

**THEATER SUBDISTRICT COUNCIL LOCAL DEVELOPMENT  
CORPORATION**

**MINUTES OF THE ANNUAL MEETING OF DIRECTORS**

This annual meeting of the Directors of the Theater Subdistrict Council Local Development Corporation ("Corporation") was held at 10:15 AM on September 16, 2009, at 31 Chambers Street, New York, New York, 10007.

The following Directors were present:

Kate Levin, Alternate for Mayor Michael Bloomberg  
Amanda Burden, Director, Department of City Planning  
Anthony Borelli, Alternate for Manhattan Borough President Scott Stringer  
Danielle Porcaro, Alternate for New York City Council Speaker Christine Quinn  
Jed Bernstein, Mayor's Appointee  
Ben Cameron, Mayor's Appointee  
George C. Wolfe, Mayor's Appointee  
Paige Price, Speaker's Designee

A quorum of the Board of Directors was present.

Notice of this meeting was given to all Directors in accordance with the by-laws. Public notice of this meeting was posted in accordance with the Open Meetings Law, and was given to Manhattan Community Boards 4 and 5 in accordance with the by-laws.

The alternate for the Mayor, Commissioner Kate Levin, presided as Chairperson.

It was noted that the minutes of the March 5, 2009, Meetings of Members and Directors were given to all Directors prior to the meeting. There being no corrections to the minutes, upon motion made and seconded, the minutes were unanimously adopted.

It was announced that the Public Authority Accountability Act ("PAAA") requires annual review of the procurement and investment guidelines. Upon motion made and seconded, a Resolution to readopt the Investment Guidelines and readopt the Procurement Policy, subject to minor revisions was adopted and is attached hereto as Exhibit A.

It was noted that the final financial statements for the Fiscal Year ending May 31, 2009 have been prepared and reviewed by the Corporation's Chief Financial Officer. The Directors discussed the financial statements.

Upon a motion made and seconded, a Resolution to adopt the financial statements for Fiscal Year ending May 31, 2009, attached hereto as Exhibit B; and it was further resolved that the Treasurer should submit and these financial statements, as necessary to comply with local, state, and federal laws, and for review by an independent auditor.

In accordance with the PAAA requirements, an annual report was prepared and submitted to the Authorities Control Board, as well as to the Comptroller and the Speaker of City Council. The Annual Report was distributed to Directors prior to the meeting, and attached hereto as Exhibit C.

Upon a motion made and seconded, a Resolution to approve the Annual Report for filing with the necessary State and Local governmental entities was unanimously adopted.

A motion was made to briefly adjourn the Meeting of Directors in order to convene a Meeting of the Audit Committee. Upon motion made, and seconded, the Meeting of Directors was adjourned at 10:25 AM.

At 10:30 AM the Meeting of Directors was reopened.

It was announced that the Audit Committee had passed a resolution to recommend that CPA Patricia Armstrong be retained to prepare the Federal 990 and conduct the required audit for FY 2008-2009. Upon motion made and seconded, a resolution was unanimously adopted to ratify the retention of Patricia Armstrong.

Barbara Janowitz, the Corporation's consultant, provided progress reports on the grantees from Round 1. Ms. Janowitz noted that interim reports would be officially filed by Round One grantees November through January, but that telephone interviews had recently been conducted. According to Ms. Janowitz's telephone communications, eight of the 10 Round One grantees have met benchmarks. The remaining two grantees were behind meeting their benchmarks and explained that this delay was due to internal organizational changes of personnel.

Alternative Director Richard Barth presented background information on the establishment of the Theater Subdistrict, and the purposes and responsibilities of the Theater Subdistrict Council.

Commissioner Levin led a discussion of design for the Round 2 grant program.

It was noted that the contract with the Corporation's Consultant for Round 1 could only support 18 additional hours of work, and that more would likely be needed in the review of interim and final reports. Upon motion made and seconded, a resolution was unanimously adopted to authorize the Chief Executive Officer to modify the contract with Barbara Janowitz, to increase the total compensation available by an amount of up to \$5,000.

