

**WYANDANCH RISING, INC.**

**AUDITED FINANCIAL STATEMENTS  
AND SUPPLEMENTAL INFORMATION**

Year Ended December 31, 2015 and 2014

**WYANDANCH RISING, INC.**  
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CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

Honorable Board of Directors  
Wyandanch Rising, Inc.  
North Babylon, New York

### **Report on Financial Statements**

We have audited the accompanying financial statements of the business-type activities of Wyandanch Rising, Inc., (the "Corporation"), a component unit of the Town of Babylon, New York, as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

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## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Corporation, as of December 31, 2015 and 2014, and the respective changes in financial position, and cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March - 28, 2016, on our consideration of the Corporation's internal control and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control or on compliance. That report is an integral part of the audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control and compliance.

Albert, Vignone, Zuck & Company P.C.

Hauppauge, New York  
March 28, 2016

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

**WYANDANCH RISING, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2015 and 2014

This section presents management's analysis of Wyandanch Rising, Inc.'s, (the "Corporation"), a component unit of the Town of Babylon, New York (the "Town"), financial condition and activity for the years ended December 31, 2015 and 2014. Please read this information in conjunction with the financial statements.

**FINANCIAL HIGHLIGHTS**

- The assets of the Corporation exceeded its liabilities at the close of 2015 by \$534,835 (net position).

**OVERVIEW OF THE FINANCIAL STATEMENTS**

Management's Discussion and Analysis ("MD&A") serves as an introduction to the basic financial statements. The MD&A represents management's examination and analysis of the Corporation's financial condition and performance. Summary financial statement data, key financial and operational indicators used in the Corporation's strategic plan, operating plan, bond covenants and other management tools were used for this analysis.

The financial statements report information about the Corporation, which is an enterprise-type fund. The Corporation applies full accrual accounting methods as used by similar business activities in the private sector. The statements offer short and long-term financial information.

The financial statements include statements of net position, statements of revenues, expenses, and changes in net position, statements of cash flows and notes to the financial statements. The statements of net position include all of the Corporation's assets and liabilities and provides information about the nature and amount of investments.

The statements of revenues, expenses, and changes in net position presents the results of the Corporation's activities over the course of the year and information as to how the net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. These statements also provides information about whether the Corporation has successfully recovered its costs through its user fees and other charges, profitability and credit worthiness.

The statements of cash flows presents changes in cash and cash equivalents resulting from operating and other activities.

The notes to the financial statements provide required disclosures and other information that is essential to a full understanding of material data provided in the statements. The notes present information about the Corporation's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

**WYANDANCH RISING, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 December 31, 2015 and 2014

**FINANCIAL ANALYSIS OF THE CORPORATION**

One of the most important objectives of the financial analysis is to determine if the Corporation, as a whole, is better or worse off as a result of the year's activities. The statements of net position and the statements of revenues, expenses, and changes in net position provide useful information in this regard. The statements report the net position of the Corporation and changes in these net positions. The amount of net position, the difference between total assets, liabilities is a significant measure of the financial health or financial position of the Corporation. Over time, increases or decreases in the Corporation's net position is one indicator of whether its financial health is improving or deteriorating. However, other non-financial factors, such as changes in economic conditions, population growth, zoning, and new government legislation or changes to existing government legislation should be considered in evaluating the financial condition of the Corporation.

The following condensed financial statements and other selected information serve as the financial data and indicators for management's monitoring and planning.

**Net Position**

A summary of the Corporation's condensed statements of net position at December 31st, are presented as follows:

	2015	2014	2013
<b>Assets</b>			
Current and other assets	\$ -0-	\$ 2,632	\$ 10,000
Capital assets	539,200	748,500	748,500
Total Assets	<u>539,200</u>	<u>751,132</u>	<u>758,500</u>
<b>Liabilities</b>			
Current and other liabilities	4,365	-0-	-0-
Total Liabilities	<u>4,365</u>	<u>-0-</u>	<u>-0-</u>
<b>Net Position</b>			
Net investment in capital assets	539,200	748,500	748,500
Unrestricted	(4,365)	2,632	10,000
Total Net Position	<u>\$ 534,835</u>	<u>\$ 751,132</u>	<u>\$ 758,500</u>

Total assets as of December 31, 2015 were \$539,200. The decrease in total assets is due to the transferred lease right for a total of \$209,300 during the year to a third party in accordance to the development lease agreement. Total liabilities increase \$4,365 at December 31, 2015 compared to 2014, primarily due to increase in payables related to professional fees paid by the Town of Babylon L.D. Corporation II on behalf of the Company. Net position is comprised of net investment in capital assets of \$539,200, and unrestricted net position of (\$4,365).

