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Clerk of the Circuit and County Courts
Lake County, Florida

Audit of Lake County Historical Society

Internal Audit Division Audit Report

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Internal Audit Department

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Board of County Commissioners

As you requested, we have conducted an audit of the Lake County Historical Society. As you are aware Lake County entered into its current agreement with the Lake County Historical Society on May 20, 2010. Our audit included a review of the Society's compliance with this agreement.

As you are aware, it is common practice for the County to have the right to audit organizations to which the County grants funds. In these situations, it is important that the citizens have the assurance that County resources are used in an efficient and effective manner. Consequently, this report not only contains recommendations to the Board of County Commissioners, but also to the Society.

Because of the need to issue this report prior to the Society's annual meeting scheduled for April 26, 2013, and because of the disagreement within the Society as to who are the officers of the organization, this report is being issued without responses from the Lake County Historical Society. It should be noted that completion of our report was delayed by the Office Manager being absent on vacation from April 5, 2013 until April 22, 2013.

We appreciate the cooperation and assistance provided by the Board and staff of the Lake County Historical Society during the course of this internal audit.

Respectfully submitted,

Bob Melton

Bob Melton, CPA, CIA, CFE
Director of Internal Audit

CC: Honorable Neil Kelly, Clerk of Circuit & County Court
David Heath, County Manager
Board of Directors, Lake County Historical Society
Lavonda Morris, Office Manager, Lake County Historical Society

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
INTRODUCTION.....	3
Scope and Methodology	3
Overall Conclusion	3
Background	4
OPPORTUNITIES FOR IMPROVEMENT.....	5
1. The Board of County Commissioners Should Consider Actions Regarding The Operation Of The Museum By The Historical Society.....	5
2. Immediate Action Should Be Taken By The Society Board To Match Expenditures With Revenues.	7
3. Election Of The Society Board And Officers Should Be Done In Accordance With The Bylaws.	8
4. A Complete Inventory Should Be Conducted.	9
5. Security Needs Improvement.	12
6. Policies On Office Manager Benefits, Hours, And Pay Increases Should Be Established.	14
7. Written Policies And Procedures Should Be Established And Followed.....	16
8. Bylaw Amendment Could Enhance The Board Secretary Function.	17
9. Supervision of Related Parties Should Be Prohibited And Possible Conflicts of Interest Should Be Avoided.	18
10. Luncheon Expenses Should Be Properly Justified And Supported.	18
11. Controls Over Petty Cash Should Be Enhanced.	20
12. Purchase Reimbursements Are Not Always Properly Documented.....	21
13. Timesheets Should Be Accurate, Complete, And Reflect Actual Hours Worked.....	23
14. Write-off of Book Inventory Should Be Supported.....	23

15. Fundraising Opportunities Should Be Maximized. 24

16. Museum Hours Are Not Maximized. 24

APPENDICES26

Appendix A - Balance Sheet 26

Appendix B - Schedule of Revenue, Expenditures, and Changes in Fund Balance 27

EXECUTIVE SUMMARY

As requested by the Board of County Commissioners, we have conducted an audit of the Lake County Historical Society. Our audit objectives were to determine whether cash receipts and disbursements have been accounted for properly, whether the Society has complied with the terms of its agreement with the County, and to identify any opportunities for improvement in Society operations.

The Society is using existing reserves at a rapid rate. As of September 30, 2008, the Society had a certificate of deposit (CD) in the amount of \$83,458. As of September 30, 2012, the CD is \$45,484. During the past several years, the Society has needed to take funds from the CD to fund operations. We recommend the Society take immediate action to reduce future expenditures to a level consistent with anticipated revenues.

Annual elections of Board members and officers may not be in accordance with the bylaws. In 2013, and apparently also in one or more prior years, a nominating committee has decided upon a slate of directors and officers and mailed the ballots to each member. For 2013, the due date for return of the ballots is April 22. Under this method, no nominations from the floor would be allowed and voting will have been done prior to the annual meeting. We also question the authority of the 2013 nominating committee. According to the bylaws, the nominating committee is to be appointed by the President. The 2013 nominating committee was appointed by a person representing to be President who, in the opinion of the Society's attorney, was not validly elected.

The Society has not conducted a complete inventory of all items in the Museum or otherwise in the custody of the Society. We were only able to locate an inventory of about 800 items. Some have estimated the total collection of items (including papers, post cards, books, etc.) to be between 3,000 and 5,000 items. The Society's agreement with the County requires the Society to establish and maintain an electronic database of the Museum's property, collections and acquisitions. During Fiscal Year 2010, 71 books, with a reported value of \$1,484 were written off the financial statements. The Office Manager stated that year when she did a physical count; she could not locate the books. She further stated that there were a "lot of problems, upstairs they had had a lot of thefts a long time ago."

Security needs improvement. Exhibits in the museum are not all in cases. Many articles are left in the open where visitors can not only handle them, but also carry them away. Some cases in the museum which contain articles are not locked. Consequently, articles could be removed from cases and the premises without detection. Storage areas for museum items are not secure. We noted storage areas in the basement of the building and also on the 2nd and 5th floors. We were able to access both the basement and 2nd floor storage areas without detection.

Policies on office manager benefits, hours, and pay increases should be established. We noted the Office Manager taking leave for vacation, sick, bereavement, holiday and comp time. Also, the Office

Manager volunteers to perform some activities on her personal time or in her role as Secretary. An hourly employee should not volunteer time in the same area in which she works.

The Office Manager should be prohibited from serving on the Board due to a conflict of interest between the two roles of employee and Board Secretary. The Office Manager currently serves on the Society Board as the Secretary. We recommend the Society amend the bylaws so that the position of Office Manager is not concurrent with the Board Office of Secretary due to conflict of interest.

Supervision of related parties should be prohibited and possible conflicts of interest should be avoided. We noted one to two people worked part-time in the past for the Society who listed their residence at the same address as the office manager. No policy exists to require disclosure to all Board members of any related parties or close relationships. For example, we noted that the fiancé of the Office Manager is on the Board of Directors.

We also noted opportunities for improvement in petty cash accounting procedures, museum operating hours, fundraising opportunities, and completion and approval of timesheets. In total, our report contains a total of 43 recommendations for improvement.

Because of the need to issue this report prior to the Society's annual meeting scheduled for April 26, 2013, and because of the disagreement within the Society as to who are the officers of the organization, this report is being issued without responses from the Lake County Historical Society. It should be noted that completion of our report was delayed by the Office Manager being absent on vacation from April 5, 2013 until April 22, 2013.

INTRODUCTION

Scope and Methodology

As requested by the Board of County Commissioners, we have conducted an audit of the Lake County Historical Society. Our audit objectives were to:

1. Determine whether cash receipts and disbursements have been accounted for properly.
2. Determine whether the Society has complied with the terms of its agreement with the County.
3. Identify any opportunities for improvement in Society operations.

To determine whether cash receipts and disbursements have been accounted for properly, we reviewed accounting transactions, receipts, bank statements, time sheets, approvals, and other supporting documentation. We also interviewed the Office Manager and various members of the Society Board.

