

**AUDIT REPORT
OF THE
JEFFERSON COUNTY HISTORICAL SOCIETY**

JULY 1, 2015 THROUGH JUNE 30, 2016

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the Auditor of Public Accounts.**

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Issued on September 6, 2016

JEFFERSON COUNTY HISTORICAL SOCIETY

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JEFFERSON COUNTY HISTORICAL SOCIETY

BACKGROUND

The Jefferson County Historical Society (Society) is located in Jefferson County, Nebraska. The Society was formed as a non-profit 501(c)(3) corporation in 1955 under the laws of the State of Nebraska. The Society's purpose is to preserve the area's history and to maintain and run several historical sites near Fairbury, Nebraska, including the following: the 1869 District 10 School; the 1872 W.C. Smith House and Lime Kiln; the 1883 Diller Bank Building Museum; the Rock Island Depot Railroad Museum; and the Steele City Historical District, which features a blacksmith shop, livery barn, exchange bank, Baptist church, and school.

The Society Board of Directors (Board) exercises financial accountability and control over activities relevant to the operations of the Society. The Board receives funding from local government sources and must comply with the requirements of these funding sources. Board members are elected by the members of the Society and have broad decision-making authority.

During the audit period, the Board was comprised of the following members:

- James Cunningham – President*
- John Howell – Vice President*
- Zach Schacht – Treasurer*
- Rose Ann Zach – Secretary*
- Adam D'Angelo – Board Member*
- Lawrence Junker – Board Member
- Phyllis McCown – Board Member
- Denise Andersen – Curator*

On July 7, 2016, the members noted above with an asterisk submitted their resignations from the Board. At that time, the remaining members elected a new Board, as follows:

- Phyllis McCown – President
- Megan Sothan – Vice President & Curator
- Kenny Dodge – Treasurer
- Margaret Junker – Secretary
- David Moser – Board Member
- Lawrence Junker – Board Member
- Mary Ann Partins – Board Member

Neb. Rev. Stat. § 21-1978(a)(3) (Reissue 2012), authorized the Board to elect the new directors, as follows:

If the directors remaining in office constitute fewer than a quorum of the board, they may fill the vacancy by the affirmative vote of a majority of all the directors remaining in office.

The bulk of the Society's revenue is comprised of local public funding, including property and other tax monies levied specifically for its use, from Jefferson County residents under Neb. Rev. Stat. § 23-351 (Reissue 2012) and Neb. Rev. Stat. § 23-355.01 (Reissue 2012). The Society also accepts donations and generates funds from museum entrance fees, gift shop revenue, and special events that it organizes.

Public funds entrusted to the Society under § 23-351 are to be expended for the following purposes:

(1) Establishment, construction, and reconstruction of historical buildings; (2) purchase of exhibits, equipment, and real and personal property of historical significance and the maintenance thereof; and (3) lease, rental, purchase or construction, and maintenance of buildings other than those of historical nature for the display and storage of exhibits.

JEFFERSON COUNTY HISTORICAL SOCIETY

BACKGROUND
(Concluded)

The Society receives the majority of its funding from the County under § 23-355.01(1), as follows:

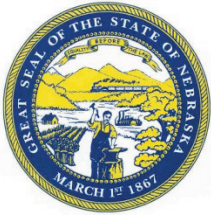
Whenever there is organized within any county in this state a nonprofit county historical association or society organized under the corporation laws of this state, a tax of not more than three-tenths of one cent on each one hundred dollars upon the taxable value of all the taxable property in such county may be levied for the purpose of establishing a fund to be used for the establishment, management, and purchase of exhibits, equipment, and other personal property and real property and maintenance of such nonprofit county historical association or society, including the construction and improvement of necessary buildings therefor. . . . Such fund shall be paid by the county treasurer to the treasurer of such nonprofit county historical association or society and shall be disbursed under the direction and supervision of the board of directors and officers of such nonprofit county historical association or society.

JEFFERSON COUNTY HISTORICAL SOCIETY

EXIT CONFERENCE

An exit conference was held August 18, 2016, with the Jefferson County Historical Society to discuss the results of our examination. The following individuals were in attendance for the Society:

NAME	TITLE
Phyllis McCown	Board President
Megan Sothan	Interim Director/Curator



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JEFFERSON COUNTY HISTORICAL SOCIETY

INDEPENDENT AUDITOR'S REPORT

Society Board of Directors
Fairbury, Nebraska

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the entity activities and major fund of the Jefferson County Historical Society (Society) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Society's basic financial statements, as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1. This includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the entity activities and major fund of the Jefferson County Historical Society, as of June 30, 2016, and the respective changes in cash-basis financial position thereof for the year then ended in conformity with the cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements of the Jefferson County Historical Society are prepared on the cash basis of accounting, which is a basis of accounting other than the accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements, which collectively comprise the Jefferson County Historical Society's basic financial statements. Other information on pages 17-46 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other information on pages 17-46 has not been subjected to the auditing procedures applied in the audit of the basic financial statements; accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 29, 2016, on our consideration of the Jefferson County Historical Society's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Society's internal control over financial reporting and compliance.

August 29, 2016



Craig Kubicek, CPA, CFE
Assistant Deputy Auditor

JEFFERSON COUNTY HISTORICAL SOCIETY
STATEMENT OF NET POSITION - CASH BASIS

June 30, 2016

	<u>Entity Activities</u>
ASSETS	
Cash and Cash Equivalents (Note 1.D)	\$ 12,613
Investments (Note 1.D)	<u>43,358</u>
TOTAL ASSETS	<u><u>\$ 55,971</u></u>
NET POSITION	
Unrestricted	<u>55,971</u>
TOTAL NET POSITION	<u><u>\$ 55,971</u></u>

The notes to the financial statements are an integral part of this statement.

JEFFERSON COUNTY HISTORICAL SOCIETY
STATEMENT OF ACTIVITIES - CASH BASIS

For the Year Ended June 30, 2016

Functions:	Cash Disbursements	Net (Disbursement) Receipts and Changes in Net Position
Entity Activities:		
General	\$ (63,196)	\$ (63,196)
Total Entity Activities	\$ (63,196)	(63,196)
General Receipts:		
Property Taxes		47,263
Grants and Contributions		
Not Restricted to Specific Programs		4,517
Miscellaneous		12,172
Total General Receipts		63,952
Increase in Net Position		756
Net Position - Beginning of year		55,215
Net Position - End of year		\$ 55,971

The notes to the financial statements are an integral part of this statement.

JEFFERSON COUNTY HISTORICAL SOCIETY
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
ENTITY FUNDS
June 30, 2016

	General Fund	Total Entity Funds
ASSETS		
Cash and Cash Equivalents (Note 1.D)	\$ 12,613	\$ 12,613
Investments (Note 1.D)	43,358	43,358
TOTAL ASSETS	\$ 55,971	\$ 55,971
 FUND BALANCES		
Unassigned	55,971	55,971
TOTAL CASH BASIS FUND BALANCES	\$ 55,971	\$ 55,971

The notes to the financial statements are an integral part of this statement.

**JEFFERSON COUNTY HISTORICAL SOCIETY
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES
ENTITY FUNDS**

For the Year Ended June 30, 2016

	<u>General Fund</u>	<u>Total Entity Funds</u>
RECEIPTS		
Property Taxes	\$ 47,263	\$ 47,263
Intergovernmental	4,517	4,517
Miscellaneous	12,172	12,172
TOTAL RECEIPTS	<u>63,952</u>	<u>63,952</u>
DISBURSEMENTS		
General Entity	63,196	63,196
TOTAL DISBURSEMENTS	<u>63,196</u>	<u>63,196</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>756</u>	<u>756</u>
CASH BASIS FUND BALANCES - BEGINNING		
	<u>55,215</u>	<u>55,215</u>
CASH BASIS FUND BALANCES - ENDING		
	<u><u>\$ 55,971</u></u>	<u><u>\$ 55,971</u></u>

The notes to the financial statements are an integral part of this statement.

JEFFERSON COUNTY HISTORICAL SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Jefferson County Historical Society (Society) are prepared in accordance with the cash basis of accounting. The Society's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this Note.

A. Reporting Entity

The Society is a public body within the State of Nebraska and is incorporated as a non-profit 501(c)(3) corporation. The Society operates under a Board of Directors elected by the members of the Society. The administration of the Society is directed by the Board. The Society's purpose is to preserve the area's history and to maintain and run several historical sites near Fairbury, Nebraska.

The financial reporting entity consists of the Society, which is the primary government.

In determining the financial reporting entity, the Society complies with the provisions of GASB Statement No. 61 and has addressed all potential component units (traditionally separate reporting entities) for which the Society may be financially accountable and, as such, should be included within the Society's financial statements. The Society (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Society. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. Based on these criteria, the Society has no component units and is not considered a component unit of any other governmental entity.

B. Basis of Presentation

Entity-Wide Financial Statements. The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the Society. The Society did not have any business-type activities in fiscal year 2016; thus, the Society reports only entity activities. Entity activities are generally financed through taxes, intergovernmental receipts, and other nonexchange receipts.

The Statement of Activities demonstrates the degree to which the direct disbursements of a given function or segment is offset by program receipts. Direct disbursements are those that are clearly identifiable with a specific function or segment. Program receipts

JEFFERSON COUNTY HISTORICAL SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

B. Basis of Presentation (Concluded)

include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program receipts are reported instead as general receipts.

Fund Financial Statements. Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, fund equity, receipts, and disbursements. Funds are organized into two major categories: entity and proprietary. An emphasis is placed on major funds within the entity and proprietary categories. Major funds are funds whose receipts, disbursements, or assets are at least 10 percent of corresponding totals for all entity or enterprise funds and at least five percent of the aggregate amount for all entity and enterprise funds. Any other fund may be reported as a major fund if the Society's officials believe that fund is particularly important to financial statement users.

The Society reports only the following type of funds:

General Fund: The General Fund is the primary operating fund of the Society and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

The Society does not report any proprietary funds.

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus. The financial statements were reported on the basis of cash receipts and disbursements. As such, the measurement focus includes only those assets and net position/fund balances arising from cash transactions. This differs from governmental GAAP, which requires the entity-wide financial statements to be reported using the "economic resources" measurement focus and the entity fund financial statements to be reported using the "current financial resources" measurement focus.

Basis of Accounting. The financial statements are presented using the cash basis of accounting. Under this basis, receipts are recognized when received, and disbursements are recognized when paid. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

JEFFERSON COUNTY HISTORICAL SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

C. **Measurement Focus and Basis of Accounting** (Concluded)

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) *are not recorded* in these financial statements.

D. **Assets and Net Position**

Cash and Cash Equivalents. The Society's "cash and cash equivalents" include all demand accounts and savings accounts, including certificates of deposit.

Investments. During fiscal year 2016, the Society maintained an investment account in a mutual fund. All investments are stated at fair value based on quoted market prices. As of June 30, 2016, the balance of this investment account was \$43,358; however, during the year, the Society incurred a loss on investments of \$1,560, which has been recorded as a miscellaneous disbursement in the financial statements.

This investment account was created in February 2007 after the Society received an estate distribution totaling approximately \$315,291 during 2006 and 2007. Of this total donation, \$110,000 was invested in the account. The remaining funds were used for the development of a garden, building improvements and repairs, and repairs to rail-car doors.

Capital Assets. Under the cash receipts and disbursements basis of accounting, capital assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisitions are reflected as disbursement, and depreciation is not recorded. This differs from GAAP, which requires capital assets, including property, plant, and equipment, to be capitalized and depreciated over the life of the asset.

Long-Term Debt. Under the cash basis of accounting, proceeds from the issuance of long-term debt increase receipts, and payment of long-term debt increases disbursements.

The Society did not have any long-term debt as of June 30, 2016.

Net Position and Fund Balance Classifications

Entity-Wide Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

JEFFERSON COUNTY HISTORICAL SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

D. Assets and Net Position (Concluded)

- b. Restricted net position – Consists of net position with constraints placed on its use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for use, it is the Society’s policy to use restricted resources first, then unrestricted resources as they are needed.

The Society had an Unrestricted Net Position of \$55,971 at June 30, 2016, in the entity-wide financial statements.

Fund Financial Statements

Entity equity is classified as fund balance.

Effective July 1, 2010, the Society adopted GASB Statement No. 54, which redefined how fund balances of the entity funds are presented in the financial statements. Fund balances are classified as follows:

Nonspendable – Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of Society bylaws, State or Federal laws, or externally imposed conditions by grantors or creditors.

Committed – Amounts that can be used only for specific purposes determined by a formal action by Society Board.

Assigned – Amounts that are designated by the Society for a specific purpose but are not spendable until a budget ordinance is passed by the Society Board.

Unassigned – All amounts not included in other spendable classifications.

Restricted funds are used first as appropriate. Assigned funds are reduced to the extent that expenditure authority has been budgeted by the Society Board. Decreases to fund balance first reduce Unassigned fund balance; in the event that Unassigned fund balance becomes zero, then Assigned and Committed funds are used, in that order.

The Society had an Unassigned Fund Balance of \$55,971 at June 30, 2016, in the fund financial statements.

JEFFERSON COUNTY HISTORICAL SOCIETY

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

E. Receipts and Disbursements

Property Taxes. The received property and other taxes from the County is authorized under Neb. Rev. Stat. 23-355.01 (Reissue 2012).

The tax levies for all political subdivisions in Jefferson County are certified by the County Board on or before October 15. Real estate and personal property taxes are due and attach as an enforceable lien on property on January 1. The real estate and personal property taxes become delinquent in two equal installments on May 1 and September 1. Delinquent taxes bear 14 percent interest.

Property taxes are collected on behalf of the Society by Jefferson County, which then remits the funds collected to the Society. Property taxes levied are recorded as receipts when received by the County. Cash available for the Society at the Jefferson County Treasurer's office has been included in the beginning and ending fund balances of the Entity Fund. Additionally, receipts reflect actual tax receipts collected by the County Treasurer during the fiscal year ended June 30, 2016, for the Society.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

By its nature, the Society is subject to various Federal, State, and local laws and contractual regulations. An analysis of the Society's compliance with significant laws and regulations and demonstration of its stewardship over Society resources follows:

A. Fund Accounting Requirements

The Society complies with all State and local laws and regulations requiring the use of separate funds.

B. Deposit Laws and Regulations

Custodial credit risk is the risk that, in the event of a bank failure, an entity's deposits may not be returned to it. The Society's deposit policy for custodial credit risk requires compliance with the provisions of State law.

State law requires collateralization of all deposits with Federal depository insurance or with U.S. Treasury and U.S. agency securities having an aggregate value at least equal to the amount of the deposits. The Society's demand deposits and certificates of deposit/savings accounts are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). Any cash deposits or certificates of deposit in excess of the FDIC limits are to be insured by collateral held by the pledging institution in the Society's name.

JEFFERSON COUNTY HISTORICAL SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

C. Budgetary Data

The Society is required by State laws to adopt annual budgets for all fund types. Each budget is presented on the cash basis of accounting, which is consistent with the requirements of the Nebraska Budget Act.

The Nebraska Budget Act provides the prescribed budget practices and procedures that governing bodies are required to follow. The amounts that may be budgeted for certain specific funds are subject to various expenditure and/or tax levy limitations.

The Society follows these procedures in establishing the budgetary data reflected in the accompanying financial statements.

- a. On or before August 1, the Society prepares a budget for the fiscal year commencing July 1. The budget includes proposed expenditures and resources available.
- b. The budget is published with subsequent public hearings to obtain taxpayer comments.
- c. Prior to September 20, the Society Board adopts the budget, which is then filed with the appropriate State and county officials.
- d. Total expenditures may not legally exceed total appropriations. Appropriations lapse at year end, and any revisions require board approval.
- e. Appropriations lapse at the end of the fiscal year, except for capital improvement appropriations and certain encumbrances against operating budgets.
- f. The County Clerk certifies a preliminary property tax levy for the benefit of the Society based on the combined valuation and amount required for the Society the prior year. The preliminary levy becomes the final levy unless the County's governing board passes, by a majority vote, a resolution setting the levy at a different amount.
- g. The property tax requirements resulting from the budget process are utilized by the County Assessor to establish the tax levy. Taxes are levied annually on or before October 15. Real property taxes and personal property taxes are due December 31 with the first half delinquent May 1 and the second half delinquent September 1.
- h. The Society adopts a budget by Board approval.

3. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

The following notes present detail information to support the amounts reported in the financial statements for the Society's various assets, fund balances, receipts, and disbursements.

JEFFERSON COUNTY HISTORICAL SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

(Concluded)

A. Deposits and Investments

The Society's policies regarding deposits of cash are discussed in Note 2B. The categories of collateral are defined as follows:

Category 1 – Insured by FDIC or collateralized with securities held by the Society (or public trust) or by its agent in its name.

Category 2 – Uninsured but collateralized with securities held by the pledging financial institution's trust department or agent in the Society's name.

Category 3 – Uninsured and uncollateralized or collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the Society's name, or collateralized with no written or approved collateral agreement.

At year end, the Society's carrying amount of cash deposits was \$12,613. The bank balance for all accounts was \$12,254. For purposes of classifying categories of custodial risk, the bank balances of the Society's deposits, as of June 30, 2016, were fully insured by FDIC.

The Society has an investment account that is stated at fair value. Investments consisted of \$43,358 in Equity Investments. In the event of the failure of the counterparty or loss of market value, the Society would not be able to recover the value of its investments.

4. OTHER NOTES

A. Risk Management

The Society is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Society purchases commercial insurance to minimize the effect of possible exposure to these risks. There have been no significant reductions in insurance coverage from coverage in the prior year. During the past three fiscal years, there have been no settlements exceeding the amount of the Society's insurance coverage.

B. Commitments and Contingencies

Credit Card Debt

As noted in the APA's May 23, 2016, letter to the Society, the Society had overdue credit card debt of \$8,064 at July 1, 2015. Over the course of the fiscal year, the Society made multiple payments, and as of June 30, 2016, the outstanding balance was paid off.

C. Subsequent Events

Management has evaluated subsequent events through August 29, 2016, the date on which the financial statements were available for issue.

JEFFERSON COUNTY HISTORICAL SOCIETY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 50,707	\$ 50,707	\$ 47,263	\$ (3,444)
Intergovernmental	-	-	4,517	4,517
Miscellaneous	15,000	15,000	12,172	(2,828)
TOTAL RECEIPTS	<u>65,707</u>	<u>65,707</u>	<u>63,952</u>	<u>(1,755)</u>
DISBURSEMENTS				
General:				
Wages	-	-	23,682	(23,682)
Advertising	-	-	2,205	(2,205)
Cleaning Supplies	-	-	68	(68)
Credit Card Payments	-	-	9,819	(9,819)
Elevator Maintenance	-	-	1,253	(1,253)
Equipment Rental	-	-	795	(795)
Fire Alarm Service	-	-	852	(852)
Fire Extinguisher Inspection	-	-	79	(79)
Gasoline	-	-	212	(212)
Gift Shop Inventory	-	-	162	(162)
Insurance	-	-	3,058	(3,058)
Internet	-	-	729	(729)
Membership Fees	-	-	40	(40)
Mileage	-	-	35	(35)
Mowing	-	-	330	(330)
Office Supplies	-	-	177	(177)
Repairs	-	-	4,155	(4,155)
Sales Tax Paid	-	-	27	(27)
Telephone	-	-	1,559	(1,559)
Utilities	-	-	11,971	(11,971)
Miscellaneous	88,000	88,000	1,988	86,012
TOTAL DISBURSEMENTS	<u>88,000</u>	<u>88,000</u>	<u>63,196</u>	<u>24,804</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(22,293)</u>	<u>(22,293)</u>	<u>756</u>	<u>23,049</u>
FUND BALANCE - BEGINNING	<u>55,215</u>	<u>55,215</u>	<u>55,215</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 32,922</u>	<u>\$ 32,922</u>	<u>\$ 55,971</u>	<u>\$ 23,049</u>

JEFFERSON COUNTY HISTORICAL SOCIETY
BYLAWS

JEFFERSON COUNTY HISTORICAL SOCIETY, INC.
Fairbury, Nebraska
BYLAWS
Adopted in accordance with Amendment No. 1 of the Articles of Incorporation

ARTICLE 1
MEETINGS, MEMBERSHIP AND DUES

Section 1. Annual Meetings. The annual meeting of the members for the election of directors and officers, and for the transaction of such other business as may properly come before such meeting, shall be held on the first ~~Friday~~^{Thursday} of October of each year.

