



228 Bridge Street
Metuchen, NJ 08840
Phone: (732) 902 2929
Fax: (732) 902 9236
www.caballerocpas.com

December 10, 2019

The Board of Directors and Management of
Theater Subdistrict Council Local Development Corporation
120 Broadway, 31st Floor
New York, NY 10271

Ladies and Gentlemen:

We have audited the financial statements of Theater Subdistrict Council Local Development Corporation (the “Organization” or “TSC”) as of and for the year ended May 31, 2019, in accordance with auditing standards generally accepted in the United States of America (“generally accepted auditing standards”) and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and have issued our report thereon dated December 10, 2019. Professional standards require that we communicate to you the following information related to our audit.

OUR RESPONSIBILITY UNDER GENERALLY ACCEPTED AUDITING STANDARDS AND GOVERNMENT AUDITING STANDARDS

Our responsibility under generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, has been described in our engagement letter dated November 25, 2019. As described in that letter, our responsibilities include forming and expressing an opinion about whether the financial statements that have been prepared by management are presented fairly, in all material respects, in conformity with generally accepted accounting principles. The audit of the Organization’s financial statements does not relieve management of its responsibilities.

SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for the selection and use of appropriate accounting policies. The basis of presentation and summary of significant accounting policies are set forth in the notes to the financial statements. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus.

ACCOUNTING ESTIMATES

Accounting estimates are an integral part of the financial statement prepared by management and are based on management’s current judgments. Those judgments are ordinarily based on knowledge and experience about past and current events and on assumptions about future events. During the year ended May 31, 2019, we are not aware of any significant changes in accounting estimates or in management’s judgments relating to such estimates.

INTERNAL CONTROL-RELATED MATTERS

In planning and performing our audit of the Organization's financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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 Organization'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.

We consider the following deficiencies in the Organization's internal control to be material weaknesses:

Finding No. 2019-01

The financial Statements for the year ended May 31, 2019 were originally prepared under Financial Accounting Standards Board (FASB) pronouncements. The Organization is a public authority and is required to prepare financial statements under Governmental Accounting Standards Board ("GASB") pronouncements.

Paragraph c of 2 CRR-NY 201.2 indicates in part that:

"... Since public authorities are governmental entities, the accounting principles followed should be those prescribed by the Governmental Accounting Standards Board or its successors and should be applied on a consistent basis...."

Additionally, GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* states that:

"Unless otherwise specified, pronouncements of the GASB apply to financial reports of all state and local governmental entities, including general purpose governments; public benefit corporations and authorities; public employee retirement systems; and public utilities, hospitals and other healthcare providers, and colleges and universities..."

The original version of the financial statements prepared by management did not include all the reports required by GASB; for instance, the section for Management Discussion and Analysis.

Recommendation

We recommended that management revise the financial statements to be in accordance with GASB pronouncements. Management has accepted our recommendation.

Management Response

Management agrees with the auditor recommendation above and has revised the financial statements to comply with GASB requirements.

Finding No. 2019-02

Classification of net assets/fund balance was originally presented as unrestricted rather than being presented as restricted.

The relevant provisions of Zoning Resolution 81-70, *Special Regulations for Theater Subdistrict* (the “Zoning Resolution”), specify how the funds shall be expended. The Zoning Resolution states in part (pages 237 and 238 of the web version of the Zoning Resolution):

“...the remainder of such revenue shall be used for activities chosen by the Theater Subdistrict Council furthering the objectives and purposes of this Section....”

We also note that page 207 of the web version of the Zoning Resolution has the following relevant provision:

“...The Theater Subdistrict Council shall be a not-for-profit corporation whose organizational purpose shall be limited solely to promoting theater and theater-related use and preservation within the Theater Subdistrict and promoting the welfare of the Theater Subdistrict generally. The goals of the Theater Subdistrict shall include enhancing the long-term viability of Broadway by facilitating the production of plays and audiences for all types of theatrical productions, and monitoring preservation and use covenants in Broadway’s “listed theaters”.”

