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NEWS RELEASE

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FOR RELEASE

June 28, 2019

Auditor of State Rob Sand today released a report on a special investigation of the City of Mondamin for the period April 1, 2015 through March 31, 2018. The special investigation was requested by City officials as a result of concerns regarding certain financial transactions processed by the former City Clerk, Deborah Earleywine.

Sand reported the special investigation identified \$70,168.37 of improper disbursements, \$805.09 of unsupported disbursements, and \$19,938.14 of undeposited collections. The \$70,163.37 of improper disbursements identified includes \$14,183.86 of unauthorized payroll costs and \$285.00 of other payments issued to Ms. Earleywine. The improper disbursements identified also includes \$3,323.16 of personal purchases made with the City's credit card and \$6,696.51 of payments to vendors for personal purchases. Sand also reported the improper disbursements identified includes \$25,214.33 issued to the Mondamin Public Library and \$19,922.97 issued to the Mondamin Fire-Rescue Inc. from the City's funds.

The \$805.09 of unsupported disbursements identified includes \$249.36 of purchases made with checks issued from the City's checking account and \$555.73 of purchases made with the City's credit card. Because the purchases were not supported by sufficient documentation to determine the type and quantity of items purchased, it could not be determined if the purchases were for City operations or personal in nature.

Sand also reported \$19,652.07 of the undeposited utility collections was identified by comparing utility collections recorded in the City's accounting system to amounts deposited to the City's bank accounts between April 1, 2015 and March 31, 2018. The remaining undeposited utility collections identified are composed of \$286.07 of unbilled utility collections. Sand also reported it was not possible to determine if additional amounts were improperly disbursed or if additional collections were not properly deposited because adequate documentation was not available.

In addition, Sand reported City officials did not implement policies or procedures to address the recommendations included in an audit report issued by the Office of Auditor of State on July 27, 2016 for the period ended June 30, 2015. The report included recommendations to segregate duties; reconcile utility billings and collections, and ensure utility rates are charged in accordance

with established ordinances. As a result of not implementing recommendations from the report, the City overbilled residents an estimated \$83,040.00 for utility services and did not identify concerns in a timely manner.

Sand recommended City officials implement procedures to ensure the City's internal controls are strengthened, including segregating duties, reviewing payroll records, performing utility reconciliations, performing independent review of bank statements, and ensuring all disbursements are properly supported, approved, and paid in a timely manner.

Copies of the report have been filed with the Harrison County Sheriff's Office, the Iowa Division of Criminal Investigation, the Harrison County Attorney's Office, and the Iowa Attorney General's Office. A copy of the report is available on the Auditor of State's web site at <https://auditor.iowa.gov/reports/audit-reports/>.

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**REPORT ON SPECIAL INVESTIGATION
OF THE
CITY OF MONDAMIN

FOR THE PERIOD
APRIL 1, 2015 THROUGH MARCH 31, 2018**

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Auditor of State's Report

To the Honorable Mayor and
Members of the City Council:

As a result of alleged improprieties regarding certain financial transactions processed by the former City Clerk and at your request, we conducted a special investigation of the City of Mondamin. We have applied certain tests and procedures to selected financial transactions of the City for the period April 1, 2015 through March 31, 2018. 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 whether adequate policies and procedures were in place and operating effectively.
- (2) Reviewed activity in the City's bank accounts to identify any unusual activity.
- (3) Examined certain deposits to the City's bank accounts to determine the source, purpose, and propriety of each deposit.
- (4) Compared collections recorded in the City's utility accounting system to bank deposits to determine if all collections were properly deposited.
- (5) Scanned images of redeemed checks issued from the City's bank accounts for reasonableness. We examined supporting documentation for selected disbursements to determine if they were properly approved, supported by adequate documentation, and appropriate for the City's operations.
- (6) Examined information obtained directly from vendors for certain disbursements to determine if purchases were appropriate for City operations.
- (7) Obtained and reviewed the City's credit card statements to determine if purchases were appropriate for City operations, properly approved, and supported by adequate documentation. We also reviewed the payments posted to the City's credit card account to determine if the payments were issued from the City's bank account.
- (8) Examined payroll disbursements and reimbursements to the former City Clerk, Deborah Earleywine, to determine the propriety of the payments.
- (9) Interviewed City officials and personnel to determine the purpose of certain disbursements to vendors and reimbursements to employees.
- (10) Confirmed payments to the City by the State of Iowa to determine if they were properly deposited to the City's bank accounts in a timely manner.
- (11) Reviewed available City Council meeting minutes to identify significant actions and to determine if certain payments were properly approved.

These procedures identified \$70,168.37 of improper disbursements, \$805.09 of unsupported disbursements, and \$19,938.14 of undeposited collections. We were unable to determine if additional amounts were improperly disbursed or if additional collections were not properly deposited because adequate documentation was not available. In addition, the City overbilled residents an estimated \$83,040.00 for utility services because incorrect rates were entered into the City's utility billing system. Several internal control weaknesses were also identified. Our detailed findings and recommendations are presented in the Investigative Summary and **Exhibits A** through **E** 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 Mondamin, other matters might have come to our attention that would have been reported to you.

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

We would like to acknowledge the assistance extended to us by officials and personnel of the City of Mondamin during the course of our investigation.



Rob Sand
Auditor of State

June 2, 2019

City of Mondamin
Investigative Summary

Background Information

The City of Mondamin (City) is located in Harrison County and has a population of approximately 400. The City employs a City Clerk who is responsible for the business operations of the City. The City also employs a full-time Public Works Supervisor who is responsible for reading water meters, making repairs to the water/sewer system, mowing, trimming, and removing snow. The City also hires part-time staff as needed for the City Library and Community Center.

Deborah Earleywine was employed as the City Clerk from April 17, 2015 until March 8, 2018. As the City Clerk, Ms. Earleywine was responsible for the following functions:

- Receipts – collecting receipts, posting all collections to the accounting records, and preparing and making bank deposits;
- Disbursements – making certain purchases, receiving certain goods and services, presenting proposed disbursements to the City Council for approval, maintaining supporting documentation, preparing, signing, and distributing checks, and posting to the accounting records;
- Payroll – calculating payroll amounts, preparing, signing, and distributing checks, posting payments to the accounting records, and filing required payroll reports;
- Utility billings – preparing and mailing billings, receipting and depositing collections, posting collections to customer accounts and accounting records, and preparing and making bank deposits;
- Bank accounts – receiving and reconciling monthly bank statements to accounting records; and
- Reporting – preparing City Council meeting minutes and financial reports, including monthly City Clerk reports and the Annual Financial Reports.

According to City officials, Ms. Earleywine's typical hours were from 2:30 p.m. to 6:30 p.m. Monday through Friday. According to the Mayor, Ms. Earleywine was hired as a part-time employee and expected to work a maximum of 80 hours during a 2 week pay period for her first six months of employment and then a maximum of 50 hours per pay period starting in October 2015. As part of her job duties, she was to attend all City Council meetings. According to the City officials, the 50 hour maximum per pay period included time she spent at meetings. City officials we spoke with also stated Ms. Earleywine was not eligible for paid vacation or sick leave as a part-time employee.

According to City officials, Ms. Earleywine was eligible for reimbursements for items purchased on the City's behalf and for expenses related to training. However, because she had access to the City's checkbook and a City credit card as the City Clerk, she should not have had a need to make purchases for the City with her personal funds.

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 Harrison County and remitted to the City. The City receives payments from the State and County electronically. Revenue is also received from customers for water, sewer, and garbage services. Utility payments and other payments are collected through the mail, in person, at the bank, or in the collection box at Jiffy Mart. Ms. Earleywine did not consistently prepare receipts for collections or record the collections on an initial receipts listing. According to the Mayor, Ms. Earleywine did not prepare utility reconciliations and the City Council did not request the information.

According to the Public Works Supervisor, he records utility meter readings and provides the information to the City Clerk. The current City Clerk reported she records the readings in the utility system which calculates the water and sewer billings based on the amount of usage for the month and the rates entered into the software program. Charges for garbage services are a flat fee. Once the bills are calculated, they are printed and mailed by the City Clerk. The rates charged by the City for water, sewer, and garbage are established by City ordinance.

All City disbursements, including payroll, are made by check or using one of the City's credit cards assigned to the City Clerk, Public Works Supervisor, or Librarian. 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 prepares and signs the checks. According to the Mayor, all bills and credit card statements should be mailed to City Hall.

Monthly credit card statements are received by the City Clerk which lists the purchases made with the City's individual credit cards. Credit card purchases are to be supported by receipts, invoices, or other documentation and included in the monthly bill listing for City Council approval.

The City established a checking account and 5 savings accounts. Checks are issued from the checking account for all City operations. Funds are transferred from the savings accounts as needed. The 5 savings accounts include the Community Betterment, Senior Housing, City Beautification, Road Use Tax (RUT), and the Avenue of Flags accounts.

The monthly bank statements for the City's bank accounts are mailed directly to City Hall and are opened by the City Clerk. According to the Mayor, the monthly statements and images of redeemed checks were not reviewed by the Mayor or members of the City Council while Ms. Earleywine was the City Clerk. The Mayor also stated Ms. Earleywine did not prepare bank reconciliations and the City Council did not request bank reconciliations.

According to the Mayor, he was in City Hall in late February 2018 and noticed a paystub on Ms. Earleywine's desk showing she recorded over 80 hours for the pay period. The Mayor stated Ms. Earleywine had been instructed to use a time clock and punch in and out during the day. However, Ms. Earleywine did not use the timeclock. As previously stated, the Council had authorized a maximum of 50 hours per pay period for Ms. Earleywine, after the first 6 months of her employment were completed in October 2015.

After the Mayor noticed the paystub, he began scanning other documents in City Hall, including the monthly credit card statements. While scanning the credit card statements he noticed charges for purchases at Foodland, a vendor he considered personal in nature.

According to the Mayor, he called Ms. Earleywine on March 1, 2018 to discuss the credit card charges from Foodland. As a result of the discussion, the Mayor cancelled the credit card and contacted the City's attorney and the Harrison County Sheriff's Office. On March 2, 2018, Ms. Earleywine was escorted from City Hall by the Mayor and a Harrison County Sheriff's deputy.

The Mayor stated he received text messages from Ms. Earleywine on March 7, 2018 indicating she was having financial issues as a result of medical bills and was in the process of liquidating assets. She also stated in the text she "planned to pay back everything." Copies of the text messages are included in **Appendix 1**. The Mayor responded to the text messages that he "hoped to call a special [City Council] meeting yet this week." During a special City Council meeting held on March 8, 2018, the City Council terminated Ms. Earleywine's employment.

As a result of the concerns identified, the Mayor requested the Office of Auditor of State review the City's financial records. We performed the procedures detailed in the Auditor of State's Report for the period April 1, 2015 through March 31, 2018.

Detailed Findings

The procedures performed identified \$70,168.37 of improper disbursements, \$805.09 of unsupported disbursements, and \$19,938.14 of undeposited collections. The \$70,168.37 of improper disbursements identified includes:

- \$14,183.86 of improper payroll costs,
- \$285.00 if additional checks issued to Ms. Earleywine,
- \$51,833.81 of disbursements to individuals and vendors from the City's checking account, and
- \$3,323.16 of improper purchases made with the City's credit card.

The \$805.09 of unsupported disbursements identified includes \$555.73 of purchases made with the City's credit card and \$249.36 of issued from the City's checking account. Because the purchases were not supported by sufficient documentation to determine the type and quantity of items purchased, it could not be determined if the purchases were for City operations or personal in nature.

We identified \$19,652.07 of the undeposited collections by comparing collections recorded in the City's accounting system to the amounts deposited in the City's bank accounts between April 1, 2015 and March 31, 2018. The remaining \$286.07 of undeposited collections identified was composed of certain adjustments recorded in the City's utility accounting system. There were no explanations for the adjustments and they were not approved by the City Council.

In addition, we determined the City overbilled residents an estimated \$83,040.00 for utility services because incorrect utility rates were entered into the City's utility billing system. Because adequate documentation was not available for all transactions, it was not possible to determine if additional amounts were improperly disbursed or if additional collections were not properly deposited. All findings are summarized in **Exhibit A** and a detailed explanation of each finding follows.

Using a phone number provided by City officials, we attempted to contact Ms. Earleywine at the completion of our testing. However, the phone number no longer belonged to her. We also contacted representatives of the County Sheriff's Office and the County Attorney's Office for current contact information; however, none was available. As a result, we were unable to contact Ms. Earleywine to obtain an understanding of certain disbursements she initiated from the City's bank account and purchases made with the City's credit card.

IMPROPER AND UNSUPPORTED DISBURSEMENTS

As previously stated, the City established 6 bank accounts, including a checking account used for City operations and separate savings accounts for the Community Betterment, Senior Housing, City Beautification, Road Use Tax, and Avenue of the Flags. Disbursements from the savings accounts are transfers to the City's checking account.

Also as previously stated, all City disbursements are to be made by check or with the City credit cards assigned to the City Clerk, Public Works Supervisor, or Librarian. We reviewed all disbursements and redeemed checks from the City's bank accounts and all charges to the City credit cards held by the former City Clerk, Public Works Supervisor, and Librarian for the period April 1, 2015 through March 31, 2018.

Using the available supporting documentation; information obtained from selected vendors; internet searches; the vendor, frequency and amount of the payments; discussions with City officials; and approved disbursement listings, we classified payments as improper, unsupported, or reasonable.

Disbursements were classified as improper if they were personal in nature or not necessary or reasonable for operations of the City. Disbursements were classified as unsupported if appropriate documentation was not available or it was not possible to determine if the disbursement was related to City operations or was personal in nature. Other disbursements were classified as reasonable based on the vendor, frequency, and amount of the disbursements, and discussions with City Officials and the current City Clerk if sufficient supporting documentation was not available.

