, recreation concessions, special recreation facilities and other culture and recreation) of \$1.9 million; \$5.9 million of additional state aid as mortgage tax revenue increased by \$6.6 million; \$9.3 million more in federal aid as the Town recognized \$7.1 million of aid stemming from the American Rescue Plan's Coronavirus State and Local Fiscal Recovery award, and \$987 thousand of the Emergency Disaster Assistance grant and \$2.3 million more in real property taxes.

Total General Fund expenditures, excluding other financing uses, of \$89.8 million were \$0.9 million more than the 2020 expenditures of \$88.9 million. The most notable changes from the prior year were \$1.4 million increase in costs administering the Town's various parks and recreational programs as services resumed to normal activity levels since the COVID-19 pandemic, \$753 thousand decrease in expenditures incurred in response to Hurricane Isaias, which were not incurred in 2021, \$725 thousand less in judgment and claims settlement costs.

Total General Fund other financing uses (all of which is operating transfers out) of \$67.5 million in 2021 and \$35.1 million in 2020, increased by \$32.4 million. The 2021 transfers of \$67.5 million consists of \$44.3 million to the Debt Service Fund of which \$34.3 was for its share of the 2021 debt service requirements and \$10 million was for a reserve established for future debt issued for landfill closure and postclosure care costs, \$22.8 million to the Capital Projects Fund to finance various capital projects (including \$307 thousand transferred in accordance with Local Law 18b), and \$232 thousand to the Airport Fund. The 2020 transfers of \$35.1 million consists of \$31.2 million to the Debt Service Fund for its share of the 2020 debt service requirements, \$3.7 million to the Capital Projects Fund to finance various capital projects (including \$1.7 million transferred in accordance with Local Law 18b) and \$200 thousand to the Airport Fund.

Town Outside Village Fund

The Town has elected to present the Town Outside Village Fund as a major fund due to the significance of the public safety, building, and planning and development departments which are included in this fund. At December 31, 2021, fund balance increased from \$23.1 million at 2020 to \$24.1 million in 2021. Actual revenues were \$1.8 million more than the prior year as departmental income increased by \$1.0 million (primarily safety inspection fees) and revenues from fines and forfeitures increased by \$428 thousand. Expenditures increased by \$1.0 million primarily due to increased payroll and related costs. Other financing uses (transfers out) of \$3.5 million increased by \$2.4 million from 2020 level as the Town Outside Village Fund transferred \$2.5 million more to the Capital Projects Fund (finance future capital projects and eliminate need to issue debt).

TOWN OF BROOKHAVEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS (continued)

Governmental Funds (continued)

Highway Fund

The Highway Fund's total fund balance increased \$2.2 million or 6.85%, from a balance of \$32.6 million at the end of 2020, to \$34.9 million at the end of 2021. Actual Highway revenues of \$78.3 increased by \$6.3 million from 2020 revenue. The increase in revenue is primarily related to additional state and federal aid of \$6.6 million, which is attributable to Emergency Disaster Assistance Grant revenue associated with Hurricane Isaias.

Expenditures of \$42.6 million increased by \$2.3 million from the prior year. Notable changes include: \$3.2 materials and contractual snow removal costs, \$1.3 million more in payroll and related costs in providing all highway services, and a \$2.5 million decrease in costs associated with the Town's response to COVID-19 and Hurricane Isaias. Other financing uses (transfers out) of \$33.5 million increased by \$6.5 million, of which \$184 thousand pertains to higher debt service requirements and \$6.3 million pertains to more transferred to the Capital Projects Fund to finance various capital projects and reduce future debt borrowings.

Refuse and Garbage Recycling Fund

The Refuse and Garbage Recycling Fund revenues of \$46.5 million increased \$2.6 million from the 2020 revenues of \$43.9 million as real property taxes increased by \$1.9 million and departmental revenue increased by \$895 thousand (MRF recycling fees). Total expenditures of \$44.9 million decreased slightly (\$900 thousand) than the 2020 levels of \$45.8 million. The decrease in expenditures is attributable to saving in both the disposal of solid waste and recycling operations.

Debt Service Fund

The Debt Service Fund receives transfers from the Town's other funds from which it pays the Town's debt service requirements. Its fund balance at December 31, 2021 was \$25.7 million, which is restricted for various operating funds future debt service requirements. During the 2021 year, the Debt Service Fund received \$10.4 million in real property taxes and other real property tax items, \$76.1 million of transfers from other funds. Included in the \$76.1 million of transfers received, is \$10 million from the General Fund which is restricted for future debt service requirements associated with landfill closure and postclosure care debt. During 2021, the Town expended \$81.8 million for principal and interest and debt costs. During the 2020 year, the Debt Service Fund received \$10.3 million in real property taxes and other real property tax items, \$63.8 million of transfers from other funds, \$22.3 million of premiums in connection with the proceeds from 2020 general obligation bonds (\$10.7 million restricted for debt service) and refunding bonds (\$11.6 million to refund debt) of \$77.8 million. During 2020, the Town expended \$78.6 million for principal and interest and debt cost.

Capital Projects Fund

In addition to the operating fund expenditures, the Town has a 5-year capital improvement plan that replaces and improves infrastructure, buildings and equipment. This 5-year plan strives to match current year's borrowings with debt payments in order to stabilize long-term debt. The capital plan is integrated with the Town's Multi-Year Plan (MYP) to project the impact of debt service.

TOWN OF BROOKHAVEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS (continued)

Governmental Funds (continued)

Capital Projects Fund (continued)

During 2021, the Town expended \$55.9 million for capital projects including equipment, land acquisitions, roadway improvements, etc., which is a decrease of \$23.9 million from 2020. In response to the unknown economic effects of COVID-19, the Town deferred to future years 31 capital projects with a budget of \$17.4 million. During 2021, the Capital Projects Fund received \$12.4 million of revenue of which \$9.9 was from state and federal grants for specific projects and \$2.1 million was from miscellaneous sources consisting of grants from Suffolk County and others, environmental fees, and contributions. Other financing sources consists of \$33.9 million of transfers from operating funds to finance certain current costs and also to reduce future debt borrowings.

The following schedule presents in summary all of the governmental funds' revenues and expenditures for the years ended December 31, 2021 and 2020, and the amount of change and percentage of total in relation to the prior year.

	2021	2020	Increase (Decrease)	% Change
REVENUES				
Real property taxes	\$ 183,706,758	\$ 179,622,962	\$ 4,083,796	2.27%
Other real property tax items	2,470,813	2,390,997	79,816	3.34%
Non-property tax items	8,817,550	8,663,945	153,605	1.77%
Departmental income	87,140,016	70,347,521	16,792,495	23.87%
Intergovernmental charges	5,883,484	5,134,539	748,945	14.59%
Use of money and property	5,665,588	5,924,153	(258,565)	-4.36%
Investment income from length of service award program	1,360,859	1,354,752	6,107	0.45%
Licenses and permits	1,027,843	1,000,214	27,629	2.76%
Fines and forfeitures	1,748,124	1,367,665	380,459	27.82%
Sale of property and compensation for loss	2,081,996	2,165,088	(83,092)	-3.84%
Miscellaneous local sources	4,798,885	9,029,809	(4,230,924)	-46.86%
Interfund revenues	3,512,222	3,466,657	45,565	1.31%
State aid	38,645,104	34,053,480	4,591,624	13.48%
Federal aid	39,264,082	23,174,800	16,089,282	69.43%
Total Governmental Fund Revenues	\$ 386,123,324	\$ 347,696,582	\$ 38,426,742	11.05%
EXPENDITURES				
Current:				
General government support	\$ 40,895,710	\$ 43,902,888	\$ (3,007,178)	-6.85%
Public safety	16,443,805	15,396,064	1,047,741	6.81%
Health	12,977,085	12,477,225	499,860	4.01%
Transportation	43,346,182	39,219,264	4,126,918	10.52%
Economic assistance and opportunity	1,334,381	1,821,453	(487,072)	-26.74%
Culture and recreation	20,656,023	19,224,568	1,431,455	7.45%
Home and community services	88,937,079	87,010,767	1,926,312	2.21%
Employee benefits	17,842,982	16,872,371	970,611	5.75%
Capital Outlay	55,942,302	79,769,177	(23,826,875)	-29.87%
Debt Service:				
Principal	60,145,000	56,818,700	3,326,300	5.85%
Interest	21,642,060	21,787,474	(145,414)	-0.67%
Bond issuance costs	-	425,117	(425,117)	-100.00%
Total Governmental Fund Expenditures	\$ 380,162,609	\$ 394,725,068	\$ (14,562,459)	-3.69%

TOWN OF BROOKHAVEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS (continued)

Governmental Funds (continued)

Final results for any given year may differ from that year's Adopted Budget. The following discusses significant variances between the 2021 adopted budget and final budget and final budget and actual revenues and expenditures for the General Fund:

Revenues - For 2021, total actual revenue, excluding other financing sources, of \$160.8 million, was \$30.4 million more than the adopted budget. The primary drivers of the variance were increases in departmental revenue as New York rebounded from COVID-19, as well as increases in state and federal aid. Overall budgeted revenue for federal aid was increased by \$8.2 million for revenue recognized pursuant to the Coronavirus State and Local Fiscal Recovery Program.

Expenditures - For 2021, total actual expenditures, excluding other financing uses, of \$89.8 million, were \$6.1 million less than the original budget. During 2021, expenditure budget was increased slightly by \$1.4 million from \$96.0 million to \$97.4 million, a 1.5% increase. The most significant budget adjustments were for increasing the Landfill Post Closure Surcharge Reserve by \$900,000, new contractual expense for daily employee health checks in the amount of \$200,000, additional outside legal expenses in the amount of \$300,000. Employee payroll and benefit actual expenses were \$3.7 million less than the original budget and materials, supplies, and contractual costs were \$1.2 million less than the original budget. The \$1.2 million was mainly comprised of lower than estimated Disposal of solid waste costs in the amount of \$550,000 and lower than estimated legal judgments in the amount of \$380,000.

Other financing uses consisting of transfers out of \$67.5 million were \$33.4 million more than originally planned, as during the year, Town Board authorized a \$23.3 million transfer to the Capital Projects Funds to finance certain projects thereby relieving the need to borrow monies and which includes \$258 thousand transferred in accordance with Local Law 18b-4 (see Note A4 for additional information) and a \$10 million transfer to the Debt Service Fund for future debt service associated with landfill closure and postclosure debt.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

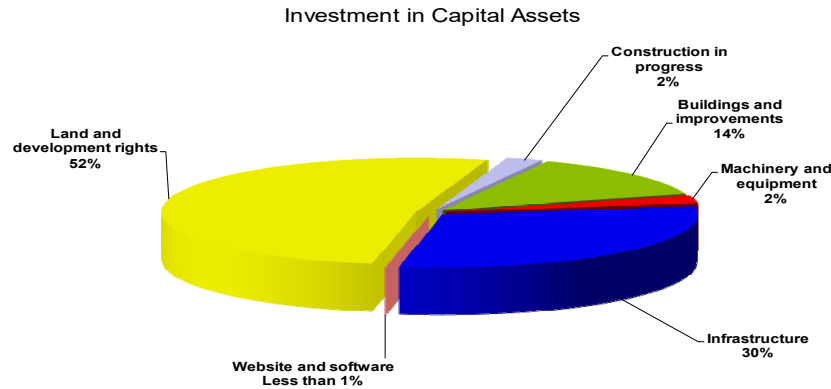
The capital projects program is a long-range program for the Town's capital spending. This program is only a guide and each year's plan must be authorized by Town Board resolution before the money is available to be spent. In 2021, the Town's total adopted capital budget for new projects fund with bond and Town reserves funds was \$41.2 million, with a carry-forward budget for prior year projects of \$28.7 million for a total of \$69.9 million. The Town's 2021 capital budget also includes \$60.3 million of budgeted grant fund projects, with \$38.6 million of available budget. The total adopted capital budget of \$69.9 million was an increase from 2020 of about \$10.3 million, primarily related to the following increases: \$0.7 million for Marina Bulkhead improvements, \$1.2 for Pipe Stave Hollow Drainage Improvements; and a significant increase of \$12.9 million in carryover projects. The increases in capital projects were offset by various decreases including, Energy Efficient Lighting Program, Park Improvements, Open Space Acquisitions and Vehicle Replacements of \$4.5 million.

TOWN OF BROOKHAVEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

CAPITAL ASSET AND DEBT ADMINISTRATION (continued)

Capital Assets (continued)

The chart below summarizes the Town's governmental activities investment in capital assets:



In 2021, the Town of Brookhaven's major governmental activities capital asset additions, excluding amounts received from contributions, were as follows:

General government support	\$	8,000,000
Public safety		2,360,000
Health		270,000
Transportation		35,200,000
Culture and recreation		5,600,000
Home and community services		8,000,000
		<u>8,000,000</u>
	\$	<u>59,430,000</u>

The following presents the Town's investment in capital assets as of December 31, 2021 and 2020:

<u>Governmental Activities</u>	<u>2021</u>	<u>2020</u>
Land and development rights	\$ 692,072,751	\$ 684,044,094
Construction in progress	12,588,294	14,788,808
Buildings and improvements	383,721,299	378,333,948
Machinery and equipment	127,301,624	124,395,955
Infrastructure	1,117,423,088	1,074,364,132
Website and software	5,864,739	5,449,466
	<u>2,338,971,795</u>	<u>2,281,376,403</u>
Total Capital Assets		
Less accumulated depreciation	1,034,400,250	967,380,641
	<u>1,304,571,545</u>	<u>1,313,995,762</u>
Governmental Activities - Total Net Capital Assets	\$	\$

Additional information on the Town's capital assets can be found in the notes to the financial statements.

TOWN OF BROOKHAVEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

CAPITAL ASSET AND DEBT ADMINISTRATION (continued)

Debt Administration

Long-Term Debt

As of December 31, 2021, and 2020, the Town had following total long-term bonded debt outstanding which is backed by the full faith and credit of the Town:

	<u>2021</u>	<u>2020</u>
General obligation bonds, exclusive of premiums	<u>\$ 525,200,000</u>	<u>\$ 585,345,000</u>

In October 2020, Standard & Poor's reaffirmed the Town's general bond ratings of "AAA", the highest possible designation, which allows the Town to borrow in the future at the lowest possible interest rates. Standard & Poor's stated in their report dated October 16, 2020 that the town of Brookhaven has very strong management, very strong economy, strong budgetary performance and strong budgetary flexibility. The Town has continued its positive performance, changed its revenue and expenditure make-up and identifies significant opportunities for cost savings to maintain balanced operations and provide necessary residential services.

The Town maintains the following bond rating: Moody's reaffirmed in 2020 the Town's Aaa "stable outlook" in recognition of "The financial position will remain sound for the near-term driven by conservative budgeting and strong fiscal management".

Debt Limit – The Town has the power to contract indebtedness for any Town purpose so long as the principal amount thereof, subject to certain limited exceptions, shall not exceed seven percent of the average full valuation of taxable real estate of the Town, and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service.

The constitutional method for determining full valuation is calculated by taking the assessed valuation of taxable real estate as shown upon the latest completed assessment roll and dividing the same by the equalization rate as determined by the State Board of Real Property Services

The State Legislature is required to prescribe the manner by which such ratio shall be determined. Average full valuation is determined by taking the sum of the full valuation of the last completed assessment roll and the four preceding assessment rolls and dividing such sum by five. Percentage of debt contracting power exhausted at December 31, 2021 was 13.11%.

Additional information on the Town's debt activity can be found in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Town's elected and appointed officials considered many factors when setting the fiscal year 2022 budget, tax rates, and fees that will be charged. One of those factors is the economy. The local economy in the Town of Brookhaven, unlike some of its peers, has experienced robust economic development and is well positioned for continued growth. The Town's commercial and residential real estate values have seen an uptick over the last year and it is expected that the overall assessed valuation will continue to grow as significant construction projects get added to the tax rolls. The full valuation of the Town increased by \$2.5 billion in 2021 over 2020. Wealth levels in the Town continue to exceed national averages according to US Census estimates.

TOWN OF BROOKHAVEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES (continued)

As such, the 2022 Adopted Budget included increases in non-Property Tax Revenues in the areas of Parks Fees, Building Permits, and Zoning revenues. The recovery throughout the United States was reflected in the New York State Property Tax Cap rate of 2.00% for fiscal year 2022.

The Town has many large employers that provide professional positions for many residents. In particular, the State University at Stony Brook (and its hospital), Brookhaven National Laboratory, and John T. Mather Hospital, Brookhaven Memorial Hospital, and the Three Village and William Floyd School Districts, are just a few examples of high-end employers providing high paying jobs in both the public and private sector.

The Town has a master plan for development which is annually updated to reflect changes in population and growth over the past few years. 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 plan calls for suburban residential development and economic development of clean, light industry and service industries such as electronics, pharmaceuticals and technology, as well as funding for open space acquisitions.

In 2021, the IDA closed on 23 projects, which included manufacturing, renewable energy projects, retirement communities, warehouses, and housing. These IDA supported projects will create and retain more than 6,500 permanent and construction jobs and bring \$1.4 billion of private investments into the Town. These projects include Biocogent, a R&D and manufacturer of dermatologic ingredients for skincare products that is expanding out of the Stony Brook University Incubator; Bactolac Pharmaceutical, Inc., a pharmaceuticals company expanding its LI operations into Brookhaven and helping to grow our pharma cluster; Top Golf, a global sports and entertainment facility focused on golf, which opened its first New York operation in Brookhaven; Port Development, Sun River Town Homes, BRP Farmingville, and Middle Country Meadows, which are all apartment complexes; and NP/Winters Long Island Industrial, LLC, a 2.5 million square foot, rail-accessible spec warehouse and distribution facility. This is the first rail-accessible facility in Brookhaven.

In 2010, New York State Legislature and the Governor enacted legislation that established a "Property Tax Cap" on the amount a local government's or school district's property tax levy can increase each year. Under this law, the growth in the property tax levy is capped at 2 percent, or the rate of inflation, whichever is less. The Town's 2022 Adopted Budget, like the 2021, 2020, 2019, 2018, 2017, and 2016 budgets, was in full compliance with the tax cap.

For 2022, the Supervisor put forth a conservative budget to take into account the continuing impact of the COVID-19 Pandemic. The 2022 Adopted Budget used no surplus to balance the budget for the six major funds. The Town utilized very little surplus in all other special funds and continues its focus on the increase to non-property tax revenues, and the identification of operational efficiencies through technology advancements.

The 2022 Adopted Budget, is the seventh consecutive year there was no use of Fund Balance in the General Fund, fully funds the snow removal budget for the sixth year in a row and maintains full-time staffing and all constituent services.

TOWN OF BROOKHAVEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES (continued)

Other highlights of the 2022 General Fund's Adopted Budget include:

- The General Fund's levied taxes in 2022 totaled \$27.7 million and were almost 2% higher than the tax levy from 2021.
- The 2022 expenditure budget for the General Fund was more than 2021 primarily due to employee compensation increases related to minimum wage and union step increases, higher retirement contributions over 2021 for current employees, offset by increases in departmental revenues such as permit fees.
- The 2022 General Fund revenue budget, excluding property taxes, increased from the 2021 adopted budget by \$4.1 million, primarily related to the new parking meter program implemented in 2021, increased landfill fees, new solar leasing, and mortgage tax receipts.

The Town of Brookhaven continues to monitor the economic impact of the COVID-19 Pandemic very closely and continues to take precautionary measures to reduce expenditure budgets for both the Operating and Capital funds for fiscal year 2022. Non-Property Tax Revenues have been rebounding since the onset of the pandemic and the 2022 adopted budget contains conservative estimates.

Several Town initiatives have been implemented over the year in the Operating Funds that assisted in reducing long term debt, restoring services paused by the COVID-19 Pandemic, and successfully negotiating collective bargaining agreements:

- Continued reduction in long term debt by funding 40 Town public improvement projects with a portion of the first half of the \$55 million in Federal allocation of American Rescue Plan Act Local Fiscal Recovery Funds (ARPA) monies,
- Restored 36 full time positions previously cut through attrition during the COVID-19 Pandemic and restoration of programs and services associated with those positions,
- Successfully negotiated Collective Bargaining Agreements (CBA) with its Part Time, Code Enforcement, and Lifeguards/Park Attendants and Full Time Highway Blue Collar unions.

The Town will continue to monitor closely the 2022 economic environment and the global COVID-19 Pandemic situation, and take the proactive measures as required to ensure the strong financial condition of the Town of Brookhaven.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town's Commissioner of Finance, Tamara Branson, at One Independence Hill, Farmingville, NY 11738.

**BASIC FINANCIAL
STATEMENTS**

TOWN OF BROOKHAVEN
GOVERNMENT-WIDE FINANCIAL STATEMENT
STATEMENT OF NET POSITION
December 31, 2021

	Primary Government			Non-major Component Unit
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 256,699,675	\$ 538,775	\$ 257,238,450	\$ 7,285,004
Cash - restricted	29,143,741		29,143,741	79,508
Accounts receivable, net	13,645,638		13,645,638	
Property taxes receivable	165,763,218		165,763,218	
Insurance escrow deposits	477,672		477,672	
State and federal aid receivables	5,443,654		5,443,654	
Due from other governments	11,568,804		11,568,804	4,400
Prepays and other assets	3,081,059	9,200	3,090,259	40,746
Inventory of material and supplies	2,350,366		2,350,366	
Total Current Assets	<u>488,173,827</u>	<u>547,975</u>	<u>488,721,802</u>	<u>7,409,658</u>
Non-Current Assets:				
Receivables - rehabilitation loans and other	920,000		920,000	
Length of service award program plan assets	11,573,281		11,573,281	
Non-depreciable capital assets	704,661,045		704,661,045	
Depreciable capital assets, net	599,910,500		599,910,500	32,874
Total Non-Current Assets	<u>1,317,064,826</u>	<u>-0-</u>	<u>1,317,064,826</u>	<u>32,874</u>
Total Assets	<u>1,805,238,653</u>	<u>547,975</u>	<u>1,805,786,628</u>	<u>7,442,532</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension - employees' retirement system	54,626,122		54,626,122	404,553
Pension - length of service award program	4,955,443		4,955,443	
Deferred charges on debt refundings	4,720,199		4,720,199	
Other post employment benefits (OPEB) - healthcare benefits	100,991,822		100,991,822	
Total Deferred Outflows of Resources	<u>165,293,586</u>		<u>165,293,586</u>	<u>404,553</u>
LIABILITIES				
Current Liabilities:				
Accounts payable, including retainage payable and accrued liabilities	28,181,262	7,384	28,188,646	188,119
Accrued interest payable	5,525,089		5,525,089	
Due to other governments	497,645	4,400	502,045	53,733
Claims and judgments payable	7,046,500		7,046,500	
Unearned revenues	21,378,676		21,378,676	
Guaranty, bid and escrow deposits	13,015,065		13,015,065	
Noncurrent liabilities due within one year	67,768,358		67,768,358	15,519
Total Current Liabilities	<u>143,412,595</u>	<u>11,784</u>	<u>143,424,379</u>	<u>257,371</u>
Noncurrent Liabilities:				
Noncurrent liabilities due in more than one year	1,207,898,245	-0-	1,207,898,245	915,488
Total Liabilities	<u>1,351,310,840</u>	<u>11,784</u>	<u>1,351,322,624</u>	<u>1,172,859</u>
DEFERRED INFLOWS OF RESOURCES				
Service concession arrangements	920,000		920,000	
Real property taxes	192,661,699		192,661,699	
Pension - employees' retirement system	70,158,246		70,158,246	471,880
Pension - length of service award program	2,022,816		2,022,816	
Other post employment benefits (OPEB) - healthcare benefits	31,136,806		31,136,806	61,467
Deferred charges on debt refundings	1,485,552		1,485,552	
Total Deferred Inflows of Resources	<u>298,385,119</u>	<u>-0-</u>	<u>298,385,119</u>	<u>533,347</u>
NET POSITION				
Net investment in capital assets	717,166,622		717,166,622	32,874
Restricted:				
Home and community services	2,661,478		2,661,478	
West Meadow Beach - Nonexpendable	1,468,599		1,468,599	
Capital projects	2,879,011		2,879,011	
Landfill post-closure costs	18,997,161		18,997,161	
Debt service	26,789,417		26,789,417	
Other	260,303		260,303	
Unrestricted	(449,386,311)	536,191	(448,850,120)	6,108,005
Total Net Position	<u>\$ 320,836,280</u>	<u>\$ 536,191</u>	<u>\$ 321,372,471</u>	<u>\$ 6,140,879</u>

See notes to the financial statements.

