



**OFFICE OF AUDITOR OF STATE
STATE OF IOWA**

David A. Vaudt, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

NEWS RELEASE

Contact: David A. Vaudt
515/281-5835
or Tami Kusian
515/281-5834

FOR RELEASE June 30, 2011

Auditor of State David A. Vaudt today released a report on a special investigation of the Lake Mills Community School District (District) for the period July 1, 2005 through December 31, 2010. Because certain records were available prior to July 1, 2005, certain tests and procedures were also performed for earlier periods. The special investigation was requested by District officials as a result of concerns regarding the improper use of the District's credit card by the District's former Business Manager, Christine Mathahs. Ms. Mathahs resigned from the District on December 9, 2010.

Vaudt reported the special investigation identified \$262,719.19 of improper disbursements, including 18 checks Ms. Mathahs issued from the District's bank account to various credit card companies. The 18 checks total \$212,219.85 and were posted as payments to personal credit card accounts held in Ms. Mathahs' name. The checks were issued between May 27, 2005 and April 1, 2010 and range from \$7,350.00 to \$17,900.00. Of the 18 checks identified, 8 were not recorded in the District's accounting system. While the 10 remaining checks were recorded in the accounting system, the vendor's name had been removed for 9 checks and 1 check was recorded as if it had been issued to another payee.

The improper disbursements identified also include 29 checks issued from the District's checking account which were redeemed for cash. The checks total \$23,911.33 and 26 of the 29 were described on the check or in the District's accounting system as postage or petty cash. Because the District's postage is not paid with cash, the descriptions were not correct. Vaudt reported an additional check for \$7,560.00 was also improperly redeemed for cash. The check was the remaining balance of a Wellness account and should have been evenly distributed among participants in the Wellness program. However, the participants we spoke with do not recall receiving their portion of the remaining balance when the account was closed.

The improper disbursements identified also include \$7,519.14 the District paid for 13 printer cartridges. Invoices located at the District show a total of 26 printer cartridges were

received from 2 vendors in California. The dates of the invoices were between February 18, 2010 and October 29, 2010 and the cost of the cartridges ranged from \$393.60 to \$567.00 per cartridge. The total cost of the 26 cartridges, shipping and handling was \$15,601.50. However, the District did not pay the remaining portion of the invoices. According to the Superintendent, the cartridges were ordered by Ms. Mathahs. After her resignation, the Superintendent contacted a local vendor and determined the District could purchase the same cartridges for approximately \$100.00 to \$150.00 per cartridge. It is not known why Ms. Mathahs would order cartridges from a vendor in California at a price which was significantly higher than what she could purchase them for locally.

The improper disbursements identified also include several purchases for which Ms. Mathahs improperly used the District's credit card. In September 2010, Ms. Mathahs attended a conference in Florida. She used the District's credit card to pay for lodging costs at the conference, the registration fee for herself and a guest registration fee for her mother. The Board authorized payment for half of Ms. Mathahs' registration fees. However, she incurred \$1,043.50 more on the credit card than authorized. As a result, the District held Ms. Mathahs' last paycheck, which was for \$823.68. Ms. Mathahs also used the District's credit card to pay for 2 nights lodging at Adventureland Inn in Des Moines in August 2010. Ms. Mathahs' leave records at the District show she recorded vacation for the 2 days. The lodging costs total \$333.76.

Vaudt also reported it was not possible to determine whether registration collections were properly deposited between July 1, 2005 and December 31, 2010 because adequate documentation was not available. In addition, it was not possible to determine if additional amounts may have been improperly disbursed prior to July 1, 2005 because sufficient records were not readily available.

Copies of this report have been filed with the Iowa Division of Criminal Investigation, the Winnebago County Attorney's Office and the Iowa 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/1030-3420-BE00.pdf>.

#

**REPORT ON SPECIAL INVESTIGATION
OF THE
LAKE MILLS COMMUNITY SCHOOL DISTRICT
FOR THE PERIOD
JULY 1, 2005 THROUGH DECEMBER 31, 2010**

Table of Contents

| | <u>Page</u> |
|--|-----------------|
| Auditor of State's Report | 3-4 |
| Investigative Summary: | |
| Background Information | 5-6 |
| Detailed Findings | 6-15 |
| Recommended Control Procedures | 16-17 |
| Exhibits: | |
| | <u>Exhibit</u> |
| Summary of Findings | A 19 |
| Finance Charges and Late Fees Incurred on District's Credit Card | B 21 |
| Personal Credit Card Payments | C 22-23 |
| Checks Issued for Cash | D 24 |
| Unauthorized Printer Cartridge Purchases | E 26-29 |
| Staff | 30 |
| Appendices: | |
| | <u>Appendix</u> |
| Copy of Registration Form for ASBO International 2010 Conference | 1 32-33 |
| Copy of Adventureland Inn Folio | 2 34-35 |
| Copies of Checks Written for Personal Credit Card Payments | 3 36-39 |
| Copy of Check Written to LMCS Wellness | 4 41 |
| Copies of Check Written to Christine Mathahs and Supporting Documentation | 5 42-45 |
| Copies of Invoices for Printer Cartridges | 6 46-59 |



OFFICE OF AUDITOR OF STATE STATE OF IOWA

David A. Vaudt, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

Auditor of State's Report

To the Board of Education of the
Lake Mills Community School District:

At the request of District officials and as a result of concerns regarding the improper use of the District's credit card, we conducted a special investigation of the Lake Mills Community School District (District). We have applied certain tests and procedures to selected financial transactions of the District for the period July 1, 2005 through December 31, 2010. Because certain bank statements and credit card statements were available for the period prior to July 1, 2005, we also performed certain tests and procedures using the available statements.

Based on discussions with District officials and personnel and a review of relevant information, we performed the following procedures.

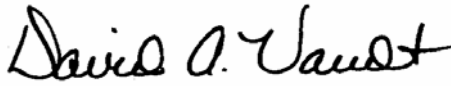
- (1) Evaluated internal controls to determine whether adequate policies and procedures were in place and operating effectively.
- (2) Reviewed the District's bank statements to determine if disbursements appeared appropriate and to identify the source of certain deposits. For certain disbursements, we examined supporting documentation to determine propriety.
- (3) Reviewed the District's credit card statements to determine if purchases appeared appropriate and to ensure all payments posted to the accounts were made with District funds. Also, for certain purchases, we reviewed related documentation to determine propriety.
- (4) Reviewed payroll disbursements to the District's former Business Manager, Chris Mathahs, to determine if they complied with her contract. We also determined if Ms. Mathahs withheld and reported the appropriate amounts of payroll taxes and retirement contributions from her pay.
- (5) Confirmed payments to the District by the State of Iowa, Winnebago County, Worth County and the Iowa Medicaid Enterprise within the Department of Human Services to determine if they were properly recorded and deposited to the District's accounts.
- (6) For the 2010/2011 school year, reviewed the supporting documentation for registration fees and compared total fees recorded to amounts deposited to determine the reasonableness of the amounts deposited.
- (7) Obtained and reviewed Ms. Mathahs' personal bank statements to identify the source of certain deposits and to determine if certain credit card payments were made from the accounts.
- (8) Obtained and reviewed the credit card statements for 12 credit cards held by Ms. Mathahs to determine if District funds were used to pay the amounts posted to the personal credit cards.

These procedures identified \$262,719.19 of improper disbursements. We were unable to determine whether registration collections were not properly deposited during the period of our investigation because adequate records were not available. In addition, we were unable to determine if additional amounts were improperly disbursed prior to July 1, 2005 because sufficient records were not readily available. 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.

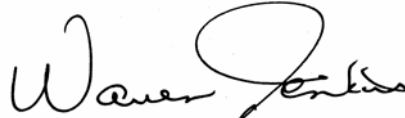
The procedures described above do not constitute an audit of financial statements conducted in accordance with U.S. generally accepted auditing standards. Had we performed additional procedures, or had we performed an audit of financial statements of the Lake Mills Community School District, other matters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

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

We would like to acknowledge the assistance extended to us by personnel of the Lake Mills Community School District and the Iowa Division of Criminal Investigation during the course of our investigation.



DAVID A. VAUDT, CPA
Auditor of State



WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

June 17, 2011

Lake Mills Community School District
Investigative Summary

Background Information

The Lake Mills Community School District (District) serves approximately 700 kindergarten through 12th grade students in parts of Winnebago and Worth Counties. The high school, middle school and elementary school are located on a single campus in Lake Mills. The District is governed by a 5 member Board of Directors (Board). Each member is elected to a 4-year term on a nonpartisan basis.

