



**STATE OF ILLINOIS  
ABRAHAM LINCOLN PRESIDENTIAL LIBRARY AND MUSEUM  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2019**

Performed as Special Assistant Auditors  
for the Auditor General, State of Illinois

**STATE OF ILLINOIS  
ABRAHAM LINCOLN PRESIDENTIAL LIBRARY AND MUSEUM  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2019**

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**STATE OF ILLINOIS  
ABRAHAM LINCOLN PRESIDENTIAL LIBRARY AND MUSEUM  
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**AGENCY OFFICIALS**

Chair of the Board (10/15/19 – Present)	Mr. Ray LaHood
Director (Acting) (09/30/19 – Present)	Ms. Melissa Coultas
Director (09/21/19 – 09/29/19)	Vacant
Director (07/01/17 – 09/20/19)	Mr. Alan Lowe
Chief of Staff (08/01/19 – Present)	Ms. Melissa Coultas
Chief of Staff (07/01/17 – 07/31/19)	Ms. Nadine O’Leary
Chief Operating Officer (07/29/18 – Present)	Mr. Toby Trimmer
Chief Operating Officer (12/06/18 – 07/28/19)	Vacant
Chief Operating Officer (02/05/18 – 12/05/18)	Mr. Michael Little
Chief Operating Officer (07/01/17 – 02/04/18)	Vacant
Chief Fiscal Officer (01/01/20 – Present)	Mr. Brett Cox
Chief Fiscal Officer (07/01/17 – 12/31/19)	Mr. Ed Harmeyer
Legal Counsel (04/23/18 – Present)	Mr. David Kelm
Legal Counsel (03/16/18 – 04/22/18)	Vacant
Legal Counsel (07/01/17 – 03/15/18)	Ms. Kari Rothermich

**GOVERNING BOARD MEMBERS**

Historic Preservation Expert (10/07/19 – Present)	Ms. Joan Brodsky
Library and Museum Expert (10/07/19 – Present)	Ms. Kathryn Harris
Cultural Tourism Expert (10/07/19 – Present)	Mr. Jason Lesniewicz
Business Administration Expert (10/15/19 – Present)	Mr. Martin Sandoval
Digitization, Conservation and Historic Preservation Expert (10/16/19 – Present)	Ms. Melinda Spitzer Johnston
Illinois Historian (10/07/19 – Present)	Mr. Dan Monroe
Abraham Lincoln Historian (10/07/19 – Present)	Mr. J. Steven Beckett
Member (10/07/19 – Present)	Mr. Gary Johnson
Member (11/15/19 – Present)	Ms. Eunice Santos
Member (10/07/19 – Present)	Ms. Jessica Harris

On September 25, 2019, Governor JB Pritzker announced the first five appointees to the Abraham Lincoln Presidential Library Museum’s (ALPLM) Board of Trustees. On September 30, 2019, additional six appointees were announced. The appointments became formal when the names were filed with the Secretary of State on the dates indicated above.

**STATE OF ILLINOIS  
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**AGENCY OFFICES**

ALPLM offices are located at:

Presidential Museum:  
212 North Sixth Street  
Springfield, IL 62701

Presidential Library:  
112 North Sixth Street  
Springfield, IL 62701



April 13, 2020

Adelfia LLC  
400 E. Randolph Street, Suite 700  
Chicago, Illinois 60601

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the State of Illinois, Abraham Lincoln Presidential Library and Museum. We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the State of Illinois, Abraham Lincoln Presidential Library and Museum's compliance with the following specified requirements during the two-year period ended June 30, 2019. Based on this evaluation, we assert that during the years ended June 30, 2019 and June 30, 2018 the State of Illinois, Abraham Lincoln Presidential Library and Museum has materially complied with the specified requirements below.

- A. The Abraham Lincoln Presidential Library and Museum has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Abraham Lincoln Presidential Library and Museum has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The Abraham Lincoln Presidential Library and Museum has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Abraham Lincoln Presidential Library and Museum are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the State of Illinois, Abraham Lincoln Presidential Library and Museum on behalf of the State or held in trust by the State of Illinois, Abraham Lincoln Presidential Library and Museum have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.





Yours truly,  
State of Illinois, Abraham Lincoln Presidential Library and Museum

**SIGNED ORIGINAL ON FILE**

Melissa Coultas  
Executive Director (Acting)

**SIGNED ORIGINAL ON FILE**

Brett Cox  
Chief Fiscal Officer

**SIGNED ORIGINAL ON FILE**

David Kelm  
Legal Counsel

**STATE OF ILLINOIS  
ABRAHAM LINCOLN PRESIDENTIAL LIBRARY AND MUSEUM  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2019**

**COMPLIANCE REPORT**

**SUMMARY**

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and the Illinois State Auditing Act.

**ACCOUNTANT'S REPORT**

The Independent Accountant's Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes does not contain scope limitations or disclaimers, but does contain a modified opinion on compliance and identifies material weaknesses in internal control over compliance.

**SUMMARY OF FINDINGS**

<u>Number of</u>	<u>Current</u>	<u>Prior</u>
Findings	<u>Report</u>	<u>HPA Report</u>
	15	19**
Repeated Findings	*	18
Prior Recommendations Implemented or Not Repeated	*	2

\*Effective July 1, 2017, Executive Order Number 2017-01 abolished the Historic Preservation Agency (HPA) and transferred all the powers, duties, functions, and responsibilities of HPA, except those relating to the Historic Preservation within the Department of Natural Resources' Office of Land Management, to the newly created Abraham Lincoln Presidential Library and Museum (ALPLM). As such, comparative data for prior periods is not available.

\*\*See pages 44 to 48 for the status of prior findings of the HPA.

**SCHEDULE OF FINDINGS**

<u>Item No.</u>	<u>Page</u>	<u>Last Reported</u>	<u>Description</u>	<u>Finding Type</u>
FINDING (STATE COMPLIANCE)				
2019-001	12	New	Inadequate Controls over Receipts and Refunds	Material weakness and Material noncompliance
2019-002	15	New	Property Control Weaknesses	Material weakness and Material noncompliance

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**SCHEDULE OF FINDINGS** (Continued)

<u>Item No.</u>	<u>Page</u>	<u>Last Reported</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)				
2019-003	19	New	Noncompliance with ALPLM Collections Policy	Material weakness and Material noncompliance
2019-004	21	New	Lack of Controls over Monthly Reconciliations	Material weakness and Material noncompliance
2019-005	23	New	Lack of Adequate Records Management Program	Significant deficiency and Noncompliance
2019-006	25	New	Inadequate Controls over Employee Evaluations	Significant deficiency and Noncompliance
2019-007	27	New	Failure to Develop a Formal Fraud Risk Assessment Program	Significant deficiency and Noncompliance
2019-008	29	New	Inadequate Controls over Investment of Public Funds	Significant deficiency and Noncompliance
2019-009	31	New	Inadequate Controls over Contracts	Significant deficiency and Noncompliance
2019-010	33	New	Noncompliance with Fiscal Control and Internal Auditing Act	Significant deficiency and Noncompliance
2019-011	34	New	Inadequate Controls over Cash On-hand	Significant deficiency and Noncompliance
2019-012	36	New	Inadequate Controls over Receivables	Significant deficiency and Noncompliance
2019-013	38	New	Inadequate Controls over Voucher Processing	Significant deficiency and Noncompliance
2019-014	40	New	Inadequate Controls over Locally Held Fund Reporting	Significant deficiency and Noncompliance

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**SCHEDULE OF FINDINGS** (Continued)

<u>Item No.</u>	<u>Page</u>	<u>Last Reported</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)				
2019-015	42	New	Weaknesses with Payment Card Industry Data Security Standards	Significant deficiency and Noncompliance

**EXIT CONFERENCE**

The ALPLM waived an exit conference in a correspondence from Mr. Brett Cox, Chief Fiscal Officer, on March 13, 2020. The responses to the recommendations were provided by Mr. Eric Bollinger, Finance Manager, in correspondences dated April 6, 2020 and April 9, 2020.



**INDEPENDENT ACCOUNTANT'S REPORT ON STATE COMPLIANCE,  
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON SUPPLEMENTARY  
INFORMATION FOR STATE COMPLIANCE PURPOSES**

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

and

Board of Trustees  
State of Illinois, Abraham Lincoln Presidential Library and Museum

**Compliance**

As Special Assistant Auditors for the Auditor General, we have examined compliance by the State of Illinois, Abraham Lincoln Presidential Library and Museum with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide)* as adopted by the Auditor General, during the two years ended June 30, 2019. Management of the State of Illinois, Abraham Lincoln Presidential Library and Museum is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the State of Illinois, Abraham Lincoln Presidential Library and Museum's compliance with the specified requirements based on our examination.

The specified requirements are:

- A. The State of Illinois, Abraham Lincoln Presidential Library and Museum has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The State of Illinois, Abraham Lincoln Presidential Library and Museum has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The State of Illinois, Abraham Lincoln Presidential Library and Museum has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

- D. State revenues and receipts collected by the State of Illinois, Abraham Lincoln Presidential Library and Museum are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the State of Illinois, Abraham Lincoln Presidential Library and Museum on behalf of the State or held in trust by the State of Illinois, Abraham Lincoln Presidential Library and Museum have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Illinois State Auditing Act (Act), and the *Audit Guide*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the State of Illinois, Abraham Lincoln Presidential Library and Museum complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the State of Illinois, Abraham Lincoln Presidential Library and Museum complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the State of Illinois, Abraham Lincoln Presidential Library and Museum's compliance with the specified requirements.

Our examination disclosed material noncompliance with the following specified requirements applicable to the State of Illinois, Abraham Lincoln Presidential Library and Museum during the two years ended June 30, 2019. As described in the accompanying Schedule of Findings as item 2019-001, the State of Illinois, Abraham Lincoln Presidential Library and Museum had not ensured the State revenues and receipts collected by the State of Illinois, Abraham Lincoln Presidential Library and Museum were in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts was fair, accurate, and in accordance with law. As described in the accompanying Schedule of Findings as items 2019-002 through 2019-004, the State of Illinois, Abraham Lincoln Presidential Library and Museum had not complied in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

In our opinion, except for the material deviations from the specified requirements described in the preceding paragraphs, the State of Illinois, Abraham Lincoln Presidential Library and Museum complied with the specified requirements during the two years ended June 30, 2019, in all material respects. However, the results of our procedures disclosed instances of noncompliance with the specified requirements, which are required to be reported in accordance with criteria established by the *Audit Guide* and are described in the accompanying Schedule of Findings as items 2019-005 through 2019-015.

The State of Illinois, Abraham Lincoln Presidential Library and Museum's responses to the compliance findings identified in our examination are described in the accompanying Schedule of Findings. The State of Illinois, Abraham Lincoln Presidential Library and Museum's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

### **Internal Control Over Compliance**

Management of the State of Illinois, Abraham Lincoln Presidential Library and Museum is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control).

In planning and performing our examination, we considered the State of Illinois, Abraham Lincoln Presidential Library and Museum's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the State of Illinois, Abraham Lincoln Presidential Library and Museum's compliance with the specified requirements and to test and report on the State of Illinois, Abraham Lincoln Presidential Library and Museum's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the State of Illinois, Abraham Lincoln Presidential Library and Museum's internal control. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Abraham Lincoln Presidential Library and Museum'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 material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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, noncompliance with the specified requirements 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 noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as items 2019-001 through 2019-004 to be material weaknesses.