TOWN OF BROOKHAVEN
GOVERNMENT-WIDE FINANCIAL STATEMENT
STATEMENT OF ACTIVITIES
Year Ended December 31, 2021

Function/Program	Program Revenues				Net (Expense) Revenues and Changes in Net Position			Non-major Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Primary Government		Total	
					Governmental Activities	Business-type Activities		
PRIMARY GOVERNMENT								
Governmental Activities:								
General government support	\$ 55,902,226	\$ 4,846,391	\$ 2,909,959	\$ 1,128,907	\$ (47,016,969)		\$ (47,016,969)	
Public safety	27,340,352	11,531,343	46,701	168,867	(15,593,441)		(15,593,441)	
Health	15,287,771	465,170	1,360,859		(13,461,742)		(13,461,742)	
Transportation	84,416,196	2,121,490	5,840,556	17,124,873	(59,329,277)		(59,329,277)	
Economic assistance and opportunity	1,025,091	214,091	424,638		(386,362)		(386,362)	
Culture and recreation	38,955,023	6,951,819	309,488	583,665	(31,110,051)		(31,110,051)	
Home and community services	125,727,577	73,704,332	25,815,044	1,147,426	(25,060,775)		(25,060,775)	
Debt interest and other related costs	16,219,205		78,356		(16,140,849)		(16,140,849)	
Total Governmental Activities	364,873,441	99,834,636	36,785,601	20,153,738	(208,099,466)	\$ -0-	(208,099,466)	
BUSINESS-TYPE ACTIVITIES								
Economic assistance and opportunity	84,848	5,000				(79,848)	(79,848)	
Total Business-Type Activities	84,848	5,000	-0-	-0-	-0-	(79,848)	(79,848)	
Total Primary Government	\$ 364,958,289	\$ 99,839,636	\$ 36,785,601	\$ 20,153,738	(208,099,466)	(79,848)	(208,179,314)	
NON-MAJOR COMPONENT UNITS								
Economic assistance and opportunity	\$ 1,247,733	\$ 5,182,094						\$ 3,934,361
Other postemployment benefit expense - past service cost	797,267							(797,267)
Total Component Units	\$ 2,045,000	\$ 5,182,094	\$ -0-	\$ -0-				3,137,094
General Revenues								
Real property taxes					183,692,064		183,692,064	
Other real property tax items					2,548,302		2,548,302	
Non-property tax items					8,817,550		8,817,550	
Interest and investment earnings					893,625	1,444	895,069	14,481
State and local aid - unrestricted					28,515,578		28,515,578	
Gain (loss) on disposition of capital assets					(1,159,302)		(1,159,302)	14,900
Compensation for loss and other					5,012,935		5,012,935	
Total General Revenues					228,320,752	1,444	228,322,196	29,381
Change in Net Position					20,221,286	(78,404)	20,142,882	3,166,475
Net Position at Beginning of Year					300,614,994	614,595	301,229,589	2,974,404
Net Position at End of Year					\$ 320,836,280	\$ 536,191	\$ 321,372,471	\$ 6,140,879

See notes to the financial statements.

TOWN OF BROOKHAVEN
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2021

	MAJOR GOVERNMENTAL FUNDS						Nonmajor Governmental Funds	Totals
	General	Town Outside Village	Highway	Refuse and Garbage	Debt Service	Capital Projects		
ASSETS								
Cash and cash equivalents	\$ 78,007,915	\$ 34,368,920	\$ 50,534,747	\$ 10,872,010	\$ 27,235,904	\$ 32,716,766	\$ 22,963,413	\$ 256,699,675
Cash - restricted	20,266,645	68,541	52	37,634		7,162,129	1,608,740	29,143,741
Accounts receivable, net	12,745,656	99,135	133,025	510,826	566	200	156,230	13,645,638
Property taxes receivable	26,815,430	7,864,659	60,955,053	39,215,662	9,042,194		21,870,220	165,763,218
Due from other funds	4,992,823	329	28,940	29,608	19,831	3,660,173	323,294	9,054,998
Insurance escrow deposits	477,672							477,672
State and federal aid receivables	113,096	30,918	1,912	40,113		3,380,329	1,877,286	5,443,654
Due from other governments	8,477,567	102,985	11,193	250	876	2,974,509	1,424	11,568,804
Prepays	1,699,550	387,891	690,791	75,438			72,897	2,926,567
Inventory of material and supplies	222,749		1,625,840	244,167		37,200	220,410	2,350,366
Length of service award program plan investments							11,573,281	11,573,281
Total Assets	<u>\$ 153,819,103</u>	<u>\$ 42,923,378</u>	<u>\$ 113,981,553</u>	<u>\$ 51,025,708</u>	<u>\$ 36,299,371</u>	<u>\$ 49,931,306</u>	<u>\$ 60,667,195</u>	<u>\$ 508,647,614</u>
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts payable	\$ 3,301,625	\$ 451,696	\$ 856,758	\$ 2,224,262		\$ 6,925,613	\$ 1,979,839	\$ 15,739,793
Accrued liabilities	3,679,147	711,529	2,561,460	145,274		3,454,784	490,435	11,042,629
Due to other funds	3,629,623	31,703	381,669		\$ 83,293	2,459,035	2,469,675	9,054,998
Due to other governments	84,412	8,117				267,507	137,609	497,645
Unearned revenue	20,193,495					276,254	908,927	21,378,676
Guaranty, bid and escrow deposits	1,315,776	8,501,083	3,194,806				3,400	13,015,065
Claims and judgments payable	5,740,000	155,000	1,075,500	58,500			17,500	7,046,500
Total Liabilities	<u>37,944,078</u>	<u>9,859,128</u>	<u>8,070,193</u>	<u>2,428,036</u>	<u>83,293</u>	<u>13,383,193</u>	<u>6,007,385</u>	<u>77,775,306</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue								
Real property taxes and payments in lieu of taxes	31,207,832	8,986,491	71,042,915	45,702,977	10,538,580		25,465,034	192,943,829
Settlements	2,500,000							2,500,000
Total Deferred Inflows of Resources	<u>33,707,832</u>	<u>8,986,491</u>	<u>71,042,915</u>	<u>45,702,977</u>	<u>10,538,580</u>	<u>-0-</u>	<u>25,465,034</u>	<u>195,443,829</u>
FUND BALANCES								
Nonspendable	1,922,299	387,891	2,316,631	319,605		37,200	1,761,906	6,745,532
Restricted	22,076,684	23,198	1,099,536		25,677,498	20,910,422	14,283,735	84,071,073
Assigned	376,171	23,666,670	31,452,278	2,575,090		15,600,491	13,149,135	86,819,835
Unassigned	57,792,039							57,792,039
Total Fund Balances	<u>82,167,193</u>	<u>24,077,759</u>	<u>34,868,445</u>	<u>2,894,695</u>	<u>25,677,498</u>	<u>36,548,113</u>	<u>29,194,776</u>	<u>235,428,479</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 153,819,103</u>	<u>\$ 42,923,378</u>	<u>\$ 113,981,553</u>	<u>\$ 51,025,708</u>	<u>\$ 36,299,371</u>	<u>\$ 49,931,306</u>	<u>\$ 60,667,195</u>	<u>\$ 508,647,614</u>

See notes to financial statements.

TOWN OF BROOKHAVEN
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
As of December 31, 2021

Total Fund Balances - Governmental Funds		\$ 235,428,479
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental fund activities are not financial resources and therefore are not reported in the governmental funds:		
Capital assets - non-depreciable	\$ 704,661,045	
Capital assets - depreciable	1,634,310,750	
Accumulated depreciation	<u>(1,034,400,250)</u>	1,304,571,545
The asset is not an available resource and, therefore, is not reported in the funds:		
Prepaid expenses		154,492
Deferred outflows of resources not reported in the governmental funds.		
		165,293,586
Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported in the government funds:		
General obligation bonds payable, inclusive of premiums	(585,490,054)	
Employees' retirement net pension liability	(238,342)	
Length of service award pension liabilities	(14,735,897)	
Deferred compensation	(1,333,472)	
Compensated absences	(18,110,862)	
Claims and judgments payable	(21,921,088)	
Estimated liability for landfill closure and postclosure care costs	(34,977,070)	
Pollution remediation obligation	(841,774)	
Total other postemployment benefits liability	(598,018,044)	
Accrued interest payable	(5,525,089)	
Retainage payable	<u>(1,398,840)</u>	(1,282,590,532)
Deferred inflows of resources not recorded in the governmental funds.		
		(104,803,420)
Receivables, service concession arrangements are not available to pay for current period expenditures and therefore, are not reported in the funds.		
	920,000	
Deferred Inflows, service concession arrangements not reported in the funds.		
	<u>(920,000)</u>	-0-
Some revenues are not available in the current period and, therefore, are not reported in the funds.		
		<u>2,782,130</u>
Net Position of Governmental Activities		<u>\$ 320,836,280</u>

See notes to financial statements.

TOWN OF BROOKHAVEN
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2021

	MAJOR GOVERNMENTAL FUNDS						Nonmajor Governmental Funds	Totals
	General	Town Outside Village	Highway	Refuse and Garbage	Debt Service	Capital Projects		
REVENUES								
Real property taxes	\$ 27,137,427	\$ 8,172,959	\$ 68,983,528	\$ 44,319,760	\$ 10,231,473		\$ 24,861,611	\$ 183,706,758
Other real property tax items	1,210,565	1,927	955,551	645	147,888		154,237	2,470,813
Non-property tax items	8,817,550							8,817,550
Departmental income	69,258,395	13,805,523	130,576	2,081,047			1,864,475	87,140,016
Intergovernmental charges	5,434,586		448,898					5,883,484
Use of money and property	4,849,667	79,364	172,716	54,975	49,568	\$ 112,386	346,912	5,665,588
Investment loss from length of service award program							1,360,859	1,360,859
Licenses and permits	187,845	73,109	766,889					1,027,843
Fines and forfeitures	106,655	1,639,969		1,500				1,748,124
Sale of property and compensation for loss	1,622,682		152,724	6,440		300,000	150	2,081,996
Miscellaneous local sources	662,868	1,925,156	42,485	3,278		2,101,489	63,609	4,798,885
Interfund revenues	3,512,222							3,512,222
State aid	28,405,143	5,402	943,514	60,518		9,222,628	7,899	38,645,104
Federal aid	9,603,419	5,239	5,715,907			673,612	23,265,905	39,264,082
Total Revenues	<u>160,809,024</u>	<u>25,708,648</u>	<u>78,312,788</u>	<u>46,528,163</u>	<u>10,428,929</u>	<u>12,410,115</u>	<u>51,925,657</u>	<u>386,123,324</u>
EXPENDITURES								
Current:								
General government support	37,454,302	3,334,121	105,186	2,101				40,895,710
Public safety	4,161,650	11,706,049					576,106	16,443,805
Health		593,317					12,383,768	12,977,085
Transportation	2,331,886		36,714,708				4,299,588	43,346,182
Economic assistance and opportunity	1,334,381							1,334,381
Culture and recreation	20,614,013						42,010	20,656,023
Home and community services	13,501,434	3,995,381		44,897,870			26,542,394	88,937,079
Employee benefits	10,415,101	1,661,884	5,748,924				17,073	17,842,982
Capital Outlay						55,942,302		55,942,302
Debt Service:								
Principal					60,145,000			60,145,000
Interest					21,642,060			21,642,060
Total Expenditures	<u>89,812,767</u>	<u>21,290,752</u>	<u>42,568,818</u>	<u>44,899,971</u>	<u>81,787,060</u>	<u>55,942,302</u>	<u>43,860,939</u>	<u>380,162,609</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>70,996,257</u>	<u>4,417,896</u>	<u>35,743,970</u>	<u>1,628,192</u>	<u>(71,358,131)</u>	<u>(43,532,187)</u>	<u>8,064,718</u>	<u>5,960,715</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	84,690	82,312	19,719	37,613	76,092,995	33,924,459	309,263	110,551,051
Transfers out	(67,466,972)	(3,505,055)	(33,528,568)			(313,470)	(5,736,986)	(110,551,051)
Total Other Financing Sources (Uses)	<u>(67,382,282)</u>	<u>(3,422,743)</u>	<u>(33,508,849)</u>	<u>37,613</u>	<u>76,092,995</u>	<u>33,610,989</u>	<u>(5,427,723)</u>	<u>-0-</u>
Net Change in Fund Balances	<u>3,613,975</u>	<u>995,153</u>	<u>2,235,121</u>	<u>1,665,805</u>	<u>4,734,864</u>	<u>(9,921,198)</u>	<u>2,636,995</u>	<u>5,960,715</u>
Fund Balance, at Beginning of Year	<u>78,553,218</u>	<u>23,082,606</u>	<u>32,633,324</u>	<u>1,228,890</u>	<u>20,942,634</u>	<u>46,469,311</u>	<u>26,557,781</u>	<u>229,467,764</u>
Fund Balances at End of Year	<u>\$ 82,167,193</u>	<u>\$ 24,077,759</u>	<u>\$ 34,868,445</u>	<u>\$ 2,894,695</u>	<u>\$ 25,677,498</u>	<u>\$ 36,548,113</u>	<u>\$ 29,194,776</u>	<u>\$ 235,428,479</u>

See notes to the financial statements.

TOWN OF BROOKHAVEN
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2021

Net Change in Fund Balances

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which capital outlay exceeds depreciation in the current period is:

Capital asset additions	\$ 59,401,113
Depreciation expense	(67,602,872)
Disposition of capital assets	<u>(1,222,458)</u>

Net change in deferred outflows of resources not reported in the funds:

Deferred charges on debt refundings	(728,239)
Pension related amounts	11,773,982
Other postemployment benefits	<u>7,841,184</u>

Differences in revenues recognized in the statement of activities and the fund level due to the measurement focus/basis of accounting differences between the government-wide statements and fund level statements.

The issuance of long-term debt and increase in obligations under capital leases provides current financial resources to governmental funds, while the repayment of the principal of long term debt and capital leases consumes the current financial resources of governmental funds, neither transaction has any effect on net position:

Repayment of bond principal	60,145,000
Net pension liability- employees' retirement system	64,514,425
Pension liabilities - length of service award program	(4,068,843)
Compensated absences	68,580
Deferred compensation	139,743
Claims and judgments	(8,655,449)
Estimated liability for landfill closure and post closure care costs	(1,433,820)
Pollution remediation obligation	(80,494)
Total other postemployment benefits liability	<u>(62,448,235)</u>

Premiums on bond issuances recognized in governmental funds statements when issued and capitalized and amortized in the Statement of Activities.

Net change in deferred inflows of resources not reported in the funds:

Pension related amounts	(68,300,672)
Other postemployment benefits	16,585,673
Deferred charges on debt refundings	<u>197,645</u>

Other long-term amounts (accrued interest and retainage payable) are not due and payable in the current period and, therefore, are not reported in the funds.

Change in Net Position of Governmental Activities

TOWN OF BROOKHAVEN
STATEMENT OF NET POSITION
PROPRIETARY FUND
December 31, 2021

		Town of Brookhaven Local Development Corporation
ASSETS		
Current Assets:		
Cash		\$ 538,775
Prepaid expenses		9,200
	Total Current Assets	547,975
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued expenses		7,384
Due to other governments		4,400
	Total Current Liabilities	11,784
NET POSITION		
Unrestricted		536,191
	Total Net Position	\$ 536,191

See notes to the financial statements.

TOWN OF BROOKHAVEN
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
Year Ended December 31, 2021

	Town of Brookhaven Local Development Corporation
OPERATING REVENUES	
Charges for services	\$ 5,000
Total Operating Revenues	5,000
OPERATING EXPENSES	
Administration salaries and payroll taxes	26,162
Advertising, public relations and special projects	21,326
Office expenses	5,783
Travel and conferences	7,691
Insurance	12,136
Rent	4,500
Professional fees	7,250
Total Operating Expenses	84,848
Loss from Operations	(79,848)
NON-OPERATING REVENUES	
Interest income	1,444
Total Non-Operating Revenues	1,444
Change in Net Position	(78,404)
Net Position at Beginning of Year	614,595
Net Position at End of Year	\$ 536,191

See notes to the financial statements.

TOWN OF BROOKHAVEN
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended December 31, 2021

	Town of Brookhaven Local Development Corporation
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from projects	\$ 5,000
Cash paid for payroll and related expenses	(26,162)
Cash payments for contractual expenses	(51,843)
Net Cash From Operating Activities	(73,005)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	1,444
Net Cash From Investing Activities	1,444
Net Change in Cash	(71,561)
Cash at Beginning of Year	610,336
Cash at End of Year	\$ 538,775
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES	
Loss from operations	\$ (79,848)
Adjustments to reconcile loss from operations to net cash from operating activities:	
Increase in assets:	
Prepaid expenses	(1,301)
Increase in liabilities:	
Due to other governments	4,400
Accounts payable and accrued expenses	3,744
Net Cash From Operating Activities	\$ (73,005)

See notes to the financial statements.

TOWN OF BROOKHAVEN
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
December 31, 2021

		Custodial Fund
ASSETS		
Cash		\$ 136,238,215
Real property taxes receivable for other governments		1,399,955,088
Length of service award program plan assets		1,146,826
	Total Assets	1,537,340,129
LIABILITIES		
Due to other governments		1,536,193,303
	Total Liabilities	1,536,193,303
NET POSITION		
Restricted		1,146,826
	Total Net Position	\$ 1,146,826

See notes to the financial statements.

TOWN OF BROOKHAVEN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
Year Ended December 31, 2021

	Custodial Fund
ADDITIONS	
Real property taxes collected for other governments	\$ 1,174,637,267
Other taxes collected for other governments	4,072,927
Over remittance of taxes	7,566,503
Length of service award program plan - contributions	24,844
Length of service award program plan - investment earnings	134,324
Total Additions	1,186,435,865
DEDUCTIONS	
Payments of real property taxes to other governments	1,178,766,896
Refund of over remittance of taxes	7,509,801
Length of service award program plan - payments and expenses	34,400
Total Deductions	1,186,311,097
Net Increase in Fiduciary Net Position	124,768
Net Position at Beginning of Year	1,022,058
Net Position at End of Year	\$ 1,146,826

See notes to the financial statements.

TOWN OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Brookhaven (the "Town"), which was established in 1655, is governed by Town Law and other general laws of the State of New York and various local laws. The Town Board is the legislative body responsible for overall operations. Town Board members, elected by their respective districts, and the Supervisor were elected for a term of two years. The Supervisor serves as the Chief Fiscal Officer. The Receiver of Taxes and the Town Clerk are elected for a term of four years and the Superintendent of Highways is elected for a term of two years. Pursuant to local law, effective November 6, 2018, upon the next election, the Town Board, Supervisor, Receiver of Taxes, Town Clerk and Superintendent of Highways, will be elected for a four-year term, and may serve up to three terms regardless of whether said terms are served consecutively or nonconsecutively. The Town Board appoints the Commissioner of Finance, the Town Attorney, the Assessor, and the Planning Board.

The Town provides a full range of municipal services either directly or through Town-operated special districts, including public safety, planning, zoning, code enforcement, highway construction and maintenance, street lighting, programs for the aging, youth services, parks and recreation, garbage pick-up and disposal, and administration of certain State and Federal grant programs.

The basic financial statements of the Town of Brookhaven have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The more significant of the Town's policies are described below.

1. REPORTING ENTITY

Included in the Reporting Entity

The financial reporting entity consists of: (a) the primary government, which is the Town of Brookhaven; (b) organizations for which the primary government is financially accountable; and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The decision to include a potential component unit in the Town's reporting entity is based on several criteria, including legal standings, dependency and financial accountability. Component units are classified as either blended component units or discretely presented component units. The current guidance also distinguishes the component units as either major or non-major component units.

Blended Component Units – though legally separate entities, these component units are, in substance, part of the primary government's operations. The blended component unit serves or benefits the primary government almost exclusively. Financial information from these units is combined with that of the primary government. The Town reports one blended component unit in these financial statements as follows:

The Town of Brookhaven Local Development Corporation ("LDC") was created pursuant to Section 1411 of the New York Not-for-Profit Law. The LDC was established to facilitate financing for not-for-profit organizations such as colleges, hospitals, libraries and those organizations serving people with disabilities. The LDC provides assistance in the form of federally tax-exempt bond financing and mortgage recording exemptions. The Town Board appoints the LDC's board members. The LDC is included in the Town's financial statements as a blended component unit in the proprietary fund statements. Complete financial statements of the LDC can be obtained from its administrative office located at One Independence Hill, Farmingville, NY 11738.

Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the Town. They are financially accountable to the primary government or have a relationship such that exclusion would cause the Town's financial statements to be misleading or incomplete.

TOWN OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1. REPORTING ENTITY (continued)

The Town reports the Town of Brookhaven Industrial Development Agency (“IDA” or “Agency”) as a non-major discretely presented component unit. The Agency was created as a New York State public benefit corporation and was established pursuant to Article 18A of the New York General Municipal Law, as amended, and Chapter 358 of the Laws of 1970, as amended. The IDA was created to promote and assist with the growth of business with the Town, resulting in increased employment opportunities and commercial tax base. The IDA provides benefits to these businesses in the form of real property tax abatements, sales and mortgage exemptions. The Town’s governing board appoints the IDA’s Board of Directors, which results in an interdependency with the Town. The IDA has been considered a discretely presented component unit. Complete financial statements of the Agency can be obtained from its administrative office located at One Independence Hill, Farmingville, NY 11738.

The Town’s basic financial statements include both government-wide (reporting the Town as a whole), a discretely presented component unit and fund financial statements (with an emphasis on the Town’s major funds).

2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Town as a whole, with separate columns for the primary government’s governmental activities and business-type activities, as well as the non-major discretely presented component unit. All fiduciary activities are excluded from the government-wide financial statements.

While separate government-wide and fund financial statements are presented, they are interrelated. In the government-wide financial statements, the governmental activities incorporate data from the governmental funds while business-type activities incorporate data from a government’s enterprise funds. Separate financial statements are provided for governmental fund and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, 2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function, and 3) interest earned on grants or capital projects that is required to be used to support a particular program or project. Taxes and other items not properly included among program revenues are reported as general revenues. The Town does not allocate indirect expenses to specific functions in the Statement of Activities. For the most part, the effect of interfund activity has been eliminated from the government-wide financial statements, except for interfund services provided and used.

Fund Financial Statements

The fund financial statements provide information about the Town’s funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows of resources, fund balances, revenues, and expenditures, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

TOWN OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

Fund Financial Statements (continued)

The various funds are presented by type in the fund financial statements. Certain funds of the Town are utilized to account for resources derived from and/or expenditures applicable to an area less than the entire Town. Accordingly, the Town maintains the following fund types:

Governmental Funds - Governmental funds are those through which most governmental functions are financed. The acquisition use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus of the governmental funds is upon determination of financial position and changes in financial position. Government funds are further classified as major and non-major funds.

The Town reports the following major governmental funds:

General Fund – is the principal operating fund of the Town. This fund is used to account for all financial resources not accounted for in and reported in another fund.

Town Outside Village – is used to account for revenues and expenditures for certain services provided to the area of the Town located outside of incorporated Villages.

Highway Fund – is used to account for revenues and expenditures for highway purposes and consists of both the highway town-wide fund and the highway part-town fund. The major areas of expenditures are repairs and improvements, machinery, snow and miscellaneous. The major source of revenue is property taxes.

Refuse and Garbage Fund – is used to account for revenues and expenditures for garbage collection. The major source of revenue is property taxes.

Debt Service Fund – is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest and for the financial resources that are being accumulated for principal and interest payments in future years. It consists of two debt service funds, one which accounts for specific open space debt and one which accounts for all other debt service.

Capital Projects Fund – is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Additionally, the Town reports the following non-major governmental funds:

Special Grant Fund – is used to account for Federal Aid for the following programs: Community Development Block Grant Program, Low Income Housing Program, Home Investment Partnership, Community Development Emergency Solutions, Housing Opportunities for Persons with Aids, and the Emergency Rental Assistance Program.

Special Miscellaneous Housing Trust Fund – is used to account for resources which are restricted, committed or assigned to promote and create decent, affordable housing for low and middle-income residents.

Brookhaven Calabro Airport Fund – is used to account for the operations related to the Calabro Airport.

TOWN OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
 December 31, 2021

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

Fund Financial Statements (continued)

Governmental Funds (continued)

Special District Funds – are used to account for taxes or other revenues, which are raised or received to provide special services to areas that encompass less than the whole Town. The Special District Funds consist of a number of separate districts, which are administered by the Town Board as follows:

Fire Protection Districts:

Moriches Water Island

Ambulance Districts:

Blue Point / E. Patchogue	E. Moriches / Eastport	Mastic	Mastic Beach
Medford	Manorville	Mount Sinai	South Country
Shirley			

Water Supply Districts:

Stony Brook

Erosion Control Districts:

Davis Park	Fire Island Pines	Ocean Bay Park	Point O'Woods
Seaview	Water Island		

Sewer Districts:

Holbrook	Brookhaven	Brookhaven #2
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Park Districts:

Ocean Bay Park	S. Setauket
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Refuse and Garbage Districts:

Cherry Grove	Davis Park	Fire Island Pines	Seaview-Ocean Bay Park Joint
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Other Districts:

Street Lighting District	Cherry Grove Dock District	Fire Island Pines Dock District	Munsell Road Improvement District
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Special Reserve Funds – collect fees which are held in escrow and reserved for specific purposes.

