

**ATTESTATION REPORT
OF THE
NEBRASKA STATE HISTORICAL SOCIETY
JULY 1, 2016, THROUGH DECEMBER 31, 2017**

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Issued on April 19, 2018

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NEBRASKA STATE HISTORICAL SOCIETY

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NEBRASKA STATE HISTORICAL SOCIETY

BACKGROUND

On page 342 of the online edition of “A Legislator’s Guide to Nebraska State Agencies” for 2016, the following information is provided regarding the Nebraska State Historical Society (Society):

The Nebraska State Historical Society . . . collects, preserves, and opens to all the histories we share.

These shared histories comprise the heritage of Nebraska and its people, the totality of traditions, laws, institutions, stories, and tangible items from the past that shapes us as Nebraskans. In fulfilling its statutory mandate the Society sparks curiosity about the past and preserves historical resources Nebraskans can use to build better futures.

Established in 1878, the Nebraska Historical Society is charged in statute to collect, preserve, study, and share Nebraska’s history so the people can know and use their heritage. Named an official State agency in 1994, the Society holds the State’s historical resources in trust for the people.

The Nebraska Historical Society operates in accordance with the 2014-2017 strategic plan developed by its Board of Trustees and staff, with significant input from constituents statewide. A new director & ceo, Trevor Jones, was appointed by the board in July of 2016. . . .

The NSHS has over 2,000 members. The Board of Trustees, which provides direction and oversight, consists of fifteen members. Twelve are elected by the NSHS membership and three trustees, one from each congressional district, are appointed by the Governor.

The agency administers the Nebraska History Museum and six (The actual number is seven.) historic sites statewide; provides the State history Library and the State Archives, which houses public records, documents, and historical archives; and administers the State’s Historic Preservation, Archeology, Artifact Conservation, Hall of Fame, Historical Markers, and Publications programs. In 2014 the Society was authorized by statute to provide administrative services to the Nebraska Sesquicentennial Commission.

Providing online access to resources is a key part of every Society program in addition to services offered at the Society’s facilities. The Society’s website and social media channels (Facebook, YouTube, Instagram, and Twitter) provide Nebraskans and people around the world with information from Nebraska’s past they can use to enrich and inform their lives today.

(<https://nebraskalegislature.gov/pdf/reports/fiscal/2016legguide.pdf>). Additionally, the Society preserves the following historical properties, which are not developed for public access, some of which are: Courthouse Rock and Jail Rock, Bridgeport; Mud Springs Historic Site, near Dalton; Patterson Archeological Site, near Gretna; and California Hill, Brule.

The Society’s services are provided in these four Lincoln locations: 1500 R Street headquarters; Nebraska History Museum at Centennial Mall & P streets; Nebraska Statehood Memorial at the Thomas P. Kennard House, 1627 H Street; and archeological collections and government records in leased space at 5050 N. 32nd Street.

The following are the seven historic sites around the State: Fort Robinson History Center, Crawford; Senator George Norris State Historic Site, McCook; Neligh Mill State Historic Site, Neligh; John G. Neihardt State Historic Site, Bancroft; Willa Cather State Historic Site, Red Cloud; Ethel S. and Christopher J. Abbott Visitor Center at Chimney Rock National Historic Site, Bayard; and the aforementioned Thomas P. Kennard House, Lincoln.

Finally, as noted on page 345 of the online edition of “A Legislator’s Guide to Nebraska State Agencies” for 2016, “The Gerald R. Ford Conservation Center, saves objects that could otherwise be lost. The Center provides on-site consultations for museums and other collections-based organizations, hands-on consultation work, personal consultations and communication with potential patrons.” (<https://nebraskalegislature.gov/pdf/reports/fiscal/2016legguide.pdf>).

NEBRASKA STATE HISTORICAL SOCIETY

KEY OFFICIALS AND SOCIETY CONTACT INFORMATION

Nebraska State Historical Society Board of Trustees Members

| Name | Title | Term Ending |
|-----------------------|---|--------------------|
| Kim Elder | President – Elected Member | December 31, 2020 |
| Cherrie Beam-Callaway | 1 st Vice President – Elected Member | December 31, 2019 |
| Bryan Zimmer | 2 nd Vice President – Elected Member | December 31, 2020 |
| Lance Bristol | Treasurer – Elected Member | December 31, 2020 |
| Jeff Barnes | Elected Member | December 31, 2018 |
| Spencer Davis | Elected Member | December 31, 2018 |
| Tom Kraus | Elected Member | December 31, 2019 |
| Marilyn Moore | Elected Member | December 31, 2020 |
| John Nelson | Elected Member | December 31, 2020 |
| Vickie Schaepler | Elected Member | December 31, 2018 |
| Connie Spellman | Elected Member | December 31, 2020 |
| Eileen Wirth | Elected Member | December 31, 2019 |
| Ann Bruntz | Appointed Member | December 31, 2020 |
| Katherine Endacott | Appointed Member | December 31, 2019 |
| Heather Fryer | Appointed Member | December 31, 2018 |

Nebraska State Historical Society Executive Management

| Name | Title |
|--------------------|--|
| Trevor Jones | Director |
| Lynne Ireland | Deputy Director |
| Rob Bozell | Associate Director, Archeology |
| David Bristow | Associate Director, Publications |
| Jill Dolberg | Associate Director, Historic Preservation |
| Chris Goforth | Marketing and Communications Director |
| Deborah Long | Associate Director, Gerald R. Ford Conservation Center |
| Charley McWilliams | Facilities Manager |
| Trisha Nelson | Interim Associate Director, Collections |
| Michelle Furby | Chief Financial Officer |

Nebraska State Historical Society
1500 R Street
Lincoln, NE 68508
history.nebraska.gov

NEBRASKA STATE HISTORICAL SOCIETY

SUMMARY OF COMMENTS

During our examination of the Nebraska State Historical Society (Society), we noted certain deficiencies 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. **Revenue Issues:** The Society did not have support for how it determined that rates or fees charged were appropriate. Additionally, the Society billed other State agencies amounts that were incorrect or not adequately supported, did not verify that revenue it received was proper, and did not ensure Federal grant reimbursement requests were submitted timely and were adequately reviewed.
2. **Capital Asset Issues:** The Society lacked an adequate segregation of duties over capital assets, did not accurately record the acquisition date of capital assets, and did not retire assets in a timely manner.
3. **Store Inventory:** The Society did not adequately segregate duties over its store inventory. Furthermore, the point of sale inventory system did not allow inventory to be tracked by store location, and an analysis comparing cost of goods sold to actual sales was not performed.
4. **Contract Issues:** Nine Society contracts were not reviewed by legal counsel, and three Society contract amendments were not included on the State Contracts Database.
5. **Director's Vacation Days:** The Society's Board of Trustees approved 10 extra vacation days for the Society's director. Although the Society claims the director was not ultimately granted these benefits, the Board's meeting minutes reflect approval of the leave.

More detailed information on the above items is provided hereinafter. It should be noted that this report is critical in nature, containing only our comments and recommendations on the areas noted for improvement and does not include our observations on any accounting strengths of the Society.

Draft copies of this report were furnished to the Society to provide its management with an opportunity to review and to respond to the comments and recommendations contained herein. 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 examination.

NEBRASKA STATE HISTORICAL SOCIETY

COMMENTS AND RECOMMENDATIONS

1. Revenue Issues

During our review of the Society's revenue and billing procedures, we noted that the Society: 1) lacked adequate support for how it determined charges and fees; 2) billed for incorrect or inadequately supported amounts; 3) did not verify the amounts it received from specialty license plate sales and royalties were appropriate; and 4) did not ensure requests for Federal grant reimbursements were submitted timely and were prepared and approved by separate individuals. All of these concerns are described below in more detail.

Lack of Supporting Documentation for Charges and Fees

The Society did not have adequate support for how it determined the following charges or fees were reasonable and appropriate:

- 10% and 20% administrative cost rates billed to the Nebraska Department of Transportation for various projects.
- A 25% administrative cost rate billed to the Game and Parks Commission for work on survey projects.
- The amount charged for the three types of historical markers.
- A .8% certification fee charged to entities applying for the Historic Tax Credit. The fee is deposited into the Society's Nebraska Job Creation and Maintenance Revitalization Fund, which had a \$121,528 balance as of December 31, 2017, or enough to cover approximately 31 months of expenditures. This excessive fund balance may indicate that the fees were too high.