Total assets and net position as of December 31, 2014 were \$751,132. Net position is comprised of net investment in capital assets of \$748,500 and unrestricted net position in the amount of \$2,632, which is available to support operations. There were no liabilities at December 31, 2014.

**WYANDANCH RISING, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 December 31, 2015 and 2014

**FINANCIAL ANALYSIS OF THE CORPORATION** (continued)

**Operating Results**

The Corporation's condensed statements of revenues, expenses and changes in net position at December 31st, are presented as follows:

	2015	2014	2013
<b>Operating Revenues</b>			
Charges for services	\$ -0-	\$ -0-	\$ 10,000
Total Operating Revenues	<u>-0-</u>	<u>-0-</u>	<u>10,000</u>
<b>Operating Expenses</b>			
Total Operating Expenses	<u>7,000</u>	<u>7,400</u>	<u>-0-</u>
Operating (Expense) Income	<u>(7,000)</u>	<u>(7,400)</u>	<u>10,000</u>
<b>Non-Operating (Expenses) Revenues</b>	<u>(209,297)</u>	<u>32</u>	<u>748,500</u>
Change in Net Position	(216,297)	(7,368)	758,500
<b>Net Position at Beginning of Year</b>	<u>751,132</u>	<u>758,500</u>	<u>-0-</u>
Net Position at End of Year	<u>\$ 534,835</u>	<u>\$ 751,132</u>	<u>\$ 758,500</u>

The Corporation had no operating revenues in 2015 and net non-operating expenses in 2015 were \$209,297 which consists of \$3 of interest earnings and transfer of lease right \$209,300 due to transfers to a third party in accordance to the development lease agreement. Net position at end of year was \$534,835. The Company operating expenses were \$7,000 in 2015. This is primarily due to professional fees.

There were no operating revenues in 2014 and non-operating revenues in 2014 were \$32 which represents interest earnings. Net position at end of year was \$751,132. The Company operating expenses were \$7,400 in 2014. This is primarily due to professional fees and office expense.

**ECONOMIC FACTORS AND NEXT YEAR'S PLAN**

The Corporation was formed to foster the creation, retention and expansion of jobs and economic opportunity for the benefit of the Town, particularly the hamlet of Wyandanch. The Corporation has the power to construct, acquire, rehabilitate and improve facilities and land within the Town. It also may assist financially with such endeavors. The Corporation has been an integral part of the revitalization of Wyandanch. It has partnered with federal, state, and local authorities to promote and provide for the general welfare of the Town's residents.

The Corporation plans to continue and expand its assistance to the businesses located in the Town of Babylon through:

- Federally tax-exempt and taxable revenue bonds
- Sales tax exemptions for construction materials and equipment
- Mortgage recording tax exemptions

**WYANDANCH RISING, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2015 and 2014

**CONTACTING THE CORPORATION'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our readers with a general overview of the Corporation's finances and to show the Corporation's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Wyandanch Rising, Inc. at 816 Deer Park Avenue, North Babylon, NY 11703.

**BASIC FINANCIAL  
STATEMENTS**

**WYANDANCH RISING, INC.**  
**STATEMENTS OF NET POSITION**  
December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ -0-	\$ 2,632
<b>Total Current Assets</b>	<u>-0-</u>	<u>2,632</u>
<b>Capital Assets</b>	<u>539,200</u>	<u>748,500</u>
<b>Total Assets</b>	<u>539,200</u>	<u>751,132</u>
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts payable	4,365	-0-
<b>Total Liabilities</b>	<u>4,365</u>	<u>-0-</u>
<b>NET POSITION</b>		
Net investment in capital assets	539,200	748,500
Unrestricted	<u>(4,365)</u>	<u>2,632</u>
<b>Total Net Position</b>	<u>\$ 534,835</u>	<u>\$ 751,132</u>

See notes to the financial statements.

