

TOWN OF BABYLON, NEW YORK

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

Year Ended December 31, 2024

TOWN OF BABYLON, NEW YORK

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1-3
REQUIRED SUPPLEMENTARY INFORMATION	
Management's Discussion and Analysis.....	4-20
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	21
Statement of Activities	22
Fund Financial Statements	
Governmental Funds Financial Statements	
Balance Sheet.....	23
Reconciliation of the Balance Sheet of Governmental Funds to the Government-Wide Statement of Net Position	24
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	25
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	26
Proprietary - Enterprise Funds Financial Statements	
Statement of Net Position	27
Statement of Revenues, Expenses, and Changes in Net Position.....	28
Statement of Cash Flows	29
Fiduciary Funds Financial Statements	
Statement of Fiduciary Net Position.....	30
Statement of Changes in Fiduciary Net Position.....	31
Notes to Financial Statements.....	32-86
REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
General Fund.....	87-89
Residential Garbage District Fund	90
Commercial Garbage District Fund.....	91
Highway Fund	92
Special Districts Fund	93
Schedule of Changes in Total Other Postemployment Benefits Liability and Related Ratios	94
Schedule of Proportionate Share of the Net Pension Liability – Employee Retirement System	95
Schedule of Pension Contributions – Employee Retirement System	96
Schedules of Changes in the Length of Service Award Programs' Net Pension Liability	
East Farmingdale Firefighter Plan	97
North Amityville Firefighter Plan	98
North Babylon Firefighter Plan	99
North Lindenhurst Firefighter Plan	100

(continued)

TOWN OF BABYLON, NEW YORK

TABLE OF CONTENTS (continued)

	<u>Page</u>
Schedules of Length of Service Award Programs Pension Contributions and Investment Return	
East Farmingdale Firefighter Plan	101
North Amityville Firefighter Plan	102
North Babylon Firefighter Plan	103
North Lindenhurst Firefighter Plan	104
Schedule of Changes in the Length of Service Award Program Total Pension Liability	105

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, 2024 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, 2024, 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, 2024. 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 Principle

We draw attention to Note 1.I, 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. 101, "*Compensated Absences*." 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.

Responsibilities of Management for the Financial Statements (continued)

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 8, 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 8, 2025

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, 2024. We encourage readers to consider the information presented here in conjunction with the Town's basic financial statements.

FINANCIAL HIGHLIGHTS

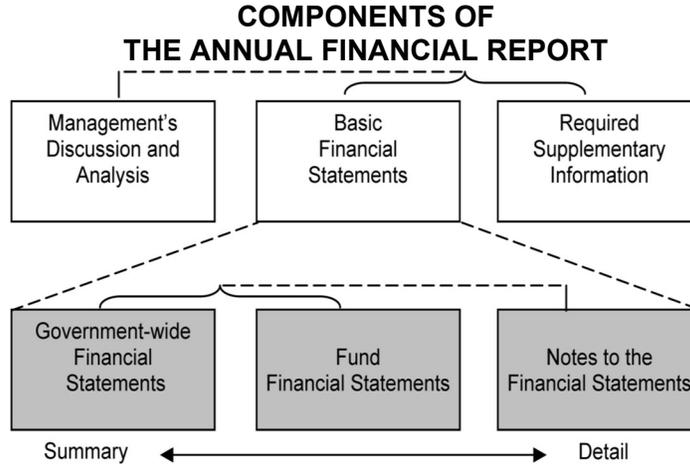
- Pursuant to the American Rescue Plan Act, the Town was awarded \$27.8 million in Coronavirus State and Local Fiscal Recovery awards, of which \$21.7 million has been recognized as revenue as of December 31, 2024, based on costs incurred for eligible projects and programs. The remaining revenue will be recognized in 2025-2026 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 2024 by \$78,371,470 (net position) of which \$72,338,336 was related to the governmental activities and \$6,033,134 was related to the business-type activities.
- The Town's net position related to governmental activities increased by \$21,268,133, or 41.65%, from the current year activity.
- The Town's business-type activities reported a decrease in net position of \$67,259, or 1.10% 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, 2024, the Town had liabilities of \$149,884,365 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 \$15,242,371 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.G and 3.H in the notes to the financial statements.
- The Town reviewed the provisions of GASB Statement No. 101, "*Compensated Absences*" and its impact on the financial statements for the fiscal year ended December 31, 2024. As a result, the Town reported a cumulative effect of change in accounting principle to the January 1, 2024 net position of governmental activities of (\$396,335).
- As of the close of 2024, the Town's governmental funds reported combined ending fund balances of \$208,747,944. Of this amount, \$11,359,597 is not in spendable form or is required to remain intact. The remaining \$197,388,347 or 94.56% 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 2024, the Town's total fund balance for the general fund was \$76,548,212, an increase of \$7,542,904 or 10.93% from the prior year. The unassigned fund balance for the general fund was \$58,363,023.
- The Town's total bonded debt (inclusive of general obligation bonds, exclusive of premiums) was \$167,525,000 for the Town's governmental and business-type activities. The total bonded debt decreased by 1.41% from the prior year.
- Notable portions of restricted total fund balances are as follows: \$5.6 million for property held for resale and \$10.6 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 discussed 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.

TOWN OF BABYLON

MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Fund Financial Statements (continued)

Governmental Funds (continued)

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."

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

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 \$78,371,470 at the close of the most recent year.

TOWN OF BABYLON

MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Condensed Statement of Net Position (continued)

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	
	2024	2023	2024	2023
Assets				
Current assets	\$ 347,195,313	\$ 319,287,061	\$ 5,086,936	\$ 5,320,721
Capital assets	346,119,935	344,553,378	4,973,301	5,001,717
Other noncurrent assets	98,368,494	96,007,618	2,081	17,157
Total Assets	791,683,742	759,848,057	10,062,318	10,339,595
Deferred outflows of resources	30,099,371	42,579,345	-0-	-0-
Liabilities				
Current liabilities	62,082,138	61,430,569	1,004,613	1,057,940
Noncurrent liabilities	424,388,601	444,801,219	1,087,071	1,168,762
Total Liabilities	486,470,739	506,231,788	2,091,684	2,226,702
Deferred inflows of resources	262,974,038	244,729,076	1,937,500	2,012,500
Net Position				
Net investment in capital assets	161,001,355	202,663,828	4,854,519	5,001,717
Restricted	20,349,731	19,566,711	1,881,745	2,087,245
Unrestricted	(109,012,750)	(170,764,001)	(703,130)	(988,569)
Total Net Position	\$ 72,338,336	\$ 51,466,538	\$ 6,033,134	\$ 6,100,393

Total assets and deferred outflows of resources of the Town's governmental activities, as of December 31, 2024 were \$821,783,113, an increase of \$19,355,711. Total liabilities and deferred inflows of resources as of December 31, 2024 were \$749,444,777, a decrease of \$1,516,087. This results in a total net position balance of \$72,338,336 at December 31, 2024, an increase of \$21,268,133. Of the Town's governmental activities net position balance, \$161,001,355 was the net investment in capital assets, while \$20,349,731 was restricted by statute or other specific purposes leaving a \$109,012,750 unrestricted deficit net position.

The largest portion of the Town's governmental activities net position, \$161,001,355, reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure and right-to-use 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)

Condensed Statement of Net Position (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, claims and judgments, landfill closure and postclosure care costs, lease and subscription liabilities 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, 2024, were \$10,062,318, a decrease of \$277,277. Total liabilities and deferred inflows of resources as of December 31, 2024 were \$4,029,184, a decrease of \$210,018. This results in a total net position balance of \$6,033,134 for 2024, a slight decrease of \$67,259. Of the business-type activities net position balance, \$4,854,519 was the net investment in capital assets, \$1,881,745 was restricted by statute or other specific purposes, leaving a \$703,130 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	
	2024	2023	2024	2023
Program Revenue				
Charges for services	\$ 61,290,126	\$ 57,959,717	\$ 181,045	\$ 400,117
Operating grants and contributions	23,530,847	24,532,609	1,511,538	1,747,991
Capital grants and contributions	8,065,232	6,006,228		
Total Program Revenues	<u>92,886,205</u>	<u>88,498,554</u>	<u>1,692,583</u>	<u>2,148,108</u>
General Revenues				
Real property taxes	103,790,372	94,728,216		
Other real property tax items	5,098,055	4,433,905		
Non-property tax items	7,651,377	4,437,324		
Interest earnings	10,462,412	6,996,212	102,652	87,596
Gain on sale of capital assets	153,483	485,586		
State and local aid - unrestricted	6,843,584	7,917,912		
Other	1,279,812	2,391,246	344,666	520,484
Total General Revenues	<u>135,279,095</u>	<u>121,390,401</u>	<u>447,318</u>	<u>608,080</u>
Total Revenues	<u>228,165,300</u>	<u>209,888,955</u>	<u>2,139,901</u>	<u>2,756,188</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	
	2024	2023	2024	2023
Program Expenses				
General government support	39,029,799	33,728,141		
Public safety	33,591,833	33,863,216		
Health	8,849,704	8,721,125		
Transportation	20,617,904	21,778,485		
Economic assistance and opportunity	2,217,929	4,981,934	1,980,240	1,634,476
Culture and recreation	26,130,181	24,826,611		
Home and community services	70,569,659	65,793,665	226,920	354,934
Interest on debt	5,890,158	5,899,361		
Total Program Expenses	<u>206,897,167</u>	<u>199,592,538</u>	<u>2,207,160</u>	<u>1,989,410</u>
Excess (deficiency)	21,268,133	10,296,417	(67,259)	766,778
Special Item	-0-	(1,561,356)	-0-	-0-
Change in net position	<u>21,268,133</u>	<u>8,735,061</u>	<u>(67,259)</u>	<u>766,778</u>
Net position, beginning of year, as reported	51,466,538	42,731,477	6,100,393	5,333,615
Cumulative effect of change in accounting principle	(396,335)	-0-	-0-	-0-
Net position, beginning of year, as restated	51,070,203	42,731,477	6,100,393	5,333,615
Net position, end of year	<u>\$ 72,338,336</u>	<u>\$ 51,466,538</u>	<u>\$ 6,033,134</u>	<u>\$ 6,100,393</u>

Net position from all governmental activities increased by \$21,268,133 in the current year. Key elements of the governmental activities are:

- Overall program revenues increased by \$4,387,651 from the prior year, which is discussed below in detail.
- There was an increase of \$3,330,409 in charges for services, \$2,167,064 of this increase was in the home and community function primarily attributable to an increase in residential and commercial garbage special assessment fees in the amounts of \$1,407,573 and \$536,553, respectively. Additionally, there was an increase in revenue earned from the Long Island Green Homes Program of \$283,973. Public safety increased \$550,925 primarily attributable to an increase in safety inspection fees of \$409,966.
- Operating grants and contributions decreased by \$1,001,762 from the prior year, primarily due to a decrease in recognized revenue related to the Coronavirus State and Local Fiscal Recovery Funds in the amount of \$4,149,860 as current year expenditures were more focused on capital expenditures as discussed below. This decrease was offset by an increase in federal revenue recognized related to the Section 8 Housing Choice Vouchers Program, Community Development Block Grant program and Home Investment Partnership Programs in the amounts of \$1,847,464, \$405,756 and \$616,133, respectively.
- Capital grants and contributions increased by \$2,059,004 compared to the prior year primarily related to the timing of certain projects and the related reimbursements. The Town received and expended \$1,000,000 related to a grant received for the Oak Beach Water District in addition to recognizing \$1,412,956 more related to the Coronavirus State and Local Fiscal Recovery Funds due to the Town focusing more on the capital projects ongoing under this grant during 2024.
- General revenues increased by \$13,888,694 from the prior year, primarily due to an increase in real property taxes in the amount of \$9,062,156, attributable to the Town's approval to pierce the 2% tax cap for the 2024 budget. The additional increase is attributable to an increase interest earnings in the amount of \$3,466,200.

TOWN OF BABYLON

MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

- Overall program expenses increased by \$7,304,629 from the prior year, which is discussed below in detail.
- General government support expenses increased by \$5,301,658 from the prior year, of which \$2,627,066 is related to an increase judgments and claims and an increase of \$1,609,268 in employee benefits. Additionally, insurance expenses increased \$851,655 due to a large settlement during 2024, and personnel expenses increased \$537,070.
- Home and community services expenses increased \$4,775,994 from the prior year, attributable to an increase in professional and technical services of \$2,797,638, an increase in Housing Assistance Payments of \$1,630,125 and employee benefits of \$566,652.
- Economic assistance and opportunity expenses decreased from the prior year by \$2,764,005, attributable to a decrease in expenditures related to the Coronavirus State and Local Fiscal Recovery Funds program, as current year expenditures related to this program were more heavily focused in capital projects. There were also increases in program operations for the Fire Protection Districts of \$648,030. An additional increase was attributable to an increase in compensated absences of \$221,200.

Net position from the business-type activities decreased by \$67,259 in the current year. The current year total revenues decreased by \$616,287, due to a decrease in both charges for services earned and operating grants received by the Local Development Corporation (the "Corporation") of \$219,072 and \$236,453, respectively. The decrease in general revenues is attributable to a decrease in rental income received by the Corporation of \$73,930. Program expenses decreased in line with revenues over the prior year by \$217,750.

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

	Total Cost of Services		Program Revenue		Net Cost of Services	
	2024	2023	2024	2023	2024	2023
General government support	\$ 39,029,799	\$ 33,728,141	\$ 2,493,321	\$ 2,392,134	\$ (36,536,478)	\$ (31,336,007)
Public safety	33,591,833	33,863,216	4,392,111	5,868,434	(29,199,722)	(27,994,782)
Health	8,849,704	8,721,125	3,227,121	4,391,870	(5,622,583)	(4,329,255)
Transportation	20,617,904	21,778,485	4,135,735	3,470,874	(16,482,169)	(18,307,611)
Economic assistance and opportunity	2,217,929	4,981,934	39,305	36,230	(2,178,624)	(4,945,704)
Culture and recreation	26,130,181	24,826,611	9,385,657	9,033,665	(16,744,524)	(15,792,946)
Home and community services	70,569,659	65,793,665	69,212,955	63,305,347	(1,356,704)	(2,488,318)
Interest on debt	5,890,158	5,899,361			(5,890,158)	(5,899,361)
	<u>\$ 206,897,167</u>	<u>\$ 199,592,538</u>	<u>\$ 92,886,205</u>	<u>\$ 88,498,554</u>	<u>\$ (114,010,962)</u>	<u>\$ (111,093,984)</u>

The total cost of all governmental activities this year was \$206,897,167. The net cost of these services after being subsidized by program revenues of \$92,886,205 was \$114,010,962.

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

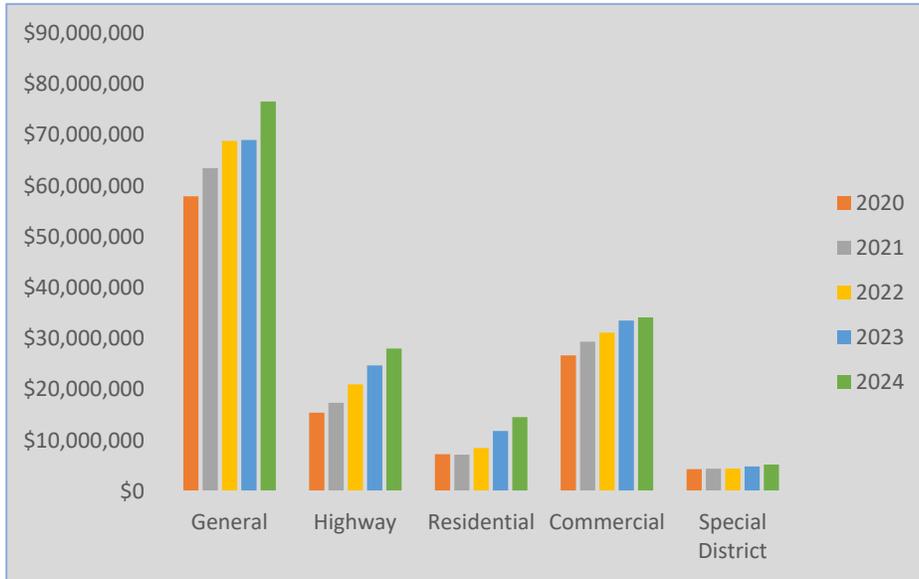
FINANCIAL ANALYSIS OF THE TOWN’S FUNDS (continued)

Governmental Funds (continued)

At December 31, 2024, the Town’s governmental funds reported total ending fund balances of \$208,747,944, an increase of \$15,983,746 in comparison with the prior year. The category breakdown is as follows:

- **Nonspendable fund balance** - \$11,359,597 (inherently nonspendable) includes the portion of net resources that cannot be spent because they must be maintained intact.
- **Restricted fund balance** - \$46,384,304 (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** - \$92,641,020 (limitation resulting from intended use) consists of amounts where the intended use is established by the highest level of decision making.
- **Unassigned fund balance** - \$58,363,023, (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 2020 through 2024.



The Town began the year with an anticipated overall \$6,469,026 fund balance decrease resulting from the appropriation of fund balance for the 2024 budget (including prior year encumbrances of \$165,212). Total revenues increased from the prior year by \$17,838,982, primarily a result of an increase in real property taxes of \$10,475,489 attributable to the Town Board approving the tax cap override in 2024. Additional increases in use of money and property of \$3,609,324 due to an increase in interest rates, as well as a net increase in non-property tax items of \$3,214,052 related to the Town receiving tax on adult-use cannabis for the first time in 2024 in the amount of \$3,507,927.