Chris Mathahs began employment with the District as the Business Manager on August 1, 1996. As the District's Business Manager, Ms. Mathahs was responsible for the following functions:

- Collections - receipting and depositing all monies received by the District, except for collections associated with food services and activity funds, and recording collections in the District's accounting system.
- Disbursements - making certain purchases, receiving certain goods and services, presenting proposed disbursements to the Board, maintaining supporting documentation, preparing, signing and distributing checks and posting to the accounting records.
- Payroll - calculating payroll amounts, preparing, signing, and distributing checks and posting to the accounting records.
- Bank accounts - reconciling monthly bank statements to accounting records.
- Monthly Board meetings - preparing information for monthly Board meetings, including agendas, information packets for Board members, financial reports, bill listings and other information as needed. In addition, attending all Board meetings and recording minutes of the meetings. In addition, preparing and publishing all legal notices concerning District business, including Board minutes.

According to the Superintendent, he voiced concern to Ms. Mathahs during the fall of 2010 regarding chronic inconsistencies in financial transactions she prepared and her use of the District's credit card for costs associated with attending a conference which were not authorized by the Board. The Superintendent also stated he received a number of calls from vendors stating they either had not been paid or they were paid an incorrect amount.

According to the Superintendent, in the spring of 2010, Ms. Mathahs requested the District provide financial support for her to attend the Association of School Business Officials (ASBO) International conference in the Orlando, FL area during September 2010. However, according to the Superintendent, the Board agreed to pay for only half of Ms. Mathahs' registration fee to attend the conference. All other costs, including travel, lodging and meal costs, were to be paid for by Ms. Mathahs if she wished to attend.

Even though the Board agreed to pay for only half of Ms. Mathahs' registration fee for the conference, she used the District's credit card to pay all of her registration fee, the guest registration fee for her mother to attend the conference and her lodging costs while at the conference. According to the Superintendent, he discovered the lodging costs when he reviewed the District's credit card statement after Ms. Mathahs returned from the conference. He later learned Ms. Mathahs had not reimbursed the District for the lodging costs and her share of the registration fee.

According to the Superintendent, he discussed the credit card charges with Ms. Mathahs and his concerns about how the District's financial transactions had been recently handled. He also informed her he would be discussing his concerns with the Board. However, before the Board took any action regarding these concerns, Ms. Mathahs resigned from the District. Her resignation was effective December 9, 2010.

As a result of the concerns identified by the Superintendent and Ms. Mathahs' subsequent resignation, District officials requested the Office of Auditor of State review the District's financial management processes. We performed the procedures detailed in the Auditor of State's report for the period July 1, 2005 through December 31, 2010.

Detailed Findings

The procedures performed identified \$262,719.19 of improper disbursements. It was not possible to determine if all registration collections were properly deposited between July 1, 2005 and December 31, 2010 because adequate documentation was not available. In addition, it was not possible to determine if additional amounts were improperly disbursed prior to July 1, 2005 because sufficient records were not readily available. If sufficient records had been readily available, additional improper disbursements may have been identified.

The improper disbursements identified include 18 checks Ms. Mathahs issued from the District's bank account to various credit card companies. The 18 checks total \$212,219.85 and were posted to personal credit card accounts held in Ms. Mathahs' name. The improper disbursements also include 29 checks which total \$23,911.33 and were redeemed for cash. An additional \$7,560.00 check was also redeemed for cash.

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

IMPROPER DISBURSEMENTS

For the period July 1, 2005 through December 31, 2010, we scanned images of all checks issued from the District's checking accounts. We also scanned the activity recorded in the District's accounting system. For certain checks issued from the District's checking account, we also attempted to trace the disbursement to the District's accounting system. During our review, we identified several unusual disbursements, including credit card payments, checks which were redeemed for cash and payments to Ms. Mathahs. The unusual disbursements identified, as well as the improper use of the District's credit card, are discussed in detail in the following paragraphs.

Improper Use of the District's Credit Card - As previously stated, the District's Superintendent determined Ms. Mathahs had improperly used the District's credit card to pay for registration fees and lodging for the ASBO conference held in Lake Buena Vista, Florida in September 2010. We reviewed the activity shown on the District's credit card statements for the period July 1, 2005 through December 31, 2010 and identified several additional improper charges, finance charges and late fees. We also confirmed all payments shown on the credit card statements were made from the District's checking account. **Table 1** summarizes improper charges identified. Each charge is discussed in detail in the paragraphs following the **Table**.

Table 1

| Transaction Date | | Vendor | Amount |
|-----------------------------|----------|----------------------------------|--------------------|
| a) | 05/13/10 | ASBO International | \$ 670.00 |
| | 09/23/10 | Disney Resort - Coronado Springs | 666.00 |
| | 09/28/10 | Disney Resort - Coronado Springs | 5.00 |
| | | Less: Authorized amount | (297.50) |
| | | | \$ 1,043.50 |
| b) | 08/02/10 | Adventureland Inn | 333.76 |
| c) | Various | Shopper Discounts & Rewards | 179.28 |
| d) | Various | Finance charges and late fees | 566.50 |
| | Total | | <u>\$ 2,123.04</u> |

- a) The charges incurred for ASBO and Disney Resorts are related to the ASBO (Association of School Business Officials) International conference held in Lake Buena Vista from September 24 – 27, 2010.

During an interview with a special agent of the Division of Criminal Investigation (DCI) on June 8, 2011, Ms. Mathahs stated she volunteered to be a speaker at the conference and presented 5 15-minute sessions with 20-25 people in each session. According to the program book posted on ASBO's website, the session led by Ms. Mathahs was part of the Gold Mine Sessions held from 2:15 – 3:30 on Sunday, September 26, 2010. According to the program book, the Gold Mine Sessions feature roundtables, each focused on a different aspect of school district management. Participants change tables every 15 minutes with up to 10 people at a table each time.

The session was entitled "Segregation of Duties? Yeah, Right" and was described as "Gain a better understanding of segregation of duties as defined by auditing standards and learn what school districts need to do externally and internally to comply, even when the district is small and segregation is nearly impossible. Learn how small districts can implement strategic functions of internal control to minimize risk and possible weaknesses that may lead to fraud."

Ms. Mathahs requested the District's financial support to attend the conference. However, the Board agreed to reimburse Ms. Mathahs for only half of her registration fee. She was to pay the remaining portion of the registration fee and all travel costs. According to the Superintendent, when he reviewed the District's credit card statement, he determined the District's credit card had been used to pay for all registration fees and lodging costs.

Appendix 1 includes a copy of the registration form completed by Ms. Mathahs for the conference. As illustrated by the **Appendix**, the \$670.00 charged to the District's credit card included a \$595.00 registration fee for Ms. Mathahs and a \$75.00 guest fee for Bobbi Fowler, Ms. Mathahs' mother. Because supporting documentation was not available at the District, we were unable to identify any information for the \$671.00 incurred at the Coronado Spring Resort on the Disney properties. The resort is where the ASBO International conference was held in September 2010. It is likely the costs were for Ms. Mathahs' lodging at the conference.

As previously stated, the Board authorized payment for only half of Ms. Mathahs' \$595.00 registration fee, or \$297.50. According to the Superintendent and based on our review of the District's records, Ms. Mathahs did not reimburse the District for the remaining \$1,043.50 of unauthorized charges associated with the conference. During the interview with the DCI agent, Ms. Mathahs stated she intended to repay the District in December when she received reimbursement for participating in the District's Flexible Benefits program. Because Ms. Mathahs did not reimburse the District, the \$1,043.50 is included in **Table 1**.

The Board voted to withhold Ms. Mathahs' final paycheck as a partial repayment of the amount improperly charged to the District's credit card. The net amount of Ms. Mathahs' final paycheck was \$823.68. This amount is included in **Exhibit A** as a reduction of the improper disbursements.

- b) During our review of the District's credit card statements, we identified a \$333.76 charge incurred at Adventureland Inn, a hotel located in Altoona, Iowa next to Adventureland amusement park. We contacted a representative of Adventureland Inn and obtained a copy of the folio associated with the charge. A copy of the folio is included in **Appendix 2**.

As illustrated by the **Appendix**, the folio contains Ms. Mathahs' name, an arrival date of Monday, August 2, 2010 and a departure date of Wednesday, August 4, 2010. According to Ms. Mathahs' leave records at the District, she used 3 days of vacation from August 2, 2010 through August 4, 2010.

The **Appendix** also illustrates the cost of the room occupied was \$149.00 per night for 2 nights. In addition, \$7.45 and \$10.43 of sales tax and hotel tax, respectively, were incurred for the 2 nights. These costs total \$333.76 and were paid for with the District's credit card. In addition, the **Appendix** illustrates a number of other charges were incurred at the pool bar and these costs were paid for with a credit card held in the name of Larry D. Mathahs, Ms. Mathahs' husband. The \$333.76 of costs charged to the District's credit card are included in **Table 1** as improper disbursements.

