

**TOWN OF BABYLON, NEW YORK**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
(WITH INDEPENDENT AUDITORS' REPORT)**

Year Ended December 31, 2023

**TOWN OF BABYLON, NEW YORK**

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## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Audit of the Financial Statements**

#### ***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 Babylon, New York (the "Town"), as of and for the year ended December 31, 2023 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, based on our audit and the reports of another auditor, the accompanying financial statements referred to above present fairly, in all material respects, the financial position 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, as of December 31, 2023, and the respective changes in financial position, and where applicable, its cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the following blended component units: Babylon Human and Therapeutic Services Institute, Inc., and Town of Babylon Youth Development Research Institute, Inc., which in total represent less than 1% respectively, of the assets and revenues of the governmental activities and the governmental funds as of and for the year ended December 31, 2023. Those financial statements were audited by another auditor whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the blended component units mentioned above is based solely on the reports of the other auditor.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

#### ***Change in Accounting Policy***

We draw attention to Note 1.D.12, in the notes to financial statements which discloses the effects of the Town's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 96, "*Subscription-Based Information Technology Arrangements*." Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America 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.

### ***Auditors' 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 auditors' 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 Auditing 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 judgement, 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, and the schedules included under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 27, 2024, 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 solely is 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. The financial statements of Babylon Human and Therapeutic Services Institute, Inc., and Town of Babylon Youth Development Research Institute, Inc., blended component units, were not audited in accordance with *Government Auditing Standards*.

*PKF O'Connor Davies, LLP*

Hauppauge, New York  
August 27, 2024

**REQUIRED SUPPLEMENTARY INFORMATION**  
**Management's Discussion and Analysis**

## TOWN OF BABYLON

### MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Babylon, New York (the "Town"), we offer readers of the financial statements this narrative overview and analysis of the financial activities for the year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with the Town's basic financial statements.

#### FINANCIAL HIGHLIGHTS

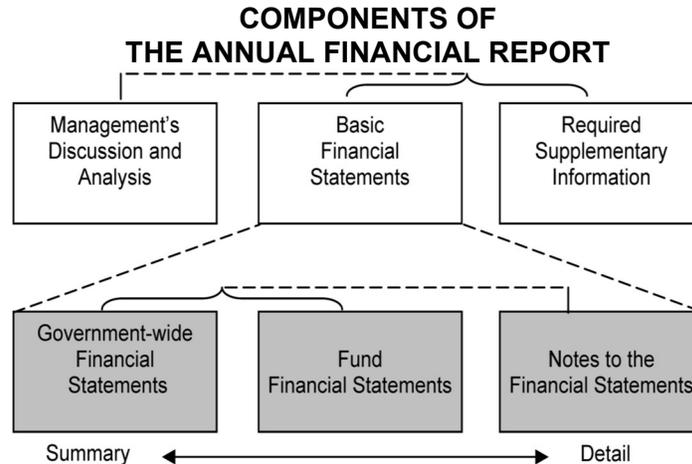
- Effective January 1, 2023, the Town adopted the provisions of Governmental Accounting Standards Board Statement No. 96, "*Subscription-Based Information Technology*" ("GASB 96"), recording a right-to-use asset and subscription liability totaling \$236,663 in the government-wide financial statements.
- Pursuant to the American Rescue Plan Act, the Town was awarded \$27.8 million in Coronavirus State and Local Fiscal Recovery awards, of which \$16.5 million has been recognized as revenue as of December 31, 2023, based on costs incurred for eligible projects and programs. The remaining revenue will be recognized in 2024-2026 as eligible expenses/expenditures are incurred.
- The assets and deferred outflows of resources of the Town's primary government exceeded its liabilities and deferred inflows of resources at the close of 2023 by \$57,566,931 (net position) of which \$51,466,538 was related to the governmental activities and \$6,100,393 was related to the business-type activities.
- The Town's net position related to governmental activities increased by \$8,735,061, or 20.44%, from the current year activity.
- The Town's business-type activities reported an increase in net position of \$766,778, or 14.38% from the current year activity.
- The Town committed to provide postemployment benefits to its employees in the form of pensions and healthcare. As a result, the Town has recognized substantial liabilities in the government-wide financial statements for these benefits. As of December 31, 2023, the Town had liabilities of \$163,807,438 for other postemployment benefits recorded in accordance with the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*" ("OPEB") and \$20,511,521 for its proportionate share of the net pension liability of the New York State and Local Employees' Retirement System ("ERS"), recorded in accordance with the provisions of GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions*". More detailed information about the Town's OPEB and pension reporting is presented in Notes 3.H and 3.G in the notes to the financial statements.
- As of the close of 2023, the Town's governmental funds reported combined ending fund balances of \$192,764,198. Of this amount, \$10,618,885 is not in spendable form or is required to remain intact. The remaining \$182,145,313 or 94.49% of total fund balances is in spendable form with various levels of spending constraint: restricted, assigned, or unassigned making them available for spending at the Town's discretion (see Note 2.B).
- At the end of 2023, the Town's total fund balance for the general fund was \$69,005,308, an increase of \$208,044 or 0.30% from the prior year. The unassigned fund balance for the general fund was \$49,581,350.
- The Town's total bonded debt (inclusive of general obligation bonds, exclusive of premiums) was \$169,915,000 for the Town's governmental and business-type activities. The total bonded debt increased by 0.44% from the prior year.
- Notable portions of restricted total fund balances are as follows: \$5.9 million for property held for resale and \$10.3 million in solid waste management reserve.

# TOWN OF BABYLON

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### 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 consist of 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, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. This combines and consolidates the Town's current financial resources with capital assets and long-term obligations. The purpose of this statement is to give the reader an understanding of the Town's total net worth. Over time, increases or decreases in the Town's net position are 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.

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The Town's government-wide financial statements include both the governmental and business-type activities of the Town itself (known as the primary government) and of its legally separate component unit for which the Town is financially accountable. Financial information for the component unit is reported separately (discretely presented non-major) from the financial information presented for the primary government and financial information for the remaining component units has been blended with that of the primary government.

# TOWN OF BABYLON

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

#### Government-wide Financial Statements (continued)

*Governmental Activities* - The Town's basic services are reported here, including 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, 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.

*Business-Type Activities* - The Town's business-type activities include reporting the operations of leasing its water plant to the Suffolk County Water Authority and the activities of the Town's local development corporation.

*Component Units* - Component units are legally separate organizations for which the Town is either financially accountable, or the nature and significance of their relationship with the Town is such that exclusion would cause the Town's financial statements to be misleading or incomplete. The Town includes four separate legal entities in its report, an industrial development agency, which is shown as a discretely presented component unit in the government-wide financial statements, two not-for-profits, which are blended with the Town's governmental activities and one local development corporation which is included in the Town's business type activities.

Information on separately issued financial statements is shown in Note 1.A to the financial statements.

#### 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 or attaining certain objectives in accordance with special regulations, restriction 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 funds, proprietary funds 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 fund balance sheet and governmental fund 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 eleven (11) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the six (6) major funds. The general fund, residential garbage district fund, commercial garbage district fund, highway fund, capital projects fund and special districts fund are reported as major funds. Data from the five (5) other non-major governmental funds are combined into a single, aggregated presentation.

The Town adopts an annual appropriated budget for its general and special revenue funds. The Town does not budget for the following funds: capital projects fund, housing assistance agency fund and community development agency fund. A budgetary comparison schedule for the general fund, residential garbage district fund, commercial garbage district fund, highway fund and the special districts fund can be found in the section labeled "Required Supplementary Information Other Than Management's Discussion and Analysis."

# TOWN OF BABYLON

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

#### Fund Financial Statements (continued)

##### Proprietary Fund

The Town maintains one type of proprietary fund which is classified as an enterprise fund. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its water district fund and the local development corporation.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

##### 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 two fiduciary funds, a custodial fund and a pension trust fund. The custodial fund primarily accounts for real property taxes billed and collected on behalf of other local municipalities. The pension trust fund reports the plan assets and related annual activity for the Town sponsored length of service award programs that meet the requirements of GASB Statement No. 67, 68 and paragraph 4 of Statement No. 73.

#### 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 and accompanying notes, this report also presents required supplementary information concerning the Town following the notes to the financial statements.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

#### Net Position

Capital assets and non-current liabilities for 2022 have been restated for the implementation of GASB Statement No. 96, "Subscription-Based Information Technology Arrangements". This statement requires a subscriber to recognize a subscription liability and an intangible right-to-use subscription asset.

The following is a summary of these changes:

	12/31/2022 as restated	12/31/2022 as reported	Change
Capital assets, net	\$ 341,796,027	\$ 341,559,364	\$ 236,663
Non-current liabilities	(444,712,051)	(444,475,388)	(236,663)
Totals	<u>\$ (102,916,024)</u>	<u>\$ (102,916,024)</u>	<u>\$ -0-</u>

**TOWN OF BABYLON**

MANAGEMENT'S DISCUSSION AND ANALYSIS

**GOVERNMENT-WIDE FINANCIAL ANALYSIS** (continued)

**Condensed Statement of Net Position**

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, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$57,566,931 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 Statements of Net Position  
As of December 31,

	Governmental Activities		Business-type Activities	
	2023	2022 as restated	2023	2022
<b>Assets</b>				
Current assets	\$ 319,287,061	\$ 309,838,302	\$ 5,320,721	\$ 3,628,740
Capital assets	344,553,378	341,796,027	5,001,717	5,373,150
Other noncurrent assets	96,007,618	110,384,268	17,157	29,112
<b>Total Assets</b>	<b>759,848,057</b>	<b>762,018,597</b>	<b>10,339,595</b>	<b>9,031,002</b>
<b>Deferred outflows of resources</b>	<b>42,579,345</b>	<b>52,325,642</b>	<b>-0-</b>	<b>-0-</b>
<b>Liabilities</b>				
Current liabilities	61,430,569	65,486,667	1,057,940	123,701
Noncurrent liabilities	444,801,219	444,712,051	1,168,762	1,486,186
<b>Total Liabilities</b>	<b>506,231,788</b>	<b>510,198,718</b>	<b>2,226,702</b>	<b>1,609,887</b>
<b>Deferred inflows of resources</b>	<b>244,729,076</b>	<b>261,414,044</b>	<b>2,012,500</b>	<b>2,087,500</b>
<b>Net Position</b>				
Net investment in capital assets	202,663,828	198,320,381	5,001,717	5,373,150
Restricted	19,566,711	18,022,098	2,087,245	1,711,592
Unrestricted	(170,764,001)	(173,611,002)	(988,569)	(1,751,127)
<b>Total Net Position</b>	<b>\$ 51,466,538</b>	<b>\$ 42,731,477</b>	<b>\$ 6,100,393</b>	<b>\$ 5,333,615</b>

Total assets and deferred outflows of resources of the Town's governmental activities, as of December 31, 2023 were \$802,427,402, a decrease of \$11,916,837. Total liabilities and deferred inflows of resources as of December 31, 2023 were \$750,960,864, a decrease of \$20,651,898. This results in a total net position balance of \$51,466,538 at December 31, 2023, an increase of \$8,735,061. Of the Town's governmental activities net position balance, \$202,663,828 was the net investment in capital assets, while \$19,566,711 was restricted by statute or other specific purposes leaving a \$170,764,001 unrestricted deficit net position.

The largest portion of the Town's governmental activities net position, \$202,663,828, reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure and right-to-use lease assets); less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are 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.

**TOWN OF BABYLON**

MANAGEMENT'S DISCUSSION AND ANALYSIS

**GOVERNMENT-WIDE FINANCIAL ANALYSIS** (continued)

The deficit balance of unrestricted net position does not necessarily indicate fiscal stress. At the end of the current year, the Town is able to report a positive balance in the categories of net investment in capital assets and restricted. The same situation held true for the prior year. The deficit balance in unrestricted arose primarily due to long-term liabilities which include other postemployment benefits, the proportionate share of the net employees retirement system pension liability, compensated absences, amounts due to employees' retirement systems, claims and judgments, landfill closure and postclosure care costs and length of service award programs plan liabilities that will be funded through future budgetary appropriations when they become payable in future periods.

Total assets of the Town's business-type activities, as of December 31, 2023, were \$10,339,595, an increase of \$1,308,593. Total liabilities and deferred inflows of resources as of December 31, 2023 were \$4,239,202, an increase of \$541,815. This results in a total net position balance of \$6,100,393 for 2023, an increase of \$766,778. Of the business-type activities net position balance, \$5,001,717 was the net investment in capital assets, \$2,087,245 was restricted by statute or other specific purposes, leaving a \$988,569 unrestricted deficit net position.

Condensed Statement of Activities and Changes in Net Position – Primary Government  
For the years ended December 31,

	Governmental Activities		Business-type Activities	
	2023	2022	2023	2022
<b>Program Revenue</b>				
Charges for services	\$ 57,959,717	\$ 56,042,187	\$ 400,117	\$ 79,000
Operating grants and contributions	24,532,609	26,190,020	1,747,991	125,000
Capital grants and contributions	6,006,228	7,168,235		
Total Program Revenues	<u>88,498,554</u>	<u>89,400,442</u>	<u>2,148,108</u>	<u>204,000</u>
<b>General Revenues</b>				
Real property taxes	94,728,216	91,465,261		
Other real property tax items	4,433,905	3,806,993		
Non-property tax items	4,437,324	4,833,172		
Interest earnings	6,996,212	2,063,900	87,596	20,110
Gain on sale of capital assets	485,586	788,602		
State and local aid - unrestricted	7,917,912	9,798,593		
Other	2,391,246	503,579	520,484	563,208
Total General Revenues	<u>121,390,401</u>	<u>113,260,100</u>	<u>608,080</u>	<u>583,318</u>
<b>Total Revenues</b>	<u>209,888,955</u>	<u>202,660,542</u>	<u>2,756,188</u>	<u>787,318</u>

(continued)

**TOWN OF BABYLON**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS** (continued)

Condensed Statement of Activities and Changes in Net Position – Primary Government (continued)  
For the years ended December 31,

	Governmental Activities		Business-type Activities	
	2023	2022	2023	2022
<b>Program Expenses</b>				
General government support	33,728,141	30,229,925		
Public safety	33,863,216	29,847,479		
Health	8,721,125	7,454,945		
Transportation	21,778,485	23,703,492		
Economic assistance and opportunity	4,981,934	4,670,717	1,634,476	688,403
Culture and recreation	24,826,611	27,008,372		
Home and community services	65,793,665	59,585,459	354,934	221,397
Interest on debt	5,899,361	5,035,962		
<b>Total Program Expenses</b>	<b>199,592,538</b>	<b>187,536,351</b>	<b>1,989,410</b>	<b>909,800</b>
Excess (deficiency)	10,296,417	15,124,191	766,778	(122,482)
<b>Special Item</b>	<b>(1,561,356)</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
Change in net position	8,735,061	15,124,191	766,778	(122,482)
Net position, beginning of year	42,731,477	27,607,286	5,333,615	5,456,097
Net position, end of year	<u>\$ 51,466,538</u>	<u>\$ 42,731,477</u>	<u>\$ 6,100,393</u>	<u>\$ 5,333,615</u>

Net position from all governmental activities increased by \$8,735,061 in the current year. Key elements of the governmental activities are:

- Overall program revenues decreased by \$901,888 from the prior year, which is discussed below in detail.
- There was an increase of \$1,917,530 in charges for services, of which \$1,410,003 of this increase is attributable to an increase in residential garbage special assessment fees charged. Additionally, there was an increase in refuse and garbage fees collected of \$371,568.
- Operating grants and contributions decreased by \$1,657,411 from the prior year, primarily due to a decrease in recognized revenue related to the Community Development Block Grant program in the amount of \$1,360,572.
- Capital grants and contributions decreased by \$1,162,007 compared to the prior year primarily related to the timing of certain projects and the related reimbursements. The Town recognized less grant revenues related to the Oak Beach Water District EFC Grant, in the amount of \$1,451,938, offset by an increase in grant revenues received from New York State in the amount of \$450,000 to purchase fire safety equipment on behalf of the Wyandanch Fire Company.
- General revenues increased by \$8,130,301 from the prior year, primarily due to an increase in interest earnings in the amount of \$4,932,312 and an increase in real property taxes in the amount of \$3,262,955 attributable to the Town's approval to pierce the 2% tax cap for the 2023 budget.
- Overall program expenses increased by \$12,056,187 from the prior year, which is discussed below in detail.
- Home and community services expenses increased \$6,208,206 from the prior year, attributable to an increase in professional and technical services of \$4,166,226, an increase in employee benefits of \$950,217 as well as repair and maintenance costs of \$622,256 related to the Ashfill Expansion project.

**TOWN OF BABYLON**

MANAGEMENT'S DISCUSSION AND ANALYSIS

**GOVERNMENT-WIDE FINANCIAL ANALYSIS** (continued)

- Public safety expenses increased from the prior year by \$4,015,737, attributable to an increase in employee benefits and personal services of \$1,601,845 and \$966,789, respectively. There were also increases in program operations for the Fire Protection Districts of \$648,030. Additional increase attributable to an increase in compensated absences of \$221,200.
- General government support expenses increased by \$3,498,216 from the prior year, of which \$2,513,839 is related to an increase in employee benefits and a \$575,853 increase in judgments and claims.
- Culture and recreation expenses decreased \$2,181,761 from the prior year, attributable to a decrease in repair and maintenance costs related to the Wyandanch Pedestrian Mall project in the amount of \$3,590,494. These costs included necessary expenditures on property not owned by the Town. This was offset by an increase in employee benefits of \$1,868,550.

Net position from the business-type activities increased by \$766,778 in the current year. The current year total revenues increased by \$1,968,870, primarily due to an increase in operating grants received by the Local Development Corporation of \$1,622,991. Program expenses increased in line with expenditures over the prior year by \$1,079,610.

**Net Cost of Services for Governmental Activities**  
For the years ended December 31,

	Total Cost of Services		Program Revenue		Net Cost of Services	
	2023	2022	2023	2022	2023	2022
General government support	\$ 33,728,141	\$ 30,229,925	\$ 2,392,134	\$ 2,591,856	\$ (31,336,007)	\$ (27,638,069)
Public safety	33,863,216	29,847,479	5,868,434	3,567,994	(27,994,782)	(26,279,485)
Health	8,721,125	7,454,945	4,391,870	2,006,957	(4,329,255)	(5,447,988)
Transportation	21,778,485	23,703,492	3,470,874	7,033,935	(18,307,611)	(16,669,557)
Economic assistance and opportunity	4,981,934	4,670,717	36,230	66,902	(4,945,704)	(4,603,815)
Culture and recreation	24,826,611	27,008,372	9,033,665	7,390,589	(15,792,946)	(19,617,783)
Home and community services	65,793,665	59,585,459	63,305,347	66,742,209	(2,488,318)	7,156,750
Interest on debt	5,899,361	5,035,962			(5,899,361)	(5,035,962)
	<u>\$ 199,592,538</u>	<u>\$ 187,536,351</u>	<u>\$ 88,498,554</u>	<u>\$ 89,400,442</u>	<u>\$ (111,093,984)</u>	<u>\$ (98,135,909)</u>

The total cost of all governmental activities this year was \$199,592,538. The net cost of these services after being subsidized by program revenues of \$88,498,554 was \$111,093,984.

**FINANCIAL ANALYSIS OF THE TOWN'S FUNDS**

Governmental Funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, spendable fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the year.

**TOWN OF BABYLON**

MANAGEMENT’S DISCUSSION AND ANALYSIS

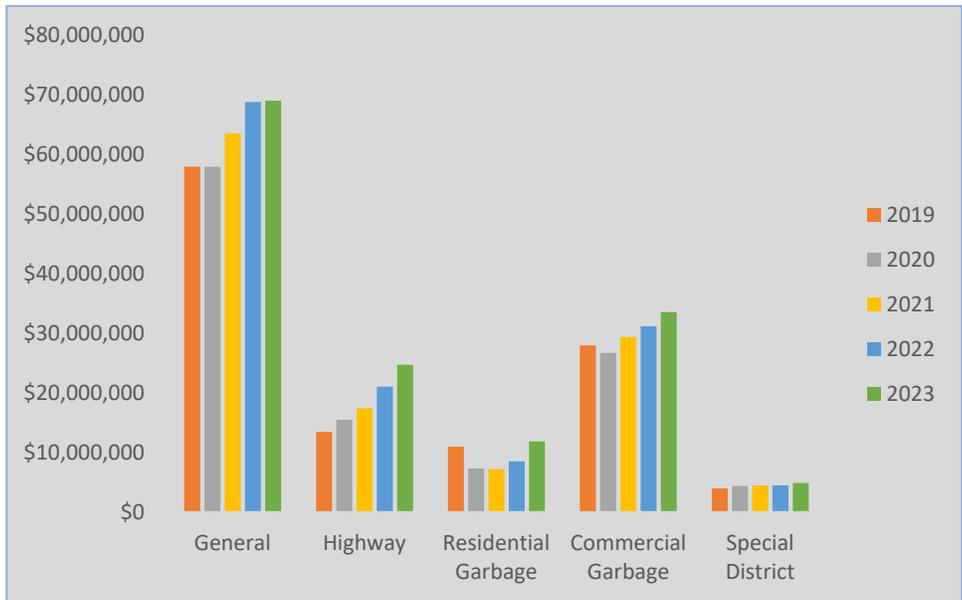
**FINANCIAL ANALYSIS OF THE TOWN’S FUNDS** (continued)

Governmental Funds (continued)

At December 31, 2023, the Town’s governmental funds reported total ending fund balances of \$192,764,198 an increase of \$12,520,848 in comparison with the prior year. The category breakdown is as follows:

- **Nonspendable fund balance** - \$10,618,885 (inherently nonspendable) includes the portion of net resources that cannot be spent because they must be maintained intact.
- **Restricted fund balance** - \$49,801,700 (externally enforceable limitations on use) include amounts subject to limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments.
- **Assigned fund balance** - \$82,762,263 (limitation resulting from intended use) consists of amounts where the intended use is established by the highest level of decision making.
- **Unassigned fund balance** - \$49,581,350, (residual net resources) is the remaining fund balance in the general fund in excess of nonspendable, restricted and assigned fund balance.

Below is a summary of the Town’s major operating funds’ fund balances for 2019 through 2023.



The Town began the year with an anticipated overall \$5,409,410 decrease resulting from the appropriation of fund balance for the 2023 budget (including prior year encumbrances of \$542,199). Total revenues increased from the prior year by \$6,237,194 primarily a result of the increase in use of money and property of \$5,488,165 due to an increase in the PRIME rate during 2023, as well as an increase in real property taxes of \$4,695,630 attributable to the Town Board approving the tax cap override in 2023. This was offset by a decrease in state aid of \$6,935,506 due to a decrease in mortgage tax of \$3,318,787 and a decrease in federal aid related to Community Development Block Grant Disaster Recovery funds of \$2,692,087.

Overall, governmental expenditures decreased significantly by \$38,733,947 from the prior year. This decrease was seen primarily in capital outlay, which decreased \$48,489,373 from the prior year due to the implementation of GASB 87, as the Town entered into new lease agreements in the prior year which amounted to \$41,224,302, offset by an increase in public safety expenditures of \$2,712,384 and general government support expenditures of \$2,421,489.

Net other financing sources decreased by \$46,661,239, which is also primarily attributable to the implementation of GASB 87 noted above, where the Town recognized proceeds from leases in the amount of \$41,224,302 for the year ended December 31, 2022.

## TOWN OF BABYLON

### MANAGEMENT'S DISCUSSION AND ANALYSIS

#### FINANCIAL ANALYSIS OF THE TOWN'S FUNDS (continued)

##### Governmental Funds (continued)

##### **General Fund**

The general fund is the chief operating fund of the Town. At the end of the current year, the total fund balance of the general fund was \$69,005,308, increasing \$208,044 or 0.30% from the prior year. Of this amount, \$8,173,721 is not in spendable form (property held for resale, prepaids, inventory and leases) and \$8,290,667 is restricted for debt service and for future proceeds from the sale of property held for resale which will be restricted for debt service once received. Of the remaining fund balance of \$52,540,920, \$2,895,328 has been assigned by the Town Board for the subsequent year's budget, \$64,242 has been assigned for purchase orders by the Town Comptroller and \$49,581,350 is shown as unassigned fund balance.

Although fund balance remained in line with the prior year, there was significant activity which occurred during the year. The key elements are as follows:

- Overall actual revenues exceeded the original budgeted expectations by \$13,618,382, due to an increase in federal aid recognized in excess of original budgeted amounts related to American Rescue Plan Act related to the Coronavirus State and Local Fiscal Recovery Funds in the amount of \$7,955,654. Additionally, the Town earned interest in excess of the original budget in the amount of \$3,107,137, as well as an increase in state aid - mortgage tax of \$2,415,444.
- Actual revenues increased by \$1,706,333 compared to prior year, which is primarily related to an increase in use of money and property of \$2,536,033, primarily a result of an increase in interest income. This was offset by a decrease in other non-property tax items of \$395,847. Additionally, there was an increase in federal aid recognized of \$2,626,727 primarily related to an increase in revenue related to the Coronavirus State and Local Fiscal Recovery Funds program in the amount of \$3,264,611, offset by a decrease in aid recognized related to federal emergency disaster assistance of \$524,549. A decrease in state aid of \$3,267,031 offset this increase, which was attributable to a decrease in mortgage tax received in the amount of \$3,318,787.
- Overall expenditures exceeded the original budget in the amount of \$4,773,500. This is primarily due to costs associated with the American Rescue Plan Act, as the Town used these funds as grants to local small businesses, not for profits and Villages in an aggregate amount of \$4,763,832 classified as economic assistance and opportunity.
- Actual expenditures increased by \$4,516,906 compared to the prior year, which is primarily attributable to an increase in personnel expenditures of \$1,196,589 as well as the Town purchasing a piece of land using American Rescue Plan Act funds to construct a new Beacon Family Wellness Center in the amount of \$1,070,000. Additional increase attributable to an increase in bond principal and interest expenditures in the amount of \$1,008,248, employee benefits of \$519,100 due to an increase in insurance premiums and an increase in insurance expenditures of \$427,303.
- Net other financing uses exceeded the original budget in the amount of \$1,788,223 primarily attributable to a transfer of American Rescue Plan Funds to the capital projects fund in the amount of \$2,121,879 to fund various projects being undertaken by the Town, including the Venetian Shores Spray Park as well as the Beacon Family Wellness Center.
- Net other financing uses decreased from the prior year, attributable to an increase in transfers of American Rescue Plan Funds to the capital projects fund in the amount of \$546,743 due to a decrease in project activity as noted above.
- During the current year, the Town recognized a special item related to property held for resale. The Town recognized a loss on the sale of property held for resale in the amount of \$1,561,356 in addition to reclassifying property held for resale to Town owned assets in the amount of \$1,328,174.

## TOWN OF BABYLON

### MANAGEMENT'S DISCUSSION AND ANALYSIS

#### FINANCIAL ANALYSIS OF THE TOWN'S FUNDS (continued)

##### Governmental Funds (continued)

##### **Residential Garbage District Fund**

At the end of the current year, the total fund balance of the residential garbage district fund was \$11,841,824, increasing \$3,346,442 or 39.39% from the prior year. Total fund balance is as follows: \$51,694 is not in spendable form for prepaid items, \$3,451 has been assigned for purchase orders by the Town Comptroller and \$11,786,679 is assigned for residential garbage district purposes.

The key elements of the fund balance increase of \$3,346,442 are as follows:

- Total revenues fell short of budgeted expectations by \$1,608,625, a result of a shortfall in departmental income of \$2,182,803, primarily attributable to less than anticipated refuse and garbage fees of \$1,785,494. This was offset by the Town earning more interest than anticipated in the amount of \$518,650.
- Overall actual revenues increased by \$1,347,099 compared to the prior year, a result of an increase in special assessments of \$1,410,003.
- Total expenditures were less than the original budget by \$4,105,800, primarily due to less refuse and garbage in the amount of \$4,051,827, resulting from underrealized professional and technical services (\$3,569,952) and personal services (\$332,189).
- Actual expenditures increased over the prior year by \$3,809,899, primarily a result of an increase in professional and technical service costs of \$3,593,474.
- Actual other financing uses decreased from the prior year in the amount of \$4,500,000 primarily due to the timing of operating transfers to the capital projects fund to fund ongoing projects occurring in the prior year.

##### **Commercial Garbage District Fund**

At the end of the current year, the total fund balance of the commercial garbage district fund was \$33,531,915 increasing \$2,387,517 or 7.67% from the prior year. Total fund balance is as follows: \$12,785 is not in spendable form for prepaid items, \$10,301,606 is restricted for the Solid Waste Management Reserve, \$2,385,728 has been assigned by the Town Board for the subsequent year's budget, \$71,635 has been assigned for purchase orders by the Town Comptroller and \$20,760,161 is assigned for commercial garbage district purposes.

The key elements of the fund balance increase of \$2,387,517 are as follows:

- Overall revenues exceeded the original budget by \$2,453,494, a result of more than anticipated refuse and garbage fees of \$1,310,819 and interest earnings of \$771,151.
- Actual revenues increased by \$1,199,442 compared to the prior year due to an increase in interest earnings of \$681,816 and an increase in refuse and garbage fees of \$373,955.
- Total expenditures were less than the original budget amount by \$461,835, primarily attributable to less refuse and garbage fees of \$497,028.
- Actual expenditures increased from the prior year in the amount of \$593,239, primarily a result of an increase in professional and technical service costs of \$572,752.

## TOWN OF BABYLON

### MANAGEMENT'S DISCUSSION AND ANALYSIS

#### FINANCIAL ANALYSIS OF THE TOWN'S FUNDS (continued)

##### Governmental Funds (continued)

##### **Highway Fund**

At the end of the current year, the total fund balance of the highway fund was \$24,706,705, increasing \$3,696,917 or 17.60%, from the prior year. Of this amount, \$712,984 is not in spendable form (inventory and prepaids), \$38,743 has been restricted for debt service, \$1,022,758 has been assigned by the Town Board for the subsequent year's budget, \$1,259 has been assigned for purchase orders by the Town Comptroller and the remaining \$22,930,961 is assigned for highway purposes.

The key elements of the fund balance increase of \$3,696,917 are as follows:

- Total revenues exceeded original budgeted expectations by \$2,407,378, primarily a result of state aid from the New York State Department of Transportation being more than originally anticipated in the amount of \$1,594,823 as well as interest earnings being more than anticipated in the amount of \$677,113.
- Actual revenues remained in line with prior year revenues decreasing by \$454,705 which was the result of a decrease in federal aid received in the amount of \$1,200,679 offset by an increase in interest earnings of \$631,157.
- Total expenditures were under original budget by \$1,142,960 due to personnel costs and program operations being less than anticipated by \$1,858,206 and \$601,907, respectively, as the Town conservatively budgets for snow removal. This was offset by construction costs amounting to \$1,594,822 in excess of budgeted amounts. Employee benefit expenditures were also under the original budget amount by \$369,126.
- Actual expenditures remained in line with the prior year, decreasing slightly by \$174,680.
- Other financing sources exceeded original budgeted expectations in the amount of \$382,717 primarily attributable to residual equity transfers from the capital projects fund related to completed projects in the amount of \$295,012.
- Actual net other financing sources increased \$336,292 from the prior year, due to the residual equity transfers noted above.

