



DATE: April 8, 2024
TO: Larry Davis, Assistant City Manager
FROM: Internal Audit Division
SUBJECT: Civil Rights Museum Operational Support
(No Response Required)

The Internal Audit Division has completed our review of the Civil Rights Museum Operational Support Agreement as administered by the ICRCM. Attached you will find our review report; the agency response and our replies to their responses. We feel that our concerns have been sufficiently addressed as we move forward. If you have any questions or need additional information, please let us know. Thanks.

Len Lucas
Internal Audit Director

cc: Jon Decker, Director of Budget & Evaluation



DATE: September 11, 2023
TO: Larry Davis, Assistant City Manager
FROM: Internal Audit Division
SUBJECT: Civil Rights Museum / Operational Support
(Written Response Required by September 25, 2023)

The Internal Audit Division has completed our Compliance review of the Civil Rights Museum's Financial Records/Documents as requested by the City Manager's Office. This review involved the analysis of items provided to us by the International Civil Rights Center & Museum (ICRCM). The purpose of this review is to verify eligible expenditures (as outlined in Exhibit A) for the Agreement executed on December 7, 2022 between the City of Greensboro and the ICRCM for Operational Support.

This Operational Support is comprised of the following five (5) items:

1. Facilities and Utilities Coverage - \$154,000

The Museum has consistently experienced exceptionally high utility costs, with electric and gas bills amounting to more than \$12,000 monthly in past years. The total annual figure represents the sum of expected newly decreased utilities costs coupled with the additional expenses that are projected for further cost-effective upgrades in environmental management software and some targeted equipment upgrades.

The amount provided by the City of Greensboro for Facilities and Utilities Coverage was \$154,000.00. We reviewed all documentation supporting these costs incurred during the period of July 1, 2022 through June 30, 2023. From the documentation provided to us, we reviewed \$162,827.37 of expenditures that appear to meet the criteria in the agreement. We traced all check disbursements to the Agency bank statements. No exceptions were noted.

Findings: None

Recommendations: None

2. Audit Cost - \$15,000

This is the estimated cost of the audits that will have been carried out for the non-profit Sit-In Movement, Inc., serving as "parent" company and for Civil Rights Museum, LLC the for-profit "child" entity serving as the operator of the Museum itself.



We have reviewed all documentation supporting audit costs incurred during FY 2022-2023 totaling \$16,375.00; however, only \$15,000.00 is allowable under the City agreement. We traced all check disbursements to the Agency bank statements. No exceptions were noted.

Findings: None

Recommendations: None.

3. Program and Exhibit Support - \$36,000

The costs for programs on civil rights themes, as well as temporary exhibits that supplement the Permanent Exhibit, represent outlays beyond the typical income form tours. The amount here will be used to support various programs available at no cost to the public (e.g., several hybrid Zoom/On-site presentations and conversations.)

We examined selected financial transaction and program documentation for the Museum budgeted accounts for Program and Exhibit for compliance with the Agreement and assurance that program goals were achieved. We examined \$21,088.41 which was all transactions for the account "Program Expenses"

We also examined all transactions for the "Fundraising Expense-Speaker Fees" in the amount of \$15,000.00.

The above two expenses maintained by the Museum totaled \$36,088.41; however only \$36,000 is allowable under the City agreement. We traced all check disbursements to the Agency bank statements. No exceptions were noted.

Findings: None

Recommendations: None.

4. Historical Interpretation, Proposal of Woolworth's Building for NHL - \$20,000

As an essential part of supporting the candidacy of the restored F.W. Woolworth's building for the inclusion as a Serial Site for inclusion among the American civil rights properties to be nominated as a Serial Site for the UNESCO World Heritage Inscription, the former five-and-dime store must have been designated as a National Historic Landmark. This sum of dollars will be needed to prepare the complete proposal and its justification.

We have reviewed all documentation supporting historical interpretation incurred during FY 2022-2023 totaling \$26,000; however, only \$20,000.00 is allowable under the City agreement. We traced all check disbursements to the Agency bank statements. No exceptions were noted.

Findings: None

Recommendations: None.



5. Historical Preservation Repairs - \$25,000

After 13 years since the restoration was completed and the Museum launched, there are a number of needs for repair that need to be addressed. Examples of these include the condition of the roofing, the carved limestone and cast terra cotta elements of the Art Deco facade and the surface of the brickwork that covers the two blank sides of the building.

We have reviewed all documentation supporting building repairs incurred during FY 2022-2023 totaling \$34,113.76; however, only \$25,000.00 is allowable under the City agreement. We traced all check disbursements to the Agency bank statements. No exceptions were noted.