Payments to Ms. Earleywine

Ms. Earleywine was to be paid bi-weekly based on the number of hours she worked and at an hourly rate approved by the City Council. As previously stated, Ms. Earleywine was to attend all City Council meetings and was to receive her hourly wage for the meetings. Ms. Earleywine was also eligible for reimbursements for items she purchased on the City's behalf and for expenses related to training. As part of her duties, Ms. Earleywine prepared the payroll and signed all checks.

Unauthorized Payroll Costs - As previously stated, Ms. Earleywine was authorized to work a maximum of 80 hours during each 2 week per pay period for the first 6 months of her employment with the City and up to 50 hours per pay period beginning in October 2015. Ms. Earleywine was to complete a timesheet or use the time clock to record the hours she worked each day. According to notes provided by a Council member, the Mayor instructed Ms. Earleywine on February 22, 2018 to use the time clock to record her hours.

In order to determine if Ms. Earleywine prepared payroll disbursements for herself based on hours in excess of the maximum she was authorized, we compared the hours reported in the payroll journal to her authorized hours per pay period or the hours reported on her available timesheets and timecards. City officials located 25 time sheets prepared on electronic spreadsheets which included the period April 18, 2015 through April 1, 2016 and 14 timecards from April 29, 2016 through October 5, 2016. City officials could not locate any timesheets or timecards for April 2, 2016 through April 28, 2016 and October 5, 2016 through February 2018. The timesheets and timecards available did not include any evidence they had been reviewed and approved by the Mayor or a member of the City Council.

When we compared the timesheets and timecards available to the information recorded in the City's payroll journal, we identified a limited number of differences in the number of hours recorded by Ms. Earleywine. The differences were typically limited to 0.3 hours or less per pay period and were not included in our analysis.

Because the payroll disbursements Ms. Earleywine issued to herself were calculated using the information recorded in the payroll journal, we compared the number of hours recorded in the payroll journal for each pay period to the maximum number of hours per pay period authorized by the City Council. This comparison is included in **Exhibit B**. As shown by the **Exhibit**, we identified 62 disbursements which included 1,139.98 hours in excess of Ms. Earleywine's authorized hours which resulted in an overpayment of \$12,166.63.

Check number 17785 dated May 16, 2017 was marked as VOID in the payroll journal. However, \$750.32 was electronically deposited in Ms. Earleywine's personal bank account from the City's checking account on May 16, 2017. The description included on Ms. Earleywine's bank statement was "Payroll CITY Of MONDAMIN." We compared the gross pay amount reported to IPERS for the month of May 2017 to the checks issued in the payroll journal. Based on the IPERS report, Ms. Earleywine reported \$880.00 more gross pay to IPERS than was recorded in the payroll journal. Based on the amount reported to IPERS, check number 17785 was issued for 80 hours based on her \$11.00 authorized hourly rate. We were unable to determine why check number 17785 was voided in the payroll journal. It is possible Ms. Earleywine did not work for any of the 80 hours which was voided. It is also possible the transaction was accidentally voided in the payroll system. Because we are unable to determine if Ms. Earleywine worked during the pay period, we compared the 80 hours she was paid for to the 50 hour maximum authorized by the City Council and limited

the excess hours to 30 hours instead of the full 80 hours that were voided in the payroll journal. As illustrated by **Exhibit B**, we identified 30 hours of unauthorized pay for the pay period.

We also identified an electronic deposit to Ms. Earleywine's personal bank account on October 31, 2017 for \$700.95 which was not recorded in the payroll journal. The description included on Ms. Earleywine's bank statement for this deposit was "Payroll CITY OF MONDAMIN." We compared the gross pay amount reported to IPERS for the month of October 2017 to the checks issued in the payroll journal. Based on the IPERS report, Ms. Earleywine reported \$825.13 more gross pay to IPERS than was recorded in the payroll journal. Based on the amount reported to IPERS, the electronic deposit was issued for 71.7 hours based on her \$11.50 authorized hourly rate. We were unable to determine why the amount was not entered in the payroll journal. It is possible Ms. Earleywine did not work for any of the 71.7 hours. It is also possible the Ms. Earleywine forgot to enter the information in the payroll system. Because we are unable to determine if Ms. Earleywine worked during the pay period, we compared the 71.7 hours she was paid for to the 50 hour maximum authorized by the City Council and limited the excess hours to 21.7 hours instead of the full 71.7 hours that was not included in the payroll journal. As illustrated by **Exhibit B**, we identified 21.7 hours of unauthorized pay for the pay period.

Because unauthorized hours were recorded in the payroll journal, the City paid additional FICA and IPERS on the improper payroll. As illustrated by **Exhibit B**, the City paid \$930.75 for the employer's share of FICA and \$1,086.48 for the employer's share of IPERS for the unauthorized hours Ms. Earleywine included in her payroll checks.

The \$14,183.86 of unauthorized payroll costs listed in **Exhibit B** are included in **Exhibit A** as improper disbursements.

In addition, we identified 2 payroll amounts electronically deposited to Ms. Earleywine's personal bank account which exceed the net pay recorded included in the payroll journal. **Table 1** lists the 2 instances identified.

Table 1			
Pay Date	Amount Deposited	Net Pay per Payroll Journal	Additional Net Pay
10/05/16	\$ 682.28	597.28	85.00
12/26/17	940.17	740.17	200.00
Total	<u>\$1,622.45</u>	<u>1,337.45</u>	<u>285.00</u>

The additional net pay included with her payroll checks and the electronic deposit which was made to look like a payroll check were not included in the amounts reported to IPERS for Ms. Earleywine. As a result, the City did not pay any additional IPERS on the additional unauthorized amounts. In addition, because these excess amounts were not recorded in the payroll journal, it is unlikely the City paid an additional amount of FICA for the unauthorized amounts.

The \$285.00 total from **Table 1** is included in **Exhibit A** as improper disbursements.

According to City officials, Ms. Earleywine was entitled to be paid for the period February 17, 2018 through March 7, 2018, which was the date she was placed on leave. However, City officials could not locate any documentation of the hours Ms. Earleywine worked during this period. As a result, they did not issue a final paycheck to her. Because we are unable to determine the authorized amount Ms. Earleywine should have been paid for this pay period, the amount owed to her, if any, is not included in **Exhibit A**.

Ms. Earleywine also received 6 reimbursement checks totaling \$591.54 during the period of our investigation. The 6 reimbursements were not supported by documentation. The notations on the

memo line of the checks included “postage”, “mileage to Des Moines for IA League of Cities”, and the “reimbursement for payment to Dewalt.” Based on discussion with City officials, it was appropriate for the City to reimburse Ms. Earleywine for training expenses, postage, and the purchase of a tool from Dewalt using her personal Amazon account. As a result, we did not include the reimbursements identified in **Exhibit A**.

Improper and Unsupported Credit Card Charges

As previously stated, the City Clerk, Public Works Supervisor, and Librarian were provided a City credit card to use to order office supplies and other items necessary for the operations of the City. City employees are required to provide copies of receipts or other documentation for the charges made on the credit cards. When the statements were received, the documentation was to be matched to the charge on the credit card. The monthly credit card statements and the receipts or other documentation supporting the purchases made on the credit cards were to be maintained in City Hall.

We requested the credit card statements for all City credit cards; however, City officials could not locate all the statements for each of the credit cards issued to the City. As a result, we obtained copies of the statements from the credit card company. We reviewed the activity on each of the City’s credit cards between April 1, 2015 and March 31, 2018 to determine if the purchases were necessary and reasonable for City operations or personal in nature.

Purchases were considered improper if the type of item or the quantity purchased appeared to be personal in nature or was not reasonable for City operations. When specific purchase information from the vendor was not available, charges which appeared consistent with City operations, based on the vendor and/or the amount of the charge, were classified as reasonable. Purchases from vendors which could be for City or for personal use were classified as unsupported. In some cases, a portion of the charge included purchases which were reasonable for City operations.

Based on the vendor, supporting documentation, and discussions with City officials, we did not identify any concerns for purchases made with the credit cards held by the Public Works Supervisor and Librarian. However, for the credit card held by Ms. Earleywine, we identified 106 charges which were improper or unsupported. These charges are listed in **Exhibit C**. **Table 2** summarizes the charges by category.

Table 2		
Category	Improper	Unsupported
Grocery store	\$ 1,284.28	-
Retail store	725.62	-
Interest/late fees	306.27	-
Office supplies	-	555.73
Sales Tax	243.80	-
Restaurant	236.19	-
Convenience store	87.17	-
Other	125.45	-
Total	\$ 3,008.78	555.73

City officials were able to locate support for many of the charges made by Ms. Earleywine. However, there was no support for the purchases from the grocery stores. As a result, City officials contacted the vendors to request information directly from the vendors to determine if the items purchased were reasonable for City operations or personal in nature. The categories listed in **Table 2** are discussed in the following paragraphs.

Grocery stores – We identified 24 charges totaling \$1,101.50 from Foodland and 3 charges totaling \$182.78 from HyVee in Omaha, NE and 1 purchase totaling \$21.24 from a HyVee Drugstore in Des Moines.

Of the 24 purchases at Foodland, Foodland was able to provide support for 9 of the purchases. As shown in **Exhibit D**, each of the 9 purchases included alcohol. The purchases also included Diet Coke, lemons, limes, cat food, and various grocery items. Copies of 4 of the receipts obtained from Foodland are included in **Appendix 2**. As illustrated by the **Appendix**, each of the receipts was signed by Ms. Earleywine.

According to the Mayor, the City did not provide food, pop, or alcohol at any City functions and the items purchased from Foodland were not authorized. Based on the support obtained from Foodland and the Mayor's statement, the \$1,105.50 of purchases from Foodland is included in **Exhibit C** as improper.

City officials were unable to locate documentation for the purchases at the HyVee in Omaha and the purchase at the HyVee Drugstore in Des Moines. According to the Mayor, there would be no reason for purchases at either of these stores. As a result, the 4 purchases totaling \$204.02 are included in **Exhibit C** as improper.

Retail stores - We identified 13 purchases totaling \$725.62 at retail stores such as Walmart, Shopko, and Target. Based on the documentation located and obtained by City officials for Walmart and ShopKo, the purchases included prescription medications, over the counter medication, candles, and alcohol. Because these items are personal in nature, the \$752.62 is included in **Exhibit C** as improper.

Interest/late fees – As the City Clerk, Ms. Earleywine was responsible to ensure bills were paid timely to avoid interest and late fees. Because Ms. Earleywine did not pay the credit card bill on time, the City incurred interest and late fees totaling \$306.27. Because Ms. Earleywine did not pay the bills in a timely manner the \$306.27 of interest and late fees is included in **Exhibit C** as improper.

Sales tax – Because Ms. Earleywine did not notify vendors the City was a tax exempt entity, the City incurred sales tax totaling \$243.80. Because the City is a tax exempt entity, the \$243.80 of sales tax is included in **Exhibit C** as improper.

Restaurants – We identified 4 purchases totaling \$236.19 at various restaurants. The purchases include \$199.52 at Enzo's Italian in Omaha, NE; \$22.03 at La Mesa Mexican Restaurant in Council Bluffs, IA; \$5.55 at McDonald's in Missouri Valley, IA, and \$9.09 at Penny's Diner in Missouri Valley. According to the Mayor there is no reason food would be purchased at these locations and the City did not provide food, pop, or alcohol at any City functions or events. In addition, the meals purchased at La Mesa, McDonald's, and Penny's Diner were for 1 or 2 individuals based on the information on the related receipts. Because the City did not provide food at meetings or events, and the purchases were for only 1 or 2 people, the \$236.19 total is included in **Exhibit C** as improper.

Convenience stores – We identified 5 purchases totaling \$87.17 from various convenience stores including Kum & Go in Des Moines and Missouri Valley; Casey's in Adair; Shell Oil in Omaha, NE; and Heartland Co-op in Mondamin. According to the Mayor, there would be no reason Ms. Earleywine would need to purchase gas or other items from a convenience store for City operations. As a result, the \$87.17 total is included in **Exhibit C** as improper.

Other - The remaining improper expenses include a \$62.00 purchase at Verizon WRL, \$57.78 at T Galaxy in Arnolds Park, and \$5.67 at Everything Xstich Ever. According to the Mayor, the City does not have a Verizon account, the City has not brought T-shirts for any events, and he is unaware of anything that would be needed for City operations from Everything Xstich Ever. As a result, the \$125.45 total is included in **Exhibit C** as improper.

As shown by the **Exhibit**, we also identified 8 purchases totaling \$555.73 which were classified as unsupported disbursements. The 8 purchases were made at office supply stores, including Quill and Staples. According to City officials, office supplies were purchased from Quill and Staples. Specifically, the City purchased paper, ink, Kleenex, toilet paper, pens, and other items from Quill and Staples. However, personal items may also be purchased from these vendors. Because the City could not locate support for the 8 purchases, we could not determine if the items purchased were for City operations or personal in nature. As a result, the \$555.73 of purchases for which support was not available are included in **Exhibit C** as unsupported disbursements.

The purchases identified as reasonable for the City's operations include computer accessories, office supplies, computer paper, and the related shipping charges. **Exhibit C** includes only the reasonable purchases which also include an improper component, such as sales tax.

The \$3,008.78 of improper disbursements and \$555.73 of unsupported disbursements listed in **Exhibit C** are included in **Exhibit A**.

As previously stated, we also reviewed the activity on the credit cards assigned to the Public Works Supervisor and the Librarian. We identified late fees and interest totaling \$85.09 on the Public Works Supervisor's card and \$229.29 for Librarian. The late fees and interest are the result of Ms. Earleywine not paying the credit card bill on time. As a result, the \$314.38 of late fees and interest is included in **Exhibit A** as improper disbursements.

Ms. Earleywine repaid \$241.32 for personal charges on the January 2018 credit card statement on March 1, 2018. A note on the credit card statement attached to the check stated "Sorry for the error." As previously stated, the Mayor called Ms. Earleywine regarding personal purchase on the City credit card. She repaid the City after the Mayor discovered the personal charges. A copy of the check and the credit card statement are included in **Appendix 3**. The \$241.32 repaid by Ms. Earleywine is included in **Exhibit A** as a repayment.