The Town's non-major funds included the following special reserve funds:

Park Reserve Escrow	Highway Reserve Escrow	Drainage Reserve Escrow
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Permanent Fund – is used to account for and report resources that are restricted pursuant to State legislation. The principal portion of this fund must remain intact, but the earnings may be used to achieve the objectives of the fund.

West Meadow Beach Endowment – is used to account for monies restricted for preserving and protecting West Meadow Beach. The principal portion of this fund must remain intact, but the earnings may be used for preserving and protecting West Meadow Beach.

Proprietary Funds – In general, proprietary funds are used to account for ongoing activities, which are similar to those often found in the private sector.

The Town reports the Town of Brookhaven Local Development Corporation, a blended component unit, as a major proprietary fund. The Town of Brookhaven Local Development Corporation is used to account for operations to facilitate financing for not-for-profit organizations such as colleges, hospitals, libraries and those organizations serving people with disabilities.

Fiduciary Funds (Not Included in Government-Wide Financial Statements) – The Fiduciary Funds are used to account for assets held by the Town on behalf of others. The Custodial Fund is used primarily to account for amounts due to other governments for general and school taxes collected.

TOWN OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

The government-wide and proprietary funds financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue once the grant has been awarded and all eligibility requirements imposed by the provider have been met. An exception to this policy is that emergency disaster assistance grants awarded by the Federal Emergency Management Agency are recognized in the year the Town receives the notification of project worksheet award ("Blue Book") and allowable costs are incurred. However, if the Town has received the Blue Book and has received the grant proceeds within sixty days of year-end, the revenue will be recognized in the year the expenditures are incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town generally considers revenues available if they are collected within 60 days after the year. However, landfill revenues, which are recorded when services are provided and grants and similar items, are recognized as described above. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to net pension liability and length of service award program ("LOSAP") pensions, compensated absences, deferred compensation, claims and judgments, landfill closure and postclosure care costs, pollution remediation obligations and other postemployment benefits healthcare costs are recorded when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt is reported as other financing sources.

Revenues susceptible to accrual include State and Suffolk County local assistance at year end on behalf of the Town, franchise fees, and charges for services, intergovernmental revenues and operating transfers. Permits, fees, and other similar revenues are not susceptible to accrual because generally they are not measurable until they are received in cash. In those instances where expenditures are the prime factor in determining eligibility for state and federal grants, revenues are recognized when the expenditure is incurred or in the case of emergency disaster grants when the Blue Book is awarded. Proceeds from the issuance of long-term debt is recognized as revenue upon receipt of the proceeds.

Expenditures are recorded on the accrual basis except that (a) expenditures for prepaid expenses are recognized when services are received; (b) principal and interest on indebtedness are recognized as expenditures when due; (c) compensated absence, which vest or accumulate, and deferred compensation are charged as expenditures when paid and (d) judgment and claims and retainage payable are recorded when due and payable.

TOWN OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (continued)

Unearned revenues are those where asset recognition criteria have been met, but which revenue recognition criteria have not been met.

Because governmental fund statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statements' governmental column, a reconciliation is presented that briefly explains the adjustments necessary to reconcile ending net position and the change in net position.

Proprietary funds distinguish operating revenues from non-operating items. Operating revenues generally result from providing and delivering services and/or goods in connection with the proprietary fund's principal ongoing operations. Operating expenses includes cost of personnel costs, materials and supplies. All revenues not meeting this definition are reported as non-operating revenues.

The fiduciary funds use the accrual basis of accounting.

4. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE

CASH AND INVESTMENTS

Cash and Cash Equivalents

Cash consists of funds deposited in demand accounts, time deposit accounts and certificates of deposit with maturities of less than three months.

Cash - Restricted

The Town has approximately \$29.15 million of restricted cash, of which approximately \$27.54 million are funds from the American Rescue Plan Act of 2021 ("ARPA") which are subject to restrictions based on guidance from the U.S. Treasury. Approximately \$1.47 million is restricted for environmental education and preservation activities for the West Meadow Beach under the terms of an endowment fund pursuant to New York State legislature, and approximately \$138,000 is restricted for the federally funded Family Self Sufficiency Program.

Investments - Restricted

The Town reports approximately \$11.57 million of length of service award program plan assets which consists of investments restricted for providing retirement like benefits under various length of service award programs.

RECEIVABLES

Real property taxes are recognized as a receivable on the date of an enforceable lien and when billed. Real property taxes are levied annually no later than December 1st and are recognized as revenue January 1st of the year for which they were levied. The lien date is December 1st of the same calendar year the taxes are levied. Real property tax payments are due in two equal installments: the first half payable December 1st preceding the year for which the tax is levied and the second half payable May 10th. The first half tax is payable without penalty until January 10th and the second half tax is payable without penalty to May 31st. The Town has its own Assessor's Office whose responsibilities are independent and distinct from those of the Receiver of Taxes ("Receiver"). The property tax receivable in the Town's financial statements consists of taxes billed and uncollected at December 31, 2021. Additionally, the Town has recorded a receivable for property taxes receivable pertaining to the former Village of Mastic Beach.

TOWN OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (continued)

RECEIVABLES (continued)

The Town assessment rolls are used for the levy of real property taxes for the Town and the school districts, as well as by the County of Suffolk, New York, ("County") and by special districts based upon a single tax bill.

The Receiver collects all taxes based on this single bill and distributes the proceeds to the Town Supervisor ("Supervisor") prior to distributing the remaining balance collected to the County. Responsibility for the collection of unpaid taxes remains with the County and, accordingly, the Town is assured of 100% collection of real property taxes. The responsibility of transmitting school taxes to the school districts rests with the Supervisor. The amounts billed on behalf of other municipalities are considered a fiduciary activity and therefore have been accounted for within the Custodial Fund.

Other receivables include amounts due from Federal, State, and other governments or entities for services provided by the Town, as well as amounts due pursuant to various grant, franchise agreements and executed agreements. Receivables are recorded, and revenues recognized as earned or as specific program expenditures are incurred, and eligibility requirements are met.

The Town in its normal course of business is subject to the risk that it may be unable to collect all outstanding accounts receivable arising from user fees. Therefore, the Town has established an allowance account totaling \$112,497.

DUE FROM/TO OTHER FUNDS

During the course of operations, the Town has activity between funds for various purposes. Any residual balances outstanding at the year-end are reported as due to/due from other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

INVENTORY AND PREPAIDS

Inventory consists of fuel in storage tanks for use in Town vehicles, sand and salt, and other supplies on hand and is valued at cost, using the first-in first-out method.

Prepaid items in the governmental funds are accounted for under the consumption method.

Certain payments to vendors reflect costs applicable to future accounting periods and are reported as prepaid items in both the government-wide and fund financial statements.

In the governmental funds, amounts reported as inventories and prepaid items are equally offset by nonspendable fund balance amounts, indicating that they do not constitute "available spendable resources" even though they are a component of net current assets.

CAPITAL ASSETS

Capital assets are reported at cost or estimated historical cost. Capital assets excluding land, purchased or acquired having a cost of more \$20,000 are capitalized, prior to January 1, 2021 the threshold was \$5,000.

Land acquired prior to January 1, 2015, was capitalized if land acquired through purchase or donation was at least one acre. Effective January 1, 2015, land acquired with a cost of more than \$10,000, and land donated having a fair value of \$10,000 or more are capitalized. Donated assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized.

TOWN OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (continued)

CAPITAL ASSETS (continued)

Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation and amortization on all assets are provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	20-50 years
Machinery and equipment	5-20 years
Infrastructure	15-30 years
Website and software	5 years

Infrastructure assets, consisting of certain improvements other than buildings, including roads, curbs, sidewalks, drainage systems, street lighting and park structures, are capitalized along with other capital assets.

Intangible assets lack physical substance, are nonfinancial in nature, and have an estimated useful life extending beyond a single reporting period. The term depreciation, as used in these footnotes, includes amortization of intangible assets.

In the governmental fund financial statements capital assets are recorded as capital outlay expenditures in the governmental fund upon acquisition.

LENGTH OF SERVICE AWARD PROGRAM PLAN ASSETS

The Town sponsors length of service award program (“LOSAP”) to provide retirement like benefits for those volunteering time and services pertaining to ambulance services, in accordance with the plan documents. LOSAP plans have been established for each ambulance company providing services by taxing district. The Town is the sole sponsor of eight LOSAP plans and is joint sponsor of one LOSAP plans. The assets set-aside to fund the retirement like benefits have been invested in an external investment pool for all New York State ambulance LOSAP plans and the investments are managed by the New York State Comptroller and an administrative agency. The assets in the external investment pool are reported at fair value. The underlying assets of the investment pool includes money market funds, corporate and foreign bonds, common equity securities, equity mutual funds and fixed income mutual funds.

GUARANTY, BID AND ESCROW DEPOSITS

The guarantee, bid and deposits liability consists of deposits received from customers, potential vendors, or vendors, in an amount determined by the Town, to guarantee satisfactory performance with the terms of a contract. The deposits are held in escrow and will be returned to customer or vendor upon the Town’s approval of performance with the terms of the contract. The deposit may be forfeited to the Town if the work is not completed satisfactorily.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure/expense) until that time. Deferred outflows of resources consist of deferred charges on prior years debt advanced refundings, pension related amounts pertaining to the employees’ retirement system and length of service award program, and the other postemployment benefits plan-healthcare.

TOWN OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (continued)

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (continued)

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

The Town's deferred inflows of resources consist of the following: unearned revenue pertaining to service concession arrangement, real property taxes levied for the subsequent year, other unavailable revenue, amounts related to various postemployment benefits the Town provides (employees' retirement system, length of service award program and the other postemployment benefits plan-healthcare), and deferred charges (gains) on debt refundings. In the governmental funds, unavailable revenue represents amounts that do not meet the availability criteria applicable to revenue recognition under the modified accrual basis of accounting, with the largest component consisting of real property taxes levied for the subsequent year.

PREMIUMS OF DEBT ISSUANCE

Premiums related to the issuance of long-term debt are amortized on a straight-line basis over the life of the issue and are presented as part of the general obligation bonds payable in the non-current liabilities.

LONG-TERM OBLIGATIONS

In the government-wide financial statements, liabilities for long-term obligations consisting of general obligation bonds, pension liabilities for the employees' retirement and LOSAP plans, compensated absences, deferred compensation, estimated claims and judgments, the estimated liability for landfill closure and postclosure care costs, pollution remediation obligations, and total other postemployment benefits (healthcare) are recognized in the statement of net position.

Bond premiums and discounts, as well as gains/losses on early extinguishment of debt, are deferred and amortized over the life of the bonds on a straight-line basis. Bonds payable are reported net of applicable bond premium or discount. Bond issuance costs are recognized as an expenditure/outflow of resources when incurred.

In the governmental fund statements, only that portion of long-term obligations expected to be financed from expendable available financial resources is reported as a fund liability. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds received, are reported as debt service expenditures.

NET POSITION AND EQUITY CLASSIFICATIONS

In the government-wide and proprietary funds statements equity is classified as net position and displayed in three components:

- a) Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b) Restricted — consists of net position with constraints placed on its use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c) Unrestricted — all other net position that do not meet the definition of "restricted" or "net investment in capital assets".

TOWN OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE (continued)

NET POSITION AND EQUITY CLASSIFICATIONS (continued)

In the fund financials statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources; they are 1) nonspendable, 2) restricted 3) committed, 4) assigned, or 5) unassigned. The Town does not have committed fund balance and not all the funds will necessarily have all the fund classifications noted above.

- a) Nonspendable fund balance includes amounts that cannot be spent because they are either (a) not in spendable form (i.e., prepaid items or inventories), or (b) will not convert to cash within the current period (i.e., long-term receivables and financial assets held for resale), or (c) legally or contractually required to be maintained intact (i.e., the principal of a permanent fund).

The Town's spendable portion of the fund balance comprises the remaining three classifications: restricted, assigned, and unassigned.

- b) Restricted fund balance reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- c) Assigned fund balance reflects the amounts constrained by the Town's "intent" to be used for specific purposes, but are neither restricted nor committed. The Town Board has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed.
- d) Unassigned fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

NET POSITION AND FUND BALANCE FLOW ASSUMPTIONS

When outlays for a particular purpose can be funded from both restricted and unrestricted net position resources it is the Town's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

When both restricted and unrestricted fund balance resources are available for use, it is the Town's default policy to use restricted resources first, and then unrestricted resources - committed, assigned and unassigned - in order as needed and applicable.

FUND BALANCE POLICIES

The Town has, by resolution, and as amended January 2019, adopted a fund balance policy that states the Town must maintain a minimum fund balance, exclusive of nonspendable fund balance, equal to no less than a defined percentage of the total budgeted expenditures as follows:

General Fund	25%
Part-Town Fund	20%
Highway Funds	10%
Special Districts	7%

TOWN OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE (continued)

FUND BALANCE POLICIES (continued)

In the event of an emergency that necessitates appropriation of fund balance which results in fund balance, exclusive of nonspendable amounts, to fall below the above stated minimum thresholds, a Town Board resolution is required. In addition, subsequent to such appropriation, the Town Board will immediately take measures to restore fund balance over a three-year period.

In accordance with Local Law 18b-4, in any year where the General Fund is in compliance with the above stated policy and where revenues collected, excluding application of surplus, exceed expenditures, the excess revenues shall be allocated as follows:

Eighty percent of the excess shall remain in the General Fund and allocated as follows:

- Fifty percent allocated to unassigned fund balance
- Ten percent allocated to the solid waste management reserve
- Ten percent allocated to the motor vehicle reserve
- Ten percent allocated to the capital projects reserve

Twenty percent shall be transferred to the Joseph Macchia Environmental Preservation Capital Reserve Fund, a component of the Capital Projects Fund.

The 2021 distributable excess revenues totaled \$925,264. Accordingly, the distribution of the 2021 excess revenues is as follows: of \$370,106 from the General Fund to the Capital Projects Fund (Joseph Macchia Environmental Preservation Fund) and allocated \$555,158 from the General Fund's unassigned fund balance to the General Fund's fund balance restricted for 1) various capital costs (\$370,105) and 2) landfill postclosure care costs (\$185,053) to comply with Local Law 18B-4. The distribution of the 2021 distributable excess revenues has been included in the 2021 financial statements.

5. REVENUES AND EXPENDITURES/EXPENSES

PROGRAM REVENUES

Amounts reported as program revenues include: 1) charges to customers or applicants who purchase, use, directly benefits from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments and the length of service award program investment earnings) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes and other internally dedicated resources are reported as general revenues rather than as program revenues.

REAL PROPERTY TAX REVENUE

Real property taxes are levied annually no later than December 1st and are recognized as revenue January 1st of the year for which they were levied. Property taxes billed in advance of the year for which they were levied are recorded as deferred inflows of resources.

With respect to the dissolution of the Village of Mastic Beach, there were unpaid Village real property taxes. Effective January 1, 2018, the Town assumed the remaining assets of the Village, including the property taxes receivable. Unlike Town property taxes, the County is not responsible for the collection of Village unpaid taxes. Therefore, the Town is pursuing collection of such Village taxes. Amounts not collected within 60 days of year-end are reported as deferred inflows of resources in the funds' statements.

TOWN OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. REVENUES AND EXPENDITURES/EXPENSES (continued)

OTHER POSTEMPLOYMENT BENEFITS - HEALTHCARE

In addition to providing pension benefits, the Town pursuant to union and employee contracts, provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the Town's employees may become eligible for these benefits if they reach normal retirement age and meet a length of service requirement while working for the Town.

Other postemployment benefits other than pensions ("OPEB") cost for retiree healthcare benefits is measured and disclosed using the accrual basis of accounting in the government-wide statements. In the governmental funds' financial statements, the Town recognizes the cost of providing the healthcare benefits by recording its share of premiums as an expenditure when due.

DEFERRED COMPENSATION

The liability for deferred compensation is recorded as current and non-current obligations in the government-wide statements. The liability is comprised of a defined number of days of employees pay withheld pursuant to the terms of the various labor contracts during the years ended December 31, 2011-2015; the deferral of the 2011-2015 longevity payments, and a retirement incentive offered and accepted by employees electing early retirement during the year ended December 31, 2012-2014. In the governmental fund statements, only the portion of deferred compensation payable from expendable available resources is reported as an expenditure and liability in the respective fund that will pay it.

COMPENSATED ABSENCES

The liability for vested or accumulated vacation or sick leave (compensated absences) is recorded as current and non-current obligations in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the governmental fund financial statements, only the compensated absence liability payable from expendable available financial resources is reported. The amount that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a liability in the governmental funds statement in the respective fund that will pay it.

EMPLOYEE RETIREMENT PENSION PLAN

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New York State and Local Retirement System ('the System') have been determined on the same basis as they are reported by the System. For this purpose, the System recognizes benefit payments when due and payable in accordance with the benefit terms and reports investments at fair value.

LENGTH OF SERVICE AWARD PROGRAM PENSION LIABILITIES

The Town sponsors a length of service award program ("LOSAP"), a defined benefit service award program, for its volunteer ambulance workers of nine different ambulance district companies. Of the nine individual plans, eight are single-employer plans and the Town reports the total LOSAP service award liability. The one remaining plan has another governmental entity who is legally responsible for annual contributions to the plan and as such is considered a special funding situation, and accordingly the Town reports its proportionate share of the total LOSAP service award liability.

The LOSAP service award liability and proportionate share of the LOSAP service award liability have been measured at the actuarial present value of projected benefit payments. The contributions to the Plan are administered through a grantor/rabbi trust and, as such, the assets are subject to the claims of the Town's creditors, the LOSAP pension liability/proportionate share has not been reduced by the LOSAP plan assets set-aside for benefit payments.

TOWN OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. REVENUES AND EXPENDITURES/EXPENSES (continued)

INTERFUND TRANSACTIONS

Interfund transactions, exclusive of interfund services provided and used, have been eliminated from the government-wide financial statements. In the fund statements, interfund transactions include:

a) Interfund Revenues

Interfund revenues and quasi-external transactions represent amounts charged for services or facilities provided to another fund. The amounts paid by the fund receiving the benefit of the service or facilities, are reflected as an expenditure of that fund.

b) Transfers

Operating transfers are nonexchange transactions whereby the government or fund gives or receives value without directly receiving or giving equal value in return. Operating transfers primarily represent payments to the debt service and capital projects funds from the other funds for their appropriate share of the debt service or capital project costs.

6. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded for budgetary control purposes in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. Appropriations for all governmental funds except the capital projects fund lapse at year-end. However, encumbrances reserved against fund balances are re-appropriated in the ensuing year. Encumbrances are reported as assignments of fund balances since they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

7. USE OF ESTIMATES

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates, and such differences may material.

B. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. BUDGETARY DATA

An operating budget is legally adopted each year for the General, Special Revenue (with the exception of the special grant funds, special miscellaneous housing trust fund, sidewalk districts, one debt service fund). The budgets are adopted on a basis of accounting consistent with GAAP. All unexpended annual appropriations, other than encumbrances, lapse at the close of year end. The Capital Projects Fund is budgeted on a project basis. The Supervisor, with the assistance of the Commissioner of Finance, prepares a tentative budget each year and the Town Board holds a public hearing. Subsequent to the public hearing, revisions, if any, are made and the budget is adopted by the Town Board as its final budget for the coming year. The budget is not subject to referendum. Appropriations are adopted at the object level.

The Supervisor maintains control over the budget. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at the individual account level. The Commissioner of Finance may authorize budgetary transfers between departments within any fund for amounts less than \$25,000. Amounts between \$25,001 and \$100,000 need the written approval of the Supervisor's Office. Budgetary transfers affecting employee compensation need the written approval of both the Commissioner of Finance and the Supervisor. When the total of budget transfer and amendments into a specific line has reached \$100,000, all subsequent transfers require Town Board approval via resolution, unless in those instances which demonstrate an immediate need, the amendments will be ratified by the Town Board on the next scheduled Town Board meeting. Any supplemental appropriations that amend the total expenditures of any fund, and any amendment affecting an inter-fund account require Town Board Resolution.

TOWN OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

B. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

1. BUDGETARY DATA (continued)

In accordance with Local Law, the total amount of expenditures in the annual adopted General Fund operating budget shall not increase from the most recent adopted operating budget including revisions adopted by Town Board resolution, by more than the three year average of revenue growth 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 expenditure in the most recent adopted budget. However, the Town Board may provide for an increase in spending in excess of the amount defined by a vote of three-fourths of the Town Board.

In June 2011, New York State enacted Chapter 97, Laws of 2011 Real Property Tax Levy Cap and Mandate Relief Provisions, which includes a 2% property tax cap for municipalities. Beginning in 2012, no local government is authorized to increase its property tax levy by more than 2% or the rate of inflation (whichever is less); however local governments can exceed the tax levy limit by a 60% vote of the governing body and annually adopting a local law. The Town did not exceed the real property tax limit in 2021. The Law permits certain exceptions to the tax levy increase limit for such items as certain judgment and claims arising out of tort claims and certain increases in the required pension contributions.

2. FUND EQUITY

FUND BALANCE

The following table provides the detail regarding fund balance categories and classifications for the governmental funds which show components of nonspendable fund balances, as well as the purposes for restricted, and assigned fund balance. The unassigned fund balance is also shown.

	General Fund	Town Outside Village Fund	Highway Funds	Refuse and Garbage Fund	Debt Service Fund	Capital Projects Funds	Other Governmental Funds	Total
Nonspendable:								
Prepays	\$ 1,699,550	\$ 387,891	\$ 690,791	\$ 75,438	\$ -	\$ -	\$ 72,897	\$ 2,926,567
Inventory	222,749		1,625,840	244,167		37,200	220,410	2,350,366
Permanent fund principal							1,468,599	1,468,599
Total Nonspendable	1,922,299	387,891	2,316,631	319,605	-	37,200	1,761,906	6,745,532
Restricted for:								
Capital projects	2,866,601	12,410				20,910,422		23,789,433
Grantors and donors restrictions							2,661,478	2,661,478
Landfill post-closure costs	18,997,161							18,997,161
Employee severance pay	23,926							23,926
Length of service award program benefits							11,573,281	11,573,281
Debt service			1,062,943		25,677,498		48,976	26,789,417
Other	177,985	10,788						188,773
Pollution remediation	11,011							11,011
Snow removal			36,593					36,593
Total Restricted	22,076,684	23,198	1,099,536	-	25,677,498	20,910,422	14,283,735	84,071,073
Assigned to:								
Subsequent year's budget							201,748	201,748
Snow and ice removal			7,981,219					7,981,219
Other	118,560							118,560
Capital projects	41,167					15,600,491		15,641,658
Purchases on order or contractual obligations	6,756			120,974				127,730
Former Village of Mastic Beach	209,688							209,688
Special revenue funds		23,666,670	23,471,059	2,454,116			12,947,387	62,539,232
Total Assigned	376,171	23,666,670	31,452,278	2,575,090	-	15,600,491	13,149,135	86,819,835
Unassigned, reported in:								
General fund	57,792,039							57,792,039
Total Unassigned	57,792,039	-	-	-	-	-	-	57,792,039
Total Fund Balances	\$ 82,167,193	\$ 24,077,759	\$ 34,868,445	\$ 2,894,695	\$ 25,677,498	\$ 36,548,113	\$ 29,194,776	\$ 235,428,479

TOWN OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

B. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

2. FUND EQUITY (continued)

FUND BALANCE (continued)

The Debt Service Fund's restricted fund balance is being held to fund future debt service requirements of the following funds:

Major Funds:	
General	\$ 16,436,847
Town Outside Village	494,516
Highway	4,896,748
Non Major Funds:	
Airport	45,328
Ambulance Districts	1,222,466
Dock Districts	275,560
Erosion Districts	17,897
Fire Protection Districts	423
Street Lighting District	847,890
Sewer Districts	79,056
Water Districts	101,523
Munsell Road Improvement District	166,312
Open Space	1,092,932
	\$ 25,677,498

C. DETAILED NOTES ON ALL FUNDS

1. CASH AND INVESTMENTS

Permitted Deposits and Investments

State statutes and a Town Board approved investment policy governs the Town's investment practice. Permissible investments include, but not limited to, special time deposit accounts, obligations of the United States Treasury and United States agencies, obligations of New York State or its localities and pooled cooperative investment with other municipal corporations pursuant to GML Article 5-G. The investment policy limits the amount of deposits at any time in any one bank or trust company to \$120 million. All bank deposits, certificates of deposits and repurchase agreements are required to be fully collateralized if not fully covered by federal deposit insurance. Generally, collateral is required for demand deposits and time deposits accounts at 105% of all deposits not covered by federal deposit insurance.

Cash and cash equivalents

At December 31, 2021, the carrying amount of the Town's cash and cash equivalents was \$422,081,631 of which \$29,143,741 is restricted. Restricted cash amounts are made up of ARPA funds, amounts for environmental education and preservation activities of West Meadow Beach and for the federally funded Family Self Sufficiency Program.

Investments

Length of Service Award Program Plan Investments - External Investment Pool

The Town invests monies which are set-aside for LOSAP retirement-like benefits in a multi-municipal cooperative investment pool consisting of money market funds, corporate and foreign bonds, common equity securities, equity mutual funds and fixed income mutual funds. Investments are stated at market value. The pool is not registered with the SEC and is overseen by the New York State Comptroller and an administrative agency hired by the New York State Comptroller.