Section 2. Special Meetings. A special meeting of the members may be called at any time by the President or by the Board of Directors, and shall be called by the President upon written request of twenty-five percent (25%) of the members in good standing, provided, however, said written request must state the purpose of the meeting.

Section 4. Notice of Meeting. Whenever a special meeting is called, each of said members shall be notified of the proceedings, either by mail or at the direction of the President or Secretary, or the officers or persons calling such meeting.

Section 5. Quorum. A quorum for any meeting required, herein set forth, shall be twelve (12) members belonging to the corporation in good standing plus a quorum of the Board of Directors.

Section 6. Voting. Each voting member shall be entitled to one vote and must be present at the meeting to exercise their right to vote.

Section 7. Memberships. Any citizen of the United States who shall profess an interest in the history of Jefferson County, Nebraska, and surrounding territory shall be eligible for membership in this corporation if recommended by a member of the Board of Directors, a member of the membership committee, or any member of the corporation in good standing (dues paid up) when accompanied by the payment of the annual or multiple dues provided in Article VIII of these bylaws.

1. There shall be two classes of memberships, Senior and Junior.

2. Senior members hereinafter referred to as members, are all members eighteen (18) years of age or older, who will enjoy all the rights and privileges of this corporation, including the right to vote and hold office.

3. Junior members hereinafter referred to as Junior members, under (18) years of age, shall have all the rights and privileges of this corporation, except the right to vote or hold office

JEFFERSON COUNTY HISTORICAL SOCIETY

BYLAWS
(Continued)

4. The Board of Directors have the right to reject any application for membership, or to revoke any current membership that they feel would not be, or is not, in the best interest of the corporation as specified in the Articles. If the Board of Directors revoke any current membership, said member shall have the right to appeal the decision of the Board of Directors to a tribunal appointed by the President of the corporation. Upon revocation of any current membership, any advanced paid dues shall be refunded on a pro rata basis.

5. All membership dues expire September 30, payable beginning September 1.

6. Membership and dues are not transferable.

7. Dues may be paid annually or in multiples as listed in Article VIII of these bylaws.

8. A membership card is to be issued with each payment of dues.

9. All membership cards are to be issued subject to acceptance or rejection of the Board of Directors.

10. If the Board of Directors do not notify a member of rejection within 60 days, it may be considered accepted.

ARTICLE II

Powers, Number and Election of Board of Directors

Section 1. General Powers. The business of the corporation shall be managed by the Board of Directors, except as otherwise provided by Statute or by the Articles of Incorporation.

Section 2. Number of Directors. The number of Directors shall be seven (7) and the officers shall be elected from the Board of Directors.

× **Section 3. Election of Directors and Officers.** The Directors and officers shall be elected annually by the members of the Corporation, from the membership, and in said election, each member shall have one vote.

Section 4. Terms of Directors and Officers. The Directors shall hold office until their successors are respectively elected and qualified and the Board of Directors shall hold office for three years. Two director terms to expire in one year, two the next, and three the third year, thereafter terms to run for three-year periods.

(a) It shall be the duty of the retiring President to appoint a committee for the purpose of submitting names for new Directors and officers at the annual meeting, and in addition thereto, nominations may be made for either Directors or officers by any qualified member present at the annual meeting and in good standing.

Section 5. Vacancy. Any vacancy occurring in the Board of Directors, and any directorship to be filled by reason of an increase in the number of Directors may be filled by the Board of

JEFFERSON COUNTY HISTORICAL SOCIETY

BYLAWS
(Continued)

Directors, and shall be filled within thirty (30) days following the Board being notified of the vacancy.

ARTICLE III
MEETINGS OF THE BOARD OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held the first ~~Friday~~ ^{Thursday} of each month, without the call of formal notice.

Section 2. Quorum. A quorum for any directors meeting shall be a majority. In case of a tie, the President may decide the vote.

Section 3. Director -Membership Aiding Meetings. The President may call meetings aside from normal director meetings to include the presence of members of the society and visitors to held and aid in carrying out its work and programs and to help in he future welfare of the society.

Any member may take part in discussions, suggestions, and make or propose motions to the Board of Directors. Meetings shall be conducted under the Roberts Rules of Order. A simple majority of the members present when accompanied by a quorum of directors may decide the order of business if it does not conflict with the Articles of Incorporation or other sections of the bylaws, except, that any director present may call for a majority vote of the Board of Directors present and their decision shall be final. Such meetings may be open to the public who may enter into discussions, but only members in good standing shall be entitled to vote. Programs, lectures, etc., may be part of the business.

ARTICLE IV
OFFICERS

Section 1. Number. The corporation shall have a President, a Vice-President, a Secretary and a Treasurer, to be elected by the members of this corporation from the membership of the Board of Directors annually.

Section 2. Failure to Elect. A failure to elect annually a President, a Vice-President, Secretary or Treasurer, or any other officer, shall not dissolve the corporation.

Section 3. Vacancies. Any vacancy in the office of President, Secretary or Treasurer by death, resignation, removal or otherwise, shall be filled for the unexpired portion of the term by the Board of Directors from its board members, and shall be filled within thirty (30) days following notification of said vacancy.

Section 4. President. The President shall be the chief officer of the corporation and subject to the direction and under the supervision of the Board of Directors, shall have general charge of the business affairs and property of the corporation and control over its officers, agents and employees. The President shall preside at all meetings of the members and of the Board of Directors at which he is present. The President shall do and perform such other duties and exercise such powers as from time to time may be assigned to him by these bylaws or the Board of Directors.

JEFFERSON COUNTY HISTORICAL SOCIETY

BYLAWS
(Continued)

Section 5. Vice-President. At the request of the President or in his absence or disability, the Vice-President shall perform all the duties of the President and such other duties as the Board of Directors of these bylaws may assign to him.

Section 6. Secretary. The Secretary shall record all the proceedings of the meetings of the corporation or the meetings of the Board of Directors, send out all notices required by the Articles of Incorporation, the bylaws or the laws of the State of Nebraska, and perform all the duties and have all the powers incidental to the office of Secretary.

Section 7. Treasurer. The Treasurer shall handle all the finances of the corporation and perform all the duties and have all the power incidental to the office of Treasurer. The Treasurer shall be bonded in an amount not less than the intangible worth of said corporation.

Section 8. Salaries. No officer shall receive any salary for the performance of the duties herein set forth.

ARTICLE V

Contracts, Loans, Checks, Deposits, Contributions

Section 1. Execution of Instruments. All documents, instruments of wiring, except checks or drafts shall be signed, executed and delivered by such officer or officers and in such manner as the Board of Directors may from time to time determine.

Section 2. Checks and Drafts. All checks and drafts shall be signed by the Treasurer and countersigned by the President with three Board members having signature authorization as determined by the Board to cover absentee contingencies.

Section 3. Deposits. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the Board of Directors may select.

Section 4. Contributions. Any contributions, bequests or gifts made to the corporation shall be accepted or collected and deposited only in such manner as shall be designated by the Board of Directors. The corporation may accept grants and funds, funds contributed for a specific purpose will be used for that purpose to the best ability of the Corporation, as determined by Board policy, for those purposes consistent with the Articles of Incorporation and which do not impair the corporation's exemption from federal income tax under Section 501 (c) (3) of the Internal Revenue Code.

ARTICLE VI

SEAL

The corporation seal shall be in the form of a circle and shall bear the name of the corporation and the year of its incorporation and indicate its formation under the laws of the State of Nebraska.

JEFFERSON COUNTY HISTORICAL SOCIETY

BYLAWS
(Concluded)

ARTICLE VII
FISCAL YEAR

The fiscal year of this corporation shall begin on July 1st and end June 30th.

ARTICLE VIII
DUES

Section 1. Changes In Dues. Changes in dues shall be made by a majority vote of those members attending a regular meeting with such changes effective September 1 of the current year.

Section 2. Classification of Dues:

Annual membership dues	\$5.00	20.00
Supporting membership dues (advances dues 5 years)	\$20.00	35.00
Sustaining membership dues (advances dues 10 years)	\$30.00	45.00
Life membership (include paid for life)	\$35.00	175.00
Junior memberships (under 18 years of age)	\$2.00	5.00

ARTICLE IX
AMENDMENTS

These bylaws may be altered or repealed at any meeting at which a quorum of the Board of Directors is present, or at any meeting of this corporation called for that purpose, or at any annual meeting.

Updated and Amended, This Date, The ^{11th} ~~Second~~ of ^{November 2015,} ~~May, 1997.~~

Signed,

~~Belva Cassell,~~ Jim Cunningham
President

**JEFFERSON COUNTY HISTORICAL SOCIETY
FISCAL YEAR 2016 DISBURSEMENTS**

	<i>Source: Trial Balance</i>				<i>Source: Board Minutes</i>		<i>Source: Bank stmt</i>	
	Check Register Date	Check Number	Payee	Description	Amount	Date Approved	Amount On Claims List	Cleared Date
1	07/14/2015	2454	Audrey Schoenbeck	Wages	\$ 680.00	07/09/2015	\$ 680.00	07/14/2015
Audrey was treated as a contract employee. There was no contract. Paycheck for the month of June 2015 for 80 hours worked in June 2015 at \$8.50 an hour. The \$8.50 rate was not approved by the Board. The Board received the APA's draft letter in April 2016. Then, May meeting minutes approved the \$9 hourly rate of pay. Therefore, there was not adequate approval on file for the payments at \$8.50 per hour from July 2015 through May 2016. Additionally, the timesheet did not contain a supervisor's signature, so there is no verification of the hours worked.								
2	07/14/2015	2455	Denise Andersen	Wages	\$ 1,000.00	07/09/2015	\$ 1,000.00	07/14/2015
The Curator was treated as a contract employee. There was no contract. No other supporting documentation was on file. The Curator was not required to complete a timesheet. The salary amount did not agree to the last amount approved by the Board in 2006. Ms. Andersen was paid \$1,000 per month until November 2015, at which time she was paid \$1,350 per month. There was no approval for an increase in her salary in the November 2015 meeting minutes. After the Board received the APA's draft letter in April 2016, they approved her current salary at a rate of \$1,350 per month. Therefore, the rates paid from July 2015 to April 2016 were not approved.								
3	N/A	EFT	Windstream	Telephone	\$ 126.60	07/09/2015	\$ 126.60	07/08/2015
The Windstream bills are paid by EFT. The invoice is dated 06/18/2015 for service at the Rock Island Depot Railroad Museum from 06/16/2015 to 07/15/2015. It is for two access lines and other charges and fees. The phone number of the account is 402-729-5131, which is the number for the Rock Island Museum. The funds were withdrawn on 07/8/2015, prior to the 07/9/2015 Board meeting.								
4	N/A	EFT	Fairbury Light & Water	Utilities	\$ 469.84	07/09/2015	\$ 468.84	07/01/2015
The Fairbury Light and Water Department bills are paid by EFT. A statement dated 06/10/2015 for the 910 Bacon Road (Depot) property was provided totaling \$469.84 for electricity, water, sewer, and trash charges from 05/04/2015-06/02/2015. Supporting documentation does not agree to amount approved. The amount approved was \$1 less than paid. The funds were withdrawn on 07/1/2015 prior to the 07/9/2015 Board meeting.								
5	N/A	EFT	Fairbury Light & Water	Utilities	\$ 158.25	07/09/2015	\$ 158.25	07/15/2015
The Fairbury Light and Water Department bills are paid by EFT. A statement dated 06/24/2015 for the following properties and amounts: Steele City School House \$31.65, Steele City Blacksmith shop \$31.65, Steele City Bank and Livery Stable \$31.65, Steele City Old Church \$31.65, Steele City Storage/Saw Mill \$31.65, all for electricity only. The total was \$158.25 for the period 05/21/2015-06/17/2015.								
6	N/A	EFT	Black Hills	Utilities	\$ 50.73	07/09/2015	\$ 50.73	07/06/2015
Invoice with billing date 06/16/2015 for \$50.73 for service to Rock Island Depot. Includes gas rate based on meter reading and other charges, fees, and taxes. The funds were withdrawn on 07/6/2015, prior to the 07/9/2015 Board meeting.								
7	N/A	EFT	Norris Public Power	Utilities	\$ 36.01	07/09/2015	\$ 36.01	07/30/2015
Invoice with billing date 06/12/2015 for \$28.85 for electric service to the Diller bank building for the period 04/29/2015 to 05/29/2015. Includes electric service taxes and other fees. The invoice provided does not agree to the amount paid. However, the APA later found the correct invoice with the September 2015 claims. That invoice was dated 07/13/2015 for \$36.01 for services provided from 05/29/2015 to 06/29/2015.								

(Continued)

**JEFFERSON COUNTY HISTORICAL SOCIETY
FISCAL YEAR 2016 DISBURSEMENTS**

<i>Source: Trial Balance</i>					<i>Source: Board Minutes</i>		<i>Source: Bank stmt</i>	
Check Register Date	Check Number	Payee	Description	Amount	Date Approved	Amount On Claims List	Cleared Date	
N/A	N/A	Sandra Gapp	-----No Check Written-----		07/09/2015	\$ 45.33	N/A	
The Board meeting minutes reflected a payment to Sandra Gapp. However, no such check was written or cashed for this timeframe.								
N/A	N/A	Diode Communications	-----No Check Written-----		07/09/2015	\$ 60.72	N/A	
The Board meeting minutes reflected a payment to Diode Communications. However, no such check was written or cashed for this timeframe. It appears that the check was included in the following month's payment.								
July Expenditures				\$ 2,521.43		\$ 2,626.48	\$ 105.05	
8	08/13/2015	2456	Audrey Schoenbeck	Wages	\$ 782.00	No meeting held	\$ 782.00	08/18/2015
Audrey was treated as a contract employee. There was no contract. Paycheck for the month of July 2015 for 92 hours worked in July 2015 at \$8.50 an hour. The \$8.50 rate was not approved by the Board. The Board received the APA's draft letter in April 2016. Then, May meeting minutes approved the \$9 hourly rate of pay. Therefore, there was not adequate approval on file for the payments at \$8.50 per hour from July 2015 through May 2016. Additionally, the timesheet did not contain a supervisor's signature, so there is no verification of the hours worked. There was no meeting so Board did not approve.								
9	08/13/2015	2457	Dick Schmeling	Gift Shop Inventory	\$ 124.12	No meeting held	\$ 124.12	08/21/2015
Invoice dated 06/29/2015 from Richard Schmeling for 10 copies of "America's Shortest Interstate Railroad" at \$11.79 per copy, plus \$6.22 shipping for a total of \$124.12. There was no meeting, so the Board did not approve.								
10	08/13/2015	2458	Maatsch Oil Co.	Gasoline	\$ 152.47	No meeting held	\$ 152.47	08/19/2015
The Society has a gas charge account at Maatsch Oil Company. There were four purchases of gas as follows: 07/5/2015 23.047 gallons for a total of \$65.66 by Denise Andersen, 07/7/2015 for 6.091 gallons for a total of \$17.35 by Zach Schacht, 07/8/2015 14.86 gallons for a total of \$38.62 by Zach Schacht, and 07/18/2015 10.824 gallons for a total of \$30.84 by Zach Schacht. Those four invoices total \$152.47. There was no meeting, so the Board did not approve. The Board did not have procedures to ensure these gas purchases were for business use only.								
11	08/13/2015	2459	Diode Communications	Internet	\$ 121.44	No meeting held	\$ 60.72	08/20/2015
Invoices from Diode Communications dated 08/1/2015 provided totaling \$40.72 and \$20, with past due amounts of \$40.72 and \$20. This is for internet service at the Diller location - wireless internet equipment and service and webhosting for the period 08/01/2015-08/31/2015. Board approved July payment at July meeting, but the check was never sent. There was no meeting in August, so August payment was not approved.								
12	08/13/2015	2460	Steve Taylor	Mowing	\$ 210.00	No meeting held	\$ 210.00	08/21/2015
Invoice from Steve Taylor providing totaling \$210 for 7 mowings of District 10 Schoolhouses at \$30 each. The invoice was inadequate because it did not indicate which days or times the mowing took place to ensure there were no duplicate payments. There was no meeting, so the Board did not approve.								
13	08/13/2015	2461	Scherbarth Ace Hardware	Repairs	\$ 159.07	No meeting held	\$ 159.07	08/21/2015
Invoice dated 07/18/2015 for a hose discharge and sump pump. Handwritten note indicated it was for Steele City Church. Total amount with tax was \$159.07. There was no meeting, so the Board did not approve.								

**JEFFERSON COUNTY HISTORICAL SOCIETY
FISCAL YEAR 2016 DISBURSEMENTS**

	<i>Source: Trial Balance</i>					<i>Source: Board Minutes</i>		<i>Source: Bank stmt</i>
	Check Register Date	Check Number	Payee	Description	Amount	Date Approved	Amount On Claims List	Cleared Date
14	08/13/2015	2462	O'Keefe Elevator	Elevator Maintenance	\$ 275.58	No meeting held	\$ 275.58	08/20/2015
	No invoice was provided. The maintenance agreement from 2012 indicated the amount was \$245. However, there is a provision for an annual increase, which is not defined. Amount paid is not supported by adequate documentation. There was no meeting, so the Board did not approve.							
15	08/13/2015	2463	Denise Andersen	Wages	\$ 1,000.00	No meeting held	\$ 1,000.00	08/18/2015
	The Curator was treated as a contract employee. There was no contract. No supporting documentation was on file. The Curator was not required to complete a timesheet. The salary amount did not agree to the last amount approved by the Board in 2006. Ms. Andersen was paid \$1,000 per month until November 2015, at which time she was paid \$1,350 per month. After the Board received the APA's draft letter in April 2016, they approved her current salary at a rate of \$1,350 per month. Therefore, the rates paid from July 2015 to April 2016 were not approved. There was no meeting, so the Board did not approve.							
16	08/13/2015	2464	Sandra Gapp	Utilities	\$ 45.33	No meeting held	\$ 45.33	08/24/2015
	No supporting documentation was on file. The APA had previously obtained a lease agreement between the Society and Sandra Gapp for the use of 56535 River Road in Fairbury to be used as her private residence. The resident was to pay all utilities per the agreement from 2006. However, there was no support for the amount of the utilities paid. In its May 2016 Board meeting, after the APA drafted its initial letter to the Society, the minutes indicated that the minimum utility rates would be \$45.33 per month. The amended lease provided to the APA was not signed by either party and included a handwritten addition to the original lease. There was no meeting, so the Board did not approve.							
17	08/13/2015	2465	Wheel N Deal	Equipment Rental	\$ 295.38	Not approved	\$ -	01/05/2016
	Statement dated 07/14/2015 from Wheel-N-Deal Auto Sales was for a skid loader rental of \$295.38. The skid loader was rented from 07/11/2015 to 07/13/2015. A second statement was included that was dated 11/8/2015 and included the same \$295.38 charge, plus an additional \$17.04 for late interest. Check was written in August and did not clear until January. Amount was not included in August claims. It does not appear that the interest amount was paid. There was no meeting, so the Board did not approve.							
18	08/10/2015	EFT	Capital One	Credit Card	\$ 1,000.00	No meeting held	\$ 1,000.00	08/10/2015
	APA obtained the credit card statement. There were no purchases made during the period covering 07/3/2015 to 08/2/2015. There was \$243.02 in fees and interest and the ending balance was \$8,306.61. There was no meeting, so the Board did not approve.							
19	08/13/2015	EFT	Windstream	Telephone	\$ 130.60	No meeting held	\$ 130.60	08/11/2015
	The Windstream bills are paid by EFT. The invoice is dated 07/20/2015 for service at the Rock Island Depot Railroad Museum from 07/16/2015 to 08/15/2015. It is for two access lines and other charges and fees. The phone number of the account is 402-729-5131, which is the number for the Rock Island Museum. There was no meeting, so the Board did not approve.							
20	08/13/2015	EFT	Fby Light & Water	Utilities	\$ 649.65	No meeting held	\$ 649.65	08/05/2015
	The Fairbury Light and Water Department bills are paid by EFT. A statement dated 07/15/2015 for the 910 Bacon Road (Depot) property was provided totaling \$649.65 for electricity, water, sewer, and trash charges from 06/02/2015-07/01/2015. There was no meeting, so the Board did not approve.							

