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NEWS RELEASE

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FOR RELEASE January 11, 2011

Auditor of State David Vaudt today released a report on a special investigation of the City of Humboldt and Mid Iowa Growth Partnership (MIGP), a collaborative economic development organization funded in part by 9 counties. The report covers the period January 1, 2007 through June 10, 2010. The special investigation was requested by the Humboldt County Attorney as a result of alleged misappropriations of funds from the City of Humboldt and MIGP by the former City Administrator, Lorie Bennett. In addition to Ms. Bennett's responsibilities at the City, she served on a number of Boards as the City's liaison, including MIGP's Board of Directors. Ms. Bennett was elected to serve as MIGP's Treasurer in 2007.

Vaudt reported the special investigation identified \$135,483.30 of improper disbursements and undeposited collections for the City and MIGP. The following table summarizes the improper disbursements and undeposited collections for the City and MIGP. As illustrated by the table, an improper payment of \$17,771.31 from the City was deposited to MIGP's account and \$5,759.76 of MIGP's funds were improperly deposited to the City's account, thereby reducing the combined net loss for the City and MIGP to \$111,952.23.

Description	City Funds	MIGP Funds	Total
Improper disbursements	\$ 18,418.90	110,734.32	129,153.22
Undeposited collections	6,330.08	-	6,330.08
Subtotal	24,748.98	110,734.32	135,483.30
MIGP funds improperly issued to the City and deposited	(5,759.76)	-	(5,759.76)
City payment improperly issued to MIGP and deposited	-	(17,771.31)	(17,771.31)
Total net loss	\$ 18,989.22	92,963.01	111,952.23

Also as illustrated by the table, of the \$129,153.22 of improper disbursements, \$110,734.32 was issued from MIGP's checking account and \$18,418.90 was improperly paid by the City. The improper disbursements include \$85,888.66 of checks Ms. Bennett issued to herself from MIGP's checking account and \$14,519.76 of checks she issued to the bank and redeemed for cash. The improper disbursements also include \$10,300.90 Ms. Bennett paid from MIGP's checking account for personal charges she incurred on the City's credit card and a \$17,771.31 payment issued by the City for an improper billing she sent to the City on behalf of MIGP.

The \$6,330.08 of undeposited collections were all identified at the City and include \$3,115.00 of pool collections and a \$1,231.30 utility payment not properly deposited to the City's bank account. The undeposited collections also include the remaining portion of a \$1,500.00 travel advance Ms. Bennett did not properly return to the City in a timely manner.

Vaudt also reported Ms. Bennett's employment contracts included a monthly vehicle allowance of \$300.00 and a monthly cell phone allowance of \$50.00. While Ms. Bennett received a monthly vehicle allowance, she also was eligible for additional mileage reimbursements for travel outside Iowa or extraordinary amounts of travel within the State.

The report includes recommendations to strengthen the City of Humboldt's and MIGP's internal controls and overall operations, such as improving segregation of duties, performing bank reconciliations and requiring adequate documentation to support disbursements. The report also includes recommendations to ensure employment contracts established for City employees are prepared in an appropriate manner and include reasonable terms.

Copies of the report have been filed with the Humboldt County Attorney's Office, the Attorney General's Office and the Iowa Division of Criminal Investigation. A copy of the report is available for review in the Office of Auditor of State and on the Auditor of State's website at <http://auditor.iowa.gov/specials/1020-0429-BE00.pdf>.

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**REPORT ON SPECIAL INVESTIGATION
OF THE
CITY OF HUMBOLDT AND
MID IOWA GROWTH PARTNERSHIP
FOR THE PERIOD
JANUARY 1, 2007 THROUGH JUNE 10, 2010**

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David A. Vaudt, CPA
Auditor of State

Auditor of State's Report

To the Honorable Mayor, Members of the City Council
and Board Members of Mid Iowa Growth Partnership:

As a result of alleged improprieties regarding certain disbursements and at the Humboldt County Attorney's request, we conducted a special investigation of the City of Humboldt and Mid Iowa Growth Partnership (MIGP). We have applied certain tests and procedures to selected financial transactions of the City and MIGP for the period January 1, 2007 through June 10, 2010. Based on a review of relevant information and discussions with City and MIGP officials, Council and Board members and staff, we performed the following procedures:

- (1) Evaluated internal controls in place over the City's and MIGP's financial transactions to determine whether adequate policies and procedures were in place and operating effectively.
- (2) Reviewed activity in bank accounts held by the City, MIGP and Humboldt County Development Association to identify any unusual activity. We also examined copies of redeemed checks, deposit slips and related documents for propriety.
- (3) Scanned images of checks from MIGP's bank accounts for reasonableness. We also examined documentation for certain disbursements to determine if they were appropriate, properly approved and supported by adequate documentation.
- (4) Reviewed statements and the related invoices for the credit card issued to the City and held by Lorie Bennett, the former City Administrator, to determine if purchases and payments made by the City or MIGP were appropriate, properly approved and supported by adequate documentation.
- (5) Reviewed payroll disbursements from the City to the former City Administrator to identify any unauthorized payments and reviewed her timesheets to identify instances in which she attended meetings outside City Hall.
- (6) Examined all reimbursements by the City and MIGP to the former City Administrator to determine if payments were properly approved and supported.
- (7) Examined certain deposits to the City's and MIGP's bank accounts to determine their source, purpose and propriety and to determine if deposits were made intact.
- (8) Confirmed payments to the City by the State of Iowa to determine if they were properly deposited in a timely manner.
- (9) Reviewed adjustments to billing and collection information recorded in the City's utility system to determine if adjustments were appropriate.
- (10) Reviewed City utility records for the former City Administrator's personal residence to determine if payments were made in a timely manner and properly posted to the City's accounting software.

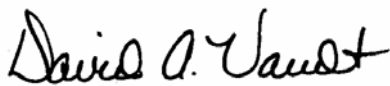
- (11) Obtained and examined copies of payments the League of Cities made to the former City Administrator to identify travel reimbursements she received from the organization.
- (12) Obtained and reviewed the former City Administrator's personal bank statements for accounts held at certain financial institutions to identify the source of certain deposits. We also reviewed disbursements from the accounts to determine if any payments were made to the City or MIGP.
- (13) Reviewed available minutes and bill listings to identify significant actions taken by the City Council and MIGP Board of Directors and to determine if certain payments were properly approved.

These procedures identified \$135,483.30 of improper disbursements and undeposited collections. However, because certain improper disbursements from the City and MIGP were deposited to the other organization, the combined net loss for the City and MIGP is reduced to \$111,952.23. We were unable to determine if additional amounts were improperly disbursed or if additional collections were not properly deposited because adequate records for receipts and disbursements were not available. Several internal control weaknesses were also identified. Our detailed findings and recommendations are presented in the Investigative Summary and **Exhibits A** through **C** of this report.

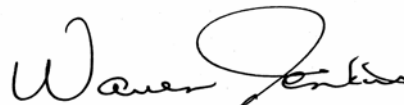
The procedures described above do not constitute an audit of financial statements conducted in accordance with U. S. generally accepted auditing standards. Had we performed additional procedures, or had we performed an audit of financial statements of the City of Humboldt and Mid Iowa Growth Partnership, other matters might have come to our attention that would have been reported to you.

Copies of this report have been filed with the Division of Criminal Investigation, the Humboldt County Attorney's Office and the Attorney General's Office.

We would like to acknowledge the assistance and many courtesies extended to us by the officials and personnel of the City of Humboldt and Mid Iowa Growth Partnership during the course of our investigation.



DAVID A. VAUDT, CPA
Auditor of State



WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

July 19, 2010

City of Humboldt and Mid Iowa Growth Partnership
Investigative Summary

Background Information

The City of Humboldt is located in Humboldt County and has a population of approximately 4,450. On October 5, 2004, the City entered an employment agreement with Lorie Bennett for the position of City Administrator. The agreement was effective until October 5, 2007. On September 17, 2007, the City entered another employment agreement with Ms. Bennett which was effective until October 5, 2010. Ms. Bennett's responsibilities were described in the City Administrator's position description and specifications. The responsibilities included, but were not limited to, the following:

- 1) Supervising enforcement and execution of City laws.
- 2) Administering municipal affairs as directed by the Council.
- 3) Supervising and directing the official conduct of all officers, departments and employees of the City.
- 4) Supervising the performance of all contracts for work to be done for the City.
- 5) Representing the City as directed by the Council in all negotiations with employees, contractors, architects, engineers and other independent contractors in matters in which the City might have an interest.
- 6) Investigating the affairs and conduct of any department, agency, officer or employee under the supervision of the Administrator as deemed appropriate.
- 7) Facilitating economic development.
- 8) Coordinating interdepartmental affairs of various boards and commissions of the City and assisting them in meeting their duties under the City Code.

According to an "Organizational Structure" document for the City, the following department heads report directly to the City Administrator. The department heads also report to any administrative or recommendatory boards which may exist for the particular department.

- City Clerk
- Library Director
- Sanitation Superintendent
- Fire Chief
- Parks Superintendent
- Street Superintendent
- Police Chief
- Recreation Director
- Water Superintendent

While Ms. Bennett did not have direct responsibility for processing the City's financial transactions, she provided oversight to the City Clerk who had primary responsibility for processing the transactions. The City's primary revenue sources include local option sales tax and road use tax from the State of Iowa and property tax collected by Humboldt County. Revenue is also received from households and businesses in the City for solid waste, water and sewer services. Collections are to be deposited to the City's checking account.

All City disbursements are to be approved by the Council at the Council meetings. However, the City Clerk is allowed to pay regular monthly bills prior to Council approval, such as Council stipends, utilities, postage and bond and interest payments. All City disbursements are to be made by check signed by the City Clerk and Mayor.

Monthly bank statements for the City's bank accounts are mailed directly to City Hall where they are opened by the City Clerk. The bank statements were reconciled to the City's accounting system by the City Clerk.

In addition to Ms. Bennett's responsibilities at the City, she served on the following Boards for which she acted as the City's liaison.

- Humboldt Area Arts Council,
- Humboldt County Development Association,
- Humboldt County Community Foundation,
- Humboldt County Housing Development Corporation Board,
- Iowa Accountability and Transparency Board,
- IPERS Investment Board,
- Iowa League of Cities Executive Board and
- Iowa Municipal Finance Officers Association.

