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

**PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 11, 2026**

**SERIAL BONDS** **RATING - MOODY'S INVESTOR SERVICE " "**

*In the opinion of Katten Muchin Rosenman LLP, New York, New York, Bond Counsel, under existing statutes, regulations, administrative rulings, and court decisions, and assuming continuing compliance by the Town with its covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), and the accuracy of certain representations made by the Town, interest on the Bonds is excluded from gross income of the owners thereof for federal income tax purposes and is not an "item of tax preference" for purposes of the federal alternative minimum tax imposed on individuals. However, interest on the Bonds held by certain corporations that are subject to the federal corporate alternative minimum tax is included in the computation of "adjusted financial statement income" for purposes of the federal alternative minimum tax imposed on such corporations. Bond Counsel is also of the opinion that under existing statutes interest on the Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel expresses no opinion regarding other federal or State tax consequences arising with respect to the Bonds. See "TAX MATTERS" herein.*

*The Town will **NOT** designate the Bonds as "qualified tax-exempt obligations" pursuant to the provision of Section 265 of the Internal Revenue Code of 1986, as amended.*

# $17,137,500*

# TOWN OF BABYLON
# SUFFOLK COUNTY, NEW YORK
**(the "Town")**

# PUBLIC IMPROVEMENT SERIAL BONDS – 2026

**Dated: October 7, 2026**

**Principal Due: July 15, 2027-2040, inclusive**
**Interest Due: Semiannually on January 15 and July 15 in each year to maturity (or prior redemption), commencing January 15, 2027**

**SEE BOND MATURITY SCHEDULE HEREIN**

The Bonds are general obligations of the Town of Babylon, Suffolk County, New York (the "Town"), and will contain a pledge of the faith and credit of the Town for the punctual payment of the principal thereof and interest thereon and, unless paid from other sources, all the taxable real property within the Town will be subject to the levy of ad valorem taxes to pay such principal and the interest, subject to certain applicable statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended (the "Tax Levy Limit Law"). (See "*TAX LEVY LIMITATION LAW"* herein).

The Bonds are subject to redemption prior to maturity, at the option of the Town, in accordance with terms described herein. (See "*Optional Redemption"* under "*THE BONDS*," herein.)

The Bonds will be registered in the name of Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York ("DTC") as book-entry bonds.

The Bonds will be issued as registered bonds, and, when issued, will be registered in the name of Cede & Co., as the partnership nominee for DTC, which will act as securities depository for the Bonds. Beneficial owners will not receive certificates representing their interest in the Bonds. Individual purchases may be made in denominations of $5,000 or integral multiples thereof, except for one necessary odd denomination. A single bond certificate will be issued for each maturity of the Bonds. Principal of and interest on said Bonds will be paid in Federal Funds by the Town to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its Participants (as herein after defined) for subsequent distribution to the beneficial owners of the Bonds as described herein. Transfer of principal and interest payments to Beneficial Owners (as hereinafter defined) by Participants of DTC will be the responsibility of such Participants and other nominees of Beneficial Owners. The Town will not be responsible or liable for payments by DTC to its Participants or by Direct Participants (as hereinafter defined) to Beneficial Owners or for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants. (See "*BOOK-ENTRY-ONLY SYSTEM*" herein).

Sealed bids for the Bonds will be received at 11:00 A.M. (Prevailing Time) on September 23, 2026, in accordance with the Notice of Sale dated September 11, 2026.

*The Bonds are offered subject to the final approving opinion of Katten Muchin Rosenman LLP, New York, New York, Bond Counsel, and certain other conditions. Katten Muchin Rosenman LLP, New York, New York, Bond Counselto the Town, expresses no opinion on the accuracy or completeness of information in any documents prepared by or on behalf of the Town for use in connection with the offer and sale of the Bonds, including this Official Statement and the appendices hereto. It is expected that delivery of the Bonds will be made on or about October 7, 2026 in New York, New York, or as otherwise agreed to by the Town and the purchaser(s).*

THIS OFFICIAL STATEMENT IS IN A FORM "DEEMED FINAL" BY THE TOWN FOR THE PURPOSE OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"). FOR A DESCRIPTION OF THE TOWN'S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE BONDS, AS DESCRIBED IN THE RULE, SEE "*CONTINUING DISCLOSURE UNDERTAKING*" HEREIN.

*Preliminary, subject to change

# TOWN OF BABYLON
# SUFFOLK COUNTY, NEW YORK

## $17,137,500* PUBLIC IMPROVEMENT SERIAL BONDS - 2026

### BOND MATURITY SCHEDULE

**Dated: October 7, 2026**

**Principal Due: July 15, 2027-2040, inclusive**
**Interest Due: Semiannually on January 15 and July 15 in each year to maturity (or prior redemption), commencing January 15, 2027**

| Year | Amount** | Rate | Yield or Price | CUSIP # |
|---|---|---|---|---|
| 2027 | $1,052,500 | | | |
| 2028 | 910,000 | | | |
| 2029 | 955,000 | | | |
| 2030 | 1,000,000 | | | |
| 2031 | 1,050,000 | | | |
| 2032 | 1,105,000 | | | |
| 2033 | 1,160,000 | | | |
| 2034 | 1,215,000*** | | | |
| 2035 | 1,275,000*** | | | |
| 2036 | 1,340,000*** | | | |
| 2037 | 1,410,000*** | | | |
| 2038 | 1,480,000*** | | | |
| 2039 | 1,555,000*** | | | |
| 2040 | 1,630,000*** | | | |

*Preliminary, subject to change.
** Amounts are subject to adjustment by the Town following the sale, pursuant to the terms of the Notice of Sale relating to the Bonds, to achieve substantially level or declining annual debt service as provided in Section 58.00 (c)(2) of the Local Finance Law.
***Subject to prior redemption.

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

200 East Sunrise Highway.
Lindenhurst, New York 11757
Telephone: (631) 957-3000

**TOWN BOARD**

Richard Schaffer, Supervisor

Antonio A. Martinez, Deputy Supervisor
DuWayne Gregory
Terence McSweeney
Anthony Manetta

---

Victoria Marotta, Comptroller
Gerry Compitello, Town Clerk
Joseph Wilson, Esq., Town Attorney

**BOND COUNSEL**

Katten Muchin Rosenman LLP
New York, New York

* * *

**MUNICIPAL ADVISOR**

Municipal Finance Advisory Service

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

E-mail: info@munistat.com
Website: https://www.munistat.com

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

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# OFFICIAL STATEMENT

## $17,137,500

## TOWN OF BABYLON
## SUFFOLK COUNTY, NEW YORK

## PUBLIC IMPROVEMENT SERIAL BONDS – 2026

This Official Statement and the appendices hereto present certain information relating to the Town of Babylon, in the County of Suffolk, in the State of New York (the "Town," "County" and "State," respectively) in connection with the sale of $17,137,500 Public Improvement Serial Bonds – 2026 (the "Bonds") of the Town.

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

## THE BONDS

### Description of the Bonds

The Bonds will be dated October 7, 2026, and will mature on July 15, in each of the years 2027 to 2040, inclusive, in the principal amounts as set forth on the inside cover page hereof.

The Bonds will be registered in the name of Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York ("DTC") as book-entry bonds.

The Bonds will be issued as registered bonds, and, when issued, will be registered in the name of Cede & Co., as the partnership nominee for DTC, which will act as securities depository for the Bonds. Beneficial owners will not receive certificates representing their interest in the Bonds. Individual purchases may be made in denominations of $5,000 or integral multiples thereof except for one necessary odd denomination. A single bond certificate will be issued for each maturity of the Bonds. Principal of and interest on said Bonds will be paid in Federal Funds by the Town to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its Participants (as hereinafter defined) for subsequent distribution to the beneficial owners of the Bonds as described herein. Transfer of principal and interest payments to Beneficial Owners (as hereinafter defined) by Participants of DTC will be the responsibility of such Participants and other nominees of Beneficial Owners. The Town will not be responsible or liable for payments by DTC to its Participants or by Direct Participants (as hereinafter defined) to Beneficial Owners or for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants. (See "*BOOK-ENTRY-ONLY SYSTEM*" herein).

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

The Town will act as Paying Agent for the Bonds. The Town's contact information is as follows: Ms. Victoria Marotta, Comptroller, Town of Babylon, 200 East Sunrise Highway, Lindenhurst, New York 11757, telephone number (631) 957-3043 and email: vmarotta@townofbabylonny.gov.

## Authorization and Purpose

The Bonds are being issued pursuant to the Constitution and statutes of the State, including among others, the Local Finance Law, and various bond resolutions duly adopted by the Town Board on their respective dates. The proceeds of the Bonds, inclusive of original issue premium, will be used to provide funds to finance the cost or part of the cost of the following objects and purposes:

| Date Authorized | Purpose | Amount to be Issued |
|---|---|---|
| 01/15/2025 | IT and Communication Equip Including Hardware/Software | $ 325,000 |
| 01/15/2025 | Road Program | 4,500,000 |
| 01/15/2025 | Heavy Equipment (15yrs) | 360,000 |
| 01/15/2025 | Heavy Equipment (10yrs) | 24,000 |
| 01/15/2025 | Passenger Vehicles | 5,000 |
| 01/15/2025 | Miscellaneous Light Equipment (5yrs) | 36,000 |
| 11/06/2025 | Geiger Park Bioswale | 250,000 |
| 01/14/2026 | Installation of New Turf at Various Parks | 520,000 |
| 01/14/2026 | Various Parks Improvements | 2,500,000 |
| 01/14/2026 | Reconstruction of New Floor, Spangle Senior Center | 95,000 |
| 01/14/2026 | Reconstruction of Gym Floor, West Babylon Youth Center | 75,000 |
| 01/14/2026 | Dredging at Venetian Park | 76,000 |
| 01/14/2026 | Various Equipment for Beacon Wellness Center | 50,000 |
| 01/14/2026 | Heavy Equipment (10yrs) | 37,500 |
| 01/14/2026 | Heavy Equipment (15yrs) | 2,604,000 |
| 01/14/2026 | HVAC/Tank Project | 250,000 |
| 01/14/2026 | Computer and Scanning Equipment | 400,000 |
| 01/14/2026 | Installation & Acquisition of Security Cameras, Keyless Access, Fire Alarms and Handicap Doors | 300,000 |
| 01/14/2026 | Passenger Van | 30,000 |
| 01/14/2026 | Passenger Vehicles | 150,000 |
| 01/14/2026 | Road Program | 4,500,000 |
| 01/14/2026 | Installation of Security Camera | 50,000 |
| | | $17,137,500 |

## Optional Redemption

The Bonds maturing on or before July 15, 2033 will not be subject to redemption prior to maturity. The Bonds maturing on July 15, 2034 and thereafter will be subject to redemption prior to maturity, at the option of the Town, in whole or in part, and if in part, in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), on any date on or after July 15, 2033, at a redemption price equal to the principal amount of the Bonds to be redeemed plus accrued interest to the date of redemption.

## Selection of Bonds to be Redeemed

So long as DTC or a successor securities depository is the sole registered owner of the Bonds, the Town will cause notice of redemption to be given only to DTC as registered owner. The selection of the book-entry interests within each Bond maturity to be redeemed will be done in accordance with DTC procedures. See "*BOOK-ENTRY-ONLY SYSTEM*" herein regarding DTC's practice of determining by lot the amount of the interest of each Direct Participant for partial bond redemptions.

