LONG BEACH LOCAL DEVELOPMENT CORPORATION

AUDITED FINANCIAL STATEMENTS

Year Ended December 31, 2013

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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

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

Report on 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 year ended December 31, 2013, which collectively comprise the Corporation's basic financial statements, and the related notes to the 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 audit. We conducted our audit 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 audit 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 auditors consider 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 opinion.

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Opinion

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, 2013, and the respective changes in financial position and cash flows thereof for the year 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 audit 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 June 13, 2014, 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 and should be considered in assessing the results of our audit.

Albrecht, Viggiano, Zureck & Co., P.C.

Hauppauge, New York
June 13, 2014

REQUIRED SUPPLEMENTARY INFORMATION
Management's Discussion and Analysis

LONG BEACH LOCAL DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2013

This section presents management's analysis of the Long Beach Local Development Corporation (the "Corporation") financial condition and activities for the year ended December 31, 2013, which is the Corporation's first year of operations. Please read this information in conjunction with the financial statements.

The Corporation is a component unit of the City of Long Beach (the "City") The City provides office space to the Corporation.

FINANCIAL HIGHLIGHTS

- On August 7, 2012, the City Council of the City of Long Beach adopted a resolution authorizing the formation of the Long Beach Local Development Corporation as a local development corporation pursuant to Section 1411 of the New York Not-for-Profit Corporation Law. There was no financial activity during 2012; therefore, 2012 information has not been presented.

- The assets of the Corporation exceeded its liabilities at the close of 2013 by approximately $75,000 (net position).

- Net position represents the portion of the Corporation's net assets available to maintain its continuing obligations. The Corporation incurred revenues and expenses during 2013 primarily related to its formation and startup, which resulted in a net position, all of which is deemed to be unrestricted. Total net position as of December 31, 2013 was approximately $75,000.

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

The statement of revenues, expenses, and change in net position presents 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. 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.

LONG BEACH LOCAL DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2013

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

The statement of cash flows presents changes in cash and cash equivalents 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 accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

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 statement of net position and the statement of revenues, expenses, and change in net position provide useful information in this regard. The statements report the net position of the Corporation and the change in net position. The amount of net position, 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, 2013, is presented as follows:

Assets		
Current Assets		$ 316,380
	Total Current Assets	316,380
Liabilities		
Current Liabilities		241,377
	Total Current Liabilities	241,377
Net Position		
Unrestricted		75,003
	Total Net Position	$ 75,003

Total assets as of December 31, 2013 were $316,380, which exceeded its liabilities by $75,003 (net position). The Corporation's net position is unrestricted and available to support the Corporation's operations.

LONG BEACH LOCAL DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2013

FINANCIAL ANALYSIS OF THE CORPORATION (continued)

Operating Results

The Corporation's condensed statements of revenues, expenses and change in net position at December 31, 2013 are presented as follows:

Operating Revenues	
Donations	$ 140,000
Grant Revenue	100,000
Total Operating Revenues	240,000
Operating Expenses	
Contractual Goods and Services	165,285
Total Operating Expenses	165,285
Non-Operating Revenues	288
Change in Net Position	75,003
Net Position at Beginning of Year	-0-
Net Position at End of Year	$ 75,003

The Corporation received a $100,000 grant from the Empire State Development Corporation to implement a regional marketing campaign to promote seasonal tourism, support local businesses and provide a significant boost to the local economy of Long Beach following Superstorm Sandy.

The Corporation received $140,000 from various donors during 2013, which helped to cover marketing and consulting expenses and meet its matching requirements with the state grant.

During 2013, the Corporation incurred expenses related to its formation and startup, marketing and consulting totaling $165,285.

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, 2013, the United States unemployment rate was 6.7%, the New York State unemployment rate was 7.1% and the County of Nassau had an unemployment rate of 4.8%.

LONG BEACH LOCAL DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2013

ECONOMIC FACTORS AND NEXT YEAR'S PLAN (continued)

Limited activity is expected for the year ending December 31, 2014 as the Corporation is currently in exploratory planning stages.

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
STATEMENT OF NET POSITION
December 31, 2013

ASSETS		
Current Assets:		
Cash	$	211,380
Grant receivable		100,000
Donation receivable		5,000
Total Current Assets		316,380
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued expenses		83,039
Due to the City of Long Beach		158,338
Total Current Liabilities		241,377
NET POSITION		
Unrestricted		75,003
Total Net Position	$	75,003

See notes to the financial statements.