Other Improper and Unsupported Disbursements

As previously stated, we reviewed all disbursements and redeemed checks from the City's bank accounts for the period April 1, 2015 through March 31, 2018. In addition to improper disbursements to Ms. Earleywine and purchases made with the City's credit cards, we identified improper and unsupported disbursements to various vendors from the City's bank accounts. **Exhibit D** lists the improper and unsupported disbursements identified. The improper disbursements listed in the **Exhibit** are categorized in **Table 3** and described in the paragraphs following the **Table**.

Table 3	
Description	Amount
Mondamin Public Library	\$ 25,214.33
Mondamin Fire-Rescue, Inc.	19,922.97
Heritage Days	3,930.00
Donations	1,081.00
Change Fund	413.00
Mileage	87.35
Sales tax	300.93
Late fees	432.23
International League of Cities	200.00
Other	252.00
Total	<u>\$ 51,833.81</u>

Mondamin Public Library – The Mondamin Public Library is part of the City and the City Council budgets for its operations annually. The Library also previously maintained a separate bank account outside the City's control. During the period of our investigation, the City issued 10 checks totaling \$25,214.33 to the Mondamin Public Library. The checks issued included:

- 3 checks totaling \$15,562.00 which were described as grants by the Omaha Community Foundation and the King Foundation,
- 4 checks totaling \$5,842.33 which appear to be the property taxes the City received for the Library, and
- 3 checks totaling \$3,810.00 which were described as the City's semi-annual operating expense for the Library. According to City officials, the remaining budgeted funds were remitted to the Library.

According to the current City Clerk, the checks were issued to the Library and were to be deposited in the Library's separately maintained bank account. The Library closed its separately maintained bank account on January 25, 2017 and deposited the balance with the City. Because the Library is a part of the City, all collections and expenses are required to be recorded in the City's accounting system and budgeted by the City in order to ensure funds are spent for the operations of the Library. As a result, the \$25,214.33 disbursed from the City's checking account to the Library is include in **Exhibit D** as improper.

Mondamin Fire-Rescue Inc. – The Secretary of State lists Mondamin Fire-Rescue Inc. (Fire-Rescue), as a legally separate non-profit corporation. According to the current City Clerk, Mondamin-Fire-Rescue Inc. operates under the City's tax ID number and the City Council budgets for fire services, but rescue services are funded by grants, donations, and billings. Fire-Rescue maintains a separate bank account for collections received from billings and to pay for some of the operating expenses.

The City pays for fuel for all of the vehicles but does not pay for any expenses related to rescue services supplies and equipment. The City Clerk also reported, all vehicles used by Fire-Rescue are owned by the City.

During the period of our investigation, the City issued 2 checks totaling \$19,922.97 to Fire-Rescue. The City budgets and pays for the operating expense of the Fire Department. The 2 checks included:

- Check number 17079 for \$12,821.09 was issue on July 8, 2015. According to the notation on the memo line of the check, the check was for "FY 15-15 FD budget minus expense."
- Check number 17258 for \$7,101.88 was issued on December 23, 2015. According to supporting documentation, the \$7,101.88 was the proceeds from the sale of the City-owned truck. As the owner of the truck, the City should have deposited the proceeds in the City's bank account and recorded the proceeds in the City's accounting system rather than remit the proceeds to Fire-Rescue.

Any unexpended funds budgeted by the City for the Department should be returned to the City's general fund. The remaining funds should not be turned over to the Department or organization because the City cannot control how the funds are spent or ensure the funds are used for the benefit of the residents of the City. In addition, Fire-Rescue is a separate legal entity from the City. As a result, the \$19,922.97 of disbursements to Fire-Rescue are included in **Exhibit D** as improper.

Heritage Days – The City holds an annual event celebrating the City’s heritage. As part of the event, the City purchases prizes, provides entertainment, and holds events for which trophies and prizes are awarded.

We identified 3 checks issued to “Cash” totaling \$3,630.00 which were issued on June 11, 2015 for \$1,210.00, June 8, 2016 for \$1,270.00, and June 8, 2017 for \$1,150.00. All 3 checks were endorsed by Ms. Earleywine and included a notation on the memo line of the checks which stated “change fund and parade prizes.” According to the Mayor, the cash is used for prizes and a change fund. However, City officials could not locate any records on how the cash was expended or accounting for how the cash was used. Because the City could not account for how the cash was used, the 3 checks totaling \$3,630.00 are included in **Exhibit D** as improper.

We also identified 3 checks totaling \$300.00 to the Loess Hills Lancers 4-H Club. The 3 checks included a notion “Donation” on the memo line of the check. According to the Mayor, the 4-H group helps with Heritage days. Because sufficient documentation for the payments was not available and the City did not document the public benefit served, the \$300.00 is included in **Exhibit D** as improper.

Donations - We identified 5 checks totaling \$1,081.00 which include notations in the memo lines stating they were donations. The donations include a \$500.00 check to the West Harrison School for the National Honor Society, a \$431.00 check to the United Methodist Church for donations from the 2015 Christmas Party, and 3 checks for \$50.00 each to Town & County Arts in 2015, 2016 and 2017 for the Artists in the Park Program.

The City Council minutes do not clearly document the benefit to the public for the donations. Because the public purpose was not clearly defined in accordance with the Attorney General’s Opinion Dated April 25, 1979, the \$1,081.00 total of the checks is included in **Exhibit D** as improper.

Change Fund – We identified 2 checks issued to “Cash” totaling \$413.00. Check number 17348 was issued on March 25, 2016 for \$313.00 and included a notation “Replenish Petty Cash and Cash Drawer” on the memo line of the check. Check number 17399 was issued on May 23, 2016 for \$100.00 and included a notation “Replenish Change Fund” on the memo line of the check. Both checks were endorsed by Ms. Earleywine. Documentation was not available to support what the petty cash was used for. According to City officials, the City has a change fund. However, the City has not established an authorized balance.

Mileage – We identified 3 checks which total \$87.35 for mileage reimbursements to 2 individuals. The City reimbursed an individual for 634 miles at a rate of \$0.575 and 627.12 miles at a rate of \$0.574 when the reimbursement rate approved by City officials was \$0.54 per mile. As a result, the City reimbursed the individual a total of \$44.15 in excess of the authorized amount.

The City also reimbursed another individual 128 miles for a round trip to Omaha. However, per MapQuest a round trip to Omaha and the stores listed would be approximately 80 miles. As a result, the City reimbursed the individual \$43.20 in excess of what was appropriate for the round trip.

The \$87.35 total for the 3 checks is included in **Exhibit D** as improper.

Sales Tax – The City is exempt from paying sales tax. Because the Clerk did not review the bills from various companies, the City paid \$300.93 in sales tax. The \$300.93 in sales tax identified is included in **Exhibit D** as improper.

Late Fees – The City Clerk is responsible for ensuring bills are paid in a timely manner in order to avoid late fees and penalties. Because Ms. Earleywine did not pay bills on time, the City paid \$432.23 in late fees. The \$432.23 of late fees identified is included in **Exhibit D** as improper disbursements.

International League of Cities – Check number 16947 for \$200.00 was issued to the International League of Cities on April 10, 2015. The endorsement stamped on the check shows:

Pay to the order of
Floridian Community Bank
Delray Beach Florida
For deposit only
The American Business Assoc.

Based on an internet search there is no listing for the International League of Cities. According to the Mayor, there is no reason a check would be issued to an International League of Cities for City operations. As a result, the \$200.00 is include included in **Exhibit D** as an improper disbursement.

The \$51,833.81 of improper disbursements listed in **Exhibit D** are included in **Exhibit A**.

Exhibit D also includes \$249.36 of unsupported disbursements, including \$186.32 paid to Jiffy Mart 2010 [sic] on January 3, 2015 for what was described on the memo line of the check as “Christmas Party Food” and \$63.04 paid to Steven R. Hinkel on July 20, 2017 which did not include a notation on the memo line of the check. Because sufficient supporting documentation was not available for the \$249.36 of purchases identified, we cannot determine if they were for City operations or personal in nature. As a result, the \$249.36 of unsupported purchases listed in **Exhibit D** are included in **Exhibit A**.

IPERS Late Fees and Interest – Using reports obtained from IPERS, we determined the City paid \$542.54 of late fees and charges because Ms. Earleywine did not file IPERS reports in a timely manner. As the City Clerk, Ms. Earleywine was responsible for ensuring timely payment of all City bills, including IPERS payments. The \$542.54 of late fees is included in **Exhibit A** as improper disbursements.

UNDEPOSITED COLLECTIONS

As previously stated, it is the City Clerk’s responsibility to prepare and bill residents and businesses for utility services on a monthly basis. The City Clerk is also responsible for billing for Senior Housing and rental of the Community Center. As the City Clerk, Ms. Earleywine had primary responsibility for preparing monthly utility billings, collecting payments, recording payments in the utility accounting system for each customer, and preparing and making deposits. According to City officials and the current City Clerk, utility billings are paid in cash and with checks. A limited number of customers also pay utility bills at a local bank who deposits the collections in the City’s bank account.

When we attempted to reconcile the collections recorded in the utility register to deposits to the City’s checking account, we identified concerns regarding undeposited collections. Our findings regarding the City’s collections are explained in detail in the following paragraphs.

When a payment was received, Ms. Earleywine was to enter the collections into the accounting system as uncleared deposits and issued a receipt. When she prepared the deposit, she was to identify the items deposited in the uncleared account, and the amount was to be moved from the uncleared account to the cash account.

The current Clerk provided a list of 49 uncleared deposits in the accounting system. Based on the description in the accounting system the 49 uncleared deposits consisted of collections for utility bills, rent for senior housing, rental of the community center, and donations. **Exhibit B** lists the uncleared deposits. Using the available records, bank deposit slips, and accounting system, we determined the following.

- 3 uncleared deposits totaling \$559.67 were properly entered in the accounting system and properly deposited to the bank. However, Ms. Earleywine had not marked the items as deposited and the items remained on the uncleared list instead of being moved to the cash account in the accounting system. Because the 3 entries totaling \$559.67 were properly deposited and recorded, the \$559.67 are not undeposited collections.
- 21 uncleared deposits totaling \$3,903.36 were duplicate receipts for amounts which had already been recorded in the accounting system and deposited to the City's bank accounts. The duplicate receipts included the same name, check number, and description. As a result, the \$3,903.36 of collections were not undeposited. However, because of the duplicate entries, the accounting system was overstated by \$3,903.36.
- 2 of uncleared deposits included on the listing totaling \$286.07 are composed of amounts which were not collected. One of the uncleared deposits was recorded as a \$64.07 utility payment and was posted to an individual's account. The other uncleared deposit of \$222.00 was recorded in the accounting system as a senior housing rent payment. The 2 individuals who made the payments typically pay their bills via ACH each month. However, the City's bank statements did not include a corresponding ACH deposit for the 2 individuals for the months recorded. As a result, the \$286.07 recorded in the accounting system as uncleared deposits were not collected and are uncollected billings. The \$286.07 is included in **Exhibit E** as undeposited collections.
- 23 uncleared deposits totaling \$19,652.07 included 160 individual receipts impacting 43 customer accounts. The \$19,652.07 was recorded in the accounting system as collected. However, the \$19,652.07 could not be traced to a subsequent deposit in the City's bank account. As a result, the \$19,652.07 are undeposited collections. In addition, 1 of the receipts was also included as a duplicate receipt in the system for \$60.00. The \$19,652.07 and the \$60.00 are included in **Exhibit E** as undeposited collections.

Of the amounts listed above the \$286.07 of uncollected billings and the \$19,652.07 of undeposited utility collections are included in **Exhibit A** as uncollected and undeposited collections, respectively.

ESTIMATED OVERBILLED/UNDERBILLED UTILITY COLLECTIONS

On July 27, 2016, the Office of Auditor of State released an audit report on the City for the period ended June 30, 2015. A finding in the audit disclosed the City was not using water and sewer rates in accordance with City ordinances. During our testing we determined the City continued to improperly bill for water and sewer services using incorrect rates. As a result, the City has overbilled customers for their water and underbilled customers for sewer services. Based on the City's ordinances and the rates recorded in the accounting system, the rates are over/underbilled as follows.

- Water - The rate recorded in the accounting system is \$25.00 for the first 1,000 gallons; however, the rate should be \$10.00 for the first 1,000 gallons. As a result, water customers are overbilled \$15.00 per month for the first 1,000 gallons.
- Sewer - The rate recorded in the accounting system is \$10.00 for the first 1,000 gallons but should be \$15.00 for the first 1,000 gallons. As a result, sewer customers are under billed \$5.00 for the first 1,000 gallons. In addition, if a customer exceeds the minimum charge of \$15.00 established by the ordinance, the customer is charged 60% of their average January through March water bill less the \$15.00 minimum charge. Because

the water bill is overbilled by \$15.00 this will affect the over/under billed sewer amount. We did not calculate the amount customers were overbilled or underbilled if the exceeded the minimum charge per month.

Based on a review of the City ordinances, there has been no change in the water and sewer rates since 2015. City officials provided a copy of minutes from the June 3, 2013 City Council meeting which document the Council approved an amendment to the City's ordinance to increase the billing rate for water services. However, City officials did not provide documentation the ordinance was amended in accordance with Chapter 380 of the *Code of Iowa (Code)*. Section 384.84 of the *Code* requires rates be established by ordinance of the Council.

Multiplying the number of meters by the differences between the water and sewer billing rates used in the utility system and the rates established by the City's ordinances, we estimated the amount overbilled for water services and under billed for sewer services. The estimate is based on the first 1,000 gallons of water usage and the number of meters in fiscal year 2018. **Table 4** summarizes the estimated overbilling and under billings for fiscal year 2015 through 2018.