(Continued)

**JEFFERSON COUNTY HISTORICAL SOCIETY
FISCAL YEAR 2016 DISBURSEMENTS**

	<i>Source: Trial Balance</i>				<i>Source: Board Minutes</i>		<i>Source: Bank stmt</i>	
	Check Register Date	Check Number	Payee	Description	Amount	Date Approved	Amount On Claims List	Cleared Date
21	08/13/2015	EFT	Fby Light & Water	Utilities	\$ 161.90	No meeting held	\$ 161.90	08/19/2015
The Fairbury Light and Water Department bills are paid by EFT. A statement dated 07/29/2015 for the following properties and amounts: Steele City School House \$31.65, Steele City Blacksmith shop \$32.62, Steele City Bank and Livery Stable \$32.29, Steele City Old Church \$33.48, Steele City Storage/Saw Mill \$31.86, all for electricity only. The total was \$161.90 for the period 06/17/2015-07/22/2015. There was no meeting, so the Board did not approve.								
22	08/13/2015	EFT	Black Hills	Utilities	\$ 33.25	No meeting held	\$ 33.25	08/05/2015
Invoice with billing date 07/16/2015 for \$33.25 for service to Rock Island Depot. Includes gas rate based on meter reading and other charges, fees, and taxes. There was no meeting, so the Board did not approve.								
23	08/13/2015	EFT	Norris Public Power	Utilities	\$ 29.97	No meeting held	\$ 29.97	08/31/2015
Invoice with billing date 08/12/2015 for \$29.97 for electric service to the Diller bank building for the period 6/29/2015 to 7/31/2015. Includes electric service taxes and other fees. There was no meeting, so the Board did not approve.								
August Expenditures					\$ 5,170.76		\$ 4,814.66	\$ (356.10)
24	09/10/2015	2466	Audrey Schoenbeck	Wages	\$ 748.00	09/10/2015	\$ 748.00	09/15/2015
Audrey was treated as a contract employee. There was no contract. Paycheck for the month of August 2015 for 88 hours worked in August 2015 at \$8.50 an hour. The \$8.50 rate was not approved by the Board. The Board received the APA's draft letter in April 2016. Then, May meeting minutes approved the \$9 hourly rate of pay. Therefore, there was not adequate approval on file for the payments at \$8.50 per hour from July 2015 through May 2016. Additionally, the timesheet did not contain a supervisor's signature, so there is no verification of the hours worked.								
25	09/10/2015	2467	Fairbury Journal News	Advertising	\$ 78.40	09/10/2015	\$ 78.80	09/17/2015
Invoice dated 09/3/2015 for notice of budget hearing and budget summary advertising expense of \$78.40. Publication was provided to APA with a copy of the 2015-2016 budget submitted by the Society and indicated it was published on September 2, 2015. The amount on the claims listing did not agree to the amount of the warrant by \$.40.								
26	09/10/2015	2468	NECO	Fire Alarm Service	\$ 115.62	09/10/2015	\$ 115.62	09/17/2015
Invoice was not dated but indicated the service was for the period June through August 2015 quarterly billing for fire alarm/sprinkler testing. \$107.55 monitoring and \$8.07 tax for a total of \$115.62.								
27	09/10/2015	2469	Maatsch	Gasoline	\$ 32.17	09/10/2015	\$ 32.17	09/17/2015
Invoice dated 08/2/2015 for 10.552 gallons of lead free gas at Maatsch Oil Company. The invoice was signed by Zach Schacht. The Board did not have procedures to ensure these gas purchases were for business use only.								
28	09/10/2015	2470	Scherbarth Ace Hardware	Repairs	\$ 453.67	09/10/2015	\$ 453.67	09/18/2015
Invoice dated 08/15/2015 for various supplies and materials, including paint, wood, cleaning supplies, and toilet paper. Invoice was signed by Denise Andersen.								

(Continued)

**JEFFERSON COUNTY HISTORICAL SOCIETY
FISCAL YEAR 2016 DISBURSEMENTS**

	<i>Source: Trial Balance</i>				<i>Source: Board Minutes</i>		<i>Source: Bank stmt</i>	
	Check Register Date	Check Number	Payee	Description	Amount	Date Approved	Amount On Claims List	Cleared Date
29	09/10/2015	2471	Starr-Buckow	Insurance	\$ 2,858.00	09/10/2015	\$ 2,858.00	09/18/2015
Invoice dated 08/31/2015 for the renewal of an insurance policy MBP106366. It appears to be general liability coverage for \$2,858.								
30	09/10/2015	2472	Diode Communications	Internet	\$ 60.72	09/10/2015	\$ 60.72	09/17/2015
Invoices from Diode Communications dated 09/1/2015 provided totaling \$40.72 and \$20. This is for internet service at the Diller location - wireless internet equipment and service and webhosting for the period 09/01/2015-09/31/2015.								
31	09/10/2015	2473	Jefferson Co. Treasurer	Miscellaneous	\$ 28.50	Not approved	\$ -	Still O/S
There was no supporting documentation for this transaction. Additionally the amount was not approved by the Board.								
32	09/10/2015	2474	Pla-Mar Lanes (Jimmy Gould)	Miscellaneous	\$ 30.00	Not approved	\$ -	10/06/2015
There was no supporting documentation for this transaction. Additionally the amount was not approved by the Board.								
33	09/10/2015	EFT	Fby Light & Water	Utilities	\$ 158.89	09/10/2015	\$ 158.80	09/16/2015
The Fairbury Light and Water Department bills are paid by EFT. A statement dated 08/26/2015 for the following properties and amounts: Steele City School House \$31.65, Steele City Blacksmith shop \$31.65, Steele City Bank and Livery Stable \$31.65, Steele City Old Church \$32.29, Steele City Storage/Saw Mill \$31.65, all for electricity only. The total was \$158.89 for the period 07/22/2015-8/19/2015. The amount of the claims list differed from the actual warrant by \$.09.								
34	09/10/2015	EFT	Norris Public Power	Utilities	\$ 40.30	10/08/2015	\$ 36.01	09/30/2015
Invoice with billing date 07/13/2015 for \$36.01 for electric service to the Diller bank building for the period 05/29/2015 to 06/29/2015. Includes electric service taxes and other fees. This invoice does not support the amount paid. However, the APA found the actual invoice that supports this payment with the October 2015 invoices. That invoice is dated 09/11/2015 for the period 07/31/2015 to 08/30/2015 for a total of \$40.30. The claim for this amount was not approved until the October 2015 meeting. The payment was made prior to approval.								
35	09/10/2015	EFT	Black Hills	Utilities	\$ 33.10	09/10/2015	\$ 33.10	09/03/2015
Invoice with billing date 08/14/2015 for \$33.10 for service to Rock Island Depot. Includes gas rate based on meter reading and other charges, fees, and taxes. The bank withdrew the funds on 09/3/2015, prior to the approval at the 09/10/2015 meeting.								
36	09/10/2015	EFT	Fby Light & Water	Utilities	\$ 866.36	09/10/2015	\$ 866.36	09/03/2015
The Fairbury Light and Water Department bills are paid by EFT. A statement dated 08/12/2015 for the 910 Bacon Road (Depot) property was provided totaling \$866.36 for electricity, water, sewer, and trash charges from 07/1/2015-08/3/2015. The bank withdrew the funds on 09/3/2015, prior to the approval at the 09/10/2015 meeting.								

(Continued)

**JEFFERSON COUNTY HISTORICAL SOCIETY
FISCAL YEAR 2016 DISBURSEMENTS**

	<i>Source: Trial Balance</i>				<i>Source: Board Minutes</i>		<i>Source: Bank stmt</i>	
	Check Register Date	Check Number	Payee	Description	Amount	Date Approved	Amount On Claims List	Cleared Date
37	09/10/2015	EFT	Windstream	Telephone	\$ 129.26	09/10/2015	\$ 129.26	09/09/2015
The Windstream bills are paid by EFT. The invoice is dated 08/19/2015, for service at the Rock Island Depot Railroad Museum from 08/16/2015 to 09/15/2015. It is for two access lines and other charges and fees. The phone number of the account is 402-729-5131, which is the number for the Rock Island Museum. The funds were withdrawn on 09/9/2015, prior to the 09/10/2015 Board meeting.								
38	09/10/2015	2475	Denise Andersen	Wages	\$ 1,000.00	09/10/2015	\$ 1,000.00	09/18/2015
The Curator was treated as a contract employee. There was no contract. No supporting documentation was on file. The Curator was not required to complete a timesheet. The salary amount did not agree to the last amount approved by the Board in 2006. Ms. Andersen was paid \$1,000 per month until November 2015, at which time she was paid \$1,350 per month. There was no approval for an increase in her salary in the November 2015 meeting minutes. After the Board received the APA's draft letter in April 2016, they approved her current salary at a rate of \$1,350 per month. Therefore, the rates paid from July 2015 to April 2016 were not approved.								
39	09/10/2015	2476	Sandra Gapp	Utilities	\$ 45.00	09/10/2015	\$ 45.50	09/21/2015
No supporting documentation was on file. The APA had previously obtained a lease agreement between the Society and Sandra Gapp for the use of 56535 River Road in Fairbury to be used as her private residence. The resident was to pay all utilities per the agreement from 2006. However, there was no support for the amount of the utilities paid. In its May 2016 Board meeting, after the APA drafted its initial letter to the Society, the minutes indicated that the minimum utility rates would be \$45.33 per month. The amended lease provided to the APA was not signed by either party and included a handwritten addition to the original lease. The amount of the claims listing differed from the amount of the check by \$.50.								
40	09/20/2015	2477	Rose Anne Zach	Miscellaneous	\$ 160.00	Not approved	\$ -	10/02/2015
There was no supporting documentation for this transaction. Additionally the amount was not approved by the Board.								
41	09/20/2015	2478	Dave Moser	Miscellaneous	\$ 30.00	Not approved	\$ -	09/29/2015
There was no supporting documentation for this transaction. Additionally the amount was not approved by the Board.								
42	09/20/2015	2479	Dulcimers Band	Miscellaneous	\$ 150.00	Not approved	\$ -	09/24/2015
There was no supporting documentation for this transaction. Additionally the amount was not approved by the Board. The check was written to Fred Techat.								
	N/A	N/A	Scherbarth Ace Hardware	-----No Check Written-----		09/10/2015	\$ 158.80	N/A
This was included on the claims list but was later crossed out. There was no check written.								
September Expenditures					\$ 7,017.99		\$ 6,774.81	\$ (243.18)

(Continued)

**JEFFERSON COUNTY HISTORICAL SOCIETY
FISCAL YEAR 2016 DISBURSEMENTS**

	<i>Source: Trial Balance</i>				<i>Source: Board Minutes</i>		<i>Source: Bank stmt</i>	
	Check Register Date	Check Number	Payee	Description	Amount	Date Approved	Amount On Claims List	Cleared Date
43	10/08/2015	2480	Audrey Schoenbeck	Wages	\$ 714.00	10/08/2015	\$ 714.00	10/14/2015
Audrey was treated as a contract employee. There was no contract. Paycheck for the month of September 2015 for 84 hours worked in September 2015 at \$8.50 an hour. The \$8.50 rate was not approved by the Board. The Board received the APA's draft letter in April 2016. Then, May meeting minutes approved the \$9 hourly rate of pay. Therefore, there was not adequate approval on file for the payments at \$8.50 per hour from July 2015 through May 2016. Additionally, the timesheet did not contain a supervisor's signature, so there is no verification of the hours worked.								
44	10/08/2015	2481	Julianne Endorf	Gift Shop Inventory	\$ 37.70	10/08/2015	\$ 37.70	12/14/2015
There was an email from Dennis Kenning that appeared to be for an online order of 60 - 3 inch round custom buttons. It appears the purchase was made using a private credit card. A handwritten note indicated the payment would be made to Julianne.								
45	10/08/2015	EFT	Black Hills	Utilities	\$ 35.86	10/08/2015	\$ 35.86	10/05/2015
Invoice with billing date 09/15/2015 for \$35.86 for service to Rock Island Depot. Includes gas rate based on meter reading and other charges, fees, and taxes. The bank withdrew the funds on 10/5/2015, prior to the approval at the 10/8/2015 meeting.								
46	10/21/2015	EFT	Fby Light & Water	Utilities	\$ 159.65	10/08/2015	\$ 159.65	10/21/2015
The Fairbury Light and Water Department bills are paid by EFT. A statement dated 09/30/2015 for the following properties and amounts: Steele City School House \$31.65, Steele City Blacksmith shop \$32.08, Steele City Bank and Livery Stable \$32.62, Steele City Old Church \$31.65, Steele City Storage/Saw Mill \$31.65, all for electricity only. The total was \$159.65 for the period 08/19/2015-09/22/2015.								
47	10/16/2015	EFT	National Mutual Payment	Insurance	\$ 100.00			
This entry appears to be a duplicate entry of the transaction for check 2484, as it is the same amount and coded to insurance. It does not appear this amount cleared the bank. Therefore, it is just a coding error.								
48	10/08/2015	2482	Fairbury Journal News	Ads-Flea Market	\$ 363.20	10/08/2015	\$ 363.20	10/16/2015
A statement was provided that had two invoices for this payment. Invoice 28993 on 09/10/2015 for \$104.20 for advertising the Steele City Flea Market and invoice 29056 on 09/21/2015 for \$259 for advertising Treasurers and Tractors. The total was \$363.20.								
49	10/19/2015	EFT	Capital One	Credit Card	\$ 1,000.00	Not approved	\$ -	10/19/2015
APA obtained the credit card statement. There were no purchases made during the period covering 09/3/2015 to 10/2/2015. There was \$222.42 in fees and interest and the ending balance was \$7,717.82. This claim was not included on the listing for the Board to approve the payment; therefore it was not approved.								
50	10/08/2015	EFT	Fby Light & Water	Utilities	\$ 765.65	10/08/2015	\$ 765.65	10/07/2015
The Fairbury Light and Water Department bills are paid by EFT. A statement dated 09/16/2015 for the 910 Bacon Road (Depot) property was provided totaling \$765.65 for electricity, water, sewer, and trash charges from 08/3/2015-09/3/2015. The bank withdrew the funds on 10/7/2015, prior to the approval at the 10/8/2015 meeting.								

(Continued)

**JEFFERSON COUNTY HISTORICAL SOCIETY
FISCAL YEAR 2016 DISBURSEMENTS**

	<i>Source: Trial Balance</i>				<i>Source: Board Minutes</i>		<i>Source: Bank stmt</i>	
	Check Register Date	Check Number	Payee	Description	Amount	Date Approved	Amount On Claims List	Cleared Date
51	10/08/2015	2483	Maatsch	Gasoline	\$ 27.07	10/08/2015	\$ 27.07	10/15/2015
	Invoice dated 09/18/2015 for 10.03 gallons of lead free gas for a total of \$27.07. The invoice was signed by Zach Schacht. The Board did not have procedures to ensure these gas purchases were for business use only.							
52	10/08/2015	EFT	Windstream	Telephone	\$ 129.61	10/08/2015	\$ 129.61	10/08/2015
	The Windstream bills are paid by EFT. The invoice is dated 09/18/2015 for service at the Rock Island Depot Railroad Museum from 09/16/2015 to 10/15/2015. It is for two access lines and other charges and fees. The phone number of the account is 402-729-5131, which is the number for the Rock Island Museum.							
53	10/08/2015	2484	Allied Insurance	Insurance	\$ 100.00	10/08/2015	\$ 100.00	10/16/2016
	Billing date 09/14/2015 for the renewal of surety bond for the period of 11/13/2015-11/13/2016. This appears to be the same payment that was due to Nationwide Mutual, above. According to the bank statements, the amount was not paid twice, just recorded twice.							
54	10/08/2015	2485	Starr Plumbing	Equipment Rental	\$ 500.08	10/08/2015	\$ 500.08	10/20/2015
	Two invoices for Starr Plumbing. The first dated 09/27/2015 for a water leak on 08/12/2015 at the Rock Island Depot. The invoice included an expansion tank, tape, and labor for a total of \$125.08. The next invoice was for a portable toilet rental on 09/18/2015 for \$375. Both invoices total \$500.08.							
55	10/08/2015	2486	Diode Communications	Internet	\$ 60.72	10/08/2015	\$ 60.72	10/19/2015
	Invoices from Diode Communications dated 10/1/2015 provided totaling \$40.72 and \$20. This is for internet service at the Diller location - wireless internet equipment and service and webhosting for the period 10/01/2015-10/31/2015.							
56	10/08/2015	2487	Scherbarth Ace Hardware	Repairs	\$ 175.49	10/08/2015	\$ 175.49	10/19/2015
	Two invoices for this transaction. The first was dated 09/18/2015 for two pieces of plywood for \$37.35. The next was dated 09/19/2015 and referenced to Steele City and included various repair supplies and trash bags for \$138.14. The total of the two invoices is \$175.49.							
57	10/08/2015	2488	Denise Andersen	Wages	\$ 1,000.00	10/08/2015	\$ 1,000.00	10/16/2015
	The Curator was treated as a contract employee. There was no contract. No supporting documentation was on file. The Curator was not required to complete a timesheet. The salary amount did not agree to the last amount approved by the Board in 2006. Ms. Andersen was paid \$1,000 per month until November 2015, at which time she was paid \$1,350 per month. There was no approval for an increase in her salary in the November 2015 meeting minutes. After the Board received the APA's draft letter in April 2016, they approved her current salary at a rate of \$1,350 per month. Therefore, the rates paid from July 2015 to April 2016 were not approved.							
58	10/08/2015	2489	Sandra Gapp	Utilities	\$ 45.33	10/08/2015	\$ 45.33	10/19/2015
	No supporting documentation was on file. The APA had previously obtained a lease agreement between the Society and Sandra Gapp for the use of 56535 River Road in Fairbury to be used as her private residence. The resident was to pay all utilities per the agreement from 2006. However, there was no support for the amount of the utilities paid. In its May 2016 Board meeting, after the APA drafted its initial letter to the Society, the minutes indicated that the minimum utility rates would be \$45.33 per month. The amended lease provided to the APA was not signed by either party and included a handwritten addition to the original lease.							