Ms. Bennett was responsible for financial transactions of the Humboldt County Development Association. She also served on the Board of Directors for Mid Iowa Growth Partnership (MIGP) as a representative for Humboldt County. In 2007, Ms. Bennett was elected to serve as Treasurer for the Board. As the Treasurer, Ms. Bennett was responsible for:

- 1) Receipts – collecting, posting to the accounting records, preparing deposits and depositing collections,
- 2) Disbursements – presenting proposed disbursements to the Board, maintaining supporting documentation, preparing, signing and distributing checks, and posting payments to the accounting records,
- 3) Membership billings – preparing and mailing billings, receiving and depositing collections and posting to customer accounts and accounting records.
- 4) Reporting – preparing financial reports for the Board.

MIGP's primary revenue sources include annual dues paid by the 9 member counties, including Calhoun, Hamilton, Hardin, Humboldt, Kossuth, Palo Alto, Pocahontas, Webster and Wright. Annual dues are also paid by the 3 at large members, Mid American Energy, Iowa Central Community College and Corn Belt Power Co-op. Revenue is also received from state and federal grants. Collections are to be deposited to MIGP's checking account.

All MIGP disbursements are to be made by checks which require only the Treasurer's signature. All disbursements are to be approved by the Board at the Board meetings. Bank statements were not reviewed by other members of the Board. According to Board members we spoke with, the Treasurer included a list of all claims and the reason for each disbursement in the financial reports provided to the Board, but supporting documentation was not provided to Board members for review.

Monthly bank statements for MIGP's bank account were mailed directly to Humboldt City Hall where they are opened by the Treasurer, Ms. Bennett. According to the President of MIGP, the bank statements were not reconciled to the MIGP's accounting system by the Treasurer. In addition, MIGP did not receive copies of the fronts or backs of redeemed checks.

According to the President of MIGP, the financial records had recently become increasingly complicated because of the organization's growth. As a result, he tried to maintain an understanding of the financial information. However, during early 2010, the President and other Board members had difficulty obtaining complete financial records from Ms. Bennett in a timely manner. As a result, the President suggested the financial records be located somewhere other than Humboldt City Hall, where Ms. Bennett was employed. According to the President, Ms. Bennett expressed resistance to the idea of moving the financial records. The President also stated an Executive Committee meeting was scheduled to discuss the financial issues. However, the meeting was rescheduled because Ms. Bennett was ill and could not attend.

The meeting was rescheduled for 1 hour before the regularly scheduled Board meeting on Thursday, May 20, 2010. While Ms. Bennett had indicated she would attend the meeting, she did not show up. However, she sent certain financial records with another individual who attended the Board meeting. The records included a 1 page document which appeared to be a bank statement for MIGP's bank account dated April 30, 2010. A copy of the document is included in **Appendix 1**.

As illustrated by **Appendix 1**, the document was not on the bank's letterhead and reflected a balance of \$100,896.10. It also showed daily balance information ranging from \$80,168.88 to \$109,043.88; however, the average ledger balance shown was only \$19,027.00. Because of these irregularities, the President contacted the bank and was informed the actual balance of the account on April 30, 2010 was \$18,501.07. A copy of the authentic bank statement is also included in **Appendix 1**.

Through additional follow-up and communications with bank personnel, the President learned a number of checks payable to Ms. Bennett had been issued from MIGP's account. The checks were signed by Ms. Bennett and several were deposited to her personal account using an automated teller machine (ATM). After consulting with members of the Executive Committee and a bank representative, the President contacted legal counsel, who subsequently contacted the Humboldt County Attorney.

Because Ms. Bennett was Humboldt's City Administrator, the County Attorney contacted the Mayor and the Sheriff to discuss concerns identified. After the meeting, the County Attorney also contacted the Iowa Division of Criminal Investigation (DCI) to request assistance with the investigation. Ms. Bennett was placed on paid administrative leave for 30 days. After Council Members reviewed certain City records, Ms. Bennett was terminated from employment, effective June 10, 2010.

As a result of the concerns identified, the Humboldt County Attorney requested the Office of Auditor of State perform an investigation of the City's and MIGP's financial transactions. As a result, we performed the procedures detailed in the Auditor of State's Report for the period January 1, 2007 through June 10, 2010.

Detailed Findings

These procedures identified \$135,483.30 of improper disbursements and undeposited collections. This amount includes \$129,153.22 of improper disbursements and \$6,330.08 of undeposited collections. However, because certain improper disbursements from the City and MIGP were deposited to the other organization, the combined net loss for the City and MIGP is reduced to \$111,952.23. We were unable to determine whether additional amounts were improperly disbursed or if collections were not properly deposited for MIGP because adequate records for receipts and disbursements were not available.

The improper disbursements identified were made with MIGP and City funds. The payments improperly disbursed include:

- From Mid Iowa Growth Partnership (MIGP):
 - \$85,888.66 of checks issued to Ms. Bennett,
 - \$14,519.76 of checks issued for cash,
 - \$10,300.90 of payments issued to the City of Humboldt's credit card account and
 - \$25.00 of non-sufficient funds charge.

- From the City of Humboldt:
 - a \$17,771.31 check improperly issued to Mid Iowa Growth Partnership,
 - \$615.10 of reimbursements issued to Ms. Bennett and
 - \$32.49 of late fees and finance charges on the City's credit card.

In addition, the \$6,330.08 of undeposited City collections includes \$3,115.00 of pool collections and a \$1,231.30 utility payment which were not properly deposited to the City's bank account and \$1,413.46 remaining from a travel advance which was not returned to the City in a timely manner by Ms. Bennett.

All findings are summarized in **Exhibit A** and a detailed explanation of each finding follows.

MID IOWA GROWTH PARTNERSHIP (MIGP)

Improper Disbursements

During our investigation, we reviewed bank statement activity from MIGP's checking account for the period January 1, 2007 through June 10, 2010 and identified several improper disbursements which are explained in more detail in the following paragraphs.

As stated previously, checks issued from MIGP's checking account required only Ms. Bennett's signature. Ms. Bennett prepared and provided a listing of bills to Board members at the Board meetings.

Checks Issued to Lorie Bennett – According to Article III, Section 11 of MIGP's by-laws, "The compensation of the directors, officers and agents shall be fixed from time to time, by the Board of Directors, and no officers shall be prevented from receiving such salary by reason of the fact that said officer is also a director of the Corporation. No director, not an officer of the Corporation, shall become a salaried employee of the Corporation except by vote of the Board of Directors." During our investigation, we reviewed MIGP's Board minutes for the period of January 1, 2007 through June 10, 2010. There was no discussion noted in the Board minutes regarding Ms. Bennett receiving compensation. In addition, according to the current President of MIGP, the checks issued to Ms. Bennett were not included on disbursement listings provided to the Board members.

During our review of MIGP's bank statements, we identified 59 checks issued to Ms. Bennett. The checks are listed in **Exhibit B**. As illustrated by the **Exhibit**, a number of the checks were issued for the same amount.

We were able to locate supporting documentation for only the first check issued to Ms. Bennett. The check was for \$1,350.31 and was dated April 26, 2007. According to the supporting documentation, the payment was to reimburse Ms. Bennett for expenses incurred when she traveled to Washington D.C. in March 2007. According to the current President of MIGP, the purpose of the trip was to informally meet with elected officials and their staff as well as representatives of federal agencies to discuss economic conditions and inform them about projects within the 9 counties served by MIGP.

According to the supporting documentation, Ms. Bennett incurred lodging, meals and travel costs. However, by reviewing City records, we determined a portion of the meals and travel costs and all of the lodging were paid for by the City. While in Washington D.C., Ms. Bennett charged certain costs to a credit card issued to the City which she carried. The City subsequently paid for the charges.

In addition, the meal receipts included in the documentation provided to MIGP did not adequately support the \$205.53 claimed. After excluding the \$42.72 of meals which were paid for with the City's credit card, the meal receipts attached to the claim submitted by

Ms. Bennett totaled only \$75.87 for Ms. Bennett’s portion of the meal costs. Of this amount, \$24.00 was for the purchase of 2 pitchers of beer. According to the President of MIGP, the cost of alcohol is not eligible for reimbursement.

Table 1 summarizes the costs for which Ms. Bennett received reimbursement from MIGP. The **Table** also summarizes the costs she claimed for which receipts were not provided, the unallowable cost for the beer, the costs paid for by the City and the amounts MIGP should have reimbursed Ms. Bennett.

Table 1

Description	Reimbursement Paid by MIGP	Receipts Not Provided	Unallowable Costs	Amount Paid for by the City	Reasonable for Reimbursement from MIGP
Meals	\$ 205.53	86.94	24.00	42.72	51.87
Travel*	197.80	-	-	184.30	13.50
Lodging	946.98	-	-	946.98	-
Total	\$ 1,350.31	86.94	24.00	1,174.00	65.37

* - Airfare to Washington D.C. was paid directly to the vendor by the City.

Table 1 illustrates Ms. Bennett should have received reimbursement from MIGP for only \$65.37 of the costs claimed. The remaining \$1,284.94 is included in **Exhibit B** as an improper disbursement from MIGP funds.

None of the remaining 58 checks issued to Ms. Bennett were supported by any type of documentation. Of the 58 checks, 39 were issued for \$1,350.31, 2 checks were issued for \$1,350.51 each and 1 check was issued for \$2,700.62, which is 2 times \$1,350.31. This is the same amount as the first check issued to Ms. Bennett which was described as reimbursement of travel costs. Also as illustrated by the **Exhibit**, a number of the checks issued to Ms. Bennett include a notation in the memo portion which appears to indicate the payment was a form of compensation for a specified time period.

Because supporting documentation was not available for the 58 checks, we discussed the payments with MIGP representatives. According to MIGP representatives, as the Treasurer, Ms. Bennett was not entitled to receive compensation. They were unable to identify a reason Ms. Bennett would have received the payments.

As illustrated by **Exhibit B**, \$85,888.66 was improperly paid to Ms. Bennett. This amount is included in **Exhibit A**. Copies of selected checks have been included in **Appendix 2**.

