

**ITEM #49<sup>(3)</sup>**

**ADDITIONAL MATERIAL**

**Regular Meeting**

**SEPTEMBER 10, 2020**

**SUBMITTED AT THE REQUEST OF**

**OFFICE OF THE COUNTY AUDITOR**



**OFFICE OF THE COUNTY AUDITOR**

115 S. Andrews Avenue, Room 520 • Fort Lauderdale, Florida 33301 • 954-357-7590 • FAX 954-357-7592

September 9, 2020

To: Honorable Mayor and Board of County Commissioners  
 From: Bob Melton, County Auditor *Bob Melton*  
 Subject: Agenda Item #49 – Motion to Authorize County Administrator to Approve and Execute a Separation Agreement and Mutual Release between Broward County and Young at Art (YAA)

On August 26, 2020, our Office advised you that we initiated an audit of YAA, at the request of County management. We made multiple requests to meet with representatives from YAA and submitted a request for financial information. To date, YAA has not agreed to meet and has not provided any requested information. As a result, my Office has been unable to begin the Audit.

The requested financial documents are common items that should be readily available, and we included in our request that items be provided as they become available. To date, none of the requested information has been provided.

The information we requested is needed to ascertain YAA’s financial condition and ability to pay past amounts due. Without knowing YAA’s financial situation, we are unable to recommend forgiveness or settlement of past amounts due.

We obtained publicly available tax information from tax returns submitted by YAA (Form 990), which provides some insight into YAA’s financial condition as of May 31, 2018 and 2019. Based on a cursory review, the tax returns indicate there were financial resources in the past, while we recognize that undoubtedly significant changes have occurred in our current environment. Table 1 below summarizes financial information from the tax returns:

**Table 1: Summary of YAA 990 Balance Sheet for the years ended May 31, 2018 and 2019**

	May 31, 2018	May 31, 2019
Cash / Savings/ Cash Investments	\$ 232,191	\$ 209,146
Pledges & Grants Receivables	751,535	617,019
Assets – including Buildings, Equipment, Inventory, other assets	<u>14,193,750</u>	<u>3,912,970</u>
<b>Total Assets</b>	<b>\$ 15,177,476</b>	<b>\$ 4,739,135</b>
<b>Total Liabilities</b>	<b>\$ 11,401,700</b>	<b>\$ 532,558</b>
<b>Net Assets (Assets – Liabilities) (Fund Balance)</b>	<b>\$ 3,775,776</b>	<b>\$ 4,206,577</b>

Source: Office of the County Auditor Summary of YAA’s 990 obtained from www.IRS.gov

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Obtaining requested information from YAA will allow us to further evaluate the organization's financial condition and ability to pay past amounts including whether YAA has current cash reserves, receivables, or received Payroll Protection Program (PPP) relief funding from the Federal Government.

**We recommend the Board not approve the separation agreement until we have the opportunity to better assess the financial condition of Young at Art.**

cc: Bertha Henry, County Administrator  
Andrew Meyers, County Attorney  
Michael Kerr, Deputy County Attorney