Overall, governmental expenditures increased in line with revenues noted above, in the amount of \$13,632,576 from the prior year. This increase was most notable in the home and community services function, which had an increase of \$7,155,310. related to an increase in professional and technical services of \$2,797,638. Federally funded programs including Section 8 Housing Choice Vouchers, HOME and Community Development Block Grant programs had increases of \$1,732,280, \$644,087 and \$124,638, respectively. Additionally, there was an increase in personnel costs in the commercial garbage district due to the CLEAN program implemented by the Town during 2024, in the amount of \$1,083,410.

Net other financing sources decreased by \$3,633,038, which is primarily attributable to less bonds being issued, \$2,095,000 less than the prior year, as well as less leases entered into during 2024, which decreased \$1,351,024 over the prior year.

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 \$76,548,212, increasing \$7,542,904 or 10.93% from the prior year. Of this amount, \$9,829,914 is not in spendable form (property held for resale, prepaids, inventory and leases) and \$7,948,495 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 \$58,769,803, \$271,933 has been assigned by the Town Board for the subsequent year's budget, \$134,847 has been assigned for purchase orders by the Town Comptroller and \$58,363,023 is shown as unassigned fund balance.

The key elements of the fund balance increase of \$7,542,904 are as follows:

- Overall actual revenues exceeded the original budgeted expectations by \$15,454,017, most notably 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 \$5,207,765 as well as interest earned in excess of the original budget in the amount of \$3,900,696. Additionally, during 2024 the Town began collecting non property tax related to adult-use cannabis products, which amounted to \$3,507,927 which was not originally budgeted for. Other items include mortgage tax which amounted to \$853,275 more than originally budgeted as well as payments in lieu of taxes which amounted to \$669,367 more than anticipated.
- Actual revenues increased by \$8,960,938 compared to prior year, which is primarily related to an increase in real property taxes of \$7,383,859 resulting from the Town piercing the tax cap in the 2024 budget year. Additional increase is attributable to the non-property tax received on adult-use cannabis in the amount of \$3,507,927. As discussed above, this increase was offset by a decrease in federal aid recognized of \$2,747,889 related to the Coronavirus State and Local Fiscal Recovery Funds received in the prior year.
- Overall expenditures were in line with the original budgeted expectations, amounting to \$778,295 less than anticipated, or 0.99%.
- Actual expenditures were also in line with the prior year, increasing \$528,993 or 0.69%.
- Net other financing uses exceeded the original budget in the amount of \$5,768,310 primarily attributable to a transfer of American Rescue Plan Funds to the capital projects fund in the amount of \$3,217,793 to fund various projects being undertaken by the Town, including the American Venice Shoreline Stabilization and the Town Hall Annex renovation, as well as a transfer of the adult-use cannabis funds of \$2,550,517 to the capital projects fund to fund the new Beacon Drug and Alcohol Treatment Center.
- Net other financing uses increased from the prior year, attributable to an increase in transfers of American Rescue Plan Funds and adult-use cannabis funds to the capital projects fund in the amount of \$3,217,793 and \$2,550,517, respectively, as noted above.
- During 2023, the Town recognized a special item related to property held for resale; a loss on the sale of property held for resale in the amount of \$1,561,356 and the reclassification of property held for resale to Town owned assets in the amount of \$1,328,174. The Town did not recognize a special item in the current year.

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 \$14,560,958, increasing \$2,719,134 or 22.96% from the prior year. Total fund balance is as follows: \$74,724 is not in spendable form for prepaid items, and \$14,486,234 is assigned for residential garbage district purposes.

The key elements of the fund balance increase of \$2,719,134 are as follows:

- Overall actual revenues exceeded the original budgeted expectations by \$381,237, a result of an increase in interest earnings recognized of \$597,947 which was offset by less than anticipated revenues earned related to the Long Island Green Homes program of \$300,541.
- Overall actual revenues increased by \$1,797,993 compared to the prior year, a result of an increase in special assessments of \$1,407,573 and an increase in interest earnings of \$439,297.
- Total expenditures were less than the original budgeted amount by \$1,519,359, primarily due to less refuse and garbage costs in the amount of \$1,560,237, a result of unrealized consulting and garbage collection services (\$622,881) and personal services (\$735,466).
- Actual expenditures increased by \$2,425,301 over the prior year, primarily a result of an increase in consulting and garbage collection services of \$2,041,101 as well as an increase in program operations of \$418,594.

Commercial Garbage District Fund

At the end of the current year, the total fund balance of the commercial garbage district fund was \$34,142,927 increasing \$611,012 or 1.82% from the prior year. Total fund balance is as follows: \$17,513 is not in spendable form for prepaid items, \$10,581,231 is restricted for the Solid Waste Management Reserve, and \$23,544,183 is assigned for commercial garbage district purposes.

The key elements of the fund balance increase of \$611,012 are as follows:

- Overall revenues exceeded the original budget by \$3,113,108, a result of more than anticipated refuse and garbage fees of \$2,262,428 and interest earnings of \$843,438.
- Actual revenues increased by \$675,318 compared to the prior year due to an increase in refuse and garbage fees of \$536,553 and interest earnings of \$497,287. This increase was offset by a decrease in the sale of equipment of \$361,374, as the Town did not sell equipment in the current year.
- Total expenditures were slightly more than the original budget amount by \$44,733, primarily attributable to more refuse and garbage fees and debt services expenses of \$169,835 and \$53,283, respectively, offset by actual landfill closure/postclosure costs \$186,427 less than anticipated.
- Actual expenditures increased from the prior year in the amount of \$2,451,823, primarily a result of an increase in personnel costs of \$1,083,410, consulting and garbage collection services of \$756,537 and program operations of \$394,338. The increase in these costs is attributable to the CLEAN Program Initiative implemented by the Town during 2024 to control litter in certain areas to protect the health, safety and welfare of the commercial garbage participants as well as the general public.

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 \$28,043,121, increasing \$3,336,416 or 13.50%, from the prior year. Of this amount, \$734,337 is not in spendable form (inventory and prepaids), \$32,734 has been restricted for debt service, \$2,321,333 has been assigned by the Town Board for the subsequent year's budget, \$20,032 has been assigned for purchase orders by the Town Comptroller and the remaining \$24,934,685 is assigned for highway purposes.

The key elements of the fund balance increase of \$3,336,416 are as follows:

- Total revenues exceeded original budgeted expectations by \$2,738,321, primarily a result of state aid from the New York State Department of Transportation being more than originally anticipated in the amount of \$1,516,165 as well as interest earnings being more than anticipated in the amount of \$1,083,856.
- Actual revenues increased \$839,472 over the prior year, which was the result of an increase in interest earnings of \$641,743 and real property taxes of \$283,529. This increase was offset by a decrease in state aid received from the New York State Department of Transportation in the amount of \$78,658.
- Total expenditures were under original budget by \$1,062,310, which is comprised of multiple contributing factors. Personnel costs were under budget by \$1,612,389 due to the Town budgeting conservatively for snow removal. In addition, employee benefit and repairs and maintenance expenditures were under budget by \$602,527 and \$486,992, respectively. This was offset by construction costs amounting to \$1,516,165 in excess of budgeted amounts.
- Actual expenditures increase \$877,058 over the prior year, which is primarily attributable to an increase in debt service costs of \$782,837.
- Other financing sources were in line with original budgeted expectations, amounting to \$19,802 more than budgeted.
- Actual other financing sources decreased \$322,915 from the prior year, due to a decrease in operating transfers of \$295,012 attributable to residual equity transfers in the prior year that did not occur in the current year, as well as a decrease in premium on obligations of \$27,903.

Capital Projects Fund

At the end of the current year, the capital projects fund had a total fund balance of \$35,506,728 a decrease of \$862,212, or 2.37% from the prior year. Of this amount, \$16,817,906 has been restricted for purchase orders or contractual obligations by the Town Comptroller and \$3,572,563 was restricted to specific capital project expenditures. The remaining balance of \$15,116,259 includes an amount of \$10,538,641 which is assigned for capital projects costs and outstanding amounts for purchases orders or contractual obligations in the amount of \$4,577,618.

The decrease in fund balance in the capital projects fund of \$862,212 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 \$5,243,553, an increase of \$368,621, or 7.56%, from the prior year. Of this amount, \$370,924 is not in spendable form (prepaid items), \$1,578,176 is restricted for length of service award program plan benefits and the remaining \$3,294,453, 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 \$368,621 is as follows:

- Total actual revenues exceeded original budgeted expectations by \$439,375, a result of payments in lieu of taxes exceeding budgeted amounts by \$211,931, as well as investment gains from length of service award program of \$131,908, which were not budgeted.
- Actual revenues were in line with the prior year, increasing only \$7,455. This was attributable to an increase in real property taxes and payments in lieu of taxes of \$395,456 and \$98,157, respectively, offset by a decrease in state aid and miscellaneous local sources received of \$450,000 and \$59,245, respectively, which were received in the prior year related to a grant received by the Wyandanch Fire Department for a new ambulance. Additional increase included an increase in interest earnings of \$3,604.
- Total actual expenditures were in line with original budgeted expectations, amounting to \$70,754 more than anticipated.
- Actual expenditures increased slightly by \$50,852, which was primarily attributable to an increase in program operation costs for the fire protection districts and ambulance district of \$14,633 and \$65,485, respectively.

Non-major Governmental Funds

The net change in fund balances was an increase of \$2,267,871.

- The part-town fund's fund balance was \$7,040,165 at December 31, 2024, which is an increase of \$1,440,456 from the prior year. Total revenues in the part-town fund increased \$1,866,211, primarily attributable to an increase in real property taxes in the amount of \$997,532 due to the Town overriding the tax cap as well as an increase in departmental income of \$596,129, due to an increase of safety and fire inspection fees of \$409,966 and \$130,713, respectively. Expenditures increased slightly by \$271,839, primarily related to an increase in employee benefits. Actual revenues were more than budgeted expectations by \$1,179,899, attributable to departmental income, interest earnings and other real property tax items being more than budgeted in the amounts of \$809,645, \$170,201 and \$115,451, respectively. Actual expenditures were less than budgeted expectations in the amount of \$146,640, primarily attributable professional and technical services being less than anticipated in the amount of \$141,067.
- The total fund balance in the lighting district fund at December 31, 2024 was \$1,808,945, which was an increase of \$394,818 from the prior year. This is primarily a result of a decrease in expenditures of \$273,180 from the prior year, related to debt service costs. Revenues increased slightly over the prior year in the amount of \$21,456.
- The total fund balance of the housing assistance agency fund at December 31, 2024 was \$2,979,216, an increase of \$329,833 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.

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, 2024 and 2023, the amount of the change and percentage change in relation to the prior year.

	2024	2023	\$ Change	% Change
Revenues (in Millions)				
Real property taxes	\$133.1	\$122.6	\$10.5	8.56%
Other real property tax items	5.1	4.4	0.7	15.91%
Non-property tax items	7.6	4.4	3.2	72.73%
Department income	25.2	24.0	1.2	5.00%
Use of money and property	15.3	11.7	3.6	30.77%
Investment gain from length of service award program	0.1	0.1	0.0	0.00%
Licenses and permits	0.3	0.3	0.0	0.00%
Fines and forfeitures	1.0	0.8	0.2	25.00%
Sale of property and compensation for loss	0.2	0.7	-0.5	-71.43%
Interfund revenue	0.2	0.2	0.0	0.00%
Miscellaneous local sources	3.4	4.1	-0.7	-17.07%
State aid	10.7	12.3	-1.6	-13.01%
Federal aid	26.7	25.5	1.2	4.71%
Total Governmental Fund Revenues	\$228.9	\$211.1	\$17.8	8.43%
Expenditures (in Millions)				
General government support	\$24.9	\$23.8	\$1.1	4.62%
Public safety	29.6	29.4	0.2	0.68%
Health	8.5	8.2	0.3	3.66%
Transportation	10.9	11.3	-0.4	-3.54%
Economic assistance and opportunity	2.1	4.9	-2.8	-57.14%
Culture and recreation	14.1	13.4	0.7	5.22%
Home and community services	65.1	57.9	7.2	12.44%
Employee benefits	25.8	23.7	2.1	8.86%
Capital outlay	22.7	18.0	4.7	26.11%
Debt Service:				
Principal	14.8	14.0	0.8	5.71%
Interest	6.9	6.8	0.1	1.47%
Bond issuance costs	0.1	0.1	0.0	0.00%
Total Governmental Fund Expenditures	\$225.5	\$211.5	\$14.0	6.62%

TOWN OF BABYLON

MANAGEMENT'S DISCUSSION AND ANALYSIS

GENERAL FUND BUDGETARY HIGHLIGHTS

The differences between the 2024 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 \$7,757,158, increased the original budget for total expenditures by \$1,982,581, and decreased the original budget for net other financing sources by \$5,768,310. The main components of the overall increase in the Town's appropriations were increases in economic assistance and opportunity of \$1,986,892 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 \$5,768,310 as the general fund transferred funds to the capital projects fund for projects funded by the Coronavirus State and Local Fiscal Recovery Funds program as well as the construction of the new Beacon Drug and Alcohol Treatment Center funded by the tax on adult-use cannabis, which were not budgeted for originally. 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, 2024 amounted to \$161,001,355 and \$4,854,519, 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 assets.

In 2024, the Town's major capital expenditures were as follows:

Various highway road improvements	\$	7,498,513
Consolidated Local Street & Highway Improvement Program		5,160,311
Various Park Improvements		2,886,029
Oak Beach Water Distribution System		2,714,519
Acquisition of Machinery		2,009,312

**Capital Assets at December 31, 2024 and 2023
(Net of depreciation/amortization)**

	Governmental Activities		Business-type Activities	
	2024	2023	2024	2023
Land	\$ 27,211,933	\$ 27,211,933	\$ 194,964	\$ 194,964
Construction in progress	29,037,977	34,454,641		
Building and improvements	94,573,079	88,087,898	276,186	294,096
Machinery and equipment	13,410,536	13,810,222	6,048	
Infrastructure	142,279,751	140,167,645	4,378,593	4,512,657
Right-to-use lease assets - vehicles	438,719	511,058		
Right-to-use lease assets - equipment	179,384	218,553		
Right-to-use lease assets - building	38,477,103	39,326,296	117,510	
Right-to-use subscription assets	511,453	765,132		
Totals	\$ 346,119,935	\$ 344,553,378	\$ 4,973,301	\$ 5,001,717

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 \$167,525,000. The entire debt is backed by the full faith and credit of the Town. The Town also has \$1,881,000 outstanding in guaranteed assistance contract loans payable.

Outstanding Debt:

	Governmental Activities	
	2024	2023
General obligation bonds payable *	\$ 167,525,000	\$ 169,915,000
Guaranteed assistance contract loans payable	1,881,000	2,109,000
	\$ 169,406,000	\$ 172,024,000

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

In 2024 the Town's debt payable above decreased by \$2,618,000 or 1.52% which is a net change in new borrowings and debt retired.

During October 2024, 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 \$2,118,299,352. The percentage of debt contracting exhausted at December 31, 2024 was 7.9% 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. Building L is expected to open late 2025. The charter school, Building N, opened in 2024. 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 2025 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 2025 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 2025.
- On November 14, 2024, the Board adopted Local Law No. 22 of 2024, Tax Cap Override, via resolution number 872, to allow the Town to adopt a budget for the fiscal year commencing January 1, 2025, 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, 2024**

	Primary Government			Component Unit Town of Babylon IDA
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 228,708,522	\$ 4,960,174	\$ 233,668,696	\$ 4,666,455
Cash with fiscal agent	241,130		241,130	
Restricted cash	11,134,011		11,134,011	
Accounts receivable, net	4,697,259	26,762	4,724,021	364,312
Taxes receivable	88,282,642		88,282,642	
Long Island Green Homes receivable, net	554,748		554,748	
Leases receivable, net	1,254,949		1,254,949	
Accrued interest receivable	1,209,805		1,209,805	
Due from other governments, net	7,287,667	100,000	7,387,667	91,000
Inventory	1,105,829		1,105,829	
Prepaid items	2,718,751		2,718,751	23,581
Total Current Assets	<u>347,195,313</u>	<u>5,086,936</u>	<u>352,282,249</u>	<u>5,145,348</u>
Noncurrent Assets:				
Accounts receivable, noncurrent portion	5,638,851		5,638,851	
Long Island Green Homes receivable, noncurrent portion	3,328,460		3,328,460	
Leases receivable, noncurrent portion	74,478,815		74,478,815	
Due from other governments, noncurrent portion	500,000		500,000	
Property held for resale	12,844,192		12,844,192	
Non-depreciable capital assets	56,249,910	194,964	56,444,874	
Capital assets, net	289,870,025	4,778,337	294,648,362	230,773
Length of service award program plan assets	1,578,176		1,578,176	
Loans receivable		2,081	2,081	
Total Noncurrent Assets	<u>444,488,429</u>	<u>4,975,382</u>	<u>449,463,811</u>	<u>230,773</u>
Total Assets	<u>791,683,742</u>	<u>10,062,318</u>	<u>801,746,060</u>	<u>5,376,121</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	72,711		72,711	
Pension - employees' retirement system	15,998,610		15,998,610	247,407
Length of service award programs	2,562,667		2,562,667	
Other postemployment benefits	11,465,383		11,465,383	238,101
Total Deferred Outflows of Resources	<u>30,099,371</u>	<u>-0-</u>	<u>30,099,371</u>	<u>485,508</u>
LIABILITIES				
Current Liabilities:				
Accounts payable and accrued liabilities	18,306,562	53,798	18,360,360	116,480
Accrued interest payable	1,306,337		1,306,337	
Due to other governments, net	2,431,346	91,000	2,522,346	848,464
Unearned revenues	6,254,624	702,871	6,957,495	2,500
Guaranty and bid deposits	726,571		726,571	
Long-term obligations due within one year	33,056,698	156,944	33,213,642	94,201
Total Current Liabilities	<u>62,082,138</u>	<u>1,004,613</u>	<u>63,086,751</u>	<u>1,061,645</u>
Noncurrent Liabilities:				
Due to other governments	5,638,850		5,638,850	
Long-term obligations due in more than one year	418,749,751	1,087,071	419,836,822	995,922
Total Noncurrent Liabilities	<u>424,388,601</u>	<u>1,087,071</u>	<u>425,475,672</u>	<u>995,922</u>
Total Liabilities	<u>486,470,739</u>	<u>2,091,684</u>	<u>488,562,423</u>	<u>2,057,567</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue - property taxes	122,885,480		122,885,480	
Deferred service concession arrangement		1,937,500	1,937,500	
Leases	73,135,649		73,135,649	
Pension - employees' retirement system	7,861,437		7,861,437	123,970
Length of service award programs	3,013,526		3,013,526	
Other postemployment benefits	56,077,946		56,077,946	418,213
Total Deferred Inflows of Resources	<u>262,974,038</u>	<u>1,937,500</u>	<u>264,911,538</u>	<u>542,183</u>
NET POSITION				
Net investment in capital assets	161,001,355	4,854,519	165,855,874	(7,056)
Restricted				
Solid waste management	10,581,231		10,581,231	
Debt service	2,374,354		2,374,354	
Length of service award programs	1,578,176		1,578,176	
General government support	50,000		50,000	
Public safety	48,573		48,573	
Health	743,721		743,721	
Transportation	58,000		58,000	
Economic assistance and opportunity	10,290	1,881,745	1,892,035	
Culture and recreation	285,951		285,951	
Home and community services	4,619,435		4,619,435	
Unrestricted	<u>(109,012,750)</u>	<u>(703,130)</u>	<u>(109,715,880)</u>	<u>3,268,935</u>
Total Net Position	<u>\$ 72,338,336</u>	<u>\$ 6,033,134</u>	<u>\$ 78,371,470</u>	<u>\$ 3,261,879</u>

See notes to the financial statements.