If the Bonds are not registered in book-entry form, any redemption of less than all of a maturity of the Bonds shall be allocated (in the amounts of $5,000 or any whole multiple) among the registered owners of such maturity of the Bonds then outstanding as nearly as practicable in proportion to the principal amounts of such maturity of the Bonds owned by each registered owner. This will be calculated based on the following formula:

$$\frac{\text{(principal to be redeemed) x (principal amount owned by owner)}}{\text{(principal amount outstanding)}}$$

**Notice of Redemption**

Notice of redemption shall be given by mailing such notice to the registered holders of Bonds to be redeemed at their respective addresses as shown upon the registration books of the Town as Paying Agent at least 30 days prior to the date set for any such redemption. If notice of redemption shall have been given as aforesaid, the Bonds so called for redemption shall become due and payable at the applicable redemption price on the redemption date designated in such notice, and interest on such Bonds shall cease to accrue from and after such redemption date.

**Nature of Obligation**

Each Bond when duly issued and paid for will constitute a contract between the Town and the holder thereof.

The Bonds will be general obligations of the Town and will contain a pledge of the faith and credit of the Town for the payment of the principal thereof and the interest thereon. For the payment of such principal of and interest on the Bonds the Town has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the Town, subject to certain statutory limitations imposed by the Tax Levy Limit Law. (See "TAX LEVY LIMITATION LAW" herein).

Under the Constitution of the State, the Town is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds, and the State is specifically precluded from restricting the power of the Town to levy taxes on real estate therefor. The State Constitution requires the Town to provide by appropriation for the payment of interest on all obligations which will become due during the fiscal year. In addition, the State Constitution requires the Town to provide in each year by appropriation for the payment of all installments of principal of the Bonds which will become due and payable in such year.

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

## BOOK-ENTRY-ONLY SYSTEM

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

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilities the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of certificates.

Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of the Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

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

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

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

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

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

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

---

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

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

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

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

## CONTINUING DISCLOSURE UNDERTAKING

This Official Statement is in a form "deemed final" by the Town for the purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule"). At the time of the delivery of the Bonds, the Town will provide an executed copy of its "Undertaking to Provide Continuing Disclosure" (the "Undertaking"). Said Undertaking will constitute a written agreement or contract of the Town for the benefit of holders of and owners of beneficial interests in the Bonds, to provide, or cause to be provided to the Electronic Municipal Market Access ("EMMA") System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of such Board contemplated by the Undertaking:

(1) (i) certain annual information consisting of financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced under the headings: "THE TOWN", "ECONOMIC AND DEMOGRAPHIC INFORMATION", "INDEBTEDNESS OF THE TOWN", "FINANCES OF THE TOWN", "REAL PROPERTY TAX INFORMATION", and "LITIGATION", no later than the end of the ninth month after the end of each fiscal year, commencing with the fiscal year ending December 31, 2026 and (ii) the audited financial statement, if any, of the Town for each fiscal year commencing with the fiscal year ending December 31, 2026, on or prior to the end of the ninth month after the end of such fiscal year, provided however, that if audited financial statements are not then available, unaudited financial statements shall be provided with the annual financial information, and audited financial statements, if any, shall be delivered to the EMMA System within thirty (30) days after they become available and in no event later than 360 days after the end of such fiscal year; provided, however, that the that the unaudited financial statement shall be provided for any fiscal year only if the Town has made a determination that providing such unaudited financial statement would be compliant with federal securities laws, including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933.

(2) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of any of the following events with respect to the Bonds:

i. principal and interest payment delinquencies;

ii. non-payment related defaults, if material;

iii. unscheduled draws on debt service reserves reflecting financial difficulties;

iv. unscheduled draws on credit enhancements reflecting financial difficulties;

v. substitution of credit or liquidity providers, or their failure to perform;

vi. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax- status of the Bonds;

vii. modifications to rights of bondholders, if material;

viii. bond calls, if material and tender offers;

ix. defeasances;

x. release, substitution, or sale of property securing repayment of the Bonds, if material;

xi. rating changes;

xii. bankruptcy, insolvency, receivership or similar event of the Town. Note to clause (xii): For the purposes of the event identified in this clause (xii), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Town in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Town;

xiii. the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

xiv. appointment of a successor or additional trustee or the change of name of a trustee, if material;

xv. incurrence of a financial obligation (as defined in the Rule) of the Town, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Town, any of which affect bondholders, if material; and

xvi. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Town, any of which reflect financial difficulties.

With respect to event (iv) the Town does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Bonds.

The Town may from time to time choose to provide notice of the occurrence of certain other events in addition to those listed above, if the Town determines that any such other event is material with respect to the Bonds; but the Town does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

(3) in a timely manner, not in excess of ten (10) business days after such event, notice of its failure to provide the annual financial information and such audited financial statement, if any, on or before the date specified.

The Town's Undertaking shall remain in full force and effect until such time as the principal of, redemption premiums, if any, and interest on the Bonds shall have been paid in full or in the event that those portions of the Rule which require the Undertaking, or such provision, as the case may be, do not or no longer apply to the Bonds. The sole and exclusive remedy for breach or default under the Undertaking is an action to compel specific performance of the Undertakings of the Town, and no person or entity, including a holder of the Bonds, shall be entitled to recover monetary damages thereunder under any circumstances. Any failure by the Town to comply with the Undertaking will not constitute a default with respect to the Bonds.

The Town reserves the right to amend or modify the Undertaking under certain circumstances set forth therein; provided that, any such amendment or modification will be done in a manner consistent with Rule 15c2-12 as then in effect.

### Compliance History

The Town incurred a Financial Obligation pursuant to a lease agreement dated June 21, 2022 for a building located at 456 Albany Avenue in Amityville, New York. The purpose of such lease is to provide offices for certain governmental services, including providing a location for the Department of Civil Service and the Code Violation Adjudication Bureau. The event notice was filed on November 14, 2023 which was more than 10 days after the incurrence.

## TAX LEVY LIMITATION LAW

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

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

The Tax Levy Limit Law imposes a limitation on increases in the real property tax levy of the Town, subject to certain exceptions. The Tax Levy Limit Law permits the Town to increase its overall real property tax levy over the tax levy of the prior year by the lesser of the rate of inflation or 2%, subject to certain adjustments. The Town is required to calculate its tax levy limit for the upcoming year and submit the information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limit Law sets forth certain exclusions to the real property tax levy limitation of the Town, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Town. The governing board of the Town may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the governing board of the Town first enacts, by a vote of at least sixty percent of the total voting power of the governing board of the Town, a local law to override such limit for such coming fiscal year.

The Tax Levy Limit Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation bonds or notes of the Town or such indebtedness incurred after the effective date of the Tax Levy Limit Law. As such, there can be no assurances that the Tax Levy Limit Law will not come under legal challenge for violating (i) Article VIII, Section 12 of the State Constitution for not providing an exception for debt service on obligations issued prior to the enactment of the Tax Levy Limit Law, (ii) Article VIII, Section 10 of the State Constitution by effectively eliminating the exception for debt service to general real estate tax limitations, and (iii) Article VIII, Section 2 of the State Constitution by limiting the pledge of its faith and credit by a municipality or school district for the payment of debt service on obligations issued by such municipality or school district.

## SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

### General Municipal Law Contract Creditors' Provision

The Bonds when duly issued and paid for will constitute a contract between the Town and the holder thereof. Under current law, provision is made for contract creditors of the Town to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the Town upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Bonds in the event of a default in the payment of the principal of and interest on the Bonds.

### Execution/Attachment of Municipal Property

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

### Authority to File for Municipal Bankruptcy

The Federal Bankruptcy Code allows public bodies, such as counties, cities, towns or villages, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness.

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

No current state law purports to create any priority for holders of the Bonds should the Town be under the jurisdiction of any court, pursuant to the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness.

The rights of the owners of Bonds to receive interest and principal from the Town could be adversely affected by the restructuring of the Town's debt under Chapter 9 of the Federal Bankruptcy Code. No assurance can be given that any priority of holders of debt obligations issued by the Town (to payment from monies retained in any debt service fund or from other cash resources) would be recognized if a petition were filed by or on behalf of the Town under the Federal Bankruptcy Code or pursuant to other subsequently enacted laws relating to creditors' rights; such monies might, under such circumstances, be paid to satisfy the claims of all creditors generally.

Under the Federal Bankruptcy Code, a petition may be filed in the Federal Bankruptcy court by a municipality which is insolvent or unable to meet its debts as they mature. Generally, the filing of such a petition operates as a stay of any proceeding to enforce a claim against the municipality. The Federal Bankruptcy Code also requires that a plan be filed for the adjustment of the municipality's debt, which may modify or alter the rights of creditors and which could be secured. Any plan of adjustment confirmed by the court must be approved by the requisite number of creditors. If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it.

Fiscal Stress and State Emergency Financial Control Boards. Pursuant to Article IX Section 2(b)(2) of the State Constitution, any local government in the State may request the intervention of the State in its "property, affairs and government" by a two-thirds vote of the total membership of its legislative body or on request of its chief executive officer concurred in by a majority of such membership. This has resulted in the adoption of special acts for the establishment of public benefit corporations with varying degrees of authority to control the finances

(including debt issuance) of the cities of Buffalo, Troy and Yonkers and the County of Nassau. The specific authority, powers and composition of the financial control boards established by these acts varies based upon circumstances and needs. Generally, the State legislature has granted such boards the power to approve or disapprove budget and financial plans and to issue debt on behalf of the municipality, as well as to impose wage and/or hiring freezes and approve collective bargaining agreements in certain cases. Implementation is left to the discretion of the board of the public benefit corporation. Such a State financial control board was first established for New York City in 1975. In addition, on a certificate of necessity of the governor reciting facts which in the judgment of governor constitute an emergency requiring enactment of such laws, with the concurrences of two-thirds of the members elected in each house of the State legislature the State is authorized to intervene in the "property, affairs and governments" of local government units. This occurred in the case of the County of Erie in 2005. The authority of the State to intervene in the financial affairs of local government is further supported by Article VIII, Section 12 of the Constitution which declares it to be the duty of the State legislature to restrict , subject to other provisions of the Constitution, the power of taxation, assessment, borrowing money and contracting indebtedness and loaning the credit of counties, cities, towns and villages so as to prevent abuses in taxation and assessment and in contracting indebtedness by them.

In 2013, the State established a new state advisory board to assist counties, cities, towns and villages in financial distress. The Financial Restructuring Board for Local Governments (the "FRB") is authorized to conduct a comprehensive review of the finances and operations of any such municipality deemed by the FRB to be fiscally eligible for its services upon request by resolution of the municipal legislative body and concurrence of its chief executive. The FRB is authorized to make recommendations for, but cannot compel improvement of fiscal stability, management and delivery of municipal services, including shared services opportunities and is authorized to offer grants and/or loans of up to $5,000,000 through a Local Government Performance and Efficiency Program to undertake certain recommendations. If a municipality agrees to undertake the FRB recommendations, it will be automatically bound to fulfill the terms in order to receive the aid.

The FRB is also authorized to serve as an alternative arbitration panel for binding arbitration.

Although from time to time, there have been proposals for the creation of a statewide financial control board with broad authority over local governments in the State, the FRB does not have emergency financial control board powers to intervene such as the public benefit corporations established by special acts as described above.

Several municipalities in the State are presently working with the FRB. The Town has not in the past nor is presently working with the FRB, nor does it reasonably anticipate the need to do so.