Upon motion made and seconded, the Corporation unanimously adopted Resolutions authorizing the CEO to prepare and issue a Request For Proposals ("RFP") for a consultant to administer the second round of grants, subject to the following conditions:

- o That the scope of services of the RFP shall include assisting with the design of the second grant program, and assisting the Corporation in the award and oversight of such grants; and

- That the RFP require remuneration based on an hourly rate and such other compensation based elements as may be requested by the CEO; and
- That the total contract value may not exceed \$50,000.

Upon motion made and seconded, the Corporation unanimously adopted Resolutions:

- Designating the Chairperson and CEO to act as the selection committee for the RFP, in accordance with the Procurement Policy; and
- Empowering the CEO to enter into a contract with the selected consultant.

There being no other business before the meeting, upon motion made and seconded, the meeting of Directors adjourned at 12:00 PM.



Anthony Borelli,  
Alternate for Secretary

## EXHIBIT A

### THEATER SUBDISTRICT COUNCIL LOCAL DEVELOPMENT CORPORATION PROCUREMENT POLICY

#### I. METHODS OF SOURCE SELECTION

All contracts of the Theater Subdistrict Council Local Development Corporation ("TSC") shall be awarded by competitive sealed bidding pursuant to Section ~~(D)~~ (Competitive Sealed Bidding), except as may be otherwise authorized or required by federal, New York State or New York City law, rules or regulations, and except as provided in this policy with respect to:

~~(A)~~ Small Purchases ~~Sole Source Procurement~~

~~(A)~~~~(B)~~ Sole Source Procurement ~~Small Purchases~~

~~(B)~~~~(C)~~ Personal and Professional Services

~~(C)~~~~(D)~~ Competitive Sealed Bidding

~~(D)~~~~(E)~~ Competitive Sealed Proposals

~~(E)~~~~(F)~~ Use of Other Governmental Contracts

All decisions, determinations and findings required to be made pursuant to this Procurement Policy shall be made in writing, with appropriate supporting documentation. All contracts awarded pursuant to this Procurement Policy shall require the authorization of TSC's Board of Directors, except for small purchases pursuant to subparagraph A and emergency procurements pursuant to subparagraph C where it is not practicable to obtain prior authorization.

A. **Small Purchases.** Notwithstanding ~~Anything~~ to the contrary contained in this Article I, procurements for Small Purchases shall be governed only by this Section A.

(1) "Small Purchase" means any procurement the value of which is less than \$20,000. Procurements shall not be artificially divided in order to qualify as Small Purchases.

(2) For Small Purchase the value of which is \$10,000 or less, no competition is required. However, TSC shall use reasonable efforts to determine that the price or fee is reasonable.

(3) For Small Purchase the value of which is greater than \$10,000, TSC shall use reasonable efforts to obtain offers from at least three qualified persons or entities.

## EXHIBIT A

(4) Small Purchase contracts awarded pursuant to this Section A shall not require the authorization of TSC's Board of Directors.

B. **Sole Source Procurement.** Notwithstanding anything to the contrary contained in this Article I, contracts for an amount greater than \$10,000 may only be awarded without competition upon specific authorization by TSC's Board of Directors.

C. **Personal and Professional Services.** Personal and professional services shall be procured as provided in this Section ~~DC~~, except as otherwise authorized in this Article I.

(1) TSC shall use reasonable efforts to obtain a minimum of three proposals from qualified persons or entities for each personal or professional services contract. If a minimum of three (3) proposals is not obtained, TSC shall document the reasons therefore.

(2) TSC shall designate a selection committee, which may include staff to members, directors or officer, to review proposals received. The selection committee shall review all responsive proposals from responsible proposers. The selection committee may elect to interview and/or request additional information from some or all of the proposers in connection with its evaluation of proposals. The selection committee shall rank the proposals based on quality, price, and qualifications to provide the requested services.