Checks Issued to the Bank – We identified 8 checks issued from MIGP’s checking account to the bank at which the account was held. According to an MIGP representative, the only allowable reason to issue a check for cash would be to replenish the \$200.00 petty cash fund. Of the 8 checks identified, 2 were for less than \$200.00 each and they were supported by appropriate documentation which showed the payments were to replenish the petty cash fund. In addition, 1 check was issued to the bank to purchase a \$125,000.00 certificate of deposit for MIGP.

We were unable to locate supporting documentation for the remaining 5 checks issued to the bank. The 5 checks are listed in **Table 2**. We discussed each check with an MIGP representative, but the representative was unable to provide an explanation for the payments. As illustrated by the **Table**, 4 of the 5 checks included a notation in the memo portion of the check which indicated the payment was for expenses related to a conference. According to the MIGP representative, conference expenses are paid by the individual attending the conference and the individual is subsequently reimbursed. Also as illustrated by the **Table**, the 4 checks were issued for even dollar amounts. It would be very unusual for expenses associated with attending a conference, such as lodging, travel and meals, to total an even dollar amount.

Table 2

Check Date	Check Number	Memo	Amount
05/01/08	^	-	\$ 5,759.76
05/08/08	1085	Meeder Conf Exp	4,210.00
06/18/08	1103	Conf Exp	1,050.00
08/05/08	1130	Bio Conf Change	1,500.00
12/19/08	1225	Cash – AWEA Exp	2,000.00
		Total	<u>\$ 14,519.76</u>

^ - Counter check was used.

As illustrated by the **Table**, the \$5,759.76 check issued on May 1, 2008 did not include a notation in the memo portion of the check. By reviewing an image of the redeemed check included with MIGP's bank statement, we determined the check was a counter check rather than a prenumbered check. With the assistance of bank officials, we also determined the check was used to purchase a cashier's check. Copies of the counter check and cashier's check are included in **Appendix 3**. As illustrated by the **Appendix**, the cashier's check was issued to the City of Humboldt for \$5,759.76.

While the \$5,759.76 payment to the City will be discussed in detail in a subsequent section of this report, the cashier's check was provided to the City Clerk by Ms. Bennett to satisfy an outstanding obligation owed to the City by Ms. Bennett, not MIGP. As a result, MIGP's funds should not have been used to pay the City. A copy of the deposit slip which documents the cashier's check was deposited to the City's account on May 5, 2008 is also included in **Appendix 3**.

The 5 checks listed in **Table 2** total \$14,519.76 and are included in **Exhibit A** as improper disbursements of MIGP funds. As illustrated by **Exhibit A**, the \$5,759.76 paid to the City is included as a reduction of the improper disbursements of City funds, resulting in a net loss of \$18,989.22 for the City.

Credit Card Payments – According to an MIGP representative, MIGP does not have a credit card. However, during our review of MIGP bank statements, we identified 14 credit card payments. We determined several credit cards had been issued to the City of Humboldt, 1 of which was held by Ms. Bennett. We reviewed the statements for the credit cards issued to the City and determined 13 of the checks issued from MIGP's checking account were posted as payments to the account for the credit card held by Ms. Bennett and 1 was posted as a payment to the account for the credit card held by the City Clerk.

Of the 13 payments posted to the account for the credit card held by Ms. Bennett, we determined 6 were related to an accounting software package. The 6 payments total \$560.33. According to the January 24, 2008 Board minutes, the Board approved to discontinue using a bookkeeper and purchase Quicken®. In addition, according to an MIGP representative, as the Treasurer, Ms. Bennett was responsible for entering financial information in the accounting software and providing the Board monthly reports. Because the Board approved the purchase, the payments totaling \$560.33 are not included in **Exhibit A**.

The 7 remaining payments, totaling \$9,895.30, are summarized in **Exhibit C**, along with the related charges made to the City's credit card held by Ms. Bennett. As illustrated by the **Exhibit**, the purchases include airfare and rental cars for trips to Florida, California and Las Vegas. According to an MIGP representative, only the annual Legislative trip to Washington, D.C. was approved for MIGP Board members. As a result, trips to Florida, California and Las Vegas are either personal in nature or as a representative of the City of Humboldt. **Exhibit C** also includes purchases from Younkers, Nordstrom, Dillards and Target which were not for MIGP. As a result, the 7 payments totaling \$9,895.30 are improper.

The payment posted to the City's credit card held by the City Clerk totals \$405.60. According to the City Clerk, the payment was for airfare to Florida for Ms. Bennett's family. The cost of the airfare was charged to the credit card she held because she made the flight arrangements for Ms. Bennett. Because personal expenses incurred on City credit cards are paid directly to the credit card vendor by the City employees, the City Clerk was unaware the \$405.60 payment was made by MIGP rather than by Ms. Bennett. Because the \$405.60 should have been paid by Ms. Bennett rather than MIGP, the \$405.60 is an improper disbursement.

The \$9,895.30 of payments listed in **Exhibit C** and the \$405.60 for personal airfare total \$10,300.90. This amount is included in **Exhibit A** as improper disbursements.

Overdraft Charge – As previously stated, we reviewed all disbursements from MIGP's checking account to identify any unusual disbursements or personal purchases. In addition to the disbursements previously discussed, we identified a \$25.00 overdraft charge to MIGP's account. As previously stated, it was Ms. Bennett's responsibility to monitor the balance in the checking account to ensure sufficient funds were available to satisfy MIGP obligations. According to an MIGP representative, it would not be expected or acceptable for MIGP to incur overdraft charges. As a result, the \$25.00 overdraft charge is included in **Exhibit A** as an improper disbursement.

CITY OF HUMBOLDT

As previously stated, Ms. Bennett did not have any responsibilities for disbursements from the City's accounts and received collections on limited basis. We reviewed a vendor listing to identify any unusual vendors which were added or deleted for the period January 1, 2007 through June 10, 2010 and identified an improper disbursement. We also reviewed the payroll disbursements and reimbursement checks issued to Ms. Bennett during this period.

The improper disbursements and undeposited collections identified are explained in more detail in the following sections of this report.

Improper Disbursements

Payment Issued to MIGP – During our investigation, we reviewed a vendor listing for the period January 1, 2007 through June 10, 2010 to identify any unusual vendors which were either added or deleted to the City's accounting software. As a result, we identified a disbursement issued to MIGP. As previously stated, Ms. Bennett served as the Treasurer for MIGP and was responsible for preparation of all membership billings.

According to the Mayor, the City is not the entity responsible for paying the membership dues to MIGP. Instead, the City is a member of the Humboldt County Development Association (HCDA) which pays dues to MIGP. We obtained a listing of checks issued to MIGP from HCDA for payment of membership dues. **Table 3** summarizes the payments.

Table 3

Check Date	Check Number	Payee	Check Memo	Amount
02/08/07	1051	MIGP	2007 Membership 3250 2005 Labor Survey 500 2005 Fringe Benefits 1000	4,750.00
12/13/07	1156	Mid Iowa Growth Partnership	2008 Membership Dues	5,250.00
02/19/09	1292	Mid Iowa Growth Partnership	2009 Annual Membership	5,250.00

As illustrated by the **Table**, the annual membership dues for 2007 was \$3,250.00 and increased to \$5,250.00 for 2008 and 2009. Also as shown in the **Table**, HCDA issued checks to MIGP for the 2008 and 2009 membership dues in December 2007 and February 2009, respectively. We confirmed the payments were deposited to MIGP's checking account.

However, Ms. Bennett submitted an invoice to the City on July 1, 2008 which showed \$17,771.31 was due from the City for 2008-2009 membership in MIGP. A copy of the invoice created by Ms. Bennett is included in **Appendix 4**. As previously stated, the dues paid by HCDA include dues for the City of Humboldt. As a result, the \$17,771.31 check issued from the City to MIGP and deposited to MIGP's bank account is included in **Exhibit A** as an improper disbursement of City funds.

As illustrated by **Exhibit A**, the \$17,771.31 is included as a reduction of the improper disbursements of MIGP funds, resulting in a net loss of \$92,963.01 for MIGP.

Payments Issued to Lorie Bennett – As previously stated, Ms. Bennett entered into employment contracts with the City on October 5, 2004 and September 17, 2007. The employment contracts specified Ms. Bennett's annual salary and the potential for annual increases. The 2007 contract also specified certain monthly allowances Ms. Bennett was to receive. We reviewed the biweekly electronic payments made to Ms. Bennett's personal bank account for her salary and allowances. We did not identify any concerns with the amounts issued to Ms. Bennett for her salary and allowances.

Ms. Bennett's 2007 contract included monthly allowances of \$300.00 for mileage and \$50.00 for cellular phone service. We also reviewed the reimbursements issued to Ms. Bennett during the period January 1, 2007 through June 10, 2010. While Ms. Bennett received 21 reimbursements for meal costs after September 2007, we did not identify any reimbursements for mileage or cellular phone service for which she received monthly allowances.

Prior to September 2007, Ms. Bennett received a number of reimbursements for mileage, meals and other travel-related costs. While the reimbursements were supported, we were unable to determine the propriety of the number of miles claimed by Ms. Bennett. For the mileage reimbursement claims reviewed, it was not unusual for Ms. Bennett to claim a different number of miles for travel to the same location. According to a letter Ms. Bennett addressed to the Mayor and included with her draft version of the September 2007 contract, she requested a mileage allowance because tracking local miles proved difficult. In the letter, Ms. Bennett claimed she did not record all the miles she drove locally on behalf of the City because it was difficult to track them.

As previously stated, as the City Administrator, Ms. Bennett was a member of a number of organizations as the City's representative. As a result, she traveled to various locations to attend meetings, for which she incurred costs including mileage, lodging and meals. The City reimbursed Ms. Bennett for her costs to attend these meetings. However, Ms. Bennett also received certain reimbursements from the League of Cities (League) for meetings she attended when she served as a Director on the League's Executive Board.

According to a League representative, Ms. Bennett served on the League's Board from September 2004 through September 2008. We requested a listing of all reimbursements issued by the League to Ms. Bennett or the City for the period January 1, 2007 through June 10, 2010.

While the League did not issue any reimbursements to the City, we obtained supporting documentation for mileage reimbursements the League issued to Ms. Bennett. We compared the reimbursements issued to Ms. Bennett by the League to reimbursements issued to Ms. Bennett by the City and identified 5 instances in which both the League and City reimbursed Ms. Bennett for mileage to attend the same League meeting. The 5 instances are listed in **Table 4**. As illustrated by the **Table**, for 2 instances for which Ms. Bennett claimed mileage from both the City and the League, the number of miles claimed did not agree.