TOWN OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

1. CASH AND INVESTMENTS (continued)

Investments (continued)

Length of Service Award Program Plan Investments - External Investment Pool (continued)

Allocations of gains, losses and investment income are accounted for by the State Comptroller and third-party administrative agency. The Town's fair value of its position in the pool is the same as the value of pool shares.

In accordance with FASB guidance, the LOSAP pooled assets utilizes ASC 820 "Fair Value Measurement and Disclosure" to define fair value, establish a framework for measuring fair value, and expand disclosure requirements regarding fair value measurements. ASC 820 does not require new fair value measurements, but is applied to the extent that other accounting pronouncements require or permit fair value measurements. This standard emphasizes that fair value is a market-based measurement that should be determined based on the assumptions that market participants would use in pricing an asset or liability. Various inputs are used in determining the value of LOSAP portfolio investments defined pursuant to this standard.

Securities are valued at the most recent market bid price as obtained from one or more market makers for such securities. There have been no significant changes in valuation techniques used in valuing any such positions held by LOSAP pool since the beginning of their fiscal year. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The Town's investment in the LOSAP pool of investments totals \$11,573,281 at December 31, 2021. The assets are subject to custodial risk in the event of the failure of the custodian holding the investments.

The following risk assessments apply to cash and investments of the Town.

Custodial Credit Risk – Deposits / Investments – Custodial credit risk for deposits exists when, in the event of the failure of a depository financial institution, a government may be unable to recover deposits, or recover collateral securities that are in possession of an outside agency. Custodial credit risk for investments exists when, in the event of the failure of the counterparty, a government will be unable to recover the value of its investments or collateral securities that are in possession of an outside party. The Town's investments policy defines permissible investments, limits the amount of deposits at any time any one bank or trust company, requires that bank balances in excess of the Federal Deposit Insurance Corporation insurance limits of \$250,000 are protected with custodial agreements which requires that balances are fully collateralized in accordance with New York State General Municipal Law (GML) and limits the form of acceptable collateralization.

Financial institutions can satisfy collateral requirements by furnishing an eligible letter of credit, an eligible surety bond, by pledging eligible securities as specified in Section 10 of GML or participating in a deposit placement program pursuant to section 9-r of the banking law. Irrevocable letters of credit issued as collateral in certain situations may require a threshold of up to 140% of aggregate deposits. Eligible securities that may be pledged as collateral includes but is not limited to obligations of the United States or its agencies, obligations of New York State and obligation of municipalities of New York State.

The use of available daily balances to determine collateral requirements may result in the available balance being under-collateralized at various times during the year.

At December 31, 2021, the carrying amount of the Town's cash and cash equivalents excluding petty cash of \$64,832 was \$422,016,799. The bank balance was \$424,574,373. Of the bank balance, \$53,090,043 was covered by Federal deposit insurance, and \$371,484,330 was covered by collateral held by the Town's agent, a third-party financial institution with a fair value of \$595,298,121.

At December 31, 2021, the LDC's bank balance was \$542,205, of which \$250,000 was covered by the Federal Depository Insurance Corporation, and \$292,205 was collateralized by securities held by the LDC's agent, a third-party institution.

The Length of Service Award Program Plan assets are not required to be collateralized.

TOWN OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

1. CASH AND INVESTMENTS (continued)

Credit Risk – The Town’s written investment guidelines and policies are designed to protect principal by limiting risk. State law and Town law limit investments to those authorized by State statutes.

Interest-Rate Risk – Interest-rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates substantially increase, thereby affording potential purchasers more favorable rates on essentially equivalent securities. Accordingly, such investments would have to be held to maturity to avoid a potential loss.

Concentration of Credit Risk – Concentration of credit risk can arise as a result of failure to adequately diversify investments. Concentration risk disclosure is required for positions of 5 percent or more in securities of a single issuer.

2. RECEIVABLES

Included in receivables is \$2,500,000 due from Long Island Power Authority (“LIPA”). In 2021, a 2018 settlement agreement with LIPA pertaining to Real Property Tax Law Article 7 matters, was amended. One of the provisions of the amendment was that LIPA agreed to pay the Town \$2,500,000. Under the terms of the amended settlement agreement, the Town will receive \$1,000,000 on or before July 1, 2024, \$750,000 on or before July 1, 2025, and \$750,000 on or before July 1, 2026. See Note D.2 Tax Certiorari Claims for additional information.

3. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivable and payable balances represent either loans, services provided, or reimbursements which are expected to be paid currently. Loans are reported as receivables and payables as appropriate. Services provided are treated as revenues and expenditures. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement.

At December 31, 2021, the balances outstanding are as follows:

Governmental Activities:	Receivable	Payable
Major Funds:		
General Fund	\$ 4,992,823	\$ 3,629,623
Town Outside Village	329	31,703
Highway	28,940	381,669
Refuse and Garbage	29,608	
Debt Service	19,831	83,293
Capital Projects	3,660,173	2,459,035
Total Major Funds	8,731,704	6,585,323
Nonmajor Funds:		
Airport	43,277	6,017
Special Grants	187,188	2,368,320
Highway Reserve Escrow	9,537	
Dock Districts		1,582
Erosion Control Districts		1,101
Street Lighting Districts		1,069
Park Districts		508
Sewer Districts		1,078
Sidewalk Districts	83,292	90,000
Total Nonmajor Funds	323,294	2,469,675
Total	\$ 9,054,998	\$ 9,054,998

TOWN OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

3. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)

Individual fund transfers primarily consist of monies transferred to fund debt service requirements and the cost of capital projects, including transfers made pursuant to Local Law 18b-4 (see Fund Balance Policies). It also consists residual equity transfers of completed closed capital projects. Interfund transfer made during the year are as follows:

	Transfers In	Transfers Out
Governmental Activities:		
Major Funds:		
General Fund	\$ 84,690	\$ 67,466,972
Town Outside Village	82,312	3,505,055
Highway	19,719	33,528,568
Refuse and Garbage	37,613	
Debt Service	76,092,995	
Capital Projects	33,924,459	313,470
Total Major Funds	110,241,788	104,814,065
Nonmajor Funds:		
Airport	232,350	58,470
West Meadow Beach Endowment		111,435
Park Reserve Escrow		390,000
Highway Reserve Escrow		310,463
Drainage Reserve Escrow		12,682
Ambulance Districts		3,004,413
Dock Districts	2,531	492,397
Erosion Control Districts	74,382	95,333
Fire Protection Districts		8,222
Street Lighting Districts		960,129
Sewer Districts		293,442
Total Nonmajor Funds	309,263	5,736,986
Total	\$ 110,551,051	\$ 110,551,051

During 2021, the General Fund made a one-time transfer of \$10 million to the Debt Service Fund to finance future debt service requirements pertaining to the landfill closure. Also, the 2021 transfers to the Capital Project Fund include the following unusual amounts: \$26.2 million from the General, Part-Town and Highway Fund from existing resources to reduce future debt borrowings and \$6.9 million was transferred to reflect the use of federal grant proceeds for finance specific capital projects.

4. ENDOWMENT

Pursuant to the State of New York Legislature dated June 12, 1996, interest earnings up to a maximum rate of five percent may be expended by the West Meadow Beach endowment fund provided that the prior year's interest enables such expenditures without reducing the accounts beginning principal of the prior year. The West Meadow Beach endowment fund expenditure plan is adopted by Town Board. The endowment fund's fund balance is restricted and is segregated between spendable and nonspendable. At December 31, 2021, the West Meadow Beach Endowment Fund's fund balance totaled \$1,468,599, all of which considered nonspendable. For the year ended December 31, 2021, all assets are cash deposits and therefore there was no net appreciation on investments for the West Meadow Beach endowment fund.

TOWN OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

5. CAPITAL ASSETS

The summary of changes within the capital assets of the Town for the year ended December 31, 2021 is as follows:

	Balance 01/01/2021	Additions and Transfers	Deletions and Transfers	Balance 12/31/2021
Primary Government:				
Capital assets not being depreciated:				
Land and development rights	\$ 684,044,094	\$ 8,028,657		\$ 692,072,751
Construction in progress	14,788,808	4,390,035	\$ 6,590,549	12,588,294
Total Capital Assets Not Being Depreciated	698,832,902	12,418,692	6,590,549	704,661,045
Depreciable capital assets:				
Buildings and improvements	378,333,948	5,387,351		383,721,299
Machinery and equipment	124,395,955	3,617,125	711,456	127,301,624
Infrastructure	1,074,364,132	43,058,956		1,117,423,088
Website and software	5,449,466	415,273		5,864,739
Total Depreciable Capital Assets	1,582,543,501	52,478,705	711,456	1,634,310,750
Less accumulated depreciation/amortization:				
Buildings and improvements	188,761,437	14,625,442		203,386,879
Machinery and equipment	94,852,046	5,190,844	583,263	99,459,627
Infrastructure	679,358,607	47,365,184		726,723,791
Website and software	4,408,551	421,402		4,829,953
Total Accumulated Depreciation/Amortization	\$ 967,380,641	\$ 67,602,872	\$ 583,263	1,034,400,250
Total Net Depreciable Capital Assets				599,910,500
Total Net Capital Assets				\$ 1,304,571,545

Depreciation/amortization expense was charged to the governmental functions as follows:

General government support	\$ 4,714,350
Public safety	3,164,724
Health	1,616,330
Transportation	21,876,774
Economic assistance and opportunity	1,276
Culture and recreation	8,049,866
Home and community services	28,179,552
Total Governmental Activities Depreciation/Amortization Expense	\$ 67,602,872

The Town of Brookhaven evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. The Town's policy is to record an impairment loss in the period when the Town determines that the carrying amount of the asset will not be recoverable. At December 31, 2021, the Town has not recorded any such impairment losses.

TOWN OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

6. INDEBTEDNESS

LONG-TERM DEBT

A summary of the Town's changes in long-term debt transactions for the year ended December 31, 2021 is as follows:

	Balance 01/01/21	Increases	Reductions	Balance 12/31/21	Noncurrent liabilities due within one year	Noncurrent liabilities
Primary Government:						
General obligation bonds	\$ 585,345,000	\$ -	\$ 60,145,000	\$ 525,200,000	\$ 63,490,000	\$ 461,710,000
Plus premiums on issuance	67,821,018	-	7,530,964	60,290,054		60,290,054
Total general obligation bonds	653,166,018	-	67,675,964	585,490,054	63,490,000	522,000,054
Employees retirement plan net pension liability	64,752,767	13,829,272	78,343,697	238,342		238,342
Length of service award pension liabilities	10,667,054	4,249,062	180,219	14,735,897		14,735,897
Compensated absences	18,179,442	9,258,710	9,327,290	18,110,862	3,000,000	15,110,862
Deferred compensation	1,473,215		139,743	1,333,472		1,333,472
Claims and judgments	20,330,639	13,648,357	5,011,408	28,967,588	7,046,500	21,921,088
Estimated liability for landfill closure and postclosure care costs	33,543,250	1,433,820		34,977,070	436,584	34,540,486
Pollution remediation obligations	761,280	192,000	111,506	841,774	841,774	-
Total other postemployment benefits liability	535,569,809	77,342,275	14,894,040	598,018,044		598,018,044
				Subtotal	74,814,858	1,207,898,245
				Less: amount reported as claims and judgments payable	(7,046,500)	-
				Noncurrent liabilities	\$ 67,768,358	\$ 1,207,898,245
Nonmajor Component Unit:						
Net pension liability	\$ 381,452		\$ 379,854	\$ 1,598		\$ 1,598
Compensated absences	22,352	47,037		69,389	15,519	53,870
Total other postemployment benefits liability	797,267	130,099	67,346	860,020		860,020
				Noncurrent liabilities	\$ 15,519	\$ 915,488

General Obligation Bonds – The Town borrows money to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term direct obligation liabilities, which are backed by the full faith and credit of the Town, including bonds of the Town Special Districts which are payable from tax revenues of the areas benefited, bear interest at various rates from 1.0% to 6.4% and have various maturity dates through 2038. The original amount borrowed for debt currently outstanding, excluding amounts related to the defeased debt is \$803,466,545.

At December 31, 2021, the total of bonds authorized but not yet issued for various public improvements projects totals approximately \$130 million.

TOWN OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

6. INDEBTEDNESS (continued)

LONG-TERM DEBT (continued)

A summary of general obligation bonds and long-term bond anticipation notes payable, exclusive of premiums by purpose is as follows:

	Balance 01/01/21	Increases	Reductions	Balance 12/31/21
Governmental Activities:				
Major Funds:				
General Fund	\$ 327,709,843	\$ -	\$ 35,755,484	\$ 291,954,359
Town Outside Village	9,467,210	-	686,809	8,780,401
Highway Fund	189,936,360	-	20,142,077	169,794,283
Total Major Funds	527,113,413	-	56,584,370	470,529,043
Nonmajor Funds:				
Airport Fund	401,567	-	39,902	361,665
Ambulance Districts	32,968,169	-	2,149,659	30,818,510
Dock Districts	5,856,576	-	348,576	5,508,000
Erosion Control Districts	696,825	-	75,424	621,401
Fire Protection Districts	52,689	-	6,239	46,450
Street Lighting District	12,132,699	-	703,963	11,428,736
Sewer Districts	3,610,000	-	235,000	3,375,000
Water Districts	13,062	-	1,867	11,195
Road Improvement District	2,500,000	-	-	2,500,000
Total Nonmajor Funds	58,231,587	-	3,560,630	54,670,957
Total Governmental Activities	\$ 585,345,000	\$ -	\$ 60,145,000	\$ 525,200,000

Future principal and interest payments to maturity for the Town's governmental activities are as follows:

	Principal	Interest	Total Principal and Interest
Years ending December 31, 2022	\$ 63,490,000	\$ 20,381,533	\$ 83,871,533
2023	64,450,000	17,596,808	82,046,808
2024	63,495,000	14,817,424	78,312,424
2025	63,000,000	12,116,106	75,116,106
2026	64,365,000	9,463,649	73,828,649
2027-2031	181,225,000	17,244,839	198,469,839
2032-2036	20,395,000	2,205,568	22,600,568
2037-2039	4,780,000	181,144	4,961,144
Totals	\$ 525,200,000	\$ 94,007,071	\$ 619,207,071

Interest on EFC debt (revolving fund revenue bonds) can be higher or lower than the amount included in the above due to fluctuations in the subsidy portion of the interest payment.

At December 31, 2021, the Town had \$26,789,417 of fund balance specifically restricted for future debt service requirements noted in the above chart.

TOWN OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

6. INDEBTEDNESS (continued)

LONG-TERM DEBT (continued)

Prior-Year Defeasance of Debt

In prior years, the Town of Brookhaven defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Town's financial statements. At December 31, 2021, there are no outstanding bonds considered defeased.

Legal Debt Margin

The Town is subject to legal limitations on the amount of debt that it may issue. The Town's legal debt margin is 7% of the five-year average full valuation of taxable real property. At December 31, 2021, that amount was \$4,006,998,261. As of December 31, 2021, the total outstanding debt applicable to the limit was \$525,200,000, which is 13.11% of the total debt limit.

Conduit Debt

The LDC and the IDA have at times, issued revenue bonds to provide assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the Town or the LDC or IDA, nor any political subdivision thereof, is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying statements. As of December 31, 2021, the total of the revenue bonds outstanding for the LDC and IDA was \$222,410,000 and \$4,786,553, respectively.

Other Long-Term Debt

Liabilities for claims and judgments, landfill closure and post closure care costs, pollution remediation obligations and litigation are liquidated through future budgetary appropriations in the General Fund. The liabilities for compensated absences, deferred compensation, total other postemployment benefits liability (healthcare benefits), net pension liability, and claims specific to workers' compensation are typically liquidated through future budgetary appropriation in the General Fund, Town Outside Village, Highway Fund, Refuse and Garbage funds and all other funds that gave rise to the liability. The LOSAP pension liabilities will be liquidated from the Ambulance Districts Fund.

7. RETIREMENT SYSTEM

Plan Description

The Town of Brookhaven participates in the New York State and Local Employees' Retirement System ("ERS" or the "System"). This is a cost-sharing multiple-employer defined benefit retirement system. The net position of the System is held in the New York Common Retirement Fund ("Fund"), which was established to hold all net assets and record changes in fiduciary net position allocated to the system. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. System benefits are established under the provisions of the New York State Retirement and Social Security Law ("RSSL"). Once a public employer elects to participate in the System, the election is irrevocable.

TOWN OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

7. RETIREMENT SYSTEM (continued)

Plan Description (continued)

The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changes for future members only by enactment of a State statute. The Town also participates in the Public Employees' Group Life Insurance Plan ("GLIP"), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report may be found at <http://www.osc.state.ny.us/retire/publications/index.php> or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244-0001.

Benefits Provided

The System provides retirement benefits as well as death and disability benefits.

Tiers 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit, there is no minimum service requirement. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 and Tier 2, is 55 and 62 respectively.

Benefit calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2% of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members aged 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 1 members who joined on or after June 17, 1971, each year of final average salary is limited to no more than 20% of the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20% of the average of the previous two years.

Tiers 3, 4, and 5

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

Benefit calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2% of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5% of final average salary is applied for each year of service over 30 years.

Tier 3 and 4 members with five or more years of service and Tier 5 members with ten or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members aged 55 or older with 30 or more years of service can retire with no reduction in benefits.

TOWN OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

7. RETIREMENT SYSTEM (continued)

Benefits Provided (continued)

Tiers 3, 4, and 5 (continued)

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 3, 4, and 5 members, each year of final average salary is limited to no more than 10% of the average of the previous two years.

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 members is age 63.

Benefit calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75% of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 % of final average salary is applied for each year of service over 20 years. Tier 6 members with ten or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10% of the average of the previous four years.

Ordinary Disability Benefits

Generally, ordinary disability benefits, usually one-third of salary, are provided to eligible members after ten years of service; in some cases, they are provided after five years of service.

Accidental Disability Benefits

For all eligible Tier 1 and Tier 2 members, the accidental disability benefit is a pension of 75% of final average salary, with an offset for any workers' compensation benefits received. The benefit for eligible Tier 3, 4 and 5 members is the ordinary disability benefit with the years-of-service eligibility requirement dropped.

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: 1) all pensioners who have attained age 62 and have been retired for five years; 2) all pensioners who have attained age 55 and have been retired for ten years; 3) all disability pensioners, regardless of age, who have been retired for five years; 4) recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years; and 5) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50% of the annual consumer price index as published by the U.S. Bureau of Labor, but cannot be less than 1% or exceed 3%.

TOWN OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

7. RETIREMENT SYSTEM (continued)

Contributions

Plan members who joined the system before July 27, 1976 are not required to make contributions. Those joining after July 27, 1976 and before January 1, 2010 with less than ten years of membership are required to contribute 3% of their annual salary. Those joining on or after January 1, 2010 and before April 1, 2012 are required to contribute 3% of their salary for NYSERS members throughout active membership. Those joining on or after April 1, 2012 are required to contribute between 3% and 6%, depending upon their salary, throughout active membership. Under the authority of the NYSRSSL, the Comptroller shall annually certify the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's year ended March 31.

The actual contributions were equal to 100% of the actuarially required amounts. The credits and miscellaneous adjustments represent modification made by the NYSERS to the prior year's contributions due to differences between estimated and actual salaries for the plan year. Amortization payments relate to the pension related debt, as discussed below. The required contributions as billed by the Plan, for the Town, for the current year and two preceding Plan years were:

March 31st:	Regular Pension Contribution	Credits & Miscellaneous Adjustments	Prepayment Discount	Deferred Amount	Amortization Payments	Total Payments
2022	\$ 10,645,800	\$ 5,309	\$ (87,226)	\$ -	\$ -	\$ 10,563,883
2021	\$ 10,063,002	\$ 893	\$ (82,417)	\$ -	\$ -	\$ 9,981,478
2020	\$ 10,032,808	\$ 807	\$ (84,498)	\$ -	\$ -	\$ 9,949,117

Contributions recognized by the System for the period January 1, 2021 to December 31, 2021 totaled \$10,617,912.

The non-major discretely presented component unit is required to contribute at an actuarially determined rate. During the year ended December 31, 2021, the non-major discretely presented component unit paid \$82,033 to the System for its regular pension contribution based on the Plan year end of March 31st.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

Below is the Town's proportionate share of the net pension liability of the System and its related employer allocation percentage.

Measurement Date	Net Pension Liability	Allocation of the System's Total Net Liability
March 31, 2021	\$ 238,342	0.2393616%

The net pension liability was determined by an actuarial valuation as of April 1, 2020 with procedures to roll it forward to March 31, 2021, and was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members. There was no significant change in the Town's proportionate share from March 31, 2020 (.2445293%) to March 31, 2021 (.2393616%).

TOWN OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

7. RETIREMENT SYSTEM (continued)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (continued)

Below is the non-major discretely presented component unit's proportionate share of the net pension liability of the System and its related employer allocation percentage:

Measurement Date	Net Pension Liability	Allocation of the System's Total Net Liability
March 31, 2021	\$ 1,598	0.0016062%

For the year ended December 31, 2021, the Town recognized pension expense of \$5,360,483. As of December 31, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,910,800	
Changes in assumptions	43,823,386	\$ 826,522
Net difference between projected and actual investment earning on pension plan investments		68,465,820
Change in proportion and differences between the Town's contributions and proportionate share of contributions	551,422	865,904
Contributions made subsequent to the measurement date	7,340,514	
Total	\$ 54,626,122	\$ 70,158,246

The reported deferred outflows of resources resulting from the Town's contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts will be recognized in pension expense as follows:

Years Ended December 31, 2022	\$ (4,205,636)
2023	(1,604,103)
2024	(3,784,559)
2025	(13,278,340)
	\$ (22,872,638)

TOWN OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

7. RETIREMENT SYSTEM (continued)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (continued)

For the year ended December 31, 2021, the non-major discretely presented component unit recognized pension expense of \$43,559. As of December 31, 2021, the non-major discretely presented component unit reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 19,532	
Changes in assumptions	294,070	\$ 5,546
Net difference between projected and actual investment earning on pension plan investments		459,430
Change in proportion and differences between the Agency's contributions and proportionate share of contributions	29,426	6,904
Contributions made subsequent to the measurement date	61,525	
Total	\$ 404,553	\$ 471,880

The reported deferred outflows/inflows of resources resulting from the non-major discretely presented component unit's contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts will be recognized in pension expense as follows:

Years Ended December 31, 2022	\$ (21,181)
2023	(4,354)
2024	(18,413)
2025	(84,904)
	\$ (128,852)

Actuarial Assumptions

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuation used the following actuarial assumptions:

Actuarial Valuation Date	April 1, 2020
Investment rate of return	5.90%
Salary increases	4.40%
Cost of living adjustment	1.40%
Inflation rate	2.70%
	April 1, 2015-March 2020
Decrement tables	System's Experience, Scale MP 2020

Annuitant mortality rates are based on the April 1, 2015 – March 31, 2020 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2020.

The actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

TOWN OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

7. RETIREMENT SYSTEM (continued)

Actuarial Assumptions (continued)

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2021 are summarized below:

Asset Type:	Target Allocation	Long-term Expected Rate of Return
Equity:		
Domestic equity	32.00%	4.05%
International equity	15.00%	6.30%
Alternatives:		
Private equity	10.00%	6.75%
Real estate	9.00%	4.95%
Other	10.00%	3.63% - 5.95%
Fixed income	23.00%	0.00%
Cash	1.00%	0.50%
	100.00%	

The discount rate used to calculate the total pension liability was 5.9% for the System. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 5.9%, as well as what the Town's proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentage point lower (4.9%) or 1-percentage point higher (6.9%) than the current rate:

	1.00% Decrease (4.90%)	Current Assumption (5.90%)	1.00% Increase (6.90%)
Town's proportionate share of the collective net pension liability/(asset)	\$ 66,154,483	\$ 238,342	\$ (60,551,768)

TOWN OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
 December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

7. RETIREMENT SYSTEM (continued)

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

The following presents the non-major discretely presented component unit's proportionate share of the net pension liability calculated using the discount rate of 5.9%, as well as what the Agency's proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentage point lower (4.9%) or 1-percentage point higher (6.9%) than the current rate:

	1.00% Decrease (4.90%)	Current Assumption (5.90%)	1.00% Increase (6.90%)
Town's proportionate share of the collective net pension liability/asset	\$ 443,920	\$ 1,598	\$ (406,324)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of the respective valuation date were as follows:

	(Dollars in Thousands)
Valuation Date	April 1, 2020
Employers' total pension liability	\$ (220,680,157)
Plan fiduciary net position	220,580,583
Employers' net pension liability	\$ (99,574)
Ratio of plan net position to the Employers' total pension liability	99.95%

8. LENGTH OF SERVICE AWARD PROGRAM

Plan Description

The Town established and is the sponsor of multiple defined benefit Service Award Programs (collectively "LOSAP"/ "Program") under Section 457 (e) (11) of the Internal Revenue Code effective January 1, 1991. These Programs were established pursuant to Article 11-AAA of New York State General Municipal Law ("GML"). This Program provides municipally funded deferred compensation to volunteer ambulance workers of East Moriches, Manorville, Mastic Beach, Shirley, Medford, South Country, Port Jefferson, Patchogue and Mastic Ambulance Companies, to facilitate the recruitment and retention of active volunteer firefighters. For all Programs except Patchogue, the plans are considered single employer plans, with the Town considered the employer (as defined by GASB). The Patchogue plan has multiple sponsors and, therefore, the Town is not considered the employer and is party to a special funding situation. The Program is administered by Penflex, Inc., under a contract with the New York State Comptroller, with all provisions and amendments subject to approval of the Town Board.