**Constitutional Non-Appropriation Provision**

There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. (See "General Municipal Law Contract Creditors' Provision" herein).

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

**Default Litigation**

In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders and noteholders, such courts might hold that future events including financial crises as they may occur in the State and in political subdivisions of the State require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service. (See "Nature of Obligation" herein).

**No Past Due Debt**

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

## THE TOWN

### General Information

The population of the Town according to the 2024 U.S. Census Bureau estimate was 218,565. The Town encompasses an area of 53 square miles and is located approximately 33 miles east of New York City in southwestern Suffolk County on Long Island. It is bordered by the Town of Oyster Bay to the west, the Town of Islip to the east, the Town of Huntington to the north, and the Great South Bay and Atlantic Ocean to the south.

The Town includes within its borders three incorporated villages: Amityville, Babylon, and Lindenhurst. In addition, there are the unincorporated communities of Copiague, Deer Park, North Babylon, West Babylon, North Amityville, East Farmingdale, North Lindenhurst, Wheatley Heights and Wyandanch.

The Town is responsible for providing most governmental services to its residents. Highway construction and maintenance is a Town function under the direction of the Commissioner of the Department of Public Works. In addition, recreation services are provided, garbage collection, recycling and disposal services are provided, and parks and beaches are maintained through the Town government. Other services performed at the Town level include: property assessment, building inspection and zoning administration. Police protection is provided by the County except in the Village of Amityville which has its own police force. Fire protection is provided by the Town's various fire districts or volunteer fire corporations. Public education is the responsibility of the ten school districts located in the Town, each of which is independent, and has its own taxing and borrowing authority. The County provides various social and health services.

Electric and natural gas services are provided by the Public Service Enterprise Group, Inc. of Long Island ("PSEG-LI"), formerly the Long Island Power Authority, and National Grid Energy Services-Long Island, respectively. Water service is supplied by the Suffolk County Water Authority and the East Farmingdale Water District. Sewer service is provided to most parts of the Town by the Suffolk County Department of Public Works' Southwest Sewer District.

As for transportation, Route 110 is one of the major north-south traffic arteries in the Town and is the center of an industrial corridor. Other major north-south roads are Route 231 and Wellwood Avenue. East-west highways include Route 109, Southern State Parkway, Sunrise Highway (Route 27) and Montauk Highway (Route 27A).

The northern portion of the Town is served by the Main Line of the Long Island Railroad with stations at Republic Airport, Pinelawn, Wyandanch and Deer Park. This line is electrified to Ronkonkoma. The MTA completed a capital improvement project which added an additional track to ease congestion and prevent bottlenecks. The southern portion of the Town is served by the Babylon Branch of the Long Island Railroad with stations in Amityville, Copiague, Lindenhurst and Babylon. The Babylon Branch is electrified to Babylon. The Central Branch of the railroad connects the Montauk and main lines and provides freight facilities to industry in the area.

Republic Airport, located in the Town, is operated by the New York State Department of Transportation and offers private scheduled service to points in the Northeast United States. LaGuardia Airport, J.F. Kennedy International Airport and Long Island MacArthur Airport are all less than a one hour drive from the Town.

### Government

The Town was established in 1872 by New York State as a separate political entity vested with independent taxing and debt authority. The legislative power of the Town is vested in the Town Board, which consists of five members, including the Town Supervisor, who is the presiding member. All members of the Board serve four-year terms. All of the Town Board members are elected at large, and there are no limitations as to the number of terms which they may serve.

The Town Clerk serves as custodian of the Town's legal documents and papers, maintains the minutes of proceedings of the Town Board and is responsible for the publication and filing of all official notes. According to the Town Law, the Town Clerk is elected to serve a four-year term. The number of terms the Town Clerk may serve is unlimited. The Receiver of Taxes is elected to a four-year term and has the duty to receive and collect all State, County, Town and school district taxes and all assessments that may be levied in the Town. Other officers of the Town include: the Town Attorney who is appointed by the Town Board to a four-year term, the Town Assessor who is appointed by the Town Board for a six-year term and the Town Comptroller who is appointed by the Town Board to a four-year term.

### Financial Organization

Pursuant to Local Law No. 12, 1974 of the Town, certain of the financial functions of the Town are the responsibility of the Town Comptroller. The Supervisor, however, is the chief fiscal officer of the Town. The Comptroller, who is responsible to the Town Board, also acts as the accounting officer of the Town. The duties of the Comptroller include administration, direction and control of the following divisions: Accounting, Accounts Payable, Accounts Receivable, Audit, Control and Risk Management. The current Town Comptroller was reappointed by the Town Board on January 5, 2026 for a four-year term.

### Employees

The Town provides services through approximately 435 full-time employees. The Town's contract with the Civil Service Employees Association covers approximately 113 employees and expires on December 31, 2033. The Town's contract with the Local 237 covers approximately 225 employees and expires on December 31, 2031.

## ECONOMIC AND DEMOGRAPHIC INFORMATION

### Population Characteristics

Since 2000, the Town has had a population trend, as compared to the County and the State, as indicated below:

| Year | Town of Babylon | Suffolk County | New York State |
|---|---|---|---|
| 2000 | 211,792 | 1,419,369 | 18,976,457 |
| 2010 | 213,603 | 1,493,350 | 19,378,102 |
| 2020 | 218,223 | 1,525,920 | 20,201,249 |
| 2024 | 218,565 | 1,535,909 | 19,867,248 |

Source: U.S. Bureau of the Census.

### Per Capita Money Income

| | Per Capita Money Income | | | |
|---|---|---|---|---|
| | 2000 | 2010 | 2020 | 2024 |
| Town of Babylon | $21,587 | $26,059 | $38,994 | $47,224 |
| Suffolk County | 26,577 | 35,411 | 46,466 | 55,754 |
| New York State | 23,389 | 30,791 | 40,898 | 51,002 |

### Median Income of Families

| | Median Household Income | | | |
|---|---|---|---|---|
| | 2000 | 2010 | 2020 | 2024 |
| Town of Babylon | - | $79,329 | $100,580 | $125,522 |
| Suffolk County | 65,288 | 84,506 | 105,362 | 126,863 |
| New York State | 43,393 | 55,603 | 71,117 | 85,820 |

Source: United States Department of Commerce, Bureau of the Census

**Selected Listing of Larger Employers in the Town of Babylon**

| Name | Type | Estimated Number Of Employees |
|---|---|---|
| United Parcel Service | Mailing/Trucking | 5,000 |
| PC Richard & Son | Electronic Sales | 1,800 |
| Lindenhurst UFSD | Education | 1,100 |
| South Oaks Hospital | Health Services | 1,100 |
| Telephonics Corp. | Electronics | 800 |
| Farmingdale State College | Education | 700 |
| Copiague UFSD | Education | 600 |
| Amityville UFSD | Education | 600 |
| Catholic Home Care | Health Services | 600 |

**Unemployment Rate Statistics**

Unemployment statistics are available for the Town, the County and the State, as set forth below. The information set forth below with respect to the County and the State is included for information purposes only.

| Annual Averages: | Town of Babylon (%) | Suffolk County (%) | New York State (%) |
|---|---|---|---|
| 2021 | 5.6 | 4.9 | 7.2 |
| 2022 | 3.4 | 3.1 | 4.4 |
| 2023 | 3.5 | 3.2 | 4.2 |
| 2024 | 3.8 | 3.5 | 4.3 |
| 2025 | 3.7 | 3.5 | 4.2 |
| 2026 (YTD) | 4.0 | 3.8 | 4.5 |

Source: Department of Labor, State of New York.

**Waste Management Program**

The Town's municipal solid waste ("MSW") disposal needs are influenced by a variety of environmental factors unique to Long Island municipalities. Long Island's geology dictates that ground water, the only source of drinking water on the island, is extremely vulnerable to contamination from surface conditions. Consequently, landfilling has been severely curtailed and banned by the State of New York on most of Long Island effective December 18, 1990. In addition, Long Island's geographical location impedes transportation of solid waste to other locations due to the costs associated with long hauls to landfills and other waste disposal facilities in, among other areas, Upstate New York, Pennsylvania or other points south and west. Accordingly, the MSW disposal options open to Long Island communities, including the Town, are limited.

In response to its unique MSW disposal needs and certain requirements of Federal and New York State law, the Town of Babylon has developed and has implemented a comprehensive and integrated solid waste management program (the "Waste Management Program"). The Waste Management Program is designed to provide the Town with MSW processing and disposal at moderate cost and insulate the Town's residents and businesses from uncertain and potentially high costs now and for the next fifteen to twenty years; it ensures low costs in almost any disposal environment.

Components of the Waste Management Program include: local ordinances (e.g., solid waste code and codification of the Sanitation Commission) and procured contracts governing the collection and disposal of residential and commercial MSW in the Town; primary facilities for the treatment and disposal of MSW in the Town, including a resource recovery waste-to-energy facility, systems for collection of commercial and residential waste and recyclables; and agreements for the processing and disposal of solid waste for entities located outside of the Town.

The Town created a commercial waste district in October 1994. The Town has collected and disposed of MSW in the commercial waste district pursuant to competitively procured contracts since January 1, 1996. The Town has awarded a contract to Progressive Waste Solutions of LI, Inc. for commercial waste collection for a term that commenced on January 1, 2011 and ended December 31, 2020; subsequently, Winters Bros. Waste Systems purchased the assets of Progressive Waste Solutions of LI, Inc. and assumed the obligations of the contract. Pursuant to the terms of that contract, the term was extended for two additional, successive five year periods. Since December 1, 1996, the Town has been assessing charges and collecting MSW from eligible parcels situated in the commercial waste district; through 2021 the Town charged an annual fee of $1,200 per eligible parcel plus additional monthly charges for handling MSW quantities greater than 1.5 cubic yards per week. For fiscal year 2022, that annual fee was reduced to $800.

Principal facilities of the Waste Management Program include:

*Reworld Babylon, Inc. Resource Recovery Facility* (the "Facility"). The Town entered into agreements whereby Reworld Babylon, Inc. (formerly known as Covanta of Babylon, Inc.) ("Reworld") currently leases and operates the Facility. On April 1, 2019, the Town and Covanta entered into an Amended and Restated Service Agreement (the terms of which became operative as of January 1, 2019) (the "Amended and Restated Service Agreement") which, among other provisions, i) extended the Service Agreement until February 29, 2028, and ii) unless written notice of termination is provided by either party to the other party no later than August 31, 2027, the Service Agreement shall be further extended automatically to expire on December 19, 2035. Pursuant to such agreement, Reworld agrees to process a minimum of 225,000 tons per year of MSW, which includes processing the Town's MSW at the Facility.

The Facility is designed to receive all acceptable municipal solid waste generated in the Town and produces approximately 17 megawatts of electrical power. Most of this power is sold to PSEG—LI pursuant to a Power Purchase Agreement between Covanta and PSEG—LI with a small portion used to satisfy the operational needs of the Facility. Approximately thirty-one percent of the revenues generated from the Power Purchase Agreement are credited to the Town pursuant to the Amended and Restated Service Agreement. The Facility is the primary means of MSW disposal for all of the Town's residential and commercial waste materials that cannot be recovered at the Recycling Facility described below.

*Landfill.* The Town landfill encompasses approximately 85 acres, 70 acres of which comprise the actual disposal area. The landfill was capped and closed pursuant to New York State Department of Environmental Conservation ("NYSDEC") Part 360 regulations in the late 1990's.

