



City of Delray Beach Internal Audit Presentation

**City Commission Meeting
September 13, 2021**

Old School Square Lease Compliance



Audit Objective:

To determine whether Old School Square Center for the Art, Inc. (OSS) complied with the reporting commitments of Article 6.1. of the Lease Agreement between the City of Delray Beach and OSS entered into as of the 1st of December, 2016 (the Lease).

Conclusion:

Based on the limited-scope performance audit conducted (compliance objective), it is concluded that, in the aggregate, OSS is not in compliance with Article 6.1. of the Lease.

- Appendix A of the report provides for the detailed analysis of OSS reporting commitments and the compliance audit results.
- Recommendations to enhance financial record-keeping and reporting transparency are provided in commitments 6.1.b and 6.1.c.

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Is OSS in Compliance?	Current Reporting Period	Prior Reporting Periods
a. Strategic plan (3-year, updated annually)	No	No
b. Annual budget (establishing compliance with the Lease Operating Commitments)	No	No
c.1. Annual audit report (including Management Letters)	No	Yes
c.2. IRS Form 990, Form 990-T	No	Prior FYs: Yes FY 18-19: No 990-T
d. Annual report describing: (i) activities, programs and services offered (ii) the number of persons who participated. <i>A CRA A-Guide report can substitute.</i>	Yes (through Q3 of FY 20-21)	Yes

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Is OSS in Compliance?	Current Reporting Period	Prior Reporting Periods
<p>e. A written statement re: efforts and results to improve diversity on the OSS Board and programs offered.</p>	<p>FY 21-22: No</p>	<p>Prior FYs: No FY 20-21: Yes</p>
<p>f. A written statement re: cooperation and collaboration with other org. within the City. A CRA A-Guide report can substitute.</p>	<p>FY 20-21: not due yet (12/29/21)</p>	<p>No</p>
<p>g. Semi-annual reports describing: (i)activities/ programs/ services; (ii) status of funding for the activities/ programs/ services, and maintenance & operation of the Premises; (iii) the number of persons who participated; and (iv) a written statement re: status on meeting the goals and objectives from the strategic plans and the Operating Commitments (which were not met, with appropriate explanation).</p>	<p>No</p>	<p>No</p>