An eligible program participant is defined to be an active ambulance volunteer who is at least 18 years of age and has completed one year of ambulance service. Participants acquire a non-forfeitable right to a service award after being credited with five years of ambulance service or upon attaining the Program's entitlement age of 65. A participant may also receive credit for five years of ambulance service rendered prior to the establishment of the Program. The Plan's sponsor has the right to amend or terminate the Program.

TOWN OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

8. LENGTH OF SERVICE AWARD PROGRAM (continued)

Benefits

The amount of the monthly retirement income payable to a volunteer ambulance worker eligible for normal retirement benefits is equal to \$20 multiplied by the total years of service, which is not to exceed 40 years annually. Unless a Participant elects to be paid in an optional life time annuity guaranteed for either 5 or 10 years, the form, the benefit shall be paid a monthly payment straight life annuity equal to one-twelfth of the Participants service award. However, upon disability, the participant may apply for benefits regardless of whether or not the entitlement age has been attained or a nonforfeitable right has been acquired. Benefits may be payable to designated beneficiaries if so designated upon the death of a participant. The benefits to the participants are limited to the available assets of the Trust.

Participants

As of December 31, 2020, the Plans' measurement date, the following participants were covered by the benefit terms:

	<u>Single Employer</u>	<u>Special Funding</u>
Inactive participants receiving benefits	92	23
Inactive participants entitled to, but not yet receiving benefits	217	27
Active participants	376	82
Total	685	132

Contributions

New York State General Municipal Law ("GML") Section §219-o (1) requires the Plan sponsor (which is the Town) to contribute an actuarially determined contribution on an annual basis. The actuarially determined contribution are appropriated annually by the Town Board. With respect to the multi-sponsored plan, and pursuant to the adoption agreement, the Town paid \$25,694 for pensions during the year ended December 31, 2021.

Trust Assets

Assets have been accumulated in an irrevocable trust such that the assets are dedicated to providing pensions to plan members in accordance with benefit terms and in accordance with Article 11-AAA for GML. The assets have been placed in a granter /rabbi trust and therefore the trust assets are not legally protected from creditors of the Town. As such, the trust assets do not meet the criteria as defined by GASB and therefore may not be offset against the pension liabilities.

Measurement of Liability

The total pension liability and the collective total pension liability at the December 31, 2020 measurement date was determined using an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability as of December 31, 2020 (the measurement and actuarial date) was determined by using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry Age Normal
Discount rate	1.93%
Inflation rate	2.25%
Salary Scale	None Assumed

Mortality rates were based on the RP-2014 Mortality Table (60/40 male/female blend) projected for mortality improvement to the year 2025 with scale MP-2020.

TOWN OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

8. LENGTH OF SERVICE AWARD PROGRAM (continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

At December 31, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to LOSAP pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 174,920	\$ 703,914
Changes in assumptions	4,483,604	1,318,902
Change in proportion and differences between the Town's contributions and proportionate share of contributions	8,668	
Benefit payments and administrative expenses paid subsequent to the measurement date	288,251	
Total	\$ 4,955,443	\$ 2,022,816

The benefit payments and administrative expenses paid subsequent to the measurement date included in deferred outflows of resources will be recognized as a reduction of the total pension liability in the year ended December 31, 2022.

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

Years Ended December 31, 2022	\$ 213,000
2023	213,000
2024	213,000
2025	175,931
2026	174,975
Thereafter	1,654,470
	\$ 2,644,376

TOWN OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTHCARE BENEFITS

Plan Description

Postemployment benefits other than pensions are provided to eligible retirees, beneficiaries and dependents under a single-employer defined benefit plan. Postemployment benefits other than pensions consist of providing healthcare coverage (or a portion thereof) and life insurance benefits to the eligible retirees and survivors in accordance with the provisions of employment contracts/union agreements with employees in effect at the date of retirement. Upon an employee's retirement, the Town provides an individual agreement executed by the Town, guaranteeing that their health insurance benefits will be paid throughout their retirement to the same extent that such health insurance benefits were paid for at the time of retirement.

As employee agreements/union contracts expire in future years, they will be re-negotiated, and the benefits provided may be modified at that time. No assets are accumulated in a trust that needs meets the criteria in paragraph 4 of GASB Statement No. 75.

To provide these benefits, the Town currently participates in the New York State Health Insurance Plan ("NYSHIP"), which offers health insurance coverage to New York State public employees through the Empire Plan (an indemnity health insurance plan) or approved health Maintenance Organizations ("HMO"). Currently, healthcare insurance coverage is through the Empire Core Plan plus Enhancement. The New York State Department of Civil Service administers NYSHIP.

The Town pays health insurance premiums to NYSHIP on a monthly basis. Health insurance premiums paid by the Town are based on the benefits paid throughout the State during the year or from a choice of HMOs. Under the provisions of the Empire Plan, premiums are adjusted on a prospective basis for any losses experienced by the Empire Plan. The Town has the option to terminate its participation in the Empire Plan at any time without liability for its respective share of any previously incurred loss.

The Town, per its contract/union agreements with employees, will pay the premium costs for medical insurance coverage at retirement based on the following:

	White - Collar Unit		Blue Collar Unit		Management Employees:	
	Member of Bargining Unit :		Member of Bargining Unit :		Employment Date:	
	prior to January 1, 2011	on or after January 1, 2011	prior to September 13, 2012	on or after September 13, 2012	prior to January 1, 2011	on or after January 1, 2011
Active Employees Contribution Rate	10% for 3 years	20% for 12 years		20% for 12 years	10%	20% for 12 years, thereafter 10%
Minimum age requirement	55	55	55	55	55	55
Years of service - vesting	5	10	5	10	5	10
Retiree coverage	100%	100%	100%	100%*	10% until 12/31/2019	10%
Spouse coverage	100%	100%	100%	100%	10% until 12/31/2019	10%
Medicare Part B premium monthly reimbursement for enrollment dates:						
Prior to January 1, 2016	\$ 1,308.00	\$ 1,308.00	\$ 1,308.00	\$ 1,308.00	\$ 1,308.00	\$ 1,308.00
January 1, 2016	\$ 1,510.80	\$ 1,510.80	\$ 1,510.80	\$ 1,510.80	\$ 1,510.80	\$ 1,510.80
January 1, 2017 or thereafter	\$ 1,608.00	\$ 1,608.00	\$ 1,608.00	\$ 1,608.00	\$ 1,608.00	\$ 1,608.00

* For employees retiring on or after 1/1/1992, if at the time of retirement, the employee was contributing a portion of the health insurance benefits, then the employee will continue to contribute the same portion upon retirement

The Town will also pay the full premium for \$10,000 life insurance coverage for retirees who retire on or after January 1, 1977. Healthcare benefits for non-union employees are similar to those of union employees and the contracts will be renegotiated at various times in the future. Upon death of a retiree who retired after January 1, 2001, the Town will only continue health insurance for the non-remarried spouse and dependents of the employee provided that the employee was eligible to receive a pension from the New York State Retirement System and the surviving spouse contributes 25% of the cost. The Town, as administrator of the plan, does not issue a separate report.

TOWN OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
 December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTHCARE BENEFITS (continued)

Plan Description (continued)

Effective January 1, 2021, the Town's non-major discretely presented component unit reported in the business-type activities, elected to provide OPEB for healthcare to its employees. The Plan's benefits are consistent with the benefits provided by the Town's Plan.

Employees Covered by Benefit Terms

As of January 1, 2020, the effective date of the most recent OPEB valuation, is based on the census data as of January 1, 2021. The number of employees covered by the benefit terms as of January 1, 2021, is as follows:

Active employees		772
Inactive employees receiving benefits		865
Total		1,637

There have been no significant changes in the number of employees or the type of coverage since that date.

The number of participants for the non-major discretely presented component unit as of January 1, 2021, the effective date of the OPEB valuation as of December 31, 2021 is as follows:

Non-Major Discretely Presented Component Unit:

Active employees		5
Total		5

Total OPEB Liability

The Town's total OPEB liability of \$598,018,044 was measured as of December 31, 2021 and was determined by an actuarial valuation as of January 1, 2021, with updating procedures used to roll forward the OPEB liability to the measurement date. The total OPEB liability represents the sum of expected future benefit payments which may be attributed to past service or 'earned', discounted to the end of the year using the current discount rate. The OPEB liability is part of the noncurrent liabilities due in more than one year in the statement of net position.

The non-major discretely presented component unit's total OPEB liability of \$860,020 was measured as of December 31, 2021 and was determined by an actuarial valuation as of January 1, 2021, with updating procedures used to roll forward the total OPEB liability to the measurement date.

Funding Policy

The Town currently pays for other postemployment benefits on a pay-as-you-go basis.

The funding policy for the non-major discretely presented component unit is the same as of the Town.

Actuarial Assumptions and Other Inputs

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of future events far into the future. Amounts determined regarding the funded status of a plan and the employer's annual required contributions are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

TOWN OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTHCARE BENEFITS (continued)

Plan Description (continued)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term liability in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

The total OPEB liability based on the January 1, 2021 valuation and measured as of December 31, 2021, was determined using the following actuarial assumptions and other inputs:

Payroll growth rate	2.50%
Discount rate	2.06%
Healthcare cost trend rates	7.00% for 2021, decreasing 0.5 percent per year to an ultimate 5.00% in 2025
Cost method	Entry Age Normal Cost
Participation rate	100% of active employees covered under the active plan will enroll in the retiree plan
Mortality	Unisex pre-retirement mortality rates and postretirement mortality rates for healthy participants using Mortality Projection Scale MP-2021

The discount rate used based on the Bond Buyer's 20 Bond Index as of the measurement date. The discount rate used to measure the total OPEB liability at December 31, 2021 was 2.06% as compared to 2.12% at December 31, 2020.

The non-major discretely presented component unit's total OPEB liability is measured as of December 31, 2021 is based on the January 1, 2021 valuation and rolled forward procedures to the measurement date, was determined using the following actuarial assumptions and other inputs:

Non-Major Discretely Presented Component Unit:

Payroll growth rate	3.50%
Discount rate	2.25%
Healthcare cost trend rates	6.50% for 2021, decreasing 4.5% in year 2036
Cost method	Entry Age Normal Cost - Alternative Measurement Method
Participation rate	100%
Mortality	PubG.H-2010 Mortality Table with Scale MP-2020 for Mortality Improvement

The non-major discretely presented component unit's Plan discount rate was based on the S&P Municipal Bond 20 Year High-Grade Rate Index as of the measurement date. The discount rate used to measure the total OPEB liability at December 31, 2021 was 2.25% and 1.93% was used to measure the initial liability as of January 1, 2021.

TOWN OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTHCARE BENEFITS (continued)

Changes in the Total OPEB Liability

The following table shows the components of the Town's other postemployment benefits liability:

Other postemployment liability at the beginning of year	\$	535,569,809
Changes for the year:		
Service cost		23,083,493
Interest		12,442,119
Differences between expected and actual experience		41,816,663
Changes in assumptions and other inputs		(105,392)
Benefit payments		<u>(14,788,648)</u>
Net changes		<u>62,448,235</u>
Other postemployment liability at the end of year	\$	<u>598,018,044</u>

The following table shows the components of the non-major discretely presented component unit's other postemployment benefits liability:

Non-Major Discretely Presented Component Unit:

Other postemployment liability at the beginning of year *	\$	797,267
Changes for the year:		
Service cost		114,712
Interest		15,387
Changes in assumptions and other inputs		<u>(67,346)</u>
Net changes		<u>62,753</u>
Other postemployment liability at the end of year	\$	<u>860,020</u>

* The OPEB Plan commenced January 1, 2021.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Town at December 31, 2021, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.06%) or 1-percentage-point higher (3.06%) than the current discount rate:

	Discount Rate		
	1% Decrease (1.06%)	Current assumption (2.06%)	1% Increase (3.06%)
Total OPEB Liability	\$ 714,584,594	\$ 598,018,044	\$ 506,767,575

The following presents the total OPEB liability of the non-major discretely presented component unit at December 31, 2021, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25%) or 1-percentage-point higher (3.25%) than the current discount rate:

	Non-Major Discretely Presented Component Unit:		
	Discount Rate		
	1% Decrease (1.25%)	Current assumption (2.25%)	1% Increase (3.25%)
Total OPEB Liability	\$ 1,091,889	\$ 860,020	\$ 683,646

TOWN OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTHCARE BENEFITS (continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Town at December 31, 2021, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current healthcare cost trend rates:

	Healthcare Cost Trend Rate		
	1% Decrease (6.00% to 4.00%)	Current assumption (7.00% to 5.00%)	1% Increase (8.00% to 6.00%)
	Total OPEB Liability	\$ 498,184,896	\$ 598,018,044

The following presents the total OPEB liability of the of the non-major discretely presented component unit at December 31, 2021, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current healthcare cost trend rates:

	Non-Major Discretely Presented Component Unit:		
	Healthcare Cost Trend Rate		
	1% Decrease (5.50%)	Current assumption (6.50%)	1% Increase (7.50%)
Total OPEB Liability	\$ 648,736	\$ 860,020	\$ 1,153,233

OPEB Expense and Deferred Outflow of Resources and Deferred Inflow of Resources Related to OPEB

For the year ended December 31, 2021, the Town recognized OPEB expense of \$52,810,026. At December 31, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 67,423,022	\$ 13,466,684
Differences between expected and actual experience	33,568,800	17,670,122
Total	\$ 100,991,822	\$ 31,136,806

For the year ended December 31, 2021, the non-major discretely presented component unit recognized OPEB expense of \$124,220. At December 31, 2021, the non-major discretely presented component unit reported deferred inflows of resources related to OPEB as follows:

<u>Non-Major Discretely Presented Component Unit:</u>	Deferred Inflows of Resources
Changes in assumptions	\$ 61,467

TOWN OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTHCARE BENEFITS (continued)

OPEB Expense and Deferred Outflow of Resources and Deferred Inflow of Resources Related to OPEB (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For Years Ending December 31, 2022	\$	17,284,414
2023		21,395,246
2024		20,300,131
2025		10,299,329
2026		575,896
		69,855,016
	\$	69,855,016

Amounts reported by the non-major discretely presented component unit as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Non-Major Discretely Presented Component Unit:

For Years Ending December 31, 2022	\$	5,879
2023		5,879
2024		5,879
2025		5,879
2026		5,879
2027-2031		29,395
2032		2,677
		61,467
	\$	61,467

10. COMPENSATED ABSENCES

Town employees are granted vacation and sick leave and earn compensatory absences in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation, sick leave, and unused compensatory absences at various rates subject to certain maximum limitations. Separated employees with accruals less than or equal to \$30,000 at the time of separation are paid in one lump sum. Separated employees with an accrual greater than \$30,000 receive payment in three annual installments as follows: forty percent at the time of separation and thirty percent in each of the two following years.

Estimated vacation, sick leave and compensatory absences accumulated by governmental fund type employees have been recorded in the statement of net position. Payment of vacation time and sick leave is dependent upon many factors; therefore, timing of future payments is not readily determinable.

However, management believes that sufficient resources will be made available for the payments of vacation, sick leave and compensatory absences when such payments become due. As of December 31, 2021, the value of the accumulated vacation time, sick leave and compensatory absences was \$18,110,862 for governmental activities of which \$16,627,893 is owed to active employees and \$1,482,969 is owed to separated employees.

TOWN OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

10. COMPENSATED ABSENCES (continued)

As of December 31, 2021, the contractual future payments due to separated employees for compensated absences accruals are as follows:

Years ending December 31, 2022	\$	908,311
2023		460,331
2024		90,445
2025		11,941
2026		11,941
		11,941
	\$	1,482,969

In accordance with the terms of the labor contract, during 2011-2014, the equivalent of ten days of pay was withheld from each employee (as defined in each labor contract) except for certain management employees with which the equivalent of 15 days of pay was withheld, each year. This liability is payable upon the employee's separation from employment at the rate of pay at time of such separation and totaled \$1,333,672 at December 31, 2021.

11. TAX ABATEMENT PROGRAMS

The Town is subject to tax abatements (real property taxes) granted by its discretely presented component unit, the Town of Brookhaven Industrial Development Agency ("IDA"). The IDA offers this abatement program to promote, retain, attract and encourage and develop economically sound commerce and industry base to prevent unemployment and economic deterioration primarily within the Town of Brookhaven.

Pursuant to Title 1, Article 18A of NYS General Municipal Law and Chapter 358 of the Laws of 1970 of New York State (as amended), the IDA was created and empowered to undertake the providing, financing and leasing of certain qualified projects. Generally, a qualified project is an applicant submitted project which meet certain economic development criteria (such as job creation/retention) and which either 1) has been or will be financed by the issuance of IDA issued bonds, notes or other evidence of indebtedness with respect thereto or 2) is a straight lease transaction with the IDA has determined to undertake pursuant to a Lease Policy. Under the terms of these agreements, title of the property is usually transferred to the IDA. The real property tax abatement program provides property tax abatements (excluding special assessments and special ad valorem tax) up to 100% of real property taxes up to ten years on qualified new capital improvements for which the IDA retains title to the real property. During the term of the agreements, the benefiting entity must operate and maintain the property consistent with the terms of the agreement, failure to do so may result in financial penalties being imposed such as the recapture of the benefits received, depending upon the severity of the noncompliance. The IDA, as a general condition of providing assistance, may require that benefiting company enter into a 'payment in lieu of taxes' ("PILOT") agreement either separately or as part of the project documents to offset the taxes abated.

The Town is subject to tax abatements (real property taxes) granted by its discretely presented component unit, the Town of Brookhaven Industrial Development Agency ("IDA"). The IDA offers this abatement program to promote, retain, attract and encourage and develop economically sound commerce and industry base to prevent unemployment and economic deterioration primarily within the Town of Brookhaven.

Pursuant to Title 1, Article 18A of NYS General Municipal Law and Chapter 358 of the Laws of 1970 of New York State (as amended), the IDA was created and empowered to undertake the providing, financing and leasing of certain qualified projects. Generally, a qualified project is an applicant submitted project which meet certain economic development criteria (such as job creation/retention) and which either 1) has been or will be financed by the issuance of IDA issued bonds, notes or other evidence of indebtedness with respect thereto or 2) is a straight lease transaction with the IDA has determined to undertake pursuant to a Lease Policy. Under the terms of these agreements, title of the property is usually transferred to the IDA.

TOWN OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

11. TAX ABATEMENT PROGRAMS (continued)

The real property tax abatement program provides property tax abatements (excluding special assessments and special ad valorem tax) up to 100% of real property taxes up to ten years on qualified new capital improvements for which the IDA retains title to the real property. During the term of the agreements, the benefiting entity must operate and maintain the property consistent with the terms of the agreement, failure to do so may result in financial penalties being imposed such as the recapture of the benefits received, depending upon the severity of the noncompliance. The IDA, as a general condition of providing assistance, may require that benefiting company enter into a 'payment in lieu of taxes' ("PILOT") agreement either separately or as part of the project documents to offset the taxes abated.

During 2021, the agreements the IDA ratified resulted in an abatement of \$3,254,898 of the Town's real property taxes and the PILOTs received totaled \$1,511,101. The amount of the abated taxes reported is based on the assessed value of property per the official assessment tax rolls and tax rates in effect on December 1, 2020, the tax lien date.

The Town is also subject to tax abatements granted by the Suffolk County Industrial Development Agency ("SCIDA"), an entity created by Suffolk County, New York. Similar to the IDA, the SCIDA offers several abatement programs on certain qualified projects to promote, retain, attract and encourage sound commerce and industry base to prevent unemployment and economic development. At December 31, 2021, only the real property tax abatement program offered by SCIDA impacts the Town's revenues. Generally, a qualified project is an applicant submitted project which meet certain economic development criteria (such as job creation/retention) and which either 1) has been or will be financed by the issuance of SCIDA issued bonds, notes or other evidence of indebtedness with respect thereto or 2) is a straight lease transaction with the SCIDA has determined to undertake pursuant to a Lease Policy.

The SCIDA, as a condition of providing assistance, may require that the benefiting company remit a PILOT payment to offset the amount of taxes abated. During the year ended December 31, 2021, the agreements the SCIDA ratified resulted in an abatement of \$171,520 of the Town's real property taxes the Town will receive \$64,950 in PILOT payments.

Both the IDA and the SCIDA offer other programs such as the abatement of sales and mortgage taxes. These programs provide abatements of other municipalities' taxes and have no impact on Town assessed taxes.

D. COMMITMENTS AND CONTINGENCIES

1. RISK MANAGEMENT

In common with other municipalities, the Town receives numerous notices of claims. The Town self-insures for general and auto liability up to a maximum of \$1,000,000 per claim. Claims in excess of \$1,000,000 are covered under a commercial casualty policy for \$10,000,000 in aggregate for general liability, automobile liability each occurrence and public officials/employment practices liability aggregate. The Town also has an excess liability policy of \$25,000,000 over and above the first \$10,000,000 of excess coverage.

The Town of Brookhaven also self-insures for workers compensation. With the changes that have taken place in the excess market for workers compensation resulting in significant premium increases, rising self-insured retention limits and a reduction in the availability of excess insurance the Town has elected to purchase an excess insurance program that is based on projected payroll for the policy period. The premium cost for a traditional workers compensation excess insurance policy is the more financially viable option. The traditional policy purchased carries a total payment cap of \$25,000,000 and a \$2,000,000 self-insured retention limit. The premium for this policy is lower than a cash flow policy because the self-insured retention limit has been raised to \$2,000,000.

There have been no significant reductions in insurance coverage as compared to the prior year, and there were no settlements in excess of insurance coverage over the last three years.

TOWN OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

D. COMMITMENTS AND CONTINGENCIES (continued)

1. RISK MANAGEMENT (continued)

Although the eventual outcome of these claims cannot presently be determined, the Town has estimated unsettled claims and litigation as of December 31, 2021 to be \$28,967,588. As of December 31, 2021 the Town is of the opinion that the ultimate settlement of the outstanding claims will not result in a material adverse effect on the Town's financial position.

The Town estimates its liability for general liability and automobile claims by consulting with legal counsel and past experience with similar claims. The liability for workers' compensation is estimated based on an actuarial study of Town's claims as of December 31, 2021, discounted using a factor of 2% and which includes an amount of incurred by not reported claims. As of December 31, 2021, the Town has not purchased any annuity contracts with regards to its workers compensation or general liability claims.

The schedule below presents the changes in claims liabilities for the past two years for workers' compensation and general and auto liability.

	Workers' Compensation		General and Auto Liability	
	2021	2020	2021	2020
Unpaid claims and claim adjustment expenditures at the beginning of the year	\$ 14,348,388	\$ 12,289,155	\$ 5,982,251	\$ 6,214,444
Provision for insured events of the current year and changes in provision for insured events of prior years	11,839,364	5,565,563	1,808,993	170,915
Less claims and claim adjustment expenditures attributable to insured events of the current and prior years	<u>3,607,799</u>	<u>3,506,330</u>	<u>1,403,609</u>	<u>403,108</u>
Total unpaid claims and claim adjustment expenditures at year end	<u>\$ 22,579,953</u>	<u>\$ 14,348,388</u>	<u>\$ 6,387,635</u>	<u>\$ 5,982,251</u>
Current portion	\$ 2,271,500	\$ 3,015,000	\$ 4,775,000	\$ 4,050,000
Long-term portion	\$ 20,308,453	\$ 11,333,388	\$ 1,612,635	\$ 1,932,251

2. LITIGATION

Litigation and Other Proceedings

The Town is subject to a number of other lawsuits in the ordinary conduct of its affairs. The Town does not believe however, that such other 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, and within available insurance coverages. The Town is a self-insured entity with a retention of the first one million dollars for any one loss and maintains an excess policy of ten million dollars and a further excess policy of twenty-five million dollars over and above the first ten million dollars 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.

A consolidated legal action has been brought against the Town alleging personal injuries related to potential toxic substances and/or odors at the Town of Brookhaven Landfill. The Town moved for dismissal, which is presently pending on appeal in the New York State Appellate Division. 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.

TOWN OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

2. LITIGATION (continued)

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, certiorari claims have been settled through negotiations, resulting in amounts, at times, substantially less than originally claimed. Real Property Tax Law section 727 prohibits further changes in assessment for three years absent special circumstances and also prohibits plaintiffs from filing any challenge to assessment of the subject parcel for that three-year period. In this manner, any settlements provide for future adjustments with no direct outlay of money. (See "Tax Collection Procedure" and "Litigation" herein).