A good internal control plan and sound business practice require procedures for maintaining documentation supporting how amounts billed or charged were determined to be reasonable and appropriate.

Without such procedures, there is an increased risk that the entity's charges and fees may not be reasonable and appropriate.

We recommend the Society maintain documentation to support that its charges and fees are appropriate and reasonable in comparison to expenditures.

Society Response: The NSHS has documentation for all charges and fees but the APA determined that some documentation was inadequate. Administrative cost rates under the agency's contract with NDOT is a negotiated agreement. It is based on industry standard and agreed upon with the customer, in this case NDOT. Other examples are based on industry standards and best practices.

APA Response: The APA's comment is not directed at the Society's documentation of the amounts charged. Rather, as stated clearly in the first sentence of the comment, the focus is upon the inability of the Society to provide support for *how* those fees were determined. The Society's reference to vague "industry standards" does nothing to ameliorate its failure to document the specific determining factors for the cost rates, historical marker charges, or certification fee amounts.

NEBRASKA STATE HISTORICAL SOCIETY

COMMENTS AND RECOMMENDATIONS

(Continued)

1. Revenue Issues (Continued)

Incorrect or Inadequately Supported Charges

The Society billed other State agencies amounts that were improper or inadequately supported.

For one of two monthly billings tested for the Department of Transportation through its Highway Archeology Program, the Society underbilled for mileage. The billing included seven projects covering 1,391 miles, at a rate of .31 per mile. However, the rate for those projects should have been .33 per mile, resulting in an underbilling of \$28.

Additionally, the Society did not charge the Game and Parks Commission (Commission) properly. We tested one billing to the Commission for two separate projects and noted the following:

- For the first project, the Society did not have support for the mileage rates it charged for the use of two vehicles in April 2017. The Society billed \$377 for one vehicle for 656 miles, at a rate of \$.575 per mile. It billed \$223 for the second vehicle for 675 miles, at a rate of \$.33 per mile. The Society's procedures were to charge other State agencies the same mileage rate the Department of Administrative Services Transportation Services Bureau (TSB) charged them. However, no mileage was charged to the Society for these two vehicles for April 2017. Therefore, there was no support for how the \$.575 per mile and the \$.33 per mile rates were determined.
- For the second project, the Society underbilled the Commission for personnel costs. A formula error on the spreadsheet used to calculate the billing resulted in the Society excluding \$2,345 in personnel costs. In turn, this led to the Society subsequently under-billing the Commission \$586 for administrative costs; these costs were billed at a rate of 25% of personnel costs, even though the estimate specified an administrative cost rate of 10%. In total, the Society underbilled the Commission by \$2,931.

A good internal control plan and sound business practice require procedures to ensure that amounts billed to other agencies are correct and adequately supported.

Without such procedures, billings for goods or services provided are at risk of being inappropriate.

We recommend the Society ensure the amounts it charges are correct and adequately supported.

No Verification of the Appropriateness of Receipt Amounts

In 2015, the Legislature provided for the creation and sale of Nebraska 150 Sesquicentennial license plates, directing that a portion of the proceeds from the sale of those plates go to the Nebraska 150 Sesquicentennial Plate Proceeds Fund. The Society did not verify that the amounts deposited to that fund from the sale of the specialty license plates were proper.

NEBRASKA STATE HISTORICAL SOCIETY

COMMENTS AND RECOMMENDATIONS

(Continued)

1. **Revenue Issues** (Continued)

Per Neb. Rev. Stat. § 81-8,309 (Reissue 2014), the Nebraska Sesquicentennial Commission is housed within the Society for “administrative and budgetary purposes only.” The Nebraska 150 Sesquicentennial Plate Proceeds Fund was created by Neb. Rev. Stat. § 60-3,225(1) (Cum. Supp. 2016). Section (3) of that statute states the following:

Until July 1, 2018, the Nebraska 150 Sesquicentennial Plate Proceeds Fund shall be used by the Nebraska Sesquicentennial Commission for purposes of carrying out section 81-8,310. Beginning on July 1, 2018, the State Treasurer shall transfer any money in the fund at the end of each calendar quarter to the Historical Society Fund.

Neb. Rev. Stat. § 60-3,224(2) (Supp. 2017) provides the following regarding the distribution of proceeds from the sale of Nebraska 150 Sesquicentennial license plates:

Each application for initial issuance or renewal of Nebraska 150 Sesquicentennial Plates shall be accompanied by a fee of seventy dollars. Fees collected pursuant to this section shall be remitted to the State Treasurer. The State Treasurer shall credit fifteen percent of the fee for initial issuance and renewal of plates under subsection (3) of section 60-3,223 to the Department of Motor Vehicles Cash Fund and eighty-five percent of such fee to the Nebraska 150 Sesquicentennial Plate Proceeds Fund. The State Treasurer shall credit forty-three percent of the fee for initial issuance and renewal of plates under subsection (4) of section 60-3,223 to the Department of Motor Vehicles Cash Fund and fifty-seven percent of such fee to the Nebraska 150 Sesquicentennial Plate Proceeds Fund.

The Nebraska 150 Sesquicentennial Plate Proceeds Fund received \$73,288 in revenue from the sale of the specialty license plates during our attestation period. Despite being assigned statutorily with administrative and budgetary responsibility for the Nebraska Sesquicentennial Commission, the Society failed to compare the amounts received under § 60-3,224(2) to the number of specialty license plates actually issued to ensure that the Nebraska 150 Sesquicentennial Plate Proceeds Fund received the appropriate percentage of proceeds from the sale of such license plates.

A good internal control plan and sound business practice require procedures for verifying that revenues overseen or received by the Society are appropriate.

Without such procedures, there is increased risk of those amounts being improper.

We recommend the Society implement procedures to ensure revenues that it oversees or receives are appropriate. This includes verifying the number of units sold if such data is the basis for those revenues.

Society Response: The agency does not sell license plates or deposit revenue from the sale of license plates and relies on DMV reporting. Agency will explore the possibility of verifying the accuracy of sales data on a quarterly basis, but it will only be possible for the agency to verify accuracy after the fact.

NEBRASKA STATE HISTORICAL SOCIETY

COMMENTS AND RECOMMENDATIONS

(Continued)

1. **Revenue Issues** (Concluded)

Untimely Submitted and Inadequately Reviewed Federal Grant Reimbursement Requests

We tested three of the Society's Federal grant reimbursement requests and noted that one of them was not submitted timely. That \$78,265 request for reimbursement was for expenditures incurred from December 2014 through November 2016, but it was not submitted until February 2017. Additionally, this same request was not prepared and approved by separate individuals. One person prepared this request; however, there was no documentation on file to support its review and approval by anyone else.

A good internal control plan and sound business practice require procedures for ensuring that reimbursement requests to Federal agencies are both submitted timely and prepared and approved by separate individuals to ensure that such requests are correct.

Without such procedures, there is increased risk for the loss of funds.

We recommend the Society implement procedures to ensure all reimbursement requests are submitted timely and reviewed by someone other than the preparer.

Society Response: There was no time limit for reimbursement required by the granting agency and NSHS met all federal grant requirements for the project. Additionally, the note suggests the request was not prepared and reviewed by separate individuals. As shared with the auditors, three staff members reviewed the general ledger and budget status documents to determine the reimbursement requests; two worked together to complete the form in question. The form was then read by multiple individuals and signed off on by the CEO as required by the granting agency.

APA Response: Despite the lack of a time limit, common sense would dictate that waiting nearly two years to request reimbursement from a Federal agency is unreasonable, as the State should seek to recoup such funds as soon as possible. The Director is the only one who signed off on the grant reimbursement request. We reiterate our recommendation that reimbursement requests be submitted in a more timely fashion, and at least two separate individuals be formally documented as having signed off on reimbursement requests prior to submission.

2. **Capital Asset Issues**

During our review of its capital asset records, we noted that the Society: 1) lacked an adequate segregation of duties over capital assets; 2) did not accurately record the acquisition date for four asset additions; and 3) did not retire assets in a timely manner. All of these concerns are described below in more detail.