**WYANDANCH RISING, INC.**  
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>OPERATING REVENUES</b>		
Charges for services	\$ -0-	\$ -0-
Total Operating Revenues	<u>-0-</u>	<u>-0-</u>
<b>OPERATING EXPENSES</b>		
Total Operating Expenses	<u>7,000</u>	<u>7,400</u>
Operating Loss	<u>(7,000)</u>	<u>(7,400)</u>
<b>NON-OPERATING REVENUES AND (EXPENSES):</b>		
Interest income	3	32
Transfer of lease right	<u>(209,300)</u>	<u>-0-</u>
Total Non-Operating (Expenses) and Revenues	<u>(209,297)</u>	<u>32</u>
Change in Net Position	(216,297)	(7,368)
<b>Net Position at Beginning of Year</b>	<u>751,132</u>	<u>758,500</u>
<b>Net Position at End of Year</b>	<u>\$ 534,835</u>	<u>\$ 751,132</u>

See notes to the financial statements.

**WYANDANCH RISING, INC.**  
**STATEMENTS OF CASH FLOWS**  
Years Ended December 31, 2015 and 2014

	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers, clients	\$ -0-	\$ 10,000
Cash payments for contractual expenses	(2,635)	(7,400)
Net Cash (Used) Provided by Operating Activities	(2,635)	2,600
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	3	32
Net Cash Provided by Investing Activities	3	32
Net (Decrease) Increase in Cash	(2,632)	2,632
Cash and Cash Equivalents at Beginning of Year	2,632	-0-
Cash and Cash Equivalents at End of Year	\$ -0-	\$ 2,632
<b>RECONCILIATION OF LOSS FROM OPERATING TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>		
Loss from operations	\$ (7,000)	\$ (7,400)
Adjustments to reconcile operating loss to net cash (used) provided by operating activities:		
(Increase) in accounts receivable	-0-	10,000
Increase in accounts payable	4,365	-0-
Net Cash (Used) Provided by Operating Activities	\$ (2,635)	\$ 2,600
<b>NON-CASH INVESTING ACTIVITIES:</b>		
Transferred of lease right	\$ 209,300	\$ -0-
Less: Payment made on behalf of Wyandanch Rising, Inc.- sale of lease right	(209,300)	-0-
Net Cash for Transfer of Land	\$ -0-	\$ -0-

See notes to the financial statements.

**WYANDANCH RISING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015 and 2014

**1. Summary of Significant Accounting Policies**

Organization

Wyandanch Rising, Inc., (the "Corporation"), was created as a New York State not-for-profit corporation. The Corporation was established on September 13, 2011 pursuant to Section 1411 of the New York State Not-for-Profit Corporation law as defined in section 102(a)(5). The Board of Directors have complete responsibility for approval and adoption of policies of the Corporation and accountability for fiscal matters. The Board of Directors appoints the Executive Director of the Corporation who is the Chief Executive Officer. The Corporation is quasi-governmental tax-exempt, corporation that was created to promote the economic welfare, recreation opportunities and prosperity of the inhabitants of the Town of Babylon. The Corporation provides companies with the following incentives:

- Federally tax-exempt and taxable revenue bonds
- Sales tax exemptions for construction materials and equipment
- Mortgage recording tax exemptions

Reporting Entity

The financial reporting entity includes all functions and activities over which the appointed officials exercise responsibility. No other governmental organization has been included or excluded from the reporting entity. The governing body of the Town of Babylon appoints the Corporation's Board of Directors which results in interdependency with the Town of Babylon. Accordingly, the Corporation has been determined to be a component unit of the Town of Babylon.

Measurement Focus / Basis of Accounting

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

The Corporation uses the economic resources measurement focus and the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. The financial statements of the Corporation have been prepared in conformity with accounting principles generally accepted in the United States, as prescribed by the Governmental Accounting Standards Board ("GASB"). GASB is the primary standard-setting body for establishing governmental accounting and financial reporting principles.

The financial statements include statements of net position, statements of revenues, expenses, and changes in net position, and statements of cash flows.

Cash and Cash Equivalents

For purposes of reporting the statements of cash flows, cash are defined as short-term highly liquid investments. The statements of cash flows presented use the direct method.