Table 4

Per League Executive Board Mileage Reimbursement Request			Per City Monthly Expense Report		
Date	Location/Miles	Amount	Date	Location/Miles	Amount
02/01/06	Des Moines/220	\$ 97.90	02/01/06	Des Moines/225	100.13
06/16/06	Des Moines/220	97.90	06/16/06	Des Moines/220	97.90
02/21/07	-	106.70	February 2007	Des Moines	106.69
06/20/07	-	106.70	June 2007	Des Moines	106.69
08/30/07	Iowa City/410	198.85	August 2007	Iowa City^	203.69
	Total	\$ 608.05			615.10

^ - Calculated miles would total 420 based on the federal reimbursement rate of \$.485 per mile.

According to a League representative, when Board members attend meetings, the members complete an Executive Board Mileage Reimbursement Request the day of the meeting. Therefore, Ms. Bennett completed the League's Executive Board Mileage Reimbursement Request form before she completed a Monthly Expense Report for the City at the end of each month. However, on the City's Monthly Expense Report, Ms. Bennett included the mileage to the League meetings. A copy of a selected League Executive Board Mileage Reimbursement Request and a City Monthly Expense Report is included in **Appendix 5**.

Because Ms. Bennett completed the League's Executive Board Mileage Reimbursement Request the day of the meetings and the City's Monthly Expense Reports were completed at the end of the month, the City should not have reimbursed Ms. Bennett for the mileage. The \$615.10 of reimbursements by the City summarized in **Table 4** is included in **Exhibit A** as improper disbursements of City funds.

After September 2007, Ms. Bennett no longer prepared Monthly Expense Reports which included mileage because she received a \$300.00 monthly mileage allowance. As a result, any reimbursements she received from the League for attending meetings should have been remitted to the City. We identified 4 instances when the League issued mileage reimbursements to Ms. Bennett while she was receiving a monthly mileage allowance from the City. The 4 instances are listed in **Table 5**.

Table 5

Per League Executive Board Mileage Reimbursement Request		
Date	Location/Miles	Amount
11/9/07	Clive/200	\$ 97.00
02/21/08	Des Moines/230	116.15
06/23/08	-	116.15
08/28/08	Coralville/412	241.02
	Total	\$ 570.30

Because the reimbursements received from the League should have been remitted to the City, the \$570.30 summarized in **Table 5** is included in **Exhibit A** as undeposited collections of City funds.

Late Fees and Finance Charges – The City issued credit cards to 4 employees, including the Mayor, City Administrator, City Clerk and Library Director. According to the City's credit card policy, "The City credit cards should only be used when circumstances prevent purchases from being directly billed to the City. Purchases made on the City credit cards should be for items

for City use only and not for personal use.” However, according to the City Clerk, the City’s credit cards were used for personal purchases, but the employee was responsible for paying for the personal purchases. In addition, if the balance was not paid in full each billing cycle, the employee was responsible for paying any late fees and/or finance charges.

During our review of Ms. Bennett’s City issued credit card, we determined the City paid \$32.49 of late fees and finance charges for personal purchases. As a result, \$32.49 is included in **Exhibit A** as improper disbursements of City funds.

Undeposited Collections

As previously stated, the City’s primary revenue sources include local option sales tax and road use tax from the State of Iowa and property tax collected by Humboldt County and remitted to the City. Revenue is also received throughout the year from households and businesses in the City for water, sewer and garbage services. Ms. Bennett was not responsible for receiving collections, posting collections, preparing deposits or making deposits. However, if no one else was available, Ms. Bennett may have received various collections brought to City Hall, such as utility payments and collections from City Departments. She also had access to all collections held in City Hall prior to their deposit.

During our investigation, City officials brought to our attention several instances in which collections were not properly deposited to the City’s bank account. The instances are discussed in the following paragraphs and are presented in the order in which they came to the City Clerk’s attention.

- According to the City Clerk, the City was contacted by a local hotel which had received a notice water and sewer utilities were going to be shut off because the prior month’s bill had not been paid. However, a representative of the hotel brought a copy of their redeemed check to City Hall to show the payment had been made. A copy of the \$1,231.30 check is included in **Appendix 6**.

As illustrated by the **Appendix**, the back of the check states “City of Humboldt by Lorie Bennett” and the front of the check includes a teller stamp which indicates the check was redeemed for cash. The check was dated September 15, 2007 and cleared the hotel’s account 2 days later. According to the City Clerk, when she asked Ms. Bennett about the check, Ms. Bennett indicated she needed the cash and she would repay the City as soon as possible. However, before Ms. Bennett repaid the City for the undeposited check, the City Clerk identified additional undeposited collections.

- When the City Clerk attempted to reconcile information recorded in the City’s accounting system to the amounts deposited to the bank, she identified concessions received at the pool which were not properly deposited. Collections received at the pool were brought to City Hall for recording and deposit preparation. According to the City Clerk, when she asked Ms. Bennett about the \$3,115.00 of undeposited collections, Ms. Bennett again indicated she needed the cash.

According to the City Clerk, she kept a list of the undeposited collections to ensure Ms. Bennett repaid the City all funds not properly deposited. We reviewed a copy of an e-mail the City Clerk sent to Ms. Bennett on November 14, 2007 regarding the undeposited collections. A copy of the e-mail is included in **Appendix 7**. As illustrated by the **Appendix**, the City Clerk told Ms. Bennett the funds needed to be “paid back by the end of this month for sure.” According to the City Clerk, no one other than herself and Ms. Bennett knew about the undeposited collections during this period. The City Clerk also stated she told no one about the undeposited collections because she reported only to the City Administrator.

- In March 2008 Ms. Bennett received a \$1,500.00 travel advance from the City. According to the City Clerk, a number of individuals were traveling to Washington D.C. to represent the City and there was a concern the credit limit on the City’s credit card

was not sufficient to allow for meal costs in addition to lodging reservations which had been paid for with the credit card for all participants. As a result, a \$1,500.00 check was issued to the bank and redeemed for cash.

However, because the Ms. Bennett also took a City check to Washington D.C. to pay for lodging costs, the charges were removed from the City's credit card and the credit card was then used for most expenses during the trip. As a result, only \$86.54 of the travel advance was used, leaving \$1,413.46 to be returned to the City. However, the \$1,413.46 was not returned to the City until the City Clerk approached Ms. Bennett about the repayment in May 2008.

Table 6 lists the undeposited collections the City Clerk discussed with Ms. Bennett. According to the City Clerk, no one other than herself and Ms. Bennett was aware Ms. Bennett had withheld certain funds from deposit to the City's bank account.

Approximate Time Period	Description	Amount
September 2007	Utility payment from local hotel	\$ 1,231.30
August 2007	Pool deposit from August	1,315.00
Summer 2007	Summer pool concessions	1,800.00
March 2008	Unused portion of travel advance	1,413.46
	Total	<u>\$ 5,759.76</u>

According to the City Clerk, she approached Ms. Bennett on Thursday, May 1, 2008, and told her \$5,759.76 had to be repaid to the City in full by the end of the day. According to the City Clerk, Ms. Bennett left City Hall. When she returned, she gave the City Clerk a \$5,759.76 cashier's check issued to the City. The City Clerk also stated she thought Ms. Bennett had gone to the bank and obtained a loan to repay the City. The cashier's check was subsequently deposited to the City's checking account on Monday, May 5, 2008. As previously stated, we determined the \$5,759.76 cashier's check was purchased with funds from MIGP's checking account.

The \$5,759.76 of undeposited collections is included in **Exhibit A**.

ADDITIONAL INFORMATION

Council Minutes – During our review, we determined minutes of 28 Council meetings were not signed by the Mayor or City Clerk at the time of our review. Section 380.7 of the *Code of Iowa* requires minutes be signed after Council approval.

Employment Contract – During our investigation, we reviewed the employment contracts Ms. Bennett entered into with the City on October 5, 2004 and September 17, 2007. According to City officials we spoke with, Ms. Bennett drafted each employment contract. Based on compensation packages we have reviewed at comparable sized cities, Ms. Bennett's compensation and related benefits were higher than most others. We identified the following provisions when we reviewed the employment contracts:

- According to the 2004 contract, Ms. Bennett received an annual base salary of \$59,000.00 and, as a further incentive for Ms. Bennett to become the City Administrator, she received a lump sum of \$3,000.00.

According to the 2007 contract, Ms. Bennett received an annual base salary of \$72,000.00, effective October 5, 2007, which is 22% more than the annual base salary included in the employment contract from 3 years earlier. The 2007 contract also stated Ms. Bennett would receive a 4% increase on July 1, 2008, July 1, 2009 and July 1, 2010.

- In the 2004 contract, the City agreed to purchase and pay the required premiums on a term life insurance policy equal to 4 times Ms. Bennett's annual gross salary, with Ms. Bennett to receive half of any death benefits paid and the City to receive the other half. However, in the 2007 contract, the ratio changed to allow Ms. Bennett to receive 75% of any death benefits paid and the City to receive 25%.
- The 2007 contract included a monthly vehicle allowance of \$300.00 for use of her private vehicle. However, the contract also allowed for additional mileage reimbursements for travel outside of Iowa or extraordinary additional amounts of travel within the State. In addition, Ms. Bennett was to receive a monthly cell phone allowance of \$50.00. The monthly vehicle and cell phone allowances were not included in the 2004 contract.

In 2007, Ms. Bennett also requested, but was not approved to receive, incentives of 0.5% of each grant received by the City. She requested the incentive retroactively in the amount of \$10,000.00.

The employment contract also stated, "The City Administrator shall take her orders and instructions from the city council only when it is sitting in a lawfully held meeting. The City Council agrees that none of its members should censure or criticize City staff and should instead relay any criticism of the city staff members privately through the City Administrator." The City operates under the Mayor/Council form of government in accordance with section 372.4 of the *Code of Iowa*, which states the Mayor is not a member of the City Council. In addition, section 372.14 of the *Code of Iowa* provides the Mayor shall supervise all city officers and departments, except for the supervisory duties delegated by law to a City Manager. Therefore, the Mayor is not precluded from handling administrative matters with City personnel which do not require Council action between City Council meetings.