Lack of Segregation of Duties over Capital Assets

We noted that the Society lacked an adequate segregation of duties over the processing of capital assets in the accounting system. One individual was able to add assets to the inventory records, surplus and dispose of assets, and perform the annual inventory. No documented secondary review

NEBRASKA STATE HISTORICAL SOCIETY

COMMENTS AND RECOMMENDATIONS

(Continued)

2. **Capital Asset Issues** (Continued)

of capital asset reports, including the additions and retirements reports and integrity reports, was performed by an independent person without capital asset access to ensure that the additions and retirements recorded were appropriate and accurate. Additionally, the surplus property notification form, which is used to dispose of assets, was prepared and approved by the same individual, and there was no secondary review of the form unless the disposed asset was destroyed.

A good internal control plan and sound business practice require procedures for ensuring an adequate segregation of duties over capital assets, so no one individual is in a position both to perpetrate and to conceal errors or irregularities.

Without such procedures, there is an increased risk of fraud, errors, or irregularities occurring and not being detected.

A similar finding was noted in our previous report.

We recommend the Society implement procedures to ensure an adequate segregation of duties over capital assets. These procedures should require an individual without capital asset access to review capital asset reports, including the additions and retirement reports and integrity reports, to ensure all additions were properly added to the listing, and all deletions were authorized. These procedures should also require a review of the surplus property notification form by someone other than the preparer.

Society Response: Segregation of duties occurred, but the documentation was deemed inadequate. The agency has already worked to address this issue.

APA Response: The Society's documentation of a segregation of duties was not merely "inadequate," as characterized charitably in the response. Such documentation was totally nonexistent. The Society could provide no documentation whatsoever to support review of capital asset reports by someone without capital asset access.

Assets Not Recorded Accurately

During testing of capital asset records, we noted that the Society did not accurately record the acquisition date for four of five asset additions tested. The Society's policy was to use the date that an asset was received as the acquisition date. Because their received dates were not documented, however, the invoice date was used for one \$10,295 asset, and the general ledger date was used for another \$152,991 asset. The other two assets, costing \$5,866,340 and \$2,000,000 apiece, related to construction in progress that was completed in November 2016. The Society should have used the date of substantial completion as the acquisition date; however, dates in June 2017 and November 2017, respectively, were used instead.

NEBRASKA STATE HISTORICAL SOCIETY

COMMENTS AND RECOMMENDATIONS

(Continued)

2. **Capital Asset Issues** (Concluded)

A good internal control plan and sound business practice require procedures for ensuring the consistent and accurate recording of asset additions.

Without such procedures, there is increased risk of asset records being misstated.

We recommend the Society implement procedures to ensure assets are consistently and accurately recorded in the accounting system.

Society Response: The capital assets in question related to construction were assigned by DAS and not the agency. As DAS had not determined that the project was closed, a delay was created between substantial completion and walkthrough, thus resulting in a lag in asset assignment.

Assets Not Retired Timely

During our review of asset retirements, we noted that the Society has not recorded any asset retirements in the State accounting system since June 17, 2015. However, while performing fieldwork at the Society's headquarters, we observed several assets that appeared ready to be discarded. The Society explained that it was waiting to dispose of the items in bulk.

A good internal control plan and sound business practice require procedures for ensuring that assets no longer in use are retired in a timely manner.

Without such procedures, there is an increased risk of theft, loss, or misuse of State assets.

We recommend the Society implement procedures to ensure assets no longer in use are disposed of in a timely manner.

Society Response: Assets were retired on a timeline that created the greatest cost/benefit for the state of Nebraska and minimized both state and agency costs. NSHS works cooperatively with State Surplus on an efficient and effective process for retirement of state assets on a schedule that benefits the state and both agencies.

APA Response: The APA understands that cost and efficiency should be considered when determining the appropriate time to retire assets; however, the potential for loss or theft of unused assets, as well as untimely receipt and investment of proceeds received for retired assets, should also be taken into consideration.

3. **Store Inventory**

We noted a number of issues related to the Society's control over its store inventory:

- The Society did not adequately document completion of its inventory counts by at least two individuals.

NEBRASKA STATE HISTORICAL SOCIETY

COMMENTS AND RECOMMENDATIONS

(Continued)

3. **Store Inventory** (Concluded)

- Adjustments for inventory discrepancies were not approved by a responsible individual other than store personnel.
- Inventory addition procedures at the Museum store did not include adequate documentation of at least two people being involved in the process.
- The Society's point of sale inventory system lacked the ability to track inventory at individual store locations. Instead, the system tracked a single aggregated listing of inventory for all locations combined. The Society was able to determine the count of items by store location, therefore, only during the physical inventory counts at the end of the fiscal and calendar years.
- The Society did not prepare an analysis of cost of goods sold to actual sales to ensure receipts from sales in the State's accounting system were reasonable and correct.

As of December 31, 2017, the Society had \$118,365 in total store inventory.

A good internal control plan and sound business practice require procedures to ensure an adequate segregation of duties, processes to track inventory by store location, and a reconciliation of inventory to sales.

Without such procedures, there is an increased risk of misappropriation of State assets.

A similar finding was noted in our previous report.

We recommend the Society implement procedures to ensure an adequate segregation of duties over store inventory. This includes ensuring at least two people are involved in performing physical inventory counts, adjusting for inventory discrepancies, and adding inventory. We also recommend the Society implement procedures to ensure inventory is tracked at the store level. Finally, we recommend the Society implement procedures to review receipts to ensure amounts recorded as sales are reasonable based on the amount of inventory purchased and sold.

Society Response: Duties for inventory were segregated but were deemed to have not been adequately documented. Agency has remedied this with signatures of staff performing inventory. Agency will explore the acquisition of a Point of Sale system that can track inventory by store location.

4. **Contract Issues**

During our testing, we noted that the Society did not have a documented legal review of its contracts and did not include amendments to its contracts on the State Contracts Database, as required by State statute.

NEBRASKA STATE HISTORICAL SOCIETY

COMMENTS AND RECOMMENDATIONS

(Continued)

4. **Contract Issues** (Continued)

The Society did not have a documented legal review on file for the following nine contracts tested:

| Vendor/Payee | Value |
|------------------------------|-------------------------|
| Sinclair Hille & Associates | \$679,166 |
| Firespring | Not to Exceed \$250,000 |
| Mead & Hunt | \$117,201 |
| Nebraska Main Street Network | \$104,433 |
| John Neihardt Foundation | \$49,044 |
| Augustana University | \$46,142 |
| City of Sidney | \$24,000 |
| Ronald Naugle | \$10,000 |
| Mary Adair | \$5,000 |

Additionally, the Society did not include amendments to the following three contracts on the State Contracts Database, as required by State statute:

| Vendor | Amount |
|------------------------------|----------------------------|
| Sinclair Hill & Associates | \$34,166 |
| Nebraska Main Street Network | \$9,433 |
| Augustana University | N/A (Extend Duration Only) |

Neb. Rev. Stat. § 84-602(9) (Cum. Supp. 2016) directs the Nebraska State Treasurer “[t]o develop and maintain the web site required under the Taxpayer Transparency Act.” Likewise, Neb. Rev. Stat. § 84-602.01 (Cum. Supp. 2016) states, “Sections 84-602.01 to 84-602.04 shall be known and may be cited as the Taxpayer Transparency Act.”

Neb. Rev. Stat. § 84-602.04(4)(a) (Cum. Supp. 2016) provides, in relevant part, the following:

The web site described in this section shall include a link to the web site of the Department of Administrative Services. The department’s web site shall contain:

(i) A data base that includes a copy of each active contract that is a basis for an expenditure of state funds, including any amendment to such contract and any document incorporated by reference in such contract. For purposes of this subdivision, amendment means an agreement to modify a contract which has been reduced to writing and signed by each party to the contract, an agreement to extend the duration of a contract, or an agreement to renew a contract.

Lastly, § 84-602.04(5) requires the following:

All state entities shall provide to the State Treasurer, at such times and in such form as designated by the State Treasurer, such information as is necessary to accomplish the purposes of the Taxpayer Transparency Act.

By failing to enter amendments to its contracts on the State Contracts Database, the Society was not only noncompliant with State statute but also inadvertently prevented both the Legislature and the general public from having access to important financial information regarding its operations.