##### **Capital Projects Fund**

At the end of the current year, the capital projects fund had a total fund balance of \$36,368,940, an increase of \$2,068,075, or 6.03% from the prior year. Of this amount, \$9,423,634 has been restricted for purchase orders or contractual obligations by the Town Comptroller and \$14,873,027 was restricted to specific capital project expenditures. The remaining balance of \$12,072,279 includes an amount of \$11,721,232 which is assigned for capital projects costs and outstanding amounts for purchases orders or contractual obligations in the amount of \$351,047.

The increase in fund balance in the capital projects of \$2,068,075 from the prior year is a result of timing differences between project expenditures and the recognition of corresponding permanent financing.

##### **Special Districts Fund**

At the end of the current year, the total fund balance of the special districts fund was \$4,874,932, an increase of \$412,018, or 9.23%, from the prior year. Of this amount, \$1,376,857 is not in spendable form (prepaid items), \$1,453,285 is restricted for length of service award program plan benefits and the remaining \$2,044,790, is assigned for the special districts fund.

## TOWN OF BABYLON

### MANAGEMENT'S DISCUSSION AND ANALYSIS

#### FINANCIAL ANALYSIS OF THE TOWN'S FUNDS (continued)

##### Governmental Funds (continued)

##### **Special Districts Fund** (continued)

The key elements of the fund balance increase of \$412,018 is as follows:

- Total actual revenues exceeded original budgeted expectations by \$954,561, a result of unanticipated state aid received in the amount of \$450,000 to assist in the purchase of fire equipment on behalf of the Wyandanch Fire Company. Additionally payments in lieu of taxes exceeded budgeted amounts by \$202,806, as well as investment gains from length of service award program of \$112,425.
- Actual revenues increased \$1,613,165 over the prior year, attributable to an increase in special assessments in the amount of \$612,009 as well as the state aid recognized in the amount of \$450,000 as noted above. Additional increases recognized in investment gains from Length of Service Award in the amount of \$291,831 over the prior year.
- Total actual expenditures amounted to \$504,709 in excess of original budgeted amounts. Of this amount \$450,000 is attributable to the purchase of fire equipment on behalf of the Wyandanch Fire Company with the use of state aid received as noted above.
- Actual expenditures increased by \$1,218,244 compared to prior year, primarily a result of higher program operation costs for the fire protection districts of \$648,029 as well as the purchase of fire equipment as noted above.

##### **Non-major Governmental Funds**

The net change in fund balances was an increase of \$401,835.

- The total fund balance of the housing assistance agency fund at December 31, 2023 was \$2,649,383, an increase of \$328,973 from the prior year, which is primarily a result of the granting agency off-setting program related revenue to HUD-held funds, resulting in the increase in the housing agency's fund balance.
- The part-town fund's fund balance was \$5,559,709 at December 31, 2023, which is a decrease of \$153,916 from the prior year. Total revenues in the part-town fund increased \$3,022,431, primarily attributable to an increase in real property taxes in the amount of \$2,511,753 due to the Town overriding the tax cap. Increase in expenditures in the amount of \$ of \$2,704,652 attributable to increases in personal services in the amount of \$1,054,000, debt service costs of \$611,315 as well as employee benefit costs of \$421,811. Actual revenues were more than budgeted expectations by \$489,294, attributable to interest earnings, departmental income and other real property tax items being more than budgeted in the amounts of \$184,304, \$158,516 and \$139,785, respectively. Actual expenditures exceeded budgeted expectations in the amount of \$719,926, primarily attributable to the purchase of equipment of \$377,631 as well as public safety administration contractual costs and employee benefits being more than anticipated by \$201,835 and \$112,473, respectively.
- The total fund balance in the lighting district fund at December 31, 2023 was \$1,414,127, which was an increase of \$100,182 from the prior year. This is primarily a result of a decrease in expenditures of \$185,798 from the prior year, related to personal and equipment costs. Revenues increased slightly over the prior year in the amount of \$38,200.

**TOWN OF BABYLON**

MANAGEMENT'S DISCUSSION AND ANALYSIS

**FINANCIAL ANALYSIS OF THE TOWN'S FUNDS** (continued)

Governmental Funds (continued)

**Summary of All Governmental Funds Revenues and Expenditures**

The following schedule presents in summary all of the governmental funds revenues and expenditures for the years ended December 31, 2023 and 2022, the amount of the change and percentage change in relation to the prior year.

	2023	2022	\$ Change	% Change
<b>Revenues (in Millions)</b>				
Real property taxes	\$122.6	\$117.9	\$4.7	3.99%
Other real property tax items	4.4	3.8	0.6	15.79%
Non-property tax items	4.4	4.8	-0.4	-8.33%
Department income	24.0	23.6	0.4	1.69%
Use of money and property	11.7	6.2	5.5	88.71%
Investment gain (loss) from length of service award program	0.1	-0.2	0.3	150.00%
Licenses and permits	0.3	0.3	0.0	0.00%
Fines and forfeitures	0.8	0.8	0.0	0.00%
Sale of property and compensation for loss	0.7	0.9	-0.2	-22.22%
Interfund revenue	0.2	0.2	0.0	0.00%
Miscellaneous local sources	4.1	2.3	1.8	78.26%
State aid	12.3	19.3	-7.0	-36.27%
Federal aid	25.5	24.9	0.6	2.41%
<b>Total Governmental Fund Revenues</b>	<b>\$211.1</b>	<b>\$204.8</b>	<b>\$6.3</b>	<b>3.08%</b>
<b>Expenditures (in Millions)</b>				
General government support	\$23.8	\$21.4	\$2.4	11.21%
Public safety	29.4	26.7	2.7	10.11%
Health	8.2	7.4	0.8	10.81%
Transportation	11.3	14.8	-3.5	-23.65%
Economic assistance and opportunity	4.9	4.6	0.3	6.52%
Culture and recreation	13.4	13.3	0.1	0.75%
Home and community services	57.9	54.4	3.5	6.43%
Employee benefits	23.7	22.8	0.9	3.95%
Capital outlay	18.0	66.5	-48.5	-72.93%
Debt Service:				
Principal	14.0	12.6	1.4	11.11%
Interest	6.8	6.0	0.8	13.33%
Bond issuance costs	0.1	0.1	0.0	0.00%
<b>Total Governmental Fund Expenditures</b>	<b>\$211.5</b>	<b>\$250.6</b>	<b>-\$39.1</b>	<b>-15.60%</b>

**TOWN OF BABYLON**

MANAGEMENT'S DISCUSSION AND ANALYSIS

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The differences between the 2023 original budget and the final amended budget are adopted by Town Board resolution throughout the year. During the year, the Town increased the original budget for total revenues by \$7,947,670, increased the original budget for total expenditures by \$8,053,857, which is inclusive of the Special Items of \$2,889,530, and decreased the original budget for net other financing uses by \$333,656. The main components of the overall increase in the Town's appropriations were increases in economic assistance and opportunity of \$4,764,346 attributable to the federal funding received and expended related to the Coronavirus State and Local Fiscal Recovery award. Additionally, the Town increased other financing uses by \$2,121,879 as the general fund transferred funds to the capital projects fund for projects funded by the Coronavirus State and Local Fiscal Recovery Funds program and did not budget for other financing sources related to residual equity transfers from the capital projects fund in the amount of \$353,697 related to completed projects. There are no variations between the budgeted and actual amounts that are expected to have a significant effect on future services or liquidity. Please see the "General Fund" section for more details on the comparison of final budgets and actual amounts.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The Town's investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of December 31, 2023 amounted to \$344,553,378 and \$5,001,717, respectively. The Town's capital assets include land, buildings, improvements, machinery and equipment, park facilities, roads, highways, bridges, the water system infrastructure and right-to-use lease assets.

In 2023, the Town's major capital expenditures were as follows:

Various highway road improvements	\$	7,497,483
Oak Beach Water Distribution System		1,420,563
Consolidated Local Street and Highway Improvement Program		2,794,822
Acquisition of Machinery		1,812,522
Venetian Shores Spray Park		1,325,000

**Capital Assets at December 31, 2023 and 2022  
(Net of depreciation/amortization)**

	Governmental Activities		Business-type Activities	
	2023	2022	2023	2022
Land	\$ 27,211,933	\$ 26,360,929	\$ 194,964	\$ 414,422
Construction in progress	34,454,641	40,986,584		
Building and improvements	88,087,898	83,767,920	294,096	312,006
Machinery and equipment	13,810,222	13,705,617		
Infrastructure	140,167,645	136,149,202	4,512,657	4,646,722
Right-to-use lease assets - vehicles	511,058	472,849		
Right-to-use lease assets - equipment	218,553	218,748		
Right-to-use lease assets - building	39,326,296	39,907,515		
Right-to-use subscription assets	765,132			
<b>Totals</b>	<b>\$ 344,553,378</b>	<b>\$ 341,569,364</b>	<b>\$ 5,001,717</b>	<b>\$ 5,373,150</b>

The Town has a five-year capital improvement plan which allows for the continued improvements to infrastructure, buildings and equipment while remaining consistent with the Town's debt service requirements. Annually, the Town Board reviews, updates, and amends the capital plan.

Additional information on the Town's capital assets can be found in Note 3.D to the financial statements.

**TOWN OF BABYLON**

MANAGEMENT'S DISCUSSION AND ANALYSIS

**CAPITAL ASSETS AND DEBT ADMINISTRATION** (continued)

**Long-Term Debt**

At the end of the current year, the Town has total long-term bonded debt outstanding (exclusive of premiums) of \$169,175,000. The entire debt is backed by the full faith and credit of the Town. The Town also has \$2,109,000 outstanding in guaranteed assistance contract loans payable.

Outstanding Debt

	Governmental Activities	
	2023	2022
General obligation bonds payable *	\$ 169,915,000	\$ 169,175,000
Guaranteed assistance contract loans payable	2,109,000	2,328,000
	\$ 172,024,000	\$ 171,503,000

\*This does not include the bond premium as presented in the Statement of Net Position.

In 2023 the Town's debt payable above increased by \$521,000 or 0.30% which is a net change in new borrowings and debt retired.

During November 2023, Moody's Investors Service, Inc. reaffirmed the Town's underlying rating of Aaa, the highest bond rating available.

State statutes limit the amount of general obligation a governmental entity may issue up to 7% of a 5-year average full valuation. The current debt limitation for the Town is \$1,910,280,414. The percentage of debt contracting exhausted at December 31, 2028 was 8.9% of the current debt limitation.

Additional information on the Town's debt activity can be found in Note 3.F to the financial statements.

**WYANDANCH RISING COMMUNITY REDEVELOPMENT PROJECT**

The Town has undertaken a major downtown revitalization effort for the hamlet of Wyandanch located in the northern central part of the Town. In connection with such redevelopment, the Town designated the downtown Wyandanch business district an Urban Renewal Area in accordance with Article 15 of General Municipal Law. The redevelopment is focused on the Wyandanch area which surrounds the existing railroad station of the same name (which has been completely re-built) and included pre-development work including property purchases, re-zoning, securing necessary permits, community approval, demolishing existing structures and grading the properties, some of which is on-going. Phase I of the construction was handled by a private developer contracted by the Town through a request for proposal process.

Phase I began in the Summer of 2013, and included the construction of Building A and Building B, which contain 177 residential units that are fully occupied. The construction of the Intermodal Plaza, which includes green space, ice rink and other amenities, were completed in 2016. The MTA has also constructed a new train station with platforms and sidewalks. Along with this redevelopment, the Metropolitan Transit Authority (MTA) constructed a five-story parking garage. Building D, the "liner" building, located at 11 Park Drive, surrounding the north and west sides of the parking garage, and intended to improve the aesthetics of same, along with activating the streetscape, is complete. This building is a senior living residential building, operated by the non-profit group Self Help. Building E, containing 124 residential units totaling 124,000 square feet, was completed in 2021. Building C, an approximately 90,000 square foot health and wellness center, will contain the YMCA and a health care provider. Funding sources are currently being finalized. A 1,260 square foot building for the new Wyandanch Community Resource Center which contains two offices, an open office, area and a conference room, all of which will better facilitate the Resource Center's operations has been completed.

## TOWN OF BABYLON

### MANAGEMENT'S DISCUSSION AND ANALYSIS

#### WYANDANCH RISING COMMUNITY REDEVELOPMENT PROJECT (continued)

Development work has started for Phase II of the Wyandanch Rising revitalization initiative, which is slated to include four buildings with 34,200 square feet of commercial units and an additional 264 residential housing units, including a mix of varying-sized dwelling units, and townhouses. Phase II is comprised of approximately 12.9 acres and is located at the southeast corner of Long Island Avenue and Straight Path, stretching east to Doe Street. Building L, a mixed-use multi-residential building, as well as Building N, a charter school, started construction in 2023. They are anticipated to open in 2025 and 2024, respectively. The further developments include the continuation of the Wyandanch Village transit-oriented development along the Straight Path corridor, while connecting and transitioning to the existing Wyandanch community.

#### ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The Town's elected and appointed officials considered many factors when setting the upcoming 2024 budget, tax rates, and fees that will be charged. One of those factors is the economy. The Town, located in Suffolk County, New York, generally has more favorable financial statistical data than the County or New York State.
- Inflation in the Town's geographic area is consistent with the metropolitan area and is similar though somewhat higher than national averages. Stable contractual increases in negotiated labor contracts are comparable with regional municipalities while providing similar fringe benefits. These factors form the basis for estimating the 2024 budget lines.
- Revenues are subject to regional economic trends. The Town notes an increase in mortgage tax revenue in the General Fund which is expected to offset the planned use of fund balance. Due to the current economic environment, the Town is not able to determine the impact on fund balance at this time.
- 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. No local government is authorized to increase its property tax levy by more than 2% or the rate of inflation (whichever is less); however, the permitted increase will not be less than 1%. Local governments can exceed the tax levy limit by a 60% vote of the governing body, or local law. The Town elected to exceed the 2% cap in 2024.
- On November 16, 2023, the Board adopted Local Law No. 22 of 2023, Tax Cap Override, via resolution number 841, to allow the Town to adopt a budget for the fiscal year commencing January 1, 2024, that requires a real property tax levy in excess of the tax levy limit, as defined above.

#### 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 Comptroller at 200 East Sunrise Highway, Lindenhurst, New York 11757.

## **BASIC FINANCIAL STATEMENTS**

**TOWN OF BABYLON**

**GOVERNMENT-WIDE FINANCIAL STATEMENT  
STATEMENT OF NET POSITION  
December 31, 2023**

	Primary Government		Total	Component Unit Town of Babylon IDA
	Governmental Activities	Business-type Activities		
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$ 215,934,646	\$ 4,352,993	\$ 220,287,639	\$ 4,423,021
Cash with fiscal agent	257,855		257,855	
Restricted cash	10,702,631		10,702,631	
Accounts receivable, net	4,983,785	165,328	5,149,113	406,634
Taxes receivable	75,184,471		75,184,471	
Long Island Green Homes receivable, net	591,653		591,653	
Leases receivable, net	1,201,799		1,201,799	
Accrued interest receivable	1,267,583		1,267,583	
Due from other governments, net	4,529,476	802,400	5,331,876	37,662
Inventory	1,077,799		1,077,799	
Prepaid items	3,493,966		3,493,966	1,360
Property held for resale	61,397		61,397	
Total Current Assets	<u>319,287,061</u>	<u>5,320,721</u>	<u>324,607,782</u>	<u>4,868,677</u>
<b>Noncurrent Assets:</b>				
Accounts receivable, noncurrent portion	5,919,815		5,919,815	
Long Island Green Homes receivable, noncurrent portion	2,785,207		2,785,207	
Leases receivable, noncurrent portion	72,353,350		72,353,350	
Due from other governments, noncurrent portion	676,422		676,422	
Property held for resale	12,819,539		12,819,539	
Non-depreciable capital assets	61,666,574	194,964	61,861,538	
Capital assets, net	282,886,804	4,806,753	287,693,557	286,747
Length of service award program plan assets	1,453,285		1,453,285	
Loans receivable		17,157	17,157	
Total Noncurrent Assets	<u>440,560,996</u>	<u>5,018,874</u>	<u>445,579,870</u>	<u>286,747</u>
<b>Total Assets</b>	<u>759,848,057</u>	<u>10,339,595</u>	<u>770,187,652</u>	<u>5,155,424</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	89,820		89,820	
Pension - employees' retirement system	17,098,679		17,098,679	240,969
Length of service award programs	3,294,425		3,294,425	
Other postemployment benefits	22,096,421		22,096,421	267,708
<b>Total Deferred Outflows of Resources</b>	<u>42,579,345</u>	<u>-0-</u>	<u>42,579,345</u>	<u>508,677</u>
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts payable and accrued liabilities	12,479,450	700,433	13,179,883	100,172
Accrued interest payable	1,400,920		1,400,920	
Due to other governments, net	1,238,921	37,662	1,276,583	876,527
Unearned revenues	11,413,802	229,909	11,643,711	2,500
Guaranty and bid deposits	733,856		733,856	
Long-term obligations due within one year	34,163,620	89,936	34,253,556	43,108
Total Current Liabilities	<u>61,430,569</u>	<u>1,057,940</u>	<u>62,488,509</u>	<u>1,022,307</u>
<b>Noncurrent Liabilities:</b>				
Due to other governments	5,919,814		5,919,814	
Long-term obligations due in more than one year	438,881,405	1,168,762	440,050,167	1,155,063
Total Noncurrent Liabilities	<u>444,801,219</u>	<u>1,168,762</u>	<u>445,969,981</u>	<u>1,155,063</u>
<b>Total Liabilities</b>	<u>506,231,788</u>	<u>2,226,702</u>	<u>508,458,490</u>	<u>2,177,370</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unearned revenue - property taxes	111,862,330		111,862,330	
Deferred service concession arrangement		2,012,500	2,012,500	
Leases	72,141,970		72,141,970	
Pension - employees' retirement system	806,641		806,641	68,573
Length of service award programs	3,429,312		3,429,312	
Other postemployment benefits	56,488,823		56,488,823	365,860
<b>Total Deferred Inflows of Resources</b>	<u>244,729,076</u>	<u>2,012,500</u>	<u>246,741,576</u>	<u>434,433</u>
<b>NET POSITION</b>				
Net investment in capital assets	202,663,828	5,001,717	207,665,545	5,810
Restricted				
Solid waste management	10,301,606		10,301,606	
Debt service	2,391,079		2,391,079	
Length of service award programs	1,453,285		1,453,285	
General government support	50,000		50,000	
Public safety	48,974		48,974	
Health	639,850		639,850	
Transportation	58,000		58,000	
Economic assistance and opportunity	7,535	2,087,245	2,094,780	
Culture and recreation	351,124		351,124	
Home and community services	4,265,258		4,265,258	
Unrestricted	(170,764,001)	(988,569)	(171,752,570)	3,046,488
<b>Total Net Position</b>	<u>\$ 51,466,538</u>	<u>\$ 6,100,393</u>	<u>\$ 57,566,931</u>	<u>\$ 3,052,298</u>

See notes to the financial statements.

TOWN OF BABYLON

GOVERNMENT-WIDE FINANCIAL STATEMENT  
STATEMENT OF ACTIVITIES  
Year Ended December 31, 2023

Function/ Program	Expenses	Program Revenues			Total Program Revenues	Net (Expenses) Revenues and Changes in Net Position			Non-major Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Governmental Activities	Business-type Activities	Total	
<b>PRIMARY GOVERNMENT:</b>									
Governmental Activities:									
General government support	\$ 33,728,141	\$ 2,206,300		\$ 185,834	\$ 2,392,134	\$ (31,336,007)		\$ (31,336,007)	
Public safety	33,863,216	3,691,186	\$ 1,657,351	519,897	5,868,434	(27,994,782)		(27,994,782)	
Health	8,721,125	1,026,730	3,207,140	158,000	4,391,870	(4,329,255)		(4,329,255)	
Transportation	21,778,485	170,605		3,300,269	3,470,874	(18,307,611)		(18,307,611)	
Economic assistance and opportunity	4,981,934	200	36,030		36,230	(4,945,704)		(4,945,704)	
Culture and recreation	24,826,611	6,569,168	666,211	1,798,286	9,033,665	(15,792,946)		(15,792,946)	
Home and community services	65,793,665	44,295,528	18,965,877	43,942	63,305,347	(2,488,318)		(2,488,318)	
Interest on debt	5,899,361				-0-	(5,899,361)		(5,899,361)	
Total Governmental Activities	199,592,538	57,959,717	24,532,609	6,006,228	88,498,554	(111,093,984)	\$ -0-	(111,093,984)	
Business-type Activities:									
Town of Babylon L.D. Corporation II	1,634,476	325,117	1,747,991		2,073,108		438,632	438,632	
East Farmingdale Water District	354,934	75,000			75,000		(279,934)	(279,934)	
Total Business-type Activities	1,989,410	400,117	1,747,991	-0-	2,148,108	-0-	158,698	158,698	
Total Primary Government	\$ 201,581,948	\$ 58,359,834	\$ 26,280,600	\$ 6,006,228	\$ 90,646,662	(111,093,984)	158,698	(110,935,286)	
<b>NON-MAJOR COMPONENT UNIT:</b>									
Economic assistance and opportunity	\$ 1,941,397	\$ 903,765							\$ (1,037,632)
Total Component Units	\$ 1,941,397	\$ 903,765							(1,037,632)
<b>GENERAL REVENUES:</b>									
Real property taxes						94,728,216		94,728,216	
Other real property tax items						4,433,905		4,433,905	
Non-property tax items						4,437,324		4,437,324	
Interest and investment earnings						6,996,212	87,596	7,083,808	157,871
Gain on sale of capital assets						485,586		485,586	
State aid - unrestricted						7,917,912		7,917,912	
Other						2,391,246	520,484	2,911,730	165,436
Total General Revenues						121,390,401	608,080	121,998,481	323,307
Change in Net Position before Special Item						10,296,417	766,778	11,063,195	(714,325)
<b>SPECIAL ITEM</b>									
Change in Net Position						(1,561,356)		(1,561,356)	
Change in Net Position						8,735,061	766,778	9,501,839	(714,325)
Net Position at Beginning of Year						42,731,477	5,333,615	48,065,092	3,766,623
Net Position at End of Year						\$ 51,466,538	\$ 6,100,393	\$ 57,566,931	\$ 3,052,298

See notes to the financial statements.

**TOWN OF BABYLON**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
December 31, 2023

	MAJOR FUNDS								
	General Fund	Residential Garbage District Fund	Commercial Garbage District Fund	Highway Fund	Capital Projects Fund	Special Districts Fund	Total Major Governmental Funds	Non-major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>									
Cash and cash equivalents	\$ 78,828,077	\$ 21,079,021	\$ 24,793,028	\$ 28,666,946	\$ 38,964,462	\$ 7,274,016	\$ 199,605,550	\$ 16,329,096	\$ 215,934,646
Cash with fiscal agent	219,112			38,743			257,855		257,855
Restricted cash			10,301,606				10,301,606	401,025	10,702,631
Accounts receivable	2,193,876	493,127	1,709,063	21,859	29,824		4,447,749	6,455,851	10,903,600
Taxes receivable	38,204,450			15,479,571			68,316,092	6,868,379	75,184,471
Long Island Green Homes receivable		3,376,860					3,376,860		3,376,860
Leases receivable	73,555,149						73,555,149		73,555,149
Accrued interest receivable	149,375		79,667	69,708			298,750		298,750
Due from other funds	499,013			269,775	87,663		856,451		856,451
Due from other governments	2,015,122	20,241		1,200,988	1,057,692	519,897	4,813,940	391,958	5,205,898
Inventory	380,016			564,224			944,240	133,559	1,077,799
Prepaid items	701,118	51,694	12,785	148,760			2,291,214	157,285	2,448,499
Property held for resale	12,819,538						12,819,538	61,397	12,880,935
Length of service award program plan assets						1,453,285	1,453,285		1,453,285
Total Assets	<u>\$ 209,564,846</u>	<u>\$ 25,020,943</u>	<u>\$ 36,896,149</u>	<u>\$ 46,460,574</u>	<u>\$ 40,139,641</u>	<u>\$ 25,256,126</u>	<u>\$ 383,338,279</u>	<u>\$ 30,798,550</u>	<u>\$ 414,136,829</u>
<b>LIABILITIES</b>									
Accounts payable and accrued liabilities	\$ 2,228,412	\$ 2,851,424	\$ 2,120,951	\$ 393,440	\$ 3,500,926	\$ 190,240	\$ 11,285,393	\$ 726,782	\$ 12,012,175
Due to other funds	87,663				269,775		357,438	499,013	856,451
Due to other governments	3,228						3,228	7,155,507	7,158,735
Unearned revenue	11,291,642	122,160					11,413,802		11,413,802
Guaranty and bid deposits	733,856						733,856		733,856
Liabilities payable from restricted cash							-	401,025	401,025
Total Liabilities	<u>14,344,801</u>	<u>2,973,584</u>	<u>2,120,951</u>	<u>393,440</u>	<u>3,770,701</u>	<u>190,240</u>	<u>23,793,717</u>	<u>8,782,327</u>	<u>32,576,044</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Unearned revenue- property taxes	52,718,737	6,828,675	1,243,283	21,360,429		20,190,954	102,342,078	9,520,252	111,862,330
Unavailable revenue	1,354,030	3,376,860					4,730,890	61,397	4,792,287
Lease related	72,141,970						72,141,970		72,141,970
Total Deferred Inflows of Resources	<u>126,214,737</u>	<u>10,205,535</u>	<u>1,243,283</u>	<u>21,360,429</u>	<u>-0-</u>	<u>20,190,954</u>	<u>179,214,938</u>	<u>9,581,649</u>	<u>188,796,587</u>
<b>FUND BALANCES</b>									
Nonspendable	8,173,721	51,694	12,785	712,984		1,376,857	10,328,041	290,844	10,618,885
Restricted	8,290,667		10,301,606	38,743	24,296,661	1,453,285	44,380,962	5,420,738	49,801,700
Assigned	2,959,570	11,790,130	23,217,524	23,954,978	12,072,279	2,044,790	76,039,271	6,722,992	82,762,263
Unassigned	49,581,350						49,581,350		49,581,350
Total Fund Balances	<u>69,005,308</u>	<u>11,841,824</u>	<u>33,531,915</u>	<u>24,706,705</u>	<u>36,368,940</u>	<u>4,874,932</u>	<u>180,329,624</u>	<u>12,434,574</u>	<u>192,764,198</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 209,564,846</u>	<u>\$ 25,020,943</u>	<u>\$ 36,896,149</u>	<u>\$ 46,460,574</u>	<u>\$ 40,139,641</u>	<u>\$ 25,256,126</u>	<u>\$ 383,338,279</u>	<u>\$ 30,798,550</u>	<u>\$ 414,136,829</u>

See notes to the financial statements.

**TOWN OF BABYLON**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION  
December 31, 2023**

<b>Total Fund Balance - Governmental Funds</b>		<b>\$ 192,764,198</b>
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Capital assets - non-depreciable	\$ 61,666,574	
Capital assets - depreciable/amortizable	779,527,287	
Accumulated depreciation/amortization	<u>(496,640,483)</u>	344,553,378
Assets not available resource and , therefore, is not reported in the funds:		
Lease interest receivable	968,833	
Prepaid expenses	<u>1,045,467</u>	2,014,300
Other long-term assets are not available to pay for current period expenditures and therefore are deferred inflows in the funds:		
Long Island Green Homes receivable	3,376,860	
Due from other governments	1,354,030	
Assets held for resale	<u>61,397</u>	4,792,287
Deferred outflows of resources are included in the Statement of Net Position:		
Deferred charges on refunding	89,820	
Pension related amounts - employees' retirement system	17,098,679	
Length of service award plan program amounts	3,294,425	
Other postemployment benefits	<u>22,096,421</u>	42,579,345
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 funds. However, these liabilities are included in the Statement of Net Position:		
Bonds payable	(169,915,000)	
Financed Purchase Obligations	(282,883)	
Guaranteed assistance contract loans payable	(2,109,000)	
Lease payable	(41,437,505)	
Subscriptions payable	(692,792)	
Compensated absences	(5,180,848)	
Claims and judgments payable	(12,329,824)	
Estimated liability for landfill closure and postclosure care costs	(37,730,305)	
Net employees' retirement system pension liability - proportionate share	(20,511,521)	
Net length of service award programs plan liabilities	(8,137,587)	
Other postemployment benefits payable (OPEB)	(163,807,438)	
Length of service award program plan liabilities	<u>(1,763,061)</u>	(463,897,764)
Interest and retainage payable applicable to the Town's governmental activities is not due and payable in the current period and accordingly is not reported in the funds. However, these liabilities are included in the Statement of Net Position.		
		(1,467,169)
Governmental funds report the effect of premiums when debt is first issued, whereas this amount is deferred and amortized in the statement of activities.		
		(9,147,261)
Deferred inflows of resources are included in the Statement of Net Position:		
Pension related amounts - employees' retirement system	(806,641)	
Length of service award plan program amounts	(3,429,312)	
Other postemployment benefits	<u>(56,488,823)</u>	(60,724,776)
<b>Net Position of Governmental Activities</b>		<b><u>\$ 51,466,538</u></b>

See notes to the financial statements .