Findings: None

Recommendations: None

In summary, we verified allowable expenditures in the amount of \$250,000 of the City's allocation of \$250,000.

The External Audit, 990-Tax Return and any Management Letters issued for the year ended December 31, 2022 were due to us on June 30, 2023 and have not been received. We require a written response by September 25, 2023.

We would like to thank Mr. John Swaine, CEO and the staff of the ICRCM for their courtesy and cooperation to us during this review.

Please contact us with any questions that you may have.

Mickey Kerans
Internal Auditor

Tina McKoy
Internal Auditor

Garland Wells
Internal Auditor

Len Lucas
Internal Audit Director



Cc: John Decker, Director of Budget and Evaluation
John Swaine, Chief Executive Officer, ICRCM

Lucas, Len

From: John Swaine <jswaine@sitinmovement.org>
Sent: Thursday, February 1, 2024 1:36 PM
To: Lucas, Len; Davis, Larry; Jeanne Dulin; McKoy, Tina W; Kerans, Mickey; Wells, Garland; Decker, Jon
Subject: Final Memo -990
Attachments: 990 2022 Signed.pdf

Importance: High

WARNING: External Email – Don't get hooked by a phishing email. Never click on links or open attachments unless you know the content is safe.

February 1, 2024

Good Afternoon All,

Please see the attached 990 Tax Return for the Sit-In Movement inc.

Please let me know if you have any questions or concerns.

Sincerely,

John L. Swaine, CEO
International Civil Rights Center & Museum
134 South Elm Street
Greensboro, NC 27401

336-274-9199, Ext. 239
336-606-3367, Direct
336-609-0750 – Cell
www.sitinmovement.org

Animating the iconic F.W. Woolworth's landmark, the International Civil Rights Center & Museum opened in 2010 as a comprehensive museum of the Civil Rights Movement and an innovative educational organization devoted to understanding and advancing civil and human rights in this country and the world. It commemorates the Feb. 1, 1960, sit-ins at a whites-only lunch counter in Greensboro by N.C. A&T-Four freshmen. Their non-violent direct action ignited the Sit-In Movement that renewed the Civil Rights Movement as a whole, challenging the Americans to make good on promises of personal equality and civic inclusion enunciated in the Constitution. The ICRCM commemorates the brave and visionary advocacy of full citizenship and social justice.

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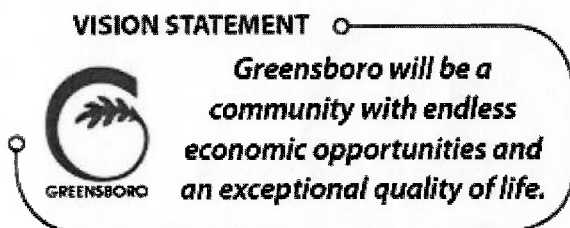
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From: Lucas, Len <Len.Lucas@greensboro-nc.gov>
Sent: Friday, December 22, 2023 7:37 AM
To: John Swaine <jswaine@sitinmovement.org>; Davis, Larry <Larry.Davis@greensboro-nc.gov>; Jeanne Dulin <jdulin@sitinmovement.org>; McKoy, Tina W <Tina.McKoy@greensboro-nc.gov>; Kerans, Mickey <Charles.Kerans@greensboro-nc.gov>; Wells, Garland <Garland.Wells@greensboro-nc.gov>; Decker, Jon <Jon.Decker@greensboro-nc.gov>
Subject: RE: Final Memo -990

Mr. Swaine,

We have the Audit. Do you have a timeframe of the 990 Completion and any Management Letters?

Len Lucas, Internal Audit Director
Internal Audit Division
City of Greensboro
Phone: 336-373-2823; Fax: 336-373-4387
P.O. Box 3136
Greensboro, NC 27402-3136
www.greensboro-nc.gov



From: John Swaine <jswaine@sitinmovement.org>
Sent: Thursday, December 21, 2023 3:45 PM
To: Lucas, Len <Len.Lucas@greensboro-nc.gov>; Davis, Larry <Larry.Davis@greensboro-nc.gov>; Jeanne Dulin <jdulin@sitinmovement.org>; McKoy, Tina W <Tina.McKoy@greensboro-nc.gov>; Kerans, Mickey <Charles.Kerans@greensboro-nc.gov>; Wells, Garland <Garland.Wells@greensboro-nc.gov>; Decker, Jon <Jon.Decker@greensboro-nc.gov>
Subject: RE: Final Memo -990

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Good Afternoon Mr. Lucas,

May I drop a copy of the audit by your office?