Both contracts also stated, "It is recognized that Employee must devote a great deal of time outside the normal office hours to business of the Employer, and to that end Employee will be allowed to take compensatory time off during said normal office hours without the use of vacation or personal time." In addition, the first contract also stated "Each month Employee shall provide Employer with a written report of all compensatory time used in the prior month." The City's provision of compensatory time to Ms. Bennett is not in compliance with the Fair Labor Standards Act (FLSA).

The FLSA establishes minimum wage, overtime pay, recordkeeping and youth employment standards affecting full-time and part-time workers. It also requires nonexempt workers be paid overtime pay at a rate of not less than one and one-half times their regular rates of pay after 40 hours of work in a workweek. FLSA also exempts certain employees from overtime and compensatory time benefits. FLSA defines exempt employees as those employed in a bona fide executive, administrative or professional capacity and earning a salary or fee as opposed to an hourly rate of pay. Because Ms. Bennett qualified as an exempt employee, she was not eligible for compensatory time in accordance with the FLSA.

The City's provision of compensatory time to Ms. Bennett also conflicts with the City's position description for the City Administrator and the City's policy regarding compensatory time. According to Section IV of the City's handbook, "Performance Evaluation, Pay Practices and Hours of Work", "Salaried non-exempt employees shall receive compensatory time at the rate of one and one-half (1½) times the hours worked over forty (40) hours in one week." However, the policy also states, "At this point in time, the City of Humboldt has no employees that are considered salaried non-exempt employees."

We determined Ms. Bennett frequently recorded more than 80 hours on her timesheets. However, we did not identify an instance in which she recorded the use of any compensatory time earned. According to City personnel we spoke with, the City did not track the amount of compensatory time earned and used by Ms. Bennett.

Recommended Control Procedures

As part of our investigation, we reviewed the procedures used by the City of Humboldt and Mid Iowa Growth Partnership (MIGP) to perform bank reconciliations and process receipts, disbursements and payroll. An important aspect of internal control is to establish procedures that provide accountability for assets susceptible to loss from error and irregularities. These procedures provide the actions of one individual will act as a check of those of another and provide a level of assurance errors or irregularities will be noted within a reasonable time during the course of normal operations. Based on our findings and observations detailed below, the following recommendations are made to strengthen the City's and MIGP's internal controls.

- A. Segregation of Duties – An important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. The City Clerk has control over each of the following areas without compensating controls:

- (1) Utilities reconciliation – independent review.
- (2) Bank reconciliation – independent review

For MIGP, the former Treasurer was responsible for performing the following duties:

- (1) Disbursements - check preparation, signing, distribution and posting.
- (2) Receipts – collecting, depositing, deposit preparation and posting.
- (3) Membership dues receipts – billings, collections, deposits, posting and deposit preparation.
- (4) Reporting – receipt of bank statements and preparation of financial statements.

Recommendation – We realize segregation of duties is difficult with a limited number of office employees. However, the duties within each function listed above should be segregated between appropriate staff or the Council/Board members. In addition, parties independent of other financial responsibilities should periodically review financial records, review reconciliations and examine supporting documentation for accounting records.

- B. Collections Receipting – During our investigation, we determined City employees used only 1 login in the accounting system for receipting collections. However, each individual does have a separate unique login which could have been used. In addition, only 1 change drawer was used to account for all collections.

Recommendation – The City should ensure all individuals are using their unique logins and separate change drawers. In addition, reconciliations between change fund and collection reports should be performed on a periodic basis.

- C. Payroll – During our review, we determined some City Department heads are responsible for preparing, reviewing and approving timesheets for employees in their departments.

Recommendation - Procedures should be established which require employees to record the hours worked on their own timesheets. City Department heads should then review and approve timesheets prepared by the employees.

D. Disbursements - During our review of MIGP's disbursements, the following were identified:

- (1) Several disbursements were not supported by invoices or other documentation.
- (2) Several disbursements were not approved by the Board prior to disbursement.

Recommendation - All MIGP disbursements should be approved by the Board prior to disbursement, with the exception of those specifically allowed by a Board policy. For those disbursements paid prior to Board approval, a listing should be provided to the Board at the next Board meeting for review and approval. In addition, all disbursements should have supporting documentation.

To strengthen internal control, each check should be prepared and signed by one person and the supporting vouchers and invoices should be provided, along with the check, to a second independent person for review and countersignature.

E. Financial Reports - Monthly financial reports provided to the MIGP Board included detailed income and expense reports. During our investigation, we determined the former Treasurer had excluded disbursements and receipts from the activity reported. We determined these reports were used for preparation of the annual 990 report submitted to the Internal Revenue Service. Additionally, the annual 990 report was not reviewed or approved by the Board.

Recommendation - Monthly financial reports should be prepared and submitted to the MIGP Board for review and approval. All reports should include all financial activity incurred during the month. Annual 990 reports should be prepared based on all financial activity and should be reviewed and approved by the MIGP Board.

F. Prenumbered Receipts and Initial Listing - Prenumbered receipts were not issued by MIGP or the City for all collections. Additionally, a listing of cash and checks received in the mail was not prepared.

Recommendation - Prenumbered receipts should be issued by MIGP and the City for all collections at the time of receipt to provide additional control over the proper collection and recording of all money. The employee opening the mail should prepare a list of checks and cash received, at least on a test basis. The listing should subsequently be compared to the deposit records by an independent person.

G. Council Minutes - During our investigation, we determined minutes of the City Council meetings were not signed at the time of approval in accordance with section 380.7 of the *Code of Iowa*.

Recommendation - The City should implement procedures to ensure minutes are signed upon approval in compliance with section 380.7 of the *Code of Iowa*.

H. Redeemed Checks - MIGP did not receive images of checks redeemed from its checking account which included both the front and back of each check.

Recommendation - MIGP should receive and retain an image of both the front and back of each redeemed check. Also, to strengthen internal control, all voided checks and images of redeemed checks should be provided, along with the bank statements and reconciliation, to an independent person for review.

- I. Bank Reconciliations – During our investigation, we determined reconciliations of MIGP’s accounting records to the bank balances had not been performed. In addition, the Board had not reviewed the bank statements.

Recommendation - To improve financial accountability and control, a monthly reconciliation of MIGP’s accounting records to the bank balance should be prepared and retained. Any variances should be investigated and resolved in a timely manner. The Board should also ensure an independent party reviews the bank reconciliations in a timely manner, which includes review of actual bank statements.

- J. Credit Cards – According to the City’s policy, the credit card issued in the City’s name and held by City employees should only be used for City purposes and not for personal use. However, we identified several personal purchases on City credit cards held by certain employees. We also determined monthly statements are given to the cardholders and the City does not retain a copy of the statement if only personal items are purchased.

Also, we identified finance charges and late fees incurred on a City credit card which were paid by the City.

Recommendation – The City should ensure all employees with custody of a credit card issued in the City’s name are familiar with the policy regarding the use of the credit card.

In addition, someone independent of the credit cards should review the monthly statements to determine if any personal purchase were made with the credit cards or if finance charges or late fees were incurred. The City should also ensure all monthly credit card statements are maintained.

- K. Travel Reimbursements – According to the City’s policy, an employee may receive reimbursement for mileage outside the City limits if authorized. However, during our review of reimbursements, we determined employees also received reimbursement for in-town mileage. In addition, expenses for day trips were not classified as taxable. As a result, the reimbursements were not properly reported on employees’ W-2 forms.

Recommendation – The City should ensure all employees are familiar with the policy regarding mileage reimbursement.

In addition, all mileage reimbursement claims should be reviewed for compliance with the City’s policy. The City should also ensure all reimbursements are properly reflected in the employees’ W-2 forms in compliance with Internal Revenue Service guidelines.

- L. Employment Contract – During the former City Administrator’s tenure, she had employment contracts which specified certain terms and conditions. The employment contracts were prepared by the former City Administrator and signed by the Mayor, City Clerk and City Attorney. The terms of the contracts included the following provisions:

- A 22% increase in the annual base salary included in her contract dated October 5, 2004 to the annual base salary included in her contract effective September 17, 2007. The 2004 contract also included a \$3,000.00 lump sum payment as an incentive to become the City Administrator and the 2007 contract provided for a 4% increase in her salary on July 1, 2008, July 1, 2009 and July 1, 2010.
- A monthly vehicle allowance of \$300.00. In addition, she also was eligible for additional mileage reimbursements for travel outside Iowa or extraordinary amounts of travel within the State.

- City payment of premiums for a term life insurance policy equal to 4 times the former City Administrator's gross salary with 75% of any death benefits to be paid to the former City Administrator and 25% to be received by the City. The former City Administrator's original employment contract included a similar provision with the death benefits to be split equally between the former City Administrator and the City.

The employment contracts also stated "The City Administrator shall take her orders and instructions from the city council only when it is sitting in a lawfully held meeting. The City Council agrees that none of its members should censure or criticize City staff and should instead relay any criticism of the city staff members privately through the City Administrator."

Recommendation – Employment contracts are generally drafted/reviewed by the City's legal counsel and should be approved by the Council after careful review and appropriate negotiations. The contracts should ensure the City's interests are sufficiently addressed. All terms of the contract should be fair to both the City and the employee.

- M. Compensatory Time – The former City Administrator's employment contracts stated, "It is recognized that Employee must devote a great deal of time outside the normal office hours to business of the Employer, and to that end Employee will be allowed to take compensatory time off during said normal office hours without the use of vacation or personal time." In addition, the 2004 contract also stated, "Each month Employee shall provide Employer with a written report of all compensatory time used in the prior month." The City's provision of compensatory time is not in compliance with the Fair Labor Standards Act (FLSA).

We determined the former City Administrator frequently recorded more than 80 hours on her timesheets. However, we did not identify an instance in which she recorded the use of any compensatory time earned. According to City personnel we spoke with, the City did not track the amount of compensatory time earned and used by Ms. Bennett.

Recommendation – The City should implement procedures to ensure all provisions of the Fair Labor Standards Act are complied with.

- N. Personal Checks – During our investigation, we identified several personal checks issued by Ms. Bennett to the City. According to a City representative, Ms. Bennett cashed personal checks using the cash drawer at City Hall.