(Continued)

**JEFFERSON COUNTY HISTORICAL SOCIETY
FISCAL YEAR 2016 DISBURSEMENTS**

<i>Source: Trial Balance</i>					<i>Source: Board Minutes</i>		<i>Source: Bank stmt</i>	
Check Register Date	Check Number	Payee	Description	Amount	Date Approved	Amount On Claims List	Cleared Date	
N/A	N/A	Norris Public Power	-----No Check Written-----		10/08/2015	\$ 40.30	N/A	
This was included on the claims list but was later crossed out. There was no check written.								
October Expenditures				\$ 5,214.36		\$ 4,154.66	\$ (1,059.70)	
59	11/11/2015	2490	NE Dept of Labor	Elevator Maintenance	\$ 140.00	11/11/2015	\$ 140.00	11/20/2015
Invoice dated 10/2/2015 from NDOL for an elevator inspection at the Rock Island Depot. Total cost is \$140.								
60	11/11/2015	2491	Continental Fire	Fire Extinguisher Inspection	\$ 78.75	11/11/2015	\$ 78.75	11/19/2015
Invoice dated 11/6/2015 from Continental Fire and Alarm for fire extinguisher inspection performed in October 2015. The invoice included a line item of \$65 for the fee and another line item of \$8.25 for the service & tagging of the extinguishers. The total of those two items was \$73.25. However, the invoice total showed as \$78.75, which does not agree to the details of the invoice. The amount paid was \$78.75.								
61	11/11/2015	2492	Diode Communications	Internet	\$ 60.72	11/11/2015	\$ 60.72	11/24/2015
Invoices from Diode Communications dated 11/1/2015 provided totaling \$40.72 and \$20. This is for internet service at the Diller location - wireless internet equipment and service and webhosting for the period 11/01/2015-11/30/2015.								
62	11/11/2015	2493	Steve Taylor	Mowing	\$ 120.00	11/11/2015	\$ 120.00	11/20/2015
Documentation included a handwritten note for mowings at District 10. There were four mowings at \$30 each payable to Steve Taylor. Total amount is \$120. The documentation is not sufficient to determine when the mowings took place to ensure there was no duplicate billings. The rate was not approved by the Board.								
63	11/11/2015	2494	Courtside Marketing	Advertising	\$ 549.00	11/11/2015	\$ 549.00	11/23/2015
Statement dated 10/31/2015 supported this payment. The invoice included on the statement was dated 10/23/2015 and was for a quarter page advertisement in the Southeast Nebraska Guide. Total cost was \$549. An invoice or copy of the advertisement was not provided.								
64	11/11/2015	2495	Audrey Schoenbeck	Wages	\$ 782.00	11/11/2015	\$ 782.00	11/17/2015
Audrey was treated as a contract employee. There was no contract. Paycheck for the month of October 2015 for 92 hours worked in October 2015 at \$8.50 an hour. The \$8.50 rate was not approved by the Board. The Board received the APA's draft letter in April 2016. Then, May meeting minutes approved the \$9 hourly rate of pay. Therefore, there was not adequate approval on file for the payments at \$8.50 per hour from July 2015 through May 2016. Additionally, the timesheet did not contain a supervisor's signature, so there is no verification of the hours worked.								
65	11/11/2015	2496	Denise Andersen	Wages	\$ 1,350.00	11/11/2015	\$ 1,350.00	11/17/2015
The Curator was treated as a contract employee. There was no contract. No supporting documentation was on file. The Curator was not required to complete a timesheet. The salary amount did not agree to the last amount approved by the Board in 2006. Ms. Andersen was paid \$1,000 per month until November 2015, at which time she was paid \$1,350 per month. There was no approval for an increase in her salary in the November 2015 meeting minutes. After the Board received the APA's draft letter in April 2016, they approved her current salary at a rate of \$1,350 per month. Therefore, the rates paid from July 2015 to April 2016 were not approved.								

(Continued)

**JEFFERSON COUNTY HISTORICAL SOCIETY
FISCAL YEAR 2016 DISBURSEMENTS**

	<i>Source: Trial Balance</i>				<i>Source: Board Minutes</i>		<i>Source: Bank stmt</i>	
	Check Register Date	Check Number	Payee	Description	Amount	Date Approved	Amount On Claims List	Cleared Date
66	11/11/2015	2497	Sandra Gapp	Utilities	\$ 45.50	11/11/2015	\$ 45.50	11/23/2015
No supporting documentation was on file. The APA had previously obtained a lease agreement between the Society and Sandra Gapp for the use of 56535 River Road in Fairbury to be used as her private residence. The resident was to pay all utilities per the agreement from 2006. However, there was no support for the amount of the utilities paid. In its May 2016 Board meeting, after the APA drafted its initial letter to the Society, the minutes indicated that the minimum utility rates would be \$45.33 per month. The amended lease provided to the APA was not signed by either party and included a handwritten addition to the original lease.								
67	11/11/2015	EFT	Fairbury Light & Water	Utilities	\$ 436.86	11/11/2015	\$ 436.86	11/05/2015
The Fairbury Light and Water Department bills are paid by EFT. A statement dated 10/14/2015 for the 910 Bacon Road (Depot) property was provided totaling \$436.86 for electricity, water, sewer, and trash charges from 09/3/2015-10/2/2015. The bank withdrew the funds on 11/5/2015, prior to the approval at the 11/11/2015 meeting.								
68	11/11/2015	EFT	Norris Public Power	Utilities	\$ 40.04	11/11/2015	\$ 40.04	11/02/2015
Invoice with billing date 10/2/2015 for \$40.04 for electric service to the Diller bank building for the period 08/30/2015 to 09/29/15. Includes electric service taxes and other fees. The bank withdrew the funds on 11/2/2015, which was prior to the approval at the 11/11/2015 meeting.								
69	11/20/2015	EFT	Norris Public Power	Utilities	\$ 32.55	Not approved	\$ -	11/30/2015
Invoice with billing date 11/12/2015 for \$32.55 for electric service to the Diller bank building for the period 09/29/2015 to 10/30/2015. Includes electric service taxes and other fees. The bank withdrew the funds on 11/30/2015, and the payment was not approved in November. Amount was included on December claims listing but was not approved because there was no meeting in December.								
70	11/11/2015	EFT	Black Hills	Utilities	\$ 34.11	11/11/2015	\$ 34.11	11/03/2015
Invoice with billing date 10/14/2015 for \$34.11 for service to Rock Island Depot. Includes gas rate based on meter reading and other charges, fees, and taxes. The bank withdrew the funds on 11/3/2015, prior to the approval at the 11/11/2015 meeting.								
71	11/11/2015	EFT	Windstream	Telephone	\$ 129.33	11/11/2015	\$ 129.33	11/10/2015
The Windstream bills are paid by EFT. The invoice is dated 10/20/2015 for service at the Rock Island Depot Railroad Museum from 10/16/2015 to 11/15/2015. It is for two access lines and other charges and fees. The phone number of the account is 402-729-5131, which is the number for the Rock Island Museum. The bank withdrew the funds on 11/10/2015, prior to the approval at the 11/11/2015 meeting.								
72	11/11/2015	EFT	Fairbury Light & Water	Utilities	\$ 158.25	11/11/2015	\$ 158.25	11/18/2015
The Fairbury Light and Water Department bills are paid by EFT. A statement dated 10/28/2015 for the following properties and amounts: Steele City School House \$31.65, Steele City Blacksmith shop \$31.65, Steele City Bank and Livery Stable \$31.65, Steele City Old Church \$31.65, Steele City Storage/Saw Mill \$31.65, all for electricity only. The total was \$158.25 for the period 09/22/2015-10/20/2015.								
73	11/11/2015	2498	Henry Klee	Mileage	\$ 35.00	11/11/2015	\$ 35.00	Still O/S
There was no supporting documentation on file for this transaction.								
November Expenditures					\$ 3,992.11		\$ 3,959.56	\$ (32.55)

(Continued)

**JEFFERSON COUNTY HISTORICAL SOCIETY
FISCAL YEAR 2016 DISBURSEMENTS**

	<i>Source: Trial Balance</i>				<i>Source: Board Minutes</i>		<i>Source: Bank stmt</i>	
	Check Register Date	Check Number	Payee	Description	Amount	Date Approved	Amount On Claims List	Cleared Date
74	12/10/2015	2500	O'Keefe Elevator	Elevator Maintenance	\$ 275.58	No meeting held	\$ 275.52	12/22/2015
	Invoice dated 12/1/2015 from O'Keefe Elevator Company for elevator maintenance as per agreement, totaling \$275.58. The maintenance agreement from 2012 indicated the amount was \$245. However, there is a provision for an annual increase, which is not defined. Amount paid is not supported by adequate documentation. There was no meeting held in December, so payments were not approved.							
75	12/10/2015	2501	Fairbury Journal News	Advertising	\$ 125.00	No meeting held	\$ 125.00	12/22/2015
	Invoice number 30690 dated 12/4/2015 from Fairbury Journal News for advertising of Grinchy Christmas at the Depot. No copy of advertisement included. There was no meeting held in December, so payments were not approved.							
76	12/10/2015	2502	NECO	Fire Alarm Service	\$ 115.62	Not approved	\$ -	12/22/2015
	Invoice was not dated but indicated the service was for the period September through November 2015 quarterly billing for fire alarm/sprinkler testing. \$107.55 monitoring and \$8.07 tax for a total of \$115.62. There was no meeting held in December, so payments were not approved.							
77	12/10/2015	2503	Diode Communications	Internet	\$ 60.72	No meeting held	\$ 60.72	12/22/2015
	Invoices from Diode Communications dated 12/1/2015 provided totaling \$40.72 and \$20. This is for internet service at the Diller location - wireless internet equipment and service and webhosting for the period 12/1/2015-12/31/2015. There was no meeting held in December, so payments were not approved.							
78	12/10/2015	2504	Audrey Schoenbeck	Wages	\$ 714.00	No meeting held	\$ 714.00	12/15/2015
	Audrey was treated as a contract employee. There was no contract. Paycheck for the month of November 2015 for 84 hours worked in November 2015 at \$8.50 an hour. The \$8.50 rate was not approved by the Board. The Board received the APA's draft letter in April 2016. Then, May meeting minutes approved the \$9 hourly rate of pay. Therefore, there was not adequate approval on file for the payments at \$8.50 per hour from July 2015 through May 2016. Additionally, the timesheet did not contain a supervisor's signature, so there is no verification of the hours worked. There was no meeting held in December, so payments were not approved.							
79	12/10/2015	2505	Denise Andersen	Wages	\$ 1,350.00	No meeting held	\$ 1,350.00	12/21/2015
	The Curator was treated as a contract employee. There was no contract. No supporting documentation was on file. The Curator was not required to complete a timesheet. The salary amount did not agree to the last amount approved by the Board in 2006. Ms. Andersen was paid \$1,000 per month until November 2015, at which time she was paid \$1,350 per month. There was no approval for an increase in her salary in the November 2015 meeting minutes. After the Board received the APA's draft letter in April 2016, they approved her current salary at a rate of \$1,350 per month. Therefore, the rates paid from July 2015 to April 2016 were not approved. There was no meeting held in December, so payments were not approved.							

(Continued)

**JEFFERSON COUNTY HISTORICAL SOCIETY
FISCAL YEAR 2016 DISBURSEMENTS**

	<i>Source: Trial Balance</i>				<i>Source: Board Minutes</i>		<i>Source: Bank stmt</i>	
	Check Register Date	Check Number	Payee	Description	Amount	Date Approved	Amount On Claims List	Cleared Date
80	12/10/2015	2506	Sandra Gapp	Utilities	\$ 45.50	No meeting held	\$ 45.50	12/29/2015
No supporting documentation was on file. The APA had previously obtained a lease agreement between the Society and Sandra Gapp for the use of 56535 River Road in Fairbury to be used as her private residence. The resident was to pay all utilities per the agreement from 2006. However, there was no support for the amount of the utilities paid. In its May 2016 Board meeting, after the APA drafted its initial letter to the Society, the minutes indicated that the minimum utility rates would be \$45.33 per month. The amended lease provided to the APA was not signed by either party and included a handwritten addition to the original lease. There was no meeting held in December, so payments were not approved.								
81	12/10/2015	EFT	Windstream	Telephone	\$ 129.21	Not approved	\$ -	12/08/2015
The Windstream bills are paid by EFT. The invoice is dated 11/18/2015 for service at the Rock Island Depot Railroad Museum from 11/16/2015 to 12/15/2015. It is for two access lines and other charges and fees. The phone number of the account is 402-729-5131, which is the number for the Rock Island Museum. Amount was not included on claims listing for December. There was no meeting held in December, so payments were not approved.								
82	12/10/2015	EFT	Black Hills	Utilities	\$ 80.03	No meeting held	\$ 80.03	12/02/2015
Invoice with billing date 11/12/2015 for \$80.03 for service to Rock Island Depot. Includes gas rate based on meter reading and other charges, fees, and taxes. There was no meeting held in December, so payments were not approved.								
83	12/30/2015	EFT	Norris Public Power	Utilities	\$ 32.66	01/07/2016	\$ 32.55	12/30/2015
Invoice with billing date 12/11/2015 for \$32.66 for electric service to the Diller bank building for the period 10/30/2015 to 11/29/2015. Includes electric service taxes and other fees. A different amount was included on the December claims listing. The amount paid was included on the January claims listing. The bank withdrew the funds on 12/30/2015, prior to the approval of claims on 1/7/2016.								
84	12/10/2015	EFT	Fairbury Light & Water	Utilities	\$ 158.25	No meeting held	\$ 158.25	12/16/2015
The Fairbury Light and Water Department bills are paid by EFT. A statement dated 11/25/2015 for the following properties and amounts: Steele City School House \$31.65, Steele City Blacksmith shop \$31.65, Steele City Bank and Livery Stable \$31.65, Steele City Old Church \$31.65, Steele City Storage/Saw Mill \$31.65, all for electricity only. The total was \$158.25 for the period 10/20/2015-11/17/2015. No meeting was held in December so payments were not approved.								
85	12/31/2015	EFT	Fby Light & Water	Utilities	\$ 349.34	01/07/2016	\$ -	12/31/2015
The Fairbury Light and Water Department bills are paid by EFT. A statement dated 12/9/2015 for the 910 Bacon Road (Depot) property was provided totaling \$349.34 for electricity, water, sewer, and trash charges from 10/30/2015-12/2/2015. Amount was not included on claims listing for December, but was included on the January claims listing. This amount was paid on 12/31/2015, prior to the Board approval on 01/7/2016.								
86	12/10/2015	EFT	Fairbury Light & Water	Utilities	\$ 428.53	No meeting held	\$ 428.53	12/03/2015
The Fairbury Light and Water Department bills are paid by EFT. A statement dated 11/12/2015 for the 910 Bacon Road (Depot) property was provided totaling \$428.53 for electricity, water, sewer, and trash charges from 10/2/2015-10/30/2015. There was no meeting held in December, so payments were not approved.								

(Continued)

**JEFFERSON COUNTY HISTORICAL SOCIETY
FISCAL YEAR 2016 DISBURSEMENTS**

<i>Source: Trial Balance</i>					<i>Source: Board Minutes</i>		<i>Source: Bank stmt</i>	
Check Register Date	Check Number	Payee	Description	Amount	Date Approved	Amount On Claims List	Cleared Date	
N/A	N/A	Dept. of Labor	-----No Check Written-----		No meeting held	\$ 140.00	N/A	
This was included on the claims list but was later crossed out. There was no check written.								
December Expenditures				\$ 3,864.44		\$ 3,410.10	\$ (454.34)	
87	01/07/2016	2507	Norris Public Power	Utilities	\$ 215.22	01/07/2016	\$ 215.22	01/14/2016
Invoice with billing date 12/21/2015 for \$215.22 for electric service to the District 10 Schoolhouse for the period 12/3/2014 to 12/7/2015. Includes electric service taxes and other fees.								
88	01/07/2016	2508	Diode Communications	Internet	\$ 60.72	01/07/2016	\$ 60.72	01/14/2016
Invoices from Diode Communications dated 01/1/2016 provided totaling \$40.72 and \$20. This is for internet service at the Diller location - wireless internet equipment and service and webhosting for the period 01/1/2016-01/31/2016.								
89	01/07/2015	2509	McBattas Packaging	Office Supplies	\$ 29.22	01/07/2016	\$ 29.22	01/13/2016
Invoice dated 12/11/2015 from McBattas Packaging and Printing for 3 ink cartridges at \$9.74 each, a total of \$29.22.								
90	01/07/2015	2510	Audrey Schoenbeck	Wages	\$ 748.00	01/07/2016	\$ 748.00	01/12/2016
Audrey was treated as a contract employee. There was no contract. Paycheck for the month of December 2015 for 88 hours worked in December 2015 at \$8.50 an hour. The \$8.50 rate was not approved by the Board. The Board received the APA's draft letter in April 2016. Then, May meeting minutes approved the \$9 hourly rate of pay. Therefore, there was not adequate approval on file for the payments at \$8.50 per hour from July 2015 through May 2016. Additionally, the timesheet did not contain a supervisor's signature, so there is no verification of the hours worked.								
91	01/07/2016	2511	Denise Andersen	Wages	\$ 1,350.00	01/07/2016	\$ 1,350.00	01/11/2016
The Curator was treated as a contract employee. There was no contract. No supporting documentation was on file. The Curator was not required to complete a timesheet. The salary amount did not agree to the last amount approved by the Board in 2006. Ms. Andersen was paid \$1,000 per month until November 2015, at which time she was paid \$1,350 per month. There was no approval for an increase in her salary in the November 2015 meeting minutes. After the Board received the APA's draft letter in April 2016, they approved her current salary at a rate of \$1,350 per month. Therefore, the rates paid from July 2015 to April 2016 were not approved.								
92	01/07/2016	2512	Sandra Gapp	Utilities	\$ 45.50	01/07/2016	\$ 45.33	01/19/2016
No supporting documentation was on file. The APA had previously obtained a lease agreement between the Society and Sandra Gapp for the use of 56535 River Road in Fairbury to be used as her private residence. The resident was to pay all utilities per the agreement from 2006. However, there was no support for the amount of the utilities paid. In its May 2016 Board meeting, after the APA drafted its initial letter to the Society, the minutes indicated that the minimum utility rates would be \$45.33 per month. The amended lease provided to the APA was not signed by either party and included a handwritten addition to the original lease. The claims listing provided to the Board had \$45.33 and the check was written for \$45.50.								

(Continued)

**JEFFERSON COUNTY HISTORICAL SOCIETY
FISCAL YEAR 2016 DISBURSEMENTS**

	<i>Source: Trial Balance</i>				<i>Source: Board Minutes</i>		<i>Source: Bank stmt</i>	
	Check Register Date	Check Number	Payee	Description	Amount	Date Approved	Amount On Claims List	Cleared Date
93	01/07/2016	2513	NE Dept of Revenue	Sales Tax Paid	\$ 26.52	Not approved	\$ -	03/08/2016
The Society provided a copy of the Nebraska and Local Sales and Use Tax Return that showed a total of \$26.52 due. However, there was no documentation to support the gross sales included on the worksheet. Therefore, documentation is not adequate. This amount was not approved by the Board.								
94	01/07/2016	EFT	Black Hills	Utilities	\$ 393.24	01/07/2016	\$ 393.24	01/04/2016
Invoice with billing date 12/15/2015 for \$393.24 for service to Rock Island Depot. Includes gas rate based on meter reading and other charges, fees, and taxes. Bank withdrew the funds on 01/4/2016, prior to the approval at the 01/7/2016 meeting.								
95	01/07/2016	EFT	Fby Light & Water	Utilities	\$ 158.74	01/07/2016	\$ 158.74	01/13/2016
The Fairbury Light and Water Department bills are paid by EFT. A statement dated 12/23/2015 for the following properties and amounts: Steele City School House \$31.65, Steele City Blacksmith shop \$32.14, Steele City Bank and Livery Stable \$31.65, Steele City Old Church \$31.65, Steele City Storage/Saw Mill \$31.65, all for electricity only. The total was \$158.74 for the period 11/17/2015-12/17/2015.								
96	01/07/2016	EFT	Windstream	Telephone	\$ 129.24	01/07/2016	\$ 129.24	01/07/2016
The Windstream bills are paid by EFT. The invoice is dated 12/18/2015 for service at the Rock Island Depot Railroad Museum from 12/16/2015 to 01/15/2016. It is for two access lines and other charges and fees. The phone number of the account is 402-729-5131, which is the number for the Rock Island Museum.								
97	01/07/2016	EFT	Capital One	Credit Card	\$ 1,200.00	Not approved	\$ -	01/11/2016
APA obtained the credit card statement. There were no purchases made during the period covering 12/3/2015 to 01/2/2016. There was \$220.35 in fees and interest and the ending balance was \$7,327.32. This claim was not included on the listing for the Board to approve the payment; therefore it was not approved.								
	N/A	N/A	Fby Light & Water	-----No Check Written-----		No meeting held	\$ 349.34	N/A
This transaction was included on the claims list in January 2016, but the check was written in December. See December above.								
	N/A	N/A	Dept. of Labor	-----No Check Written-----		No meeting held	\$ 32.66	N/A
This transaction was included on the claims list in January 2016, but no check was written.								
January Expenditures					\$ 4,356.40		\$ 3,511.71	\$ (844.69)
98	02/11/2016	2514	Sandra Gapp	Utilities	\$ 45.33	02/12/2016	\$ 45.33	02/23/2016
No supporting documentation was on file. The APA had previously obtained a lease agreement between the Society and Sandra Gapp for the use of 56535 River Road in Fairbury to be used as her private residence. The resident was to pay all utilities per the agreement from 2006. However, there was no support for the amount of the utilities paid. In May 2016, after the APA drafted its letter to the Society, the Society amended the lease by indicating the rate for utilities was to be \$45.33 per month. The amended version of the lease was not signed.								

