



# OFFICE OF AUDITOR OF STATE

STATE OF IOWA

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Mary Mosiman, CPA  
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## NEWS RELEASE

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FOR RELEASE

November 3, 2015

Auditor of State Mary Mosiman today released a report on a special investigation of the City of Defiance for the period March 12, 2013 through April 30, 2015. The special investigation was requested by City officials as a result of concerns regarding electronic payments issued from the City's bank account by the former City Clerk, Kristen Wagner.

Mosiman reported the special investigation identified \$10,828.78 of improper and unsupported disbursements. The \$10,821.51 of improper disbursements identified includes:

- \$6,076.68 of improper disbursements to MidAmerican Energy, Verizon Wireless, and other vendors,
- \$1,681.00 of cash withdrawals from automated teller machines and the related fees,
- \$1,230.92 of improper checks issued to Ms. Wagner and related payroll costs paid by the City,
- \$1,757.91 of late fees, penalties and interest, and
- \$75.00 for a petty cash reimbursement.

The electronic payments to MidAmerican Energy and Verizon Wireless were for personal accounts held by Ms. Wagner and a member of her household, respectively. Ms. Wagner admitted to making personal purchases with the City's funds during an interview with the Shelby County Sheriff. The improper payments to vendors also include purchases from Wal-Mart in Denison. Receipts obtained from Wal-Mart show the purchases consisted of groceries, pop, and beer.

Mosiman also reported it was not possible to determine if additional amounts were improperly disbursed or if certain collections were undeposited during the period reviewed because adequate records were not available.

The report includes recommendations to strengthen the City's internal controls and overall operations, such as improving segregation of duties, performing bank reconciliations, requiring

adequate documentation to properly support disbursements, and performing an independent review of bank statements and financial information presented to the City Council. In addition, the report includes a recommendation to ensure all disbursements are presented to the City Council for approval.

Copies of the report have been filed with the Shelby County Sheriff's Office, the Division of Criminal Investigation, the Shelby County Attorney's Office, and the Attorney General's Office. 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/1522-0787-BE00.pdf>.

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**REPORT ON SPECIAL INVESTIGATION  
OF THE  
CITY OF DEFIANCE**

**FOR THE PERIOD  
MARCH 12, 2013 THROUGH APRIL 30, 2015**

## Table of Contents

	<u>Page</u>
Auditor of State's Report	3-4
Investigative Summary:	
Background Information	5-6
Detailed Findings	6-15
Recommended Control Procedures	15-16
Exhibits:	
	<u>Exhibit</u>
Summary of Findings	A      19
Selected Electronic Purchases	B      21
Selected Checks to Kristen Wagner	C      22-23
Staff	24
Appendix:	
	<u>Appendix</u>
Copy of Receipt for Purchase from Wal-Mart	1      25



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## Auditor of State's Report

To the Honorable Mayor and  
Members of the City Council:

As a result of concerns regarding certain disbursements and at your request, we conducted a special investigation of the City of Defiance. We have applied certain tests and procedures to selected financial transactions of the City for the period March 12, 2013 through April 30, 2015. Based on a review of relevant information and discussions with City officials and personnel, we performed the following procedures:


- (1) Evaluated internal controls to determine if adequate policies and procedures were in place and operating effectively.
- (2) Reviewed images of checks redeemed from the City's bank account for reasonableness. We also examined certain disbursements to determine if they were for appropriate purposes, were properly approved, and were supported by adequate documentation.
- (3) Examined deposits to the City's bank account to determine the source, purpose, and propriety of each deposit and to determine if deposits appeared reasonable.
- (4) Examined all cash withdrawals and electronic disbursements from the City's bank account to determine if the payments were appropriate, were properly approved, and were supported by adequate documentation.
- (5) Examined all payments from the City's bank account to Kristin Wagner, the former City Clerk, to determine if the payments were payroll, reimbursements, or other types of payments. We also determined if the appropriate number of payroll disbursements were made to Ms. Wagner, if payroll withholdings were properly remitted, and if the non-payroll payments were appropriate, properly approved, and supported by adequate documentation.
- (6) Confirmed payments to the City by the State of Iowa and Shelby County to determine if they were properly deposited to the City's bank account in a timely manner.
- (7) Reviewed available City Council meeting minutes to identify significant actions and to determine if certain payments were properly approved.
- (8) Reviewed the investigative report prepared by the Shelby County Sheriff. We also reviewed documents obtained by the Sheriff and watched a video recording of an interview the Sheriff held with Ms. Wagner.


These procedures identified \$10,828.78 of improper and unsupported disbursements for the period March 12, 2013 through April 30, 2015. We were unable to determine if additional amounts may have been improperly disbursed or if certain collections were undeposited during this time period because adequate records 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 Defiance, other matters might have come to our attention that would have been reported to you.

Copies of this report have been filed with the Shelby County Sheriff's Office, the Division of Criminal Investigation, the Shelby 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 Shelby County Sheriff's Office and the City of Defiance during the course of our investigation.

  
MARY MOSIMAN, CPA  
Auditor of State

  
WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

October 2, 2015

Report on Special Investigation of the  
City of Defiance  
Investigative Summary

**Background Information**

The City of Defiance is located in Shelby County with a population of approximately 280. The City employs a part-time City Clerk who is responsible for the business operations of the City. Kristin Wagner was hired as the City Clerk effective March 12, 2013 and served in that position for 2 years. As the City Clerk, Ms. Wagner was responsible for:

- 1) Receipts – collecting, posting to the accounting records, and preparing and making bank deposits,
- 2) Disbursements – making purchases, receiving certain goods and services, presenting disbursements to the City Council for approval, maintaining supporting documentation, preparing, signing and distributing checks, and posting payments to the accounting records,
- 3) Payroll – calculating, preparing, signing and distributing checks, and posting payments to the accounting records,
- 4) Bank account – receiving and reconciling monthly bank statements to accounting records, and
- 5) Reporting – preparing City Council meeting minutes and financial reports, including monthly City Clerk reports and the Annual Financial Report.

According to the Mayor and the current City Clerk, who was the City Clerk prior to Ms. Wagner, typical hours at City Hall were from 10:00 a.m. to 2:00 p.m. Tuesday through Thursday and 9:00 a.m. to 12:00 p.m. on the first and third Saturdays of the month. In addition to being at City Hall during the hours it was open, Ms. Wagner was to be at all City Council meetings and work additional time, as required. However, according to the Mayor and the current City Clerk, Ms. Wagner was not expected to work more than 30 hours every two weeks. Ms. Wagner was paid an hourly rate.

The City established a bank account at a local bank. Monthly statements for the City's bank account were mailed to the City's post office box and the mail was collected by the City Clerk. Bank statements and check images were not periodically reviewed by members of the City Council. The bank statements were not reconciled on a consistent basis and were not independently reviewed.