To determine compliance with the agreement, we inspected articles, inventory records, and various documents. We interviewed the Office Manager and various members of the Society Board. We also reviewed minutes of meetings of the Board of Directors.

To determine any possible opportunities for improvement, we reviewed documents, processes, minutes of meetings of the Board of Directors, and interviewed various Society Board members and Office Manager.

Our audit included such tests of records and other auditing procedures as we considered necessary in the circumstances. The audit period was from October 1, 2011 through March 31, 2013. However, transactions, processes, and situations reviewed were not limited by the audit period.

Overall Conclusion

We conclude that cash receipts and disbursements have been accounted for properly. Because of failure to conduct a complete inventory and failure to adequately preserve museum items, we conclude that the Society has not materially complied with the terms of the agreement with the County. We noted opportunities for improvement in the Society's operations which are included in this report.

Background

The Lake County Historical Society, Inc. is a Florida nonprofit corporation. Membership in the Society is open to any person, family, or institution interested in the history of Lake County, Florida. Dues for membership are an annual amount as set by the membership from time to time. The bylaws provide for an annual meeting of the membership to be held in April of each year. Board of Directors meetings are to meet on the call of the President or Vice President. The bylaws further provide that a quorum shall consist of six board members, one of whom shall be the President or Vice President.

Lake County has entered into a total of three agreements with the Society to manage the historical museum. The first agreement was dated April 21, 1987, and the latest agreement, which is currently in effect, is dated May 20, 2010. In this agreement, the County desired to assist the Society by making space available at the Historical Lake County Courthouse for the purpose of operating and displaying of items of historical value and significance. The County agreed to provide office space to the Society as well as climate controlled storage space. The County agreed to maintain the building and furnish utilities. The County also agreed in its annual budget to consider a reasonable amount to help cover the salary of an office manager, if funds are available. The Society agreed to be responsible for the maintenance and operation of the museum, including maintaining an inventory of all items and the security of all items and equipment. The agreement provided that all items would become the property of the County as of the date of the agreement, except for a list of specific items that were to be specifically excluded.

The Society currently has one paid employee, the Office Manager who is authorized to work 33 hours per week.

We were requested to audit the Society because of conflict within the Society as to the officers and related events. On February 14, 2013, some members of the Society voted to remove the President and Vice President and elected an interim President. The next day, February 15, 2013, the interim President and Secretary removed the prior authorized signatories from the bank account and added themselves. However, the Society attorney subsequently issued an opinion stating that the vote was not valid since there was not a required quorum at the meeting. The interim President refused to abide by the opinion and attempted to continue to conduct business in the new capacity while the pre-existing officers attempted to continue business in their capacities. As a result of this confusion, the Clerk of Court, acting in his role of Society Treasurer, instructed the banks to freeze the accounts of the Society until the matter is resolved.

OPPORTUNITIES FOR IMPROVEMENT

Our audit disclosed certain policies, procedures and practices that could be improved. Our audit was neither designed nor intended to be a detailed study of every relevant system, procedure or transaction. Accordingly, the Opportunities for Improvement presented in this report may not be all-inclusive of areas where improvement may be needed.

Responses from the Board of Directors of the Lake County Historical Society were not solicited because of unique circumstances which precluded their inclusion. To be timely, this report needed to be available to the members at their annual meeting, which is scheduled to occur on April 26, 2013. However, the Office Manager was unavailable from April 5, 2013 to April 22, 2013. In addition, there are differing opinions among the various members of the Board of Directors as to who are the officers of the organization. Thus, it was not feasible to attempt to obtain responses from them.

1. The Board of County Commissioners Should Consider Actions Regarding The Operation Of The Museum By The Historical Society.

We have identified several areas where the Historical Society has not complied with the agreement with the County and with Society bylaws. The manner in which they operate the museum also does not necessarily maximize the use of the museum or provide adequate security to the museum items. Specific areas which need consideration by the Board of County Commissioners are:

- A. The election of the officers and Board of Directors is not necessarily being done according to the Society's bylaws. (See Opportunity For Improvement No. 3.) Consequently, division exists within the organization. This division has precluded the Society from going forward with activities that would further its mission and the effective progressive operation of the museum.
- B. No complete inventory of items of historical significance in the possession of the Society has been done. (See Opportunity For Improvement No. 4.) Instead, only a partial inventory exists. This is a violation of the Society's agreement with the County, which requires the Society to have a complete inventory.
- C. The Society is not taking adequate safeguards to preserve items in its possession. As custodian of the historical items belonging to the County, the Society has a responsibility to take adequate safeguards to ensure the items remain in the best possible condition.
- D. Security being maintained over items is inadequate, and the risk of theft is significant. (See Opportunity For Improvement No. 5.) Some of the articles could be easily removed without

detection. In addition, some of the items are being stored in areas that are accessible by the public. We noted that doors to the storage areas were not locked on a day when the Office Manager was not on the premises. In fact, some areas do not have doors.

- E. The Society is regularly spending more money than it is receiving, including paying the Office Manager a higher salary than funds being received by the County would support. At some future year, even if County funding is continued at the present level, the Society is going to be unable to pay the current salary of the Office Manager unless other funding sources are developed. (See Opportunity For Improvement No. 2.)
- F. The Society is currently treated as a grantee with the entire amount of \$20,000 being provided to the Society at the beginning of the fiscal year. Since the Society is not assigned a County Department as an oversight agency, no operational oversight exists. With some other County grants to nonprofit organizations, a County department or committee conducts monitoring visits and receives performance reports regarding activities of the grantee. The lack of County operational oversight may have allowed some of the current conditions to occur. Although some financial oversight has occurred in the past since the Clerk of Courts acted as Treasurer, the Clerk of Courts resigned that function effective April 1, 2013. Consequently, the County will have no financial or operational oversight in the future unless some action is taken.
- G. The County's current agreement with the Society does not specifically contain a clause giving the County the right to audit the Society. Since the County has made significant investment in the Society through funding, provision of space and utilities, and allowing the Society to use its historical items, it is important that the County retain the right to examine and inspect the operations of the Society. Such an audit clause along with routine audits will provide the necessary accountability to ensure County assets and investments are being used wisely and effectively.

The Board of County Commissioners has several options in its interaction with the Historical Society. These options include:

Option 1: Cancel the agreement with the Historical Society for management of the museum. Section 4.2 of the Agreement provides that the County may terminate the agreement with six months' notice to the Society. Under this option, the County would not provide any funding to the Society, and the County would assume responsibility for operation of the museum. In this scenario, the museum would be assigned to a County department, and a consultant or part-time employee may be necessary to periodically update or rotate displays in the museum. The County would incur costs to secure all displays in the museum and to possibly make self-guided tours more effective.

This option would lead to a potential dispute over the ownership of the items under the current control of the Society. Although the agreement specifies that items are property of the County as of the date of the agreement, the Office Manager has stated to us that all of the items are the property of the Society, except for one item that is on loan.