(3) TSC shall negotiate with the highest ranked proposer for an agreement for the performance of the requested services on terms satisfactory to TSC. If, despite good faith efforts, TSC is unable to reach a satisfactory agreement with the highest ranked proposer, it shall terminate such negotiations and enter into negotiations with the second-ranked proposer, and so on until an agreement is reached, provided that TSC may elect, at any time, to withdraw the procurement.

D. **Competitive Sealed Bidding.** Contracts for an amount greater than the Small Purchase limit shall be awarded by competitive sealed bidding, except as otherwise provided in this Article I.

(1) **Invitation for Bids.** An Invitation for Bids shall be issued and shall include a purchase description, and all contractual terms and conditions applicable to the procurement.

(2) **Public Notice.** Public notice of the Invitation for Bids shall be given by publication in the City Record a reasonable time prior to the date set forth therein for the opening of bids. TSC may also publish such notice in other media.

(3) **Bid Opening.** Bids shall be opened publicly in the presence of one or more witnesses at the time and place designated in the Invitation for Bids. The amount of each bid, the name of each bidder and the bid security, if any, shall be recorded. The record and each bid shall be open to public inspection.

## **EXHIBIT A**

(4) **Bid Acceptance and Bid Evaluation.** Bids may only be unconditionally accepted without alteration or correction on the part of the bidder except as authorized in this Section. Bids shall be evaluated based on the requirements set forth in the Invitation for Bids, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery and suitability for a particular purpose. Any criteria that would affect the bid price and be considered in evaluation for award must be objectively measurable, such as discounts, transportation costs, and total or life cycle costs. The Invitation for Bids shall set forth the evaluation criteria to be used.

(5) **Correction or Withdrawal of Bids. Cancellation of Awards.** Correction or withdrawal of inadvertently erroneous bids shall be permitted in instances in which the Chief Executive Officer finds that it is in TSC's interest to do so. After bid opening, no changes in bid prices or other changes prejudicial to the interest of TSC or fair competition shall be permitted.

(6) **Award.** The contract shall be awarded to the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the Invitation for Bids. Notwithstanding the foregoing, any or all bids may be rejected when TSC reasonably deems it is in TSC's best interest to do so.

### **E. Competitive Sealed Proposals**

(1) **Conditions for Use.** Contracts for an amount greater than the Small Purchase limit may be awarded by competitive sealed proposals only upon a determination by the Chief Executive Officer that it is not practicable or advantageous to use competitive sealed bidding. Grounds for such determination shall include, without limitation, that:

- (a) specifications cannot be made sufficiently definite and certain to permit selection based on bid price or evaluated bid price alone; and/or
- (b) judgment is required in evaluating proposals; and/or
- (c) evaluation of proposals requires a balancing of price, quality, and other factors.

(2) **Request for Proposals.** Proposals shall be solicited through a Request for Proposals.

(3) **Public Notice.** Public notice of the Request for Proposals shall be given by publication in the City Record a reasonable time prior to the date set forth therein for the submission of proposals. TSC may also publish such notice in other media.

(4) **Receipt of Proposals.** Proposals shall be opened so as to avoid disclosure of contents to competing offerors during the process of negotiation. A

## **EXHIBIT A**

Register of Proposals shall be prepared and shall be open for public inspection after contract award.

(5) **Evaluation Factors.** Proposals shall be evaluated on the basis of the quality of the proposals, based on the relative importance of such criteria as capacity to execute the proposal; relevant expertise or experience, and price or cost.

(6) **Discussion with Responsible Offerors and Revisions to Proposals.** Discussions may be conducted with responsible offerors who submit proposals determined to be reasonably susceptible of being selected for award for the purpose of clarification to assure full understanding of, and responsiveness to, the solicitation requirements. Offerors shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals, and such revisions may be permitted after submissions and prior to award for the purpose of obtaining best and final offers. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by competing offerors.

(7) **Award.** Award shall be made to the responsible offeror whose proposal is determined to be the most advantageous to TSC in accordance with subparagraph (5) above.