**WYANDANCH RISING, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015 and 2014

**1. Summary of Significant Accounting Policies** (continued)

Accounts Receivable

Accounts receivable include amounts due from businesses for project fees and legal and administrative fees incurred. These accounts receivable are recorded and revenues are recognized as earned or as specific expenditures are incurred. As of December 31, 2015 and 2014, there was no accounts receivable for the Corporation.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives as follows:

Furniture and fixtures	5-7 years
Computer equipment	3-5 years
Machinery and equipment	5-7 years

Prepaid Expenses

As of December 31, 2015 and 2014, there were no prepaid expenses for the Corporation.

Deferred Outflows and Inflows of Resources

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The Corporation has no items qualifying for reporting in this category.

In addition to liabilities, the statements of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenues) until that time. The Corporation has no items qualifying for reporting in this category.

Net Position Classification

In the financial statements, equity is classified as net position, and can be displayed in three components:

- Net investment in capital assets; Consists of capital assets including, restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributed to the acquisition, construction or improvement of those assets.

**WYANDANCH RISING, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015 and 2014

**1. Summary of Significant Accounting Policies** (continued)

Net Position Classification (continued)

- Restricted net position; Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position; All other categories of net position that do not meet the definition of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for use, it is the Corporation’s policy to use restricted resources first, then unrestricted resources as needed. The Corporation currently has no unrestricted net position.

Revenue Recognition

The Corporation's primary source of operating revenue is a \$5,000 flat fee charged for all lease deals at the time of closing. The Corporation’s closing fees are recorded as income, when earned, at the time of closing, unless otherwise specified.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Recent Accounting Pronouncement

The Corporation has adopted all of the current statements of the GASB that are applicable. The implementation of these GASBs had no impact on the financial statements.

Subsequent Events

Management has evaluated subsequent events through the date of the report, which is the date the financial statements were available to be issued.

**2. Cash and Cash Equivalents**

Cash and cash equivalents consist of funds deposited in interest bearing accounts.

The Corporation's investments are governed by a formal investment policy. The Corporation's monies must be deposited in FDIC-insured commercial banks or trust companies located within New York State. The Corporation is authorized to use certificates of deposit, and money market deposit accounts. Permissible investments include certificates of deposits, obligations of the United States, obligations of the State of New York, repurchase agreements, and obligations of agencies of the federal government where principal and interest are guaranteed by the United States.

**WYANDANCH RISING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015 and 2014

**2. Cash and Cash Equivalents (continued)**

Collateral is required for demand deposits and time deposits accounts at certain percentage of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral include obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

The Corporation's collateral agreements are based on the Corporation's available balance. At the current time, the Corporation cash position does not exceed FDIC limits.

Custodial Credit Risk – Deposits/Investments – Custodial credit risk for deposits exists when, in the event of the failure of a depository financial institution, the Corporation may be unable to recover deposits, or recover collateral securities that are in possession of an outside agency. Custodial credit risk for investments exists when, in the event of the failure of the counterparty, the Corporation will not be able to recover the value of its investments or collateral securities that are in possession of an outside party.

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

- Uncollateralized,
- Collateralized with securities held by the pledging financial institution, or
- Collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Corporation's name.

At December 31, 2015 and 2014, the Corporation's cash and cash equivalents were insured by the Federal Depository Insurance Corporation.

**3. Accounts Receivable**

As of December 31, 2015 and 2014 there were no receivables due to the Corporation.

**4. Revenues**

The Corporation collects a \$5,000 charged fee for all lease deals at closing. The Corporation's closing fees are recorded as income, when earned, at the time of closing of deals, unless otherwise specified.

There were no service fee and service income as of December 31, 2015 and 2014.

**5. Capital Assets**

The Corporation evaluates capital assets for prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. The Corporation's policy is to record an impairment loss in the period when the Corporation determines that the carrying amount of the asset will not be recoverable.

**WYANDANCH RISING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015 and 2014

**5. Capital Assets** (continued)

At December 31, 2015 and 2014, the Corporation had not recorded any impairment losses. There were no depreciable assets acquired during 2015 and 2014, therefore, there was no depreciation expense for the years ending December 31, 2015 and 2014.

