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NEWS RELEASE

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FOR RELEASE November 9, 2007

Auditor of State David A. Vaudt today released a report on a special investigation of the City of Clearfield for the period August 1, 2006 through June 30, 2007. The special investigation was requested by the City Council as a result of alleged misappropriation of City funds. The Deputy Clerk, Rocky Huffman, was placed on administrative leave on May 23, 2007 as a result of the concerns identified and was later terminated from his position on July 11, 2007. The City Clerk, Melissa England, resigned from her position with the City on August 16, 2007 to accept a new job.

Vaudt reported the special investigation identified \$7,860.64 of improper disbursements, \$4,169.32 of undeposited collections and \$607.46 of unsupported disbursements. The improper disbursements included cash withdrawals of \$4,150.00 from the City's General and Utility Deposit bank accounts. Cash withdrawals of \$3,500.00 and \$650.00 were made by the former Deputy Clerk and the former City Clerk, respectively. The \$650.00 cash withdrawal made by the former City Clerk was authorized by the Mayor and, according to the Mayor and the former City Clerk, this withdrawal was requested by the former Deputy Clerk to provide cash refunds to 2 individuals for utility deposits. The former Deputy Clerk prepared records showing 2 individuals received utility deposit refunds totaling \$650.00. However, the 2 individuals were not entitled to refunds because they did not make utility deposits with the City.

Other improper disbursements included payments to vendors and personal friends of the former Deputy Clerk totaling \$1,074.33 and extra payroll payments to the former Deputy Clerk and the former City Clerk for \$328.86 and \$1,122.66, respectively.

The undeposited collections include credits of \$1,953.32 entered on the utility system by the former Deputy Clerk for cash customers. Documentation was not available to support the credits. The undeposited collections also included \$600.00 rent for a unit in the Cozy Corner trailer court owned by the City and \$960.00 in rent due from the former City Clerk.

Vaudt also reported adequate records for receipts were not available to determine if additional collections were not properly deposited.

The unsupported disbursements were expense and travel reimbursements to the former Deputy Clerk and former City Clerk.

Of the \$12,637.42 of improper disbursements, undeposited collections and unsupported disbursements identified, \$8,507.77 is attributable to actions taken by the former Deputy Clerk, Rocky Huffman, and \$4,129.65 is attributable to actions taken by the former City Clerk, Melissa England.

The improper and unsupported disbursements were made from the City's General, Fire Department, Library and Utility Deposit accounts. The undeposited collections should have been deposited into the General account. The total identified by account is as follows:

Description	General Account	Fire Department Account	Library Account	Utility Deposit Account	Total
Improper disbursements	\$ 3,536.31	400.00	1,074.33	2,850.00	7,860.64
Undeposited collections	4,169.32	-	-	-	4,169.32
Unsupported disbursements	607.46	-	-	-	607.46
Total	\$ 8,313.09	400.00	1,074.33	2,850.00	12,637.42

The report also includes recommendations to strengthen the City's internal control and overall operations. The recommendations include improvements to the City's segregation of duties, preparation of utility reconciliations, Council approval of all disbursements and the retention and approval of all timesheets.

Copies of the report have been filed with the Taylor County Sheriff's Office, the Taylor County Attorney's Office, the Division of Criminal Investigation and the Attorney General's Office. A copy of the report is available for review in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/specials/specials.htm>.

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**REPORT ON SPECIAL INVESTIGATION
OF THE
CITY OF CLEARFIELD
FOR THE PERIOD
AUGUST 1, 2006 THROUGH JUNE 30, 2007**

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David A. Vaudt, CPA
Auditor of State

Auditor of State's Report

To the Honorable Mayor and
Members of the City Council:

As a result of alleged improprieties regarding certain disbursements and at your request, we conducted a special investigation of the City of Clearfield. We have applied certain tests and procedures to selected financial transactions of the City of Clearfield for the period August 1, 2006 through June 30, 2007. Based on discussions with City officials and a review of relevant information, we performed the following procedures:

- (1) Evaluated internal controls to determine whether adequate policies and procedures were in place and operating effectively.
- (2) Examined activity in the bank accounts held by the City to identify any unusual activity. We also examined copies of certain canceled checks, cash withdrawal slips, deposit slips and related documents for propriety.
- (3) Examined deposits to the City's bank accounts to determine the source, purpose, and propriety of each deposit.
- (4) Confirmed payments to the City by the State of Iowa and Taylor County to determine if they were properly deposited to the City's accounts.
- (5) Scanned all disbursements from the City's accounts and examined images of selected transactions to determine if they were appropriate, reasonable, properly approved and supported by adequate documentation.
- (5) Examined payroll disbursements to the former City Clerk and former Deputy Clerk to determine if the amounts disbursed were appropriate.
- (6) Examined utility billing and collection records to determine if utility collections were properly accounted for and deposited.
- (7) Compared utility billings calculated from utility payments summary reports to deposits to the City's general checking account.

These procedures identified \$7,860.64 of improper disbursements, \$4,169.32 of undeposited collections and \$607.46 of unsupported disbursements. Of the \$12,637.42 identified, \$8,507.77 is attributable to actions taken by the former Deputy Clerk and \$4,129.65 is attributable to actions taken by the former City Clerk. We were unable to determine if all collections were properly deposited because adequate records for receipts were not available. Several internal control weaknesses were also identified. Our detailed findings and recommendations are presented in the Investigative Summary and **Exhibits A** through **G** of this report.

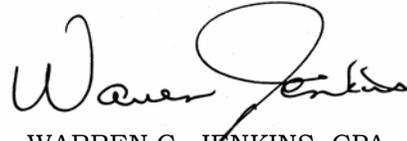
The procedures described above do not constitute an audit of financial statements conducted in accordance with U.S. generally accepted auditing standards. Had we performed additional procedures, or had we performed an audit of financial statements of the City of Clearfield, other matters might have come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

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

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



DAVID A. VAUDT, CPA
Auditor of State



WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

October 23, 2007

City of Clearfield

Investigative Summary

Background Information

The Clearfield City Council approved hiring Melissa England as the City Clerk on August 8, 2006. Through October 2006, the City also employed a former City Clerk to train Ms. England. The City Clerk's job duties and responsibilities include:

- 1) Disbursements – check preparation, check signing, distribution and posting to the accounting records,
- 2) Payroll – check preparation, check signing and posting to the accounting records,
- 3) Utilities billings (until October 30, 2006) – preparation and mailing of billings, receipt and deposit of collections, posting payments to resident accounts and notifying residents with delinquent accounts,
- 4) Camping and permit receipts – collection, posting to the accounting records and preparing deposits,
- 5) Bank accounts – reconciliation of monthly bank statements to accounting records,
- 6) Reporting – preparation of Council minutes and preparation of financial reports.

The City Clerk was to be responsible for the accounting and maintenance of all City records and bank accounts. The City has 4 bank accounts: General, Fire Department, Library and Utility Deposit.

On September 27, 2006, the Council approved hiring Rocky Huffman as the Deputy Clerk. Mr. Huffman began employment on October 30, 2006 after a short training period. The Deputy Clerk was responsible for maintaining the City's utility records, including:

- 1) preparation and mailing of customer billings,
- 2) receipt and deposit of collections,
- 3) maintaining a ledger by customer and posting payments to customer accounts,
- 4) preparation of monthly utility reconciliations and
- 5) tracking delinquencies and notifying customers of delinquent accounts.

After Mr. Huffman became responsible for utilities, Ms. England no longer performed any utilities duties but she was to continue to be responsible for the General, Fire Department and Library accounts. However, according to a City official we spoke with, Ms. England delegated duties for the Fire Department and Library accounts to Mr. Huffman. According to the Mayor, Council members became aware Mr. Huffman was maintaining the Fire Department and Library accounts as well as the utilities. Since Mr. Huffman had prior accounting experience, the Council did not address the change in duties between Ms. England and Mr. Huffman.

The City's primary revenue sources are taxes from Taylor County and the State of Iowa. Fees are also collected from households and businesses throughout the year for gas, sewer and garbage services. Utility customers must also provide a deposit or a letter of credit prior to receiving utility

services. The utility deposits are accounted for separately in the Utility Deposit account. The deposits are refundable when a customer no longer requires services. In addition, the City occasionally collects fees for permits and camping fees.

All disbursements are to be made by check. All checks from the City's General and Fire Department checking accounts are to include 2 signatures. The checks from the General account were signed by Ms. England and the Mayor. The checks from the Fire Department account were signed by Mr. Huffman and the Fire Chief or Mayor. The checks from the Library and Utility Deposit accounts did not have the same dual signature requirement during the period of our investigation. Only Ms. England's or Mr. Huffman's signature was required for those accounts. However, since the investigation, the City has changed its policy to require dual signatures on all accounts. Authorized signers include the Mayor, a Council member, the City Clerk and the Deputy Clerk.

According to a Council member and the former Clerk, a teller from a bank in Omaha called Ms. England in early April 2007 to notify her an individual in the bank was trying to cash a check issued from the City of Clearfield Library account. It was later determined the check was prepared and signed by Mr. Huffman. It was dated April 6, 2007 and payable to Simon DeSantige in the amount of \$400. Ms. England told the teller not to cash it and then called a Council member and told her of the incident. The Council member instructed Ms. England to call the City Attorney regarding the matter. The check was subsequently cashed at a different bank on April 11, 2007 and cleared the City's bank on April 12, 2007.

At the following Council meeting on April 11, 2007, the Council member asked Ms. England if she had contacted the City Attorney. Ms. England informed the Council member she had not yet contacted the City Attorney because she wanted to ensure a problem existed prior to contacting the City Attorney. The Council member informed the City Attorney of the incident after the Council meeting.

After determining Mr. Huffman issued 2 unauthorized checks to his friends, the Council placed him on administrative leave with pay on May 23, 2007 pending the outcome of an investigation. He was subsequently terminated from employment on July 11, 2007. A copy of his termination letter is included in **Appendix 1**. At the May 23, 2007 meeting, the Council also approved hiring the Office of the Auditor of State to conduct an investigation.

On May 24, 2007, the City Attorney contacted the Office of Auditor of State to request an investigation. As a result of that request, we performed the procedures detailed in the Auditor of State's Report for the period August 1, 2006 through June 30, 2007. The City Attorney also informed the Office of Auditor of State the Taylor County Sheriff's Office had been notified.

Detailed Findings

The procedures we performed identified \$7,860.64 of improper disbursements, \$4,169.32 of undeposited collections and \$607.46 of unsupported disbursements for the period August 1, 2006 through June 30, 2007. Of the \$12,637.42 identified, \$8,507.77 is attributable to actions taken by the former Deputy Clerk and \$4,129.65 is attributable to actions taken by the former City Clerk. We were unable to determine whether all collections were properly deposited because adequate records for receipts were not available.