*Ash Disposal Capacity*. The Town has constructed and operates a variety of state-of-the-art resource recovery facility ash landfill cells at or adjacent to the Town's capped and closed landfill which was used for disposal of ash residue from the Facility. The Town's ash landfill operations are comprised of two facilities: (1) the Southern Ash Landfill cells; and (2) the Northern U Ash Landfill, both located immediately adjacent to the Facility. Phases I, II and III of an expansion of the Southern Ash Landfill has been completed and is currently accepting ash. The Town estimates that it currently has permitted ash capacity to continue taking ash from the Covanta Facility through the 2035 extension of the Amended and Restated Service Agreement and is developing plans for future ash capacity expansion beyond that date.

In addition, the Town is exploring options for the beneficial use of the Facility ash and is in discussions with NYSDEC and several private vendors in the ash recycling industry. New York State currently does not permit alternative uses of waste-to-energy ash outside of a permitted ash landfill so it is unclear whether the Town will be successful at reusing the mineral component generated from processing ash from its ash landfills.

*Commercial and Residential Recycling Facility.* The Commercial and Residential Recycling Facility (the "Recycling Facility") is operated by Omni Recycling of Babylon, Inc. ("Omni") pursuant to a Recycling Services Agreement between Omni and the Town dated October 31, 1995 (the "Omni Service Agreement"). The Town Board and Omni have extended the term of the Omni Service Agreement for an additional 15 years beyond the original expiration in 2016; the terms of the extension also include an additional 5-year option at the Town's sole discretion which would extend directly beyond the 15-year extension.

## 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 a transit orientated development around the Wyandanch LIRR Train station and required obtaining land entitlements, demolition, site work, construction and will be ongoing. The construction and development was handled by a private developer contracted by the Town through a request for proposal process, the Fourth Amendment of the Master Development Agreement was executed in the summer of 2025.

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, was 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. As part of a community benefit agreement the Master Developer constructed a Resource Center that was gifted to the Town and serves as a workplace development hub. SunRiver Health intends to construct a new health center on a Town parcel adjacent to its current facility, and the YMCA is exploring a joint venture with the Family Life Center in the northwest quadrant of the redevelopment area. To support transit-oriented activity, the Town is also evaluating dedicating the parcel adjacent to the train station for public parking.

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 comer 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 both of which are now open. At this time the developer has had preliminary meetings with the Town and anticipates constructing 100+ residential units next to the current health center. 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.

As of December 31, 2025, the Town has issued a total of $29,329,507.01 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 revitalization 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 the Wyandanch revitalization program is classified as either non spendable or restricted.

## INDEBTEDNESS OF THE TOWN

### Constitutional Requirements

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

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

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

**Payment and Maturity.** Except for certain short-term indebtedness contracted in anticipation of taxes, or to be paid in one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the periods of probable usefulness of the objects or purposes as determined by statute or in the alternative, the weighted average period of probable usefulness of the several objects or purposes for which such indebtedness is to be contracted; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the Town has authorized the issuance of indebtedness having substantially level or declining annual debt service. The Town is required to provide an annual appropriation for the payment of interest due during the fiscal year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds, bond anticipation notes and capital notes.

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

**Statutory Procedure**

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

Pursuant to the Local Finance Law, the Town authorizes the incurrence of indebtedness by the adoption of a bond resolution approved by at least two-thirds of the members of the Town Board, except in the event that the Town determines to subject the bond resolution to voter approval by mandatory referendum, in which case only a three-fifths vote is required.

The Local Finance Law also provides a twenty-day statute of limitations after publication of a bond resolution which, in effect, estops thereafter legal challenges to the validity of obligations authorized by such bond resolution, except for alleged constitutional violations. The Town has complied with such estoppel requirement with respect to the bond resolution authorizing the issuance of the Bonds.

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

Each bond resolution also authorizes the issuance of bond anticipation notes prior to the issuance of serial bonds. Statutory law in New York permits notes to be renewed each year provided that principal is amortized and provided that such renewals do not (with certain exceptions) extend more than five years beyond the original date of borrowing. However, notes issued in anticipation of the sale of serial bonds for assessable improvements are not subject to such five-year limit and may be renewed subject to annual reductions of principal for the entire period of probable usefulness of the purpose for which such notes were originally issued. (See "*Payment and Maturity*" under "*Constitutional Requirements*" herein).

In addition, under each bond resolution, the Town Board may delegate, and has delegated, power to issue and sell bonds and notes, to the Town Supervisor, the chief fiscal officer of the Town.

In general, the Local Finance Law contains similar provisions providing the Town with power to issue general obligation revenue anticipation notes, tax anticipation notes, deficiency notes and budget notes.

**Debt Limit.** The Town has the power to contract indebtedness for any Town purpose so long as the principal amount thereof shall not exceed seven per centum of the average full valuation of taxable real estate of the Town and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional and statutory method for determining the full valuation is by dividing the assessed valuation of taxable real estate by the respective equalization rates assigned to each assessment roll. Such equalization rates are the ratios which each of such assessed valuations bear to the respective full valuation of such year, as assigned by the Office of Real Property Tax Services. The State Legislature is required to prescribe the manner by which such ratios shall be determined. Average full valuation is determined by adding the full valuations for the most recently completed assessment roll and the four immediately preceding assessments rolls and dividing the resulting sum of such addition by five.

There is no constitutional limitation on the amount that may be raised by the Town by tax on real estate in any fiscal year to pay principal and interest on all indebtedness. However, the Tax Levy Limit Law imposes a statutory limitation on the power of the Town to increase its annual tax levy. The amount of such increases is limited by the formulas set forth in the Tax Levy Limit Law. (See "*TAX LEVY LIMITATION LAW*" herein).

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**Computation of Debt Limit and Calculation of Net Debt Contracting Margin**
(As of September 11, 2026)

| Fiscal Year Ending December 31: | Assessed Valuation | State Equalization Rate (%) | Full Valuation |
|---|---|---|---|
| 2022 | 249,097,831 | 0.87 | $28,631,934,598 |
| 2023 | 249,693,702 | 0.78 | 32,012,013,077 |
| 2024 | 249,665,802 | 0.66 | 37,828,151,818 |
| 2025 | 249,618,962 | 0.67 | 37,256,561,493 |
| 2026 | 249,910,067 | 0.59 | 42,357,638,475 |

| | |
|---|---|
| Total Five-Year Full Valuation | $178,086,299,460 |
| Average Five-Year Full Valuation | 35,617,259,892 |
| Debt Limit - 7% of Average Full Valuation | 2,493,208,192 |
| Inclusions: | |
| Outstanding Debt: | |
| Bonds | 154,275,000 |
| Bond Anticipation Notes | 0 |
| Total Inclusions | 154,275,000 |
| Exclusions: | |
| Appropriations for Bonds | 5,515,000 |
| Water Debt | 0 |
| Total Exclusions | 5,515,000 |
| Total Net Indebtedness Before the Issuance of the Bonds | 148,760,000 |
| The Bonds | 17,137,500 |
| Less: BANs Being Redeemed by the Bonds | 0 |
| Net Effect of the Bonds | 17,137,500 |
| Total Net Indebtedness After the Issuance of the Bonds | 165,897,500 |
| Net Debt Contracting Margin | 2,327,310,692 |
| Percent of Debt Limit Exhausted | 6.65% |

a. Inclusive of debt issued on behalf of the Town through the New York State Environmental Facilities Corporation. Exclusive of U.S. Department of Housing and Urban Development guaranteed assistance contract loan. (See "U.S. Department of Housing and Urban Development Loan" herein).
Source: Town of Babylon, Office of the Town Comptroller.

**Debt Service Requirements - Outstanding Bonds** [a]

| Fiscal Year Ending December 31: | Principal | Interest | Total [b] |
|---|---|---|---|
| 2026 | $16,005,000 | $5,707,857 | $21,712,857 |
| 2027 | 15,710,000 | 5,098,719 | 20,808,719 |
| 2028 | 16,240,000 | 4,468,244 | 20,708,244 |
| 2029 | 15,180,000 | 3,822,070 | 19,002,070 |
| 2030 | 11,780,000 | 3,297,450 | 15,077,450 |
| 2031 | 12,170,000 | 2,861,292 | 15,031,292 |
| 2032 | 12,540,000 | 2,467,500 | 15,007,500 |
| 2033 | 11,055,000 | 2,061,283 | 13,116,283 |
| 2034 | 11,330,000 | 1,741,323 | 13,071,323 |
| 2035 | 9,520,000 | 1,412,034 | 10,932,034 |
| 2036 | 7,190,000 | 1,110,699 | 8,300,699 |
| 2037 | 6,325,000 | 870,858 | 7,195,858 |
| 2038 | 6,515,000 | 638,381 | 7,153,381 |
| 2039 | 4,270,000 | 412,817 | 4,682,817 |
| 2040 | 3,350,000 | 265,003 | 3,615,003 |
| 2041 | 1,800,000 | 165,626 | 1,965,626 |
| 2042 | 1,865,000 | 111,750 | 1,976,750 |
| 2043 | 1,920,000 | 57,750 | 1,977,750 |
| Totals: | $164,765,000 | $36,570,658 | $201,335,658 |

a. Does not include payments made to date.
b. Rounded to the nearest dollar; for issues sold to NYS Environmental Facilities Corp., interest included does not take into account estimated subsidies and annual administrative charges.

**Details of Short-Term Indebtedness Outstanding**
(As of September 11, 2026)

As of the date of this Official Statement, the Town does not have any bond anticipation notes outstanding.

**Capital Planning and Budgeting**

The Town is responsible for the provision of certain services which require the procurement, construction and maintenance of capital assets. Such capital assets have and may in the future include but are not limited to maintenance of a road system, street lighting, road and storm water drainage, machinery and equipment, improvements and maintenance of Town buildings, facilities, parks, marinas and recreational facilities.

In conjunction with the Town's annual budget process, capital asset inventory and infrastructure needs are cataloged, reviewed and prioritized to develop a plan for the forthcoming year as well as the next three years. The Town's capital improvement plan allows for the continued improvements to infrastructure, buildings and equipment while remaining consistent with the Town's debt service requirements. The Town Board reviews, updates and amends the capital plan on an annual basis. In general, the need for capital funding for the above referenced projects are expected to continue.