- c) During our review of the District's credit card statements, we identified a monthly charge to "Shopper Discounts" of approximately \$12.00 from September 2009 through October 2010. The vendor's full name is Shopper Discounts & Rewards. According to Shopper Discounts & Rewards' website, the program provides members discounts on certain purchases and "cash-back rebates not available to the general public at hundreds of the web's most popular stores."

School officials we spoke with stated they were unaware Ms. Mathahs had been participating in this program. During our review of the District's financial transactions, we did not identify any rebates or refunds deposited to the District's account which were associated with Shopper Discounts & Rewards. **Table 2** lists the monthly charges identified.

| Table 2 | | | |
|--------------------|---------------|--------------------|-----------------|
| Transaction | | Transaction | |
| Date | Amount | Date | Amount |
| 09/21/09 | \$ 12.00 | 05/21/10 | 12.00 |
| 10/21/09 | 11.28 | 06/21/10 | 12.00 |
| 11/22/09 | 12.00 | 07/21/10 | 12.00 |
| 12/21/09 | 12.00 | 08/20/10 | 12.00 |
| 01/21/10 | 12.00 | 09/21/10 | 12.00 |
| 02/21/10 | 12.00 | 10/21/10 | 12.00 |
| 03/21/10 | 12.00 | 11/12/10 | 12.00 |
| 04/21/10 | 12.00 | Total | <u>\$179.28</u> |

Because the \$179.28 paid to Shopper Discount & Rewards does not appear to be related to District operations and it was not an authorized disbursement, it is included in **Table 1** as improper disbursements.

- d) As part of Ms. Mathahs' job duties, she was to pay all District obligations in a timely manner. We identified a number of instances in which finance charges and late fees were included in the District's credit card statements. The finance charges and late fees identified are listed in **Exhibit B**. The \$566.50 total is included in **Table 1** as improper disbursements.

Because the charges listed in **Table 1** were improper uses of the District's credit card and District funds were used to pay for the charges, the \$2,123.04 total is included in **Exhibit A** as improper disbursements.

Personal Credit Card Payments – The District's credit card was issued by the financial institution at which the District's checking account is held. However, during our review of disbursements made from the District's checking account, we identified 18 checks issued to credit card companies other than the District's financial institution. The 18 checks total \$212,219.85 and are listed in **Exhibit C**. Copies of selected checks are included in **Appendix 3**.

As illustrated by the **Exhibit**, the checks were issued to Bank of America, Chase, Capital One Bank and Cardmember Service. The checks were issued between May 27, 2005 and April 1, 2010 and ranged from \$7,350.00 to \$17,900.00. Of the 18 checks identified, 8 were not recorded in the accounting system. The remaining 10 checks were recorded in the accounting system. However,

the vendor's name had been removed for 9 of the checks and 1 check was recorded as if it had been issued to Banker's Trust Company. The District's general obligation bonds are paid to Banker's Trust.

We were unable to locate supporting documentation for any of the 18 checks in the District's records. However, based on account information found on images of the redeemed checks and with the assistance from a representative of Bank of America, we determined the credit card accounts to which the payments were applied.

Using subpoenas, we subsequently obtained copies of the credit card statements for multiple credit card accounts Ms. Mathahs had established. Specifically, we obtained statements for 6 personal credit card accounts Ms. Mathahs established with Bank of America (also known as FIA Card Services), 2 personal credit card accounts she established with Chase and 4 personal credit card accounts she established with Capital One Bank. Using the credit card statements, we determined the 18 checks issued from the District's checking account were used to make payments on Ms. Mathahs' personal credit card accounts.

The \$212,219.85 of personal payments listed in **Exhibit C** is included **Exhibit A** as improper disbursements.

During our review of the credit card statements, we also determined Ms. Mathahs received 15 refund checks from the credit card companies. The refund checks are listed in **Table 3**.

| Table 3 | | | | |
|-----------------|------------------------------|---------------------|--|---------------|
| Account* | Refund to Ms. Mathahs | | Prior Payment with District Funds | |
| | Date | Amount | Date | Amount |
| CO #3 | 06/24/05 | \$ 95.52 | 06/07/05 | \$ 9,500.00 |
| BOA #1 | 02/01/06 | 495.18 | 01/30/06 | 10,500.00 |
| BOA #6 | 01/17/06 | 984.25 | 01/13/06 | 10,500.00 |
| BOA #2 | 12/01/06 | 4,091.22 | 11/25/06 | 14,575.00 |
| BOA #2 | 02/28/07 | 1,277.47 | 02/27/07 | 12,000.00 |
| BOA #6 | 03/09/07 | 2,414.00 | 02/26/07 | 7,500.00 |
| CO #2 | 03/21/07 | 3,119.84 | 02/26/07 | 7,350.00 |
| BOA #2 | 06/25/07 | 2,550.69 | 06/22/07 | 12,500.00 |
| Chase #1 | 02/08/08 | 1,782.77 | 02/06/08 | 9,525.00 |
| BOA #3 | 04/08/08 | 1,695.93 | 03/15/08 | 9,500.00 |
| BOA #3 | 06/13/08 | 90.04 | ^^ | - |
| BOA #4 | 07/07/08 | 1,195.42 | 05/29/08 | 15,898.36 |
| BOA #4 | 10/24/08 | 2,377.53 | 10/22/09 | 16,876.00 |
| BOA #4 | 01/27/09 | 2,324.95 | 01/20/09 | 17,900.00 |
| BOA #4 | 02/13/10 | 1,430.55 | 02/01/10 | 15,450.00 |
| Total | | <u>\$ 25,925.36</u> | | |

* - CO represents Capitol One Bank and BOA represents Bank of America.

^^ - Refund issued after \$129.50 charge was reversed.

We determined, with 1 exception, each refund check listed in **Table 3** was issued shortly after Ms. Mathahs made a large payment on her credit card account using a check issued from the District's checking account. The large payments resulted in credit balances on the accounts, which were then refunded to Ms. Mathahs. We traced 7 of the 15 refund checks to deposits in Ms. Mathahs' personal bank accounts.

Based on the timing of the payments and the refund checks, it appears Ms. Mathahs overpaid the balances due on the credit card accounts in order to receive a refund check. By making the over payments, Ms. Mathahs was able to convert \$25,835.32 (total refunds of \$25,925.36 less the \$90.04 refund resulting from a charge reversal) of payments on her personal credit card accounts made with District checks to cash through refunds from credit card companies. The related payments from the District's checking account are also included in **Table 3**.

Checks Issued for Cash – During our review of checks issued from the District's checking account, we identified 29 checks which were issued for cash. Of the 29 checks, 25 were issued to the District's financial institution, MBT (Manufacturers' Bank and Trust), and 4 were issued payable to "Cash." Some of the checks issued to MBT also included notations which indicated the check was for postage or cash. We also reviewed information recorded in the District's accounting system to identify similar checks for postage.

The 29 checks identified were issued between July 23, 2003 and September 20, 2010 and ranged from \$100.00 to \$1,875.83. The checks are listed in **Exhibit D**. We were unable to locate supporting documentation at the District for any of the checks. As illustrated by the **Exhibit**, 4 of the checks were not recorded in the District's accounting system.

According to District officials we spoke with, the District has a postage machine which is used for small quantities of mail. The postage costs for the machine are paid directly to a vendor. For bulk mailing, a check is issued to the Postmaster. District officials stated it would not be necessary to withdraw cash to pay for postage.

As illustrated by **Exhibit D**, 4 checks included a description of change or petty cash. The 4 checks were for \$250.00, 500.00, \$1,750.00 and \$1,805.00. The petty cash boxes used for activities are maintained by the Activities Secretary. According to the Activities Secretary, these checks were not used to replenish the petty cash boxes she maintains.

The \$23,991.33 of District checks issued for cash which are listed in **Exhibit D** are included in **Exhibit A** as improper disbursements.

Distribution of LMCS Wellness Account – During our review of disbursements from the District's checking account, we identified a check written to LMCS Wellness with "cash" handwritten on the check below the vendor name. **Appendix 4** includes a copy of the check. As illustrated by the **Appendix**, check number 37622 was issued on December 17, 2007 for \$7,560.00. The check includes stamps applied by the bank in the lower right corner near the signatures. These stamps indicate the check was redeemed for cash on December 17, 2007.

According to a District employee we spoke with, the LMCS (Lake Mills Community Schools) Wellness account was established in 1997. When the Wellness program was active, \$5.00 per month was deducted from each paycheck issued to teachers who chose to participate in the program. The amount withheld was placed in a special Wellness account in the District's General Fund. Participating teachers were eligible to receive free flu vaccinations and wellness exams. Participating teachers could also take part in a Wellness incentive program in which they received points for performing approved exercise activities. Participating teachers who earned 1,000 points by the end of the year and spent at least \$50.00 on eligible exercise items were reimbursed \$50.00 per year. Points were recorded on a Wellness Activity Record Sheet, which was to be approved by the Wellness Coordinator.