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 Shelby County and remitted to the City. Revenue is also received from customers for water, sewer, and garbage services. In addition, the City receives payments for rent from certain properties, camping at the City park, shelter fees, liquor licenses, and utility deposits. The City receives payments from the State and Shelby County electronically. All other payments are collected through the mail, in person, or at the bank. Based on records available for our review, Ms. Wagner did not prepare receipts for collections or record the collections on an initial receipts listing.

With the exception of a specific vendor, all City disbursements, including payroll, are to be made by check. According to the current City Clerk and the Mayor, the specific vendor would not accept checks from the City. As a result, a debit card was obtained for the City's bank account. The debit card was kept in the custody of the City Clerk and was only to be used when a vendor would not accept a check.

All disbursements are to be supported by invoices or other documentation obtained by or submitted to the City Clerk. Each month, the City Clerk is to prepare a listing of bills to be paid and provide the listing to the City Council for approval. After the City Council approves the bills, the City Clerk is to prepare and sign the checks. The checks only require the City Clerk's signature.

On April 8, 2015, a representative of the City's bank attempted to contact the Mayor regarding a concern with the City's bank account. According to the Mayor, he followed-up with the bank representative the following day and learned someone had attempted to withdraw \$300.00 from the City's bank account from an automated teller machine (ATM) on April 7, 2015. The bank representative also told him the withdrawal was not made because a \$250.00 daily limit had been established for the account.

The bank representative also provided the Mayor with 2 years of bank statements for his review. According to the Mayor, he identified electronic payments from the City's bank account to MidAmerican Energy and Verizon Wireless during his review of the bank statements. The City does not provide cell phones to employees. The Mayor stated he contacted the City Attorney to discuss the concerns he identified. The City attorney subsequently contracted the Shelby County Sheriff's Office.

At the request of a Deputy, Ms. Wagner came to the Sheriff's Office on April 27, 2015. While she was at the Sheriff's Office, the Sheriff discussed certain transactions from the City's bank account with Ms. Wagner. During the interview, Ms. Wagner admitted paying personal Verizon Wireless and MidAmerican Energy bills from the City's bank account and making several cash withdrawals from the City's bank account. Ms. Wagner also admitted purchasing gas and groceries for her personal use with the City's debit card during her employment by the City. The Sheriff collected the City's debit card and keys to City Hall from Ms. Wagner during the interview. Ms. Wagner was arrested immediately after the interview. On April 28, 2015, the City's Attorney sent a letter to Ms. Wagner terminating her employment with the City.

On May 8, 2015, the City Attorney contacted the Office of Auditor of State. As a result of the concerns identified, the Office of Auditor of State reviewed the City's financial transactions. We performed the procedures detailed in the Auditor of State's report for the period March 12, 2013 through April 30, 2015.

### **Detailed Findings**

These procedures identified \$10,828.78 of improper and unsupported disbursements for the period March 12, 2013 through April 30, 2015. The \$10,821.51 of improper disbursements identified include:

- \$6,076.68 of improper disbursements to Verizon Wireless, MidAmerican Energy, and other vendors,
- \$1,681.00 of cash withdrawals from ATMs and the related fees,
- \$1,230.92 of improper checks issued to Ms. Wagner and related payroll costs paid by the City,
- \$1,757.91 of late fees, penalties, and interest and
- \$75.00 for a petty cash reimbursement.

It was not possible to determine if additional amounts were improperly disbursed or if certain collections were undeposited during this period because adequate records were not available. All findings are summarized in **Exhibit A** and a detailed explanation of each finding follows.



## IMPROPER AND UNSUPPORTED DISBURSEMENTS

We reviewed all disbursements from the City’s bank account for the period March 12, 2013 through April 30, 2015. In addition, we reviewed available documentation for certain payments to determine if they were appropriate; however, supporting documentation was not available for all disbursements. As a result, we reviewed the payees on images of the redeemed checks, discussed the disbursements with City officials and reviewed disbursement listings approved by the City Council to determine if the payments were appropriate.

Based on our review of the available supporting documentation, the disbursement listings approved by the City Council, discussions with City officials, the vendor, and the frequency and the amount of payments, we classified payments as reasonable, improper, or unsupported. Payments were classified as improper if they appeared personal in nature or were not reasonable for the City’s operations. Payments were classified as unsupported if the City Council approved the payment, but appropriate documentation was not available or it was not possible to determine if the payment was related to City operations or was personal in nature. Other payments were classified as reasonable if disbursements were for City operations, were approved by the City Council and/or the vendor, amount of payment, and frequency of the payments to the vendor were appropriate for City operations. The improper and unsupported disbursements identified are explained in detail in the following paragraphs.

**Cash Withdrawals and Related Fees** – As previously stated, all disbursements were to be made by check and approved by the City Council. According to the Mayor, the City does not pay any bills in cash. As a result, cash would not need to be withdrawn from the City’s bank account for operations.

During our review of the bank statements, we identified 9 cash withdrawals from automated teller machines (ATMs) and fees associated with the use of an ATM. We also identified electronic transactions which may have been cash withdrawals from ATMs located at convenience stores. However, because we were unable to determine if the transactions were cash withdrawals or purchases of goods from the convenience stores, these transactions are included in a separate section of this report.

The 9 cash withdrawals identified from ATMs occurred between December 4, 2014 and April 22, 2015 and the amounts of the withdrawals and fees ranged from \$102.00 to \$243.00. **Table 1** lists all the cash withdrawals and the related ATM fees identified from the City’s bank account.

Date	Location	Withdrawal Amount	ATM Fee	Total
12/04/14	Farmers Trust and Savings, Harlan, IA	\$ 100.00	2.00	102.00
12/18/14	Greater Iowa Credit Union, Denison, IA	240.00	2.00	242.00
01/07/15	Greater Iowa Credit Union, Denison, IA	100.00	2.00	102.00
02/20/15	Greater Iowa Credit Union, Denison, IA	200.00	2.00	202.00
02/27/15	Denison Y, Denison, IA	100.00	3.00	103.00
03/24/15	Greater Iowa Credit Union, Denison, IA	240.00	2.00	242.00
04/02/15	Greater Iowa Credit Union, Denison, IA	240.00	2.00	242.00
04/08/15	Denison Y, Denison, IA	200.00	3.00	203.00
04/22/15	Denison Y, Denison, IA	240.00	3.00	243.00
Total		\$ 1,660.00	21.00	1,681.00

When the Sheriff told Ms. Wagner during the interview he had with her he had video of her making withdrawals from certain locations, she stated, in part, “I’m not going to deny it.” The \$1,681.00 of cash withdrawals and ATM fees are included in **Exhibit A** as improper disbursements.

