

**STATE OF ILLINOIS  
OFFICE OF THE ARCHITECT OF THE CAPITOL**

**COMPLIANCE EXAMINATION**

For the Two Years Ended June 30, 2017

STATE OF ILLINOIS  
OFFICE OF THE ARCHITECT OF THE CAPITOL  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2017

**TABLE OF CONTENTS**

		<b><u>Page(s)</u></b>
Agency Officials		1
Management Assertion Letter		2
Compliance Report:		
Summary		4
Independent Accountant’s Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes		5
Schedule of Findings		
Current Findings - State Compliance		9
Supplementary Information for State Compliance Purposes:		
Summary		11
Fiscal Schedules and Analysis		
Schedule of Appropriations, Expenditures, and Lapsed Balances – Fiscal Year 2017	1	12
Schedule of Appropriations, Expenditures, and Lapsed Balances – Fiscal Year 2016	2	13
Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances	3	14
Schedule of Changes in State Property	4	15
Comparative Schedule of Cash Receipts and Reconciliation		
Schedule of Cash Receipts to Deposits Remitted to the State Comptroller	5	16
Analysis of Operations (Not Examined)		
Agency Functions and Planning Program (Not Examined)		17
Analysis of Significant Variations in Expenditures (Not Examined)		19
Analysis of Significant Variations in Receipts (Not Examined)		20
Analysis of Significant Lapse Period Spending (Not Examined)		21
Budget Impasse Disclosures (Not Examined)		22
Alternative Financing in Lieu of Appropriations and Programs To Address Untimely Payments to Vendors (Not Examined)		23
Interest Costs on Fiscal Year 2017 and Fiscal Year 2016 Invoices (Not Examined)		25
Average Number of Employees (Not Examined)		26
Memorandum of Understanding (Not Examined)		27
Service Efforts and Accomplishments (Not Examined)		28

STATE OF ILLINOIS  
OFFICE OF THE ARCHITECT OF THE CAPITOL  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2017

**AGENCY OFFICIALS**

Interim Director*	Mr. Mark Flowers
Architect of the Capitol*	Vacant
Senior Project Manager	Mr. Mark Flowers
Fiscal Officer	Ms. Sue Friedrich

\* The Architect of the Capitol resigned on June 30, 2015. The Senior Project Manager assumed the role of Interim Director, effective July 1, 2015.

**BOARD MEMBERS**

Co-Chair	Timothy D. Mapes, Chief Clerk of the House of Representatives
Co-Chair	Tim Anderson, Secretary of the Senate
Member	Scott Kaiser, Assistant Secretary of the Senate
Member	Brad Bolin, Assistant Clerk of the House of Representatives

The Office is located at:

William G. Stratton Office Building, Suite 602  
Springfield, Illinois 62706



Mark W. Flowers  
Interim Director

## THE OFFICE OF THE ARCHITECT OF THE CAPITOL

401 S. Spring Street, Suite 602 Stratton Bldg., Springfield, Illinois 62706  
Telephone: 217.782.7863 Facsimile: 217.524.1873

### MANAGEMENT ASSERTION LETTER

May 10, 2018

Honorable Frank J. Mautino  
Auditor General  
State of Illinois  
Iles Park Plaza  
740 East Ash Street  
Springfield, Illinois 62703

Auditor General Mautino:

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, Office of the Architect of the Capitol. 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, Office of the Architect of the Capitol's compliance with the following assertions during the two-year period ended June 30, 2017. Based on this evaluation, we assert that during the years ended June 30, 2016, and June 30, 2017, the State of Illinois, Office of the Architect of the Capitol has materially complied with the assertions below.

- A. The State of Illinois, Office of the Architect of the Capitol 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, Office of the Architect of the Capitol 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, Office of the Architect of the Capitol 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, Office of the Architect of the Capitol 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, Office of the Architect of the Capitol on behalf of the State or held in trust by the State of Illinois, Office of the Architect of the Capitol have been properly and legally administered, and

F. the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Yours truly,

State of Illinois, Office of the Architect of the Capitol

**SIGNED ORIGINAL ON FILE**

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Mark Flowers, Interim Director

**SIGNED ORIGINAL ON FILE**

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Sue Friedrich, Fiscal Officer

STATE OF ILLINOIS  
OFFICE OF THE ARCHITECT OF THE CAPITOL  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2017

**COMPLIANCE REPORT**

**SUMMARY**

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and in accordance with 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, disclaimers, or other significant non-standard language.