Table 1 summarizes the amounts of improper disbursements attributable to actions taken by Mr. Huffman and Ms. England. **Table 2** summarizes our findings by account.

Table 1

Description	Attributable to Actions Taken by		
	Mr. Huffman	Ms. England	Total
<u>Improper Disbursements:</u>			
Payments to vendors and other individuals	\$ 1,074.33	-	1,074.33
Extra payroll payments	328.86	1,122.66	1,451.52
Other payment to Mr. Huffman	400.00	-	400.00
Personal utilities	-	269.37	269.37
Cash withdrawals	4,150.00	-	4,150.00
Payroll tax penalties and interest	-	515.42	515.42
Subtotal	5,953.19	1,907.45	7,860.64
<u>Undeposited Collections:</u>			
Utilities:			
Cash customers	1,953.32	-	1,953.32
Ms. England	-	156.00	156.00
Mr. Huffman's sister	500.00	-	500.00
Rent:			
Cash collections	-	600.00	600.00
Ms. England	-	960.00	960.00
Subtotal	2,453.32	1,716.00	4,169.32
<u>Unsupported Disbursements:</u>			
Unsupported reimbursements	101.26	506.20	607.46
Total	\$ 8,507.77	4,129.65	12,637.42

Table 2

Description	General Account	Fire Department Account	Library Account	Utility Deposit Account	Total
Improper disbursements	\$ 3,536.31	400.00	1,074.33	2,850.00	7,860.64
Undeposited collections	4,169.32	-	-	-	4,169.32
Unsupported disbursements	607.46	-	-	-	607.46
Total	\$ 8,313.09	400.00	1,074.33	2,850.00	12,637.42

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

IMPROPER DISBURSEMENTS

We examined each disbursement from the City's General, Fire Department, Library and Utility Deposit accounts and identified several improper disbursements. The improper disbursements include payments to vendors and individuals, extra payroll payments to the former Deputy Clerk and former City Clerk and cash withdrawals. According to City officials we spoke with, all City payments should be made by check and no business should be conducted in cash. The improper disbursements identified are discussed in detail in the following paragraphs.

Payments to Vendors and Other Individuals – As mentioned previously, City officials identified 2 improper checks prepared by the former Deputy Clerk from the Library account. The checks were for \$400 each and were payable to Susan Beaver and Simon DeSantige, reportedly friends of Mr. Huffman.

Supporting documentation was not available for these payments. In addition, the payments were not included on the bill listing presented to Council for approval. According to City officials we spoke with, there would be no reason for the City to make payments to these individuals. Copies of the checks have been included in **Appendix 2**.

In addition to the 2 improper checks identified by City officials, we identified 2 payments from the Library account which appear to include personal purchases. A check dated April 7, 2007 was issued to Big Lots for \$94.92. A copy of the receipt from Big Lots is included in **Appendix 3**. As illustrated by the **Appendix**, the payment was for various household products, including electronics, frames, paper and bath tissue. The paper and bath tissue totaled \$13.50 and appear to be reasonable purchases for the Library. The remaining items purchased for \$81.42 are considered personal and improper.

We also identified a check dated April 11, 2007 and issued to Office Max for \$192.91. However, a copy of the receipt was not available. According to the City's librarian, the only supplies purchased for the Library around this time period was paper which appears to have been purchased on April 7 from Big Lots.

The improper disbursements to vendors and Mr. Huffman's friends total \$1,074.33 and are listed in **Exhibit B**. They have also been included in **Exhibit A**.

Extra Payroll Payments – The City's office hours are 8:00 a.m. to noon Monday through Thursday. Ms. England was expected to work approximately 20 hours per week, while Mr. Huffman was expected to work approximately 10 hours per week. Ms. England and Mr. Huffman prepared timesheets, but only a limited number were available at the City. Ms. England stated she was unable to find the missing timesheets.

The City issues payroll checks on a biweekly basis. The City's pay periods include 14 days starting on a Monday and ending on a Sunday. Payroll checks are to be issued on the Thursday following the end of the pay period and are prepared using the information from the timesheets and the employee's authorized hourly salary. The Council approved Ms. England's wage rate of \$10.00 per hour. On September 27, 2006, the Council approved Mr. Huffman's wage rate of \$7.25 per hour. **Exhibit C** lists the payroll checks issued to the former Clerk and former Deputy Clerk for the period of our investigation.

During our review of Council minutes, we determined payroll information was not included on the list of bills presented to the Council for approval. Because all City employees are paid on an hourly basis, the amount of their pay varies by pay period.

During our review of payroll, we identified several checks issued prior to the Thursday following the end of the pay period, which is the date payroll checks are to be issued. **Exhibit D** lists the

payroll checks issued in advance of the payroll payment date. As illustrated by the **Exhibit**, 11 checks were issued to Ms. England prior to the payroll payment date. These checks were all issued prior to the end of the payroll period. We also identified 8 checks issued to Mr. Huffman prior to the payroll payment date and prior to the end of the payroll period. Payroll payments made prior to the end of the payroll period results in employees being paid before the services have been performed and, therefore, earned. In addition, we identified 1 check issued in advance for a third City employee. As shown in the **Exhibit**, the checks were issued from 6 to 15 days early. Since the early payroll checks did not result in an additional cost to the City, these are not included in **Exhibit A**.

We also identified extra payroll payments made to Mr. Huffman and Ms. England. The payments are described in the following paragraphs.

- a. **Extra Payroll Payments to Mr. Huffman** – According to Ms. England and a Council member we spoke with, Mr. Huffman sometimes did not report to work for periods of time without an explanation. According to the Mayor and the former Clerk, Mr. Huffman did not work the month of February 2007 due to an illness. However, he still received payroll checks for the pay periods in February. Because Mr. Huffman was a part-time employee, he was not entitled to sick leave and should not have received paid time off for an illness.

Although he did not work during February, Mr. Huffman received 2 checks for the pay period February 12, 2007 through February 25, 2007. Ms. England could not provide an answer when asked why she paid Mr. Huffman for this pay period when he was not to be paid for time off work. She also could not explain why 2 checks were issued for this pay period. Each check was issued for \$124.77 which was Mr. Huffman’s net pay for 20 hours of time. Mr. Huffman’s timesheet for the pay period ended February 25, 2007 was not available.

The improper payroll payments are listed in **Table 3**. As illustrated by the **Table**, the gross amount of each check totaled \$145.00. In addition to the gross amount of the checks, the City also incurred the employer’s share of payroll taxes and IPERS contributions. The total cost of \$328.86 has been included in **Exhibit A**. Copies of the improper payroll checks have been included in **Appendix 4**.

Table 3

Check Number	Date	Gross Amount	City’s Share of		Total
			FICA	IPERS	
11205	02/20/07	\$ 145.00	11.09	8.34	164.43
11211	02/28/07	145.00	11.09	8.34	164.43
Total		\$ 290.00	22.18	16.68	328.86

The improper payroll checks were signed by Ms. England and the Mayor. Copies of selected pages of the payroll ledger for Mr. Huffman have been included in **Appendix 5**. As illustrated in the **Appendix**, the payroll ledger shows the 2 checks were written for the same pay period.

The remaining days in February were included in 2 additional pay periods. The pay period January 26, 2007 through February 8, 2007 included 5 working days in February and the pay period February 26, 2007 through March 11, 2007 included 3 working days in February. Because timesheets are not available, it is not possible to determine which specific days in these 2 pay periods Mr. Huffman was paid for. It is possible the payment he received for each of these pay periods was for time he

worked in January and March. As a result, we have not included any payments for these pay periods in **Exhibit A**.

- b. **Extra Payroll Payments to Ms. England** - According to a City official we spoke with, Ms. England worked more hours than the 20 hours per week expectation of the Council. Based on information from the payroll ledger, Ms. England typically worked between 20 and 25 hours per week. According to a Council member we spoke with, the Council was aware of the extra hours Ms. England reported.

We identified 2 pay periods in which Ms. England received duplicate checks. Like Mr. Huffman, she also received 2 payroll checks for the pay period February 12, 2007 through February 25, 2007. In addition, she received 2 payroll checks for the pay period April 9, 2007 through April 22, 2007. Timesheets for these pay periods were not available for our review.

On February 20, 2007, Ms. England issued a check to herself for \$434.48 for the pay period February 12, 2007 through February 25, 2007. As illustrated in **Exhibit D**, this pay check was written prior to the end of the pay period. On February 28, 2007, Ms. England issued another check to herself for the same pay period. The second check totaled \$435.45.

On April 18, 2007, Ms. England issued a check to herself for \$387.09 for the pay period April 9, 2007 through April 22, 2007. As illustrated in **Exhibit D**, this check was issued prior to the end of the pay period. On April 27, 2007, Ms. England issued another payroll check for \$405.84 to herself for the same pay period.

The improper payroll payments are listed in **Table 4**. The payments included as improper were the second payment made for each pay period. As illustrated by the **Table**, the City also incurred the employer's share of payroll taxes and IPERS contributions in addition to the gross amount of the checks. The total of \$1,122.66 for improper and duplicate payroll, including payroll taxes, has been included in **Exhibit A**. Copies of the improper payroll checks have been included in **Appendix 6**.

Table 4

Check Number	Date	Gross Amount	City's Share of		Total
			FICA	IPERS	
11209	02/28/07	\$ 515.00	39.40	29.61	584.01
11301	04/27/07	475.00	36.34	27.31	538.65
		\$ 990.00	75.74	56.92	1,122.66

The improper payroll checks were signed by Ms. England and the Mayor and were included in the payroll ledger. Copies of certain pages of the payroll ledger have been included in **Appendix 7**. As illustrated by the **Appendix**, the payroll ledger shows entries for the duplicate payments.

Other Payment to Mr. Huffman – In addition to the improper payroll payments, Mr. Huffman received a check written from the City's Fire Department's account. Mr. Huffman was responsible for this account. As previously stated, checks were to be signed by Mr. Huffman and the Fire Chief. The payments from the Fire Department account are not presented to Council for approval.

Check number 2113 was dated May 17, 2007 and issued to Mr. Huffman for \$400.00. A copy of the check is included in **Appendix 8**. As illustrated by the **Appendix**, it appears the check was signed by Mr. Huffman and the Mayor. However, according to the Mayor, the signature on the check is not his. According to a Council member we spoke with, Mr. Huffman admitted to forging the Mayor's signature on the check.

According to the Fire Chief, Mr. Huffman was not authorized to receive the check. A copy of a statement made by the Fire Chief is included in **Appendix 8**. As illustrated by the **Appendix**, Mr. Huffman requested the Fire Chief stop at City Hall to sign checks issued from the Fire Department account. However, before he arrived at City Hall, Mr. Huffman had the Mayor sign the checks. The unauthorized check is included in **Exhibit A**.