The original version of the financial statements prepared by management presented the net assets as unrestricted, which had implied that the funds are available and can be spent without any restrictions.

Recommendation

We recommended that management appropriately classify the net assets as restricted based on the provisions of the Zoning Resolution.

Management Response

The Organization’s management has revised the financial statements be in accordance with GASB pronouncements and the net assets have been presented as restricted in the statement of net position.

SIGNIFICANT DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

In our judgment, we received the full cooperation of the Organization's management and staff and had unrestricted access to the Organization's senior management in the performance of our audit.

CORRECTED MISSTATEMENTS

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Refer below for the correcting entries recorded by management:

Dr: Accounts Payable	6,000
Cr: Professional fees	6,000
To correct accounts payable and professional fees.	

Dr: Unrestricted net assets	170,543
Cr: Restricted net assets	170,543
To reclassify the net assets as of May 31, 2019.	

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 auditor's report. We are pleased to report that no such disagreements arose during the course of our audit other than the matters noted in the internal control section above.

MANAGEMENT'S REPRESENTATIONS

We have made specific inquiries of the Organization's management about the representations embodied in the financial statements. Additionally, we requested that management provide to us the written representations the Organization is required to provide to its independent auditors under generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

MANAGEMENT CONSULTATION WITH OTHER 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 Organization's financial statements or a determination of the type of auditor's 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 FINDINGS OR ISSUES DISCUSSED WITH MANAGEMENT

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization'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 MATERIAL WRITTEN COMMUNICATIONS BETWEEN MANAGEMENT AND US

Refer below for a listing of written communications that we believe constitute other material written communications between management and us related to the audit of the financial statements as of and for the year ended May 31, 2019:

Description of Other Material Written Communications	Status
Management representation letter dated December 10, 2019	Received and attached with this report
Engagement letter dated November 25, 2019	Received and attached with this report
Communications to those charged with Governance and Management – Audit Scope and Fees dated November 19, 2019	Received and attached with this report
Engagement letter dated August 7, 2018	Received and attached with this report

* * * * *

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

Very truly yours,

Caballero & Associates

THEATER SUBDISTRICT COUNCIL LOCAL DEVELOPMENT CORPORATION

120 Broadway, 31st Floor
New York, NY 10271
Phone: (212) 720-3300

December 10, 2019

Caballero & Associates, LLC
228 Bridge Street
Metuchen, NJ 08840

This representation letter is provided in connection with your audit of the financial statements of Theater Subdistrict Council Local Development Corporation ("TSC" or the "Organization"), which comprise the government-wide statement of net position as of May 31, 2019 and the statement of activities for the year then ended, and the governmental fund balance sheet as of May 31, 2019 and the statement of revenues, expenditures and changes in fund balances for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date December 10, 2019, the following representations made to you during your audit:

- (1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated November 25, 2019, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- (2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP.
- (3) With respect to the Organization's management's discussion and analysis (MD&A) accompanying the financial statements:
 - a) Management is responsible for presentation of the MD&A in accordance with U.S. GAAP
 - b) The MD&A including its form and content, is fairly presented in accordance with U.S. GAAP
 - c) Management has disclosed any significant assumptions or interpretations underlying the measurement or presentation of the MD&A

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- (4) We acknowledge our responsibility for 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.
- (5) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- (6) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- (7) There are no related-party relationships and transactions that should be accounted for or disclosed in the financial statements.
- (8) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- (9) We are in agreement with the adjusting journal entries you have proposed (as listed below), and they have been posted to the Organization's accounts. We have evaluated the propriety of the corrected misstatements based on a review of both the applicable authoritative literature and the underlying support evidence from our files and confirm our responsibility for the decision to correct them. Management has performed an independent assessment of the errors detailed below and has concluded that there are no similar errors in the amounts reported on the financial statements.