Table 4			
Description	Water	Sewer	Total
Number of meters~	170	164	
Overbilled/(under billed) rate	\$ 15.00	(5.00)	
Monthly amount over/(under) billed	2,550.00	(820.00)	1,730.00
Annual over/(under) x 12 months	30,600.00	(9,840.00)	20,760.00
Total for the 4 year period	\$ 122,400.00	(39,360.00)	83,040.00

~ - The are 6 customers who have their own septic system and are not on the City sewer system.

The **Table** shows the City overbilled an estimated \$122,400.00 for water services and under billed an estimated \$39,360.00 for sewer services for fiscal years 2015 through 2018, the net total of which is an estimated \$83,040.00 overbilled. The estimated overbilling for water services and underbilling for sewer services are included in **Exhibit A**.

The City is required to collect sales tax on water billed to each customer. Because the City overbilled for water used by customers, the City has also overbilled customers for the related sales tax on the amount overbilled. Because we are using estimated amounts, we cannot determine the amount of the sales tax which was improperly collected by the City.

The estimate summarized in **Table 4** does not account for fluctuations in the number of meters between 2015 and 2018, meters which were shut off, or usage in excess of the first 1,000 gallons. In addition, we did not include an estimate for residents who exceeded the minimum \$15.00 sewer charge as discussed in the preceding bullets.

OTHER ADMINISTRATIVE ISSUES

Management fee – We determined a staff person was paid a salary for managing the Senior Housing complex. The payments were included in the City's payroll system. However, the staff person also received \$125.00 per month for managing the Community Center and \$50.00 for cleaning the center from January 2015 through September 2015, excluding April 2015. These payments were not included in the City's payroll system. The payment for managing and cleaning the Community Center should have been processed through the City's payroll system.

Oversight – City officials have a fiduciary responsibility to exercise authority over its funds, efficiently and effectively achieve its mission, provide oversight of the City's operations and maintain the public trust. Oversight is typically defined as the "watchful and responsible care" a governing

body exercises in its fiduciary capacity. Based on our review, we determined the City officials did not provide sufficient oversight of the City's financial transactions and did not:

- Properly review payroll supporting documentation prior to issuance.
- Compare the bill listings to supporting documentation and checks.
- Require and maintain original, itemized receipts for all disbursements, including employee reimbursements, and review the supporting documentation to ensure the public purpose of the disbursements.
- Review the City's bank statements and credit card statements.
- Request and review bank reconciliations.
- Require and review utility reconciliations.
- Require annual rental agreements for Senior Housing.
- Require and review billings and collections records for the Senior Housing complex.

The Office of Auditor of State issued an audit report on July 27, 2016 for the period ended June 30, 2015. The report included recommendations for improvements regarding the following fiduciary responsibilities:

- Segregation of duties related to the handling of cash, receipts, disbursements, payroll, utilities and financial reporting.
- Bank reconciliations between the bank balance and the general ledger balances. The reconciliations should be reviewed by an independent person.
- A reconciliation of utility billings, collections and delinquent accounts.
- Employee time cards should include evidence of supervisory review and approval.
- City officials should ensure the correct utility rates are used to calculate billings in accordance with City ordinances.

In the report, City officials responded they had implemented changes to City policies and procedures to address these concerns. However, as stated above, many of the recommendations were not followed or controls were not fully implemented. Had City officials developed and implemented policies and procedures to segregate duties, review bank reconciliations, required and reviewed utility reconciliations, and maintained supporting documentation, City officials may have identified undeposited utility collections and improper disbursements in a more timely manner. In addition, the implementation of controls may have reduced the opportunity for the City's funds to be improperly disbursed or not properly deposited.

Recommended Control Procedures

As part of our investigation, we reviewed the procedures used by the City of Mondamin 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 individuals to prevent one person from handling duties which are incompatible. The former City Clerk had control over each of the following areas:

- (1) Receipts – collecting, posting to the accounting records, and preparing and making bank deposits,
- (2) Disbursements – making certain purchases, receiving certain goods and services, presenting disbursements to the City Council for approval, maintaining supporting documentation, preparing, signing, and distributing checks, and posting to the accounting records,
- (3) Payroll – calculating payroll amounts, preparing, signing, and distributing checks, posting payments to the accounting records, and filing required payroll reports,
- (4) Utility billings – preparing and mailing billings, receipting and depositing collections, posting collections to customer accounts and accounting records, and preparing and making bank deposits,
- (5) Bank accounts – receiving and reconciling monthly bank statements to accounting records, and
- (6) Reporting – preparing City Council meeting minutes and financial reports, including monthly City Clerk reports.

Recommendation – We realize segregation of duties is difficult with a limited number of staff. 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 and City Council members should review financial records, perform reconciliations, and examine supporting documentation for accounting records on a periodic basis.

B. Disbursements – During our review of the City’s disbursements, the following were identified:

- (1) Disbursements were not consistently supported by invoices or other documentation.
- (2) The City incurred finance charges and late payment fees because the former City Clerk did not pay certain City obligations in a timely manner.
- (3) The City paid sales tax because bills from vendors were not closely reviewed.
- (4) Checks were only signed by the City Clerk.

Recommendation – All City disbursements should be reviewed and approved by the City Council prior to payment, with the exception of those specifically allowed by a City Council approved policy. To strengthen internal control, each check should be prepared and signed by one person and detailed supporting documentation and invoices should be provided, along with the check, to an independent individual for review and countersignature.

Supporting documentation should be reviewed to ensure the City is not paying sales tax on items purchased directly from vendors. If a disbursement is made to reimburse an individual, the City is required to pay the tax paid by the individual.

C. Credit Cards – The City has credit cards for use by the City Clerk, the Public Works Supervisor, and the Librarian for City purchases. The City has a formal credit card policy which requires original itemized receipts be submitted to validate expenses on City issued credit cards. However, itemized receipts were not consistently maintained or available to support all credit card purchases.

In addition, we determined the City incurred finance charges and late payment fees because the former City Clerk did not pay the balance on the credit card accounts each month and/or did not make payments in a timely manner.

Recommendation – Original receipts should be provided to the City Clerk and reconciled to the credit card statements each month and charges should be reviewed and scrutinized for compliance with City policy prior to approval and payment. Any concerns identified during the review should be resolved in a timely manner. All payments on accounts should be approved by the City Council.

- D. Reconciliation of Utility Billings, Collections, and Delinquent Accounts – The former City Clerk had sole responsibility for preparing utility billings, collecting payments, and recording the payments in the accounting system. We determined reconciliations of utility billings and collections and delinquent accounts were not required, prepared, or reviewed by the City Council. We also determined supporting documentation was not maintained for adjustments posted to customers' accounts.

Recommendation – Procedures should be established to ensure utility billings are reconciled to subsequent collections and delinquent accounts for each billing period. The City Council, or an independent individual designated by the City Council, should review the reconciliations and monitor delinquencies. Delinquent accounts should not be written off without City Council approval.

- E. Payroll – The City Clerk was originally authorized to work 80 hour per pay period. The City Council approved decreasing the City Clerk's authorized hours per week to 50 hours per pay period week effective October 17, 2015. Employees were required to complete timesheets and submit them for approval. During our review of payroll, we identified the following:

- Ms. Earleywine paid herself \$12,166.63 for 1,139.98 hours in excess of maximum the number of hours authorized by the City Council.
- Ms. Earleywine added \$285.00 in additional compensation to her payroll checks recorded in the payroll journal.
- A staff person was paid a salary for managing and cleaning the Community Center. These payments were not processed through the City's payroll system.

Recommendation – The City should implement procedures to ensure appropriate payroll records are maintained. City officials should periodically review payroll records to ensure payroll is calculated properly and adequately supported by payroll records. In addition, the City Council, or a designated member who is familiar with the City Clerk's actions, should review and approve the City Clerk's timesheet for each pay period. The review and approval should be documented by the signature or initials of the reviewer and the date of approval.

- F. Overbilled Utilities – On July 27, 2016, the Office of Auditor of State issued an audit report for the City for the year ended June 30, 2015. The report included a finding the City did not bill for water and sewer services in accordance with the City Ordinance. We determined the City has continued to use billing rates which do not comply with City Ordinances.

As a result of not using the proper utility rates, the City overbilled residents an estimated \$122,400.00 for water and underbilled residents and estimated \$39,360.00 for sewer. In addition, the City improperly collected sales tax on the amount overbilled and remitted the tax to the Department of Revenue.

Recommendation - City officials should work with the City Attorney to determine a resolution of the overbillings to utility customers and the amount improperly collected for sales tax as a result of the overbilling of water usage. The City should also ensure appropriate billing rates are entered into the utility system and any changes in rates are made in accordance with section 384.84 of the *Code of Iowa*.

- G. Oversight by City officials and Prior Reports – City officials have a fiduciary responsibility to provide oversight of the City’s operations and financial transactions. Oversight is typically defined as the “watchful and responsible care” a governing body exercises in its fiduciary capacity.

The Office of Auditor of State issued an audit report for the City for the period ended June 30, 2015. The report included recommendations for improvements regarding the fiduciary areas. As a result, City officials were aware controls needed to be improved.

Based on our observations and the procedures we performed, we determined City officials failed to exercise proper fiduciary oversight. The lack of appropriate oversight and the failure to ensure implementation of adequate internal controls permitted an employee to exercise too much control over the financial operations of the City.

Recommendation – Oversight by City officials is essential and should be an ongoing effort. City officials should exercise due care and review all pertinent information, such as the reports previously issued by the Office of Auditor of State. City officials should also ensure sufficient information is prepared and provided to them for making decisions and appropriate policies and procedures are adopted, implemented, and monitored to ensure compliance.

For example, 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 reviewed by someone independent of other financial responsibilities. In addition, utility reconciliations should be reviewed by City officials. The reviews should be documented by the signature or initials of the reviewer and the date of the review.

Exhibits

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

Report on Special Investigation of the
City of Mondamin

Summary of Findings
For the Period April 1, 2015 through March 31, 2018

Description	Exhibit/Page Number	Improper	Unsupported	Total
<u>Improper and Unsupported Disbursements and Undeposited Collections</u>				
Improper and unsupported disbursements:				
Ms. Earlywine				
Unauthorized Payroll Costs	Exhibit B	\$ 14,183.86	-	14,183.86
Additional Checks	Page 9	285.00	-	285.00
IPERS fees	Page 15	542.54	-	542.54
Credit Card purchases - Ms. Earleywine	Exhibit C / Table 2	3,008.78	555.73	3,564.51
Credit Card purchases - Others	Page 12	314.38	-	314.38
Disbursement to vendors [^]	Exhibit D	51,833.81	249.36	52,083.17
Subtotal of improper and unsupported disbursements		70,168.37	805.09	70,973.46
Undeposited collections:				
Unbilled utility collections	Exhibit E	286.07	-	286.07
Undeposited and uncollected collections	Exhibit E	19,652.07	-	19,652.07
Subtotal of undeposited collections		19,938.14	-	19,938.14
Total		90,106.51	805.09	90,911.60
Repayment by Ms. Earlywine	Page 12	(241.32)	-	(241.32)
Net total		\$ 89,865.19	805.09	90,670.28
<u>Overbilled Utility Accounts</u>				
Overbilled water billings	Table 4	\$122,400.00	-	122,400.00
Underbilled sewer billings	Table 4	(39,360.00)	-	(39,360.00)
Estimated net overbilling		\$ 83,040.00	-	83,040.00

[^] - Includes \$25,214.33 and \$19,922.97 issued to the Mondamin Public Library and the Mondamin Fire-Rescue Inc., respectively. The Library subsequently closed their separately maintained bank account and the City now has custody of the Library's funds.

Report on Special Investigation of the
City of Mondamin

Unauthorized Payroll to Deborah Earleywine
For the Period April 1, 2015 through March 31, 2018

Check Number	Pay Date	Pay Period per Payroll Journal	Approved Hourly Rate	Hours per Payroll Journal	Maximum Hours Authorized	Excess Hours
16982	05/08/15	04/18/15 - 05/01/15	\$ 10.00	70.00	80.00	-
16988	05/22/15	05/02/15 - 05/15/15	10.00	60.00	80.00	-
17028	06/05/15	05/18/15 - 05/31/15	10.00	63.30	80.00	-
17041	06/19/15	05/30/15 - 06/12/15	10.00	65.15	80.00	-
17059	07/02/15	06/13/15 - 06/26/15	10.00	59.30	80.00	-
17084	07/17/15	06/27/15 - 07/10/15	10.00	66.45	80.00	-
17097	07/31/15	07/11/15 - 07/24/15	10.00	57.00	80.00	-
17123	08/14/15	07/25/15 - 08/07/15	10.00	56.45	80.00	-
17126	08/28/15	08/08/15 - 08/21/15	10.00	66.30	80.00	-
17159	09/09/15	08/22/15 - 09/04/15	10.00	54.00	80.00	-
A/D	09/22/15	09/05/15 - 09/18/15	10.00	66.45	80.00	-
A/D	10/06/15	09/19/15 - 10/02/15	10.00	60.00	80.00	-
A/D	10/19/15	10/03/15 - 10/16/15	10.50	68.00	80.00	-
A/D	11/02/15	10/17/15 - 10/30/15	10.50	60.00	50.00	10.00
A/D	11/17/15	10/31/25- 11/13/15	10.50	67.30	50.00	17.30
A/D	12/01/15	11/14/15 - 11/27/15	10.50	58.00	50.00	8.00
A/D	12/15/15	11/28/15 - 12/11/15	10.50	68.00	50.00	18.00
A/D	12/29/15	12/12/15 - 12/25/15	10.50	60.30	50.00	10.30
A/D	01/12/16	12/26/15 - 01/08/16	10.50	69.15	50.00	19.15
A/D	01/26/16	01/09/16 - 01/22/16	10.50	64.30	50.00	14.30
A/D	02/09/16	01/23/16 - 02/05/16	10.50	67.00	50.00	17.00
A/D	02/23/16	02/06/16 - 02/19/16	10.50	69.15	50.00	19.15
A/D	03/08/16	02/20/16 - 03/04/16	10.50	68.00	50.00	18.00
A/D	03/22/16	03/05/16 - 03/18/16	10.50	70.45	50.00	20.45
A/D	04/05/16	03/19/16 - 04/01/16	10.50	70.00	50.00	20.00
A/D	04/19/16	04/02/16 - 04/15/16	10.50	60.45	50.00	10.45
A/D	05/03/16	04/16/16 - 04/29/16	10.50	57.45	50.00	7.45
A/D	05/17/16	04/30/16 - 05/13/16	10.50	54.45	50.00	4.45
A/D	06/01/16	05/14/16 - 05/27/16	10.50	53.15	50.00	3.15
A/D	06/15/16	05/28/16 - 06/10/16	10.50	58.30	50.00	8.30
A/D	06/28/16	06/11/16 - 06/24/16	10.50	57.00	50.00	7.00
A/D	07/12/16	06/25/16 - 07/08/16	10.50	59.00	50.00	9.00