**Verizon Wireless** – During our review, we identified 10 electronic payments to Verizon Wireless from the City’s bank account. The 10 payments occurred between July 21, 2014 and April 17, 2015 and the amounts ranged from \$242.04 to \$314.80. According to representatives of the City, the City does not provide cell phones to its employees. During her interview at the Sheriff’s Office, Ms. Wagner admitted using the City’s bank account to pay personal Verizon Wireless cell phone bills.

Using copies of transaction history reports obtained by the Sheriff’s Office from Verizon Wireless, we matched payment information from the history reports to electronic payments from the City’s bank account. The transaction history reports were for an account held by a member of Ms. Wagner’s household. **Table 2** lists the 10 payments from the City’s bank account by date and amount.

**Table 2**

<b>Date</b>	<b>Amount</b>	<b>Date</b>	<b>Amount</b>
07/21/14	\$ 260.62	12/18/14	271.21
08/15/14	260.59	01/27/15	264.76
09/17/14	242.04	03/02/15	265.96
10/15/14	314.80	03/11/15	265.96
11/24/14	266.20	04/17/15	295.82
		Total	<u>\$ 2,707.96</u>

The \$2,707.96 of Verizon Wireless payments for the personal account of a member of Ms. Wagner’s household is included in **Exhibit A** as improper disbursements.

**MidAmerican Energy** – During our review, we identified 8 electronic payments made to MidAmerican Energy from the City’s bank account. The 8 payments occurred between August 1, 2014 and April 27, 2015 and the amounts ranged from \$162.13 to \$478.75. During her interview at the Sheriff’s Office, Ms. Wagner admitted using the City’s bank account to pay the MidAmerican Energy bills for her personal residence.

Using copies of Ms. Wagner’s MidAmerican Energy account activity statements obtained by the Sheriff’s Office, we matched payments recorded on the statements to electronic payments from the City’s bank account. In addition, we determined Ms. Wagner paid her MidAmerican Energy bill through Western Union. Because Western Union was used, a transaction fee occurred each time Ms. Wagner paid her MidAmerican Energy bill using the City’s debit card.

**Table 3** lists the 8 electronic payments issued to MidAmerican Energy for Ms. Wagner’s personal account, the transaction fees, and the total amount paid from the City’s bank account by date for the period August 1, 2014 through April 27, 2015.

**Table 3**

<b>Date</b>	<b>Account Payment</b>	<b>Transaction Fee</b>	<b>Total</b>
08/01/14	\$ 233.00	3.75	236.75
09/04/14	233.00	3.75	236.75
10/03/14	233.00	3.75	236.75
11/05/14	233.00	3.75	236.75
12/04/14	208.00	3.75	211.75
01/16/15	475.00	3.75	478.75
03/12/15	158.38	3.75	162.13
04/27/15	320.00	3.75	323.75
Total	<u>\$ 2,093.38</u>	30.00	<u>2,123.38</u>

By reviewing Ms. Wagner's statements from MidAmerican Energy, we determined Ms. Wagner participated in the "Budget Billing" program. As a result, the same amount was to be paid for her account each month. However, she did not consistently pay the amount due. As illustrated by the **Table**, there was no electronic payment from the City's bank account in February 2015. The statements obtained from MidAmerican Energy document the payments recorded for her account ranged from \$158.38 to \$475.00.

The \$2,123.38 electronically paid from the City's bank account for Ms. Wagner's personal MidAmerican Energy bills and the related fees is included in **Exhibit A** as improper disbursements.

**Payments to Other Vendors** – Some of the electronic disbursements we identified from the City's bank account were for City operations, including payments related to payroll taxes, online purchases of anti-virus software, and a purchase of new road signs. However, the electronic payments were not included in the City's disbursement listings and were not subsequently approved by the City Council.

We also identified electronic payments for lodging and meal costs incurred in Ames, IA during July 2014 for an annual training event held for City Clerks. The City Council authorized the costs for Ms. Wagner to attend the event. While supporting documentation was not available for the meal costs incurred in Ames, the number of purchases and the amounts of the purchases appear reasonable for the time the training event was held.

During our review of disbursements from the City's bank account, we identified 22 electronic disbursements which did not appear to be for City operations. The 22 disbursements are listed in **Exhibit B** and total \$1,252.61. As shown by the **Exhibit**, we identified \$1,245.34 of improper disbursements and \$7.27 of unsupported disbursements. In addition, the **Exhibit** illustrates the disbursements ranged from \$3.95 to \$235.37 during the period August 1, 2014 through April 10, 2015.

Because supporting documentation was not available for the 22 disbursements, we attempted to obtain supporting documentation directly from vendors and/or we discussed them with the current City Clerk and the Mayor. According to the current City Clerk and the Mayor, based on the \$7.27 amount of the purchase from Shopko on October 2, 2014, the purchase may have been office supplies. As a result, we have classified the disbursement as unsupported in **Exhibit B**.

The remaining 21 disbursements include purchases from convenient stores, restaurants, on-line retailers, grocery stores, and a video game store. These disbursements are discussed in the following paragraphs.

- We identified 10 electronic transactions at convenience stores or gas stations. The purchases ranged from \$8.08 to \$53.60 and were recorded in the City's bank account from August 1, 2014 through April 8, 2015. Of the 10 transactions, 8 were at a convenience store in Defiance, 1 was in Council Bluffs, and 1 was in Harlan.

When the Sheriff asked Ms. Wagner about purchases from convenience stores, she admitted she used the City's debit card to make personal purchases at those locations.

As illustrated by **Exhibit B**, 4 of the 10 transactions were for even dollar amounts. As previously stated, we were unable to determine if the transactions were cash withdrawals from ATMs located at the convenience stores or purchases of goods from the convenience stores.

The minutes of City Council meetings do not document City Council approval of travel for Ms. Wagner when the purchases were made. In addition, according to the current City Clerk, any expenses Ms. Wagner incurred for traveling to or attending training or conferences, such as food or fuel, should have been paid by Ms. Wagner and

subsequently reimbursed to her. As a result, it would not be reasonable for Ms. Wagner to make purchases with the City's debit card at convenience stores.

- We identified 2 purchases at restaurants, including \$17.23 from Jonesy's Taco House and \$42.09 from Taste of China. Both restaurants are located in Council Bluffs. During the interview with the Sheriff, Ms. Wagner admitted both purchases were personal in nature.
- We identified a \$91.27 purchase recorded on August 27, 2014 and a \$187.90 purchase recorded on January 27, 2015 made at the Wal-Mart located in Denison, IA.

On April 13, 2015, the Sheriff visited the Wal-Mart in Denison and obtained a copy of the receipt for the \$187.90 purchase. The purchase was made on Monday, January 26, 2015 and included only groceries and pop. A copy of the receipt is included in **Appendix 1**. During his visit, the Sheriff also observed a video of an individual identified as Ms. Wagner purchasing the groceries, using a VISA debit card to pay for the groceries, and loading them into her car.

