CIF – Los Angeles City Section
Report to the Board of Managers
June 30, 2015 Audit
November 30, 2015

CIF – Los Angeles City Section
10660 White Oak Avenue, Suite 216
Granada Hills, CA 91344

We are pleased to present this report related to our audit of the financial statements of CIF – Los Angeles City Section (“CIF-LACS”) as of and for the year ended June 30, 2015.

This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Plan’s financial reporting process.

This report is intended solely for the information and use of the Board and management and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to CIF-LACS.

Very truly yours,

SQUAR MILNER LLP
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**Required Communications**

**Exhibit A – Letter Communicating Significant Deficiencies and Material Weaknesses in Internal Control over Financial Reporting**

**Exhibit B – Significant Written Communications between Management and Our Firm**

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- Representation Letter

**Exhibit C – Summary of Corrected Audit Adjustments**
REQUIRED COMMUNICATIONS

Auditing Standard (AU) No. 380 requires the auditor to communicate certain matters to keep those charged with governance adequately informed about matters related to financial statement audit that are, in our professional judgment, significant and relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. The following summarizes these communications.

<table>
<thead>
<tr>
<th>Area</th>
<th>Comments</th>
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<tbody>
<tr>
<td><strong>Our Responsibilities With Regard to the Financial Statement Audit</strong></td>
<td>Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated July 24, 2015. The audit does not relieve management or those in charge of governance from their responsibilities related to the financial statements.</td>
</tr>
<tr>
<td><strong>Overview of the Planned Scope and Timing of the Financial Statement Audit</strong></td>
<td>We have issued a separate communication regarding the planned scope and timing of our audit and have discussed with you our identification of and planned audit response to significant risks of material misstatement.</td>
</tr>
<tr>
<td><strong>Accounting Policies and Practices</strong></td>
<td>Under generally accepted accounting principles, in certain circumstances, Management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.</td>
</tr>
<tr>
<td><strong>Adoption of, or Change in, Accounting Policies</strong></td>
<td>Management has the ultimate responsibility for the appropriateness of the accounting policies used by CIF-LACS. No significant new accounting policies have been changed after inception nor have there been any changes in existing significant accounting policies during the current period.</td>
</tr>
<tr>
<td><strong>Significant or Unusual Transactions</strong></td>
<td>We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</td>
</tr>
<tr>
<td><strong>Management’s Judgments and Accounting Estimates</strong></td>
<td>There were no significant accounting estimates made by management.</td>
</tr>
</tbody>
</table>
## CIF – Los Angeles City Section

### Report to the Board of Managers

For the Year Ended June 30, 2015

<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>Audit Adjustments</strong></td>
<td>There were audit adjustments made to the original trial balance during the course of the audit. See Exhibit C for listing of adjustments made.</td>
</tr>
<tr>
<td><strong>Uncorrected Misstatements</strong></td>
<td>We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.</td>
</tr>
<tr>
<td><strong>Disagreements With Management</strong></td>
<td>We encountered no disagreements with management over the application of significant accounting principles, the basis for management’s judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.</td>
</tr>
<tr>
<td><strong>Consultations With Other Accountants</strong></td>
<td>We are not aware of any consultations management had with other accountants about accounting or auditing matters.</td>
</tr>
<tr>
<td><strong>Significant Issues Discussed With Management</strong></td>
<td>The basis of accounting (cash vs accrual) was the only significant issue arising from the audit that was discussed with management.</td>
</tr>
<tr>
<td><strong>Significant Difficulties Encountered in Performing the Audit</strong></td>
<td>We did not encounter any significant difficulties in dealing with management during the audit.</td>
</tr>
<tr>
<td><strong>Significant Deficiencies and Material Weaknesses in Internal Control Over Financial Reporting</strong></td>
<td>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 entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. Please see Exhibit A for discussion of significant deficiencies and material weaknesses identified during the audit.</td>
</tr>
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<tr>
<td>Significant Deficiencies and Material Weaknesses in Internal Control Over Financial Reporting (cont.)</td>
<td>In planning and performing our audit of the financial statements of the Company as of and for the years ended June 30, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered the Company’s internal control over financial reporting as a basis for designing our auditing procedures 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 Company’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Company’s internal control.</td>
</tr>
<tr>
<td>Significant Written Communications Between Management and Our Firm</td>
<td>Copies of significant written communications between our firm and the management of the Company, including the representation letter provided to us by management, are attached as Exhibit B.</td>
</tr>
</tbody>
</table>
Exhibit A – Letter Communicating Significant Deficiencies and Material Weaknesses in Internal Control over Financial Reporting
November 30, 2015