	Improper Gross Pay	Excess Employers Share		Total
		IPERS	FICA	
\$	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	105.00	9.38	8.03	122.41
	181.65	16.22	13.90	211.77
	84.00	7.50	6.43	97.93
	189.00	16.88	14.46	220.34
	108.15	9.66	8.27	126.08
	201.08	17.96	15.38	234.42
	150.15	13.41	11.49	175.05
	178.50	15.94	13.66	208.10
	201.08	17.96	15.38	234.42
	189.00	16.88	14.46	220.34
	214.73	19.17	16.43	250.33
	210.00	18.75	16.07	244.82
	109.73	9.80	8.39	127.92
	78.23	6.99	5.98	91.20
	46.73	4.17	3.57	54.47
	33.08	2.95	2.53	38.56
	87.15	7.78	6.67	101.60
	73.50	6.56	5.62	85.68
	94.50	8.44	7.23	110.17

Report on Special Investigation of the
City of Mondamin

Unauthorized Payroll to Deborah Earleywine
For the Period April 1, 2015 through March 31, 2018

Check Number	Pay Date	Pay Period per Payroll Journal	Approved Hourly Rate	Hours per Payroll Journal	Maximum Hours Authorized	Excess Hours
A/D	07/26/16	07/09/16 - 07/22/16	10.50	58.45	50.00	8.45
A/D	08/09/16	07/23/16 - 08/05/16	10.50	60.15	50.00	10.15
A/D	08/23/16	08/06/16 - 08/19/16	10.50	60.30	50.00	10.30
A/D	09/07/16	08/20/16 - 09/02/16	10.50	62.30	50.00	12.30
A/D	09/09/16	08/20/16 - 09/02/16	0.50 #	240.00	200.00	40.00
A/D	09/20/16	09/03/16 - 09/16/16	11.00	69.15	50.00	19.15
A/D	10/05/16	09/17/16 - 09/30/16	10.50	66.30	50.00	16.30
A/D	10/18/16	10/01/16 - 10/14/16	10.50	66.15	50.00	16.15
A/D	11/01/16	10/15/16 - 10/28/16	11.00	63.45	50.00	13.45
A/D	11/15/16	10/29/16 - 11/11/16	11.00	67.30	50.00	17.30
A/D	11/29/16	11/12/16 - 11/25/16	11.00	65.45	50.00	15.45
A/D	12/13/16	11/26/16 - 12/09/16	11.00	67.30	50.00	17.30
A/D	12/29/16	12/10/16 - 12/23/16	11.00	65.45	50.00	15.45
A/D	01/13/17	12/24/16 - 01/06/17	11.00	56.45	50.00	6.45
A/D	01/24/17	01/07/17 - 01/20/17	11.00	61.45	50.00	11.45
A/D	02/07/17	01/21/17 - 02/03/17	11.00	66.00	50.00	16.00
A/D	02/22/17	02/04/17 - 02/17/17	11.00	64.45	50.00	14.45
A/D	03/07/17	02/18/17 - 03/03/17	11.00	68.15	50.00	18.15
A/D	03/22/17	03/04/17 - 03/17/17	11.00	70.00	50.00	20.00
A/D	04/04/17	03/18/17 - 03/31/17	11.00	66.30	50.00	16.30
18105	04/18/17	04/01/17 - 04/14/17	11.00	71.00	50.00	21.00
17820	05/02/17	04/15/17 - 04/28/17	11.00	73.30	50.00	23.30
17785 @	05/16/17	04/29/17 - 05/21/17	11.00	80.00	50.00	30.00
18108	05/30/17	05/13/17 - 05/26/17	11.00	78.30	50.00	28.30
18110	06/14/17	05/27/17 - 06/09/17	11.00	77.15	50.00	27.15
18111	06/29/17	06/10/17 - 06/23/17	11.00	75.45	50.00	25.45
18115	07/11/17	06/24/17 - 07/07/17	11.00	70.15	50.00	20.15
18118	07/25/17	07/08/17 - 07/21/17	11.50	71.30	50.00	21.30
18120	08/08/17	07/22/17 - 08/04/17	11.50	77.00	50.00	27.00
18123	08/22/17	08/05/17 - 08/18/17	11.50	72.27	50.00	22.27
18126	09/06/17	08/19/17 - 09/01/17	11.50	74.09	50.00	24.09
18128	09/19/17	09/02/17 - 09/15/17	11.50	75.00	50.00	25.00

Improper Gross Pay	Excess Employers Share		Total
	IPERS	FICA	
88.73	7.92	6.79	103.44
106.58	9.52	8.15	124.25
108.15	9.66	8.27	126.08
129.15	11.53	9.88	150.56
20.00	1.79	1.53	23.32
210.65	18.81	16.11	245.57
171.15	15.28	13.09	199.52
169.58	15.14	12.97	197.69
147.95	13.21	11.32	172.48
190.30	16.99	14.56	221.85
169.95	15.18	13.00	198.13
190.30	16.99	14.56	221.85
169.95	15.18	13.00	198.13
70.95	6.34	5.43	82.72
125.95	11.25	9.64	146.84
176.00	15.72	13.46	205.18
158.95	14.19	12.16	185.30
199.65	17.83	15.27	232.75
220.00	19.65	16.83	256.48
179.30	16.01	13.72	209.03
231.00	20.63	17.67	269.30
256.30	22.89	19.61	298.80
330.00	29.47	25.25	384.72
311.30	27.80	23.81	362.91
298.65	26.67	22.85	348.17
279.95	25.00	21.42	326.37
221.65	19.79	16.96	258.40
244.95	21.87	18.74	285.56
310.50	27.73	23.75	361.98
256.11	22.87	19.59	298.57
277.04	24.74	21.19	322.97
287.50	25.67	21.99	335.16

Report on Special Investigation of the
City of Mondamin

Unauthorized Payroll to Deborah Earleywine
For the Period April 1, 2015 through March 31, 2018

Check Number	Pay Date	Pay Period per Payroll Journal	Approved Hourly Rate	Hours per Payroll Journal	Maximum Hours Authorized	Excess Hours
18131	10/05/17	09/16/17 - 09/29/17	11.50	71.30	50.00	21.30
18135	10/17/17	09/30/17 - 10/13/17	11.50	72.45	50.00	22.45
AD @	10/31/17	10/14/17 - 10/27/17	11.50	71.70	50.00	21.70
18141	11/14/17	10/28/17 - 11/10/17	11.50	87.00	50.00	37.00
18144	11/30/17	11/11/17 - 11/24/17	11.50	83.30	50.00	33.30
18145	12/12/17	11/25/17 - 12/08/17	11.50	79.45	50.00	29.45
18149	12/26/17	12/09/17 - 12/22/17	11.50	75.30	50.00	25.30
18151	01/09/18	12/23/17 - 01/05/18	11.50	72.45	50.00	22.45
18154	01/23/18	01/06/18 - 01/19/18	11.50	69.30	50.00	19.30
18157	02/06/18	01/20/18 - 02/02/18	11.50	73.27	50.00	23.27
18159	02/20/18	02/03/18 - 02/16/18	11.50	83.45	50.00	33.45
Total				5,202.38	4,290.00	1,139.98

A/D - Electronic Deposit.

- On September 7, 2016 Ms. Earleywine was retroactively approved for an hourly rate of \$11.00 effective July 1, 2016. Because the hourly rate of \$10.50 was used for the checks issued on July 26, August 9, August 23, and September 7, an retroactive payment was made to Ms. Earleywine for 240 hours at \$0.50 per hour. However, Ms. Earleywine's authorized maximum hours for the 4 pay periods was limited to 200 hours. As a result, an unauthorized amount was paid to Ms. Earleywine for the retroactive payment.

@ - Check 17758 was voided in the payroll journal and the electronic payment made on October 31, 2017 was not included in the payroll journal. However, both payroll disbursements were deposited to Ms. Earleywin's personal bank account. As a result, they have been included above.

^ - Because the check was voided in the payroll system, we cannot determine if the City's share of FICA was remitted to the U.S. Treasury. However, because Ms. Earleywine included the gross pay amount in the amount reported to IPERS, we have included the City's share of FICA to be consistent.

Improper Gross Pay	Excess Employers Share		
	IPERS	FICA	Total
244.95	21.87	18.74	285.56
258.18	23.06	19.75	300.99
249.55	22.28	19.09	290.92
425.50	38.00	32.55	496.05
382.95	34.20	29.30	446.45
338.68	30.24	25.91	394.83
290.95	25.98	22.26	339.19
258.18	23.06	19.75	300.99
221.95	19.82	16.98	258.75
267.61	23.90	20.47	311.98
384.68	34.35	29.43	448.46
\$ 12,166.63	1,086.48	930.75	14,183.86

Report on Special Investigation of the
City of Mondamin

Improper and Unsupported Credit Card Purchases
For the Period April 1, 2015 through March 31, 2018

Per Credit Card Statement

Transaction Date	Description	Amount
07/01/15	Quill Corporation 800-982-3400 SC	\$ 225.91
09/12/15	Staples Direct 800-3333330 MA	61.60
09/22/15	Foodland Supermarket Missouri Valley, IA	28.91
09/23/15	Foodland Supermarket Missouri Valley, IA	23.26
12/12/15	Staples Direct 800-3333330 MA	108.03
12/13/15	Staples Direct 800-3333330 MA	17.53
12/21/15	La Mesa Mexican Restaurant Council Bluffs IA	22.03
01/10/16	Foodland Supermarket Missouri Valley, IA	38.48
01/19/16	Quill Corporation 800-982-3400 SC	29.07
01/19/16	Quill Corporation 800-982-3400 SC	17.11
01/23/16	Quill Corporation 800-982-3400 SC	5.34
01/26/16	Foodland Supermarket Missouri Valley, IA	25.26
02/16/16	Quill Corporation 800-982-3400 SC	74.89
02/19/16	Foodland Supermarket Missouri Valley, IA	45.79
02/22/16	Shopko 688 00206888 Missouri Valley, IA	7.48
03/09/16	Staples Direct 800-3333330 MA	168.73
03/20/16	Enzo's Italian Omaha, NE	199.52
03/20/16	Shell Oil 10006613003 Omaha, NE	15.01
03/23/16	Foodland Supermarket Missouri Valley, IA	42.04
04/04/16	Bound Tree Medical LLC 800-2827904 OH	353.03
04/04/16	Foodland Supermarket Missouri Valley, IA	40.06
04/22/16	Quill Corporation 800-982-3400 SC	57.72
05/11/16	Foodland Supermarket Missouri Valley, IA	51.81
05/14/16	Staples Direct 800-3333330 MA	142.92
05/22/16	Kum & Go #2731 Des Moines, IA	23.79
05/25/16	Foodland Supermarket Missouri Valley, IA	28.62
06/04/16	Hy Vee 1465 Omaha NE	32.71
06/09/16	Foodland Supermarket Missouri Valley, IA	48.44
06/09/16	NOR*NORTHERN TOOL 800-222-5381 MN	578.64
06/17/16	Everything Xstitch Ever 937-294-1983 OH	5.67

Improper	Unsupported	Reasonable	Description per Supporting Documentation
-	225.91	-	None
4.03	-	57.57	4 boxes of Kleenex, 16 pack of papertowels, 48 rolls of toilet paper
28.91	-	-	None
23.26	-	-	None
-	108.03	-	None
-	17.53	-	None
22.03	-	-	None
38.48	-	-	None
1.90	-	27.17	3 pk Kleenex, spiral receipt book , 12 pk Precise rolling ball pens, tax
1.12	-	15.99	Charmin Ultra- 24 rolls of toilet paper, tax
-	5.34	-	None
25.26	-	-	None
4.90	-	69.99	10 reams of 8 1/2x 11" copy paper, 15 rolls of paper towels, tax
45.79	-	-	None
7.48	-	-	Liquid ibuprofen capsules, tax
11.04	-	157.69	uPunch Time Cards, tax
199.52	-	-	None
15.01	-	-	None
42.04	-	-	None
19.13	-	333.90	Bound Tree Medical- Fire Dept Supplies: cot aults for patient, cohesive bandage, multi-use one-piece sharps containers,and tactical tourniquets, tax
40.06	-	-	None
3.77	-	53.95	48 rolls of toilet paper, 3 boxes of Kleenex, 12 pk Post-it notes, 500/ct Post-it flags, tax
51.81	-	-	None
9.35	-	133.57	100 10x13 Envelopes, Hammermill heavyweight laser copy paper, HP 950XL ink, tax
23.79	-	-	None
28.62	-	-	None
32.71	-	-	None
48.44	-	-	None
31.20	-	547.44	2 60" side mount truck tool boxes, shipping, tax
5.67	-	-	None

Report on Special Investigation of the
City of Mondamin

Improper and Unsupported Credit Card Purchases
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Per Credit Card Statement