Dr: Accounts Payable 6,000

Cr: Professional fees 6,000

To correct accounts payable and professional fees.

Dr: Unrestricted net assets 170,543

Cr: Restricted net assets 170,543 To reclassify

thenet assets as of May 31, 2019

- (10) We have revised the presentation of the financial statements following the pronouncements of the Governmental Accounting Standards Board (GASB). We have evaluated the propriety of using GASB pronouncements based on a review of the applicable authoritative literature and confirm our responsibility for the selection of GASB pronouncements as the appropriate financial reporting framework.
- (11) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- (12) Material concentrations have been appropriately disclosed in accordance with U.S. GAAP.
- (13) Guarantees, whether written or oral, under which the Organization is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.
- (14) The financial statements include all of TSC's assets and liabilities as required by U.S. GAAP for recognition in the financial statements.

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- (15) We have provided you with:
 - (a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - (b) Additional information that you have requested from us for the purpose of the audit.
 - (c) Unrestricted access to persons within the Organization from whom you determined it necessary to obtain audit evidence.
 - (d) Minutes of the meetings of directors and committees of directors that were held from June 1, 2018 to the date of this letter, or summaries of actions of recent meetings for which minutes have not yet been prepared.
- (16) There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices.
- (17) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- (18) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- (19) We have no knowledge of any fraud or suspected fraud that affects the Organization and involves:
 - (a) Management,
 - (b) Employees who have significant roles in internal control, or
 - (c) Others where the fraud could have a material effect on the financial statements.
- (20) We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's financial statements communicated by employees, former employees, grantors, regulators, or others.
- (21) We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
- (22) We have disclosed to you all known actual or possible litigation, claims, and assessment whose effects should be considered when preparing the financial statements.
- (23) We have disclosed to you the identity of the Organization's related parties and all the related-party relationships and transactions of which we are aware.
- (24) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.

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- (25) We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or net asset balances.
- (26) The following, where applicable and material, have been properly recorded or disclosed in the financial statements:
 - (a) Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances.
 - (b) Guarantees, whether written or oral, under which TSC is contingently liable.
- (27) There are no:
 - (a) Violations or possible violations of laws or regulations and provisions of contracts and grant agreements (including the failure to file reports required by regulatory bodies [e.g., FDIC, IRS, state and municipal authorities] where the effects of failing to file could be material to the financial statements) whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency
 - (b) Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with U.S. GAAP.
 - (c) Designation of net assets disclosed to you that were not properly authorized and approved, or reclassifications of net assets that have not been properly reflected in the financial statements.
- (28) For the year ended May 31, 2019, there were no interest or penalties related to tax liabilities recorded or included in the statement of activities.
- (29) We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- (30) Theater Subdistrict Council Local Development Corporation is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize our tax-exempt status and all activities subject to tax on unrelated business income or excise or other tax have been disclosed to you. All required filings with tax authorities are up-to-date. As of May 31, 2019, the Organization was not subject to any examination by any taxing authority.
- (31) We have no plans or intentions to discontinue the operations of any program or discontinue any significant services or activities.
- (32) As part of our engagement, you assisted with the preparation of the Organization's IRS Form 990 *Return of Organization Exempt from Income Tax* and New York State Form CHAR 500 *NYS Annual Filing for Charitable Organizations* (the "informational returns") and the preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to these nonattest/nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services

THEATER SUBDISTRICT COUNCIL LOCAL DEVELOPMENT CORPORATION

performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for the informational returns, financial statements and related notes.

- (33) We have provided views on your reported findings, conclusions, and recommendations. We are responsible for taking corrective action on audit findings and we are responsible for preparing and implementing a corrective action plan for each audit finding.
- (34) We have a process to track the status of audit findings and recommendations.

To the best of our knowledge and belief, no events, have occurred subsequent to the statement of financial position date and through the date of this representation letter, that would require adjustment to or disclosure in the aforementioned financial statements.