Option 2: Retain the agreement for the Historical Society to maintain the museum, but reduce or eliminate funding toward the Office Manager position. Under the agreement, annual funds provided have been for the purpose “...to help cover the cost of an office manager...” By providing this annual funding, the County is subsidizing costs to the Society without having any type of oversight controls to ensure the Society is operating the museum in a manner to maximize benefit to County citizens.

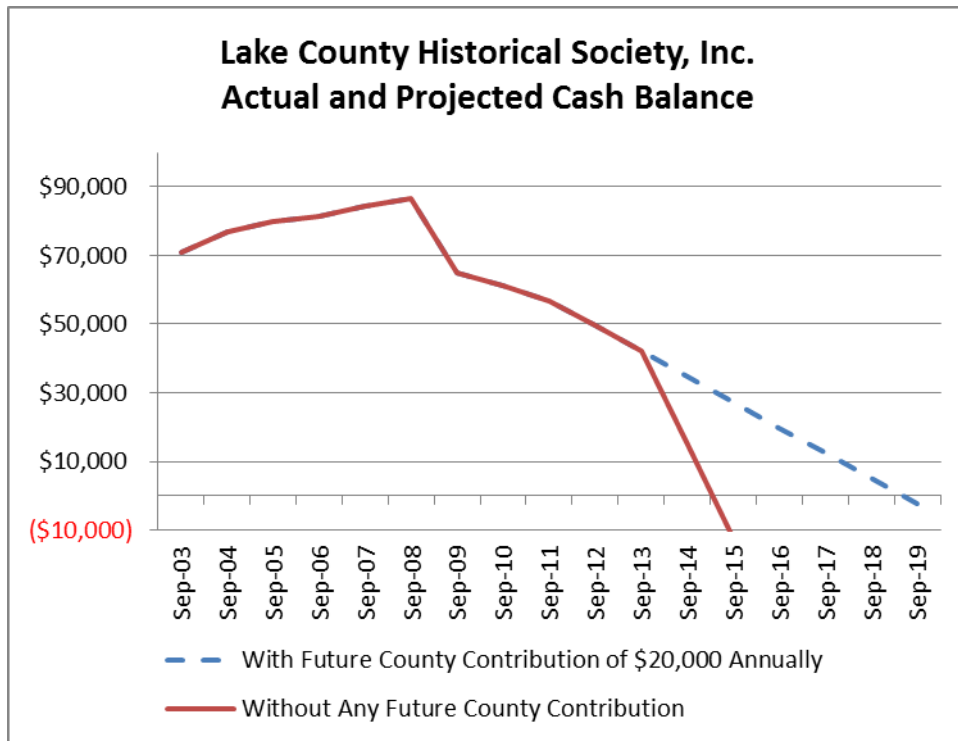
Option 3: Maintain current funding to subsidize the Office Manager salary. This will maintain the current level of service. If this option is chosen, the Board of County Commissioners should consider disbursing the funds on a quarterly basis on the condition that the Society complies with all provisions of the agreement and provides service on a basis satisfactory to the County. This includes optimizing museum operating hours, adequately preserving and inventorying all items, maintaining financial integrity, and operating in accordance with the bylaws.

We Recommend the Board of County Commissioners review the options for continuing the agreement with the Historical Society and take action considered to be appropriate. If the Board elects to continue the agreement with the Society, we recommend the Board require the following as a condition to receiving funding and continuation of the agreement:

- A. Require all elections be done in accordance with the Society’s bylaws.
- B. Require a complete inventory of all items prior to the disbursement of any funds to the Society.
- C. Require the Society to adequately safeguard all items in its possession. This should be verified before any disbursement of funds.
- D. Require all items be adequately secured.
- E. Require the Society to develop a long-term business plan that helps to ensure its long-term survival.
- F. Assign the Society to a County department that would be given the responsibility of monitoring compliance on an ongoing basis.
- G. Add an audit clause to the agreement providing the County the authority to audit the operations of the Society.

2. Immediate Action Should Be Taken By The Society Board To Match Expenditures With Revenues.

The Society is using existing reserves at a rapid rate. As of September 30, 2008, the Society had a certificate of deposit (CD) in the amount of \$83,458. As of September 30, 2012, the CD is \$45,484. During the past several years, the Society has needed to take funds from the CD to fund operations. The following chart shows the total cash balance since 2003 and projects the future fund balance through Fiscal Year 2019 if future revenues and expenditures remain at the Fiscal Year 2012 level:



During Fiscal Year 2012, the Society used \$10,000 in CD funds to supplement operations. Expenditures exceeded revenues largely because the salary and benefits paid to the Office Manager exceed the amount of funding provided by the County. During the year, the County provided \$20,000; however, the manager’s total salary and benefits cost the Society \$27,619. The Society does not receive enough regularly recurring revenues to fund the difference.

Expenditures cannot continue at current levels unless revenues are increased. Immediate action should be taken to reduce expenditures to a level which can be sustained without depleting reserves. Prudent financial planning requires that expenditures be set at a level that is sustainable over the long term without putting the organization at financial risk. Until such time as revenues are increased, expenditures should be at a level which reasonably approximates current ongoing, sustainable revenue.

We Recommend the Society take immediate action to reduce future expenditures to a level consistent with anticipated revenues.

3. Election Of The Society Board And Officers Should Be Done In Accordance With The Bylaws.

Annual elections of Board members and officers may not be in accordance with the bylaws. The bylaws state:

“Nominations for officers and five directors shall be made by a nominating committee of three members appointed by the President. The committee shall report a slate of candidates at the annual meeting. Additional nominations may be made from the floor.”

We have the following concerns with the current process, involving the Annual Meeting scheduled for April 26, 2013:

- A. In 2013, and apparently also in one or more prior years, a nominating committee has decided upon a slate of directors and officers and mailed the ballots to each member. For 2013, the due date for return of the ballots is April 22. Under this method, no nominations from the floor would be allowed and voting will have been done prior to the annual meeting.

If the Society desires to follow a procedure other than that specified by the bylaws, the bylaws should be amended in accordance with the amendment procedure specified in the bylaws. Until such time as they are amended, the bylaws should be strictly followed. Failure to follow the bylaws may call into question the legality of the election. To ensure compliance, the slate of officers could be voted upon at the annual meeting, with nominations being allowed from the floor. The bylaws are unclear as to whether nominations are required to be allowed from the floor. As a result, there are differences of opinion within the Society regarding the acceptance of nominations from the floor.

- B. We question the authority of the 2013 nominating committee which nominated directors and officers identified on a ballot mailed to the members. According to the bylaws, the nominating committee is to be appointed by the President. The 2013 nominating committee was appointed by a person representing to be President who, in the opinion of the Society’s attorney, was not validly elected.

It is essential that all elections be done in accordance with the bylaws and in a manner that maintains trust in the process. The process being used in the current election is not only questionable, but also creates division among members of the Society.

We Recommend the Society consult with an attorney to determine legality of the current process and any actions that should be taken to remedy noncompliance with the Society’s bylaws. Consideration should be given to voting on a slate of directors and officers at the annual meeting, with the allowance of nominations from the floor.

