

WYANDANCH RISING, INC.

AUDITED FINANCIAL STATEMENTS

Year Ended December 31, 2014 and 2013

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 statement 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, 2014 and 2013, 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, 2014 and 2013, 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 Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2015, 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.

A. M. Burch, Vignano, Zwick & Co., P.C.

Hauppauge, New York
March 23, 2015

REQUIRED SUPPLEMENTARY INFORMATION
Management's Discussion and Analysis

WYANDANCH RISING, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2014 and 2013

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, 2014 and 2013. Please read this information in conjunction with the financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the Corporation exceeded its liabilities at the close of 2014 by \$751,132 (net position).

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis ("MD&A") serves as an introduction to the basic financial statements and supplementary information. 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 includes 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. This statement 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
Years Ended December 31, 2014 and 2013

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 31, are presented as follows:

	2014	2013
Assets		
Current and other assets	\$ 2,632	\$ 10,000
Capital assets	748,500	748,500
Total Assets	751,132	758,500
Liabilities		
Current and other liabilities	-0-	-0-
Total Liabilities	-0-	-0-
Net Position		
Net investment in capital assets	\$ 748,500	\$ 748,500
Unrestricted	2,632	10,000
Total Net Position	\$ 751,132	\$ 758,500

Total assets and net position as of December 31, 2014 totaled \$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.

Total assets and net position as of December 31, 2013 totaled \$758,500. Net position is comprised of net investment in capital assets of \$748,500 and unrestricted net position in the amount of \$10,000, which is available to support operations. There were no liabilities at December 31, 2013.

WYANDANCH RISING, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2014 and 2013

FINANCIAL ANALYSIS OF THE CORPORATION (continued)

Operating Results

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

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

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

The Corporation's operating revenues in 2013 totaled \$10,000 which represents fees for two lease deals that occurred in 2013 for \$5,000 each. Non-operating revenues in 2013 totaled \$748,500 which represents payments made by a third party developer to the Town of Babylon for the two parcels on behalf of the Corporation. Net position at end of year totaled \$758,500. The Corporation did not incur any expenses in 2013.

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
Years Ended December 31, 2014 and 2013

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, 2014 and 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 2,632	\$ -0-
Accounts receivable	<u>-0-</u>	<u>10,000</u>
Total Current Assets	<u>2,632</u>	<u>10,000</u>
Capital Assets	<u>748,500</u>	<u>748,500</u>
Total Assets	<u>\$ 751,132</u>	<u>\$ 758,500</u>
 NET POSITION		
Net investment in capital assets	748,500	748,500
Unrestricted	<u>2,632</u>	<u>10,000</u>
Total Net Position	<u><u>\$ 751,132</u></u>	<u><u>\$ 758,500</u></u>

See notes to the financial statements.

WYANDANCH RISING, INC.
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
OPERATING REVENUES		
Charges for services	\$ -0-	\$ 10,000
Total Operating Revenues	<u>-0-</u>	<u>10,000</u>
OPERATING EXPENSES		
Total Operating Expenses	<u>7,400</u>	<u>-0-</u>
Operating Income (loss)	(7,400)	10,000
NON-OPERATING REVENUES:		
Interest income	32	-0-
Sale of lease right	<u>-0-</u>	<u>748,500</u>
Total Non-Operating Revenues	<u>32</u>	<u>748,500</u>
Change in Net Position	(7,368)	758,500
Net Position at Beginning of Year	<u>758,500</u>	<u>-0-</u>
Net Position at End of Year	<u><u>\$ 751,132</u></u>	<u><u>\$ 758,500</u></u>

See notes to the financial statements.

WYANDANCH RISING, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2014 and 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers, clients	\$ 10,000	\$ -0-
Cash payments for contractual expenses	(7,400)	-0-
Net Cash Provided by Operating Activities	2,600	-0-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	32	-0-
Net Cash Provided by Investing Activities	32	-0-
Net Increase in Cash	2,632	-0-
Cash and Cash Equivalents at Beginning of Year	-0-	-0-
Cash and Cash Equivalents at End of Year	\$ 2,632	\$ -0-
RECONCILIATION OF INCOME FROM OPERATING TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Income (loss) from operations	\$ (7,400)	\$ 10,000
Adjustments to reconcile operating income to net cash provided/(used) by operating activities:		
(Increase) decrease in accounts receivable	10,000	(10,000)
Net Cash Provided by Operating Activities	\$ 2,600	\$ -0-
NONCASH INVESTING ACTIVITIES:		
Land transferred from the Town of Babylon	\$ -0-	\$ 748,500
Less: Payment made on behalf of Wyandanch Rising, Inc.- sale of lease right	-0-	(748,500)
Net Cash Paid for Acquisition of Land	\$ -0-	\$ -0-

See notes to the financial statements.