### U.S. Department of Housing and Urban Development Loan

The Town's guaranteed assistance contract loan payable 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 (the "HUD Loan"). The HUD Loan dated December 2012, stipulates a maximum commitment amount of $4,100,000 for a specific capital project. As of December 31, 2017, the Town received the full amount of the commitment, plus interest earnings in the aggregate amount of $4,103,700. The HUD Loan bears interest at a fixed rate. The HUD Loan is secured by all current and future community development block grant allocations and will be liquidated from the community development agency fund. The new debt service schedule for the HUD Loan following the refinancing is as follows:

**HUD Loan Principal Maturity Table**

| Fiscal Year Ending December 31: | Principal | Interest | Total |
|---|---|---|---|
| 2026 | $247,000 | $50,982 | $297,982 |
| 2027 | 246,000 | 43,918 | 289,918 |
| 2028 | 230,000 | 36,857 | 266,857 |
| 2029 | 230,000 | 29,992 | 259,992 |
| 2030 | 230,000 | 22,667 | 252,667 |
| 2031 | 230,000 | 15,226 | 245,226 |
| 2032 | 230,000 | 7,670 | 237,670 |
| Totals: | $1,643,000 | $207,312 | $1,850,312 |

### Outstanding Leases

The Town has entered into various lease agreements related to governmental activities including vehicles, equipment and buildings. Future lease payment requirements are as follows:

| Fiscal Year Ending December 31: | Principal | Interest | Total |
|---|---|---|---|
| 2026 | $190,452 | $1,062,518 | $1,252,970 |
| 2027 | 150,138 | 1,058,305 | 1,208,443 |
| 2028 | 109,218 | 1,054,796 | 1,164,014 |
| 2029 | 72,692 | 1,052,276 | 1,124,968 |
| 2030 | 40,911 | 1,050,588 | 1,091,499 |
| 2031 - 2035 | 517,874 | 5,224,511 | 5,742,385 |
| 2036 - 2040 | 1,242,008 | 5,116,662 | 6,358,670 |
| 2041 - 2045 | 2,223,903 | 4,897,808 | 7,121,711 |
| 2046 - 2050 | 3,437,539 | 4,538,777 | 7,976,316 |
| 2051 - 2055 | 4,926,307 | 4,007,167 | 8,933,474 |
| 2056 - 2060 | 6,740,934 | 3,264,557 | 10,005,491 |
| 2061 - 2065 | 8,940,659 | 2,265,492 | 11,206,151 |
| 2066 - 2070 | 11,594,579 | 956,309 | 12,550,888 |
| 2071 | 1,287,118 | 9,653 | 1,296,771 |
| Totals: | $41,474,332 | $35,559,419 | $77,033,751 |

## Authorized but Unissued Debt

The Town has authorized but unissued debt outstanding in the amount of $26,319,150 for various projects. The Town has no plans to issue debt for $1,682,650 of such amount.

## Capital Project Plans

The Town is generally responsible for providing certain services to the citizens, as required, on a Town-wide basis. The Town maintains a Town road system necessitating a regular road resurfacing and improvement program and the acquisition of machinery and equipment. Additionally, although not a capital expense, such road system requires annual expenditures for snow removal as well as regular general operating maintenance expenses. The Town is also primarily responsible for the financing and construction of surface and storm water drainage improvements, and the Town is regularly acquiring and improving recreation facilities. Additionally, the Town finances park and community center improvements, and technology infrastructure. In general, needs for capital financing for the above-described projects for which the Town has responsibility are anticipated to continue in similar amounts that have been issued in the past. The Town maintains a capital improvement plan that includes the priority, cost, and method of financing for each project.

## Trend of Town Indebtedness

The following table represents the trend of outstanding indebtedness of the Town at the end of the last five preceding fiscal years.

| | Fiscal Year Ending December 31: | | | | |
|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 |
| Debt Outstanding End of Year: | | | | | |
| Bonds | $160,610,000 | $169,175,000 | $169,915,000 | $167,525,000 | $164,765,000 |
| BANs | | | | | |
| Totals: | $160,610,000 | $169,175,000 | $169,915,000 | $167,525,000 | $164,765,000 |

## Underlying and Overlapping Indebtedness of Political Subdivisions Within the Town

In addition to the Town, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the Town. The estimated applicable outstanding indebtedness of such political subdivisions is as follows:

## Calculation of Estimated Overlapping and Underlying Indebtedness

In addition to the Town, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the Town. The estimated applicable outstanding indebtedness of such political subdivisions is as follows:

| Overlapping Units | Date of Report | Percentage Applicable (%) | Applicable Total Indebtedness | Applicable Net Indebtedness |
|---|---|---|---|---|
| County of Suffolk | 05/30/2025 | 7.55 | $119,124,116 | $104,111,114 |
| Villages | 05/31/24 or Later | Var. | 27,382,397 | 27,382,397 |
| School Districts | 06/30/24 or Later | Var. | 282,665,584 | 95,432,654 |
| Fire Districts | 12/31/24 or Later | Var. | 5,689,669 | 5,689,669 |
| Totals: | | | $434,861,767 | $232,615,835 |

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

**Debt Ratios** [a]

| | Amount | Per Capita[b] | Percentage Of Full Value (%)[c] |
|---|---|---|---|
| Total Direct Debt | $154,275,000 | $706 | 0.364 |
| Net Direct Debt | 148,760,000 | 681 | 0.351 |
| Total Direct & Applicable Total Overlapping Debt | 589,136,767 | 2,695 | 1.391 |
| Net Direct & Applicable Net Overlapping Debt | 381,375,835 | 1,745 | 0.900 |

a. Exclusive of the Bonds.
b. The estimated population of the Town is 218,565 according to the 2024 U.S. Census.
c. The full valuation of taxable real property in the Town for 2026 is $42,357,638,475.

## FINANCES OF THE TOWN

### Budgetary Procedures

The Supervisor, with the assistance of the Comptroller (acting in her capacity as Budget Officer) prepares a tentative budget each year and holds a public hearing thereon. Subsequent to the public hearing, revisions (if any) are made and the budget is then adopted by the Town Board as its final budget for the coming fiscal year. The budget is not subject to referendum. The Tax Levy Limit Law imposes a limitation on increases in the real property tax levy of the Town, subject to certain exceptions outlined in the Tax Levy Limit Law. All budgets of the Town adopted in accordance with the procedure discussed herein must comply with the requirements of the Tax Levy Limit Law. (See "*The Tax Levy Limit Law*" herein).

### Financials Statements

The Town complies with the Uniform System of Accounts as prescribed for towns in the State. This system conforms with generally accepted accounting principles as promulgated in the "Codification of Governmental Accounting and Financial Reporting Standards," as published by the Governmental Accounting Standards Board in connection with the Government Accounting Research Foundation of the Government Finance Officers' Association.

### Independent Audits

The Town has retained the firm of PKF O'Connor Davies, LLP, Certified Public Accountants, to audit its financial statements for fiscal year 2025 and will also audit its financial statements for fiscal year 2026. The Town's auditor for fiscal years 2017 through and including 2020 was Albrect, Viggiano, Zureck and Co., P.C. (AVZ). In 2020 AVZ merged into PKF O'Connor Davis LLP.

### Results of Operations

Fiscal Year 2021. In the independent audit of the Town for the fiscal year ending December 31, 2021, prepared by PKF O'Connor Davies, the General Fund reported revenues of $73,333,671 with expenses of $65,510,977 for a closing fund balance of $63,481,733 up $5,545,219 from the prior year's balance. The Highway fund recorded revenues of $26,230,203 and expenses of $24,423,619 for a year end fund balance of $17,369,138 up $1,917,306 from the year prior. The Garbage Improvement District's audited results included revenues of $21,785,450 and expenses of $21,598,873 for an end of year balance of $7,186,140 down $93,423 from the year prior; and the Commercial Garbage District reported revenues of $16,352,347 with expenses of $12,728,668 for a year end balance of $29,363,084 up $2,661,509 from the year prior.

Fiscal Year 2022. In the independent audit of the Town for the fiscal year ending December 31, 2022, prepared by PKF O'Connor Davies, the General Fund reported revenues of $80,291,206 with expenses of $72,669,836 for a closing fund balance of $68,797,264 up $5,315,531 from the prior year's balance. The Highway fund recorded revenues of $26,163,983 and expenses of $22,579,758 for a year end fund balance of $21,009,788 up $3,640,650 from the year prior. The Garbage Improvement District's audited results included revenues of $26,700,752 and expenses of $20,891,510 for an end of year balance of $8,495,382 up $1,309,242 from the year prior; and the Commercial Garbage District reported revenues of $15,993,527 with expenses of $14,212,213 for a year end balance of $31,144,398 up $1,781,314 from the year prior.

Fiscal Year 2023. Based on the audited results of the Town for the fiscal year ending December 31, 2023, the General Fund reported revenues of $81,997,589 with expenses of $77,186,742 for a closing fund balance of $69,005,308 up $208,044 from the prior year's balance. The Highway fund recorded revenues of $25,709,278 and expenses of $22,405,078 for a year end fund balance of $24,706,705 up $3,696,917 from the year prior. The Refuse and Garbage results included revenues of $44,916,388 and expenses of $39,506,861 for an end of year balance of $45,049,309.

Fiscal Year 2024. Based on the audited results of the Town for the fiscal year ending December 31, 2024, the General Fund reported revenues of $ 90,958,477 with expenses of $77,715,735 for closing fund balance of $76,548,212 up $7,542,904 from the prior year 's balance. The Highway fund recorded revenues of $26,548,750 and expenses of $23,282,136 for a year end fund balance of $28,043,121 up $3,336,416 from the year prior. The Refuse and Garbage results included revenues of $47,714,131 and expenses of $44,383,985 for an end of year balance of $48,703,885.

Fiscal Year 2025. Based on the audited results of the Town for the fiscal year ending December 31, 2025, the General Fund reported revenues of $ 101,454,488 with expenses of $78,755,554 for closing fund balance of $93,982,150 up $17,433,938 from the prior year 's balance. The Highway fund recorded revenues of $26,387,595 and expenses of $25,111,157 for a year end fund balance of $29,408,841. The Refuse and Garbage results included revenues of $47,123,916 and expenses of $45,884,382 for an end of year balance of $49,943,419.

## Investment Policy

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

The Town may also temporarily invest moneys in: (1) Special Time Deposits; (2) Certificates of deposit issued by a bank or trust company located and authorized to do business in the State of New York; (3) Through a Deposit Placement Program in one or more banking institutions, as defined in Banking Law Section 9-r: (4) Obligations of the United States of America; (5) Obligations guaranteed by agencies of the United States of America where the payments of principal and interest are guaranteed by the United States of America; (6) Obligations of the State of New York; Obligations issued pursuant to Sections 24.00 or 25.00 of the Local Finance Law with approval of the State Comptroller by any municipality, school district or district corporation other than the Town; (8) Obligations of public authorities, public housing authorities, urban renewal agencies and industrial development agencies where the general State statutes governing such entities or whose specific enabling legislation authorizes such investments; (9) Certificates of Participation (COPs) issued pursuant to Section 109-b of the General Municipal Law to the extent that the enabling authority is in effect; and (10) Obligations of the Town, but only with any moneys in a reserve fund established pursuant to Sections 6-c, 6-d, 6-e, 6-f, 6-g, 6-h, 6-j, 6-k, 6-l, 6-m or 6-n of the General Municipal Law.

The Town's investment policy does not permit the Town to invest in so-called derivatives or reverse repurchase agreements.

## The State Comptroller's Fiscal Stress Monitoring System

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

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

The most current applicable report of the State Comptroller designates the Town as "No Designation" (Score: 0.0%, Environmental Score: 6.7%).

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

The financial affairs of the Town are subject to periodic compliance reviews by OSC to ascertain whether the Town has complied with the requirements of various State and federal statutes. On January 31, 2025, the OSC released an audit on the Town to assess whether Town officials could take additional steps to increase physical accessibility to programs and services provided at selected town facilities. Complete reports can be obtained from OSC's website. Reference to this website implies no warranty of accuracy of information therein.

## Revenues

The Town receives most of its revenues from a real property tax on all non-exempt property situated within the Town and from State Aid. A summary of such revenues for the five most recently completed fiscal years may be found in Appendix A. (See "*Real Property Tax Information*" herein).

