

**LONG BEACH LOCAL DEVELOPMENT  
CORPORATION**

**AUDITED FINANCIAL STATEMENTS**

Years Ended December 31, 2015 and 2014

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Long Beach Local Development Corporation  
Long Beach, New York

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities of the Long Beach Local Development Corporation (the "Corporation"), a component unit of the City of Long Beach, 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 the 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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**REQUIRED SUPPLEMENTARY INFORMATION**  
**Management's Discussion and Analysis**

**LONG BEACH LOCAL DEVELOPMENT CORPORATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
Years Ended December 31, 2015 and 2014

This section presents management's analysis of the Long Beach Local Development Corporation (the "Corporation") financial condition and activities for the years ended December 31, 2015 and 2014. Please read this information in conjunction with the financial statements.

The Corporation is a component unit of the City of Long Beach (the "City"). All salaries and fringe benefits for the Corporation's personnel are paid by the City as well as certain professional fees. Additionally, the City provides office space to the Corporation. The Corporation currently does not reimburse the City for salaries, fringe benefits, rent and certain professional fees.

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

The statements of revenues, expenses, and changes in net position present the results of the Corporation's activities over the course of the year and information as to how 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 provide 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 present changes in cash resulting from operating, investing and financing 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 significant accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

**LONG BEACH LOCAL DEVELOPMENT CORPORATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
Years Ended December 31, 2015 and 2014

**FINANCIAL ANALYSIS OF THE CORPORATION**

One of the most important objectives of the financial analysis is to determine whether 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 and provide a detailed analysis of the changes in net position. The amount of net position, which is the difference between total assets and 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 are 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 or changed government legislation should be considered in evaluating the financial condition of the Corporation.

The following comparative 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<sup>st</sup>, for each of the years is presented as follows:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Assets</b>			
Current Assets	\$ 111,693	\$ 101,606	\$ 316,380
Total Current Assets	<u>111,693</u>	<u>101,606</u>	<u>316,380</u>
<b>Liabilities</b>			
Current Liabilities	99,395	90,395	241,377
Total Current Liabilities	<u>99,395</u>	<u>90,395</u>	<u>241,377</u>
<b>Net Position</b>			
Unrestricted	12,298	11,211	75,003
Total Net Position	<u>\$ 12,298</u>	<u>\$ 11,211</u>	<u>\$ 75,003</u>

Total assets as of December 31, 2015 were \$111,693, which exceeded its liabilities by \$12,298 (net position). All of the Corporation's net position is unrestricted and available to support the Corporation's operations. Total assets increased by \$10,087 between December 31, 2014 and 2015, primarily due to an increase in cash due to \$100,000 in grant reimbursements from the Empire State Development Corporation for eligible reimbursable project costs relating to the 2013 marketing campaign, and \$15,000 in donations. The \$100,000 in grant reimbursements relieved the \$100,000 grant receivable balance as of December 31, 2014. Total net position increased by \$1,087 in the current year, primarily due to operating revenues generated from donations outpacing operating expenses as compared to 2014.

Total assets as of December 31, 2014 were \$101,606, which exceeded its liabilities by \$11,211 (net position). The Corporation's net position is unrestricted and available to support the Corporation's operations. Total assets decreased by \$214,774 between December 31, 2013 and 2014, primarily due to a decrease in accounts payable and repayments to the City of Long Beach. Total net position decreased \$63,792 during the year ended December 31, 2014 as compared to 2013, primarily due to a decrease in cash and one-time grants and donations received in 2013.

**LONG BEACH LOCAL DEVELOPMENT CORPORATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 Years Ended 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 for the years ended December 31<sup>st</sup> are presented as follows:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Operating Revenues</b>			
Donations	\$ 15,000	\$ 50,000	\$ 140,000
Grant Revenue	-0-	-0-	100,000
	<u>15,000</u>	<u>50,000</u>	<u>240,000</u>
<b>Operating Expenses</b>			
Contractual Goods and Services	<u>14,078</u>	<u>114,070</u>	<u>165,285</u>
	<u>14,078</u>	<u>114,070</u>	<u>165,285</u>
<b>Non-Operating Revenues</b>			
	<u>165</u>	<u>278</u>	<u>288</u>
Change in Net Position	<u>1,087</u>	<u>(63,792)</u>	<u>75,003</u>
<b>Net Position at Beginning of Year</b>	<u>11,211</u>	<u>75,003</u>	<u>-0-</u>
Net Position at End of Year	<u>\$ 12,298</u>	<u>\$ 11,211</u>	<u>\$ 75,003</u>

The Corporation's revenues decreased \$35,000 from \$50,000 in 2014 to \$15,000 in 2015, a decrease of 70%, which is due to less donations received in 2015 as compared to 2014. The Corporation's total expenses decreased \$99,992 from \$114,070 in 2014 to \$14,078 in 2015, a decrease of 88%, which is attributable to less marketing expenses. The Corporation incurred higher marketing expenses during 2014 and 2013 in the effort to promote the newly formed Corporation.