### **F. Use of Other Governmental Contracts**

Notwithstanding any other provision of this Article I~~4~~, if there is a Federal, New York State, New York City, or New York City Economic Development Corporation contract for goods or services that permits TSC to utilize such contract or to obtain goods and services from the contractor under such contract on terms substantially equal to those under such contract, TSC may utilize such contract or obtain goods and services from such contractor on terms substantially equal to those under such contract without using any other procurement method described in this Article I.

## **II. VENDOR RESPONSIBILITY**

A. **Section 2-08 of New York City Procurement Policy Board Rules.** In making vendor responsibility determinations, the TSC shall be guided by the standards and procedures set forth in the Vendor Responsibility rules set forth in Section 2-08 of the New York City Procurement Policy Board Rules (the "PPB Rules").

B. **Additional Responsibility Determinations.** All contract awards for an amount above \$20,000, if not otherwise covered by Section 2-08 of the PPB Rules, shall be subject to internal vendor responsibility determination procedures of TSC.

**EXHIBIT B**

**THEATER SUBDISTRICT COUNCIL LOCAL DEVELOPMENT CORPORATION**

<b>INCOME STATEMENT: June 1, 2008 - May 31, 2009</b>	
<b>REVENUE</b>	
Contributions	
360 West 44th Street*	\$ 718,363.80
Interest	
Earned on accounts 6/1/08 - 5/29/09	\$ 28,431.86
Earned on accounts 5/30/09 - 5/31/09**	\$ 29.27
<b>Total Revenue</b>	<b>\$ 746,824.93</b>
<b>EXPENSES</b>	
Filing Fees^^	\$ 275.00
Banking fees	\$ 2,691.49
Accountant/Auditor	\$ 3,750.00
Consultant	\$ 41,300.00
Administrative^^^^	\$ 1,778.25
Grants and Programmatic^^^^^	\$ 792,644.00
<b>Total Expenses</b>	<b>\$ 842,438.74</b>
<b>NET INCOME through May 31, 2009</b>	<b>\$ (95,613.81)</b>
<b>Beginning Balance</b>	<b>\$ 4,951,383.57</b>
<b>Ending Balance^^^</b>	<b>\$ 4,855,769.76</b>

**NOTES**

\* Received 10/22/08

\*\* Interest received accrued at an average daily rate of \$14.64 from May 1 - May 31, 2009 (\$57.95 + \$366.53/29)

^^ Includes fees paid to the NYS Charities Bureau with the annual filing.

^^^ Ending balance in accounts as of 5/29 was \$4,855,740.49 (\$225,622.63 + \$4,630,117.86)

^^^^ Includes: Payments for grant information sessions \$450, \$250, \$300, \$99.25; Advisory panel honorariums \$125, \$125, \$125, \$125; Meeting supplies \$140, \$39

^^^^^ Includes initial grant checks for \$120,000, \$120,000, \$120,000, \$60,000, \$92,644, \$120,000, \$160,000. Three additional grants were awarded (Broadway League, Roundabout Theatre Company & Fund for Public Schools), however the contract and/or required additional documents were not provided by grantees until after 5/31/09. Initial grant checks in for these grantees (\$40,000, \$80,000 & \$98,400) will be paid during the 2009-2010 fiscal year.

**THEATER SUBDISTRICT COUNCIL LOCAL DEVELOPMENT CORPORATION**

**BALANCE SHEET: May 31, 2009**

**ASSETS**

Cash (TSC checking and savings account)	\$ 4,855,769.76
Accounts Receivable	\$0.00
Inventories	\$0.00
Other Assets	\$0.00

**LIABILITIES**

Accounts Payable	\$0.00
Other Liabilities	\$0.00

**EQUITIES**

Total Fund Balances or Net Assets	\$ 4,855,769.76
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**EXHIBIT C**

**THEATER SUBDISTRICT COUNCIL  
LOCAL DEVELOPMENT CORPORATION**

**Annual Report  
Fiscal Year 6/1/2008 - 5/31/2009**

**THEATER SUBDISTRICT COUNCIL  
LOCAL DEVELOPMENT CORPORATION  
Annual Report  
Fiscal Year End Date: 5/31/2009**

**Operations and Accomplishments**

During the fiscal year ended May 31, 2009, the Theater Subdistrict Council LDC (the "TSC") held meetings of member and directors. At the meeting of directors held on December 16, 2008, grant applications were discussed. Of the 153 Intent to Apply Letters received from 136 organizations, twenty-three were selected and the respective organizations were invited to submit full applications. Additionally, the Audit Committee held its meeting and recommended an auditor to conduct an audit of the finances for fiscal year 2007-2008.