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 deficiencies described in the accompanying Schedule of Findings as items 2019-005 through 2019-015 to be significant deficiencies.

As required by the *Audit Guide*, immaterial findings excluded from this report have been reported in a separate letter.

The State of Illinois, Abraham Lincoln Presidential Library and Museum's responses to the internal control findings identified in our examination are described in the accompanying Schedule of Findings. The State of Illinois, Abraham Lincoln Presidential Library and Museum's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on it.

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

### **Supplementary Information for State Compliance Purposes**

Our examination was conducted for the purpose of forming an opinion on the State of Illinois, Abraham Lincoln Presidential Library and Museum's compliance with the specified requirements. The accompanying supplementary information for the years ended June 30, 2018, and June 30, 2019 in Schedules 1 through 6 and the Analysis of Operations section are presented for purposes of additional analysis. Such information is the responsibility of the State of Illinois, Abraham Lincoln Presidential Library and Museum management. We have applied certain limited procedures as prescribed by the *Audit Guide* to the accompanying supplementary information for the years ended June 30, 2018, and June 30, 2019 in Schedules 1 through 6. We do not express an opinion, a conclusion, nor provide any assurance on the accompanying supplementary information in Schedules 1 through 6 or the Analysis of Operations Section.

**SIGNED ORIGINAL ON FILE**

Chicago, Illinois  
April 13, 2020

**STATE OF ILLINOIS**  
**ABRAHAM LINCOLN PRESIDENTIAL LIBRARY AND MUSEUM**  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE**  
**For the Two Years Ended June 30, 2019**

**CURRENT FINDINGS – STATE COMPLIANCE**

2019-001.     **FINDING** (Inadequate Controls over Receipts and Refunds)

The Abraham Lincoln Presidential Library and Museum (ALPLM) did not maintain adequate internal controls over receipts and refunds.

The ALPLM recorded cash receipts of \$2,011,225 and refunds of \$330 for Fiscal Year 2018 and cash receipts of \$2,192,673 and refunds of \$1,746 for Fiscal Year 2019.

During our testing, the following conditions were noted:

- The ALPLM did not maintain proper segregation of custody and recordkeeping duties over receipt collection and processing for facility rental and parking fee revenues. For the facility rental, one employee was responsible for 1) accepting customer bookings, 2) recording of receivables and payments, and 3) depositing checks. While for the parking fee revenues, one person was responsible for 1) preparing the receivable reconciliation, 2) depositing checks, and 3) preparing Receipt Deposit Transmittals (RDTs).
- One of four (25%) refunds tested, totaling \$1,148, was deposited 75 days late.
- Copy petitions revenue of \$24,279 for Fiscal Year 2018 and \$11,091 for Fiscal Year 2019, were not deposited into the State Treasury as of the end of the respective fiscal year and therefore were not included as revenue on the Monthly Revenue Status Report (SB04).
- Seven of 60 (12%) receipts tested, totaling \$27,720, were deposited between 1 to 20 days late.
- 19 of 60 (32%) receipts tested, totaling \$213,946, did not include any documentation to support the date the receipt was received. Therefore, timeliness of the deposit could not be determined.
- Two of 60 (3%) receipts tested, totaling \$53,189, have RDTs which were sent to the Illinois Office of the Comptroller (IOC) 12 and 19 days after the State Treasurer issued the Treasurer’s Draft.
- Four of 60 (7%) receipts tested, totaling \$8,748, have incorrect revenue codes.

**STATE OF ILLINOIS**  
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**SCHEDULE OF FINDINGS – STATE COMPLIANCE**  
**For the Two Years Ended June 30, 2019**

**CURRENT FINDINGS – STATE COMPLIANCE (Continued)**

2019-001. **FINDING** (Inadequate Controls over Receipts and Refunds) (Continued)

- Eight of 60 (13%) receipts tested, totaling \$55,692, did not include supporting documentation for the receipts. Therefore, accuracy of receipt reporting could not be determined.
- One of 60 (2%) receipts tested, totaling \$11,273, had no Treasurer’s Draft nor a clearing activity report. Therefore, timeliness of RDT submission could not be verified. In addition, ALPLM was unable to provide supporting documentation for \$3,503 of this receipt.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation and revenues are properly recorded and accounted for to permit the preparation of reliable financial and statistical reports and to maintain accountability over the State’s resources. Management has ultimate responsibility for the agency’s internal control over reporting of financial information. This responsibility should include an adequate system of review of the completeness and accuracy of the agency’s financial records. In addition, the State Records Act (5 ILCS 160/9) requires ALPLM to establish and maintain a program for agency records management, which shall include effective controls over maintenance of records.

The State Officers and Employees Money Disposition Act (30 ILCS 230/2) requires ALPLM to keep proper books detailing an itemized account of all moneys received for or on behalf of the State of Illinois. The detail is required to include the date of receipt, the payer, purpose and amount, and the date and manner of disbursement. In addition, it requires ALPLM to transmit to treasury the money received within 24 hours if the single receipt is \$10,000 or more, or within 48 hours of actual physical receipt with respect to an accumulation of receipts exceeding \$500 but less than \$10,000.

The Statewide Accounting Management System (SAMS) (Procedure 25.10.30) requires the moneys received by ALPLM in the form of checks, drafts or similar instruments must be delivered to the State Treasurer for collection. The State Treasurer shall remit such collected funds to ALPLM by Treasurer’s Draft. The draft shall be remitted to the Comptroller to be ordered into the appropriate fund(s). Good internal controls require deposits to be processed timely to increase the balance of funds available for expenditure. We determined 30 days to be a reasonable time frame.

**STATE OF ILLINOIS**  
**ABRAHAM LINCOLN PRESIDENTIAL LIBRARY AND MUSEUM**  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE**  
**For the Two Years Ended June 30, 2019**

**CURRENT FINDINGS – STATE COMPLIANCE** (Continued)

2019-001.     **FINDING** (Inadequate Controls over Receipts and Refunds) (Continued)

ALPLM officials stated the issues noted were due to staffing shortages and clerical errors.

Failure to maintain proper segregation of duties may result in theft or misappropriation of assets which may not be prevented or detected. In addition, lack of controls over the preparation and review of receipts and refunds may lead to inaccurate ALPLM records and the submission of inaccurate financial information to the IOC. (Finding Code No. 2019-001)

**RECOMMENDATION**

We recommend ALPLM establish proper segregation of duties over the receipts process, perform supervisory review over all reporting and transaction processing, and maintain accurate documentation to support receipt and refund activities and the related reviews performed.

**ALPLM RESPONSE**

Accepted. The ALPLM is currently establishing formal policies and procedures to ensure that there is a segregation of duties over the receipt process and that all documentation to support receipt and refund activities is preserved and readily accessible. The ALPLM has also already implemented supervisory review over all reporting and transaction processing functions.

**STATE OF ILLINOIS**  
**ABRAHAM LINCOLN PRESIDENTIAL LIBRARY AND MUSEUM**  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE**  
**For the Two Years Ended June 30, 2019**

**CURRENT FINDINGS – STATE COMPLIANCE (Continued)**

2019-002. **FINDING** (Property Control Weaknesses)

The Abraham Lincoln Presidential Library and Museum (ALPLM) did not maintain sufficient controls over its property and related fiscal records.

During our testing, we requested ALPLM provide various populations related to ALPLM's equipment. ALPLM provided its detailed list of owned equipment. We noted the following problems relative to the ALPLM's populations:

- ALPLM was unable to provide a complete and detailed population of additions for Fiscal Years 2018 and 2019. The listing of additions supporting the amounts reported as additions on the ALPLM Reports of State Property (Form C-15) submitted to the Illinois Office of the Comptroller (IOC) only included Capital Development Board and Historic Preservation Agency (HPA) transfers-in. Equipment purchases during the examination period which are capitalizable were not recorded as additions. As a result, we were unable to test the ALPLM's compliance relative to equipment additions.
- ALPLM's population of deletions for Fiscal Years 2018 and 2019 did not identify the date of the deletion and the manner in which the asset was disposed. As a result, we were unable to test the ALPLM's compliance relative to equipment deletions.

Due to these conditions, we were unable to conclude whether ALPLM's population records were sufficiently precise and detailed under the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.35) to test ALPLM's equipment. In addition, due to these limitations, we were unable to conclude ALPLM's Schedule of Changes in State Property on page 51 was complete and appropriately reported.

**Even given the population limitations noted above which hindered our ability to conclude whether selected samples were representative of the population as a whole, we performed the following tests and noted:**

- We selected 25 items of equipment from ALPLM's detailed list of equipment and requested to physically examine the items. We noted:
  - Two (8%) items (a television and a dictionary set), with a total value of \$5,024, could not be located.

**STATE OF ILLINOIS**  
**ABRAHAM LINCOLN PRESIDENTIAL LIBRARY AND MUSEUM**  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE**  
**For the Two Years Ended June 30, 2019**

**CURRENT FINDINGS – STATE COMPLIANCE (Continued)**

2019-002.     **FINDING** (Property Control Weaknesses) (Continued)

- Two (8%) items (a desk and a table), with a total value of \$35,892, were found in a different location than noted on the property records.
- One (4%) item (a mobile stage), with a recorded value of \$1,000, had a different tag number than the tag number listed on ALPLM's detailed list of equipment.

The State Property Control Act (Act) (30 ILCS 605/4) requires responsible officers at each State agency to be accountable for the supervision, control, and inventory of property under their jurisdiction to ensure proper accounting and safeguarding of assets.

- We selected 25 items of equipment from various locations within ALPLM to verify they were included on the ALPLM's property control records. We noted one (4%) item (a mobile stage), with a recorded value of \$1,000, had a different tag number than the tag number listed on the ALPLM's detailed list of equipment.

The Illinois Administrative Code (Code) (44 Ill. Admin. Code 5010.230) requires the unique identification number that is marked on each piece of State-owned equipment in their possession to be recorded on inventory records.

- We selected 25 items of equipment from the ALPLM's list of deletions. We noted one (4%) item (a copier/reader), with a recorded value of \$1,018, was not properly supported.

The Act (30 ILCS 605/4) requires responsible officers at each State agency to be accountable for the supervision, control, and inventory of property under their jurisdiction to ensure proper accounting and safeguarding of assets.

- Nine of 12 (75%) equipment vouchers tested, totaling \$95,405, were not capitalized and were not added to the property listing.

The Code (44 Ill. Admin. Code 5010.400) requires agencies to adjust property records within 90 days of acquisition, change, or deletion of equipment items.

**STATE OF ILLINOIS**  
**ABRAHAM LINCOLN PRESIDENTIAL LIBRARY AND MUSEUM**  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE**  
**For the Two Years Ended June 30, 2019**

**CURRENT FINDINGS – STATE COMPLIANCE (Continued)**

2019-002.     **FINDING** (Property Control Weaknesses) (Continued)

- The Form C-15s submitted to the IOC for Fiscal Years 2018 and 2019 were inaccurate. ALPLM did not include all additions and deletions of equipment during the examination period and the Form C-15s included items below the reporting threshold not considered as high theft. In addition, ALPLM was unable to reconcile equipment expenditures noted on the IOC’s Object Expense/Expenditures by Quarter Report (SA02) for the Fiscal Years 2018 and 2019 with the amount of additions reported on the Form C-15s.