The program ended in 2007. The balance in the account at the end of December 2007 was \$7,560.00. According to the Wellness Coordinator, it was decided the balance was to be equally split between the 54 participants. As a result, each participant should have received \$140.00. However, none of the District employees we spoke with recalled receiving a \$140.00 payout around December 2007. We also reviewed the disbursements from the District's checking account and did not identify any payments for \$140.00.

Because it appears the check was redeemed for cash, we also attempted to locate a \$7,560.00 deposit in the District's checking account. However, we were unable to locate a deposit which included this amount. We also did not locate a deposit similar to this amount in Ms. Mathahs' personal bank accounts for which we had statements.

Because the \$7,560.00 LMCS Wellness account balance was paid from the District's checking account but was not split among the 54 participants, it is included in **Exhibit A** as an improper disbursement.

Payments to Chris Mathahs – During our review of disbursements from the District's checking account, we identified 3 improper payments to Ms. Mathahs. The checks are listed in **Table 4** and are discussed in detail in the paragraphs following the **Table**.

| Table 4 | | | | |
|----------------|-------------|---------------------|---------------------------|------------------|
| | Date | Check Number | Description | Amount |
| a) | 08/23/07 | 37028 | 2 years wellness payout | \$ 100.00 |
| b) | 12/30/09 | 41110 | Snack stand reimbursement | 166.43 |
| c) | 05/13/10 | 41787 | <i>None</i> | 250.00 |
| | Total | | | <u>\$ 516.43</u> |

- a) We identified 2 checks written to Christine Mathahs for which the related description indicated the checks were issued as a payout related to the Wellness program. In August 2007, Ms. Mathahs issued herself a check for \$100.00. We were unable to locate the check in the District's accounting system. However, the description on the check stub indicated the payment was for 2 years of wellness payout. In September 2007, Ms. Mathahs issued herself a check for \$50.00. The check was included in the accounting system and the supporting documentation indicated it was a payout for participating in the Wellness program for 1 year. Copies of the checks are included in **Appendix 5**.

According to a District employee who participated in the Wellness program, the teachers were only eligible to receive 1 reimbursement each year and were not authorized to receive multiple reimbursements in a year to make up for reimbursements missed in past years. As a result, we have included the \$100.00 check in **Table 4**.

- b) We identified a \$166.43 check Ms. Mathahs issued to herself on December 30, 2009. The check was included in the District's accounting system with a description of snack stand reimbursement. We located a calculator tape totaling \$166.43 included in the District's records with a copy of the check; however, there was no receipt, invoice or other appropriate documentation to support the reimbursement. As a result, the \$166.43 check is included in **Table 4**.
- c) We also identified a \$250.00 check written to Ms. Mathahs on May 13, 2010 which was not included in the accounting system. A copy of the check is included in **Appendix 5**. As illustrated by the **Appendix**, the redeemed check includes stamps from the bank which indicate the check was redeemed for cash. We were unable to locate any supporting documentation at the District for the check and District officials we spoke with were unable to identify a reason for the check to be issued to Ms. Mathahs. As a result, the \$250.00 check is included in **Table 4**.

Because the 3 checks listed in **Table 4** are not properly supported or were improperly issued to Ms. Mathahs, the \$516.43 total is included in **Exhibit A** as improper disbursements.

Payment to Iowa School Cash Anticipation Program (ISCAP) – For school year 2009/2010 and prior years, the District participated in the Iowa School Cash Anticipation Program (ISCAP). ISCAP is a program of the Iowa Association of School Boards and is designed to provide funds to participating entities during periods of cash deficits. ISCAP is funded by a semiannual issuance of anticipatory warrants. The warrant sizing of each school District is based on a projection of cash flow needs during the semiannual period. ISCAP accounts are maintained for each participating entity, and monthly statements are provided regarding their cash balance, interest earnings and amounts available for withdrawal for each outstanding series of warrants. Bankers Trust is the trustee for the program.

For the 2010/2011 school year, the Board decided the District would not participate in ISCAP. According to District officials, it was not anticipated the District's cash flow was in jeopardy of becoming deficit. As a result, the District did not need bond proceeds from ISCAP to temporarily satisfy a deficit. However, for the 2010-2011 Series A bond issuance, Ms. Mathahs failed to decline the invitation of participation.

Issuance fees and interest are associated with the issuance of the bonds. Because Ms. Mathahs did not decline the invitation to participate as directed by the Board, ISCAP issued bonds for the District. As a result, the District was required to pay \$8,171.00 of issuance fees and \$59.90 of interest for the 2010-2011 Series A bonds.

Because the District incurred extra costs as a result of Ms. Mathahs not complying with the Board's instructions, we included the \$8,230.90 of costs paid by the District in **Exhibit A** as improper disbursements.

Unauthorized Printer Cartridge Purchases – During our discussions with the Superintendent, he voiced concerns regarding certain printer cartridges which were purchased by Ms. Mathahs for the District. The invoices for the printer cartridges and related payments made by the District are summarized in **Exhibit E**. According to the Superintendent, when he confronted Ms. Mathahs about the cost of the printer cartridges she purchased, she replied "please do not be mad at me."

As illustrated by the **Exhibit**, 14 invoices were received by the District for 26 cartridges. Copies of the invoices are included in **Appendix 6**. Of the 14 invoices, 7 were received from Reliable Printing Solutions, Inc. and 7 were received from Century Computer Products Inc. According to the Superintendent, a representative of Century Computer Products told him the companies were related and 1 was the parent company of the other. Based on the invoices received by the District, both vendors are located in California.

The dates of the invoices were between February 18, 2010 and October 29, 2010. The cost of the cartridges ranged from \$393.60 to \$567.00 per cartridge. The total cost of the 26 cartridges, shipping and handling was \$15,601.50. According to the Superintendent, he contacted a local vendor and determined the District could purchase the same cartridges for approximately \$100.00 to \$150.00 per cartridge.

The Superintendent stated he had expressed concern about some of the printer cartridges to Ms. Mathahs prior to her resignation. According to the Superintendent, a large box of cartridges had been received toward the end of the 2009/2010 school year or during the summer of 2010. The box was in a traffic area of the District office. After the box had been in the office for some time and in response to his inquiries regarding the cartridges, the Superintendent stated Ms. Mathahs told him the cartridges were shipped to the District in error and she was waiting for a shipping label to return them to the vendor. He stated the cartridges eventually disappeared from the office. He believed the cartridges had been returned to the vendor. However, after Ms. Mathahs' resignation, he located individual boxes of cartridges under Ms. Mathahs' desk. They had been removed from the large single box and placed in a location not readily visible to anyone in the office.

The Superintendent also stated he found invoices from Reliable Printing Solutions Inc., dated June 4, 2010, for 8 HP 2300 cartridges after Ms. Mathahs' resignation. He also found invoices dated in February and March 2010 for 4 additional HP 2300 cartridges. Because the HP 2300 cartridges were not located in the office, the Superintendent stated he texted Ms. Mathahs asking where the HP 2300 cartridges were located. According to the Superintendent, Ms. Mathahs sent him a reply stating "Oops I have 2 boxes of cartridges. Sorry. I will return them." At the direction of the Superintendent, the District's custodian retrieved the boxes from Ms. Mathahs' residence.

Because the HP 2300 cartridges could not be used in any printers at the District, the Superintendent was able to arrange returning the 12 cartridges to the vendor. However, because the District had an outstanding balance due to the vendor, the vendor did not issue the District a refund for the payment previously made for the cartridges.

According to the Superintendent, it would not be unusual for Ms. Mathahs to purchase items such as printer cartridges for the District. However, the purchases should have been made using a requisition or purchase order form which he must approve. Purchase requisitions or purchase order forms were not prepared for the purchases from Century Computer Products or Reliable Printing Solutions, Inc. The purchases were not approved by the Superintendent.

The Superintendent also stated the District paid \$1,335.06 to Century Computer Products for invoice #13509 for a box of HP 2055 cartridges after Ms. Mathahs resigned. The Superintendent believed this satisfied the District's obligation to the vendor for the 14 cartridges received in 1 shipment. However, a representative of Century Computer Products subsequently contacted the District stating the District still owed \$8,010.36 for invoices 113510 through 113515. As illustrated by **Exhibit E**, the vendor sent 7 separate invoices, each for sets of 2 cartridges, even though the entire order of 14 cartridges was shipped in 1 box. As the **Exhibit** also illustrates, the District paid \$7,591.14 of the \$15,601.50 billed to the District by the 2 vendors. The District did not pay the remaining invoices, which total \$8,010.36.