The Corporation's revenues decreased \$190,000 from \$240,000 in 2013 to \$50,000 in 2014, a decrease of 79%, which was due to one-time grants and donations received in 2013. The Corporation's total expenses decreased \$51,215 from \$165,285 in 2013 to \$114,070 in 2014, a decrease of 31%, which was attributable to initial consulting and legal expenses relating to the Corporation's formation and startup.

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

The unemployment rate in the County of Nassau has continued to be somewhat lower than national and State of New York averages. At December 31, 2015, the United States unemployment rate was 5.0%, the New York State unemployment rate was 4.8% and the County of Nassau had an unemployment rate of 3.7%.

Limited activity is expected for the year ending December 31, 2016 as the Corporation is currently in exploratory planning stages.

**LONG BEACH LOCAL DEVELOPMENT CORPORATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
Years Ended 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 Patricia Bourne at the Long Beach Local Development Corporation at 1 West Chester Street, Long Beach, New York, 11561.

**FINANCIAL STATEMENTS**

**LONG BEACH LOCAL DEVELOPMENT CORPORATION**  
**STATEMENTS OF NET POSITION**  
December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash	\$ 111,693	\$ 1,606
Grant receivable	-0-	100,000
<b>Total Current Assets</b>	<u>111,693</u>	<u>101,606</u>
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Due to the City of Long Beach	<u>99,395</u>	<u>90,395</u>
<b>Total Current Liabilities</b>	<u>99,395</u>	<u>90,395</u>
<b>NET POSITION</b>		
Unrestricted	<u>12,298</u>	<u>11,211</u>
<b>Total Net Position</b>	<u><u>\$ 12,298</u></u>	<u><u>\$ 11,211</u></u>

See notes to the financial statements.

**LONG BEACH LOCAL DEVELOPMENT CORPORATION**  
**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>		
Donations	\$ 15,000	\$ 50,000
Total Operating Revenues	<u>15,000</u>	<u>50,000</u>
<b>OPERATING EXPENSES:</b>		
Contractual services	5,000	-0-
Professional fees	9,000	9,000
Marketing contracts	78	105,070
Total Operating Expenses	<u>14,078</u>	<u>114,070</u>
Net Operating Income (Loss)	<u>922</u>	<u>(64,070)</u>
<b>NON-OPERATING REVENUES:</b>		
Interest income	165	278
Total Non-Operating Revenues	<u>165</u>	<u>278</u>
Changes in Net Position	1,087	(63,792)
<b>Net Position at Beginning of Year</b>	<u>11,211</u>	<u>75,003</u>
Net Position at End of Year	<u>\$ 12,298</u>	<u>\$ 11,211</u>

See notes to the financial statements.

**LONG BEACH LOCAL DEVELOPMENT CORPORATION**  
**STATEMENTS OF CASH FLOWS**  
Years Ended December 31, 2015 and 2014

	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Donations	\$ 15,000	\$ 55,000
Grant revenue	100,000	-0-
Cash payments for contractual services	(14,078)	(197,109)
	100,922	(142,109)
Net Cash Provided (Used) by Operating Activities		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on investments	165	278
	165	278
Net Cash Provided by Investing Activities		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash received from the City of Long Beach	9,000	125,149
Cash payments to the City of Long Beach	-0-	(193,092)
	9,000	(67,943)
Net Cash Provided (Used) by Financing Activities		
Net Increase (Decrease) in Cash	110,087	(209,774)
Cash at Beginning of Year	1,606	211,380
Cash at End of Year	\$ 111,693	\$ 1,606
<b>RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>		
Net operating income (loss)	\$ 922	\$ (64,070)
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:		
Decrease in assets:		
Grant receivable	100,000	-0-
Donation receivable	-0-	5,000
Decrease in current liabilities:		
Accounts payable	-0-	(83,039)
Net Cash Provided (Used) by Operating Activities	\$ 100,922	\$ (142,109)

See notes to the financial statements.

**LONG BEACH LOCAL DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Years Ended December 31, 2015 and 2014

**Note 1 – Summary of Significant Accounting Policies**

Organization

The Long Beach Local Development Corporation (the "Corporation") was established as a local development corporation on August 7, 2012, pursuant to Section 1411 of the New York Not-for-Profit Corporation Law. The Corporation is subject to the Public Authorities Accountability Act of 2005, as amended by Chapter 506 of the Laws of 2009 (collectively, the "PAAA") and must comply with the PAAA, as set forth in the New York State Public Authorities Law.

The mission and public objective of the Corporation is to lessen the burdens on governments by undertaking and promoting economic development initiatives in the City of Long Beach, New York ("City of Long Beach") area that include real estate leasing, acquisition, development and management, real estate project finance and other community-based economic development activities, as permissible under the New York Not-for-Profit Corporation Law.

The Corporation's more significant accounting policies are described below.

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 City of Long Beach appoints the governing board of the Corporation which results in interdependency with the City of Long Beach. Accordingly, the Corporation has been determined to be a component unit of the City of Long Beach.

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 or economic asset used, regardless of the timing of the related cash flows. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. 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 the statements of net position; statements of revenues, expenses, and changes in net position; and statements of cash flows.