We also obtained a copy of the receipt for the \$91.27 purchase. The purchase was made on Monday, August 25, 2014 and included groceries and beer.

During the interview with the Sheriff, Ms. Wagner indicated the 2 purchases were personal in nature.

- We identified 2 purchases from Hy-Vee in Harlan, IA, including a \$56.40 purchase recorded in the City's bank account on September 2, 2014 and a \$116.39 purchase recorded on December 9, 2014. We were unable to obtain supporting documentation from Hy-Vee; however, during the interview with the Sheriff, Ms. Wagner admitted the purchases from Hy-Vee were personal in nature.
- We identified 2 electronic disbursements to Iowa Workforce Development (IWD). According to a representative of IWD we spoke with, Ms. Wagner did not file reports for the third and fourth quarters of 2014 in a timely manner. The IWD representative also confirmed Ms. Wagner electronically paid the \$73.95 of late fees and the related electronic processing fee from the City's bank account. The payments were both recorded to the City's bank account on March 26, 2015. Because it was Ms. Wagner's responsibility to ensure all City obligations were remitted in a timely manner, the late fees and related processing fees are considered improper disbursements.
- The remaining disbursements included purchases from the following vendors which, according to the current City Clerk and the Mayor, are not reasonable for City operations:
  - A payment to Sears.com for \$235.37 was recorded to the City's bank account on December 15, 2014. During her interview with the Sheriff, Ms. Wagner reported this was a personal purchase. She stated she purchased a toolbox as a gift when the Sheriff asked about the purchase from Sears.
  - A payment to Wireless World for \$104.71 was recorded to the City's bank account on March 2, 2015. The Sheriff did not ask Ms. Wagner about this payment. However, Wireless World is a Verizon Wireless dealer and, as previously stated, the City does not have any cell phones. As a result, we determined the payment was improper.
  - A payment to Game Stop for \$42.79 was recorded to the City's bank account on April 7, 2015. The Sheriff did not ask Ms. Wagner about this payment. However, Game Stop does not provide goods/services which would be appropriate for City operations. As a result, we determined the payment was improper.

As a result, the \$1,245.34 of improper disbursements and \$7.27 of unsupported disbursements are included in **Exhibit A**.

**Checks to Kristen Wagner** – As previously stated, a City official we spoke with reported Ms. Wagner was to be paid bi-weekly and received an hourly wage. City officials we spoke with also stated Ms. Wagner was also entitled to reimbursements for mileage, training, and various office supplies but a reimbursement request would need to be completed.

According to the minutes for the March 5, 2013 City Council meeting, the City Council agreed to pay Ms. Wagner \$9.50 per hour when she started her duties on March 12, 2013. In addition, the minutes for the City Council meeting on October 1, 2013 document the City Council agreed to increase Ms. Wagner's hourly rate to \$10.00 per hour. Also, according to the minutes of the City Council meeting on April 7, 2015, the City Council approved increasing of Ms. Wagner's pay from \$10.00 per hour to \$11.00 per hour.

We identified 61 checks issued to Ms. Wagner from the City's bank account between March 12, 2013 and April 30, 2015. Of the 61 checks we identified, 54 appeared to be payroll checks based on the dates and the amounts. The 54 checks are listed in **Exhibit C**.

A payroll register which summarized the amounts paid to Ms. Wagner and any related withholdings from her payroll was not available. However, we obtained copies of Ms. Wagner's timesheets for the period December 29, 2013 through May 2, 2015. While a payroll register was not available, Ms. Wagner's timesheets included the hours she reported she worked for each pay period, her hourly rate, a calculation of her gross pay, deductions from her gross pay, and the net pay amount for the pay period. As illustrated by **Exhibit C**, we were able to match the net pay recorded on Ms. Wagner's timesheets to checks issued to Ms. Wagner.

Because timesheets were not available for the period prior to December 29, 2013, we used calendars to determine pay period dates prior to December 29, 2013. As illustrated by **Exhibit C**, we were able to match checks issued to Ms. Wagner from April 2, 2013 through December 18, 2013 to the pay periods we identified. As a result, we determined the number of checks Ms. Wagner received for the pay periods ended March 23, 2013 through December 28, 2013 appeared reasonable.

In addition, we reviewed minutes of City Council meetings for meetings from March 12, 2013 through April 30, 2015 to determine if the amounts paid to Ms. Wagner for payroll as City Clerk could be supported by actions taken by the City Council. While the minutes documented authorized increases to Ms. Wagner's hourly pay, the minutes did not document individual amounts to be paid to her for each pay period. However, based on Ms. Wagner's hourly pay and the number of hours she was expected to work each pay period, we determined the amounts of the checks issued to Ms. Wagner from April 2, 2013 through December 18, 2013 appear reasonable.

The **Exhibit** also illustrates the timesheet Ms. Wagner prepared for the pay period December 15, 2014 through December 28, 2014 documents she did not work any hours during the pay period. When we matched checks issued to Ms. Wagner from April 2, 2013 through December 18, 2013 to the pay periods we identified, we determined it appears Ms. Wagner also did not work during the pay period December 15, 2013 through December 28, 2013.

As illustrated by **Exhibit C**, Ms. Wagner was paid prior to the end of the pay period 18 times. The instances identified occurred from January 2014 through April 2015. While Ms. Wagner may have been able to estimate the number of hours she planned to work between the time she prepared her payroll check and the end of the pay period, she would not be able to definitively determine the number of hours she should have been paid for the pay period prior to the end of the last day of the pay period.

As previously stated, Ms. Wagner was to be at City Hall when it was open from 10:00 a.m. to 2:00 p.m. Tuesday through Thursday and 9:00 a.m. to 12:00 p.m. on the first and third Saturdays of the month. In addition, she was to be at all City Council meetings and work additional time, as required. However, according to the Mayor and the current City Clerk,

Ms. Wagner was not expected to work more than 30 hours every two weeks. **Exhibit C** illustrates Ms. Wagner recorded 31 to 39 hours on 28 of the 34 timesheets available. Because no one reviewed or approved Ms. Wagner’s timesheets, we are unable to verify she worked all the hours she reported.

The hourly rates Ms. Wagner used did not exceed the hourly rates authorized by the City Council. However, we determined Ms. Wagner was paid \$10.00 per hour for the time she recorded on her timesheets from April 7, 2015 through April 29, 2015. According to the City Council minutes for the April 7, 2015 meeting, the City Council approved raising Ms. Wagner’s hourly pay from \$10.00 per hour to \$11.00 per hour. According to the City officials we spoke with, approved raises are effective immediately. As a result, Ms. Wagner was underpaid for this period.