The Statewide Accounting Management System (SAMS) Manual (Procedure 29.10.30) states the IOC has determined, for purposes of quarterly State property reporting, all assets with an individual value of \$1,000 or greater must be reported. Additionally, any items with an individual value of less than \$1,000 that are highly susceptible to theft must also be reported. The Code (44 Ill. Admin. Code 5010.400) requires agencies to adjust property records within 90 days of acquisition, change, or deletion of equipment items.

- The annual inventory certification filed with the Department of Central Management Services (DCMS) for both Fiscal Years 2018 and 2019 were inaccurate. ALPLM did not include all additions and deletions of equipment during the examination period. Both annual certifications included items below the reporting threshold and not considered as high theft totaling \$1.24 million for Fiscal Year 2018 and \$1.18 million for Fiscal Year 2019.

The Code (44 Ill. Admin. Code 5010.220) requires all equipment with an acquisition value greater than the nominal value and equipment that is subject to theft with a value less than that nominal value must be reported to DCMS by the holding agency. Equipment with an acquisition value of less than the nominal value that is not subject to theft is not subject to reporting; however, agencies will be responsible for establishing and maintaining internal control over these items. As used in this Section, “nominal value” means the value of an item is \$1,000 or less.

- ALPLM failed to file an Accounting for Leases-Lessee Form (Form SCO-560) for Fiscal Year 2018 for its one leased asset (a copier) valued at \$5,362.

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**CURRENT FINDINGS – STATE COMPLIANCE (Continued)**

2019-002.     **FINDING** (Property Control Weaknesses) (Continued)

SAMS (Procedure 27.20.60) states all agencies who lease property must complete Form SCO-560 for each multiple period lease in which the asset being leased has a fair market value greater than \$5,000.

ALPLM officials stated weaknesses noted in property control are due to the transition of being a new agency from the Historic Preservation Agency and lack of staffing.

Failure to exercise adequate control over equipment increases the potential for fraud and possible loss or theft of State property, is noncompliance with the Act, the Code, and SAMS, and resulted in inaccurate property reporting. (Finding Code No. 2019-002)

**RECOMMENDATION**

We recommend ALPLM improve its controls over property and equipment to comply with applicable laws and regulations. Specifically, ALPLM should implement procedures to ensure all equipment transactions are recorded timely and accurately, and documentation is retained. We further recommend ALPLM include a supervisory review process in its procedures to ensure clerical, technical, and other errors are promptly detected and corrected.

**ALPLM RESPONSE**

Accepted. The ALPLM is currently updating policies and procedures to ensure compliance with property control laws and regulations. The updates will include necessary provisions to ensure that all equipment transactions are recorded timely and with great accuracy.

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**CURRENT FINDINGS – STATE COMPLIANCE (Continued)**

2019-003. **FINDING** (Noncompliance with ALPLM Collections Policy)

The Abraham Lincoln Presidential Library and Museum (ALPLM) did not comply with its Museum Collections Policy.

ALPLM allows loan of museum collections to enhance the mission of ALPLM to preserve the heritage of Illinois and educate the public. ALPLM had a total of 10 outgoing loans of Museum collections during Fiscal Years 2018 and 2019.

During our testing, we noted 1 of 3 (33%) Museum collection loans tested did not have a written loan request which should provide the following details: reason for the loan, exhibit details, proposed loan dates, proposed travel/shipping arrangements, insurance arrangements, and list of any other participating institutions. In addition, we also noted the borrower did not submit the required American Association of Museums Standard Facility Report.

The ALPLM Museum Collections Policy requires the following for loans of museum collections: (a) a written request for loan be made in writing to ALPLM at least three months in advance; (b) a loan agreement exists for the loan; (c) the borrower must prove they can adequately care for a loan, including proper environment, security, and transportation by submission of an American Association of Museums Standard Facility Report; (d) the borrower must provide adequate continuous all-risk coverage insurance for the borrowed items; (e) requests for extension may be granted in six-month increment which may be requested in writing at least 30 days prior to the end of the original loan period; and (f) all loan-related costs are the responsibility of the borrower.

The Fiscal Control and Internal Auditing Act (FCIAA) (30 ILCS 10/3001) requires ALPLM to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation.

ALPLM officials stated the loan was processed despite lack of required documentation due to the directive of the Executive Director.

By not maintaining complete and appropriate documentation for collections loaned out, the collections are at risk for theft, damage, and unauthorized use. (Finding Code No. 2019-003)

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**CURRENT FINDINGS – STATE COMPLIANCE (Continued)**

2019-003.     **FINDING** (Noncompliance with ALPLM Collections Policy) (Continued)

**RECOMMENDATION**

We recommend ALPLM comply with its policy regarding loans of museum collections.

**ALPLM RESPONSE**

Accepted. The ALPLM is aware of the Collections Policy and is working with appropriate staff to ensure its complete compliance for future loans. Additionally, further safeguards are being discussed within the executive team and a new Collections Committee.

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**CURRENT FINDINGS – STATE COMPLIANCE (Continued)**

2019-004.     **FINDING** (Lack of Controls over Monthly Reconciliations)

The Abraham Lincoln Presidential Library and Museum (ALPLM) did not maintain adequate controls over monthly reconciliations.

ALPLM expended \$10.3 million and \$10.5 million from three funds in Fiscal Years 2018 and 2019, respectively. ALPLM collected \$2.0 million and \$2.2 million into two funds in Fiscal Years 2018 and 2019, respectively.

During our testing, we noted the following:

- Monthly Appropriation Status Report (SB01) reconciliations were not performed for 22 of 24 (92%) months tested during the examination period. The SB01 reconciliations for May 2019 and June 2019 were performed 41 to 71 days late. Both reconciliations were not reviewed.
- The Object Expense/Expenditures by Quarter Report (SA02) reconciliations were not performed for each month of Fiscal Year 2018 and 2019. Subsequent to June 30, 2019, ALPLM performed an annual SA02 reconciliation for Fiscal Year 2018, 401 days late. However, there is no evidence of review.
- ALPLM did not perform the Monthly Revenue Status Report (SB04) and Monthly Cash Report (SB05) reconciliations for each month of Fiscal Year 2018 and 2019.

The Statewide Accounting Management System (SAMS) (Procedures 11.40.20, 25.40.20, 09.40.30, and 07.30.20) requires ALPLM to perform reconciliations of the SB01, SB04, SB05, and SA02 to its internal records within 60 days of month end to ensure the early detection and correction of errors. Further, prudent business practice requires proper internal controls, such as timely supervisory reviews and segregation of duties between the preparer and supervisor, be established to ensure the accuracy and reliability of accounting data.

ALPLM officials stated the uncompleted and untimely reconciliations were the result of staffing shortages and reconciliations were not independently reviewed due to the lack of staff.

Failure to timely prepare, review, and document monthly reconciliations could lead to unresolved differences between ALPLM and Illinois Office of the Comptroller records, inaccurate financial reporting, and undetected loss or theft. Failure to document/perform reconciliation reviews increases the opportunity for misappropriation of State assets. (Finding Code No. 2019-004)

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**CURRENT FINDINGS – STATE COMPLIANCE (Continued)**

2019-004.     **FINDING** (Lack of Controls over Monthly Reconciliations) (Continued)

**RECOMMENDATION**

We recommend ALPLM ensure appropriation, expenditures, cash receipt, and cash balance reconciliations are prepared timely and properly reviewed.

**ALPLM RESPONSE**

Accepted. The ALPLM is currently updating policies and procedures to ensure that monthly reconciliations are done timely.

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**CURRENT FINDINGS – STATE COMPLIANCE (Continued)**

2019-005.     **FINDING** (Lack of Adequate Records Management Program)

The Abraham Lincoln Presidential Library and Museum (ALPLM) failed to maintain an adequate records management program.

During our testing of ALPLM’s records management activities, we noted the following:

- The ALPLM’s retention schedule and policy had been drafted awaiting approval by the Executive Director.
- ALPLM still maintained documentation as early as August 2005.
- ALPLM was unable to provide documents, reports, and/or supporting documentation for various compliance testing performed for Fiscal Years 2018 and 2019. See Findings 2019-001 to 2019-003, 2019-008, 2019-012, and 2019-014.

The State Records Act (Act) (5 ILCS 160/9) requires the head of the agency to establish and maintain an active continuing program for the economical and efficient management of the records of the agency. In addition, the Act (5 ILCS 160/18) requires the head of each agency to submit to the State Records Commission (Commission), lists or schedules of records in his or her custody and his or her proposal for the length of time each record series warrants retention for administrative, legal or fiscal purposes after it has been created or received by the agency.

The Illinois Administrative Code (44 Ill Admin. Code 4400.25) states, “If the agency’s approved Record Retention Schedule authorized the destruction of records stored in the agency’s own offices, the Records Disposal Certificate shall be completed and approved by the Chairman of the Commission prior to the physical destruction of the agency’s files.”

ALPLM officials stated it took a while for the Records Retention Officer to revise the records retention policy when ALPLM was created and other exceptions noted were due to lack of staffing.

Failure to maintain an adequate records management program is noncompliance with State statute and could lead to ALPLM being unable to determine the records it maintains. In addition, maintaining excessive records may subject ALPLM to unnecessary liabilities. (Finding Code No. 2019-005)

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**CURRENT FINDINGS – STATE COMPLIANCE (Continued)**

2019-005.     **FINDING** (Lack of Adequate Records Management Program) (Continued)

**RECOMMENDATION**

We recommend ALPLM establish an adequate program for the economical and efficient management of records. We recommend ALPLM follow guidelines established by the Secretary of State in regards to the retention of records.

**ALPLM RESPONSE**

Accepted. The ALPLM has internally approved a records retention policy and schedule and it is waiting for State Records Commission adoption of the policy.

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**CURRENT FINDINGS – STATE COMPLIANCE (Continued)**

2019-006.     **FINDING** (Inadequate Controls over Employee Evaluations)

The Abraham Lincoln Presidential Library and Museum (ALPLM) did not exercise adequate control over employee performance evaluations.

Specifically, we noted during our testing of 21 performance evaluations for 13 ALPLM employees the following exceptions:

- Three (14%) performance evaluations for the period tested were not completed. One performance evaluation pertained to Fiscal Year 2018 and two performance evaluations pertained to Fiscal Year 2019.
- Fourteen (67%) performance evaluations for the period tested were not completed timely. The employee evaluations were completed between 2 and 530 days late.

The Illinois Administrative Code (Code) (80 Ill. Admin. Code 302.270) requires an evaluation of employee performance be prepared by ALPLM not less often than annually, or in the case of an employee serving a six month probationary period, ALPLM is required to prepare and submit two evaluations, one at the end of the third month of the employee's probationary period and another 15 days before the conclusion thereof. In addition, prudent business practices require employee performance evaluations to be performed to communicate to employees the strengths and deficiencies in meeting their job responsibilities. In addition, ALPLM's Employee Handbook, Section 5, requires certified employees to be evaluated annually on their performance review date.

ALPLM officials stated the non-performance and untimely completion of performance evaluations was due to turnover in supervisory positions and oversight.

Employee performance evaluations are a systematic and uniform approach for the development of employees and communication of performance expectations to employees. Employee performance evaluations serve as a foundation and documentation for salary adjustments, promotions, demotions, discharges, layoff, recall, or reinstatement decisions. Without timely completion of an employee performance evaluation, the employee would not be provided with formal feedback or assessment of his or her performance, and areas for improvement and current year's performance goals and objectives may not be identified and communicated in a timely manner. (Finding Code No. 2019-006)

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**CURRENT FINDINGS – STATE COMPLIANCE (Continued)**

2019-006.     **FINDING** (Inadequate Controls over Employee Evaluations)

**RECOMMENDATION**

We recommend ALPLM complete employee performance evaluations in accordance with the Code and ALPLM policy.