Transaction Date	Description	Amount
06/24/16	Shopko 688 00206888 Missouri Valley, IA	79.12
07/14/16	Foodland Supermarket Missouri Valley, IA	51.40
08/02/16	SSI*School Specialty 888-388-3224 WI	552.63
08/07/16	Staples Direct 800-3333330 MA	70.59
08/19/16	Late Fee	39.00
08/22/16	Interest Charge	11.52
08/30/16	Shopko 688 00206888 Missouri Valley, IA	52.23
09/13/16	Quill Corporation 800-982-3400 SC	109.12
09/14/16	Hy Vee Drugstore 7 Des Moines, IA	21.24
09/16/16	Foodland Supermarket Missouri Valley, IA	48.71
09/21/16	Interest Charge	12.51
10/07/16	Quill Corporation 800-982-3400 SC	35.28
10/07/16	Quill Corporation 800-982-3400 SC	22.46
10/13/16	Staples Direct 800-3333330 MA	52.73
11/21/16	Late Fee	35.00
11/22/16	Interest Charge	1.80
11/22/16	WM (Walmart) Super Center #4568 Blair NE	100.00
12/03/16	Staples Direct 800-3333330 MA	74.88
12/22/16	Interest Charge	3.77
01/11/17	Foodland Supermarket Missouri Valley, IA	64.02
01/12/17	Kum & Go #430 Missouri Valley, IA	17.87
01/20/17	Hy Vee 1465 Omaha NE	51.09
01/23/17	Interest Charge	6.36
02/04/17	Quill Corporation 800-982-3400 SC	48.76
02/20/17	Foodland Supermarket Missouri Valley, IA	39.73
02/21/17	Shopko 688 00206888 Missouri Valley, IA	18.83
03/07/17	Quill Corporation 800-982-3400 SC	39.14
03/19/17	Foodland Supermarket Missouri Valley, IA	38.06
03/20/17	Late Fee	35.00
03/21/17	Interest Charge	3.19

Improper	Unsupported	Reasonable	Description per Supporting Documentation
79.12	-	-	Prescription medicine, mouthwash
51.40	-	-	<i>None</i>
25.67	-	526.96	Double tier hanging chair dolly (holds 84 folding chairs) and extension bar, tax
-	70.59	-	<i>None</i>
39.00	-	-	Monthly late fee
11.52	-	-	Interest charge @ 18.24%
52.23	-	-	Prescription and Aveeno lotion
7.14	-	101.98	3 boxes of Kleenex, HP950XL Multi-pack(4), tax
21.24	-	-	<i>None</i>
48.71	-	-	<i>None</i>
12.51	-	-	Interest charge @ 18.24%
-	35.28	-	<i>None</i>
-	22.46	-	<i>None</i>
2.80	-	49.93	Hammermill heavyweight laser copy paper, shipping, tax
35.00	-	-	Monthly late fee
1.80	-	-	Interest charge @ 18.24%
100.00	-	-	Jack Daniels, Baileys, Red Wine, candle, and various grocery items
47.89	-	26.99	48 rolls of toilet paper, HP 701 black ink cartridge, tax (Black ink and tax are improper)
3.77	-	-	Interest charge @ 18.24%
64.02	-	-	<i>None</i>
17.87	-	-	<i>None</i>
51.09	-	-	<i>None</i>
6.36	-	-	Interest charge @ 18.24%
2.80	-	45.96	3 boxes of Kleenex, Fine Point pens 12 pk, 12 rolls of paper towels, shipping, tax
39.73	-	-	<i>None</i>
18.83	-	-	Max hold mousse, toothpaste, Diet Coke, Aveeno lotion
2.17	-	36.97	Standard manila file folders, Finger Tip Moistene, Verbatim flash drive, shipping, tax
38.06	-	-	<i>None</i>
35.00	-	-	Monthly late fee
3.19	-	-	Interest charge @ 18.49%

Report on Special Investigation of the
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Transaction Date	Description	Amount
04/08/17	Quill Corporation 800-982-3400 SC	183.99
04/11/17	Quill Corporation 800-982-3400 SC	23.52
04/18/17	Quill Corporation 800-982-3400 SC	60.97
04/20/17	Interest Charge	6.96
04/27/17	Foodland Supermarket Missouri Valley, IA	43.96
05/03/17	Shopko 688 00206888 Missouri Valley, IA	54.80
05/04/17	Foodland Supermarket Missouri Valley, IA	28.61
05/13/17	Verizon WRL My ACT VN800-9220204 CA	62.00
05/22/17	Interest Charge	6.54
05/22/17	Shopko 688 00206888 Missouri Valley, IA	57.56
05/26/17	Hy Vee 1465 Omaha NE	77.74
05/27/17	Target 00020107 Omaha, NE	58.64
06/08/17	Quill Corporation 800-982-3400 SC	141.18
07/15/17	Quill Corporation 800-982-3400 SC	185.06
07/19/17	Late Fee	35.00
07/22/17	Wal-Mart #1415 Spirit Lake, IA	48.42
07/23/17	T Galaxy Arnolds Park IA	57.78
07/24/17	Interest Charge	8.52
08/03/17	JET.COM 855-538-4323 NJ	37.21
08/04/17	Quill Corporation 800-982-3400 SC	48.62
08/23/17	Interest Charge	10.90
08/25/17	Shopko 688 00206888 Missouri Valley, IA	14.71
08/28/17	Foodland Supermarket Missouri Valley, IA	45.45
09/15/17	Quill Corporation 800-982-3400 SC	50.22
09/22/17	Quill Corporation 800-982-3400 SC	70.59
10/19/17	Late Fee	35.00
10/23/17	Interest Charge	2.89
11/17/17	Pennys Diner Mo Valley 712-6423000 IA	9.09
11/19/17	McDonald's F11872 Missouri Valley IA	5.55
11/22/17	Quill Corporation 800-982-3400 SC	149.88
11/23/17	WM Supercenter #3150 Council Bluffs, IA	21.62
12/06/17	Foodland Supermarket Missouri Valley, IA	41.05

Improper	Unsupported	Reasonable	Description per Supporting Documentation
12.04	-	171.95	Kleenex, pens, HP 950/951 tri-color ink, audio tape, laser paper
1.54	-	21.98	2 7pk 90 min audio tape, tax
3.99	-	56.98	Toilet paper, tax
6.96	-	-	Interest charge @ 18.49%
43.96	-	-	Produce, grocery, Myer's Rum, Diet Coke, bottle deposit, tax
54.80	-	-	2 Prescriptions
28.61	-	-	Produce, chips, Myer's Rum, Diet Coke, bottle deposit, tax
62.00	-	-	<i>None</i>
6.54	-	-	Interest charge @ 18.74%
57.56	-	-	Prescription, Raspberry Lemonade, Party Mix
77.74	-	-	<i>None</i>
58.64	-	-	<i>None</i>
9.24	-	131.94	Kleenex, toilet paper, trash bags, tax
12.11	-	172.95	Toilet paper-48 rolls, HP colored ink, paper towels, 2 Bottles of Softsoap, tax
35.00	-	-	Monthly late fee
48.42	-	-	Wedding card, liquor, nail polish, bra, Oral Gel
57.78	-	-	<i>None</i>
8.52	-	-	Interest charge @ 18.74%
37.21	-	-	Custom décor-Cardinal Welcome Doormat
2.66	-	45.96	Toilet paper, USB drive
10.90	-	-	Interest charge @ 18.99%
14.71	-	-	Cat food, <i>item with incomplete description</i>
45.45	-	-	Produce, Captain Morgan, Myer's Rum, bottle deposit, tax
3.29	-	46.93	Pens, toilet paper, tax
-	70.59	-	<i>None</i>
35.00	-	-	Monthly late fee
2.89	-	-	Interest charge @ 18.99%
9.09	-	-	<i>None</i>
5.55	-	-	<i>None</i>
9.81	-	140.07	HP Ink, 7 colored file folders, 12 pack ball point pens, tax
21.62	-	-	Candles, Vapor Rub, ibuprofen
41.05	-	-	Captain Morgan, Myer's Rum, bottle deposit, 1 lb bag of lemons, tax

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City of Mondamin

Improper and Unsupported Credit Card Purchases
For the Period April 1, 2015 through March 31, 2018

Per Credit Card Statement

Transaction Date	Description	Amount
12/24/17	Foodland Supermarket Missouri Valley, IA	101.92
12/24/17	Target 00020107 Omaha, NE	175.00
01/10/18	Quill Corporation 800-982-3400 SC	51.20
01/19/18	Heartland Coop09884933 Mondamin IA	15.10
01/28/18	Caseys Gen Store 2521 Adair IA	15.40
01/28/18	Foodland Supermarket Missouri Valley, IA	44.78
02/13/18	Foodland Supermarket Missouri Valley, IA	74.14
02/14/18	Quill Corporation 800-982-3400 SC	54.54
02/15/18	Foodland Supermarket Missouri Valley, IA	62.20
02/17/18	Foodland Supermarket Missouri Valley, IA	44.80
03/07/18	Quill Corporation 800-982-3400 SC	111.45
03/19/18	Late Fee	39.00
03/23/18	Interest Charge	13.31
Total		<u><u>\$ 6,742.31</u></u>

Auditor's notations are in italics.

Improper	Unsupported	Reasonable	Description per Supporting Documentation
101.92	-	-	Groceries, Korbel Brut Champaign, Moscato, Bacardi Black Rum, bottle deposit, tax
175.00	-	-	<i>None</i>
3.35	-	47.85	3 pk Kleenex, staples, 12 pk calc ribbon, tax
15.10	-	-	Super Unleaded Gas
15.40	-	-	<i>None</i>
44.78	-	-	Produce, Captian Morgan, Myer's Rum, Diet Coke, bottle deposit, tax
74.14	-	-	Produce, grocery, Cruzan Mango Rum, Myer's Rum, Diet Coke, bottle dep, tax
3.57	-	50.97	Pens, toilet paper, tax
62.20	-	-	Produce, grocery, Captain Morgan, Myer's Rum, bottle dep, tax
44.80	-	-	Produce, grocery, Captain Morgan, Myer's Rum, bottle dep, tax
7.29	-	104.16	48 rolls of toilet paper, 500 business envelopes, 500 sheets of heavyweight copy paper, tax
39.00	-	-	Monthly late fee
13.31	-	-	Interest charge @ 19.24%
3,008.78	555.73	3,177.80	

Report on Special Investigation of the
City of Mondamin

Improper and Unsupported Disbursements to Vendors
For the Period April 1, 2015 through March 31, 2018

Per Redeemed Check Image

Issue Date	Check Number	Description/Payee	Memo
06/27/14	16574	Mondamin Public Library	Semi Annual Operating Expenses- Tax SU
06/30/14	16575	Mondamin Public Library	property taxes collected 1-2014 to 5-2014
01/02/15	16787	Ron Bell	Expense reimbursements - council approved christma
01/03/15	16794	Jiffy Mart 2010	Christmas Party food - 12/2014 king foundation gra
01/12/15	16802	Guinan Heating and Cooling Inc.	Comm Ctr - Unit # 3 replaced fan control
01/13/15	16799	Office Depot Max	None
01/30/15	16827	Mondamin Public Library	Semi Annual operating expenses - tax su
01/30/15	16826	Mondamin Public Library	property taxes collected 6-2014 to 12-2014
02/07/15	16846	Jiffy Mart 2010	propane-12/5/14
02/07/15	16841	Guinan Heating and Cooling, Inc	Comm Ctr-vent motor
02/16/15	16885	Jiffy Mart 2010 - s	batteries - 1-16-15 public work
03/10/15	16900	Loess Hills Lancer 4-H Club	heritage days committee donation
04/10/15	16947	International League of Cities	membership dues FY 15/16
04/22/15	16954	Mondamin Public Library	Omaha Community Foundation Spring 201
05/07/15	16977	Tractor Supply	None
05/08/15	16980	Midstates Bank	petty cash for Steve Hinkel
05/12/15	16985	Town & County Arts	donation for arts in the park program youth art appre
05/26/15	17004	Williams & Company PC	Deliver budget to city & submit approved copy to Dep
05/26/15	16991	Boruff Plumbing	Install 40 gal electric water heater Apt. #6
06/11/15	17036	Cash	Heritage Days - change money & cash prizes
06/16/15	17040	Notary Rotary	Notary Stamp & Notary Journal
07/08/15	17079	Mondamin Fire Department	FY 15-15 FD budget minus expenses
07/15/15	17086	Mondamin Public Library	Semi Annual operating expenses
07/15/15	17085	Mondamin Public Library	property taxes collected Jan - June 2015
07/20/15	17096	Lehman Printing	Laminated Poster, Tractor Show Flyers, Parade Regi
08/04/15	17107	Guinan Heating and Cooling Inc.	Comm Ctr-west A/C unit
08/10/15	17120	Boruff Plumbing	Dig up curb stop on Walnut, labor & materials
09/25/15	EP	Debit Memo	Payment for water bill, took as 69.97 should have been 67.9'
11/03/15	17213	Omaha Winwater	curb stop socket
12/07/15	17234	Mondamin Public Library	King Foundation fall grant
12/23/15	17258	Mondamin Fire & Rescue	sale for 1977 Ford Truck
02/04/16	17297	Mondamin Public Library	Property taxes for Aug-Dec 2015 plus operating exp

	Amount	Improper	Unsupported	Reasonable
\$	1,270.00	1,270.00	-	-
	1,098.70	1,098.70	-	-
	81.57	5.04	-	76.53
	186.32	-	186.32	-
	810.38	51.38	-	759.00
	428.62	28.05	-	400.57
	1,270.00	1,270.00	-	-
	1,203.90	1,203.90	-	-
	21.39	1.40	-	19.99
	321.56	18.81	-	302.75
	12.17	0.80	-	11.37
	100.00	100.00	-	-
	200.00	200.00	-	-
	5,000.00	5,000.00	-	-
	353.09	23.10	-	329.99
	200.00	200.00	-	-
	50.00	50.00	-	-
	199.81	4.81	-	195.00
	465.45	30.45	-	435.00
	1,210.00	1,210.00	-	-
	26.50	1.18	-	25.32
	12,821.09	12,821.09	-	-
	1,270.00	1,270.00	-	-
	1,071.39	1,071.39	-	-
	104.00	6.80	-	97.20
	148.94	8.44	-	140.50
	1,904.60	124.60	-	1,780.00
	2.00	2.00	-	-
	16.88	0.88	-	16.00
	4,562.00	4,562.00	-	-
	7,101.88	7,101.88	-	-
	2,468.34	2,468.34	-	-