**Exhibit C** illustrates Ms. Wagner recorded 34.25 hours for the pay period April 19, 2015 through May 2, 2015 and the check to her for this pay period was issued on April 22, 2015. The timesheet Ms. Wagner prepared for this pay period shows she worked a total of 12.5 hours on April 28, 2015 and April 29, 2015. As previously stated, Ms. Wagner was arrested on April 27, 2015 and did not return to work at the City. Her employment with the City was terminated on April 28, 2015. As a result, Ms. Wagner should not have been paid for the time she recorded on her timesheet for April 28, 2015 and April 29, 2015.

Because Ms. Wagner was not paid the correct hourly pay from April 7, 2015 through April 29, 2015 and because she should not have been paid for the hours she recorded on her timesheet for April 28, 2015 and April 29, 2015, we compared the amount she received to the amount she should have received. This comparison is summarized in **Table 4**. The **Table** includes the excess amount paid in gross wages and the City’s share of related payroll costs.

**Table 4**

Description	Recorded and Paid	Corrected Amounts	Excess Amount Paid
Number of hours recorded:			
For pay period ended 04/18/15	26.00	26.00	
For pay period ended 05/02/15	34.25	21.75	
Total hours	60.25	47.75	
Hourly pay	\$ 10.00	11.00	
Gross pay	602.50	525.25	77.25
City’s share of:			
FICA (7.65%)	46.09	40.18	5.91
IPERS contributions (5.95%)	35.84	31.25	4.59
Total	\$ 684.43	596.68	87.75

As illustrated by the **Table**, Ms. Wagner’s gross pay was \$77.25 in excess of the appropriate amount. In addition, the City incurred additional costs for FICA and IPERS. As illustrated by the **Table**, the excess gross pay and related payroll costs incurred by the City total \$87.75, which is included in **Exhibit A** as improper disbursements.

The remaining 7 checks issued to Ms. Wagner are listed in **Table 5**. We were unable to locate supporting documentation for these checks.

**Table 5**

<b>Check Date</b>	<b>Check Number</b>	<b>Amount</b>
11/05/13	15682	\$ 75.00
11/26/13	15694	54.00
01/22/14	15743	107.50
03/27/14	15775	271.39
05/01/14	15792	100.00
07/29/14	15858	472.78
08/05/14	15867	62.50
Total		<u>\$ 1,143.17</u>

As illustrated by the **Table**, check number 15775 was issued for \$271.39. This amount agrees with check number 15744 included in **Exhibit C**. Check number 15744 was issued to Ms. Wagner on January 29, 2014 and agrees with her timesheet for the pay period ended February 9, 2014. As a result, it appears check number 15775 may also be for payroll; however, the net pay amounts recorded on Ms. Wagner's timesheets around this date have been matched to other checks, as illustrated by **Exhibit C**. As a result, it appears check 15775 was prepared for an amount which made it appear to be a payroll check when it was not.

The **Table** also illustrates the largest check was issued on July 29, 2014 for \$472.78. While the City Council authorized Ms. Wagner to attend training in Ames during July 2014, the lodging and meal costs incurred in Ames were paid directly to the vendors with the City's debit card. As a result, Ms. Wagner was not entitled to reimbursement for these costs. In addition, the \$472.78 payment is too large to include only mileage to Ames.

The remaining 5 checks listed in **Table 5** are for even dollar or half-dollar amounts. Based on our experience with reimbursements to City officials, it is very unusual for reimbursements or mileage claims to result in even amounts such as these.

When we discussed the 7 checks with City officials, they were unable to determine the purpose of the checks. With the exception of the training in July 2014, Ms. Wagner was not approved by the City Council to attend training. In addition, there would not be a reason for Ms. Wagner to incur costs on behalf of the City because she had the ability to issue checks from the City's bank account or use the City's debit card for purchases she made on behalf of the City. As a result, we determined the 7 checks are improper.

The \$1,143.17 total of the 7 checks is included in **Exhibit A** as improper disbursements.

**IRS Penalties and Interest** – At our request, the current City Clerk contacted the Internal Revenue Service (IRS) and obtained reports summarizing the payments remitted by the City for the period January 1, 2013 through April 30, 2015. We traced each payment to the City's bank account. We determined the payments included \$1,404.63 of penalties and \$122.84 of interest which were incurred because Ms. Wagner did not remit payments in a timely manner. The \$1,527.47 of IRS penalties and interest incurred by the City are included in **Exhibit A** as improper disbursements.

**IPERS Late Fees and Interest** – We contacted a representative of IPERS and obtained reports summarizing the payments remitted by the City for the period January 1, 2013 through April 30, 2015. We traced each payment to the City's bank account. We identified payments which included \$90.44 of late fees and \$140.00 of interest which were incurred because Ms. Wagner did not remit payments in a timely manner. The \$230.44 of IPERS late fees and interest incurred by the City are included in **Exhibit A** as improper disbursements.

**Petty Cash** – During our review of the City’s bank account activity, we identified 7 checks issued to petty cash during the period of our investigation. According to the current City Clerk, the City maintains a petty cash fund in the amount of \$20.00 which is used to purchase items such as postage stamps. Of the 7 checks, 6 checks were issued in amounts ranging from \$20.00 to \$30.00. These 6 checks occurred approximately every 3 to 4 months, which would be a reasonable frequency for petty cash reimbursements.

However, the remaining check issued on April 8, 2014 was in the amount of \$75.00. Because the authorized amount of petty cash is \$20.00, we were unable to determine why Ms. Wagner would replenish petty cash for \$75.00. In addition, because the check was issued 3 weeks prior to a \$20.00 petty cash reimbursement, it appears it is an additional check not related to petty cash. As a result, the \$75.00 petty cash reimbursement is included in **Exhibit A** as an improper disbursement.

## **COLLECTIONS**

As previously stated, the City’s primary revenue sources include taxes from the State of Iowa and Shelby County. We reviewed documentation related to these revenue sources to determine if collections were properly deposited.

**Taxes from the State of Iowa** – The majority of revenues received from the State of Iowa are road use tax and local option sales tax. We confirmed all payments to the City by the State of Iowa and determined they were properly deposited to the City’s bank account.

**Taxes from Shelby County** – We confirmed all payments to the City by Shelby County were properly deposited to the City’s bank account.

**Utility Collections** – While the City receives payments for water, sewer, and garbage services provided to households, most payments are not received directly by the City from customers. Instead, the City has established an agreement with the local bank to read the meters, prepare and mail billings, receive and deposit collections, and post collections to customer accounts. As a result, the City Clerk does not process any financial transactions related to utility billings and collections. We scanned the deposits made to the City’s bank account for utility collections received by the bank and did not identify any concerns regarding the amounts deposited.