Meetings of members and directors were held on March 5, 2009. At the meeting of members, directors and alternate directors were elected. At the meeting of directors, the budget for fiscal year ending May 31, 2010, and budget projections for June 1, 2009 – May 31, 2013, were adopted. Additionally, the directors discussed the twenty-three full grant applications. Ten organizations were then selected by the board to receive grants totaling approximately \$1.26 million.

Following the meeting, all grantees were notified and offered contracts. As of May 31, 2009, seven of the ten grantees had fulfilled all necessary terms and conditions to their grant awards and their initial grant payments were disbursed. The remaining three awards are expected to be disbursed early in fiscal year 2009-2010.

The organization is currently assessing its program and the board of directors is expected to meet in early fall to make determinations with respect to forthcoming operations.

**Project Summary**

The TSC has awarded and is overseeing ten grants designed to enhancing the long-term viability of Broadway and promote the welfare of the Theater Subdistrict. These grants are designed to facilitate the production of plays and small musicals within the Theater Subdistrict, and to develop new audiences for all types of theatrical productions.

**THEATER SUBDISTRICT COUNCIL  
LOCAL DEVELOPMENT CORPORATION  
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Fiscal Year End Date: 5/31/2009**

**Board Member Summary**

<b>Name</b>	<b>Position</b>
Michael Bloomberg	Chairperson, Mayor of the City of New York
Kate Levin	Mayor's Alternate
Christine Quinn	Vice Chair, Speaker of the New York City Council
Danielle Porcaro	Speaker's Alternate
Scott Stringer	Secretary, Manhattan Borough President
Dan Golub**	Borough President's Alternate
Amanda Burden	Treasurer, Director of NYC Department of City Planning
Jed Bernstein	Mayor's Appointee
Ben Cameron	Mayor's Appointee
George C. Wolfe	Mayor's Appointee
Paige Price	Speaker's Designee

**Employee Summary**

The TSC has no employees.

**Compensation Schedule**

Members and directors receive no compensation for their service to the TSC.

\*\*Dan Golub has resigned and will be replaced by Anthony Borelli at the next meeting of the members.

**THEATER SUBDISTRICT COUNCIL  
LOCAL DEVELOPMENT CORPORATION  
Annual Report  
Fiscal Year End Date: 5/31/2009**

**Receipts and Disbursements**

During the fiscal year ended May 31, 2009, the TSC received revenues totaling \$746,824.93.  
During that same time period, the TSC had expenditures totaling \$842,438.74.

**Income Statement (6/01/2008 - 5/31/2009)**

**OPERATING REVENUES**

Contributions		
360 West 44th Street	\$	718,363.80
Interest		
Earned on accounts 6/1/08 - 5/29/09	\$	28,431.86
Earned on accounts 5/30/09 - 5/31/09	\$	29.27
Total Revenue	\$	746,824.93

**OPERATING EXPENSES**

Filing Fees	\$	275.00
Banking fees	\$	2,691.49
Accountant/Auditor	\$	3,750.00
Consultant	\$	41,300.00
Administrative	\$	1,778.25
Grants and Programmatic	\$	792,644.00
Total Expenses	\$	842,438.74

**NET INCOME through May 31, 2009** \$ (95,613.81)

**Beginning Balance** \$ 4,951,383.57  
**Ending Balance** \$ 4,855,769.76

**THEATER SUBDISTRICT COUNCIL  
LOCAL DEVELOPMENT CORPORATION  
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**Assets and Liabilities**

On May 31, 2009, the TSC's only assets were its checking and savings accounts, totaling \$4,855,769.76. The organization had no outstanding liabilities.