TOWN OF BABYLON

GOVERNMENT-WIDE FINANCIAL STATEMENT
STATEMENT OF ACTIVITIES
Year Ended December 31, 2024

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	
PRIMARY GOVERNMENT:									
Governmental Activities:									
General government support	\$ 39,029,799	\$ 2,460,056		\$ 33,265	\$ 2,493,321	\$ (36,536,478)		\$ (36,536,478)	
Public safety	33,591,833	4,242,111	\$ 150,000		4,392,111	(29,199,722)		(29,199,722)	
Health	8,849,704	1,129,446	1,651,085	446,590	3,227,121	(5,622,583)		(5,622,583)	
Transportation	20,617,904	157,701		3,978,034	4,135,735	(16,482,169)		(16,482,169)	
Economic assistance and opportunity	2,217,929	2,755	36,550		39,305	(2,178,624)		(2,178,624)	
Culture and recreation	26,130,181	6,835,465	534,242	2,015,950	9,385,657	(16,744,524)		(16,744,524)	
Home and community services	70,569,659	46,462,592	21,158,970	1,591,393	69,212,955	(1,356,704)		(1,356,704)	
Interest on debt	5,890,158				-0-	(5,890,158)		(5,890,158)	
Total Governmental Activities	206,897,167	61,290,126	23,530,847	8,065,232	92,886,205	(114,010,962)	\$ -0-	(114,010,962)	
Business-type Activities:									
Town of Babylon L.D. Corporation II	1,980,240	61,954	1,511,538		1,573,492		(406,748)	(406,748)	
East Farmingdale Water District	226,920	119,091			119,091		(107,829)	(107,829)	
Total Business-type Activities	2,207,160	181,045	1,511,538	-0-	1,692,583	-0-	(514,577)	(514,577)	
Total Primary Government	\$ 209,104,327	\$ 61,471,171	\$ 25,042,385	\$ 8,065,232	\$ 94,578,788	(114,010,962)	(514,577)	(114,525,539)	
NON-MAJOR COMPONENT UNIT:									
Economic assistance and opportunity	\$ 1,743,376	\$ 1,702,273							\$ (41,103)
Total Component Units	\$ 1,743,376	\$ 1,702,273							(41,103)
GENERAL REVENUES:									
Real property taxes						103,790,372		103,790,372	
Other real property tax items						5,098,055		5,098,055	
Non-property tax items						7,651,377		7,651,377	
Interest and investment earnings						10,462,412	102,652	10,565,064	192,362
Gain on sale of capital assets						153,483		153,483	
State aid - unrestricted						6,843,584		6,843,584	
Other						1,279,812	344,666	1,624,478	90,427
Total General Revenues						135,279,095	447,318	135,726,413	282,789
Change in Net Position						21,268,133	(67,259)	21,200,874	241,686
Net Position at Beginning of Year, as reported						51,466,538	6,100,393	57,566,931	3,052,298
Cumulative Effect of Change in Accounting Principle						(396,335)	-0-	(396,335)	(32,105)
Net Position at Beginning of Year, as Restated						51,070,203	6,100,393	57,170,596	3,020,193
Net Position at End of Year						\$ 72,338,336	\$ 6,033,134	\$ 78,371,470	\$ 3,261,879

See notes to the financial statements.

TOWN OF BABYLON
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2024

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
ASSETS									
Cash and cash equivalents	\$ 80,400,031	\$ 22,485,764	\$ 25,392,948	\$ 31,634,810	\$ 40,482,825	\$ 9,417,505	\$ 209,813,883	\$ 18,894,639	\$ 228,708,522
Cash with fiscal agent	208,396			32,734			241,130		241,130
Restricted cash			10,581,231				10,581,231	552,780	11,134,011
Accounts receivable	2,041,956	594,129	1,411,088	220	17,850		4,065,243	6,270,867	10,336,110
Taxes receivable	46,484,555			16,024,177			78,492,306	9,790,336	88,282,642
Long Island Green Homes receivable		3,883,208					3,883,208		3,883,208
Leases receivable	75,733,764						75,733,764		75,733,764
Accrued interest receivable	103,543	28,328	49,298	49,342			230,511	11,512	242,023
Due from other funds	367,686			329,914	1,030,343		1,727,943		1,727,943
Due from other governments	3,732,814	7,372		754,751	2,357,981		6,852,918	934,749	7,787,667
Inventory	423,181			555,714			978,895	126,934	1,105,829
Prepaid items	826,250	74,724	17,513	178,623			1,468,034	205,251	1,673,285
Property held for resale	12,844,192						12,844,192		12,844,192
Length of service award program plan assets						1,578,176	1,578,176		1,578,176
Total Assets	\$ 223,166,368	\$ 27,073,525	\$ 37,452,078	\$ 49,560,285	\$ 43,888,999	\$ 27,350,179	\$ 408,491,434	\$ 36,787,068	\$ 445,278,502
LIABILITIES									
Accounts payable and accrued liabilities	\$ 2,961,008	\$ 2,596,609	\$ 2,230,004	\$ 479,008	\$ 8,042,540	\$ 193,585	\$ 16,502,754	\$ 1,140,711	\$ 17,643,465
Due to other funds	1,030,343				329,914		1,360,257	367,686	1,727,943
Due to other governments	2,921				9,817		935,130	7,135,066	8,070,196
Unearned revenue	6,104,749	124,436		8,046			6,251,057	3,567	6,254,624
Guaranty and bid deposits	726,571						726,571		726,571
Liabilities payable from restricted cash							-0-	552,780	552,780
Total Liabilities	10,825,592	2,721,045	2,230,004	487,054	8,382,271	1,129,803	25,775,769	9,199,810	34,975,579
DEFERRED INFLOWS OF RESOURCES									
Unearned revenue- property taxes	61,006,273	5,908,314	1,079,147	21,030,110		20,976,823	110,000,667	12,884,813	122,885,480
Unavailable revenue	1,650,642	3,883,208					5,533,850		5,533,850
Lease related	73,135,649						73,135,649		73,135,649
Total Deferred Inflows of Resources	135,792,564	9,791,522	1,079,147	21,030,110	-0-	20,976,823	188,670,166	12,884,813	201,554,979
FUND BALANCES									
Nonspendable	9,829,914	74,724	17,513	734,337		370,924	11,027,412	332,185	11,359,597
Restricted	7,948,495		10,581,231	32,734	20,390,469	1,578,176	40,531,105	5,853,199	46,384,304
Assigned	406,780	14,486,234	23,544,183	27,276,050	15,116,259	3,294,453	84,123,959	8,517,061	92,641,020
Unassigned	58,363,023						58,363,023		58,363,023
Total Fund Balances	76,548,212	14,560,958	34,142,927	28,043,121	35,506,728	5,243,553	194,045,499	14,702,445	208,747,944
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 223,166,368	\$ 27,073,525	\$ 37,452,078	\$ 49,560,285	\$ 43,888,999	\$ 27,350,179	\$ 408,491,434	\$ 36,787,068	\$ 445,278,502

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, 2024**

Total Fund Balance - Governmental Funds		\$ 208,747,944
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	\$ 56,249,910	
Capital assets - depreciable/amortizable	803,151,310	
Accumulated depreciation/amortization	<u>(513,281,285)</u>	346,119,935
Assets not available resource and , therefore, is not reported in the funds:		
Accrued interest receivable	967,782	
Prepaid expenses	<u>1,045,466</u>	2,013,248
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	3,883,208	
Mortgage tax	<u>1,650,642</u>	5,533,850
Deferred outflows of resources are included in the Statement of Net Position:		
Deferred charges on refunding	72,711	
Pension related amounts - employees' retirement system	15,998,610	
Length of service award plan program amounts	2,562,667	
Other postemployment benefits	<u>11,465,383</u>	30,099,371
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	(167,525,000)	
Guaranteed assistance contract loans payable	(1,881,000)	
Lease payable	(41,412,836)	
Subscriptions payable	(448,516)	
Compensated absences	(5,543,711)	
Claims and judgments payable	(14,956,890)	
Estimated liability for landfill closure and postclosure care costs	(37,378,989)	
Net employees' retirement system pension liability - proportionate share	(15,242,371)	
Net length of service award programs plan liabilities	(7,804,534)	
Other postemployment benefits payable (OPEB)	(148,759,132)	
Length of service award program plan liabilities	<u>(1,778,336)</u>	(442,731,315)
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.		
		(1,416,654)
Governmental funds report the effect of premiums when debt is first issued, whereas this amount is deferred and amortized in the statement of activities.		
		(9,075,134)
Deferred inflows of resources are included in the Statement of Net Position:		
Pension related amounts - employees' retirement system	(7,861,437)	
Length of service award plan program amounts	(3,013,526)	
Other postemployment benefits	<u>(56,077,946)</u>	(66,952,909)
Net Position of Governmental Activities		<u>\$ 72,338,336</u>

See notes to the financial statements .

TOWN OF BABYLON

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2024**

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
REVENUES									
Real property taxes	\$ 52,718,737	\$ 24,803,085	\$ 4,515,848	\$ 21,360,429		\$ 20,190,954	\$ 123,589,053	\$ 9,520,252	\$ 133,109,305
Other real property tax items	2,560,451			926,864		1,097,651	4,584,966	513,089	5,098,055
Non-property tax items	7,651,377						7,651,377		7,651,377
Departmental income	4,395,721	3,912,915	12,001,759				20,310,395	4,883,190	25,193,585
Use of money and property	9,552,221	1,097,947	1,343,438	1,383,856	\$ 1,244,729	125,656	14,747,847	541,758	15,289,605
Investment gain from length of service award program						131,908	131,908		131,908
Licenses and permits	124,031			157,701			281,732		281,732
Fines and forfeitures	997,379						997,379		997,379
Sale of property and compensation for loss	161,093						161,093		161,093
Interfund revenue	199,053						199,053		199,053
Miscellaneous local sources	1,008,288	16,767		3,735	1,099,434	17,733	2,145,957	1,312,082	3,458,039
State aid	6,160,823	7,758	7,242	2,716,165	313,671		9,205,659	1,466,718	10,672,377
Federal aid	5,429,303	7,372			1,044,996		6,481,671	20,190,474	26,672,145
Total Revenues	90,958,477	29,845,844	17,868,287	26,548,750	3,702,830	21,563,902	190,488,090	38,427,563	228,915,653
EXPENDITURES									
Current:									
General government support	24,524,988						24,524,988	413,378	24,938,366
Public safety	4,918,565					19,172,821	24,091,386	5,494,801	29,586,187
Health	5,049,853					2,022,460	7,072,313	1,382,198	8,454,511
Transportation	4,431			9,579,557			9,583,988	1,289,770	10,873,758
Economic assistance and opportunity	2,128,772						2,128,772		2,128,772
Culture and recreation	13,716,884						13,716,884	357,149	14,074,033
Home and community services	1,502,995	26,319,914	16,363,979				44,186,888	20,914,970	65,101,858
Employee benefits	15,506,093	684,201	745,991	4,541,104			21,477,389	4,325,098	25,802,487
Capital Outlay					22,724,783		22,724,783		22,724,783
Debt Service:									
Principal	6,614,557	94,850	121,034	6,536,648			13,367,089	1,393,874	14,760,963
Interest	3,718,717	27,745	26,271	2,561,331			6,334,064	588,454	6,922,518
Bond issuance costs	29,880			63,496			93,376		93,376
Total Expenditures	77,715,735	27,126,710	17,257,275	23,282,136	22,724,783	21,195,281	189,301,920	36,159,692	225,461,612
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,242,742	2,719,134	611,012	3,266,614	(19,021,953)	368,621	1,186,170	2,267,871	3,454,041
OTHER FINANCING SOURCES (USES)									
Principal amount of bond proceeds					11,450,000		11,450,000		11,450,000
Premium on obligations	32,848			69,802	763,000		865,650		865,650
Leases issued					214,055		214,055		214,055
Operating transfers in	35,624				5,768,310		5,803,934		5,803,934
Operating transfers out	(5,768,310)				(35,624)		(5,803,934)		(5,803,934)
Total Other Financing Sources (Uses)	(5,699,838)	-0-	-0-	69,802	18,159,741	-0-	12,529,705	-0-	12,529,705
Net Change in Fund Balances	7,542,904	2,719,134	611,012	3,336,416	(862,212)	368,621	13,715,875	2,267,871	15,983,746
Fund Balances at Beginning of Year	69,005,308	11,841,824	33,531,915	24,706,705	36,368,940	4,874,932	180,329,624	12,434,574	192,764,198
Fund Balances at End of Year	\$ 76,548,212	\$ 14,560,958	\$ 34,142,927	\$ 28,043,121	\$ 35,506,728	\$ 5,243,553	\$ 194,045,499	\$ 14,702,445	\$ 208,747,944

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, 2024**

Net Change in Fund Balance		\$ 15,983,746
<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	\$ 21,606,032	
Depreciation/amortization expense	(18,414,824)	
Net loss on disposal of capital assets	<u>(1,624,651)</u>	1,566,557
<p>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</p>		
		443,900
<p>Mortgage tax revenues are reported in the governmental funds when considered "available" and in the Statement of Activities when "earned."</p>		
		296,612
<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	(1,100,069)	
Length of service award plan program amounts	(731,758)	
Other postemployment benefits	<u>(10,631,038)</u>	(12,479,974)
<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	(11,450,000)	
Repayment of bond principal	13,840,000	
Premiums received	(865,650)	
Amortization of bond premiums	937,777	
Repayment of installment purchase debt	282,883	
Repayment of guarantee assistance contract loans	228,000	
Leases issued	(214,057)	
Repayment of leases	238,726	
Repayment of subscriptions	244,276	
Compensated absences	33,472	
Claims and judgments	(2,627,066)	
Estimated liability for landfill closure and postclosure care costs	351,316	
Net employees' retirement system pension liability - proportionate share	5,269,150	
Net length of service award programs plan liabilities	333,053	
Other postemployment benefits payable	15,048,306	
Length of service award program liabilities	<u>(15,275)</u>	21,634,911
<p>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.</p>		
		94,583
<p>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.</p>		
		(44,068)
<p>Net change in deferred inflows of resources not reported in the governmental fund statements:</p>		
Pension related amounts - employees' retirement system	(7,054,796)	
Length of service award plan program amounts	415,786	
Other postemployment benefits	<u>410,877</u>	(6,228,133)
Change in Net Position of Governmental Activities		<u>\$ 21,268,133</u>

See notes to the financial statements.