NEBRASKA STATE HISTORICAL SOCIETY

COMMENTS AND RECOMMENDATIONS

(Continued)

4. **Contract Issues** (Concluded)

A good internal control plan and sound business practice require procedures to ensure that contracts are reviewed by legal counsel, and that review is properly documented. Such procedures should also ensure that amendments to contracts are included on the State Contracts Database.

Without such procedures, there is an increased risk of both legal complications and contractual disputes arising, as well as noncompliance with State statute.

We recommend the Society implement procedures to ensure all contracts receive a documented legal review. We recommend such procedures also ensure all contract amendments are included on the State Contracts Database, as required by law.

Society Response: The agency does not have legal counsel on staff. Agency will explore having contracts vetted by the Attorney General's office where practicable. The agency followed all DAS guidelines on contract amendments as the DAS contracts database does not inform agencies that amendments must be added. Once the omission was pointed out staff added amendments to the database.

5. **Director's Vacation Days**

During a meeting on July 21, 2017, the Society's Board of Trustees (Board) approved 10 extra vacation days for the Society's director as part of his compensation package. The Department of Administrative Services (DAS) subsequently informed the Society that granting the additional leave was a violation of Neb. Rev. Stat. § 81-1328 (Cum. Supp. 2016). Although the Society stated that the director was not ultimately granted these benefits, the Board's meeting minutes reflect approval of the leave.

Additionally, the draft minutes from the Board's most recent meeting on January 5, 2018, again show that the additional 10 days of vacation for the director were negotiated and approved in July 2017. No Board meeting minutes reflect any action having been taken to revoke those 10 extra vacation days.

Neb. Rev. Stat. § 81-1328 (Cum. Supp. 2016) states, in part:

(1) State employees shall, during each year of continuous employment, be entitled to ninety-six working hours of vacation leave with full pay.

(2) State employees who complete five years of continuous employment by the state shall be entitled to one hundred twenty hours of vacation leave during their sixth year of employment and shall thereafter be entitled to eight additional hours of vacation leave with full pay for each additional year of continuous state employment up to a maximum of two hundred hours of vacation leave a year.

* * * *

(4) As used in this section, state employee shall mean any person or officer employed by the state including the head of any department or agency, except when such a head is a board or commission, and who works a full-time or part-time schedule on an ongoing basis.

NEBRASKA STATE HISTORICAL SOCIETY

COMMENTS AND RECOMMENDATIONS

(Concluded)

5. **Director's Vacation Days** (Concluded)

The Board's approval of additional vacation days for its director was not in keeping with the provisions of the above statutory language.

Furthermore, if the Society has indeed revoked those additional vacation days, its Board meeting minutes should reflect such action. The Open Meetings Act (Act) is set out at Neb. Rev. Stat. § 84-1407 (Reissue 2014) et seq. Neb. Rev. Stat. § 1413 (Cum. Sup. 2016) of the Act states, in relevant part, the following:

(1) Each public body shall keep minutes of all meetings showing the time, place, members present and absent, and the substance of all matters discussed.

(2) Any action taken on any question or motion duly moved and seconded shall be by roll call vote of the public body in open session, and the record shall state how each member voted or if the member was absent or not voting.

A good internal control plan and sound business practice require procedures to ensure that the Society's employees do not receive vacation leave in amounts other than those mandated by State statute. Additionally, those procedures should ensure that the Board's minutes reflect completely and accurately all matters discussed and all action taken during meetings, as required by the Act.

Without such procedures, there is an increased risk of not only improper compensation being given to Society employees but also noncompliance with State laws.

We recommend the Society refrain from approving employee compensation packages that conflict with State statute. We also recommend any Board action taken be reflected appropriately in its meeting minutes.

Society Response: No extra vacation days were added as it was not possible for the agency to grant these benefits as the board requested. Agency HR determined it was impossible to add to the accrued leave for the director, regardless what the board determined. The APA was shown this documentation and the responses from State Personnel. Executive Committee was informed of this fact.

APA Response: If the additional vacation days were rescinded, the Board meeting minutes should clearly reflect such action. The Society could not provide this single most essential documentation – which, as noted in the comment, is required by the Open Meetings Act. Furthermore, it is possible for leave benefits to be provided and not be reflected in the State accounting system.



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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NEBRASKA STATE HISTORICAL SOCIETY

INDEPENDENT ACCOUNTANT'S REPORT

Nebraska State Historical Society
Lincoln, Nebraska

We have examined the accompanying Schedule of Revenues, Expenditures, and Changes in Fund Balances of the Nebraska State Historical Society (Society) for the period July 1, 2016, through December 31, 2017. The Society's management is responsible for the Schedule of Revenues, Expenditures, and Changes in Fund Balances based on the accounting system and procedures set forth in Note 1. Our responsibility is to express an opinion on the Schedule of Revenues, Expenditures, and Changes in Fund Balances based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Schedule of Revenues, Expenditures, and Changes in Fund Balances is based on the accounting system and procedures set forth in Note 1, in all material respects. An examination involves performing procedures to obtain evidence about the Schedule of Revenues, Expenditures, and Changes in Fund Balances. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Schedule of Revenues, Expenditures, and Changes in Fund Balances, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Schedule of Revenues, Expenditures, and Changes in Fund Balances for the period July 1, 2016, through December 31, 2017, is based on the accounting system and procedures prescribed by the State of Nebraska Director of Administrative Services, as set forth in Note 1, in all material respects.

In accordance with *Government Auditing Standards*, we are required to report findings of significant deficiencies and material weaknesses in internal control; instances of fraud and noncompliance with provisions of laws or regulations that have a material effect on the subject matter or an assertion about the subject matter and any other instances that warrant the attention

of those charged with governance; noncompliance with provisions of contracts or grant agreements that has a material effect on the subject matter or an assertion about the subject matter of the examination engagement; and abuse that has a material effect on the subject matter or an assertion about the subject matter of the examination engagement. We are also required to obtain the views of management on those matters. We performed our examination to express an opinion on whether the Schedule of Revenues, Expenditures, and Changes in Fund Balances is presented in accordance with the criteria described above and not for the purpose of expressing an opinion on the internal control over the Schedule of Revenues, Expenditures, and Changes in Fund Balances or on compliance and other matters; accordingly, we express no such opinions. Our examination disclosed no findings that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Trustees, others within the Society, and the appropriate Federal and regulatory agencies, 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.

A handwritten signature in black ink, appearing to read 'C. J. Janssen', with a long horizontal flourish extending to the right.

Charlie Janssen
Auditor of Public Accounts
Lincoln, Nebraska

April 16, 2018

NEBRASKA STATE HISTORICAL SOCIETY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Period July 1, 2016, through December 31, 2017

| | State General Fund 10000 | Historical Society Cash Fund 25410 | Nebraska Job Creation and Maintenance Revitalization Fund 25420 | Nebraska 150 Sesquicentennial Plate Proceeds Fund 25430 | Historical Landmark Fund 25610 | Historical Pres/Grants Fund 45410 |
|--|-----------------------------|--|---|--|--------------------------------------|---|
| REVENUES: | | | | | | |
| Appropriations | \$ 6,900,341 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | - | 67,565 | - | - | - | 452,305 |
| Sales & Charges | - | 1,997,216 | 81,809 | 73,238 | - | - |
| Miscellaneous | 2,114 | 301,423 | 2,968 | 1,367 | 65,322 | 1,604 |
| TOTAL REVENUES | 6,902,455 | 2,366,204 | 84,777 | 74,605 | 65,322 | 453,909 |
| EXPENDITURES: | | | | | | |
| Personal Services | 4,516,509 | 1,364,495 | 44,180 | 959 | - | - |
| Operating | 2,071,550 | 788,804 | 2,894 | 38,560 | 90,604 | 348,225 |
| Travel | 77,569 | 47,158 | - | - | 524 | - |
| Capital Outlay | 234,713 | 4,361 | - | - | - | - |
| Government Aid | - | - | - | 22,459 | - | 104,080 |
| TOTAL EXPENDITURES | 6,900,341 | 2,204,818 | 47,074 | 61,978 | 91,128 | 452,305 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 2,114 | 161,386 | 37,703 | 12,627 | (25,806) | 1,604 |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Sales of Assets | 21,801 | - | - | - | - | - |
| Deposit to General Fund | (23,915) | - | - | - | - | - |
| Operating Transfers Out | - | - | - | (1,253) | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | (2,114) | - | - | (1,253) | - | - |
| Net Change in Fund Balances | - | 161,386 | 37,703 | 11,374 | (25,806) | 1,604 |
| FUND BALANCES, July 1, 2016 | 1,270 | 382,652 | 83,825 | 21,450 | 33,250 | 37,111 |
| FUND BALANCES, December 31, 2017 | \$ 1,270 | \$ 544,038 | \$ 121,528 | \$ 32,824 | \$ 7,444 | \$ 38,715 |
| FUND BALANCES CONSIST OF: | | | | | | |
| General Cash | \$ - | \$ 573,476 | \$ 121,528 | \$ 34,320 | \$ 13,148 | \$ 38,715 |
| Petty Cash | - | 1,300 | - | - | - | - |
| Deposits with Vendors | 1,270 | - | - | - | - | - |
| Due to Other Government | - | - | - | (1,496) | - | - |
| Due to Vendors | - | (28,065) | - | - | (5,704) | - |
| Due to Fund | - | (2,673) | - | - | - | - |
| TOTAL FUND BALANCES | \$ 1,270 | \$ 544,038 | \$ 121,528 | \$ 32,824 | \$ 7,444 | \$ 38,715 |