## State Aid

Based on the unaudited financial reports of the Town, the Town received approximately 7.50% of its total General Fund operating revenue from State aid (predominantly mortgage recording tax) in 2025. There is no assurance, however, that State appropriations for aid to municipalities will continue, either pursuant to existing formulas or in any form whatsoever. The State is not constitutionally obligated to maintain or continue such aid and has the ability to reduce funding to municipalities and school districts in order to balance its own budget.

If the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Town, may be affected by a delay in the payment of State aid. Additionally, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the Town, in this year or future years, the Town may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments.

Should the Town fail to receive State aid expected from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies, the Town is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid.

The following table sets forth the percentage of the Town's General Fund revenue comprised of State Aid for each of the fiscal years 2021 through 2025 and as budgeted for 2026. Budgeted numbers include appropriation of fund balance.

| Fiscal Year Ending December 31: | Total General Fund Revenue | State Aid | State Aid as a percentage of General Fund Revenues (%) |
|---|---|---|---|
| 2021 | $73,333,671 | $9,756,979 | 13.30 |
| 2022 | 80,291,206 | 10,908,221 | 13.59 |
| 2023 | 81,997,539 | 7,641,190 | 9.32 |
| 2024 | 90,958,477 | 6,160,823 | 6.77 |
| 2025 | 101,454,488 | 7,679,379 | 7.57 |
| 2026 (Budgeted) | 87,519,035 | 5,208,393 | 5.95 |

Source: Audited financial statements (2021-2025) and the Adopted Budget for 2026. Table itself is not audited.

## Employee Pension Benefits

Substantially all employees of the Town are members of the New York State and Local Employees' Retirement System (the “Retirement System” or "ERS"). The Retirement System is a cost-sharing multiple public employer retirement system. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service, except for members hired after January 1, 2010 whose benefits vest after ten years of credited service. The Retirement System Law generally provides that all participating employers in the retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement System. The Retirement System is noncontributory with respect to members hired prior to July 27, 1976. All members hired on or after July 27, 1976 through and including December 31, 2009, must contribute 3% of gross annual salary toward the cost of retirement programs until they attain ten years in the Retirement System, at such time contribution become voluntary. Members hired after January 1, 2010 must contribute 3%, or more of their gross annual salary toward the cost of retirement programs for the duration of their employment.

Additionally, on March 16, 2012, the Governor signed into law legislation enacting a new Tier 6 pension program, effective for new ERS and TRS employees hired after April 1, 2012. The Tier 6 pension program provides for increased employee contribution rates of between 3% and 6%, an increase in the retirement age, as noted above, from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for final average salary calculation from 3 years to 5 years. Tier 6 employees will vest in the system after five years of employment and will continue to make employee contributions throughout employment.

Pension reform enacted by New York State changed the billing cycle for employer contributions to the ERS retirement system to match budget cycles of the Town. Under the previous method, the Town was not provided with the required payment until after its budget was implemented. Under the reforms implemented, the employer contribution for a given fiscal year are based on the value of the pension fund on the prior April 1, instead of the following April 1. As a result, the Town is notified of and can include the actual cost of the employer contribution in its budget. The law also requires a minimum payment of 4.5% of payroll each year, including years in which investment performance of the fund would make a lower employer contribution possible. The pension payment date for all local governments was changed from December 15 to February 1.

The New York State Retirement System has advised the Town that municipalities can elect to make employer contribution payments in the December or the following February, as required. If such payments are made in the December prior to the scheduled payment date in February, such payments may be made at a discount amount. The Town has prepaid its employer contributions each December since the option was made available in 2004.

Due to significant capital market declines in 2008 and 2009, the State's Retirement System portfolio experienced negative investment performance and severe downward trends in market earnings. As a result of the foregoing, the employer contribution rate for the State’s Retirement System was higher than the minimum contribution rate established by law. Contribution rates are expected to remain higher than the minimum contribution rates set by law in the near-term. To mitigate the expected increases in the employer contribution rate, legislation was enacted that permits local governments and school districts to borrow a portion of their required payments from the State pension plan. The legislation also requires those local governments and school districts, who decide to amortize their pension obligations pursuant to this law, to establish reserve accounts to fund payment increases that are a result of fluctuations in pension plan performance. The Town has not amortized any pension payments in the past five years. The Town submitted a Termination Request to opt out of the stabilization program on January 3, 2024 and the request was processed.

Beginning July 1, 2013, a voluntary defined contribution plan option has been made available to all unrepresented employees of NYS public employers hired on or after that date, and who earn $75,000 or more on an annual basis.

In Spring 2013, the State and ERS approved a Stable Contribution Option (“SCO”), which modified its existing SCO adopted in 2010, that gives municipalities the ability to better manage the spikes in Actuarially Required Contribution rates (“ARCs”). The plan authorizes municipalities to pay the SCO amount in lieu of the ARC amount. The Town has not participated and will not be participating in the modified ERS SCO plan in the foreseeable future.

Payments by the Town to the Employee Retirement System for the past five fiscal years are as follows:

| Fiscal Year Ending December 31: | Amount |
|---|---|
| 2021 | $4,834,342 |
| 2022 | 3,485,546 |
| 2023 | 4,285,776 |
| 2024 | 4,950,795 |
| 2025 | 5,715,721 |

**Other Post-Employment Benefits**

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

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

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

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

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

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

| | |
|---|---|
| Total OPEB Liability at Dec 31, 2024 | $148,759,132 |
| Charges for the Year: | |
| Service Cost | 4,364,726 |
| Interest | 5,486,091 |
| Changes in Benefit Terms | (360,948) |
| Difference between expected and actual experience | (16,956,545) |
| Changes in Assumptions or Other Inputs | (12,023,572) |
| Benefit Payments | (5,946,725) |
| Net Changes | (25,436,973) |
| Total OPEB Liability at Dec 31, 2025 | $123,322,159 |

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

## 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.

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.

*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.

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

Participation. Vesting, Forfeitures, and Service Credit

*Firefighter Plans:*

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

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.

Benefits

*Firefighter Plans:*

A participant's benefit under the Plan is the actuarial equivalent of a monthly payment for life equal to$15 to $20 (as determined by each Plan), multiplied by the participant's total number of years of firefighting service. The number of years of firefighting service used to compute the benefit cannot exceed forty years (including prior service credits). Except in the case of disability or death, benefits are payable when the participant has attained the entitlement age of 62. The program provides statutorily mandated death and disability benefits.

*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.

Contributions

*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, 2025, 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 | 12/31/2025 | 12/31/2025 | 12/31/2025 | 12/31/2025 | 12/31/2025 |
| Amount of contribution recommended by actuary [a:] | | | | | |
| 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 |

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

*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.

## REAL PROPERTY TAX INFORMATION

### Real Property Taxes

The Town derives a major portion of its revenues from a tax on real property (see "Statement of Revenues, Expenditures and Changes in Fund Balance" in Appendix A, herein.) On June 24, 2011, the Tax Levy Limitation Law was enacted, which imposes a tax levy limitation upon the municipalities, school districts and fire districts in the State, including the Town, without providing an exclusion for debt service on obligations issued by municipalities and fire districts, including the Town. (See "*Tax Levy Limitation Law*" herein).

The following table presents the total tax levy, by purpose, with adjustments and collection performance for each of the last five fiscal years.

### Valuations and Tax Data

| | Fiscal Year Ending December 31: | | | | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2025 | 2026[a] |
| Assessed Value | $249,097,831 | $249,693,702 | $249,665,802 | $249,618,962 | $249,910,067 |
| Equalization Rate | 0.87% | 0.78% | 0.66% | 0.67% | 0.59% |
| Full Value | $28,631,934,598 | $32,012,013,077 | $37,828,151,818 | $37,256,561,493 | $42,357,638,475 |
| Total Tax Levy | $795,368,156 | $809,266,455 | $838,854,438 | $880,757,569 | NA |
| Real Property Tax: | | | | | |
| Townwide | 43,427,116 | 43,528,182 | 50,840,417 | 59,128,514 | 59,229,589 |
| Part Town | 4,001,138 | 6,512,891 | 7,510,423 | 11,203,855 | 11,223,707 |
| Highway | 21,044,667 | 21,076,900 | 21,360,429 | 21,030,110 | 22,666,440 |
| Tax Rates: | | | | | |
| Townwide | $174.12 | $174.12 | $203.43 | $236.67 | $236.67 |
| Part Town | 21.40 | 34.79 | 40.13 | 59.91 | 59.91 |
| Highway | 112.54 | 112.54 | 114.13 | 112.41 | 120.99 |

a. Preliminary, subject to change.

The following table sets forth the percentage of the Town's General Fund revenue (excluding other financing sources) comprised of real property taxes for each of the fiscal years 2021 through 2025, inclusive, and budgeted amount for fiscal year 2026. Budgeted numbers include appropriation of fund balance.

| Fiscal Year Ending December 31: | Total Revenue | Real Property Taxes | Real Property Taxes to Revenues (%) |
|---|---|---|---|
| 2021 | $73,333,671 | $43,283,718 | 59.02 |
| 2022 | 80,291,206 | 45,227,347 | 56.33 |
| 2023 | 81,997,539 | 45,334,878 | 55.29 |
| 2024 | 90,958,477 | 52,718,737 | 57.96 |
| 2025 | 101,454,488 | 61,006,273 | 60.13 |
| 2026 (Budgeted) | 87,519,035 | 61,262,990 | 70.00 |

## Tax Collection Procedure

Property taxes for the Town, together with County, fire and school district taxes are collected by the Town Tax Receiver on a single tax bill. Such taxes are due and payable in equal installments on December 1 and May 10, but may be paid without penalty by January 10 and May 31, respectively. Penalties on unpaid taxes are 1% per month from the date such taxes are due and payable and 10% per annum after May 31.

The Town Tax Receiver distributes the collected tax money to the Town Comptroller, the Comptroller distributes to fire and school districts prior to distributing the balance collected to the County. After May 31st, when the rolls are turned over to the County, all taxes are payable to the County Treasurer with an additional penalty to date of payment. Tax sales are held annually by the County. Uncollected amounts are not segregated by the Receiver and any deficiency in tax collection is the County's liability. The Town thereby is assured of full tax collection.

## Large Taxable Properties

2025-2026 Assessment Roll [a]

| Name | Type | Assessed Valuation |
|---|---|---|
| Long Island Power Authority | Utility | $3,256,918 |
| National Grid | Utility | 2,202,169 |
| Fairfield Apartments | Apartments | 1,762,720 |
| Long Island Lighting Co. | Utility | 1,110,340 |
| Airport Plaza LLC | Shopping Center | 898,120 |
| MLO Great South Bay LLC | Shopping Center | 547,900 |
| Verizon | Utility | 422,787 |
| RGP Owners DP LLC | Shopping Center | 376,380 |
| GRI Sunsent Plaza LLC | Shopping Center | 364,600 |
| Metroplitan Tower Life Ins. Co. | Insurance | 338,810 |
| | Total [b] | $11,280,744 |

a. Assessment Roll established in 2025 for levy and collection of taxes in 2026.
b. Represents 4.51% of the 2026 Taxable Assessed Valuation of the Town.

## LITIGATION

The Town is subject to a number of lawsuits in the ordinary course of its affairs. In the opinion of the Town's Attorney, the resolution of such various other claims presently pending against the Town will not have an material adverse effect on the Town's financial position. Such matters are immaterial or adequately covered by existing insurance coverage. Pursuant to the Local Finance Law, the Town is authorized to issue debt to finance judgments and claims, if necessary.