**SUMMARY OF FINDINGS**

<u>Number of</u>	<u>Current</u>	<u>Prior</u>
	<u>Report</u>	<u>Report</u>
Findings	1	1
Repeated findings	1	1
Prior recommendations implemented or not repeated	0	1

**SCHEDULE OF FINDINGS**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)			
2017-001	9	Unimplemented Long-Range Master Plan	Significant Deficiency and Noncompliance

**EXIT CONFERENCE**

The Office of the Architect of the Capitol waived an exit conference in correspondence dated May 3, 2018. The response to the recommendation was provided by Sue Friedrich in correspondence dated May 9, 2018.

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OFFICE OF THE AUDITOR GENERAL  
FRANK J. MAUTINO

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

**Compliance**

We have examined the State of Illinois, Office of the Architect of the Capitol's compliance with the 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, 2017. The management of the State of Illinois, Office of the Architect of the Capitol is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, Office of the Architect of the Capitol's compliance based on our examination.

- A. The State of Illinois, Office of the Architect of the Capitol 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, Office of the Architect of the Capitol 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, Office of the Architect of the Capitol 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, Office of the Architect of the Capitol 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, Office of the Architect of the Capitol on behalf of the State or held in trust by the State of Illinois, Office of the Architect of the Capitol 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 as adopted by the Auditor General pursuant to the Act (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, Office of the Architect of the Capitol complied, in all material respects, with the specified requirements listed above. An examination involves performing procedures to obtain evidence about whether the State of Illinois, Office of the Architect of the Capitol complied with the specified requirements listed above. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, 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, Office of the Architect of the Capitol's compliance with specified requirements.

In our opinion, the State of Illinois, Office of the Architect of the Capitol complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2017. However, the results of our procedures disclosed instances of noncompliance with the requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings as item 2017-001.

The State of Illinois, Office of the Architect of the Capitol's response to the finding identified in our examination is described in the accompanying schedule of findings. The State of Illinois, Office of the Architect of the Capitol's response was not subjected to the procedures applied in the compliance examination and, accordingly, we express no opinion on the response.

The purpose of this report on compliance is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the Audit Guide issued by the Illinois Office of the Auditor General. Accordingly, this report is not suitable for any other purpose.

### **Internal Control**

Management of the State of Illinois, Office of the Architect of the Capitol is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the State of Illinois, Office of the Architect of the Capitol's internal control over compliance with the requirements listed in the first paragraph of this report to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the State of Illinois, Office of the

Architect of the Capitol's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Office of the Architect of the Capitol's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the requirements listed in the first paragraph of this report on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings as item 2017-001, that we considered 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, Office of the Architect of the Capitol's response to the internal control finding identified in our examination is described in the accompanying schedule of findings. The State of Illinois, Office of the Architect of the Capitol's response was not subjected to the procedures applied in the compliance examination and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Audit Guide, issued by the Illinois Office of the Auditor General. 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 compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information for the years ended June 30, 2017, and June 30, 2016, in Schedules 1 through 5 and the Analysis of Operations Section is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2017, and June 30, 2016, accompanying supplementary information in Schedules 1 through 5. However, we do not express an opinion on the accompanying supplementary information.

We have not applied procedures to the June 30, 2015, accompanying supplementary information in Schedules 3 through 5 and in the Analysis of Operations Section, and accordingly, we do not express an opinion or provide any assurance on it.

**SIGNED ORIGINAL ON FILE**

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JANE CLARK, CPA  
Director of Financial and Compliance Audits

Springfield, Illinois  
May 10, 2018

STATE OF ILLINOIS  
OFFICE OF THE ARCHITECT OF THE CAPITOL  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2017

2017-001.    **FINDING**    (Unimplemented Long-Range Master Plan)

The Office of the Architect of the Capitol (Office) has not completed or implemented a long-range master plan of development for the State’s Capitol Building and legislative complex.

During testing, we noted the Office has not completed or implemented a long-range master plan of development for the State Capitol Building and the remaining portions of the legislative complex that addresses the improvement, construction, historic preservation, restoration, maintenance, repair, and landscaping needs of the State Capitol Building and the remaining portions of the legislative complex.

The Legislative Commission Reorganization Act of 1984 (Act) (25 ILCS 130/8A-15(b)) requires the Office to implement a long-range master plan of development that addresses the improvement, construction, historic preservation, restoration, maintenance, repair, and landscaping needs of the State Capitol Building and legislative complex. The Office is also required to submit the long-range master plan to the Capitol Historic Preservation Board for its review and comment.

