



# INTERNATIONAL CIVIL RIGHTS CENTER & MUSEUM

March 19, 2014

Jim Westmoreland  
Greensboro City Manager

***BY HAND-DELIVERY***

Re: Follow-up Answers Requested

Dear Mr. Westmoreland:

In response to your additional questions, we are providing these further responses.

We intended our previous response to these questions to be interpreted that we had already fully supplied all of this information requested in great detail. Since May of 2013 and prior to the issuance of the \$750,000 check, your designated personnel met with our Chief Financial Officer, John Swaine, and he personally answered these questions and more. At that time, we provided complete and unrestricted access to all of our books, financial documents, checks, and contracts. If there are some questions they forgot to ask or things they have since thought of in the aftermath of the contract being made and the \$750,000 check being issued, we will not stand on technicalities; in the spirit of full co-operation with our partners, the City still has unrestricted access to our otherwise private and confidential documents.

That said we do have questions concerning this format. Due to the confusion and public consternation over the written contract not being ready to be signed prior to the issuance of the \$750,000 check pursuant to contract, the City, in order to reassure its citizens elected to release all of its E-mails and documents: This is both commendable and most of all, the City's business.

Our understanding is, however, that as a continuation of this policy, any time Sit-In Movement, Inc., a non-profit, but a private corporation, answers in this format its personal confidential and financial information will be published on the City website. This is as if a person applied for an FHA-backed loan and the government and the bank, in due diligence rightfully asked for proof of all income, expenses, and prior obligations, but then said "and by the way, we're going to publish all your private information on the FHA website."

This format is not something any other recipient of City money is being subjected to. For example, the City recently voted to give ten million dollars to the hotel project to be built downtown. The hotel project is so similar, geographically, that it is literally kitty-corner to the Sit-In Museum across Elm Street. Otherwise, the hotel project is very different; it is not of national historic significance, not even a photo of a drawing has been shown to the public, whereas the Museum has been open for business with 60,000 visitors a year since February 2010. Most of all, the hotel is a true for profit venture, whereas the Museum is non-profit.



Some portion of the ten million dollars the City is contributing to the hotel will, in one way or another, end up as profit for the developers, and the City has not even asked how much, let alone sent the developers questions to be posted on the City website

The Art Performance Center is also downtown and received a 30 million dollar commitment from the City. Land was purchased, a realtor paid, and a building torn down without a written contract with the City, but the City has chosen the Museum for special attention and website attention. The Art Performance Center is a promise of what will come, whereas the Museum is a promise that has already been kept. We said we would purchase the building and we did; we said we would open a first class museum in time for the 50<sup>th</sup> anniversary and we did. We welcome the Art Performance Center and the hotel downtown. They will build downtown, and that will be good for the Museum. Our only question is – why are we being treated differently?

You can understand how a Museum that was founded because four young A&T students courageously put themselves at risk so they, and others like them would be treated equally, could ill-afford to acquiesce to be treated differently by a government and still maintain any sense of self-respect.

We continue to grant full access to all of our financial matters to you as a sitting Board member, to Mayor Nancy Vaughn as a board member, and to any accounting personnel as the City may designate, but we decline to have our private information published on the City web page unless the other recipients of City Money do also.

5/7. We are aware that some representative of the Tax Credit holders told the previous City Manager, hypothetically, that if there were a default then the Tax Credit holders might operate the Museum a half-day a week with a single employee in order to meet the technical requirements of the IRS and get the tax credits. We think that statement was ill-advised. To operate a “museum” that the public really could not tour would not be “open,” but would be a sham. Despite its many unusual rules, one thing the IRS usually does not tolerate is a sham in order to get tax credits or tax deductions. There is no precisely stated minimum requirement from the IRS.

8. Yes.

9. This quarterly event represents a net \$2,000.00 loss to the Museum each quarter. We pay the bank \$59,000.00 each quarter and Stonehenge pays us back \$57,000 each quarter and keeps \$2,000.00 as a fee. There are no excess funds from this exchange that could pay operating expenses.