## CYBERSECURITY

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

## ENVIRONMENTAL FACTORS

The Town boarders the Atlantic Ocean to the south and has an elevated risk to rising sea levels and extreme weather events such as hurricanes and nor'easters. The Town and other levels of government, including the County and the State, have been active in addressing environmental risk and mitigating exposure to weather events. The magnitude of the impact on the Town's operations, economy and financial condition of rising sea levels, coastal flooding and more frequent and extreme weather events is indeterminate and unpredictable.

To prepare itself for certain risks, the Town has undertaken a number of resiliency efforts. For example, the Town has prepared a Storm Water Management Program (SWMP) for its facilities. The aim of the program is to control storm water runoff discharges from its facilities to the waters in accordance with the requirements of the US Environmental Protection Agency. The Town's SWMP contains control measures including hazardous waste and materials management, roadway cleanups, construction site runoff controls, recycling and catch basin and storm drain system cleaning.

The Town has also recently completed two shoreline stabilization efforts to protect the coastal assets and recreational areas. For example, at Tanner Park in Copiague, the scope of work involved the construction of approximately 386 linear feet of rock revetment, installation of approximately 412 feet of coir logs, and backfilling and planting with native vegetation. The State also awarded the Town $2 million for stabilization work at Overlook Beach to combat shoreline erosion from severe weather which has been completed and design work for a second phase has recently begun.

The Town believes that with its mitigation efforts and budgeted reserves for contingencies, it is prepared to respond and recover from any severe weather events.

## MARKET AND RISK FACTORS

There are various forms of risk associated with investing in the Bonds. The following is a discussion of certain events that could affect the risk of investing in the Bonds. In addition to the events cited herein, there are other potential risk factors that an investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential investment risk.

The financial and economic condition of the Town, as well as the market for the Bonds, could be affected by a variety of factors, some of which are beyond the Town's control. There can be no assurance that adverse events in the State and in other jurisdictions, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Bonds. If a significant default or other financial crisis should occur in the affairs of the State or another jurisdiction or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the Town to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Bonds could be adversely affected.

The Town is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes and revenues in order to pay State aid to municipalities and school districts in the State, including the Town, in any year, the Town may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the Town. In some years, the Town has received delayed payments of State aid which resulted from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. (See also "State Aid").

There are a number of general factors which could have a detrimental effect on the ability of the Town to continue to generate revenues, particularly property taxes. For instance, the termination of a major commercial enterprise or an unexpected increase in tax certiorari proceedings could result in a significant reduction in the assessed valuation of taxable real property in the Town. Unforeseen developments could also result in substantial increases in Town expenditures, thus placing strain on the Town's financial condition. These factors may have an effect on the market price of the Bonds.

If a holder elects to sell his Bonds prior to its scheduled maturity date, market access or price risk may be incurred. If and when a holder of any of the Bonds should elect to sell a Bond prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Bonds. Recent global financial crises have included limited periods of significant disruption. In addition, the price and principal value of the Bonds is dependent on the prevailing level of interest rates; if interest rates rise, the price of a bond or note will decline, causing the bondholder or noteholder to incur a potential capital loss if such bond or note is sold prior to its maturity.

Amendments to the Code could reduce or eliminate the favorable tax treatment granted to municipal debt, including the Bonds and other debt issued by the Town. Any such future legislation would have an adverse effect on the market value of the Bonds (See "TAX MATTERS" herein).

The Tax Levy Limit Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the Town and continuing technical and constitutional issues raised by its enactment and implementation could have an impact upon the finances and operations of the Town and hence upon the market price of the Bonds. (See "TAX LEVY LIMITATION LAW" herein).

## TAX MATTERS

In the opinion of Katten Muchin Rosenman LLP, New York, New York, Bond Counsel to the Town, under existing statutes, regulations, administrative rulings and court decisions and assuming compliance by the Town with its covenants relating to certain requirements contained in the Code, defined below. and the accuracy of certain representations, interest on the Bonds is excluded from gross income of the owners thereof for federal income tax purposes and is not an "item of tax preference" for purposes of the federal alternative minimum tax imposed on individuals. However, interest on the Bonds held by certain corporations that are subject to the Federal corporate alternative minimum tax is included in the computation of "adjusted financial statement income" for purposes of the federal alternative minimum tax imposed on such corporations.

The Code, imposes various limitations, conditions and other requirements which must be met at and subsequent to the date of issue of the Bonds in order for interest on the Bonds to be and remain excluded from gross income for federal income tax purposes. Included among these requirements are restrictions on the investment and use of proceeds of the Bonds, and in certain circumstances, payment of amounts in respect of such proceeds to the United States. Failure to comply with the requirement of the Code may cause interest on the Bonds to be includable in gross income for purposes of Federal income tax, possibly from the date of issuance of the Bonds. In the Arbitrage and Use of Proceeds Certificate of the Town to be executed in connection with the issuance of the Bonds, the Town will covenant to comply with certain procedures and it will make certain representations and certifications, designed to assure satisfaction of the requirements of the Code with respect to the Bonds. The opinion of Bond Counsel assumes compliance with such covenants and the accuracy, in all material respects, of such representations and certificates.

Prospective purchasers of the Bonds should be aware that ownership of the Bonds, and the accrual or receipt of interest thereon, may have collateral federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or Railroad benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisors as to any possible collateral consequences of their ownership of the Bonds and their accrual or receipt of interest thereon. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences or any other tax consequences related to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the Bonds.

Certain maturities of the Bonds may be initially offered to the public at prices in excess of their principal amounts, and such excess will constitute bond premium in the case of maturities of the Bonds sold at their initial offering prices (the "Premium Bonds"). An initial purchaser (other than a purchaser who holds such Premium Bonds as inventory, stock in trade or for sale to customers in the ordinary course of business) with an initial adjusted basis in the Premium Bond in excess of its principal amount will have amortizable bond premium that is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant rate basis over the term of such Premium Bond based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity date, over the period to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser is required to decrease its adjusted basis in such Premium Bond annually by the amount of amortizable premium for the taxable year. The amortization of bond premium may be taken into account as a reduction of the amount of tax-exempt income for purposes of determining various other tax consequences of owning Premium Bonds. Owners of Premium Bonds are advised that they should consult with their own advisors with respect to the calculation of the amount of the bond premium that will be treated for federal income tax purposes as having amortized for any taxable year (or portion thereof) of such owners and with respect to the federal, state and local tax consequences of owning Premium Bonds.

Certain maturities of the Bonds initially offered to the public at prices less than the principal amount thereof payable at maturity (the "Discount Bonds"). If the first price at which a substantial amount of the Bonds of the same maturity is sold in the initial offering to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) is less than the principal amount thereof payable at maturity, the difference between such price and principa1, amount constitutes original issue discount with respect to each of the Bonds of the same maturity. Bond Counsel is of the opinion that original issue discount, as it accrues, is excludable from gross income for federal income tax purposes and is subject to the alternative minimum tax to the same extent as is stated interest on the Bonds. Original issue discount accrues in each taxable year over the term of the Discount Bonds under the "constant yield method" described in regulations interpreting Section 1272 of the Code, with certain adjustments. Original issue discount may be treated as continuing to accrue even if payment of the Discount Bonds becomes doubtful. Accruals of original issue discount are treated as tax-exempt interest earned by the owners on the accrual basis of tax accounting or the cash basis of tax accounting even though no cash corresponding to the accrual is received in the year of accrual. The tax basis of a Discount Bond if held by an original purchaser, can be determined by adding to such owner's purchase price of such Discount Bond the original issue discount that has accrued. The Owners of Discount Bonds should consult their own tax advisors with respect to the calculation of the amount of the original issue discount that will be treated for federal income tax purposes as having accrued for any taxable year (or portion thereof) of such owners and with respect to other federal, state and local tax consequences of owning and disposing of the Discount Bonds.

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients, including corporations. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to the "backup withholding," which means that the payor of interest is required to deduct and withhold a tax from the payment, calculated in the manner set forth in the Code. If an owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of interest on the bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or credit against the owner's federal income tax once the required information is furnished to the IRS.

The Bonds will **NOT** be designated as "qualified tax-exempt obligations" within the meaning of, and pursuant to, Section 265(b)(3) of the Code.

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

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance and delivery of the Bonds may affect the tax status of interest on the Bonds.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Issuer or the holders or beneficial owners of the Bonds regarding the tax status of interest on the Bonds in the event of an audit by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Bonds, under current procedures parties other than the Issuer, and their appointed counsel, including the holders or beneficial owners of the Bonds, would have little, if any, right to participate in the audit process. Moreover, because achieving judicial review in connection with any audit of tax-exempt bonds is difficult, obtaining an independent judicial review of IRS positions with which the Issuer legitimately disagrees, may not be practical. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market prices for, or the marketability of, the Bonds and may cause the Issuer or beneficial owners of the Bonds to incur significant expense.

No assurance can be given that any future legislation, including amendments to the Code or the State income tax laws, regulations, administrative rulings, or court decisions, will not, directly or indirectly, cause interest on the Bonds to be subject to Federal or State income taxation, or otherwise prevent bondholders from realizing the full current benefit of the tax status of such interest. Further, no assurance can be given that the introduction or enactment of any such future legislation, or any judicial decision or action of the Internal Revenue Service or any State taxing authority, including, but not limited to, the promulgation of a regulation or ruling, or the selection of the Bonds for audit examination, or the course or result of any Internal Revenue Service examination of the Bonds or of obligations which present similar tax issues, will not affect the market price or marketability of the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

All summaries and explanations of provisions of law do not purport to be complete and reference is made to such laws for full and complete statements of their provisions.

**ALL PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE AS TO THE TAX CONSEQUENCES OF PURCHASING OR HOLDING THE BONDS.**

## DOCUMENTS ACCOMPANYING DELIVERY OF THE BONDS

### Legal Matters

The legality of the authorization and issuance of the Bonds will be covered by the approving legal opinion of Katten Muchin Rosenman LLP, New York, New York, Bond Counsel to the Town. Such legal opinion will state that in the opinion of Bond Counsel (i) the Bonds have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute a valid and legally binding general obligation of the Town, for which the Town has validly pledged its faith and credit and, unless paid from other sources, all the taxable property within the Town is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, without limitation as to rate or amount, subject to certain statutory limitations imposed by Chapter 97 of the Laws of 2011 of the State of New York, as amended (see "TAX LEVY LIMITATION LAW" herein), provided, that the enforceability (but not the validity) of the rights or remedies with respect to the Bonds may be limited by any applicable existing or future bankruptcy, insolvency or other laws (State or Federal) affecting creditors' rights; (ii) the Town has the power to comply with its covenants included in its Non-Arbitrage and Use of Proceeds Certificate with respect to the Bonds, relating to continuing compliance with the Code as it relates to such Bonds, provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable existing or future bankruptcy, insolvency or other law (State or Federal) affecting the enforcement of creditors' rights, (iii) assuming compliance by the Town with the covenants and the accuracy of the representations in its Non-Arbitrage and Use of Proceeds Certificate with respect to the Bonds, under existing statutes, regulations rulings and court decisions, interest on the Bonds is not includable in the gross income of the recipients thereof for Federal income tax purposes and interest on the Bonds is not an "item of tax preference" for purposes of the Federal alternative minimum tax imposed on individuals; however, interest on the Bonds held by certain corporations that are subject to the Federal corporate alternative minimum tax is included in the computation of "adjusted financial statement income" for purposes of the Federal alternative minimum tax imposed on such corporations and (iv) interest on the Bonds is exempt under existing statutes from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York and the City of Yonkers). Bond Counsel expresses no opinion regarding any other Federal, State or local tax consequences arising with respect to the Bonds.