**TOWN OF BABYLON**

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
Year Ended December 31, 2023**

MAJOR FUNDS

	General Fund	Residential Garbage District Fund	Commercial Garbage District Fund	Highway Fund	Capital Projects Fund	Special Districts Fund	Total Major Governmental Funds	Non-major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>									
Real property taxes	\$ 45,334,878	\$ 23,395,512	\$ 4,510,088	\$ 21,076,900		\$ 19,795,498	\$ 114,112,876	\$ 8,520,940	\$ 122,633,816
Other real property tax items	2,086,908			892,282		999,494	3,978,684	455,220	4,433,904
Non-property tax items	4,437,325						4,437,325		4,437,325
Departmental income	4,186,683	3,938,161	11,465,206				19,590,050	4,397,260	23,987,310
Use of money and property	8,030,046	658,650	846,151	742,113	\$ 921,362	122,052	11,320,374	359,907	11,680,281
Investment gain from length of service award program						112,425	112,425		112,425
Licenses and permits	108,413			170,605			279,018		279,018
Fines and forfeitures	789,539						789,539		789,539
Sale of property and compensation for loss	213,650		361,374		90,600		665,624		665,624
Interfund revenue	167,428						167,428		167,428
Miscellaneous local sources	834,483	35,287	10,150	32,555	1,598,525	76,978	2,587,978	1,463,265	4,051,243
State aid	7,641,190	20,241		2,794,823	19,768	450,000	10,926,022	1,412,657	12,338,679
Federal aid	8,166,996						8,166,996	17,333,083	25,500,079
<b>Total Revenues</b>	<b>81,997,539</b>	<b>28,047,851</b>	<b>17,192,969</b>	<b>25,709,278</b>	<b>2,630,255</b>	<b>21,556,447</b>	<b>177,134,339</b>	<b>33,942,332</b>	<b>211,076,671</b>
<b>EXPENDITURES</b>									
Current:									
General government support	23,395,486						23,395,486	427,592	23,823,078
Public safety	4,717,905					19,187,454	23,905,359	5,527,282	29,432,641
Health	4,784,193					1,956,975	6,741,168	1,492,415	8,233,583
Transportation	2,594			9,683,952			9,686,546	1,615,691	11,302,237
Economic assistance and opportunity	4,897,904						4,897,904		4,897,904
Culture and recreation	13,390,248						13,390,248	52,939	13,443,187
Home and community services	1,764,874	23,810,183	14,068,018				39,643,075	18,303,473	57,946,548
Employee benefits	14,204,667	765,569	588,238	4,342,488			19,900,962	3,841,475	23,742,437
Capital Outlay					18,045,429		18,045,429		18,045,429
Debt Service:									
Principal	6,281,838	94,983	128,466	5,909,036			12,414,323	1,625,763	14,040,086
Interest	3,716,286	30,674	20,730	2,414,941			6,182,631	653,867	6,836,498
Bond issuance costs	30,747			54,661			85,408		85,408
<b>Total Expenditures</b>	<b>77,186,742</b>	<b>24,701,409</b>	<b>14,805,452</b>	<b>22,405,078</b>	<b>18,045,429</b>	<b>21,144,429</b>	<b>178,288,539</b>	<b>33,540,497</b>	<b>211,829,036</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>4,810,797</b>	<b>3,346,442</b>	<b>2,387,517</b>	<b>3,304,200</b>	<b>(15,415,174)</b>	<b>412,018</b>	<b>(1,154,200)</b>	<b>401,835</b>	<b>(752,365)</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Principal amount of bond proceeds					13,545,000		13,545,000		13,545,000
Premium on obligations	54,959			97,705	900,000		1,052,664		1,052,664
Leases issued					614,487		614,487		614,487
Subscriptions issued					950,592		950,592		950,592
Operating transfers in	353,697			295,012	2,121,879		2,770,588		2,770,588
Operating transfers out	(2,121,879)				(648,709)		(2,770,588)		(2,770,588)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,713,223)</b>	<b>-0-</b>	<b>-0-</b>	<b>392,717</b>	<b>17,483,249</b>	<b>-0-</b>	<b>16,162,743</b>	<b>-0-</b>	<b>16,162,743</b>
<b>SPECIAL ITEM</b>									
Loss on property held for resale - revitalization project	(1,561,356)						(1,561,356)		(1,561,356)
Property held for resale reclassified as Town owned assets	(1,328,174)						(1,328,174)		(1,328,174)
<b>Total Special Items</b>	<b>(2,889,530)</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>(2,889,530)</b>	<b>-0-</b>	<b>(2,889,530)</b>
<b>Net Change in Fund Balances</b>	<b>208,044</b>	<b>3,346,442</b>	<b>2,387,517</b>	<b>3,696,917</b>	<b>2,068,075</b>	<b>412,018</b>	<b>12,119,013</b>	<b>401,835</b>	<b>12,520,848</b>
<b>Fund Balances at Beginning of Year</b>	<b>68,797,264</b>	<b>8,495,382</b>	<b>31,144,398</b>	<b>21,009,788</b>	<b>34,300,865</b>	<b>4,462,914</b>	<b>168,210,611</b>	<b>12,032,739</b>	<b>180,243,350</b>
<b>Fund Balances at End of Year</b>	<b>\$ 69,005,308</b>	<b>\$ 11,841,824</b>	<b>\$ 33,531,915</b>	<b>\$ 24,706,705</b>	<b>\$ 36,368,940</b>	<b>\$ 4,874,932</b>	<b>\$ 180,329,624</b>	<b>\$ 12,434,574</b>	<b>\$ 192,764,198</b>

See notes to the financial statements.

**TOWN OF BABYLON**

**RECONCILIATION OF THE  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
Year Ended December 31, 2023**

<b>Net Change in Fund Balance</b>		<b>\$ 12,520,848</b>
<p>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/amortization expense and loss on disposal of capital assets in the current period is:</p>		
Capital outlay expenditures	\$ 20,093,152	
Depreciation/amortization expense	(18,424,284)	
Net loss on disposal of capital assets	(65,028)	
Donated assets	<u>62,000</u>	1,665,840
Special item reported in the fund statements which is not included in the Statement of Activities since the item relates to property reported in the Statement of Net Position.		1,328,174
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Change in prepaid expenses	229,512	
Change in net pension asset	<u>(7,772,912)</u>	(7,543,400)
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 and fund level statements		142,963
Mortgage tax revenues are reported in the governmental funds when considered "available" and in the Statement of Activities when "earned."		(113,183)
<p>Net change in deferred outflows of resources not reported in the governmental fund statements:</p>		
Deferred charges on refunding	(17,109)	
Pension related amounts - employees' retirement system	(1,316,300)	
Length of service award plan program amounts	(698,848)	
Other postemployment benefits	<u>(7,714,040)</u>	(9,746,297)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities. The following amounts are the effect of these differences in the treatment of long-term debt and related items:</p>		
Bonds issued	(13,545,000)	
Repayment of bond principal	12,805,000	
Premiums received	(1,052,664)	
Amortization of bond premiums	868,638	
Repayment of installment purchase debt	559,905	
Repayment of guarantee assistance contract loans	219,000	
Leases issued	(614,487)	
Repayment of leases	230,360	
Subscriptions issued	(950,591)	
Repayment of subscriptions	257,799	
Compensated absences	(195,128)	
Claims and judgments	(1,294,554)	
Estimated liability for landfill closure and postclosure care costs	(707,603)	
Net employees' retirement system pension liability - proportionate share	(20,511,521)	
Net length of service award programs plan liabilities	439,540	
Other postemployment benefits payable	12,667,623	
Length of service award program liabilities	<u>(185,270)</u>	(11,008,953)
Debt interest is recorded as an expenditure on the fund statements when it is paid, and on the Statement of Activities when it is incurred.		68,497
Retainage is recorded as an expenditure on the fund statements when the relating capital project is substantially complete, and on the Statement of Activities when it is incurred.		95,282
<p>Net change in deferred inflows of resources not reported in the governmental fund statements:</p>		
Pension related amounts - employees' retirement system	25,638,182	
Length of service award plan program amounts	542,807	
Other postemployment benefits	<u>(4,855,699)</u>	21,325,290
<b>Change in Net Position of Governmental Activities</b>		<u><u>\$ 8,735,061</u></u>

See notes to the financial statements.

**TOWN OF BABYLON**

STATEMENT OF NET POSITION  
ENTERPRISE FUNDS  
December 31, 2023

	East Farmingdale Water District	Town of Babylon L.D. Corporation II	Total
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and cash equivalents	\$ 1,840,304	\$ 2,512,689	\$ 4,352,993
Accounts receivable, net	165,328		165,328
Due from other governments		802,400	802,400
Total Current Assets	2,005,632	3,315,089	5,320,721
<b>Noncurrent Assets:</b>			
Non-depreciable capital assets	194,964		194,964
Capital assets, net	4,806,753		4,806,753
Loans receivable		17,157	17,157
Total Noncurrent Assets	5,001,717	17,157	5,018,874
Total Assets	7,007,349	3,332,246	10,339,595
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts payable and accrued liabilities	65,087	635,346	700,433
Noncurrent liabilities due within one year	89,936		89,936
Due to other government		37,662	37,662
Deferred revenue		229,909	229,909
Total Current Liabilities	155,023	902,917	1,057,940
<b>Noncurrent Liabilities:</b>			
Long-term obligations due in more than one year	1,168,762		1,168,762
Total Noncurrent Liabilities	1,168,762	-0-	1,168,762
Total Liabilities	1,323,785	902,917	2,226,702
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred service concession arrangement	2,012,500		2,012,500
Total Deferred Inflows of Resources	2,012,500	-0-	2,012,500
<b>NET POSITION</b>			
Investment in capital assets	5,001,717		5,001,717
Restricted			
Copiague façade renovation grant program		29,854	29,854
Affordable housing		1,269,150	1,269,150
Economic development		160,115	160,115
Wyandanch economic development		306,036	306,036
Wyandanch health and wellness center		322,090	322,090
Unrestricted	(1,330,653)	342,084	(988,569)
Total Net Position	\$ 3,671,064	\$ 2,429,329	\$ 6,100,393

See notes to the financial statements.

**TOWN OF BABYLON**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
ENTERPRISE FUNDS  
Year Ended December 31, 2023

	East Farmingdale Water District	Town of Babylon L.D. Corporation II	Total
<b>OPERATING REVENUES</b>			
Rental income from water plant	\$ 75,000		\$ 75,000
Other postemployment benefit	119,362		119,362
Charges for services		\$ 325,117	325,117
Total Operating Revenues	<u>194,362</u>	<u>325,117</u>	<u>519,479</u>
<b>OPERATING EXPENSES</b>			
Retiree benefits	6,913		6,913
Management and administration fees	181,932	125,897	307,829
Depreciation	151,974		151,974
Insurance	14,115		14,115
Office expense		4,569	4,569
Rent		1,000	1,000
Total Operating Expenses	<u>354,934</u>	<u>131,466</u>	<u>486,400</u>
Income (Loss) from Operations	<u>(160,572)</u>	<u>193,651</u>	<u>33,079</u>
<b>NON-OPERATING REVENUE (EXPENSE)</b>			
Rental income	401,122		401,122
Interest income	51,381	36,215	87,596
Transfer of lease right		(219,458)	(219,458)
Inter-agency funds		125,000	125,000
Wyandanch economic development fund		300,000	300,000
Affordable housing		(97,748)	(97,748)
Economic development expenses		(550,458)	(550,458)
Wyandanch health and wellness center fund		951,400	951,400
Wyandanch health and wellness center		(635,346)	(635,346)
Community benefit agreement income		371,591	371,591
Total Non-Operating Revenue (Expense)	<u>452,503</u>	<u>281,196</u>	<u>733,699</u>
<b>Change in Net Position</b>	291,931	474,847	766,778
<b>Net Position - Beginning of Year</b>	<u>3,379,133</u>	<u>1,954,482</u>	<u>5,333,615</u>
<b>Net Position - End of Year</b>	<u>\$ 3,671,064</u>	<u>\$ 2,429,329</u>	<u>\$ 6,100,393</u>

See notes to the financial statements.

**TOWN OF BABYLON**

**STATEMENT OF CASH FLOWS  
ENTERPRISE FUNDS  
Year Ended December 31, 2023**

	East Farmingdale Water District	Town of Babylon L.D. Corporation II	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers and miscellaneous revenue		\$ 325,117	\$ 325,117
Cash paid to third party management and others	\$ (209,552)		(209,552)
Cash paid on behalf of retirees	(234,401)		(234,401)
Cash paid for contractual expenses		(165,619)	(165,619)
Net Cash from Operating Activities	(443,953)	159,498	(284,455)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Cash received from inter-agency funds		125,000	125,000
Cash received from economic development fund		300,000	300,000
Cash received from community benefit agreement		601,500	601,500
Cash received from Wyandanch health and wellness center fund		150,000	150,000
Payments of economic development		(512,796)	(512,796)
Payments of affordable housing		(97,748)	(97,748)
Net Cash from Noncapital Financing Activities	-0-	565,956	565,956
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Rental income from cell towers	267,770		267,770
Interest income	51,381	36,215	87,596
Net Cash from Investing Activities	319,151	36,215	355,366
Net change in cash and cash equivalents	(124,802)	761,669	636,867
Cash and Cash Equivalents at Beginning of Year	1,845,744	1,751,020	3,596,764
Cash and Cash Equivalents at End of Year	\$ 1,720,942	\$ 2,512,689	\$ 4,233,631
<b>RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH USED BY OPERATING ACTIVITIES</b>			
Income (Loss) from operations	\$ (160,572)	\$ 193,651	\$ 33,079
Adjustments to reconcile loss from operations to net cash from operating activities:			
Depreciation expense	151,974		151,974
Decrease (increase) in:			
Loan repayments		8,255	8,255
Due from other governments		(1,000)	(1,000)
Security deposits		3,700	3,700
Increase (decrease) in:			
Accounts payable	(13,505)	(45,108)	(58,613)
Deferred service concession arrangement receipts	(75,000)		(75,000)
Other postemployment benefits payable	(227,488)		(227,488)
Net Cash from Operating Activities	\$ (324,591)	\$ 159,498	\$ (165,093)
<b>NONCASH FINANCING ACTIVITIES</b>			
Transfer of lease right	\$ -0-	\$ 219,458	\$ 219,458
Due to other funds			-
Town of Babylon L.D., Corporation II - sale of lease right		(219,458)	(219,458)
Net Cash	\$ -0-	\$ -0-	\$ -0-

See notes to the financial statements.

**TOWN OF BABYLON**

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
December 31, 2023

	Length of Service Award Programs - Pension Trust Fund	Custodial Fund
<b>ASSETS</b>		
Cash and cash equivalents	\$ 712,790	\$ 33,840,608
Investments - Equities	5,064,145	
Investments - Fixed income	9,666,281	
Other assets	767,573	
Total Assets	16,210,789	\$ 33,840,608
<b>LIABILITIES</b>		
Due to school districts		\$ 30,396,943
Due to fire districts		2,817,556
Due to other Counties for tuition tax		512,115
Other liabilities		113,994
Total Liabilities	-0-	\$ 33,840,608
<b>FIDUCIARY NET POSITION</b>		
Restricted for:		
Net position held in trust for length of service award programs	\$ 16,210,789	

See notes to the financial statements.

**TOWN OF BABYLON**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
Year Ended December 31, 2023**

	Length of Service Award Programs - Pension Trust Funds	Custodial Fund
<b>ADDITIONS</b>		
Plan contributions *	\$ 1,323,807	
Investment income:		
Investment earnings	818,360	
Total investment income	818,360	
Real property taxes collected for other governments		\$ 592,882,800
Total Additions	2,142,167	592,882,800
<b>DEDUCTIONS</b>		
Benefits and refunds paid to plan members and beneficiaries	1,172,678	
Payments of real property taxes to other governments		592,882,800
Total Deductions	1,172,678	592,882,800
<b>Change in Fiduciary Net Position</b>	969,489	-0-
Fiduciary Net Position - Beginning of Year	15,241,300	-0-
Fiduciary Net Position - End of Year	\$ 16,210,789	\$ -0-

\* From the Town of Babylon Special Districts Fund

See notes to the financial statements

**NOTES TO FINANCIAL STATEMENTS**

# TOWN OF BABYLON

## NOTES TO FINANCIAL STATEMENTS December 31, 2023

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Babylon (the "Town") which was established in 1872 is governed by Town Law, other general laws of the State of New York and various local laws. The Town Board is the legislative body responsible for overall operations. The Town Board consists of the Supervisor and four council members who are elected for a term of four years. The Town Board appoints the Town Attorney and the Commissioner of Public Works whose terms are fixed by Town Law. The Town Clerk and Receiver of Taxes are elected and serve for two years and four years, respectively. The Comptroller and Director of Youth Services are appointed by the Supervisor. The Town Board appoints the following five Commissioners: General Services, Human Resources, Parks, Planning and Development and Environmental Control. The Commissioners serve at the discretion of the Town Board.

The Town provides the following principal services either directly or through Town-operated special districts: parks and recreation, highway construction and maintenance, inland waterways and marinas, building inspection and zoning administration, fire protection, street lighting, garbage pick-up and disposal, water services, and administration of certain state and federal grants.

The financial statements of the Town of Babylon 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 standard setting body for establishing governmental accounting and financial reporting principles.

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

#### A. REPORTING ENTITY

The financial reporting entity consists of (a) the primary government, which is the Town of Babylon; (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 standing, dependency and financial accountability. Based on the application of these criteria, the following is a summary of certain entities considered in determining the Town's reporting entity.

##### *Discretely Presented Component Unit:*

The following entity is a discretely presented component unit of the Town of Babylon:

- a) The Town of Babylon Industrial Development Agency (the "Agency") was created as a New York State public benefit corporation. The Agency was established on April 10, 1973 pursuant to Code Section 907-a of the New York State General Municipal Law. The Agency was created to promote the economic welfare, recreation opportunities and prosperity of the Town of Babylon's residents.

The governing body of the Town of Babylon appoints the Agency's Board of Directors which results in interdependency with the Town of Babylon. However, the Agency's Board of Directors had complete responsibility for approval and adoption of policies and accountability for fiscal matters. Accordingly, the Agency has been determined to be a discretely presented component unit of the Town of Babylon.

The Town of Babylon's discretely presented component unit is considered non-major.

# TOWN OF BABYLON

## NOTES TO FINANCIAL STATEMENTS December 31, 2023

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### A. REPORTING ENTITY (continued)

##### *Discretely Presented Component Unit (continued):*

Complete financial statements of the individual discretely presented component unit can be obtained from their respective administrative offices:

The Town of Babylon Industrial Development Agency  
47 West Main Street  
Babylon, New York 11702

##### *Blended Component Units:*

Some component units, despite being legally separate from the primary government, are so integrated with the primary government that they are, in substance, part of the primary government. These component units are blended with the primary government.

The following blended component units of the Town are reported within the Non-major Governmental Funds in the Town's basic financial statements.

- a) The Town of Babylon Youth Development Research Institute, Inc. (the "Institute") is a not-for-profit organization located in North Babylon, New York. The Institute was formed on October 26, 1987 pursuant to subparagraph (c)(3) of Section 501 of the Not-For-Profit Corporation Law. The Institute operates various youth programs at the Town's youth centers. The Institute's Board of Directors consists of members of the Town Board. The Town funds certain salary and fringe benefit costs of the Institute as well as acting as a pass-through entity for funding received from state and county contracts. The Town provides operating space and equipment for the Institute. As a result of this fiscal dependency and potential for financial burden, the Town is financially accountable for the Institute. Accordingly, this Institute is included in the Town's reporting entity.
- b) The Town of Babylon Human & Therapeutic Services, Inc. ("Human & Therapeutic Services") is a not-for-profit organization located in North Babylon, New York. Human & Therapeutic Services was formed on December 26, 1979 pursuant to subparagraph (a)(5) of Section 102 of the Not-For-Profit Corporation Law. The purpose of Human & Therapeutic Services is to operate programs which provide humanitarian services for the benefit of the residents of the Town of Babylon, the County of Suffolk, and the State of New York; drug and alcohol abuse prevention; improvement of the quality of life of persons afflicted with physical or mental handicaps; and assistance to senior citizens of the Town. Human & Therapeutic Services' Board of Directors consists of members of the Town Board. The Town provides funds for certain salary and fringe benefit costs to the Human & Therapeutic Services as well as acts as a pass-through entity for funding received from state and county contracts. The Town provides operating space and equipment for Human & Therapeutic Services. As a result of this fiscal dependency and potential for financial burden, the Town is financially accountable for the Human & Therapeutic Services and accordingly is included in the Town's reporting entity.

The following blended component unit is reported as an Enterprise fund in the Town's basic financial statements.

- c) The Town of Babylon L.D. Corporation II (the "Corporation"), was created as a New York State not-for-profit public benefit corporation. The Corporation was established on August 18, 1988 pursuant to Section 1411 of the Not-for-Profit Corporation Law as defined in section 102(a)(5). The Corporation is a government instrumental tax-exempt corporation that was created to promote the economic welfare, recreation opportunities and prosperity of the inhabitants of the Town of Babylon. The Corporation provides companies with federally tax-exempt and taxable revenue bonds as incentives.

**TOWN OF BABYLON**

**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2023

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**A. REPORTING ENTITY** (continued)

*Blended Component Units:* (continued)

Complete financial statements of the individual blended component units can be obtained from their respective administrative offices:

1. The Town of Babylon Youth Development Research Institute, Inc.  
Town Hall Annex  
281 Phelps Lane  
North Babylon, New York 11703
2. The Town of Babylon Human & Therapeutic Services, Inc.  
Town Hall Annex  
281 Phelps Lane  
North Babylon, New York 11703
3. The Town of Babylon L.D. Corporation II  
816 Deer Park Avenue  
North Babylon, NY 11703

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The Town's basic financial statements included both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds).

**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 governmental activities and business-type activities as well as the non-major discretely presented component units. 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.

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 operational 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.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**TOWN OF BABYLON**

**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2023

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS** (continued)

**Fund Financial Statements**

**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. Governmental 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 except those required to be accounted for in other funds.

Capital Projects Fund – is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets other than those financed by the proprietary fund.

Special Revenue Funds – are used to account for the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service or capital projects.

The Town reports the following major Special Revenue governmental funds:

Garbage District Funds – which consists of the commercial garbage and residential garbage improvement districts, are used to account for transactions for the operation of refuse collection and disposal.

Highway Fund – is used to account for revenues and expenditures for highway purposes including construction of Town bridges, purchase of highway machinery and equipment, snow removal and control of brush and weeds as well as other miscellaneous highway purposes.

Special Districts Fund – is used to account for operations and maintenance of the Town's fire protection and ambulance districts, including the plan assets and related activity of certain Town sponsored length of service award programs.

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

Part-Town Fund – is used to account for activities, which are required by statute, in the areas of the Town outside of the Incorporated Villages.

Lighting District Fund – is used to account for lighting repairs and construction within the Town.

Housing Assistance Agency Fund – is used to account for the Town's housing assistance programs.

Community Development Agency Fund – is used to account for the Town's community development programs.

Other Special Revenue Fund – is used to account for miscellaneous revenues with restrictions for specific purposes.

**TOWN OF BABYLON**

**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2023

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS** (continued)

**Fund Financial Statements** (continued)

**Proprietary Funds** – Proprietary funds are used to account for ongoing activities, which are similar to those often found in the private sector. Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position and a Statement of Cash Flows for each major proprietary fund.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or non-current) and deferred outflows and inflows of resources are included in the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position present increases (revenues) and decreases (expenses) in total net position.

The Town reports the following major proprietary funds:

East Farmingdale Water District – in accordance with a lease agreement dated October 2010, East Farmingdale water district leases its water plant to Suffolk County Water Authority. See Note 4. G.

Town of Babylon L.D. Corporation II – provides companies with federally tax-exempt and taxable revenue bonds as incentives.

**Fiduciary Funds** – are used to account for assets held by the Town in a trustee or custodial capacity.

The Town has presented the following fiduciary funds:

Custodial Funds – are used to account for resources held as an agent for parties outside the government. Custodial fund resources cannot be held for other funds.

Pension Trust Fund – is used to account for the plan assets and related activity of the Town sponsored length of service award programs (“LOSAP”) that provide a benefit to volunteer firefighters serving certain independent volunteer fire companies in the Town. The LOSAP plans that are reported in the pension trust fund are treated as trust funds since the plan assets are accumulated and dedicated solely to pay benefits to the members and their beneficiaries, however they are not legally established trusts.

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recognized when earned and expenses are recognized when a 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 as soon as all eligibility requirements imposed by the provider have been met.

**TOWN OF BABYLON**

**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2023

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

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

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 to be available if they are collected within sixty (60) days of the end of the current period. However, revenue is recorded when services are performed for the residential and commercial garbage district funds. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, amounts due to employees' retirement system, claims and judgments, landfill closure and postclosure care costs, proportionate share of the net pension liability, total other postemployment benefits and length of service award programs are recorded when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Revenues susceptible to accrual are mortgage tax, franchise fees, charges for services, state and federal aid, intergovernmental revenue and operating transfers. Permit fees and other similar revenues are not susceptible to accrual because they are not measurable until 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.

Proprietary funds distinguish between operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services. The principal operating revenues consists of charges to others for sales and services and the rental income from leasing the water plant which is the primary activity. Operating expenses include costs of sales and services and leasing the property as well as administrative and depreciation expenses. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

The fiduciary fund statements are reported using the economic resources measurement focus and the accrual basis of accounting. Custodial funds have no measurement focus but utilize the accrual basis of accounting for reporting its assets and liabilities.

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.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

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

**1. CASH AND CASH EQUIVALENTS**

Cash consists of funds deposited in demand accounts, both interest bearing and non-interest bearing, time deposit accounts and petty cash. For purposes of the Statement of Cash Flows, the Town considers all highly liquid investments with original maturities of three months or less from the date of acquisition to be cash equivalents.

**TOWN OF BABYLON**

**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2023

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

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

**1. CASH AND CASH EQUIVALENTS** (continued)

State statutes govern the Town's investment policies, excluding the length of service award program plan investments. The Town has a written investment policy stating that Town money must be deposited in FDIC-insured commercial banks. The Town is authorized to use demand accounts, special time deposit accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, and obligations of New York State and its localities and participation in State authorized cooperative investment programs. All demand deposits and time deposit accounts are carried at cost. The Town's investments at December 31, 2023 include the LOSAP plan assets as described in Notes 1.D.6 and 5.

Collateral is required for demand deposits and time deposits accounts at 100% of all deposits not covered by federal deposit insurance, including a deposit placement program. The Town's investment policy defines acceptable forms of collateral as: (1) certain defined eligible securities, including but not limited to obligations of the United States and its agencies, obligations of the State and its municipalities and school districts, (2) certain irrevocable letters of credit issued in favor of the Town, and (3) certain eligible surety bonds issued in favor of the Town.

**2. RECEIVABLES AND INTERFUND TRANSACTIONS**

Receivables relating to governmental-type activities primarily include amounts due from federal, state, and other local governments, individuals and entities for services provided by the Town, as well as amounts due related to various grant and franchise agreements.

The receivable balances relating to the business-type activities primarily consists of amounts due from a third party for cell tower rental.

Taxes receivable represent amounts due for Town and County real estate taxes levied on December 1<sup>st</sup> that have not been paid as of year-end. Responsibility for the collection of unpaid taxes rests with the County, and accordingly, the Town is assured of 100% collection of real property taxes.

The Long Island Green Homes receivables are loans that have been provided to the Town's residents for specific energy efficiency improvements. These loans bear interest at 3%, are secured by liens on real property and are payable in monthly installments through December of 2033.

In the Statement of Net Position, receivables, including amounts due from federal, state, and other local governments, are reported as current or noncurrent based on the expected timing of repayment. The noncurrent accounts receivable and amounts due from other governments consists of federal rehabilitation mortgages receivable and other miscellaneous amounts not expected to be collected in the subsequent year.

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

a) Interfund Revenues

Interfund revenues and interfund services provided and used, in the general fund represent amounts charged for services or facilities provided by the general fund. The amounts paid by the fund receiving the benefits of the service or facilities are reflected as expenditures in that fund.

**TOWN OF BABYLON**

**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2023

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

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

**2. RECEIVABLES AND INTERFUND TRANSACTIONS** (continued)

b) Operating Transfers

Other transactions between funds include residual equity transfers to close out completed capital projects as well as transfers to fund certain capital projects.

**3. INVENTORY AND PREPAID ITEMS**

Inventory in the governmental funds, consisting of salt, expendable supplies and spare parts held for consumption, are valued at cost. These inventories are accounted for using the purchase method and recorded at cost net of any obsolescence.

Prepayments in the governmental funds include amounts paid in advance for retirement costs. The special districts fund also includes remittances of 2023 real property taxes to fire and ambulance districts, which reflect amounts applicable to future accounting periods and therefore 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.

**4. CAPITAL ASSETS**

Capital assets are tangible and intangible assets, which include property, plant, equipment and infrastructure assets, and are reported in applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. Capital assets purchased or acquired with an original cost of \$2,500 through December 31, 2010 and \$10,000 subsequent to December 31, 2010 and have a useful life of greater than a year. Such assets (except intangible right-to-use assets, which are discussed in Note 3.D) are reported at historical cost or estimated historical cost. Donated assets are valued at acquisition value as of the date of donation to the Town. Costs incurred for repairs and maintenance are expensed as incurred. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant or equipment. Intangible assets follow the same capitalization policies as tangible assets and are reported with tangible assets in the appropriate capital asset class.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives is not capitalized.

Land is not depreciated. The other tangible and intangible property, plant, equipment and right-to-use assets of the Town are depreciated/amortized using the straight line method over the following estimated useful lives.

Buildings	50 years
Improvements	20-30 years
Machinery and equipment	3-20 years
Infrastructure	10-50 years
Right-to-use assets	1-50 years

**TOWN OF BABYLON**

**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2023

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

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

**4. CAPITAL ASSETS** (continued)

The costs associated with the acquisition or construction of tangible and intangible capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the governmental fund balance sheets.

**5. PROPERTY HELD FOR RESALE**

Real property presented in the general fund and community development agency fund is recorded at cost and is adjusted for any costs to maintain the property. Property is acquired from various sources and held for redevelopment and resale to eligible individuals or developers. Management reviews annually for any impairment issues.

**6. LENGTH OF SERVICE AWARD PROGRAM PLAN ASSETS – INVESTMENTS**

The Town's investments include the assets of the LOSAP plans of which the Town is the Plan Sponsor. The investments of the firefighter award programs, considered defined benefit plans, are either held in a grantor/rabbi trust account in the Town's name under GASB Statement 73 or in a trust meeting the requirements of GASB Statements No. 67 and 68. These plan assets consist of investments in cash deposits, guaranteed annuity contracts and cash value of life insurance contracts. The Town's ambulance award program, a defined contribution plan, has assets which are invested in an external investment pool that is administered through the Office of the New York State Comptroller. The underlying assets of the external investment pool, reported at fair value, include money market funds, corporate and foreign bonds, common equity securities, equity mutual funds, and fixed income mutual funds. The allocation of gains, losses and investment income are accounted for by the Office of the New York State Comptroller and the program administrator, Penflex Inc.

The assets of the length of service award programs that are held in a trust arrangement meeting the requirements of GASB Statements No. 67 and 68 are reported in the Pension Trust Fund and the assets of the service award programs that are held in a grantor/rabbi trust are reported in the Town's special districts fund under GASB Statement No 73.

The length of service award program assets are restricted for the purpose of providing benefits to the participants of the plans.

**7. GUARANTY AND BID DEPOSIT**

The guaranty, 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.

**8. UNEARNED REVENUE/ GRANT ADVANCE**

Unearned revenues, reported as liabilities in the fund and government-wide financial statements, are those which asset recognition criteria have been met, but which revenue recognition criteria have not been met for exchange type transactions. Such amounts include collections in advance for grants and fee income relating to 2024.

# TOWN OF BABYLON

## NOTES TO FINANCIAL STATEMENTS December 31, 2023

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

##### 9. DEFERRED OUTFLOWS/ INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for the deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has reported deferred outflows of resources of approximately \$90,000 for a deferred charge on refunding bonds, \$17,099,000 for pension related activities, \$22,096,000 for other postemployment benefits, and \$3,294,000 related to the length of service award programs in the government-wide Statement of Net Position. A deferred charge on a refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The components of the pension plan, other postemployment benefits, and length of service award programs' deferred outflows of resources are disclosed in Notes 3.G, 3.H and 3.I, respectively.

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

The Town's governmental funds report the following items as deferred inflows on the Balance Sheet: unearned revenues which relate to 2024 real estate taxes of approximately \$111,862,000 and unavailable revenues of approximately \$4,792,000, which primarily consist of mortgage tax revenue and deferrals related to Long Island Green Home loans and Community Development property held for resale. Additionally lease related items amount to approximately \$72,142,000, related to the implementation of GASB 87 as described in Note 1.D.11. Unavailable revenues, which arise only under a modified accrual basis of accounting, are only reported in the governmental funds Balance Sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The unearned revenues, relating to the collection of real estate taxes for a future period, are accordingly reported as a deferred inflow in the government-wide Statement of Net Position as well as the governmental funds Balance Sheet. On the government-wide financial statements, the governmental activities report deferred inflow of resources of approximately \$807,000 related to pension related activities, approximately \$56,489,000 for other postemployment benefits, and approximately \$3,429,000 for the length of service award programs. The components of the pension plan, other postemployment benefits and length of service award programs' deferred inflows of resources are disclosed in Notes 3.G, 3.H and 3.I, respectively.

The East Farmingdale water district has reported deferred inflows of resources of approximately \$2,013,000 resulting from lease income received in advance in a service concession arrangement which is being amortized and recognized in revenue over the lease term.