**6. Sale / Transfer of Lease Right**

In 2013, the Town of Babylon transferred title of two parcels of land to Wyandanch Rising Inc. A third party developer paid the Town of Babylon \$748,500 for the two parcels (WR Communities A, LLC for \$209,300 and WR Community B LLC for \$539,200) on behalf of the Corporation. This was classified as a sale of lease right on the Corporation's statements of revenues, expense, and changes in net position for the year ended December 31, 2014. At the time of the title transfer of land, the Corporation entered into a Development Lease Agreement ("Lease agreement") with the third party developer in which the third party acting as the lessee subleased the land to the Babylon IDA, who in turn subleased the property back to the third party developer for a \$1 per annum. The purpose of the lease leaseback transaction is to provide future financial benefits to the third party developer such as certain sales tax and mortgage recording tax exemptions and real estate tax abatements.

During the year ended December 31, 2015, the Company transferred title to the entity that had the development lease agreement, WR Communities A, LLC for \$209,300. The transfer was made in accordance with the development lease which provided for the conversion of the leasehold to fee title any time after substantial completion of the building, which was completed in 2015. The transfer was completed in October 2015. This is classified as a transfer of lease right on the Corporation's statements of revenues, expense, and changes in net position.

**7. Conduit Debt Obligations, Industrial Revenue Bonds and Note Transactions**

The Corporation has the ability to issue Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of facilities and affordable housing deemed to be in the public interest. The bonds would be secured by the property financed and payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the Corporation, the Town, nor any political subdivision thereof, is obligated in any manner for repayment of the bonds. Accordingly, the bonds would not be reported as liabilities in the accompanying financial statements.

As of December 31, 2015 and 2014, there were no Revenue Bonds and Notes outstanding.

**8. Litigation**

The Corporation is subject to litigation in the ordinary conduct of its affairs. Management does not believe, however, that such litigation, individually or in the aggregate, is likely to have a material adverse effect on the financial condition of the Corporation.

**WYANDANCH RISING, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015 and 2014

**9. New Pronouncements**

The Governmental Accounting Standards Board (GASB) has issued the following Statements:

Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*," which outlines reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2017.

Statement No. 76, "*The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*," the objective of which is to identify, in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principles. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively.

Statement No. 77, "*Tax Abatement Disclosures*," the objective of which is to improve financial reporting by providing the users of financial statements with information about the nature and magnitude of tax abatements, and helping the users understand how tax abatements affect a government's future ability to raise resources and meet its financial obligations, as well as the impact on the government's financial position and economic condition. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015.

GASB has issued Statement No. 78 "*Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*". The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. The requirements of the new statement become effective for the Corporation for the year ended December 31, 2016.

The Corporation is currently evaluating the impact of the above pronouncements.

**OTHER REPORTS**



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED UPON THE AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Corporation Board Directors  
Wyandanch Rising, Inc.  
North Babylon, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities of Wyandanch Rising, Inc., (the "Corporation"), a component unit of the Town of Babylon, New York, as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated March 15, 2016.

**Internal Control over Financial Reporting**

In planning and performing our audits of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Corporation financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

PERSONAL SERVICE. TRUSTED ADVICE.

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## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control or on compliance. This report is an integral part of the audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Abner, Vijjar, Zerk & Gony P.C.

Hauppauge, New York  
March 28, 2016



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH WYANDANCH RISING, INC., INVESTMENT POLICY

Honorable Corporation Board Directors  
Wyandanch Rising, Inc.  
North Babylon, New York

**Report**

We have examined Wyandanch Rising, Inc., (the "Corporation"), a component unit of the Town of Babylon, New York, and compliance with the Corporation's investment policy during the period January 1, 2015 through December 31, 2015.

**Management's Responsibility**

Management is responsible for the Corporation's compliance with those requirements.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Corporation's compliance based on our examination. Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Corporation's compliance with specified requirements.

**Opinion**

In our opinion, the Corporation complied, in all material respects, with the aforementioned requirements during the period January 1, 2015 through December 31, 2015.

**Other Matters**

This report is intended solely for the information and use of the Board, audit committee, management of the Corporation, Authority Budget Office, and the New York State Comptroller's Office and is not intended to be and should not be used by anyone other than these specified parties.

*Albrecht, Viggiano, Zureck & Company P.C.*  
Hauppauge, New York  
March 28, 2016

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