



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

In planning and performing our audit of the financial statements of Long Beach Local Development Corporation (the "Corporation") as of and for the year ended December 31, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the Corporation's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

During the course of our audit we became aware of several opportunities for establishing and strengthening internal controls and operating efficiency. The following summarizes our comments and suggestions regarding those matters. It should be noted that benefits of implementing our suggestions must be weighed against the costs of implementation. This letter does not affect our report dated June 13, 2014 on the financial statements of Long Beach Local Development Corporation.

Annual Re-adoption of the Corporation's Policies

Observation

During our review of the March 2014 Board Minutes, we noted that the Board of Directors (the "Board") has not yet reviewed and re-adopted the Corporation's policies. Generally organizations will review, amend if needed, and re-adopt their policies on an annual basis at the beginning of each fiscal year.

Recommendation

As a best practice, we recommend that the Board review such Corporate policies and re-adopt them at the first Board Meeting of each year.

Accounting Software

The Corporation is currently utilizing Microsoft Excel to maintain its books and records. We recommend that the Corporation consider utilizing an accounting software to ensure that there are safeguards on the books and records, there is an audit trail for activities posted, and to allow for the generation of accounting reports as needed.

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Additional Best Practices to Consider

This list of additional best practices is not intended to be all-inclusive to the Corporation and is based on our experience to date with the Corporation.

Administrative Charges between the City of Long Beach and the Corporation

We were informed that the Corporation does not have a formal agreement between the City of Long Beach (the "City") and the Corporation regarding the Corporation's use of City personnel and office space. We recommend that the Board implement a policy and formal agreement to account for such administrative services.

Due to/from the City of Long Beach

The Corporation should regularly review amounts due to/from the City of Long Beach to ensure that such amounts are repaid on a timely basis and are for reasonable transactions.

Segregation of Duties

As the Corporation's activities continue to increase, the Corporation should monitor its procedures to ensure that the Corporation maintains an appropriate level of segregation between duties, including 1) the custody of the Corporation's assets, 2) the authorization and approval of related transactions affecting those assets and 3) the recording and reporting of related transactions.

Grant Recordkeeping

The Corporation should maintain a schedule of all grant revenues, receivables, expenses and payables in matter that is efficient for the Corporation. The Corporation should also consider documenting the grant name and/or number on each expenditure claim.

Very truly yours,

Albert, Vignano, Zwick & Co., P.C.

Hauppauge, New York
June 13, 2014