**ALPLM RESPONSE**

Accepted. The non-performance and untimely completion of performance evaluations were due to turnover in supervisory positions and oversight. The ALPLM has reminded managers that evaluations are a critical part of their duties. The Human Resources division is implementing a new procedure where supervisors will be notified of evaluation dates at the time the employee is hired. Internal checklists are being updated to ensure these dates are regularly communicated.

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**CURRENT FINDINGS – STATE COMPLIANCE (Continued)**

2019-007.     **FINDING** (Failure to Develop a Formal Fraud Risk Assessment Program)

The Abraham Lincoln Presidential Library and Museum (ALPLM) did not develop a formal, adequate fraud risk assessment program.

ALPLM managed expenditures of \$10.3 million and \$10.5 million in Fiscal Years 2018 and 2019, respectively. ALPLM relied on current internal controls to identify and mitigate significant fraud risks. However, ALPLM did not establish a formal, comprehensive, written risk assessment policy to assess specific risks associated with fraud.

The Fiscal Control and Internal Auditing Act (Act) (30 ILCS 10/3001) requires State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that: (1) resources are utilized efficiently, effectively, and in compliance with applicable law; (2) obligations and costs are in compliance with applicable law; (3) funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation. Additionally, it is management’s responsibility to identify and mitigate significant fraud risks. Therefore, agencies should implement a formal, written policy regarding the evaluation of fraud risk and a system of controls designed to prevent and detect significant risks, including potential fraudulent activity within its organization. Preparing a written policy will serve to document ALPLM’s awareness and responsibility for fraud risk identification and mitigation, as well as specific activities necessary to address significant specific fraud risk factors.

ALPLM officials indicated a formal fraud risk assessment program was not completed due to competing priorities.

Without an adequate program to identify and address fraud risks specific to the ALPLM, certain risks of fraud may go undetected and could result in misstatements in ALPLM’s financial reporting, misappropriation of ALPLM assets, or significant reputational damage. (Finding Code No. 2019-007)

**RECOMMENDATION**

We recommend ALPLM establish an ongoing fraud risk assessment program. We specifically recommend ALPLM implement a formal written policy regarding the evaluation of fraud risk and a system of controls to help prevent and detect significant risks of fraudulent activity within its organization. ALPLM should ensure the risk assessment program includes evaluating whether appropriate



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**CURRENT FINDINGS – STATE COMPLIANCE (Continued)**

2019-008.     **FINDING** (Inadequate Controls over Investment of Public Funds)

The Abraham Lincoln Presidential Library and Museum (ALPLM) did not exercise adequate controls over its investment of public funds activities.

ALPLM maintained a locally held fund (Hostick Fund) which included cash and investments related to estate proceeds. As of June 30, 2018 and June 30, 2019, the Hostick Fund had a balance of \$2,991,876 and \$3,117,170, respectively.

During our testing, we noted ALPLM did not implement an investment policy related to the investment of funds received for the Hostick Fund. By default, the Hostick Fund was subject to the State Agency Investment Policy for Investments Not Under the Control of the Illinois State Treasurer’s Office (State Agency Investment Policy) developed by the Illinois State Treasurer’s Office (Treasurer). We noted ALPLM was not in compliance with the State Agency Investment Policy as follows:

- ALPLM did not maintain support documenting the ALPLM Executive Director’s selection and approval of the investment management firm responsible for investing the locally held fund. In addition, ALPLM was unable to provide a contract between ALPLM and the investment management firm to support the agreement on the rights, duties, and accountability of the parties involved. Only a letter of authorization and trustee certificate were provided as support on the ALPLM’s acceptance of the investment management firm services.
- The investment management firm utilized by ALPLM was not listed as an approved broker by the Treasurer.
- ALPLM did not maintain an adequate system of internal controls over investment of public funds. ALPLM did not have operational procedures as required by the State Agency Investment Policy.

In addition, we also noted ALPLM posted investment related information to its website. However, the name of the ALPLM’s approved broker was missing in the posted information.

Section 1.0 of the State Agency Investment Policy states the policy applies to any State agency investment not under the control of the Treasurer for which no other specific investment policy exists. Section 4.0 of the State Agency Investment Policy limits investment broker/dealers with which State agencies may do business to those approved by the Treasurer. Section 9.0 of the State Agency

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**CURRENT FINDINGS – STATE COMPLIANCE (Continued)**

2019-008. **FINDING** (Inadequate Controls over Investment of Public Funds) (Continued)

Investment Policy requires financial institutions selected by the State agency to perform custody and safekeeping services will be required to enter into a contractual agreement approved by the State agency’s Chief Legal Counsel. Section 10.0 of the State Agency Investment Policy requires a system of control and written operational procedures that shall be documented and filed with the agency’s Chief Internal Auditor for review.

The Accountability for the Investment of Public Funds Act (Act) (30 ILCS 237/10) requires State agencies with authority to invest public funds, to report by the 15th of each month on the Internet, investment information to include, but not limited to, the ALPLM’s approved broker.

ALPLM officials stated the issues noted were due to oversight and lack of staffing resources.

Failure to comply with the State Agency Investment Policy could result in loss of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by authorized investment officers. Failure to comply with the Act’s provisions for public posting of investment information limits transparency related to the investment of public money by the State. (Finding Code No. 2019-008)

**RECOMMENDATION**

We recommend ALPLM develop an investment policy related to the Hostick Fund and ensure compliance with the State Agency Investment Policy. In addition, we recommend ALPLM comply with the requirements of the Act by posting the required information on its website, to include the ALPLM’s approved broker.

**ALPLM RESPONSE**

Accepted. The ALPLM has plans to develop a formal investment policy in compliance with all aspects of the State Agency Investment Policy for the Hostick Fund.

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**CURRENT FINDINGS – STATE COMPLIANCE (Continued)**

2019-009. **FINDING** (Inadequate Controls over Contracts)

The Abraham Lincoln Presidential Library and Museum (ALPLM) did not maintain adequate controls over its contracts.

During our review of two contract agreements, we noted:

- A contract in the amount of \$24,000, for the purchase of two printers, was executed 54 days after the purchase was made.
- A contract in the amount of \$492,500, for the renovation and upgrade of the Library, did not have a Procurement Business Case or support of approval by the Department of Central Management Services (DCMS).

In addition, we noted ALPLM did not perform the reconciliations of the monthly Agency Contract Report (SC14 Report) and the monthly Obligation Activity Report (SC15 Report) for both Fiscal Years 2018 and 2019.

The Illinois Procurement Code (Code) (30 ILCS 500/20-80(d)) states no voucher shall be submitted to the Illinois Office of the Comptroller (IOC) for payment of any contract unless the contract is reduced to writing before the services are performed and filed with the IOC. In addition, the Code states contractors will not be paid for any supplies that were received or services that were rendered before the contract was reduced to writing and signed by all parties.

The Illinois Procurement Bulletin (version 3.8) requires any agency, board or commission under the jurisdiction of the Governor to complete and submit a Procurement Business Case to DCMS for all proposed transactions that have an estimated value of \$10,000 or more.

The Statewide Accounting Management System (SAMS) (Procedure 07.30.20) requires agencies reconcile their records to the SAMS system on a monthly basis. These reconciliations must be completed within 60 days of the month end.

ALPLM officials stated the issues noted on contracts were due to oversight.

Failure to have a written contract prior to services or supplies delivered could lead to ALPLM not being able to enforce its rights to the other contracting party. Without the Procurement Business Case, the contract may not be properly authorized or approved by the State Purchasing Officer. In addition, failure to perform required reconciliations could lead to unresolved differences between ALPLM and IOC records. (Finding Code No. 2019-009)

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**CURRENT FINDINGS – STATE COMPLIANCE (Continued)**

2019-009.     **FINDING** (Inadequate Controls over Contracts) (Continued)

**RECOMMENDATION**

We recommend ALPLM implement procedures to ensure contracts are in compliance with the Illinois Procurement Code. In addition, we recommend ALPLM perform monthly reconciliations of SC14 and SC15 Reports as required by SAMS.

**ALPLM RESPONSE**

Accepted. The ALPLM is working to develop written policies and procedures as well as staff training to ensure that all contracts are in compliance with the Illinois Procurement Code. The ALPLM is also working to ensure that all required monthly reconciliations are done timely.

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**CURRENT FINDINGS – STATE COMPLIANCE (Continued)**

2019-010.     **FINDING** (Noncompliance with Fiscal Control and Internal Auditing Act)

The Abraham Lincoln Presidential Library and Museum (ALPLM) did not timely file its annual internal control certification with the Office of the Auditor General for Fiscal Years 2018 and 2019.

During testing, we noted ALPLM filed both its Fiscal Years 2018 and 2019 internal control certifications on September 23, 2019. The Fiscal Years 2018 and 2019 certifications were submitted 510 and 145 days late, respectively.

The Fiscal Control and Internal Auditing Act (Act) (30 ILCS 10/3003) requires the ALPLM’s Executive Director, based on an evaluation of the ALPLM’s internal controls performed in accordance with guidelines established by the Comptroller in consultation with the Director of the Department of Central Management Services, to prepare and transmit an annual certification by May 1 to the Office of the Auditor General, if the ALPLM’s systems either comply with the Act or do not fully comply with the Act.

ALPLM officials stated the late submission of the annual internal control certifications was due to oversight.

Failure to perform and then certify the completion of a timely evaluation of the ALPLM’s internal fiscal and administrative controls hinders identification and correction of any internal control deficiencies and represents noncompliance with the Act. (Finding Code No. 2019-010)

**RECOMMENDATION**

We recommend ALPLM ensure timely submission of its certification of internal controls to the Office of the Auditor General.

**ALPLM RESPONSE**

Accepted. The ALPLM Fiscal Department is working to develop a calendar with all required reports and certifications and their due dates to ensure all required reports and certifications are filed timely.

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**CURRENT FINDINGS – STATE COMPLIANCE (Continued)**

2019-011. **FINDING** (Inadequate Controls over Cash On-hand)

The Abraham Lincoln Presidential Library and Museum (ALPLM) did not establish a process to determine cash on-hand to report to the Illinois Office of the Comptroller (IOC).

During our testing, we noted ALPLM failed to perform an analysis of potential cash on-hand at the end of Fiscal Years 2018 and 2019. We noted the following items generate potential cash on-hand:

- Copy petitions (copy fee revenues) collected by ALPLM, but not yet deposited to the State Treasury.
- Unexpended petty cash and change fund balances.