**Balance Sheet (5/31/09)**

**ASSETS**

Cash (TSC checking and savings account)	\$4,855,769.76
Accounts Receivable	\$0.00
Inventories	\$0.00
Other Assets	\$0.00

**LIABILITIES**

Accounts Payable	\$0.00
Other Liabilities	\$0.00

**EQUITIES**

Total Fund Balances or Net Assets	\$4,855,769.76
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**THEATER SUBDISTRICT COUNCIL  
LOCAL DEVELOPMENT CORPORATION  
Annual Report  
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**Schedule of Debt**

The TSC does not have any debt outstanding.

**Real and Personal Property Transactions Summary**

The TSC does not have any real or personal property. No property was disposed during the fiscal year.

**Procurement Summary**

Number of Current Contracts	1
Total Value of Contracts	\$50,000

**Investment Report**

The TSC does not maintain any investments.

**THEATER SUBDISTRICT COUNCIL  
LOCAL DEVELOPMENT CORPORATION  
Annual Report  
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**Code of Ethics (adopted 7/31/2007)**

This Code of Ethics shall apply to all members, directors, officers of the TSC and staff to such members, directors and officers ("Covered Persons") providing assistance to the Theater Subdistrict Council Local Development Corporation ("TSC"). These policies shall serve as a guide for official conduct and are intended to enhance the ethical and professional performance of covered persons, and to preserve public confidence in TSC's mission.

This Code of Ethics is intended to supplement but not replace any applicable state or federal laws governing conflicts of interest and the ethical duties applicable to not-for-profit corporations.

**Responsibilities of Members, Directors, Officers and Staff**

1. Covered Persons shall perform their duties with transparency, without favor, and shall refrain from engaging in outside matters of financial or personal interest that could impair independence of judgment or prevent the proper exercise of official duties.
2. Covered Persons shall not directly or indirectly, make, advise, or assist any person to make any financial investment based upon information available through their official position that could create any conflict between their public duties and interests and their private interests.
3. Covered Persons shall not accept or receive any gift or gratuities where the circumstances would permit the inference that the gift is intended to influence the individual in the performance of official business, or that the gift constitutes a tip, reward, or sign of appreciation for any official act. Gifts subject to this provision may take the form of financial payments, services, loans, travel reimbursement, entertainment, hospitality, thing or promise from any entity doing business with or before the TSC. In the event that a Covered Person receives any such gift or gratuity, he or she shall immediately notify the Chairperson of the Governance Committee in order to make proper disposition of such gift or gratuity. Notwithstanding the foregoing, meals and gifts that are permissible and not deemed valuable under §2604(b)(5) of the Charter of the City of New York and implementing regulations, as defined in Title 53 of the Rules of the City of New York, shall neither require reporting nor violate this policy.
4. Covered Persons shall not use or attempt to use their official position with the TSC to secure unwarranted privileges for themselves, members of their family or others, including grants or contracts with the TSC.
5. Covered Persons must conduct themselves at all times in a manner that avoids any appearance that they can be improperly or unduly influenced, that they could be affected by the position of or relationship with any other party, or that they are acting in violation of their public trust.
6. Except as otherwise authorized pursuant to the TSC policy on Conflicts of Interest, Covered Persons may not engage in any transaction with an outside entity in which they

have a direct or indirect financial interest that may reasonably conflict with the proper discharge of their official duties.

7. Except as otherwise authorized pursuant to the TSC policy on Conflicts of Interest, Covered Persons may not engage in any transaction with an outside entity in which they hold a position as trustee, director, officer, member or employee.

8. Covered Persons shall manage all matters within the scope of the TSC's mission independent of any other affiliations or employment. Members, directors, officers and staff shall strive to fulfill their professional responsibility to the TSC without bias and shall support the TSC mission to the fullest.

9. Covered Persons shall not use TSC property or resources or disclose information acquired in the course of their official duties in a manner inconsistent with State or local law and the TSC's mission and goals.

10. Covered Persons shall make the annual filings required under N.Y. Pub. Auth. Law § 2825(3).

### **Reporting Unethical Behavior**

Covered Persons shall report unethical behavior to the Chairperson of the Governance Committee.