TOWN OF BABYLON

STATEMENT OF NET POSITION
ENTERPRISE FUNDS
December 31, 2024

	East Farmingdale Water District	Town of Babylon L.D. Corporation II	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 2,193,861	\$ 2,766,313	\$ 4,960,174
Accounts receivable, net	26,762		26,762
Due from other governments		100,000	100,000
Total Current Assets	2,220,623	2,866,313	5,086,936
Noncurrent Assets:			
Non-depreciable capital assets	194,964		194,964
Capital assets, net	4,654,779	123,558	4,778,337
Loans receivable		2,081	2,081
Total Noncurrent Assets	4,849,743	125,639	4,975,382
Total Assets	7,070,366	2,991,952	10,062,318
LIABILITIES			
Current Liabilities:			
Accounts payable and accrued liabilities	39,631	14,167	53,798
Noncurrent liabilities due within one year	93,605	63,339	156,944
Due to other government		91,000	91,000
Deferred revenue		702,871	702,871
Total Current Liabilities	133,236	871,377	1,004,613
Noncurrent Liabilities:			
Long-term obligations due in more than one year	1,031,628	55,443	1,087,071
Total Noncurrent Liabilities	1,031,628	55,443	1,087,071
Total Liabilities	1,164,864	926,820	2,091,684
DEFERRED INFLOWS OF RESOURCES			
Deferred service concession arrangement	1,937,500		1,937,500
Total Deferred Inflows of Resources	1,937,500	-0-	1,937,500
NET POSITION			
Investment in capital assets	4,849,743	4,776	4,854,519
Restricted			
Affordable housing		778,324	778,324
Economic development		189,865	189,865
Wyandanch economic development		785,361	785,361
Wyandanch health and wellness center		128,195	128,195
Unrestricted	(881,741)	178,611	(703,130)
Total Net Position	\$ 3,968,002	\$ 2,065,132	\$ 6,033,134

See notes to the financial statements .

TOWN OF BABYLON

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
ENTERPRISE FUNDS
Year Ended December 31, 2024

	East Farmingdale Water District	Town of Babylon L.D. Corporation II	Total
OPERATING REVENUES			
Rental income from water plant	\$ 75,000		\$ 75,000
Other postemployment benefit	17,474		17,474
Charges for services	44,091	\$ 61,954	106,045
	136,565	61,954	198,519
Total Operating Revenues			
OPERATING EXPENSES			
Retiree benefits	6,973		6,973
Management and administration fees	51,705	179,642	231,347
Depreciation	151,974	14,874	166,848
Insurance	16,268		16,268
Office expense		7,498	7,498
Rent		1,000	1,000
	226,920	203,014	429,934
Total Operating Expenses			
Income (Loss) from Operations	(90,355)	(141,060)	(231,415)
NON-OPERATING REVENUE (EXPENSE)			
Rental income	327,192		327,192
Interest expense - lease liability		(2,559)	(2,559)
Interest income	60,101	42,551	102,652
Forgiveness of loan		(15,076)	(15,076)
Wyandanch economic development revenue		755,000	755,000
Wyandanch economic development expenses		(289,859)	(289,859)
Affordable housing		(505,010)	(505,010)
Economic development expenses		(690,973)	(690,973)
Copiague façade program		(29,854)	(29,854)
Wyandanch health and wellness center fund		50,000	50,000
Wyandanch health and wellness center		(243,895)	(243,895)
Community benefit agreement income		706,538	706,538
	387,293	(223,137)	164,156
Total Non-Operating Revenue (Expense)			
Change in Net Position	296,938	(364,197)	(67,259)
Net Position - Beginning of Year	3,671,064	2,429,329	6,100,393
Net Position - End of Year	\$ 3,968,002	\$ 2,065,132	\$ 6,033,134

See notes to the financial statements.

TOWN OF BABYLON

**STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
Year Ended December 31, 2024**

	East Farmingdale Water District	Town of Babylon L.D. Corporation II	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers and miscellaneous revenue	\$ 61,565	\$ 62,954	\$ 124,519
Cash paid to third party management and others	(93,429.00)		(93,429)
Cash paid on behalf of retirees	(140,438)		(140,438)
Cash paid for contractual expenses		(188,140)	(188,140)
Net Cash from Operating Activities	<u>(172,302)</u>	<u>(125,186)</u>	<u>(297,488)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash received from Wyandanch economic development fund		755,000	755,000
Cash received from economic development fund		1,079,500	1,079,500
Cash received from Wyandanch health and wellness center fund		851,400	851,400
Payments of Wyandanch health and wellness center		(865,074)	(865,074)
Payments of Wyandanch economic development fund		(637,635)	(637,635)
Payments of economic development		(289,859)	(289,859)
Payments of affordable housing		(505,010)	(505,010)
Payments of Copiague facade renovation program		(29,854)	(29,854)
Net Cash from Noncapital Financing Activities	<u>-0-</u>	<u>358,468</u>	<u>358,468</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets		(7,258)	(7,258)
Interest expense - lease liability		(2,559)	(2,559)
Principal paid on lease		(12,392)	(12,392)
Net Cash from Capital and Related Financing Activities	<u>-0-</u>	<u>(22,209)</u>	<u>(22,209)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Rental income from cell towers	465,758		465,758
Interest income	60,101	42,551	102,652
Net Cash from Investing Activities	<u>525,859</u>	<u>42,551</u>	<u>568,410</u>
Net change in cash and cash equivalents	353,557	253,624	607,181
Cash and Cash Equivalents at Beginning of Year	1,840,304	2,512,689	4,352,993
Cash and Cash Equivalents at End of Year	<u>\$ 2,193,861</u>	<u>\$ 2,766,313</u>	<u>\$ 4,960,174</u>
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH USED BY OPERATING ACTIVITIES			
Income (Loss) from operations	\$ (90,355)	\$ (141,060)	\$ (231,415)
Adjustments to reconcile loss from operations to net cash from operating activities:			
Depreciation expense	151,974		151,974
Decrease (increase) in:			
Depreciation and amortization expense		14,874	14,874
Due from other governments		1,000	1,000
Increase (decrease) in:			
Accounts payable	(25,456)		(25,456)
Deferred service concession arrangement receipts	(75,000)		(75,000)
Other postemployment benefits payable	(133,465)		(133,465)
Net Cash from Operating Activities	<u>\$ (172,302)</u>	<u>\$ (125,186)</u>	<u>\$ (297,488)</u>
NONCASH FINANCING ACTIVITIES			
Capital asset additions financed with lease liability		<u>\$ 131,174</u>	<u>\$ 131,174</u>

See notes to the financial statements.

TOWN OF BABYLON

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2024

	Length of Service Award Programs - Pension Trust Fund	Custodial Fund
ASSETS		
Cash and cash equivalents	\$ 1,400,107	\$ 39,927,828
Investments - Equities	6,630,489	
Investments - Fixed income	8,100,578	
Other assets	917,745	
Total Assets	17,048,919	\$ 39,927,828
LIABILITIES		
Due to school districts		\$ 36,396,057
Due to fire districts		2,399,899
Due to other Counties for tuition tax		1,012,823
Other liabilities		119,049
Total Liabilities	-0-	\$ 39,927,828
FIDUCIARY NET POSITION		
Restricted for:		
Net position held in trust for length of service award programs	\$ 17,048,919	

See notes to the financial statements.

TOWN OF BABYLON

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
Year Ended December 31, 2024**

	Length of Service Award Programs - Pension Trust Funds	Custodial Fund
ADDITIONS		
Plan contributions *	\$ 1,272,018	
Investment income:		
Investment earnings	947,479	
Total investment income	947,479	
Real property taxes collected for other governments		\$ 592,882,800
Total Additions	2,219,497	592,882,800
DEDUCTIONS		
Benefits and refunds paid to plan members and beneficiaries	1,381,367	
Payments of real property taxes to other governments		592,882,800
Total Deductions	1,381,367	592,882,800
Change in Fiduciary Net Position	838,130	-0-
Fiduciary Net Position - Beginning of Year	16,210,789	-0-
Fiduciary Net Position - End of Year	\$ 17,048,919	\$ -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, 2024

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, 2024

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 its respective administrative office:

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, 2024

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, 2024

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, 2024

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, 2024

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, 2024

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, 2024 include the LOSAP plan assets as described in Note 1.D.6 and Note 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 1st 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 2034.

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, 2024

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 2024 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 an 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, 2024

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, 2024

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 \$73,000 for a deferred charge on refunding bonds, \$15,999,000 for pension related activities, \$11,465,000 for other postemployment benefits, and \$2,563,000 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 2025 real estate taxes of approximately \$122,885,000 and unavailable revenues of approximately \$5,534,000, which primarily consist of mortgage tax revenue and deferrals related to Long Island Green Home loans. Additionally lease related items amount to approximately \$73,136,000, 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 \$7,861,000 related to pension related activities, approximately \$56,078,000 for other postemployment benefits, and approximately \$3,014,000 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 \$1,938,000 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, 2024

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, 2024

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, 2024

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 1st and are recognized as revenue January 1st 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 1st and are due in two installments without penalty, 50% on January 10th and 50% on May 31st. Penalties are imposed thereafter at the rate of 1% per month on delinquent taxes until May 31st, 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, 2024

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 other postemployment benefits is reflected in the government-wide statements as current and long term-liabilities. The current year changes in the liability are based upon the most recent actuarial report.

3. COMPENSATED ABSENCES

The liability for compensated absences represents the sick time and salary related payments which have been earned for service previously rendered by employees in accordance with the Town's collective bargaining agreements, accumulates, is allowed to be carried over to subsequent year(s) and is deemed more likely than not (by management) to be used for time off or otherwise paid/settled in the future. The liability is calculated based on each employees' rate of pay and the number of unused leave days accumulated as of year-end, management's assumption that the likelihood of future use (either by use during employment or settlement/payment upon separation from service) is probable, and the salary related payments are directly and incrementally associated with payments for the leave. The Town utilized historical data of past usage patterns to estimate the expected usage and payment of compensated absences. The liability for compensated absences is reflected in the government-wide financial statements as current and long-term liabilities. In the fund financial statements, only the compensated absences liability that has matured through employee resignation or retirement and is expected to be payable from expendable available financial resources is reported. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 101, "*Compensated Absences*".

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 31st.

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.

TOWN OF BABYLON

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. LENGTH OF SERVICE AWARD PROGRAMS PLAN LIABILITIES (continued)

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.

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 confirm 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 implemented the provisions of GASB Statement No. 101 "*Compensated Absences*", for the year ended December 31, 2024. The Town recognizes as part of the compensated absences liability an estimated amount of unused leave earned as of year-end that will be used by employees as time off in future years. The implementation of this Statement was not material to the Town. As a result, the Town reported a cumulative effect of change in accounting principal to the January 1, 2024 net position of (\$396,335) and is included in the Statement of Net Position as follows:

	<u>Government-Wide</u>	
Net Position as previously reported at January 1, 2024	\$	51,466,538
Cumulative Effect of Change in Accounting Principle		<u>(396,335)</u>
Net Position as restated at January 1, 2024	\$	<u>51,070,203</u>

TOWN OF BABYLON

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 1st.
- b) On or before September 30th (October 30th 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 20th, 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 2024, the Town exceeded the 2% property tax cap with proper authority by the governing body.

TOWN OF BABYLON

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (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
Fund Balances:								
Nonspendable:								
Property held of resale	\$ 7,237,317							\$ 7,237,317
Prepaid items	826,250	\$ 74,724	\$ 17,513	\$ 178,623		\$ 370,924	\$ 205,251	1,673,285
Inventory	423,181			555,714			126,934	1,105,829
Leases	1,343,166							1,343,166
Total Nonspendable	9,829,914	74,724	17,513	734,337	\$ -0-	370,924	332,185	11,359,597
Restricted for:								
Debt service	2,341,619			32,734				2,374,353
Property held of resale	5,606,876							5,606,876
Capital projects					3,572,563			3,572,563
Solid Waste management reserve			10,581,231					10,581,231
Purchases on order or contractual obligations					16,817,906			16,817,906
Grantors and donors restrictions							5,528,229	5,528,229
Length of service award program investments to be used for benefits						1,578,176		1,578,176
Guaranteed assistance contract							324,970	324,970
Total Restricted	7,948,495	-0-	10,581,231	32,734	20,390,469	1,578,176	5,853,199	46,384,304
Assigned to:								
Subsequent year's budget	271,933	211,506	674,241	2,321,333				3,479,013
Capital projects					10,538,641			10,538,641
Purchases on order or contractual obligations	134,847	386,793	190,264	20,032	4,577,618		47,824	5,357,378
Special revenue funds		13,887,935	22,679,678	24,934,685		3,294,453	8,469,237	73,265,988
Total Assigned	406,780	14,486,234	23,544,183	27,276,050	15,116,259	3,294,453	8,517,061	92,641,020
Unassigned								
Total Unassigned	58,363,023	-0-	-0-	-0-	-0-	-0-	-0-	58,363,023
Total Fund Balances	\$ 76,548,212	\$ 14,560,958	\$ 34,142,927	\$ 28,043,121	\$ 35,506,728	\$ 5,243,553	\$ 14,702,445	\$ 208,747,944

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, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

A. CASH AND CASH EQUIVALENTS (continued)

At December 31, 2024 the Town's cash book balance was \$281,552,994. This amount is inclusive of Custodial fund deposits of \$39,927,828, cash with fiscal agent of \$241,130 and restricted cash of \$11,134,011 exclusive of petty cash of \$6,530 and blended component unit cash of \$3,412,141. This also excludes the LOSAP's cash balance. The Town's available bank balance was \$281,122,501 excluding the blended component units. Of the Town's available bank balance, \$2,267,533 was covered by Federal deposit insurance, and \$278,854,968 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 \$3,249,706, of which \$756,022 was covered by Federal deposit insurance and \$2,326,200 was covered by collateral held by the blended component unit's agent, a third-party financial institution. The remaining balance of \$167,484 was under collateralized.

At December 31, 2024 the Town's discretely presented component unit's bank balance was \$4,029,926. Of this balance, \$750,000 was covered by Federal deposit insurance and \$3,279,926 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, 2024, 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, 2024

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, 2024, 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	\$ 367,686	\$ 1,030,343
Highway Fund	329,914	
Capital Projects Fund	1,030,343	329,914
Non-major Funds		367,686
Total	\$ 1,727,943	\$ 1,727,943

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		\$ 35,624	\$ 35,624
Capital Projects Fund	\$ 5,768,310		5,768,310
Total	\$ 5,768,310	\$ 35,624	\$ 5,803,934

(THIS SECTION INTENTIONALLY LEFT BLANK)

TOWN OF BABYLON

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

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 (11) 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 \$405,134 annually. Under the terms of these agreements, the leases will expire between December 2026 and April 2052 and agreements have options to renew. At December 31, 2024, the value of the lease receivable is \$5,904,443, which has been discounted to present value using an interest factor of rates ranging from 0.6357% to 3.3100%. The Town recognized lease revenue of \$470,481 pertaining to these leases during 2024. At December 31, 2024, the Town has accrued interest receivable of \$12,164, which is included in accrued interest receivable on the statement of net position.

The Town has executed numerous (224) 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 \$865,942 annually. Under the terms of these agreements, the leases expire at various dates between June 2025 and December 2065 and agreements have options to renew. At December 31, 2024, the value of the lease receivable is \$69,829,321, which has been discounted to present value using an interest factor of rates ranging from 0.2695% to 2.7660%. The Town recognized lease revenue of \$1,985,581 pertaining to these leases during 2024. At December 31, 2024, the Town has accrued interest receivable of \$955,518, 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, 2024 excluding interest are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total Payments
2025	\$ 1,254,949	\$ 1,187,775	\$ 2,442,724
2026	1,402,551	1,170,676	2,573,227
2027	1,370,836	1,150,957	2,521,793
2028	1,383,098	1,131,167	2,514,265
2029	1,411,549	1,110,950	2,522,499
2030 - 2034	7,381,706	5,231,533	12,613,239
2035 - 2039	7,376,724	4,652,827	12,029,551
2040 - 2044	8,226,656	4,030,610	12,257,266
2045 - 2049	10,035,134	3,281,224	13,316,358
2050 - 2054	9,672,113	2,474,163	12,146,276
2055 - 2059	10,805,761	1,698,439	12,504,200
2060 - 2064	12,710,138	808,062	13,518,200
2065 - 2066	2,702,549	41,647	2,744,196
	<u>\$ 75,733,764</u>	<u>\$ 27,970,030</u>	<u>\$ 103,703,794</u>

TOWN OF BABYLON

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

D. CAPITAL ASSETS

Capital assets activity for the governmental activities for the year ended December 31, 2024 is as follows:

	Balance 1/1/24	Increases	(Decreases) Reclassifications	Balance 12/31/24
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ 27,211,933			\$ 27,211,933
Construction in progress	34,454,641	\$ 8,609,670	\$ (14,026,334)	29,037,977
Total capital assets not being depreciated	61,666,574	8,609,670	(14,026,334)	56,249,910
Depreciable/amortizable capital assets:				
Building and improvements	159,667,383	13,214,877	(2,817,040)	170,065,220
Machinery and equipment	48,374,628	2,315,018	(258,949)	50,430,697
Infrastructure	528,749,681	11,278,742		540,028,423
Right-to-use lease assets - vehicles	702,604	77,616		780,220
Right-to-use lease assets - equipment	477,036	136,443	(322,691)	290,788
Right-to-use lease assets - building	40,605,371			40,605,371
Right-to-use subscription assets	950,591			950,591
Total depreciable/amortizable capital assets	779,527,294	27,022,696	(3,398,680)	803,151,310
Less: accumulated depreciation/amortization				
Buildings and improvements	71,579,485	5,270,549	(1,357,893)	75,492,141
Machinery and equipment	34,564,406	2,623,249	(167,494)	37,020,161
Infrastructure	388,582,036	9,166,636		397,748,672
Right-to-use lease assets - vehicles	191,546	149,955		341,501
Right-to-use lease assets - equipment	258,483	101,563	(248,642)	111,404
Right-to-use lease assets - building	1,279,075	849,193		2,128,268
Right-to-use subscription assets	185,459	253,679		439,138
Total accumulated depreciation/amortization	\$ 496,640,490	\$ 18,414,824	\$ (1,774,029)	513,281,285
Total net depreciable/amortizable capital assets				289,870,025
Total net capital assets				\$ 346,119,935

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

General government support	\$ 1,688,407
Public safety	460,906
Health	100,701
Transportation	9,289,475
Culture and recreation	4,791,738
Home and community services	2,083,597
Total depreciation/amortization expense - governmental activities	\$ 18,414,824

TOWN OF BABYLON

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

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, 2024 is as follows:

	Balance 1/1/24	Increases	(Decreases) Reclassifications	Balance 12/31/24
<u>Business-type activities:</u>				
Capital assets not being depreciated:				
Land	\$ 194,964			\$ 194,964
Total capital assets not being depreciated	194,964	\$ -0-	\$ -0-	194,964
Depreciable capital assets:				
Building and improvements	1,306,327			1,306,327
Machinery and equipment	351,670	7,258		358,928
Infrastructure	6,859,993			6,859,993
Right-to-use asset - leased office space		131,174		131,174
Total depreciable capital assets	8,517,990	138,432	-0-	8,656,422
Less: accumulated depreciation				
Buildings and improvements	1,012,231	17,910		1,030,141
Machinery and equipment	351,670	1,210		352,880
Infrastructure	2,347,336	134,064		2,481,400
Right-to-use asset - leased office space		13,664		13,664
Total accumulated depreciation	\$ 3,711,237	\$ 166,848	\$ -0-	3,878,085
Total net depreciable capital assets				4,778,337
Total net capital assets				\$ 4,973,301

Depreciation expense in the amount of \$166,848 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, 2024 is as follows:

	Balance 1/1/24	Increases	Decreases	Balance 12/31/24
<u>Discretely Presented Non-major Component Unit- Babylon IDA:</u>				
Depreciable/amortizable capital assets:				
Right-to-use asset - leased office space	\$ 398,986			\$ 398,986
Leasehold improvements	50,037			50,037
Machinery and equipment	24,800			24,800
Total depreciable/amortizable capital assets	473,823	\$ -0-	\$ -0-	473,823
Less: accumulated depreciation/amortization				
Right-to-use asset - leased office space	132,996	44,332		177,328
Leasehold improvements	43,054	6,981		50,035
Machinery and equipment	11,026	4,661		15,687
Total accumulated depreciation/amortization	\$ 187,076	\$ 55,974	\$ -0-	243,050
Total net capital assets				\$ 230,773

TOWN OF BABYLON

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

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, 2024, 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 rebuilt) 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, 2024, the Town issued \$29,159,972 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.