Board of Manager and Management of,
CIF – Los Angeles City Section
10660 White Oak Avenue, Suite 216
Granada Hills, CA 91344

Board of Managers and Management,

In planning and performing our audit of the financial statements of CIF – Los Angeles City Section (CIF-LACS) as of and for the year ended June 30, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered CIF-LACS’s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion of the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Section’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Section’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 significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a deficiency in internal control that we consider to be a material weakness.

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 entity’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 to be a material weakness in CIF-LAC’s internal control:

**Basis of Accounting: Cash vs. Accrual**

United States Generally Accepted Accounting Principles (GAAP) requires financial statements to be presented using the accrual basis of accounting. At the time of our audit, the Organization maintained its books on a cash basis of accounting. Therefore, the Organization did not record accounts receivable, accounts payable, or accrued expenses and certain revenues and expenses were recorded in the improper periods as a result. SM recommends the Organization maintain books on an accrual basis.

This communication is intended solely for the information and use of the Board of Managers and management, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly,

Martin Casaus
Los Angeles, California
November 30, 2015
Exhibit B – Certain Written Communications
between Management and Our Firm
Engagement Letter
July 24, 2015

Mr. John Aguirre, Commissioner
CIF – LOS ANGELES, CITY SECTION
10660 White Oak Ave. Suite 216
Granada Hills, CA 91344

Re: Audit of your financial statement for the year ended June 30, 2015

Dear Mr. Aguirre:

We are pleased to confirm our understanding of the services we are to provide for the California Interscholastic Federation, Los Angeles City Section (the “Organization”) as of and for the year ended June 30, 2015. The following is a detailed description of the services that we will provide to the Organization as well as our estimated professional fees that relate to such services. This engagement letter (which is sometimes hereinafter referred to as the “Agreement”) is subject to completion of our acceptance procedures in accordance with professional standards and the policy of Squar, Milner, Peterson, Miranda & Williamson, LLP (“Squar Milner,” or the “Firm”).

Audit Services

We will audit the statement of financial position of the Organization as of June 30, 2015, and the related statement of activities, and cash flows, for the year then ended in accordance with auditing standards generally accepted in the United States of America (“GAAS”).

The objective of our audit is the expression of an opinion about whether such financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (“GAAP”). Our audit will be conducted in accordance with GAAS, and will include tests of your accounting records and such other procedures as we consider necessary to enable us to form an opinion. If our opinion is other than unqualified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete an audit of the Organization’s financial statements and supplemental schedule, or are unable to form or have not formed an opinion, we will not issue any report on such financial statements or supplemental schedule as a result of this engagement.
Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and direct confirmation (as deemed appropriate in our professional opinion) of cash, receivables and certain other assets and liabilities by correspondence with selected funding sources, creditors and banks. We will request written representations from your 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 management 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. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of misstatements that, in our judgment, could have a material effect on the financial statements, whether from errors, fraud or other illegal acts. However, because of the concept of reasonable assurance and since we will not perform a detailed examination of all transactions, there is a risk that material misstatements of the financial statements (whether caused by error, fraud, or other illegal acts) and significant deficiencies and/or material weaknesses in internal control may exist and not be detected by us. However, we will inform you of any material errors and any fraud that comes to our attention. We will also inform you of any other illegal acts that come to our attention, unless they are clearly inconsequential. 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.