Such legal opinion will also state that in the opinion of Bond Counsel in rendering the opinions expressed therein, (i) Bond Counsel has assumed the accuracy and truthfulness of all public records, documents and proceedings examined by Bond Counsel which have been executed or certified by public officials acting within the scope of their official capacities, and has not verified the accuracy or truthfulness thereof, and Bond Counsel also has assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and such certifications thereof; (ii) the scope of Bond Counsel's engagement in relation to the issuance of the Bonds has extended solely to the examination of the facts and law incident to rendering the opinions expressed therein; (iii) the opinions expressed therein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Town together with other legally available sources of revenue, if any, will be sufficient to enable the Town to pay the principal of and interest on the Bonds as the same respectively become due and payable; (iv) reference should be made to the Official Statement for factual information which, in the judgment of the Town, would materially affect the ability of the Town to pay such principal and interest; and (v) while Bond Counsel has participated in the preparation of the Official Statement, Bond Counsel has not verified the accuracy, completeness or fairness of the factual information contained therein and, no opinion is expressed by Bond Counsel as to whether the Town, in connection with the sale of the Bonds, has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

## BOND RATING

The District has applied to Moody's Investors Service ("Moody's"), 7 WTC at Greenwich Street, New York, NY, Phone: (212) 553-4055 and Fax: (212) 298-6761, for a rating on the Bonds and such rating is pending at this time. This rating reflects only the view of the rating agency furnishing the same, and an explanation of the significance of this rating may be obtained only from the rating agency. There is no assurance such rating will continue for any given period of time, or that such rating will not be revised or withdrawn by such rating agency, if in its judgment, circumstances so warrant. Any such action could have an adverse effect on the market for and market price of the Bonds.

## MUNICIPAL ADVISOR

Munistat Services, Inc. (the "Municipal Advisor"), is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the Town on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the Town or the information set forth in this Official Statement or any other information available to the Town with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

## ADDITIONAL INFORMATION

Additional information may be obtained upon request from the office of the Town Comptroller, Ms. Victoria Marotta, Comptroller, Town of Babylon, 200 East Sunrise Highway, Lindenhurst, New York 11757, telephone number (631) 957-3043 and email: vmarotta@townofbabylonny.gov or from the office of Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776, telephone number (631) 331-8888 and website: https://www.munistat.com.

## MISCELLANEOUS

Any statements made in this Official Statement and indicated to involve matters of opinion or estimates are represented to be opinions or estimates in good faith. No assurance can be given, however, that the facts will materialize as so opined or estimated. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Bonds.

Katten Muchin Rosenman LLP expresses no opinion as to the accuracy or completeness of any documents prepared by or on behalf of the Town for use in connection with the offer or sale of the Bonds, including this Official Statement. This Official Statement has been prepared only in connection with the sale of the Bonds by the Town and may not be reproduced or used in whole or in part for any other purposes.

TOWN OF BABYLON

By: /s/
Richard Schaffer
Town Supervisor

Dated: September , 2026

# APPENDIX A

# FINANCIAL INFORMATION

# Balance Sheet
## General Fund

| | Fiscal Year Ending December 31: 2024 | 2025 |
|---|---|---|
| Assets: | | |
| Cash and Cash Equivalents | $ 80,400,031 | $ 95,407,405 |
| Cash with Fiscal Agent | 208,396 | 197,463 |
| Accounts Receivable | 2,041,956 | 1,702,888 |
| Taxes Receivable | 46,484,555 | 43,723,857 |
| Leases Receivable | 75,733,764 | 76,854,673 |
| Due from Other Funds | 367,686 | 283,868 |
| Due from Other Governments | 3,732,814 | 3,093,804 |
| Inventory | 423,181 | 393,282 |
| Prepaid Items | 826,250 | 839,482 |
| Property Held for Resale | 12,844,192 | 13,013,727 |
| Accrued Interest Receivable | 103,543 | 141,299 |
| Total Assets | $ 223,166,368 | $ 235,651,748 |
| Liabilities: | | |
| Accounts Payable and Accrued Liabilities | $ 2,961,008 | $ 3,185,906 |
| Due to Other Governments | 2,921 | 2,728 |
| Due to Other Funds | 1,030,343 | 1,105,088 |
| Unearned Revenue | 6,104,749 | 554,110 |
| Guaranty and Bid Deposits | 726,571 | 831,285 |
| Total Liabilities | 10,825,592 | 5,679,117 |
| Deferred Inflows of Resources: | | |
| Unearned Revenue-Property Taxes | 61,006,273 | 61,262,990 |
| Unavailable Revenue | 1,650,642 | 1,685,390 |
| Lease Related | 73,135,649 | 73,042,101 |
| Total Deferred Inflows of Resources | 135,792,564 | 135,990,481 |
| Fund Balance: | | |
| Nonspendable | 9,829,914 | 16,665,336 |
| Restricted | 7,948,495 | 2,330,687 |
| Assigned | 406,780 | 986,678 |
| Unassigned | 58,363,023 | 73,999,449 |
| Total Fund Balance | 76,548,212 | 93,982,150 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balance | $ 223,166,368 | $ 235,651,748 |

Sources: Audited Financial Statements (2024 & 2025)

NOTE: This Schedule is NOT audited

**Statement of Revenues, Expenditures and Fund Balances**
**General Fund**

| | Fiscal Year Ending December 31: | | | | |
|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 |
| Revenues: | | | | | |
| Real Property Taxes | $ 43,283,718 | $ 45,227,347 | $ 45,334,878 | $ 52,718,737 | $ 61,006,273 |
| Other Tax Items | 1,582,819 | 1,779,246 | 2,086,908 | 2,560,451 | 2,790,475 |
| Non Property Tax Items | 4,733,766 | 4,833,172 | 4,437,325 | 7,651,377 | 7,783,576 |
| Departmental Income | 3,692,219 | 4,071,755 | 4,186,683 | 4,395,721 | 4,305,901 |
| Use of Money and Property | 3,552,811 | 5,494,013 | 8,030,046 | 9,552,221 | 9,780,894 |
| Licenses and Permits | 107,522 | 124,214 | 108,413 | 124,031 | 144,132 |
| Fines & Forfeitures | 881,308 | 821,213 | 789,539 | 997,379 | 905,824 |
| Sale of Property/Compensation for Loss | 234,551 | 629,257 | 213,650 | 161,093 | 256,865 |
| Interfund Revenue | 153,470 | 175,592 | 167,428 | 199,053 | 201,331 |
| Miscellaneous Local Sources | 769,803 | 686,907 | 834,483 | 1,008,288 | 872,591 |
| State Aid | 9,756,979 | 10,908,221 | 7,641,190 | 6,160,823 | 7,679,379 |
| Federal Aid | 4,584,705 | 5,540,269 | 8,166,996 | 5,429,303 | 5,727,247 |
| Total Revenues | 73,333,671 | 80,291,206 | 81,997,539 | 90,958,477 | 101,454,488 |
| Expenditures: | | | | | |
| General Government Support | 17,889,392 | 21,097,205 | 23,395,486 | 24,524,988 | 25,432,620 |
| Public Safety | 2,264,257 | 4,708,444 | 4,717,905 | 4,918,565 | 5,145,898 |
| Health | 3,610,973 | 4,121,919 | 4,784,193 | 5,049,853 | 5,130,250 |
| Transportation | 3,090 | 2,697 | 2,594 | 4,431 | 4,220 |
| Economic Assistance | 4,025,736 | 4,611,773 | 4,897,904 | 2,128,772 | 1,157,035 |
| Culture and Recreation | 12,217,066 | 13,217,108 | 13,390,248 | 13,716,884 | 14,069,364 |
| Home and Community Services | 2,157,352 | 2,216,085 | 1,764,874 | 1,502,995 | 1,488,156 |
| Employee Benefits | 12,817,686 | 13,685,567 | 14,204,667 | 15,506,093 | 15,698,799 |
| Debt Service | 10,525,425 | 9,009,038 | 10,028,871 | 10,363,154 | 10,629,212 |
| Total Expenditures | 65,510,977 | 72,669,836 | 77,186,742 | 77,715,735 | 78,755,554 |
| Other Financing Sources (Uses): | | | | | |
| Refunding Bond Proceeds | 8,470,800 | | | | |
| Principal Amount of Bond Proceeds | | | | | |
| Premium on Obligation | 1,419,387 | 28,936 | 54,959 | 32,848 | 59,284 |
| Payments to Refunded Bonds Escrow | (9,768,200) | | | | |
| Operating Transfers In | 105,258 | 333,847 | 353,697 | 35,624 | 13,144 |
| Operating Transfers (Out) | (2,504,720) | (2,668,622) | (2,121,879) | (5,768,310) | (5,337,424) |
| Special Item: Loss on Property Held for Resale | | | (1,561,356) | | |
| Property Held for Resale Reclassified as Town owned Assets | | | (1,328,174) | | |
| Total Other Financing Sources (Uses) | (2,277,475) | (2,305,839) | (4,602,753) | (5,699,838) | (5,264,996) |
| Net Change in Fund Balances | 5,545,219 | 5,315,531 | 208,044 | 7,542,904 | 17,433,938 |
| Fund Balance Beginning of Year | 57,936,514 | 63,481,733 | 68,797,264 | 69,005,308 | 76,548,212 |
| Prior Period Adjustment | | | | | |
| Fund Balance End of Year | $ 63,481,733 | $ 68,797,264 | $ 69,005,308 | $ 76,548,212 | $ 93,982,150 |

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

## Operating Budget Summaries

| | Fiscal Year Ended December 31: | |
|---|---|---|
| | 2025 | 2026 |
| Revenues: | | |
| General Fund | $ 84,267,991 | $ 87,519,035 |
| Part Town Fund | 16,596,206 | 16,803,216 |
| Garbage Improvement Area | 29,405,375 | 28,565,798 |
| Highway fund | 23,672,110 | 25,333,440 |
| East Farmingdale Water District | 420,000 | 435,000 |
| Special District | 21,884,290 | 23,080,842 |
| Special Lighting District | 1,813,958 | 1,812,589 |
| Commercial Garbage District | 18,540,457 | 18,505,031 |
| Total Revenues | $ 196,600,387 | $ 202,054,951 |
| Expenditures: | | |
| General Fund | $ 83,448,386 | $ 88,376,571 |
| Part Town Fund | 14,870,131 | 15,296,666 |
| Garbage Improvement Area | 29,616,881 | 30,310,735 |
| Highway fund | 25,993,443 | 27,349,277 |
| East Farmingdale Water District | 554,034 | 434,190 |
| Special District | 21,806,864 | 22,982,763 |
| Special Lighting District | 1,801,424 | 1,812,589 |
| Commercial Garbage District | 19,214,698 | 19,572,838 |
| Total Expenditures | $ 197,305,861 | $ 206,135,629 |
| Unappropriated Revenues | 2,907,573 | 1,605,439 |
| Appropriated Fund Balance | 3,613,047 | 5,686,117 |

Sources: Adopted Budget of the Town

**TOWN OF BABYLON**

**APPENDIX B**

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

**►Click Here For 2025 Audit**

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