During the prior examination, Office personnel stated the budget authority to complete the master plan was reallocated to the Office from the Capital Development Board in Fiscal Year 2012, and expenditure of those funds was contingent on Governor approval as well as approval from the Office’s Board, neither of which the Office was able to obtain. Office personnel stated in Fiscal Year 2015, State statute gave the Office the authority to expend bond funds for the master plan without the Governor’s approval. However, the master plan was not implemented in Fiscal Year 2015 due to the Office not having Board approval to move forward. During the current examination, Office personnel stated they have met with the Board and requested capital appropriations to complete the long-range master plan, but no funds have been appropriated.

Failure to implement a long-range master plan represents noncompliance with the Act and could result in unforeseen problems relating to the improvement, construction, historic preservation, restoration, maintenance, repair, and landscaping needs of the State Capitol Building and the legislative complex. (Finding Code No. 2017-001, 2015-001, 2013-001, 11-1, 09-2)

**RECOMMENDATION**

We recommend the Office take appropriate action to implement its long-range master plan, or seek a legislative remedy.

STATE OF ILLINOIS  
OFFICE OF THE ARCHITECT OF THE CAPITOL  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2017

2017-001. **FINDING** (Unimplemented Long-Range Master Plan) – Continued

**OFFICE RESPONSE**

The Office will continue to take action to implement a long-range master plan as soon as the Office receives appropriations from the Capital budget to move forward with Board approval.

STATE OF ILLINOIS  
OFFICE OF THE ARCHITECT OF THE CAPITOL  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2017

**SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES**

**SUMMARY**

Supplementary Information for State Compliance Purposes presented in this section of the report includes the following:

- Fiscal Schedules and Analysis:

- Schedule of Appropriations, Expenditures, and Lapsed Balances – Fiscal Year 2017

- Schedule of Appropriations, Expenditures, and Lapsed Balances – Fiscal Year 2016

- Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances

- Schedule of Changes in State Property

- Comparative Schedule of Cash Receipts and Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller

- Analysis of Operations (Not Examined):

- Agency Functions and Planning Program (Not Examined)

- Analysis of Significant Variations in Expenditures (Not Examined)

- Analysis of Significant Variations in Receipts (Not Examined)

- Analysis of Significant Lapse Period Spending (Not Examined)

- Budget Impasse Disclosure (Not Examined)

- Alternative Financing in Lieu of Appropriations and Programs to Address Untimely Payments to Vendors (Not Examined)

- Interest Costs on Fiscal Year 2017 and Fiscal Year 2016 Invoices (Not Examined)

- Average Number of Employees (Not Examined)

- Memorandum of Understanding (Not Examined)

- Service Efforts and Accomplishments (Not Examined)

The accountant's report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the accountants have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2017, and June 30, 2016, accompanying supplementary information in Schedules 1 through 5. However, the accountants do not express an opinion on the supplementary information. The accountant's report also states that they have not applied procedures to the Analysis of Operations Section, and accordingly, they do not express an opinion or provide any assurance on it.

STATE OF ILLINOIS  
OFFICE OF THE ARCHITECT OF THE CAPITOL  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
Expenditure Authority for Fiscal Year 2017

For the Fifteen Months Ended September 30, 2017

Continuing Appropriation FISCAL YEAR 2017	Expenditure Authority (Net Of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to September 30	Total Expenditures 15 Months Ended September 30	Balances Lapsed September 30
<b><u>APPROPRIATED FUNDS</u></b>					
<b><u>GENERAL REVENUE FUND - 001</u></b>					
Operational Expenses	\$ 1,669,500	\$ 675,279	\$ 684,961	\$ 1,360,240	\$ 309,260
<b>Total General Revenue Fund</b>	<b>\$ 1,669,500</b>	<b>\$ 675,279</b>	<b>\$ 684,961</b>	<b>\$ 1,360,240</b>	<b>\$ 309,260</b>

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2017, and have been reconciled to Office records.

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

Note 3: The Civil Administrative Code (State Budget Law) (15 ILCS 20/50-22(b)) provides aggregate appropriations available for legislative operations for all funds for each fiscal year shall not be less than the aggregate appropriations made available for legislative operations during the immediately preceding fiscal year. The Circuit Court of Cook County in *People v. Munger* (15 CH 10243) ordered the State Comptroller, in the absence of enacted annual appropriations, to process and pay certified invoice vouchers from the State's legislative branch agencies pursuant to this statute. Therefore, the Office's Fiscal Year 2015 appropriation for Fund 001 was carried forward to become the Office's Fiscal Year 2017 expenditure authority for Fund 001.