##### 10. LONG-TERM OBLIGATIONS

In the government-wide and proprietary fund financial statements, liabilities for long-term obligations consisting of general obligation bonds, installment purchase debt, lease payable, subscription liabilities, compensated absences, guaranteed assistance contract loans, amounts due to employees' retirement system, judgments and claims, liability for landfill closure and postclosure care costs, the proportionate share of the net employees' retirement system liability, total other postemployment benefits ("OPEB"), the net length of service award programs plan liabilities, and the length of service award program total plan liabilities are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund Statement of Net Position. Bond premiums and discounts 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. Debt issuance costs are expensed as incurred.

## TOWN OF BABYLON

### NOTES TO FINANCIAL STATEMENTS December 31, 2023

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

##### 10. LONG-TERM OBLIGATIONS (continued)

In the fund financial statements governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period, in the fund servicing the debt. 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.

##### 11. LEASES

A lease is defined as a contractual agreement that conveys controls of the right to use another entity's nonfinancial asset, for a minimum contractual period of greater than one year, in an exchange or exchange like transaction.

###### *Lessee*

The Town is a lessee for noncancellable leases of equipment and office space as defined by GASB No. 87, "Leases". At the commencement of a lease, the Town initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line bases over its useful life. Key estimates and judgments related to leases include how the Town determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The Town uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Town generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are comprised of fixed payments and purchase option price that the Town is reasonably certain to exercise. The Town monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Right-to-use leased assets are reported with other capital assets and right-to-use lease liabilities are reported with long-term liabilities on the Statement of Net Position.

###### *Lessor*

The Town is also a lessor pursuant to numerous individual leases as defined by GASB No. 87, "Leases". At the commencement of a lease, the Town initially measures the lease receivable, and deferred inflow of resources, at the present value of payments expected to be received during the lease term. This is equal to the amount of the lease receivable plus any lease payments related to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. Subsequently, the lease is amortized on a straight-line basis over its useful life. Key estimates and judgments related to leases include how the Town determines (1) the discount rate it uses to discount the expected lease payments (to be received) to present value, (2) lease term, and (3) lease payments to be received.

**TOWN OF BABYLON**

**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2023

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

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

**11. LEASES** (continued)

The Town generally uses its estimated incremental borrowing rate as the discount rate for leases. The Town monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflow of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**12. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS**

The Town has entered into subscription-based information technology arrangements ("SBITA's") with various vendors. SBITA's are defined as arrangements in which a government entity contracts with a vendor to access and use software applications and related data posted by the vendor on the vendors' servers. The Town recognizes right-to-use subscription assets associated with its SBITA arrangements and discloses the total amount of subscription assets and the related accumulated amortization, disclosed separately from other capital assets. The Town also discloses any payments not included in the measurement of subscription assets.

**13. NET POSITION AND FUND BALANCE**

In the government-wide and proprietary fund financial statements, net position is reported in three categories:

- 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. Accounts payable and retainage in the capital projects fund are capital related debt and are used in the calculation of net investment in capital assets.
- b) Restricted net position – Consists of net position with constraints placed on the 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 net position – All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

When outlays for a particular purpose can be funded from both restricted and unrestricted net position resources in the government-wide and proprietary fund financial statements, it is the Town's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

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. Not all of the Town's funds will necessarily have all of the components of fund balance available to that fund.

- 1. Nonspendable fund balance includes amounts that cannot be spent because they are either (a) not in spendable form (i.e. prepaid items or inventories), (b) will not convert to cash within the current period (i.e. long-term receivables, including leases, 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 spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

**TOWN OF BABYLON**

**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2023

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

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

**13. NET POSITION AND FUND BALANCE CLASSIFICATION** (continued)

2. 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.
3. Committed fund balance reflects amounts that can only be used for specific purposes by a government using its highest and most binding level of decision making authority. The Town's highest decision making authority is the Town Board, who by adoption of a Town ordinance prior to year end, can commit fund balance. Those committed amounts cannot be used for any other purpose unless the Town Board removes or changes the specified use by taking the same type of action imposing the commitment.
4. 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 and the Town Comptroller have 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.
5. Unassigned fund balance reflects the residual classification for the general fund. It is also used to report negative fund balances in other governmental funds.

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

**E. REVENUES AND EXPENDITURES/EXPENSES**

**1. REAL PROPERTY TAX ASSESSMENT AND COLLECTION PROCEDURES**

Real property taxes are levied annually no later than December 1<sup>st</sup> and are recognized as revenue January 1<sup>st</sup> of the year for which they were levied. The Town has its own Assessor's Office whose responsibilities are independent and distinct from those of the Receiver of Taxes. The Town assessment rolls are used for the levy of property taxes by the Town and the school districts, as well as by the County of Suffolk, New York (the "County") and by special districts based upon a single tax bill.

The Town of Babylon Receiver of Taxes collects all real property taxes for the Town, Suffolk County, Town Special Districts, and School Districts located within the Town of Babylon. Real property taxes are levied annually no later than December 1<sup>st</sup> and are due in two installments without penalty, 50% on January 10<sup>th</sup> and 50% on May 31<sup>st</sup>. Penalties are imposed thereafter at the rate of 1% per month on delinquent taxes until May 31<sup>st</sup>, after which taxes are payable to the County Treasurer. The Town retains the total amount of Town, highway, special districts, special lighting district, and the commercial and residential garbage districts' levies from the amount collected, prior to distributing the remaining balance collected to the County.

**2. OTHER POSTEMPLOYMENT BENEFITS**

In addition to providing pension benefits, the Town provides health insurance coverage, including reimbursement of Medicare Part B premiums, and survivor benefits for retired employees and their dependents. Substantially all of the Town's employees may become eligible for these benefits if they reach normal retirement age while working for the Town as well as meet certain years of service requirements.

## TOWN OF BABYLON

### NOTES TO FINANCIAL STATEMENTS December 31, 2023

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### E. REVENUES AND EXPENDITURES/EXPENSES (continued)

##### 2. OTHER POSTEMPLOYMENT BENEFITS (continued)

The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions". Health care benefits are currently provided by the New York State Health Insurance Program NYSHIP (Empire Plan) whose premiums are based on the benefits paid throughout the State during the year. In addition, the Town offers medical coverage through HIP Health Plan of New York (HIP).

The Town recognizes the cost of providing benefits by recording its share of insurance premiums as an expenditure when due. The Town's union contracts and ordinances require that it provide its eligible enrollees with the Empire Plan benefit coverage, or if another provider is utilized, the equivalent coverage. 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 liability for these total other postemployment benefits liabilities are recorded as long-term debt in both the government-wide and proprietary fund statements. The current year changes in the liability are based upon the most recent actuarial report.

##### 3. COMPENSATED ABSENCES

The liability for vested or accumulated vacation or sick leave (compensated absences) is recorded as current and noncurrent obligations in the government-wide statements for governmental activities. The current portion of this debt is estimated based on historical trends. Compensated absences liabilities and expenditures are reported in the governmental funds only if they have matured, for example, as a result of employee resignation and retirements.

The amount that is expected to be liquidated with expendable available financial resources is reported as a liability in the funds statement in the respective fund that will pay it.

##### 4. EMPLOYEE RETIREMENT PENSION PLAN

The Town, as a participant in the New York State and Local Employees' Retirement System, recognizes the proportionate share of the net pension liability, deferred outflows of resources and deferred inflows of resources in the government-wide financial statements, using the accrual basis of accounting, regardless of the amount recognized as pension expenditures in the fund financial statements. The amounts recognized have been determined on the same basis as reported by the System, utilizing the year end of March 31<sup>st</sup>.

##### 5. LENGTH OF SERVICE AWARD PROGRAMS PLAN LIABILITIES

The Town sponsors various LOSAP plans for volunteer firefighters and ambulance squad members. These programs, organized as defined benefit or contribution plans, provide volunteers with a financial benefit based on the number of years that are served. The Town sponsored LOSAP plans fall under two categories: 1) the plan assets are held in a grantor/rabbi trust account in the Town's name, which do not meet the requirements of GASB Statement No. 73 paragraph 4, and accordingly the total plan assets and the related current year activity are reported in the governmental fund financial statements and the government-wide financial statements and the total plan liabilities are reported in the government-wide financial statements as of the measurement date or 2) the plan assets are administered through a trust meeting the requirements of GASB Statements No. 67 and 68, and the plan assets and the related current year activity are reported in the Town's Pension Trust Fund and the net pension liability is reported in the government-wide financial statements as of the measurement date.

## TOWN OF BABYLON

### NOTES TO FINANCIAL STATEMENTS December 31, 2023

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### F. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded for budgetary control purpose, is employed in the governmental funds, excluding the housing assistance and community development agency funds. Encumbrances are reported as restrictions, commitments, or 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. Appropriations for all governmental funds except the capital projects fund lapse at year-end. However, encumbrances reserved against fund balance are re-appropriated in the ensuing year.

##### G. USE OF ESTIMATES

The preparation of basic financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources, and disclosure of contingent assets and liabilities, at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

##### H. RECLASSIFICATIONS

Certain reclassifications have been made to the financial statements to conform with prior year presentation. These reclassifications had no effect on the change in fund balance or net position as previously reported.

##### I. CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE

The Town has adopted all of the current GASB Statements that are applicable. The Town adopted provisions of GASB Statement No. 96, "*Subscription-Based Information Technology Arrangements*" ("SBITA") on January 1, 2023. This Statement provides guidance on the accounting and financial reporting for SBITA for governments. The Statement is based on the principle that SBITA are financings of the right to use another party's (a SBITA vendor's) information technology ("IT") software, alone or in combination with tangible capital assets (the underlying IT assets). It establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability. Additionally, the Statement provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The new SBITA standard also requires enhanced disclosures which include a general description of a SBITA arrangement, the total amount of subscription assets and the related accumulated amortization, the amount of outflow of resources recognized from SBITA contracts that are not included in the measurement of the liability, and the disclosure of the long-term effect of SBITA arrangements on a government's resources.

The implementation of Statement No. 96 resulted in the Town reporting intangible right-to-use subscription assets and related subscription liabilities totaling \$236,663 at January 1, 2023 (see Notes 1.D.12, and 3F). There was no impact on the Town's opening net position.

##### J. SUBSEQUENT EVENTS

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date the financial statements were available for issuance.

## TOWN OF BABYLON

### NOTES TO FINANCIAL STATEMENTS December 31, 2023

#### 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

##### A. BUDGETARY INFORMATION

The Town follows the procedures enumerated below in establishing the budgetary data reflected in the financial statements:

- a) The Town Charter establishes the fiscal year as the twelve-month period beginning January 1<sup>st</sup>.
- b) On or before September 30<sup>th</sup> (October 30<sup>th</sup> for the Town's Special and Garbage District funds), each department, officer or district submits a detailed budget request to the Comptroller, who then prepares a tentative budget, which is submitted to the Town Clerk. The tentative budget includes proposed expenditures and the proposed means of financing the entire Town's governmental, special revenue, and proprietary funds, with the exception of the blended component units, the capital projects fund, and the housing assistance and community development agency funds, for which legally adopted budgets are not required.
- c) After public hearings are conducted to obtain taxpayer comments and no later than November 20<sup>th</sup>, the Town Board adopts the budget. All modifications of the budget must be approved by the Town Board. However, the Comptroller is authorized to transfer certain budgeted amounts within departments.
- d) Budgets for the general and certain special revenue funds are legally adopted each year. The budgets are adopted on a basis of accounting consistent with GAAP, except that appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year. In the event that actual revenues received exceed budgeted amounts, additional budgetary appropriations are made. The capital projects, housing assistance and community development agency funds are budgeted on a project or grant basis.

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. During 2023, the Town exceeded the 2% property tax cap with proper authority by the governing body.

**TOWN OF BABYLON**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)**

**A. BUDGETARY INFORMATION (continued)**

**B. 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 presented.

	General Fund	Residential Garbage District Fund	Commercial Garbage District Fund	Highway Fund	Capital Projects Funds	Special District Fund	Other Governmental Funds	Total
<b>Fund Balances:</b>								
<b>Nonspendable:</b>								
Property held of resale	\$ 6,881,207							\$ 6,881,207
Prepaid items	701,118	\$ 51,694	\$ 12,785	\$ 148,760		\$ 1,376,857	\$ 157,285	2,448,499
Inventory	380,016			564,224			133,559	1,077,799
Leases	211,380							211,380
<b>Total Nonspendable</b>	<b>8,173,721</b>	<b>51,694</b>	<b>12,785</b>	<b>712,984</b>	<b>\$ -0-</b>	<b>1,376,857</b>	<b>290,844</b>	<b>10,618,885</b>
<b>Restricted for:</b>								
Debt service	2,352,336			38,743				2,391,079
Property held of resale	5,938,331							5,938,331
Capital projects					14,873,027			14,873,027
Solid Waste management reserve			10,301,606					10,301,606
Purchases on order or contractual obligations					9,423,634			9,423,634
Grantors and donors restrictions							5,106,658	5,106,658
Length of service award program investments to be used for benefits						1,453,285		1,453,285
Guaranteed assistance contract							314,080	314,080
<b>Total Restricted</b>	<b>8,290,667</b>	<b>-0-</b>	<b>10,301,606</b>	<b>38,743</b>	<b>24,296,661</b>	<b>1,453,285</b>	<b>5,420,738</b>	<b>49,801,700</b>
<b>Assigned to:</b>								
Subsequent year's budget	2,895,328		2,385,728	1,022,758				6,303,814
Capital projects					11,721,232			11,721,232
Purchases on order or contractual obligations	64,242	3,451	71,635	1,259	351,047		24,625	516,259
Special revenue funds		11,786,679	20,760,161	22,930,961		2,044,790	6,698,367	64,220,958
<b>Total Assigned</b>	<b>2,959,570</b>	<b>11,790,130</b>	<b>23,217,524</b>	<b>23,954,978</b>	<b>12,072,279</b>	<b>2,044,790</b>	<b>6,722,992</b>	<b>82,762,263</b>
<b>Unassigned</b>								
	49,581,350							49,581,350
<b>Total Unassigned</b>	<b>49,581,350</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>49,581,350</b>
<b>Total Fund Balances</b>	<b>\$ 69,005,308</b>	<b>\$ 11,841,824</b>	<b>\$ 33,531,915</b>	<b>\$ 24,706,705</b>	<b>\$ 36,368,940</b>	<b>\$ 4,874,932</b>	<b>\$ 12,434,574</b>	<b>\$ 192,764,198</b>

**3. DETAILED NOTES ON ALL FUNDS**

**A. CASH AND CASH EQUIVALENTS**

Custodial Credit Risk – Deposits/ Investments – Custodial credit risk for deposits exists when, in the event of the failure of a depository financial institution, the Town 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, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Town's investments are discussed in Note 5.

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

- Uncollateralized
- Collateralized with an irrevocable letter of credit held by the pledging financial institution, or
- Collateralized with securities held by the pledging financial institution, or
- Collateralized with securities held by the pledging financial institution's trust department or agent but not in the Town's name.

## TOWN OF BABYLON

### NOTES TO FINANCIAL STATEMENTS December 31, 2023

#### 3. DETAILED NOTES ON ALL FUNDS (continued)

##### A. CASH AND CASH EQUIVALENTS (continued)

At December 31, 2023 the Town's cash book balance was \$262,010,904. This amount is inclusive of Custodial fund deposits of \$33,840,608, cash with fiscal agent of \$257,855 and restricted cash of \$10,702,631 exclusive of petty cash of \$6,030 and blended component unit cash of \$3,077,829. This also excludes the LOSAP's cash balance. The Town's available bank balance was \$264,337,054 excluding the blended component units. Of the Town's available bank balance, \$2,120,060 was covered by Federal deposit insurance, and \$262,216,994 was covered by collateral held by the Town's agent, a third-party financial institution, in the Town's name. The blended component unit's available balance was \$2,830,392, of which \$756,015 was covered by Federal deposit insurance and \$2,021,280 was covered by collateral held by the blended component unit's agent, a third-party financial institution. The remaining balance of \$53,094 was under collateralized.

At December 31, 2023 the Town's discretely presented component unit's bank balance was \$3,780,693. Of this balance, \$750,000 was covered by Federal deposit insurance and \$3,030,693 was covered by collateral held by the discretely presented component unit's agent, a third-party financial institution, in the Town of Babylon Industrial Development Agency's name.

Credit Risk – Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. State law and Town law limit investments to those authorized by State statutes. The Town has a written investment policy.

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 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.

As of December 31, 2023, the Town of Babylon did not have any investments subject to credit risk, interest-rate risk or concentration of credit risk.

Certain resources set aside for the Family Self Sufficiency Program, a Section 8 program accounted for in the Housing Assistance Agency Fund, are shown as restricted cash on the Balance Sheet and Statement of Net Position.

**TOWN OF BABYLON**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

**3. DETAILED NOTES ON ALL FUNDS (continued)**

**B. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

In the government-wide financial statements any residual balances outstanding between the governmental activities and business-type activities are reported as “internal balances.”

At December 31, 2023, individual fund 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 and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. These balances, representing various short-term loans for operating purposes, are stated as follows:

	Due from Other Funds	Due to Other Funds
Governmental Funds:		
General Fund	\$ 499,013	87,663
Highway Fund	269,775	
Capital Projects Fund	87,663	\$ 269,775
Non-major Funds		499,013
Total	\$ 856,451	\$ 856,451

The individual fund interfund transfer balances for the primary government generally represent residual equity transfers related to completed and closed capital projects back to the fund servicing the debt and transfers of funds to provide funding for capital projects.

	Transfers out:		
	Major Funds:		
	General Fund	Capital Projects Fund	Total
<u>Transfers in:</u>			
Major Funds:			
General Fund		\$ 353,697	\$ 353,697
Highway Fund		295,012	295,012
Capital Projects Fund	\$ 2,121,879		2,121,879
Total	\$ 2,121,879	\$ 648,709	\$ 2,770,588

**TOWN OF BABYLON**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

**3. DETAILED NOTES ON ALL FUNDS (continued)**

**C. LEASES**

The Town is a lessor pursuant to numerous individual leases as defined by GASB 87. Summarized details of the leases are as follows:

The Town has executed numerous (10) lease agreements with third parties pertaining to the use of Town owned land. The Town will receive monthly, quarterly or annual payments from each lessee as stipulated in each agreement, and which collectively totals \$386,649 annually. Under the terms of these agreements, the leases will expire between December 2026 and December 2050 and agreements have options to renew. At December 31, 2023, the value of the lease receivable is \$5,466,500, which has been discounted to present value using an interest factor of rates ranging from 0.6357% to 1.5293%. The Town recognized lease revenue of \$449,402 pertaining to these leases during 2023. At December 31, 2023, the Town has accrued interest receivable of \$10,349, which is included in accrued interest receivable on the statement of net position.

The Town has executed numerous (24) lease agreements with third parties pertaining to the use of Town owned buildings. The Town will receive monthly, quarterly or annual payments from each lessee as stipulated in each agreement, and which collectively totals \$2,143,121 annually. Under the terms of these agreements, the leases expire at various dates between March 2024 and December 2065 and agreements have options to renew. At December 31, 2023, the value of the lease receivable is \$68,088,619, which has been discounted to present value using an interest factor of rates ranging from 0.2183% to 2.582%. The Town recognized lease revenue of \$1,973,274 pertaining to these leases during 2023. At December 31, 2023, the Town has accrued interest receivable of \$958,484, which is included in accrued interest receivable on the statement of net position.

The annual requirements to amortize all leases receivable as of December 31, 2023 excluding interest are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total Payments
2024	\$ 1,201,799	\$ 1,153,974	\$ 2,355,773
2025	1,166,402	1,119,947	2,286,349
2026	1,311,154	1,105,098	2,416,252
2027	1,276,478	1,090,162	2,366,640
2028	1,303,060	1,072,643	2,375,703
2029 - 2033	6,864,872	5,093,683	11,958,555
2034 - 2038	6,878,276	4,601,575	11,479,851
2039 - 2043	7,169,350	4,080,683	11,250,033
2044 - 2048	8,833,336	3,482,299	12,315,635
2049 - 2053	9,426,756	2,757,646	12,184,402
2054 - 2058	10,442,049	2,020,690	12,462,739
2059 - 2063	12,317,526	1,185,217	13,502,743
2064 - 2066	5,364,091	248,090	5,612,181
	<u>\$ 73,555,149</u>	<u>\$ 29,011,707</u>	<u>\$ 102,566,856</u>

**TOWN OF BABYLON**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

**3. DETAILED NOTES ON ALL FUNDS (continued)**

**D. CAPITAL ASSETS**

Capital assets activity for the governmental activities for the year ended December 31, 2023 is as follows:

	Balance 1/1/23 as restated	Increases	(Decreases) Reclassifications	Balance 12/31/23
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ 26,350,929	\$ 935,250	\$ (74,246)	\$ 27,211,933
Construction in progress	40,986,584	9,032,230	(15,564,173)	34,454,641
Total capital assets not being depreciated	67,337,513	9,967,480	(15,638,419)	61,666,574
Depreciable/amortizable capital assets:				
Building and improvements	150,383,727	9,500,387	(216,731)	159,667,383
Machinery and equipment	46,983,668	2,828,999	(1,438,039)	48,374,628
Infrastructure	515,489,882	13,259,799		528,749,681
Right-to-use lease assets - vehicles	538,598	195,533	(31,527)	702,604
Right-to-use lease assets - equipment	346,953	155,375	(25,292)	477,036
Right-to-use lease assets - building	40,341,790	263,581		40,605,371
Right-to-use subscription assets	236,663	713,928		950,591
Total depreciable/amortizable capital assets	754,321,281	26,917,602	(1,711,589)	779,527,294
Less: accumulated depreciation/amortization				
Buildings and improvements	66,615,807	5,126,108	(162,430)	71,579,485
Machinery and equipment	33,278,051	2,747,004	(1,460,649)	34,564,406
Infrastructure	379,340,680	9,241,356		388,582,036
Right-to-use lease assets - vehicles	65,749	125,797		191,546
Right-to-use lease assets - equipment	128,205	153,760	(23,482)	258,483
Right-to-use lease assets - building	434,275	844,800		1,279,075
Right-to-use subscription assets	185,459	185,459		185,459
Total accumulated depreciation/amortization	\$ 479,862,767	\$ 18,424,284	\$ (1,646,561)	496,640,490
Total net depreciable/amortizable capital assets				282,886,804
Total net capital assets				\$ 344,553,378

Depreciation/amortization was charged to functions and programs as follows:

General government support	\$ 1,669,632
Public safety	439,756
Health	9,478,786
Transportation	4,882,779
Culture and recreation	1,864,460
Home and community services	88,871
Total depreciation/amortization expense - governmental activities	\$ 18,424,284

**TOWN OF BABYLON**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

**3. DETAILED NOTES ON ALL FUNDS (continued)**

**D. CAPITAL ASSETS (continued)**

Capital assets activity for the business-type activities for the year ended December 31, 2023 is as follows:

	Balance 1/1/23	Increases	(Decreases) Reclassifications	Balance 12/31/23
<u>Business-type activities:</u>				
Capital assets not being depreciated:				
Land	\$ 414,422		\$ (219,458)	\$ 194,964
Total capital assets not being depreciated	414,422	\$ -0-	(219,458)	194,964
Depreciable capital assets:				
Building and improvements	1,306,327			1,306,327
Machinery and equipment	351,670			351,670
Infrastructure	6,859,993			6,859,993
Total depreciable capital assets	8,517,990	-0-	-0-	8,517,990
Less: accumulated depreciation				
Buildings and improvements	994,321	17,910		1,012,231
Machinery and equipment	351,670			351,670
Infrastructure	2,213,271	134,065		2,347,336
Total accumulated depreciation	\$ 3,559,262	\$ 151,975	\$ -0-	3,711,237
Total net depreciable capital assets				4,806,753
Total net capital assets				\$ 5,001,717

Depreciation expense in the amount of \$151,975 for the business-type activities was charged to the home and community services function.

Capital assets activity for the discretely presented non-major component unit for the year ended December 31, 2023 is as follows:

	Balance 1/1/23	Increases	Decreases	Balance 12/31/23
<u>Discretely Presented Non-major Component Unit- Babylon IDA:</u>				
Capital assets not being depreciated:				
Land	\$ 919,918		\$ (919,918)	\$ -0-
Land improvements	208,270		(208,270)	-0-
Total capital assets not being depreciated	1,128,188	\$ -0-	\$ (1,128,188)	-0-
Depreciable/amortizable capital assets:				
Right-to-use asset - leased office space	398,986			398,986
Leasehold improvements	50,037			50,037
Machinery and equipment	16,418	8,382		24,800
Total depreciable/amortizable capital assets	465,441	8,382	-0-	473,823
Less: accumulated depreciation/amortization				
Right-to-use asset - leased office space	88,664	44,332		132,996
Leasehold improvements	36,073	6,981		43,054
Machinery and equipment	6,365	4,661		11,026
Total accumulated depreciation/amortization	\$ 131,102	\$ 55,974	\$ -0-	187,076
Total net depreciable/amortizable capital assets				286,747
Total net capital assets				\$ 286,747

**TOWN OF BABYLON**

**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2023

**3. DETAILED NOTES ON ALL FUNDS (continued)**

**D. CAPITAL ASSETS (continued)**

Depreciation/amortization for the Town is recorded on the straight-line basis over the estimated useful lives, in years, of the respective assets.

The Town 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. During the year ended December 31, 2023, the Town has not recorded any such impairment loss.

**E. PROPERTY HELD FOR RESALE**

The Town has undertaken a major downtown revitalization effort for the hamlet of Wyandanch located in the northern central part of the Town. In connection with such redevelopment, the Town designated the downtown Wyandanch business district an Urban Renewal Area in accordance with Article 15 of General Municipal Law. The redevelopment is focused on the Wyandanch area which surrounds the existing railroad station of the same name (which has been completely re-built) and included pre-development work including property purchases, re-zoning, securing necessary permits, community approval, demolishing existing structures and grading the properties, some of which is on-going.

As of December 31, 2023, the Town issued \$29,135,318 of general obligation bonds for the cost of the revitalization program, which includes the purchase price of the properties held for resale, the cost of the surrounding areas that will be used by the Town for roads and parks, the properties sold to an outside developer, and the costs of maintaining the properties. The Town accounts for this program in the general fund and property held for resale is considered a noncurrent asset in the Statement of Net Position. The general fund's fund balance related to this program is classified as either nonspendable or restricted.

As of December 31, 2023, the Town's community development agency fund owned one property purchased with grant proceeds in the amount of \$61,397, for the purpose of resale to individuals in accordance with the Neighborhood Stabilization Program, under the Housing and Economic Recovery Act. The Town expects to sell this property in 2024 and therefore has classified this property held for resale as a current asset in the Statement of Net Position.

**F. LONG-TERM DEBT**

**Guaranteed Assistance Contract Loan**

The Town's guaranteed assistance contract loan payable at December 31, 2023 consists of a loan due to the U.S. Department of Housing and Urban Development issued under Section 108 of the Housing and Community Development Act of 1974. This loan dated December 2012, stipulates a maximum commitment amount of \$4,100,000 for a specific capital project. As of December 31, 2023, the Town received the full amount of the commitment, plus interest earnings in the aggregate amount of \$4,117,076, and spent \$3,802,996 of the loan proceeds. The remaining amount of \$314,080, inclusive of interest earnings, is reported as restricted fund balance. This loan bears interest at a fixed rate ranging from 2.540% to 3.635% and will mature in August 2032.

The loan is secured by all current and future community development block grant allocations and will be liquidated from the community development agency fund.

**TOWN OF BABYLON**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

**3. DETAILED NOTES ON ALL FUNDS (continued)**

**F. LONG-TERM DEBT (continued)**

**Guaranteed Assistance Contract Loan (continued)**

The future principal and interest payments for the guaranteed assistance contract loan for the governmental activities are as follows:

Years Ending December 31,	Principal	Interest	Total Principal and Interest
2024	\$ 228,000	\$ 63,581	\$ 291,581
2025	238,000	57,498	295,498
2026	247,000	50,982	297,982
2027	246,000	43,918	289,918
2028	230,000	36,858	266,858
2029-2032	920,000	75,555	995,555
Total	<u>\$ 2,109,000</u>	<u>\$ 328,392</u>	<u>\$ 2,437,392</u>

**Financed Purchase Obligation**

In July 2021, the Town entered into a financed purchase obligation for street lighting equipment. The agreement calls for annual payments of \$568,061 for three years and includes principal and interest. Annual interest is charged at a fixed rate of 1.39%. The Town has the option to purchase the equipment for \$1 upon the expiration of the agreement in June 2024. The Town has determined that this lease meets the definition of a financed purchase obligation as defined by GASB guidance. The balance due at December 31, 2023 was \$282,883.

The future principal and interest payments for the installment purchase debt for the governmental activities are as follows:

	Principal	Interest	Total Principal and Interest
Year ending December 31, 2024	\$ 282,883	\$ 1,148	\$ 284,031

**Conduit Debt**

The Corporation has at times issued revenue bonds to provide assistance to private sector entities for the acquisition and construction of facilities and affordable housing 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 Corporation 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, 2023, the total of the revenue bonds outstanding for the Corporation was \$67,557,502.

**TOWN OF BABYLON**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

**3. DETAILED NOTES ON ALL FUNDS (continued)**

**F. LONG-TERM DEBT (continued)**

**General Obligation Bonds Payable**

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 benefits, bear interest at various rates from .26% to 5.25% and have various maturity dates through 2043. The original amount borrowed for debt currently outstanding is \$233,058,350.

General obligation bonds payable at December 31, 2023 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rate	Amount Outstanding at December 31, 2023
NYS EFC - Wyandanch Sewer	2013	\$ 4,100,000	May 2043	0.26-4.76 %	\$ 9,280,000
Public Improvements	2013	26,010,000	September 2028	2.00-4.25	9,400,000
Public Improvements	2013	8,500,000	September 2032	4.00-5.25	4,450,000
Public Improvements	2014	12,570,000	August 2029	2.00-3.00	6,030,000
Public Improvements	2014	4,740,000	August 2029	2.00-3.00	2,160,000
Public Improvements	2015	13,640,000	July 2040	3.00-4.75	9,920,000
Public Improvements	2015	5,430,000	July 2029	3.00	2,805,000
Public Improvements	2016	14,200,000	June 2034	2.00-3.00	9,405,000
Public Improvements	2016	17,100,000	June 2036	2.00-3.00	12,510,000
Various Purposes	2017	17,775,000	December 2035	2.25-3.00	12,555,000
Various Purposes	2018	14,508,350	November 2032	5.00	9,920,000
Various Purposes	2019	13,305,000	October 2034	1.375-5.000	10,560,000
Various Purposes	2020	16,730,000	August 2035	1.375-4.000	14,040,000
Public Improvements	2021	14,385,000	March 2040	2.000-5.000	13,520,000
Public Improvements - Refunding	2021	16,290,000	April 2029	5.000	10,190,000
Public Improvements	2022	20,230,000	December 2043	4.00-5.00	19,625,000
Public Improvements	2023	13,545,000	December 2038	5.00	13,545,000
					\$ 169,915,000

Future principal and interest payments for general obligation bonds related to governmental activities are as follows:

Years Ending December 31,	Principal	Interest	Total Principal and Interest
2024	\$ 13,840,000	\$ 5,776,699	\$ 19,616,699
2025	14,260,000	5,271,586	19,531,586
2026	14,720,000	4,723,304	19,443,304
2027	14,390,000	4,150,019	18,540,019
2028	14,855,000	3,585,544	18,440,544
2029-2033	54,690,000	11,199,196	65,889,196
2034-2038	30,960,000	4,350,496	35,310,496
2039-2043	12,200,000	972,745	13,172,745
Total	\$ 169,915,000	\$ 40,029,589	\$ 209,944,589

There were no outstanding bonds payable for the business-type activities or the discretely presented non-major component unit as of December 31, 2023.