(Continued)

**JEFFERSON COUNTY HISTORICAL SOCIETY
FISCAL YEAR 2016 DISBURSEMENTS**

	<i>Source: Trial Balance</i>				<i>Source: Board Minutes</i>		<i>Source: Bank stmt</i>	
	Check Register Date	Check Number	Payee	Description	Amount	Date Approved	Amount On Claims List	Cleared Date
99	02/18/2016	EFT	Norris Public Power	Utilities	\$ 107.82	02/12/2016	\$ 77.15	02/01/2016
	Invoice with billing date 01/12/2016 for \$77.15 for electric service to the Diller bank building for the period 11/29/2015 to 12/31/2015. Includes electric service taxes and other fees. On the check register, the \$77.15 and \$30.67 for the following months service were combined creating a total of \$107.82. These amounts were paid separately on the bank statement and separately in the Board Minutes. The bank withdrew \$77.15 on 02/1/2016, prior to the approval of claims on 02/12/2016.							
100	02/11/2016	2515	Denise Andersen	Wages	\$ 1,350.00	02/12/2016	\$ 1,350.00	02/17/2016
	The Curator was treated as a contract employee. There was no contract. No supporting documentation was on file. The Curator was not required to complete a timesheet. The salary amount did not agree to the last amount approved by the Board in 2006. Ms. Andersen was paid \$1,000 per month until November 2015, at which time she was paid \$1,350 per month. There was no approval for an increase in her salary in the November 2015 meeting minutes. After the Board received the APA's draft letter in April 2016, they approved her current salary at a rate of \$1,350 per month. Therefore, the rates paid from July 2015 to April 2016 were not approved.							
101	02/17/2016	EFT	Fairbury Light & Water	Utilities	\$ 424.48	02/12/2016	\$ 424.48	02/03/2016
	The Fairbury Light and Water Department bills are paid by EFT. A statement dated 01/13/2016 for the 910 Bacon Road (Depot) property was provided totaling \$424.48 for electricity, water, sewer, and trash charges from 12/2/2015-01/4/2016. The bank withdrew the funds on 02/3/2016, prior to approval at the 02/12/2016 meeting.							
102	02/17/2016	EFT	Fairbury Light & Water	Utilities	\$ 158.25	02/12/2016	\$ 158.25	02/17/2016
	The Fairbury Light and Water Department bills are paid by EFT. A statement dated 01/27/2016 for the following properties and amounts: Steele City School House \$31.65, Steele City Blacksmith shop \$31.65, Steele City Bank and Livery Stable \$31.65, Steele City Old Church \$31.65, Steele City Storage/Saw Mill \$31.65, all for electricity only. The total was \$158.25 for the period 12/17/2015-01/19/2016.							
103	02/13/2016	EFT	Black Hills	Utilities	\$ 686.82	02/12/2016	\$ 686.82	02/03/2016
	Invoice with billing date 01/14/2016 for \$686.82 for service to Rock Island Depot. Includes gas rate based on meter reading and other charges, fees, and taxes. Bank withdrew the funds on 02/3/2016, prior to the approval at the 02/12/2016 meeting.							
104	02/11/2016	2516	Diode Communications	Internet	\$ 60.72	02/12/2016	\$ 60.72	02/22/2016
	Invoices from Diode Communications dated 02/1/2016 provided totaling \$40.72 and \$20. This is for internet service at the Diller location - wireless internet equipment and service and webhosting for the period 02/1/2016-02/28/2016.							
105	02/09/2016	EFT	Windstream	Telephone	\$ 130.27	02/12/2016	\$ 130.27	02/09/2016
	The Windstream bills are paid by EFT. The invoice is dated 01/20/2016 for service at the Rock Island Depot Railroad Museum from 01/16/2016 to 02/15/2016. It is for two access lines and other charges and fees. The phone number of the account is 402-729-5131, which is the number for the Rock Island Museum. The bank withdrew the funds on 02/9/2016, prior to the approval at the 02/12/2016 meeting.							

(Continued)

**JEFFERSON COUNTY HISTORICAL SOCIETY
FISCAL YEAR 2016 DISBURSEMENTS**

	<i>Source: Trial Balance</i>				<i>Source: Board Minutes</i>		<i>Source: Bank stmt</i>	
	Check Register Date	Check Number	Payee	Description	Amount	Date Approved	Amount On Claims List	Cleared Date
106	02/11/2016	2517	Fairbury Journal News	Advertising	\$ 128.64	02/12/2016	\$ 125.00	02/16/2016
	Statement dated 02/1/2016 included a past due amount of \$125 from January 2016 statement for invoice 30690. New statement included a \$3.64 late fee. This payment was already paid in December 2015 and therefore is a duplicate payment. Invoice 30690 dated 12/4/2015 was presented in December 2015 and was paid by check number 2501 on 12/10/2015. Only the \$125 was presented on the list of claims to the Board.							
107	02/16/2016	EFT	Capital One	Credit Card	\$ 1,200.00	Not approved	\$ -	02/16/2016
	APA obtained the credit card statement. There were no purchases made during the period covering 01/3/2016 to 02/2/2016. There was \$162.17 in fees and interest and the ending balance was \$6,289.49. This claim was not included on the listing for the Board to approve the payment; therefore it was not approved.							
108	02/11/2016	2518	O'Keefe Elevator	Elevator Maintenance	\$ 275.58	02/12/2016	\$ 275.58	02/19/2016
	Invoice dated 02/1/2016 from O'Keefe Elevator Company totaling \$275.58 for elevator maintenance as per agreement. The maintenance agreement from 2012 indicated the amount was \$245. However, there is a provision for an annual increase, which is not defined. Amount paid is not supported by adequate documentation.							
109	02/11/2016	2519	Audrey Schoenbeck	Wages	\$ 782.00	02/12/2016	\$ 782.00	02/17/2016
	Audrey was treated as a contract employee. There was no contract. Paycheck for the month of January 2016 for 92 hours worked in January 2016 at \$8.50 an hour. The \$8.50 rate was not approved by the Board. The Board received the APA's draft letter in April 2016. Then, May meeting minutes approved the \$9 hourly rate of pay. Therefore, there was not adequate approval on file for the payments at \$8.50 per hour from July 2015 through May 2016. Additionally, the timesheet did not contain a supervisor's signature, so there is no verification of the hours worked.							
	February Expenditures				\$ 5,349.91		\$ 4,115.60	\$ (1,234.31)
110	03/11/2016	2520	Nebraska Secretary of State	Miscellaneous	\$ 30.00	Not approved	\$ -	03/11/2016
	The Society provided an acknowledgement of filing from the Secretary of State. Fees were for a certificate of revival (\$5), a per page charge (\$5), and tax return filing (\$20). This amount was not approved by the Board.							
111	03/10/2016	2521	NECO	Fire Alarm Service	\$ 115.62	03/10/2016	\$ 115.62	03/17/2016
	Invoice was not dated but indicated the service was for the period December 2015 to February 2015 for the quarterly billing for fire alarm/sprinkler testing. \$107.55 monitoring and \$8.07 tax for a total of \$115.62.							
112	03/10/2016	2522	Fairbury Glass	Repairs	\$ 1,474.00	03/10/2016	\$ 1,474.00	03/21/2016
	Invoice 41694 dated 11/20/2015. This is for the installation of 1/4" clear plate and 1" citadel panel of windows on the old Diller bank building. Invoice was not paid timely.							
113	03/10/2016	2523	Diode Communications	Internet	\$ 60.72	03/10/2016	\$ 60.72	03/21/2016
	Invoices from Diode Communications dated 03/1/2016 provided totaling \$40.72 and \$20. This is for internet service at the Diller location - wireless internet equipment and service and webhosting for the period 03/1/2016-03/31/2016.							

(Continued)

**JEFFERSON COUNTY HISTORICAL SOCIETY
FISCAL YEAR 2016 DISBURSEMENTS**

	<i>Source: Trial Balance</i>				<i>Source: Board Minutes</i>		<i>Source: Bank stmt</i>	
	Check Register Date	Check Number	Payee	Description	Amount	Date Approved	Amount On Claims List	Cleared Date
114	03/10/2016	2524	Continental Fire	Fire Alarm Service	\$ 390.00	03/10/2016	\$ 390.00	03/17/2016
	Invoice 232372 dated 02/22/2016 for a total of \$390. This is for an annual inspection of the fire sprinkler protection system.							
115	03/10/2016	2525	Fairbury Journal News	Advertising	\$ 676.00	03/10/2016	\$ 676.00	03/17/2016
	Invoice 32166 dated 2/25/2016 for what was described as the Jefferson County Tourism Guide, which is likely a print advertisement. Total invoice amount was \$676.							
116	03/10/2016	2526	Audrey Schoenbeck	Wages	\$ 680.00	03/10/2016	\$ 680.00	03/15/2016
	Audrey was treated as a contract employee. There was no contract. Paycheck for the month of February 2016 for 80 hours worked in February 2016 at \$8.50 an hour. The \$8.50 rate was not approved by the Board. The Board received the APA's draft letter in April 2016. Then, May meeting minutes approved the \$9 hourly rate of pay. Therefore, there was not adequate approval on file for the payments at \$8.50 per hour from July 2015 through May 2016. Additionally, the timesheet did not contain a supervisor's signature, so there is no verification of the hours worked.							
117	03/10/2016	2527	Scherbarth	Cleaning Supplies	\$ 67.71	03/10/2016	\$ 67.71	03/18/2016
	Invoice 494275 dated 2/20/2016 was provided. All items purchased were cleaning supplies, such as Pledge polish, or paper towels and toilet papers. Total amount was \$67.71.							
118	03/10/2016	2528	Denise Andersen	Wages	\$ 1,350.00	03/10/2016	\$ 1,350.00	03/14/2016
	The Curator was treated as a contract employee. There was no contract. No supporting documentation was on file. The Curator was not required to complete a timesheet. The salary amount did not agree to the last amount approved by the Board in 2006. Ms. Andersen was paid \$1,000 per month until November 2015, at which time she was paid \$1,350 per month. There was no approval for an increase in her salary in the November 2015 meeting minutes. After the Board received the APA's draft letter in April 2016, they approved her current salary at a rate of \$1,350 per month. Therefore, the rates paid from July 2015 to April 2016 were not approved.							
119	03/10/2016	2529	Sandra Gapp	Utilities	\$ 45.53	03/10/2016	\$ 45.33	03/18/2016
	No supporting documentation was on file. The APA had previously obtained a lease agreement between the Society and Sandra Gapp for the use of 56535 River Road in Fairbury to be used as her private residence. The resident was to pay all utilities per the agreement from 2006. However, there was no support for the amount of the utilities paid. In its May 2016 Board meeting, after the APA drafted its initial letter to the Society, the minutes indicated that the minimum utility rates would be \$45.33 per month. The amended lease provided to the APA was not signed by either party and included a handwritten addition to the original lease. The amount of the check was \$45.53 or \$.20 higher than the claims amount.							
120	03/10/2016	2530	Nebraska St. Historical Society	Membership	\$ 40.00	03/10/2016	\$ 40.00	04/13/2016
	Documentation included a letter from Michael Smith, the Director/CEO of the Nebraska Historical Society, stating that their membership has expired. A handwritten note states the amount as being \$40. Per review of the State website, the membership dues are \$40.							

(Continued)

**JEFFERSON COUNTY HISTORICAL SOCIETY
FISCAL YEAR 2016 DISBURSEMENTS**

	<i>Source: Trial Balance</i>				<i>Source: Board Minutes</i>		<i>Source: Bank stmt</i>	
	Check Register Date	Check Number	Payee	Description	Amount	Date Approved	Amount On Claims List	Cleared Date
121	03/10/2016	EFT	Fairbury Light & Water	Utilities	\$ 513.62	03/10/2016	\$ 513.62	03/02/2016
	The Fairbury Light and Water Department bills are paid by EFT. A statement dated 02/10/2016 for the 910 Bacon Road (Depot) property was provided totaling \$513.62 for electricity, water, sewer, and trash charges from 01/4/2016-02/1/2016. The bank withdrew the funds on 03/2/2016, prior to approval at the 03/10/2016 meeting.							
122	03/10/2016	EFT	Black Hills	Utilities	\$ 653.75	03/10/2016	\$ 653.75	03/03/2016
	Invoice with billing date 02/12/2016 for \$653.75 for service to Rock Island Depot. Includes gas rate based on meter reading and other charges, fees, and taxes. Bank withdrew the funds on 03/3/2016, prior to the approval at the 03/10/2016 meeting.							
123	03/10/2016	EFT	Windstream	Telephone	\$ 129.84	03/10/2016	\$ 129.84	03/09/2016
	The Windstream bills are paid by EFT. The invoice is dated 02/18/2016 for service at the Rock Island Depot Railroad Museum from 02/16/2016 to 03/15/2016. It is for two access lines and other charges and fees. The phone number of the account is 402-729-5131, which is the number for the Rock Island Museum. The bank withdrew the funds on 03/9/16, prior to the approval at the 03/10/16 meeting.							
124	03/10/2016	EFT	Fairbury Light & Water	Utilities	\$ 158.25	03/10/2016	\$ 158.25	03/17/2016
	The Fairbury Light and Water Department bills are paid by EFT. A statement dated 02/24/2016 for the following properties and amounts: Steele City School House \$31.65, Steele City Blacksmith shop \$31.65, Steele City Bank and Livery Stable \$31.65, Steele City Old Church \$31.65, Steele City Storage/Saw Mill \$31.65, all for electricity only. The total was \$158.25 for the period 01/19/2016-02/17/2016.							
125	03/10/2016	EFT	Capital One	Credit Card	\$ 800.00	03/10/2016	\$ 800.00	03/21/2016
	APA obtained the credit card statement. There were no purchases made during the period covering 02/3/2016 to 03/2/2016. There was \$130.21 in fees and interest and the ending balance was \$5,219.70.							
126	03/30/2016	EFT	Fairbury Light & Water	Utilities	\$ 545.83	Not approved	\$ -	03/30/2016
	The Fairbury Light and Water Department bills are paid by EFT. A statement dated 03/8/2016 for the 910 Bacon Road (Depot) property was provided totaling \$545.83 for electricity, water, sewer, and trash charges from 02/1/2016-03/2/2016. This amount was not included on the March or April 2016 claims listing provided to the Board, so the amount was not approved.							
127	02/18/2016	EFT	Norris Public Power	Utilities	\$ -	03/10/2016	\$ 30.67	02/29/2016
	Invoice with billing date 02/12/2016 for \$30.67 for electric service to the Diller bank building for the period 12/31/2015 to 01/30/2016. Includes electric service taxes and other fees. The check register combined the \$77.15 from the prior month and the current \$30.67 creating a total of \$107.82. These amounts were paid separately on the bank statement and separately in the Board minutes. Bank withdrew \$30.67 on 02/29/2016, prior to the approval of claims on 03/10/2016.							
	March Expenditures				\$ 7,730.87		\$ 7,185.51	\$ (545.36)

(Continued)

**JEFFERSON COUNTY HISTORICAL SOCIETY
FISCAL YEAR 2016 DISBURSEMENTS**

	<i>Source: Trial Balance</i>				<i>Source: Board Minutes</i>		<i>Source: Bank stmt</i>	
	Check Register Date	Check Number	Payee	Description	Amount	Date Approved	Amount On Claims List	Cleared Date
128	04/07/2016	2531	Audrey Schoenbeck	Wages	\$ 748.00	04/07/2016	\$ 748.00	04/12/2016
Audrey was treated as a contract employee. There was no contract. Paycheck for the month of March 2016 for 88 hours worked in March 2016 at \$8.50 an hour. The \$8.50 rate was not approved by the Board. The Board received the APA's draft letter in April 2016. Then, May meeting minutes approved the \$9 hourly rate of pay. Therefore, there was not adequate approval on file for the payments at \$8.50 per hour from July 2015 through May 2016. Additionally, the timesheet did not contain a supervisor's signature, so there is no verification of the hours worked.								
129	04/07/2016	2532	Scherbarth	Repairs	\$ 378.69	04/07/2016	\$ 378.09	04/13/2016
Transaction consisted of 6 different invoices: 03/26/2016 for clamps, glue, and wood for a total of \$55.45, 03/24/2016 for pliers at \$22.24, 03/16/2016 a corner brace for \$3.37, 03/15/2016 paint and a paint brush for \$37.71, 03/12/2016 for wood, nails, paint, and other materials for \$223.73, and 03/23/2016 for hinges and a bolt for \$36.19. Total amount is \$378.69. Amount included on claims list was \$378.09.								
130	04/07/2016	2533	Denise Andersen	Wages	\$ 1,350.00	04/07/2016	\$ 1,350.00	04/12/2016
The Curator was treated as a contract employee. There was no contract. No supporting documentation was on file. The Curator was not required to complete a timesheet. The salary amount did not agree to the last amount approved by the Board in 2006. Ms. Andersen was paid \$1,000 per month until November 2015, at which time she was paid \$1,350 per month. There was no approval for an increase in her salary in the November 2015 meeting minutes. After the Board received the APA's draft letter in April 2016, they approved her current salary at a rate of \$1,350 per month. Therefore, the rates paid from July 2015 to April 2016 were not approved.								
131	04/07/2016	2534	Sandra Gapp	Utilities	\$ 45.33	04/07/2016	\$ 45.33	04/18/2016
No supporting documentation was on file. The APA had previously obtained a lease agreement between the Society and Sandra Gapp for the use of 56535 River Road in Fairbury to be used as her private residence. The resident was to pay all utilities per the agreement from 2006. However, there was no support for the amount of the utilities paid. In its May 2016 Board meeting, after the APA drafted its initial letter to the Society, the minutes indicated that the minimum utility rates would be \$45.33 per month. The amended lease provided to the APA was not signed by either party and included a handwritten addition to the original lease. This check was actually written for \$45.53 and cleared as that amount.								
132	04/07/2016	2535	Diode Communications	Internet	\$ 60.72	04/07/2016	\$ 60.72	04/12/2016
Invoices from Diode Communications dated 04/1/2016 provided totaling \$40.72 and \$20. This is for internet service at the Diller location - wireless internet equipment and service and webhosting for the period 04/1/2016-04/30/2016.								
133	04/07/2016	EFT	Fairbury Light & Water	Utilities	\$ 158.25	04/07/2016	\$ 158.25	04/13/2016
The Fairbury Light and Water Department bills are paid by EFT. A statement dated 03/23/2016 for the following properties and amounts: Steele City School House \$31.65, Steele City Blacksmith shop \$31.65, Steele City Bank and Livery Stable \$31.65, Steele City Old Church \$31.65, Steele City Storage/Saw Mill \$31.65, all for electricity only. The total was \$158.25 for the period 2/17/2016-3/17/2016.								
134	04/07/2016	EFT	Windstream	Telephone	\$ 131.27	04/07/2016	\$ 131.27	04/07/2016
The Windstream bills are paid by EFT. The invoice is dated 03/18/2016 for service at the Rock Island Depot Railroad Museum from 03/16/2016 to 04/15/2016. It is for two access lines and other charges and fees. The phone number of the account is 402-729-5131, which is the number for the Rock Island Museum.								