STATE OF ILLINOIS  
OFFICE OF THE ARCHITECT OF THE CAPITOL  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
Expenditure Authority for Fiscal Year 2016

For the Fourteen Months Ended August 31, 2016

Continuing Appropriation FISCAL YEAR 2016	Expenditure Authority (Net Of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
<b><u>APPROPRIATED FUNDS</u></b>					
<b><u>GENERAL REVENUE FUND - 001</u></b>					
Operational Expenses	\$ 1,669,500	\$ 442,509	\$ 251,621	\$ 694,130	\$ 975,370
<b>Total General Revenue Fund</b>	<b>\$ 1,669,500</b>	<b>\$ 442,509</b>	<b>\$ 251,621</b>	<b>\$ 694,130</b>	<b>\$ 975,370</b>

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2016, and have been reconciled to Office records.

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

Note 3: The Civil Administrative Code (State Budget Law) (15 ILCS 20/50-22(b)) provides aggregate appropriations available for legislative operations for all funds for each fiscal year shall not be less than the aggregate appropriations made available for legislative operations during the immediately preceding fiscal year. The Circuit Court of Cook County in *People v. Munger* (15 CH 10243) ordered the State Comptroller, in the absence of enacted annual appropriations, to process and pay certified invoice vouchers from the State's legislative branch agencies pursuant to this statute. Therefore, the Office's Fiscal Year 2015 appropriation for Fund 001 was carried forward to become the Office's Fiscal Year 2016 expenditure authority for Fund 001.

STATE OF ILLINOIS  
OFFICE OF THE ARCHITECT OF THE CAPITOL  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
For the Fiscal Years Ended June 30,

	FISCAL YEAR		
	2017	2016	2015
	Continuing Appropriation	Continuing Appropriation	P.A. 98-0675 P.A. 98-0050 P.A. 98-0679
<b>GENERAL REVENUE FUND - 001</b>			
Expenditure Authority (Net Of Transfers)	\$ 1,669,500	\$ 1,669,500	\$ 1,669,500
Expenditures			
Operational Expenses	\$ 1,360,240	\$ 694,130	\$ 1,175,983
Total Expenditures	\$ 1,360,240	\$ 694,130	\$ 1,175,983
Lapsed Balances	<u>\$ 309,260</u>	<u>\$ 975,370</u>	<u>\$ 493,517</u>
<b>CAPITAL DEVELOPMENT FUND - 141</b>			
Expenditure Authority (Net Of Transfers)	\$ -	\$ -	\$ 51,205,331
Expenditures			
Capital Upgrades and Improvements	\$ -	\$ -	\$ 590,656
Capitol Building - Springfield			
HVAC upgrades and renovations	-	-	30,010
Equipment, remodeling, and all other costs	-	-	38,019
Total Expenditures	\$ -	\$ -	\$ 658,685
Lapsed Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,546,646</u>
<b><u>GRAND TOTAL - ALL APPROPRIATED FUNDS</u></b>			
Expenditure Authority (Net Of Transfers)	\$ 1,669,500	\$ 1,669,500	\$ 52,874,831
Total Expenditures	\$ 1,360,240	\$ 694,130	\$ 1,834,668
Lapsed Balances	<u>\$ 309,260</u>	<u>\$ 975,370</u>	<u>\$ 51,040,163</u>

Note 1: Fiscal Year 2017 and Fiscal Year 2016 expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller records as of September 30, 2017, and September 30, 2016, and have been reconciled to Office records.

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

Note 3: The Civil Administrative Code (State Budget Law) (15 ILCS 20/50-22(b)) provides aggregate appropriations available for legislative operations for all funds for each fiscal year shall not be less than the aggregate appropriations made available for legislative operations during the immediately preceding fiscal year. The Circuit Court of Cook County in *People v. Munger* (15 CH 10243) ordered the State Comptroller, in the absence of enacted annual appropriations, to process and pay certified invoice vouchers from the State's legislative branch agencies pursuant to this statute. Therefore, the Office's Fiscal Year 2015 appropriation for Fund 001 was carried forward to become the Office's Fiscal Year 2017 and Fiscal Year 2016 expenditure authority for Fund 001.