Very truly yours,



David Parish Date
Chief Financial Officer



228 Bridge Street
Metuchen, NJ 08840
Phone: (732) 902 2929
Fax: (732) 902 9236
www.caballerocpas.com

November 25, 2019

The Board of Directors and Management of
Theater Subdistrict Council Local Development Corporation
NYC Department of City Planning
120 Broadway, 31st Floor
New York, NY 10271

Re: Audit Engagement Letter for Fiscal Year Ended May 31, 2019

Ladies and Gentlemen:

We are pleased to confirm our understanding of the services we are to provide for Theater Subdistrict Council Local Development Corporation (the "Organization", "you", or "your") for the fiscal year ended May 31, 2019.

We will audit the financial statements of the Organization which comprise the government-wide statement of net position and governmental fund balance sheet as of May 31, 2019, the related statements of government-wide statement of activities and government fund statement of revenues, expenditures, and changes in fund balances for the fiscal year then ended, and the related notes to the financial statements (the "financial statements").

Accounting standards generally accepted in the United States of America provide for certain required supplementary information, such as management's discussion and analysis (MD&A), to supplement the Organization's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) 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. As part of our engagement, we will apply certain limited procedures to the Organization's MD&A in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist 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 will 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. The MD&A is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited.

Audit Objective

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. We will issue a written report upon completion of our audit of the Organization's financial statements. Our report will be addressed to the Board of Directors of the Organization. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If our opinion is other than unmodified, we will discuss the reasons with you in advance.

If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

We will also provide a report (which does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance and (2) the report is an integral part of an audit performed in accordance with *Government Auditing standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that Theater Subdistrict Council Local Development Corporation is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of 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 will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Organization or to acts by management or employees acting on behalf of the Organization. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from the Organization's attorneys as part of the engagement, and they may bill you for responding to this inquiry.

At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures - Internal Control

Our audit will include obtaining an understanding of the Organization and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under the American Institute of Certified Public Accountants' professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Theater Subdistrict Council Local Development Corporation's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

We will prepare the Organization's IRS Form 990 *Return of Organization Exempt from Income Tax* and New York State Form CHAR 500 *NYS Annual Filing for Charitable Organizations* (the "informational returns") for the fiscal year ended May 31, 2019 based on information provided by you. We will also assist in preparing the financial statements of the Organization in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*.

The Organization acknowledges that Caballero & Associates, LLC has prepared and delivered the informational returns for the fiscal year ended May 31, 2019.

We will perform the services in accordance with applicable professional standards, including the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants. The other services are limited to the financial statement and tax services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. We will advise management with regard to tax positions taken in the preparation of the information returns, but management must make all decisions with regard to those matters.

Management Responsibilities

Management is responsible for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities and helping to ensure that appropriate goals and objectives are met; (2) following laws and regulations; and (3) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the Organization from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Organization involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud

could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Organization received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring the Organization complies with applicable laws and regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the MD&A in accordance with GAAP; (2) you believe the MD&A, including its form and content, is fairly presented in accordance with GAAP; and (3) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the MD&A.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other engagements or studies. The Organization is also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities for the tax services, financial statement preparation services, and any other nonattest services we provide. You will be required to acknowledge in the management representation letter the tax services provided and our assistance with the preparation of the financial statements and related notes and that you have evaluated the adequacy of our services and have reviewed and approved the results of the services, the financial statements, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to assume all management responsibilities for the tax services, financial statement preparations services, and any other nonattest services we provide; you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

In the performance of services described in this engagement letter, we may communicate to you and other third parties by facsimile or send electronic mail ("e-mail") over the internet. Such communications may include information that is confidential to the Organization. Although we will use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, you understand and accept that we have no control over the unauthorized interception of these communications once they have been sent.