LONG BEACH LOCAL DEVELOPMENT CORPORATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
Year Ended December 31, 2013

OPERATING REVENUES:		
Donations	$	140,000
Grant revenue		100,000
Total Operating Revenues		240,000
OPERATING EXPENSES:		
Consulting fees		42,000
Legal fees		24,395
Marketing contracts		98,890
Total Operating Expenses		165,285
Net Operating Income		74,715
NON-OPERATING REVENUES:		
Interest income		288
Total Non-Operating Revenues		288
Change in Net Position		75,003
Net Position at Beginning of Year		-0-
Net Position at End of Year	$	75,003

See notes to the financial statements.

LONG BEACH LOCAL DEVELOPMENT CORPORATION
STATEMENT OF CASH FLOWS
Year Ended December 31, 2013

CASH FLOWS FROM OPERATING ACTIVITIES		
Donations	$	135,000
Cash payments for contractual services		(82,246)
Net Cash Provided by Operating Activities		52,754
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments		288
Net Cash Provided by Investing Activities		288
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from the City of Long Beach		208,338
Cash payments to the City of Long Beach		(50,000)
Net Cash Provided by Financing Activities		158,338
Net Increase in Cash		211,380
Cash and Cash Equivalents at Beginning of Year		-0-
Cash and Cash Equivalents at End of Year	$	211,380

RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Net operating income	$	74,715
Adjustments to reconcile net operating income to net cash provided by operating activities:		
(Increase) decrease in assets:		
Donation receivable		(5,000)
Grant receivable		(100,000)
Increase (decrease) in current liabilities:		
Accounts payable and accrued expenses		83,039
Net Cash Provided by Operating Activities	$	52,754

See notes to the financial statements.

LONG BEACH LOCAL DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2013

Note 1 – Summary of Significant Accounting Policies

Organization

The Long Beach Local Development Corporation (the "Corporation") was created as a local development corporation. The Corporation was established 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 financial statements of the Corporation have been prepared in conformity with generally accepted accounting principles 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 Corporation's more significant accounting policies are described below.

Financial Reporting

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 include a statement of net position, a statement of revenues, expenses, and change in net position, and a statement of cash flows.

LONG BEACH LOCAL DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2013

Note 1 – Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

For purposes of reporting the statement of cash flows, cash equivalents are defined as short-term highly liquid investments with original maturities of less than three months. The statement of cash flows presented uses the direct method. During the year ended December 31, 2013, the Corporation did not hold any cash equivalents.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Corporation did not have any items qualifying for reporting in the category.

In addition to liabilities, the statement of financial 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 future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Corporation did not have any items qualifying for reporting in this category.

Net Position Classification

In the financial statements, equity is classified as net position and 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

In its first year of operations, 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. Grants revenues and donations are recognized as revenue by the Corporation when all eligibility requirements imposed by the provider have been met.

LONG BEACH LOCAL DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2013

Note 1 – Summary of Significant Accounting Policies (continued)

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.

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, 2013, the Corporation's cash was insured by the Federal Depository Insurance Corporation or collateralized by securities held in the pledging bank's trust department in the Corporation's name.

LONG BEACH LOCAL DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2013

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 2013 and is in the process of developing a fee structure.

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, 2013, 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. Additionally, the City provides office space to the Corporation. The Corporation currently does not reimburse the City for salaries, fringe benefits or rent.

In the statement of net position, a net amount due to the primary government (the City of Long Beach) is comprised of the following transactions that occurred during 2013: 1) grant payments received by the Corporation that belong to the City of Long Beach totaling $193,092, 2) legal expenses that were paid by the City of Long Beach related to the formation of the Corporation totaling $15,246 and 3) a $50,000 donation received by the City of Long Beach that is owed to the Corporation which is deemed to be part of the matching requirement related to the Corporation's state grant as previously disclosed in Note 3. These amounts will be transferred to the City of Long Beach during 2014.

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.

LONG BEACH LOCAL DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2013

Note 7 – New Pronouncement

The GASB issued authoritative guidance (Statement No. 69) on *Government Combinations and Disposals of Government Operations*, which establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The Corporation is required to implement this authoritative guidance for the year ended December 31, 2014.

The Corporation is currently evaluating the impact of this pronouncement.

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*

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 year ended December 31, 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 June 13, 2014.

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 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. 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.

Albrecht, Viggiano, Zureck & Co, P.C.

Hauppauge, New York
June 13, 2014

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE CORPORATION INVESTMENT POLICY

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

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, 2013 through December 31, 2013. 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, 2013 through December 31, 2013.

This report is intended solely for the information and use of the audit committee, 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.

Albrecht, Viggiano, Zureck & Co, P.C.

Hauppauge, New York
June 13, 2014

PERSONAL SERVICE. TRUSTED ADVICE.

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