Personal Utilities – The City owns a trailer court called Cozy Corner which has 3 units available for rent. The renters sign a lease with the City and are to pay rent to the City in addition to fees for sewer and garbage utility services. The renters are responsible for paying Alliant Energy for electrical services. Ms. England rented a unit from the City beginning in May 2007.

On 2 occasions, the City paid the Alliant Energy bill for Ms. England's rental unit. On July 24, 2007, Ms. England prepared a check drawn on the City's account to Alliant Energy for \$1,267.72. A portion of the payment was for the City's electric bill of \$1,141.37. The remaining \$126.35 was for Ms. England's personal utility bill. The check was signed by Ms. England and the Mayor.

On October 10, 2007, a check was written to Alliant Energy from the City for \$175.64. The payment included a past due amount of \$125.33 on Ms. England's account. In addition, Ms. England was responsible for 10 days of the current billing from Alliant Energy. Ms. England's portion of the current bill was \$17.69. Because the City owns the property and wanted to rent the unit to a new tenant, the outstanding balance on Ms. England's account was paid by the City. The City paid \$143.02 that should have been paid by Ms. England.

Appendix 9 includes copies of the 2 checks and Ms. England's account history obtained from Alliant Energy. The \$269.37 the City paid for Ms. England's account has been included in **Exhibit A**. According to City officials we spoke with, the City will continue to attempt to collect this amount from Ms. England.

Cash Withdrawals - According to the Mayor, cash withdrawals were not to be made from the City's accounts. As stated previously, all City obligations were to be paid by check. We identified 5 cash withdrawals from the City's accounts. The withdrawals totaled \$4,150.00 and are listed in **Exhibit E**. As illustrated by the **Exhibit**, 3 withdrawals were from the Utility Deposit account between February 21, 2007 and March 2, 2007 and totaled \$2,850.00. After the cash withdrawal from the Utility Deposit account on March 2, 2007, the balance of the account was \$1,873.37. The balance was transferred to the General account on March 7, 2007. The remaining 2 withdrawals were from the City's General account between March 7, 2007 and April 6, 2007 and totaled \$1,300.00. Copies of the withdrawal slips are included in **Appendix 10**. As illustrated by the **Appendix**, 3 of the withdrawal slips were signed by Mr. Huffman and 2 were not signed.

There was no documentation to support the 3 withdrawals from the Utility Deposit account and, according to City officials, there would be no reason for the City to withdraw cash.

As illustrated by **Appendix 10**, the document for the withdrawal of \$650.00 from the General account dated March 7, 2007 was signed by Ms. England. According to Ms. England and the Mayor, the withdrawal was authorized by the Mayor. Ms. England also stated Mr. Huffman explained cash was needed to refund utility deposits to 2 individuals because there were no checks on hand for the Utility Deposit account. According to the Mayor, the City's policy is to make utility deposit refunds by check and not in cash. It is unclear why the Mayor authorized this particular withdrawal.

According to the former Clerk, the cash was turned over to Mr. Huffman. Based on documentation prepared by Mr. Huffman, it appears \$400.00 cash was distributed to Clarence and Cindy Steinbach and \$250.00 cash was distributed to Betty Volner for utility deposit refunds. According to the documentation, Mr. and Mrs. Steinbach received \$250.00 as a gas deposit refund and \$150.00 as a sewer and garbage deposit refund. The documentation also shows Ms. Volner received \$200.00 as a gas deposit refund and \$50.00 as a sewer and garbage deposit refund.

However, according to the current Deputy Clerk, utility deposits were not recorded for either Ms. Volner or Mr. and Mrs. Steinbach. Mr. and Mrs. Steinbach no longer reside in Clearfield. When they lived in the City, they occupied property owned by another individual. The property owner had previously occupied the home and, instead of making a utility deposit, he gave the City a Letter of Credit. When Mr. and Mrs. Steinbach left Clearfield, they owed the City approximately \$246.00 for unpaid utilities. Because Mr. and Mrs. Steinbach had not made a utility deposit and still owe the City for unpaid utilities, they were not entitled to a refund.

Ms. Volner is Mr. Huffman's mother. She currently resides in Clearfield with another individual. She has not made a deposit to the City for utility services and a utility account has not been established in her name. Because Ms. Volner had not made a utility deposit, a refund should not have been issued to her. The individual she resides with is still a customer of the City. Therefore, a utility deposit refund was not owed for that residence.

It appears Mr. Huffman did not actually make utility deposit refunds but created documentation to support the cash withdrawal. This cash withdrawal was made the same day the Utility Deposit account was closed and Mr. Huffman no longer had access to that account. Since neither customer was entitled to a refund and refunds were not to be made in cash, we have determined the cash withdrawal was for personal reasons. Copies of the 2 receipts for the utility deposit refunds prepared and signed by Mr. Huffman are included in **Appendix 11**.

The last cash withdrawal was for \$650.00 and was made on April 6, 2007 from the General account. The withdrawal slip was signed by Mr. Huffman and there was no documentation to support the withdrawal.

The cash withdrawals of \$4,150.00 are considered improper and have been included in **Exhibit A**.

Payroll Tax Penalties and Interest - We scanned the payments made by the City for the payment of payroll taxes. We determined the payments were not always made on a timely basis, resulting in the City paying \$515.42 of penalties and interest. Ms. England was responsible for issuing the payroll tax payments. According to the current City Clerk, the City is current on the payment of all payroll and withholding taxes. The penalties and interest paid by the City are included in **Exhibit A**.

UNDEPOSITED COLLECTIONS

As previously stated, the City's primary revenue sources are taxes from Taylor County and the State of Iowa. Fees are also collected from households and businesses throughout the year for gas, sewer and garbage services and other miscellaneous fees.

Taxes from the State and County - We confirmed payments made to the City by Taylor County and the State of Iowa for the period August 1, 2006 to June 30, 2007. We determined all payments from the County and State were properly deposited in the City's checking accounts.

Utility Collections - As stated previously, Mr. Huffman had primary responsibility for preparation of monthly billing statements and collection of utility payments. However, he did not prepare billing reconciliations. According to City personnel we spoke with, the City has a utility drop box at City Hall. Mr. Huffman was responsible for removing collections from the box and recording the collections and making deposits to the bank.

City officials identified some concerns regarding the utility accounts maintained by Mr. Huffman. A number of the accounts included credits rather than payments for the amounts billed. In addition, City officials reported several customers paid their utility bills with cash; however, the payments had not been recorded in their accounts.

To determine if the payments recorded in the utility accounts were actually deposited to the bank, we compared the Utility Payments Edit Summary Report to images of bank deposit slips. Based on our testing, it appears the payments recorded in the utility accounts were properly deposited into the City's bank account.

However, during our review of the Utility Payments Edit Summary Report, we identified credits totaling \$16,231.12 made to several accounts. For the amounts credited to the accounts, we were able to review documentation or obtain explanations for \$13,675.80 of the credits. The remaining \$2,537.32 of credits could not be explained and documentation was not available from the City.

Cash Customers - With the assistance of the current Deputy Clerk, we compared a list of utility customers who typically pay their utility bills with cash to the list of accounts containing unexplained credits. As a result of this comparison, we identified 10 accounts containing credits where the customer regularly paid their utility bills in cash. There were 18 credits made to these 10 accounts totaling \$1,953.32.

Of the 18 credits, 8 were made in June after Mr. Huffman was suspended. These credits were made by the current Deputy Clerk after several customers informed her they had paid their bills. These credits were for payments made on billings for March through May 2007 when Mr. Huffman was responsible for the utility billings and collections.

Because there is no documented reason these accounts would receive credits and several cash customers indicated they had paid their utilities, it appears Mr. Huffman kept the payments from cash customers instead of depositing the cash into the City's account. Mr. Huffman then applied credits in the utility system for the related accounts. The credits prevented the accounts from appearing delinquent in the subsequent billing period and by not showing the cash collection as a payment on the account, the payments recorded in the billing system agreed with deposits to the bank.

The unexplained credits to cash customers of \$1,953.32 are listed in **Exhibit F** and are included in **Exhibit A**. In addition to the 10 accounts identified above, we also identified 2 other customer accounts with credits. These accounts were for Ms. England and Kim Brown, who is currently a Council member and Mr. Huffman's sister.

Ms. England - Ms. England's account was credited on April 6, 2007 for \$84.00. There was no explanation documented as to why she would have received a credit. The current Deputy Clerk asked Ms. England about the credit and Ms. England told the Deputy Clerk her mother paid the bill. However, there is no documentation at City Hall to support this and the amount was entered in the system as a credit rather than payment. Ms. England also had access to the utility system. We are unable to determine if Ms. England or Mr. Huffman entered this credit into the system. After the credit was made to Ms. England's account, the account was removed from the system and no billings were made for the account until this condition was identified by the current Deputy Clerk in August 2007. Ms. England was not billed for utility services received during the months of May 2007 through July 2007. The billings for these months should have totaled \$36.00. The current Deputy Clerk added Ms. England's account back to the system and billed her for August and the unbilled months. Ms. England requested the account be put in her mother's name. As of October 2007, the account still has not been paid and has a balance due of \$72.00. The \$84.00 in credits and the \$72.00 utilities not paid total \$156.00 and have been included in **Exhibit A**.

Mr. Huffman's Sister - Kim Brown's account was credited for \$500.00 on April 30, 2007. There was no documentation to explain the credit. We asked Ms. Brown about the credit and she stated Mr. Huffman called her and told her account was being credited because the City received a grant which resulted in a credit to her account. No such grant was received by the City. The \$500.00 credit is included in **Exhibit A**.

Rent Collections – As previously stated, the City owns a trailer court called Cozy Corner with 3 units available for rent. City employee Dwayne Cason was the manager of Cozy Corner and was responsible for the maintenance of the units. The renters sign a lease with the City and are to pay rent to the City in addition to fees for sewer and garbage utility services. The renters are also responsible for paying Alliant Energy for electrical utility services. Ms. England rented a unit from the City beginning in May 2007.

Ms. England was responsible for the accounting records for Cozy Corner, including rent collections and deposits. She did not keep proper records for the rent collections; therefore, the current Deputy Clerk recreated the rental housing ledger for the time period Ms. England was employed. As a result, the current Deputy Clerk identified concerns regarding the rental fees collected by the City.

Cash Collections - The current Deputy Clerk identified 2 months of rent from a tenant that was not deposited to the City's account. The Deputy Clerk called the tenant who indicated she had paid those 2 months in cash. The tenant said she brought the cash to the City Hall and put it in the drop box. She did not receive a receipt for these payments. The rent payments were for \$300.00 each and were for the months of November 2006 and February 2007. The renter said she usually paid by check but for these 2 months she paid in cash. The renter did not receive any delinquency notices from the City. The undeposited rent of \$600.00 is included in **Exhibit A**.