The Long Island Power Authority ("LIPA") initiated a tax certiorari proceeding to challenge their property tax assessment. In the last quarter of 2018, the Town and LIPA executed a Settlement Agreement of the pending real property tax reduction proceedings, after a court ruling in December of 2018. Reduction in assessment will be phased in annually until the tax year 2026/27. There will be no refunds for the years 2010/11 (when the first proceeding was filed) to the date of settlement. In December 2021, the Town renegotiated the 2018 settlement pursuant to a clause in the 2018 settlement documents which provided that the Town could reopen the Stipulation and Order upon certain conditions. In December 2021 an Amendment to the Stipulation and Order was filed with the Court in which the original schedule of reductions was not altered but the Town agreed not to increase the assessed value in the year following the nine years of scheduled reductions of tax bills for the Port Jefferson power plant parcels, that is the 2027/28 tax year. LIPA agreed to pay the Town \$1,000,000 on or before July 1, 2024, \$750,000 on or before July 1, 2025 and \$750,000 on or before July 1, 2026. The settlement will not have a material effect on the Town's financial condition or taxable assessment.

Cybersecurity

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

The Town has adopted a number of strategic initiatives to implement various forms of cybersecurity systems, monitoring and operational 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 test and review of its network and data systems.

While the Town has invested in various forms of cybersecurity 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 Town's network and systems and could result in unexpected costs to the Town.

3. LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State and federal laws and regulations require the Town to place a final cover on its landfill sites when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that each landfill stops accepting waste the Town is required to report a portion of these closure and postclosure care costs as an operating expense in each period based on the landfill capacity used as of each balance sheet date. The estimated liability for landfill closure and postclosure care costs has a balance of \$34,977,070 as of December 31, 2021, which is based on 100% of capacity of the landfill for Cells one through five and approximately 84% for Cell six. Cells one through five were closed and capped in previous years.

TOWN OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

D. COMMITMENTS AND CONTINGENCIES (continued)

3. LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS (continued)

It is estimated that an additional \$5,647,000 will be recognized as closure and postclosure care expenses between the date of the balance sheet and the date the landfill is expected to be filled to capacity. The estimated remaining life of the landfill is approximately four years. The estimated total current costs of the closure and postclosure care costs is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor and maintain the landfill were acquired as of December 31, 2021.

Actual costs may change due to inflation, general economic conditions, changes in technology, or changes in landfill laws and regulations. The majority of the closure and post-closure care costs will be funded through the issuance of bonds and surplus earnings in the General Fund.

The Town complies with State and Federal laws requirements for owners to demonstrate financial assurance for closure and postclosure, and/or correction action (if applicable). The Town has established a fund balance reserve restricted for the purpose of funding a portion of the landfill's postclosure care costs. At December 31, 2021, the balance in this reserve is \$18,997,161. Additionally, the Town established a reserve for bond payment under GML Section 6-h, specifically to fund future debt service costs associated with landfill related debt. At December 31, 2021, the balance of this reserve is \$10,000,843.

Annually, the Town is required to present a Financial Assurance Requirements for future closure and postclosure expenditures related to the Town's landfill operations by reporting the estimated liability for closure and post-closure care liability and demonstrate that it has meet financial covenants and accounting standards regarding the operation of its landfill in accordance with the provision of 40 CFR 258.74 The landfill closure and postclosure care costs liability has been calculated using certain assumptions and methodologies which have been deemed acceptable by the New York State Department of Environmental Control.

4. CONSTRUCTION AND OTHER CAPITAL ACQUISITION COMMITMENTS

Construction in progress, commitments for equipment purchases and other capital acquisition commitments amounting to \$15,188,273 have been recorded as encumbrances in the capital projects fund and are included in the restricted component of fund balance.

5. POLLUTION REMEDIATION OBLIGATIONS

The Town's policy is to estimate the components of expected pollution remediation outlays and determine whether outlays for those components should be accrued as a liability or, if appropriate, capitalized when goods and services are acquired.

Obligating events include the following:

- The Town is compelled to take remediation action because of imminent endangerment
- The Town violates a pollution related permit or license
- The Town is named or will be named as a responsible party or potentially responsible party for a remediation
- The Town is named, or will be named in a lawsuit to compel pollution remediation
- The Town commences or obligates itself to remediate pollution

Pollution remediation activity includes costs relating to removing contaminates in ground water resulting from landfill leachate runoff into the ground water. The estimated liability includes costs for draining the contaminated pond water, lining the pond and refilling it. At December 31, 2021, the Town has recorded pollution remediation obligation of \$841,774 which is estimated to be due within one year. The liability was based on current environmental regulations and engineering reports developed from outside consultants.

TOWN OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

D. COMMITMENTS AND CONTINGENCIES (continued)

5. POLLUTION REMEDIATION OBLIGATIONS (continued)

During the course of any of the Town's pollution remediation projects, additional information found through soil/water sampling could adversely affect duration and costs if additional contaminants are found. Actual costs may vary due to inflation or deflation, changes in technology, or changes in regulations or applicable laws.

6. TRASH FOR ASH

On September 16, 2014, the Town of Brookhaven amended and restated its Municipal Solid Waste and Ash Disposal Agreement with the Covanta Hempstead Company.

Under the terms of the amended and restated agreement, the Town will dispose of approximately 170,000 tons of municipal solid waste (MSW) which will be incinerated at the Covanta Hempstead Waste-to-Energy Facility. As part of this agreement the Town of Brookhaven will also receive approximately 230,000 tons of ash at the Brookhaven Landfill. Under this Agreement, the fees for both the disposal of ash and MSW are on a per ton basis.

7. LEASE COMMITMENTS AND LEASED ASSETS

The Town leases real property and equipment under various operating leases and on an as basis needed. Total rental expenditures for all funds, with the exception of those of the Highway Funds, were approximately \$248,000 for the year ended December 31, 2021. Total rental expenditures for the Highway Funds were approximately \$2,885,000 for the year ended December 31, 2021. Minimum future rental commitments under non-cancelable leases are not material as most leases operate on a month-to-month basis or for a period of one year or less and the Highway Fund rents equipment for snow removal on an as needed basis.

8. CONTINGENCIES AND UNCERTAINTIES

Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal and state government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

9. SERVICE CONCESSION ARRANGEMENTS

During 2015, the Town entered into a fifteen-year agreement with a third party to operate and collect user fees from the Davis Park Marina. The third party will pay the Town an annual licensing fee of \$115,000 and fifty percent of the gross revenues in excess of \$500,000. During the term of the agreement, the Town reports the Davis Park Marina as a capital asset. At December 31, 2021, the Town reported a receivable and deferred inflow of resources in the government-wide statements in the amount of \$920,000.

E. SUBSEQUENT EVENTS

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through June 24, 2022.

TOWN OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

F. NEW PRONOUNCEMENTS

The following statements have been issued by the GASB and are to have the most impact in future years:

Statement No. 87, *“Leases”*, the objective of which is to improve accounting and financial reporting for leases by governments. This Statement requires a lessee to recognize a lease liability and an intangible right-to-use lease asset, and a lessor to recognize a lease receivable and a deferred inflow of resources. The requirements of this Statement are effective for financial statements for the year ending December 31, 2022.

Statement No. 91, *“Conduit Debt Obligations”*, the objective of which is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issues, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for financial statements for the year ending December 31, 2022.

Statement No. 92, *“Omnibus 2020”*, as amended by Statement No. 95, *“Postponement of the Effective Dates of Certain Authoritative Guidance”*, was issued to enhance comparability in accounting and financial reporting and consistency of authoritative language on various topics. The requirements of this Statement are effective for reporting periods as follows: paragraphs 4,5,6,7,8,9,10, and 12 are effective for the year ending December 31, 2022.

Statement No. 93, *“Replacement of Interbank Offered Rates”*, as amended by Statement No. 95, *“Postponement of the Effective Dates of Certain Authoritative Guidance”*, amends certain provisions of GASB Statement No. 53, *“Accounting and Financial Reporting for Derivative Instruments”* as amended) and No. 87, *“Leases”*. It has been issued to address the various accounting and reporting implications that will result from the replacement of LIBOR, as LIBOR will cease to exist in 2021. The requirements of this Statement are effective for the year ending December 31, 2022.

Statement No. 94, *“Public-Private and Public-Public Partnerships and Availability Payment Arrangements”*, this Statement has been issued to improve financial reporting related to public-private and public-public partnership arrangements, in which one a government (“transferor”) contracts with an operator (“governmental or nongovernmental entity”) to provide public services by conveying the right to operate or use a nonfinancial assets. The requirements of this Statement are effective for the year ending December 31, 2023.

Statement No. 96, *“Subscription-Based Information Technology Arrangements”*, this Statement has been issued to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (“SBITAs”) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *“Leases”*, as amended. The requirements of this Statement are effective for the year ending December 31, 2023.

Statement No. 97, *“Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans”*—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32, the primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (“OPEB”) plans, and employee benefit plans other than pension plans or OPEB plans (“other employee benefit plans”) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (“IRC”) Section 457 deferred compensation plans (“Section 457 plans”) that meet the definition of a pension plan and for benefits provided through those plans.

TOWN OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

F. NEW PRONOUNCEMENTS (continued)

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans, and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement No. 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67 or paragraph 3 of Statement No. 74, respectively, are effective immediately. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for financial statements for the year ending December 31, 2022.

Statement No. 99, "*Omnibus 2022*", Effective Date: The requirements of this Statement are effective as follows: The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITAs are effective for the year ending December 31, 2023. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective the year ending December 31, 2024.

GASB No. 100, "*Accounting for Changes and Error Corrections – an amendment of GASB No. 62*", has been issued to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, relevant, consistent and comparable information. The requirements of this Statement are effective for years beginning after June 15, 2023.

GASB No. 101, "*Compensated Absences*", this Statement updates the recognition and measurement guidance for compensated absences. It aligns the recognition and measurement guidance under a unified model and by amends previously required disclosures. The requirements of this Statement are effective for years beginning after December 15, 2023.

The Town will evaluate the impact these pronouncements may have on its financial statements and will implement them as applicable and when material.

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

**Notes to Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual Major
Governmental Funds Schedules**

The budgets are adopted on a basis of accounting consistent with GAAP. In the event that actual revenues received exceed budgeted amounts, additional budgetary appropriations are made. The Capital Projects and Special Grant Funds are budgeted on a project or grant basis. Additionally, the following funds do not have annually adopted budgets: one Debt Service Fund, Housing Trust Fund, Reserve Escrow Funds, the Sidewalk Districts and certain individual districts within the Ambulance, Fire Protection, and Water Districts.

TOWN OF BROOKHAVEN
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 27,122,733	\$ 27,122,733	\$ 27,122,733	\$ -
Collection of former Village Real Property taxes			14,694	14,694
Total Real Property Taxes	<u>27,122,733</u>	<u>27,122,733</u>	<u>27,137,427</u>	<u>14,694</u>
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes	450,000	450,000	502,805	52,805
Interest and penalties on real property taxes	650,000	650,000	707,760	57,760
Total Other Real Property Tax Items	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,210,565</u>	<u>110,565</u>
NON-PROPERTY TAX ITEMS				
Franchise taxes	8,800,000	8,800,000	8,817,550	17,550
Total Non-Property Tax Items	<u>8,800,000</u>	<u>8,800,000</u>	<u>8,817,550</u>	<u>17,550</u>
DEPARTMENTAL INCOME				
Assessor fees	350,000	350,000	458,093	108,093
Town clerk fees	30,000	220,030	117,064	(102,966)
Attorney fees	180,500	180,500	99,560	(80,940)
Public pound charges	60,000	60,000	51,855	(8,145)
Other public safety	135,000	135,000	142,730	7,730
Charges - Programs for the Aging	4,000	4,000	2,580	(1,420)
Park and recreational charges	2,916,900	2,926,037	3,048,631	122,594
Recreation concessions	150,000	150,000	194,974	44,974
Special recreational facility charges	2,089,520	2,085,030	2,138,157	53,127
Other culture and recreation	167,700	167,700	33,637	(134,063)
Landfill and recycling charges	53,635,000	53,635,000	60,880,421	7,245,421
Zoning fees	50,000	50,000	259,789	209,789
Environmental conservation	75,000	75,000	91,597	16,597
Other home and community	2,020,000	2,020,000	1,687,745	(332,255)
Other transportation	30,000	30,000	51,562	21,562
Total Departmental Income	<u>61,893,620</u>	<u>62,088,297</u>	<u>69,258,395</u>	<u>7,170,098</u>
INTERGOVERNMENTAL CHARGES				
Public safety fees			104,866	104,866
Landfill and recycling charges	5,135,000	5,135,000	5,329,720	194,720
Total Intergovernmental Charges	<u>5,135,000</u>	<u>5,135,000</u>	<u>5,434,586</u>	<u>299,586</u>
USE OF MONEY AND PROPERTY				
Interest and earnings on investments	425,000	425,000	250,663	(174,337)
Rental of real property	3,630,000	3,630,000	4,470,923	840,923
Rental - other	18,100	18,100	19,157	1,057
Renewable energy	133,000	133,000	108,924	(24,076)
Total Use of Money and Property	<u>4,206,100</u>	<u>4,206,100</u>	<u>4,849,667</u>	<u>643,567</u>
LICENSES AND PERMITS				
Business and occupational licenses	61,000	61,000	66,221	5,221
Games of chance	200	200	6,947	6,747
Dog licenses	30,000	30,000	31,353	1,353
Waste management permits	70,000	70,000	83,324	13,324
Total Licenses and Permits	<u>\$ 161,200</u>	<u>\$ 161,200</u>	<u>\$ 187,845</u>	<u>\$ 26,645</u>

(continued)

TOWN OF BROOKHAVEN
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
FINE AND FORFEITURES				
Abandoned car storage and redemption	\$ 70,000	\$ 70,000	\$ 59,195	\$ (10,805)
Abandoned car auctions	60,000	60,000	47,460	(12,540)
Total Fines and Forfeitures	<u>130,000</u>	<u>130,000</u>	<u>106,655</u>	<u>(23,345)</u>
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Sales, recycling	35,000	35,000	73,118	38,118
Sales, other	111,000	111,000	73,049	(37,951)
Sales of real property	500,000	500,000		(500,000)
Sales of equipment	75,000	75,000	63,155	(11,845)
Insurance recoveries			2,673	2,673
Other compensation for loss	1,250,000	1,250,000	1,410,687	160,687
Total Sale of Property and Compensation for Loss	<u>1,971,000</u>	<u>1,971,000</u>	<u>1,622,682</u>	<u>(348,318)</u>
MISCELLANEOUS LOCAL SOURCES				
Refunds of prior year expenditures	15,000	15,000	379,139	364,139
Grants from local governments		6,500	64,874	58,374
Gifts and donations	68,536	68,536	93,574	25,038
Other miscellaneous revenue	57,500	57,500	125,281	67,781
Total Miscellaneous Local Sources	<u>141,036</u>	<u>147,536</u>	<u>662,868</u>	<u>515,332</u>
INTERFUND REVENUES				
Interfund revenue	3,537,545	3,537,544	3,512,222	(25,322)
Total Interfund Revenue	<u>3,537,545</u>	<u>3,537,544</u>	<u>3,512,222</u>	<u>(25,322)</u>
STATE AID				
Mortgage tax	14,000,000	14,000,000	26,706,646	12,706,646
Other general government	825,000	825,000	990,137	165,137
Youth programs	245,759	250,249	247,193	(3,056)
Emergency disaster assistance grant			156,033	156,033
Home and community grants	370,008	428,219	305,134	(123,085)
Total State Aid	<u>15,440,767</u>	<u>15,503,468</u>	<u>28,405,143</u>	<u>12,901,675</u>
FEDERAL AID				
Nutrition program for the aging	706,921	684,555	578,566	(105,989)
Coronavirus state and local fiscal recovery program		8,215,450	8,000,458	(214,992)
Other federal aid	35,000	35,000	35,000	-
Emergency disaster assistance grant			987,150	987,150
Other home and community service	2,000	2,000	2,245	245
Total Federal Aid	<u>743,921</u>	<u>8,937,005</u>	<u>9,603,419</u>	<u>666,414</u>
Total Revenues	<u>\$ 130,382,922</u>	<u>\$ 138,839,883</u>	<u>\$ 160,809,024</u>	<u>\$ 21,969,141</u>

(continued)

TOWN OF BROOKHAVEN
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
EXPENDITURES				
CURRENT:				
GENERAL GOVERNMENT SUPPORT				
Town council office	\$ 1,978,076	\$ 1,894,170	\$ 1,711,442	\$ 182,728
Supervisor's office	1,293,188	1,512,079	1,465,746	46,333
451 call center	668,335	508,674	471,654	37,020
Comptroller	3,527,118	3,616,260	3,160,159	456,101
Tax receiver	1,934,301	1,913,901	1,753,075	160,826
Purchasing	791,989	780,899	739,387	41,512
Assessor	3,782,296	3,640,253	3,605,153	35,100
Board of assessment review	33,656	33,741	31,760	1,981
Town clerk	1,109,782	1,354,266	1,132,752	221,514
Town attorney	3,577,017	3,946,319	3,833,169	113,150
Personnel	940,728	922,238	907,129	15,109
Board of ethics	38,384	38,384	32,441	5,943
Public information	785,530	802,555	776,093	26,462
Buildings and grounds	823,390	974,799	899,459	75,340
Vehicle control	2,066,926	2,132,623	2,005,606	127,017
Central reproduction and mailing	841,386	827,987	762,862	65,125
Information technology	4,952,363	5,018,435	4,873,051	145,384
General services administration	851,019	775,259	742,989	32,270
Unallocated insurance and judgments and claims	2,707,800	2,715,000	2,296,502	418,498
Declared disaster and emergency costs		141,681	59,785	81,896
Other general government support	6,255,082	6,887,334	6,194,088	693,246
Total General Government Support	<u>38,958,366</u>	<u>40,436,857</u>	<u>37,454,302</u>	<u>2,982,555</u>
PUBLIC SAFETY				
Public safety administration	616,839	714,083	680,817	33,266
Code enforcement	231,437	282,073	271,979	10,094
Animal shelter	2,828,228	2,744,171	2,373,183	370,988
Harbors and waterways	799,911	846,282	835,671	10,611
Total Public Safety	<u>4,476,415</u>	<u>4,586,609</u>	<u>4,161,650</u>	<u>424,959</u>
TRANSPORTATION				
Highway administration	2,363,392	2,345,083	2,331,886	13,197
Total Transportation	<u>2,363,392</u>	<u>2,345,083</u>	<u>2,331,886</u>	<u>13,197</u>
ECONOMIC ASSISTANCE AND OPPORTUNITY				
Veterans services	50,200	50,200	47,100	3,100
Programs for the aging	1,612,952	1,701,356	1,287,281	414,075
Total Economic Assistance And Opportunity	<u>\$ 1,663,152</u>	<u>\$ 1,751,556</u>	<u>\$ 1,334,381</u>	<u>\$ 417,175</u>

(continued)

TOWN OF BROOKHAVEN
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
CULTURE AND RECREATION				
Parks and recreation administration	\$ 1,193,756	\$ 1,161,069	\$ 1,142,865	\$ 18,204
Parks division	13,536,590	13,262,660	13,096,103	166,557
Recreation centers	265,887	562,931	509,348	53,583
Beaches and pools facilities	2,203,728	2,461,187	2,396,731	64,456
Marina and dock facilities	1,103,482	1,126,660	1,094,221	32,439
Youth programs	1,003,544	753,187	703,543	49,644
Youth bureau	479,364	470,089	454,515	15,574
Historian	53,894	54,239	54,038	201
Adult recreation programs	157,694	166,067	154,121	11,946
Ecology center	952,230	959,339	940,632	18,707
Programs for the disabled	142,105	142,005	67,896	74,109
Total Culture and Recreation	<u>21,092,274</u>	<u>21,119,433</u>	<u>20,614,013</u>	<u>505,420</u>
HOME AND COMMUNITY SERVICES				
Environmental protection	501,765	584,309	506,345	77,964
Refuse and garbage	15,002,614	15,637,498	12,889,559	2,747,939
Women services	107,472	106,082	105,530	552
Total Home and Community Services	<u>15,611,851</u>	<u>16,327,889</u>	<u>13,501,434</u>	<u>2,826,455</u>
UNALLOCATED EMPLOYEE BENEFITS				
Retirement system	178,000	9,475	9,330	145
Social security	91,800	94,800	91,563	3,237
Workers' compensation	2,894,000	3,162,100	3,161,399	701
Life insurance	83,000	81,450	81,397	53
Unemployment benefits	300,000	300,000		300,000
Hospital, medical and dental- retirees	8,224,943	7,130,043	7,051,736	78,307
Other employee benefits	24,580	24,580	19,676	4,904
Total Employee Benefits	<u>11,796,323</u>	<u>10,802,448</u>	<u>10,415,101</u>	<u>387,347</u>
Total Expenditures	<u>95,961,773</u>	<u>97,369,875</u>	<u>89,812,767</u>	<u>7,557,108</u>
Excess of Revenues Over Expenditures	<u>34,421,149</u>	<u>41,470,008</u>	<u>70,996,257</u>	<u>29,526,249</u>
OTHER FINANCING SOURCES (USES)				
Transfers in		81,203	84,690	3,487
Transfers out	(34,421,149)	(67,752,659)	(67,466,972)	285,687
Total Other Financing Sources (Uses)	<u>(34,421,149)</u>	<u>(67,671,456)</u>	<u>(67,382,282)</u>	<u>289,174</u>
Net Change in Fund Balance	<u>\$ -0-</u>	<u>\$ (26,201,448)</u>	<u>3,613,975</u>	<u>\$ 29,815,423</u>
Fund Balance at Beginning of Year			<u>78,553,218</u>	
Fund Balance at End of Year			<u>\$ 82,167,193</u>	

TOWN OF BROOKHAVEN
REQUIRED SUPPLEMENTARY INFORMATION
TOWN OUTSIDE VILLAGE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 8,172,959	\$ 8,172,959	\$ 8,172,959	\$ -
Total Real Property Taxes	8,172,959	8,172,959	8,172,959	-
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes	3,000	3,000	1,808	(1,192)
Interest and penalties on real property taxes	400	400	119	(281)
Total Other Real Property Tax Items	3,400	3,400	1,927	(1,473)
DEPARTMENTAL INCOME				
Town clerk fees	350,000	350,000	519,132	169,132
Safety inspection fees	8,243,000	8,243,000	8,809,983	566,983
Charges for demolition on unsafe buildings	750,000	750,000	699,956	(50,044)
Public health fees	300,500	300,500	375,056	74,556
Zoning fees	1,300,000	1,300,000	1,053,103	(246,897)
Planning division fees	1,545,000	1,552,401	2,232,213	679,812
Other home and community	108,000	108,000	116,080	8,080
Total Departmental Income	12,596,500	12,603,901	13,805,523	1,201,622
USE OF MONEY AND PROPERTY				
Interest and earnings on investments	150,000	150,000	79,364	(70,636)
Total Use of Money and Property	150,000	150,000	79,364	(70,636)
LICENSES AND PERMITS				
Taxi cab and towing licenses	65,000	65,000	73,109	8,109
Total Licenses and Permits	65,000	65,000	73,109	8,109
FINES AND FORFEITURES				
Parking violation fines and handicap surcharge	535,000	535,000	591,146	56,146
Other fines	1,125,000	1,125,000	1,048,823	(76,177)
Total Fines and Forfeitures	1,660,000	1,660,000	1,639,969	(20,031)
MISCELLANEOUS LOCAL SOURCES				
Refunds of prior year expenditures			32,237	32,237
Revenue sharing - per capita	1,447,146	1,447,146	1,808,932	361,786
Other miscellaneous revenue	36,000	36,000	83,987	47,987
Total Miscellaneous Local Sources	1,483,146	1,483,146	1,925,156	442,010
STATE AID				
Other general government and public safety		5,402	5,402	-
Total State Aid	-	5,402	5,402	-
FEDERAL AID				
Other federal aid	800	800	769	(31)
Emergency disaster assistance grant			4,470	4,470
Total Federal Aid	800	800	5,239	4,439
Total Revenues	\$ 24,131,805	\$ 24,144,608	\$ 25,708,648	\$ 1,564,040

(continued)