### **Implementation of Code of Ethics**

The Chairperson of the Governance Committee shall have the following duties:

- Counsel in confidence Covered Persons who seek advice about ethical behavior.
- Record the receipt and disposition of gifts or gratuities reported by Covered Persons.
- Receive and record reported ethical violations.
- Receive and investigate complaints regarding ethics violations.
- Dismiss complaints found to be without substance.
- Refer all matters to the Governance Committee, where further actions or investigations are deemed necessary.

In addition to any penalty contained in other provisions of law, if a Covered Person violates any provision of this Code of Ethics, the Governance Committee may prepare a report of its findings. Such report shall be submitted to the board and shall include suggested remedies that are appropriate under the circumstances.

An assessment of the effectiveness of this Code of Ethics shall be prepared annually by the Governance Committee.

**THEATER SUBDISTRICT COUNCIL  
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**Assessment of the Internal Control Structure**

Initial programmatic activities of the organization were concluding at the close of the fiscal year, therefore an assessment of the TSC's internal control structure was not yet warranted. Having concluded the initial grantmaking cycle, the Governance Committee will meet in early fall to conduct an assessment.

**Conflicts of Interest Policy (adopted 7/30/2007)**

1. No member, director or officer ("Covered Person") shall have any interest, in any grant, contract or other transaction proposed to be entered into by the Theater Subdistrict Council Local Development Corporation ("TSC"), except as provided in this policy.

For purposes of this section, an "interest" shall mean: (i) an "Ownership interest" as defined under Section 2601(16) of the New York City Charter and its implementing regulations, held by the Covered Person or such Covered Person's spouse, domestic partner or unemancipated children, in a firm or entity with respect to which the TSC proposes to enter into a grant, contract or other transaction; or (ii) a "Position", as defined under Section 2601(18) of the New York City Charter, held by the Covered Person in a firm or entity with respect to which the TSC proposes to enter into a grant, contract or other transaction.

2. In addition to the foregoing, no Covered Person shall take any action with respect to any grant, contract or other transaction of the TSC, which would or is likely to result in direct economic gain to the Covered Person or to a firm or entity in which such Covered Person has an interest.

For the purposes of this section, an "interest" shall mean: (i) an "Ownership interest" as defined under Section 2601(16) of the New York City Charter and its implementing regulations, held by the Covered Person or such Covered Person's spouse, domestic partner or unemancipated children, in a firm or entity doing business with a proposed or current TSC grantee or contractor or with respect to which a proposed TSC grantee or contractor intends to do business with the use of TSC funds; or (ii) a "Position", as defined under Section 2601(18) of the New York City Charter, held by the Covered Person in a firm or entity doing business with a proposed or current TSC grantee or contractor or with respect to which a proposed TSC grantee or contractor intends to do business with the use of TSC funds.

3. Employment with or provision of services to the City of New York shall not constitute an interest within the meaning of this policy.

4. In the event a Covered Person becomes aware of any potential conflict of interest, such Covered Person shall make disclosure forthwith to the Chair of the nature and extent of his or her potential conflict. Disclosure shall be entered in writing upon the minutes of the Board of Directors.

5. If timely disclosure is made, the Board of Directors may determine whether the TSC can obtain a more advantageous transaction with reasonable efforts in a manner that would not give rise to a conflict of interest. If a more advantageous arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board may find that it is in the TSC's best interest, and that it is fair and reasonable for the TSC to enter into the transaction. Such authorization shall be made by concurring vote of at least two-thirds the whole number of uninterested directors, and shall include appropriate measures to address the conflict, including but not limited to recusal by the affected Covered Person with respect to all activities of the TSC relating to the transaction.

6. If a Covered Person fails to make disclosure when he or she knew or should have known of the potential Conflict of Interest, the Board of Directors shall: (i) in the case of a director, make recommendations to the appointing person for appropriate action; (ii) in the case of an officer who is not also a director, take such action as it deems appropriate, including, if warranted, removal.