**JEFFERSON COUNTY HISTORICAL SOCIETY
FISCAL YEAR 2016 DISBURSEMENTS**

	<i>Source: Trial Balance</i>				<i>Source: Board Minutes</i>		<i>Source: Bank stmt</i>	
	Check Register Date	Check Number	Payee	Description	Amount	Date Approved	Amount On Claims List	Cleared Date
135	04/07/2016	EFT	Black Hills	Utilities	\$ 356.08	04/07/2016	\$ 356.08	04/04/2016
	Invoice with billing date 03/15/2016 for \$356.08 for service to Rock Island Depot. Includes gas rate based on meter reading and other charges, fees, and taxes. Bank withdrew the funds on 04/4/2016, prior to the approval at the 04/7/2016 meeting.							
136	04/07/2016	EFT	Capital One	Credit Card	\$ 800.00	04/07/2016	\$ 800.00	04/11/2016
	APA obtained the credit card statement. There were no purchases made during the period covering 03/3/2016 to 04/2/2016. There was \$122.59 in fees and interest and the ending balance was \$4,542.29.							
	N/A	N/A	Fairbury Light & Water	-----No Check Written-----		04/07/2016	\$ 370.65	N/A
	Amount was included in April 2016 claims listing for Board approval, but it was not paid until May 2016, where it was approved again by the Board.							
	N/A	N/A	Norris Public Power	-----No Check Written-----		04/07/2016	\$ 19.34	N/A
	Amount was included in April 2016 claims listing for Board approval, but it was not paid until May 2016, where it was approved again by the Board.							
	April Expenditures				\$ 4,028.34		\$ 4,417.73	\$ 389.39
137	05/05/2016	2536	Audrey Schoenbeck	Wages	\$ 748.00	05/05/2016	\$ 748.00	05/10/2016
	Audrey was treated as a contract employee. There was no contract. Paycheck for the month of April 2016 for 88 hours worked in April 2016 at \$8.50 an hour. The \$8.50 rate was not approved by the Board. The Board received the APA's draft letter in April 2016. Then, May meeting minutes approved the \$9 hourly rate of pay. Therefore, there was not adequate approval on file for the payments at \$8.50 per hour from July 2015 through May 2016. Additionally, the timesheet did not contain a supervisor's signature, so there is no verification of the hours worked.							
138	05/05/2016	2537	Denise Andersen	Wages	\$ 1,350.00	05/05/2016	\$ 1,350.00	05/12/2016
	The Curator was treated as a contract employee. There was no contract. No supporting documentation was on file. The Curator was not required to complete a timesheet. The salary amount did not agree to the last amount approved by the Board in 2006. Ms. Andersen was paid \$1,000 per month until November 2015, at which time she was paid \$1,350 per month. There was no approval for an increase in her salary in the November 2015 meeting minutes. After the Board received the APA's draft letter in April 2016, they approved her current salary at a rate of \$1,350 per month. Therefore, the rates paid from July 2015 to April 2016 were not approved.							
139	05/05/2016	2538	Sandra Gapp	Utilities	\$ 45.33	05/05/2016	\$ 45.33	05/16/2016
	No supporting documentation was on file. The APA had previously obtained a lease agreement between the Society and Sandra Gapp for the use of 56535 River Road in Fairbury to be used as her private residence. The resident was to pay all utilities per the agreement from 2006. However, there was no support for the amount of the utilities paid. In its May 2016 Board meeting, after the APA drafted its initial letter to the Society, the minutes indicated that the minimum utility rates would be \$45.33 per month. The amended lease provided to the APA was not signed by either party and included a handwritten addition to the original lease.							

(Continued)

**JEFFERSON COUNTY HISTORICAL SOCIETY
FISCAL YEAR 2016 DISBURSEMENTS**

	<i>Source: Trial Balance</i>				<i>Source: Board Minutes</i>		<i>Source: Bank stmt</i>	
	Check Register Date	Check Number	Payee	Description	Amount	Date Approved	Amount On Claims List	Cleared Date
140	05/05/2016	2539	Scherbarth	Repairs	\$ 797.38	05/05/2016	\$ 797.38	05/13/2016
	Statement included several invoices as follows: 04/27/2016 sandpaper \$5.78, 04/28/2016 corner brace, pliers, and dustpan \$37.67, 04/19/2016 paint, primer, paper towels, toilet papers, dustpan, garden gloves, and cleaning supplies \$221.27, 04/20/2016 paint pail and liners, glazing compound, putty knives, roller frames, and rollers for \$84.85, 04/9/2016 screw, blades, and wood for \$185.32, 04/27/2016 quart of paint for \$14.50, 04/9/2016 wood and shop lights for \$208.88, 04/11/2016 safety marker and push points for \$14.46, 04/2/2016 paint and glazing compound \$24.65. Total amount is \$797.37. Purchases signed for by Denise or Zach.							
141	05/05/2016	EFT	Fairbury Light & Water	Utilities	\$ 158.64	05/05/2016	\$ 158.64	05/18/2016
	The Fairbury Light and Water Department bills are paid by EFT. A statement dated 04/27/2016 for the following properties and amounts: Steele City School House \$31.65, Steele City Blacksmith shop \$32.04, Steele City Bank and Livery Stable \$31.65, Steele City Old Church \$31.65, Steele City Storage/Saw Mill \$31.65, all for electricity only. The total was \$158.64 for the period 03/17/2016-04/19/2016.							
142	05/05/2016	EFT	Black Hills	Utilities	\$ 237.87	05/05/2016	\$ 237.87	05/05/2016
	Invoice with billing date 04/15/2016 for \$237.87 for service to Rock Island Depot. Includes gas rate based on meter reading and other charges, fees, and taxes.							
143	05/05/2016	EFT	Windstream	Telephone	\$ 131.30	05/05/2016	\$ 131.30	05/10/2016
	The Windstream bills are paid by EFT. The invoice is dated 04/19/2016 for service at the Rock Island Depot Railroad Museum from 04/16/2016 to 05/15/2016. It is for two access lines and other charges and fees. The phone number of the account is 402-729-5131, which is the number for the Rock Island Museum.							
144	05/05/2016	EFT	Norris Public Power	Utilities	\$ 19.34	05/05/2016	\$ 19.34	05/02/2016
	Invoice with billing date 03/11/2016 included a \$44.73 and \$30.90 in charges, so there was a \$13.83 credit for the last month. The invoice with billing date 04/12/2016 was for \$33.17; after using the \$13.83 credit, the balance was \$19.34. Service is to the Diller bank building for the period 02/29/2016 to 03/30/2016. Includes electric service taxes and other fees. Bank withdrew the funds on 05/2/2016, amount was approved on 05/5/2016.							
145	05/05/2016	2540	Diode Communications	Internet	\$ 60.72	05/05/2016	\$ 60.72	05/12/2016
	Invoices from Diode Communications dated 05/1/2016 provided totaling \$40.72 and \$20. This is for internet service at the Diller location - wireless internet equipment and service and webhosting for the period 05/1/2016-05/31/2016.							
146	05/05/2016	EFT	Capital One	Credit Card	\$ 800.00	05/05/2016	\$ 800.00	05/12/2016
	APA obtained the credit card statement. There were no purchases made during the period covering 04/3/2016 to 05/2/2016. There was \$95.60 in fees and interest and the ending balance was \$3,837.89.							
147	05/05/2016	EFT	Norris Public Power	Utilities	\$ 35.24	06/07/2016	\$ -	05/31/2016
	Invoice with billing date of 05/12/2016 for service to the Diller bank building for the period 03/30/2016 to 04/29/2016. Includes electric service taxes and other fees. This amount was not included in the May claims listing. but was included in the June claims listing. Bank withdrew the funds on 05/31/2016, prior to the approval at the 06/7/2016 meeting.							

(Continued)

**JEFFERSON COUNTY HISTORICAL SOCIETY
FISCAL YEAR 2016 DISBURSEMENTS**

	<i>Source: Trial Balance</i>				<i>Source: Board Minutes</i>		<i>Source: Bank stmt</i>	
	Check Register Date	Check Number	Payee	Description	Amount	Date Approved	Amount On Claims List	Cleared Date
148	05/05/2016	EFT	Fairbury Light & Water	Utilities	\$ 370.65	05/05/2016	\$ 370.65	05/06/2016
	The Fairbury Light and Water Department bills are paid by EFT. A statement dated 04/13/2016 for the 910 Bacon Road (Depot) property was provided totaling \$370.65 for electricity, water, sewer, and trash charges from 03/2/2016-04/1/2016. This amount was included on the both the April and May 2016 claims listing provided to the Board, but was only paid in May.							
	May Expenditures				\$ 4,754.47		\$ 4,719.23	\$ (35.24)
149	06/07/2016	2541	Fairbury Glass	Repairs	\$ 610.99	Not approved	\$ -	06/17/2016
	Invoice 41936 dated 05/16/2016 for 10 34x40 clear glass pieces for \$533.36, delivery to Steele City at \$35, and sales tax at \$42.63, for a total of \$610.99. This amount was not included on the June 2016 claims listing and therefore it was not approved by the Board.							
150	06/07/2016	2542	Fairbury Journal News	Advertising	\$ 284.50	Not approved	\$ -	06/15/2016
	Invoice 33812 dated 06/3/2016 for an advertisement of the Rock Island Rail Days - June 4-5. Cost of ad was \$284.50. This amount was not included on the June 2016 claims listing and therefore it was not approved by the Board.							
151	06/07/2016	2543	Diode Communications	Internet	\$ 60.72	06/07/2016	\$ 60.72	06/16/2016
	Invoices from Diode Communications dated 06/1/2016 provided totaling \$40.72 and \$20. This is for internet service at the Diller location - wireless internet equipment and service and webhosting for the period 06/1/2016-06/30/2016.							
152	06/07/2016	2544	Denise Andersen	Wages	\$ 1,350.00	06/07/2016	\$ 1,350.00	06/09/2016
	The Curator was treated as a contract employee. There was no contract. No supporting documentation was on file. The Curator was not required to complete a timesheet. The salary amount did not agree to the last amount approved by the Board in 2006. Ms. Andersen was paid \$1,000 per month until November 2015, at which time she was paid \$1,350 per month. There was no approval for an increase in her salary in the November 2015 meeting minutes. After the Board received the APA's draft letter in April 2016, they approved her current salary at a rate of \$1,350 per month. Therefore, the rates paid from July 2015 to April 2016 were not approved.							
153	06/07/2016	2545	Audrey Schoenbeck	Wages	\$ 756.00	06/07/2016	\$ 756.00	06/10/2016
	Audrey was treated as a contract employee. There was no contract. Paycheck for the month of May 2016 for 84 hours worked in May 2016 at \$9 an hour. The \$8.50 rate was not approved by the Board. The Board received the APA's draft letter in April 2016. Then, May meeting minutes approved the \$9 hourly rate of pay. Therefore, there was not adequate approval on file for the payments at \$8.50 per hour from July 2015 through May 2016. Additionally, the timesheet did not contain a supervisor's signature, so there is no verification of the hours worked.							
154	06/07/2016	2276	McBattas	Office Supplies	\$ 147.45	06/07/2016	\$ 147.45	06/15/2016
	Invoice 17009 dated 06/3/2016 for 4 black ink cartridges, a 4 pack of colored ink cartridges, and an endorsement stamp for a total of \$147.45.							

(Continued)

**JEFFERSON COUNTY HISTORICAL SOCIETY
FISCAL YEAR 2016 DISBURSEMENTS**

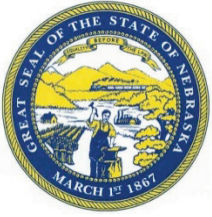
	<i>Source: Trial Balance</i>				<i>Source: Board Minutes</i>		<i>Source: Bank stmt</i>	
	Check Register Date	Check Number	Payee	Description	Amount	Date Approved	Amount On Claims List	Cleared Date
155	06/07/2016	2277	O'Keefe Elevator	Elevator Maintenance	\$ 286.60	06/07/2016	\$ 286.60	06/14/2016
	Invoice dated 06/1/2016 from O'Keefe Elevator Company for elevator maintenance as per agreement totaling \$286.60. The maintenance agreement from 2012 indicated the amount was \$245. However, there is a provision for an annual increase, which is not defined. Amount paid is not supported by adequate documentation.							
156	06/07/2016	2278	NECO	Fire Alarm Service	\$ 115.62	06/07/2016	\$ 115.62	06/14/2016
	Invoice was not dated but indicated the service was for the period March 2016 to May 2016 for the quarterly billing for fire alarm/sprinkler testing. \$107.55 monitoring and \$8.07 tax for a total of \$115.62.							
157	06/07/2016	2279	Scherbarth	Repairs	\$ 106.13	06/07/2016	\$ 106.13	06/16/2016
	Payment was for three invoices: 05/2/2016 for paint and paint scrapper at \$25.14, 05/6/2016 a toilet tank repair kit for \$22.24, and 05/14/2016 12 bags of concrete mix for \$58.75.							
158	06/13/2016	2280	Sandra Gapp	Utilities	\$ 45.33	06/07/2016	\$ 45.33	06/20/2016
	No supporting documentation was on file. The APA had previously obtained a lease agreement between the Society and Sandra Gapp for the use of 56535 River Road in Fairbury to be used as her private residence. The resident was to pay all utilities per the agreement from 2006. However, there was no support for the amount of the utilities paid. In its May 2016 Board meeting, after the APA drafted its initial letter to the Society, the minutes indicated that the minimum utility rates would be \$45.33 per month. The amended lease provided to the APA was not signed by either party and included a handwritten addition to the original lease.							
159	06/07/2016	EFT	Black Hills	Utilities	\$ 98.59	06/07/2016	\$ 98.59	06/06/2016
	Invoice with billing date 05/17/2016 for \$98.59 for service to Rock Island Depot. Includes gas rate based on meter reading and other charges, fees, and taxes. Bank withdrew the funds on 06/6/2016; prior to the approval on 06/7/2016.							
160	06/08/2016	EFT	Windstream	Telephone	\$ 132.11	06/07/2016	\$ 132.11	06/08/2016
	The Windstream bills are paid by EFT. The invoice is dated 05/19/2016 for service at the Rock Island Depot Railroad Museum from 05/16/2016 to 06/15/2016. It is for two access lines and other charges and fees. The phone number of the account is 402-729-5131, which is the number for the Rock Island Museum.							
161	06/14/2016	EFT	Capital One	Credit Card	\$ 3,019.56	06/07/2016	\$ 3,019.56	06/14/2016
	APA obtained the credit card statement. There were no purchases made during the period covering 05/3/2016 to 06/2/2016. There was \$82.59 in fees and interest, along with a credit of \$100.92 for a cash back reward, to equal the ending balance of \$3,019.56.							
162	06/01/2016	EFT	Fairbury Light & Water	Utilities	\$ 401.80	06/07/2016	\$ 401.80	06/01/2016
	The Fairbury Light and Water Department bills are paid by EFT. A statement dated 05/11/2016 for the 910 Bacon Road (Depot) property was provided totaling \$401.80 for electricity, water, sewer, and trash charges from 04/1/2016-05/3/2016. Bank withdrew funds on 06/1/2016, prior to the meeting on 6/7/2016.							

(Continued)

**JEFFERSON COUNTY HISTORICAL SOCIETY
FISCAL YEAR 2016 DISBURSEMENTS**

	<i>Source: Trial Balance</i>				<i>Source: Board Minutes</i>		<i>Source: Bank stmt</i>	
	Check Register Date	Check Number	Payee	Description	Amount	Date Approved	Amount On Claims List	Cleared Date
163	06/15/2016	EFT	Fairbury Light & Water	Utilities	\$ 184.35	06/07/2016	\$ 184.35	06/15/2016
These are all shown as individual transactions on the bank statement. The Fairbury Light and Water Department bills are paid by EFT. A statement dated 05/25/2016 for the following properties and amounts: Steele City School House \$34.82, Steele City Blacksmith shop \$36.02, Steele City Bank and Livery Stable \$43.77, Steele City Old Church \$34.82, Steele City Storage/Saw Mill \$34.92, all for electricity only. The total was \$184.35 for the period 04/19/2016-05/18/2016.								
164	N/A	EFT	Norris Public Power	Utilities	\$ 35.12	July 2016	\$ 35.24	06/30/2016
Invoice with billing date of 06/13/2016 for service to the Diller bank building for the period 04/29/2016 to 05/30/2016. Includes electric service taxes and other fees. Bank withdrew the funds on 06/30/2016, prior to the approval at the July 2016 meeting.								
June Expenditures					\$ 7,634.87		\$ 6,739.50	\$ (895.37)

(Concluded)



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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JEFFERSON COUNTY HISTORICAL SOCIETY
**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Society Board of Directors
Fairbury, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the entity activities and major fund of the Jefferson County Historical Society (Society) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Society's basic financial statements, and have issued our report thereon dated August 29, 2016. Our report on the basic financial statements disclosed that, as described in Note 1, the Society prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Society's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control. Accordingly, we do not express an opinion on the effectiveness of the Society's internal control.

Our consideration of internal control was for the limited purpose described in the first 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 were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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, misstatements 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 misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies to be material weaknesses:

- The Society lacked management personnel with the required expertise to prepare financial reports of a public body. Additionally, due to the limited size of the Society staff, an adequate segregation of duties was not possible, as the former Curator was able to process all financial transactions from beginning to end.
- The Society lacked adequate financial records to ensure accurate and complete financial reporting. Specifically, the Society lacked accounting records, accurate and complete bank reconciliations, and accurate inventory listings.
- The Society lacked adequate documentation or had no documentation on file for bills paid. Also, the Society lacked documentation for two individuals employed on a contractual basis.

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 following deficiencies to be significant deficiencies:

- For multiple disbursements, the Society made payments prior to the Board's approval or lacked the Board's approval for those payments at all.
- Other issues with the Society disbursement process included duplicate payments, payments for unauthorized gasoline and hardware purchases, and claims listing amounts not agreeing to the actual amount paid. Furthermore, the Society reported inaccurate amounts on two contract employees' IRS Form 1099s.
- Several issues relating to the receipting process of the Society were identified as several receipts were not deposited in a timely manner, which ranged from several weeks to several months. It was also noted the Society received reimbursement for an unauthorized expense over a year after the expense was incurred.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Society's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed the following instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*:

- The Society did not comply with the Open Meetings Act (Act) as the former Curator stated she believed the Society was not subject to the Act. As a result, the Society has not followed the Act's many provisions.

Additional Item

We also noted certain matters that we reported to management of the Society in a separate letter dated August 29, 2016.

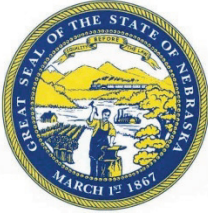
Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, not to provide an opinion on the effectiveness of the Society's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Society's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

August 29, 2016



Craig Kubicek, CPA, CFE
Assistant Deputy Auditor



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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August 29, 2016

Jefferson County Historical Society
Board of Directors
910 2nd St.
Fairbury, Nebraska 68352

Dear Directors:

We have audited the basic financial statements of the Jefferson County Historical Society (Society) for the fiscal year ended June 30, 2016, and have issued our report thereon dated August 29, 2016. In planning and performing our audit of the basic financial statements of the Society, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control. We also performed tests of the Society's compliance with certain provisions of laws, regulations, contracts, and grants.

During our audit, we noted certain matters involving internal control over financial reporting and other operational matters that are presented here. These comments and recommendations are intended to improve the internal control over financial reporting or result in operational efficiencies in the following areas:

1. Control Environment

A control environment conducive to fair and complete financial reporting requires an adequate segregation of duties so that no one individual can process an accounting transaction from beginning to end. When an adequate segregation of duties is not possible, the control environment should include an effective monitoring process of the policies, procedures, and accounting functions of the Society.

The APA identified several significant issues that created a control environment not conducive to fair and complete financial reporting, as described below.

General Processes

- The Society does not maintain organized, detailed records of the monies received or expended during the year. The APA was provided with a check book register and the deposit slips that comprised the accounting records of the Society. Because of the lack of records, there is an increased risk that the financial statements will contain errors or be misstated.

The APA identified six transactions that were not recorded in the check book register, as follows:

Check Number	Payee	Description	Amount	Cleared Date
EFT	Windstream	Telephone	\$126.60	07/08/2015
EFT	Fairbury Light & Water	Utilities	\$469.84	07/01/2015
EFT	Fairbury Light & Water	Utilities	\$158.25	07/15/2015
EFT	Black Hills	Utilities	\$50.73	07/06/2015
EFT	Norris Public Power	Utilities	\$36.01	07/30/2015
EFT	Norris Public Power	Utilities	\$35.12	06/30/2016
Total			\$876.55	

The APA added these transactions to the Society's activity.