4. A Complete Inventory Should Be Conducted.

During our review of the inventory of articles in the Museum and related storage areas, we noted the following concerns:

- A. The Society has not conducted a complete inventory of all items in the Museum or otherwise in the custody of the Society. We were only able to locate an inventory of about 800 items. Some have estimated the total collection of items (including papers, post cards, books, etc.) to be between 3,000 and 5,000 items.

The Society's agreement with the County states in Section 3.2, "Society shall inventory, establish and maintain an electronic database of the Museum's property, collections and acquisitions." The Society is in violation of this provision of the agreement. There is no electronic database of items. The 800 items that have been inventoried are identified on paper. In addition, there are photos of the 800 items maintained on the computer.

- B. No listing is maintained as to which items in the Museum are on loan and, therefore, do not belong to the County. According to the Society's agreement with the County, dated May 20, 2010,

"...all inventory and Museum items shall be deemed the property of the County as of the effective date of this Agreement, unless the Society otherwise notifies the County that all or part of such inventory or items are not to be transferred to the County..."

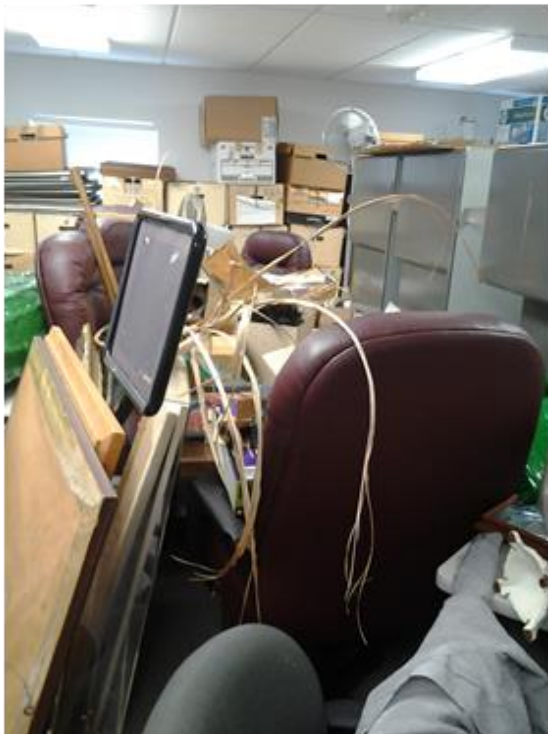
Since a complete inventory, including ownership, is not maintained, accountability to the County for its assets is precluded. In the event of cancelation of the agreement with the Society, the County has no assurance that all of its inventory items would be turned over by the Society.

A potential dispute exists over the ownership of the items under the current control of the Society. Although the agreement specifies that items are property of the County as of the date of the agreement, the Office Manager has stated to us that all of the items are the property of the Society, except for one item that is on loan.

Items on loan to the museum are not clearly identified. The Office Manager initially stated that there is only one item (a helmet) on loan. However, later the same day, the Office Manager stated that another historical item (a still) is on loan and is going to be picked up by another historical society in a few days.

We have also noted that an officer of the Society recently removed some items from the museum. Some of the items apparently were owned by him; however, some of the other items may not have been. For example, one donor of items that were removed by the officer stated that the items were given to the Society and not to the officer. In addition, the officer apparently removed a DVD player which was purchased with Society funds.

- C. The Society is not adequately protecting items in its custody. We noted many items in the custody of the society that are in storage rooms without adequate preservation measures. For example, below are pictures of items currently in the storage areas:



The Society has many items of historical significance. It has a responsibility to carefully maintain each item in such a manner as to preserve it as close to its original condition as

possible. As a result of the lack of a preservation protocol, items in its possession may more rapidly deteriorate.

- D. Books are not accounted for adequately. During Fiscal Year 2010, 71 books with a reported value of \$1,484 were written off the financial statements. (See Opportunity For Improvement No. 14.) The Office Manager stated that when she did a physical count that year, she could not locate the books. She further stated that there were a “lot of problems, upstairs they had had a lot of thefts a long time ago.” We also noted two cookbooks that were purchased in January, 2012, that could not be found. In addition, a book named “America’s White Table” was purchased in March, 2012. When we attempted to locate the book, the Office Manager stated that it was in her home.

The Society sells books for various authors. However, a comprehensive inventory of books received, books sold, and remaining books on hand is not maintained. Books are a significant component of the operation of a museum/historical society, and books should be accounted for properly. Otherwise, risk of loss or misappropriation of funds could occur without detection.

We Recommend the Society:

- A. Immediately complete a full inventory of all items in its possession, including information allowing timely location of the item, owner of the item, and value of the item. Items on loan should be clearly identified.
- B. Establish an inventory of all items on loan to the museum which includes the length of time the items are on loan, and the terms of the lender.
- C. Establish a preservation protocol for all items and take immediate action to preserve all items in their present condition.
- D. Complete a full inventory of all books on hand, including those available for sale.

5. Security Needs Improvement.

During our review, we noted the following concerns with security:

- A. Exhibits in the museum are not all in cases. Many articles are left in the open where visitors can not only handle them, but also carry them away. This situation carries special risk because the building is completely open during business hours and there is no person on the floor at all times watching visitors and the items. In fact, the office manager was not in the building from April 5 until April 22, and during this time, the building was open on an unattended basis. Also, since there are no other occupants presently in the building, exhibits could have been removed without detection.

- B. Some cases in the museum, which contain articles, are not locked. Consequently, articles could be removed from cases and the premises without detection. The picture below demonstrates how we were able to gain access inside one of the cases:



All artifacts in the museum should have reasonable levels of security.

- C. Storage areas for museum items are not secure. We noted storage areas in the basement of the building and also on the 2nd and 5th floors. These floors are currently vacant. However, we were able to access both the basement and 2nd floor storage areas without detection. Doors to the areas were unlocked and some areas do not have doors securing them at all. Further, there were no signs which would warn the public not to go to those areas. It is essential that all storage areas be secure to prevent loss of the museum items.

It is essential that all assets, including items of historical significance be adequately safeguarded at all times. Without adequate security and without an adequate inventory system as discussed in Opportunity For Improvement No. 4, items could be misappropriated without detection.

We Recommend the Society:

- A. Adequately secure all items on display in the museum. This could include placing all items in cases, installing security cameras, having a person on the floor during business hours, or any combination thereof.
- B. Ensure all cases containing exhibits are locked.
- C. Immediately secure all storage areas.