**TOWN OF BABYLON**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

**3. DETAILED NOTES ON ALL FUNDS (continued)**

**F. LONG-TERM DEBT (continued)**

**Lease Payable**

Leases payable as of December 31, 2023 are comprised of the following individual agreements:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at December 31, 2023
Vehicles	2022	\$ 535,558	March 2027 - July 2027	0.6357% - 2.1857%	\$ 343,100
Equipment	2022	316,658	January 2023-September 2025	0.000% - 0.5117%	95,727
Building	2022	40,341,790	June 2071	2.5667%	40,466,531
Vehicles	2023	195,533	January 2028 -March 2028	2.582% - 3.451%	169,156
Equipment	2023	155,375	September 2025 - March 2027	2.310% -3.591%	119,330
Building	2023	263,581	February 2033	2.6730%	243,661
					\$ 41,437,505

Interest expenditures/expense of \$1,054,406 were recorded in the fund financial statements in the general fund, \$1,045,422, Part Town Fund, \$8,974 and Residential Garbage Fund \$10, and in the Town's government-wide financial statements.

Future principal and interest payments for leases payable related to governmental activities are as follows:

Year Ending December 31,	Principal	Interest	Total Payments
2024	\$ 172,998	\$ 1,058,547	\$ 1,231,545
2025	122,334	1,056,451	1,178,785
2026	82,334	1,054,689	1,137,023
2027	54,989	1,053,509	1,108,498
2028	40,678	1,052,123	1,092,801
2029 - 2033	305,423	5,245,564	5,550,987
2034 - 2038	905,751	5,171,355	6,077,106
2039 - 2043	1,805,664	5,000,695	6,806,359
2044 - 2048	2,921,786	4,701,336	7,623,122
2049 - 2053	4,294,866	4,243,030	8,537,896
2054 - 2058	5,972,564	3,589,880	9,562,444
2059 - 2063	8,010,562	2,699,375	10,709,937
2064 - 2068	10,473,842	1,521,288	11,995,130
2069 - 2071	6,273,714	210,139	6,483,853
		\$ 41,437,505	\$ 37,657,981
			\$ 79,095,486

**Subscription Liability**

Subscription payable at December 31, 2023 are comprised of the following individual arrangements

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at December 31, 2023
Subscriptions	2023	\$ 950,591	October 2025 - November 2028	2.530% - 3.774%	\$ 692,792
					\$ 692,792

Interest expenditures/ expense of \$5,165 were recorded in the fund financial statements in the general fund and the Town's government wide financial statements.

**TOWN OF BABYLON**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

**3. DETAILED NOTES ON ALL FUNDS (continued)**

**F. LONG-TERM DEBT (continued)**

**Subscription Liability (continued)**

Future principal and interest payments for subscriptions payable related to governmental activities are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total Payments
2024	\$ 244,276	\$ 20,206	\$ 264,482
2025	230,719	12,979	243,698
2026	106,318	7,182	113,500
2027	111,479	3,681	115,160
<b>Total</b>	<b>\$ 692,792</b>	<b>\$ 44,048</b>	<b>\$ 736,840</b>

**Changes in Long-term Liabilities**

Long-term liability activity for the primary government for the year ended December 31, 2023 is as follows:

	Balance 1/1/2023, as restated	Issued/ Additions	Maturities/ Reductions	Other Net Increase or (Decrease)	Balance 12/31/23	Liabilities Due Within One Year	Non-Current Liabilities
Governmental activities:							
General obligation bonds	\$ 169,175,000	\$ 13,545,000	\$ 12,805,000		\$ 169,915,000	\$ 13,840,000	\$ 156,075,000
Plus: premiums on issuance	8,963,235	1,052,664	868,638		9,147,261	932,968	8,214,293
General obligation bonds, net	178,138,235	14,597,664	13,673,638		179,062,261	14,772,968	164,289,293
Financed purchase obligation	842,788		559,905		282,883	282,883	-
Lease payable	41,053,378	614,487	198,380	\$ (31,980)	41,437,505	172,998	41,264,507
Subscription liability	950,591		257,799		692,792	244,276	448,516
Guaranteed assistance contract loans payable	2,328,000		219,000		2,109,000	228,000	1,881,000
Compensated absences	4,985,720	3,960,731	3,765,603		5,180,848	3,370,000	1,810,848
Claims and judgments payable	11,035,270	2,155,000	976,045	115,599	12,329,824	663,314	11,666,510
Estimated liability for landfill closure and postclosure care costs	37,022,702		687,250	1,394,853	37,730,305	6,276,725	31,453,580
Net employees' retirement system pension liability - proportionate share	-	8,043,112	3,485,544	15,953,953	20,511,521		20,511,521
Total other postemployment benefits liability	176,475,061	28,983,184	29,081,068	(12,569,739)	163,807,438	6,880,437	156,927,001
Net length of service award programs plan liabilities	8,577,127	1,562,897	3,311,288	1,308,851	8,137,587	1,272,019	6,865,568
Length of service award programs total plan liabilities	1,577,791	118,311	36,723	103,682	1,763,061		1,763,061
<b>Total Governmental Activities</b>	<b>462,986,663</b>	<b>60,035,386</b>	<b>56,252,243</b>	<b>6,275,219</b>	<b>473,045,025</b>	<b>34,163,620</b>	<b>438,881,405</b>
Business-type activities:							
Total other postemployment benefits liability	1,486,186	56,647	284,135		1,258,698	89,936	1,168,762
<b>Total Business Type Activities</b>	<b>1,486,186</b>	<b>56,647</b>	<b>284,135</b>	<b>-0-</b>	<b>1,258,698</b>	<b>89,936</b>	<b>1,168,762</b>
<b>Total Primary Government</b>	<b>\$ 464,472,849</b>	<b>\$ 60,092,033</b>	<b>\$ 56,536,378</b>	<b>\$ 6,275,219</b>	<b>\$ 474,303,723</b>	<b>\$ 34,253,556</b>	<b>\$ 440,050,167</b>

**TOWN OF BABYLON**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

**3. DETAILED NOTES ON ALL FUNDS (continued)**

**F. LONG-TERM DEBT (continued)**

**Changes in Long-term Liabilities**

Long-term liability activity for the discretely presented non-major component unit for the year ended December 31, 2023 is as follows:

	Balance 12/31/22	Issued/ Additions	Maturities/ Reductions	Adjustments	Balance 12/31/23	Liabilities Due	
						Within One Year	Non-Current Liabilities
Discretely presented non-major component unit - Babylon IDA:							
Total other postemployment benefits liability	\$ 544,112	\$ 159,182	\$ 31,855		\$ 671,439		\$ 671,439
Lease Liability	322,669		41,732		280,937	\$ 43,108	237,829
Net employees' retirement system pension liability - proportionate share	-0-	480,677	234,882		245,795		245,795
<b>Total Discretely Presented Non-major Component Unit</b>	<b>\$ 866,781</b>	<b>\$ 639,859</b>	<b>\$ 308,469</b>	<b>\$ -0-</b>	<b>\$ 1,198,171</b>	<b>\$ 43,108</b>	<b>\$ 1,155,063</b>

**Other Long-Term Debt**

The liabilities for leases and subscriptions, compensated absences, amounts due to employees' retirement system, the Town's proportionate share of the net employees' retirement system pension liability and other postemployment benefits payable will be liquidated through future budgetary appropriations in the funds that gave rise to the liability. In most instances these amounts will be liquidated from the general fund, highway fund, and certain special revenue funds. Payments for estimated claims and judgments will be liquidated primarily from the general fund, and the residential and commercial garbage district funds. The estimated liability for landfill closure and postclosure care costs will be liquidated by the residential and commercial garbage district funds. Contributions to fund the length of service award programs liabilities will be liquidated by the special districts fund.

**G. RETIREMENT SYSTEM**

Plan Description

The Town and the Agency, a non-major discretely presented component unit, participate in the New York State and Local Employees' Retirement System (NYSERS) (the "System"), a cost-sharing multiple public employer defined benefit retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York Common Retirement Fund (the "Fund"), which was established to hold all net assets and record changes in plan 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 ("NYSRSSL"). Once a public employer elects to participate in the System, the election is irrevocable.

The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Town and the Agency also participate 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, including information with regard to benefits provided, 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.

**TOWN OF BABYLON**

**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2023

**3. DETAILED NOTES ON ALL FUNDS (continued)**

**G. RETIREMENT SYSTEM (continued)**

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 age 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 of employment. For Tier 1 members who joined on or after June 17, 1971, each's 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% greater than the average of the previous two years.

*Tiers 3, 4, and 5*

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

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 five 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.

**TOWN OF BABYLON**

**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2023

**3. DETAILED NOTES ON ALL FUNDS (continued)**

**G. RETIREMENT SYSTEM (continued)**

Benefits Provided (continued)

*Tier 6 (continued)*

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 five 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 of employment. For Tier 6 members, each year's compensation used in the final average salary calculation 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%.

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 certify annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's year ended March 31.

**TOWN OF BABYLON**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

**3. DETAILED NOTES ON ALL FUNDS (continued)**

**G. RETIREMENT SYSTEM (continued)**

Contributions (continued)

The employer contribution rates for the ERS plan year ended March 31, 2023 are as follows:

<u>Tier/Plan</u>	<u>Rate</u>
2 751	15.8%
3 A14	12.90%
4 A15	12.90%
5 A15	11.00%
6 A15	8.10%

The required contributions as billed by the Plan, for the Town, for the current year and two preceding Plan years were:

	<u>Annual Required Contribution</u>	<u>Credits &amp; Miscellaneous Adjustments</u>	<u>Amortization Payments</u>	<u>Prepayment Discount</u>	<u>Total Payment</u>
2023	\$ 4,316,595	\$ 230,309	\$ -0-	\$ (30,825)	\$ 4,516,079
2022	3,510,612	823,673	202,108	(25,865)	4,510,528
2021	4,874,260	2,894	287,437	(41,078)	5,123,513

The actual contributions were equal to 100% of the actuarially required amounts. The credits and miscellaneous adjustments represent modifications 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 State, at various times, will enact laws which allow local employers to defer a portion of their retirement bill and enact laws authorizing local governments to make available various retirement incentive programs and amortize certain contribution costs. Below is a summary of these programs with which the Town opted to participate.

For years ending December 31, 2012 and 2013, the Town elected to defer a portion of its retirement bill under Chapter 57 of the Laws of 2010 of the State of New York, subject to certain stipulations. The amount deferred under Chapter 57 is payable in ten annual installments including a rate of interest ranging from 3.0% to 5.0%, set by the New York State Comptroller annually. As of December 31, 2023 these amounts have been paid in full.

Below are the stipulations contained in the law that allows local employers to amortize a portion of their retirement bill for 10 years:

- For State fiscal year 2010-11, the amount in excess of the graded rate of 9.5% of employees' covered pensionable salaries, with the first payment of those pension costs not due until the fiscal year succeeding that fiscal year in which the amortization was instituted.
- For subsequent State fiscal years, the graded rate will increase or decrease by up to 1% depending upon the gap between the increase or decrease in the System's average rate and the previous graded rate.
- For subsequent State fiscal years in which the Systems' average rates are lower than the graded rates, the employer will be required to pay the graded rate. Any additional contributions made will first be used to pay off existing amortizations, and then any excess will be deposited into a reserve account and will be used to offset future increases in contribution rates.

The Agency has not elected to amortize the contribution costs under Chapter 57 of the Laws of 2010 of the State of New York.

**TOWN OF BABYLON**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

**3. DETAILED NOTES ON ALL FUNDS (continued)**

**G. RETIREMENT SYSTEM (continued)**

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

At December 31, 2023, the Town and Agency reported a liability of \$20,511,521 and \$245,795, respectively for its proportionate share of the net pension liability for the System. The net pension liability was measured as of March 31, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2022. The Town and Agency's proportion of the net pension liability was based on a projected contributions of all participating members, actuarially determined.

Below is the proportionate share of the net pension liability of the System and the related employer allocation percentage as of March 31, 2023:

	Net System Pension Liability	Allocation of the System's Total Net Pension Liability	Change in allocation of the System's Total Net Pension Liability since Prior Measurement Date
Town	\$ 20,511,521	0.0956514%	0.0005651%
Agency	245,795	0.0011462%	0.0003050%

There was no significant change in the Town and Agency's proportion from March 31, 2022 to March 31, 2023.

For the year ended December 31, 2023, the Town and Agency recognized pension expense of \$8,043,112 and \$74,830, respectively. At December 31, 2023, deferred outflows of resources related to the pension were reported from the following sources:

	Deferred Outflows of Resources	
	Town	Agency
Differences between expected and actual experience	\$ 2,184,637	\$ 26,179
Changes of assumptions	9,961,718	119,374
Changes in proportion and differences between the employer contributions and proportionate share of contributions	1,737,397	35,194
Employer's contribution subsequent to the measurement date	3,214,927	60,222
Total Deferred Outflow - Pension System	\$ 17,098,679	\$ 240,969

At December 31, 2023 deferred inflows of resources related to the pension were reported from the following sources:

	Deferred Inflows of Resources	
	Town	Agency
Differences between expected and actual experience	\$ 576,041	\$ 6,903
Changes of assumptions	110,096	1,319
Net difference between projected and actual investment earnings on pension plan investment	120,504	1,444
Changes in proportion and differences between the employer contributions and proportionate share of contributions		58,907
Total Deferred Inflow - Pension System	\$ 806,641	\$ 68,573

**TOWN OF BABYLON**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

**3. DETAILED NOTES ON ALL FUNDS** (continued)

**G. RETIREMENT SYSTEM** (continued)

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

Contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Town	Agency
Years ending December 31, 2024	\$ 3,412,792	\$ 20,495
2025	(532,490)	(29,510)
2026	4,544,078	54,389
2027	5,652,731	66,800
	\$ 13,077,111	\$ 112,174

Actuarial Assumptions

The total pension asset as of the measurement date of March 31, 2023 was determined by using an actuarial valuation as of April 1, 2022, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuation used the following actuarial assumptions:

Measurement date	March 31, 2023
Actuarial valuation date	April 1, 2022
Investment rate of return (net of investment expenses, including inflation)	5.9%*
Salary increases	4.4%
Inflation rate	2.9%
Cost of living adjustment	1.5%

\*Compounded annually, net of pension plan investment expenses, including inflation

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-2021.

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. The ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**TOWN OF BABYLON**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

**3. DETAILED NOTES ON ALL FUNDS** (continued)

**G. RETIREMENT SYSTEM** (continued)

Actuarial Assumptions (continued)

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2023 are summarized below:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Equity:		
Domestic equity	32.0%	4.30%
International equity	15.0%	6.85%
Private equity	10.0%	7.50%
Alternatives:		
Real estate	9.0%	4.60%
Opportunistic/Absolute Return Strategy	3.0%	5.38%
Credit	4.0%	5.43%
Real assets	3.0%	5.84%
Fixed income	23.0%	1.50%
Cash	1.0%	0.00%
	100.0%	

The real rate of return is net of the long-term inflation assumption of 2.90%.

Discount Rate

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 System's 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 System Pension Liability to the Discount Rate Assumption

The following presents the Town's/Agency's proportionate share of the net System pension liability/(asset) calculated using the discount rate of 5.9%, as well as what the Town's/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% Decrease (4.9%)	Current Discount Rate (5.9%)	1% Increase (6.9%)
Town's proportionate share of the net System pension liability/(asset)	\$ 49,567,549	\$ 20,511,521	\$ (3,768,170)
Agency's proportionate share of the net System pension liability/(asset)	\$ 593,981	\$ 245,795	\$ (45,155)

**TOWN OF BABYLON**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

**3. DETAILED NOTES ON ALL FUNDS (continued)**

**G. RETIREMENT SYSTEM (continued)**

Employees' Retirement System Pension Plan Fiduciary Net Position

The components of the current year net employees' retirement system pension liability of the employers as of the respective valuation date of April 1, 2022 were as follows (in thousands):

	(Dollars in Thousands) NYSERS
Valuation date	April 1, 2023
Employers' total pension liability	\$ 232,627,259
Plan Fiduciary Net Position	(211,183,223)
Employers' net pension (asset)/liability	\$ 21,444,036
Ratio of plan fiduciary net position to the Employers' total pension (asset)/liability	90.78%

Detailed information about the System pension plan's fiduciary net position is available in the System's separately issued financial statements.

**H. OTHER POSTEMPLOYMENT BENEFITS**

In the government wide financial statements, the cost of postemployment benefit healthcare benefits, like the cost of pension benefits, generally should be associated with the period in which the cost occurs, rather than in the future year when it will be paid. The Town recognizes the cost of postemployment healthcare in the year when the employee services are received and provides information useful in assessing potential demands on the Town's future cash flows.

Plan Description

The Town, as an agent multiple-employer defined benefit OPEB plan, per its contracts with employees, will pay the premium costs for medical insurance coverage (currently provided by through the New York State Empire Plan and HIP) and reimburse the Medicare Part B premiums at retirement for the retiree and covered spouse provided the employee has met certain eligibility requirements. The Agency, a non-major discretely presented component unit, has employees that participate in the OPEB plan. Eligibility and the Town's cost share vary upon employee designation and date of hire as described below. No assets are accumulated in a trust.

The Town, as an agent multiple-employer defined benefit OPEB plan, per its contracts with employees, will pay the premium costs for medical insurance coverage (currently provided by through the New York State Empire Plan and HIP) and reimburse the Medicare Part B premiums at retirement for the retiree and covered spouse provided the employee has met certain eligibility requirements. The Agency, a non-major discretely presented component unit, has employees that participate in the OPEB plan. Eligibility and the Town's cost share vary upon employee designation and date of hire as described below. No assets are accumulated in a trust.

For Civil Service Employees Association members, eligibility requirements for coverage upon retirement are: ten consecutive years of service with the Town and has attained the age of 55 years. The Town will contribute 100% of the premium for these eligible employees hired prior to November 1, 2009 and 85% of the premium for those hired after November 1, 2009.

For defined administrative personnel, eligibility requirements for coverage upon retirement are: five consecutive years of service with the Town and has attained the age 55 for those hired prior to November 1, 2009 and for those hired after November 1, 2009 twenty-five years of service and has attained the age of 55 years. The Town will contribute 100% of the premium for eligible administrative personnel.

**TOWN OF BABYLON**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

**3. DETAILED NOTES ON ALL FUNDS (continued)**

**H. OTHER POSTEMPLOYMENT BENEFITS (continued)**

For members of Local 237, eligibility requirements for coverage upon retirement are: five consecutive years of service with the Town and has attained the age of 55 years for those hired prior to November 14, 2011 and for those hired after November 14, 2011 twenty-five years of service and has attained the age of 55 years. The Town will contribute 100% of the premium for eligible retired Local 237 employees hired prior to November 14, 2011 and 75%-85% of the premium, depending on the retiree’s last salary, for those eligible employees hired after November 14, 2011.

The Town, as administrator of the plan, does not issue a separate report.

Employees Covered by Benefit Terms

The number of participants as of January 1, 2023, the effective date of the OPEB valuation as of December 31, 2023 is as follows:

	Total	Town	Agency
Active employees	399	393	6
Retirees	353	351	2
Surviving spouses *	23	23	0
	775	767	8

\*Surviving spouses are considered participants in the OPEB Plan but there is no benefit cost or OPEB liability for these individuals as the premiums paid by the Town are reimbursed 100%.

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

Total OPEB Liability

The Town’s total OPEB liability of \$165,737,575, which includes the component unit (“Agency”) OPEB liability of \$671,439, was measured as of December 31, 2023, and was determined by an actuarial valuation as of January 1, 2023.

Funding Policy

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

Actuarial Methods and Assumptions

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.

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.

**TOWN OF BABYLON**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

**3. DETAILED NOTES ON ALL FUNDS** (continued)

**H. OTHER POSTEMPLOYMENT BENEFITS** (continued)

Actuarial Methods and Assumptions (continued)

The total OPEB liability was calculated using the entry age normal actuarial cost method. The discount rate used in valuing the OPEB liability was 3.26% as of December 31, 2023, which is based on the Bond Buyer 20-Bond Index tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

Mortality rates were based on unisex pre-retirement mortality rates from the Development of Recommended Actuarial Assumptions report (combined accidental and all other death rates) and postretirement mortality rates for healthy participants using projection scale MP 2021.

Changes in the Total OPEB Liability

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

	Town	Agency
Other Postemployment Liability at the Beginning of Year	\$ 177,961,247	\$ 544,112
Changes for the Year:		
Service Cost	4,386,803	42,992
Interest	5,789,541	20,864
Changes in Benefit Terms		
Difference between expected and actual experience	(22,669,579)	(16,870)
Changes of Assumptions and Other Inputs	6,293,748	95,326
Benefit Payments	(6,695,624)	(14,985)
Net Changes	(12,895,111)	127,327
Other Postemployment Liability at the End of Year	\$ 165,066,136	\$ 671,439

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

The following presents the total OPEB liability of the Town/Agency, as well as what the Town's/Agency's total OPEB liability would be if it were calculated using a discount rate that is 1-percent-point lower (2.26%) or 1-percentage-point higher (4.26%) than the current discount rate:

	1% Decrease (2.26%)	Current Discount Rate (3.26%)	1% Increase (4.26%)
Town \$	192,465,749	\$ 165,066,136	\$ 143,246,462
Agency \$	813,977	\$ 671,439	\$ 560,308

**TOWN OF BABYLON**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

**3. DETAILED NOTES ON ALL FUNDS (continued)**

**H. OTHER POSTEMPLOYMENT BENEFITS (continued)**

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

Healthcare costs can be subject to considerable volatility over time. The following presents the effect on the total OPEB liability at December 31, 2023 of a 1-percentage-point lower (5.50% to 4.00%) or 1-percentage-point higher (7.50% to 6.00%).

	1% Decrease (5.50% to 4.00%)	Health Care Trend Rates (6.50% to 5.00%)	1% Increase (7.50% to 6.00%)
Town	\$ 140,339,242	\$ 165,066,136	\$ 196,891,624
Agency	\$ 535,256	\$ 671,439	\$ 859,163

OPEB Expense, Deferred Inflows of Resources and Deferred Outflows of Resources

For the year ended December 31, 2023, the Town recognized an OPEB expense of \$6,423,001, which includes the component unit OPEB expense of \$52,749.

At December 31, 2023, the Town and Agency reported deferred outflows of resources related to OPEB as shown below:

	Deferred Outflows of Resources	
	Town	Agency
Differences between expected and actual experience	\$ 9,832,414	\$ 6,995
Changes of assumptions or other inputs	12,264,007	260,713
Total Deferred Outflows - OPEB	\$ 22,096,421	\$ 267,708

At December 31, 2023, the Town and Agency reported deferred inflows of resources related to OPEB as shown below:

	Deferred Inflows of Resources	
	Town	Agency
Differences between expected and actual experience	\$ 21,080,746	\$ 162,508
Changes of assumptions or other inputs	35,408,077	203,352
Total Deferred Inflows - OPEB	\$ 56,488,823	\$ 365,860

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

	Town	Agency
For years ending December 31, 2024	\$ (5,198,022)	\$ (11,107)
2025	(7,960,570)	(11,107)
2026	(9,696,660)	(11,107)
2027	(9,373,861)	(11,107)
2028	(2,163,289)	(11,107)
Thereafter	-0-	(42,617)
	\$ (34,392,402)	\$ (98,152)

## TOWN OF BABYLON

### NOTES TO FINANCIAL STATEMENTS December 31, 2023

#### 3. DETAILED NOTES ON ALL FUNDS (continued)

##### I. LENGTH OF SERVICE AWARD PROGRAMS

###### Plan Descriptions

###### Firefighter Plans:

The Town sponsors five Volunteer Firefighters Workers Length of Service Award Programs (the "Firefighter Plans"): North Amityville, East Farmingdale, Wyandanch, North Babylon, and North Lindenhurst. All plans are single-employer defined benefit pension plans covering the Town's volunteer firefighters. The Firefighter Plans were established pursuant to Article 11-A of General Municipal Law. All Firefighter Plans, except for Wyandanch, are effective January 1, 1990 and are administered through a trust equivalent arrangement in which contributions from the Town and earnings on the contributions are irrevocable, plan assets are dedicated to providing pension benefits to plan members and the plan assets are legally protected from the creditors of the employer, nonemployer contributing entity, the plan administrator and the creditors of the plan members. These Firefighter Plans are reported in accordance with the requirements of GASB Statements No. 67, 68, and 73, as applicable.

The Wyandanch Firefighter Plan is effective February 1, 2005 and is administered through a grantor/rabbi trust, which is similar to the trust equivalent arrangement described above, however these plan assets are not legally protected from the creditors of the Town. Accordingly, this plan is reported in accordance with the requirements of GASB Statement No. 73, however this plan's assets are not accumulated in a trust that meets the criteria of GASB Statement No. 73 paragraph 4.

###### Ambulance Plan:

The Town also sponsors the Wyandanch Wheatley Heights Ambulance District Volunteer Ambulance Worker Service Award Program (the "Ambulance Plan"), a defined contribution plan covering the ambulance squad. A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participant's benefits that may be allocated to such participant's account. The Ambulance Plan, effective January 1, 1994 was established pursuant to Article 11-AA of General Municipal Law under a contract with the New York State Comptroller. This Plan is administered through a grantor/rabbi trust account in which the plan assets are not legally protected from the Town's creditors. Therefore, this plan is reported in accordance with the requirements on GASB Statement No. 73, however this plan's assets are not accumulated in a trust that meets the criteria of GASB Statement No. 73 paragraph 4.

The Firefighter and Ambulance Plans provide municipally-funded pension-like benefits to facilitate the recruitment and retention of active volunteer firefighters and ambulance squad members.

###### Participation, Vesting, Forfeitures, and Service Credit

###### Firefighter Plans:

Active volunteer firefighters who have reached the age of 18 on the last day of the year and who have completed one year of service are eligible to participate in the Firefighter Plans. Participants acquire a nonforfeitable right to a service award after being credited with five years of firefighting service or upon attaining the Firefighter Plan's entitlement age while active or becoming totally and permanently disabled or upon death while an active member. The Firefighter Plan's entitlement age is the later of age 62 (or age 65 for members that terminated prior to 2015) or the age after the first year of service credit.

**TOWN OF BABYLON**

**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2023

**3. DETAILED NOTES ON ALL FUNDS (continued)**

**I. LENGTH OF SERVICE AWARD PROGRAMS (continued)**

Participation, Vesting, Forfeitures, and Service Credit (continued)

Firefighter Plans: (continued)

In general, an active volunteer firefighter is credited with a year of firefighting service for each calendar year after the establishment of the Firefighter Plans in which he or she becomes eligible to participate. A participant may also receive credit for five years of firefighting service (called "prior service") rendered prior to the establishment of the Firefighter Plans.

Ambulance Plan:

Active volunteer ambulance members who have reached the age of 18 on the last day of the year and who have completed one year of service are eligible to participate in the Ambulance Plan. Participants acquire a nonforfeitable right to a service award (100% vested) after being credited with five years of ambulance service or upon becoming totally and permanently disabled while an active member. The Ambulance Plan's entitlement age is 65.

In general, an active volunteer ambulance member is credited with a year of service for each calendar year after the establishment of the Ambulance Plan in which he or she becomes eligible to participate. A Participant may also receive credit for five years of prior service rendered prior to the establishment of the Plan.

A participant who has not acquired a nonforfeitable right shall forfeit their service award upon ceasing to be a volunteer ambulance member or upon not having qualified for a year of service credit for five consecutive calendar years. Any forfeited participant balances are used to reduce the contribution amount to be paid by the Town.

Benefits

Firefighter Plans:

A participant's benefit under the Plan is the actuarial equivalent of a monthly payment for life equal to \$15 to \$20 (as determined by each Plan), multiplied by the participant's total number of years of firefighting service. The number of years of firefighting service used to compute the benefit cannot exceed forty years (including prior service credits). Except in the case of disability or death, benefits are payable when the participant has attained the entitlement age of 62. The program provides statutorily mandated death and disability benefits. As defined by some of the Plans, an active firefighter is credited with a year of service for each calendar year after the establishment of the program in which they accumulate fifty points. Points are granted for the performance of certain activities in accordance with a system established by the Town of Babylon and the individual Firefighter Companies on the basis of a statutory list of activities and point values.

Ambulance Plan:

A participant's benefit under the Ambulance Plan is the amount resulting from the contributions made by the Town on behalf of the participant, plus interest and/or other earnings resulting from the investment of the contributions, less necessary administrative costs, forfeitures and losses resulting from the investment of contributions. Contributions in the amount of \$480 are made on behalf of each participant who is credited with a year of firefighting service. The maximum number of years of ambulance service for which a participant may receive a contribution is forty years. Except in the case of disability or death, benefits are payable when a participant has acquired a nonforfeitable right to the service award and reaches entitlement age. The program provides statutorily mandatory disability and death benefits. As defined by the Ambulance Plan, an active ambulance member is credited with a year of service for each calendar year after the establishment of the program in which they accumulate fifty points. Points are granted for the performance of certain activities in accordance with a system established by the Town of Babylon on the basis of a statutory list of activities and point values.

**TOWN OF BABYLON**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

**3. DETAILED NOTES ON ALL FUNDS (continued)**

**I. LENGTH OF SERVICE AWARD PROGRAMS (continued)**

Fiduciary Investment Control

Firefighter Plans:

Service credit is determined based on information certified by each Fire Company. Each Fire Company must maintain all required records related to the participants as required by the service award agreement entered into by the Town and the individual Firefighter Companies.

The Town Board has retained and designated Penflex, Inc. to assist in the administration of the Firefighter Plans. The designated Firefighter Plans administrators' functions include determination of the eligibility of each participant based on the records maintained by the individual Firefighter Companies, calculating the amount to be contributed at the end of each year based upon the criteria set forth in the Firefighter Plan documents, and calculation of participant benefits annually and at entitlement. Disbursements of Firefighter Plan assets for the payment of benefits or administrative expenses must be approved by the Trustees of the individual Firefighter Plans.

Firefighter Plan assets are required to be held in trust by Length of Service Award Program legislation, for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying the reasonable expenses of the operation and administration of the Plan.

Each Firefighter Plan has designated Trustees from the individual Fire Companies. Authority to invest Plan assets is vested in the Town Board, who designated the authority to RBC Wealth Management. Subject to restrictions in the Firefighter Plan document, Plan assets are invested in accordance with a statutory "prudent person" rule. The Town is required to retain an actuary to determine the amount of the Town's contributions to the plan, the related pension liabilities, and deferred inflows/outflows of resources. The actuary retained by the Town for this purpose is Penflex, Inc.

The Town has the right to amend the LOSAP plans subject to certain limitations and General Municipal Law.

Ambulance Plan:

Service credit is determined by the governing Board of the Town, based on information certified to the Town Board by the Ambulance Company. Each Ambulance Company must maintain all required records on forms prescribed by the Town Board.