STATE OF ILLINOIS  
OFFICE OF THE ARCHITECT OF THE CAPITOL  
**SCHEDULE OF CHANGES IN STATE PROPERTY**  
For the Two Years Ended June 30, 2017

	<u>Equipment</u>
Balance at July 1, 2015	\$ 258,290
Additions	39,183
Deletions	-
Net Transfers	<u>(40,632)</u>
Balance at June 30, 2016	<u><u>\$ 256,841</u></u>
Balance at July 1, 2016	\$ 256,841
Additions	1,052
Deletions	(264)
Net Transfers	<u>-</u>
Balance at June 30, 2017	<u><u>\$ 257,629</u></u>

Note: The above schedule has been derived from the Office's records, which have been reconciled to property reports submitted to the Office of the State Comptroller.

STATE OF ILLINOIS  
OFFICE OF THE ARCHITECT OF THE CAPITOL  
**COMPARATIVE SCHEDULE OF CASH RECEIPTS AND RECONCILIATION SCHEDULE  
OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER**  
For the Years Ended June 30,

	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>General Revenue Fund - 001</b>			
Miscellaneous	\$ 75	\$ -	\$ -
Total cash receipts per Office	75	-	-
Less - In transit at End of Year	-	-	-
Plus - In transit at Beginning of Year	-	-	-
Total cash receipts per State Comptroller's Records	<u>\$ 75</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Capitol Restoration Trust Fund - 149</b>			
Construction Administration	\$ -	\$ -	\$ 944
Total cash receipts per Office	-	-	944
Less - In transit at End of Year	-	-	-
Plus - In transit at Beginning of Year	-	-	-
Total cash receipts per State Comptroller's Records	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 944</u>
<b>GRAND TOTAL - ALL FUNDS</b>			
Total cash receipts per Office	\$ 75	\$ -	\$ 944
Less - In transit at End of Year	-	-	-
Plus - In transit at Beginning of Year	-	-	-
Total cash receipts per State Comptroller's Records - All Funds	<u>\$ 75</u>	<u>\$ -</u>	<u>\$ 944</u>

STATE OF ILLINOIS  
OFFICE OF THE ARCHITECT OF THE CAPITOL  
**AGENCY FUNCTIONS AND PLANNING PROGRAM**  
**(NOT EXAMINED)**

For the Two Years Ended June 30, 2017

The Office of the Architect of the Capitol (Office) was established as the successor agency to the Legislative Space Needs Commission, effective February 1, 2004.

The Office is mandated by statute:

- To prepare and implement a long-range master plan of development for the State Capitol Building and the remaining portions of the legislative complex that addresses the improvement, construction, historic preservation, restoration, maintenance, repair, and landscaping needs of the State Capitol Building and remaining portions of the legislative complex;
- To review, approve, and monitor contracts for construction, preservation, restoration, maintenance, repair, and landscaping work in the legislative complex and all other activities that alter the historic integrity of the legislative complex;
- To make space allocations in facilities provided for use of the General Assembly and its related agencies;
- To maintain an inventory and registry of all historic items in the legislative complex;
- To acquire land in the City of Springfield, within the area bounded by Washington, Third, Cook, and Pasfield Streets for the purpose of providing space for operation and expansion of the legislative complex or other State facilities; and,
- To annually report to the Board of the Office of the Architect of the Capitol, the Capitol Historic Preservation Board, and the appointing authorities of the Capitol Historic Preservation Board.

The Office is subject to the Legislative Commission Reorganization Act of 1984 (Act) (25 ILCS 130). The Joint Committee on Legislative Support Services is responsible for establishing general policy and coordinating activities among the legislative support services agencies, including the Office.

The Board of the Office of the Architect of the Capitol (Board) is composed of the Secretary of the Senate, Assistant Secretary of the Senate, Clerk of the House of Representatives, and Assistant Clerk of the House of Representatives. The Secretary and Clerk of the House are the Co-Chairs of the Board. The Board members do not receive any compensation and each member's term length is indefinite.

The Capitol Historic Preservation Board was established to serve as an advisory body to the Office. As of the end of the examination fieldwork, nine of the ten members have been appointed while one position is serving on an expired term. The Capitol Historic Preservation Board held no meetings during Fiscal Year 2016 or Fiscal Year 2017.