10. Please find enclosed a letter from Mr. Sherbert who does the required, annual, independent audits of the corporate projects to make sure we are in full compliance with the IRS and the Tax Credit Program in general. Next, we also attempted to get a similar letter from US Bank which they indicated would be forthcoming, but then received a telephone message that the bank was “was not in the practice of providing comfort letters.” It is, however, obvious from our books and from our cancelled checks that we are in full compliance, and they are open for inspection by your accountants.

11. Sit-In Movement Inc.

13. Owed to the tax credit holders (US Bank) – \$62,000.00 a quarter for three more quarters and decreasing to \$49,000 a quarter for eight remaining quarters after that for a total of \$578,000.00. After that, the building will be owned by the nonprofit Sit-In Movement Inc., free and clear, except for the City loan. (Note this money duplicates with the City Loan since the money was borrowed, in part, to make these payments; therefore, the obligation should not be counted twice)

\$883,006.00 owed to Carolina Bank by Sit-In Movement Inc. (This is the remainder of a four million dollar loan that has been paid off by Sit-In.)

\$265,000.00 owed to Wells Fargo. (Although technically a loan, this loan is already paid for with tax credit funds. We will receive \$135,000.00 later this year from a trust fund, and \$135,000.00 more by January 2015, from the same fund which will by design retire the Wells Fargo loan.)

\$750,000.00 from the City of Greensboro. (\$750,000.00 already received.) We intend to use \$883,006.00 of the \$1,500,000.00 matching funds we are raising to cancel out the City debt to retire the Carolina Bank debt thus doubling the bang for the buck.

\$50,000.00 owed to the Community Foundation which we also hope to retire with the matching funds.

The tax credit obligations will be gone as of the end of 2016, and we hope to have the City debt matched and the others retired by the middle of 2015. Therefore, the Museum will be owned, debt-free, in the next two years

14. Provided on the attached sheet.
15. Provided on the attached sheet.

The representations by Sherbert Associates PC remain accurate.

We remain grateful that the Greensboro City Council assisted this project of National Historic significance in its moment of need. I hope you understand that we want to continue to honor the City Council as the friend they have proved to be, but we do not wish to be treated differently than others or as a lesser friend.

Very truly yours,

*Deena Hayes-Greene*

Deena Hayes-Greene  
Chairman of the Board  
International Civil Rights Center and Museum

Enclosures (2)

DHG/js



**Civil Rights Museum LLC  
2014 Listing of Staff Positions and Wages**

<b>Position</b>		<b>Hrs/Week</b>	
Executive Director	Tours	40	42.31
Chief Financial Office		40	40.38
Special Event/Guest Services Coord.		40	25.00
Education Coordinator	Tours	40	17.79
Booking & Tour Coordinator	Tours	40	16.98
Facility Services & Maintenance		40	15.00
IT Specialist		10	21.64
Tour Guide/Facility Maint.	Tours	12	12.00
Retail Clerk/Purchasing		21	11.50
Program & Education Associate	Tours	24	10.00
Program & Education Associate	Tours	25	10.00
Program & Education Associate	Tours	29	10.00
Retail Clerk/Tour Guide	Tours	25	10.00
Program & Education Associate	Tours	25	10.00
Program & Education Associate	Tours	35	10.00
Program & Education Associate	Tours	20	10.00
Program & Education Associate	Tours	20	10.00
Program & Education Associate	Tours	8	10.00