Recommendation – The City should not allow employees to cash personal checks from the cash drawer at City Hall.

Exhibits

Report on Special Investigation of the
City of Humboldt and Mid Iowa Growth Partnership

Summary of Findings
For the period January 1, 2007 through June 10, 2010

	Exhibit/Table/ Page Number	City of Humboldt
Improper disbursements:		
MIGP checks issued to Lorie Bennett	Exhibit B	\$ -
Checks issued to the bank	Table 2	-
Credit card payments	Exhibit C and Page 11	-
Overdraft charge	Page 11	-
Payment issued to MIGP	Page 11	17,771.31
Payments issued to Lorie Bennett	Table 4	615.10
Late fee and finances charges	Pages 13 and 14	32.49
Subtotal improper disbursements		18,418.90
Undeposited collections:		
Payments to Lorie Bennett^	Table 5	570.32
Miscellaneous	Table 6	5,759.76
Subtotal undeposited collections		6,330.08
Total improper disbursements and undeposited collections		24,748.98
Less:		
MIGP funds improperly issued to the City and deposited*	Pages 14 and 15	(5,759.76)
City payment improperly issued to MIGP and deposited	Pages 11 and 12	-
Total net loss		\$ 18,989.22

^ - Mileage reimbursements from the League of Cities which should have been remitted to the City.

* - Included in \$14,519.76 of MIGP checks improperly issued to the bank.

Mid Iowa Growth Partnership (MIGP)	Total
85,888.66	85,888.66
14,519.76	14,519.76
10,300.90	10,300.90
25.00	25.00
	17,771.31
-	615.10
-	32.49
110,734.32	129,153.22
	570.32
-	5,759.76
-	6,330.08
110,734.32	135,483.30
-	(5,759.76)
(17,771.31)	(17,771.31)
92,963.01	111,952.23

Exhibit B

Report on Special Investigation of the
City of Humboldt and Mid Iowa Growth Partnership

MIGP Checks Issued to Lorie Bennett
For the period January 1, 2007 through June 10, 2010

Check Date	Check Number	Memo#	Amount	Reasonable	Improper
04/26/07	1012*	<i>none</i>	\$ 1,350.31	65.37	1,284.94
12/19/07	1051	travel expenses	1,350.31	-	1,350.31
04/24/08	1052	<i>none</i>	1,350.31	-	1,350.31
05/21/08	1092	May	1,350.31	-	1,350.31
06/06/08	1094	<i>none</i>	1,350.31	-	1,350.31
06/18/08	1102	6/4/08-6/18/08	1,350.31	-	1,350.31
07/22/08	1116	7/5-7/18/08	451.24	-	451.24
07/25/08	1127	<i>none</i>	1,350.31	-	1,350.31
07/31/08	1128	<i>none</i>	1,350.31	-	1,350.31
08/14/08	1131	<i>none</i>	1,350.31	-	1,350.31
08/26/08	1133	<i>none</i>	1,350.31	-	1,350.31
09/25/08	1158	<i>none</i>	1,350.31	-	1,350.31
10/09/08	1159	09-25-08 - 10-09-08	1,350.31	-	1,350.31
10/24/08	1161	10/24/2008 payr.	1,350.31	-	1,350.31
11/05/08	1175	11/5/2008 payr.	1,350.31	-	1,350.31
11/20/08	1179	11-14-08 / 11-20-08	1,350.31	-	1,350.31
12/04/08	1181	11-21-08 / 12-4-08	1,350.31	-	1,350.31
12/18/08	1185	12-5-08 - 12-18-08	1,350.31	-	1,350.31
12/29/08	1193	12-17-08 / 12-29-08	1,350.31	-	1,350.31
01/16/09	1194	1-2-09 - 1-16-09	1,350.31	-	1,350.31
02/02/09	1200	1-16-09 to 1-30-09	1,350.31	-	1,350.31
02/13/09	1201	1/30/09 - 2/12/09	1,350.31	-	1,350.31
02/26/09	1214	2-13-09 / 2-22-09	1,350.31	-	1,350.31
03/11/09	1217	2-27-09 - 3-11-09	1,350.31	-	1,350.31
03/17/09	1218	3/4/09 - 3/17/09	1,350.31	-	1,350.31
04/23/09	1238	4-9-09 / 4-22-09	1,350.31	-	1,350.31
04/28/09	1342	<i>none</i>	1,350.31	-	1,350.31
05/07/09	1240	4-24-09 - 5-7-09	1,350.31	-	1,350.31
05/21/09	1254	5-8-09 - 5-21-09	1,350.31	-	1,350.31
06/05/09	1256	5/22/9 -6/4/09	1,350.31	-	1,350.31
06/18/09	1257	5-29-09 - 6-17-09	1,350.31	-	1,350.31
06/24/09	1275	6-11-09 - 6-24-09	1,456.29	-	1,456.29

Report on Special Investigation of the
City of Humboldt and Mid Iowa Growth Partnership

MIGP Checks Issued to Lorie Bennett
For the period January 1, 2007 through June 10, 2010

Check Date	Check Number	Memo#	Amount	Reasonable	Improper
07/09/09	1280	6-26-09 / 7-9-09	1,350.31	-	1,350.31
07/15/09	1281	7-1-09 to 7-15-09	1,350.31	-	1,350.31
07/20/09	1282	7-2009	1,418.87	-	1,418.87
07/30/09	1289	7-17-09 - 7-30-09	1,417.82	-	1,417.82
08/11/09	1290	through 8-7-09	1,417.82	-	1,417.82
08/14/09	1291	<i>none</i>	1,418.87	-	1,418.87
09/10/09	1301	8-20-09 - 9-10-09	2,835.64	-	2,835.64
10/09/09	1304	9-25-09 - 10-9-09	1,417.82	-	1,417.82
10/21/09	1305	10-8-09 - 10-21-09	1,417.82	-	1,417.82
10/29/09	1315	Through 10-29-09	2,631.62	-	2,631.62
11/25/09	1326	11-12-09 - 11-25-09	1,417.82	-	1,417.82
12/10/09	1327	11-27-09 - 12-10-09	1,417.82	-	1,417.82
12/16/09	1336	12-3-09 - 12-17-09	1,419.42	-	1,419.42
12/30/09	1338	12-16-09 / 12-30-09	1,350.31	-	1,350.31
01/07/10	1340	1-7-2010	1,350.31	-	1,350.31
01/11/10	1344	<i>none</i>	1,350.31	-	1,350.31
01/13/10	1341	1-14-2010	1,350.31	-	1,350.31
01/25/10	1343	<i>none</i>	1,350.31	-	1,350.31
02/05/10	1345	<i>none</i>	1,350.31	-	1,350.31
02/19/10	1356	2-5-10 to 2-10-10	1,350.51	-	1,350.51
03/03/10	1366	2-10-10/2-23-10 & 2-24-10/3-3-10	2,700.62	-	2,700.62
03/05/10	1368	<i>none</i>	1,830.80	-	1,830.80
03/22/10	1370	<i>none</i>	1,869.70	-	1,869.70
03/30/10	1371	<i>none</i>	2,700.62	-	2,700.62
04/23/10	1387	<i>none</i>	1,350.31	-	1,350.31
04/30/10	1388	<i>none</i>	1,350.51	-	1,350.51
05/03/10	1389	4-19-10 - 4-30-10	1,350.31	-	1,350.31
Total			\$ 85,954.03	65.37	85,888.66

* - According to supporting documentation submitted by Ms. Bennett, costs were incurred during a trip to Washington, D.C. on behalf of MIGP. Costs included lodging, meals, cab, travel and mileage. However, Ms. Bennett used the City's credit card for most purchases, excluding cab fare of \$13.50 and meals totaling \$51.87. As a result, the City incurred the expenses and issued Ms. Bennett a travel reimbursement for mileage. Ms. Bennett created an invoice for MIGP with the same expenses charged to the City or reimbursed to Ms. Bennett. Therefore, she received 2 payments for the same expenses.

- Items italicized were added by auditor.

Report on Special Investigation of the
City of Humboldt and Mid Iowa Growth Partnership

Credit Card Payments
For the period January 1, 2007 through June 10, 2010

Per MIGP Bank Statements				Per City Credit	
Check					
Check Date	Number	Vendor	Amount	Trans Date	Merchant Name
				10/22/08	HELLO FLORIDA
				11/10/08	UNITED AIR 0164514483052
				11/11/08	HOLIDAY INN AND SUITES WD
				11/12/08	FULTON CRB HSE50013606
				11/14/08	TUTTO ITALIA
12/09/08	1180	Checkpaymt Cardservices	\$ 1,552.68		
				05/04/09	IA ASSOC OF BUSINESS
				05/07/09	ALLEGIANT 5312035
				05/16/09	HOLIDAY INN EXPRESS
06/08/09	1255	Checkpaymt Cardservices	1,557.98		
				07/21/09	UNITED AIR 0164515224009
				07/21/09	UNIVERSAL WEB 40000010
				07/27/09	HERTZ RENT-A-CAR
				07/27/09	HOLIDAY INNS SANTA MONICA
				08/07/09	IOWA LEAGUE OF CITIES
				08/12/09	USCELL * EB03
				08/15/09	NORDSTROM-RACK #0233
				08/15/09	RUEHL #137
				08/15/09	RUEHL #137
					Previous Balance
09/08/09	1300	Checkpaymt Cardservices	2,399.89		
				11/23/09	HOLIDAY INN AND SUITES WD
				12/10/09	IA ASSOC OF BUSINESS
01/13/10	1339	Checkpaymt Cardservices	279.95		

Card Statements

Merchant City	State	Trans Type	Amount
407-4224561	FL	SALE	\$ 1,137.00
KANSAS CITY	MO	SALE	85.00
W DES MOINES	IA	SALE	134.40
LAKE BUENA VI	FL	SALE	94.04
LAKE BUENA VI	FL	SALE	102.24
			<u>1,552.68</u>
515-235-0569	IA	SALE	100.00
702-5058888	NV	SALE	1,301.40
KEOKUK	IA	SALE	156.58
			<u>1,557.98</u>
CHICAGO	IL	SALE	60.00
800-864-8377	CA	SALE	271.96
LOS ANGELES	CA	SALE	574.20
SANTA MONICA	CA	SALE	524.28
DES MOINES	IA	RETURN	(145.00)
888-944-9400	IA	SALE	671.87
BLOOMINGTON	MN	SALE	99.97
BLOOMINGTON	MN	SALE	117.89
BLOOMINGTON	MN	SALE	116.70
			<u>108.02</u>
			<u>2,399.89</u>
W DES MOINES	IA	SALE	204.95
515-235-0569	IA	SALE	75.00
			<u>279.95</u>