(Continued)

The accompanying notes are an integral part of the schedule.

NEBRASKA STATE HISTORICAL SOCIETY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Period July 1, 2016, through December 31, 2017

| | Historical Pres/Admin Fund 45420 | BOR Grant Fund 45430 | Hall of Fame Trust Fund 61810 | Collections Trust Fund 65410 | Library Archives Fund 65420 | Cheyenne Outbreak Barrack Fund 65430 | Bridge Book Sale Fund 65440 | Totals (Memorandum Only) |
|--|--|-------------------------|-------------------------------------|------------------------------------|-----------------------------------|--|-----------------------------------|---|
| REVENUES: | | | | | | | | |
| Appropriations | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 6,900,341 |
| Intergovernmental | 600,183 | - | - | - | - | - | - | 1,120,053 |
| Sales & Charges | - | - | - | - | - | - | - | 2,152,263 |
| Miscellaneous | 7,213 | 86 | 241 | 6,850 | 182 | 80 | 1,153 | 390,603 |
| TOTAL REVENUES | 607,396 | 86 | 241 | 6,850 | 182 | 80 | 1,153 | 10,563,260 |
| EXPENDITURES: | | | | | | | | |
| Personal Services | 508,642 | - | - | - | - | - | - | 6,434,785 |
| Operating | 62,865 | - | - | 1,783 | - | - | - | 3,405,285 |
| Travel | 26,757 | - | - | - | - | - | - | 152,008 |
| Capital Outlay | 65,163 | - | - | - | - | - | - | 304,237 |
| Government Aid | - | - | - | - | - | - | - | 126,539 |
| TOTAL EXPENDITURES | 663,427 | - | - | 1,783 | - | - | - | 10,422,854 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (56,031) | 86 | 241 | 5,067 | 182 | 80 | 1,153 | 140,406 |
| OTHER FINANCING SOURCES (USES): | | | | | | | | |
| Sales of Assets | - | - | - | - | - | - | - | 21,801 |
| Deposit to General Fund | - | - | - | - | - | - | - | (23,915) |
| Operating Transfers Out | - | - | - | - | - | - | - | (1,253) |
| TOTAL OTHER FINANCING SOURCES (USES) | - | - | - | - | - | - | - | (3,367) |
| Net Change in Fund Balances | (56,031) | 86 | 241 | 5,067 | 182 | 80 | 1,153 | 137,039 |
| FUND BALANCES, July 1, 2016 | 279,632 | 2,683 | 7,533 | 159,993 | 5,704 | 2,532 | 36,118 | 1,053,753 |
| FUND BALANCES, December 31, 2017 | \$ 223,601 | \$ 2,769 | \$ 7,774 | \$ 165,060 | \$ 5,886 | \$ 2,612 | \$ 37,271 | \$ 1,190,792 |
| FUND BALANCES CONSIST OF: | | | | | | | | |
| General Cash | \$ 229,031 | \$ 2,769 | \$ 7,774 | \$ 165,060 | \$ 5,886 | \$ 2,612 | \$ 37,271 | \$ 1,231,590 |
| Petty Cash | - | - | - | - | - | - | - | 1,300 |
| Deposits with Vendors | - | - | - | - | - | - | - | 1,270 |
| Due to Other Government | - | - | - | - | - | - | - | (1,496) |
| Due to Vendors | (5,430) | - | - | - | - | - | - | (39,199) |
| Due to Fund | - | - | - | - | - | - | - | (2,673) |
| TOTAL FUND BALANCES | \$ 223,601 | \$ 2,769 | \$ 7,774 | \$ 165,060 | \$ 5,886 | \$ 2,612 | \$ 37,271 | \$ 1,190,792 |

(Concluded)

The accompanying notes are an integral part of the schedule.

NEBRASKA STATE HISTORICAL SOCIETY

NOTES TO THE SCHEDULE

For the Period July 1, 2016, through December 31, 2017

1. Criteria

The accounting policies of the Nebraska State Historical Society (Society) are on the basis of accounting, as prescribed by State of Nebraska Department of Administrative Services (DAS).

Per Neb. Rev. Stat. § 81-1107(2) (Reissue 2014), the duties of the State of Nebraska's Director of DAS include the following:

The keeping of general accounts and the adoption and promulgation of appropriate rules, regulations, and administrative orders designed to assure a uniform and effective system of accounts and accounting, the approval of all vouchers, and the preparation and issuance of warrants for all purposes[.]

In accordance with Neb. Rev. Stat. § 81-1111(1) (Reissue 2014), the State Accounting Administrator has prescribed the system of accounts and accounting to be maintained by the State and its departments and agencies and has developed necessary accounting policies and procedures. The prescribed accounting system currently utilizes EnterpriseOne, an accounting resource software, to maintain the general ledger and all detailed accounting records. Policies and procedures are detailed in the Nebraska State Accounting Manual published by DAS State Accounting Division (State Accounting) and are available to the public.

The financial information used to prepare the Schedule of Revenues, Expenditures, and Changes in Fund Balances was obtained directly from the general ledger and fund balance information maintained on EnterpriseOne. EnterpriseOne is not an accrual accounting system; instead, accounts are maintained on a modified cash basis. As revenue transactions occur, the agencies record the accounts receivable and related revenues in the general ledger. As such, certain revenues are recorded when earned, regardless of the timing of related cash flows. State Accounting does not require the Society to record all accounts receivable and related revenues in EnterpriseOne; as such, the Society's schedule does not include all accounts receivable and related revenues. In a like manner, expenditures and related accounts payable are recorded in the general ledger as transactions occur. As such, the schedule includes those expenditures and related accounts payable posted in the general ledger as of December 31, 2017, and not yet paid as of that date. The amount recorded as expenditures on the schedule, as of December 31, 2017, **does not** include amounts for goods and services received before December 31, 2017, which had not been posted to the general ledger as of December 31, 2017.

The Society had accounts receivable not included in the Schedule of \$24,710 for conservation services due to its Ford Center and for various requests made through its Research Library and State Archives. State Accounting did not require the Department to record its receivables on the general ledger, and these amounts are not reflected in revenues or fund balances on the Schedule. Liabilities for accrued payroll and compensated absences are not recorded in the general ledger.

The following fund types established by the State are used by the Society:

10000 – General Fund – accounts for activities funded by general tax dollars and related expenditures and transfers.

NEBRASKA STATE HISTORICAL SOCIETY

NOTES TO THE SCHEDULE

(Continued)

1. Criteria (Continued)

20000 – Cash Funds – account for revenues generated by specific activities from sources outside of State government and the expenditures directly related to the generation of the revenues. Cash funds are established by State statutes and must be used in accordance with those statutes.

40000 – Federal Funds – account for the financial activities related to the receipt and disbursement of funds generated from the Federal government as a result of grants and contracts. Expenditures must be made in accordance with applicable Federal requirements.

