



Reply to:
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March 14, 2022

VIA E-Mail

Cole Scott & Kissane, P.A.
Attn: Ms. Sanaz Alempour, Esq.
Lakeside Office Center, Suite 500
600 North Pine Island Rd.
Plantation, FL 33324
Email: sanaz.alempour@csklegal.com

RE: Response to Notice of Deficiencies and Opportunity to Cure and Request for Access, Examine and Inspect Pursuant to the CRA-s A-GUIDE Funding Agreements and Public Records Request Pursuant to Public Records Act, Chapter 119, Florida Statutes

Dear Ms. Alempour:

As you are well aware, the undersigned law firm represents Old School Square Center for the Arts, Inc. (“OSS”). This correspondence shall serve as formal response to your correspondence dated February 23, 2022 (the “Notice”), and your request that OSS respond and make the requested documents available no later than March 15, 2022.

A. Background

As an initial matter the blanket assertion that OSS “has and continues to be in violation of the terms and conditions of the Funding Agreements for its failure to provide the CRA with the information and documentation requested” and that the February Agenda¹ was initiated as a result of “numerous failed attempts of obtaining” such information is simply false.

A brief recitation of the facts is thus in order so that there is no mistake that contrary to the Notice, OSS has timely and continuously responded to the requests made of it. Pursuant to the 2020-2021 Funding Agreement, OSS timely submitted its second and third quarterly program budget and narrative reports in April and July, 2021. In response, in July 2021, the CRA requested OSS’s 2018-2019 and 2019-2020 audited financials, which had not been completed by OSS’s accountants at the time, as a condition to releasing any funds. The CRA’s request was made despite

¹ All capitalized terms not defined herein shall have the meaning ascribed to them in the Notice.

the fact that the CRA deemed itself satisfied with the performance and financial status of OSS by virtue of the fact that the CRA released payments to OSS under the 2018-2019 and 2019-2020 Funding Agreements. The CRA informed OSS that once the 2018-2019 and 2019-2020 OSS audited financials were submitted that funds would be released.

Accordingly, OSS submitted its audited 2018-2109 financials on August 13, 2021, and its audited 2019-2020 financials on September 13, 2021. Further, in September, 2021, the CRA requested additional information, which was provided to it on September 23, 2021. After several months of following up without any response from the CRA, on November 18, 2021, the CRA yet again requested additional information outside the 2020-2021 grant period, which it had not previously sought from OSS. On November 23, 2021, the parties met to discuss the CRA's new additional requests. Thereafter, on December 6, 2021, OSS provided a response to CRA's questions and offered to meet in an effort to move the process along.

During a teleconference the week of December 21, 2021, the CRA agreed that a meeting between OSS, the CRA and the CRA's auditor would be beneficial and would clarify any outstanding questions the CRA may have as to OSS's most recent document submission. The CRA informed OSS during the teleconference that its auditor was on vacation and had not had the time to review OSS's responses to the CRA's supplemental requests. On December 27, 2021, OSS suggested to meet with the CRA and its auditor on January 10, 2022, which would presumably provide CRA's auditor the time to review OSS's responses to the additional information sought by the CRA. The CRA declined the meeting request because the CRA's executive director, Ms. Renee Jadusingh, was out of the country on vacation through the end of January, 2022. Nevertheless, OSS requested a meeting with CRA's staff, so as to streamline the process, but was ignored. After following up with the CRA on multiple occasions, OSS learned that CRA's auditing firm had been sold, and that since the new firm did not perform governmental accounting, the firm was forced to resign from the account.

On February 16, 2022, after not hearing from the CRA for over a month, the CRA made yet another request for new additional documentation and information that the CRA was seeking, that it had not previously requested. On February 22, 2022, prior to the CRA Board meeting held that afternoon, OSS provided responses it compiled within the four business days from the CRA's February 16th request with the understanding that it would provide the balance of the document production in short order.

No other non-profit in the City's history has had to endure the continued moving target as to the documentation requested before their approved grant funds were released as OSS, and taken with the Litigation between OSS and the City, and the three City commissioners that also comprise the CRA Board, the February request and the Notice appear to be a never ending stall tactic by the

CRA meant to stone wall OSS rather than a genuine effort to release the earned 2020-2021 grant proceeds to OSS.