John

From: Lucas, Len <Len.Lucas@greensboro-nc.gov>

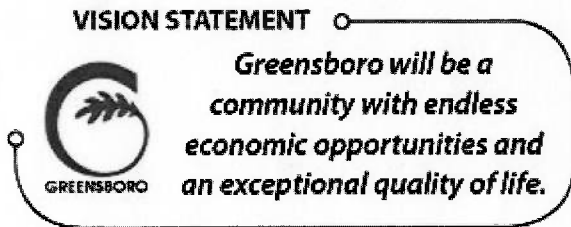
Sent: Sunday, October 1, 2023 7:55 AM

To: John Swaine <jswaine@sitinmovement.org>; Davis, Larry <Larry.Davis@greensboro-nc.gov>; Jeanne Dulin <jdulin@sitinmovement.org>; McKoy, Tina W <Tina.McKoy@greensboro-nc.gov>; Kerans, Mickey <Charles.Kerans@greensboro-nc.gov>; Wells, Garland <Garland.Wells@greensboro-nc.gov>; Decker, Jon <Jon.Decker@greensboro-nc.gov>

Subject: RE: Final Memo -990

Thanks for the update. Sorry to hear about Oliver's son.

Len Lucas, Internal Audit Director
Internal Audit Division
City of Greensboro
Phone: 336-373-2823; Fax: 336-373-4387
P.O. Box 3136
Greensboro, NC 27402-3136
www.greensboro-nc.gov



From: John Swaine <jswaine@sitinmovement.org>

Sent: Saturday, September 30, 2023 6:50 PM

To: Lucas, Len <Len.Lucas@greensboro-nc.gov>; Davis, Larry <Larry.Davis@greensboro-nc.gov>; Jeanne Dulin <jdulin@sitinmovement.org>; McKoy, Tina W <Tina.McKoy@greensboro-nc.gov>; Kerans, Mickey <Charles.Kerans@greensboro-nc.gov>; Wells, Garland <Garland.Wells@greensboro-nc.gov>; Decker, Jon <Jon.Decker@greensboro-nc.gov>

Subject: RE: Final Memo -990

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September 30, 2023

Good Evening Mr. Lucas and All,

Thank you for taking time from your busy schedules to review the accounting records of Sit-In Movement Inc. Per the requested response concerning the Annual Audit, I have spoken with our Auditor and he has informed me that he needed an additional three weeks to complete the work. As you are aware, we are having to incorporate additional details into the document form comparison purposes and the documentation is currently being examined for that purpose.

Finally, our auditor lost his son to an illness during the last month and this has been a factor in holding back the final report. I will submit the final project as quickly as I can get it.

Thank you for your understanding and patience.

Sincerely,

John L. Swaine, CEO
International Civil Rights Center & Museum
134 South Elm Street
Greensboro, NC 27401
336-274-9199, Ext. 239
336-609-0750 – Cell
www.sitinmovement.org

Animating the iconic F.W. Woolworth's landmark, the International Civil Rights Center & Museum opened in 2010 as a comprehensive museum of the Civil Rights Movement and an innovative educational organization devoted to understanding and advancing civil and human rights in this country and the world. It commemorates the Feb. 1, 1960, sit-ins at a whites-only lunch counter in Greensboro by N.C. A&T-Four freshmen. Their non-violent direct action ignited the Sit-In Movement that renewed the Civil Rights Movement as a whole, challenging the Americans to make good on promises of personal equality and civic inclusion enunciated in the Constitution. The ICRCM commemorates the brave and visionary advocacy of full citizenship and social justice.

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From: Lucas, Len <Len.Lucas@greensboro-nc.gov>

Sent: Monday, September 11, 2023 6:09 AM

To: Davis, Larry <Larry.Davis@greensboro-nc.gov>; John Swaine <jswaine@sitinmovement.org>; Jeanne Dulin <jdulin@sitinmovement.org>; McKoy, Tina W <Tina.McKoy@greensboro-nc.gov>; Kerans, Mickey <Charles.Kerans@greensboro-nc.gov>; Wells, Garland <Garland.Wells@greensboro-nc.gov>; Decker, Jon <Jon.Decker@greensboro-nc.gov>

Subject: Final Memo

Ladies & Gentlemen,

Good Morning!,

Attached please find Internal Audit's final memo regarding Civil Right Museum Operational Support for 2023. A written response is required by September 25, 2023. Please note, Internal Audit's Review Report, along with all responses and replies will be made available to the Public on the City's External Website. Please contact Internal Audit if you have any further questions or concerns.

Thank you.