The New York State Comptroller has retained and designated Penflex, Inc. to assist in the administration of the Ambulance Plan.

Plan assets are required to be held in trust by Length of Service Award Program legislation, for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying the reasonable expenses of the operation and administration of the Plan.

The Trustee of the Ambulance Plan, as designated by the New York State Comptroller, is Glen Falls National Bank and Trust Company. Authority to invest Ambulance Plan assets is vested in the Trustee. Subject to restrictions in the Ambulance Plan document and Article 11-AA of General Municipal Law, Ambulance Plan assets are invested in accordance with a statutory "prudent person" rule. As of the valuation date of December 31<sup>st</sup>, the Trustee must determine the fair market value of the Trust and allocate the net earnings or losses of the Trust for the year ended to the Town, based on account balances adjusted for all payments and distributions that occurred during the period.

The Town may amend the provisions of the adoption agreement, to be effective the following year, or terminate the participation in the program, provided the amendment and termination are in accordance with Article 11-AA of General Municipal Law. The administrator may amend the program agreement with the approval of the New York State Comptroller.

**TOWN OF BABYLON**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

**3. DETAILED NOTES ON ALL FUNDS (continued)**

**I. LENGTH OF SERVICE AWARD PROGRAMS (continued)**

Contributions and Administration Fees

Firefighter Plans:

The Town must provide an annual contribution to fund the Firefighter Plans, which is based on an actuarial valuation as of the beginning of the Firefighter Plan year, which satisfies the funding policy and method of the plan. The volunteers of Firefighter Plans do not contribute to the plans.

For year ended December 31, 2023, the Town contributed the following amounts to the individual Firefighter Plans:

	Firefighter Plans				
	East Farmingdale	North Amityville	North Babylon	North Lindenhurst	Wyandanch
Plan year ending	12/31/2023	12/31/2023	12/31/2023	12/31/2023	12/31/2023
Amount of contribution recommended by actuary*:					
Minimum	\$ 381,310	\$ 73,215	\$ 538,518	\$ 278,976	\$ 75,601
Maximum	\$ 381,310	\$ 73,215	\$ 538,518	\$ 278,976	\$ 75,601
Actual contribution	\$ 381,310	\$ 73,215	\$ 538,518	\$ 278,976	\$ 75,601

\*Recommended contribution includes the normal costs and amortization of unfunded liability for prior services.

Prior service costs for the Firefighter Plans are being amortized over 20 years at a discount rate of 5.25%.

The Town paid the following administration fees during the year ended December 31, 2023:

	Firefighter Plans				
	East Farmingdale	North Amityville	North Babylon	North Lindenhurst	Wyandanch
Administration Fees:					
Paid to Plan Administrator by:					
Sponsor	\$ 9,486	\$ 6,346	\$ 11,672	\$ 9,168	\$ 6,208
Plan	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Paid to Trustee	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

Ambulance Plan:

The Town contributes an annual amount of \$480 on behalf of each participant who is credited with a year of service and an additional \$480 for those eligible for a prior service contribution. The Town has elected to pay prior service contributions in five annual installments, beginning in the year the participant is determined to be eligible. For the plan year ended December 31, 2023, the Town contributed \$7,011, of which \$1,629 was participant account forfeitures into the Ambulance Plan.

**TOWN OF BABYLON**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

**3. DETAILED NOTES ON ALL FUNDS (continued)**

**I. LENGTH OF SERVICE AWARD PROGRAM (continued)**

Participants

As of the measurement date, the following participants were covered by the benefit terms for the Firefighter Plans:

	Firefighter Plans				
	East Farmingdale	North Amityville	North Babylon	North Lindenhurst	Wyandanch
Measurement date	12/31/2023	12/31/2023	12/31/2023	12/31/2023	12/31/2023
Inactive participants (or beneficiaries) currently receiving benefit payments	75	25	76	54	14
Inactive participants entitled to but not yet receiving benefits	80	30	137	68	16
Active participants	83	31	131	78	51
<b>Total</b>	<b>238</b>	<b>86</b>	<b>344</b>	<b>200</b>	<b>81</b>

Actuarial Assumptions

Firefighter Plans:

The total pension liability was based on an actuarial valuation using the following assumptions:

	Firefighter Plans				
	East Farmingdale	North Amityville	North Babylon	North Lindenhurst	Wyandanch
Measurement date	12/31/2023	12/31/2023	12/31/2023	12/31/2023	12/31/2023
Actuarial valuation date	1/1/2024	1/1/2024	1/1/2024	1/1/2024	1/1/2024
Actuarial cost method	Entry Age Normal				
Inflation rate	2.25%	2.25%	2.25%	2.25%	2.25%
Mortality tables	RP-2014 Male, no projection				
Salary increase	N/A	N/A	N/A	N/A	N/A
Discount rate	5.25%	5.25%	5.25%	5.25%	4.00%
Long-term expected return on investments	5.25%	5.25%	5.25%	5.25%	N/A

Ambulance Plan:

There are no actuarial assumptions for the Ambulance Plan as this is a defined contribution plan.

Discount Rate

Firefighter Plans:

In accordance with GASB Statement No. 68, the Town used a discount rate of 5.25% for the East Farmingdale, North Amityville, North Babylon and North Lindenhurst Firefighter Plans based on the following methodologies:

East Farmingdale, North Amityville, North Babylon and North Lindenhurst Firefighter Plans: The projection of cash flows used to determine the discount rate assumes that contributions from the Town will be made based on the recommended contribution amounts determined by the actuarial valuation for funding purposes. For each of the past four years, the Town has contributed the full recommended contribution as determined by the actuarial valuation for funding purposes. It is understood that the Town's funding policy is to continue to make full recommended contributions in future years.

**TOWN OF BABYLON**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

**3. DETAILED NOTES ON ALL FUNDS (continued)**

**I. LENGTH OF SERVICE AWARD PROGRAM (continued)**

Discount Rate (continued)

Firefighter Plans: (continued)

East Farmingdale, North Amityville, North Babylon and North Lindenhurst Firefighter Plans (continued):

Based on that assumption, the plan assets were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all period of projected benefit payments to determine the total pension liability.

The annual money-weighted rate of return on the LOSAP investments, net of pension plan investment expense ranged from 4.71% to 5.37%. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The discount rate used to measure the total pension liability for the Wyandanch Firefighter Plan was 4.00%. In accordance with GASB 73 this was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2023. In describing this index, S&P Dow Jones Indices notes that the index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years and with a rating of at least Aa2 by Moody's Investors Service's, AA by Fitch, or AA by Standard & Poor's Rating Services.

Ambulance Plan:

There is no discount rate required for the Ambulance Plan as this is a defined contribution plan.

Sensitivity of the Total / Net LOSAP Plan Liability to the Discount Rate Assumption

The following presents the Town's total / net pension LOSAP plan liability calculated using the discount rate as of the measurement date, as well as what the Town's proportionate share of the total/ net pension LOSAP plan liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Current Assumption	1% Increase
Firefighter Plans:			
East Farmingdale			
Discount Rate	4.25%	5.25%	6.25%
Net Pension Liability	\$ 3,547,219	\$ 2,495,484	\$ 1,627,053
North Amityville			
Discount Rate	4.25%	5.25%	6.25%
Net Pension Liability	\$ 668,944	\$ 357,203	\$ 99,999
North Babylon			
Discount Rate	4.25%	5.25%	6.25%
Net Pension Liability	\$ 4,945,057	\$ 3,602,344	\$ 2,505,649
North Lindenhurst			
Discount Rate	4.25%	5.25%	6.25%
Net Pension Liability	\$ 2,402,349	\$ 1,682,556	\$ 1,088,980
Wyandanch			
Discount Rate	3.00%	4.00%	5.00%
Total Pension Liability	\$ 1,626,585	\$ 1,356,628	\$ 1,142,692

The ambulance plan is not included in the above as the plan liability equals the plan assets.

**TOWN OF BABYLON**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

**3. DETAILED NOTES ON ALL FUNDS (continued)**

**I. LENGTH OF SERVICE AWARD PROGRAM (continued)**

Investments - Plan Assets

Firefighter Plans:

The Firefighter Plan assets at December 31, 2023 were as follows:

	Firefighter Plans				
	East Farmingdale	North Amityville	North Babylon	North Lindenhurst	Wyandanch
Cash and cash equivalents	\$ 207,781	\$ 66,877	\$ 335,359	\$ 102,773	\$ 50,713
Equities	1,703,917	473,407	1,840,586	1,046,235	426,308
Fixed income	3,062,163	1,416,408	3,004,209	2,183,501	510,385
Other assets	264,264	53,053	293,914	156,342	59,446
Total Firefighter Plan assets	<u>\$ 5,238,125</u>	<u>\$ 2,009,745</u>	<u>\$ 5,474,068</u>	<u>\$ 3,488,851</u>	<u>\$ 1,046,852</u>

East Farmingdale, North Amityville, North Babylon and North Lindenhurst LOSAP plan assets are reported in the Fiduciary Funds Statement of Fiduciary Net Position. The Wyandanch LOSAP plan assets are reported in the special districts fund's Balance Sheet and the governmental activities in the Statement of Net Position. The cash and cash equivalents balances are covered by depository insurance; however, the guaranteed annuity and cash value of life insurance contracts are not, therefore subject to custodial risk in the event of the failure of the custodian holding the investments.

The Town's investments in certain annuities exceeds 5% of the LOSAP Plan's fiduciary net position.

Ambulance Plan:

The Ambulance Plan is part of an external investment pool, of which the Town's portion of the investments at December 31, 2023 is \$406,433. The pool is not registered with the SEC or rated and is overseen by the New York State Comptroller. The external investment pool consists of money market funds, corporate and foreign bonds, common equity securities, equity mutual funds and fixed income mutual funds, which are reported at fair value. The fair value of the position in the pool is the same value as the value of pool shares. The assets are the subject to custodial risk in the event of the failure of the custodian holding the investments.

Custodial Credit Risk – LOSAP Investments

Credit Risk – State law and Town law limit investments to those authorized by State statutes. The Town has a written LOSAP investment policy.

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 – 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.

**TOWN OF BABYLON**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

**3. DETAILED NOTES ON ALL FUNDS (continued)**

**I. LENGTH OF SERVICE AWARD PROGRAM (continued)**

Changes in Total / Net LOSAP Plan Liability

The change in the Firefighter Plan assets, the total LOSAP plan liability and the net LOSAP plan liability for the year ended December 31, 2023 is as follows:

	Firefighter Plans				
	East Farmingdale	North Amityville	North Babylon	North Lindenhurst	Wyandanch
<b>Total LOSAP Plan Liabilities</b>					
Service cost	\$ 93,793	\$ 36,002	\$ 134,918	\$ 69,629	\$ 63,704
Interest	389,537	121,657	456,678	260,683	54,607
Change in benefit terms					
Differences between expected and actual experience	68,216	(39,720)	35,714	71,963	(14,710)
Benefit payments, including refunds of member contributions	(381,571)	(100,540)	(364,139)	(322,871)	(43,734)
Changes of assumptions or other inputs					71,626
Net change in total LOSAP plan liability	169,975	17,399	263,171	79,404	131,493
Total LOSAP plan liability - beginning of year (a)	7,563,634	2,349,549	8,813,241	5,092,003	1,225,135
Total LOSAP plan liability - end of year (c)	7,733,609	2,366,948	9,076,412	5,171,407	1,356,628
<b>LOSAP - Pension Trust Fund Net Position / Plan Assets</b>					
Contributions - employer	387,573	95,652	538,464	302,118	76,045
Investment income	264,910	98,829	273,189	181,432	62,021
Benefit payments, including refunds of member contributions	(382,607)	(101,058)	(365,265)	(323,748)	(44,085)
Net change in LOSAP fiduciary net position / plan assets	269,876	93,423	446,388	159,802	93,981
Plan fiduciary net position - beginning of year (b)	4,968,249	1,916,322	5,027,680	3,329,049	N/A
Plan fiduciary net position - end of year (d)	5,238,125	2,009,745	5,474,068	3,488,851	N/A
LOSAP plan assets - beginning of year	N/A	N/A	N/A	N/A	952,871
LOSAP plan assets - end of year	N/A	N/A	N/A	N/A	\$ 1,046,852
Net LOSAP plan liability - beginning of year (a) - (b)	2,595,385	433,227	3,785,561	1,762,954	N/A
Net LOSAP plan liability - end of year (c) - (d)	\$ 2,495,484	\$ 357,203	\$ 3,602,344	\$ 1,682,556	N/A

LOSAP Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to LOSAP Plans

For the year ended December 31, 2023, the Town recognized LOSAP pension expense of \$1,258,784, related to Town sponsored Firefighter Plans and a pension benefit of \$ \$57,415 related to the Ambulance Plan. At December 31, 2023, deferred outflows of resources related to LOSAP Firefighter Plans were reported from the following sources:

	Firefighter Plans				
	East Farmingdale	North Amityville	North Babylon	North Lindenhurst	Wyandanch
<b>Deferred Outflows of Resources:</b>					
Differences between expected and actual experience	\$ 248,951	\$ 10,031	\$ 211,315	\$ 166,365	\$ 31,535
Differences due to return on assets	373,919	65,023	371,410	211,603	
Changes of assumptions or other inputs	722,258	1,190	146,294	328,053	406,478
<b>Total Deferred Outflows of Resources - LOSAP</b>	<b>\$ 1,345,128</b>	<b>\$ 76,244</b>	<b>\$ 729,019</b>	<b>\$ 706,021</b>	<b>\$ 438,013</b>

**TOWN OF BABYLON**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

**3. DETAILED NOTES ON ALL FUNDS (continued)**

**I. LENGTH OF SERVICE AWARD PROGRAM (continued)**

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

At December 31, 2023, deferred inflows of resources related to LOSAP Firefighter Plans were reported from the following sources:

	Firefighter Plans				
	East Farmingdale	North Amityville	North Babylon	North Lindenhurst	Wyandanch
<b>Deferred Inflows of Resources:</b>					
Differences between expected and actual experience	\$ 14,924	\$ 102,141	\$ 15,832	\$ 154,626	\$ 83,991
Differences due to return on assets	3,158		7,244	7,002	
Changes of assumptions or other inputs	1,360,936		477,205	560,630	641,623
<b>Total Deferred Inflows of Resources - LOSAP</b>	<b>\$ 1,379,018</b>	<b>\$ 102,141</b>	<b>\$ 500,281</b>	<b>\$ 722,258</b>	<b>\$ 725,614</b>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to LOSAP Plans will be recognized as follows:

	Firefighter Plans				
	East Farmingdale	North Amityville	North Babylon	North Lindenhurst	Wyandanch
Plan Years Ending:	December 31 <sup>st</sup>				
2024	\$ 161,503	\$ 5,444	\$ 92,278	\$ 64,145	\$ (17,479)
2025	158,559	(8,894)	96,363	65,365	(17,476)
2026	104,568	(12,431)	31,514	55,755	(19,447)
2027	(61,566)	(10,016)	971	(23,480)	(19,447)
2028	(124,586)		1,908	(26,618)	(19,447)
Thereafter	(272,368)		5,704	(151,404)	(194,305)
	<b>\$ (33,890)</b>	<b>\$ (25,897)</b>	<b>\$ 228,738</b>	<b>\$ (16,237)</b>	<b>\$ (287,601)</b>

The Ambulance Plan does not report any deferred outflows of resources or deferred inflows of resources since it is a defined contribution plan.

The Town, as Plan Sponsor of Firefighter and Ambulance Plans, does not issue separate financial statements.

**J. 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.

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, 2023, the value of the accumulated vacation time and sick leave of the primary government was \$5,180,848.

**TOWN OF BABYLON**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

**3. DETAILED NOTES ON ALL FUNDS (continued)**

**K. SALE/TRANSFER OF LEASE RIGHT**

The Town transferred title of certain parcels of land to the Town of Babylon Local Development Corporation (the "Corporation"). A third-party developer paid the Town of Babylon \$219,458 for the parcels (WR-Communities D) on behalf of the Corporation. At the time of the title transfer of land, the Corporation entered into a Development Lease Agreement ("Lease Agreement") with the third-party developer in which the third-party acting as the lessee subleased the land to the Agency, who in turn subleased the property back to the third-party developer for \$1 per annum. The purpose of the lease leaseback transaction is to provide future financial benefits to the third-party developer such as certain sales tax and mortgage recording tax exemptions and real estate tax abatements.

During the year ended December 31, 2023, the Corporation transferred title to WR Communities D, LLC for \$219,458. The transfer was made in accordance with the development lease which provided for the conversion of the leasehold to fee title any time after substantial completion of the building, which was completed in 2023. The transfer was completed in August 2023. This is classified as a transfer of lease right on the Corporation's statement of revenues, expenses and changes in net position at December 31, 2023.

**L. COPIAGUE FAÇADE RENOVATION GRANT PROGRAM**

The Town of Babylon established the downtown Copiague Facade Renovation Grant Program to revitalize the downtown area of Copiague, New York. In 2018, the Town board appointed and authorized the Corporation to administer the downtown Copiague program for which the purpose is to improve downtown structures in need of facade and/or sign renovations. In 2018, the Town transferred \$209,250 of the funds associated with the downtown Copiague facade improvement program to the Corporation. Funds are to be distributed to various companies that have applied and awarded grant assistance in the renovation of their building's facade. As of December 31, 2023, the Corporation has disbursed \$164,000 of the funding including related fees of \$15,396 and the remaining funds of \$29,854 will be disbursed in 2024. The revenues and expenses related to the Copiague Facade Downtown grant program are reported as non-operating revenues and expenses and the net position as restricted.

**M. COMMUNITY BENEFIT AGREEMENT**

In 2018, the Corporation entered into a Community Benefit Agreement (the "Agreement") with a third-party, who is working on a development project involving the acquisition and construction of a multi-phased, multi-family, residential units located in Amityville, New York. As a condition of receiving financial assistance for the project through the Town of Babylon Industrial Development Agency, the third-party, will deposit certain funds based on the completion the phases of the project, as defined in the Agreement. These funds are designated to be used for an Economic Development Fund and an Affordable Housing Fund, of which the specific activities as defined in the Agreement.

The Corporation administers the funds as prescribed in the Agreement. During the year ended December 31, 2023, the Corporation did not receive Affordable Housing Funds and received \$371,591 of Economic Development Funds, and disbursed Affordable Housing Funds of \$97,748 and Economic Development Funds of \$550,458. In 2021, the Corporation launched the Babylon Is Back programs consisting of the Emergency Assistance Program and Fraternal & Civic Assistance Program. These programs, approved by New York State, provide temporary authority to the Corporation to issue grants and loans to businesses and small not-for-profit corporations negatively impacted by COVID-19 Pandemic.

The Corporation also launched Babylon Citizens Council on the Arts/Babylon Together Program (BACCA), New York Forward Loan Program and Economic Inclusion Program. These programs were aimed to assist small businesses including landlords, revitalization activity and minority disadvantaged communities in the Town of Babylon to reopen after the government shutdowns due to the COVID-19 pandemic.

## TOWN OF BABYLON

### NOTES TO FINANCIAL STATEMENTS December 31, 2023

#### 3. DETAILED NOTES ON ALL FUNDS (continued)

##### M. COMMUNITY BENEFIT AGREEMENT (continued)

During the year ended December 31, 2023, the Corporation made disbursements from these programs as follows; the Emergency Assistance Program did not receive income and no funds disbursed, BACCA program \$49,271 and \$6,127, and Economic Inclusion Program \$-0- and \$50,014 which includes professional fees and \$-0- and \$44,000 allocated to pay rent for two leases the Corporation entered into on behalf of minority businesses in the Town of Babylon impacted by COVID-19. Amounts received and disbursed in 2023 are reported as non-operating revenue and expenses. These funds plus interest earned less any related costs, have been reported as restricted in the Statement of Net Position.

In 2023, the Corporation received \$198,000 from the Town of Babylon in connection with the American Rescue Plan Act (ARPA) funding for the purpose of distribution to the Town of Babylon various Drug Abuse Prevention Coalitions. This initiative serves to assist the Town in continuing to be a safe and healthy place for its residents to live and work. The Corporation administers the funds as prescribed in the Agreement. During the year 2023, the Corporation disbursed \$149,000 and the remaining funds of \$49,000 are recorded as deferred revenue and will be disbursed before December 31, 2026. These funds have been reported as non-operating revenues and expenses in the Statement of Revenues, Expenses and Changes in Net Position.

In 2023, the Corporation received \$350,000 from the Town of Babylon in ARPA funding for the purpose of funding a Town of Babylon Wrestling Program. This Wrestling program aims to promote the sport of wrestling as a way for youth in the town to live a healthy and active lifestyle; expanding the opportunity for growth in resident's general prosperity and well being. During the year 2023, the Corporation disbursed \$169,091 and the remaining funds of \$180,909 are recorded as deferred revenue and will be disbursed in 2024. These funds have been reported as non-operating revenues and expenses in the Statement of Revenues, Expenses and Changes in Net Position.

During the year 2023 the Corporation has approved disbursement of up to \$196,700 for costs related to funding Keep Your Change, Inc.'s High School Equivalency / General Education Development Program as part of the Economic Inclusion Plan pursuant to the agreement. In 2023, the Corporation disbursed \$135,385 and the remaining funds of \$61,315 will be disbursed in 2024. These funds have been reported as non-operating revenues and expenses in the Statement of Revenues, Expenses and Changes in Net Position.

##### N. WYANDANCH ECONOMIC DEVELOPMENT FUND

In 2020, the Corporation entered into a Community Benefit Agreement (the "Agreement") with a third-party, who is working on a development project involving the acquisition and construction of an affordable senior residential housing facility located in Wyandanch, New York. As a condition of receiving financial assistance for the project through the Town of Babylon Industrial Development Agency, the third-party deposited certain funds based on the date of project closing, as defined in the Agreement.

These funds are designated to be used for the "Wyandanch Economic Development Fund", of which the specific activities as defined in the Agreement. The Corporation administers the funds as prescribed in the Agreement. In 2020, the Corporation received \$350,000.

In 2021, the Company entered into an Interim Cost-Sharing Agreement (the "Agreement") with two entities seeking to jointly construct a building in Wyandanch related to the redevelopment of downtown Wyandanch including the designation of an Urban Renewal Area in downtown Wyandanch to construct a Health and Wellness Center and a recreational facility in Wyandanch, Town of Babylon, New York. The parties deposited their cost-sharing funds based on the Agreement.

## TOWN OF BABYLON

### NOTES TO FINANCIAL STATEMENTS December 31, 2023

#### 3. DETAILED NOTES ON ALL FUNDS (continued)

##### N. WYANDANCH ECONOMIC DEVELOPMENT FUND (continued)

These funds are designated to be used for the construction of these facilities and per the agreement funds were deposited into an escrow account held by the Corporation counsel. The Corporation cost share totaled \$350,000, reported as restricted in the Statement of Net Position. In 2022, \$350,000 were disbursed by the Corporation counsel for payments related to the construction of these facilities. These funds have been reported as non-operating revenues and expenses in the Statement of Revenues, Expenses and Changes in Net Position.

During 2023, the Corporation entered into a Community Benefit Agreement (the "Agreement") with a third party (WR Community - L LLC (WR) whereas WR has proposed to undertake a project consisting of the acquisition construction furnishing and equipping an approximately 243,465 square foot multi-family residential rental housing facility located in Wyandanch NY, for the Wyandanch Downtown Revitalization Plan. During the years ended December 31, 2023, the Corporation received \$300,000 and, of which none has been disbursed. These costs have been reported as non-operating expenses in the Statement of Revenues, Expenses and Changes in Net Position.

##### O. WYANDANCH HEALTH AND WELLNESS CENTER FUND

In 2023, the Corporation entered into an agreement with the Town of Babylon (the Town) and received \$550,000 through the Town's American Rescue Plan Act (ARPA) funds and as prescribed in the agreement, the Corporation will act as the developer of the Wyandanch Health and Wellness project and the funds are designated to cover the costs associated with the project. During the years ended December 31, 2023 and 2022, the Corporation disbursed \$635,346 and \$-0-, respectively. These costs have been reported as non-operating expenses in the Statement of Revenues, Expenses and Changes in Net Position.

In 2023, The Corporation entered into an agreement with the New York State Energy Research and Development Authority (NYSERDA), whereas NYSERDA to reimburse the Corporation \$251,400 for green energy efficiency work costs previously incurred associated with the Wyandanch health and wellness center project. These reimbursements have been reported as non-operating revenue in the Statement of Revenues, Expenses and Changes in Net Position

In 2023, in connection with the Wyandanch health and wellness center project, the Corporation received \$150,000 from a third party to cover consultant costs for the project.

##### P. TAX ABATEMENT PROGRAMS

The Town is subject to real estate tax abatements granted by the Suffolk County Industrial Development Agency and the Town of Babylon Industrial Development Agency, a discretely presented component unit of the Town. The purpose of the real estate tax abatements is to offer tax saving incentives to stimulate economic development and revitalization within the Town. This growth promotes job creation, additional economic activity for local businesses, Town beautification, rising property values, and a higher quality of life for all residents and businesses in the Town.

##### Town of Babylon Industrial Development Agency Tax Abatement Programs

Local businesses apply to the Town of Babylon Industrial Development Agency for financial assistance. The assistance generally includes exemptions from real property tax, mortgage recording tax, and sales and use tax and issuance of low interest revenue bonds (not an obligation of the Town of Babylon Industrial Development Agency or the Town). As part of the transaction, the Town of Babylon Industrial Development Agency takes title to the project's real property. In doing so, under the provisions of Article 18-A of General Municipal Law ("GML"), the Town of Babylon Industrial Development Agency is not required to pay real estate taxes or assessments on any of the property acquired by or under the jurisdiction, control or supervision of the Town of Babylon Industrial Development Agency's activities. A portion of the real estate tax exemption is usually recaptured in the form of payments in lieu of taxes, which are less significant than the real property taxes that are abated.

## TOWN OF BABYLON

### NOTES TO FINANCIAL STATEMENTS December 31, 2023

#### 3. DETAILED NOTES ON ALL FUNDS (continued)

##### P. TAX ABATEMENT PROGRAMS (continued)

The Town of Babylon Industrial Development Agency has a Board adopted Uniform Tax Exemption Policy, which outlines how the local businesses' real estate taxes are reduced and how the amount of the real estate abatement is determined. During the term of the agreements, the local business must operate and maintain the property consistent with the terms of the agreement. If the local business does not comply, financial penalties may be imposed, such as the recapture of the benefits received, depending upon the severity of the noncompliance.

For the year ended December 31, 2023, the Town's property tax revenues were reduced by \$6,101,521 and payments in lieu of taxes, including recapture payments, were collected in the amount of \$3,795,786 under the agreements entered into by the Town of Babylon Industrial Development Agency. 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, 2022, the tax lien date.

##### Suffolk County Industrial Development Agency Tax Abatement Programs

Similar to the Town of Babylon Industrial Development Agency, the Suffolk County Industrial Development Agency offers several abatement programs on certain qualified projects to promote, encourage, attract and develop job and recreational opportunities and economically-sound commerce and industry in Suffolk County. The Suffolk County Industrial Development Agency operates under the same provisions of GML and has adopted its own Uniform Tax Exempt Policy.

For the year ended December 31, 2023, the Town's property tax revenues were reduced by \$149,136 and payments in lieu of taxes were billed in the amount of \$96,094 under the agreements entered into by the Suffolk County Industrial Development Agency. 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, 2022, the tax lien date.

##### Q. SPECIAL ITEMS

In the current year, the Town recognized a special item related to loss on the sale of property held for resale in the amount of \$1,561,356. This transaction resulted in a loss due to a longstanding agreement, the "Master Developers Agreement" the Town entered into in previous years. As a result, in the fund financial statements, the Town recognized the loss on property held for resale as a special item in the Statement of Revenues, Expenditures and Changes in Fund balance as well as the Statement of Activities. During the current year, the Town also determined that a portion of the property held for resale in the amount of \$1,328,174 was considered Town owned property for the use of government (i.e. roads and parks). As a result, in the fund financial statements, the Town reclassified the property held for resale balance and reported the reclassification as a special item in the Statement of Revenues, Expenditures and Changes in Fund Balance. In the government-wide financial statements, the property was reclassified to the Town's capital assets.

#### 4. COMMITMENTS AND CONTINGENCIES

##### A. RISK MANAGEMENT

In common with other municipalities, the Town receives numerous notices of claims. The Town carries excess liability insurance coverage of \$5,000,000 per occurrence with a \$5,000,000 annual aggregate, excess of a \$1,000,000 self-insured retention, except for Public Officials and Employment Practices claims, which are subject to a \$100,000 self-insured retention. The Town established a self-insurance program for its general and auto liability coverage. This program is administered by an independent company, which furnishes claims review and processing. Although the eventual outcome of these claims cannot presently be determined, the Town Attorney and the independent company have estimated unsettled claims and litigation to be \$11,492,696. 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.

**TOWN OF BABYLON**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

**4. COMMITMENTS AND CONTINGENCIES (continued)**

**A. RISK MANAGEMENT (continued)**

The Town procures "All Risk" property protection, subject to a deductible of \$35,000 per loss. The perils of earthquake and flood are limited at \$1,000,000.

The Town ceased being self-insured for workers' compensation in June of 1999 and purchased an insurance policy for the workers' compensation coverage in order to minimize the costs. Any open claims prior to June 1999 have been reserved for as reported below.

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. The Town has not purchased any annuity contracts with regard 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 liability and includes an estimate of claims that have been incurred but not yet reported:

	General & Auto Liability Coverage		Workers' Compensation	
	2023	2022	2023	2022
Beginning balances of claims liabilities at January 1 <sup>st</sup>	\$ 10,094,154	\$ 9,271,465	\$ 941,116	\$ 1,128,767
Claims incurred	2,155,000	908,775	-0-	-0-
Claims payments	(789,267)	(449,974)	(186,818)	(193,855)
Change to prior year estimates	32,809	363,888	82,830	6,204
Ending balance of claims liabilities at December 31 <sup>st</sup>	\$ 11,492,696	\$ 10,094,154	\$ 837,128	\$ 941,116

**B. GENERAL LITIGATION**

Consistent with other municipalities, the Town has been named a defendant in various legal actions in the course of ordinary operations. The Town has accrued for all estimated and probable contingent losses. The Town primarily funds settlements of legal actions through current operating funds; however, the Town has the ability to fund settlements through bonding if deemed necessary. An estimate cannot be made on certain legal actions that have possible unfavorable outcome against the Town. In the opinion of the Town Attorney, the potential loss on all claims is not expected to materially affect the Town's financial position.

**C. LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS**

State and federal laws and regulations require the Town to place a final cover on its landfill sites and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. Although closure and postclosure care costs will be paid near or after the date that each landfill stops accepting waste, the Town reports a portion of these closure and postclosure care costs as a program expense based on the landfill capacity used as of year-end. The Town has accrued \$37,730,305 at December 31, 2023, which represents the cumulative amount based on the use of 100% of the solid waste landfill, 90.15% of the estimated capacity of the northern ash landfill and 70.85% of the estimated capacity of the southern ash landfill. The Town will recognize the remaining estimated cost of closure and postclosure care of 9,364,048 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care costs in 2023 dollars. Actual costs may be higher due to inflation, changes in technology or changes in regulations. The solid waste landfill was closed in 1997 and the Town expects to close the northern ash landfill and southern ash landfill in 2028 and 2033, respectively.