STATE OF ILLINOIS  
OFFICE OF THE ARCHITECT OF THE CAPITOL  
**AGENCY FUNCTIONS AND PLANNING PROGRAM**  
**(NOT EXAMINED)**

For the Two Years Ended June 30, 2017

Planning Program

The Capitol Master Plan contract was executed by the Capital Development Board (CDB) for a complete assessment of the Stratton Building in conjunction with preparation of a comprehensive long-range plan for the entire Capitol Complex. The assessment of the Stratton Building has been completed by the contractors and a draft report was submitted for review. The master planning effort has concluded an extensive data gathering phase and is currently 75% complete. The schedule for completion of the final draft of the Capitol Master Plan is currently unknown, pending resolution between the legislative and executive branches. Once complete, the Capitol Master Plan will set long-term goals for the improvement, construction, capital repairs, and landscaping needs within the Capitol Complex.

The Office's Board met periodically to consider proposed and ongoing projects.

The Office worked in conjunction with CDB and the Secretary of State's Office (SOS) to develop projects necessary to maintain the State buildings in the legislative complex. The planning process began with building surveys, architect and engineer studies, facility analysis, and proposed costs. The Office, CDB, and SOS scheduled planning meetings and discussed bid proposals. The Office was required to approve all construction contracts for the legislative complex.

Monitoring

The Interim Director/Senior Project Manager routinely monitored the progress on individual projects. The Office's staff met regularly to review the status of the projects and to approve work in process payments to the contractors. The projects were monitored from planning to completion.

The Board held meetings on an intermittent basis to monitor the status of on-going projects and review and approve contracts for new projects.

STATE OF ILLINOIS  
OFFICE OF THE ARCHITECT OF THE CAPITOL  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES  
(NOT EXAMINED)**

For the Two Years Ended June 30, 2017

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2017 AND 2016**

**General Revenue Fund – 001**

Operational Expenses

The increase in expenditures was due to an increase in the number of remodeling and renovation projects in Fiscal Year 2017 when compared to Fiscal Year 2016.

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2016 AND 2015**

**General Revenue Fund – 001**

Operational Expenses

The decrease in expenditures was due to a decrease in personnel, a decrease in the number of renovation projects in Fiscal Year 2016, and a decrease in professional expenses when compared to Fiscal Year 2015.

**Capital Development Fund – 141**

Capitol Upgrades and Improvements, Capitol Building – Springfield: HVAC Upgrades and Renovations, and Capitol Building – Springfield: Equipment, Remodeling, and All Others Costs

The decrease in expenditures was due to the budget impasse. The Office did not receive an appropriation from the Capital Development Fund during Fiscal Year 2016.

STATE OF ILLINOIS  
OFFICE OF THE ARCHITECT OF THE CAPITOL  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS**  
**(NOT EXAMINED)**

For the Two Years Ended June 30, 2017

The Office receives minimal receipts. During Fiscal Year 2017, the Office received one miscellaneous receipt for jury duty in the amount of \$75. During Fiscal Year 2016, the Office did not receive any receipts. Receipts are expected to fluctuate between fiscal years due to the nature of receipts processed.

STATE OF ILLINOIS  
OFFICE OF THE ARCHITECT OF THE CAPITOL  
**ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING**  
**(NOT EXAMINED)**

For the Two Years Ended June 30, 2017

**FISCAL YEAR 2017**

Operational Expenses

The significant spending during the Lapse Period was due to payments for projects in process at the end of the fiscal year. The Office has to work their projects around the legislative session schedule and other activities taking place at the Capitol Building. This caused projects to be completed late in the fiscal year, which resulted in billings being received and payments processed during the Lapse Period.

**FISCAL YEAR 2016**

Operational Expenses

The significant spending during the Lapse Period was due to payments for projects in process at the end of the fiscal year. The Office has to work their projects around the legislative session schedule and other activities taking place at the Capitol Building. This caused projects to be completed late in the fiscal year, which resulted in billings being received and payments processed during the Lapse Period.

STATE OF ILLINOIS  
OFFICE OF THE ARCHITECT OF THE CAPITOL  
**BUDGET IMPASSE DISCLOSURES**  
**(NOT EXAMINED)**  
For the Two Years Ended June 30, 2017

Payment of Prior Year Costs in Future Fiscal Years

All of the Office's Fiscal Year 2016 and Fiscal Year 2017 costs were paid pursuant to continuing appropriations. The Office did not have any outstanding unpaid invoices from either Fiscal Year 2016 or Fiscal Year 2017 after the closure of the Fiscal Year 2016 Lapse Period on August 31, 2016, and the closure of the Fiscal Year 2017 Lapse Period on September 30, 2017, respectively.