- The Society did not regularly perform or document its bank reconciliation, which is a comparison of its bank records to its accounting records. The APA's reconciliation identified multiple recording variances between the bank records and accounting records. Furthermore, there were multiple errors in the calculated book balance from the check register.
- The Society lacked inventory listings for its real estate and personal property. Furthermore, the Society utilized handwritten records for the description, cost, and number of items in its official inventory listings of merchandise offered for sale through both the Society's gift shop and consignment sales. These handwritten records are shown below:

<u>Inventory</u>		<u>June 30, 2016</u>	
<u>Ornament</u>	<u>How much it Costs</u>	<u>Number of them</u>	
Rock Island - Flat Christmas Tree Ornament	\$3.95	Blue	33
		Green	76
		Gold	99
		Pink	40
		Purple	28
		Red	30
		Total Flat Ornaments = 306	
Rock Island - Round Christmas Tree Ornaments	Cost of Ornament \$3.95	<u>Number of them</u>	
		Pink	27
		Purple	37
		Green	32
		Red	34
		Blue	36
		Gold	42
		Total Round Ornaments = 208	

Additionally, it does not appear that a reconciliation of inventory on hand to sale revenues was completed to ensure funds were collected for all inventory sold.

- The Society was unable to verify that the financial institutions it utilizes were authorized by the Board. Article V, Section 3, of the Society’s bylaws states the following:

All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the Board of Directors may select.

According to the Interim Director of the Society, the financial institutions used by the Society were not approved at a Board meeting.

Disbursement Processes

- The writing of checks to “Cash” or “Bearer” was not prohibited. Although, the APA did not identify any checks made out to “Cash” or “Bearer” during testing, failure to preclude such a practice is not conducive to a proper internal control system.
- According to the Interim Director, the signing of checks in advance of filling them out not only was permitted but also had occurred in the past. There was no indication of the checks that were signed in advance.
- The Society did not maintain voided checks for subsequent inspection. The APA identified one voided check during the fiscal year that was not on hand.
- The Society lacked a policy to ensure checks that were outstanding for a long period of time were followed up on in a timely manner.

Receipt Processes

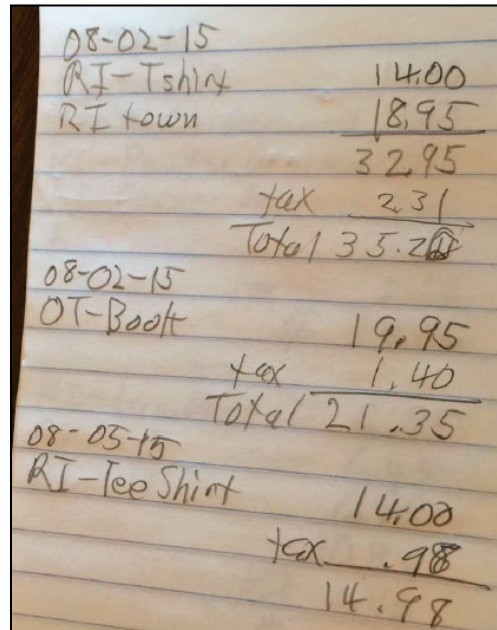
- The Society lacked an overall segregation of duties for funds received. The former Curator was in a position both to perpetrate and to conceal errors and irregularities, as she exercised total control over the receipt of any funds provided to the Society, with minimum supervision from the Board. The former Curator was responsible for receiving funds made payable to the Society in the form of donations and merchandise sales, for recording the receipts in the Society’s check register, and for making deposits.
- Receipts or manual logs were not used for all donations received by the Society. The former Curator indicated that receipts were used for personal cash donations, but not for any donations placed in the donation box.

The APA tested three transactions recorded as donations, totaling \$5,881.09, and determined that no documentation was available to support the receipt of those funds. The items were simply listed on the Society’s deposit slip. Included in this amount was a donation of \$5,000 deposited in September 2015.

With donations being one of the major sources of funding for the Society, there is a significant risk that donations received may not be recorded and deposited into the Society’s bank account when receipts are not used for them.

- The Society failed to reconcile each deposit by comparing the total funds received to the amount deposited at the bank.

- The Society failed to prepare written, pre-numbered receipts for all funds paid to the Society. Instead, the Society tracked funds received with handwritten notes. The image below is an example of sales made on August 2, 2015, and included in the notebook:



The lack of written, pre-numbered receipts does not allow the Society to track and identify out-of-order or missing receipts, the customer who made the purchase, or the method of payment. Additionally, a copy of the receipt is not provided to the customer.

- Prices charged for merchandise sold by the Society were not approved by the Board. According to the Interim Director, the former Curator had complete control over the purchase of merchandise and the setting of prices charged.

Good internal control requires a control environment that is conducive to fair and complete financial reporting and includes adequate reviews and monitoring of the Society's financial activity by the Board. Without such oversight, there is a significant risk for loss or misuse of Society funds.

We recommend the Board implement procedures to ensure the following:

- Accurate and complete financial records, including inventory listings, are maintained;
- Financial transactions are adequately documented, reviewed, and monitored;
- Accurate bank reconciliations are completed and reviewed by an individual not involved with the receipt or disbursement process;
- Financial institutions and accounts are authorized by a vote of the Board;

- The practices of making checks out to “Cash” or “Bearer” and signing checks in advance are strictly prohibited;
- Voided checks are maintained for subsequent inspections;
- Funds received by the Society are reconciled to the amount deposited;
- Pre-numbered receipts are written for all monies received by the Society; and
- Prices charged for merchandise sold by the Society are authorized by the Board.

2. Lack of Adequate Documentation

The Society lacked adequate documentation to support a number of its disbursements. The following table summarizes the issues addressed herein.

# of transactions	Total Amount	Description
24	\$23,682.00	Payroll disbursements were not supported by approved rates.
19	\$1,809.74	Documentation provided was not adequate to support the disbursement.
7	\$709.08	No documentation was provided to support the disbursement.
50	\$26,200.82	Totals

Wages Paid

The Society utilizes the services of Denise Andersen and Audrey Schoenbeck, both of whom are treated as independent contractors. In doing so, however, the Society has neglected to enter into formal written agreements with either of those individuals. Not until after receiving the APA’s draft letter to the Society in April 2016, moreover, did the Board provide documentation that it had approved the rates of pay for Ms. Andersen and Ms. Schoenbeck.

As Curator, Ms. Andersen’s many responsibilities included writing payroll checks, and she was paid \$1,000 per month from July 2015 until October 2015, at which time her pay was increased to \$1,350 per month. The Board minutes provided lacked a motion or vote to document approval of the increase in her rate of pay. In May 2016, after receipt of the APA’s initial letter, the Board finally approved Ms. Andersen’s increased rate of pay.

Ms. Schoenbeck was paid \$8.50 per hour from July 2015 until May 2016, at which time her pay was increased to \$9 per hour. In May 2016, after receipt of the APA’s initial letter, the Board finally approved Ms. Schoenbeck’s current hourly pay rate. Additionally, the timesheets submitted by this individual were not signed by a supervisor to verify the days and hours worked.

The following is a summary of the wages paid to Ms. Andersen and Ms. Schoenbeck:

Check Register Date	Check Number	Payee	Amount
07/14/2015	2455	Denise Andersen	\$1,000.00
08/13/2015	2463	Denise Andersen	\$1,000.00
09/10/2015	2475	Denise Andersen	\$1,000.00
10/08/2015	2488	Denise Andersen	\$1,000.00
11/11/2015	2496	Denise Andersen	\$1,350.00
12/10/2015	2505	Denise Andersen	\$1,350.00
01/07/2016	2511	Denise Andersen	\$1,350.00
02/11/2016	2515	Denise Andersen	\$1,350.00
03/10/2016	2528	Denise Andersen	\$1,350.00
04/07/2016	2533	Denise Andersen	\$1,350.00
05/05/2016	2537	Denise Andersen	\$1,350.00
06/07/2016	2544	Denise Andersen	\$1,350.00
07/14/2015	2454	Audrey Schoenbeck	\$680.00
08/13/2015	2456	Audrey Schoenbeck	\$782.00
09/10/2015	2466	Audrey Schoenbeck	\$748.00
10/08/2015	2480	Audrey Schoenbeck	\$714.00
11/11/2015	2495	Audrey Schoenbeck	\$782.00
12/10/2015	2504	Audrey Schoenbeck	\$714.00
01/07/2016	2510	Audrey Schoenbeck	\$748.00
02/11/2016	2519	Audrey Schoenbeck	\$782.00
03/10/2016	2526	Audrey Schoenbeck	\$680.00
04/07/2016	2531	Audrey Schoenbeck	\$748.00
05/05/2016	2536	Audrey Schoenbeck	\$748.00
06/07/2016	2545	Audrey Schoenbeck	\$756.00
Totals			\$23,682.00

Lack of Adequate Documentation

The following 19 transactions lacked adequate documentation to support the disbursement:

Check Register Date	Check Number	Payee	Amount	Description
08/13/2015	2460	Steve Taylor	\$210.00	Handwritten invoices were provided that did not indicate the days on which the services were provided. The rate of pay was also not approved by the Board.
11/11/2015	2493	Steve Taylor	\$120.00	
10/08/2015	2481	Julianne Endorf	\$37.70	The online receipt provided appears to indicate the purchase was made by a different individual than the payee.
11/11/2015	2491	Continental Fire	\$78.75	The invoice contained conflicting information. The total amount was listed as \$78.75, but the detailed items listed on the invoice only totaled \$73.75.

Check Register Date	Check Number	Payee	Amount	Description
12/10/2015	2500	O'Keefe Elevator	\$275.58	The maintenance agreement did not agree to the amount paid. No other documentation supported the amount paid.
02/11/2016	2518	O'Keefe Elevator	\$275.58	
06/07/2016	2277	O'Keefe Elevator	\$286.60	
01/07/2016	2513	NE Dept of Revenue	\$26.52	The Sales and Use Tax form was provided, but the amounts included as sales on the form were not supported.
08/13/2015	2464	Sandra Gapp	\$45.33	A lease agreement that permitted an individual to maintain residence in a building owned by the Society required the Society to pay utilities. The monthly amount of utilities was not supported.
09/10/2015	2476	Sandra Gapp	\$45.00	
10/08/2015	2489	Sandra Gapp	\$45.33	
11/11/2015	2497	Sandra Gapp	\$45.50	
12/10/2015	2506	Sandra Gapp	\$45.50	
01/07/2016	2512	Sandra Gapp	\$45.50	
02/11/2016	2514	Sandra Gapp	\$45.33	
03/10/2016	2529	Sandra Gapp	\$45.53	
04/07/2016	2534	Sandra Gapp	\$45.33	
05/05/2016	2538	Sandra Gapp	\$45.33	
06/13/2016	2280	Sandra Gapp	\$45.33	The lease agreement provided was amended with a handwritten amount for utilities. In May 2016, the Board approved a minimum amount of \$45.33, but the lease agreement was not signed by both parties.
Totals			\$1,809.74	

No Documentation

The Society failed to provide any documentation at all to support the following seven disbursements of funds:

Check Register Date	Check Number	Payee	Amount
08/13/2015	2462	O'Keefe Elevator	\$275.58
09/10/2015	2473	Jefferson Co. Treasurer	\$28.50
09/10/2015	2474	Pla-Mar Lanes (Jimmy Gould)	\$30.00
09/20/2015	2477	Rose Anne Zach	\$160.00
09/20/2015	2478	Dave Moser	\$30.00
09/20/2015	2479	Dulcimers Band	\$150.00
11/11/2015	2498	Henry Klee	\$35.00
Totals			\$709.08

A system of proper internal control requires adequate procedures and sufficiently detailed records to support all disbursements of funds. Without such procedures and records, such as written contracts, signed timesheets, documented Board approval of pay rates, and invoices that adequately identify the nature of each payment, there is an increased risk for the loss or misuse of Society funds.

We recommend the Society implement procedures and maintain records to ensure the following:

- Written agreements are entered into with all paid workers;

- Board approval is documented for all changes to wage rates;
- Hours worked are adequately reviewed and verified by a second individual; and
- The specific nature of all fund disbursements is documented.

3. Lack of Approval for Disbursements of Funds

The Board failed to ensure all disbursements of funds were approved prior to payment. The following table summarizes the Board’s lack of approval:

# of Transactions	Amount	Description
24	\$8,112.99	Claims were not approved, as Board meetings were not held in August or December 2015.
30	\$7,526.05	Claims were paid prior to Board approval.
17	\$5,869.10	Claims were not approved, as they were not included on the claims listings presented to the Board.
71	\$21,508.14	Totals

Lack of Board Approval Due to Absence of Meetings

The following 24 transactions were paid in August and December 2015, months in which no Board meeting was held; therefore, the payments were not properly approved prior to disbursement.

Check Register Date	Check Number	Payee	Description	Amount
08/13/2015	2456	Audrey Schoenbeck	Wages	\$782.00
08/13/2015	2457	Dick Schmeling	Gift Shop Inventory	\$124.12
08/13/2015	2458	Maatsch Oil Co.	Gasoline	\$152.47
08/13/2015	2459	Diode Communications	Internet	\$121.44
08/13/2015	2460	Steve Taylor	Mowing	\$210.00
08/13/2015	2461	Scherbarth Ace Hardware	Repairs	\$159.07
08/13/2015	2462	O'Keefe Elevator	Elevator Maintenance	\$275.58
08/13/2015	2463	Denise Andersen	Wages	\$1,000.00
08/13/2015	2464	Sandra Gapp	Utilities	\$45.33
08/13/2015	EFT	Capital One	Credit Card	\$1,000.00
08/13/2015	EFT	Windstream	Telephone	\$130.60
08/13/2015	EFT	Fby Light & Water	Utilities	\$649.65
08/13/2015	EFT	Fby Light & Water	Utilities	\$161.90
08/13/2015	EFT	Black Hills	Utilities	\$33.25
08/13/2015	EFT	Norris Public Power	Utilities	\$29.97
12/10/2015	2500	O'Keefe Elevator	Elevator Maintenance	\$275.58
12/10/2015	2501	Fairbury Journal News	Advertising	\$125.00
12/10/2015	2503	Diode Communications	Internet	\$60.72
12/10/2015	2504	Audrey Schoenbeck	Wages	\$714.00
12/10/2015	2505	Denise Andersen	Wages	\$1,350.00
12/10/2015	2506	Sandra Gapp	Utilities	\$45.50
12/10/2015	EFT	Black Hills	Utilities	\$80.03
12/10/2015	EFT	Fairbury Light & Water	Utilities	\$158.25
12/10/2015	EFT	Fairbury Light & Water	Utilities	\$428.53
Totals				\$8,112.99

Payments Made Prior to Board Approval

The following 30 transactions were paid prior to approval by the Board. As indicated below, all of these payments were electronic funds transfers (EFTs), as opposed to checks.

Check Register Date	Date Approved	Cleared Date	Check Number	Payee	Amount
N/A	07/09/2015	07/08/2015	EFT	Windstream	\$126.60
N/A	07/09/2015	07/01/2015	EFT	Fairbury Light & Water	\$469.84
N/A	07/09/2015	07/06/2015	EFT	Black Hills	\$50.73
09/10/2015	10/08/2015	09/30/2015	EFT	Norris Public Power	\$40.30
09/10/2015	09/10/2015	09/03/2015	EFT	Black Hills	\$33.10
09/10/2015	09/10/2015	09/03/2015	EFT	Fby Light & Water	\$866.36
09/10/2015	09/10/2015	09/09/2015	EFT	Windstream	\$129.26
10/08/2015	10/08/2015	10/05/2015	EFT	Black Hills	\$35.86
10/08/2015	10/08/2015	10/07/2015	EFT	Fby Light & Water	\$765.65
11/11/2015	11/11/2015	11/05/2015	EFT	Fairbury Light & Water	\$436.86
11/11/2015	11/11/2015	11/02/2015	EFT	Norris Public Power	\$40.04
11/11/2015	11/11/2015	11/03/2015	EFT	Black Hills	\$34.11
11/11/2015	11/11/2015	11/10/2015	EFT	Windstream	\$129.33
12/30/2015	01/07/2016	12/30/2015	EFT	Norris Public Power	\$32.66
12/31/2015	01/07/2016	12/31/2015	EFT	Fby Light & Water	\$349.34
01/07/2016	01/07/2016	01/04/2016	EFT	Black Hills	\$393.24
02/18/2016	02/12/2016	02/01/2016	EFT	Norris Public Power (1)	\$107.82
02/17/2016	02/12/2016	02/03/2016	EFT	Fairbury Light & Water	\$424.48
02/13/2016	02/12/2016	02/03/2016	EFT	Black Hills	\$686.82
02/09/2016	02/12/2016	02/09/2016	EFT	Windstream	\$130.27
03/10/2016	03/10/2016	03/02/2016	EFT	Fairbury Light & Water	\$513.62
03/10/2016	03/10/2016	03/03/2016	EFT	Black Hills	\$653.75
03/10/2016	03/10/2016	03/09/2016	EFT	Windstream	\$129.84
02/18/2016	03/10/2016	02/29/2016	EFT	Norris Public Power (1)	\$-
04/07/2016	04/07/2016	04/04/2016	EFT	Black Hills	\$356.08
05/05/2016	05/05/2016	05/02/2016	EFT	Norris Public Power	\$19.34
05/05/2016	06/07/2016	05/31/2016	EFT	Norris Public Power	\$35.24
06/07/2016	06/07/2016	06/06/2016	EFT	Black Hills	\$98.59
06/01/2016	06/07/2016	06/01/2016	EFT	Fairbury Light & Water	\$401.80
N/A	July 2016	06/30/2016	EFT	Norris Public Power	\$35.12
Totals					\$7,526.05

(1) The payment was recorded as one transaction for \$107.82 on the check register. However, there were two separate transactions for \$77.15 and \$30.67 on the bank statements.

Payments Not Approved

The following 17 transactions were not included on the claims listing provided to the Board; as a result, the transactions were not approved by the Board.

Check Register Date	Check Number	Payee	Description	Amount
08/13/2015	2465	Wheel N Deal	Equipment Rental	\$295.38
09/10/2015	2473	Jefferson Co. Treasurer	Miscellaneous	\$28.50
09/10/2015	2474	Pla-Mar Lanes (Jimmy Gould)	Miscellaneous	\$30.00
09/20/2015	2477	Rose Anne Zach	Miscellaneous	\$160.00
09/20/2015	2478	Dave Moser	Miscellaneous	\$30.00
09/20/2015	2479	Dulcimers Band	Miscellaneous	\$150.00
10/19/2015	EFT	Capital One	Credit Card	\$1,000.00
11/20/2015	EFT	Norris Public Power	Utilities	\$32.55
12/10/2015	2502	NECO	Fire Alarm Service	\$115.62
12/10/2015	EFT	Windstream	Telephone	\$129.21
01/07/2016	2513	NE Dept of Revenue	Sales Tax Paid	\$26.52
01/07/2016	EFT	Capital One	Credit Card	\$1,200.00
02/16/2016	EFT	Capital One	Credit Card	\$1,200.00
03/11/2016	2520	Nebraska Secretary of State	Miscellaneous	\$30.00
03/30/2016	EFT	Fairbury Light & Water	Utilities	\$545.83
06/07/2016	2541	Fairbury Glass	Repairs	\$610.99
06/07/2016	2542	Fairbury Journal News	Advertising	\$284.50
Totals				\$5,869.10

An adequate system of internal controls requires procedures to ensure the Board approves all payments of Society funds prior to disbursement. Without such procedures, there is an increased risk for the loss or misuse of Society funds.

We recommend the Board implement procedures to ensure all payments of Society funds are appropriately approved prior to disbursement and are included on the claims listing provided to the Board.

Society Response: As of this letter, all Society accounts are paid by check. The use of EFT payments has been discontinued.

4. Other Disbursement Issues

The APA identified a few other issues with the Society’s disbursement of funds, as described below.


Duplicate Payment

The Society paid twice for the same invoiced service. Details of the duplicate payment are provided below.

- Check 2501, dated 12/10/2015, was paid to Fairbury Journal News for Invoice 30690 for advertising of “Grinchy Christmas at the Depot” totaling \$125.

- Check 2517, dated 02/11/2016, was paid to The Fairbury Journal News for Invoice 30690 totaling \$125, as noted above, and a \$3.64 late fee, for a total payment of \$128.64.