Engagement Administration, Fees, and Other Matters

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintain the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

We understand that your employees or staff will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the Organization; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Caballero & Associates, LLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the relevant New York City government agency, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Caballero & Associates, LLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the relevant New York City government agency. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Mr. Alvin Caballero is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fees for the audit and tax services are \$7,500 (inclusive of the \$1,000 additional fees related to GASB vs FASB pronouncements) and \$1,000, respectively.

Our fee estimates are based on anticipated cooperation from your personnel, no additional material changes in auditing standards, funding source requirements, size of the Organization and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter and if necessary, arrive at a new fee estimate which will be mutually agreed upon. Our invoices for these fees are payable as follows: \$3,000 upon signing of the engagement letter and the balance upon completion of the engagement.

We may bill you separately for third-party cost related to "confirmation.com", which is the online facility utilized by banks and financial institutions in responding to confirmation requests from auditors, if that cost exceeds \$100.

Our audit engagement ends on delivery of our audit report. Our tax engagement ends on delivery of the informational returns. Any follow-up services that might be required will be a separate, new engagement.

Theater Subdistrict Council Local Development Corporation
Audit Engagement Letter for Fiscal Year Ended May 31, 2019

The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

This agreement contains the full and complete understanding of the parties with respect to the services described herein and supersedes all prior representations, agreements (including our engagement letter dated August 7, 2018), contracts and understandings concerning such services, whether they be oral or written.

In July 2018, a peer review of Caballero & Associates, LLC's audit and attest practice was conducted by an independent CPA Firm (under the supervision of the American Institute of Certified Public Accountants) for the year ended December 31, 2017. The report was issued as a "Pass" rating, which is the highest-level report that exists under the current peer review standards. Our latest peer review report accompanies this letter.

The Notice of Contract Award Decision dated July 16, 2018 covers the audit and tax services for fiscal years ending May 31, 2019, May 31, 2020 and May 31, 2021. The terms and conditions for the audit and related tax services for fiscal years ending May 31, 2020 and May 31, 2021 will be governed by separate engagement letters for such fiscal years.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Caballero & Associates, LLC

This letter correctly sets forth the understanding of Theater Subdistrict Council Local Development Corporation.

By:

On behalf of Management:

Name: David J. Parish
Signature: [Signature]
Title: CFO
Date: 12/10/19

On behalf of the Board of Directors:

Name: David J. Parish
Signature: [Signature]
Title: CFO
Date: 12/10/19



**AICPA PEER REVIEW PROGRAM AND NJCPA PEER REVIEW PROGRAM
ADMINISTERED BY THE NEW JERSEY SOCIETY OF CPAs**

November 13, 2018

Alvin Caballero
Caballero & Associates
48 WHITEHEAD RD
BRIDGEWATER, NJ 08807-7044

Dear Alvin Caballero:

It is my pleasure to notify you that on November 07, 2018, the New Jersey Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is June 30, 2021. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation.

**AICPA PEER REVIEW PROGRAM AND NJCPA PEER REVIEW PROGRAM
ADMINISTERED BY THE NEW JERSEY SOCIETY OF CPAs**

The New Jersey State Board peer review compliance form must be submitted to the New Jersey State Board of Accountancy within 30 days of receipt of this letter, along with a copy of your firm's peer review report, and a copy of this acceptance letter. The compliance form can be found on the NJCPA web site under the stay informed section, then firm and practice management, then peer review, and then to the NJ State Board of Accountancy forms and documents area. In addition, the form is on the New Jersey State Board of Accountancy web site in the applications and forms section. If you have any questions, please feel free to contact Glenn Roe at groe@njcpa.org or 973-226-4494 X237.