The Superintendent stated he told the vendor the District would not pay the remaining balance and attempted to return the cartridges. Century Computer Products stated it would not accept an exchange or return. As a result, the District kept the cartridges.

Because the purchases of the printer cartridges were not approved and do not appear appropriate for the District, the \$7,591.14 paid to the vendors is included in **Exhibit A** as improper disbursements.

It is not clear why Ms. Mathahs would select 2 vendors from California from which to purchase printer cartridges. However, the Office of Auditor of State has previously identified improper payments made to California vendors for printer cartridges. On January 9, 2008, the Office of Auditor of State released a report on a special investigation of the Monona County Engineer's Office for the period January 1, 2004 through April 20, 2007. The special investigation identified 10 improper invoices totaling \$17,568.20 for printer cartridges from Master Image Supply, Inc. (MIS) and Quality Office & Printing Supply Inc. Both vendors were located in California. Of the 10 invoices, 5, totaling \$4,330.05, were paid by the County. The County's Board of Supervisors did not authorize payment of the remaining \$13,238.15.

As previously stated, the District received 7 sequentially numbered invoices for 1 shipment of printer cartridges. Likewise, the Monona County Engineer reported receiving a single shipment of cartridges for which he received 5 sequentially numbered invoices. The 5 invoices received by the County Engineer were for amounts significantly greater than previous cartridge purchases.

The former Monona County Engineer admitted to receiving 2 money orders totaling \$1,250.00 from MIS after receiving cartridges from the vendor. The money orders were issued by a post office in California in close proximity to MIS and were deposited to the former County Engineer's personal bank account.

It was not possible to determine if Ms. Mathahs received any compensation from Reliable Printing Solutions, Inc. and/or Century Computer Products Inc.

OTHER INFORMATION

Bank Reconciliation – Ms. Mathahs was to perform monthly reconciliations between the District’s accounting system and its bank balances for 2 checking accounts. The District has 4 checking accounts and a savings account at local financial institutions. The reconciliations for the 3 remaining accounts were performed by other staff members. **Table 5** lists the checking and savings accounts. The **Table** also lists the fund name and number recorded in the District’s accounting system included in each bank account.

| Table 5 | | | | |
|----------------------------|--|---------------|-----------------------|-----------|
| Bank Account | Funds within the District’s Accounting System | Fund # | Reconciliation | |
| | | | #1 | #2 |
| Primary checking | General | 10 | X | |
| | Management | 22 | X | |
| | Trust and Agency | 81 | X | |
| School House checking | PPEL/Physical Plant and Equipment Levy | 23 | | X |
| | Capital Projects | 33 | | X |
| | Debt Service | 40 | | X |
| School Nutrition checking* | School Nutrition | 61 | X | |
| Activities checking* | Activity | 21 | X | |
| Scholarship savings* | Scholarship | 85 | X | |

*- Monthly bank reconciliations were performed by someone other than Ms. Mathahs.

We reviewed some of the bank reconciliations prepared by Ms. Mathahs for the 2 bank accounts. Ms. Mathahs combined the account balances of the funds listed in **Table 5** and prepared 2 reconciliations each month. The **Table** illustrates which bank accounts and which funds within the accounting system were included in the reconciliations. As illustrated by the **Table**, 1 of the reconciliations prepared by Ms. Mathahs included information from the District’s accounting system for the School Nutrition and Activity funds. However, separate checking accounts were maintained for these accounts by another staff member who prepares monthly reconciliations for the 2 accounts. The reconciliation prepared by Ms. Mathahs did not include the bank balances for these 2 accounts. As a result, Ms. Mathahs should not have included the 2 accounts in her reconciliation.

While the reconciliation documents Ms. Mathahs prepared appeared to reconcile balances in the accounting system to the District’s bank balances, the beginning balances, revenues, expenditures, adjustments and/or ending balances included in the documents prepared by Ms. Mathahs did not agree with the balances she reported were from the District’s accounting system. It appears the amounts Ms. Mathahs reported as balances from the accounting system were actually amounts used to force the reconciliation to appear as if the District’s accounting system balanced with the bank accounts.

We also reviewed reconciliations prepared by Ms. Mathahs for the months of June 2010 through September 2010. During our review, we identified several concerns, including balances, revenues and expenses which did not appear appropriate. For example, the information included in Ms. Mathahs’ reconciliations showed no revenues or expenses in the Activity fund during June through September even though there was activity in the account. The balance of the account was reported at the same amount from June through August, 2010. It changed for September 2010 even though there was no activity reported. Neither balance agreed with the balance used by the staff member who maintained the account.

We also obtained and reviewed a bank reconciliation performed by the District's financial auditors for June 30, 2010. According to the reconciliation, there was an unexplained \$12,712.40 variance between the District's accounting system and bank balances for the reconciliation which included 4 of the District's 5 bank accounts.

Recommended Control Procedures

As part of our investigation, we reviewed the procedures used by the Lake Mills Community School District 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 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 District'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. For example, the person signing checks should be independent of the person handling cash, recording cash receipts, etc.

The District has not established adequate controls in this area. Specifically, the District's former Business Manager received cash/checks for registration, prepared the deposit and entered the deposit into the accounting system. She also made purchases, received goods and services, created disbursement listings for Board approval, maintained supporting documentation, prepared and signed checks and posted disbursements to the accounting system.

In addition, the former Business Manager calculated payroll, prepared and signed payroll checks and posted payroll to the accounting system. She also performed the monthly reconciliations between the District's accounting system and bank balances without any independent review of the reconciliations.

Recommendation – We realize segregation of duties is difficult with a limited number of staff. However, the duties listed above should be segregated. In addition, Board members should review financial records, perform reconciliations and examine supporting documentation for accounting records on a periodic basis. Specifically, the bank statements should be delivered directly to someone without any collection or disbursement responsibilities. The bank statements should be examined for any unusual transactions.

- B. Reconciliations – When we reviewed selected documentation of monthly bank reconciliations performed by the District's former Business Manager, we determined the beginning balances, revenues, expenditures, adjustments and/or ending balances did not agree with the amounts recorded in the District's accounting system. As a result, there were unexplained variances between the District's accounting system and the District's bank accounts.

We identified several improper disbursements which were not recorded in the District's accounting system. These disbursements appear to contribute to the variance between the District's accounting system and bank balances.

Recommendation – The Board should ensure the District's accounting system is properly reconciled to bank accounts in a timely manner. The reconciliation should be prepared or closely reviewed by a party independent of other significant financial duties.

- C. Recording of Collections – A receipt book is not consistently used and an initial listing of collections is not prepared to record all collections in the District Office. In addition, tickets are not used at events for which admission fees are collected. As a result, adequate supporting documentation is not available to determine if all collections are properly deposited to the bank.

Recommendation – The District should implement procedures to ensure all collections received are recorded in a receipt book or an initial listing of collections. In addition, prenumbered tickets should be used at all events for which admission fees are collected. At the conclusion of the event, the number of tickets sold should be reconciled to the amount of collections.

The receipt documentation, including receipt books, initial listings and reconciliation of ticket sales, should be maintained to document all collections were properly deposited to the bank.

- D. Lack of Supporting Documentation – Supporting documentation was not maintained for a number of purchases made with the District's credit card.

Recommendation – The Board should implement procedures which require all purchases made with the District's credit card be properly supported with invoices, receipts or other appropriate documentation. The Board should also consider implementing a policy which requires employees who do not submit appropriate documentation for the purchases made with the District's credit card be held personally liable for the related costs.

- E. Purchases – Prior to making purchases, requisitions or purchase orders are to be prepared and approved by the Superintendent. During 2010, the former Business Manager purchased 26 printer cartridges which were not supported by requisitions or purchase orders. According to the Superintendent, he did not approve the purchases.

Recommendation – The Board should implement procedures to ensure all purchases are properly approved using requisitions or purchase orders and all supporting documentation is maintained. In addition, all purchases should be included on the disbursements listing approved by the Board prior to payment.