B. The List of Documentation Requested

In the Notice, the CRA listed 19 categories of documents/information that it was requesting. OSS will hand deliver a USB drive to the CRA's office with the responsive documentation on March 15, 2022, subject to the below:

1. OSS's Application and Loan Forgiveness for April 2020 (the "2020 Forgiveness Application") was provided to the CRA on December 6, 2021. The back-up to the 2020 Forgiveness Application which was subsequently requested by the CRA was provided to the CRA on February 22, 2022. Please note that the payroll journals are in the form of payroll report by department by quarter, which is how OSS has historically budgeted and reported the same with the CRA. To the extent that the CRA wants payroll journals as per employee, such a format requires extensive clerical and/or supervisory assistance, as well as the use of extensive use of information technology as per Fla. Stat. 119.07(4)(d). Moreover, it should be noted that certain of the information contained therein, without limitation social security numbers, addresses, and telephone numbers, are exempted pursuant to Fla. Stat. § 119.071(4) & (5), and need to be redacted, which given the broad scope of the request covering two year time period will require substantial time and resources. A rough estimate of the cost of complying with this request, which includes man hours and copying fees is approximately \$750 - \$1,500. Nevertheless, pursuant to Fla. Stat. § 119.07(2)(a), OSS agrees to provide access to the CRA to review and inspect such records, at which time, depending on the scope of the documentation production sought by the CRA, the CRA can make a determination whether it wants to proceed with having OSS produce the responsive documents.
2. OSS's Application and Loan Forgiveness for March 2021 (the "2021 Forgiveness Application") is in process and was prepared online, which produced no document copy for OSS. The CRA should be further advised that OSS budgeted to return the funds in the event that the loan is not forgiven.
3. On December 6, 2021 and February 22, 2022, OSS provided the sources and use schedule for fiscal years 2019-2020 and 2020-2021 to show how both the PPP funds and CRA funds were allocated separately. Nevertheless, OSS is including said documentation in the March 15, 2022 production.
4. OSS's balance sheet for close of the fiscal year 2020-2021 is included in the March 15, 2022 production.
5. OSS's financial statements for close of the fiscal year 2020-2021 is included in the March 15, 2022 production.

6. OSS's financial audit for fiscal year 2020-2021 is in process with OSS's auditor and will be provided once the auditor's audit is complete.
7. On December 6, 2021 and February 22, 2022, OSS provided its audited adjusted trial balance and audit adjustments for fiscal year 2019-2020 and is again including said documentation in the March 15, 2022 production. OSS does not have the audited trial balance and audit adjustments for fiscal year 2020-2021 because OSS's auditor has not yet completed its audit for fiscal year 2020-2021. The requested documentation will be provided once the audit is complete.
8. See Response to No.1.
9. On February 22, 2022, OSS provided all requested IRS Forms 941 to the CRA, which are included in the March 15, 2022 production along with the requested RT-6 Forms.
10. All of OSS's quarterly staffing reports were provided to the CRA at the end of each reporting quarter. For fiscal year 2019-2020, OSS provided the information on January 31, 2020, March 27, 2020, August 20, 2020 and November 30, 2020. For fiscal year 2021, OSS provided the information on January 29, 2021, April 30, 2021, July 30, 2021, and October 29, 2021. Additionally, see, Responses Nos. 8 and 9.
11. OSS's budgets for fiscal years 2019-2020 and 2020-2021 are included in the March 15, 2022 production. OSS did not amend either budget.
12. OSS's audited financial statements for the year 2019-2020 are included in the March 15, 2022 production along with the Management Letter. Moreover, please note that the OSS Board accepts the formal audit rather than approve the financials. As noted above the 2020-2021 audited financials have not been completed by OSS's auditor. Once completed they will be provided to the CRA.
13. OSS is not providing fiscal year 2021-2022 financials, including the general ledger, as this request is outside the purview of the 2020-2021 Funding Agreement or any other Funding Agreement between OSS and the CRA. There is no funding agreement between OSS and the CRA for 2021-2022.
14. Pursuant to Fla. Stat. 119.04(4)(d) compliance with Request No.14 requires extensive clerical and supervisory assistance, as the documentation was placed in storage after OSS's eviction. OSS does not currently have any employees and will require substantial assistance in retrieving the documentation from storage, copying it, and redacting the necessary documentation. A rough estimate of the cost of complying with this request, which includes man hours and copying fees is approximately \$1,500. It should be noted that the back up information sought in this request is located in OSS's monthly reports and can be verified with OSS's banks statements.
15. Documentation responsive to Request No.6 provides the information regarding the accounting methodology which is accrual based.
16. The CPA mistakenly checked the wrong box on Form 990 for 2019. The information and documentation responsive to the method of accounting is included as part of the response to Request No.15.

17. OSS requires additional time to complete this request based on the fact that OSS does not have any staff.
18. See, Response to No.3.
19. OSS previously provided the documentation demonstrating the funding and grants obtained from the PBC Tourist Development Council and the State of Florida. The information sought is included in the March 15, 2022 production.

Please contact me to make the necessary arrangements to inspect and review any documentation referenced herein to the extent the CRA chooses to do so. Additionally, if you have any questions, please do not hesitate to contact me.

Nothing set forth herein or set forth herein is intended, nor shall it be deemed, to modify, limit, release, reduce or waive any of OSS's rights, remedies and/or privileges at law or in equity, all of which are specifically preserved.

Respectfully,

**KLUGER, KAPLAN, SILVERMAN,
KATZEN & LEVINE, P.L.**

By: s/ Marko Cerenko
Marko Cerenko, Esq.

CC: OSS