The following are copies of the two invoices that were provided to the APA to support each disbursement:

 <p>The Fairbury Journal News</p> <p>516 5th Street P.O. Box 415 Fairbury, NE 68352</p>		<div style="border: 2px solid red; padding: 5px;"> <p style="text-align: center; margin: 0;">Invoice</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Date</td> </tr> <tr> <td style="text-align: center;">12/4/2015</td> </tr> <tr> <td style="text-align: center;">Invoice #</td> </tr> <tr> <td style="text-align: center;">30690</td> </tr> </table> </div>			Date	12/4/2015	Invoice #	30690											
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<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Bill To</td> </tr> <tr> <td>Jefferson Co. Historical Society 910 Bacon Road Fairbury, Nebraska 68352</td> </tr> </table>		Bill To	Jefferson Co. Historical Society 910 Bacon Road Fairbury, Nebraska 68352	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">FOR ALL BILLING INQUIRES:</td> </tr> <tr> <td style="text-align: center;">trevor.gill@mcbattascompanies.com</td> </tr> <tr> <td style="text-align: center;">Journal: (402) 729-6141</td> </tr> </table>			FOR ALL BILLING INQUIRES:	trevor.gill@mcbattascompanies.com	Journal: (402) 729-6141										
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<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Item Code</th> <th style="width: 40%;">Description</th> <th style="width: 15%;">Price Each</th> <th style="width: 15%;">Ad Size</th> <th style="width: 15%;">Amount</th> </tr> </thead> <tbody> <tr> <td>LR Local Rate</td> <td>Grinchy Christmas at the Depot</td> <td style="text-align: right;">125.00</td> <td></td> <td style="text-align: right;">125.00</td> </tr> <tr> <td colspan="2"></td> <td colspan="3" style="text-align: center; vertical-align: middle;"> <i>Pd. ck # 2501 pd. 12/10/15</i> </td> </tr> </tbody> </table>					Item Code	Description	Price Each	Ad Size	Amount	LR Local Rate	Grinchy Christmas at the Depot	125.00		125.00			<i>Pd. ck # 2501 pd. 12/10/15</i>		
Item Code	Description	Price Each	Ad Size	Amount															
LR Local Rate	Grinchy Christmas at the Depot	125.00		125.00															
		<i>Pd. ck # 2501 pd. 12/10/15</i>																	

The Fairbury
Journal-News

516 5th Street
P.O. Box 415
Fairbury, NE 68352

Statement

Date
2/1/2016

Journal News: (402) 729-6141

Bill To

Jefferson Co. Historical Society
910 Bacon Road
Fairbury, Nebraska 68352

		Amount Due	Amount Enc.
		\$128.64	
Date	Description	Amount	Balance
01/01/2016	Balance forward		125.00
02/01/2016	INV #FC 1216. Finance Charge --- Fin Chg \$3.64 --- Invoice #30890 for 125.00 on 12/04/2015	3.64	128.64

Pd. 2/11/16

As of the issuance of this letter, the Society had not obtained a refund from The Fairbury Journal News for the duplicate payment.

Payments for Gasoline Purchases

The Board allowed gasoline purchases to be made on account at Maatsch Oil Company. The invoices provided did not indicate the business purpose for which the purchase of gasoline was needed. Furthermore, the Board lacked proper controls to monitor these purchases. The Board approved three payments to Maatsch Oil Company for purchases of gasoline by either its Treasurer or the Curator, as set out in the following table:

Check Register Date	Check Number	Payee	Description	Amount	
08/13/2015	2458	Maatsch Oil Co.	Gasoline	\$152.47	Four invoices as follows: (1) 07/05/15 - 23.047 gallons, totaling \$65.66, by Denise Andersen; (2) 07/07/15 - 6.091 gallons, totaling \$17.35, by Zach Schacht; (3) 07/08/15 - 14.86 gallons, totaling \$38.62, by Zach Schacht; and (4) 07/18/15 - 10.824 gallons, totaling \$30.84, by Zach Schacht.
09/10/2015	2469	Maatsch	Gasoline	\$32.17	Invoice dated 08/02/15 for 10.552 gallons of lead-free gas. The invoice was signed by Zach Schacht.
10/08/2015	2483	Maatsch	Gasoline	\$27.07	Invoice dated 09/18/15 for 10.03 gallons of lead-free gas. The invoice was signed by Zach Schacht.
Totals				\$211.71	

Payments to Scherbarth Ace Hardware

The Board allowed charges to be made in its name at Scherbarth Ace Hardware. Although invoices were provided, the building for which each purchase was intended was not always clearly identified. Furthermore, the Board did not have proper monitoring procedures to ensure the items purchased were actually used for the Society’s benefit and were not used personally. The following table contains a summary of these disbursements:

Check Register Date	Check Number	Payee	Amount	Description
08/13/2015	2461	Scherbarth Ace Hardware	\$159.07	Invoice dated 07/18/15 for a hose discharge and sump pump. Handwritten note indicated it was for Steele City Church.
09/10/2015	2470	Scherbarth Ace Hardware	\$453.67	Invoice dated 08/15/15 for various supplies and materials, including paint, wood, cleaning supplies, and toilet paper. Invoice was signed by Denise Andersen.
10/08/2015	2487	Scherbarth Ace Hardware	\$175.49	Two invoices for this transaction: (1) 09/18/15 for two pieces of plywood totaling \$37.35; and (2) 09/19/15 for various repair supplies and trash bags for \$138.14. These invoices were referenced to Steele City.
03/10/2016	2527	Scherbarth	\$67.71	Invoice dated 02/20/16 for various cleaning supplies, such as Pledge polish, or paper towels and toilet paper.
04/07/2016	2532	Scherbarth	\$378.69	Transaction consisted of six different invoices: (1) 03/26/16 for clamps, glue, and wood totaling \$55.45; (2) 03/24/16 for pliers totaling \$22.24; (3) 03/16/16 for a corner brace totaling \$3.37; (4) 03/15/16 for paint and a paint brush totaling \$37.71; (5) 03/12/16 for wood, nails, paint, and other materials totaling \$223.73; and (6) 03/23/16 for hinges and a bolt totaling \$36.19.
05/05/2016	2539	Scherbarth	\$797.38	Statement included several invoices as follows: (1) 04/27/16 for sandpaper totaling \$5.78; (2) 04/28/16 for corner brace, pliers, and dustpan totaling \$37.67; (3) 04/19/16 for paint, primer, paper towels, toilet papers, dustpan, garden gloves and cleaning supplies totaling \$221.27; (4) 04/20/16 for paint pail and liners, glazing compound, putty knives, roller frames, and rollers totaling \$84.85; (5) 04/09/16 for screw, blades, and wood totaling \$185.32; (6) 04/27/16 for quart of paint totaling \$14.50; (7) 04/09/16 for wood and shop lights totaling \$208.88; (8) 04/11/16 for safety marker and push points totaling \$14.46; (9) 04/02/16 for paint and glazing compound totaling \$24.65. Purchases signed for by Denise or Zach.
06/07/2016	2279	Scherbarth	\$106.13	Payment was for three invoices: (1) 05/02/16 for paint and paint scraper totaling \$25.14; (2) 05/06/16 for a toilet tank repair kit totaling \$22.24; (3) 05/14/16 for 12 bags of concrete mix totaling \$58.65.
Total			\$2,138.14	

Lease of John Deere Gator

The Society leased a John Deere Gator utility vehicle from Oregon Trail Equipment L.L.C. on May 29, 2015, through May 31, 2016. According to the rental agreement, the rental rate was \$10 per hour used. At June 30, 2016, the utility vehicle had not been returned, and the Society had not been billed for its use. The Society lacked procedures to ensure the hours billed were

accurate and the vehicle was used only for Society business. The last lease payment for the use of the vehicle was made with check number 2444 in June 2015 for \$2,057, which equates to over 200 hours of use.

Amounts on Claims List and Checks Did Not Agree

The APA identified several variances between the claims listing and the actual check, as illustrated in the table below:

Check Register Date	Check Number	Payee	Claims Listing Amount	Amount Approved by Board	Variance	Notes
N/A	EFT	Fairbury Light & Water	\$469.84	\$468.84	\$1.00	Amounts don't match.
09/10/2015	2467	Fairbury Journal News	\$78.40	\$78.80	(\$0.40)	Amounts don't match.
09/10/2015	EFT	Fby Light & Water	\$158.89	\$158.80	\$0.09	Amounts don't match.
09/10/2015	2476	Sandra Gapp	\$45.00	\$45.50	(\$0.50)	Amounts don't match.
01/07/2016	2512	Sandra Gapp	\$45.50	\$45.33	\$0.17	Amounts don't match.
02/18/2016	EFT	Norris Public Power	\$107.82	\$77.15	\$30.67	Amounts don't match.
02/11/2016	2517	Fairbury Journal News	\$128.64	\$125.00	\$3.64	Amounts don't match.
03/10/2016	2529	Sandra Gapp	\$45.53	\$45.33	\$0.20	Amounts don't match.
02/18/2016	EFT	Norris Public Power	\$0.00	\$30.67	(\$30.67)	Amounts don't match.
04/07/2016	2532	Scherbarth	\$378.69	\$378.09	\$0.60	Amounts don't match.
04/07/2016	2534	Sandra Gapp	\$45.33	\$45.33	\$0.00	Check was written for \$45.33, which agreed to the check register and claims listing. However, the check cleared the bank at \$45.53; a \$0.20 variance.

While these variances may not seem large, their lack of detection by the Board is a concern; moreover, the possibility exists that unauthorized transactions could be processed without detection.

Inaccurate Amounts Reported on 1099 Forms

The amounts reported as wage payments to Denise Andersen and Audrey Schoenbeck on the Internal Revenue Service (IRS) Form 1099s issued by the Society did not agree to the wage amounts documented in the Society's own records for calendar year 2015.

The Society's accounting records reflect the following wage payments to Ms. Andersen during calendar year 2015:

Check Register Date	Check Number	Payee	Amount
01/08/2015	2265	Denise Andersen	\$1,000.00
02/06/2015	2274	Denise Andersen	\$1,000.00
03/12/2015	2428	Denise Andersen	\$1,000.00
04/09/2015	2436	Denise Andersen	\$1,000.00
05/09/2015	2443	Denise Andersen	\$1,000.00

Check Register Date	Check Number	Payee	Amount
06/11/2015	2451	Denise Andersen	\$1,000.00
07/14/2015	2455	Denise Andersen	\$1,000.00
08/13/2015	2463	Denise Andersen	\$1,000.00
09/10/2015	2475	Denise Andersen	\$1,000.00
10/08/2015	2488	Denise Andersen	\$1,000.00
11/11/2015	2496	Denise Andersen	\$1,350.00
12/10/2015	2505	Denise Andersen	\$1,350.00
Total			\$12,700.00

On her IRS Form 1099, however, the Society reported a total of \$13,350 paid to Ms. Andersen, a difference of \$650.

The Society's accounting records reflect the following wage payments to Ms. Schoenbeck during calendar year 2015:

Check Register Date	Check Number	Payee	Amount
01/08/2015	2263	Audrey Schoenbeck	\$680.00
02/07/2015	2272	Audrey Schoenbeck	\$544.00
03/12/2015	2427	Audrey Schoenbeck	\$238.00
04/09/2015	2435	Audrey Schoenbeck	\$306.00
05/09/2015	2442	Audrey Schoenbeck	\$748.00
06/11/2015	2450	Audrey Schoenbeck	\$782.00
07/14/2015	2454	Audrey Schoenbeck	\$680.00
08/13/2015	2456	Audrey Schoenbeck	\$782.00
09/10/2015	2466	Audrey Schoenbeck	\$748.00
10/08/2015	2480	Audrey Schoenbeck	\$714.00
11/11/2015	2495	Audrey Schoenbeck	\$782.00
12/10/2015	2504	Audrey Schoenbeck	\$714.00
Total			\$7,718.00

On her IRS Form 1099, however, the Society reported a total of \$7,731 paid to Ms. Schoenbeck, a difference of \$13.

A system of good internal controls requires adequate procedures and sufficiently detailed records to ensure the following: 1) claims payments are closely monitored to prevent duplicate expenditures and other errors; 2) every purchase made with Society funds has a legitimate business purpose; 3) the amount of each claim presented to and approved by the Board is identical to the amount of the correlative claim payment made; and 4) wage payments are properly reported to the IRS. Without such procedures and records, there is an increased risk for the loss or misuse of Society funds.

We recommend the Society implement procedures and maintain records to ensure claims payments are closely monitored to prevent duplicate disbursements and other errors. In relation thereto, the Society should contact The Fairbury Journal News to obtain a refund of the duplicate payment made to that entity. Additionally, if the Board chooses to continue allowing purchases to be made on accounts, the procedures implemented and records maintained should ensure and document the legitimate business purpose of those purchases. In particular, we recommend the Board consider whether the lease of the John Deere Gator utility vehicle is necessary. The Board's procedures and records should also ensure approved claim amounts are identical to those actually paid. Finally, the procedures implemented by the Board and the records maintained should ensure wage payments are reported correctly to the IRS.

Society Response: The charge accounts at Maatch's Oil Company and Scherbarth Ace Hardware have been suspended until proper controls can be implemented.

The Society has terminated the lease of the John Deere Gator through Oregon Trail Equipment L.L.C./Landmark Implement. The Society's current Board of Directors agree that the rental and use of such equipment is unnecessary.

5. Receipt Issues

The APA identified a number of issues pertaining to the Society's procedures over receipts, as described in detail below.

Timeliness of Deposits

The APA tested the Society's receipt of funds from Jefferson County and determined that 4 of 12 county receipts tested were not deposited in a timely manner. The following table summarizes the untimely deposit of funds to the Society's bank account.

Type of Receipt	Amount	Date of Check from County	Date of Deposit	Days Between Receipt and Deposit
Property Taxes and Interest and Homestead Exemption (1)	\$345.34	07/01/15	08/17/15	47 Days
Property Taxes and Interest and Carline Receipts	\$2,801.12	10/01/15	01/08/16	99 Days
Property Taxes and Interest, Motor Vehicle Pro Rate, and In Lieu – Wind Power Receipts	\$602.07	11/02/15	12/11/15	39 Days
Property Taxes and Interest, Motor Vehicle Pro-Rate, and In Lieu – Wind Power Receipts	\$1,514.84	02/01/16	02/22/16	21 Days
Total	\$5,263.37			

(1) This receipt was for taxes collected by the County in June 2015 and distributed to the Society in July 2015. Taxes are considered to be received when collected by the County; therefore, this receipt is not included in the fiscal year 2016 receipt total, but it was selected for testing nonetheless.

The APA also tested five other receipts, including for sales of merchandise and donations, and identified one deposit of \$104.03, which was comprised of the proceeds from three consignment sales, that were not made in a timely manner. This deposit included sales that ranged from 73 days to 194 days prior to the deposit of the funds. The following table summarizes those three sales:

Description	Amount	Date of Remittance by Consignee	Date of Deposit	Days Between Receipt and Deposit
Rail Road Depot & Pioneer Trails	\$52.66	09/04/15	03/16/16	194 Days
Pioneer Tales Book	\$17.95	11/04/15	03/16/16	133 Days
Rock Island Depot	\$33.42	01/03/16	03/16/16	73 Days
Deposit Amount	\$104.03			

In addition to the consignment sales noted above, the APA identified three other purchases, totaling \$56.50, made at the Society's gift shop that lacked adequate documentation to support the amount received. As noted already in Comment 1, the Board did not approve the rates of merchandise sold. Due to the lack of documentation, the APA was unable to determine if the amount deposited was appropriate.

Finally, the APA confirmed the three largest donation amounts and dates. Two of the three donations confirmed were not deposited in a timely manner. The table below summarizes the number of days between receipt and deposit for these donations:

Donor	Amount	Donation Date	Deposit Date	Days between Receipt and Deposit
Donor 1	\$5,000.00	07/07/15	09/08/15	63 Days
Donor 2	\$1,474.00	12/11/15	01/08/16	28 Days
Total	\$6,474.00			

The APA could not determine if other donations were deposited in a timely manner due to the lack of documentation to indicate when the amounts were received.

When deposits are not made in a timely manner, there is an increased risk for the loss or misuse of Society funds.

We recommend the Society implement procedures to ensure all deposits are made in a timely manner.

Reimbursement of Prior Unauthorized Expense

In our May 23, 2016, letter to the Society, the APA identified a \$781.09 Society credit card payment to Verizon Wireless on February 11, 2015. The APA expressed concerns that the Society member responsible for that particular charge may have misappropriated Society funds for personal use, as the amount was not reimbursed until after the APA questioned the purchase.

On February 22, 2016, the Society deposited \$781.09 into its bank account and classified the transaction as a donation. That deposit was actually reimbursement for the suspect charge brought to light by the APA in early 2015, and it was made little over a year after the initial credit card purchase.

Further details regarding the unauthorized expense and the APA's original recommendation can be found in the APA's letter dated May 23, 2016.

6. Open Meeting Laws

The following issue was first reported in the APA's initial letter to the Society. Because of its significance, the APA felt the exclusion of the finding would be misleading.

The former Curator indicated to the APA that she thought the Society was not subject to the Open Meetings Act (Act), which is set out at Neb. Rev. Stat. §§ 84-1407 to 84-1414 (Reissue 2014, Supp. 2015). Consequently, the Society has not followed the Act's many provisions, including those requiring public notice of meetings, publication of meeting agendas, and adherence to the aforementioned agenda.

Neb. Rev. Stat. § 84-1409(1)(a) (Reissue 2014) offers the following definition of the type of "public body" to which the requirements of the Act apply:

Public body means (i) governing bodies of all political subdivisions of the State of Nebraska, (ii) governing bodies of all agencies, created by the Constitution of Nebraska, statute, or otherwise pursuant to law, of the executive department of the State of Nebraska, (iii) all independent boards, commissions, bureaus, committees, councils, subunits, or any other bodies created by the Constitution of Nebraska, statute, or otherwise pursuant to law, (iv) all study or advisory committees of the executive department of the State of Nebraska whether having continuing existence or appointed as special committees with limited existence, (v) advisory committees of the bodies referred to in subdivisions (i), (ii), and (iii) of this subdivision, and (vi) instrumentalities exercising essentially public functions[.]

The Society falls well within the above definitional language. Additionally, as noted in the financial statements, the Society relied upon \$47,263 in property taxes levied by the County to carry out its statutory duties during the fiscal year 2016.

Neb. Rev. Stat. § 84-1408 (Reissue 2014) provides, in relevant part, the following intent for the Act:

It is hereby declared to be the policy of this state that the formation of public policy is public business and may not be conducted in secret.

Additionally, the Nebraska Supreme Court (Court) has made this observation regarding the proper interpretation and implementation of the Act:

[T]he open meetings laws should be broadly interpreted and liberally construed to obtain their objective of openness in favor of the public.

Schauer v. Grooms, 280 Neb. 426, 441, 786 N.W.2d 909, 922 (2010). The fact that the Society is empowered to receive and expend public funds, including tax monies levied specifically for its use, makes adherence to the requirements of the Act all the more crucial. Such adherence is the only way of ensuring that the citizens of Jefferson County may truly exercise their rights not only to observe but also to speak out regarding how their hard-earned tax dollars are being spent. This is essential to fulfilling what the Court has deemed the Act's "statutory commitment to openness in government." *Wasikowski v. Neb. Quality Jobs Bd.*, 264 Neb. 403, 418, 648 N.W.2d 756, 768 (2002).

We recommend the Society take the steps necessary to ensure compliance with all requirements of the Act.

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It should be noted this report is critical in nature, as it contains only our comments and recommendations on the areas noted for improvement and does not include our observations on any strong features of the Society.

Draft copies of this report were furnished to the Society to provide management with an opportunity to review the report and to respond to the comments and recommendations included in this report. All formal responses received have been incorporated into this report. Where no response has been included, the Society declined to respond. Responses that indicate corrective action has been taken were not verified at this time, but they will be verified in the next audit.

This report is intended solely for the information and use of the Society, the appropriate Federal and regulatory agencies, and citizens of the State of Nebraska, and it is not intended to be, and should not be, used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

Sincerely,

A handwritten signature in blue ink that reads "Craig Kubicek". The signature is written in a cursive style with a horizontal line at the end.

Craig Kubicek, CPA, CFE
Assistant Deputy Auditor

cc: Jefferson County Attorney
Nebraska Department of Revenue