**12.35 Full-Time Equivalents**

**Sit-In Movement, Inc.**  
**A/P Aging Summary**  
As of September 15, 2013

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL		
An Extraordinary Event, LLC	0.00	0.00	0.00	525.00	0.00	525.00	11/4/2013	2,966
Awards of Excellence by Trophy Sports	0.00	0.00	0.00	0.00	2,329.95	2,329.95	11/4/2013	2,973
Bryan Park Golf LLC	0.00	0.00	0.00	6,038.12	0.00	6,038.12	11/4/2013	2,968
Howard Galther Photography	0.00	0.00	0.00	1,000.00	0.00	1,000.00	11/4/2013	2,969
MY News 2	0.00	0.00	0.00	10,000.00	4,000.00	14,000.00	11/4/2013	2,975
Stonehenge Community Development XII, LLC	1,756.16	0.00	0.00	1,256.16	0.00	3,012.32	11/4/2013	2,978 2,972.00
The Training Center	525.00	404.98	0.00	0.00	0.00	929.98	11/4/2013	2,976
Sheraton Greensboro	0.00	0.00	0.00	0.00	10,000.00	10,000.00	11/6/2013	2,981
<b>TOTAL</b>	<b>2,281.16</b>	<b>404.98</b>	<b>0.00</b>	<b>18,819.28</b>	<b>16,329.95</b>	<b>37,835.37</b>		
Carolina Bank	100,000.00	0.00	0.00	0.00	0.00	100,000.00	11/4/2013	2,974
RLF Communications	5,833.00	0.00	0.00	0.00	0.00	5,833.00	1/21/2014	3,272
RLF Communications	3,069.34	0.00	0.00	0.00	0.00	3,069.34	12/9/8147	3,298
Shin								
	<u>\$ 108,902.34</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 108,902.34</u>		
<b>Total</b>	<b>111,183.5</b>	<b>405.0</b>	<b>0.0</b>	<b>18,819.3</b>	<b>16,330.0</b>	<b>146,737.7</b>		

**International Civil Rights Center and Museum  
A/P Aging Summary  
As of September 15, 2013**

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL		Check	Check
4imprint, Inc.	0.00	257.58	142.72	0.00	0.00	400.30	11/5/2013	3,549	
William B. Eerdmans Publishing Company	51.00	0.00	0.00	-16.50	0.00	34.50	11/1/2013	3,509	
First Bankcard	0.00	0.00	0.00	1,736.85	0.00	1,736.85	11/1/2013	3,532	
Historical News Journals	0.00	500.00	0.00	0.00	0.00	500.00	11/1/2013	3,533	
History Press, Inc.	311.84	0.00	0.00	0.00	0.00	311.84	11/1/2013	3,534	
AC Corporation	190.50	2,264.59	0.00	1,293.50	3,775.62	7,524.21	11/5/2013	3,550	
Advanced Door Automation	0.00	294.00	0.00	0.00	0.00	294.00	11/5/2013	3,551	
Allosaurus Publishers	0.00	197.70	0.00	0.00	0.00	197.70	11/5/2013	3,552	
Associated Business Solutions	0.00	0.00	0.00	0.00	1,977.50	1,977.50	11/5/2013	3,554	
Baker & Taylor	349.22	655.73	317.73	0.00	0.00	1,322.68	11/5/2013	3,555	
ChemSearch	471.01	0.00	471.01	471.01	0.00	1,413.03	11/5/2013	3,557	
Eugene E. Pfaff, Jr.	0.00	0.00	0.00	0.00	119.70	119.70	11/5/2013	3,559	
Greensboro New Commer's Club	0.00	0.00	0.00	0.00	125.00	125.00	11/5/2013	3,561	
Jeannie's	140.22	603.49	130.05	0.00	0.00	873.76	11/5/2013	3,563	
Latitude 36	4,772.56	2,209.32	1,062.39	697.28	776.32	9,517.87	11/5/2013	3,566	
Open Hand Publishing, LLC	353.61	3,137.84	478.80	0.00	279.78	4,250.03	11/5/2013	3,568	
Piedmont Natural Gas	10,722.70	9,592.13	0.00	0.00	0.00	20,314.83	11/5/2013	3,570	
Simon Schuster Inc.	409.79	0.00	0.00	0.00	0.00	409.79	11/5/2013	3,572	
Sunstates Supply Company Inc.	457.17	0.00	0.00	0.00	0.00	457.17	11/5/2013	3,573	
The Training Center	1,750.00	1,750.00	1,750.00	1,789.99	1,750.00	8,789.99	11/5/2013	3,574	
Lankford Protective Services, Inc.	6,106.43	3,541.33	3,387.05	2,785.35	917.08	16,737.24	11/5/2013	3,578	3,565.00
Paisley Textiles Southcoast, Inc	40.00	856.82	0.00	0.00	0.00	896.82	11/5/2013	3,579	
Duke Energy	19,448.78	10,949.86	11,218.46	0.00	0.00	41,617.10	11/6/2013	3,580	
<b>TOTAL</b>	<b>45,674.83</b>	<b>36,810.39</b>	<b>18,958.21</b>	<b>8,757.48</b>	<b>9,721.00</b>	<b>119,821.91</b>			