6. Policies On Office Manager Benefits, Hours, And Pay Increases Should Be Established.

Clear policies on Office Manager benefits, hours, and pay increases are lacking. We noted the following paid leave taken by the Office Manager:

Calendar Year	Annual Leave	Sick Leave	Bereavement Leave	Holidays	Comp Time	Total Leave Hours
2005	63.0	7.0	-	35.0	-	105.0
2006	14.0	-	-	42.0	28.0	84.0
2007	42.0	-	-	56.0	21.0	119.0
2008	56.0	-	-	56.0	14.0	126.0
2009	35.0	-	-	49.0	35.0	119.0
2010	35.0	7.0	-	35.0	28.0	105.0
2011	68.5	-	-	35.0	37.0	140.5
2012	17.0	-	24.0	60.0	16.0	117.0
Total 2005-2012	330.5	14.0	24.0	368.0	179.0	915.5

We noted the following specific concerns:

- A. Benefits to be provided to Society employees are not clearly established. Our review showed that benefits and scheduling (for example, sick leave, holidays, and museum closure between Christmas and New Year's) located in Board meeting minutes as far back as 1999, were enacted by previous Board Members and referred to previous employees in some instances. The benefits that appeared to have been provided are:

Benefits Provided in Board Minutes

	October 19, 1999 Board Minutes	September 27, 2001 Board Minutes	November, 2001 Board Minutes
Annual Leave	After 1 year, 6 days leave to be used in 2nd year of employment	Comp time used by employee for Nov. 5-9, 2001 vacation	
	After 2 years, 10 days paid annual leave		
	May not be accrued		
Sick Leave	After 6 months probationary period, 6 days, then 1 day per month after that		
	May not be accrued		
Holidays	Thanksgiving		
	Day After Thanksgiving		
	Christmas		
	New Year's		
	Other holidays not paid but, if employee wishes, may work on Friday if the holiday falls on Monday		Office closed between Christmas and New Year's (Dec. 24, 2001 - Jan. 2, 2002) - Comp time used by employee

When these benefits are applied to the leave taken by the Office Manager, the vacation time and sick leave were in line with the provided benefits; however, it appears the allowed holiday time was exceeded by 247 hours during the years 2005 through 2012. Additionally, the policy for the use of comp time was not found to extend beyond the initial use during the week after Christmas in 2001. However, comp time was used in subsequent years during the week after Christmas.

No employee benefits policy manual exists. Usually, an employee benefits policy manual is established so that the employer and the employee have a shared understanding of the employee's benefits. This manual is typically readily available for reference by the employer and the employee alike. In this case, access to information about employee benefits is limited by the access to former minutes, scattered across years, which may or may not be found in their entirety in a search of the minutes. This makes a clear understanding of the employee benefits virtually impossible.

- B. An hourly employee should not volunteer time in the same area in which she works. Although the employee volunteers to perform these activities on her personal time, she still is an employee and may be subject to federal wage and hour laws. Article IX, Section 7 of the By-laws of the Lake County Historical Society states “the Office Manager shall be paid such hourly wage as is deemed proper by the Executive Committee, and shall work regularly posted hours as directed.” To avoid any confusion, the employee should be prohibited from performing any extra volunteer work related to the Society beyond her regularly posted hours. This prohibition should be in writing and clearly understood by the employee.

- C. The employee was provided retroactive increases in 2007 and 2011. The increase in 2007 was in the form of a 6% raise. The increase approved by the Finance Committee in January and presented to the Board in February was made retroactive to the date of the Finance Committee meeting in January. The increase in 2011 was in the form of an increase in the number of hours paid, from 28 hours to 33 hours per week. The increase proposed by the employee and approved by the Board in November was made retroactive to the start of the fiscal year, October 1, 2011. However, the timesheets during the retroactive period did not show that the employee worked an additional five hours.

We Recommend the Society:

- A. Establish an employee benefits policy manual which includes Board approved benefits.
- B. Immediately prohibit the employee from conducting any work on her personal time. This prohibition should be in writing and acknowledged by the employee.
- C. Eliminate the practice of making employee increases retroactive.

7. Written Policies And Procedures Should Be Established And Followed.

During our review, we noted several instances in which written policies, if available, could enhance operations. Written policies are needed for the following areas:

- A. Board approval for large purchases. While the president must sign off on purchases over \$100, there are no written procedures requiring the Historical Society Board to approve large purchases or purchases over a certain threshold. This requirement could prevent any unnecessary or unreasonably high purchases from occurring, as well as deterring possible misappropriation of funds.

- B. Reimbursement of funds. No written policies or procedures exist defining uses and restriction of petty cash or check reimbursements including timeliness of receipt submittals, reimbursement of sales tax portion of receipts or lack thereof, prohibited uses (alcohol, donations, personal items, etc.), required receipts/documentation, and access and security of funds. Lack of petty cash procedures could result in misappropriation and/or misuse of funds.

- C. Non-monetary compensation for volunteers. On occasions when volunteers participate in projects over the course of a day or more, it has been practice to compensate or reward volunteers by providing meals throughout the day. A written policy should exist which describes the instances in which such purchases are allowable and which include a maximum allowance per meal/day. A written procedure defining compensation for volunteers would prevent favoritism. Additionally, it would prevent misuse of the museum funds.
- D. Use of Tax Exempt Status. Whenever applicable, purchases for the museum should be tax exempt. No written policy or procedure exists requiring museum purchases to be made using the tax exempt status. (See Opportunity for Improvement No. 11.)
- E. Office Manager Benefits. There should be clear written policy describing employee benefits including hours, paid time off, and pay increases. Currently, no such policy exists. Lack of written policy makes it difficult to enforce established or preferred rules and guidelines. (See Opportunity For Improvement No. 6.)

We Recommend the Society:

- A. Require Board approval of purchases over a predetermined threshold.
- B. Develop petty cash and check reimbursement policies and procedures.
- C. Develop a policy detailing circumstances in which compensation may be made to volunteers, including the maximum allowable expenses.
- D. Require the use of the tax exempt status whenever applicable.
- E. Establish an employee benefits manual.

8. Bylaw Amendment Could Enhance The Board Secretary Function.

Currently and in the past, the Office Manager also holds the officer position of Secretary, and is, therefore, a member of the board. Since the Society Board oversees policies relating to the Office Manager, these positions are incompatible and should not be held by the same individual. The Office Manager is an employee. This dual holding of positions has caused some confusion in the past. Some Board members may believe that the Office Manager's work as office manager is to be paid, but, the Office Manager's work in her capacity as Secretary is volunteer. In reality, these duties can be difficult to separate and can present a risk to the organization.

Section 1 of Article IX, Office Manager, states "the job of Office Manager may be concurrent with the Secretary." Article VII, Duties of Officers, of the By-laws of the Lake County Historical Society states "the Secretary shall handle any other duties requested by the President. The Secretary shall record all meetings of the Board of Directors and the general membership, and shall be custodian of all records of the Society. Full and accurate minutes shall be kept, and the books shall be open to the inspection of any interested member, without passing from the hands of the Secretary." As Secretary, the Office Manager is present at and recording Board meetings where her salary and benefits are discussed. For

example, in November, 2011, the Office Manager made a presentation to the Board requesting more hours of pay and was present throughout the discussion as Secretary. This poses a conflict of interest and does not allow for independence between the employee and the Board due to this dual role.

We Recommend the Society amend the bylaws so that the position of Office Manager is prohibited from serving on the Board.