Ms. England – The former City Clerk rented a unit from the City beginning in May 2007. The lease was signed by Dwayne Cason on May 10, 2007. The lease provided to us was not signed by Ms. England. Ms. England was to pay a monthly rent of \$300.00. The current Deputy Clerk determined Ms. England was not current on her rental payments. The only payment received from Ms. England was received by the Mayor on August 27, 2007 for \$300.00. She moved out of the rental unit on September 15, 2007. As of September 15, Ms. England owes the City \$960.00 for rent as shown in **Table 5**. Since Ms. England would have been responsible for the delinquency notifications to renters, it was possible for her to continue to not pay her rent without any other City officials being aware of it. The unpaid rent of \$960.00 is included in **Exhibit A**.

Month	Amount
May- partial month	\$ 210.00
June – August @ \$300/mo.	900.00
September – partial month	150.00
Total Rent Due	1,260.00
Less payment on 08/27/07	300.00
Remaining Amount Due	\$ 960.00

UNSUPPORTED DISBURSEMENTS

Unsupported Reimbursements – We identified 2 reimbursement checks issued to the former Deputy Clerk totaling \$101.26 and 6 reimbursement checks issued to the former City Clerk totaling \$506.20. The checks were not supported by appropriate documentation. Based on discussions with City officials, it is possible the former Deputy Clerk and former City Clerk would receive payments for reimbursement of supplies such as postage or travel expenses. Reimbursements should be based on invoices for supplies and documented dates and locations for travel. The reimbursements were also not included on the bill listings provided to the Council for approval.

Exhibit G lists the reimbursement payments to the former Deputy Clerk and former City Clerk. Because we are unable to determine if the reimbursements are appropriate due to the lack of documentation, we have included the total reimbursements of \$607.46 as unsupported disbursements on **Exhibit A**.

ADDITIONAL INFORMATION

Minutes – During our review of minutes from Council meetings, we compared disbursement listings presented to the Council to actual checks issued and we determined disbursement listings presented to the Council were not always complete and did not agree with the bills actually paid. Also, we identified only disbursements from the General account were presented to Council for approval. Disbursements from the Library, Fire Department and Utility Deposit accounts were not presented to the Council for approval.

In addition to reviewing disbursement listings, we reviewed minutes to ensure minutes were properly signed by the Mayor and City Clerk. However, we identified 1 instance in which the minutes were not signed. We also identified a closed session that did not include a reference to the *Code* section being utilized, as required by section 21.5 of the *Code of Iowa*.

Permits and Camping Fees – Adequate documentation of collections from permits and camping fees was not maintained. As a result, we are unable to determine if all collections were properly deposited.

Petty Cash – The City had a petty cash fund. The fund did not have a set amount and ranged from \$50.00 to \$70.00. The fund was to be used to make change for residents paying bills in cash and for small purchases. There were no records kept showing how the funds were used.

Recommended Control Procedures

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

- A. Segregation of Duties – An important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. The City Clerk had control over each of the following areas for the City:
- (1) Receipts – collecting, depositing and posting.
 - (2) Disbursements – check preparation and signing, distribution and posting.
 - (3) Payroll – check preparation, check signing, and distribution.
 - (4) Financial Reporting – receipt of the bank statement, bank to book reconciliations, preparation and approval.

The Deputy Clerk had control over each of the following areas for the City:

- (1) Utility Billings – preparation, payment collection, posting to the customer statements, application of penalties, deposit preparation and maintenance of Utility Deposit account.
- (2) Fire and Library Accounts – maintenance of all accounting records, including check preparation and signing.

Bank reconciliations were not performed monthly for all bank accounts.

Recommendation – We realize segregation of duties is difficult with a limited number of office employees. However, the duties within each function listed above should be segregated between the City Clerk, Deputy Clerk, Mayor and City Council members. In addition, the Council should review financial records, reconciliations and supporting documentation for accounting records on a periodic basis. Bank reconciliations should be performed on a monthly basis.

- B. Reconciliation of Utility Billings, Collections and Delinquencies – Utility billings, collections and delinquencies were not reconciled on a monthly basis. In addition, credits were made to customer accounts without any explanation or documentation.

Recommendation – Procedures should be established to ensure utility billings are reconciled to subsequent collections and delinquencies for each billing period. The Council or other person designated by the City Council should review the reconciliations and monitor delinquencies. Delinquencies should not be written off without Council approval. All credits to customer accounts should be supported by appropriate documentation.

- C. Council Minutes – Chapter 21 of the *Code of Iowa* requires minutes be kept of all meetings of governmental bodies. Such minutes are to reference the *Code* section under which the entity is entering into a closed session.

During our review of minutes, we determined:

- (1) The minutes were not always properly signed by the City Clerk or Mayor to authenticate the record as required by section 380.7(4) of the *Code*.
- (2) On 1 occasion, minutes indicated the closed session did not include reference to the *Code* section being utilized, as required by section 21.5 of the *Code*.
- (3) Not all disbursements were presented to the Council for its approval.

Recommendation – The Council should ensure either the City Clerk and/or Mayor sign all meeting minutes and all closed sessions are properly documented. In addition, the Council should ensure all City obligations are paid by check and presented to the Council for its approval.

- D. Payroll – Timesheets were not available for each employee for every time period during the period of our investigation. All City employees are paid on an hourly basis and timesheets are not always prepared or retained. In addition, the former Clerk worked more hours than she was hired to work. While the additional hours may be necessary, the additional hours should not be incurred without the knowledge or approval of the Mayor or Council.

In addition, we identified a number of payroll checks issued prior to the Thursday following the end of the pay period, as well as duplicate checks. Currently, payroll checks are not included on the disbursement listing presented to the Council.

The City also paid over \$500.00 in interest and penalties during the period of our investigation because quarterly 941 reports were not filed in a timely manner.

Recommendation – The Council should implement procedures to ensure all hourly employees maintain time sheets which are then reviewed by someone who would have a basis for determining if the information recorded is accurate. In addition, the Mayor, a Council Member or an individual independent of payroll preparation should periodically compare the payroll checks to the payroll register and timesheets to ensure the amounts disbursed are appropriate and properly supported.

In addition, the City should implement procedures to ensure payroll checks are not issued prior to the end of the pay period and quarterly 941 reports are filed in a timely manner.

- E. Disbursements – During our review of disbursements for the period August 1, 2006 through June 30, 2007, the following conditions were identified:

- (1) Disbursements, including reimbursements to employees for travel and other business expenses, were not properly supported by invoices or other documentation.
- (2) A consistent check signing policy was not followed for all bank accounts. The Library and Utility Deposit accounts required only 1 signature and the General and Fire Department accounts required 2 signatures.

Recommendation – All disbursements should be properly supported by invoices or other appropriate documentation. The Council now requires checks from all accounts to have dual signatures.

- F. Electronic Check Retention – Section 384.20 of the *Code of Iowa* requires cities to maintain a “detailed statement of all public funds collected, received, or expended.” Section 554D.114 of the *Code of Iowa* allows the City to retain cancelled checks in an electronic format and requires retention in this manner to include an image of both the front and back of each cancelled check. The City retains cancelled checks through electronic image, but does not obtain an image of the back of each cancelled check as required.

Recommendation – The City should obtain and retain an image of both the front and back of each cancelled check as required.

- G. Miscellaneous Revenues – The City receives revenue from camping fees and permits, but no documentation is maintained to ensure all fees have been collected.

Recommendation – The City should maintain a log of all camping fees received and all building permits issued to ensure all miscellaneous revenues are being collected.

- H. Petty Cash Fund – The petty cash fund is not established at a set amount and is not maintained on an imprest basis. In addition, supporting documentation as not available to support purchases made from petty cash.

Recommendation – The petty cash fund should be established at a set amount and maintained on an imprest basis. When replenishing petty cash, invoices and other documentation should be attached as support for the payment. The check should be issued for the total amount of items purchased to bring the fund back to the established amount.

Exhibits

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

Report on Special Investigation of the
City of Clearfield

Summary of Findings
For the period August 1, 2006 through June 30, 2007

Description	Exhibit/ Table/ Page Number	Amount		
Improper disbursements:				
Payments to vendors and other individuals	Exhibit B	\$	1,074.33	
Extra payroll payments:				
Mr. Huffman	Table 3		328.86	
Ms. England	Table 4		1,122.66	
Other payment to Mr. Huffman	Pages 10 - 11		400.00	
Personal utilities	Page 11		269.37	
Cash withdrawals	Exhibit E		4,150.00	
Payroll tax penalties and interest	Page 12		515.42	
Total improper disbursements		\$		7,860.64
Undeposited collections:				
Utilities:				
Cash customers	Exhibit F		1,953.32	
Ms. England	Page 13		156.00	
Mr. Huffman's sister	Page 14		500.00	
Rent:				
Cash collections	Page 14		600.00	
Ms. England	Table 5		960.00	
Total undeposited collections				4,169.32
Total improper disbursements and undeposited collections				12,029.96
Unsupported disbursements:				
Reimbursements to:				
Mr. Huffman	Exhibit G		101.26	
Ms. England	Exhibit G		506.20	
Total unsupported disbursements				607.46
Total improper disbursements, undeposited collections and unsupported reimbursements		\$		12,637.42
		Improper Disbursements & Undeposited Collections	Unsupported Disbursements	Total
Attributable to actions taken by:				
Mr. Huffman	Table 1	\$	8,406.51	101.26
Ms. England	Table 1		3,623.45	506.20
		\$	12,029.96	607.46
				12,637.42

Exhibit BReport on Special Investigation of the
City of ClearfieldImproper Payments to Vendors and Other Individuals
For the period August 1, 2006 through June 30, 2007

Check #	Check Date	Payee	Memo on Check	Amount	Check Signer	Explanation
Library Account:						
2260	04/07/07	Big Lots	Office Supplies	\$ 81.42	RH	Per Big Lots receipt, bath tissue, paper, frames, electronics, home maintenance, stationary, chemicals, and housekeeping supplies were purchased.
2261	04/06/07	Susan Beaver	None	400.00	RH	Per City officials, individual is personal friend of Mr. Huffman
2263	04/06/07	Simon DeSantige	None	400.00	RH	Per City officials, individual is personal friend of Mr. Huffman
2264	04/11/07	Office Max	Office Supplies	<u>192.91</u>	RH	Unknown - no supporting documentation
		Total		<u>\$ 1,074.33</u>		