60000 – Trust Funds – account for assets held by the State in a trustee capacity. Expenditures are made in accordance with the terms of the trust.

The following major revenue account classifications established by State Accounting are used by the Society:

Appropriations – Appropriations are granted by the Legislature to make expenditures and to incur obligations. The amount of appropriations reported as revenue is the amount of expenditures.

Intergovernmental – Revenue from other governments in the form of grants, entitlements, shared revenues, payments in lieu of taxes, or reimbursements.

Sales & Charges – Income derived from sales of merchandise and commodities, compensation for services rendered, and charges for various fees.

Miscellaneous – Revenue from sources not covered by other major categories, such as investment income, donations, and Nebraska State Historical Society Foundation reimbursements.

The following major expenditure account classifications established by State Accounting are used by the Society:

Personal Services – Salaries, wages, and related employee benefits provided for all persons employed by the Society.

Operating – Expenditures directly related to a program's primary service activities.

Travel – All travel expenses for any State officer, employee, or member of any commission, council, committee, or board of the State.

Capital Outlay – Expenditures that result in the acquisition of or an addition to capital assets. Capital assets are resources of a long-term character, owned or held by the government.

NEBRASKA STATE HISTORICAL SOCIETY

NOTES TO THE SCHEDULE

(Continued)

1. Criteria (Concluded)

Government Aid – Payment of Federal and/or State money to governmental subdivisions, State agencies, local health and welfare offices, individuals, etc., in furtherance of local activities and accomplishment of State programs.

The following are other significant accounting classifications and procedures established by State Accounting and used by the Society:

Assets – Resources owned or held by a government that have monetary value. Assets include cash accounts, deposits with vendors, and receivable accounts. Accounts receivable are recorded as an increase to revenues resulting in an increase to fund balance on the schedule. Cash accounts and deposits with vendors are also included in fund balance and are reported as recorded in the general ledger.

Liabilities – Legal obligations arising out of transactions in the past that must be liquidated, renewed, or refunded at some future date. Accounts payable transactions are recorded as expenditures, resulting in a decrease to fund balance. Other liabilities recorded in the general ledger for the Society's funds at December 31, 2017, included amounts recorded in Due to Fund, Due to Vendors, and Due to Government. The activity of these accounts are not recorded through revenue and expenditure accounts on the Schedule of Revenues, Expenditures, and Changes in Fund Balances.

Other Financing Sources – Operating transfers, proceeds of fixed asset dispositions, and deposits to the general fund.

2. Reporting Entity

The Nebraska State Historical Society (Society) is a State agency established under and governed by the laws of the State of Nebraska. As such, the Society is exempt from State and Federal income taxes. The schedule includes all funds of the Society included in the general ledger but does not include the Society's component unit, as this schedule is not reported in accordance with Generally Accepted Accounting Principles (GAAP). The Society had the following component unit, and the financial activity of this component unit would be discretely presented with the Society's funds if the financial statements of the Society were presented in accordance with GAAP:

Nebraska State Historical Society Foundation – The Nebraska State Historical Society Foundation (Foundation) is incorporated as a nonprofit charitable organization in the State of Nebraska. The Foundation was established to provide financial assistance to the Society, which is the principal beneficiary of the Foundation, to aid in the general preservation and interpretation of Nebraska history, and to preserve historical sites and structures. The Foundation is audited separately.

The Society is part of the primary government for the State of Nebraska.

NEBRASKA STATE HISTORICAL SOCIETY

NOTES TO THE SCHEDULE

(Continued)

3. Totals

The Totals “Memorandum Only” column represents an aggregation of individual account balances. The column is presented for overview informational purposes and does not present consolidated financial information because interfund balances and transactions have not been eliminated.

4. General Cash

General cash accounts are under the control of the State Treasurer or other administrative bodies, as determined by law. All cash deposited with the State Treasurer is initially maintained in a pooled cash account. On a daily basis, the State Treasurer invests cash not needed for current operations with the State’s Investment Council, which maintains an operating investment pool for such investments. Interest earned on those investments is allocated to funds based on their percentage of the investment pool.

5. Capital Assets

Capital assets include land, buildings, equipment, improvements to buildings, construction in progress, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items). Under State Accounting policies, expenditures for such capital assets are not capitalized as an asset in the funds used to acquire or construct them. Rather, costs of obtaining the capital assets are reflected as expenditures in the general ledger and are reported as such on the Schedule.

However, State Accounting does adjust such expenditures and reports the capital assets as assets for the State of Nebraska in the Comprehensive Annual Financial Report (CAFR). In addition, the Society takes an annual inventory, recording in the State Accounting System all equipment that has a cost of \$1,500 or more at the date of acquisition.

For the CAFR, the State requires the Society to value all capital assets at cost where historical records are available and at estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. Generally, equipment that has a cost of \$5,000 or more at the date of acquisition and has an expected useful life of more than one year is capitalized. Substantially, all initial building costs, land, and land improvements are capitalized. Building improvements and renovations are capitalized if a substantial portion of the life of the asset has expired and if the useful life of the asset has been extended as a result of the renovation or improvement. Depreciation expenses are reported in the CAFR in the funds used to acquire or construct them for the State of Nebraska. The cost of normal maintenance and repairs that does not add to the value of the asset or extend the asset’s life is not capitalized.

Buildings and Equipment are depreciated in the CAFR using the straight-line method. The following estimated useful lives are used to compute depreciation:

- Buildings - 40 years
- Equipment - 3 to 10 years

NEBRASKA STATE HISTORICAL SOCIETY

NOTES TO THE SCHEDULE
(Concluded)

5. Capital Assets (Concluded)

Capital asset activity of the Society recorded in the State Accounting System for the period July 1, 2016, through December 31, 2017, was as follows:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|---|------------------------------|------------------|------------------|---------------------------|
| Capital Assets | | | | |
| Land | \$ 1,151,818 | \$ - | \$ - | \$ 1,151,818 |
| Buildings | 11,346,550 | 7,866,340 | - | 19,212,890 |
| Equipment | 2,257,350 | 374,757 | - | 2,632,107 |
| Total | <u>14,755,718</u> | <u>8,241,097</u> | <u>-</u> | <u>22,996,815</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | | | | 5,643,728 |
| Equipment | | | | 1,125,787 |
| Total | | | | <u>6,769,515</u> |
| Total capital assets, net of depreciation | | | | <u>\$ 16,227,300</u> |

6. Payments from the Nebraska State Historical Society Foundation

The Nebraska State Historical Society Foundation (Foundation) provides financial assistance to help the Society complete its mission. During the period July 1, 2016, through December 31, 2017, the Foundation provided the Society with grants totaling \$146,132. The grants were restricted to specific projects of the Society, as stipulated by the original donors. The Society made no payments to the Foundation during the period July 1, 2016, through December 31, 2017.

NEBRASKA STATE HISTORICAL SOCIETY

SUPPLEMENTARY INFORMATION

Our examination was conducted for the purpose of forming an opinion on the Schedule of Revenues, Expenditures, and Changes in Fund Balances. Supplementary information is presented for purposes of additional analysis. Such information has not been subjected to the procedures applied in the examination of the Schedule of Revenues, Expenditures, and Changes in Fund Balances, and, accordingly, we express no opinion on it.