F. LONG-TERM DEBT

Guaranteed Assistance Contract Loan

The Town's guaranteed assistance contract loan payable at December 31, 2024 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, 2024, the Town received the full amount of the commitment, plus interest earnings in the aggregate amount of \$4,127,965, and spent \$3,802,996 of the loan proceeds. The remaining amount of \$324,969, 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.

(THIS SECTION INTENTIONALLY LEFT BLANK)

TOWN OF BABYLON

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

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
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	230,000	29,992	259,992
2030-2032	690,000	45,563	735,563
Total	<u>\$ 1,881,000</u>	<u>\$ 264,811</u>	<u>\$ 2,145,811</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%. As of December 31, 2024, this balance has been paid in full. The Town exercised its 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.

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, 2024, the total of the revenue bonds outstanding for the Town of Babylon Local Development Corporation was \$71,742,629.

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 \$244,508,350.

(THIS SECTION INTENTIONALLY LEFT BLANK)

TOWN OF BABYLON

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

F. LONG-TERM DEBT (continued)

General Obligation Bonds Payable (continued)

General obligation bonds payable at December 31, 2024 are comprised of the following individual issues:

<u>Purpose</u>	<u>Year of Issue</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount Outstanding at December 31, 2024</u>
NYS EFC - Wyandanch Sewer	2013	\$ 4,100,000	May 2043	0.26-4.76 %	\$ 8,870,000
Public Improvements	2013	26,010,000	September 2028	2.00-4.25	7,320,000
Public Improvements	2013	8,500,000	September 2032	4.00-5.25	3,990,000
Public Improvements	2014	12,570,000	August 2029	2.00-3.00	5,100,000
Public Improvements	2014	4,740,000	August 2029	2.00-3.00	1,835,000
Public Improvements	2015	13,640,000	July 2040	3.00-4.75	9,410,000
Public Improvements	2015	5,430,000	July 2029	3.00	2,370,000
Public Improvements	2016	14,200,000	June 2034	2.00-3.00	8,640,000
Public Improvements	2016	17,100,000	June 2036	2.00-3.00	11,675,000
Various Purposes	2017	17,775,000	December 2035	2.25-3.00	11,640,000
Various Purposes	2018	14,508,350	November 2032	5.00	8,940,000
Various Purposes	2019	13,305,000	October 2034	1.375-5.000	9,790,000
Various Purposes	2020	16,730,000	August 2035	1.375-4.000	13,070,000
Public Improvements	2021	14,385,000	March 2040	2.000-5.000	12,940,000
Public Improvements - Refunding	2021	16,290,000	April 2029	5.000	8,600,000
Public Improvements	2022	20,230,000	December 2043	4.00-5.00	19,000,000
Public Improvements	2023	13,545,000	December 2038	5.00	12,885,000
Public Improvements	2024	11,450,000	December 2039	4.00-5.00	11,450,000
					<u>\$ 167,525,000</u>

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

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
2025	\$ 14,805,000	\$ 5,769,552	\$ 20,574,552
2026	15,290,000	5,198,204	20,488,204
2027	14,990,000	4,596,419	19,586,419
2028	15,480,000	4,001,944	19,481,944
2029	14,385,000	3,393,770	17,778,770
2030-2034	54,265,000	10,915,899	65,180,899
2035-2039	29,375,000	3,991,390	33,366,390
2040-2043	8,935,000	600,129	9,535,129
Total	<u>\$ 167,525,000</u>	<u>\$ 38,467,307</u>	<u>\$ 205,992,307</u>

There were no outstanding bonds payable for the business-type activities or the discretely presented non-major component unit as of December 31, 2024.

(THIS SECTION INTENTIONALLY LEFT BLANK)

TOWN OF BABYLON

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

F. LONG-TERM DEBT (continued)

Lease Payable

Leases payable as of December 31, 2024 are comprised of the following individual agreements:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at December 31, 2024
Governmental Activities:					
Vehicles	2022-2024	\$ 535,558	March 2027 - April 2029	0.6357% - 3.4510%	\$ 444,134
Equipment	2022-2024	316,658	March 2025 - July 2027	0.3957% - 3.5910%	177,686
Building	2022-2024	40,791,016	February 2033 - June 2071	2.5667% - 2.6730%	40,791,016
					<u>\$ 41,412,836</u>
Business-Type Activities:					
Building	2024	131,175	October 2026	8.0000%	118,782
					<u>\$ 118,782</u>

Interest expenditures/expense of \$1,049,876 were recorded in the fund financial statements in the general fund, \$11,006 in the Part Town Fund, and \$1,149,036 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,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total Payments	Principal	Interest	Total Payments
2025	\$ 157,475	\$ 1,060,516	\$ 1,217,991	\$ 63,339	\$ 7,221	\$ 70,560
2026	135,466	1,057,214	1,192,680	55,443	1,964	57,407
2027	93,658	1,054,496	1,148,154			-0-
2028	56,648	1,052,492	1,109,140			-0-
2029	31,686	1,051,248	1,082,934			-0-
2030 - 2034	410,301	5,236,385	5,646,686			-0-
2035 - 2039	1,071,725	5,146,164	6,217,889			-0-
2040 - 2044	2,012,103	4,951,932	6,964,035			-0-
2045 - 2049	3,176,357	4,623,362	7,799,719			-0-
2050 - 2054	4,606,539	4,129,146	8,735,685			-0-
2055 - 2059	6,351,824	3,432,143	9,783,967			-0-
2060 - 2064	8,469,649	2,488,395	10,958,044			-0-
2065 - 2069	11,027,027	1,245,982	12,273,009			-0-
2070 - 2071	3,812,378	77,935	3,890,313			-0-
	<u>\$ 41,412,836</u>	<u>\$ 36,607,410</u>	<u>\$ 78,020,246</u>	<u>\$ 118,782</u>	<u>\$ 9,185</u>	<u>\$ 127,967</u>

Subscription Liability

Subscription payable at December 31, 2024 are comprised of the following individual arrangements:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at December 31, 2024
Subscriptions	2023	\$ 950,591	October 2025 - November 2027	2.530% - 3.774%	\$ 448,516
					<u>\$ 448,516</u>

Interest expenditures/ expense of \$12,707 were recorded in the fund financial statements in the general fund, \$7,499 in the Commercial Garbage Fund, and \$26,845 in the Town's government wide financial statements.

TOWN OF BABYLON

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

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
2025	\$ 230,719	\$ 12,979	\$ 243,698
2026	106,318	7,182	113,500
2027	111,479	3,681	115,160
Total	\$ 448,516	\$ 23,842	\$ 472,358

Changes in Long-term Liabilities

Long-term liability activity for the primary government for the year ended December 31, 2024 is as follows:

	Balance 1/1/24	Issued/ Additions	Maturities/ Reductions	Other Net Increase or (Decrease)	Balance 12/31/24	Liabilities Due Within One Year	Non-Current Liabilities
Governmental activities:							
General obligation bonds	\$ 169,915,000	\$ 11,450,000	\$ 13,840,000		\$ 167,525,000	\$ 14,805,000	\$ 152,720,000
Plus: premiums on issuance	9,147,261	865,650	937,777		9,075,134	990,678	8,084,456
General obligation bonds, net	179,062,261	12,315,650	14,777,777		176,600,134	15,795,678	160,804,456
Financed purchase obligation	282,883		282,883		-		-
Lease payable	41,437,505	214,055	165,803	\$ (72,921)	41,412,836	157,475	41,255,361
Subscription liability	692,792		244,276		448,516	230,719	217,797
Guaranteed assistance contract loans payable	2,109,000		228,000		1,881,000	238,000	1,643,000
Compensated absences	5,577,183 *	3,955,368	3,988,840		5,543,711	3,965,000	1,578,711
Claims and judgments payable	12,329,824	2,090,000	1,624,085	2,161,151	14,956,890	1,083,729	13,873,161
Estimated liability for landfill closure and postclosure care costs	37,730,305		679,250	327,934	37,378,989	3,118,694	34,260,295
Net employees' retirement system pension liability - proportionate share	20,511,521	7,500,004	4,285,776	(8,483,378)	15,242,371		15,242,371
Total other postemployment benefits liability	163,807,438	20,642,941	25,471,086	(10,220,161)	148,759,132	7,161,159	141,597,973
Net length of service award programs plan liabilities	8,137,587	1,539,652	3,591,584	1,718,879	7,804,534	1,306,244	6,498,290
Length of service award programs total plan liabilities	1,763,061	118,934	71,115	(32,544)	1,778,336		1,778,336
Total Governmental Activities	473,441,360	48,376,604	55,410,475	(14,601,040)	451,806,449	33,056,698	418,749,751
Business-type activities:							
Lease payable	-	131,175	12,393		118,782	63,339	55,443
Total other postemployment benefits liability	1,258,698		133,465		1,125,233	93,605	1,031,628
Total Business-Type Activities	1,258,698	131,175	145,858	-	1,244,015	156,944	1,087,071
Total Primary Government	\$ 474,700,058	\$ 48,507,779	\$ 55,556,333	\$ (14,601,040)	\$ 453,050,464	\$ 33,213,642	\$ 419,836,822

*The beginning compensated absences liability was restated due to the adoption of GASB Statement No. 101, "Compensated Absences". The opening balance was increased by \$396,335.

TOWN OF BABYLON

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

F. LONG-TERM DEBT (continued)

Changes in Long-term Liabilities (continued)

Long-term liability activity for the discretely presented non-major component unit for the year ended December 31, 2024 is as follows:

	Balance 1/1/24	Issued/ Additions	Maturities/ Reductions	Adjustments	Balance 12/31/24	Liabilities Due Within One Year	Non-Current Liabilities
Discretely presented non-major component unit - Babylon IDA:							
Compensated absences	\$ 32,105 *	\$ 2,351			\$ 34,456	\$ 34,456	\$ -0-
Total other postemployment benefits liability	671,439	84,668	\$ 118,142		637,965	15,213	622,752
Lease liability	280,937		43,108		237,829	44,532	193,297
Net employees' retirement system pension liability - proportionate share	245,795	73,853	139,775		179,873		179,873
Total Discretely Presented Non-major Component Unit	<u>\$ 1,230,276</u>	<u>\$ 160,872</u>	<u>\$ 301,025</u>	<u>\$ -0-</u>	<u>\$ 1,090,123</u>	<u>\$ 94,201</u>	<u>\$ 995,922</u>

*The beginning compensated absences liability was restated due to the adoption of GASB Statement No. 101, "Compensated Absences". The opening balance was increased by \$32,105.

Other Long-Term Debt

The liabilities for leases and subscriptions, guaranteed assistance contracts, 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, 2024

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.

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

TOWN OF BABYLON

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

G. RETIREMENT SYSTEM (continued)

Benefits Provided (continued)

Tier 6 (continued)

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. Subsequent to the measurement date, the plan was amended which changed the definition of the final average earnings to be based on the average of the members three highest consecutive years of earning. The plan amendment also excludes certain earned overtime pay between April 1, 2022 and March 31, 2024 from the Tier 6 contribution rates. The amendment is effective for those members who retire on or after April 1, 2024.

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, 2024

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, 2024 are as follows:

<u>Tier/Plan</u>	<u>Rate</u>
2 751	18.00%
3 A14	14.80%
4 A15	14.80%
5 A15	12.80%
6 A15	9.40%

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 & Miscellaneous Adjustments</u>	<u>Amortization Payments</u>	<u>Prepayment Discount</u>	<u>Total Payment</u>
2024	\$ 4,986,397	\$ (226,201)	\$ -0-	\$ (35,609)	\$ 4,724,587
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

Contributions recognized by the System for the period January 1, 2024 to December 31, 2024 totaled \$4,841,092.

The Agency is require to contribute at an actuarially determined rate. During the year ended December 31, 2024, the Agency paid \$70,741 to the System for its regular pension contribution based on the Plan year end of March 31st.

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

At December 31, 2024, the Town and Agency reported a liability of \$15,242,371 and \$179,873, respectively for its proportionate share of the net pension liability for the System. The net pension liability was measured as of March 31, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2023. The Town and Agency's proportion of the net pension liability was based on 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, 2024:

	<u>Net System Pension Liability</u>	<u>Allocation of the System's Total Net Pension Liability</u>	<u>Change in allocation of the System's Total Net Pension Liability since Prior Measurement Date</u>
Town	\$ 15,242,371	0.1035203%	0.0078689%
Agency	179,873	0.0012216%	0.0000754%

There was no significant change in the Town and Agency's proportion from March 31, 2023 to March 31, 2024.

TOWN OF BABYLON

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

G. RETIREMENT SYSTEM (continued)

For the year ended December 31, 2024, the Town and Agency recognized pension expense of \$7,497,043 and \$73,853, respectively. At December 31, 2024, 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	\$ 4,909,556	\$ 57,937
Changes of assumptions	5,762,798	68,006
Changes in proportion and differences between the employer contributions and proportionate share of contributions	1,782,816	50,722
Employer's contribution subsequent to the measurement date	3,543,440	70,742
Total Deferred Outflow - Pension System	\$ 15,998,610	\$ 247,407

At December 31, 2024 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	\$ 415,620	\$ 4,905
Net difference between projected and actual investment earnings on pension plan investment	7,445,817	87,867
Changes in proportion and differences between the employer contributions and proportionate share of contributions		31,198
Total Deferred Inflow - Pension System	\$ 7,861,437	\$ 123,970

Contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. 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, 2025	\$ (2,068,841)	\$ (41,833)
2026	3,442,106	46,230
2027	4,665,707	59,745
2028	(1,445,239)	(11,447)
	\$ 4,593,733	\$ 52,695

(THIS SECTION INTENTIONALLY LEFT BLANK)

TOWN OF BABYLON

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

G. RETIREMENT SYSTEM (continued)

Actuarial Assumptions

The total pension asset as of the measurement date of March 31, 2024 was determined by using an actuarial valuation as of April 1, 2023, 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, 2024
Actuarial valuation date	April 1, 2023
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.

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2024 are summarized below:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Equity:		
Domestic equity	32.0%	4.00%
International equity	15.0%	6.65%
Private equity	10.0%	7.25%
Alternatives:		
Real estate	9.0%	4.60%
Opportunistic/Absolute Return Strategy	3.0%	5.25%
Credit	4.0%	5.40%
Real assets	3.0%	5.79%
Fixed income	23.0%	1.50%
Cash	1.0%	0.25%
	100.0%	

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

TOWN OF BABYLON

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

G. RETIREMENT SYSTEM (continued)

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)	\$ 47,923,573	\$ 15,242,371	\$ (12,053,212)
Agency's proportionate share of the net System pension liability/(asset)	\$ 565,541	\$ 179,873	\$ (142,239)

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, 2023 were as follows (in thousands):

	(Dollars in Thousands)
	NYSERS
Valuation date	April 1, 2024
Employers' total pension liability	\$ 240,696,851
Plan Fiduciary Net Position	(225,972,801)
Employers' net pension liability	\$ 14,724,050
Ratio of plan fiduciary net position to the Employers' total pension liability	93.88%

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.

TOWN OF BABYLON

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

H. OTHER POSTEMPLOYMENT BENEFITS (continued)

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.

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, 2024 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.