However, the City maintains delinquency reports and account histories. We obtained the utility account history for Ms. Wagner’s residence from the City’s records. By reviewing the account history, we determined the account for Ms. Wagner’s personal residence was delinquent at the time of her termination with an outstanding balance of \$843.85, including penalties. However, the account was fully satisfied before the delinquent account listing for May 2015 was prepared. By comparing the delinquent account listings for April and May 2015, we determined a number of additional accounts which were delinquent when Ms. Wagner’s employment was terminated were also satisfied before the May 2015 listing was prepared.

While the bank prepares monthly utility billings, collects payments, records payments to utility accounts, and deposits proceeds collected, it is the City’s responsibility to resolve delinquent accounts. Specifically, the City Clerk is responsible for sending out delinquency notices. In addition, the City Council should take action to shut off utility services when appropriate.

**Miscellaneous Collections** – As previously stated, the City receives payments for rent from certain properties, camping fees at the City park, shelter fees, liquor licenses, and utility deposits. Ms. Wagner did not prepare receipts for collections or record the collections on an initial receipts listing.

By reviewing bank documents, we determined proceeds from these sources were deposited to the City’s bank account. However, because supporting documentation was not maintained or receipts were not prepared for the collections, we are unable to determine if all fees and rents were properly collected and subsequently deposited.



## **OTHER ADMINISTRATIVE ISSUES**

**City Council Meeting Minutes** - We reviewed the City Council meeting minutes available from March 5, 2013 through May 5, 2015. While the City Clerk did not prepare financial reports for each month, the reports presented for the City Council's review and approval were not included in the minutes. In addition, not all disbursements were presented to the City Council for approval and the approved disbursements were not included as part of the minutes.

**Debit Card** - As previously stated, the City has a debit card which was held by the City Clerk. However, the City does not have any policies and/or procedures regarding the use of the debit card. By using a debit card, the City Council does not approve the purchases prior to payment.

### **Recommended Control Procedures**

As part of our investigation, we reviewed the procedures used by the City of Defiance to perform bank reconciliations and process receipts, disbursements and payroll. An important aspect of internal control is to establish procedures which provide accountability for assets susceptible to loss from error and irregularities. These procedures provide the actions of one individual will act as a check on those of another and provide a level of assurance errors or irregularities will be identified 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 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 former City Clerk had control over each of the following areas:
- (1) Receipts - collecting, posting, and depositing.
  - (2) Disbursements - making purchases, receiving certain goods and services, presenting disbursements to the City Council for approval, maintaining supporting documentation, preparing, signing and distributing checks and posting payments.
  - (3) Payroll - calculating, preparing, signing and distributing checks and posting payments.
  - (4) Bank account - receiving and reconciling monthly bank statements to accounting records.
  - (5) Reporting - preparing City Council meeting minutes and financial reports.

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 the City Clerk, the Mayor, and City Council members. In addition, the Mayor or City Council members should review financial records, perform reconciliations and examine supporting documentation for accounting records on a periodic basis.

In addition, bank statements should be delivered to an official who does not collect or disburse City funds. The bank statements should be reviewed in a timely manner for unusual activity. Bank reconciliations should be performed monthly and should be reviewed by someone independent of other financial responsibilities. The reviews should be documented by the signature or initials of the reviewer and the date of the review.

- B. Disbursements - During our review of the City's disbursements, the following were identified:
- (1) Disbursements were not always supported by invoices or other documentation.
  - (2) Not all disbursements were approved by the City Council.

- (3) The City incurred IRS penalties and interest and IPERS late fees and interest for payments which were not remitted in a timely manner.
- (4) Disbursements were made using the City's debit card.

Recommendation – All City disbursements should be approved by the City Council prior to payment, with the exception of those specifically allowed by a City Council approved policy. For those disbursements paid prior to City Council approval, a listing should be provided to the City Council at the next City Council meeting for review and approval. All payments should be remitted in a timely manner to ensure late fees and interest are not incurred.

To strengthen internal control, each check should be prepared and signed by one person and detailed supporting vouchers and invoices should be provided, along with the check, to a second independent person for review and countersignature. In addition, the City should discontinue the use of the debit card because purchases made with the debit card do not allow for City Council review and approval prior to the purchase.

C. Payroll – During our review of payroll, we determined:

- Payroll was not approved in the City Council meeting minutes.
- Payroll checks were issued prior to the end of a pay period.
- Timesheets were not approved.

Recommendation – The City Council should ensure all timesheets are approved by the appropriate supervisor. In addition, the City Council should ensure payroll checks are issued after the end of each pay period and are included in the disbursement listing approved by the City Council.

D. Petty Cash – The City has established a \$20.00 petty cash fund. During our review of disbursements from the City's bank account, we identified checks which were for the established amount of the petty cash fund. The checks were not supported by receipts or other appropriate documentation.

Recommendation – The City's petty cash fund should be kept on an imprest basis. All disbursements should be supported by a receipt or other appropriate documentation. The documentation should be used to support the check which is used to replenish the petty cash fund to the \$20.00 established level. Checks should not be issued for \$20.00 to replenish the petty cash fund unless the petty cash fund has been completely depleted and appropriate documentation is available to support the replenishment.

E. City Council Meeting Minutes – Chapter 21 of the *Code of Iowa* requires minutes be kept of all meetings of governmental bodies. During our review of City Council meeting minutes, we determined:

- Not all disbursements were presented to the City Council for approval.
- The financial reports prepared by the City Clerk were not maintained with the minutes.

Recommendation – The City Council should ensure all City obligations are presented to the City Council for approval prior to payment and financial reports the City Clerk presents to the City Council are maintained with the related minutes. The City Council should ensure all minutes, including bill listings to be approved by the City Council, are maintained at City Hall and an official copy is kept in the book of City Council meeting minutes.

## **Exhibits**

**Report on Special Investigation of the  
City of Defiance**

Report on Special Investigation of the  
City of Defiance

Summary of Findings  
For the Period March 12, 2013 through April 30, 2015

<b>Description</b>	<b>Exhibit/Table/ Page Number</b>	<b>Improper</b>	<b>Unsupported</b>	<b>Total</b>
Improper and unsupported disbursements:				
Cash withdrawals and related fees	<b>Table 1</b>	\$ 1,681.00	-	1,681.00
Verizon Wireless	<b>Table 2</b>	2,707.96	-	2,707.96
MidAmerican Energy	<b>Table 3</b>	2,123.38	-	2,123.38
Payments to other vendors	<b>Exhibit B</b>	1,245.34	7.27	1,252.61
Checks to Kristen Wagner:				
Excess payroll costs	<b>Table 4</b>	87.75	-	87.75
Non-payroll checks	<b>Table 5</b>	1,143.17	-	1,143.17
IRS penalties and interest	<b>Page 13</b>	1,527.47	-	1,527.47
IPERS late fees and interest	<b>Page 13</b>	230.44	-	230.44
Petty cash	<b>Page 14</b>	75.00	-	75.00
Total		\$ 10,821.51	7.27	10,828.78