For Fiscal Years 2018 and 2019, ALPLM administered one petty cash fund, 6 change funds, and one clearing account. Cash on-hand was not reported to the IOC for any of the funds as part of the Statewide GAAP reporting process. The amount of cash on-hand at the end of Fiscal Years 2018 and 2019 could not be determined due to ALPLM not performing monthly Revenue Status Report reconciliations (see Finding 2019-004). Below is a summary of amounts (in thousands) we believe should have been reported vs. the amounts that were reported by ALPLM:

<b>Fund 776</b>	<b>2018</b>	<b>2019</b>
Cash Held by State Treasurer	\$ 1,116	\$ 1,792
Petty cash account	1	1
Change fund account	6	6
Clearing account	25	36
Total	1,148	1,835
Amount reported by ALPLM (SCO 534)	1,128	1,803
Difference	\$ 20	\$ 32

The Statewide Accounting Management System (SAMS) Manual (Procedures 27.20.31 and 27.20.34) define cash on-hand as amounts which were not submitted to the Treasurer’s clearing account at June 30 or were not yet recorded in the Treasurer’s clearing account at June 30. SAMS requires cash on-hand to be reported on the Shared SAMS Funds Cash Reconciliation (Form SCO-531) for shared funds or on the Nonshared SAMS Funds Cash Reconciliation

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**CURRENT FINDINGS – STATE COMPLIANCE (Continued)**

2019-011.     **FINDING** (Inadequate Controls over Cash On-hand) (Continued)

(Form SCO-534) for nonshared funds as part of the Statewide GAAP reporting process. In addition, the SAMS Manual (Procedures 25.40.20 and 09.40.30) require agencies to perform reconciliations from agency records to the IOC's Monthly Revenue Status Report (SB04) and Cash Report (SB05), respectively. As cash on-hand would not be deposited into the State Treasury, the amount of cash on-hand should be reported as a reconciling item on the SB04 and SB05 reconciliations.

ALPLM officials stated the issue noted was due to failure to communicate the necessary information to the contractor that completed the GAAP packages for ALPLM.

Failure to report cash on-hand results in non-compliance with SAMS and misstatements in the Statewide GAAP reporting process. (Finding Code No. 2019-011)

**RECOMMENDATION**

We recommend ALPLM implement procedures to determine potential cash on-hand and report all cash on-hand to IOC in its annual GAAP packages. In addition, ALPLM should capture all cash on-hand items as reconciling items during preparation of SB04 and SB05 report reconciliations to ensure no discrepancies exists between IOC and ALPLM records.

**ALPLM RESPONSE**

Accepted. The ALPLM has plans to implement formal procedures to determine cash-on-hand, these procedures will include timely and accurate reporting to the IOC. The ALPLM is also planning on ensuring that all required monthly reconciliations are done accurately and completed on time.

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**CURRENT FINDINGS – STATE COMPLIANCE (Continued)**

2019-012.     **FINDING** (Inadequate Controls over Receivables)

The Abraham Lincoln Presidential Library and Museum (ALPLM) had inadequate controls over receivables and did not report all receivables to the Illinois Office of the Comptroller (IOC).

We noted ALPLM had two types of receivables during the examination period: parking garage revenue and facility rental revenue. During our testing, we noted the following:

- Facility rental receivables were not included on the Quarterly Summary of Accounts Receivable – Accounts Receivable Activity (Form C-97) for all quarters of Fiscal Years 2018 and 2019 submitted to the IOC. Total facility rental receipts reported by ALPLM for Fiscal Years 2018 and 2019 were \$102,866 and 96,024, respectively. We could not determine the potential receivable per quarter for Fiscal Years 2018 and 2019 since ALPLM did not generate the Facilities Rental Aging Report for each quarter.
- On its June 30, 2018 and June 30, 2019 Form C-97s filed with the IOC, ALPLM reported total net parking receivables for Fund 776 of \$15,120 and \$14,938, respectively. The parking receivables for the last month of each quarter were excluded on the Form C-97 for the quarter and only reported in the succeeding quarter’s Form C-97.
- The parking receivables for both Fiscal Years 2018 and 2019 reported on Form C-97 included a \$7,000 beginning balance without any supporting documentation and had not been subsequently collected. This amount is being reported as “Current” to IOC on the C-98’s each quarter.

The Illinois State Collection Act of 1986 (Act) (30 ILCS 210/4) states, “The Comptroller shall provide by rule appropriate procedures for State agencies to follow in establishing and recording within the State accounting system records of amounts owed to the State of Illinois.” The Statewide Accounting Management System (SAMS) Manual (Procedure 26.20.10) defines receivables to be recognizable if two criteria are met: the transaction must be completed to the extent that payment is the only unconsummated act, and the claim must be measurable in terms of assignment of a monetary value established by State law and administrative regulations. Further, SAMS (Procedure 26.30.10) requires State agencies to report receivables information to the IOC quarterly on Form C-97.

**STATE OF ILLINOIS**  
**ABRAHAM LINCOLN PRESIDENTIAL LIBRARY AND MUSEUM**  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE**  
**For the Two Years Ended June 30, 2019**

**CURRENT FINDINGS – STATE COMPLIANCE (Continued)**

2019-012.     **FINDING** (Inadequate Controls over Receivables) (Continued)

ALPLM officials stated the non-inclusion of the facility rental receivables on Form C-97 was due to miscommunication between the Fiscal office and the Facility Rental office. Additionally, ALPLM officials stated issues noted on the parking receivables were due to a delay in the receipt of monthly parking statements provided by a third party and oversight.

Failure to track and record accounts receivable shows a lack of accountability on the part of ALPLM and hinders its ability to monitor past due accounts and may result in loss of revenue and inaccurate reporting to IOC. (Finding Code No. 2019-012)

**RECOMMENDATION**

We recommend ALPLM implement procedures to identify all revenue sources generating accounts receivable and to manage the recording and reporting of those receivables in accordance with the Act and SAMS.

**ALPLM RESPONSE**

Accepted. The ALPLM has plans to implement policies and procedures to identify and manage all revenue sources which generate account receivable. The procedures will include proper recording and reporting policies.

**STATE OF ILLINOIS**  
**ABRAHAM LINCOLN PRESIDENTIAL LIBRARY AND MUSEUM**  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE**  
**For the Two Years Ended June 30, 2019**

**CURRENT FINDINGS – STATE COMPLIANCE (Continued)**

2019-013.     **FINDING** (Inadequate Controls over Voucher Processing)

The Abraham Lincoln Presidential Library and Museum (ALPLM) did not have adequate controls over voucher processing.

During our examination, we tested 163 vouchers for expenditures, totaling \$1,918,483.

Of the total vouchers, 80 vouchers, totaling \$1,432,322, were tested for compliance with general voucher requirements, and we noted the following:

- 20 (25%) vouchers tested, totaling \$153,692, were approved more than 30 days after receipt of a proper bill. These vouchers were approved for payment 4 to 96 days late.
- Nine (11%) vouchers tested, totaling \$243,001, were paid more than 90 days after receipt of a proper bill. ALPLM failed to process an additional voucher to pay the vendor required interest totaling \$5,591.
- Six (8%) vouchers tested, totaling \$40,723, included no evidence they had been approved by the ALPLM head or designee.
- One (1%) voucher tested, totaling \$24,000, did not document the receipt date of the invoice; thus, timeliness of approval and payment could not be determined.
- One (1%) voucher tested, totaling \$5,682, was charged to an incorrect detail object code.

The Illinois Administrative Code (74 Ill. Admin. Code 900.70(b)) requires State agencies to approve proper bills or deny bills with defects, in whole or in part, within 30 days after receipt.

The State Prompt Payment Act (Act) (30 ILCS 540/3-2) requires ALPLM to automatically pay interest penalties amounting to \$50 or more to the appropriate vendor.

The Statewide Accounting Management System (SAMS) Manual (Procedure 17.20.20) states, “Upon receipt of goods or services, the receiving officer verifies that the goods or services meet the stated specifications and forwards the Vendor’s invoice to the accounting department for preparation of the Invoice-voucher.”

**STATE OF ILLINOIS**  
**ABRAHAM LINCOLN PRESIDENTIAL LIBRARY AND MUSEUM**  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE**  
**For the Two Years Ended June 30, 2019**

**CURRENT FINDINGS – STATE COMPLIANCE (Continued)**

2019-013.     **FINDING** (Inadequate Controls over Voucher Processing) (Continued)

SAMS (Procedure 11.10.60) requires ALPLM, when preparing documentation for the State Comptroller to pay an invoice, to determine which detail expenditure (object) code to use so that the State Comptroller can report expenditure information at a refined level. Those codes are found and defined in Chapter 11 of the SAMS Manual.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation. A strong system of internal controls would include procedures requiring sufficient documentation of purchases to ensure accuracy, reasonableness and necessity for ALPLM operations, and approvals.

ALPLM officials stated the exceptions were due to clerical errors and oversight. Additionally, ALPLM officials stated interest payments are automatically calculated in ERP/SAP and as there were no calculations made, ALPLM did not pay any interest subject to the State Prompt Payment Act.

Inadequate controls over voucher review and approval can lead to inaccurate voucher processing, fraud, misappropriation, misuse of State funds, or payment for goods and services not received. Further, improper coding on vouchers could lead to inaccurate financial reporting. (Finding Code No. 2019-013)

**RECOMMENDATION**

We recommend ALPLM improve its procedures to ensure all vouchers are timely approved and processed for payment. In addition, we also recommend ALPLM document the receipt of a proper bill, ensure that proper prompt payment interest is paid when required, and also coded with the correct detail object code.

**ALPLM RESPONSE**

Accepted. The ALPLM has already worked to improve the accounts payable process through updated procedures and staff training. The procedures include requirements of documenting the receipt of a proper bill. A user friendly detail object code spreadsheet has been distributed to those responsible for processing and reviewing invoices to ensure that the accurate detail object code is used for each item.

**STATE OF ILLINOIS**  
**ABRAHAM LINCOLN PRESIDENTIAL LIBRARY AND MUSEUM**  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE**  
**For the Two Years Ended June 30, 2019**

**CURRENT FINDINGS – STATE COMPLIANCE (Continued)**

2019-014.     **FINDING** (Inadequate Controls over Locally Held Fund Reporting)

The Abraham Lincoln Presidential Library and Museum (ALPLM) did not have adequate controls over its locally held fund reporting.

ALPLM maintained a locally held fund (Hostick Fund 1331) during the examination period. As of June 30, 2018 and June 30, 2019, the Hostick Fund had a balance of \$2,991,876 and \$3,117,170, respectively.

During our testing of the Report of Receipts and Disbursements for Locally Held Funds (Form C-17), we noted the following:

- For one of eight (13%) quarterly Form C-17s tested, ALPLM used an incorrect beginning balance resulting in an understatement of the ending balance of \$215,472.
- For five of eight (63%) quarterly Form C-17s tested, we noted differences between the Form C-17s and quarterly statements reports. ALPLM was unable to provide documentation for the differences noted which ranged from \$467 to \$305,408.
- ALPLM did not perform monthly reconciliations of the locally held fund.

In addition, during our testing of locally held fund expenditures, we noted 47 of 47 (100%) expenditures tested, totaling \$245,312, had no documentation of approval to ensure expenditures were proper and aligned with the purpose of the Hostick Fund.

The Statewide Accounting Management System (SAMS) Manual (Procedure 33.13.20) requires locally held fund activity to be reported to the Illinois Office of the Comptroller (IOC) on Form C-17 on a quarterly basis.

The State Records Act (5 ILCS 160/8) requires the head of each agency to cause to be made and preserved records containing proper documentation of the essential transactions of the agency designed to furnish information to protect the legal and financial rights of the State.

SAMS (Procedure 07.30.20) requires ALPLM to perform reconciliation of its internal records to the SAMS system on a monthly basis within 60 days of month end to ensure the early detection and correction of errors.