TOWN OF BROOKHAVEN
REQUIRED SUPPLEMENTARY INFORMATION
TOWN OUTSIDE VILLAGE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
EXPENDITURES				
GENERAL GOVERNMENT SUPPORT				
Declared disaster and emergency costs		\$ 49,342	\$ 9,806	\$ 39,536
Other general government support	\$ 4,165,609	4,628,615	3,324,315	1,304,300
Total General Government Support	4,165,609	4,677,957	3,334,121	1,343,836
PUBLIC SAFETY				
Buildings division	5,300,685	4,958,001	4,757,564	200,437
Fire marshals	2,782,935	2,967,918	2,938,126	29,792
Code enforcement	866,749	866,729	718,370	148,359
Parking violations bureau	53,190	59,014	48,491	10,523
Investigators	2,169,914	2,147,168	2,093,929	53,239
Demolition of unsafe buildings	1,104,433	1,425,121	1,149,569	275,552
Total Public Safety	12,277,906	12,423,951	11,706,049	717,902
HEALTH				
Registrar of vital statistics	633,132	603,495	593,317	10,178
Total Health	633,132	603,495	593,317	10,178
HOME AND COMMUNITY SERVICES				
Environmental protection	414,812	406,812	393,913	12,899
Zoning Board	1,042,528	1,071,584	1,038,644	32,940
Planning	2,470,476	2,562,963	2,450,006	112,957
Accessory apartment review board	117,828	117,628	112,818	4,810
Total Home and Community Services	4,045,644	4,158,987	3,995,381	163,606
UNALLOCATED EMPLOYEE BENEFITS				
Retirement system	76,250	53,930	1,069	52,861
Social security	38,250	38,250	35,544	2,706
Workers' compensation	110,000	169,851	164,906	4,945
Life insurance	18,000	18,000	15,400	2,600
Unemployment benefits	80,000	80,000		80,000
Hospital, medical and dental- retirees	1,870,959	1,523,959	1,444,965	78,994
Total Employee Benefits	2,193,459	1,883,990	1,661,884	222,106
Total Expenditures	23,315,750	23,748,380	21,290,752	2,457,628
Excess of Revenues Over Expenditures				
	816,055	396,228	4,417,896	4,021,668
OTHER FINANCING SOURCES (USES)				
Transfers in		82,312	82,312	-
Transfers out	(816,055)	(3,505,055)	(3,505,055)	-
Total Other Financing Sources (Uses)	(816,055)	(3,422,743)	(3,422,743)	-
Net Change in Fund Balance				
	\$ -0-	\$ (3,026,515)	995,153	\$ 4,021,668
Fund Balance at Beginning of Year				
			23,082,606	
Fund Balance at End of Year				
			\$ 24,077,759	

TOWN OF BROOKHAVEN
REQUIRED SUPPLEMENTARY INFORMATION
HIGHWAY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 68,983,528	\$ 68,983,528	\$ 68,983,528	\$ -
Total Real Property Taxes	<u>68,983,528</u>	<u>68,983,528</u>	<u>68,983,528</u>	<u>-</u>
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes	925,000	925,000	954,548	29,548
Interest and penalties on real property taxes	1,700	1,700	1,003	(697)
Total Other Real Property Tax Items	<u>926,700</u>	<u>926,700</u>	<u>955,551</u>	<u>28,851</u>
DEPARTMENTAL INCOME				
Other transportation departmental income	177,500	177,500	130,576	(46,924)
Total Departmental Income	<u>177,500</u>	<u>177,500</u>	<u>130,576</u>	<u>(46,924)</u>
INTERGOVERNMENTAL CHARGES				
Highway services	207,000	520,427	448,898	(71,529)
Total Intergovernmental Charges	<u>207,000</u>	<u>520,427</u>	<u>448,898</u>	<u>(71,529)</u>
USE OF MONEY AND PROPERTY				
Interest and earnings on investments	312,500	312,500	172,716	(139,784)
Total Use of Money and Property	<u>312,500</u>	<u>312,500</u>	<u>172,716</u>	<u>(139,784)</u>
LICENSES AND PERMITS				
Other licenses and permits	650,000	650,000	766,889	116,889
Total Licenses and Permits	<u>650,000</u>	<u>650,000</u>	<u>766,889</u>	<u>116,889</u>
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Sales of equipment	165,000	165,000	63,455	(101,545)
Insurance recoveries	5,000	5,000	89,269	84,269
Total Sale of Property and Compensation for Loss	<u>170,000</u>	<u>170,000</u>	<u>152,724</u>	<u>(17,276)</u>
MISCELLANEOUS LOCAL SOURCES				
Gifts and donations			9,715	9,715
Refunds of prior year expenditures			32,770	32,770
Total Miscellaneous Local Sources	<u>-</u>	<u>-</u>	<u>42,485</u>	<u>42,485</u>
STATE AID				
Other general government	27,460	27,460	5,012	(22,448)
Emergency disaster assistance grant		15,087	938,502	923,415
Total State Aid	<u>27,460</u>	<u>42,547</u>	<u>943,514</u>	<u>900,967</u>
FEDERAL AID				
Emergency disaster assistance grant		45,260	5,631,357	5,586,097
Other federal aid	80,663	80,663	84,550	3,887
Total Federal Aid	<u>80,663</u>	<u>125,923</u>	<u>5,715,907</u>	<u>5,589,984</u>
Total Revenues	<u>\$ 71,535,351</u>	<u>\$ 71,909,125</u>	<u>\$ 78,312,788</u>	<u>\$ 6,403,663</u> (continued)

TOWN OF BROOKHAVEN
REQUIRED SUPPLEMENTARY INFORMATION
HIGHWAY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
EXPENDITURES				
GENERAL GOVERNMENT SUPPORT				
Declared disaster and emergency		\$ 193,067	\$ 105,186	\$ 87,881
Total General Government Support		193,067	105,186	87,881
TRANSPORTATION				
Maintenance of streets	\$ 25,749,870	25,328,089	23,946,068	1,382,021
Machinery - highway	3,069,466	3,173,454	2,951,635	221,819
Traffic safety	2,786,910	2,852,410	2,775,158	77,252
Snow removal	5,166,193	6,197,119	4,522,999	1,674,120
Shared services		43,571	43,324	247
Other transportation	2,678,812	2,666,276	2,475,524	190,752
Total Transportation	39,451,251	40,260,919	36,714,708	3,546,211
UNALLOCATED EMPLOYEE BENEFITS				
Retirement system	76,838	79,374	10,391	68,983
Social security	48,578	49,343	40,942	8,401
Workers' compensation	1,580,350	2,025,311	2,007,889	17,422
Life insurance	41,000	40,999	37,254	3,745
Unemployment benefits	20,000	20,000		20,000
Hospital, medical and dental- retirees	4,456,501	3,750,002	3,651,848	98,154
Other employee benefits	250	600	600	-
Total Employee Benefits	6,223,517	5,965,629	5,748,924	216,705
Total Expenditures	45,674,768	46,419,615	42,568,818	3,850,797
Excess of Revenues Over Expenditures	25,860,583	25,489,510	35,743,970	10,254,460
OTHER FINANCING SOURCES (USES)				
Transfers in		19,719	19,719	-
Transfers out	(25,860,583)	(33,528,568)	(33,528,568)	-
Total Other Financing Sources (Uses)	(25,860,583)	(33,508,849)	(33,508,849)	-
Net Change in Fund Balance	\$ -0-	\$ (8,019,339)	2,235,121	\$ 10,254,460
Fund Balance at Beginning of Year			32,633,324	
Fund Balance at End of Year			\$ 34,868,445	

TOWN OF BROOKHAVEN
REQUIRED SUPPLEMENTARY INFORMATION
REFUSE AND GARBAGE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 44,319,395	\$ 44,319,395	\$ 44,319,760	\$ 365
Total Real Property Taxes	<u>44,319,395</u>	<u>44,319,395</u>	<u>44,319,760</u>	<u>365</u>
OTHER REAL PROPERTY TAX ITEMS				
Interest and penalties on real property taxes	2,000	2,000	645	(1,355)
Total Other Real Property Tax Items	<u>2,000</u>	<u>2,000</u>	<u>645</u>	<u>(1,355)</u>
DEPARTMENTAL INCOME				
MRF recycling	187,754	1,476,605	1,849,965	373,360
Cleanup of premises	315,000	315,000	231,082	(83,918)
Total Departmental Income	<u>502,754</u>	<u>1,791,605</u>	<u>2,081,047</u>	<u>289,442</u>
USE OF MONEY AND PROPERTY				
Interest and earnings on investments	145,000	145,000	54,975	(90,025)
Total Use of Money and Property	<u>145,000</u>	<u>145,000</u>	<u>54,975</u>	<u>(90,025)</u>
FINE AND FORFEITURES				
Fines and forfeited bail	10,000	10,000	1,500	(8,500)
Total Fines and Forfeitures	<u>10,000</u>	<u>10,000</u>	<u>1,500</u>	<u>(8,500)</u>
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Sales, scrap and excess materials	5,000	5,000	6,440	1,440
Total Sale of Property and Compensation for Loss	<u>5,000</u>	<u>5,000</u>	<u>6,440</u>	<u>1,440</u>
MISCELLANEOUS LOCAL SOURCES				
Refunds of prior year expenditures			3,278	3,278
Total Miscellaneous Local Sources	<u>-</u>	<u>-</u>	<u>3,278</u>	<u>3,278</u>
STATE AID				
Recycling grant			60,518	60,518
Total State Aid	<u>-</u>	<u>-</u>	<u>60,518</u>	<u>60,518</u>
Total Revenues	<u>44,984,149</u>	<u>46,273,000</u>	<u>46,528,163</u>	<u>255,163</u>
EXPENDITURES				
GENERAL GOVERNMENT SUPPORT				
Declared disaster and emergency		10,573	2,101	8,472
Total General Government Support	<u>-</u>	<u>10,573</u>	<u>2,101</u>	<u>8,472</u>
HOME AND COMMUNITY SERVICES				
Refuse and garbage	44,984,149	46,418,287	44,897,870	1,520,417
Total Home and Community Services	<u>44,984,149</u>	<u>46,418,287</u>	<u>44,897,870</u>	<u>1,520,417</u>
Total Expenditures	<u>44,984,149</u>	<u>46,428,860</u>	<u>44,899,971</u>	<u>1,528,889</u>
OTHER FINANCING SOURCES (USES)				
Transfers in		37,613	37,613	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>37,613</u>	<u>37,613</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -0-</u>	<u>\$ (118,247)</u>	<u>1,665,805</u>	<u>\$ 1,784,052</u>
Fund Balance at Beginning of Year			<u>1,228,890</u>	
Fund Balance at End of Year			<u>\$ 2,894,695</u>	

TOWN OF BROOKHAVEN
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN TOTAL OTHER POSTEMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS
 December 31, 2021

PRIMARY GOVERNMENT:

	December 31st:			
	2021	2020	2019	2018
Total OPEB liability:				
Balance, beginning of year	\$ 535,569,809	\$ 464,991,138	\$ 410,893,942	\$ 436,257,683
Service costs	23,083,493	17,617,061	12,338,111	18,215,147
Interest	12,442,119	13,033,632	15,298,239	15,452,012
Difference between expected and actual experience	41,816,663	-	(41,441,585)	-
Changes in benefit terms				
Changes of assumptions and other inputs	(105,392)	53,878,654	80,365,936	(48,367,904)
Benefit payments	(14,788,648)	(13,950,676)	(12,463,505)	(10,662,996)
Balance, end of year	<u>\$ 598,018,044</u>	<u>\$ 535,569,809</u>	<u>\$ 464,991,138</u>	<u>\$ 410,893,942</u>
Covered-employee payroll	\$ 65,460,016	\$ 69,313,447	\$ 69,945,482	\$ 68,929,227
Total OPEB liability as a percentage of covered employee payroll	913.56%	772.68%	664.79%	596.11%

Notes to the Schedule:

	December 31st:			
	2021	2020	2019	2018
Measurement date				
Summary of changes in assumptions:				
Discount rate	2.06%	2.12%	2.74%	4.10%
Health care trend rates:				
Rate used	7.00%	7.00%	7.50%	8.50%
Ultimate rate/year	5.0% in 2025	4.5% in 2025	4.5% in 2025	5.0% in 2025

NON-MAJOR DISCRETELY PRESENTED COMPONENT UNIT:

	December 31st:
	2021
Total OPEB liability:	
Balance, beginning of year	\$ 797,267
Service costs	114,712
Interest	15,387
Changes of assumptions and other inputs	(67,346)
Benefit payments	-
	<u>\$ 860,020</u>
Covered-employee payroll	\$ 447,290
Total OPEB liability as a percentage of covered employee payroll	192.27%

Notes to the Schedule:

Measurement date December 31, 2021

The effective date of this Plan is January 1, 2021.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town and the non-major discretely presented component unit presents information for those years for which information is available.

TOWN OF BROOKHAVEN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY - EMPLOYEE RETIREMENT SYSTEM
December 31, 2021

	March 31,							
	2021	2020	2019	2018	2017	2016	2015	2014
PRIMARY GOVERNMENT:								
Town's proportion of the net pension liability	0.2393616%	0.2445293%	0.2468728%	0.2601044%	0.2622855%	0.2605125%	0.2599848%	0.2599848%
Town's proportionate share of the net pension liability	\$ 238,342	\$ 64,752,767	\$ 17,491,691	\$ 8,394,728	\$ 24,644,931	\$ 41,812,983	\$ 8,782,921	\$ 11,748,347
Town's Covered payroll	\$ 66,503,912	\$ 69,347,432	\$ 68,916,746	\$ 67,016,730	\$ 69,167,716	\$ 66,471,512	\$ 62,039,687	\$ 67,129,070
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.36%	93.37%	25.38%	12.53%	35.63%	62.90%	14.16%	17.50%
Plan fiduciary net position as a percentage of total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.95%	97.20%
NON-MAJOR DISCRETELY PRESENTED COMPONENT UNIT:								
Agency's proportion of the net pension liability	0.0016062%	0.0014405%	0.0011333%	0.0011953%	0.0009284%	0.0008715%	0.0008559%	
Agency's proportionate share of the net pension liability	\$ 1,598	\$ 381,452	\$ 80,297	\$ 38,579	\$ 87,235	\$ 139,878	\$ 28,915	
Agency's Covered payroll	\$ 512,208	\$ 451,596	\$ 398,525	\$ 253,875	\$ 235,848	\$ 221,695	\$ 183,006	
Agency's proportionate share of the net pension liability as a percentage of its covered payroll	0.31%	84.47%	20.15%	15.20%	36.99%	63.09%	15.80%	
Plan fiduciary net position as a percentage of total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.95%	

Notes - Primary Government and Non-Major Discretely Presented Component Unit:
Amounts presented were determined as of the System's measurement date of March 31st.

Changes in assumptions from the March 31, 2020 to March 31, 2021:

- The demographic assumptions (pensioner mortality and active member decrements) were updated from April 1, 2020 - March 31, 2015 Systems' experience to April 1, 2015 through March 31, 2020 Systems' experience.
- The mortality improvement assumption was updated from Society of Actuaries' Scale MP-2018 to MP-2020.
- Inflation was updated from 2.5% to 2.7%.
- Cost-of-living was updated from 1.3% to 1.4%.
- Salary scale was updated from 4.2% to 4.4%.
- The discount rate used to calculate the total pension liability was decreased from 6.8% to 5.9%.

The decrease in the Town's and Agency's proportionate share of the net pension liability is mainly attributable to the investment gains the Plan recognized, which was partially offset by the decrease in the discount rate.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town and the Agency presents information for those years for which information is available.

TOWN OF BROOKHAVEN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS - EMPLOYEE RETIREMENT SYSTEM
December 31, 2021

Years Ended December 31,	Contractually required contributions	Contributions recognized by the plan in relation to the contractually required contributions	Contribution deficiency	Covered payroll	Contribution as a percentage of covered payroll
PRIMARY GOVERNMENT:					
2021	\$ 10,617,912	\$ 10,617,912	\$ -	\$ 65,460,016	16.22%
2020	9,736,300	9,736,300	-	69,313,447	14.05%
2019	10,165,303	10,165,303	-	69,945,482	14.53%
2018	9,998,092	9,998,092	-	68,929,228	14.50%
2017	10,647,337	10,647,337	-	66,208,737	16.08%
2016	10,227,415	10,227,415	-	66,897,904	15.29%
2015	11,287,405	11,287,405	-	62,850,953	17.96%
2014	11,507,519	9,381,789	2,125,730	62,039,687	15.12%
2013	13,211,365	11,085,635	2,125,730	67,129,070	16.51%
2012	11,116,920	7,030,468	4,086,452	65,867,689	10.67%
NON-MAJOR DISCRETELY PRESENTED COMPONENT UNIT:					
2021	77,869	\$ 77,869	\$ -	\$ 605,366	12.86%
2020	62,228	62,228	-	460,709	13.51%
2019	49,967	49,967	-	387,336	12.90%
2018	40,029	40,029	-	380,450	10.52%
2017	35,941	35,941	-	249,368	14.41%
2016	35,617	35,617	-	271,758	13.11%
2015	38,609	38,609	-	241,982	15.96%
2014	46,915	46,915	-	243,008	19.31%
2013	50,258	50,258	-	246,810	20.36%
2012	22,858	22,858	-	244,433	9.35%

Notes - Primary Government and Non-Major Discretely Presented Component Unit:
Amounts presented for each year were determined as of December 31st and
the contractually required contributions are based on the amounts invoiced by
the New York State Local Retirement System.

The Plan used the April 1, 2020 actuarial valuation to determine the employer rates for contributions
payable to the Plan for the Plan's year end March 31, 2021.

There was a change in assumption for the pensioner mortality improvement in the April 1, 2020
actuarial valuation from Scale MP-2018 to Scale MP-2020.

TOWN OF BROOKHAVEN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION LIABILITIES - LOSAP PLANS
December 31, 2021

Year End	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
Measurement Date	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
No Special Funding Situations:				
Total Pension Liability:				
Service Cost	\$ 440,280	\$ 408,245	\$ 446,119	\$ 389,560
Changes in proportionate share	-	476,928	-	-
Interest	324,434	324,423	276,896	279,753
Changes of assumptions or other inputs	3,140,458	665,160	(777,654)	798,561
Differences between expected and actual experience	6,205	(218,916)	(70,474)	(141,612)
Benefit payments	(180,219)	(160,138)	(167,312)	(154,330)
Total pension liability - beginning of year	9,603,333	8,107,631	8,400,056	7,228,124
Total Pension Liability - end of year	<u>\$ 13,334,491</u>	<u>\$ 9,603,333</u>	<u>\$ 8,107,631</u>	<u>\$ 8,400,056</u>
Covered payroll	N/A	N/A	N/A	N/A
Total pension liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A
Special Funding Situations:				
Town's proportion of the total pension liabilities	50.00%	50.00%	50.0% and 51.0%	50.0% and 51.0%
Town's proportionate share of the total pension liabilities	<u>\$ 1,401,406</u>	<u>\$ 1,063,721</u>	<u>\$ 1,214,837</u>	<u>\$ 1,244,980</u>

Notes:

Changes of assumptions or other inputs

The discount rate used to measure the total pension liability was based on the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of the measurement date and was as follows:

December 31, 2016	3.71%
December 31, 2017	3.16%
December 31, 2018	3.64%
December 31, 2019	3.26%
December 31, 2020	1.93%

Trust Assets

There are no assets accounted in a trust that meets the criteria in paragraph 4 of GASB Statement No. 73 to pay related benefits.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town presents information for those years for which information is available.

**OTHER SUPPLEMENTARY
INFORMATION**

Combining and Individual Fund Statements of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual Non-Major Special Revenue Funds and Schedules. The budgets are adopted on a basis of accounting consistent with GAAP.

TOWN OF BROOKHAVEN
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 10,231,473	\$ 10,231,473	\$ 10,231,473	\$ -
Total Real Property Taxes	10,231,473	10,231,473	10,231,473	-
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes	100,000	100,000	147,739	47,739
Interest and penalties on real property taxes	500	500	149	(351)
Total Other Real Property Tax Items	100,500	100,500	147,888	47,388
USE OF MONEY AND PROPERTY				
Interest and earnings on investments	2,750	2,750	4,549	1,799
Total Use of Money and Property	2,750	2,750	4,549	1,799
Total Revenues	10,334,723	10,334,723	10,383,910	49,187
OTHER FINANCING SOURCES (USES)				
Transfers in (transfer to non budgeted fund)	(10,334,723)	(10,334,723)	(10,334,723)	-
Total Other Financing Sources (Uses)	(10,334,723)	(10,334,723)	(10,334,723)	-
Net Change in Fund Balance from budgeted amounts	\$ -0-	\$ -0-	49,187	\$ 49,187
DEBT SERVICE FUND - NO ANNUAL BUDGET				
REVENUES				
USE OF MONEY AND PROPERTY				
Interest earnings			45,019	
Total Use of Money and Property			45,019	
EXPENDITURES				
DEBT SERVICE				
Principal			60,145,000	
Interest			21,642,060	
Total Debt Service			81,787,060	
Total Expenditures			81,787,060	
OTHER FINANCING SOURCES USES				
Transfers in			86,427,718	
Total Other Financing Sources (Uses)			86,427,718	
Net Change in Fund Balance from unbudgeted amounts			4,685,677	
Fund Balance at Beginning of Year			20,942,634	
Fund Balance at End of Year			\$ 25,677,498	

TOWN OF BROOKHAVEN
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS- SPECIAL REVENUE FUNDS
 December 31, 2021

	Special Revenue Funds							Permanent Fund	Total Non-major Governmental Funds
	Special Grants	Housing Trust	Park Reserve Escrow	Highway Reserve Escrow	Drainage Reserve Escrow	Airport	Special Districts	West Meadow Beach Endowment	
ASSETS									
Cash and cash equivalents	\$ 4,801,135	\$ 4,275	\$ 507,361	\$ 1,914,440	\$ 218,341	\$ 106,362	\$ 15,411,499		\$ 22,963,413
Cash restricted	137,609						2,532	\$ 1,468,599	1,608,740
Accounts receivable	38,786					26,578	90,866		156,230
Property taxes receivable							21,870,220		21,870,220
Due from other funds	187,188			9,537		43,277	83,292		323,294
State and federal aid receivables	1,877,286								1,877,286
Due from other governments							1,424		1,424
Prepays	51,480					11,467	9,950		72,897
Inventory of material and supplies							220,410		220,410
Length of service award program plan investments							11,573,281		11,573,281
Total Assets	\$ 7,093,484	\$ 4,275	\$ 507,361	\$ 1,923,977	\$ 218,341	\$ 187,684	\$ 49,263,474	\$ 1,468,599	\$ 60,667,195
LIABILITIES AND FUND BALANCES									
LIABILITIES									
Accounts payable	\$ 1,486,500					\$ 13,685	\$ 479,654		\$ 1,979,839
Accrued liabilities	125,592					12,913	351,930		490,435
Due to other funds	2,368,320					6,017	95,338		2,469,675
Due to other governments	137,609								137,609
Claims and judgments payable							17,500		17,500
Unearned revenue	412,505						496,422		908,927
Guaranty, bid and escrow deposits						3,400			3,400
Total Liabilities	4,530,526	\$ -0-	\$ -0-	\$ -0-	\$ -0-	36,015	1,440,844	\$ -0-	6,007,385
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue									
Real property taxes and payments in lieu of taxes							25,465,034		25,465,034
Total Deferred Inflows of Resources	-0-	-0-	-0-	-0-	-0-	-0-	25,465,034	-0-	25,465,034
FUND BALANCES									
Nonspendable	51,480					11,467	230,360	1,468,599	1,761,906
Restricted	2,511,478		150,000			623	11,621,634		14,283,735
Assigned		4,275	357,361	1,923,977	218,341	139,579	10,505,602		13,149,135
Total Fund Balances	2,562,958	4,275	507,361	1,923,977	218,341	151,669	22,357,596	1,468,599	29,194,776
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 7,093,484	\$ 4,275	\$ 507,361	\$ 1,923,977	\$ 218,341	\$ 187,684	\$ 49,263,474	\$ 1,468,599	\$ 60,667,195

TOWN OF BROOKHAVEN
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
 Year Ended December 31, 2021

	Special Revenue Funds						Permanent Fund West Meadow Beach Endowment	Total Non-major Governmental Funds
	Special Grants	Housing Trust	Park Reserve Escrow	Highway Reserve Escrow	Drainage Reserve Escrow	Airport		
REVENUES								
Real property taxes							\$ 24,861,611	\$ 24,861,611
Other real property tax items							154,237	154,237
Departmental income	\$ 940,133		\$ 447,988	\$ 5,160		\$ 465,206	5,988	1,864,475
Use of money and property	5,998	\$ 14	1,264	8,318	\$ 889	140	216,427	\$ 113,862
Investment loss from length of service award program							1,360,859	1,360,859
Sale of property and compensation for loss							150	150
Miscellaneous local sources	41,519						22,090	63,609
Interfund revenues								
State aid							7,899	7,899
Federal aid	23,213,627						52,278	23,265,905
Total Revenues	24,201,277	14	449,252	13,478	889	465,346	26,681,539	51,925,657
EXPENDITURES								
Current:								
Public safety							576,106	576,106
Health							12,383,768	12,383,768
Transportation						622,153	3,677,435	4,299,588
Culture and recreation							42,010	42,010
Home and community services	23,699,808						2,842,586	26,542,394
Employee benefits						17,073		17,073
Total Expenditures	23,699,808	-0-	-0-	-0-	-0-	639,226	19,521,905	-0-
Excess (Deficiency) of Revenues Over (Under) Expenditures	501,469	14	449,252	13,478	889	(173,880)	7,159,634	8,064,718
OTHER FINANCING SOURCES (USES)								
Transfers in						232,350	76,913	309,263
Transfers out			(390,000)	(310,463)	(12,682)	(58,470)	(4,853,936)	(5,736,986)
Total Other Financing Sources (Uses)	-0-	-0-	(390,000)	(310,463)	(12,682)	173,880	(4,777,023)	(5,427,723)
Net Change in Fund Balances	501,469	14	59,252	(296,985)	(11,793)	-0-	2,382,611	2,427
Fund Balances at Beginning of Year	2,061,489	4,261	448,109	2,220,962	230,134	151,669	19,974,985	26,557,781
Fund Balances at End of Year	\$ 2,562,958	\$ 4,275	\$ 507,361	\$ 1,923,977	\$ 218,341	\$ 151,669	\$ 22,357,596	\$ 29,194,776