9. Supervision of Related Parties Should Be Prohibited And Possible Conflicts of Interest Should Be Avoided.

During our review of Society records, we noted concerns about related parties and other situations that could create a conflict of interest. Our concerns are:

- A. We noted one to two people worked part-time for the Society who listed their residence at the same address as the office manager. Normally, the office manager supervises other employees. However, regardless, the appearance of nepotism exists, and this situation should be avoided in the future. Nepotism is the practice of showing favoritism toward one's family members or friends in economic or employment terms. For example, granting favors or jobs to friends and relatives, without regard to merit, is a form of nepotism. Nepotism does not provide assurance that qualified personnel are hired to perform the job, facilitates possible collusion among employees, and may result in preferential treatment in fact or in appearance.
- B. No policy exists to require disclosure to all Board members of any related parties or close relationships. For example, we noted that the fiancé of the office manager is on the Board of Directors. On the current ballot, the proposed President is a relative of a proposed new board member. An organization should strive for independence among the Board members and between the Board members and employees. Otherwise, judgment of the Board members may not be made in the best interest of the organization, either in fact or in appearance.

We Recommend the Society:

- A. Establish a policy prohibiting the employment of relatives of the office manager or of any board member.
- B. Establish a policy to require the disclosure of any relationships with other Board members or Society employees.

10. Luncheon Expenses Should Be Properly Justified And Supported.

The Historical Society hosts quarterly luncheons for its members, one of which is an annual awards banquet. We noted the following revenues and expenses for Fiscal Years ending 2011 and 2012:

Luncheon Revenues and Expenses	
Total Revenues	<u>\$1,437</u>
Food and Decorations	\$2,585
Awards	<u>\$1,094</u>
Total Expenses	<u>\$3,680</u>
Total Gain/Loss (Revenues less Expenses)	<u>(\$2,243)</u>

While reviewing the luncheon expenses, we noted the following concerns:

- A. During Fiscal Years ending 2011 and 2012, the Historical Society has spent at least \$2,585 for food and decorations at the luncheons. This total does not include the total amount spent on awards given out during the awards banquet or amounts from petty cash receipts which included other, non-luncheon expenses. Though attendees were charged a fee the revenues did not cover expenses. Considering the financial situation of the Society as noted in Opportunity For Improvement No. 2, it is essential that the revenues from the luncheons at least cover cost. Consideration should be given to using the luncheons as a fundraising opportunity.

Additionally, it is difficult to determine the reasonableness of the luncheon expenses and revenues because supporting documentation does not always provide the following information:

- a. Number of meals purchased or cost per meal
- b. Meals/services provided by caterer, including napkin and tableware rentals
- c. Actual number of guests
- d. Number of paying guests
- e. Attendance fee

Adequate documentation allows the Society to determine a reasonable fee to cover costs, evaluate whether the number of non-paying attendees (if any) is acceptable, determine whether cost per person is acceptable, and plan for future events. Review of attendance records would allow the Society to determine trends in attendance by luncheon and evaluate whether it is necessary and cost effective to host four luncheons per year.

- B. During Fiscal Years ending 2011 and 2012, an additional \$1,095 was spent for 27 awards, two of which were replacement awards. This averages out to \$41 for each of the personalized laser engraved acrylic stands. Awards are given to individuals and organizations and range from Historical Society of the Year to Student of the Year.

The \$1,095 expended on awards may be excessive considering the Historical Society is at a point where reserve funds are being used because revenues are not meeting or exceeding expenses. (See Opportunity For Improvement No. 2.)

We Recommend the Society:

- A. Require itemized detail invoices for all luncheon expenses. In addition, a listing of all attendees should be maintained. These expenses should be reviewed and approved by the Board.
- B. Consider lower cost options for annual awards.

11. Controls Over Petty Cash Should Be Enhanced.

The Historical Society maintains a \$200 petty cash box. Small purchases for the Historical Society and the museum are reimbursed out of this petty cash. The office manager acts as custodian to this petty cash fund issuing cash for items purchased and requesting funds to replenish the box as needed.

During a review of petty cash payments, we noted the following concerns:

- A. Business expenses are commingled with personal items on receipts submitted for payment. Out of 19 petty cash replenishments we reviewed, 10 contained receipts in which business items were commingled with personal items. This can make it difficult to identify items purchased for a business purpose. Society business transactions should not be commingled with personal transactions.
- B. Tax Exempt Status is not being utilized. When purchases are made in which personal items are commingled with business items (see section A above), the Historical Society's tax exempt status is not being utilized. Purchases for the Museum should be tax exempt while personal expenses are not. Commingling can make it difficult to ensure sales tax is not paid for Society items.
- C. Petty cash reimbursements to the Office Manager are not specifically identified as such. There is no certainty that petty cash payments are in fact for the purpose of petty cash rather than a direct reimbursement through a check request. Of the 19 petty cash payments reviewed, only four of the checks were made out to petty cash or petty cash custodian. The remainder of the checks were made out to the petty cash custodian personally. Additionally, though the petty cash totals \$200, there were three dates on which two check requests were submitted for reimbursement totaling more than \$200. This represents potential circumvention of the use of petty cash if these were all for petty cash reimbursement.
- D. With some exceptions, petty cash receipts do not identify who purchased the items and was subsequently reimbursed from petty cash. Petty cash receipts should include the description of the item, date of purchase, place of purchase, itemized amounts, purpose of the purchase, and name and signature of the purchaser. Receipts lacking this information lack accountability and can lead to misuse or misappropriation of funds.

- E. Reimbursement for mileage is submitted through petty cash. One volunteer receives a mileage reimbursement for her time at the museum. The volunteer fills out a "Reimbursement of Travel Expenses" form to claim her mileage. The form is submitted to the petty cash custodian and paid out through that fund, in cash, rather than through a check reimbursement. The purpose of petty cash is to have funds available when a check request is not feasible. In instances of mileage reimbursement, the use of a check is not only feasible, but it also provides increased accountability.

We Recommend the Society:

- A. Require business purchases to be made separately from personal purchases.
- B. Require the Historical Society's tax exempt status to be utilized whenever applicable.
- C. Identify petty cash reimbursements on the face of the check. Reimbursements to individuals should be identified separately.
- D. Develop a policy which requires that each petty cash receipt submitted should include the description of the item, date of purchase, place of purchase, itemized amounts, purpose of the purchase, and name and signature of the purchaser.
- E. Require reimbursement for mileage be submitted through the check request process rather than through the petty cash.

12. Purchase Reimbursements Are Not Always Properly Documented.

When a payment is made to a vendor, petty cash is replenished, or any other checks are made out from the Historical Society, a "Check Request" is prepared. The check request identifies the payee name and address, date and description of service or product provided, invoice number, check total, and the fund the check is to be deducted from. It is then signed by the office manager if the amount is \$100 or less, or the Historical Society president or treasurer if the amount is over \$100. Attached to this document would be any supporting documentation such as receipts or "Reimbursement of Travel" forms. During a review of the check requests and the related supporting documentation, we noted the following concerns:

- A. Check Requests sometimes lack supporting documentation. There was one instance in which a check request was submitted for \$100 for "gift shop items." Though this check request was signed off by the appropriate parties, there was no receipt or any other documentation indicating what items were purchased, where they were purchased, or the actual cost of the items. Additionally, there was no statement indicating the receipt was lost or damaged.