**STATE OF ILLINOIS**  
**ABRAHAM LINCOLN PRESIDENTIAL LIBRARY AND MUSEUM**  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE**  
**For the Two Years Ended June 30, 2019**

**CURRENT FINDINGS – STATE COMPLIANCE (Continued)**

2019-014.     **FINDING** (Inadequate Controls over Locally Held Fund Reporting) (Continued)

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that obligations and costs are in compliance with applicable law; funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation; and revenues are properly recorded and accounted for to permit the preparation of reliable financial and statistical reports and to maintain accountability over the State’s resources. Management has the ultimate responsibility for ALPLM’s internal control over reporting of financial information. This responsibility should include an adequate system of review of the completeness and accuracy of ALPLM’s financial records.

ALPLM officials stated the issues noted were the result of staffing shortages and oversight.

Inadequate controls over locally held fund reporting could lead to unresolved differences between ALPLM and IOC records, inaccurate financial reporting, and increases the opportunity for misappropriation of State assets. (Finding Code No. 2019-014)

**RECOMMENDATION**

We recommend ALPLM improve its procedures to ensure proper reporting of the activities of its locally held fund to the IOC on quarterly Form C-17s and maintain supporting documentation of the amounts reported. We also recommend ALPLM ensure locally held fund expenditures are properly approved and monthly reconciliations are performed.

**ALPLM RESPONSE**

Accepted. The ALPLM has plans to update policies and procedures to ensure that all reporting deadlines are met. The policies and procedures will also include provisions to ensure that all locally held fund expenditures are properly approved and monthly reconciliations are performed.

**STATE OF ILLINOIS**  
**ABRAHAM LINCOLN PRESIDENTIAL LIBRARY AND MUSEUM**  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE**  
**For the Two Years Ended June 30, 2019**

**CURRENT FINDINGS – STATE COMPLIANCE (Continued)**

2019-015.     **FINDING** (Weaknesses with Payment Card Industry Data Security Standards)

The Abraham Lincoln Presidential Library and Museum (ALPLM) had not completed all requirements to demonstrate full compliance with the Payment Card Industry Data Security Standards (PCI DSS).

ALPLM accepted credit card payments for visitor transactions at ALPLM. The credit card receipts for Fiscal Years 2018 and 2019 were approximately \$1.0 million for each fiscal year with the volume of transactions ranging from 34,000 to 36,000.

During our review of ALPLM’s efforts to ensure compliance with PCI DSS, we noted the following:

- ALPLM had not fully assessed each program accepting credit card payments and matched the methods of payment to the appropriate Self-Assessment Questionnaire (SAQ). For instance, per PCI DSS requirements, at a minimum SAQ A must be completed for all entities, including entities using ePAY. ALPLM had not completed SAQ A for Fiscal Years 2018 and 2019. Only SAQ C was completed for Fiscal Year 2018 and none for Fiscal Year 2019.
- ALPLM had not completed an annual SAQ for payments received through the Treasurer’s E-Pay program or submit annual compliance documentation to the Treasurer’s E-Pay program vendor.
- ALPLM had not obtained the annual Attestation of Compliance (AOC) of its third-party service providers utilized in processing credit card transactions.

The PCI Standards require merchants (i.e., any entity that accepts credit card payments) to assess their environment and validate compliance with PCI on an annual basis. Per PCI DSS, at a minimum a SAQ A must be completed by all entities, including those using ePAY. The SAQ A highlights specific requirements to restrict access to paper and electronic media containing cardholder data, destruction of such media when it is no longer needed, and requirements for managing service providers. As additional elements, such as face-to-face acceptance of credit cards and point-of-sale solutions, are introduced into the credit card environment being assessed, additional PCI DSS requirements apply.

ALPLM officials indicated they were unaware of the PCI requirements.



**STATE OF ILLINOIS**  
**ABRAHAM LINCOLN PRESIDENTIAL LIBRARY AND MUSEUM**  
**STATUS OF PRIOR FINDINGS OF HISTORIC PRESERVATION AGENCY**  
**For the Two Years Ended June 30, 2019**

Effective July 1, 2017, Executive Order 2017-01 abolished the Historic Preservation Agency (HPA) and transferred all the powers, duties, functions, and responsibilities of HPA, except those relating to the Historic Preservation within the Department of Natural Resources' Office of Land Management Division, to the newly created Abraham Lincoln Presidential Library and Museum (ALPLM). In May 2018, the Office of the Auditor General released a compliance examination of the HPA for the year ended June 30, 2017. Below is a description of the findings noted during that examination and the updated status of each finding:

**A. FINDING (Inadequate Controls over Receipts and Refunds)**

During the prior examination, the legacy Historic Preservation Agency did not maintain adequate internal controls over receipts and refunds.

During the current examination, our sample testing indicated various receipts and refunds problems. As such, these issues will be reported as part of Finding 2019-001 within ALPLM's *Compliance Examination Report*. (Finding Code No. 2017-001, 2016-002, 2014-002)

**B. FINDING (Property Control Weaknesses)**

During the prior examination, the legacy Historic Preservation Agency did not maintain sufficient controls over its property and related fiscal records.

During the current examination, our sample testing indicated significant exceptions on property control persisted. As such, these issues will be reported as part of Finding 2019-002 within ALPLM's *Compliance Examination Report*. (Finding Code No. 2017-002, 2016-003, 2014-001, 12-5, 10-4, 08-14)

**C. FINDING (Lack of Controls over Monthly Reconciliations)**

During the prior examination, the legacy Historic Preservation Agency did not maintain adequate controls over monthly appropriation, cash receipt, and cash balance reconciliations.

During the current examination, our sample testing indicated the issues noted regarding monthly reconciliations persisted. As such, this matter will be reported as part of Finding 2019-004 within ALPLM's *Compliance Examination Report*. (Finding Code No. 2017-003, 2016-001, 2014-007)

**D. FINDING (Inadequate Controls over Historic Artifacts)**

During the prior examination, the legacy Historic Preservation Agency failed to maintain adequate internal controls over historical artifacts in 5 historical sites.

**STATE OF ILLINOIS**  
**ABRAHAM LINCOLN PRESIDENTIAL LIBRARY AND MUSEUM**  
**STATUS OF PRIOR FINDINGS OF THE HISTORIC PRESERVATION AGENCY**  
**(Continued)**  
**For the Two Years Ended June 30, 2019**

During the current examination, our testing indicated the responsibility over historical artifacts in the historical sites was transferred to the Department of Natural Resources, pursuant to Executive Order 2017-01. (Finding Code No. 2017-004, 2016-004, 2014-005)

**E. FINDING (Inadequate Controls over Voucher Processing)**

During the prior examination, the legacy Historic Preservation Agency did not have adequate controls over voucher processing.

During the current examination, our sample testing indicated exceptions regarding voucher processing persisted. As such, this matter will be reported as part of Finding 2019-013 within ALPLM's *Compliance Examination Report*. (Finding Code No. 2017-005, 2016-006)

**F. FINDING (Lack of Adequate Records Management Program)**

During the prior examination, the legacy Historic Preservation Agency failed to maintain an adequate records management program.

During the current examination, our testing indicated this condition persisted. As such, this issue will be reported as part of Finding 2019-005 within ALPLM's *Compliance Examination Report*. (Finding Code No. 2017-006)

**G. FINDING (Inadequate Controls over Investment of Public Funds)**

During the prior examination, the legacy Historic Preservation Agency did not exercise adequate controls over its investment of public funds activities.

During the current examination, our testing indicated the issues noted regarding the controls over investment of public funds activities persisted. As such, these issues will be reported as part of Finding 2019-008 within ALPLM's *Compliance Examination Report*. (Finding Code No. 2017-007, 2016-005, 2014-003)

**H. FINDING (Inadequate Controls over Payroll and Time Reporting)**

During the prior examination, the legacy Historic Preservation Agency (HPA) did not maintain adequate internal controls over payroll expenditures and time reporting. The HPA was unable to provide documentation to substantiate eligibility for bonus payments made to employees, payroll vouchers were not posted to the HPA accounting records, and absence of a written policy requiring employees to report time spent on official State business to the nearest quarter hour.

**STATE OF ILLINOIS**  
**ABRAHAM LINCOLN PRESIDENTIAL LIBRARY AND MUSEUM**  
**STATUS OF PRIOR FINDINGS OF THE HISTORIC PRESERVATION AGENCY**  
**(Continued)**  
**For the Two Years Ended June 30, 2019**

During the current examination, our sample testing did not identify exceptions related to bonus payments and payroll vouchers. ALPLM has a written policy requiring each employee to report time spent on official State business to the nearest quarter hour. (Finding Code No. 2017-008, 2016-010)

**I. FINDING (Inadequate Controls over Accounts Receivables)**

During the prior examination, the legacy Historic Preservation Agency did not track or record all accounts receivable and did not report all receivables to the Illinois Office of the Comptroller.

During the current examination, our testing indicated issues noted regarding accounts receivable and related reporting persisted. As such, this matter will be reported as part of Finding 2019-012 within ALPLM's *Compliance Examination Report*. (Finding Code No. 2017-009, 2016-016, 2014-011)

**J. FINDING (Inadequate Controls over Cash On-hand)**

During the prior examination, the legacy Historic Preservation Agency did not establish a process to determine cash on-hand to report to the Illinois Office of the Comptroller.

During the current examination, our testing indicated the issues noted regarding the controls over cash on-hand persisted. As such, these issues will be reported as part of Finding 2019-011 within ALPLM's *Compliance Examination Report*. (Finding Code No. 2017-010, 2016-019, 2014-012)

**K. FINDING (Failure to Comply with the Illinois State Agency Historic Resources Preservation Act)**

During the prior examination, the legacy Historic Preservation Agency (HPA) did not comply with provisions of the Illinois State Agency Historic Resources Preservation Act (Act).

During the current examination, our testing indicated the responsibility to comply with the Act was transferred to the Department of Natural Resources, pursuant to Executive Order 2017-01. (Finding Code No. 2017-011, 2016-007)

**L. FINDING (Lack of Ethics Training)**

During the prior examination, the legacy Historic Preservation Agency did not provide required ethics training in accordance with the State Officials and Employees Ethics Act (Act).

**STATE OF ILLINOIS**  
**ABRAHAM LINCOLN PRESIDENTIAL LIBRARY AND MUSEUM**  
**STATUS OF PRIOR FINDINGS OF THE HISTORIC PRESERVATION AGENCY**  
**(Continued)**  
**For the Two Years Ended June 30, 2019**

During the current examination, our testing indicated ALPLM provided the required ethics training in accordance with the Act. (Finding Code No. 2017-012, 2016-011, 2014-014)

**M. FINDING (Inadequate Controls over Travel Expenditures)**

During the prior examination, the legacy Historic Preservation Agency did not maintain adequate controls over its travel expenditures.

During the current examination, our sample testing indicated improvements in the controls over travel expenditures. However, we continued to note certain immaterial conditions of noncompliance. As such, this matter will be reported in ALPLM's *Report of Immaterial Findings*. (Finding Code No. 2017-013, 2016-012, 2014-010, 12-3)

**N. FINDING (Inadequate Administration of Amistad Commission)**

During the prior examination, the legacy Historic Preservation Agency did not comply with provisions of the Historic Preservation Agency Act regarding the Amistad Commission (Commission).

During the current examination, our testing indicated the responsibility for the Commission was transferred to the Department of Natural Resources, pursuant to Executive Order 2017-01. (Finding Code No. 2017-014, 2016-009, 2014-017, 12-12, 10-13, 10-16)

**O. FINDING (Failure to Comply with the Historical Sites Listing Act)**

During the prior examination, the legacy Historic Preservation Agency did not comply with the Historical Sites Listing Act (Act).