TOWN OF BROOKHAVEN
BROOKHAVEN CALABRO AIRPORT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
DEPARTMENTAL INCOME				
Airport fees and rental	\$ 596,668	\$ 596,668	\$ 465,206	\$ (131,462)
Total Departmental Income	<u>596,668</u>	<u>596,668</u>	<u>465,206</u>	<u>(131,462)</u>
USE OF MONEY AND PROPERTY				
Interest and earnings on investments	1,000	1,000	140	(860)
Total Use of Money and Property	<u>1,000</u>	<u>1,000</u>	<u>140</u>	<u>(860)</u>
Total Revenues	<u>597,668</u>	<u>597,668</u>	<u>465,346</u>	<u>(132,322)</u>
EXPENDITURES				
Current:				
TRANSPORTATION				
Airport operations	639,011	723,310	622,153	101,157
Total Airport Operations	<u>639,011</u>	<u>723,310</u>	<u>622,153</u>	<u>101,157</u>
EMPLOYEE BENEFITS				
Hospital, medical and dental	34,000	28,960	17,073	11,887
Total Employee Benefits	<u>34,000</u>	<u>28,960</u>	<u>17,073</u>	<u>11,887</u>
Total Expenditures	<u>673,011</u>	<u>752,270</u>	<u>639,226</u>	<u>113,044</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(75,343)</u>	<u>(154,602)</u>	<u>(173,880)</u>	<u>(19,278)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	128,637	232,350	232,350	-
Transfers out	(53,294)	(58,470)	(58,470)	-
Total Other Financing Sources	<u>75,343</u>	<u>173,880</u>	<u>173,880</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ -0-</u>	<u>\$ 19,278</u>	<u>-0-</u>	<u>\$ (19,278)</u>
Fund Balances at Beginning of Year			151,669	
Fund Balances at End of Year			<u>\$ 151,669</u>	

TOWN OF BROOKHAVEN
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL SPECIAL DISTRICT FUNDS
December 31, 2021

	Special Revenue Funds										Totals
	Ambulance Districts	Dock Districts	Erosion Control Districts	Fire Protection Districts	Street Lighting District	Park Districts	Refuse and Garbage Districts	Sewer Districts	Road Improvement District	Water Supply Districts	
ASSETS											
Cash and cash equivalents	\$ 5,415,447	\$ 890,181	\$ 2,263,908	\$ 366,816	\$ 4,328,517	\$ 182,807	\$ 500,059	\$ 1,048,590	\$ 51,644	\$ 363,530	\$ 15,411,499
Cash - restricted		2,532									2,532
Accounts receivable	17,558	73,000			308						90,866
Property taxes receivable	12,916,222	492,784	143,357	523,648	4,314,977	43,569	1,812,807	718,309	270,516	634,031	21,870,220
Due from other funds									83,292		83,292
Due from other governments	649				775						1,424
Prepays		15			9,935						9,950
Inventory of material and supplies			220,410								220,410
Length of service award program plan investments	11,573,281										11,573,281
Total Assets	\$ 29,923,157	\$ 1,458,512	\$ 2,627,675	\$ 890,464	\$ 8,654,512	\$ 226,376	\$ 2,312,866	\$ 1,766,899	\$ 405,452	\$ 997,561	\$ 49,263,474
LIABILITIES AND FUND BALANCES											
LIABILITIES											
Accounts payable		\$ 28,485	\$ 23,056	\$ 5,683	\$ 119,572	\$ 6,607	\$ 79,550	\$ 52,335		\$ 164,366	\$ 479,654
Accrued liabilities	\$ 297,999	11,904	18,000		10,479	6,608		6,940			351,930
Due to other funds		1,582	1,101		1,069	508		1,078	\$ 90,000		95,338
Claims and judgments payable					17,500						17,500
Unearned revenues	496,422										496,422
Total Liabilities	794,421	41,971	42,157	5,683	148,620	13,723	79,550	60,353	90,000	164,366	1,440,844
DEFERRED INFLOWS OF RESOURCES											
Unavailable revenue											
Real property taxes and payments in lieu of taxes	15,055,375	574,303	167,072	610,274	5,029,097	50,776	2,086,817	837,137	315,266	738,917	25,465,034
Total Deferred Inflows of Resources	15,055,375	574,303	167,072	610,274	5,029,097	50,776	2,086,817	837,137	315,266	738,917	25,465,034
FUND BALANCES											
Nonspendable		15	220,410		9,935						230,360
Restricted	11,618,148			3,486							11,621,634
Assigned	2,455,213	842,223	2,198,036	271,021	3,466,860	161,877	146,499	869,409	186	94,278	10,505,602
Total Fund Balances	14,073,361	842,238	2,418,446	274,507	3,476,795	161,877	146,499	869,409	186	94,278	22,357,596
Total Liabilities and Fund Balances	\$ 29,923,157	\$ 1,458,512	\$ 2,627,675	\$ 890,464	\$ 8,654,512	\$ 226,376	\$ 2,312,866	\$ 1,766,899	\$ 405,452	\$ 997,561	\$ 49,263,474

TOWN OF BROOKHAVEN
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - NON-MAJOR GOVERNMENTAL
 SPECIAL DISTRICT FUNDS
 Year Ended December 31, 2021

	Special Revenue Funds										Totals
	Ambulance Districts	Dock Districts	Erosion Control Districts	Fire Protection Districts	Street Lighting District	Park Districts	Refuse and Garbage Districts	Sewer Districts	Road Improvement District	Water Supply Districts	
REVENUES											
Real property taxes	\$ 15,337,036	\$ 618,361	\$ 188,949	\$ 593,283	\$ 5,028,964	\$ 50,700	\$ 1,551,554	\$ 816,055		\$ 676,709	\$ 24,861,611
Other real property tax items	86,528	9	3	9	67,642	1	23	12		10	154,237
Departmental income										5,988	5,988
Use of money and property	101,517	84,028	6,894	943	15,202	579	2,017	3,439	\$ 186	1,622	216,427
Investment loss from length of service award program	1,360,859										1,360,859
Sale of property and compensation for loss					150						150
Miscellaneous local sources		1,402			19,691		997				22,090
State aid					7,899						7,899
Federal aid	4,671				47,607						52,278
Total Revenues	16,890,611	703,800	195,846	594,235	5,187,155	51,280	1,554,591	819,506	186	684,329	26,681,539
EXPENDITURES											
Current:											
General government support											
Public safety				576,106							576,106
Health	12,383,768										12,383,768
Transportation		157,675			3,519,760						3,677,435
Culture and recreation						42,010					42,010
Home and community services			111,654				1,549,323	465,098		716,511	2,842,586
Total Expenditures	12,383,768	157,675	111,654	576,106	3,519,760	42,010	1,549,323	465,098	-0-	716,511	19,521,905
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,506,843	546,125	84,192	18,129	1,667,395	9,270	5,268	354,408	186	(32,182)	7,159,634
OTHER FINANCING (USES)											
Transfers in		2,531	74,382								76,913
Transfers out	(3,004,413)	(492,397)	(95,333)	(8,222)	(960,129)			(293,442)			(4,853,936)
Total Other Financing (Uses)	(3,004,413)	(489,866)	(20,951)	(8,222)	(960,129)	-0-	-0-	(293,442)	-0-	-0-	(4,777,023)
Net Change in Fund Balances	1,502,430	56,259	63,241	9,907	707,266	9,270	5,268	60,966	186	(32,182)	2,382,611
Fund Balances at Beginning of Year	12,570,931	785,979	2,355,205	264,600	2,769,529	152,607	141,231	808,443	-0-	126,460	19,974,985
Fund Balances at End of Year	\$ 14,073,361	\$ 842,238	\$ 2,418,446	\$ 274,507	\$ 3,476,795	\$ 161,877	\$ 146,499	\$ 869,409	\$ 186	\$ 94,278	\$ 22,357,596

TOWN OF BROOKHAVEN
AMBULANCE DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 15,337,036	\$ 15,337,036	\$ 15,337,036	\$ -
Total Real Property Taxes	<u>15,337,036</u>	<u>15,337,036</u>	<u>15,337,036</u>	<u>-</u>
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes	68,200	68,200	86,305	18,105
Interest and penalties on real property taxes	169	169	223	54
Total Other Real Property Tax Items	<u>68,369</u>	<u>68,369</u>	<u>86,528</u>	<u>18,159</u>
DEPARTMENTAL INCOME				
Ambulance service fees	60,000	60,000		(60,000)
Total Departmental Income	<u>60,000</u>	<u>60,000</u>	<u>-</u>	<u>(60,000)</u>
USE OF MONEY AND PROPERTY				
Interest and earnings on investments	19,050	19,050	11,403	(7,647)
Rental of real property	60,000	60,000	90,114	30,114
Total Use of Money and Property	<u>79,050</u>	<u>79,050</u>	<u>101,517</u>	<u>22,467</u>
INVESTMENT INCOME FROM LENGTH OF SERVICE AWARD				
Total Investment Income from Length of Service Award	-	-	1,360,859	1,360,859
FEDERAL AID				
Other federal aid	4,800	4,800	4,671	(129)
Total Federal Aid	<u>4,800</u>	<u>4,800</u>	<u>4,671</u>	<u>(129)</u>
Total Revenues	<u>15,549,255</u>	<u>15,549,255</u>	<u>16,890,611</u>	<u>1,341,356</u>
EXPENDITURES				
HEALTH				
Ambulance	12,564,578	12,599,578	12,383,768	215,810
Total Current Expenditures	<u>12,564,578</u>	<u>12,599,578</u>	<u>12,383,768</u>	<u>215,810</u>
Total Expenditures	<u>12,564,578</u>	<u>12,599,578</u>	<u>12,383,768</u>	<u>215,810</u>
Excess of Revenues Over Expenditures				
	<u>2,984,677</u>	<u>2,949,677</u>	<u>4,506,843</u>	<u>1,557,166</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,984,677)	(3,004,413)	(3,004,413)	-
Total Other Financing (Uses)	<u>(2,984,677)</u>	<u>(3,004,413)</u>	<u>(3,004,413)</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ -0-</u>	<u>\$ (54,736)</u>	<u>1,502,430</u>	<u>\$ 1,557,166</u>
Fund Balances at Beginning of Year			<u>12,570,931</u>	
Fund Balances at End of Year			<u>\$ 14,073,361</u>	

TOWN OF BROOKHAVEN
DOCK DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 618,361	\$ 618,361	\$ 618,361	\$ -
Total Real Property Taxes	618,361	618,361	618,361	-
OTHER REAL PROPERTY TAX ITEMS				
Interest and penalties on real property taxes			9	9
Total Other Real Property Tax Items	-	-	9	9
USE OF MONEY AND PROPERTY				
Interest and earnings on investments	5,700	5,700	3,028	(2,672)
Rental of real property	39,500	39,500	81,000	41,500
Total Use of Money and Property	45,200	45,200	84,028	38,828
MISCELLANEOUS LOCAL SOURCES				
Refunds of prior year expenditures			1,402	1,402
Total Miscellaneous Local Sources	-	-	1,402	1,402
Total Revenues	663,561	663,561	703,800	40,239
EXPENDITURES				
TRANSPORTATION				
Docks, piers and wharves	171,164	171,164	157,675	13,489
Total Transportation	171,164	171,164	157,675	13,489
Total Expenditures	171,164	171,164	157,675	13,489
Excess of Revenues Over Expenditures	492,397	492,397	546,125	53,728
OTHER FINANCING (USES)				
Transfers in		2,531	2,531	-
Transfers out	(492,397)	(492,397)	(492,397)	-
Total Other Financing (Uses)	(492,397)	(489,866)	(489,866)	-
Net Change in Fund Balances	<u>\$ -0-</u>	<u>\$ 2,531</u>	56,259	<u>\$ 53,728</u>
Fund Balances at Beginning of Year			785,979	
Fund Balances at End of Year			<u>\$ 842,238</u>	

TOWN OF BROOKHAVEN
EROSION CONTROL DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 188,949	\$ 188,949	\$ 188,949	\$ -
Total Real Property Taxes	<u>188,949</u>	<u>188,949</u>	<u>188,949</u>	<u>-</u>
OTHER REAL PROPERTY TAX ITEMS				
Interest and penalties on real property taxes			3	3
Total Other Real Property Tax Items	<u>-</u>	<u>-</u>	<u>3</u>	<u>3</u>
USE OF MONEY AND PROPERTY				
Interest and earnings on investments	16,250	16,250	6,894	(9,356)
Total Use of Money and Property	<u>16,250</u>	<u>16,250</u>	<u>6,894</u>	<u>(9,356)</u>
Total Revenues	<u>205,199</u>	<u>205,199</u>	<u>195,846</u>	<u>(9,353)</u>
EXPENDITURES				
HOME AND COMMUNITY SERVICES				
Flood and erosion control	218,465	218,465	111,654	106,811
Total Expenditures	<u>218,465</u>	<u>218,465</u>	<u>111,654</u>	<u>106,811</u>
Excess of Revenues Over Expenditures	<u>(13,266)</u>	<u>(13,266)</u>	<u>84,192</u>	<u>97,458</u>
OTHER FINANCING (USES)				
Transfers in		74,382	74,382	-
Transfers out	(95,334)	(95,333)	(95,333)	-
Total Other Financing (Uses)	<u>(95,334)</u>	<u>(20,951)</u>	<u>(20,951)</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (108,600)</u>	<u>\$ (34,217)</u>	<u>63,241</u>	<u>\$ 97,458</u>
Fund Balances at Beginning of Year			<u>2,355,205</u>	
Fund Balances at End of Year			<u>\$ 2,418,446</u>	

TOWN OF BROOKHAVEN
FIRE PROTECTION DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 593,283	\$ 593,283	\$ 593,283	\$ -
Total Real Property Taxes	<u>593,283</u>	<u>593,283</u>	<u>593,283</u>	<u>-</u>
OTHER REAL PROPERTY TAX ITEMS				
Interest and penalties on real property taxes			9	9
Total Other Real Property Tax Items	<u>-</u>	<u>-</u>	<u>9</u>	<u>9</u>
USE OF MONEY AND PROPERTY				
Interest and earnings on investments	2,250	2,250	943	(1,307)
Total Use of Money and Property	<u>2,250</u>	<u>2,250</u>	<u>943</u>	<u>(1,307)</u>
Total Revenues	<u>595,533</u>	<u>595,533</u>	<u>594,235</u>	<u>(1,298)</u>
EXPENDITURES				
PUBLIC SAFETY				
Fire protection services	587,311	587,311	576,106	11,205
Total Public Safety	<u>587,311</u>	<u>587,311</u>	<u>576,106</u>	<u>11,205</u>
Total Expenditures	<u>587,311</u>	<u>587,311</u>	<u>576,106</u>	<u>11,205</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>8,222</u>	<u>8,222</u>	<u>18,129</u>	<u>9,907</u>
OTHER FINANCING (USES)				
Transfers out	(8,222)	(8,222)	(8,222)	-
Total Other Financing (Uses)	<u>(8,222)</u>	<u>(8,222)</u>	<u>(8,222)</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ -0-</u>	<u>\$ -0-</u>	9,907	<u>\$ 9,907</u>
Fund Balances at Beginning of Year			<u>264,600</u>	
Fund Balances at End of Year			<u>\$ 274,507</u>	

TOWN OF BROOKHAVEN
STREET LIGHTING DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 5,028,964	\$ 5,028,964	\$ 5,028,964	\$ -
Total Real Property Taxes	5,028,964	5,028,964	5,028,964	-
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes	67,800	67,800	67,569	(231)
Interest and penalties on real property taxes	200	200	73	(127)
Total Other Real Property Tax Items	68,000	68,000	67,642	(358)
USE OF MONEY AND PROPERTY				
Interest and earnings on investments	28,750	28,750	15,202	(13,548)
Total Use of Money and Property	28,750	28,750	15,202	(13,548)
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Insurance recoveries			150	150
Total Sale of Property and Compensation for Loss	-	-	150	150
MISCELLANEOUS LOCAL SOURCES				
Refunds of prior year expenditures			6,361	6,361
Other miscellaneous revenue			13,330	13,330
Total Miscellaneous Local Sources	-	-	19,691	19,691
STATE AID				
Emergency disaster assistance			7,899	7,899
Total State Aid			7,899	7,899
FEDERAL AID				
Emergency disaster assistance			47,393	47,393
Other	203	203	214	11
Total Federal Aid	203	203	47,607	47,404
Total Revenues	5,125,917	5,125,917	5,187,155	61,238
EXPENDITURES				
TRANSPORTATION				
Street lighting	4,165,788	4,165,788	3,519,760	646,028
Total Transportation	4,165,788	4,165,788	3,519,760	646,028
Total Expenditures	4,165,788	4,165,788	3,519,760	646,028
Excess of Revenues Over Expenditures				
	960,129	960,129	1,667,395	707,266
OTHER FINANCING SOURCES (USES)				
Transfers out	(960,129)	(960,129)	(960,129)	-
Total Other Financing (Uses)	(960,129)	(960,129)	(960,129)	-
Net Change in Fund Balance	<u>\$ -0-</u>	<u>\$ -0-</u>	707,266	<u>\$ 707,266</u>
Fund Balance at Beginning of Year			2,769,529	
Fund Balance at End of Year			<u>\$ 3,476,795</u>	

TOWN OF BROOKHAVEN
PARK DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 50,700	\$ 50,700	\$ 50,700	\$ -
Total Real Property Taxes	<u>50,700</u>	<u>50,700</u>	<u>50,700</u>	<u>-</u>
OTHER REAL PROPERTY TAX ITEMS				
Interest and penalties on real property taxes			1	1
Total Other Real Property Tax Items	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
USE OF MONEY AND PROPERTY				
Interest and earnings on investments	900	900	579	(321)
Total Use of Money and Property	<u>900</u>	<u>900</u>	<u>579</u>	<u>(321)</u>
Total Revenues	<u>51,600</u>	<u>51,600</u>	<u>51,280</u>	<u>(320)</u>
EXPENDITURES				
Current:				
CULTURE AND RECREATION				
Parks	51,600	51,600	42,010	9,590
Total Expenditures	<u>51,600</u>	<u>51,600</u>	<u>42,010</u>	<u>9,590</u>
Excess Revenues Over Expenditures			<u>9,270</u>	<u>9,270</u>
Net Change in Fund Balance	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>9,270</u>	<u>\$ 9,270</u>
Fund Balances at Beginning of Year			<u>152,607</u>	
Fund Balances at End of Year			<u>\$ 161,877</u>	

TOWN OF BROOKHAVEN
REFUSE AND GARBAGE DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 1,551,554	\$ 1,551,554	\$ 1,551,554	\$ -
Total Real Property Taxes	<u>1,551,554</u>	<u>1,551,554</u>	<u>1,551,554</u>	<u>-</u>
OTHER REAL PROPERTY TAX ITEMS				
Interest and penalties on real property taxes			23	23
Total Other Real Property Tax Items	<u>-</u>	<u>-</u>	<u>23</u>	<u>23</u>
USE OF MONEY AND PROPERTY				
Interest and earnings on investments	4,510	4,510	2,017	(2,493)
Total Use of Money and Property	<u>4,510</u>	<u>4,510</u>	<u>2,017</u>	<u>(2,493)</u>
MISCELLANEOUS LOCAL SOURCES				
Refunds of prior year expenditures			997	997
Total Miscellaneous Local Sources	<u>-</u>	<u>-</u>	<u>997</u>	<u>997</u>
Total Revenues	<u>1,556,064</u>	<u>1,556,064</u>	<u>1,554,591</u>	<u>(1,473)</u>
EXPENDITURES				
Current:				
HOME AND COMMUNITY SERVICES				
Refuse and garbage	1,556,064	1,559,364	1,549,323	10,041
Total Expenditures	<u>1,556,064</u>	<u>1,559,364</u>	<u>1,549,323</u>	<u>10,041</u>
Net Change in Fund Balances	<u>\$ -0-</u>	<u>\$ (3,300)</u>	5,268	<u>\$ 8,568</u>
Fund Balances at Beginning of Year			<u>141,231</u>	
Fund Balances at End of Year			<u>\$ 146,499</u>	

TOWN OF BROOKHAVEN
SEWER DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 816,055	\$ 816,055	\$ 816,055	\$ -
Total Real Property Taxes	<u>816,055</u>	<u>816,055</u>	<u>816,055</u>	<u>-</u>
OTHER REAL PROPERTY TAX ITEMS				
Interest and penalties on real property taxes	10	10	12	2
Total Other Real Property Tax Items	<u>10</u>	<u>10</u>	<u>12</u>	<u>2</u>
USE OF MONEY AND PROPERTY				
Interest and earnings on investments	8,500	8,500	3,439	(5,061)
Total Use of Money and Property	<u>8,500</u>	<u>8,500</u>	<u>3,439</u>	<u>(5,061)</u>
Total Revenues	<u>824,565</u>	<u>824,565</u>	<u>819,506</u>	<u>(5,059)</u>
EXPENDITURES				
Current:				
HOME AND COMMUNITY SERVICES				
Sewage treatment disposal	641,946	641,946	465,098	176,848
Total Expenditures	<u>641,946</u>	<u>641,946</u>	<u>465,098</u>	<u>176,848</u>
Excess of Revenues Over Expenditures	<u>182,619</u>	<u>182,619</u>	<u>354,408</u>	<u>171,789</u>
OTHER FINANCING (USES)				
Transfers out	(344,555)	(344,555)	(293,442)	51,113
Total Other Financing (Uses)	<u>(344,555)</u>	<u>(344,555)</u>	<u>(293,442)</u>	<u>51,113</u>
Net Change in Fund Balance	<u>\$ (161,936)</u>	<u>\$ (161,936)</u>	60,966	<u>\$ 222,902</u>
Fund Balance at Beginning of Year			<u>808,443</u>	
Fund Balance at End of Year			<u>\$ 869,409</u>	

TOWN OF BROOKHAVEN
WATER SUPPLY DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 676,709	\$ 676,709	\$ 676,709	\$ -
Total Real Property Taxes	<u>676,709</u>	<u>676,709</u>	<u>676,709</u>	<u>-</u>
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes				
Interest and penalties on real property taxes			10	10
Total Other Real Property Tax Items	<u>-</u>	<u>-</u>	<u>10</u>	<u>10</u>
DEPARTMENTAL INCOME				
Metered water sales	5,500	5,500	5,988	488
Total Departmental Income	<u>5,500</u>	<u>5,500</u>	<u>5,988</u>	<u>488</u>
USE OF MONEY AND PROPERTY				
Interest and earnings on investments	4,000	4,000	1,622	(2,378)
Total Use of Money and Property	<u>4,000</u>	<u>4,000</u>	<u>1,622</u>	<u>(2,378)</u>
Total Revenues	<u>686,209</u>	<u>686,209</u>	<u>684,329</u>	<u>(1,880)</u>
EXPENDITURES				
Current:				
HOME AND COMMUNITY SERVICES				
Water	686,209	716,659	716,511	148
Total Expenditures	<u>686,209</u>	<u>716,659</u>	<u>716,511</u>	<u>148</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures				
		(30,450)	(32,182)	(1,732)
Net Change in Fund Balance				
	<u>\$ -0-</u>	<u>\$ (30,450)</u>	<u>(32,182)</u>	<u>\$ (1,732)</u>
Fund Balances at Beginning of Year				
			<u>126,460</u>	
Fund Balances at End of Year			<u>\$ 94,278</u>	

TOWN OF BROOKHAVEN
MUNSELL ROAD IMPROVEMENT DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
USE OF MONEY AND PROPERTY				
Interest and earnings on investments			\$ 186	\$ 186
Total Use of Money and Property	-	-	186	186
Total Revenues	-	-	186	186
EXPENDITURES				
DEBT SERVICE				
Interest				
Serial bonds	\$ 83,293			
Total Debt Service	83,293	-	-	-
Excess of Revenues Over Expenditures	<u>(83,293)</u>	<u>-</u>	<u>186</u>	<u>186</u>
Net Change in Fund Balance	<u>\$ (83,293)</u>	<u>\$ -</u>	<u>186</u>	<u>\$ 186</u>
Fund Balance at Beginning of Year			<u>-</u>	
Fund Balance at End of Year			<u>\$ 186</u>	