Len Lucas, Internal Audit Director
Internal Audit Division
City of Greensboro
Phone: 336-373-2823; Fax: 336-373-4387
P.O. Box 3136
Greensboro, NC 27402-3136
www.greensboro-nc.gov

VISION STATEMENT



*Greensboro will be a
community with endless
economic opportunities and
an exceptional quality of life.*

Lucas, Len

From: John Swaine <jswaine@sitinmovement.org>
Sent: Thursday, February 1, 2024 3:15 PM
To: Lucas, Len; Davis, Larry; Jeanne Dulin; McKoy, Tina W; Kerans, Mickey; Wells, Garland; Decker, Jon
Subject: RE: Final Memo -990 -- Manage Rep Letter
Attachments: management representation 2022.pdf

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February 1, 2024

Good Afternoon All,

Please fine the MR Letter for the Board of Directors. If you need additional information, please do not hesitate to let me know.

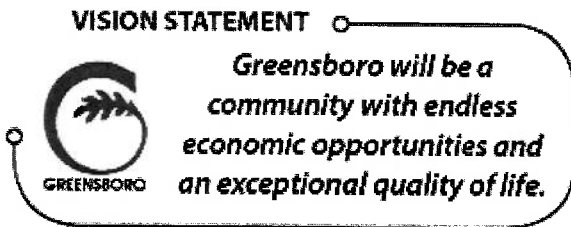
John

From: Lucas, Len <Len.Lucas@greensboro-nc.gov>
Sent: Friday, December 22, 2023 7:37 AM
To: John Swaine <jswaine@sitinmovement.org>; Davis, Larry <Larry.Davis@greensboro-nc.gov>; Jeanne Dulin <jdulin@sitinmovement.org>; McKoy, Tina W <Tina.McKoy@greensboro-nc.gov>; Kerans, Mickey <Charles.Kerans@greensboro-nc.gov>; Wells, Garland <Garland.Wells@greensboro-nc.gov>; Decker, Jon <Jon.Decker@greensboro-nc.gov>
Subject: RE: Final Memo -990

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Greensboro, NC 27402-3136
www.greensboro-nc.gov



Lucas, Len

From: John Swaine <jswaine@sitinmovement.org>
Sent: Monday, April 1, 2024 3:29 PM
To: Lucas, Len
Cc: Davis, Larry; Jeanne Dulin; McKoy, Tina W; Kerans, Mickey; Wells, Garland; Decker, Jon
Subject: RE: Final Memo -990-T Expansion Property and the 1120 for Museum
Attachments: DOC004.pdf; DOC003.pdf

Importance: High

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April 1, 2024

Good Afternoon Mr. Lucas et All,

Please excuse the delay in locating your message. We have been a bit short staff and are experiencing heavy traffic. Your message was located in my Junk File and recently retrieved during our system update.

Please find the signed first pages for the 2022 1120 and 1120x. The original documents were submitted electronically, so I should have sent this copy.

Thanks,

John L. Swaine, CEO
International Civil Rights Center & Museum
134 South Elm Street
Greensboro, NC 27401

336-274-9199, Ext. 239
336-606-3367, Direct
336-609-0750 – Cell
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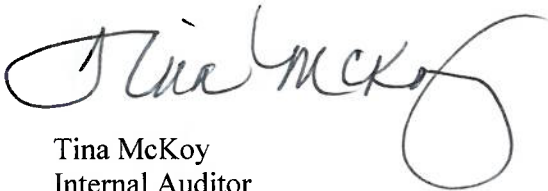
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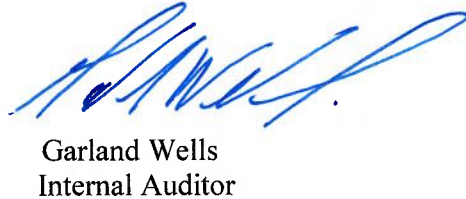
DATE: April 3, 2024
TO: John Swaine, Chief Executive Officer, ICRCM
FROM: Internal Audit Division
SUBJECT: Civil Rights Museum / Operational Support Response

The Internal Audit Division has reviewed your response to the Civil Rights Museum Compliance Review and we have received the External Audit on December 21, 2023; the IRS-990 and Management Letters on February 1, 2024; and the Amended 1120 Tax Return on April 1, 2024 which were the last outstanding items. We find the response sufficient and no further action is required.

We would like to thank the Civil Rights Museum Staff for their assistance and cooperation during this review. If there are any questions concerning the details of this review, please call us at (336) 373-2823.



Tina McKoy
Internal Auditor



Garland Wells
Internal Auditor



Len Lucas
Internal Audit Director

Cc: Larry Davis, Assistant City Manager
Jon Decker, Director of Budget & Evaluation