Sincerely,



James Hardenberg, CPA, CGMA, CAE
Chief Learning Officer
peerreview@njcpa.org 973-226-4494 x105
New Jersey Society of CPAs

cc: Donna Foxman

Firm Number: 900008651908

Review Number: 555297

Donna Foxman
Certified Public Accountant

Office address:
2130 Highway 35
Building B, Suite 224
Sea Girt, New Jersey 08750
732-974-0300 phone

Mailing address:
105 Foxwood Terrace
Toms River, New Jersey 08755
Email: foxmancpa@aol.com
Phone/Fax 732-349-7638

Report on Firm's System of Quality Control

July 11, 2018

To Caballero & Associates
Peer Review Committee of the NJCPA

I have reviewed the system of quality control for the accounting and auditing practice of Caballero & Associates in effect for the year ended December 31, 2017. My peer review was conducted in accordance with the Standards for Performing and Reporting on peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

My responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on my review.

Required Selections and Considerations

Engagements selected for review included an engagement performed under Government Auditing Standards.

As part of the peer review, I considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of my procedures.

Opinion

In my opinion, the system of quality control for the accounting and auditing practice of Caballero & Associates in effect for the year ended December 31, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards, in all material respects. Firms can have a rating of *pass*, *pass with deficiency(ies)* or *fail*. Caballero & Associates has received a peer review rating of *pass*.

A handwritten signature in cursive script that reads "Donna Foxman".

Donna Foxman, CPA



228 Bridge Street
Metuchen, NJ 08840
Phone: (732) 902 2929
Fax: (732) 902 9236
www.caballerocpas.com

November 19, 2019

The Board of Directors and Management of
Theater Subdistrict Local Development Corporation
120 Broadway, 31st Floor
New York, NY 10271

Ladies and Gentlemen:

We have been engaged to audit the financial statements of Theater Subdistrict Local Development Corporation (the "Organization") as of and for the year ended May 31, 2019, in accordance with auditing standards generally accepted in the United States of America. We are writing to provide you with an update on audit scope changes and fees.

Audit Scope Changes

Revised Financial Statements

The Organization's financial statements were originally prepared under Financial Accounting Standards Board ("FASB") pronouncements rather than the required Governmental Accounting Standards Board ("GASB") pronouncements. Paragraph c of 2 CRR-NY 201.2 indicates in part that:

"... Since public authorities are governmental entities, the accounting principles followed should be those prescribed by the Governmental Accounting Standards Board or its successors and should be applied on a consistent basis...."

In addition to the above guidance, the New York State Finance Law Section 2800, paragraph 2 states in part:

"Local authorities. (a) Every local authority, continued or created by this chapter or any other chapter of the laws of the state of New York shall submit to the chief executive officer, the chief fiscal officer, the chairperson of the legislative body of the local government or local governments and the authorities budget office, within ninety days after the end of its fiscal year, a complete and detailed report or reports setting forth: (1) its operations and accomplishments; (2) its financial reports, including (i) audited financials in accordance with all applicable regulations and following generally accepted accounting principles as defined in subdivision ten of section two of the state finance law...."

Subdivision 10 of section 2 of the state finance law defines generally accepted accounting principles as:

"Generally accepted accounting principles". The principles of governmental accounting specified by authoritative national standard-setting bodies."

The Organization's management prepared revised financial statements (including a separate section for Management Discussion and Analysis or "MD&A") under the GASB guidance and sent such revised financial statements to us on November 14, 2019. Our audit of the revised financial statements is currently in progress and we anticipate completing our work on or about November 22, 2019.

Type of Audit required by the New York State Comptroller's Office

The New York Comptroller's office requires that the financial statements of public authorities be audited in accordance with government auditing standards issued by the Comptroller General of the United States or what is commonly known as a "Yellow Book Audit". A "Yellow Book Audit" requires two reports: a) report on the financial statements and b) report on internal control over financial reporting and on compliance and other matters

Refer below for the relevant provisions of 2 CRR-NY 201.2 paragraph c:

"...A public authority's basic financial statements must be in compliance with all such public authority accounting directives issued by the State Comptroller. Such financial statements shall be audited in accordance with government auditing standards issued by the Comptroller General of the United States."