During the current examination, our testing indicated the responsibility to comply with the Act was transferred to the Department of Natural Resources, pursuant to Executive Order 2017-01. (Finding Code No. 2017-015, 2016-014, 2014-018)

**P. FINDING (Failure to Conduct Employee Performance Evaluations)**

During the prior examination, the legacy Historic Preservation Agency did not perform employee performance evaluations as required.

During the current examination, our sample testing indicated the issues noted regarding completion of performance evaluations persisted. As such, these issues will be reported as part of Finding 2019-006 within ALPLM's *Compliance Examination Report*. (Finding Code No. 2017-016, 2016-017, 2014-013, 12-7, 10-8, 08-12)

**STATE OF ILLINOIS**  
**ABRAHAM LINCOLN PRESIDENTIAL LIBRARY AND MUSEUM**  
**STATUS OF PRIOR FINDINGS OF THE HISTORIC PRESERVATION AGENCY**  
**(Continued)**  
**For the Two Years Ended June 30, 2019**

**Q. FINDING** (Failure to Develop a Formal Fraud Risk Assessment Program)

During the prior examination, the legacy Historic Preservation Agency did not develop a formal, adequate fraud risk assessment program.

During the current examination, our testing indicated ALPLM still did not have a fraud risk assessment program. As such, this issue will be reported as part of Finding 2019-007 within ALPLM's *Compliance Examination Report*. (Finding Code No. 2017-017, 2016-013, 2014-009)

**R. FINDING** (Failure to Comply with the State Historical Library Act)

During the prior examination, the legacy Historic Preservation Agency did not comply with the provisions of the State Historical Library Act (Act).

During the current examination, our testing indicated ALPLM has prepared a cost analysis as basis for fee charged on microphotography services. However, no separate cost analysis was made for individual prints made. As such, this issue will be reported in ALPLM's *Report of Immaterial Findings*. (Finding Code No. 2017-018, 2016-015, 2014-019)

**S. FINDING** (Failure to Implement Identity Protection Act)

During the prior examination, the legacy Historic Preservation Agency failed to implement the provisions of the Identity Protection Act (Act).

During the current year examination, we noted ALPLM still had not issued its own identity protection policy as required in the Act. As such, this matter will be reported in ALPLM's *Report of Immaterial Findings*. (Finding Code No. 2017-019, 2016-018, 2014-15, 12-9)

**STATE OF ILLINOIS**  
**ABRAHAM LINCOLN PRESIDENTIAL LIBRARY AND MUSEUM**  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
**Appropriations for Fiscal Year 2019**

**For the Seventeen Months Ended November 30, 2019**

Public Act 100-0586 Public Act 101-0007 <u>Fiscal Year 2019</u>	Expenditure Authority (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to November 30	Total Expenditures 17 Months Ended November 30	Balances Lapsed November 30
<u>General Revenue Fund - 001</u>					
Lump sums and other purposes - ordinary and contingent expenses	\$ 6,900,000	\$ 5,801,558	\$ 1,096,735	\$ 6,898,293	\$ 1,707
Lump sums and other purposes - unpaid wages	144,100	-	143,521	143,521	579
<b>Total - General Revenue Fund - 001</b>	<u>7,044,100</u>	<u>5,801,558</u>	<u>1,240,256</u>	<u>7,041,814</u>	<u>2,286</u>
<u>Tourism Promotion Fund - 763</u>					
Lump sums and other purposes - ordinary and contingent expenses	<u>2,500,000</u>	<u>2,378,089</u>	<u>98,836</u>	<u>2,476,925</u>	<u>23,075</u>
<u>Presidential Library and Museum Operating Fund - 776</u>					
Lump sums and other purposes - ordinary and contingent expenses	<u>2,500,000</u>	<u>406,643</u>	<u>579,282</u>	<u>985,925</u>	<u>1,514,075</u>
<b>GRAND TOTAL - ALL FUNDS</b>	<u>\$12,044,100</u>	<u>\$ 8,586,290</u>	<u>\$ 1,918,374</u>	<u>\$ 10,504,664</u>	<u>\$ 1,539,436</u>

Note 1: Appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of November 30, 2019, and have been reconciled to the ALPLM's Records.

Note 2: Expenditure amounts are vouchers approved for payment by ALPLM and submitted to the State Comptroller for payment to the vendor.

**STATE OF ILLINOIS  
ABRAHAM LINCOLN PRESIDENTIAL LIBRARY & MUSUEM  
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
Appropriations for Fiscal Year 2018**

**For the Seventeen Months Ended November 30, 2018**

Public Act 100-0021 Public Act 100-0586 <u>Fiscal Year 2018</u>	Expenditure Authority (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to November 30	Total Expenditures 17 Months Ended November 30	Balances Lapsed November 30
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b><u>APPROPRIATED FUNDS</u></b>					
<u>General Revenue Fund - 001</u>					
Lump sums and other purposes - ordinary and contingent expenses	\$ 8,445,200	\$ 7,494,865	\$ 950,334	\$ 8,445,199	\$ 1
Total - General Revenue Fund - 001	<u>8,445,200</u>	<u>7,494,865</u>	<u>950,334</u>	<u>8,445,199</u>	<u>1</u>
<u>Presidential Library and Museum Operating Fund - 776</u>					
Lump sums and other purposes - ordinary and contingent expenses	<u>2,500,000</u>	<u>874,687</u>	<u>959,694</u>	<u>1,834,381</u>	<u>665,619</u>
<b>GRAND TOTAL - ALL FUNDS</b>	<u><u>\$ 10,945,200</u></u>	<u><u>\$ 8,369,552</u></u>	<u><u>\$ 1,910,028</u></u>	<u><u>\$ 10,279,580</u></u>	<u><u>\$ 665,620</u></u>

Note 1: Appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of November 30, 2018, and have been reconciled to ALPLM's records.

Note 2: Expenditure amounts are vouchers approved for payment by ALPLM and submitted to the State Comptroller for payment to the vendor.

**STATE OF ILLINOIS**  
**ABRAHAM LINCOLN PRESIDENTIAL LIBRARY AND MUSEUM**  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,**  
**EXPENDITURES AND LAPSED BALANCES**

**For the Fiscal Years Ended June 30, 2019 and 2018**

	Fiscal Year	
	2019 P.A. 100-0586 P.A. 101-0007	2018 P.A. 100-0021 P.A. 100-0586
<b>General Revenue Fund - 001</b>		
<u>Appropriation (Net of Transfers)</u>	\$ 7,044,100	\$ 8,445,200
<u>Expenditures</u>		
Lump sums and other purposes - ordinary and contingent expenses	6,898,293	8,445,199
Lump sum other purposes - unpaid wages	143,521	-
Total Expenditures	<u>7,041,814</u>	<u>8,445,199</u>
<u>Lapsed Balances</u>	<u>\$ 2,286</u>	<u>\$ 1</u>
<b>Tourism Promotion Fund - 763</b>		
<u>Appropriation (Net of Transfers)</u>	\$ 2,500,000	\$ -
<u>Expenditures</u>		
Lump sums and other purposes - ordinary and contingent expenses	<u>2,476,925</u>	<u>-</u>
<u>Lapsed Balances</u>	<u>\$ 23,075</u>	<u>\$ -</u>
<b>Presidential Library and Museum Operating Fund - 776</b>		
<u>Appropriation (Net of Transfers)</u>	2,500,000	2,500,000
<u>Expenditures</u>		
Lump sums and other purposes - ordinary and contingent expenses	<u>985,925</u>	<u>1,834,381</u>
<u>Lapsed Balances</u>	<u>\$ 1,514,075</u>	<u>\$ 665,619</u>
<b>Grand Total - All Appropriated Funds</b>		
Appropriation (Net of Transfers)	\$ 12,044,100	\$ 10,945,200
Expenditures	<u>10,504,664</u>	<u>10,279,580</u>
Lapsed Balances	<u>\$ 1,539,436</u>	<u>\$ 665,620</u>

Note 1: Appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of November 30, 2019 and November 30, 2018, and have been reconciled to ALPLM's records.

Note 2: Expenditure amounts are vouchers approved for payment by ALPLM and submitted to the State Comptroller for payment to the vendor.

**STATE OF ILLINOIS**  
**ABRAHAM LINCOLN PRESIDENTIAL LIBRARY AND MUSEUM**  
**COMPARATIVE SCHEDULE OF CASH RECEIPTS AND RECONCILIATION**  
**OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER**

**For the Fiscal Years Ended June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>General Revenue Fund - 001</b>		
Natural Resources	\$ 14,336	\$ -
Total cash receipts per Agency	14,336	-
Plus - In transit at Beginning of Year	-	-
Less - In transit at End of Year	-	-
Total cash receipts per State Comptroller's Records	<u>\$ 14,336</u>	<u>\$ -</u>
<b>Presidential Library &amp; Museum Operating Fund - 776</b>		
Admission Fees	\$ 1,595,371	\$ 1,622,596
Parking Fees	66,824	68,314
Miscellaneous	153,261	180,479
Donation Box	1,491	19,837
Property Rental	96,024	102,866
Reimbursement - Jury Duty, Phones	-	33
Concession Revenue	37	-
Concession Revenue - Food	211	-
Returned Petty Cash Fund	-	100
Secretary of State	265,075	-
Prior Year Refund	42	-
Copy Petitions & Materials	-	17,000
Total cash receipts per Agency	<u>2,178,336</u>	<u>2,011,225</u>
Plus - In transit at Beginning of Year	-	-
Less - In transit at End of Year	-	-
Total cash receipts per State Comptroller's records	<u>\$ 2,178,336</u>	<u>\$ 2,011,225</u>
<b>Grant Total - All Funds</b>		
Total cash receipts per Agency	\$ 2,192,673	\$ 2,011,225
Plus - In transit at Beginning of Year	-	-
Less - In transit at End of Year	-	-
Total cash receipts per State Comptroller's records	<u>\$ 2,192,673</u>	<u>\$ 2,011,225</u>

Note: The above schedule has been derived from ALPLM records which have been reconciled to receipts reports submitted to the Office of the State Comptroller. During testing, the accountants noted several deficiencies in the ALPLM's accounting and reporting for receipts, as described in Finding 2019-001.

**STATE OF ILLINOIS**  
**ABRAHAM LINCOLN PRESIDENTIAL LIBRARY AND MUSEUM**  
**COMPARATIVE SCHEDULE OF RECEIPTS, DISBURSEMENTS**  
**AND FUND BALANCE - LOCALLY HELD FUND**  
**For the Fiscal Years Ended June 30, 2019 and 2018**

	<b>FISCAL YEAR</b>	
	<b>2019</b>	<b>2018</b>
<b><u>Hostick Fund (Fund 1331)</u></b>		
Beginning cash balance	\$ 2,991,876	\$ 3,066,641
Receipts	282,205	250,495
Disbursements	<u>(156,911)</u>	<u>(325,260)</u>
Ending cash balance	<u>\$ 3,117,170</u>	<u>\$ 2,991,876</u>

Note 1: This schedule was prepared based on the locally held fund reported by ALPLM to the Office of the State Comptroller on its Quarterly Report of Receipts and Disbursements for Locally Held Funds (Form C-17). During testing, the accountants noted several deficiencies in ALPLM's accounting for locally held fund, as described in Finding 2019-014.