TOWN OF BABYLON

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

H. OTHER POSTEMPLOYMENT BENEFITS (continued)

Total OPEB Liability

The Town's total OPEB liability of \$150,522,330, which includes the component unit ("Agency") OPEB liability of \$637,965, was measured as of December 31, 2024, 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.

The total OPEB liability was calculated using the entry age normal actuarial cost method. The discount rate used in valuing the OPEB liability was 4.08% as of December 31, 2024, 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.

(THIS SECTION INTENTIONALLY LEFT BLANK)

TOWN OF BABYLON

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

H. OTHER POSTEMPLOYMENT BENEFITS (continued)

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	\$ 165,066,136	\$ 671,439
Changes for the Year:		
Service Cost	5,029,933	61,026
Interest	5,432,427	23,642
Changes in Benefit Terms		
Changes of Assumptions and Other Inputs	(18,673,758)	(103,525)
Benefit Payments	(6,970,373)	(14,617)
Net Changes	(15,181,771)	(33,474)
Other Postemployment Liability at the End of Year	\$ 149,884,365	\$ 637,965

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 (3.08%) or 1-percentage-point higher (5.08%) than the current discount rate:

	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
Town	\$ 173,139,572	\$ 149,884,365	\$ 131,202,098
Agency	\$ 767,161	\$ 637,965	\$ 536,419

Sensitivity of the Total OPEB 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, 2024 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	\$ 127,508,607	\$ 149,884,365	\$ 178,483,046
Agency	\$ 509,041	\$ 637,965	\$ 814,000

TOWN OF BABYLON

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

H. OTHER POSTEMPLOYMENT BENEFITS (continued)

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

For the year ended December 31, 2024, the Town recognized an OPEB expense of \$2,071,866, which includes the component unit OPEB expense of \$63,103.

At December 31, 2024, 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	\$ 6,142,952	\$ 6,193
Changes of assumptions or other inputs	5,322,431	231,908
Total Deferred Outflows - OPEB	\$ 11,465,383	\$ 238,101

At December 31, 2024, 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	\$ 15,003,185	\$ 144,957
Changes of assumptions or other inputs	41,074,761	273,256
Total Deferred Inflows - OPEB	\$ 56,077,946	\$ 418,213

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, 2025	\$ (11,133,036)	\$ (21,565)
2026	(12,869,126)	(21,565)
2027	(12,546,327)	(21,565)
2028	(5,335,755)	(21,565)
2029	(2,728,319)	(16,886)
Thereafter	-0-	(76,966)
	\$ (44,612,563)	\$ (180,112)

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.

TOWN OF BABYLON

NOTES TO FINANCIAL STATEMENTS December 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

I. LENGTH OF SERVICE AWARD PROGRAMS

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 2001 in East Farmingdale and North Amityville and 2015 in North Lindenhurst and North Babylon) or the age after the first year of service credit.

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.

TOWN OF BABYLON

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

I. LENGTH OF SERVICE AWARD PROGRAMS (continued)

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

Ambulance Plan (continued):

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). Effective January 1, 2025, the number of years of firefighting service used to compute the benefit increased to fifty years. 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, 2024

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 31st, 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, 2024

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, 2024, 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	12/31/2024	12/31/2024	12/31/2024	12/31/2024	12/31/2024
Amount of contribution recommended by actuary*:					
Minimum	\$ 396,653	\$ 77,470	\$ 540,471	\$ 291,650	\$ 73,693
Maximum	\$ 396,653	\$ 77,470	\$ 540,471	\$ 291,650	\$ 73,693
Actual contribution	\$ 396,653	\$ 77,470	\$ 540,471	\$ 291,650	\$ 73,693

*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, 2024:

	Firefighter Plans				
	East Farmingdale	North Amityville	North Babylon	North Lindenhurst	Wyandanch
Administration Fees:					
Paid to Plan Administrator by:					
Sponsor	\$ 12,964	\$ 8,751	\$ 14,211	\$ 11,229	\$ 8,355
Plan	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Paid to Trustee	\$ 21,649	\$ 7,811	\$ 22,924	\$ 14,547	\$ 4,413

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, 2024, the Town contributed \$7,680, of which \$1,448 was participant account forfeitures into the Ambulance Plan.

TOWN OF BABYLON

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

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	12/31/2024	12/31/2024	12/31/2024	12/31/2024	12/31/2024
Inactive participants (or beneficiaries) currently receiving benefit payments	80	28	80	55	15
Inactive participants entitled to but not yet receiving benefits	78	27	137	68	18
Active participants	74	34	131	90	55
Total	232	89	348	213	88

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	12/31/2024	12/31/2024	12/31/2024	12/31/2024	12/31/2024
Actuarial valuation date	1/1/2025	1/1/2025	1/1/2025	1/1/2025	1/1/2025
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%	4.28%
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, 2024

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 5.08% to 6.11%. 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 4.28%. 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, 2024. 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	\$ 3,433,667	\$ 2,383,337	\$ 1,515,142
North Amityville			
Discount Rate	4.25%	5.25%	6.25%
Net Pension Liability	\$ 625,341	\$ 324,833	\$ 77,295
North Babylon			
Discount Rate	4.25%	5.25%	6.25%
Net Pension Liability	\$ 4,768,658	\$ 3,405,715	\$ 2,290,051
North Lindenhurst			
Discount Rate	4.25%	5.25%	6.25%
Net Pension Liability	\$ 2,432,244	\$ 1,690,649	\$ 1,077,874
Wyandanch			
Discount Rate	3.28%	4.28%	5.28%
Total Pension Liability	\$ 1,579,822	\$ 1,319,670	\$ 1,113,423

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, 2024

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, 2024 were as follows:

	Firefighter Plans				
	East Farmingdale	North Amityville	North Babylon	North Lindenhurst	Wyandanch
Cash and cash equivalents	\$ 404,238	\$ 170,056	\$ 539,475	\$ 286,338	\$ 23,661
Equities	2,051,161	767,115	2,391,112	1,421,101	459,326
Fixed income	2,723,939	905,523	2,678,775	1,792,341	574,790
Other assets	283,913	106,204	330,951	196,677	61,734
Total Firefighter Plan assets	<u>\$ 5,463,251</u>	<u>\$ 1,948,898</u>	<u>\$ 5,940,313</u>	<u>\$ 3,696,457</u>	<u>\$ 1,119,511</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, 2024 is \$458,665. 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, 2024

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, 2024 is as follows:

	Firefighter Plans				
	East Farmingdale	North Amityville	North Babylon	North Lindenhurst	Wyandanch
Total LOSAP Plan Liabilities					
Service cost	\$ 78,772	\$ 26,187	\$ 111,563	\$ 73,251	\$ 63,669
Interest	395,665	119,124	468,722	266,368	55,265
Change in benefit terms	62,130	337	51,719	58,078	3,804
Differences between expected and actual experience	49,392	(16,789)	45,934	86,711	(15,879)
Benefit payments, including refunds of member contributions	(472,980)	(222,076)	(408,322)	(268,709)	(77,347)
Changes of assumptions or other inputs					(66,470)
Net change in total LOSAP plan liability	112,979	(93,217)	269,616	215,699	(36,958)
Total LOSAP plan liability - beginning of year (a)	7,733,609	2,366,948	9,076,412	5,171,407	1,356,628
Total LOSAP plan liability - end of year (c)	7,846,588	2,273,731	9,346,028	5,387,106	1,319,670
LOSAP - Pension Trust Fund Net Position / Plan Assets					
Contributions - employer	381,310	73,215	538,517	278,976	75,601
Investment income	319,556	89,371	338,999	199,553	75,384
Benefit payments, including refunds of member contributions	(475,740)	(223,433)	(411,271)	(270,923)	(78,326)
Net change in LOSAP fiduciary net position / plan assets	225,126	(60,847)	466,245	207,606	72,659
Plan fiduciary net position - beginning of year (b)	5,238,125	2,009,745	5,474,068	3,488,851	N/A
Plan fiduciary net position - end of year (d)	5,463,251	1,948,898	5,940,313	3,696,457	N/A
LOSAP plan assets - beginning of year	N/A	N/A	N/A	N/A	1,046,852
LOSAP plan assets - end of year	N/A	N/A	N/A	N/A	\$ 1,119,511
Net LOSAP plan liability - beginning of year (a) - (b)	2,495,484	357,203	3,602,344	1,682,556	N/A
Net LOSAP plan liability - end of year (c) - (d)	\$ 2,383,337	\$ 324,833	\$ 3,405,715	\$ 1,690,649	N/A

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

For the year ended December 31, 2024, the Town recognized LOSAP pension expense of \$1,355,815, related to Town sponsored Firefighter Plans and a pension benefit of \$62,756 related to the Ambulance Plan. At December 31, 2024, 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
Deferred Outflows of Resources:					
Differences between expected and actual experience	\$ 230,078	\$ -0-	\$ 164,920	\$ 206,870	\$ 28,699
Differences due to return on assets	244,049	49,959	246,245	140,249	
Changes of assumptions or other inputs	529,938		87,559	268,143	365,958
Total Deferred Outflows of Resources - LOSAP	\$ 1,004,065	\$ 49,959	\$ 498,724	\$ 615,262	\$ 394,657

TOWN OF BABYLON

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

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, 2024, 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
Deferred Inflows of Resources:					
Differences between expected and actual experience	\$ 12,696	\$ 85,279	\$ 13,102	\$ 126,655	\$ 91,398
Differences due to return on assets	39,995		41,428	17,277	
Changes of assumptions or other inputs	1,142,841		306,795	487,368	648,692
Total Deferred Inflows of Resources - LOSAP	\$ 1,195,532	\$ 85,279	\$ 361,325	\$ 631,300	\$ 740,090

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 st				
2025	\$ 156,992	\$ (9,507)	\$ 93,089	\$ 71,555	\$ (24,514)
2026	103,001	(13,044)	28,240	61,945	(26,485)
2027	(63,133)	(10,629)	(2,303)	(17,290)	(26,485)
2028	(126,151)	(2,140)	(1,365)	(20,430)	(26,485)
2029	(185,007)		8,836	(43,683)	(26,485)
Thereafter	(77,169)		10,902	(68,135)	(214,979)
	\$ (191,467)	\$ (35,320)	\$ 137,399	\$ (16,038)	\$ (345,433)

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, 2024, the value of the accumulated vacation time and sick leave of the primary government was \$5,543,711.

TOWN OF BABYLON

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

K. COPIAGE 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 had disbursed \$164,000 of the funding including related fees of \$15,396 and the remaining funds of \$29,854 were disbursed in 2024.

The revenues and expenses related to the Copiague Facade Downtown grant program are reported as non-operating revenues and expenses and in the net position as restricted.

L. 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, 2024, the Corporation did not receive Affordable Housing Funds and received \$706,538 of Economic Development Funds. During the year ended December 31, 2024, the Corporation disbursed Affordable Housing Funds of \$505,010, and Economic Development Funds of \$690,973. 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.

During the year ended December 31, 2024, the Corporation made disbursements from these programs as follows; the BACCA program received income of \$-0-, and Economic Inclusion Program received \$429,500, and made disbursements of \$219,597. Amounts received and disbursed in 2024 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 prior years, the Corporation received American Rescue Plan Act (ARPA) funding from the Town of Babylon 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 ended December 31, 2024, the Corporation disbursed \$49,000. These funds have been reported as non-operating revenues and expenses in the Statement of Revenues, Expenses and Changes in Net Position.

TOWN OF BABYLON

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

L. COMMUNITY BENEFIT AGREEMENT (continued)

During the year ended December 31, 2024, the Corporation received \$200,000 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. For the year ended December 31, 2024, the Corporation disbursed \$148,942.

For the year ended December 31, 2024, the Corporation recorded \$231,967 as deferred revenue related to the wrestling program. This deferred revenue will be disbursed in 2025. 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 approved disbursements 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 were 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.

M. WYANDANCH ECONOMIC DEVELOPMENT FUND

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 consist 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 year ended December 31, 2024, the Corporation received \$300,000. These funds have been reported as non-operating revenues in the Statement of Revenues, Expenses and Changes in Net Position.

N. WYANDANCH HEALTH AND WELLNESS CENTER FUND

The Corporation entered into an agreement with the Town of Babylon (the Town) and received \$550,000 in 2024 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 year ended December 31, 2024, the Corporation disbursed \$243,895. These costs have been reported as non-operating expenses in the Statement of Revenues, Expenses and Changes in Net Position.

The Corporation entered into an agreement with the New York State Energy Research and Development Authority (NYSERDA), whereas NYSERDA reimbursed the Corporation \$251,400, which was received in 2024, for green energy efficiency work costs previously incurred associated with the Wyandanch health and wellness center project. The Corporation received an additional \$50,000 in reimbursements from NYSERDA in 2024. These reimbursements have been reported as non-operating revenue in the Statement of Revenues, Expenses and Changes in Net Position.

O. JUMPSMART GRANT

In 2024, the Corporation entered into an agreement with Suffolk County for a JumpSMART grant to provide funding for projects and programs that support small businesses, strengthen local arts and cultural organizations, promote tourism and enhance workforce development efforts, funded by ARPA funds, State and Local Recovery Funds. The Corporation was awarded \$200,000 to be provided by Suffolk County on a reimbursement basis and plans to use these funds towards the Economic Inclusion Plan. During 2024, the Corporation submitted \$100,000 in expenses to be reimbursed by Suffolk County and is included in amounts due from other governments. These costs have been reported as non-operating expenses in the Statement of Revenues, Expenses and Changes in Net Position.

TOWN OF BABYLON

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

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.

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, 2024, the Town's property tax revenues were reduced by \$6,377,602 and payments in lieu of taxes, including recapture payments, were collected in the amount of \$4,174,861 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, 2023, 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, 2024, the Town's property tax revenues were reduced by \$165,422 and payments in lieu of taxes were billed in the amount of \$105,591 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, 2023, the tax lien date.

TOWN OF BABYLON

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

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 \$14,231,928. The Town is of the opinion that the ultimate settlement of the outstanding claims will not result in a material adverse effect on the Town's financial position.

The Town 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	
	2024	2023	2024	2023
Beginning balances of claims liabilities at January 1 st	\$ 11,492,696	\$ 10,094,154	\$ 837,128	\$ 941,116
Claims incurred	2,090,000	2,155,000	-0-	-0-
Claims payments	2,076,219	(789,267)	84,932	(186,818)
Change to prior year estimates	(1,426,987)	32,809	(197,098)	82,830
Ending balance of claims liabilities at December 31 st	<u>\$ 14,231,928</u>	<u>\$ 11,492,696</u>	<u>\$ 724,962</u>	<u>\$ 837,128</u>

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 \$37,378,989 at December 31, 2024, 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 74.41% of the estimated capacity of the southern ash landfill.

TOWN OF BABYLON

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

4. COMMITMENTS AND CONTINGENCIES (continued)

C. LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS (continued)

The Town will recognize the remaining estimated cost of closure and postclosure care of \$8,015,284 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 2024 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 2026 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).

D. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS INCLUDING ENCUMBRANCES

The Town is committed to capital improvements to its various facilities and infrastructure. At December 31, 2024, these commitments, reported in the capital projects fund, amounted to \$21,395,524.

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, 2024, 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.

TOWN OF BABYLON

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

4. COMMITMENTS AND CONTINGENCIES (continued)

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 \$4,654,779 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, 2024, the Town reported a deferred inflow of resources in the amount of \$1,937,500 in the enterprise fund and government-wide financial statements.

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 \$51,705 of management fees to SCWA during the year ended December 31, 2024. 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.

TOWN OF BABYLON

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

5. FAIR VALUE MEASUREMENTS – LOSAP INVESTMENTS (continued)

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.

The following summarizes the Town’s LOSAP investments and categorization as of December 31, 2024:

	December 31, 2024	Level 1	Level 2	Level 3
Investments by fair value level:				
Cash and cash equivalents	\$ 1,423,768	\$ 1,423,768	\$ -0-	\$ -0-
Equities	7,089,815	7,089,815	-0-	-0-
Fixed income	8,675,368	-0-	8,675,368	-0-
Other assets	979,479	979,479	-0-	-0-
External investment pool	458,665	458,665	-0-	-0-
Total investments by fair value	<u>\$ 18,627,095</u>	<u>\$ 9,951,727</u>	<u>\$ 8,675,368</u>	<u>\$ -0-</u>

Of the \$18,627,095 of LOSAP investments, \$1,578,176 is reported in the statement of net position for governmental activities and \$17,048,919 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. 102, “*Certain Risk Disclosures*”, provides guidance on disclosures within government financial statements on risks related to a government’s vulnerabilities due to certain concentrations or constraints. A concentration is defined as a lack of diversity related to an aspect of a significant inflow or outflow of resource. A constraint is a limitation imposed on a government by an external party or by formal action of the government’s highest level of decision-making authority. Concentrations and constraints may limit a government’s ability to acquire resources or control spending.

Under this Statement, a government is required to assess whether an event or events associated with a concentration or constraint that could cause substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are being issued. The requirements of this Statement are effective for reporting periods 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.

TOWN OF BABYLON

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

7. NEW PRONOUNCEMENTS (continued)

GASB Statement No. 104, "*Disclosure of Certain Capital Assets*", has been issued to provide users of government financial statements with essential information about certain types of capital assets. 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>REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS</p>
--

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.