By your signature below, you acknowledge that 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 that involves management, employees who have significant roles in internal control, or others where the fraud could have a material effect on the financial statements. You are also responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Organization received in communications from employees, former employees, analysts, regulators, short sellers or others. In addition, management is responsible for identifying and ensuring that the Organization complies with all applicable laws and regulations, including Federal and state securities laws. You agree to confirm your understanding of your responsibilities defined in this Agreement to us in the management representation letter.

We will use audit risk and materiality to identify and assess the risk of known and likely material misstatement of the Organization’s financial statements. As required by GAAS, the risk of known and likely material misstatements will be assessed at both the financial statement and relevant assertion levels. Financial statement assertions are management’s implicit or explicit representations regarding the recognition, measurement, presentation and disclosure of information in the financial statements and related disclosures. (Examples of assertions are rights/obligations, existence, valuation and completeness.) As part of assessing the risk of material misstatement - whether due to error or fraud - and to design the nature, timing and extent of further audit procedures, our audit will include
obtaining an understanding of the entity and its environment, including its internal control. This understanding will encompass an evaluation of the design of controls, and determining whether they have been implemented by the Organization and are adequately documented. We will also determine whether any of the assessed risks are significant risks; as defined by GAAS, “significant risks” are those that require special audit consideration.

As noted above, an audit of financial statements in accordance with GAAS is not designed to provide any assurance on internal control, or to identify significant deficiencies or material weaknesses in the design or operation of internal control. However, we will communicate to you and to management any significant deficiencies or material weaknesses which become known to us while performing the audit.

We are also responsible for communicating with the Board of Directors about certain other matters related to our audit, including (1) our responsibilities under the standards of the American Institute of Certified Public Accountants (“AICPA”); (2) the Organization’s significant accounting policies; (3) the quality of the Organization’s accounting principles; (4) management’s judgments and sensitive accounting estimates; (5) significant audit adjustments; (6) any disagreements with management about matters that could be significant to the Organization’s financial statements or our audit report; (7) any consultations management made with other accountants; (8) any issues discussed with management prior to our retention; (9) any significant difficulties encountered in performing the audit; (10) other information in documents containing audited financial statements, such as the Organization’s annual report; and (11) other matters as considered necessary. Further, we are responsible for ensuring that the Board of Directors receives copies of certain written communications between us and management, including management representation letters and written communications on accounting, auditing, internal control or other matters.

Management is responsible for the financial statements, for making all financial records and related information available to us, and for the accuracy and completeness of that information. As used in the immediately preceding sentence, "related information" includes all information of which management is aware that is relevant to the preparation and fair presentation of the Organization’s financial statements (such as records, documentation and other matters), and any additional information that we may request from management for audit purposes. Management also agrees to provide unrestricted access to all persons within the Organization from whom we determine it necessary to obtain audit evidence.

We may advise you about appropriate accounting principles and their application, but the responsibility for the financial statements remains with the board of directors and management. This responsibility includes the design, implementation and maintenance of adequate records and effective internal controls over financial reporting (relevant to the preparation and fair presentation of the Organization’s financial statements that are free from material misstatement, whether due to fraud or error), the selection and application of accounting principles and the safeguarding of assets.
Management is also responsible for adjusting the financial statements to correct material misstatements and for 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.

We understand that Organization employees will prepare the schedules and confirmations we will request under separate cover, and will locate the documentation selected by us for testing. If any of the required records are incomplete or initially unavailable, we will compile a list of such information and present it to management for review and direction.

Non-Attest Services

During the course of our work, you may request our assistance with certain non-attest services such as income tax services and matters relating to complex accounting requirements which could impact the Organization’s financial statements. We will be pleased to provide the requested assistance, provided that the non-attest services do not violate independence guidelines established by the AICPA and such services are approved in advance by the Organization’s audit committee, board of directors or management, as appropriate. Regarding any non-attest services, the Organization agrees to be responsible for (a) making all management decisions and performing all management functions; (b) designating an individual who possesses suitable skill, knowledge and/or experience (preferably within senior management) to oversee the services; (c) evaluating the adequacy and results of the services performed; and (d) accepting responsibility for the results of the services.