Report on Special Investigation of the
City of Mondamin

Improper and Unsupported Disbursements to Vendors
For the Period April 1, 2015 through March 31, 2018

Per Redeemed Check Image

Issue Date	Check Number	Description/Payee	Memo
03/16/16	17338	United Methodist Church	Matthew House - Donations from 2015 Christmas Party
03/25/16	17348	Cash	Replenish Petty Cash and Cash Drawer
04/14/16	17357	Norman Wallis	Mileage to take ladders to Farley to be mounted on n
04/22/16	17375	Mondamin Public Library	Omaha Community Foundation Grant
05/23/16	17399	Cash	Replenish Change Fund
06/07/16	17425	Norman Wallis	<i>None</i>
06/08/16	17429	Cash	heritage days change fund & parade prizes
06/30/16	17445	Town & County Arts	2016 donation for Arts in the park program youth art
07/21/16	17472	Loess Hills Lancers 4-H Club	Heritage Days Committee Donation
08/01/16	17484	West Harrison School	National Honor Society from Avenue of Flags Commi
09/01/16	EP	IA REV PAY IA DEPT OF REV	<i>None</i>
12/16/16	EP	IA REV PAY IA DEPT OF REV	<i>None</i>
04/20/17	17722	Harrison County Treasurer	Drainage taxes late charge
06/08/17	17800	Cash	heritage days change fund & parade prizes
06/13/17	17805	Town & Country Arts	2017 donation for arts in the park program youth art
07/14/17	17852	Loess Hill Lancers 4-H club	Donation - help at Heritage days
07/20/17	17858	Steven R Hinkel	<i>None</i>
08/24/17	17893	The paper corporation	2 cases of 8 x 11 white copy paper plus fedex freig
09/08/17	EP	IA REV PAY IA DEPT OF REV	<i>None</i>
02/02/18	EP	IA REV PAY IA DEPT OF REV	<i>None</i>
02/02/18	EP	IA REV PAY IA DEPT OF REV	<i>None</i>
02/07/18	18064	Christine C Hussing	Mileage of \$69.12 & 64.80 less \$33.00 payroll over
Total			

Auditor's notations are in italics.

EP - Electronic payment

Amount	Improper	Unsupported	Reasonable
431.00	431.00	-	-
313.00	313.00	-	-
364.55	22.19	-	342.36
6,000.00	6,000.00	-	-
100.00	100.00	-	-
821.10	21.96	-	799.14
1,270.00	1,270.00	-	-
50.00	50.00	-	-
100.00	100.00	-	-
500.00	500.00	-	-
514.11	50.11	-	464.00
158.49	150.36	-	8.13
3.00	3.00	-	-
1,150.00	1,150.00	-	-
50.00	50.00	-	-
100.00	100.00	-	-
63.04	-	63.04	-
95.18	50.00	-	45.18
1,257.66	24.66	-	1,233.00
729.30	69.30	-	660.00
1,367.99	129.99	-	1,238.00
100.92	43.20	-	57.72
\$ 61,519.92	51,833.81	249.36	9,436.75

Report on Special Investigation of the
City of Mondamin

Undeposited Collections
For the Period April 1, 2015 through March 31, 2018

Original Entry Date	Memo	Amount
03/08/16	Deposit	\$ 725.86
03/08/16	Deposit-[<i>name redacted</i>], combined with [<i>name redacted</i>] Deposit	200.00
04/11/16	Deposit - water bills	493.89
05/12/16	Deposit - water bill	500.00
05/25/16	Deposit - water bills	180.00
06/24/16	Deposit - bank payment	57.75
07/06/16	Deposit - water bills	832.11
07/27/16	Deposit - water bills	762.10
09/01/16	Deposit - water bills	764.48
10/11/16	Deposit - water bills	920.00
10/26/16	Deposit - water bills	621.22
11/04/16	Deposit - [<i>name redacted</i>]	200.00
11/30/16	Deposit - ACH	64.07
12/16/16	Deposit - water bills	1,710.60
02/22/17	Deposit - water bills	1,788.20
04/14/17	Deposit - water bills	468.63
04/27/17	Deposit - water bills	1,599.51
07/19/17	Deposit - Park Shelter donations	125.00
08/16/17	Deposit - water bills	1,999.55
09/21/17	Deposit - water bills	1,109.80
11/08/17	Deposit - water bills	1,942.11
12/13/17	Deposit - water bills	826.55
12/15/17	Deposit - [<i>name redacted</i>] rent payment	222.00
01/06/18	Deposit - water bills	1,189.71
01/17/18	Deposit - water bills	695.00
Total		<u><u>\$ 19,998.14</u></u>

- The uncleared deposit of \$125.00 posted on July 19, 2017 includes \$60.00 recorded as and \$65.00 which was not collected and as a result is an undeposited collecton.

Auditor's notes are in italics.


	Duplicate Entry	Uncollected	Undeposited
	-	-	725.86
	-	-	200.00
	-	-	493.89
	-	-	500.00
	-	-	180.00
	-	-	57.75
	-	-	832.11
	-	-	762.10
	-	-	764.48
	-	-	920.00
	-	-	621.22
	-	-	200.00
	-	64.07	-
	-	-	1,710.60
	-	-	1,788.20
	-	-	468.63
	-	-	1,599.51
#	60.00	-	65.00
	-	-	1,999.55
	-	-	1,109.80
	-	-	1,942.11
	-	-	826.55
	-	222.00	-
	-	-	1,189.71
	-	-	695.00
	60.00	286.07	19,652.07

Report on Special Investigation of the
City of Mondamin

Staff

This special investigation was performed by:

James S. Cunningham, CPA, Director
Sarah J. Swisher, Senior Auditor II


Annette K. Campbell, CPA
Deputy Auditor of State

Appendices

Report on Special Investigation of the
City of Mondamin

Copy of Text Message

47% 16:51

Deb Earleywine

Wednesday, March 7, 2018

Deb Earleywine

D

Brian...I know you, the city council, & the city are tremendously disappointed in me as I am in myself. I apologize from the bottom of my heart and pray

that you & the city can forgive me, although I don't deserve it. I was drowning in debt, mostly from my medical bills related to my jaw infection. I re

alize NO "excuse" could ever justify my actions. I am in the process of liquidating some assets & I plan on paying back EVERY penny. I would appreciate

knowing what that amount is. I'll finish this text with words that could never repair the damage I have done....please forgive me.

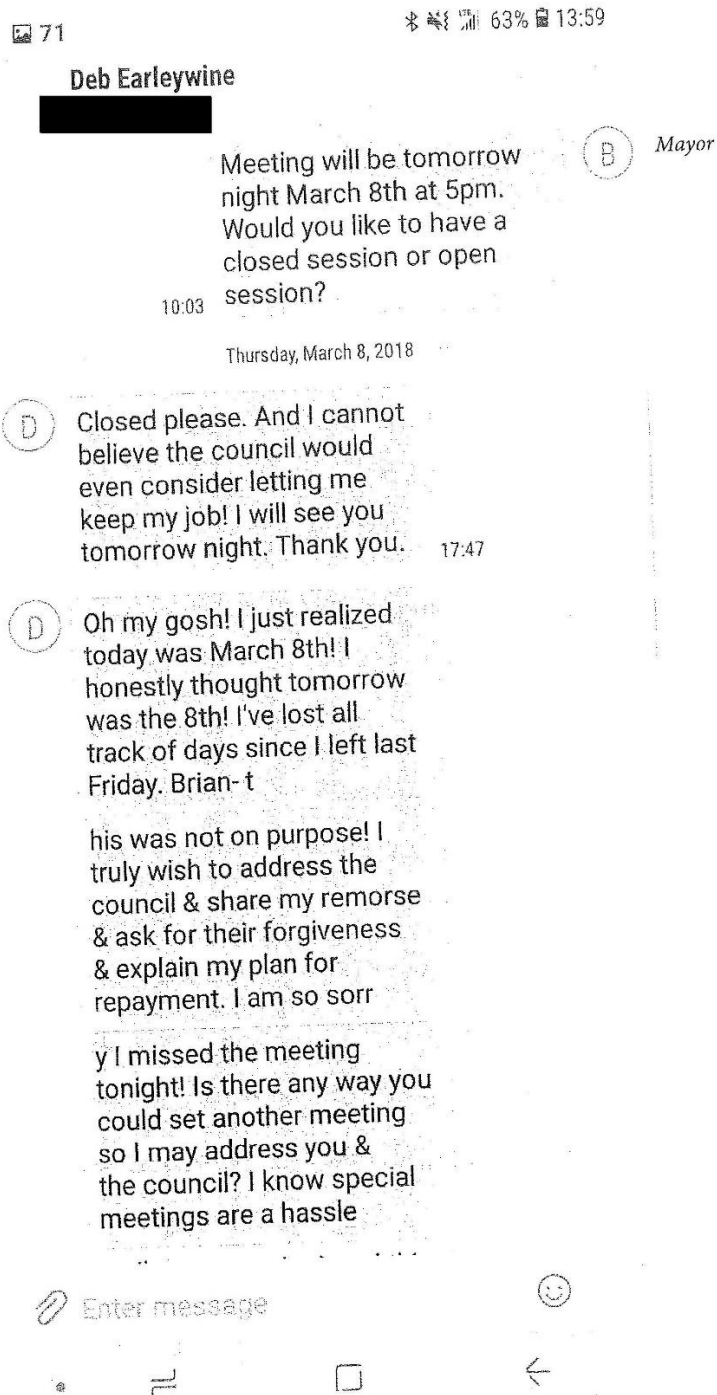
08:06

Wed, Mar 7, 2018 08:32

Good morning Deb, sorry I haven't gotten back to you sooner. I'm hoping to be able to call a special meeting yet this week. At that point you will be given a chance to address the council. You also get the option of having that meeting in closed session or open session. The council will also be voting on whether to continue or terminate your employment.

Report on Special Investigation of the
City of Mondamin

Copy of Text Message



Report on Special Investigation of the
City of Mondamin

Copy of Text Message

71

63% 13:59

Deb Earleywine

so I'm so sorry I missed this one. If you can find it in your heart to accept my apology & reschedule the meeting I would be tremendously appreciative.

I have screwed up again & I don't deserve your leniency.....but if you could set another meeting I PROMISE I will be there.

19:51

Tuesday, March 13, 2018

D Hi Brian. I'm assuming you discussed the situation with me last night. I really am sorry I didn't see your text about the March 8th meeting. I would sti

ll appreciate the opportunity to address the council & express my remorse & my plan to pay the city back. If it is possible to schedule a meeting I wou

Id truly appreciate it. I have liquidated some assets & have the money to pay the city back. Please let me know if you can schedule a meeting with the

Enter message



Report on Special Investigation of the
City of Mondamin

Copy of Text Message

71

63% 13:59

Deb Farleywine

Tuesday, March 13, 2018

(D)

Hi Brian. I'm assuming you discussed the situation with me last night. I really am sorry I didn't see your text about the March 8th meeting. I would sti

Il appreciate the opportunity to address the council & express my remorse & my plan to pay the city back. If it is possible to schedule a meeting I wou

Id truly appreciate it. I have liquidated some assets & have the money to pay the city back. Please let me know if you can schedule a meeting with the

council where I will have a chance to talk to them & apologize.@

08:32

Wednesday, March 14, 2018

I'm going to refer you to Jim Cunningham with the state auditor's office. He is handling the investigation. [REDACTED] or you can call

09:55 Pat Sears [REDACTED]

Enter message

Report on Special Investigation of the
City of Mondamin

Copies of Foodland Invoices

Store:678
Cashier: Chris H
02/17/18 20:36:09
PDQ MLES O SMLES PEN 1.00 TD
PDQ MLES O SMLES PEN 1.00 TD
PDQ BUBBLES CARROT 1.00 TD
CS BUNNY EAR HEADBND 1.00 TD
PRODUCE .59 F
PRODUCE .59 F
PRODUCE .59 F
SPW GARLIC DISP BOX .69 F
BIRTHDATE: 05/07/56
CAPTAIN MORGAN PARRO 15.19 TD
+BEER DEPOSIT 1PK .05
MYERS'S RUM ORIGINAL 20.29 TD
+BEER DEPOSIT 1PK .05
SUBTOTAL 42.04
TOTAL TAX 2.76
TOTAL 44.80
Visa TENDER 44.80
Acct:xxxxxxxxxxxx1934
APPRVL CODE 420296
CASH CHANGE .00
NUMBER OF ITEMS 12
Trx:197 Term:5 Store:678 20:37:43

Thank you for shopping at
Food Land! Missouri Valley

Deborah Early

Report on Special Investigation of the
City of Mondamin

Copies of Foodland Invoices

Store:678
Cashier: Chris H
02/15/18 20:06:28
PRODUCE .59 F
PRODUCE .59 F
PRODUCE .59 F
PRODUCE .59 F
LIME SDLS LG 48 SIZE .59
LIME SDLS LG 48 SIZE .59
LIME SDLS LG 48 SIZE .59
LIME SDLS LG 48 SIZE .59
APIO CAULIFLOWER FLT 1.99 F
BST CH IBUPRO LIQEL 2.91 TD
BIRTHDATE: 08/28/53
CAPTAIN MORGAN PARRO 15.19 TD
+BEER DEPOSIT 1PK .05
MYERS'S RUM ORIGINAL 20.29 TD
+BEER DEPOSIT 1PK .05
AL SAVE FAB SOFT SHT .99 TD
DIET COKE 2LTR 1.99 TF
+POP DEPOSIT 1PK .05 F
FRSK PRTY MX TREASUR 3.45 TD
FRSK PRTYMX CA DREAM 3.45 TD
BB ASSORTED TWIN POP 3.69 F
SUBTOTAL 58.82
TOTAL TAX 3.38
TOTAL 62.20
Visa TENDER 62.20
Acct:xxxxxxxxxxxx1934
APPRVL CODE 747916
CASH CHANGE .00
NUMBER OF ITEMS 20
Trx:161 Term:5 Store:678 20:08:42