Exhibits

**Special Investigation of the
Lake Mills Community School District**

Report on Special Investigation of the
Lake Mills Community School District

Summary of Findings
For the Period July 1, 2005 through December 31, 2010

| Description | Exhibit/Table/ Page Number | Improper Amount |
|--|---------------------------------------|----------------------------|
| Improper disbursements: | | |
| Improper use of the District's credit card | Table 1 | \$ 2,123.04 |
| Late fees/finance charges | Exhibit B | 566.50 |
| Personal credit card payments | Exhibit C | 212,219.85 |
| Checks to cash | Exhibit D | 23,911.33 |
| Distribution of LMCS Wellness account | Pages 10 and 11 | 7,560.00 |
| Payments to Chris Mathahs | Table 4 | 516.43 |
| ISCAP | Page 12 | 8,230.90 |
| Printer cartridges | Exhibit E | 7,591.14 |
| Total improper disbursements | | 262,719.19 |
| Less: Chris Mathahs' final paycheck | | (823.68) |
| Net total | | <u>\$ 261,895.51</u> |

**Special Investigation of the
Lake Mills Community School District**

Report on Special Investigation of the
Lake Mills Community School District

Finance Charges and Late Fees Incurred on
District's Credit Card

For the Period July 1, 2005 through December 31, 2010

| Trans Date | Description of Transaction | Amount |
|-------------------|-----------------------------------|-------------------------|
| 11/19/05 | Late fee | \$ 15.00 |
| 11/29/05 | Finance charge | 7.90 |
| 02/28/06 | Finance charge | 2.94 |
| 02/28/06 | Late fee | 15.00 |
| 07/31/06 | Finance charge | 7.39 |
| 07/31/06 | Late fee | 15.00 |
| 09/29/06 | Finance charge | 16.93 |
| 09/29/06 | Late fee | 15.00 |
| 05/31/07 | Finance charge | 3.50 |
| 05/31/07 | Late fee | 15.00 |
| 10/31/07 | Late fee | 15.00 |
| 10/31/07 | Finance charge | 29.29 |
| 12/31/08 | Late fee | 15.00 |
| 12/31/08 | Finance charge | 20.41 |
| 01/21/09 | Finance charge | 32.95 |
| 07/31/09 | Late fee | 15.00 |
| 07/31/09 | Finance charge | 42.43 |
| 09/30/09 | Late fee | 15.00 |
| 09/30/09 | Finance charge | 45.19 |
| 03/31/10 | Late fee | 15.00 |
| 03/31/10 | Finance charge | 13.78 |
| 06/30/10 | Late fee | 15.00 |
| 06/30/10 | Finance charge | 54.09 |
| 08/31/10 | Finance charge | 75.51 |
| 08/31/10 | Late fee | 15.00 |
| 10/31/10 | Late fee | 15.00 |
| 10/31/10 | Finance charge | 19.19 |
| Total | | <u><u>\$ 566.50</u></u> |

Report on Special Investigation of the
Lake Mills Community School District

Personal Credit Card Payments

For the Period July 1, 2005 through December 31, 2010

| Per Check | | | | Per Accounting System | |
|-----------|--------------|----------------------|----------------------|-------------------------------|--------------------------------------|
| Date | Check Number | Paid To | Amount | Payee per Check Status Report | Description per Check History Report |
| 05/27/05 | 32987 | Capital One Bank | \$ 9,500.00 | Vendor removed | Spec Ed Equipment/Supplies |
| 01/10/06 | 34274 | Bank of America | 10,500.00 | Vendor removed | Equipment |
| 01/20/06 | 34317 | MBNA America | 10,500.00 | Vendor removed | Acct XXXXXXXXXXXXXX7364 |
| 04/25/06 | 34735 | MBNA America | 9,800.00 | Vendor removed | Supplies/Equipment |
| 08/31/06 | 35402 | MBNA America | 10,359.99 | Vendor removed | Spec Ed |
| 11/20/06 | 35856 | Bank of America | 14,575.00 | Not in accounting system | Not in accounting system |
| 02/22/07 | 36275 | Bank of America | 7,500.00 | Vendor removed | Equipment |
| 02/22/07 | 36276 | Bank of America | 12,000.00 | Vendor removed | Equipment |
| 02/22/07 | 36278 | Capital One Bank | 7,350.00 | Vendor removed | Equipment |
| 06/14/07 | 36741 | Bank of America | 12,500.00 | Not in accounting system | Not in accounting system |
| 10/10/07 | 37301 | Bank of America | 13,895.00 | Not in accounting system | Not in accounting system |
| 02/04/08 | 37800 | Chase | 9,525.50 | Vendor removed | Supplies/Equipment |
| 03/12/08 | 37942 | Bank of America | 9,500.00 | Not in accounting system | Not in accounting system |
| 05/27/08 | 38320 | Bank of America | 15,898.36 | Bankers Trust Company | Spec Ed |
| 10/17/08 | 39112 | Bank of America | 16,876.00 | Not in accounting system | Not in accounting system |
| 01/08/09 | 39507 | Bank of America | 17,900.00 | Not in accounting system | Not in accounting system |
| 01/27/10 | 41270 | Bank of America | 15,450.00 | Not in accounting system | Not in accounting system |
| 04/01/10 | 41569 | ^ Cardmember Service | 8,590.00 | Not in accounting system | Not in accounting system |
| Total | | | <u>\$ 212,219.85</u> | | |

^ - Paid on Chase credit card account.

Per Chris Mathahs' Credit Card Statements

| Type of Credit Card | Account Number |
|----------------------------|-----------------------|
| Capital One Bank | XXXX-XXXX-XXXX-1919 |
| Bank of America | XXXX-XXXX-XXXX-8825 |
| MBNA America | XXXX-XXXX-XXXX-7364 |
| MBNA America | XXXX-XXXX-XXXX-7364 |
| MBNA America | XXXX-XXXX-XXXX-6260 |
| Bank of America | XXXX-XXXX-XXXX-6260 |
| Bank of America | XXXX-XXXX-XXXX-8825 |
| Bank of America | XXXX-XXXX-XXXX-6260 |
| Capital One Bank | XXXX-XXXX-XXXX-5730 |
| Bank of America | XXXX-XXXX-XXXX-6260 |
| Bank of America | XXXX-XXXX-XXXX-6260 |
| Chase | XXXX-XXXX-XXXX-0498 |
| Bank of America | XXXX-XXXX-XXXX-6260 |
| Bank of America | XXXX-XXXX-XXXX-7556 |
| Bank of America | XXXX-XXXX-XXXX-7556 |
| Bank of America | XXXX-XXXX-XXXX-7556 |
| Bank of America | XXXX-XXXX-XXXX-7556 |
| Chase | XXXX-XXXX-XXXX-0498 |

Exhibit D

Report on Special Investigation of the
Lake Mills Community School District

Checks Issued for Cash

For the Period July 1, 2005 through December 31, 2010

| Per Check | | | | Description per Check History Report |
|-----------|-----------------|--------------|---------------------|---|
| Date | Check Number | Payee | Amount | |
| 07/23/03 | 28876 | MBT | \$ 150.00 | Cash for postage |
| 03/05/04 | 30353 | Cash | 100.00 | Cash for postage |
| 07/26/04 | 31362 | MBT | 150.00 | Cash for postage |
| 02/02/05 | 32390 | MBT - Cash | 400.00 | Cash for postage |
| 02/17/05 | 32522 | MBT - Cash | 500.00 | Postage |
| 04/26/05 | 32834 | Cash | 500.00 | Postage Cash |
| 05/18/05 | 32974 | MBT - Cash | 500.00 | Postage/Petty Cash |
| 06/03/05 | 32988 | MBT - Cash | 1,500.00 | Postage |
| 06/14/05 | 32989 | MBT - Cash | 500.00 | Postage |
| 06/28/05 | 33194 | MBT - Cash | 1,500.00 | Postage |
| 07/28/05 | 33312 | * MBT - Cash | 1,500.00 | Postage |
| 11/07/05 | 33883 | MBT | 500.00 | Postage |
| 11/22/05 | 34031 | Cash | 1,750.00 | Cash/Postage |
| 11/30/05 | 34035 | MBT - Cash | 1,805.00 | Change/Petty |
| 02/20/06 | 34432 | MBT - Cash | 1,790.00 | Postage |
| 04/19/06 | 34698 | MBT - Cash | 100.00 | Postage |
| 07/24/06 | 35187 | * MBT - Cash | 1,875.83 | Postage |
| 09/22/06 | 33680 | MBT | 1,500.00 | Postage |
| 09/22/06 | 35479 | * MBT - Cash | 150.00 | Postage for Box |
| 12/11/06 | 35952 | MBT | 650.00 | Postage |
| 01/18/07 | 36098 | Cash | 1,765.50 | <i>Not in accounting system</i> |
| 09/30/08 | 38992 | Cash-MBT | 250.00 | Cash for Petty Cash |
| 12/21/09 | 41106 | MBT | 500.00 | Postage |
| 01/22/10 | 41115 | MBT | 650.00 | Postage |
| 01/27/10 | 41269 | MBT | 675.00 | Postage |
| 02/12/10 | 41347 | MBT-Postage | 650.00 | <i>Not in accounting system</i> |
| 05/07/10 | 41684 | MBT | 700.00 | <i>Not in accounting system</i> |
| 06/23/10 | 41980 | MBT | 650.00 | <i>Not in accounting system</i> |
| 09/20/10 | 42372 | MBT - Cash | 650.00 | Postage |
| Total | | | <u>\$ 23,911.33</u> | |

* - Payee per Check Status Report was "Postmaster."