**LONG BEACH LOCAL DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Years Ended December 31, 2015 and 2014

**Note 1 – Summary of Significant Accounting Policies** (continued)

Cash and Cash Equivalents

For purposes of reporting the statements of cash flows, cash equivalents are defined as short-term highly liquid investments with original maturities of less than three months. The statements of cash flows presented use the direct method. During the years ended December 31, 2015 and 2014, the Corporation did not hold any cash equivalents.

Net Position Classification

In the financial statements, equity is classified as net position and, where applicable, 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 attributable 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."

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.

Revenue Recognition

For the years ended December 31, 2015 and 2014, the Corporation's operating revenue consisted of a state-funded grant from the Empire State Development Corporation and various donations to assist the Corporation with its matching requirements for the grant and to help promote the formation and startup of the Corporation. Grant revenues and donations are recognized as revenue by the Corporation when all eligibility requirements imposed by the provider have been met.

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.

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.

**LONG BEACH LOCAL DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Years Ended December 31, 2015 and 2014

**Note 2 – Cash**

Cash consists of funds deposited in demand accounts with original maturities of less than three months.

The Corporation's investments are governed by a formal investment policy. The Corporation's monies must be deposited in Federal Depository Insurance Corporation ("FDIC") insured commercial banks or trust companies located within New York State. 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 certificates of deposit and special time deposits accounts at 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.

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 Corporation. 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, the Corporation's cash was fully insured by the Federal Depository Insurance Corporation or collateralized by securities held in the pledging bank's trust department in the Corporation's name.

**Note 3 – Revenues**

Under current New York Not-for-Profit Corporation Law, the Corporation is permitted to collect administration fees from the issuance of taxable bonds, tax exempt bonds and other transactions from the Corporation's not-for-profit applicants, pursuant to its Board-approved fee structure. The Corporation did not receive any project applications during 2015 and 2014 and is in the process of developing a fee structure.

**LONG BEACH LOCAL DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Years Ended December 31, 2015 and 2014

**Note 4 – Conduit Debt Obligations, Revenue Bonds and Note Transactions**

Under current New York Not-for-Profit Corporation Law, the Corporation is permitted to issue revenue bonds in order to provide financial assistance to not-for-profit organizations for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. Such revenue bonds can be secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the not-for-profit organizations served by the bond issuance.

Neither the Corporation, the City of Long Beach, nor any political subdivision thereof, are obligated in any manner to repay such debt and therefore, are not required to be reported as liabilities in the Corporation's financial statements.

As of December 31, 2015 and 2014, there was no conduit debt, revenue bonds or notes outstanding.

**Note 5 – Related Party Transactions**

The Corporation is a component unit of the City of Long Beach (the "City") and its personnel are employees of the City. All salaries and fringe benefits for the Corporation's personnel are paid by the City as well as certain professional fees. Additionally, the City provides office space to the Corporation. The Corporation currently does not reimburse the City for salaries, fringe benefits, rent and certain professional fees.

For the years ended December 31, 2015 and 2014, the Corporation owed to the City of Long Beach net amounts totaling \$99,395 and \$90,395, as presented in the statements of net position.

Related party transactions are comprised of: 1) legal, advertising, and contractual expenses related to the initial formation and startup and promotion of the Corporation, and 2) three short-term loans issued to the Corporation by the City to cover the Corporation's expenses.

The sole member of the Corporation is the City of Long Beach, acting through the City Manager.

**Note 6 – Litigation**

The Corporation is subject to litigation in the ordinary conduct of its affairs. Management does not believe, however, if such litigation should occur, either individually or in the aggregate, that it would have a material adverse effect on the financial condition of the Corporation. As of the date of the report, the date the financial statements were available to be issued, there were no pending litigation matters with the Corporation.

**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

To the Board of Directors  
Long Beach Local Development Corporation  
Long Beach, 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 the Long Beach Local Development Corporation (the "Corporation"), a component unit of the City of Long Beach, 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 June 28, 2016.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Corporation's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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.

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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.



Hauppauge, New York  
June 28, 2016



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH THE CORPORATION'S INVESTMENT POLICY

To the Board of Directors  
Long Beach Local Development Corporation  
Long Beach, New York

**Report**

We have examined the Long Beach Local Development Corporation's (the "Corporation"), a component unit of the City of Long Beach, New York, 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 their investment policy.

**Auditors' Responsibility**

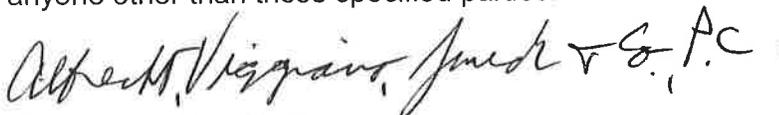
Our responsibility is to express an opinion on the Corporation's compliance based on our examination. Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence 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 of Directors, management of the Corporation, and the City of Long Beach and is not intended to be and should not be used by anyone other than these specified parties.

  
Hauppauge, New York  
June 28, 2016

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