In another instance, an item was purchased for which there was no receipt. Instead, a quote was provided indicating what the cost would be if the item was purchased. This is not adequate proof that the item was purchased. The purpose of providing supporting documentation is to substantiate purchases by showing proof of actual cost and business purpose. Lack of adequate documentation or review of this documentation can lead to theft or misuse of funds.

In some instances, documentation is provided; however, it is not complete. For instance, one volunteer submits a form for reimbursement of mileage when volunteering. This form has blanks for date(s) traveled, purpose for travel, mileage claimed, and origin and destination points, and time of departure and return. It also requires the payee to sign attesting that the claim is "true and correct." The mileage forms submitted do not indicate actual dates traveled. Points of origin and destination do not include addresses. A mileage map is not included nor is an odometer reading entered. The departure and return times are not filled out. Additionally, the office manager signs as payee and preparer of the form though she is not the payee. When filled out in this manner, this form does not reasonably show proof of travel. The reviewer cannot be sure of actual mileage travelled or verify dates of travel.

In another instance, a receipt was submitted for supplies from a party store; however, an individual was named as payee. There is no name or signature on the receipt indicating who actually purchased the items. Additionally, the items on the receipt do not adequately describe the purchases made. Receipts for reimbursement, when not paid directly to the vendor, should include description of the item, date of purchase, place of purchase, itemized amounts, purpose of the purchase, and name and signature of the purchaser. (See Opportunity For Improvement Nos. 7 and 11.)

- B. Receipts are not submitted in a timely manner. In some cases when receipts are submitted for a check reimbursement, receipts are held for an excessive amount of time prior to submitting for reimbursement. One check request submitted by an individual for personal reimbursement contained several receipts spanning five months prior to the date of the check request. Another reimbursement to a vendor contained receipts which spanned four months prior to submitting a check request. Particularly in the case of individual reimbursements, check requests should be submitted in a timely manner. Over time, it can be increasingly difficult to prove business purpose. Couple the excessive wait time prior to submitting a receipt with a lack of supporting documentation (as noted in section A above), and the potential exists for an individual to submit multiple check requests for the same purchase.

We Recommend the Society:

- A. Establish procedures requiring adequate documentation that supports the request made. Procedures should include appropriate actions when adequate documentation is lost or otherwise unavailable. Additionally, documentation should be reviewed and deemed adequate prior to approving any check requests.
- B. Require reimbursement requests to be completed within 30 days of the expenditure.

13. Timesheets Should Be Accurate, Complete, And Reflect Actual Hours Worked.

During our review of timesheets, we noted the following concerns:

- A. Timesheets reviewed during the audit were missing one or more of the following: employee signature, pay period dates, total number of hours worked, and number of hours worked on a workday. These missing items are standard components of a valid timesheet. An employee should ensure that all these components have been filled in prior to submitting for approval. Further, the signing supervisor should review the timesheet for these items and ensure it is properly completed before signing it.
- B. Two timesheets appear to contain an approval signature that is not valid. We question the authority of a Board Member of the Society to sign the employee's time sheet. In the Bylaws, Article VII, Duties of Officers, states "the President shall direct and supervise the office staff as needed." It also states "in case of absence or disability, the duties of the President shall be performed by the Vice President." No supervisory authority is transferred to any other member of the Board beyond those two positions. However, the timesheets for pay periods January 9-January 22, 2013 and January 23-February 5, 2013 were signed by an individual Board Member.
- C. The Office Manager has indicated that her timesheets do not accurately reflect all hours worked. When the employee signs a timesheet, their signature is a representation that the timesheet is accurate and complete. The statements by the Office Manager are contrary to this standard internal control. It is essential that all employees be required to complete timesheets accurately.

We Recommend the Society:

- A. Ensure the individual signing a timesheet as supervisor confirms its completeness.
- B. Ensure only properly authorized Board Members sign timesheets.
- C. Require all employees to complete accurate timesheets which reflect all hours worked.

14. Write-off of Book Inventory Should Be Supported.

A loss of \$1,484 was included in the Statement of Revenues at September 30, 2010. The loss was from a write-down of the pictorial history book inventory. The documentation related to this write-down contained no information other than the Office Manager stating that the actual inventory was 71 books less than the inventory calculated from 2009 to 2010. No additional details were provided to explain the decrease in inventory of the 71 books, at a cost of \$20.90 each. A write-down of this amount should be supported with additional details such as how and when the loss occurred or was

noticed. As of September 30, 2012, based on the financial statements, the inventory was 473 books. This inventory amount less any sales since then should be confirmed by the Board.

We Recommend the Society:

- A. Take a physical count of the current pictorial history book inventory.
- B. Take an annual year-end physical count of the pictorial history book inventory until the inventory is sold.

15. Fundraising Opportunities Should Be Maximized.

Currently, the Historical Museum is operating at a loss. (See Opportunity For Improvement No. 2.) Funding sources in FY 2012 include membership dues, quarterly luncheons, book sales, a \$20,000 grant from the Lake County Board of County Commissioners, donations, and research and copy fees totaling \$25,822. In order to increase revenues to reduce or eliminate that loss, additional sources of revenues should be pursued.

We noted that previously, a Historic Resources Grant for \$35,000 was pursued for the historical museum. We also noted that there are numerous state and federal grants for historical societies and museums offered through the Institute of Museum and Library Services, National Endowment for the Arts, Florida Department of State Division of Historical Resources, and the federal Advisory Council on Historic Preservation. In addition to these public grants, there are numerous privately funded grants available that the museum would be eligible to apply for. Grant amounts range from \$5,000 - \$500,000 or more and can range from 1-3 years of funding.

Grants are also available to assist museum staff with assessments to identify and plan for environmental conditions, collection preservation, long-term planning, and fundraising. While these grants do not provide a monetary contribution, they add value by providing objective and experienced professionals to help preserve the past and plan for the future.

In addition to grants, some other possible sources of income include increased membership fees (particularly for lifetime memberships), the addition of a locked donation box available for public donations when the museum is not staffed, and fundraising benefits and events with a historical theme.

We Recommend the Society identify and pursue all available funding sources.

16. Museum Hours Are Not Maximized.

Currently, the museum doors are open 8:30 AM to 5:00 PM Monday through Friday. However, it is only regularly staffed Monday through Thursday, when the office manager is working. The museum should maintain hours more suitable to the public's needs including staffed hours in the evenings as

well as on Friday and Saturday. Maintaining hours during nights and weekends (especially during special events) would make the museum more accessible to local children and families as well as visitors.

Additionally, the museum could coordinate with the variety of weekend events hosted by the City of Tavares which bring large numbers of locals and visitors to the area. Bringing in large influxes of non-members could help increase revenues through donations, sales, membership sales, and fundraisers tied to the surrounding events.

We Recommend the Society review current hours of the Office Manager (if employment is continued) and consider requiring the Office Manager to work on Fridays and Saturdays. In addition special hours could be developed to coordinate with special events.