Thank you for shopping at
Food Land! Missouri Valley

Deb Earleywine

Report on Special Investigation of the City of Mondamin

Copies of Foodland Invoices

Store:678
 Cashier: Chris H
 02/13/18 19:48:24
 GROCERY 4.99 F
 PRODUCE .59 F
 PRODUCE .59 F
 PRODUCE .59 F
 LIME SDLS LG 48 SIZE .59
 LIME SDLS LG 48 SIZE .59
 LIME SDLS LG 48 SIZE .59
 LIME SDLS LG 48 SIZE .59
 GRAPEFRUIT RED TX 48 .79
 GRAPEFRUIT RED TX 48 .79
 GRAPEFRUIT RED TX 48 .79
 GRAPEFRUIT RED TX 48 .79
 POMP LIME JUICE 3.39 F
 PEPPER SWEET MINI BA 4.09 F
 BST CH IBUPRO LIQGE 2.91 TD
 BIRTHDATE: 02/08/78
 CRUZAN MANGO RUM 14.35 TD
 +BEER DEPOSIT 1PK .05
 MYERS'S RUM ORIGINAL 20.29 TD
 +BEER DEPOSIT 1PK .05
 HNT TOMATO PASTE .79 F
 HNT TOMATO PASTE .79 F
 HNT TOMATO PASTE .79 F
 BST-CH LS TACO MIX .53 F
 BST-CH LS TACO MIX .53 F
 DIET COKE 2LTR 1.99 TF
 +POP DEPOSIT 1PK .05 F
 WSKA TEMPT BEEF 1.89 TD
 1 @ 2/ 1.09
 BST-CH DLX DNR CT FD .55 TD
 1 @ 2/ 1.09
 BST-CH GM GRL CAT FD .55 TD
 1 @ 2/ 1.09
 BST-CH TUNA CAT FOOD .55 TD
 1 @ 2/ 1.09
 BST-CH SLMN DN CT FD .55 TD
 KRAFT CRMY ITALIAN 2.49 F
 BST-CH TACO SHELLS 1.63 F
 SUBTOTAL 71.09
 TOTAL TAX 3.05
 TOTAL 74.14
 Visa TENDER 74.14
 Acct:xxxxxxxxxxxx1934
 APPRVL CODE 902427
 CASH CHANGE .00
 NUMBER OF ITEMS 33
 Trx:142 Term:5 Store:678 19:52:02

Thank you for shopping at
 Food Land! Missouri Valley

Deb Earleywine

Report on Special Investigation of the
City of Mondamin

Copies of Foodland Invoices

Store:678
Cashier: Chris H
01/28/18 14:10:36
PRODUCE 1.00 F
LIME SDLS LG 48 SIZE .59
LIME SDLS LG 48 SIZE .59
LIME SDLS LG 48 SIZE .59
LIME SDLS LG 48 SIZE .59
LIME SDLS LG 48 SIZE .59
LIME SDLS LG 48 SIZE .59
BIRTHDATE: 11/20/58
CAPTAIN MORGAN PARRO 15.19 TD
+BEER DEPOSIT 1PK .05
MYERS'S RUM ORIGINAL 20.29 TD
+BEER DEPOSIT 1PK .05
DIET COKE 2LTR 1.99 TF
+POP DEPOSIT 1PK .05 F
SUBTOTAL 42.16
TOTAL TAX 2.62
TOTAL 44.78
Visa TENDER 44.78
Acct:xxxxxxxxxxxx1934
APPRVL CODE 928855
CASH CHANGE .00
NUMBER OF ITEMS 13
Trx:53 Term:5 Store:678 14:13:29

Thank you for shopping at
Food Land! Missouri Valley



Report on Special Investigation of the
City of Mondamin

Copies of Foodland Invoices

Store:678

Cashier: Jaimie B
12/24/17 19:03:09

1 @ 2/ 4.00		
KR NY SHARP CHEDDR	2.00	F
0.45 lb @ 1 lb / 1.19		
ONIONS RED	.54	F
0.37 lb @ 1 lb / .59		
ONION YELLOW MED	.22	
CARROT GG CA 2 LB	1.69	F
FAMILY 80/20 GROUND	2.77	F
HALF HAMS	22.83	F
CURE 81 HAM	17.96	F
GROUND PORK	2.42	F
BONE-IN TURKEY BRST	11.62	F
RB COCKTL PMPN BRD	2.79	F
HB TEXAS TOAST	3.89	F
KR VELVEETA P7.99	7.99	F
BG PARMESAN WEDGES	3.79	F
BG ROMANO WEDGES	3.79	F
BST-CH FLR TORT10IN	2.09	F
BST-CH WHP CRM CHS	2.19	F
CF EW HORSERADSH CHD	3.39	F
KORBEL BRUT CHAMPAGN	14.99	TD
+BEER DEPOSIT 1PK	.05	
KORBEL BRUT CHAMPAGN	14.99	TD
+BEER DEPOSIT 1PK	.05	
BIRTHDATE: 05/12/63		
BE MOSCATO SPUMANTE	9.99	TD
+BEER DEPOSIT 1PK	.05	
BACARDI BLACK RUM	16.75	TD
+BEER DEPOSIT 1PK	.05	
BST-CH CRAN SC JELLY	.99	F
KEB CLUB STKS	3.99	F
OM DELI RST BEEF	3.99	F
OM DELI RST BEEF	3.99	F
JM COCKAIL SMOKIES	2.69	F
JM COCKAIL SMOKIES	2.69	F
SF THICK CUT BACON	5.25	F
REESE HORSERADISH-PU	3.25	F
BST-CH BEEF STICKS	2.07	TD
SUBTOTAL	177.80	
TOTAL TAX	4.12	
TOTAL	181.92	
CASH TENDER	80.00	
Visa TENDER	101.92	
Acct:xxxxxxxxxxxx1934		
APPRVL CODE 152155		
CASH CHANGE	.00	
NUMBER OF ITEMS	34	

Trx:355 Term:1 Store:678 19:07:32

Thank you for shopping at
Food Land! Missouri Valley

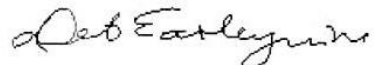
Deb E. Arleguin

Report on Special Investigation of the
City of Mondamin

Copies of Foodland Invoices

Store:678
Cashier: Kim C
12/06/17 14:56:19
LEMON BAG 1LB 2.99 F
BIRTHDATE: 10/18/56
CAPTAIN MORGAN PARRO 15.19 TD
+BEER DEPOSIT 1PK .05
MYERS'S RUM ORIGINAL 20.29 TD
+BEER DEPOSIT 1PK .05
SUBTOTAL 38.57
TOTAL TAX 2.48
TOTAL 41.05
Visa TENDER 41.05
Acct:xxxxxxxxxxxx1934
APPRVL CODE 268855
CASH CHANGE .00
NUMBER OF ITEMS 5
Trx:177 Term:1 Store:678 14:57:16

Thank you for shopping at
Food Land! Missouri Valley



Report on Special Investigation of the
City of Mondamin

Copies of Foodland Invoices

Store:678
Cashier: Chris H
08/28/17 18:45:21
1.71 lb @ 1.99 / lb
PRODUCE 3.40 F
1 @ 4/ 1.00
LIMES 110 SZ 10 LBS .25
1 @ 4/ 1.00
LIMES 110 SZ 10 LBS .25
1 @ 4/ 1.00
LIMES 110 SZ 10 LBS .25
1 @ 4/ 1.00
LIMES 110 SZ 10 LBS .25
1 @ 4/ 1.00
LIMES 110 SZ 10 LBS .25
1 @ 4/ 1.00
LIMES 110 SZ 10 LBS .25
1 @ 4/ 1.00
LIMES 110 SZ 10 LBS .25
1 @ 4/ 1.00
LIMES 110 SZ 10 LBS .25
STRAWBERRIES 1.99 F
CAPTAIN MORGAN PARRO 15.19 TD
+BEER DEPOSIT 1PK .05
BIRTHDATE: 12/09/86
MYERS'S RUM ORIGINAL 20.29 TD
+BEER DEPOSIT 1PK .05
SUBTOTAL 42.97
TOTAL TAX 2.48
TOTAL 45.45
Visa TENDER 45.45
Acct:xxxxxxxxxxxx1910
APPRVL CODE 133015
CASH CHANGE .00
NUMBER OF ITEMS 14
Trx:113 Term:5 Store:678 18:51:18

Thank you for shopping at
Food Land! Missouri Valley

Deb Earley

Report on Special Investigation of the
City of Mondamin

Copies of Foodland Invoices

Store:678
Cashier: Josh K
05/04/17 20:03:43

1 @ 5/ 1.00	
LIME SEEDLESS 230CT	.20
1 @ 5/ 1.00	
LIME SEEDLESS 230CT	.20
1 @ 5/ 1.00	
LIME SEEDLESS 230CT	.20
1 @ 5/ 1.00	
LIME SEEDLESS 230CT	.20
1 @ 5/ 1.00	
LIME SEEDLESS 230CT	.20
5LB BC RUSSET POTATO	1.68 F
BIRTHDATE: 12/09/86	
MYERS'S RUM ORIGINAL	20.29 TD
+BEER DEPOSIT 1PK	.05
CE DT COCA COLA 2LTR	1.99 TF
+POP DEPOSIT 1PK	.05 F
PRNGL SS XTR SRM DIL	1.99 F
SUBTOTAL	27.05
TOTAL TAX	1.56
TOTAL	28.61
Visa TENDER	28.61
Acct:xxxxxxxxxxxxx1910	
APPRVL CODE 646235	
CASH CHANGE	.00
NUMBER OF ITEMS	11

Trx:362 Term:1 Store:678 20:05:46

Thank you for shopping at
Food Land! Missouri Valley

Deborah Earley

Report on Special Investigation of the
City of Mondamin

Copies of Foodland Invoices

Store:678
Cashier: Chris H
04/27/17 18:35:12
BST-CH YELLOW CK MX .89 F
LEMONS .89
LEMONS .89
LEMONS .89
LEMONS .89
GRIMM CARROTS 2LB 1.49 F
BIRTHDATE: 06/09/84
MYERS'S RUM ORIGINAL 20.29 TD
+BEER DEPOSIT 1PK .05
VARIETY PUZZLES AND 4.99
CF DT COCA COLA 2LTR 1.99 TF
+POP DEPOSIT 1PK .05 F
FRSK PRTYMX GRILL CR 1.75 TD
FRSK TRT MEOW LUAU 1.75 TD
FRSK PRTYMX WLD WEST 1.75 TD
WHSKA TEMPT BEEF 1.89 TD
AL SAVE POWDER SUGAR 1.45 F
SUBTOTAL 41.90
TOTAL TAX 2.06
TOTAL 43.96
Visa TENDER 43.96
Acct:xxxxxxxxxxxx1910
APPRVL CODE 499738
CASH CHANGE .00
NUMBER OF ITEMS 16
Trx:139 Term:5 Store:678 18:36:41

Thank you for shopping at
Food Land! Missouri Valley

Debra Easley

Report on Special Investigation of the
City of Mondamin

Documentation of Repayment by Ms. Earleywine



Customer Service

Call: Toll Free 1-800-819-4249

(TDD Telecommunications Device for the Deaf: 1-800-925-2833)

Save Time and Stamps
by Paying Online!

Visit: www.washingtoncountybank.com

Remit to: First National Bank Omaha, P.O. Box 2818, Omaha, NE 68103-2818



Transaction Detail

Trans Date	Post Date	Reference Number	Transaction Description	Credits (CR) and Debits
1-24	1-24	24592168024100551328709 7	INTUIT *CHECKS / FORMS 800-446-8848 CA	\$182.45
1-25	1-26	24445008026000815972755	USPS PO 1B60480555 MISSOURI VALL IA	\$260.00
1-28	1-29	24427338028720027297894	FOODLAND SUPERMARKE MISSOURI VALL IA	\$44.78 ✓
1-28	1-30	24445008029300357483235	CASEYS GEN STORE 2521 ADAIR IA	\$15.40 ✓
1-30	1-31	74892168030100528821774 7	INTUIT *CHECKS / FORMS 800-446-8848 CA	\$9.48 (CR)
2-13	2-14	24427338044720029589769	FOODLAND SUPERMARKE MISSOURI VALL IA	\$74.14 ✓
2-14	2-15	24164078045105093413112 7	QUILL CORPORATION 800-982-3400 SC	\$54.54
2-15	2-16	24427338046720026853356	FOODLAND SUPERMARKE MISSOURI VALL IA	\$62.20 ✓
2-17	2-20	24427338048720028760912	FOODLAND SUPERMARKE MISSOURI VALL IA	\$44.80 ✓
2-19	2-20	74418008051007051055538	ONLINE PAYMENT THANK YOU	\$29.85 (CR)

Your Annual Percentage Rate (APR) is the annual interest rate on your account. (v) Variable Rate (f) Fixed Rate

Charge Summary	Annual Percentage Rate (APR)	Special Offer or Eligible Purchase APR Expiration Date	Balance Subject to Interest Rate	Days Rate Used	Interest Charge
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DEBORAH L. EARLEYWINE

72-338/1049

10270

DATE

3-1-18

FAP



PAY TO THE ORDER OF

City of Mondamin \$ 241 ³²/₁₀₀

Two hundred forty-one and ³²/₁₀₀

Heat Reactive Ink

MIDSTATES

BANK

Midwest Valley, IA 51555 • Mondamin, IA 51557
www.midstatesbank.com

MEMO

Deborah Earleywine

10270

ation.

LOOK FOR FRAUD-DETERMINING FEATURES INCLUDING THE SECURITY SQUARE AND HEAT-REACTIVE INK. DETAILS ON BACK.

Sorry for the error.