TOWN OF BABYLON

REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 52,718,737	\$ 52,718,737	\$ 52,718,737	\$ -0-
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes	1,100,000	1,100,000	1,769,367	669,367
Interest and penalties on real property taxes	450,000	450,000	791,084	341,084
Total Other Real Property Tax Items	<u>1,550,000</u>	<u>1,550,000</u>	<u>2,560,451</u>	<u>1,010,451</u>
NON-PROPERTY TAX ITEMS				
Franchise fees	3,100,000	3,100,000	2,876,392	(223,608)
Other non-property tax items	1,700,000	1,700,000	1,267,058	(432,942)
Tax on adult-use cannabis	-0-	2,550,517	3,507,927	957,410
Total Non-Property Tax Items	<u>4,800,000</u>	<u>7,350,517</u>	<u>7,651,377</u>	<u>300,860</u>
DEPARTMENTAL INCOME				
Town Clerk's fees	250,000	250,000	181,177	(68,823)
Public health fees	710,000	710,000	1,042,352	332,352
Public pound fees and dog control service	40,000	40,000	49,305	9,305
Wyandanch program fees	65,000	65,000	82,201	17,201
Parking permits	65,000	65,000	84,918	19,918
Park and recreation charges and fees	2,700,000	2,700,000	2,948,808	248,808
Civil service fees	2,500	2,500	6,960	4,460
Total Departmental Income	<u>3,832,500</u>	<u>3,832,500</u>	<u>4,395,721</u>	<u>563,221</u>
USE OF MONEY AND PROPERTY				
Interest and earnings	750,000	750,000	4,650,696	3,900,696
Rental of real property	4,700,000	4,700,000	4,901,525	201,525
Total Use of Money and Property	<u>5,450,000</u>	<u>5,450,000</u>	<u>9,552,221</u>	<u>4,102,221</u>
LICENSES AND PERMITS				
Bingo licenses	2,000	2,000	929	(1,071)
Dog licenses	10,000	10,000	9,327	(673)
Plumbing permits	50,000	50,000	46,715	(3,285)
Permits - other	50,000	50,000	67,060	17,060
Total Licenses and Permits	<u>112,000</u>	<u>112,000</u>	<u>124,031</u>	<u>12,031</u>
FINES AND FORFEITURES				
Fines and forfeited bail	800,000	800,000	997,379	197,379
Total Fines and Forfeitures	<u>800,000</u>	<u>800,000</u>	<u>997,379</u>	<u>197,379</u>
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Sale of scrap and excess materials	2,000	2,000	3,882	1,882
Sale of equipment	200,000	200,000	151,615	(48,385)
Insurance recoveries	5,000	5,000	5,596	596
Total Sale of Property and Compensation for Loss	<u>207,000</u>	<u>207,000</u>	<u>161,093</u>	<u>(45,907)</u>
INTERFUND REVENUE				
Interfund revenue	100,000	100,000	199,053	99,053
Total Interfund Revenue	<u>100,000</u>	<u>100,000</u>	<u>199,053</u>	<u>99,053</u>
MISCELLANEOUS LOCAL SOURCES				
Gifts and donations	60,000	64,875	52,586	(12,289)
Refunds of prior years' expenditures	15,000	15,000	25,623	10,623
Grants from local governments	10,000	10,000	351,339	341,339
Miscellaneous local sources	70,000	70,000	75,847	5,847
Narcotics guidance counsel - local aid	85,000	85,000	86,961	1,961
Youth project S.A.F.E - local aid	17,045	17,045	17,385	340
Youth programs - local aid	306,379	306,379	312,506	6,127
Residential repair - local aid	2,500	2,500	2,653	153
Wyandanch nutrition program - local aid	20,000	20,000	9,905	(10,095)
Other miscellaneous revenue	25,000	25,000	73,483	48,483
Total Miscellaneous Local Sources	<u>610,924</u>	<u>615,799</u>	<u>1,008,288</u>	<u>392,489</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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES (continued)				
STATE AID				
Mortgage tax	\$ 4,500,000	\$ 4,500,000	\$ 5,353,275	\$ 853,275
General government aid			868	868
Youth programs	160,000	160,000	143,595	(16,405)
Youth project S.A.F.E.	18,279	18,279	18,279	-
Narcotics guidance counsel	380,000	380,000	421,519	41,519
Therapeutic recreation and senior day training program	25,000	25,000	111,147	86,147
State grants - other	10,020	10,020	112,140	102,120
Total State Aid	<u>5,093,299</u>	<u>5,093,299</u>	<u>6,160,823</u>	<u>1,067,524</u>
FEDERAL AID				
General government aid		5,201,766	5,207,765	5,999
Residential repair	20,000	20,000	23,877	3,877
Wyandanch nutrition program	210,000	210,000	197,262	(12,738)
Emergency disaster assistance program			399	399
Total Federal Aid	<u>230,000</u>	<u>5,431,766</u>	<u>5,429,303</u>	<u>(2,463)</u>
Total Revenues	<u>75,504,460</u>	<u>83,261,618</u>	<u>90,958,477</u>	<u>7,696,859</u>
EXPENDITURES				
GENERAL GOVERNMENT SUPPORT				
Town Board	556,135	547,694	547,332	362
Municipal court	977,988	525,505	470,338	55,167
Traffic violations bureau	162,490	214,614	214,612	2
Town Supervisor	1,745,122	1,694,502	1,691,199	3,303
Comptroller	960,508	912,199	911,882	317
Auditor	218,000	218,000	205,000	13,000
Receiver of taxes	1,038,574	1,057,995	1,057,932	63
Purchasing	430,982	545,677	538,424	7,253
Assessor	1,845,256	1,845,132	1,750,582	94,550
Town Clerk	982,296	995,125	985,830	9,295
Town Attorney	3,222,786	3,374,278	3,374,274	4
Personnel	1,357,572	1,376,526	1,054,846	321,680
Engineering	430,050	369,179	369,129	50
Board of ethics	3,600	5,250	5,250	-
Records management	59,832	54,881	54,831	50
Public works administration	620,178	635,103	635,080	23
Buildings	5,299,033	4,546,355	4,532,884	13,471
Central garage and central fuel facility	1,681,868	1,533,542	1,526,009	7,533
Central printing and mailing	600,985	368,626	338,378	30,248
Central data processing	2,224,080	1,994,193	1,901,826	92,367
Unallocated insurance	1,200,000	2,320,933	2,320,933	-
Municipal association dues	2,000	2,000	1,950	50
Taxes and assessments on municipal property	2,000	2,748	2,748	-
Contingencies - contractual and other	500,407	500,407		500,407
Other general government support	60,000	60,000	33,719	26,281
Total General Government Support	<u>26,181,742</u>	<u>25,700,464</u>	<u>24,524,988</u>	<u>1,175,476</u>
PUBLIC SAFETY				
Communications	1,872,000	1,872,000	1,872,000	-
Harbor & water ways	470,068	609,942	606,977	2,965
Traffic control	810,394	656,948	515,492	141,456
Control of animals	1,775,243	1,860,728	1,859,100	1,628
Examining boards	54,500	54,919	54,919	-
Civil defense	10,000	10,077	10,077	-
Total Public Safety	<u>4,992,205</u>	<u>5,064,614</u>	<u>4,918,565</u>	<u>146,049</u>
HEALTH				
Narcotics addiction control	1,945,649	1,883,244	1,835,661	47,583
Therapeutic recreation program	218,062	218,468	218,468	-
Nutrition program	962,129	937,368	937,365	3
Youth Institute CCS	1,212,010	1,212,010	1,113,234	98,776
Other public health	968,288	982,785	945,125	37,660
Total Health	<u>5,306,138</u>	<u>5,233,875</u>	<u>5,049,853</u>	<u>184,022</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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
EXPENDITURES (continued)				
TRANSPORTATION				
Off-street parking	\$ 3,000	\$ 4,431	\$ 4,431	\$ -0-
ECONOMIC ASSISTANCE AND OPPORTUNITY				
Promotion of industry	93,000	93,715	93,715	-0-
Veterans' services	5,000	5,000	3,280	1,720
Programs for the aging	45,600	47,805	47,805	-0-
Other economic development		1,983,972	1,983,972	-0-
Total Economic Assistance and Opportunity	143,600	2,130,492	2,128,772	1,720
CULTURE AND RECREATION				
Council on the arts	30,000	30,000	30,000	-0-
Parks and recreation administration	1,304,643	1,409,468	1,282,745	126,723
Parks	6,711,938	6,790,167	6,357,893	432,274
Playground and recreation centers	789,825	657,656	632,776	24,880
Special recreation facilities	3,505,808	3,191,576	3,148,299	43,277
Youth programs	909,985	937,691	930,615	7,076
Town historian	104,569	104,285	103,691	594
Adult recreation	1,095,686	1,230,924	1,230,865	59
Total Culture and Recreation	14,452,454	14,351,767	13,716,884	634,883
HOME AND COMMUNITY SERVICES				
Environmental control	1,243,603	1,240,119	1,221,324	18,795
Other home and community services	450,000	301,435	281,671	19,764
Total Home and Community Services	1,693,603	1,541,554	1,502,995	38,559
EMPLOYEE BENEFITS				
Retirement system	3,358,234	2,861,932	2,861,932	-0-
Social security	2,270,243	2,270,243	2,229,741	40,502
Workers' compensation	416,776	416,776	371,114	45,662
Life insurance	22,500	22,500	20,511	1,989
Unemployment benefits	125,000	125,000	87,211	37,789
Disability benefits	35,000	35,000	31,007	3,993
Hospital, medical, vision and dental	9,753,681	9,735,342	9,350,499	384,843
Other employee benefits	573,200	554,287	554,078	209
Total Employee Benefits	16,554,634	16,021,080	15,506,093	514,987
DEBT SERVICE				
Principal	6,403,402	6,621,958	6,614,557	7,401
Interest	2,713,252	3,775,837	3,718,717	57,120
Bond issuance costs	50,000	30,539	29,880	659
Total Debt Service	9,166,654	10,428,334	10,363,154	65,180
Total Expenditures	78,494,030	80,476,611	77,715,735	2,760,876
Excess (Deficiency) of Revenues Over Expenditures	(2,989,570)	2,785,007	13,242,742	10,457,735
OTHER FINANCING SOURCES (USES)				
Premium on obligations	30,000	30,000	32,848	2,848
Operating transfers in			35,624	35,624
Operating transfers out		(5,768,310)	(5,768,310)	-0-
Total Other Financing Sources (Uses)	30,000	(5,738,310)	(5,699,838)	38,472
Net Change in Fund Balance	\$ (2,959,570)	\$ (2,953,303)	7,542,904	\$ 10,496,207
Fund Balance at Beginning of Year			69,005,308	
Fund Balance at End of Year			\$ 76,548,212	

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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
REAL PROPERTY TAXES				
Special assessments	\$ 24,803,085	\$ 24,803,085	\$ 24,803,085	\$ -0-
DEPARTMENTAL INCOME				
Refuse and garbage fees	3,211,522	3,211,522	3,263,456	51,934
Long Island Green Homes	950,000	950,000	649,459	(300,541)
Total Departmental Income	4,161,522	4,161,522	3,912,915	(248,607)
USE OF MONEY AND PROPERTY				
Interest earnings	500,000	500,000	1,097,947	597,947
Total Use of Money and Property	500,000	500,000	1,097,947	597,947
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous revenues			16,767	16,767
Total Miscellaneous Local Sources	-0-	-0-	16,767	16,767
STATE AID				
Home and community services aid		7,705	7,758	53
Total State Aid	-0-	7,705	7,758	53
FEDERAL AID				
Home and community services aid		250,000	7,372	(242,628)
Total Federal Aid	-0-	250,000	7,372	(242,628)
Total Revenues	29,464,607	29,722,312	29,845,844	123,532
EXPENDITURES				
HOME AND COMMUNITY SERVICES				
Refuse and garbage	26,347,042	26,028,016	24,786,805	1,241,211
Landfill closure/postclosure costs	150,000	35,743	35,743	-0-
Long Island Green Homes	1,000,000	1,703,747	1,453,747	250,000
Unallocated insurance	40,000	43,619	43,619	-0-
Total Home and Community Services	27,537,042	27,811,125	26,319,914	1,491,211
EMPLOYEE BENEFITS				
Retirement system	153,581	133,754	130,836	2,918
Social security	149,265	149,265	95,318	53,947
Workers' compensation	83,421	81,421	81,288	133
Life insurance	1,000	1,000	929	71
Unemployment benefits	1,000	3,000	2,241	759
Disability benefits	1,500	1,500	859	641
Hospital, medical, vision and dental	556,816	556,816	344,280	212,536
Union welfare benefits	39,849	39,849	28,450	11,399
Total Employee Benefits	986,432	966,605	684,201	282,404
DEBT SERVICE				
Principal	94,850	94,850	94,850	-0-
Interest	27,745	27,745	27,745	-0-
Total Debt Service	122,595	122,595	122,595	-0-
Total Expenditures	28,646,069	28,900,325	27,126,710	1,773,615
Excess of Revenues Over Expenditures	818,538	821,987	2,719,134	1,897,147
Net Change in Fund Balance	\$ 818,538	\$ 821,987	2,719,134	\$ 1,897,147
Fund Balance at Beginning of Year			11,841,824	
Fund Balance at End of Year			\$ 14,560,958	

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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
REAL PROPERTY TAXES				
Special assessments	\$ 4,515,848	\$ 4,515,848	\$ 4,515,848	\$ -0-
DEPARTMENTAL INCOME				
Refuse and garbage fees	9,739,331	9,739,331	12,001,759	2,262,428
USE OF MONEY AND PROPERTY				
Interest earnings	500,000	500,000	1,343,438	843,438
STATE AND COUNTY AID				
Emergency disaster assistance program		7,295	7,242	(53)
Total Revenues	14,755,179	14,762,474	17,868,287	3,105,813
EXPENDITURES				
HOME AND COMMUNITY SERVICES				
Refuse and garbage	16,137,838	16,497,952	16,307,673	190,279
Landfill closure/postclosure costs	212,072	25,645	25,645	-0-
Unallocated insurance	25,000	30,661	30,661	-0-
Total Home and Community Services	16,374,910	16,554,258	16,363,979	190,279
EMPLOYEE BENEFITS				
Retirement system	185,635	187,361	187,361	-0-
Social security	104,305	181,739	181,739	-0-
Workers' compensation	44,260	42,741	42,741	-0-
Life insurance	450	376	376	-0-
Unemployment benefits	500			-0-
Disability benefits	2,200	2,011	2,011	-0-
Hospital, medical, vision and dental	385,708	307,301	307,301	-0-
Union welfare benefits	20,552	24,462	24,462	-0-
Total Employee Benefits	743,610	745,991	745,991	-0-
DEBT SERVICE				
Principal	75,250	121,034	121,034	-0-
Interest	18,772	26,271	26,271	-0-
Total Debt Service	94,022	147,305	147,305	-0-
Total Expenditures	17,212,542	17,447,554	17,257,275	190,279
Excess of Revenues Over (Under) Expenditures	(2,457,363)	(2,685,080)	611,012	3,296,092
Net Change in Fund Balance	\$ (2,457,363)	\$ (2,685,080)	611,012	\$ 3,296,092
Fund Balance at Beginning of Year			33,531,915	
Fund Balance at End of Year			\$ 34,142,927	

TOWN OF BABYLON
REQUIRED SUPPLEMENTARY INFORMATION
HIGHWAY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 21,360,429	\$ 21,360,429	\$ 21,360,429	\$ -0-
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes	750,000	750,000	926,864	176,864
USE OF MONEY AND PROPERTY				
Interest earnings	300,000	300,000	1,383,856	1,083,856
LICENSES AND PERMITS				
Street inspection fees	190,000	190,000	135,661	(54,339)
Other permits	10,000	10,000	22,040	12,040
	200,000	200,000	157,701	(42,299)
MISCELLANEOUS LOCAL SOURCES				
Refund of prior years' expenditures			3,735	3,735
	-0-	-0-	3,735	3,735
STATE AID				
Consolidated local street and highway improvement program	1,200,000	1,770,874	1,770,874	-0-
PAVE-NY program		945,291	389,702	(555,589)
Extreme Winter Recovery			341,587	341,587
Pave our Potholes			214,002	214,002
	1,200,000	2,716,165	2,716,165	-0-
Total Revenues	23,810,429	25,326,594	26,548,750	1,222,156
EXPENDITURES				
TRANSPORTATION				
Street administration	630,884	629,634	462,997	166,637
Maintenance of streets	4,848,248	4,791,998	4,109,318	682,680
Permanent improvements	1,320,000	2,836,166	2,774,887	61,279
Machinery	1,618,615	1,826,780	1,580,116	246,664
Brush and weeds	475,000	325,000	12,740	312,260
Snow removal	1,475,000	1,475,000	581,400	893,600
Unallocated insurance	50,000	58,099	58,099	-0-
	10,417,747	11,942,677	9,579,557	2,363,120
EMPLOYEE BENEFITS				
Retirement system	766,948	766,948	601,984	164,964
Social security	524,392	524,392	399,350	125,042
Workers' compensation	701,332	701,332	669,311	32,021
Life insurance	350	350	241	109
Unemployment benefits	25,000	23,404	12,854	10,550
Disability benefits	500	500	219	281
Hospital, medical, vision and dental	2,992,909	2,992,909	2,746,452	246,457
Union welfare benefits	132,200	132,200	110,693	21,507
	5,143,631	5,142,035	4,541,104	600,931
DEBT SERVICE				
Principal	6,569,248	6,569,248	6,536,648	32,600
Interest	2,683,820	2,683,820	2,561,331	122,489
Bond issuance costs	70,000	63,496	63,496	-0-
	9,323,068	9,316,564	9,161,475	155,089
Total Expenditures	24,884,446	26,401,276	23,282,136	3,119,140
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,074,017)	(1,074,682)	3,266,614	4,341,296
OTHER FINANCING SOURCES				
Premium on obligations	50,000	50,000	69,802	19,802
	50,000	50,000	69,802	19,802
Net Change in Fund Balance	\$ (1,024,017)	\$ (1,024,682)	3,336,416	\$ 4,361,098
Fund Balance at Beginning of Year			24,706,705	
Fund Balance at End of Year			\$ 28,043,121	