APPENDICES

Appendix A - Balance Sheet

Lake County Historical Society, Inc.
Balance Sheet As Of
(UNAUDITED)

	9/30/2003	9/30/2004	9/30/2005	9/30/2006	9/30/2007	9/30/2008	9/30/2009	9/30/2010	9/30/2011	9/30/2012
ASSETS										
<u>Cash</u>										
Certificate of Deposit	\$ 69,736	\$ 73,944	\$ 76,695	\$ 77,380	\$ 83,496	\$ 81,958	\$ 57,027	\$ 55,628	\$ 55,201	\$ 45,484
Checking	1,087	2,772	2,882	3,847	649	4,348	7,617	5,515	1,186	3,861
Petty Cash	200	200	200	200	200	200	200	200	200	200
Total Cash	\$ 71,023	\$ 76,916	\$ 79,777	\$ 81,427	\$ 84,345	\$ 86,506	\$ 64,844	\$ 61,343	\$ 56,587	\$ 49,545
<u>Other Assets</u>										
Books Inventory	\$ 14,836	\$ 13,582	\$ 13,310	\$ 12,809	\$ 12,413	\$ 12,267	\$ 11,974	\$ 10,094	\$ 9,968	\$ 9,883
TOTAL ASSETS	\$ 85,859	\$ 90,498	\$ 93,087	\$ 94,236	\$ 96,758	\$ 98,773	\$ 76,818	\$ 71,437	\$ 66,555	\$ 59,428
LIABILITIES & EQUITY										
<u>Other Liabilities</u>										
Sales Tax	\$ 5	-	-	\$ 13	-	-	-	-	-	-
Total Other Liabilities	\$ 5	\$ -	\$ -	\$ 13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equity	\$ 85,854	\$ 90,498	\$ 93,087	\$ 94,223	\$ 96,758	\$ 98,773	\$ 76,818	\$ 71,437	\$ 66,555	\$ 59,428
TOTAL LIABILITIES & EQUITY	\$ 85,859	\$ 90,498	\$ 93,087	\$ 94,236	\$ 96,758	\$ 98,773	\$ 76,818	\$ 71,437	\$ 66,555	\$ 59,428

Appendix B - Schedule of Revenue, Expenditures, and Changes in Fund Balance

Lake County Historical Society, Inc.
Schedule of Revenue, Expenditures, and Changes in Fund Balance for Fiscal Year Ending
(UNAUDITED)

	9/30/2003	9/30/2004	9/30/2005	9/30/2006	9/30/2007	9/30/2008	9/30/2009	9/30/2010	9/30/2011	9/30/2012
REVENUE										
Annual Membership Dues	\$ 1,090	\$ 895	\$ 760	\$ 845	\$ 805	\$ 900	\$ 1,130	\$ 565	\$ 910	\$ 1,185
Book Sales - Taxable	603	2,249	636	897	561	201	378	500	140	47
Sales - Nontaxable	-	-	-	3	-	-	-	-	-	-
Collection Allowance	2	4	2	2	-	-	1	1	-	-
History Course Revenue	-	-	-	-	-	-	-	500	-	-
LCBCC Contributions	14,544	14,544	20,544	21,544	21,544	20,544	-	20,000	20,000	20,000
Life Membership	-	-	-	-	-	-	125	-	-	-
Luncheon Revenue	-	-	-	-	-	-	143	75	124	1,313
Miscellaneous Donations	924	3,265	1,107	347	294	1,287	1,001	217	285	3,194
Research & Copy Fees	34	758	6	10	157	79	192	42	213	83
Shipping	-	-	3	8	-	-	-	-	-	-
Special Projects	67	-	209	220	1,625	-	-	-	-	-
TOTAL REVENUE	\$ 17,264	\$ 21,715	\$ 23,267	\$ 23,876	\$ 24,986	\$ 23,011	\$ 2,970	\$ 21,900	\$ 21,672	\$ 25,822
EXPENDITURES										
Advertising	-	-	11	-	-	-	-	-	-	-
Books, Dues and Publications	-	50	-	175	70	-	239	100	50	169
Convention Expenses	372	223	400	400	400	400	400	400	-	-
Equipment	133	-	-	-	-	-	-	-	-	-
FICA - Matching	966	998	1,106	1,239	1,314	789	1,355	1,356	1,356	1,591
History Book Cost	-	1,254	272	501	396	146	293	397	125	84
History Book Inventory Loss	-	-	-	-	-	-	-	1,483	-	-
Insurance	131	524	529	538	581	579	570	417	-	-
Luncheon Expense	52	-	16	54	191	256	-	-	-	1,721
Medicare - Matching	223	233	259	290	307	796	317	317	317	372
Museum Expenses	-	-	-	-	-	-	-	-	788	1,854
Office Supplies	276	595	221	550	607	693	720	791	1,452	1,011
Other Charges	645	675	467	390	2,915	622	650	700	609	94
Pictorial History Books	313	-	-	-	-	-	-	-	-	-
Postage - Office	78	141	50	52	42	82	165	33	-	-
Postage - Tangelo	338	254	351	329	385	371	425	524	546	660
Repairs/Maintenance - Copy Machine	376	434	471	520	666	-	-	-	-	-
Returned Check/Charge	-	-	-	45	-	-	-	-	-	-
Salaries	15,587	16,099	17,836	19,990	21,193	20,724	21,860	21,864	21,864	25,656
Travel Expense	-	-	-	-	-	-	-	-	20	20
Telephone	681	675	690	675	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 20,171	\$ 22,155	\$ 22,679	\$ 25,748	\$ 29,067	\$ 25,458	\$ 26,994	\$ 28,382	\$ 27,127	\$ 33,232
NET REVENUE/(EXPENDITURES)	\$ (2,907)	\$ (440)	\$ 588	\$ (1,872)	\$ (4,081)	\$ (2,447)	\$ (24,024)	\$ (6,482)	\$ (5,455)	\$ (7,410)
Beginning Fund Balance	\$ 19,183	\$ 15,994	\$ 15,554	\$ 16,142	\$ 15,843	\$ 11,762	\$ 15,315	\$ 19,791	\$ 15,809	\$ 11,354
General Fund: Transfer In/(Out)	(282)			1,573		6,000	27,000	2,500	1,000	10,000
Beginning Restricted Fund Balance	\$ 65,860	\$ 69,735	\$ 74,944	\$ 76,945	\$ 78,380	\$ 84,996	\$ 81,958	\$ 57,027	\$ 55,628	\$ 55,201
USB Income: Life Memberships	500	1,000	250	750	500	-	-	-	-	-
Restricted Fund: Transfer In/(Out)	282	-	-	(1,573)	-	(6,000)	(25,500)	(2,500)	(1,000)	(10,000)
FFSB Cert. of Deposit: Interest Earned	3,218	4,209	1,751	2,258	6,116	4,462	2,069	1,101	573	283
Restricted Fund Balance	\$ 69,860	\$ 74,944	\$ 76,945	\$ 78,380	\$ 84,996	\$ 83,458	\$ 58,527	\$ 55,628	\$ 55,201	\$ 45,484
Overall Total	\$ 85,854	\$ 90,498	\$ 93,087	\$ 94,223	\$ 96,758	\$ 98,773	\$ 76,818	\$ 71,437	\$ 66,555	\$ 59,428