**Report on Special Investigation of the  
City of Defiance**

Report on Special Investigation of the  
City of Defiance

Selected Electronic Purchases  
For the period March 12, 2013 through April 30, 2015

**Per Bank Statement**

<b>Bank Date</b>	<b>Description</b>	<b>Amount</b>	<b>Improper</b>	<b>Unsupported</b>
08/01/14	U.S Bank ATM Set POS TRNX RANCO COUNDEFIA IA	\$ 30.00	30.00	-
08/27/14	U.S Bank ATM Set POS TRNX RANCO COUNDEFIA IA	53.60	53.60	-
08/27/14	U.S Bank ATM Set POS TRNX WM SUPERC DENIS IA	91.27	91.27	-
09/02/14	U.S Bank ATM Set POS TRNX HY VEE 124 HARLA IA	56.40	56.40	-
09/10/14	U.S Bank ATM Set POS TRNX RANCO COUNDEFIA IA	28.21	28.21	-
09/11/14	U.S Bank ATM Set POS TRNX JONESYS TACOUNC IA	17.23	17.23	-
09/11/14	U.S Bank ATM Set POS TRNX CASEYS GENCOUNC IA	30.00	30.00	-
10/02/14	U.S Bank ATM Set POS TRNX 0682 ShopkHarla IA	7.27	-	7.27
12/09/14	U.S Bank ATM Set POS TRNX RANCO COUNDEFIA IA	19.50	19.50	-
12/09/14	U.S Bank ATM Set POS TRNX HY VEE 124 HARLA IA	116.39	116.39	-
12/10/14	U.S Bank ATM Set POS TRNX RANCO COUNDEFIA IA	25.25	25.25	-
12/10/14	U.S Bank ATM Set POS TRNX SHELL OIL HARLA IA	30.00	30.00	-
12/11/14	U.S Bank ATM Set POS TRNX RANCO COUNDEFIA IA	17.60	17.60	-
12/15/14	U.S Bank ATM Set POS TRNX SEARS.COM 800-3 IA	235.37	235.37	-
12/22/14	U.S Bank ATM Set POS TRNX RANCO COUNDEFIA IA	8.08	8.08	-
01/27/15	U.S Bank ATM Set POS TRNX Wal-Mart SDENIS IA	187.90	187.90	-
03/02/15	U.S Bank ATM Set POS TRNX WIRELESSWODENIX IA	104.71	104.71	-
03/26/15	U.S Bank ATM Set POS TRNX IWD EMP 678-7 TN	3.95	3.95	-
03/26/15	U.S Bank ATM Set POS TRNX IWD EMP 888-8 IA	70.00	70.00	-
04/07/15	U.S Bank ATM Set POS TRNX GAMESTOP #COUNC IA	42.79	42.79	-
04/08/15	U.S Bank ATM Set POS TRNX RANCO COUNDEFIA IA	35.00	35.00	-
04/10/15	U.S Bank ATM Set POS TRNX TASTE OF CCOUNC IA	42.09	42.09	-
Total		<u>\$ 1,252.61</u>	<u>1,245.34</u>	<u>7.27</u>

**Exhibit C**

Report on Special Investigation of the  
City of Defiance

Selected Checks to Kristen Wagner  
For the period March 12, 2013 through April 30, 2015

<b>Per Timesheets</b>			<b>Per Check Image from Bank</b>		
<b>Pay Period<sup>^</sup></b>	<b>Number of Hours Recorded</b>	<b>Net Amount</b>	<b>Check Date</b>	<b>Check Number</b>	<b>Amount</b>
03/12/13-03/23/13	##	##	04/02/13	15433	\$280.74
03/24/13-04/06/13	##	##	04/10/13	15505	348.74
04/07/13-04/20/13	##	##	04/25/13	15515	291.74
04/21/13-05/04/13	##	##	05/09/13	15551	242.10
05/05/13-05/18/13	##	##	05/23/13	15555	291.96
05/19/13-06/01/13	##	##	06/05/13	15573	254.95
06/02/13-06/15/13	##	##	06/20/13	15575	232.72
06/13/13-06/29/13	##	##	07/02/13	15588	245.88
06/30/13-07/13/13	##	##	07/16/13	15593	259.06
07/14/13-07/27/13	##	##	07/31/13	15613	250.84
07/28/13-08/10/13	##	##	08/15/13	15638	254.95
08/11/13-08/24/13	##	##	08/28/13	15641	192.89
08/25/13-09/07/13	##	##	09/11/13	15654	321.09
09/08/13-09/21/13	##	##	09/25/13	15659	316.69
09/22/13-10/05/13	##	##	10/10/13	15669	302.99
10/06/13-10/19/13	##	##	10/22/13	15673	283.18
10/20/13-11/02/13	##	##	11/06/13	15690	303.70
11/03/13-11/16/13	##	##	11/21/13	15692	287.28
11/17/13-11/30/13	##	##	12/05/13	15713	287.28
12/01/13-12/14/13	##	##	12/18/13	15717	291.39
12/15/13-12/28/13	##	##	-	-	-
12/29/13-01/12/14	35.00	\$284.27	01/02/14	15721	284.27 **
01/13/14-01/26/14	34.00	290.00	01/02/14	15722	290.00 **
01/27/14-02/09/14	31.50	271.39	01/29/14	15744	271.39 **
02/10/14-02/23/14	35.00	300.18	02/11/14	15756	300.18 **
02/24/14-03/09/14	33.00	283.74	02/26/14	15758	283.74 **
03/10/14-03/23/14	31.00	267.28	03/12/14	15772	267.28 **
03/24/14-04/06/14	32.50	279.62	04/10/14	15785	279.62
04/07/14-04/20/14	31.50	270.86	04/24/14	15788	270.86
04/21/14-05/04/14	22.00	187.28	05/08/14	15811	187.28
05/05/14-05/18/14	33.00	283.18	05/21/14	15813	283.18
05/19/14-06/01/14	33.50	287.28	06/04/14	15829	287.28
06/02/14-06/15/14	31.75	272.51	06/19/14	15836	272.51



Report on Special Investigation of the  
City of Defiance

Selected Checks to Kristen Wagner  
For the period March 12, 2013 through April 30, 2015