Our current engagement letter authorizes us to issue a report on the Organization's financial statements as of and for the year ended May 31, 2019. However, as it does not contemplate a "Yellow Book Audit", our current engagement letter does not authorize us to issue a report on internal control over financial reporting and on compliance and other matters. Moreover, our report on the financial statements will not make any reference to *Government Auditing Standards*.

Fees

The proposal we submitted and our engagement letter originally contemplated the following:

- The FASB guidance was the appropriate framework for the preparation of the Organization's financial statements; and
- The audit engagement was to be performed in accordance with auditing standards generally accepted in the United States of America (which is not the same as "Yellow Book" or *Government Auditing Standards*)

Given the additional work and hours we incurred in researching and discussing the FASB guidance vs GASB guidance with management, and also in drafting our initial audit report and financial statements under the FASB guidance, we are respectfully requesting the Organization to compensate for such additional work and hours in the amount of \$2,500. In addition, should the Organization decide to revise the type of audit engagement, our fees for the additional procedures we need to perform to issue the reports required by the "Yellow Book" or *Government Auditing Standards* will be \$1,500.

Thank you for your time and we look forward to discussing the matters noted above.

Very truly yours,

Caballero & Associates



228 Bridge Street
Metuchen, NJ 08840
Phone: (732) 902 2929
Fax: (732) 902 9236
www.caballerocpas.com

August 7, 2018

The Board of Directors
c/o Ms. Yvonne Williams
Theater Subdistrict Council Local Development Corporation
NYC Department of City Planning
120 Broadway, 31st Floor
New York, NY 10271

Re: Audit Engagement Letter for Fiscal Year Ending May 31, 2019

Ladies and Gentlemen:

We are pleased to confirm our understanding of the services we are to provide for Theater Subdistrict Council Local Development Corporation (the "Organization", "you", or "your") for the fiscal year ending May 31, 2019.

We will audit the financial statements of the Organization which comprise the statement of financial position as of May 31, 2019, the related statements of activities, functional expenses, and cash flows for the fiscal year then ending, and the related notes to the financial statements (the "financial statements").

Audit Objective

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. We will issue a written report upon completion of our audit of the Organization's financial statements. Our report will be addressed to the Board of Directors of the Organization. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If our opinion is other than unmodified, we will discuss the reasons with you in advance.

If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

Audit Procedures

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from the Organization's attorneys as part of the engagement, and they may bill you for responding to this inquiry.

At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of 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 will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Organization or to acts by management or employees acting on behalf of the Organization.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our audit will include obtaining an understanding of the Organization and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

The audit documentation for this engagement is the property of Caballero & Associates and constitutes confidential information.

Other Services

We will prepare the Organization's IRS Form 990 *Return of Organization Exempt from Income Tax* and New York State Form CHAR 500 *NYS Annual Filing for Charitable Organizations* (the "informational returns") for the fiscal year ending May 31, 2019 based on information provided by you. We will also assist in preparing the financial statements of the Organization in conformity with U.S. generally accepted accounting principles based on information provided by you.

We will perform the services in accordance with applicable professional standards, including the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants. The other services are limited to the financial statement and tax services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. We will advise management with regard to tax positions taken in the preparation of the tax return, but management must make all decisions with regard to those matters.

Management Responsibilities

You are responsible for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles. You are also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the Organization from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Organization involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Organization received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring the Organization complies with applicable laws and regulations.

You agree to assume all management responsibilities for the tax services, financial statement preparation services, and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

In the performance of services described in this engagement letter, we may communicate to you and other third parties by facsimile or send electronic mail ("e-mail") over the internet. Such communications may include information that is confidential to the Organization. Although we will use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, you understand and accept that we have no control over the unauthorized interception of these communications once they have been sent.

