



To the Honorable Board of Directors  
The Town of Babylon L.D. Corporation II  
North Babylon, New York

We have audited the financial statements of the Town of Babylon L.D. Corporation II (the "Corporation"), a component unit of the Town of Babylon, New York, for the year ended December 31, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 18, 2017. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Corporation are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2017. The Corporation has adopted all the required Statements of the Governmental Accounting Standards Board ("GASB") that are applicable for the year ended December 31, 2017. There was no impact to the Corporation's financial statements as a result of adopting these GASB Statements.

We noted no transactions entered by the Corporation during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the period reported.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no sensitive estimate affecting the Corporation's financial statements.

The financial statement disclosures are neutral, consistent, and clear.

##### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

**BEYOND THE NUMBERS...**

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*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes one uncorrected misstatement of the financial statements. Management has determined that the effect is immaterial to the financial statements taken as a whole.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated March 29, 2018.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Corporation's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management prior to retention as the Corporation's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

*Other Matters*

We applied certain limited procedures to the management's discussion and analysis, which are defined as required supplementary information ("RSI") that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We have also issued separate reports in accordance with *Government Auditing Standards* regarding our consideration of the Company's internal control and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters and on compliance with the Company's investment policy in accordance with the attestation standards established by the American Institute of Certified Public Accountants.

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The Town of Babylon L.D. Corporation II  
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*Restriction on Use*

This information is intended solely for the use of the Board of Directors and management of the Corporation and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Albert, Vijay, Zohr & Conny P.S.*

Hauppauge, New York  
March 29, 2018

**Town of Babylon L.D. Corporation II**  
**Passed Adjusting Journal Entry**  
**December 31, 2017**

**Proposed Journal Entries JE # 1**

**Debit**

**Credit**

To adjust the opening balance to reflect rent payable at 1/1/2017 for an annual lease that expired on 8/31/2017 and payment was made in 2017. Therefore, the amount due for 9/1/16 through 12/31/16 should have been a payable.

0921.00	Retained Earnings	\$	333		
0350.00	Accrued rent expense			\$	333
	<b>Total</b>	<u>\$</u>	<u>333</u>	<u>\$</u>	<u>333</u>