WYANDANCH RISING, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

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 has 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 a government instrumental tax-exempt corporation that was created to promote the economic welfare, recreation opportunities and prosperity of the inhabitants of the Town of Babylon. The Corporation provides companies with 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, statement of revenues, expenses, and changes in net position, and statements of cash flows.

Cash and Cash Equivalents

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

WYANDANCH RISING, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

1. Summary of Significant Accounting Policies (continued)

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, 2014 and 2013, there were no prepaid expenses for the Corporation.

Deferred Outflows/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 statements element, deferred outflow of resources, represents a consumption of net position that is applicable to a future reporting period(s) and therefore 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 statements element represents an acquisition of net position that applies to a future period(s) and therefore 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.

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”

WYANDANCH RISING, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

1. Summary of Significant Accounting Policies (continued)

Net Position Classification (continued)

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 an 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. Actual results could differ from those estimates.

New Pronouncements

The Corporation has adopted all of the current statements of the GASB that are applicable, including GASB Statement No. 67 and GASB Statement No. 69. 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.

Collateral is required for demand deposits and time deposits accounts at certain 100% 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.

WYANDANCH RISING, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

2. Cash and Cash Equivalents (continued)

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, 2014 and 2013, the Corporation's cash was insured by the Federal Depository Insurance Corporation.

3. Accounts Receivable

As of December 31, 2014, there were no receivables due to the Corporation. As of December 31, 2013, the Corporation's receivables were \$10,000. Amounts included in accounts receivable represent closing fees charged for two lease deals at closing.

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.

The following is a detail of the fee and service income received for the year ended December 31:

	<u>2014</u>	<u>2013</u>
Closing Fee Income	\$ <u>-0-</u>	\$ <u>10,000</u>
Total Closing Fee Income	\$ <u>-0-</u>	\$ <u>10,000</u>

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, 2014 and 2013

5. Capital Assets (continued)

At December 31, 2014 and 2013, the Corporation has not recorded any such impairment losses. There were no depreciable assets acquired during 2014 and 2013 therefore, there was no depreciation expense for the years ending December 31, 2014 and 2013.

6. Sale 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 on behalf of the Corporation. This is classified as a sale of lease right on the Corporation's statements of revenues, expense, and changes in net position. 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.

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, 2014 and 2013, 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. As of December 31, 2014 and 2013, the Corporation is not the subject to any litigation.

9. New Pronouncements

The Governmental Accounting Standards Board ("GASB") issued authoritative guidance (GASB Statement No. 68) on *Accounting and Financial Reporting for Pensions*, which amends GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*. The objective of the statement is to improve financial reporting by state and local governmental pension plans. The Corporation is required to implement this authoritative guidance for the year ended December 31, 2015.

The Governmental Accounting Standards Board (GASB) has issued Statement No. 71 "*Pension Transition for Contributions Made Subsequent to the Measurement Date*"—an amendment of GASB Statement No. 68.

WYANDANCH RISING, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

9. New Pronouncements (continued)

The primary objective of this Statement is to address an issue regarding amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The requirements of the new statement become effective for the Corporation for the year ended December 31, 2015.

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

OTHER REPORTS



CERTIFIED PUBLIC ACCOUNTANTS

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
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 statement 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, 2014 and 2013, 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 23, 2015.

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

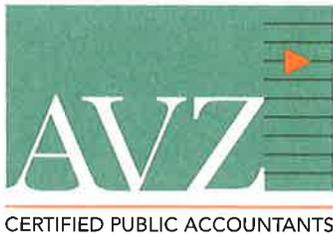
As part of obtaining reasonable assurance about whether the Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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.

A. Bruehl, Viegman, Zurek & Co., P.C.

Hauppauge, New York
March 23, 2015



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH CORPORATION INVESTMENT POLICY

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

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, 2014 through December 31, 2014. Management is responsible for the Corporation's compliance with those requirements. 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.

In our opinion, the Corporation complied, in all material respects, with the aforementioned requirements during the period January 1, 2014 through December 31, 2014.

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 & Co., P.C.

Hauppauge, New York
March 23, 2015

PERSONAL SERVICE. TRUSTED ADVICE.

ALBRECHT, VIGGIANO, ZURECK & COMPANY, P.C.

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