**Special Investigation of the
Lake Mills Community School District**

Report on Special Investigation of the
Lake Mills Community School District

Unauthorized Printer Cartridge Purchases

For the Period July 1, 2005 through December 31, 2010

| Per Check | | | |
|-----------|----------|---------------------------------|-----------|
| Check # | Date | Paid To | Amount |
| 41509 | 04/07/01 | Reliable Printing Solutions Inc | \$ 463.78 |
| 41625 | 08/01/01 | Reliable Printing Solutions Inc | 579.23 |
| 41828 | 08/01/01 | Reliable Printing Solutions Inc | 579.23 |
| 42235 | 08/13/10 | Reliable Printing | 4,633.84 |
| 42781 | 12/15/10 | Century Computer Products | 1,335.06 |

| Per Invoice | | | | | | |
|-----------------------|-------------|----------------------------------|--|------------|--------------------|--------------|
| Invoice Number | Date | Vendor | Item Description | Qty | Amount | Total |
| 144403 | 02/18/10 | Reliable Printing Solutions Inc. | HP Laserjet 2300 Compatible Laser Cartridge | 1 | \$ 393.60 | |
| | | | HP Laserjet 2300 Compatible Laser Cartridge | 1 | - ** | |
| | | | Shipping/Handling | | 70.18 | 463.78 |
| 149761 | 03/19/10 | Reliable Printing Solutions Inc. | HP Laserjet 2300 Compatible Laser Cartridge | 1 | 492.00 | |
| | | | Shipping Handling | | 87.23 | 579.23 |
| 149762 | 03/19/10 | Reliable Printing Solutions Inc. | HP Laserjet 2300 Compatible Laser Cartridge | 1 | 492.00 | |
| | | | Shipping/Handling | | 87.23 | 579.23 |
| 162255 | 06/04/10 | Reliable Printing Solutions Inc. | HP Laserjet 2300 Compatible Laser Cartridge | 2 | 984.00 | |
| | | | Shipping/Handling | | 174.46 | 1,158.46 |
| 162256 | 06/04/10 | Reliable Printing Solutions Inc. | HP Laserjet 2300 Compatible Laser Cartridge | 2 | 984.00 | |
| | | | Shipping/Handling | | 174.46 | 1,158.46 |
| 162257 | 06/04/10 | Reliable Printing Solutions Inc. | HP Laserjet 2300 Compatible Laser Cartridge | 2 | 984.00 | |
| | | | Shipping/Handling | | 174.46 | 1,158.46 |
| 162258 | 06/04/10 | Reliable Printing Solutions Inc. | HP Laserjet 2300 Compatible Laser Cartridge | 2 | 984.00 | |
| | | | Shipping/Handling | | 174.46 | 1,158.46 |
| 113509 | 10/29/10 | Century Computer Products Inc. | HP Laserjet P2055 Laser Cartridge - OEM H/C | 2 | 1,134.00 201.06 | 1,335.06 |
| 113510 | 10/29/10 | Century Computer Products Inc. | HP Laserjet P2055 Laser Cartridge - OEM H/C | 2 | 1,134.00 201.06 | 1,335.06 |
| 113511 | 10/29/10 | Century Computer Products Inc. | HP Laserjet P2055 Laser Cartridge - OEM H/C | 2 | 1,134.00 201.06 | 1,335.06 |
| 113512 | 10/29/10 | Century Computer Products Inc. | HP Laserjet P2055 Laser Cartridge - OEM H/C | 2 | 1,134.00 201.06 | 1,335.06 |

Report on Special Investigation of the
Lake Mills Community School District

Unauthorized Printer Cartridge Purchases

For the Period July 1, 2005 through December 31, 2010

| Per Check | | | |
|------------------|-------------|----------------|---------------|
| Check # | Date | Paid To | Amount |

| | | | |
|-------|--|--|--------------------|
| Total | | | <u>\$ 7,591.14</u> |
|-------|--|--|--------------------|

** This printer cartridge was listed on the invoice as a no charge.

Per Invoice


| Invoice Number | Date | Vendor | Item Description | Qty | Amount | Total |
|---------------------------|-------------|--------------------------------|--|------------|---------------------------|------------------|
| 113513 | 10/29/10 | Century Computer Products Inc. | HP Laserjet P2055 Laser Cartridge - OEM H/C | 2 | 1,134.00 <u>201.06</u> | 1,335.06 |
| 113514 | 10/29/10 | Century Computer Products Inc. | HP Laserjet P2055 Laser Cartridge - OEM H/C | 2 | 1,134.00 <u>201.06</u> | 1,335.06 |
| 113515 | 10/29/10 | Century Computer Products Inc. | HP Laserjet P2055 Laser Cartridge - OEM H/C | 2 | 1,134.00 <u>201.06</u> | 1,335.06 |
| Total | | | | 26 | 15,601.50 | <u>15,601.50</u> |

Report on Special Investigation of the
Lake Mills Community School District

Staff

This special investigation was performed by:

Annette K. Campbell, CPA, Director
Lara K. Van Wyk, Assistant Auditor
Nancy J. Umsted, Assistant Auditor


Tamera S. Kusian, CPA
Deputy Auditor of State

Appendices

Report on Special Investigation of the Lake Mills Community School District

Copy of Registration Form for ASBO International 2010 Conference

DEC-17-2010 15:15 From: LAKE-MILLS-SCHOOL

16415920883

To: 515 281 5515

P. 3/7

ASBO 2010 Annual Meeting Registration Form

page 1 of 2

September 24-27 • Lake Buena Vista, Florida

REGISTRANT INFORMATION

(Please type or print)

Member ID Number: 140908Is this your first ASBO Annual Meeting? ☐ Yes ☒ NoFirst Name: Chris Middle Initial: A.Last Name: MathahsTitle: Business ManagerDistrict/Employer: Lake Mills Community SchoolAddress: 102 S. 4th Ave. E.City: Lake MillsState/Province: IA Zip/Postal Code: 50450Daytime Phone Number: 641.592.0881 ext. 2031Email: cmathahs@lake-mills.k12.ia.usCheck all that apply: ☐ Ph.D. ☐ Ed.D. ☐ CPA ☒ Other☐ Check if this is a change in your address or other contact information.☒ Check if you are a Speaker☒ Check if you are a member of an ASBO Professional Committee.

GUESTS

(Only for those who are accompanying registrants who are not Speakers and not eligible for membership with ASBO International.)

See www.asbointl.org/eligibility, or call ASBO at 866/682-2729 x7080.

Bring a guest? Please include the guest name for badge purposes and guest email so we can communicate about guest programming

Name for Badge: Bobbi FowlerCity: El Pierre State/Province: SDEmail: [redacted]@hotmail.com

ASBO OPTIONAL EVENTS

The Orientation Workshop and Opening Reception are included in your registration fee. Please RSVP so we may best prepare for your participation. (Note: Participants and guests must be registered and have badges to attend these events.)

| TICKETS/QUANTITY | TOTAL AMOUNT |
|----------------------|--------------|
| Orientation Workshop | |

☐ Yes ☐ No (FREE to registrants)

Please specify a time on Friday, September 24:

☐ 10:00 a.m. - 11:00 a.m. ☐ 1:00 p.m. - 2:00 p.m.

Opening Reception

☒ Yes ☐ No 2 (FREE to registrants)

Friday, September 24, 5:00 p.m.

Only attendees and paid guests who RSVP will be given a ticket to this event.

Positive Impact Program

☐ Yes ☒ No 2 x \$75 =

Friday, September 24, 8:00 a.m.

Volunteer to make a difference at Give Kids the World Village.

This is a 2-page registration form.

PRE-ANNUAL MEETING WORKSHOPS

Friday, September 24, 2010

Please circle the number of the workshop(s) for which you are registering. For more information on workshops, including full titles, refer to page 5 of this brochure.

| NO. | TITLE | MEMBER PRICE | NON-MEMBER PRICE |
|---|--------------------------------------|--------------|------------------|
| Full-Day Sessions: 8:00 a.m. - 5:00 p.m. | | | |
| 01 | New Fund Balance Standards | \$205 | \$285 |
| 02 | Privacy and Information Security | \$205 | \$285 |
| 03 | Tools for ASBO's Certification Exam | \$205 | \$285 |
| Half-Day Sessions: 8:00 a.m. - 12:00 p.m. | | | |
| 04 | Tour of Winter Park 9th Grade Center | \$125 | \$175 |
| 05 | The Law of Special Education | \$125 | \$175 |
| 06 | How to Lower Life Cycle Costs | \$125 | \$175 |
| 07 | Integrated Pest Management System | \$125 | \$175 |
| 08 | Bomb Threat and IED Response | \$125 | \$175 |
| 09 | How to Prepare a CAFR | \$125 | \$175 |
| Half-Day Sessions: 1:00 p.m. - 5:00 p.m. | | | |
| 10 | Understanding Labor Negotiations | \$125 | \$175 |
| 11 | Art and Science of Body Language | \$125 | \$175 |
| 12 | Leadership Skills for SBOs | \$125 | \$175 |
| 13 | ARRA Update | \$125 | \$175 |
| 14 | Create an Award-Winning Budget | \$125 | \$175 |
| 15 | Facilities Management & Performance | \$125 | \$175 |

REGISTRATION FEES

| EARLY BIRD PAYMENT | PAYMENT RECEIVED AFTER |
|--------------------|------------------------|
| DATE 07/30/10 | DATE 07/30/10 |

Annual Meeting/Membership Package:

Includes registration and ASBO membership. Please review member expiration date prior to renewing.