The majority of the closure and postclosure care costs will be funded through the issuance of bonds and surplus earnings in the garbage district funds. The Town complies with State and Federal law requirements for owners to demonstrate financial assurance for closure and postclosure costs, and/or federal action (if applicable).

## TOWN OF BABYLON

### NOTES TO FINANCIAL STATEMENTS December 31, 2023

#### 4. COMMITMENTS AND CONTINGENCIES (continued)

##### D. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS INCLUDING ENCUMBRANCES

The Town is committed to capital improvements to its various facilities and infrastructure. At December 31, 2023, these commitments, reported in the capital projects fund, amounted to \$9,774,681.

##### E. POLLUTION REMEDIATION OBLIGATION

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. Obligor events include the following:

- Is compelled to take remediation action because of imminent endangerment
- Violates a pollution related permit or license
- Is named or will be named as a responsible party or potentially responsible party for a remediation
- Is named, or will be named in a lawsuit to compel pollution remediation
- Commences or obligates itself to remediate pollution

The Town has purchased properties throughout the Town with the intent to redevelop and sell to eligible buyers (see Note 3.E). Upon entering into a contract to purchase these properties, an engineer hired by the Town performs a Phase 1 environmental site assessment of the property. If this site assessment reveals anything of concern, the engineer will then conduct a Phase II site assessment where samples are taken from the property and analyzed. In the event the Phase II reveals contamination at the property, the Town attempts to negotiate remediation costs with the seller. If a potential liability exists, the seller of the property places the estimated costs for the cleanup in a third-party escrow account to fund these future costs. While certain Town owned properties have been identified as having contaminated land as of December 31, 2023, the Town does not have any liability related to these future costs and has not reported a liability on the government-wide statements.

##### F. RESOURCE RECOVERY FACILITY

The Town has entered into an agreement, expiring in 2035, with Reworld Babylon, Inc., formerly known as Covanta Babylon, Inc., ("Reworld") which operates a resource recovery facility (the "Facility") in the Town. Under this service agreement, the Town has committed to deliver certain tonnages of municipal solid waste ("MSW") to Reworld. The MSW is used to generate electricity at the Facility which is sold to the Public Service Enterprise Group (formerly the Long Island Power Authority) pursuant to an Electricity Agreement. Additionally, Reworld reclaims and sells recoverable materials from the Facility's Ash residue.

Under the terms of the agreement, the Town has obligated itself to pay service fees for the processing of the Town's municipal waste. However, the Town receives certain credits to be applied against the service fee as follows: approximately 31% of revenues Reworld receives from the sale of electricity to Public Service Enterprise Group.

##### G. SERVICE CONCESSION ARRANGEMENT

Pursuant to an agreement dated October 2010, the Town is leasing the East Farmingdale Water Plant to the Suffolk County Water Authority ("SCWA"). Under the terms of the agreement, SCWA will operate and maintain the water plant as well as provide retail sales of water to the East Farmingdale Water District's residents using rates established by the Town Board. The cost and net book value of the leased water plant is \$8,517,990 and \$4,806,753 respectively. In consideration, SCWA paid the East Farmingdale Water District an upfront payment of \$3 million which is being amortized over the forty-year term of the agreement. As of December 31, 2023, the Town reported a deferred inflow of resources in the amount of \$2,012,500 in the enterprise fund and government-wide financial statements.

**TOWN OF BABYLON**

**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2023

**4. COMMITMENTS AND CONTINGENCIES (continued)**

**G. SERVICE CONCESSION ARRANGEMENT (continued)**

As mentioned previously, the authority to set the water billing rates resides with the Town Board. However, pursuant to the lease agreement, SCWA is entitled to receive management fee revenue equal to the revenues it would have received if the SCWA rates were billed. The differential between revenues earned from the actual billings (using East Farmingdale Water District's set rates) and the management fee (calculated using SCWA rates) is billed quarterly. The East Farmingdale Water District paid \$181,932 of management fees to SCWA during the year ended December 31, 2023. Any billings in excess of the SCWA management fee will be remitted back to the East Farmingdale Water District.

**H. OTHER COMMITMENTS**

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 government expects such amounts, if any, to be immaterial.

**5. FAIR VALUE MEASUREMENTS – LOSAP INVESTMENTS**

The Town categorizes the fair value measurements into the fair value hierarchy established by GASB Statement No. 72. The three levels of inputs used to measure fair value are as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Town has the ability to access.

Level 2 - Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Significant unobservable inputs that reflect the Town's own assumptions about the assumptions that market participants would use in pricing an asset.

The fair value measurement level within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The following methods and assumptions were used in estimating the fair value assets for the LOSAP plan assets:

Cash and Cash Equivalents, Held for Investment

The carrying amount of cash and cash equivalents approximate their fair values based on the short-term nature of the assets.

Guaranteed Annuity Contracts

The carrying amounts of guaranteed annuity contracts are reported at amortized cost which approximates fair value. These are considered unallocated insurance contracts.

Fixed Income and Other Assets

The carrying amount of fixed income and other assets, consisting primarily of exchange-traded funds (EFT's), are based on quoted market prices.

External Investment Pool

The carrying amount of the external investment pools, consisting primarily of equity securities and corporate debt securities are based on quoted market prices.

**TOWN OF BABYLON**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

**5. FAIR VALUE MEASUREMENTS – LOSAP INVESTMENTS (continued)**

The following summarizes the Town's LOSAP investments and categorization as of December 31, 2023:

Investments by fair value level:	December 31, 2023	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 763,503	\$ 763,503	\$ -0-	\$ -0-
Equities	5,490,453	5,490,453	-0-	-0-
Fixed income	10,176,666	-0-	10,176,666	-0-
Other assets	827,019	827,019	-0-	-0-
External investment pool	406,433	406,433	-0-	-0-
Total investments by fair value	<u>\$ 17,664,074</u>	<u>\$ 7,487,408</u>	<u>\$ 10,176,666</u>	<u>\$ -0-</u>

Of the \$17,664,074 of LOSAP investments, \$1,453,285 is reported in the statement of net position for governmental activities and \$16,210,789 is reported in statement of fiduciary net position for the Length of Service Award Programs – Pension Trust Fund.

**6. SUBSEQUENT EVENTS**

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date of the independent auditors' report, which is the date the financial statements were available to be issued.

**7. NEW PRONOUNCEMENTS**

GASB has issued several statements which are to be implemented in future years.

GASB Statement No. 99, "*Omnibus 2022*", 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 certain requirements effective for reporting periods beginning after June 15, 2022. The remaining requirements are effective for reporting periods beginning after June 15, 2023.

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

GASB Statement No. 101, "*Compensated Absences*", has been issued to update the recognition and measurement guidance for compensated absences. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

GASB Statement No. 102, "*Certain Risk Disclosures*", has been issued to improve financial reporting by providing users of financial statements with essential information that is currently not often provided. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024.

GASB Statement No. 103, "*Financial Reporting Model Improvements*", has been issued to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

This is not an all-inclusive list of recently issued GASB pronouncements but rather a listing of Statements that the Town believes will most impact its financial statements. The Town will evaluate the impact this and other pronouncements may have on its financial statements and will implement them as applicable when material.

<p><b>REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS</b></p>
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**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**

**Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
Major Governmental Funds and 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 (non-major funds) are budgeted on a project or grant basis.

The Town adopts the budget and establishes legal level of control of the budget at the object level expenditures. The object level identifies expenditures by the article purchased or service obtained to carry out a function.

TOWN OF BABYLON

REQUIRED SUPPLEMENTARY INFORMATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 45,334,878	\$ 45,334,878	\$ 45,334,878	\$ -0-
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes	1,100,000	1,100,000	1,443,351	343,351
Interest and penalties on real property taxes	375,000	375,000	643,557	268,557
Total Other Real Property Tax Items	1,475,000	1,475,000	2,086,908	611,908
NON-PROPERTY TAX ITEMS				
Franchise fees	3,300,000	3,300,000	3,044,493	(255,507)
Other non-property tax items	1,700,000	1,700,000	1,392,832	(307,168)
Total Non-Property Tax Items	5,000,000	5,000,000	4,437,325	(562,675)
DEPARTMENTAL INCOME				
Assessor's fees	15,000	15,000		(15,000)
Town Clerk's fees	600,000	600,000	174,166	(425,834)
Public health fees	800,000	800,000	946,755	146,755
Public pound fees and dog control service	40,000	40,000	50,146	10,146
Wyandanch program fees	55,000	55,000	76,965	21,965
Parking permits	55,000	55,000	66,604	11,604
Park and recreation charges and fees	3,000,000	3,000,000	2,860,407	(139,593)
Civil service fees	500	500	11,640	11,140
Total Departmental Income	4,565,500	4,565,500	4,186,683	(378,817)
USE OF MONEY AND PROPERTY				
Interest and earnings	200,000	200,000	3,307,137	3,107,137
Rental of real property	4,660,000	4,660,000	4,722,909	62,909
Total Use of Money and Property	4,860,000	4,860,000	8,030,046	3,170,046
LICENSES AND PERMITS				
Bingo licenses	4,000	4,000	1,648	(2,352)
Dog licenses	11,000	11,000	9,915	(1,085)
Plumbing permits	50,000	50,000	40,225	(9,775)
Permits - other	55,000	55,000	56,625	1,625
Total Licenses and Permits	120,000	120,000	108,413	(11,587)
FINES AND FORFEITURES				
Fines and forfeited bail	800,000	800,000	789,539	(10,461)
Total Fines and Forfeitures	800,000	800,000	789,539	(10,461)
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Sale of scrap and excess materials	2,000	2,000	2,395	395
Sale of real property			16,000	16,000
Sale of equipment	200,000	200,000	182,425	(17,575)
Insurance recoveries	5,000	5,000	12,830	7,830
Total Sale of Property and Compensation for Loss	207,000	207,000	213,650	6,650
INTERFUND REVENUE				
Interfund revenue	100,000	100,000	167,428	67,428
Total Interfund Revenue	100,000	100,000	167,428	67,428
MISCELLANEOUS LOCAL SOURCES				
Gifts and donations	50,000	54,000	77,680	23,680
Refunds of prior years' expenditures	15,000	15,000	49,472	34,472
Grants from local governments	10,000	10,000	143,522	133,522
Miscellaneous local sources	55,000	55,000	67,500	12,500
Narcotics guidance counsel - local aid	85,000	85,000	85,256	256
Youth project S.A.F.E - local aid	16,711	16,711	17,045	334
Youth programs - local aid	300,371	300,371	306,379	6,008
Residential repair - local aid	2,400	2,400	2,601	201
Wyandanch nutrition program - local aid	35,000	35,000	31,097	(3,903)
Other miscellaneous revenue	25,000	25,000	53,931	28,931
Total Miscellaneous Local Sources	594,482	598,482	834,483	236,001

(continued)

**TOWN OF BABYLON**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES (continued)</b>				
<b>STATE AID</b>				
Mortgage tax	\$ 4,500,000	\$ 4,500,000	\$ 6,915,444	\$ 2,415,444
General government aid			4,132	4,132
Youth programs	140,000	140,000	141,874	1,874
Youth project S.A.F.E.	18,279	18,279	18,279	-0-
Narcotics guidance counsel		370,000	408,759	38,759
Therapeutic recreation and senior day training program	55,000	55,000	58,279	3,279
State grants - other	9,018	14,018	94,423	80,405
Total State Aid	<u>4,722,297</u>	<u>5,097,297</u>	<u>7,641,190</u>	<u>2,543,893</u>
<b>FEDERAL AID</b>				
General government aid		7,938,670	7,955,654	16,984
Narcotics guidance counsel	370,000			-0-
Residential repair	20,000	20,000	23,409	3,409
Wyandanch nutrition program	210,000	210,000	184,008	(25,992)
Emergency disaster assistance program			3,925	3,925
Total Federal Aid	<u>600,000</u>	<u>8,168,670</u>	<u>8,166,996</u>	<u>(1,674)</u>
Total Revenues	<u>68,379,157</u>	<u>76,326,827</u>	<u>81,997,539</u>	<u>5,670,712</u>
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT SUPPORT</b>				
Town Board	582,029	520,539	520,137	402
Municipal court	838,602	186,422	182,363	4,059
Traffic violations bureau	144,217	191,684	191,363	321
Town Supervisor	1,864,836	1,814,580	1,811,619	2,961
Comptroller	985,439	957,184	956,515	669
Auditor	215,000	205,000	205,000	-0-
Receiver of taxes	1,150,183	1,013,307	1,013,305	2
Purchasing	411,951	415,451	413,700	1,751
Assessor	1,831,682	1,643,706	1,640,957	2,749
Town Clerk	1,017,968	961,359	960,186	1,173
Town Attorney	2,686,215	3,192,635	3,191,820	815
Personnel	1,209,522	993,909	992,944	965
Engineering	430,050	401,669	401,618	51
Board of ethics	3,600	3,600	2,700	900
Records management	55,316	53,316	53,208	108
Public works administration	485,831	640,865	640,865	-0-
Buildings	4,163,039	4,277,992	4,269,940	8,052
Central garage and central fuel facility	1,635,861	1,499,564	1,473,336	26,228
Central printing and mailing	594,779	270,426	266,656	3,770
Central data processing	1,853,731	1,668,620	1,638,331	30,289
Unallocated insurance	1,100,000	1,469,278	1,469,278	-0-
Municipal association dues	2,000	2,000	1,950	50
Purchase of land / building		1,070,000	1,070,000	-0-
Taxes and assessments on municipal property	2,000	2,000		2,000
Contingencies - contractual and other	350,000			-0-
Other general government support	32,500	32,500	27,695	4,805
Total General Government Support	<u>23,646,351</u>	<u>23,487,606</u>	<u>23,395,486</u>	<u>92,120</u>
<b>PUBLIC SAFETY</b>				
Communications	1,800,000	1,800,000	1,800,000	-0-
Harbor & water ways	430,478	526,173	514,128	12,045
Traffic control	889,976	693,362	684,279	9,083
Control of animals	1,567,656	1,659,412	1,654,999	4,413
Examining boards	54,500	54,499	54,499	-0-
Civil defense	10,000	10,000	10,000	-0-
Total Public Safety	<u>4,752,610</u>	<u>4,743,446</u>	<u>4,717,905</u>	<u>25,541</u>
<b>HEALTH</b>				
Narcotics addiction control	1,772,220	1,636,188	1,621,812	14,376
Therapeutic recreation program	272,073	226,051	226,051	-0-
Nutrition program	947,657	830,068	829,909	159
Youth Institute CCS	1,170,000	1,170,001	1,170,001	-0-
Other public health	956,434	950,218	936,420	13,798
Total Health	<u>5,118,384</u>	<u>4,812,526</u>	<u>4,784,193</u>	<u>28,333</u>

(continued)

**TOWN OF BABYLON**  
REQUIRED SUPPLEMENTARY INFORMATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>EXPENDITURES (continued)</b>				
<b>TRANSPORTATION</b>				
Off-street parking	\$ 2,000	\$ 2,594	\$ 2,594	\$ -0-
<b>ECONOMIC ASSISTANCE AND OPPORTUNITY</b>				
Promotion of industry	93,000	92,999	92,999	-0-
Veterans' services	5,000	5,000	980	4,020
Programs for the aging	39,640	40,155	40,093	62
Other economic development		4,763,832	4,763,832	-0-
Total Economic Assistance and Opportunity	<u>137,640</u>	<u>4,901,986</u>	<u>4,897,904</u>	<u>4,082</u>
<b>CULTURE AND RECREATION</b>				
Council on the arts	10,000	10,000	10,000	-0-
Parks and recreation administration	1,265,134	1,085,067	1,074,723	10,344
Parks	6,689,444	6,190,641	6,161,280	29,361
Playground and recreation centers	647,500	641,280	635,611	5,669
Special recreation facilities	2,879,625	3,349,245	3,348,492	753
Youth programs	905,079	905,079	896,287	8,792
Town historian	110,346	131,346	131,098	248
Adult recreation	1,176,897	1,171,788	1,132,319	39,469
Other culture and recreation		438	438	-0-
Total Culture and Recreation	<u>13,684,025</u>	<u>13,484,884</u>	<u>13,390,248</u>	<u>94,636</u>
<b>HOME AND COMMUNITY SERVICES</b>				
Environmental control	1,353,760	1,362,760	1,267,964	94,796
Other home and community services	350,000	496,910	496,910	-0-
Total Home and Community Services	<u>1,703,760</u>	<u>1,859,670</u>	<u>1,764,874</u>	<u>94,796</u>
<b>EMPLOYEE BENEFITS</b>				
Retirement system	2,570,003	2,649,506	2,649,506	-0-
Social security	2,199,285	2,199,291	2,174,178	25,113
Workers' compensation	528,356	378,567	378,567	-0-
Life insurance	22,165	22,165	21,195	970
Unemployment benefits	85,000	90,099	90,099	-0-
Disability benefits	30,000	30,000	29,852	148
Hospital, medical, vision and dental	8,615,491	8,305,607	8,305,607	-0-
Other employee benefits	561,498	561,498	555,663	5,835
Total Employee Benefits	<u>14,611,798</u>	<u>14,236,733</u>	<u>14,204,667</u>	<u>32,066</u>
<b>DEBT SERVICE</b>				
Principal	6,077,064	6,281,838	6,281,838	-0-
Interest	2,629,610	3,716,286	3,716,286	-0-
Bond issuance costs	50,000	50,000	30,747	19,253
Total Debt Service	<u>8,756,674</u>	<u>10,048,124</u>	<u>10,028,871</u>	<u>19,253</u>
Total Expenditures	<u>72,413,242</u>	<u>77,577,569</u>	<u>77,186,742</u>	<u>390,827</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(4,034,085)</u>	<u>(1,250,742)</u>	<u>4,810,797</u>	<u>6,061,539</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Premium on obligations	75,000	75,000	54,959	(20,041)
Operating transfers in			353,697	353,697
Operating transfers out		(2,121,879)	(2,121,879)	-0-
Total Other Financing Sources (Uses)	<u>75,000</u>	<u>(2,046,879)</u>	<u>(1,713,223)</u>	<u>333,656</u>
<b>SPECIAL ITEMS</b>				
Loss on property held for resale- revitalization project		(1,561,356)	(1,561,356)	-0-
Property held for resale reclassified as Town owned assets		(1,328,174)	(1,328,174)	-0-
Total Special Items	<u>-0-</u>	<u>(2,889,530)</u>	<u>(2,889,530)</u>	<u>-0-</u>
<b>Net Change in Fund Balance</b>	<u>\$ (3,959,085)</u>	<u>\$ (6,187,151)</u>	<u>208,044</u>	<u>\$ 6,395,195</u>
<b>Fund Balance at Beginning of Year</b>			<u>68,797,264</u>	
<b>Fund Balance at End of Year</b>			<u>\$ 69,005,308</u>	

**TOWN OF BABYLON**

REQUIRED SUPPLEMENTARY INFORMATION  
RESIDENTIAL GARBAGE DISTRICT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
REAL PROPERTY TAXES				
Special assessments	\$ 23,395,512	\$ 23,395,512	\$ 23,395,512	\$ -0-
DEPARTMENTAL INCOME				
Refuse and garbage fees	5,020,964	5,020,964	3,235,470	(1,785,494)
Long Island Green Homes	1,100,000	1,100,000	702,691	(397,309)
Total Departmental Income	<u>6,120,964</u>	<u>6,120,964</u>	<u>3,938,161</u>	<u>(2,182,803)</u>
USE OF MONEY AND PROPERTY				
Interest earnings	140,000	140,000	658,650	518,650
Total Use of Money and Property	<u>140,000</u>	<u>140,000</u>	<u>658,650</u>	<u>518,650</u>
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous revenues			35,287	35,287
Total Miscellaneous Local Sources	<u>-0-</u>	<u>-0-</u>	<u>35,287</u>	<u>35,287</u>
STATE AID				
Home and community services aid			20,241	20,241
Total State Aid	<u>-0-</u>	<u>-0-</u>	<u>20,241</u>	<u>20,241</u>
Total Revenues	<u>29,656,476</u>	<u>29,656,476</u>	<u>28,047,851</u>	<u>(1,608,625)</u>
<b>EXPENDITURES</b>				
HOME AND COMMUNITY SERVICES				
Refuse and garbage	26,667,242	26,519,805	22,615,415	3,904,390
Landfill closure/postclosure costs	151,031	229,338	118,562	110,776
Long Island Green Homes	1,000,000	1,035,153	1,035,153	-0-
Unallocated insurance	30,000	41,053	41,053	-0-
Total Home and Community Services	<u>27,848,273</u>	<u>27,825,349</u>	<u>23,810,183</u>	<u>4,015,166</u>
EMPLOYEE BENEFITS				
Retirement system	132,561	151,911	151,911	-0-
Social security	123,570	123,570	99,643	23,927
Workers' compensation	109,184	109,184	81,322	27,862
Life insurance	882	882	873	9
Unemployment benefits	1,000	1,000		1,000
Disability benefits	1,500	1,500	1,107	393
Hospital, medical, vision and dental	430,989	430,989	398,105	32,884
Union welfare benefits	36,136	36,137	32,608	3,529
Total Employee Benefits	<u>835,822</u>	<u>855,173</u>	<u>765,569</u>	<u>89,604</u>
DEBT SERVICE				
Principal	92,450	94,983	94,983	-0-
Interest	30,664	30,674	30,674	-0-
Total Debt Service	<u>123,114</u>	<u>125,657</u>	<u>125,657</u>	<u>-0-</u>
Total Expenditures	<u>28,807,209</u>	<u>28,806,179</u>	<u>24,701,409</u>	<u>4,104,770</u>
<b>Excess (Deficiency) of Revenues Under Expenditures</b>	<u>849,267</u>	<u>850,297</u>	<u>3,346,442</u>	<u>2,496,145</u>
<b>Net Change in Fund Balance</b>	<u>\$ 849,267</u>	<u>\$ 850,297</u>	3,346,442	<u>\$ 2,496,145</u>
<b>Fund Balance at Beginning of Year</b>			<u>8,495,382</u>	
<b>Fund Balance at End of Year</b>			<u>\$ 11,841,824</u>	

**TOWN OF BABYLON**

REQUIRED SUPPLEMENTARY INFORMATION  
COMMERCIAL GARBAGE DISTRICT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
REAL PROPERTY TAXES				
Special assessments	\$ 4,510,088	\$ 4,510,088	\$ 4,510,088	\$ -0-
DEPARTMENTAL INCOME				
Refuse and garbage fees	10,154,387	10,154,387	11,465,206	1,310,819
USE OF MONEY AND PROPERTY				
Interest earnings	75,000	75,000	846,151	771,151
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Sale of refuse containers			361,374	361,374
Total Revenues	<u>14,739,475</u>	<u>14,739,475</u>	<u>17,192,969</u>	<u>2,453,494</u>
<b>EXPENDITURES</b>				
HOME AND COMMUNITY SERVICES				
Refuse and garbage	14,435,175	14,325,797	13,938,147	387,650
Landfill closure/postclosure costs	160,000	160,000	103,598	56,402
Unallocated insurance	25,000	26,273	26,273	-0-
Total Home and Community Services	<u>14,620,175</u>	<u>14,512,070</u>	<u>14,068,018</u>	<u>444,052</u>
EMPLOYEE BENEFITS				
Retirement system	127,061	149,630	149,630	-0-
Social security	98,848	108,977	108,977	-0-
Workers' compensation	59,095	59,095	42,755	16,340
Life insurance	450	450	357	93
Unemployment benefits	500	500		500
Disability benefits	2,200	2,200	1,836	364
Hospital, medical, vision and dental	249,977	266,282	265,796	486
Union welfare benefits	15,000	18,887	18,887	-0-
Total Employee Benefits	<u>553,131</u>	<u>606,021</u>	<u>588,238</u>	<u>17,783</u>
DEBT SERVICE				
Principal	73,250	128,466	128,466	-0-
Interest	20,731	20,730	20,730	-0-
Total Debt Service	<u>93,981</u>	<u>149,196</u>	<u>149,196</u>	<u>-0-</u>
Total Expenditures	<u>15,267,287</u>	<u>15,267,287</u>	<u>14,805,452</u>	<u>461,835</u>
<b>Excess of Revenues Over Expenditures</b>	<u>(527,812)</u>	<u>(527,812)</u>	<u>2,387,517</u>	<u>2,915,329</u>
<b>Net Change in Fund Balance</b>	<u>\$ (527,812)</u>	<u>\$ (527,812)</u>	<u>2,387,517</u>	<u>\$ 2,915,329</u>
<b>Fund Balance at Beginning of Year</b>			<u>31,144,398</u>	
<b>Fund Balance at End of Year</b>			<u>\$ 33,531,915</u>	

**TOWN OF BABYLON**  
REQUIRED SUPPLEMENTARY INFORMATION  
HIGHWAY FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 21,076,900	\$ 21,076,900	\$ 21,076,900	\$ -0-
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes	750,000	750,000	892,282	142,282
USE OF MONEY AND PROPERTY				
Interest earnings	65,000	65,000	742,113	677,113
LICENSES AND PERMITS				
Street inspection fees	200,000	200,000	157,279	(42,721)
Other permits	10,000	10,000	13,326	3,326
	Total Licenses and Permits	210,000	170,605	(39,395)
MISCELLANEOUS LOCAL SOURCES				
Refund of prior years' expenditures			31,964	31,964
Other miscellaneous revenue			591	591
	Total Miscellaneous Local Sources	-0-	32,555	32,555
STATE AID				
Consolidated local street and highway improvement program	1,200,000	1,770,637	1,770,637	-0-
PAVE-NY program		1,024,186	402,742	(621,444)
Extreme Winter Recovery			346,048	346,048
Pave our Potholes			275,396	275,396
	Total State Aid	1,200,000	2,794,823	-0-
	Total Revenues	23,301,900	24,896,723	812,555
<b>EXPENDITURES</b>				
TRANSPORTATION				
Street administration	624,576	502,626	469,459	33,167
Maintenance of streets	4,753,140	4,762,673	4,171,251	591,422
Permanent improvements	1,320,000	2,914,823	2,861,253	53,570
Machinery	1,720,335	1,759,199	1,563,887	195,312
Brush and weeds	315,000	403,000	402,552	448
Snow removal	1,675,000	1,675,000	162,115	1,512,885
Unallocated insurance	44,000	53,435	53,435	-0-
	Total Transportation	10,452,051	9,683,952	2,386,804
EMPLOYEE BENEFITS				
Retirement system	618,314	619,924	619,924	-0-
Social security	537,542	537,533	401,843	135,690
Workers' compensation	850,538	850,538	659,467	191,071
Life insurance	286	322	322	-0-
Unemployment benefits	25,000	28,732	28,732	-0-
Disability benefits	669	671	292	379
Hospital, medical, vision and dental	2,558,542	2,530,202	2,519,234	10,968
Union welfare benefits	120,723	120,723	112,674	8,049
	Total Employee Benefits	4,711,614	4,342,488	346,157
DEBT SERVICE				
Principal	5,999,886	5,909,036	5,909,036	-0-
Interest	2,314,487	2,414,941	2,414,941	-0-
Bond issuance costs	70,000	60,396	54,661	5,735
	Total Debt Service	8,384,373	8,378,638	5,735
	Total Expenditures	23,548,038	22,405,078	2,738,696
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(246,138)</b>	<b>(247,051)</b>	<b>3,304,200</b>	<b>3,551,251</b>
<b>OTHER FINANCING SOURCES</b>				
Premium on obligations	10,000	10,000	97,705	87,705
Operating transfers in			295,012	295,012
	Total Other Financing Sources	10,000	392,717	382,717
<b>Net Change in Fund Balance</b>	<b>\$ (236,138)</b>	<b>\$ (237,051)</b>	<b>3,696,917</b>	<b>\$ 3,933,968</b>
<b>Fund Balance at Beginning of Year</b>			<b>21,009,788</b>	
<b>Fund Balance at End of Year</b>			<b>\$ 24,706,705</b>	

**TOWN OF BABYLON**

REQUIRED SUPPLEMENTARY INFORMATION  
SPECIAL DISTRICTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
REAL PROPERTY TAXES				
Special assessments	\$ 19,795,498	\$ 19,795,498	\$ 19,795,498	\$ -0-
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes	796,688	796,688	999,494	202,806
USE OF MONEY AND PROPERTY				
Interest earnings	9,700	9,700	122,052	112,352
INVESTMENT INCOME FROM LENGTH OF SERVICE AWARD				
Investment gain from Length of Service Award			112,425	112,425
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous local sources		69,898	69,897	(1)
Other miscellaneous revenue			7,081	7,081
Total Miscellaneous Local Sources	-0-	69,898	76,978	7,080
STATE AID				
Public safety capital projects		450,000	450,000	-0-
<b>Total Revenues</b>	20,601,886	21,121,784	21,556,447	434,663
<b>EXPENDITURES</b>				
PUBLIC SAFETY				
Fire protection districts	18,680,839	19,194,588	19,187,454	7,134
HEALTH				
Ambulance districts	1,958,881	1,965,030	1,956,975	8,055
<b>Total Expenditures</b>	20,639,720	21,159,618	21,144,429	15,189
<b>Net Change in Fund Balance</b>	\$ (37,834)	\$ (37,834)	412,018	\$ 449,852
<b>Fund Balance at Beginning of Year</b>			4,462,914	
<b>Fund Balance at End of Year</b>			\$ 4,874,932	

**TOWN OF BABYLON**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN TOTAL OTHER  
POSTEMPLOYMENT BENEFITS LIABILITY AND RELATED RATIO  
Year Ended December 31, 2023**

	2023		2022		2021		2020		2019		2018	
	Town	Agency										
<b>Total OPEB Liability</b>												
Other Postemployment Liability at the Beginning of the Year, as reported	\$ 177,961,247	\$ 544,112	\$ 220,687,628	\$ 681,048	\$ 200,578,948	\$ 873,307	\$ 180,979,279	\$ 719,591	\$ 161,185,988	\$ 504,168	\$ 69,805,189	\$ 617,999
Cumulative Effect of Implementation of GASB #75	-	-	-	-	-	-	-	-	-	-	101,940,510	(117,989)
Other Postemployment Liability at the Beginning of Year, as restated	177,961,247	544,112	220,687,628	681,048	200,578,948	873,307	180,979,279	719,591	161,185,988	504,168	171,745,699	500,010
Changes for the Year:												
Service Cost	4,386,803	42,992	8,756,428	55,663	8,396,653	53,397	6,762,804	96,956	4,544,190	61,323	5,631,629	61,925
Interest	5,789,541	20,864	4,657,954	15,009	4,601,209	14,146	5,063,849	21,978	5,967,027	21,834	6,012,098	19,121
Change in benefit terms						(967,350)		(77,746)				
Differences between expected and actual experience	(22,669,579)	(16,870)			21,070,236	(147,670)	(4,566,536)	(50,964)	(17,155,632)	11,005		
Changes of assumptions and other inputs	6,293,748	95,326	(49,447,113)	(191,288)	(6,994,130)	(18,402)	18,239,582	114,765	31,808,593	147,775	(16,944,907)	(64,585)
Benefit Payments	(6,695,624)	(14,985)	(6,693,650)	(16,320)	(5,997,938)	(15,984)	(5,900,030)	(29,019)	(5,370,887)	(26,514)	(5,258,531)	(12,303)
Net Changes	(12,895,111)	127,327	(42,726,381)	(136,936)	20,108,680	(192,259)	19,599,669	153,716	19,793,291	215,423	(10,559,711)	4,158
Other Postemployment Liability at the End of Year	\$ 165,066,136	\$ 671,439	\$ 177,961,247	\$ 544,112	\$ 220,687,628	\$ 681,048	\$ 200,578,948	\$ 873,307	\$ 180,979,279	\$ 719,591	\$ 161,185,988	\$ 504,168
Covered employee payroll	\$ 33,196,676	\$ 631,530	\$ 34,417,185	\$ 651,795	\$ 31,987,189	\$ 606,827	\$ 32,210,217	\$ 611,308	\$ 29,089,017	\$ 609,387	\$ 27,177,083	\$ 686,931
Total OPEB Liability, as a percentage of covered pay	497.24%	106.32%	517.07%	83.48%	689.93%	112.23%	622.72%	142.86%	622.16%	118.08%	593.10%	73.39%

Note: This schedule is intended to show information for 10 years. Since 2018 is the first year for this presentation, no other date prior to 2018 is available. However, additional years will be included as they become available.