STATE OF ILLINOIS  
OFFICE OF THE ARCHITECT OF THE CAPITOL  
**ALTERNATIVE FINANCING IN LIEU OF APPROPRIATIONS AND  
PROGRAMS TO ADDRESS UNTIMELY PAYMENTS TO VENDORS  
(NOT EXAMINED)**

For the Two Years Ended June 30, 2017

Transactions Involving the Illinois Finance Authority

The Office and its vendors did not participate in alternative financing in lieu of enacted appropriations involving the Illinois Finance Authority during Fiscal Year 2016 and Fiscal Year 2017.

Transactions Involving the Vendor Payment Program and Vendor Support Initiative Program

*Vendor Payment Program (VPP)*

In 2011, the State of Illinois (State) created the voluntary VPP in response to delays in payments for goods and services provided by the State's vendors arising from the State's cash flow deficit. The Department of Central Management Services (CMS) approved third party financing entities to act as "qualified purchasers" of accounts receivable from "participating vendors" who had submitted invoices which had not been paid by the State.

A participating vendor's accounts receivable is eligible for the VPP if it is from an invoice unpaid by the State that is (1) not for medical assistance payments (2) where 90 days have passed since the proper bill date, which is (3) entitled to interest under the State Prompt Payment Act (Act) (30 ILCS 540) and (4) free of any liens or encumbrances. Under the terms of an agreement between a qualified purchaser and the participating vendor, the participating vendor receives payment for 90% of the receivable balance. The participating vendor, in turn, assigns its rights to the interest due under the Act to the qualified purchaser. When the State Comptroller ultimately pays the invoice, the participating vendor receives the remaining 10% due (less any offsets).

Notably, while CMS approved the qualified purchasers and provided information to vendors about VPP, neither CMS nor the State are parties to the assignment agreements.

STATE OF ILLINOIS  
OFFICE OF THE ARCHITECT OF THE CAPITOL  
**ALTERNATIVE FINANCING IN LIEU OF APPROPRIATIONS AND  
PROGRAMS TO ADDRESS UNTIMELY PAYMENTS TO VENDORS  
(NOT EXAMINED)**  
For the Two Years Ended June 30, 2017

The following chart shows the Office’s VPP transactions for Fiscal Year 2017 and Fiscal Year 2016:

**VPP TRANSACTIONS**

	Fiscal Year Ended June 30,	
	<u>2017</u>	<u>2016</u>
Dollar Value \$	4,232	\$ -
Vendors	1	-
Invoices	2	-

*Vendor Support Initiative Program (VSI)*

During Fiscal Year 2016 and Fiscal Year 2017, none of the Office’s vendors participated in the Vendor Support Initiative Program (VSI).

STATE OF ILLINOIS  
OFFICE OF THE ARCHITECT OF THE CAPITOL  
**INTEREST COSTS ON FISCAL YEAR 2017 AND FISCAL YEAR 2016 INVOICES**  
**(NOT EXAMINED)**

For the Two Years Ended June 30, 2017

Prompt Payment Interest Costs

The Office plans to calculate prompt payment interest due to vendors under the State Prompt Payment Act (Act) (30 ILCS 540) using the vendor’s proper bill date through the date the State Comptroller issues a warrant to the vendor, regardless of when and if an enacted appropriation existed during Fiscal Year 2016 and Fiscal Year 2017. The Act (30 ILCS 540/3-2) and the Illinois Administrative Code (74 Ill. Admin. Code 900.100) require interest to be paid under a daily simple interest rate of .033% (1% over a 30-day period) for every day elapsed following the 90<sup>th</sup> day after a vendor submits an eligible proper bill to the Office. The following chart shows the Office’s prompt payment interest incurred related to Fiscal Year 2017 and Fiscal Year 2016 invoices, calculated on the accrual basis of accounting, through June 30, 2017, and June 30, 2016, by fund:

**PROMPT PAYMENT INTEREST INCURRED**

Year Ended June 30, 2017

<u>Fund #</u>	<u>Fund Name</u>	<u>Invoices</u>	<u>Vendors</u>	<u>Dollar Value</u>
001	General Revenue Fund	88	26	\$ 12,455
		<u>88</u>	<u>26</u>	<u>\$ 12,455</u>

**PROMPT PAYMENT INTEREST INCURRED**

Year Ended June 30, 2016

<u>Fund #</u>	<u>Fund Name</u>	<u>Invoices</u>	<u>Vendors</u>	<u>Dollar Value</u>
001	General Revenue Fund	31	16	\$ 10
		<u>31</u>	<u>16</u>	<u>\$ 10</u>