Report on Special Investigation of the
City of Humboldt and Mid Iowa Growth Partnership

Credit Card Payments
For the period January 1, 2007 through June 10, 2010

Per MIGP Bank Statements				Per City Credit	
Check					
Check Date	Number	Vendor	Amount	Trans Date	Merchant Name
				12/22/09	WM SUPERCENTER
				12/22/09	TARGET 00019018
				12/22/09	DILLARD'S 340 JORDAN CREE
				12/22/09	YOUNKERS #0414
				12/22/09	HOLLISTER #356
				12/26/09	TARGET 00019018
				01/12/10	HOLIDAY INN AND SUITES WD
02/10/10	1346	Checkpaymt Cardservices	673.34		
				01/27/10	EMBASSY SUITES DES MOINE
				02/02/10	ALLEGIANT 6795336
				02/15/10	MARRIOTT 33755 DES MOINES
03/08/10	1367	Checkpaymt Cardservices	1,155.02		
				02/18/10	WONDER NAIL
				03/11/10	MANDALAY BAY RESORT/CASIN
				03/22/10	UNITED AIR 0162105194758
				03/22/10	UNITED AIR 0162105194757
				03/22/10	UNITED AIR 0162105194756
				03/27/10	MARRIOTT 33755 DES MOINES
				03/29/10	MARRIOTT 33755 DES MOINES
				03/30/10	UNITED AIR 0164515937065
				03/30/10	UNITED AIR 0164068851336
				04/03/10	HERTZ RENT-A-CAR
04/15/10	^	UMBKC BANKCARD	2,276.44		
Total			<u>\$ 9,895.30</u>		

^ - Electronic payment

Card Statements

Merchant City	State	Trans Type	Amount
WEST DES MOIN	IA	SALE	93.70
WEST DES MOIN	IA	SALE	120.96
WEST DES MOIN	IA	SALE	115.54
W.DES MOINES	IA	SALE	137.16
WDM	IA	SALE	81.88
WEST DES MOIN	IA	RETURN	(15.89)
W DES MOINES	IA	SALE	139.99
			<u>673.34</u>
DES MOINES	IA	SALE	149.53
702-5058888	NV	SALE	867.36
DES MOINES	IA	SALE	138.13
			<u>1,155.02</u>
FORT DODGE	IA	SALE	26.00
LAS VEGAS	NV	SALE	576.76
ROSEMONT	IL	SALE	373.80
ROSEMONT	IL	SALE	373.80
ROSEMONT	IL	SALE	373.80
DES MOINES	IA	SALE	114.32
DES MOINES	IA	SALE	96.32
CHICAGO	IL	SALE	69.00
CHICAGO	IL	SALE	87.00
LAS VEGAS	NV	SALE	185.64
			<u>2,276.44</u>
			<u>\$ 9,895.30</u>

Report on Special Investigation of the
City of Humboldt and Mid Iowa Growth Partnership

Staff

This special investigation was performed by:

Annette K. Campbell, CPA, Director
Melissa J. Knoll-Speer, Senior Auditor
Brett M. Zeller, Staff Auditor
Alison P. Herold, Assistant Auditor



Tamera S. Kusian, CPA
Deputy Auditor of State

Appendices

Report on Special Investigation of the
City of Humboldt and Mid Iowa Growth Partnership

Copies of Bank Statement Submitted by Lorie Bennett to MIGP
Board of Directors and Authentic Bank Statement
For the period January 1, 2007 through June 10, 2010

04 30 10 bank statement

Date 4/30/10 Page 1
Account Number [REDACTED]

MID IOWA GROWTH PARTNERSHIP
% LORIE BENNETT, TREASURER
P O BOX 529
HUMBOLDT IA 50548

Cruisin' Speed - use your debit card April 1st - June 30th for your green light to the winners circle. Grand Prize \$500 Gas Card, 1st Place Prize \$300 Gas Card or a monthly \$50 Gas Cards Prize. No more spinning your wheels writing checks.

---- CHECKING ACCOUNT ----

SMALL BUSINESS- CNR		Item Truncation	
Account Number	[REDACTED]	Statement Dates	4/01/10 thru 4/30/10
Previous Balance	80,168.88	Days in the statement period	30
5 Deposits/Credits	39,375.00	Average Ledger	19,027
16 Checks/Debits	18,647.78	Average Collected	17,715
Service Charge	.00		
Interest Paid	.00		
Ending Balance	100,896.10		

DEPOSITS AND CREDITS

Date	Description	Amount
4/05	DDA DEPOSIT	15,750.00
4/08	DDA DEPOSIT	5,250.00
4/19	DDA DEPOSIT	7,875.00
4/26	DDA DEPOSIT	5,250.00
4/29	DDA DEPOSIT	5,250.00

WITHDRAWALS - DESCRIPTIVE & ELECTRONIC ITEMS

Date	Description	Amount
4/23	CHECKPAYMT FRONTIER CITIZEN 201000CZNO 04/23/10 CHECK#-1372	57.72
4/26	TRACE #-021000026863680 CHECKPAYMT FRONTIER CITIZEN 201000CZNO 04/26/10 CHECK#-1386	53.86
	TRACE #-021000023088768	

CHECKS IN CHECK NUMBER ORDER

Date	Check No	Amount	Date	Check No	Amount
4/21	1373	38.55	4/23	1377	595.00
4/23	1374	1,700.07	4/23	1379*	45.16
4/23	1375	12.50	4/21	1380	318.00
4/22	1376	3,329.20	4/28	1381	10,915.00

*Denotes skip In Check Number

Date 4/30/10 Page 2
Account Number @XXXX@8530

SMALL BUSINESS- CNR

@XXXX@8530 (Continued)

CHECKS IN CHECK NUMBER ORDER

Date	Check No	Amount	Date	Check No	Amount
4/22	1382	93.95	4/27	1385	1,363.77
4/23	1383	10.00			
4/23	1384	115.00			

*Denotes skip In Check Number

DAILY BALANCE INFORMATION

Date	Balance	Date	Balance	Date	Balance
4/01	80,168.88	4/21	109,005.33	4/26	107,924.87
4/05	95,918.88	4/21	108,687.33	4/27	106,561.10
4/08	101,168.88	4/22	105,264.18	4/28	95,646.10
4/19	109,043.88	4/23	102,728.73	4/29	100,896.10

Report on Special Investigation of the
City of Humboldt and Mid Iowa Growth Partnership

Copies of Bank Statement Submitted by Lorie Bennett to MIGP
Board of Directors and Authentic Bank Statement
For the period January 1, 2007 through June 10, 2010



Bank Iowa
Your Success. Our Priority.

506 Sumner Avenue
P.O. Box 37
Humboldt, Iowa 50548

Phone: 515.332.1451
Fax: 515.332.3111
www.bankiowabanks.com

Date 4/30/10 Page 1
Account Number [REDACTED]

MID IOWA GROWTH PARTNERSHIP
% LORIE BENNETT, TREASURER
P O BOX 529
HUMBOLDT IA 50548

Cruisin' Speed - use your debit card April 1st - June 30th for your green light to the winners circle. Grand Prize \$500 Gas Card, 1st Place Prize \$300 Gas Card or a monthly \$50 Gas Cards Prize. No more spinning your wheels writing checks.

---- CHECKING ACCOUNT ----

SMALL BUSINESS- CNR		Item Truncation	
Account Number	[REDACTED]	Statement Dates	4/01/10 thru 4/30/10
Previous balance	1,400.60	Days in the statement period	30
5 Deposits/Credits	39,375.00	Average Ledger	19,027
16 Checks/Debits	22,274.53	Average Collected	17,715
Service Charge	.00		
Interest Paid	.00		
Ending Balance	18,501.07		

	Total For This Period	Total Year-to-Date
Overdraft item fees year to date	\$.00	\$25.00
Return item fees year to date	\$.00	\$.00

DEPOSITS AND CREDITS

Date	Description	Amount
4/05	DDA DEPOSIT	15,750.00
4/08	DDA DEPOSIT	5,250.00
4/19	DDA DEPOSIT	7,875.00
4/26	DDA DEPOSIT	5,250.00
4/29	DDA DEPOSIT	5,250.00

WITHDRAWALS - DESCRIPTIVE & ELECTRONIC ITEMS

Date	Description	Amount
4/16	PAYMENT UMBKC BANKCARD 9470535472 04/15/10 ID #-431447052101068 TRACE #-101000690058010	2,276.44
4/23	CHECKPAYMT FRONTIER CITIZEN 201000CZNO 04/23/10 CHECK#-1372 TRACE #-021000026863680	57.72
4/26	CHECKPAYMT FRONTIER CITIZEN 201000CZNO 04/26/10 CHECK#-1386 TRACE #-021000023088768	53.86

CHECKS IN CHECK NUMBER ORDER

Date	Check No.	Amount	Date	Check No.	Amount
4/21	1373	38.55	4/23	1377	595.00
4/23	1374	1,700.07	4/23	1379*	45.16
4/23	1375	12.50	4/21	1380	318.00
4/22	1376	3,329.20	4/28	1381	10,915.00

NOTICE: SEE REVERSE SIDE FOR IMPORTANT INFORMATION

MEMBER FDIC

Bank statement obtained directly from bank.

