

**THEATER SUBDISTRICT COUNCIL
LOCAL DEVELOPMENT CORPORATION**

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

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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.

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Board Member Summary

Name	Position
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.

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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

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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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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.

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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.

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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.