NEBRASKA STATE HISTORICAL SOCIETY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Period July 1, 2016, through June 30, 2017

EXHIBIT A

| | State General Fund 10000 | Historical Society Cash Fund 25410 | Nebraska Job Creation and Maintenance Revitalization Fund 25420 | Nebraska 150 Sesquicentennial Plate Proceeds Fund 25430 | Historical Landmark Fund 25610 | Historical Pres/Grants Fund 45410 |
|--|-----------------------------|--|---|--|--------------------------------------|---|
| REVENUES: | | | | | | |
| Appropriations | \$ 4,840,029 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | - | 38,965 | - | - | - | 369,368 |
| Sales & Charges | - | 1,194,271 | 56,191 | 47,194 | - | - |
| Miscellaneous | 4 | 101,033 | 1,837 | 772 | 55,163 | 1,074 |
| TOTAL REVENUES | 4,840,033 | 1,334,269 | 58,028 | 47,966 | 55,163 | 370,442 |
| EXPENDITURES: | | | | | | |
| Personal Services | 3,029,403 | 907,839 | 29,213 | - | - | - |
| Operating | 1,533,935 | 496,967 | 1,855 | - | 61,679 | 266,368 |
| Travel | 50,179 | 32,934 | - | - | - | - |
| Capital Outlay | 226,512 | 2,236 | - | - | - | - |
| Government Aid | - | - | - | 7,500 | - | 103,000 |
| TOTAL EXPENDITURES | 4,840,029 | 1,439,976 | 31,068 | 7,500 | 61,679 | 369,368 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 4 | (105,707) | 26,960 | 40,466 | (6,516) | 1,074 |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Sales of Assets | 19,653 | - | - | - | - | - |
| Deposit to General Fund | (19,657) | - | - | - | - | - |
| Operating Transfers Out | - | - | - | (883) | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | (4) | - | - | (883) | - | - |
| Net Change in Fund Balances | - | (105,707) | 26,960 | 39,583 | (6,516) | 1,074 |
| FUND BALANCES, July 1, 2016 | 1,270 | 382,652 | 83,825 | 21,450 | 33,250 | 37,111 |
| FUND BALANCES, June 30, 2017 | <u>\$ 1,270</u> | <u>\$ 276,945</u> | <u>\$ 110,785</u> | <u>\$ 61,033</u> | <u>\$ 26,734</u> | <u>\$ 38,185</u> |
| FUND BALANCES CONSIST OF: | | | | | | |
| General Cash | \$ - | \$ 245,755 | \$ 110,785 | \$ 61,033 | \$ 26,734 | \$ 38,185 |
| Petty Cash | - | 1,325 | - | - | - | - |
| Deposits with Vendors | 1,270 | - | - | - | - | - |
| Due to Vendors | - | (18,261) | - | - | - | - |
| Due to Fund | - | (3,187) | - | - | - | - |
| TOTAL FUND BALANCES | <u>\$ 1,270</u> | <u>\$ 276,945</u> | <u>\$ 110,785</u> | <u>\$ 61,033</u> | <u>\$ 26,734</u> | <u>\$ 38,185</u> |

(Continued)

The accompanying notes are an integral part of the schedule.

NEBRASKA STATE HISTORICAL SOCIETY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Period July 1, 2016, through June 30, 2017

EXHIBIT A

| | Historical Pres/Admin Fund 45420 | BOR Grant Fund 45430 | Hall of Fame Trust Fund 61810 | Collections Trust Fund 65410 | Library Archives Fund 65420 | Cheyenne Outbreak Barrack Fund 65430 | Bridge Book Sale Fund 65440 | Totals (Memorandum Only) |
|--|--|-------------------------|-------------------------------------|------------------------------------|-----------------------------------|--|-----------------------------------|---|
| REVENUES: | | | | | | | | |
| Appropriations | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 4,840,029 |
| Intergovernmental | 453,224 | - | - | - | - | - | - | 861,557 |
| Sales & Charges | - | - | - | - | - | - | - | 1,297,656 |
| Miscellaneous | 4,790 | 57 | 160 | 4,772 | 121 | 53 | 768 | 170,604 |
| TOTAL REVENUES | 458,014 | 57 | 160 | 4,772 | 121 | 53 | 768 | 7,169,846 |
| EXPENDITURES: | | | | | | | | |
| Personal Services | 362,841 | - | - | - | - | - | - | 4,329,296 |
| Operating | 41,730 | - | - | 947 | - | - | - | 2,403,481 |
| Travel | 21,509 | - | - | - | - | - | - | 104,622 |
| Capital Outlay | 65,163 | - | - | - | - | - | - | 293,911 |
| Government Aid | - | - | - | - | - | - | - | 110,500 |
| TOTAL EXPENDITURES | 491,243 | - | - | 947 | - | - | - | 7,241,810 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (33,229) | 57 | 160 | 3,825 | 121 | 53 | 768 | (71,964) |
| OTHER FINANCING SOURCES (USES): | | | | | | | | |
| Sales of Assets | - | - | - | - | - | - | - | 19,653 |
| Deposit to General Fund | - | - | - | - | - | - | - | (19,657) |
| Operating Transfers Out | - | - | - | - | - | - | - | (883) |
| TOTAL OTHER FINANCING SOURCES (USES) | - | - | - | - | - | - | - | (887) |
| Net Change in Fund Balances | (33,229) | 57 | 160 | 3,825 | 121 | 53 | 768 | (72,851) |
| FUND BALANCES, July 1, 2016 | 279,632 | 2,683 | 7,533 | 159,993 | 5,704 | 2,532 | 36,118 | 1,053,753 |
| FUND BALANCES, June 30, 2017 | \$ 246,403 | \$ 2,740 | \$ 7,693 | \$ 163,818 | \$ 5,825 | \$ 2,585 | \$ 36,886 | \$ 980,902 |
| FUND BALANCES CONSIST OF: | | | | | | | | |
| General Cash | \$ 246,702 | \$ 2,740 | \$ 7,693 | \$ 163,818 | \$ 5,825 | \$ 2,585 | \$ 36,886 | \$ 948,741 |
| Petty Cash | - | - | - | - | - | - | - | 1,325 |
| Deposits with Vendors | - | - | - | - | - | - | - | 1,270 |
| Due to Vendors | (299) | - | - | - | - | - | - | (18,560) |
| Due to Fund | - | - | - | - | - | - | - | (3,187) |
| TOTAL FUND BALANCES | \$ 246,403 | \$ 2,740 | \$ 7,693 | \$ 163,818 | \$ 5,825 | \$ 2,585 | \$ 36,886 | \$ 980,902 |

(Concluded)

The accompanying notes are an integral part of the schedule.

NEBRASKA STATE HISTORICAL SOCIETY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Period July 1, 2017, through December 31, 2017

EXHIBIT B

| | State General Fund 10000 | Historical Society Cash Fund 25410 | Nebraska Job Creation and Maintenance Revitalization Fund 25420 | Nebraska 150 Sesquicentennial Plate Proceeds Fund 25430 | Historical Landmark Fund 25610 | Historical Pres/Grants Fund 45410 |
|--|-----------------------------|--|---|--|--------------------------------------|---|
| REVENUES: | | | | | | |
| Appropriations | \$ 2,060,312 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | - | 28,600 | - | - | - | 82,937 |
| Sales & Charges | - | 802,946 | 25,617 | 26,044 | - | - |
| Miscellaneous | 2,110 | 200,389 | 1,132 | 595 | 10,159 | 530 |
| TOTAL REVENUES | 2,062,422 | 1,031,935 | 26,749 | 26,639 | 10,159 | 83,467 |
| EXPENDITURES: | | | | | | |
| Personal Services | 1,487,105 | 456,657 | 14,967 | 959 | - | - |
| Operating | 537,615 | 291,837 | 1,039 | 38,560 | 28,925 | 81,857 |
| Travel | 27,391 | 14,223 | - | - | 524 | - |
| Capital Outlay | 8,201 | 2,125 | - | - | - | - |
| Government Aid | - | - | - | 14,959 | - | 1,080 |
| TOTAL EXPENDITURES | 2,060,312 | 764,842 | 16,006 | 54,478 | 29,449 | 82,937 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 2,110 | 267,093 | 10,743 | (27,839) | (19,290) | 530 |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Sales of Assets | 2,148 | - | - | - | - | - |
| Deposit to General Fund | (4,258) | - | - | - | - | - |
| Operating Transfers Out | - | - | - | (370) | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | (2,110) | - | - | (370) | - | - |
| Net Change in Fund Balances | - | 267,093 | 10,743 | (28,209) | (19,290) | 530 |
| FUND BALANCES, July 1, 2017 | 1,270 | 276,945 | 110,785 | 61,033 | 26,734 | 38,185 |
| FUND BALANCES, December 31, 2017 | \$ 1,270 | \$ 544,038 | \$ 121,528 | \$ 32,824 | \$ 7,444 | \$ 38,715 |
| FUND BALANCES CONSIST OF: | | | | | | |
| General Cash | \$ - | \$ 573,476 | \$ 121,528 | \$ 34,320 | \$ 13,148 | \$ 38,715 |
| Petty Cash | - | 1,300 | - | - | - | - |
| Deposits with Vendors | 1,270 | - | - | - | - | - |
| Due to Other Government | - | - | - | (1,496) | - | - |
| Due to Vendors | - | (28,065) | - | - | (5,704) | - |
| Due to Fund | - | (2,673) | - | - | - | - |
| TOTAL FUND BALANCES | \$ 1,270 | \$ 544,038 | \$ 121,528 | \$ 32,824 | \$ 7,444 | \$ 38,715 |

(Continued)

The accompanying notes are an integral part of the schedule.