RH - Rocky Huffman

Report on Special Investigation of the
City of Clearfield

Payroll Checks Issued to Mr. Huffman and Ms. England
For the period August 1, 2006 through June 30, 2007

Check #	Check Date	Payee	Memo on Check	Amount	Check Signer	Payroll Period
11007	10/17/06	Rocky Huffman	Payroll	\$ 93.74	GB & ME	09/25/06 - 10/08/06
11056	11/14/06	Rocky Huffman	Payroll	116.19	GB & ME	10/23/06 - 11/05/06
11066	11/27/06	Rocky Huffman	Payroll	140.95	GB & ME	11/06/06 - 11/19/06
11080	12/10/06	Rocky Huffman	Payroll	152.41	GB & ME	11/20/06 - 12/03/06
11118	12/21/06	Rocky Huffman	Payroll	180.06	GB & ME	12/04/06 - 12/17/06
11126	01/04/07	Rocky Huffman	Payroll	180.06	GB & ME	12/18/06 - 12/31/06
11159	01/12/07	Rocky Huffman	Payroll	180.06	GB & ME	01/01/07 - 01/14/07
11169	01/25/07	Rocky Huffman	Payroll	124.77	GB & ME	01/15/07 - 01/28/07
11187	01/31/07	Rocky Huffman	Payroll	152.41	GB & ME	01/26/07 - 02/08/07
11205	02/20/07	Rocky Huffman	Payroll	124.77	GB & ME	02/12/07 - 02/25/07
11211	02/28/07	Rocky Huffman	Payroll	124.77	GB & ME	02/12/07 - 02/25/07
11220	03/12/07	Rocky Huffman	Payroll	124.77	GB & ME	02/26/07 - 03/11/07
11249	03/22/07	Rocky Huffman	Payroll	124.77	GB & ME	03/12/07 - 03/25/07
11253	03/31/07	Rocky Huffman	Payroll	113.32	GB & ME	03/26/07 - 04/08/07
11302	04/30/07	Rocky Huffman	Payroll	185.79	GB & ME	04/09/07 - 04/22/07
11305	04/30/07	Rocky Huffman	Payroll	89.98	GB & ME	04/23/07 - 05/08/07
11337	05/21/07	Rocky Huffman	Payroll	163.87	GB & ME	05/07/07 - 05/20/07
11344	05/31/07	Rocky Huffman	Payroll	124.77	GB & ME	05/21/07 - 06/03/07
Total - 18 checks				<u>\$ 2,497.46</u>		
10922	09/07/06	Melissa England	Payroll	\$ 145.27	GB & ME	08/13/06 - 08/27/06
10959	09/21/06	Melissa England	Salary	255.63	GB & ME	08/28/06 - 09/10/06
10967	10/04/06	Melissa England	Payroll	293.86	GB & ME	09/11/06 - 09/24/06
11006	10/17/06	Melissa England	Payroll	269.26	GB & ME	09/25/06 - 10/08/06
11013	11/02/06	Melissa England	Payroll	286.54	GB & ME	10/09/06 - 10/22/06
11055	11/14/06	Melissa England	Payroll	324.11	GB & ME	10/23/06 - 11/05/06
11064	11/27/06	Melissa England	Payroll	354.72	GB & ME	11/06/06 - 11/19/06
11079	12/10/06	Melissa England	Payroll	394.99	GB & ME	11/20/06 - 12/03/06
11119	12/21/06	Melissa England	Payroll	431.32	GB & ME	12/04/06 - 12/17/06
11125	01/04/07	Melissa England	Payroll	350.03	GB & ME	12/18/06 - 12/31/06
11160	01/12/07	Melissa England	Payroll	424.60	GB & ME	01/01/07 - 01/14/07
11168	01/25/07	Melissa England	Payroll	417.49	GB & ME	01/15/07 - 01/28/07
11186	01/31/07	Melissa England	Payroll	354.46	GB & ME	01/26/07 - 02/08/07
11204	02/20/07	Melissa England	Payroll	434.48	GB & ME	02/12/07 - 02/25/07
11209	02/28/07	Melissa England	Payroll	435.45	GB & ME	02/12/07 - 02/25/07
11219	03/12/07	Melissa England	Payroll	345.60	GB & ME	02/26/07 - 03/11/07
11248	03/22/07	Melissa England	Payroll	430.52	GB & ME	03/12/07 - 03/25/07
11254	03/31/07	Melissa England	Payroll/April	416.69	GB & ME	03/26/07 - 04/08/07
11294	04/18/07	Melissa England	Payroll	387.09	GB & ME	04/09/07 - 04/22/07
11301	04/27/07	Melissa England	Payroll	405.84	GB & ME	04/09/07 - 04/22/07
11303	04/30/07	Melissa England	Payroll/May 7	420.64	GB & ME	04/23/07 - 05/08/07
11336	05/21/07	Melissa England	Payroll	424.60	GB & ME	05/07/07 - 05/20/07
11342	05/31/07	Melissa England	Payroll	373.41	GB & ME	05/21/07 - 06/03/07
11348	06/14/07	Melissa England	Payroll	396.96	GB & ME	06/04/07 - 06/17/07
11388	06/21/07	Melissa England	Payroll	210.82	GB & ME	06/18/07 - 06/24/07
Total - 25 checks				<u>\$ 8,984.38</u>		

Note: The pay periods with duplicate checks are in bold.

Exhibit DReport on Special Investigation of the
City of ClearfieldPayroll Checks Issued Prior to the Payroll Payment Date
For the period August 1, 2006 through June 30, 2007

Check Date	Pay Period	Pay Date	Number of Days Early
Rocky Huffman:			
01/12/07	01/01/07 - 01/14/07	01/18/07	6
01/25/07	01/15/07 - 01/28/07	02/01/07	7
01/31/07	01/29/07 - 02/11/07	02/15/07	15
02/20/07	02/12/07 - 02/25/07	03/01/07	9
03/22/07	03/12/07 - 03/25/07	03/29/07	7
03/31/07	03/26/07 - 04/08/07	04/12/07	12
04/30/07	04/23/07 - 05/06/07	05/10/07	10
05/31/07	05/21/07 - 06/03/07	06/07/07	7
Melissa England:			
01/12/07	01/01/07 - 01/14/07	01/18/07	6
01/25/07	01/15/07 - 01/28/07	02/01/07	7
01/31/07	01/29/07 - 02/11/07	02/15/07	15
02/20/07	02/12/07 - 02/25/07	03/01/07	9
03/22/07	03/12/07 - 03/25/07	03/29/07	7
03/31/07	03/26/07 - 04/08/07	04/12/07	12
04/18/07	04/09/07 - 04/22/07	04/26/07	8
04/30/07	04/23/07 - 05/06/07	05/10/07	10
05/31/07	05/21/07 - 06/03/07	06/07/07	7
06/14/07	06/04/07 - 06/17/07	06/21/07	7
06/21/07	06/18/07 - 06/24/07	06/28/07	7
Dwayne Cason:			
04/30/07	04/23/07 - 05/06/07	05/10/07	10

Report on Special Investigation of the
City of Clearfield

Improper Cash Withdrawals
For the period August 1, 2006 through June 30, 2007

Account	Date	Name on Withdrawal Slip	Amount
Utility Deposit Account:			
	02/21/07	Rocky Huffman	\$ 1,050.00
	02/22/07	Rocky Huffman	950.00
	03/02/07	Rocky Huffman	<u>850.00</u>
		Subtotal	<u>2,850.00</u>
General Account:			
	03/07/07	Melissa England #	650.00
	04/06/07	Rocky Huffman	<u>650.00</u>
		Subtotal	<u>1,300.00</u>
		Total	<u><u>\$ 4,150.00</u></u>

- Although Melissa England's name appears on the withdrawal slip, Rocky Huffman is the one who received the cash to disburse.

Report on Special Investigation of the
City of ClearfieldUnexplained Utility Credits to Cash Customers
For the period August 1, 2006 through June 30, 2007

Date	Unexplained Credits	Account Number
04/30/07	<u>\$ 170.00</u>	0056
04/30/07	<u>75.00</u>	0160
04/06/07	140.00	0376
04/30/07	41.11	0376
06/25/07	<u>42.17</u>	0376
	<u>223.28</u>	
12/27/06	<u>14.20</u>	0398
04/06/07	120.50	0458
05/21/07	50.00	0458
06/07/07	43.62	0458
06/25/07	<u>28.52</u>	0458
	<u>242.64</u>	
01/31/07	<u>110.00</u>	0514
06/07/07	49.26	0742
06/25/07	<u>98.87</u>	0742
	<u>148.13</u>	
06/25/07	<u>38.01</u>	0767
05/21/07	30.90	0778
06/25/07	<u>101.16</u>	0778
	<u>132.06</u>	
04/06/07	400.00	0792
06/05/07	<u>400.00</u>	0792
	<u>800.00</u>	
Total	<u><u>\$ 1,953.32</u></u>	

Report on Special Investigation of the
City of Clearfield

Reimbursements to Mr. Huffman and Ms. England
For the period August 1, 2006 through June 30, 2007

				Check		
Check Number	Check Date	Payee	Amount	Memo	Account	Signed by
11210	02/28/07	Rocky Huffman	77.26	Reimburse for postage	General	GB, ME
11292	04/13/07	Rocky Huffman	24.00	Postage reimbursement	General	ME
		Subtotal	<u>101.26</u>			
11115	12/13/06	Melissa England	\$ 101.20	Mileage CHK budget mtg	General	GB, ME
11246	03/20/07	Melissa England	80.00	Mileage Check	General	GB, ME
11255	03/31/07	Melissa England	64.00	Mileage Check	General	GB, ME
11287	04/12/07	Melissa England	66.00	Mileage Check	General	GB, ME
2098	01/11/07	Missy Englnd	5.00	<i>None</i>	Fire	RH, DC
2108	04/11/04	Melissa England	190.00	Fire Dept Shirts	Fire	ME, DC
		Subtotal	<u>506.20</u>			
		Total	<u><u>\$ 607.46</u></u>			

GB- Gerald Baker
ME- Melissa England
RH - Rocky Huffman
DC - Dwayne Cason

Report on Special Investigation of the
City of Clearfield

Staff

This special investigation was performed by:

Annette K. Campbell, CPA, Director
Melissa J. Knoll-Speer, Staff Auditor
Michael P. Piehl, Staff Auditor



Tamera S. Kusian, CPA
Deputy Auditor of State

Appendices

Report on Special Investigation of the
City of Clearfield

Copy of Mr. Huffman's Termination Letter

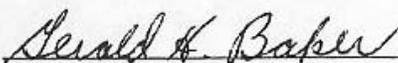
CITY OF CLEARFIELD, TAYLOR COUNTY, IOWA
ORDER REMOVING AN APPOINTED EMPLOYEE

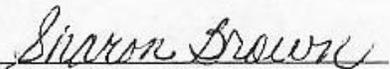
The Order is being issued by the Mayor and City Council of the City of Clearfield, Taylor County, Iowa, pursuant to Iowa Code section 372.15. A meeting of the City Council of the City of Clearfield, Iowa, was held on the 11th day of July, 2007. The City Council voted to terminate the appointment of Rocky Huffman as deputy city clerk and as utilities clerk of the City for the following reason:

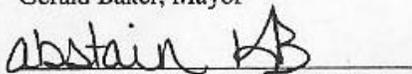
1. Lack of work;
2. Improper performance of duties;
3. Dishonesty;
4. Conduct reflecting unfavorably on the reputation of the City.