Engagement Administration, Fees, and Other Matters

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

Theater Subdistrict Council Local Development Corporation
Audit Engagement Letter for Fiscal Year Ending May 31, 2019

Mr. Alvin Caballero is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

We estimate that our fees for the audit and tax services are \$5,000 and \$1,000, respectively.

Our fee estimates are based on anticipated cooperation from your personnel, no additional material changes in auditing standards, funding source requirements, size of the Organization and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter and if necessary, arrive at a new fee estimate which will be mutually agreed upon. Our invoices for these fees are payable as follows: \$3,000 at the start of field work and \$3,000 upon completion of the engagement.

We may bill you separately for third-party cost related to "confirmation.com", which is the online facility utilized by banks and financial institutions in responding to confirmation requests from auditors, if that cost exceeds \$100.

Our audit engagement ends on delivery of our audit report. Our tax engagement ends on delivery of the informational returns. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

This agreement contains the full and complete understanding of the parties with respect to the services described herein and supersedes all prior representations, agreements, contracts and understandings concerning such services, whether they be oral or written.

The Notice of Contract Award Decision dated July 16, 2018 covers the audit and tax services for fiscal years ending May 31, 2019, May 31, 2020 and May 31, 2021. The terms and conditions for the audit and related tax services for fiscal years ending May 31, 2020 and May 31, 2021 will be governed by separate engagement letters for such fiscal years.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us. Our latest peer review report accompanies this letter.

Very truly yours,

Caballero & Associates

This letter correctly sets forth the understanding of Theater Subdistrict Council Local Development Corporation.

By:

On behalf of Management:

Name:

Signature:

Title:

Date:

David J. Parish
[Signature]
Chief Financial Officer
8/17/18

On behalf of the Board of Directors:

Name:

Signature:

Title:

Date:

David J. Parish
[Signature]
Chief Financial Officer
8/17/18



**AICPA PEER REVIEW PROGRAM AND NJCPA PEER REVIEW PROGRAM
ADMINISTERED BY THE NEW JERSEY SOCIETY OF CPAs**

October 22, 2015

Alvin S Caballero
Caballero & Associates
279 Central Ave
Metuchen, NJ 08840

Dear Mr. Caballero:

It is my pleasure to notify you that on October 19, 2015 the New Jersey Peer Review Executive Committee accepted the report on the most recent system peer review of your firm. The due date for your next review is June 30, 2018. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

We have enclosed the peer review compliance form that must be submitted to the New Jersey State Board of Accountancy within 30 days of receipt of this letter, along with a copy of your firm's peer review report, letter of response if applicable, and a copy of this acceptance letter.

Sincerely,

James L Hardenberg, CPA, CGMA, CAE
Chief Learning Officer
jhardenberg@njcpa.org 973 226-4494 x 215

cc: Donna Foxman

Firm Number: 8651908

Review Number 384557

Donna Foxman
Certified Public Accountant

Office address:
2130 Highway 35
Building B, Suite 224
Sea Girt, New Jersey 08750
732-974-0300 phone

Mailing address:
105 Foxwood Terrace
Toms River, New Jersey 08755
Email: foxmancpa@aol.com
Phone/Fax 732-349-7638

System Review Report

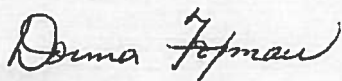
June 24, 2015

To the Partners, Caballero & Associates
And the NJSCPA Peer Review Committee

I have reviewed the system of quality control for the accounting and auditing practice of Caballero & Associates (the firm) in effect for the year ended December 31, 2014. My peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of my peer review, I considered reviews by regulatory entities, if applicable, in determining the nature and extent of my procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. My responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on my review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included an engagement performed under the *Government Auditing Standards*.

In my opinion, the system of quality control for the accounting and auditing practice of Caballero & Associates in effect for the year ended December 31, 2014, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Caballero & Associates has received a peer review rating of *pass*.



Donna Foxman, CPA