NEBRASKA STATE HISTORICAL SOCIETY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Period July 1, 2017, through December 31, 2017

EXHIBIT B

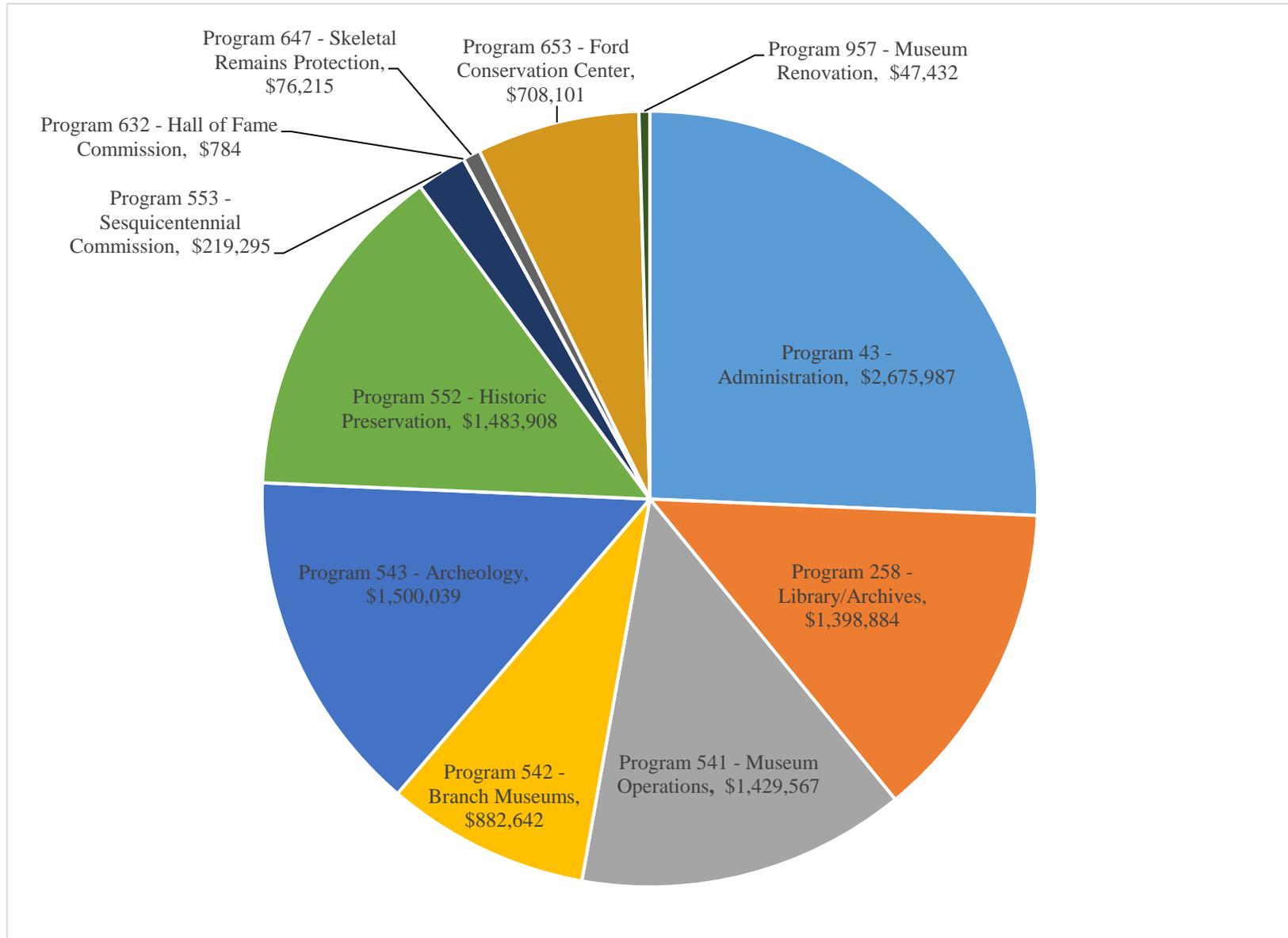
| | Historical Pres/Admin Fund 45420 | BOR Grant Fund 45430 | Hall of Fame Trust Fund 61810 | Collections Trust Fund 65410 | Library Archives Fund 65420 | Cheyenne Outbreak Barrack Fund 65430 | Bridge Book Sale Fund 65440 | Totals (Memorandum Only) |
|--|--|-------------------------|-------------------------------------|------------------------------------|-----------------------------------|--|-----------------------------------|---|
| REVENUES: | | | | | | | | |
| Appropriations | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,060,312 |
| Intergovernmental | 146,959 | - | - | - | - | - | - | 258,496 |
| Sales & Charges | - | - | - | - | - | - | - | 854,607 |
| Miscellaneous | 2,423 | 29 | 81 | 2,078 | 61 | 27 | 385 | 219,999 |
| TOTAL REVENUES | 149,382 | 29 | 81 | 2,078 | 61 | 27 | 385 | 3,393,414 |
| EXPENDITURES: | | | | | | | | |
| Personal Services | 145,801 | - | - | - | - | - | - | 2,105,489 |
| Operating | 21,135 | - | - | 836 | - | - | - | 1,001,804 |
| Travel | 5,248 | - | - | - | - | - | - | 47,386 |
| Capital Outlay | - | - | - | - | - | - | - | 10,326 |
| Government Aid | - | - | - | - | - | - | - | 16,039 |
| TOTAL EXPENDITURES | 172,184 | - | - | 836 | - | - | - | 3,181,044 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (22,802) | 29 | 81 | 1,242 | 61 | 27 | 385 | 212,370 |
| OTHER FINANCING SOURCES (USES): | | | | | | | | |
| Sales of Assets | - | - | - | - | - | - | - | 2,148 |
| Deposit to General Fund | - | - | - | - | - | - | - | (4,258) |
| Operating Transfers Out | - | - | - | - | - | - | - | (370) |
| TOTAL OTHER FINANCING SOURCES (USES) | - | - | - | - | - | - | - | (2,480) |
| Net Change in Fund Balances | (22,802) | 29 | 81 | 1,242 | 61 | 27 | 385 | 209,890 |
| FUND BALANCES, July 1, 2017 | 246,403 | 2,740 | 7,693 | 163,818 | 5,825 | 2,585 | 36,886 | 980,902 |
| FUND BALANCES, December 31, 2017 | \$ 223,601 | \$ 2,769 | \$ 7,774 | \$ 165,060 | \$ 5,886 | \$ 2,612 | \$ 37,271 | \$ 1,190,792 |
| FUND BALANCES CONSIST OF: | | | | | | | | |
| General Cash | \$ 229,031 | \$ 2,769 | \$ 7,774 | \$ 165,060 | \$ 5,886 | \$ 2,612 | \$ 37,271 | \$ 1,231,590 |
| Petty Cash | - | - | - | - | - | - | - | 1,300 |
| Deposits with Vendors | - | - | - | - | - | - | - | 1,270 |
| Due to Other Government | - | - | - | - | - | - | - | (1,496) |
| Due to Vendors | (5,430) | - | - | - | - | - | - | (39,199) |
| Due to Fund | - | - | - | - | - | - | - | (2,673) |
| TOTAL FUND BALANCES | \$ 223,601 | \$ 2,769 | \$ 7,774 | \$ 165,060 | \$ 5,886 | \$ 2,612 | \$ 37,271 | \$ 1,190,792 |

(Concluded)

The accompanying notes are an integral part of the schedule.

NEBRASKA STATE HISTORICAL SOCIETY
EXPENDITURES BY PROGRAM
For the Period July 1, 2016, through December 31, 2017

EXHIBIT C



NEBRASKA STATE HISTORICAL SOCIETY
VISITORS BY SITE
 Fiscal Years Ended June 30, 2013 through 2017

EXHIBIT D