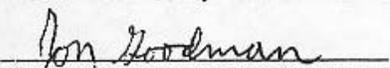
The Mayor and City Council of Clearfield, Taylor County, Iowa, do order the removal and termination of Rocky Huffman as an deputy city clerk and as utilities clerk effective immediately for the above stated reasons.

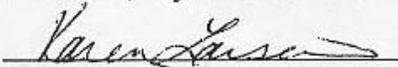
Signed this 11th day of July, 2007

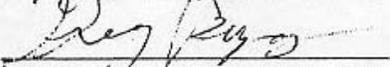

Gerald Baker, Mayor


Sharon Brown, City Council member


Kim Brown, City Council member


Jon Goodman, City Council member


Karen Larsen, City Council member


Greg Beggs, City Council member

ROCKY HUFFMAN: You are hereby given notice that the Mayor and the City Council have removed you from your offices of deputy city clerk and utilities clerk. You are hereby given notice that you may request a public hearing before this council on all issues pertaining to your removal within thirty (30) days from the date this order was mailed by certified mail to you. If you desire a hearing you should make your request in writing and file it with the Clearfield City Clerk's Office in Clearfield, Iowa. Said hearing, once requested in writing, shall be held within thirty (30) days of the date the request is filed, unless you request a later date for the hearing.

Report on Special Investigation of the
City of Clearfield

Copies of Checks to Susan Beaver and Simon DeSantiga

2261

CLEARFIELD LIBRARY
CLEARFIELD, IA 50840
(641) 344-7276

DATE 04/06/2007

32-1581/729

PAY TO THE ORDER OF Susan Beaver \$ 400⁰⁰/₁₀₀

Four hundred and ⁰⁰/₁₀₀ DOLLARS

State Savings Bank
CLEARFIELD, IOWA
342 FOND, IOWA
CLEARFIELD, IOWA

MEMO [Redacted]

[Signature]

⑈0000040000⑈

2261

04/11/2007

400.00

2263

CLEARFIELD LIBRARY
CLEARFIELD, IA 50840

DATE 04/06/2007

32-1581/729

PAY TO THE ORDER OF Simon DeSantiga \$ 400⁰⁰/₁₀₀

Four hundred and ⁰⁰/₁₀₀ DOLLARS

State Savings Bank
CLEARFIELD, IOWA
342 FOND, IOWA
CLEARFIELD, IOWA

MEMO [Redacted]

[Signature]

00086 00542 0003 04/11/2007 09:27 USD
PK TP 00542001457247322630003 H
⑈400.00⑈

⑈0000040000⑈

2263

04/12/2007

400.00

Report on Special Investigation of the
City of Clearfield

Copy of Receipt from Big Lots

BIG LOTS
Store #4487
Omaha NE

10:32AM Apr 7/07
10-4487 021 Cshr30
#59305

#1221500038410
BATHTISSUE 1\$4.00
#1211500038106
PAPER 1\$5.50
#1221500038410
BATHTISSUE 1\$4.00
#2133450134512
FRAMES/WAL 1\$20.00
#1875500129824
ELECTRONIC 1\$19.99
#1402700083352
HOMEMAINTE 1\$6.00
#1875500083997
ELECTRONIC 1\$9.99
#1665500120950
ELECTRONIC 1\$3.99
#1665500011092
ELECTRONIC 1\$4.99
#1825200178258
STATIONERY 1\$2.00
#1635200178566
STATIONERY 1\$2.00
#1201400115187
CHEMICALS 1\$2.25
#1191300092984
HOUSEKEEPI 1\$2.00
#1191300092984
HOUSEKEEPI 1\$2.00

MICR#
R073*****226
O
APR# C170226
TXNID 21-5930500

MDSE \$88.71
NE07000X \$6.21

*TTL \$94.92
CHECK \$94.92

Please come again!
Store #4487
Phone 402-330-3124

Visit us on the web
www.biglots.com

Report on Special Investigation of the
City of Clearfield

Copies of Payroll Checks Written to Mr. Huffman

CITY OF CLEARFIELD
P.O. BOX 217
CLEARFIELD, IA 50840
541-326-2478

STATE SAVINGS BANK
CASTON, IOWA - BEDFORD, IOWA
CLEARFIELD, IOWA

11205
NUMBER
11205
DATE
02/20/2007
AMOUNT
\$*****124.77

PAYROLL

PAY *** One Hundred Twenty Four & 77/100 Dollars

TO THE ORDER OF
ROCKY HUFFMAN
CLEARFIELD, IA 50840

BY ORDER OF THE COUNCIL
Melissa England
Ronald H. Baker

#011205# #0000012477#

11205 02/20/2007 124.77

CITY OF CLEARFIELD
P.O. BOX 217
CLEARFIELD, IA 50840
541-326-2478

STATE SAVINGS BANK
CASTON, IOWA - BEDFORD, IOWA
CLEARFIELD, IOWA

11211
NUMBER
11211
DATE
02/28/2007
AMOUNT
\$*****124.77

PAYROLL

PAY *** One Hundred Twenty Four & 77/100 Dollars

TO THE ORDER OF
ROCKY HUFFMAN
CLEARFIELD, IA 50840

BY ORDER OF THE COUNCIL
Melissa England
Ronald H. Baker

#011211# #0000012477#

11211 03/12/2007 124.77

Report on Special Investigation of the
City of Clearfield

Copies of Selected Payroll Ledgers for Mr. Huffman

REGULAR		OVERTIME		OTHER #2		OTHER #3		GROSS		NET	
INC TAX	SOC SEC	MEDICARE	STATE	DED #5	DED #6	TPERS	DED #8	DED #9			
People's Choice PD 7.1a CITY OF CLEARFIELD PAYROLL EMPLOYEE PAYROLL LEDGER, 2007 10/17/2007 Page 1 HUFFMAN, ROCKY Code.....ROCK Pay Period.....B CLEARFIELD, IA 50840 SocSec#... Fed Filing Status... Phone.... Fed Exemptions..... Hourly Rate.....\$7.25 Term Date.. / /											
***** QUARTER #1 *****											
Date:01/04/2007	Ck#:11126	Per	Begin:12/18/2006	Per	End:12/31/2006	Hrs:30.00					
217.50	0.00	0.00	0.00	0.00	217.50	180.06					
10.75	13.49	3.15	2.00	0.00	8.05	0.00	0.00				
Date:01/12/2007	Ck#:11159	Per	Begin:01/01/2007	Per	End:01/14/2007	Hrs:30.00					
217.50	0.00	0.00	0.00	0.00	217.50	180.06					
10.75	13.49	3.15	2.00	0.00	8.05	0.00	0.00				
Date:01/25/2007	Ck#:11169	Per	Begin:01/15/2007	Per	End:01/28/2007	Hrs:20.00					
145.00	0.00	0.00	0.00	0.00	145.00	124.77					
3.77	8.99	2.10	0.00	0.00	5.37	0.00	0.00				
Date:01/31/2007	Ck#:11187	Per	Begin:01/26/2007	Per	End:02/08/2007	Hrs:25.00					
181.25	0.00	0.00	0.00	0.00	181.25	152.41					
7.26	11.24	2.63	1.00	0.00	6.71	0.00	0.00				
Date:02/20/2007	Ck#:11205	Per	Begin:02/12/2007	Per	End:02/25/2007	Hrs:20.00					
145.00	0.00	0.00	0.00	0.00	145.00	124.77					
3.77	8.99	2.10	0.00	0.00	5.37	0.00	0.00				
Date:02/28/2007	Ck#:11211	Per	Begin:02/12/2007	Per	End:02/25/2007	Hrs:20.00					
145.00	0.00	0.00	0.00	0.00	145.00	124.77					
3.77	8.99	2.10	0.00	0.00	5.37	0.00	0.00				
Date:03/12/2007	Ck#:11220	Per	Begin:02/26/2007	Per	End:03/11/2007	Hrs:20.00					
145.00	0.00	0.00	0.00	0.00	145.00	124.77					
3.77	8.99	2.10	0.00	0.00	5.37	0.00	0.00				
Date:03/22/2007	Ck#:11249	Per	Begin:03/12/2007	Per	End:03/25/2007	Hrs:20.00					
145.00	0.00	0.00	0.00	0.00	145.00	124.77					
3.77	8.99	2.10	0.00	0.00	5.37	0.00	0.00				
Date:03/31/2007	Ck#:11253	Per	Begin:03/26/2007	Per	End:04/08/2007	Hrs:18.00					
130.50	0.00	0.00	0.00	0.00	130.50	113.32					
2.37	8.09	1.89	0.00	0.00	4.83	0.00	0.00				

QUARTER #1 TOTALS						Hrs:203.00					
1471.75	0.00	0.00	0.00	0.00	1471.75	1249.70					
49.98	91.26	21.32	5.00	0.00	54.49	0.00	0.00				
YEAR-TO-DATE TOTALS						Hrs:203.00					
1471.75	0.00	0.00	0.00	0.00	1471.75	1249.70					
49.98	91.26	21.32	5.00	0.00	54.49	0.00	0.00				
***** QUARTER #2 *****											
REGULAR	OVERTIME	OTHER #2	OTHER #3	GROSS	NET						
INC TAX	SOC SEC	MEDICARE	STATE	DED #5	DED #6	IPERS	DED #8	DED #9			
Date:04/30/2007	Ck#:11302	Per	Begin:04/09/2007	Per	End:04/22/2007	Hrs:31.00					
224.75	0.00	0.00	0.00	0.00	224.75	185.79					
11.45	13.93	3.26	2.00	0.00	6.32	0.00	0.00				
Date:04/30/2007	Ck#:11305	Per	Begin:04/23/2007	Per	End:05/06/2007	Hrs:14.00					
101.50	0.00	0.00	0.00	0.00	101.50	89.98					
0.00	6.29	1.47	0.00	0.00	3.76	0.00	0.00				

Report on Special Investigation of the
City of Clearfield

Copies of Payroll Checks Written to Ms. England

05/03/2007
This is a LEGAL COPY of your check. You can use it the same way you would use the original check.