Note 2: Fund 1331 is created for the purpose of acquiring and conserving the Lincolniana collection of the Presidential Library. Mr. King Hostick's estate is the source of the fund. Pursuant to the authority set forth in the Public Use Trust Act (30 ILCS 160), a bequest was used to establish the trust. Aside from the preservation of the collection, the trust is used for purchase or lease of supplies or equipment needed by the Presidential Library and to help fund special events, activities and publications which support or promote the Presidential Library and its programs.

Note 3: This fund was previously held by the legacy Historic Preservation Agency and assumed by ALPLM effective July 1, 2017.

**STATE OF ILLINOIS**  
**ABRAHAM LINCOLN PRESIDENTIAL LIBRARY AND MUSEUM**  
**SCHEDULE OF CHANGES IN STATE PROPERTY**  
**For the Two Years Ended June 30, 2019 and 2018**

**Year Ended June 30, 2018**

Balance per Agency, Beginning	\$ 150,376,410
Additions	1,863
Deletions	(60,571)
Net transfers	<u>5,797</u>
Balance per Agency, Ending	<u><u>\$ 150,323,499</u></u>

**Year Ended June 30, 2019**

Balance per Agency, Beginning	\$ 150,323,499
Additions	-
Deletions	(200)
Net transfers	<u>208,740</u>
Balance per Agency, Ending	<u><u>\$ 150,532,039</u></u>

Note 1: The above schedule has been derived from the property reports submitted to the Office of the Comptroller. During testing, the accountants noted several deficiencies in ALPLM's accounting for State property, as discussed in Finding 2019-002.

Note 2: Fiscal Year 2018 beginning balance in State property represents transfers-in from the Historic Preservation Agency.

**STATE OF ILLINOIS  
ABRAHAM LINCOLN PRESIDENTIAL LIBRARY AND MUSEUM  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2019**

**AGENCY FUNCTIONS AND PLANNING PROGRAM (Not Examined)**

On March 31, 2017, the Governor of Illinois signed Executive Order 2017-01 consolidating the Illinois Historic Preservation Agency (HPA) with the Department of Natural Resources (Department) and established the Abraham Lincoln Presidential Library and Museum (ALPLM) effective July 1, 2017. As a result, the Board of Trustees and all employees terminated their positions with HPA as of June 30, 2017. Upon cessation of HPA, remaining employees of HPA either transferred to the Department, transferred to the ALPLM, or terminated employment with the State of Illinois. Executive Order 2017-01 was later superseded by Public Act 100-0120 effective August 18, 2017.

**AGENCY FUNCTIONS**

The ALPLM is responsible for the operation and maintenance of the ALPLM site. The ALPLM interprets the life and times of America’s greatest president; fosters scholarship into Lincoln’s life and times; preserves the documentary and visual history of Illinois; and encourages historical literacy through an ambitious agenda of changing exhibits, conferences, lectures, educational outreach, and on-line programming.

**AGENCY PLANNING PROGRAM**

ALPLM’s Senior Leadership team engages strategic planning sessions. The most recent was in Spring 2019. The ALPLM’s vision is for ALPLM to be an internationally recognized center for research, education and tourism. The ALPLM’s mission is to preserve and perpetuate the legacy of Abraham and Mary Lincoln and of the State of Illinois. The ALPLM achieves its mission through exhibits, education, public programming, collections and research.

ALPLM has identified the following key financial and performance data that are significant to the operations, functions, and responsibilities of ALPLM:

***Operating the Abraham Lincoln Presidential Library and Museum Complex***

	<u>Fiscal Year 2018 Actual</u>	<u>Fiscal Year 2019 Target / Projected</u>	<u>Fiscal Year 2019 Actual</u>	<u>Fiscal Year 2020 Target / Projected</u>
<b><u>Input Indicators</u></b>				
Total Expenditures-State appropriated funds (in thousands)	\$ 5,139.8	\$ 5,950.0	\$ 7,668.4	\$10,018.7
Average monthly full-time equivalents	43.0	43.0	62.0	65.0
<b><u>Outcome Indicators</u></b>				
Cleanliness and appearance of facilities through a survey instrument	93%	94%	95%	96%

**STATE OF ILLINOIS  
 ABRAHAM LINCOLN PRESIDENTIAL LIBRARY AND MUSEUM  
 COMPLIANCE EXAMINATION  
 For the Two Years Ended June 30, 2019**

**AGENCY FUNCTIONS AND PLANNING PROGRAM (Not Examined) (Continued)**

*Presidential Library Research and Collections*

	<u>Fiscal Year 2018 Actual</u>	<u>Fiscal Year 2019 Target / Projected</u>	<u>Fiscal Year 2019 Actual</u>	<u>Fiscal Year 2020 Target / Projected</u>
<u>Input Indicators</u>				
Total Expenditures-State appropriated funds (in thousands)	\$ 5,139.8	\$ 5,950.0	\$ 2,836.3	\$3,705.6
Average monthly full-time equivalents	42.0	42.0	23.0	23.0
<u>Outcome Indicators</u>				
Number of visitors to the Library	39,825	41,000	39,600	43,000

**STATE OF ILLINOIS**  
**ABRAHAM LINCOLN PRESIDENTIAL LIBRARY AND MUSEUM**  
**COMPLIANCE EXAMINATION**  
**For the Two Years Ended June 30, 2019**

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES (Not Examined)**

A comparative schedule of net appropriations, expenditures and lapsed balances is presented on pages 51. We considered expenditure fluctuations in excess of \$73,000 and 20% to be significant. Explanations of significant expenditures fluctuations are as follows:

**General Revenue Fund - 001**

Lump sums and other purposes - unpaid wages

The expenditures increased by \$143,521 or 100% between Fiscal Year 2018 and Fiscal Year 2019. This was due to a one-time appropriation in Fiscal Year 2019 for the purpose of paying back wages related to AFSCME contract.

**Tourism Promotion Fund - 763**

Lump sums and other purposes – ordinary and contingent expenses

The expenditures increased by \$2,476,925 or 100% between Fiscal Year 2018 and Fiscal Year 2019. Beginning Fiscal Year 2019, ALPLM has been appropriated a portion from the Tourism Promotion Fund for utilization, to administer its responsibilities as a State agency promoting tourism in Illinois, and for tourism-related purposes.

**Presidential Library and Museum Operating Fund - 776**

Lump sums and other purposes – ordinary and contingent expenses

The expenditures decreased by \$848,456 or 46% between Fiscal Year 2018 and Fiscal Year 2019. ALPLM received appropriations for the Tourism Promotion Fund in Fiscal Year 2019 and therefore more expenditures were paid from that fund in Fiscal Year 2019 instead of Fund 776.

**STATE OF ILLINOIS**  
**ABRAHAM LINCOLN PRESIDENTIAL LIBRARY AND MUSEUM**  
**COMPLIANCE EXAMINATION**  
**For the Two Years Ended June 30, 2019**

**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS (Not Examined)**

A comparative schedule of cash receipts and reconciliation of cash receipts to deposits remitted to the State Comptroller is presented on page 52. We considered fluctuations in total cash receipts per Agency by Fund in excess of \$21,000 and 20% to be significant. Explanations of significant receipts fluctuations are as follows:

**Presidential Library and Museum Operating Fund - 776**

Secretary of State

The receipts increased by \$265,075 or 100% between Fiscal Year 2018 and Fiscal Year 2019. In May 2019, ALPLM received a State grant of \$265,075 from the Office of the Secretary of State for the Stevenson room exhibit (P.A. 100-0586, Sec 350). The grant term is effective October 1, 2018 through June 30, 2019.

**STATE OF ILLINOIS  
ABRAHAM LINCOLN PRESIDENTIAL LIBRARY AND MUSEUM  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2019**

**ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING (Not Examined)**

The schedule of net appropriations, expenditures and lapsed balances is presented on pages 49 and 50. We considered lapse period spending of \$73,000 and 20% or more of total expenditures to be significant. Explanations of significant lapse period spending are as follows:

Fiscal Year 2019

**General Revenue Fund - 001**

Lump sums and other purposes – unpaid wages

Lapse period spending of \$143,521 or 100% of total expenditures includes payment of back wages related to the AFSCME contract during the lapse period. The supplemental appropriation for this purpose wasn't received until June 2019 and therefore wasn't paid until lapse.

**Presidential Library and Museum Operating Fund - 776**

Lump sums and other purposes – ordinary and contingent expenses

Lapse period spending of \$579,282 or 59% of total expenditures was due to receipt of vendor invoices towards the end of the Fiscal Year 2019 and paid during the lapse period.

Fiscal Year 2018

**Presidential Library and Museum Operating Fund - 776**

Lump sums and other purposes – ordinary and contingent expenses

Lapse period spending of \$959,694 or 52% of total expenditures was due to receipt of vendor invoices towards the end of Fiscal Year 2018 and paid during the lapse period.

**STATE OF ILLINOIS  
ABRAHAM LINCOLN PRESIDENTIAL LIBRARY AND MUSEUM  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2019**

**ANALYSIS OF ACCOUNTS RECEIVABLE (Not Examined)**

The aging schedule of ALPLM's receivables (expressed in thousands) is presented below

<u>Aging Schedule</u>	<u>2019</u>	<u>2018</u>
Current	\$ 15	\$ 15
61-120	-	-
121-180	-	-
181-365	-	-
Over 365	-	-
Accounts Receivable	15	15
Less: Estimated Uncollectible Accounts	-	-
Accounts Receivable, Net	<u>\$ 15</u>	<u>\$ 15</u>

Note 1: This schedule was prepared based on accounts receivable reporting by ALPLM to the Office of the State Comptroller on its Quarterly Summary of Account receivable – Aging of Total Gross Receivables reports (Form C-98). During testing, the accountants noted several deficiencies in ALPLM's accounting and reporting for accounts receivable, as described in Finding 2019-012.

Note 2: Receivables of ALPLM consist solely of parking garage fee collections.

**STATE OF ILLINOIS  
ABRAHAM LINCOLN PRESIDENTIAL LIBRARY AND MUSEUM  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2019**

**AVERAGE NUMBER OF EMPLOYEES (Not Examined)**

The following table presents the average number of employees employed by the Abraham Lincoln Presidential Library and Museum for the fiscal years ended June 30,

	<u>Fiscal Year</u>	
	<u>2019</u>	<u>2018</u>
Average number of employees	74	70

**STATE OF ILLINOIS  
ABRAHAM LINCOLN PRESIDENTIAL LIBRARY AND MUSEUM  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2019**

**EMERGENCY PURCHASES (Not Examined)**

The Abraham Lincoln Presidential Library and Museum reported the following emergency purchase to the Office of the Auditor General during Fiscal Years 2018 and 2019:

<u>Description</u>	<u>Amount</u>
<u>Fiscal Year 2019</u>	
Relocation of furniture and microfilm for cleaning 12/17/18	\$ 21,575

Note: In Fiscal Year 2020 (2<sup>nd</sup> quarter), ALPLM reported in its second filing the cancellation of the original filing due to a small purchase.

**STATE OF ILLINOIS  
ABRAHAM LINCOLN PRESIDENTIAL LIBRARY AND MUSEUM  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2019**

**MEMORANDUM OF UNDERSTANDING (Not Examined)**

The Abraham Lincoln Presidential Library and Museum has entered into the following memorandums of understanding, which were in effect during Fiscal Years 2018 and 2019:

<u>Organization</u>	<u>Description</u>	<u>Term</u>
Abraham Lincoln Presidential Library and Museum Foundation	Formalizes the relationship between ALPLM and the Foundation, in accordance with the ALPLM Act (20 ILCS 3475).	07/01/2016 - 03/02/2020