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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
REAL PROPERTY TAXES				
Special assessments	\$ 20,190,954	\$ 20,190,954	\$ 20,190,954	\$ -0-
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes	885,720	885,720	1,097,651	211,931
USE OF MONEY AND PROPERTY				
Interest earnings	47,853	47,853	125,656	77,803
INVESTMENT INCOME FROM LENGTH OF SERVICE AWARD				
Investment gain from Length of Service Award			131,908	131,908
MISCELLANEOUS LOCAL SOURCES				
Other miscellaneous revenue			17,733	17,733
Total Revenues	<u>21,124,527</u>	<u>21,124,527</u>	<u>21,563,902</u>	<u>439,375</u>
EXPENDITURES				
PUBLIC SAFETY				
Fire protection districts	19,105,666	19,172,884	19,172,821	63
HEALTH				
Ambulance districts	2,018,861	2,023,152	2,022,460	692
Total Expenditures	<u>21,124,527</u>	<u>21,196,036</u>	<u>21,195,281</u>	<u>755</u>
Net Change in Fund Balance	<u>\$ -0-</u>	<u>\$ (71,509)</u>	368,621	<u>\$ 440,130</u>
Fund Balance at Beginning of Year			<u>4,874,932</u>	
Fund Balance at End of Year			<u>\$ 5,243,553</u>	

TOWN OF BABYLON

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET) - EMPLOYEE RETIREMENT SYSTEM
 December 31, 2024

	2024 (2)	2023 (1)	2022 (2)	2021 (2)	2020 (1)	2019	2018	2017	2016	2015
PRIMARY GOVERNMENT										
Town's proportion of the collective net pension liability (asset)	0.1035200%	0.0956514%	0.0950863%	0.0857499%	0.0821846%	0.0794597%	0.0803200%	0.0797627%	0.0840236%	0.0809617%
Town's proportionate share of the net collective pension liability (asset)	\$ 15,242,371	\$ 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
Town's covered-employee payroll	\$ 36,346,722	\$ 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
Town's proportionate share of the net collective pension liability as a percentage of its covered-employee payroll	41.94%	57.10%	-23.86%	0.26%	72.60%	20.02%	9.67%	28.89%	53.06%	10.90%
Plan fiduciary net position as a percentage of the total pension liability coming from plan	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.90%
DISCRETELY PRESENTED COMPONENT UNIT										
Agency's proportion of the collective net pension liability (asset)	0.00122216%	0.0011462%	0.0014512%	0.0012297%	0.0021778%	0.0015479%	0.0016125%	0.0013662%	0.0012175%	0.0016076%
Agency's proportionate share of the net collective pension liability (asset)	\$ 179,873	\$ 245,795	\$ (118,632)	\$ 1,227	\$ 576,699	\$ 109,676	\$ 52,041	\$ 128,370	\$ 195,413	\$ 54,308
Agency's covered-employee payroll	\$ 669,823	\$ 648,068	\$ 602,490	\$ 586,875	\$ 574,507	\$ 675,394	\$ 606,159	\$ 451,937	\$ 386,404	\$ 386,183
Agency's proportionate share of the net collective pension liability as a percentage of its covered-employee payroll	26.85%	37.93%	-19.69%	0.21%	100.38%	16.24%	8.59%	28.40%	50.57%	14.06%
Plan fiduciary net position as a percentage of the total pension liability coming from plan	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.90%

Notes:

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, 2024**

	NYSERS Years Ended December 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
PRIMARY GOVERNMENT										
Contractually required contribution	\$ 4,841,092	\$ 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
Contributions in relation to the contractually required contribution	<u>4,841,092</u>	<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>
Contribution deficiency (excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Town's covered-employee payroll	\$ 37,687,914	\$ 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
Contributions as a percentage of covered-employee payroll	12.85%	12.65%	12.38%	14.99%	12.95%	13.07%	13.86%	14.20%	14.70%	17.61%
DISCRETELY PRESENTED COMPONENT UNIT										
Contractually required contribution	\$ 70,741	\$ 93,748	\$ 56,858	\$ 56,789	\$ 74,138	\$ 69,120	\$ 64,009	\$ 55,258	\$ 50,923	\$ 40,770
Contributions in relation to the contractually required contribution	<u>70,741</u>	<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>
Contribution deficiency (excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Agency's covered-employee payroll	\$ 752,616	\$ 631,530	\$ 651,795	\$ 606,827	\$ 611,308	\$ 609,387	\$ 686,931	\$ 570,054	\$ 452,564	\$ 386,557
Contributions as a percentage of covered-employee payroll	9.40%	14.84%	8.72%	9.36%	12.13%	11.34%	9.32%	9.69%	11.25%	10.55%

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-201.

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-202.

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, 2024**

	East Farmingdale Firefighter Plan							
	Years Ended December 31,							
	2024	2023	2022	2021	2020	2019	2018	2017
Total LOSAP Plan Liabilities								
Service cost	\$ 78,772	\$ 93,793	\$ 136,161	\$ 169,415	\$ 139,188	\$ 146,833	\$ 155,475	\$ 109,504
Interest	395,665	389,537	358,383	322,879	336,302	323,923	282,336	316,990
Benefit Terms	62,130							
Differences between expected and actual experience	49,392	68,216	(19,380)	37,614	135,210	94,736	115,449	59,751
Benefit payments, including refunds of member contributions	(472,980)	(381,571)	(340,684)	(280,607)	(345,701)	(253,364)	(168,212)	(157,769)
Changes of assumptions or other inputs			(969,013)	(900,556)	878,328	(45,327)	635,792	173,186
Net change in total LOSAP plan liability	112,979	169,975	(834,533)	(651,255)	1,143,327	266,801	1,020,840	501,662
Total LOSAP plan liability - beginning of year (a)	7,733,609	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)	7,846,588	7,733,609	7,563,634	8,398,167	9,049,422	7,906,095	7,639,294	6,618,454
LOSAP - Pension Trust Fund Net Position								
Contributions - Employer	381,310	387,573	371,082	387,897	402,597	396,073	253,750	106,000
Investment income (loss)	319,556	264,910	(309,289)	71,493	230,751	220,126	106,632	106,073
Change in insurance contracts value	(475,740)	(382,607)			137,658	30,203	42,930	41,796
Benefit payments, including refunds of member contributions			(342,387)	(282,212)	(347,216)	(253,855)	(168,212)	(157,769)
Net Change in LOSAP fiduciary net position	225,126	269,876	(280,594)	177,178	423,790	392,547	235,100	96,100
Plan fiduciary net position - beginning of year, (b)	5,238,125	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)	5,463,251	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)	2,495,484	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)	\$ 2,383,337	\$ 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	69.6%	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	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	N/A
Expected average remaining service years of all participants	6	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 2023 and 2024 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 and

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

Changes of benefit terms were as follows:

a) Effective January 1, 2025, the maximum service credit was increased to fifty years from forty years.

TOWN OF BABYLON

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE LENGTH OF SERVICE AWARD PROGRAMS' NET PENSION LIABILITY
Year Ended December 31, 2024**

	North Amityville Firefighter Plan Years Ended December 31,							
	2024	2023	2022	2021	2020	2019	2018	2017
Total LOSAP Plan Liabilities								
Service cost	\$ 26,187	\$ 36,002	\$ 28,251	\$ 22,417	\$ 22,572	\$ 23,816	\$ 25,921	\$ 32,673
Interest	119,124	121,657	125,129	118,042	117,604	116,480	120,276	112,893
Change in Benefit Terms	337							
Differences between expected and actual experience	(16,789)	(39,720)	(115,168)	103,068	(14,625)	11,626	23,220	39,883
Benefit payments, including refunds of member contributions	(222,076)	(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	(93,217)	17,399	(77,690)	136,517	(1,695)	19,392	(70,231)	128,633
Total LOSAP plan liability - beginning of year (a)	2,366,948	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)	2,273,731	2,366,948	2,349,549	2,427,239	2,290,722	2,292,417	2,273,025	2,343,256
LOSAP - Pension Trust Fund Net Position								
Contributions - Employer	73,215	95,652	80,680	85,407	94,600	93,437	59,200	112,450
Investment income	89,371	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	(223,433)	(101,058)	(116,814)	(107,961)	(128,187)	(132,870)	(130,487)	(128,573)
Net Change in LOSAP fiduciary net position	(60,847)	93,423	(24,407)	58,013	46,420	20,207	13,155	88,464
Plan fiduciary net position - beginning of year, restated (b)	2,009,745	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)	1,948,898	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)	357,203	433,227	486,510	408,006	456,121	456,936	540,322	500,153
Net LOSAP plan liability - end of year (c) - (d)	\$ 324,833	\$ 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	85.7%	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	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	N/A
Expected average remaining service years of all participants	6	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, 2023 and 2024 valuations.

Changes of benefit terms were as follows:

a) Effective January 1, 2025, the maximum service credit was increased to fifty years from forty years.

TOWN OF BABYLON

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE LENGTH OF SERVICE AWARD PROGRAMS' NET PENSION LIABILITY
Year Ended December 31, 2024**

	North Babylon Firefighter Plan Years Ended December 31,							
	2024	2023	2022	2021	2020	2019	2018	2017
Total LOSAP Plan Liabilities								
Service cost	\$ 111,563	\$ 134,918	\$ 133,480	\$ 169,134	\$ 146,330	\$ 132,718	\$ 145,303	\$ 119,912
Interest	468,722	456,678	447,150	420,226	398,432	386,378	379,907	378,287
Change in Benefit Terms	51,719							
Differences between expected and actual experience	45,934	35,714	(21,292)	6,239	375,367	50,039	19,824	94,643
Benefit payments, including refunds of member contributions	(408,322)	(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	269,616	263,171	166,323	(771,334)	763,758	161,565	165,405	644,083
Total LOSAP plan liability - beginning of year (a)	9,076,412	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)	9,346,028	9,076,412	8,813,241	8,646,918	9,418,252	8,654,494	8,492,929	8,327,524
LOSAP - Pension Trust Fund Net Position								
Contributions - Employer	538,517	538,464	552,291	485,459	517,405	510,247	363,700	358,000
Investment income	338,999	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	(411,271)	(365,265)	(394,937)	(454,427)	(320,186)	(359,244)	(318,481)	(265,615)
Net Change in LOSAP fiduciary net position	466,245	446,388	(170,987)	270,169	454,741	372,713	229,016	226,726
Plan fiduciary net position - beginning of year, restated (b)	5,474,068	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)	5,940,313	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)	3,602,344	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)	\$ 3,405,715	\$ 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	63.6%	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	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	N/A
Expected average remaining service years of all participants	7	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, 2023 and 2024 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, 2023 and 2024 valuations.

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

Changes of benefit terms were as follows:

a) Effective January 1, 2025, the maximum service credit was increased to fifty years from forty years

TOWN OF BABYLON

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE LENGTH OF SERVICE AWARD PROGRAMS' NET PENSION LIABILITY
Year Ended December 31, 2024**

	North Lindenhurst Firefighter Plan Years Ended December 31,							
	2024	2023	2022	2021	2020	2019	2018	2017
Total LOSAP Plan Liabilities								
Service cost	\$ 73,251	\$ 69,629	\$ 87,414	\$ 110,969	\$ 106,169	\$ 85,989	\$ 89,135	\$ 83,593
Interest	266,368	260,683	259,735	240,932	246,775	241,855	229,550	235,903
Change in Benefit Terms	58,078							
Differences between expected and actual experience	86,711	71,963	(89,936)	1,294	(36,379)	114,562	148,896	(168,767)
Benefit payments, including refunds of member contributions	(268,709)	(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	215,699	79,404	(125,470)	(611,920)	328,690	420,306	272,086	126,697
Total LOSAP plan liability - beginning of year (a)	5,171,407	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)	5,387,106	5,171,407	5,092,003	5,217,473	5,829,393	5,500,703	5,080,397	4,808,311
LOSAP - Pension Trust Fund Net Position								
Contributions - Employer	278,976	302,118	312,286	328,956	330,152	326,693	192,600	203,000
Investment income	199,553	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	(270,923)	(323,748)	(257,656)	(325,489)	(261,770)	(232,606)	(200,562)	(166,225)
Net Change in LOSAP fiduciary net position	207,606	159,802	(107,981)	163,158	235,791	268,487	114,971	165,668
Plan fiduciary net position - beginning of year, restated (b)	3,488,851	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)	3,696,457	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)	1,682,556	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)	\$ 1,690,649	\$ 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	68.6%	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	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	N/A
Expected average remaining service years of all participants	9	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, 2023 and 2024 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 and 2024 valuations.

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

Changes of benefit terms were as follows:

a) Effective January 1, 2025, the maximum service credit was increased to fifty years from forty years.

TOWN OF BABYLON

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF LENGTH OF SERVICE AWARD PROGRAMS PENSION CONTRIBUTIONS AND INVESTMENT RETURNS
 Year Ended December 31, 2024

	East Farmingdale Firefighter Plan							
	Years Ended December 31,							
	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 396,653	\$ 381,310	\$ 387,573	\$ 371,082	\$ 387,897	\$ 396,073	\$ 292,721	\$ 275,945
Contributions in relation to the actuarially determined contribution	<u>\$ 396,653</u>	<u>\$ 381,310</u>	<u>\$ 387,573</u>	<u>\$ 371,082</u>	<u>\$ 387,897</u>	<u>\$ 396,073</u>	<u>\$ 253,750</u>	<u>\$ 106,000</u>
Contribution deficiency (excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 38,971</u>	<u>\$ 169,945</u>
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Annual money-weighted rate of return, net of investment expense	6.10%	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, 2017 through 2024.

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, 2024

	North Amityville Firefighter Plan							
	Years Ended							
	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 77,470	\$ 73,215	\$ 95,652	\$ 80,680	\$ 85,407	\$ 93,437	\$ 53,548	\$ 70,398
Contributions in relation to the actuarially determined contribution	<u>\$ 77,470</u>	<u>\$ 73,215</u>	<u>\$ 95,652</u>	<u>\$ 80,680</u>	<u>\$ 85,407</u>	<u>\$ 93,437</u>	<u>\$ 59,200</u>	<u>\$ 112,450</u>
Contribution deficiency (excess)	<u>\$ -0-</u>	<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	N/A
Annual money-weighted rate of return, net of investment expense	5.08%	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, 2027 through 2024.

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, 2024

	North Babylon Firefighter Plan							
	Years Ended December 31,							
	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 540,471	\$ 538,518	\$ 538,464	\$ 552,291	\$ 485,459	\$ 510,247	\$ 382,553	\$ 397,918
Contributions in relation to the actuarially determined contribution	\$ 540,471	\$ 538,518	\$ 538,464	\$ 552,291	\$ 485,459	\$ 510,247	\$ 363,700	\$ 358,000
Contribution deficiency (excess)	\$ -0-	\$ -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	N/A
Annual money-weighted rate of return, net of investment expense	6.11%	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, 2017 through 2024.

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, 2024

	North Lindenhurst Firefighter Plan							
	Years Ended December 31,							
	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 291,650	\$ 278,976	\$ 302,118	\$ 312,286	\$ 328,956	\$ 326,693	\$ 240,706	\$ 223,886
Contributions in relation to the actuarially determined contribution	<u>\$ 291,650</u>	<u>\$ 278,976</u>	<u>\$ 302,118</u>	<u>\$ 312,286</u>	<u>\$ 328,956</u>	<u>\$ 326,693</u>	<u>\$ 192,600</u>	<u>\$ 203,000</u>
Contribution deficiency (excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 48,106</u>	<u>\$ 20,886</u>
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Annual money-weighted rate of return, net of investment expense	5.84%	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, 2017 through 2024.

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, 2024**

	Firefighter Plan - Wyandanch Year Ended December 31,							
	2024	2023	2022	2021	2020	2019	2018	2017
Total LOSAP Pension Liability								
Service cost	\$ 63,669	\$ 63,704	\$ 111,852	\$ 127,843	\$ 83,018	\$ 75,596	\$ 78,513	\$ 71,488
Interest	55,265	54,607	39,359	35,710	43,520	42,622	37,737	39,459
Change in Benefit Terms	3,804							
Differences between expected and actual experience	(15,879)	(14,710)	19,830	(74,734)	12,850	(15,574)	8,591	
Benefit payments, including refunds of member contributions	(77,347)	(43,734)	(41,326)	(82,466)	(31,471)	(30,648)	(37,688)	(40,493)
Changes of assumptions or other inputs	(66,470)	71,626	(570,498)	(103,858)	388,030	85,006	(111,012)	17,715
Net Change in total LOSAP Pension Liability	(36,958)	131,493	(440,983)	(97,505)	495,947	157,002	(23,859)	88,169
Total LOSAP Pension Liability - beginning of year	1,356,628	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>\$ 1,319,670</u>	<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	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	N/A
Expected average remaining service years of all participants	12	12	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 valuator

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:

2024	4.28%
2023	4.00%
2022	4.31%
2021	2.24%
2020	1.93%
2019	3.26%
2018	3.64%
2017	3.83%

Changes of benefit terms were as follows:

a) Effective January 1, 2025, the maximum service credit was increased to fifty years from forty years.