04/30/2007
000002070060A9

CITY OF CLEARFIELD
P.O. BOX 117
CLEARFIELD, IA 50840
815-226-2479

STATE SAVINGS BANK
CHESTER, OHIO 43820
CLEARFIELD, OHIO

11301
NUMBER
11301
AMOUNT
04/27/2007 \$*****405.84

PAYROLL

PAY *** Four Hundred Five & 84/100 Dollars

TO THE ORDER OF
MELISSA ENGLAND
CLEARFIELD, IA 50840

BY ORDER OF THE COUNCIL
Melissa England
David L. Baker

⑆0000040584⑆

11301 05/01/2007 405.84

CITY OF CLEARFIELD
P.O. BOX 117
CLEARFIELD, IA 50840
815-226-2479

STATE SAVINGS BANK
CHESTER, OHIO 43820
CLEARFIELD, OHIO

11209
NUMBER
11209
AMOUNT
02/28/2007 \$*****435.45

PAYROLL

PAY *** Four Hundred Thirty Five & 45/100 Dollars

TO THE ORDER OF
MELISSA ENGLAND
CLEARFIELD, IA 50840

BY ORDER OF THE COUNCIL
Melissa England
David L. Baker

⑆0000043545⑆

11209 03/05/2007 435.45

Report on Special Investigation of the
City of Clearfield

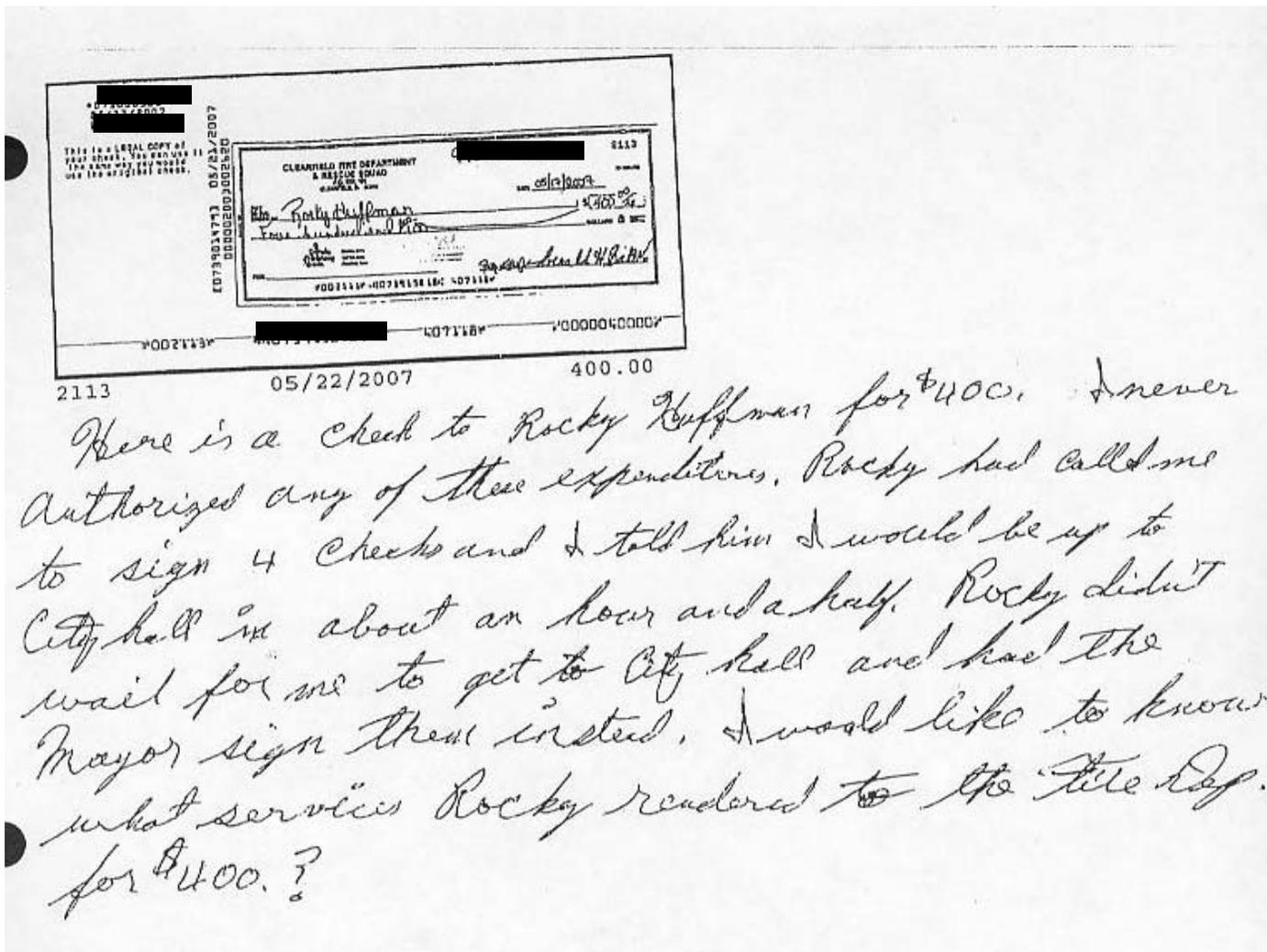
Copies of Selected Payroll Ledgers for Ms. England

People's Choice PD 7.1a		CITY OF CLEARFIELD PAYROLL EMPLOYEE PAYROLL LEDGER, 2007					10/16/2007 Page 1	
ENGLAND, MELISSA		Code.....MISS		Pay Period.....W				
CLEARFIELD, IA 50840		SocSec#.....		Fed Filing Status.....				
		Phone.....		Fed Exemptions.....				
		Hourly Rate.....\$10.00		Term Date.. / /				
***** QUARTER #1 *****								
REGULAR INC TAX	OVERTIME SOC SEC	OTHER #2 MEDICARE	OTHER #3 STATE	DED #5	DED #6	GROSS IPERS	DED #8	NET DED #9
Date:01/04/2007		Ck#:11125	Per Begin:12/18/2006		Per End:12/31/2006		Hrs:40.50	
405.00	0.00	0.00	9.00	0.00	0.00	405.00	0.00	350.03
0.00	25.11	5.87				14.99	0.00	0.00
Date:01/12/2007		Ck#:11160	Per Begin:01/01/2007		Per End:01/14/2007		Hrs:50.00	
500.00	0.00	0.00	13.00	0.00	0.00	500.00	0.00	424.60
5.65	31.00	7.25				18.50	0.00	0.00
Date:01/25/2007		Ck#:11168	Per Begin:01/15/2007		Per End:01/28/2007		Hrs:47.50	
475.00	0.00	16.00	13.00	0.00	0.00	491.00	0.00	417.49
4.78	30.44	7.12				18.17	0.00	0.00
Date:01/31/2007		Ck#:11186	Per Begin:01/26/2007		Per End:02/08/2007		Hrs:41.00	
410.00	0.00	0.00	9.00	0.00	0.00	410.00	0.00	354.46
0.00	25.42	5.95				15.17	0.00	0.00
Date:02/20/2007		Ck#:11204	Per Begin:02/12/2007		Per End:02/25/2007		Hrs:51.25	
512.50	0.00	0.00	13.00	0.00	0.00	512.50	0.00	434.48
6.85	31.78	7.43				18.96	0.00	0.00
Date:02/28/2007		Ck#:11209	Per Begin:02/12/2007		Per End:02/25/2007		Hrs:51.50	
515.00	0.00	0.00	14.00	0.00	0.00	515.00	0.00	435.45
7.09	31.93	7.47				19.06	0.00	0.00
Date:03/12/2007		Ck#:11219	Per Begin:02/26/2007		Per End:03/11/2007		Hrs:40.00	
400.00	0.00	0.00	9.00	0.00	0.00	400.00	0.00	345.60
0.00	24.80	5.80				14.80	0.00	0.00
Date:03/22/2007		Ck#:11248	Per Begin:03/12/2007		Per End:03/25/2007		Hrs:50.75	
507.50	0.00	0.00	13.00	0.00	0.00	507.50	0.00	430.52
6.37	31.47	7.36				18.78	0.00	0.00
Date:03/31/2007		Ck#:11254	Per Begin:03/26/2007		Per End:04/08/2007		Hrs:49.00	
490.00	0.00	0.00	13.00	0.00	0.00	490.00	0.00	416.69
4.69	30.38	7.11				18.13	0.00	0.00

QUARTER #1 TOTALS								Hrs:421.50
4215.00	0.00	16.00		0.00		4231.00		3609.32
35.43	262.33	61.36	106.00	0.00	0.00	156.56	0.00	0.00
YEAR-TO-DATE TOTALS								Hrs:421.50
4215.00	0.00	16.00		0.00		4231.00		3609.32
35.43	262.33	61.36	106.00	0.00	0.00	156.56	0.00	0.00
***** QUARTER #2 *****								
REGULAR INC TAX	OVERTIME SOC SEC	OTHER #2 MEDICARE	OTHER #3 STATE	DED #5	DED #6	GROSS IPERS	DED #8	NET DED #9
Date:04/12/2007		Ck#:112941	Per Begin:04/09/2007		Per End:04/22/2007		Hrs:45.00	
450.00	0.00	0.00	11.00	0.00	0.00	450.00	0.00	387.09
0.83	27.90	6.53				16.65	0.00	0.00
Date:04/27/2007		Ck#:11301	Per Begin:04/09/2007		Per End:04/22/2007		Hrs:47.50	
475.00	0.00	0.00	12.00	0.00	0.00	475.00	0.00	405.84
3.24	29.45	6.89				17.58	0.00	0.00

Report on Special Investigation of the
City of Clearfield

Copy of Check to Mr. Huffman from Fire Account and Statement from Fire Chief



Report on Special Investigation of the
City of Clearfield

Copies of Account History for Ms. England and Alliant Energy Billings

```
ACCT NUMBER - ██████████ ACCT STATUS-- ACT 05 04 07 PAGE 2
NAME ----- CLEARFIELD,CITY OF SERV START--- 05 04 07
STREET ----- 404 3RD ST APT 3 TYPE SERV---- ELECTRIC
CITY-STATE -- CLEARFIELD IA 50840 CIS ACTIVITY- NONE PENDING
AARC AMNC AMNB AHST ACCH
***** ACCOUNTS RECEIVABLE HISTORY *****
TRANSACTION CONT DATE TRANSM DATE-NO PD DATE BTC COL BC DOLLARS BALANCE AFTER
PAYMENT 10 16 07 10 15 07 10-552 10 10 07 1 03 0 175.64- 2.60-
OCT BILL 10 08 07 47.71 173.04
PENALTY 10 03 07 0 1.85 125.33
SEP BILL 09 07 07 123.48 123.48
PAYMENT 09 05 07 09 04 07 09-652 08 30 07 1 02 0 121.53- .00
PENALTY 08 31 07 0 1.80 121.53
AUG BILL 08 07 07 120.73 119.73
PAYMENT 07 27 07 07 26 07 07-521 07 20 07 1 03 0 126.35- 1.00-
PAYMENT 07 18 07 07 17 07 07-529 07 12 07 1 03 0 67.39- 125.35
JUL BILL 07 11 07 126.35 192.74
JUN BILL 06 08 07 66.39 66.39

ENTER TRANSACTION CODE OR PAGING REQUEST
```