Report on Special Investigation of the
City of Humboldt and Mid Iowa Growth Partnership

Copies of Selected Checks Issued to Lorie Bennett from MIGP Account
For the period January 1, 2007 through June 10, 2010

MID IOWA GROWTH PARTNERSHIP 72-2086/728 1012
DATE 04-26-07
PAY TO THE ORDER OF Lorie Bennett \$1350.31/100
One thousand three hundred fifty + 31/100 DOLLARS
Bank Iowa
MEMO
⑆07392086⑆ [REDACTED] 1012

Seq. 4008280, Acct [REDACTED] Ck #1012, 04/26/2007, \$1,350.31

MID IOWA GROWTH PARTNERSHIP 72-2086/728 1185
DATE 12-18-08
PAY TO THE ORDER OF Lorie Bennett \$1350.31/100
One thousand three hundred fifty + 31/100 DOLLARS
Bank Iowa
MEMO 12-5-08-12-18-08
⑆07392086⑆ [REDACTED] 1185

Seq. 1044340, Acct [REDACTED] Ck #1185, 12/19/2008, \$1,350.31

Report on Special Investigation of the
City of Humboldt and Mid Iowa Growth Partnership

Copies of Selected Checks Issued to Lorie Bennett from MIGP Account
For the period January 1, 2007 through June 10, 2010

MID IOWA GROWTH PARTNERSHIP 72-2096/730 1301
DATE 9-10-09
PAY TO THE ORDER OF Lorie Bennett \$2,835.64
Two thousand eight hundred thirty five + 64/100 DOLLARS
Bank Iowa.
MEMO 8-2009-9-10-09
107392086

Seq. 1062760, Acct # [REDACTED] Ck #1301, 09/14/2009, \$2,835.64

MID IOWA GROWTH PARTNERSHIP 72-2096/730 1366
DATE 3-3-10
PAY TO THE ORDER OF Lorie Bennett \$2,700.62
Two thousand seven hundred + 62/100 DOLLARS
Bank Iowa.
MEMO 9-10-10/3-3-10
107392086

Seq. 1013860, Acct # [REDACTED] Ck #1366, 03/04/2010, \$2,700.62

Report on Special Investigation of the
City of Humboldt and Mid Iowa Growth Partnership

Copies of Bank Documents
For the period January 1, 2007 through June 10, 2010

Bank Iowa
100 JOHN C. CALDWELL DR
\$5759.76
Five thousand seven hundred fifty nine and 76/100
Bank Iowa
*0739 [redacted]
Lorie Bennett

Seq. 1022060, Acct # [redacted] Withdrawal, 05/01/2008, \$5,759.76

Bank Iowa
038759
05-01-08
City of Humboldt
\$ 5759.76
THE SUM OF \$5,759 and 76cts
NON-NEGOTIABLE
*038759 [redacted]

Seq. 1022040, Acct # [redacted] Deposit, 05/01/2008, \$5,759.76

DEPOSIT
Bank Iowa
City of Humboldt
5759.76
5759.76
39

The amount entered must be available for depositing withdrawal	
ACCOUNT AND CASH BALANCE AS OF DATE	
CURRENCY	
BAVIER	
CHECKS	5759.76
LESS CASH	

Seq. 8017660, Acct # [redacted] Deposit, 05/05/2008, \$5,759.76

Report on Special Investigation of the
City of Humboldt and Mid Iowa Growth Partnership

Copy of MIGP Invoice Created by Lorie Bennett
For the period January 1, 2007 through June 10, 2010



1406 Central Avenue
Fort Dodge, IA 50501
1.800.765.1438
www.midiowagrowth.com

INVOICE

July 1, 2008

City of Humboldt
29 5th Street South
Humboldt IA 50548

<u>Description</u>	<u>Amount</u>
2008-09 Membership Dues	\$17,771.31
Total Due	<u>\$17,771.31</u>

Please Remit Payment To:

Mid Iowa Growth Partnership
c/o Lorie L. Bennett, Treasurer
PO Box 529
Humboldt IA 50548-0529

Renewing Growth Naturally

MEMBER COUNT
Calhoun • Hamilton • Hardin • Humboldt • Kossuth • Palo Alto • Pocahontas • Webster • W

Appendix 5

Report on Special Investigation of the
City of Humboldt and Mid Iowa Growth Partnership

Copy of Selected Monthly Expense Report and
League of Cities Executive Board Mileage Reimbursement Request
For the period January 1, 2007 through June 10, 2010

MONTHLY EXPENSE REPORT

EMPLOYEE NAME Lorie L Bennett MONTH June FISCAL YEAR 2005-06

DATE	DESTINATION		TOTAL MILES	MILEAGE RATE	MILEAGE EXPENSE	MEALS EXPENSE			LODGING EXPENSE	OTHER EXPENSE	TOTAL	EXPLANATION
	From	To				BKFAST	LUNCH	DINNER				
	See Attached				Monthly Mileage						141.07	See attached
APPROVED												
VENDOR #						<u>02420</u>						
JUL 07 2006												
ACCOUNT #						<u>010-5-2420</u>						
AMOUNTS						<u>141.07</u>						

GRAND TOTAL \$ 141.07

NOTE: PLEASE ATTACH RECEIPTS FOR MEALS AND OTHER PURCHASES.
THE RATE FOR MILEAGE IS CURRENTLY \$0.445 PER MILE
THE CITY WILL PAY A MEAL ALLOWANCE OF A MAXIMUM DAILY AMOUNT OF \$35 REIMBURSABLE WITH RECEIPTS.
THE CITY WILL NOT REIMBURSE THE EMPLOYEES FOR ANY ALCOHOLIC BEVERAGES PURCHASED.
ALL CLAIMS FOR REIMBURSEMENT MUST BE FILED WITHIN 30 DAYS OF INCURRING THE EXPENSE.

I do hereby attest that this request for reimbursement is accurate and includes only those items, or mileage, that were directly related to the carrying out of my duties as an employee of the City of Humboldt, as authorized or allowed by my direct supervisor, City Administrator, or City Council.

Employee Signature Lorie L Bennett

Authorized By Steven A. Samuel

Report on Special Investigation of the
City of Humboldt and Mid Iowa Growth Partnership

Copy of Selected Monthly Expense Report and
League of Cities Executive Board Mileage Reimbursement Request
For the period January 1, 2007 through June 10, 2010

7/2/2006

Lorie Bennett Mileage

Date	Destination	Total Miles
06/01/06	HCHDC lot, rec house, US Bank	6
06/05/06	Spec building, pool, US Bank	10
06/06/06	Isaac Walton bldg, spec building	10
06/07/06	High School Admin Bldg, Courthouse	7
06/12/06	Bank Iowa after hours	3
06/16/06	ILOC meeting, Des Moines	220
06/19/06	US Bank, Courthouse	5
06/20/06	Rotary BT Presentation	2
06/20/06	MIDAS for Trails Planning Subcommittee	46
6/29/06	USDA-RD, Bicknell Park, Courthouse	8
Total Miles		309 317

x 445 = 97.90

Mileage Expense @ \$0.445 per mile

~~\$137.51~~ 141.07

June 2006

Report on Special Investigation of the
City of Humboldt and Mid Iowa Growth Partnership

Copy of Selected Monthly Expense Report and
League of Cities Executive Board Mileage Reimbursement Request
For the period January 1, 2007 through June 10, 2010

IOWA LEAGUE OF CITIES

18940

VENDOR ID	NAME	PAYMENT NUMBER	CHECK DATE				
BENN0001	Lorie Bennett	00000000000015559	6/21/2006				
OUR VOUCHER NUMBER	YOUR VOUCHER NUMBER	DATE	AMOUNT	AMOUNT PAID	DISCOUNT	WRITE-OFF	NET
00000000000013685	6-16-06 BRD MTG MILE	6/16/2006	\$97.90	\$97.90	\$0.00	\$0.00	\$97.90
			\$97.90	\$97.90	\$0.00	\$0.00	\$97.90

COMMENT

SFMS01042-1

REORDER FROM YOUR LOCAL SAFEGUARD DISTRIBUTOR, IF UNKNOWN, CALL 800-523-2422

H7KRD0010000 L985F014940



**Iowa League of Cities
Executive Board Mileage Reimbursement Request**

Members of the Executive Board are eligible for reimbursement upon application for mileage to and from official meetings of the Board at a rate of 44.5 cents per mile.

Date of Meeting: June 16, 2006

Travel from: Humboldt

Location of Executive Board Meeting: Sheraton West Des Moines

Total Miles Round Trip: 220

Signed: Lorie Bennett Date June 16, 2006

For League Office Use:

Amount: 97.90 Approved: Sam Rudy

Date: _____

Report on Special Investigation of the
City of Humboldt and Mid Iowa Growth Partnership

Copy of Undeposited Utility Payment to the City
For the period January 1, 2007 through June 10, 2010

Front

BROADWAY INN MOTEL
P.O. BOX 51 PH. 515-332-3545
HUMBOLDT, IA 50548

72-2086/739
0752400

3895

DATE 9-15-07

PAY TO THE ORDER OF City of Humboldt \$ 123.30

Turkey - K. H. Johnson & Co. 30 DOLLARS

Bank Iowa.
Your Success. Our Priority.
Grove City, IA - Humboldt, IA
www.bankiowa.com

MEMO City of Humboldt

TELE 1

073920861 [REDACTED] 3895

Back

FOR DEPOSIT ONLY - PLEASE RETURN TO THIS LINE
CITY OF HUMBOLDT
by Julie R. Bennett

FOR DEPOSIT ONLY - PLEASE RETURN TO THIS LINE
CITY OF HUMBOLDT
by Julie R. Bennett

FOR DEPOSIT ONLY - PLEASE RETURN TO THIS LINE
CITY OF HUMBOLDT
by Julie R. Bennett

Item's Information

Bank: 73920861 Acct: [REDACTED] Date: 9/17/2007 Ck: 3895 Amt: \$1,231.30
Loc: 1 DocSrc: 1 Dist.#: 1 CapDate: 9/17/2007 TranCode: 70
Sequence: 1059840 RunNbr: 1 Debit/Credit: DB

Report on Special Investigation of the
City of Humboldt and Mid Iowa Growth Partnership

Copy of E-mail from City Clerk to Lorie Bennett
For the period January 1, 2007 through June 10, 2010

Gloria Christensen

From: Gloria Christensen
Sent: Wednesday, November 14, 2007 5:02 PM
To: Lorie Bennett

Just a reminder—we need to get those checks paid back by the end of this month for sure –
1231.30 (Marso)
1315.00 (Deposit from August)
1800.00 (Last summer pool concessions) .

Thanks.

Gloria Christensen
City Clerk

City of Humboldt
PO Box 529
Humboldt, IA 50548
(515) 332-3435
Fax (515) 332-1453
gloriac@ci.humboldt.ia.us