Per Timesheets			Per Check Image from Bank		
Pay Period <sup>^</sup>	Number of Hours Recorded	Net Amount	Check Date	Check Number	Amount
06/16/14-06/29/14	32.50	279.07	07/02/14	15848	279.07
06/30/14-07/13/14	33.50	287.28	07/10/14	15852	287.28 **
07/14/14-07/27/14	14.50	121.50	07/22/14	15854	121.50 **
07/28/14-08/10/14	39.00	336.52	08/14/14	15879	336.52
08/11/14-08/24/14	32.50	279.07	08/28/14	15881	279.07
08/25/14-09/07/14	32.50	280.30	09/11/14	15895	280.30
09/08/14-09/21/14	27.00	229.82	09/25/14	15898	229.82
09/22/14-10/05/14	32.50	280.80	10/09/14	15913	280.80
10/06/14-10/19/14	32.50	279.07	10/23/14	15918	279.07
10/20/14-11/02/14	32.50	279.07	11/06/14	15935	279.07
11/03/14-11/16/14	32.00	274.97	11/19/14	15939	274.97
11/17/14-11/30/14	32.50	280.00	11/19/14	15940	280.00 **
12/01/14-12/14/14	32.00	274.97	12/18/14	15960	274.97
12/15/14-12/28/14	-	-	-	-	-
12/28/14-01/10/15	31.50	270.86	12/31/14	15962	270.86 **
01/11/15-01/24/15	31.75	272.36	01/15/15	15981	272.36 **
01/25/15-02/07/15	28.00	238.04	01/29/15	15983	238.04 **
02/08/15-02/21/15	32.50	277.02	02/12/15	15995	277.02 **
02/22/15-03/07/15	32.00	275.52	02/26/15	15997	275.52 **
03/08/15-03/21/15	28.50	242.14	03/12/15	16004	242.14 **
03/22/15-04/04/15	32.25	277.02	03/26/15	16010	277.02 **
04/05/15-04/18/15	26.00	222.05	04/07/15	16024	222.05 **
04/19/15-05/02/15	34.25	294.63	04/22/15	16030	294.63 **

<sup>^</sup> - Dates shown for the pay periods when a timesheet was available were taken from the timesheets. However, the timesheet for the pay period ended 01/12/14 did not include 12/31/13. As a result, the end of the pay period should have been 01/11/14. The dates of subsequent timesheets were also off by 1 day until the timesheet for the pay period ended 01/10/15. As illustrated above, 2 timesheets included the date 12/28/14 which corrected the error.

<sup>##</sup> - Timesheets were not available prior to December 29, 2013. Therefore, we used calendars to determine pay period dates prior to December 29, 2013.

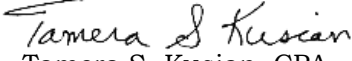
<sup>\*\*</sup> - Check was issued prior to the end of the pay period.

Report on Special Investigation of the  
City of Defiance

Staff

This special investigation was performed by:

Annette K. Campbell, CPA, Director  
Melissa J. Knoll-Speer, Senior Auditor II

  
Tamera S. Kusan, CPA  
Deputy Auditor of State

Report on Special Investigation of the  
City of Defiance

Copy of Receipt for Purchase from Wal-Mart

ST# 1732 OP# 00000031 TE# 03 TR# 08553	KPT SINGLES 002100061526SF	3.98 H
COKE 004900000045SF	GV SHRP SHRD 007874209945SF	2.48 H
IA DEPOSIT 007874237025SF	GV SHRP SHRD 007874209945SF	2.48 H
MT DEW 001200000849SF	KRFT JAL STR 002100004472SF	3.98 H
IA DEPOSIT 007874233412SF	8 OZ HNY HAM 004470007057SF	2.50 H
COKE 004900002469SF	OM BN SZ MT 004470000004SF	2.50 H
IA DEPOSIT 007874233412SF	HMLREVCNCLB 003760020770SF	1.50 H
MT DEW 001200000849SF	STRIP FST CT 022484200000SF	10.09 H
IA DEPOSIT 007874233412SF	BNLS BRST 020549600000SF	9.07 H
NPL WTR 28PK 006827473529SF	BF BACKRIBS 022847700000SF	10.87 H
COKE 004900002469SF	RED BELL 000000004088KF	1.38 HD
IA DEPOSIT 007874233412SF	BELL PEPPER 000000004065KF	0.78 HD
BLUE BUNNY 007064001159SF	FLOUR TORT 007373100401SF	2.08 H
MCCORMICK 005210002121SF	BELL PEPPERS 062607404002SF	3.88 HD
POP TARTS 003800050371SF	POTATOES 003338353032SF	4.47 HD
VEL SHEL CHS 002100065893SF	LAYS 002840016020SF	2.50 HD
RANCH DRESNG 002100064361SF	DORITS 002840015636SF	2.50 HD
MAC CHEESE 002100065883SF	REVHMTKYCHSE 003760016856SF	1.50 H
MAC CHEESE 002100065883SF	MUSHROOMS 003710217010SF	2.58 HD
WAS 4.38 YOU SAVED 0.66	VAL CKIE 070897192250SF	2.98 H
LOL 1 MILK 003450062214SF	GV ST WHITE 007874222914SF	1.68 H
POST PEBBLES 088491200246SF	SUBTOTAL	186.57
CAPN CRUNCH 003000006211SF	SALES TAX 1	1.33
GV CRIG 24CT 007874205594SF	TOTAL	187.90
YOY CONES 007209242412SF	DEBIT TEND	187.90
HEEZ IT 002410044068SF	CHANGE DUE	0.00
QKR CHW RSCC 003000031132SF	EFT DEBIT	PAY FROM PRIMARY
RAR FRIED RC 001530043048SF	187.90 TOTAL PURCHASE	
DILL SPEARS 005410000060SF	ACCOUNT #	**** * 0871 S
GV FLOUR AP 007874237006SF	EXPIRATION DATE	1510
0-78742-0386 007874203868SF	REF #	502600392036
CORN DOGS 001590014054SF	NETWORK ID.	0056 APPR CODE 922839
HASHBROWNS 007594740155SF	TERMINAL #	MX324985
DIP 003450064138SF	01/26/15	13:58:30
WAS 2.28 YOU SAVED 0.04		
RAMEN-BEEF12 004178900232SF		
PZA CRST MIX 001600030200SF	TC# 1584 4173 7040 3705 2516 6	
OATML CREME 002430004101SF	01/26/15	13:58:40
PZA CRST MIX 001600030200SF		
T BL PEPPER 004135153141SF		
SLICE MSHRM 007874237193SF		
SLICE MSHRM 007874237193SF		
GV GRN BEANS 007874236945SF		
CRM OF CHKN 005100001031SF		
GV NAT SR CM 007874211908SF		
GV GRN BEANS 007874236945SF		
CRM OF CHKN 005100001031SF		
PORK BEANS 005200001122SF		
CRM OF MSHRM 005100001261SF		
DOLE CRUSH 003890000619SF		
MUFFINS 002430004441SF		
LNCM HM LNCH 004660003427SF		
LNCM TKY LNC 004660003428SF		
LNCM TKY LNC 004660003428SF		
LNCM HM LNCH 004660003427SF		
CHKN BISCUIT 004400003049SF		
GV MOZZARELL 007874237425SF		
AMILY SIZE 004400003338SF		
REAT VALUE 007874208257SF		