Report on Special Investigation of the
City of Clearfield

Copies of Account History for Ms. England and Alliant Energy Billings

Interstate Power and Light, an Alliant Energy Company



00020 Questions? Call 1-800-822-4348

NAME CITY OF CLEARFIELD	ACCOUNT NUMBER [REDACTED]
SERVICE ADDRESS VARIOUS LOCATIONS	BILL DATE 07/12/2007 07

AMOUNT OF PREVIOUS BILL	\$2,533.02
PAYMENT RECEIVED 06/15/07, THANK YOU	\$2,533.02-
ACCOUNT ADJUSTMENTS	5.00
* AMOUNT BILLED THIS STATEMENT	\$1,141.37
CURRENT AMOUNT DUE	\$1,141.37

CITY OF CLEARFIELD 11437

DATE	PAYEE	DESCRIPTION	CHK NUM	AMOUNT
07/24/2007	ALLIANT ENERGY	UTILITIES	11437	\$1,267.72

SFM06033-1 REORDER FROM YOUR LOCAL SAFEGUARD DISTRIBUTOR, IF UNKNOWN, CALL 800-822-4423 HMM00001000 GMSF000198

SAFEGUARD LTD USA 8131205 487881118

AMOUNT DUE NOW	\$1,141.37
ADD 1.5% AFTER AUGUST 1, 2007	
\$1,158.49 LATE PAY AMT	

RETURN THE STUB WITH YOUR PAYMENT PLEASE ALLOW FIVE BUSINESS DAYS FOR MAILING AND PROCESSING

Report on Special Investigation of the
City of Clearfield

Copies of Account History for Ms. England and Alliant Energy Billings

ALLIANT ENERGY		Interstate Power and Light, an Alliant Energy Company			
To report an outage call:		1-877-740-5050	05909	Questions? Call	1-800-255-4268
NAME	CITY OF CLEARFIELD	ACCOUNT NUMBER		[REDACTED]	
SERVICE ADDRESS	404 3RD ST APT 3	BILL DATE	10/08/2007	10	
METER NUMBER	72000313	READING PERIOD FROM	09/05	TO	10/04
		NO. DAYS	29	METER READINGS CURRENT	39062
				METER READINGS PREVIOUS	38697
				METER MULTIPLIER	
				THERM PER CCF	
				UNITS BILLED	385
YOUR NEXT SCHEDULED READ: 11/05/2007					
AMOUNT OF PREVIOUS BILL				\$123.46	
PENALTY				1.85	
BALANCE BEFORE THIS BILL				\$123.33	
ELECTRIC RESIDENTIAL SERVICE RATE CODE 100					
METER 72000313				385 KWH / 29 DAYS = 13.276 KWH PER DAY	
				WINTER 13.276 KWH X 18 DAYS X \$.06704	
				SUMMER 13.276 KWH X 11 DAYS X \$.08203	
				ENERGY COST 385 KWH X \$.02170	
				BASIC SERVICE CHARGE \$.35930 X 29 DAYS	
				\$.46.77 X TAX STATE %	
				\$.46.77 X TAX LOCAL 1% SCHOOL 1%	
CURRENT CHARGES THIS METER				\$47.71	
CURRENT ACCOUNT BALANCE				\$173.04	
BILLING PERIOD	AVG TEMPERATURE	ELECTRIC USE PER DAY			
THIS MONTH	65 F	13.276 KWH			
LAST MONTH	75 F	35.433 KWH			
LAST YEAR	62 F	13.687 KWH			
<p>*****</p> <p>YOU MAY PAY YOUR BILL USING SPENDPAY, OUR PAY-BY-PHONE OR INTERNET OPTION. WE ACCEPT VISA, MASTERCARD AND DISCOVER CREDIT CARDS OR AUTOMATIC BANK ACCOUNT WITHDRAWALS. RESIDENTIAL CUSTOMERS - THERE IS A \$4.50 CONVENIENCE FEE FOR EACH \$600 PAYMENT TRANSACTION TO USE SPENDPAY. CALL 1-877-423-4126 OR GO TO WWW.ALLIANTENERGY.COM/SPENDPAY TO MAKE A PAYMENT.</p> <p>*****</p> <p>FOR ANSWERS TO YOUR QUESTIONS, CALL US AT 1-800-ALLIANT (255-4268) OR WRITE US AT P.O. BOX 351, CLEAR RAPIDS, IA 52406-0351. IF ALLIANT ENERGY-IP&L DOES NOT RESOLVE YOUR COMPLAINT, YOU MAY REQUEST ASSISTANCE FROM THE IOWA UTILITIES BOARD BY CALLING (515)261-3439 OR TOLL-FREE (877)565-4450, OR BY WRITING TO 350 MAPLE STREET, D66 MCNEER, IOWA 50319 OR BY E-MAIL TO IUBCUSTOMER@IUB.STATE.IA.US</p>					
PAGE 1 OF 1					
DEPOSIT ON FILE	AVERAGE DAILY COST (EXCLUDING SALES TAX)		AVERAGE UNIT COST (EXCLUDING SALES TAX)		AMOUNT DUE NOW
\$0.00	ELEC	\$1.81	ELEC	\$1.21	\$173.04
RETURN THE STUB WITH YOUR PAYMENT					ADD 1.5% AFTER OCTOBER 20, 2007
PLEASE ALLOW FIVE BUSINESS DAYS FOR MAILING AND PROCESSING					\$175.64 LATE PAYMENT AMOUNT
CITY OF CLEARFIELD					11584

Report on Special Investigation of the
City of Clearfield

Copies of Cash Withdrawal Slips

STATE SAVINGS BANK
CREATON - BEDFORD - CLEARFIELD
OHIO

DATE 2/2/07 BY [Signature] AMOUNT 9.50⁰⁰

IN ACCOUNT FOR cash

ACCOUNT NO. [Redacted] APPROVED [Signature]

MISC. DEBIT

[Redacted] 80 /0000095000/

STATE SAVINGS BANK
CREATON - BEDFORD - CLEARFIELD
OHIO

DATE 2/2/07 BY [Signature] AMOUNT 1050.00

IN ACCOUNT FOR cash

ACCOUNT NO. [Redacted] APPROVED [Signature]

MISC. DEBIT

[Redacted] 80 /0000105000/

Report on Special Investigation of the
City of Clearfield

Copies of Cash Withdrawal Slips

STATE SAVINGS BANK
CHESTON - BEDFORD - CLEARFIELD
IOWA

DATE 3/2/07 \$ 850.00
BY [Signature]
AUTHORIZED

WE DEBIT YOUR ACCOUNT FOR cash

ACCOUNT NO. [Redacted] PROVED [Signature]
DO NOT FAIL TO MAKE THIS ENTRY IN YOUR CHECK BOOK

MISC. DEBIT

[Signature]

[Redacted] 80 #0000085000#

Report on Special Investigation of the
City of Clearfield

Copies of Cash Withdrawal Slips

STATE SAVINGS BANK
CRESTON - BEDFORD - CLEARFIELD
IOWA

DATE 3/7/07 BY [Signature] AUTHORIZED [Signature] \$ 1050.00

WE DEBIT YOUR ACCOUNT FOR Cash

ACCOUNT NO. [Redacted] APPROVED [Signature] MISC. DEBIT

03/07/2007 650.00

80 700000650007

Report on Special Investigation of the
City of Clearfield

Copies of Cash Withdrawal Slips

STATE SAVINGS BANK
CRESTON - BEDFORD - CLEARFIELD
IOWA

DATE 4/10/07 BY _____ AUTHORIZED _____

WE DEBIT YOUR ACCOUNT FOR cash \$ 650.00

ACCOUNT NO. [REDACTED] [Signature] PROVED
DO NOT FAIL TO MAKE THIS ENTRY IN YOUR CHECK BOOK

MISC. DEBIT

[REDACTED] 80 #0000065000#

Report on Special Investigation of the
City of Clearfield

Copy of Utility Deposit Refund Receipts

RECEIPT

DATE 04/06/2007 No. 369997

RECEIVED FROM City of Clearfield Utilities to \$400⁰⁰/₁₀₀
Clarence & Cindy Steinback

Four hundred and 00/100 DOLLARS

FOR RENT
 FOR Utility Deposit (*250.00 gas; *150.00 sewer/garbage)

ACCOUNT	<u>400 00</u>	<input checked="" type="radio"/> CASH	FROM <u>10/01/2005</u> TO <u>11/01/2006</u>
PAYMENT	<u>-400 00</u>	<input type="radio"/> CHECK	BY <u>R. Hill Utility Clerk</u>
BAL. DUE	<u>0</u>	<input type="radio"/> MONEY ORDER	

RECEIPT

DATE 04/06/2007 No. 369998

RECEIVED FROM City of Clearfield Utilities to \$200⁰⁰/₁₀₀
Betty Volner

Two hundred and 00/100 DOLLARS

FOR RENT
 FOR Utility Deposit (*150.00 gas; *50.00 sewer/garbage)

ACCOUNT	<u>200 00</u>	<input type="radio"/> CASH	FROM <u>10/01/2006</u> TO <u>01/01/2007</u>
PAYMENT	<u>-200 00</u>	<input type="radio"/> CHECK	BY <u>R. Hill</u>
BAL. DUE	<u>0 00</u>	<input type="radio"/> MONEY ORDER	

RECEIPT

DATE 04/06/2007 No. 369999

RECEIVED FROM City of Clearfield Utility Deposits to \$250⁰⁰/₁₀₀
Betty Volner

Two hundred fifty and 00/100 DOLLARS

FOR RENT
 FOR Utility Deposit (*200.00 gas; *50 sewer/garbage)

ACCOUNT	<u>250 00</u>	<input checked="" type="radio"/> CASH	FROM <u>12/05</u> TO <u>12/06</u>
PAYMENT	<u>-250 00</u>	<input type="radio"/> CHECK	BY <u>R. Hill Utility Clerk</u>
BAL. DUE	<u>0 00</u>	<input type="radio"/> MONEY ORDER	