The fees for non-attest services, which are not included in the fee estimate set forth below, will be billed on an hourly basis.

Reporting Deadline

We will work diligently to meet any financial reporting deadline that the Organization may have (for example, with a non-management stockholder or in a debt agreement). However, due to the nature of our work, we cannot be responsible for any late financial statements that result from factors beyond our control.

As discussed herein, the engagement contemplated by this Agreement anticipates a certain level of assistance and cooperation by Organization personnel. This is an essential condition to our completion of the engagement, and will permit us to conduct our work effectively and efficiently. Failure by your personnel to do so on a timely and accurate basis could result in the Organization being unable to meet the deadline referenced in the preceding paragraph, prevent us from completing the engagement, and/or may be grounds for suspension of our services or our withdrawal from this engagement.
Professional Fees

Our fees will be based on the actual time required at our standard hourly rates (see enclosure). Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to the work. Our invoices for services are due when rendered, and interim billings may be submitted (usually on a monthly basis) as work progresses and expenses are incurred. Invoices are considered past due thirty days after the invoice date. Past due invoices are subject to the lesser of our current monthly late charge (1.25% per month), which is subject to change, or the maximum charge permitted by applicable law. Failure to remit payment for past due services may result in deferral of further work or termination of our engagement. In the event that collection procedures are required, the Organization agrees to be responsible for all expenses of collection including related attorneys’ fees.

Our professional fees will be as follows (including administrative charges and out-of-pocket expenses):

Audit of the June 30, 2015 financial statements

$10,000

Our fee for these services is contingent upon the Organization providing all necessary schedules, drafting the financial statements, and supporting documents requested by Squar Milner. The fee is based on anticipated cooperation from your personnel, and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will keep the Organization’s management informed of any problems we encounter, and our fees will be adjusted only upon prior approval by the Organization’s management.

As stated above, our invoices for services are due when rendered. If our fees are not paid in full, Squar Milner reserves the right to not issue any report as a result of this engagement. In the event that our field work is never completed and/or our audit report is not issued (for any reason), all invoiced fees are nevertheless payable by the Organization.

You may terminate our services at any time, with or without cause, provided only that our invoices for services rendered through the date of termination shall be paid. We may terminate or suspend our services for nonpayment of our fees or by reason of professional considerations which in our judgment make it inappropriate to continue the engagement. As referenced in the preceding sentence, “professional considerations” include the condition of the Organization’s accounting and other business records, the availability of sufficient, competent evidential matter, and any indications of a significant risk of undetected material misstatements which prevent us from completing the engagement.

Disputes

With the sole exception of a fee dispute of less than $50,000 (referenced below), any dispute, claim, controversy, complaint or cross-complaint in any manner arising from or related to, or asserted as an off-set against amounts charged under, this Agreement, shall be submitted to resolution by arbitration before the Los Angeles County, California office of
JAMS/Endispute. Arbitration shall be binding and final. The arbitration shall be governed by JAMS’ Comprehensive Arbitration Rules and Procedures. In agreeing to arbitration, we both acknowledge that in the event of a dispute over fees in excess of $50,000, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury, as well as any right to appeal, and instead are accepting the use of binding arbitration for resolution. The arbitrator may, in the award, allocate in whole or in part the fees and costs of the arbitration, including the fees of the arbitrator, and order in whole or in part recovery of the reasonable attorneys’ fees of the prevailing party. The arbitrator shall not have authority to award punitive damages, any claim for which is hereby waived. The arbitrator may not award non-monetary or equitable relief of any sort. In no event, even if any other portion of these provisions is held to be invalid or unenforceable, shall the arbitrator have power to make an award or impose a remedy that could not be made or imposed by a court deciding the matter in the same jurisdiction. All aspects of the arbitration shall be treated as confidential. Neither the parties nor the arbitrator may disclose the existence, content or results of the arbitration, except as necessary to comply with legal or regulatory requirements. Before making any such disclosure, a party shall give written notice to all other parties and shall afford such parties a reasonable opportunity to protect their interests. Judgment on the award may be entered by any court having appropriate jurisdiction.

