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January 12, 2010

To the Board of Directors
Theater Subdistrict Council Local Development Corporation
New York, NY

I have audited the financial statements of Theater Subdistrict Council Local Development Corporation (TSC) as of and for the year ended May 31, 2009 and have issued my report thereon, dated January 12, 2010. I conducted the 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.

Internal Control Over Financial Reporting

In planning and performing the audit, I considered TSC's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the effectiveness of the Theater Subdistrict Council Local Development Corporation's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of TSC's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Theater Subdistrict Council Local Development Corporation's financial statements are free of material misstatements, I performed tests of its compliance with certain provisions of laws and regulations, 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 the audit, and accordingly I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the management and those charged with governance and is not intended to be and should not be used by anyone other than these specified parties.

Patricia Armstrong, CPA

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