Duke Energy	8,049.08	0.00	0.00	0.00	0.00	8,049.08	11/27/2013	3,611	
City of Greensboro Water/Sewer	2,227.32	0.00	0.00	0.00	0.00	2,227.32	11/27/2013	3,609	
Deltacom	1,024.44	0.00	0.00	0.00	0.00	1,024.44	11/27/2013	3,610	
Piedmont Natural Gas	6,161.11	0.00	0.00	0.00	0.00	6,161.11	11/27/2013	3,613	
City of Greensboro Water/Sewer	1,054.58	0.00	0.00	0.00	0.00	1,054.58	1/7/2014	3,651	
Deltacom	979.33	0.00	0.00	0.00	0.00	979.33	1/7/2014	3,652	
Duke Energy	9,000.29	0.00	0.00	0.00	0.00	9,000.29	1/7/2014	3,653	
Piedmont Natural Gas	6,444.92	0.00	0.00	0.00	0.00	6,444.92	1/7/2014	3,655	
RLF Communications	4,167.00	0.00	0.00	0.00	0.00	4,167.00	2/27/2014	3,667	
City of Greensboro Water/Sewer	966.16	0.00	0.00	0.00	0.00	966.16	2/12/2014	3,689	
Deltacom	878.33	0.00	0.00	0.00	0.00	878.33	2/12/2014	3,690	
Duke Energy	8,907.34	0.00	0.00	0.00	0.00	8,907.34	2/12/2014	3,692	
Piedmont Natural Gas	8,160.36	0.00	0.00	0.00	0.00	8,160.36	2/12/2014	3,701	
RLF Communications	7,000.00	0.00	0.00	0.00	0.00	7,000.00	1/20/2014	3,731	
Deltacom	892.49	0.00	0.00	0.00	0.00	892.49	3/13/2014	3,738	
Duke Energy	8,459.28	0.00	0.00	0.00	0.00	8,459.28	3/13/2014	3,739	
Piedmont Natural Gas	7,534.32	0.00	0.00	0.00	0.00	7,534.32	3/13/2014	3,740	
City of Greensboro Water/Sewer	1,164.98	0.00	0.00	0.00	0.00	1,164.98	2/20/2014	3,742	

Total 83,071.33    0.00    0.00    0.00    0.00    83,071.33

Grand Total 128,646.16    36,810.39    18,958.21    8,757.48    9,721.00    202,893.24

8:00 PM  
09/15/13

**Museum Tenant, LLC**  
**A/P Aging Summary**  
As of September 15, 2013

	<u>Current</u>	<u>1 - 30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>&gt; 90</u>	<u>TOTAL</u>		
Sherbert Associates, PC	0.00	0.00	0.00	0.00	875.00	875.00	11/4/2013	1,046.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>875.00</b>	<b>875.00</b>		

**Museum Landlord, LLC**  
**A/P Aging Summary**  
As of September 15, 2013

	<u>Current</u>	<u>1 - 30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>&gt; 90</u>	<u>TOTAL</u>			
U.S. Bank	59,804.13		0.00	0.00		59,804.13	10/1/2013	1,147.00	
Birch-Ogburn & Co.	0.00	0.00	0.00	0.00	1,000.00	1,000.00	11/4/2013	1,144.00	
Sherbert Associates, PC	3,000.00	0.00	0.00	3,000.00	9,975.00	15,975.00	11/4/2013	1,145.00	1/3/2014 1,150.00
U.S. Bank	0.00	2,132.68	0.00	59,804.13		61,936.81	11/4/2013	1,146.00	
U.S. Bank	59,804.13		0.00			59,804.13	1/3/2014	1,151.00	
Guilford County Tax Department	0.00	29,237.13	0.00	0.00	0.00	29,237.13	1/4/2014	1,152.00	
<b>TOTAL</b>	<b>122,608.26</b>	<b>31,369.81</b>	<b>0.00</b>	<b>62,804.13</b>	<b>10,975.00</b>	<b>227,757.20</b>			