For a dispute involving solely a dispute of fees of $50,000 or less, we agree to resolve the matter in the Superior Court of Los Angeles County, California or Small Claims Court, whichever is appropriate (this exception shall not affect the fact that any other or additional dispute, claim, controversy, complaint or cross-complaint shall be arbitrated in accordance with the terms set forth above).

Record Retention and Ownership of/Access to Workpapers

It is our Firm’s policy to retain the workpapers (as defined below) related to this engagement for seven years after the related services have been performed. Squar Milner does not retain any original client records; so we will return such records (including any “supporting records,” as defined below) to you at the completion of the services rendered under this engagement. We may request a signed itemized receipt in connection with delivering the records described in the preceding sentence. When such records are returned to you, it is the Organization’s responsibility to retain and protect its accounting and other business records for future use, including potential review by any government or other regulatory agencies. By your signature below, you acknowledge and agree that upon the expiration of the seven-year period Squar Milner shall be free to destroy our workpapers related to this engagement.

As defined by the AICPA, “workpapers” include (but are not limited to) audit programs, analytical audit/review schedules, and statistical sampling results, analyses and schedules prepared by Organization personnel at our request. The term workpapers also includes documentation as defined by PCAOB Auditing Standard No. 3, and “audit documentation” as defined by the California State Board of Accountancy (the “State Board”). Based on the State Board’s regulations, “workpapers” do not include records which would ordinarily constitute part of your books and records and that are not otherwise available to the
Organization. An example of the records described in the preceding sentence are "supporting records," which are defined by the AICPA as information not reflected in the Organization’s books and records that is otherwise not available to you, with the result that the Organization’s financial information is incomplete without such documents. [For example, supporting records include adjusting journal entries (and the computations supporting such entries) proposed by the Firm in relation to this engagement.] It is the responsibility of management to determine that all supporting records are properly reflected in the Organization’s books and records.

Engagement workpapers are the property of Squar Milner, and will not be provided to any third parties unless the Firm is required to do so by state or federal law and/or contractual agreement. In our sole discretion, upon your request, we may provide the Organization with copies of certain engagement workpapers (some or all of which may be redacted) if the Firm is reasonably compensated for the time and expenses incurred to retrieve and copy such documents. We are also entitled to charge a reasonable fee for accessing and copying Organization-provided records before returning them to you, and for copying supporting records before providing those documents to the Organization.

Subpoena or Summons for Information in Squar Milner’s Possession

If, in relation to pending or possible litigation, a regulatory investigation/informal inquiry, or an administrative, arbitration or similar proceeding to which the Firm is not a party, we receive a validly issued and enforceable subpoena or summons requesting that we (1) produce any of our workpapers or other documents in our possession relating to this (or a prior or future) engagement, (2) provide other information about any such engagement, and/or (3) testify about any such engagement, we will notify the Organization prior to responding to it if we are legally allowed to do so. If management does not take any legal action within the time permitted for us to respond, or if such action does not result in a judicial order protecting us from providing the requested documents and/or information, we may construe the inaction or failure as the Organization’s consent to comply with such request. Under these circumstances, we will release the requested documents and/or provide the requested information. In certain proceedings, an accountant-client privilege may exist. However, you agree that we are not under any obligation to assert such privilege to prevent the release of Organization information.

If the above occurs, our efforts in complying with such demands or requests will be deemed a separate engagement and accordingly we shall be entitled to compensation for our time and reimbursement of our reasonable out-of-pocket expenses (including any legal fees) in complying with any such demand or request. However, nothing discussed herein is intended to relieve us of our duty (except as otherwise provided by applicable law) to observe the confidentiality requirements of the public accounting profession in the United States of America.
Other Matters

This letter shall serve as the Organization’s authorization for the use of e-mail and other electronic methods to transmit and receive information, including confidential information, between the Firm and the Organization and between the Firm and any outside specialists or other entities/persons engaged by either the Organization or the Firm. The Organization acknowledges that e-mail travels over the public Internet, which is not a secure means of communication; thus, the confidentiality of the transmitted information could be compromised through no fault of the Firm. The Firm will employ commercially reasonable efforts and take appropriate precautions to protect the privacy and confidentiality of the transmitted information described in this paragraph.