STATE OF ILLINOIS  
OFFICE OF THE ARCHITECT OF THE CAPITOL  
**AVERAGE NUMBER OF EMPLOYEES**  
**(NOT EXAMINED)**  
For the Years Ended June 30,

The following table, prepared from Office records, presents the average number of employees, by function, for the Fiscal Years ended June 30,

<u>Position</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Architect of the Capitol	0	0	1
Senior Project Manager/Interim Director	1	1	1
Administrative Assistant/Fiscal Officer	1	1	1
Total Average Full-Time Employees	<u>2</u>	<u>2</u>	<u>3</u>

Note: The Architect of the Capitol resigned on June 30, 2015. The Senior Project Manager assumed the role of Interim Director, effective July 1, 2015.

STATE OF ILLINOIS  
OFFICE OF THE ARCHITECT OF THE CAPITOL  
**MEMORANDUM OF UNDERSTANDING**  
**(NOT EXAMINED)**

For the Two Years Ended June 30, 2017

During the examination period, the Office had a Memorandum of Understanding (MOU) with the Office of the State Comptroller (Comptroller) for the purpose of defining roles and responsibilities between the Office and the Comptroller for directly inputting obligations, purchase orders, and master contracts (collectively, obligation activity) into the Statewide Accounting Management System (SAMS). The Office's responsibilities are to enter obligation activity into SAMS; apply the first level approval on all Office obligation activity; identify rejected obligation activity and take necessary corrective action within five working days; designate a representative to coordinate all security issues with the Comptroller Security Administrator; and, ensure proper fiscal and internal controls associated with this program are implemented within the Office.

STATE OF ILLINOIS  
OFFICE OF THE ARCHITECT OF THE CAPITOL  
**SERVICE EFFORTS AND ACCOMPLISHMENTS**  
**(NOT EXAMINED)**

For the Two Years Ended June 30, 2017

The Office of the Architect of the Capitol (Office) continues to oversee the improvements, construction, historical preservation, restoration, maintenance, repairs, and landscaping for the Capitol Complex. The Office reported the following accomplishments during the examination period:

**Fiscal Year 2016**

During Fiscal Year 2016, the following projects were completed or continued:

- Provide for an exterior lighting concept design, pattern, sculpt, molds, and exterior light fixtures;
- Rough in and core drill stone in preparation for installation of light fixtures at the west entrance of the State Capitol Building;
- Renovation of the windows on the third floor of the State Capitol Building;
- Modify toilet hardware consisting of adding automatic operators to the toilet room doors on the first, second, and third floors in the West Wing of the State Capitol Building;
- Removal of efflorescence in the West Wing basement of the State Capitol Building;
- Touch-up and repair the woodwork in the Senate and House Chambers and the West Wing of the State Capitol Building;
- Prepare and submit updated floor plans of all floors for the entire State Capitol Building;
- Design and construction services to replace the fourth floor terrazzo tile at the State Capitol Building;
- Prepare a Decorative Finishes Investigation and Restoration Report for each room or space in the State Capitol Building;
- Design services of a roof system for the colonnade porch at the State Capitol Building; and,
- Design services for fall protection between the lead coated copper roofs of the wings and the observatory level at the State Capitol Building.

**Fiscal Year 2017**

During Fiscal Year 2017, the following projects were completed or continued:

- Prepare and submit updated floor plans of all floors for the entire State Capitol Building;
- Replace the fourth floor terrazzo tile at the State Capitol Building;
- Prepare a Decorative Finishes Investigation and Restoration Report for each room or space in the State Capitol Building;
- Design services of a roof system for the colonnade porch at the State Capitol Building;

STATE OF ILLINOIS  
OFFICE OF THE ARCHITECT OF THE CAPITOL  
**SERVICE EFFORTS AND ACCOMPLISHMENTS**  
**(NOT EXAMINED)**

For the Two Years Ended June 30, 2017

**Fiscal Year 2017 (continued)**

- Renovations of Room 058 of the State Capitol Building and the Stratton Building's basement;
- Renovations in the basement of the Stratton Building for the Legislative Printing Unit;
- Provide services relating to a strategic plan and space allocation in the North Wing of the State Capitol Building;
- Remove, reapply glazing, and paint exterior windows on the third and fourth floors of the State Capitol Building; and,
- Design services for fall protection between the lead coated copper roofs of the wings and the observatory level at the State Capitol Building.