**Notes to Schedule:**

No assets are accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4 to pay other postemployment benefits (OPEB). The Town currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis.

**Changes of Assumptions**

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2023	3.26%
2022	3.72%
2021	2.06%
2020	2.12%
2019	2.74%
2018	4.10%
2017	3.44%

**Changes in Health Care Trend Rates**

The non-Medicare eligible health care cost trend was reset to 7.0% in 2023, grading down to an ultimate trend rate of 5.0% in years 2027 and later.

**Change in Demographic Assumptions**

The demographic (mortality, retirement, disability, and other termination of employment) assumptions were updated to the rates developed in the report, "Development of Recommended Actuarial Assumptions" for New York/SUNY GASB 45 Valuation prepared by the AON Hewitt dated September 2016. The impact of the Total OPEB Liability is shown above.

See independent auditors' report.

**TOWN OF BABYLON**

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET) - EMPLOYEE RETIREMENT SYSTEM  
 December 31, 2023

	2023 (1)	2022 (2)	2021 (2)	2020 (1)	2019	2018	2017	2016	2015	2014
<b>PRIMARY GOVERNMENT</b>										
Town's proportion of the collective net pension liability (asset)	0.0956514%	0.0950863%	0.0857499%	0.0821846%	0.0794597%	0.0803200%	0.0797627%	0.0840236%	0.0809617%	0.0809617%
Town's proportionate share of the net collective pension liability (asset)	\$ 20,511,521	\$ (7,772,912)	\$ 85,385	\$ 21,762,951	\$ 5,629,960	\$ 2,592,297	\$ 7,494,679	\$ 13,486,025	\$ 2,735,085	\$ 3,658,547
Town's covered-employee payroll	\$ 35,925,217	\$ 32,574,754	\$ 32,321,844	\$ 29,976,859	\$ 28,123,852	\$ 26,820,806	\$ 25,944,546	\$ 25,415,483	\$ 25,090,978	\$ 24,462,213
Town's proportionate share of the net collective pension liability as a percentage of its covered-employee payroll	57.10%	-23.86%	0.26%	72.60%	20.02%	9.67%	28.89%	53.06%	10.90%	14.96%
Plan fiduciary net position as a percentage of the total pension liability coming from plan	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.90%	97.20%
<b>DISCRETELY PRESENTED COMPONENT UNIT</b>										
Agency's proportion of the collective net pension liability (asset)	0.0011462%	0.0014512%	0.0012297%	0.0021778%	0.0015479%	0.0016125%	0.0013662%	0.0012175%	0.0016076%	0.0016076%
Agency's proportionate share of the net collective pension liability (asset)	\$ 245,795	\$ (118,632)	\$ 1,227	\$ 576,699	\$ 109,676	\$ 52,041	\$ 128,370	\$ 195,413	\$ 54,308	\$ 72,645
Agency's covered-employee payroll	\$ 648,068	\$ 602,490	\$ 586,875	\$ 574,507	\$ 675,394	\$ 606,159	\$ 451,937	\$ 386,404	\$ 386,183	\$ 379,236
Agency's proportionate share of the net collective pension liability as a percentage of its covered-employee payroll	37.93%	-19.69%	0.21%	100.38%	16.24%	8.59%	28.40%	50.57%	14.06%	19.16%
Plan fiduciary net position as a percentage of the total pension liability coming from plan	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.90%	97.20%

Notes:

Information prior to 2014 was not available. Additional years will be included as information becomes available.

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

There were no significant changes in benefits for the years presented above.

The discount rate used to calculate the total pension liability was decreased from 6.8% to 5.9% effective with the March 31, 2021 measurement date.

The inflation rate was increased from 2.5% to 2.7% in the actuarial valuation used in the System's March 31, 2021 financial statement.

(1) Increase in the Town's proportionate share of the net pension liability (asset) is mainly attributable to the decrease in plan fiduciary net position due to investment losses.

(2) Decrease in the Town's proportionate share of the net pension liability (asset) is mainly attributable to the increase in plan fiduciary net position due to investment gains.

See independent auditors' report.

**TOWN OF BABYLON**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PENSION CONTRIBUTIONS - EMPLOYEE RETIREMENT SYSTEM  
December 31, 2023**

NYSERS  
Years Ended December 31,

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>PRIMARY GOVERNMENT</b>										
Contractually required contribution	\$ 4,516,079	\$ 4,309,166	\$ 4,837,213	\$ 4,099,716	\$ 3,897,571	\$ 3,834,065	\$ 3,793,997	\$ 3,913,352	\$ 4,531,827	\$ 4,685,568
Contributions in relation to the contractually required contribution	<u>4,516,079</u>	<u>4,309,166</u>	<u>4,837,213</u>	<u>4,099,716</u>	<u>3,897,571</u>	<u>3,834,065</u>	<u>3,793,997</u>	<u>3,913,352</u>	<u>4,531,827</u>	<u>4,685,568</u>
Contribution deficiency (excess)	<u>\$ -0-</u>									
Town's covered-employee payroll	\$ 35,694,816	\$ 34,795,683	\$ 32,262,124	\$ 31,662,386	\$ 29,825,382	\$ 27,659,807	\$ 26,719,014	\$ 26,625,919	\$ 25,739,585	\$ 24,718,125
Contributions as a percentage of covered-employee payroll	12.65%	12.38%	14.99%	12.95%	13.07%	13.86%	14.20%	14.70%	17.61%	18.96%
<b>DISCRETELY PRESENTED COMPONENT UNIT</b>										
Contractually required contribution	\$ 93,748	\$ 56,858	\$ 56,789	\$ 74,138	\$ 69,120	\$ 64,009	\$ 55,258	\$ 50,923	\$ 40,770	\$ 78,836
Contributions in relation to the contractually required contribution	<u>93,748</u>	<u>56,858</u>	<u>56,789</u>	<u>74,138</u>	<u>69,120</u>	<u>64,009</u>	<u>55,258</u>	<u>50,923</u>	<u>40,770</u>	<u>78,836</u>
Contribution deficiency (excess)	<u>\$ -0-</u>									
Agency's covered-employee payroll	\$ 631,530	\$ 651,795	\$ 606,827	\$ 611,308	\$ 609,387	\$ 686,931	\$ 570,054	\$ 452,564	\$ 386,557	\$ 386,057
Contributions as a percentage of covered-employee payroll	14.84%	8.72%	9.36%	12.13%	11.34%	9.32%	9.69%	11.25%	10.55%	20.42%

Notes:

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's year ended March 31, 2021.

There was a change in assumption for the pensioner mortality improvement in the April 1, 2014 actuarial valuation from the Society of Actuaries Scale AA to Scale MP-2014.

There was a change in assumption for the pensioner mortality improvement in the April 1, 2018 actuarial valuation from the Scale MP-2014 to Scale MP-2018.

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

See independent auditors' report.

**TOWN OF BABYLON**

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE LENGTH OF SERVICE AWARD PROGRAMS' NET PENSION LIABILITY**  
**Year Ended December 31, 2023**

	East Farmingdale Firefighter Plan						
	Years Ended December 31,						
	2023	2022	2021	2020	2019	2018	2017
<b>Total LOSAP Plan Liabilities</b>							
Service cost	\$ 93,793	\$ 136,161	\$ 169,415	\$ 139,188	\$ 146,833	\$ 155,475	\$ 109,504
Interest	389,537	358,383	322,879	336,302	323,923	282,336	316,990
Differences between expected and actual experience	68,216	(19,380)	37,614	135,210	94,736	115,449	59,751
Benefit payments, including refunds of member contributions	(381,571)	(340,684)	(280,607)	(345,701)	(253,364)	(168,212)	(157,769)
Changes of assumptions or other inputs	(969,013)	(969,013)	(900,556)	878,328	(45,327)	635,792	173,186
Net change in total LOSAP plan liability	169,975	(834,533)	(651,255)	1,143,327	266,801	1,020,840	501,662
Total LOSAP plan liability - beginning of year (a)	7,563,634	8,398,167	9,049,422	7,906,095	7,639,294	6,618,454	6,116,792
Total LOSAP plan liability - end of year (c)	7,733,609	7,563,634	8,398,167	9,049,422	7,906,095	7,639,294	6,618,454
<b>LOSAP - Pension Trust Fund Net Position</b>							
Contributions - Employer	387,573	371,082	387,897	402,597	396,073	253,750	106,000
Investment income (loss)	264,910	(309,289)	71,493	230,751	220,126	106,632	106,073
Change in insurance contracts value	(382,607)			137,658	30,203	42,930	41,796
Benefit payments, including refunds of member contributions	(342,387)	(342,387)	(282,212)	(347,216)	(253,855)	(168,212)	(157,769)
Net Change in LOSAP fiduciary net position	269,876	(280,594)	177,178	423,790	392,547	235,100	96,100
Plan fiduciary net position - beginning of year, (b)	4,968,249	5,248,843	5,071,665	4,647,875	4,255,328	4,020,228	3,924,128
Plan fiduciary net position - end of year (d)	5,238,125	4,968,249	5,248,843	5,071,665	4,647,875	4,255,328	4,020,228
Net LOSAP plan liability - beginning of year (a) - (b)	2,595,385	3,149,324	3,977,757	3,258,220	3,383,966	2,598,226	2,192,664
Net LOSAP plan liability - end of year (c) - (d)	\$ 2,495,484	\$ 2,595,385	\$ 3,149,324	\$ 3,977,757	\$ 3,258,220	\$ 3,383,966	\$ 2,598,226
LOSAP Plan Fiduciary net position as a percentage of the total pension liability	67.7%	65.7%	62.5%	56.0%	58.8%	55.7%	60.7%
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Expected average remaining service years of all participants	7	9	9	9	8	9	11

**Notes:**

Information prior to the December 31, 2017 measurement date was not available. Additional years will be included as information becomes available.

This schedule is presented for the defined benefit LOSAP Firefighter Plans that meet the requirements of a trust or trust equivalent as prescribed by GASB Statement No. 67, 68 and 73 paragraph 4.

Covered-employee payroll is not applicable to the above LOSAP plans since the participants are volunteer firefighters. The net pension liability as a percentage of covered payroll is also not applicable.

Changes of assumptions were as follows:

a) The January 1, 2016 LOSAP plan liabilities were based on the RP 2000 Combined- Projected to 2015 mortality table and a 2.00% inflation rate and then changed to RP-2000 Combined - Projected to 2018 mortality table and 2.20% inflation rate for the December 31, 2017 valuation. For the December 31, 2018 the plan liabilities were based on the RP 2014 - no projection mortality tables and a 2.25% inflation rate. There were no changes for the December 31, 2019, 2020, 2021, 2022 and 2023 valuations.

b) Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period. There was no change in the discount rate used for the

2022	5.25%
2021	4.32%
2020	3.59%
2019	4.31%
2018	4.27%
2017	5.25%

**TOWN OF BABYLON**

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE LENGTH OF SERVICE AWARD PROGRAMS' NET PENSION LIABILITY**  
**Year Ended December 31, 2023**

	North Amityville Firefighter Plan Years Ended December 31,						
	2023	2022	2021	2020	2019	2018	2017
<b>Total LOSAP Plan Liabilities</b>							
Service cost	\$ 36,002	\$ 28,251	\$ 22,417	\$ 22,572	\$ 23,816	\$ 25,921	\$ 32,673
Interest	121,657	125,129	118,042	117,604	116,480	120,276	112,893
Differences between expected and actual experience	(39,720)	(115,168)	103,068	(14,625)	11,626	23,220	39,883
Benefit payments, including refunds of member contributions	(100,540)	(115,902)	(107,010)	(127,246)	(132,530)	(130,487)	(128,573)
Changes of assumptions or other inputs						(109,161)	71,757
Net change in total LOSAP plan liability	17,399	(77,690)	136,517	(1,695)	19,392	(70,231)	128,633
Total LOSAP plan liability - beginning of year (a)	2,349,549	2,427,239	2,290,722	2,292,417	2,273,025	2,343,256	2,214,623
Total LOSAP plan liability - end of year (c)	2,366,948	2,349,549	2,427,239	2,290,722	2,292,417	2,273,025	2,343,256
<b>LOSAP - Pension Trust Fund Net Position</b>							
Contributions - Employer	95,652	80,680	85,407	94,600	93,437	59,200	112,450
Investment income	98,829	11,727	80,567	80,007	70,481	57,075	55,559
Change in insurance contracts value					(10,841)	27,367	49,028
Benefit payments, including refunds of member contributions	(101,058)	(116,814)	(107,961)	(128,187)	(132,870)	(130,487)	(128,573)
Net Change in LOSAP fiduciary net position	93,423	(24,407)	58,013	46,420	20,207	13,155	88,464
Plan fiduciary net position - beginning of year, restated (b)	1,916,322	1,940,729	1,882,716	1,836,296	1,816,089	1,802,934	1,714,470
Plan fiduciary net position - end of year (d)	2,009,745	1,916,322	1,940,729	1,882,716	1,836,296	1,816,089	1,802,934
Net LOSAP plan liability - beginning of year (a) - (b)	433,227	486,510	408,006	456,121	456,936	540,322	500,153
Net LOSAP plan liability - end of year (c) - (d)	\$ 357,203	\$ 433,227	\$ 486,510	\$ 408,006	\$ 456,121	\$ 456,936	\$ 540,322
LOSAP Plan Fiduciary net position as a percentage of the total pension liability	84.9%	81.6%	80.0%	82.2%	80.1%	79.9%	76.9%
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Expected average remaining service years of all participants	5	5	3	3	4	6	7

**Notes:**

Information prior to the December 31, 2017 measurement date was not available. Additional years will be included as information becomes available.

This schedule is presented for the defined benefit LOSAP Firefighter Plans that meet the requirements of a trust or trust equivalent as prescribed by GASB Statement No. 67, 68 and 73 paragraph 4.

Covered-employee payroll is not applicable to the above LOSAP plans since the participants are volunteer firefighters. The net pension liability as a percentage of covered payroll is also not applicable.

Changes of assumptions were as follows:

a) The January 1, 2016 LOSAP plan liabilities were based on the RP 2000 Combined- Projected to 2015 mortality table and a 2.00% inflation rate and then changed to RP-2000 Combined - Projected to 2018 mortality table and 2.20% inflation rate for the December 31, 2017 valuation. For December 31, 2018 the plan liabilities were based on the RP 2014 - no projection mortality tables and a 2.25% inflation rate. There were no changes for the December 31, 2019, 2020, 2021, 2022 and 2023 valuations.

**TOWN OF BABYLON**

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE LENGTH OF SERVICE AWARD PROGRAMS' NET PENSION LIABILITY**  
**Year Ended December 31, 2023**

	North Babylon Firefighter Plan Years Ended December 31,						
	2023	2022	2021	2020	2019	2018	2017
<b>Total LOSAP Plan Liabilities</b>							
Service cost	\$ 134,918	\$ 133,480	\$ 169,134	\$ 146,330	\$ 132,718	\$ 145,303	\$ 119,912
Interest	456,678	447,150	420,226	398,432	386,378	379,907	378,287
Differences between expected and actual experience	35,714	(21,292)	6,239	375,367	50,039	19,824	94,643
Benefit payments, including refunds of member contributions	(364,139)	(393,015)	(452,633)	(318,504)	(355,955)	(318,481)	(265,615)
Changes of assumptions or other inputs			(914,300)	162,133	(51,615)	(61,148)	316,856
Net change in total LOSAP plan liability	263,171	166,323	(771,334)	763,758	161,565	165,405	644,083
Total LOSAP plan liability - beginning of year (a)	8,813,241	8,646,918	9,418,252	8,654,494	8,492,929	8,327,524	7,683,441
Total LOSAP plan liability - end of year (c)	9,076,412	8,813,241	8,646,918	9,418,252	8,654,494	8,492,929	8,327,524
<b>LOSAP - Pension Trust Fund Net Position</b>							
Contributions - Employer	538,464	552,291	485,459	517,405	510,247	363,700	358,000
Investment income	273,189	(328,341)	239,137	257,522	205,561	101,949	96,060
Change in insurance contracts value					16,149	81,848	38,281
Benefit payments, including refunds of member contributions	(365,265)	(394,937)	(454,427)	(320,186)	(359,244)	(318,481)	(265,615)
Net Change in LOSAP fiduciary net position	446,388	(170,987)	270,169	454,741	372,713	229,016	226,726
Plan fiduciary net position - beginning of year, restated (b)	5,027,680	5,198,667	4,928,498	4,473,757	4,101,044	3,872,028	3,645,302
Plan fiduciary net position - end of year (d)	5,474,068	5,027,680	5,198,667	4,928,498	4,473,757	4,101,044	3,872,028
Net LOSAP plan liability - beginning of year (a) - (b)	3,785,561	3,448,251	4,489,754	4,180,737	4,391,885	4,455,496	4,038,139
Net LOSAP plan liability - end of year (c) - (d)	\$ 3,602,344	\$ 3,785,561	\$ 3,448,251	\$ 4,489,754	\$ 4,180,737	\$ 4,391,885	\$ 4,455,496
LOSAP Plan Fiduciary net position as a percentage of the total pension liability	60.3%	57.0%	60.1%	52.3%	51.7%	48.3%	46.5%
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Expected average remaining service years of all participants	8	8	6	6	7	8	10

**Notes:**

Information prior to the December 31, 2017 measurement date was not available. Additional years will be included as information becomes available.

This schedule is presented for the defined benefit LOSAP Firefighter Plans that meet the requirements of a trust or trust equivalent as prescribed by GASB Statement No. 67, 68 and 73 paragraph 4.

Covered-employee payroll is not applicable to the above LOSAP plans since the participants are volunteer firefighters. The net pension liability as a percentage of covered payroll is also not applicable.

Changes of assumptions were as follows:

a) The January 1, 2016 LOSAP plan liabilities were based on the RP 2000 Combined- Projected to 2015 mortality table and a 2.00% inflation rate and then changed to RP-2000 Combined - Projected to 2018 mortality table and 2.20% inflation rate for the December 31, 2017 valuation. For the December 31, 2018 the plan liabilities were based on the RP 2014 - no projection mortality tables and a 2.25% inflation rate. There were no changes for the December 31, 2019, 2020, 2021, 2022 and 2023 valuations.

b) Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period. There was no change in the discount rate used for the December 31, 2022 and 2023 valuations.

2021	5.25%
2020	4.53%
2019	4.65%
2018	4.61%
2017	4.94%

**TOWN OF BABYLON**

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE LENGTH OF SERVICE AWARD PROGRAMS' NET PENSION LIABILITY**  
**Year Ended December 31, 2023**

	North Lindenhurst Firefighter Plan Years Ended December 31,						
	2023	2022	2021	2020	2019	2018	2017
<b>Total LOSAP Plan Liabilities</b>							
Service cost	\$ 69,629	\$ 87,414	\$ 110,969	\$ 106,169	\$ 85,989	\$ 89,135	\$ 83,593
Interest	260,683	259,735	240,932	246,775	241,855	229,550	235,903
Differences between expected and actual experience	71,963	(89,936)	1,294	(36,379)	114,562	148,896	(168,767)
Benefit payments, including refunds of member contributions	(322,871)	(256,166)	(323,995)	(260,313)	(232,081)	(200,562)	(166,225)
Changes of assumptions or other inputs		(126,517)	(641,120)	272,438	209,981	5,067	142,193
Net change in total LOSAP plan liability	79,404	(125,470)	(611,920)	328,690	420,306	272,086	126,697
Total LOSAP plan liability - beginning of year (a)	5,092,003	5,217,473	5,829,393	5,500,703	5,080,397	4,808,311	4,681,614
Total LOSAP plan liability - end of year (c)	5,171,407	5,092,003	5,217,473	5,829,393	5,500,703	5,080,397	4,808,311
<b>LOSAP - Pension Trust Fund Net Position</b>							
Contributions - Employer	302,118	312,286	328,956	330,152	326,693	192,600	203,000
Investment income	181,432	(162,611)	159,691	167,409	153,341	71,390	68,976
Change in insurance contracts value					21,059	51,543	59,917
Benefit payments, including refunds of member contributions	(323,748)	(257,656)	(325,489)	(261,770)	(232,606)	(200,562)	(166,225)
Net Change in LOSAP fiduciary net position	159,802	(107,981)	163,158	235,791	268,487	114,971	165,668
Plan fiduciary net position - beginning of year, restated (b)	3,329,049	3,437,030	3,273,872	3,038,081	2,769,594	2,654,623	2,488,955
Plan fiduciary net position - end of year (d)	3,488,851	3,329,049	3,437,030	3,273,872	3,038,081	2,769,594	2,654,623
Net LOSAP plan liability - beginning of year (a) - (b)	1,762,954	1,780,443	2,555,521	2,462,622	2,310,803	2,153,688	2,192,659
Net LOSAP plan liability - end of year (c) - (d)	\$ 1,682,556	\$ 1,762,954	\$ 1,780,443	\$ 2,555,521	\$ 2,462,622	\$ 2,310,803	\$ 2,153,688
LOSAP Plan Fiduciary net position as a percentage of the total pension liability	67.5%	65.4%	65.9%	56.0%	55.2%	54.5%	55.2%
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Expected average remaining service years of all participants	9	10	11	9	10	9	11

Notes:

Information prior to the December 31, 2017 measurement date was not available. Additional years will be included as information becomes available.

This schedule is presented for the defined benefit LOSAP Firefighter Plans that meet the requirements of a trust or trust equivalent as prescribed by GASB Statement No. 67, 68 and 73 paragraph 4.

Covered-employee payroll is not applicable to the above LOSAP plans since the participants are volunteer firefighters. The net pension liability as a percentage of covered payroll is also not applicable.

Changes of assumptions were as follows:

a) The January 1, 2016 LOSAP plan liabilities were based on the RP 2000 Combined- Projected to 2015 mortality table and a 2.00% inflation rate and then changed to RP-2000 Combined - Projected to 2018 mortality table and 2.20% inflation rate for the December 31, 2017 valuation. For the December 31, 2018 the plan liabilities were based on the RP 2014 - no projection mortality tables and a 2.25% inflation rate. There were no changes for the December 31, 2019, 2020, 2021, 2022 and 2023 valuations.

b) Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period. There was no change in the discount rate used for the December 31, 2023.

2022	5.25%
2021	5.06%
2020	4.21%
2019	4.55%
2018	4.83%
2017	5.13%

**TOWN OF BABYLON**

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LENGTH OF SERVICE AWARD PROGRAMS PENSION CONTRIBUTIONS AND INVESTMENT RETURNS  
 Year Ended December 31, 2023

	East Farmingdale Firefighter Plan						
	Years Ended December 31,						
	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 381,310	\$ 387,573	\$ 371,082	\$ 387,897	\$ 396,073	\$ 292,721	\$ 275,945
Contributions in relation to the actuarially determined contribution	\$ 381,310	\$ 387,573	\$ 371,082	\$ 387,897	\$ 396,073	\$ 253,750	\$ 106,000
Contribution deficiency (excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 38,971	\$ 169,945
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Annual money-weighted rate of return, net of investment expense	5.32%	-6.05%	4.29%	8.12%	5.23%	2.29%	4.22%

Notes:

The above information was not available prior to the January 1, 2017 valuation. Additional years will be included as information becomes available.

The Plan Administrator provides a range for the actuarially determined contribution. The schedule above presents the minimum amount of the actuarially determined contribution for the LOSAP plan year ended December 31, 2023, 2022, 2021, 2020, 2019, 2018 and 2017.

This schedule is presented for LOSAP Firefighter Plans that meet the requirements of a trust or trust equivalent as prescribed by GASB Statement No. 67, 68 and 73 paragraph 4.

Covered-employee payroll is not applicable to the above LOSAP plans since the participants are volunteer firefighters. The contribution as a percentage of covered payroll is also not applicable.

**TOWN OF BABYLON**

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LENGTH OF SERVICE AWARD PROGRAMS  
 PENSION CONTRIBUTIONS AND INVESTMENT RETURNS  
 Year Ended December 31, 2023

	North Amityville Firefighter Plan						
	Years Ended						
	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 73,215	\$ 95,652	\$ 80,680	\$ 85,407	\$ 93,437	\$ 53,548	\$ 70,398
Contributions in relation to the actuarially determined contribution	\$ 73,215	\$ 95,652	\$ 80,680	\$ 85,407	\$ 93,437	\$ 59,200	\$ 112,450
Contribution deficiency (excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ (5,652)</u>	<u>\$ (42,052)</u>
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Annual money-weighted rate of return, net of investment expense	4.71%	0.58%	4.33%	4.48%	3.32%	3.87%	5.78%

Notes:

The above information was not available prior to the January 1, 2017 valuation. Additional years will be included as information becomes available.

The Plan Administrator provides a range for the actuarially determined contribution. The schedule above presents the minimum amount of the actuarially determined contribution for the LOSAP plan year ended December 31, 2023, 2022, 2021, 2020, 2019, 2018 and 2017.

This schedule is presented for LOSAP Firefighter Plans that meet the requirements of a trust or trust equivalent as prescribed by GASB Statement No. 67, 68 and 73 paragraph 4.

Covered-employee payroll is not applicable to the above LOSAP plans since the participants are volunteer firefighters. The contribution as a percentage of covered payroll is also not applicable.

**TOWN OF BABYLON**

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LENGTH OF SERVICE AWARD PROGRAMS  
 PENSION CONTRIBUTIONS AND INVESTMENT RETURNS  
 Year Ended December 31, 2023

	North Babylon Firefighter Plan						
	Years Ended December 31,						
	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 538,518	\$ 538,464	\$ 552,291	\$ 485,459	\$ 510,247	\$ 382,553	\$ 397,918
Contributions in relation to the actuarially determined contribution	\$ 538,518	\$ 538,464	\$ 552,291	\$ 485,459	\$ 510,247	\$ 363,700	\$ 358,000
Contribution deficiency (excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 18,853	\$ 39,918
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Annual money-weighted rate of return, net of investment expense	5.37%	-6.46%	4.86%	5.87%	5.39%	3.21%	3.64%

Notes:

The above information was not available prior to the January 1, 2017 valuation. Additional years will be included as information becomes available.

The Plan Administrator provides a range for the actuarially determined contribution. The schedule above presents the minimum amount of the actuarially determined contribution for the LOSAP plan year ended December 31, 2023, 2022, 2021, 2020, 2019, 2018 and 2017.

This schedule is presented for LOSAP Firefighter Plans that meet the requirements of a trust or trust equivalent as prescribed by GASB Statement No. 67, 68 and 73 paragraph 4.

Covered-employee payroll is not applicable to the above LOSAP plans since the participants are volunteer firefighters. The contribution as a percentage of covered payroll is also not applicable.

**TOWN OF BABYLON**

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF LENGTH OF SERVICE AWARD PROGRAMS  
PENSION CONTRIBUTIONS AND INVESTMENT RETURNS  
Year Ended December 31, 2023

	North Lindenhurst Firefighter Plan						
	Years Ended December 31,						
	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 278,976	\$ 302,118	\$ 312,286	\$ 328,956	\$ 326,693	\$ 240,706	\$ 223,886
Contributions in relation to the actuarially determined contribution	\$ 278,976	\$ 302,118	\$ 312,286	\$ 328,956	\$ 326,693	\$ 192,600	\$ 203,000
Contribution deficiency (excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 48,106	\$ 20,886
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Annual money-weighted rate of return, net of investment expense	5.12%	-4.87%	4.93%	5.71%	6.29%	3.59%	5.14%

Notes:

The above information was not available prior to the January 1, 2017 valuation. Additional years will be included as information becomes available.

The Plan Administrator provides a range for the actuarially determined contribution. The schedule above presents the minimum amount of the actuarially determined contribution for the LOSAP plan year ended December 31, 2023, 2022, 2021, 2020, 2019, 2018 and 2017.

This schedule is presented for LOSAP Firefighter Plans that meet the requirements of a trust or trust equivalent as prescribed by GASB Statement No. 67, 68 and 73 paragraph 4.

Covered-employee payroll is not applicable to the above LOSAP plans since the participants are volunteer firefighters. The contribution as a percentage of covered payroll is also not applicable.

**TOWN OF BABYLON**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE LENGTH OF SERVICE AWARD PROGRAM TOTAL PENSION LIABILITY  
Year Ended December 31, 2023**

	Firefighter Plan - Wyandanch Year Ended December 31,						
	2023	2022	2021	2020	2019	2018	2017
<b>Total LOSAP Pension Liability</b>							
Service cost	\$ 63,704	\$ 111,652	\$ 127,843	\$ 83,018	\$ 75,596	\$ 78,513	\$ 71,488
Interest	54,607	39,359	35,710	43,520	42,622	37,737	39,459
Differences between expected and actual experience	(14,710)	19,830	(74,734)	12,850	(15,574)	8,591	
Benefit payments, including refunds of member contributions	(43,734)	(41,326)	(82,466)	(31,471)	(30,648)	(37,688)	(40,493)
Changes of assumptions or other inputs	71,626	(570,498)	(103,858)	388,030	85,006	(111,012)	17,715
Net Change in total LOSAP Pension Liability	131,493	(440,983)	(97,505)	495,947	157,002	(23,859)	88,169
Total LOSAP Pension Liability - beginning of year	1,225,135	1,666,118	1,763,623	1,267,676	1,110,674	1,134,533	1,046,364
Total LOSAP Pension Liability - end of year	<u>\$ 1,356,628</u>	<u>\$ 1,225,135</u>	<u>\$ 1,666,118</u>	<u>\$ 1,763,623</u>	<u>\$ 1,267,676</u>	<u>\$ 1,110,674</u>	<u>\$ 1,134,533</u>
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
LOSAP Pension Liability as a percentage of the covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Expected average remaining service years of all participants		14	16	9	15	15	9

**Notes:**

The above information was not available prior to the December 31, 2017 measurement date. Additional years will be included as information becomes available.

This schedule is presented for the defined benefit LOSAP Firefighter Plan that does not meet the requirements of a trust or trust equivalent as prescribed by GASB Statement No. 67, 68 and 73 paragraph 4.

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

Covered-employee payroll is not applicable to the above LOSAP plans since the participants are volunteer firefighters. The pension liability as a percentage of covered-employee payroll is also not applicable.

There was a change of assumption as follows:

a) The January 1, 2017 LOSAP plan liability was based on the RP-2000 MF with improvement mortality table and then changed to the RP-2014 MF with improvement mortality table for the January 1, 2018 valuation.

b) Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2023	4.00%
2022	4.31%
2021	2.24%
2020	1.93%
2019	3.26%
2018	3.64%
2017	3.83%