The Organization recognizes that Squar Milner has incurred a great deal of time and expense in acquiring and training its staff. In the event that the Organization hires (either as an employee or as an independent contractor) any Squar Milner employee who has worked on this engagement in the six-month period prior to the Organization’s employment of that individual, the Organization agrees to pay Squar Milner 60% of that individual’s projected first-year compensation with the Organization.

Squar Milner is a limited liability partnership comprised of both certified public accountants and certain partners and/or principals who are not currently licensed as CPAs. Such partners and principals may participate in the engagement to provide the services described in this engagement letter.

Any provision of this Agreement that could otherwise impair the Firm’s independence under the current rules of the AICPA is null and void. If any of the provisions in this Agreement are determined to be invalid or unenforceable, the remaining provisions shall remain in effect and binding on the parties to the fullest extent permitted by law.

Except as expressly provided herein, this Agreement does not modify the terms or provisions of any other engagement letter for professional services issued by the Firm which was agreed to by the Organization before the date noted below.

We are available to meet with you and/or other members of management to discuss current business, operational, accounting and auditing matters affecting the Organization. Whenever you feel such meetings are desirable, please let us know. Subject to the independence requirements of our profession, we are prepared to provide services to assist you in any of these areas. We will also be pleased, at your request, to attend the shareholders’ meetings.

We appreciate this 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 duplicate original and return it to us.

Sincerely,
RESPONSE:

This letter correctly sets forth the understanding of **Galaxy Theatres, LLC**:

John Aguirre  
Name

7/27/15  
Date
Representation Letter
November 30, 2015

Mr. Martin Casaus
Squar Milner LLP
11111 Santa Monica Boulevard, Suite 800
Los Angeles, CA 90025

This representation letter is provided in connection with your audits of the financial statements of CIF – Los Angeles City Section which comprise the statements of financial position as of June 30, 2015 and 2014 and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects in accordance with accounting principles generally accepted in the United States ("U.S. GAAP").

We confirm, to the best of our knowledge and belief, that as of November 30, 2015:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 24, 2015, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.

2. 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.

3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take.

5. Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

6. All events subsequent to the date of the financial statements and through the date of this letter for which U.S GAAP requires adjustment or disclosure have been adjusted or disclosed.

7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.

8. We have no knowledge of any uncorrected misstatements in the financial statements.

Information Provided

9. 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 entity from whom you determined it necessary to obtain audit evidence.

d. Minutes of the meetings of the governing board and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.

10. All transactions have been recorded in the accounting records and are reflected in the financial statements.

11. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.

12. We have no knowledge of allegations of fraud or suspected fraud, affecting the entity's financial statements involving:

a. Management.

b. Employees who have significant roles in the internal control.

c. Others where the fraud could have a material effect on the financial statements.

13. We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's financial statements received in communications from employees, former employees, regulators, or others.

14. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements. Additionally, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act and OMB Circular No. A-133, because we have not received, expended, or otherwise been the beneficiary of the required amount of federal awards during the period of this audit.

15. We have disclosed to you all known actual or possible litigation and claims whose effects were considered when preparing the financial statements.

16. We have specifically represented to you that the outstanding invoices totaling of $34,749.82 due to Fagen Friedman & Fulbrost for legal services will be paid by CIF State. Further, we have represented that the Organization will not be liable for any costs associated with this law firm.

17. We have disclosed to you the identity of the entity's related parties and all the related-party relationships and transactions of which we are aware.

18. We have informed you of all significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Organization's ability to record, process, summarize, and report financial data.

19. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

20. During the course of your audit, you may have accumulated records containing data that should be reflected in our books or records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.
CIF Los Angeles City Section

John Aguirre, Commissioner

Christy McNorton, Finance and HR Manager
EXHIBIT C
Summary of Corrected Audit Adjustments
### Adjusting Journal Entries

#### JE # 1

**Adjusting Journal Entries JE # 1**

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1011</td>
<td>Accounts Receivable</td>
<td>20,490.00</td>
<td>20,490.00</td>
</tr>
<tr>
<td>4011</td>
<td>Championships Revenue: Baseball: Ticket</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>20,490.00</td>
<td>20,490.00</td>
</tr>
</tbody>
</table>

 **To book accounts receivable at 6/30/2015. Baseball championship revenue received August, 2015 relating to 6/30/2015.**

#### JE # 2

**Adjusting Journal Entries JE # 2**

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1011</td>
<td>Accounts Receivable</td>
<td>14,000.00</td>
<td></td>
</tr>
<tr>
<td>4063</td>
<td>Marketing Revenue: Sponsorship</td>
<td></td>
<td>14,000.00</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>14,000.00</td>
<td>14,000.00</td>
</tr>
</tbody>
</table>

 **To book accounts receivable at 6/30/2015. Sponsorship revenue received.**

#### JE # 4

**Adjusting Journal Entries JE # 4**

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>4072</td>
<td>Uncategorized Income</td>
<td>38,500.00</td>
<td></td>
</tr>
<tr>
<td>5093</td>
<td>Uncategorized Expenses</td>
<td></td>
<td>38,500.00</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>38,500.00</td>
<td>38,500.00</td>
</tr>
</tbody>
</table>

 **To correct JE made to transfer cash from operating account to payroll account.**

#### JE # 6

**Adjusting Journal Entries JE # 6**

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>5087</td>
<td>Depreciation Expense</td>
<td>3,530.00</td>
<td></td>
</tr>
<tr>
<td>1021</td>
<td>Accumulated Depreciation</td>
<td></td>
<td>3,530.00</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>3,530.00</td>
<td>3,530.00</td>
</tr>
</tbody>
</table>

 **To book depreciation expense for the year.**

#### JE # 7

**Adjusting Journal Entries JE # 7**

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1010</td>
<td>Prepaid Expenses</td>
<td>25,415.00</td>
<td></td>
</tr>
<tr>
<td>5062.1</td>
<td>General/Operations: Office Rent</td>
<td></td>
<td>25,415.00</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>25,415.00</td>
<td>25,415.00</td>
</tr>
</tbody>
</table>

 **To record prepaid rent and security deposit for new lease that were incorrectly expensed.**

#### JE # 8

**Adjusting Journal Entries JE # 8**

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1010</td>
<td>Prepaid Expenses</td>
<td>1,878.00</td>
<td></td>
</tr>
<tr>
<td>5002</td>
<td>Benefits and Insurance: Health, Dental, Vision</td>
<td></td>
<td>1,878.00</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>1,878.00</td>
<td>1,878.00</td>
</tr>
</tbody>
</table>

 **To record prepaid insurance premium that was incorrectly expensed.**

#### JE # 11

**Adjusting Journal Entries JE # 11**

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>5065</td>
<td>Independent Contractors: Sport Coordinators</td>
<td>1,500.00</td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>Accounts Payable</td>
<td></td>
<td>1,500.00</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>1,500.00</td>
<td>1,500.00</td>
</tr>
</tbody>
</table>

 **To account for unaccrued expenses identified in search for unrecorded liabilities.**

#### JE # 12

**Adjusting Journal Entries JE # 12**

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1012</td>
<td>Refunds</td>
<td>4,766.00</td>
<td></td>
</tr>
<tr>
<td>5005</td>
<td>Benefits and Insurance: Workers Comp</td>
<td></td>
<td>4,766.00</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>4,766.00</td>
<td>4,766.00</td>
</tr>
</tbody>
</table>

 **To reclassify insurance refund from AR Credit balance to insurance expense.**