☐ Active Member ☐ Individual ☐ School \$785 \$885

Annual Meeting Registration Only:

☒ Active, Life, or Associate/Corp. Member \$595 \$695☐ Emeritus \$75 \$85☐ Non-member \$825 \$925☒ Guest \$75 \$75

Speaker-Only and One-Day Passes:

Please specify day you will be attending

☐ Speaker-Only, Day \$200 \$200☐ Active Member Pass, Day \$200 \$200☐ Associate Member, Day \$210 \$210☐ Non-member, Day \$230 \$230

TOTAL FEES AND METHOD OF PAYMENT (all fees in U.S. funds)

Registration Fee \$ 595.00Guest Registration \$75 x 1 = \$ 75.00Positive Impact Program \$75 x 2 = \$ 150.00Pre-Annual Meeting Workshops \$ 570.00 (?)TOTAL AMOUNT DUE \$ 1310.00 (?)☐ Check Enclosed ☒ Purchase Order # 4984Credit Card ☒ Visa ☐ MasterCard ☐ American ExpressName on Card: Lake Mills Comm SchAccount Number: [redacted] 0204Exp. Date: 09/11Signature: Chris Mathahs

** PURCHASE ORDER Receipt of a purchase order does not constitute payment of dues or payment for Early Bird discount. If full payment is not received by July 30, 2010 (Early Bird deadline), the registrant will be invoiced the regular registration fee. All fees must be pre-paid prior to attending the meeting.

AS TO REG.

Report on Special Investigation of the
Lake Mills Community School District

Copy of Registration Form for ASBO International
2010 Conference

DEC-17-2010 15:15 From: LAKE-MILLS-SCHOOL

16415920883

To: 515 281 5515

P. 4/7

Continued from previous page

page 2 of 2

REGISTRANT INFORMATION

(Please type or print)

First and Last Name: Chris Mathahs

SPECIAL NEEDS

Please indicate if you or a guest has dietary restrictions/allergies to any of the following:

- | | | |
|---|------------------------------------|---------------------------------|
| <input type="checkbox"/> Milk | <input type="checkbox"/> Tree Nuts | <input type="checkbox"/> Gluten |
| <input type="checkbox"/> Whey | <input type="checkbox"/> Peanuts | <input type="checkbox"/> Eggs |
| <input type="checkbox"/> Soy | <input type="checkbox"/> Shellfish | <input type="checkbox"/> Fish |
| <input type="checkbox"/> Other, please specify: _____ | | |

☐ Check here if you or a guest has a special need such as access to events or other concerns that may require special services

Description: _____

EMERGENCY CONTACT INFORMATION

Please type or print the name of the person to contact in case of emergency.

Name: Larry MathahsRelation: Husband

Phone Number: _____

ASBO INTERNATIONAL LIVE LEARNING CENTER

All full-paying registrants will have free access to recorded conference sessions after the meeting on the Live Learning Center

QUESTIONS

For questions regarding registration, please call ASBO toll free at 866/862-2729 x7080. NO REFUNDS GIVEN AFTER FRIDAY, AUGUST 27, 2010

For more information about the 2010 Annual Meeting, visit www.asbointl.org/Centennial.

3 EASY WAYS TO REGISTER

- 1) Online with credit card at: www.asbointl.org/Registration
- 2) Fax both pages (6 and 7) to ASBO International at: 703/850-7171
- 3) Mail to: Annual Meeting Registration
ASBO International
39912 Treasury Center
Chicago, IL 60694-9900



Don't Miss the Epcot® Reception

This year's Centennial Opening Reception will kick off the meeting like never before. We're going to Epcot® for inspiration, camaraderie, and fireworks. To get your ticket, you must RSVP when you register for the meeting. Simply, check "yes" to get your ticket and join the fun.

Yes ☒ (2 Tickets)

This is a 2-page registration form. Please send
all pages with your name on pages 1 and 2.

ASBO INTERNATIONAL CENTENNIAL

Report on Special Investigation of the
Lake Mills Community School District

Copy of Adventureland Inn Folio

03/24/2011 09:42 5152653506
03/24/11 10:36 AM

ADVENTURELAND INN

PAGE 02/03
NiteVision 2009

ADVENTURELAND INN
PO BOX 3355
DES MOINES, IOWA 50316
1-800-910-5382 OR 515-265-7321

Folio#: 256570
Mathias, Chris
1003 southwestern st.
LAKE MILLS, IA 50450
Company: ADVENTURELAND INN LEISURE GUEST

Room: 211
Arrival: 8/2/2010
Departure: 8/4/2010

| Trans # | Date | Description | Charges | Payments | Balance |
|---------|----------|--|----------|----------|------------|
| 207565 | 8/2/2010 | CC--VISA | \$0.00 | \$333.76 | (\$333.76) |
| 207623 | 8/2/2010 | POS Check: 4138 - Room Charge Pool Bar | \$7.54 | \$0.00 | (\$326.22) |
| 207624 | 8/2/2010 | POS Check: 4138 -- Restaurant Service Charge | \$1.13 | \$0.00 | (\$325.09) |
| 207625 | 8/2/2010 | POS Check: 4138 -- Sales Tax (POS) | \$0.52 | \$0.00 | (\$324.57) |
| 207626 | 8/2/2010 | POS Check: 4139 - Room Charge Pool Bar | \$7.84 | \$0.00 | (\$316.73) |
| 207627 | 8/2/2010 | POS Check: 4139 -- Restaurant Service Charge | \$1.18 | \$0.00 | (\$315.55) |
| 207628 | 8/2/2010 | POS Check: 4139 -- Sales Tax (POS) | \$0.54 | \$0.00 | (\$315.01) |
| 207631 | 8/2/2010 | POS Check: 4144 - Room Charge Pool Bar | \$5.02 | \$0.00 | (\$309.99) |
| 07632 | 8/2/2010 | POS Check: 4144 -- Restaurant Service Charge | \$0.75 | \$0.00 | (\$309.24) |
| 207633 | 8/2/2010 | POS Check: 4144 -- Sales Tax (POS) | \$0.35 | \$0.00 | (\$308.89) |
| 207641 | 8/2/2010 | POS Check: 4151 - Room Charge Pool Bar | \$3.77 | \$0.00 | (\$305.12) |
| 207642 | 8/2/2010 | POS Check: 4151 -- Restaurant Service Charge | \$0.57 | \$0.00 | (\$304.55) |
| 207643 | 8/2/2010 | POS Check: 4151 -- Sales Tax (POS) | \$0.26 | \$0.00 | (\$304.29) |
| 208207 | 8/2/2010 | Rm: 211 Park Season '10 | \$149.00 | \$0.00 | (\$155.29) |
| 208208 | 8/2/2010 | Sales Tax | \$7.45 | \$0.00 | (\$147.84) |
| 208209 | 8/2/2010 | Hotel Tax | \$10.43 | \$0.00 | (\$137.41) |
| 208803 | 8/3/2010 | POS Check: 4467 - Room Charge Pool Bar | \$10.92 | \$0.00 | (\$126.49) |
| 208804 | 8/3/2010 | POS Check: 4467 -- Restaurant Service Charge | \$1.64 | \$0.00 | (\$124.85) |
| 208805 | 8/3/2010 | POS Check: 4467 -- Sales Tax (POS) | \$0.75 | \$0.00 | (\$124.10) |
| 208823 | 8/3/2010 | POS Check: 4460 - Room Charge Pool Bar | \$1.89 | \$0.00 | (\$122.21) |
| 208824 | 8/3/2010 | POS Check: 4460 -- Restaurant Service Charge | \$0.28 | \$0.00 | (\$121.93) |
| 208825 | 8/3/2010 | POS Check: 4460 -- Sales Tax (POS) | \$0.13 | \$0.00 | (\$121.80) |
| 208832 | 8/3/2010 | POS Check: 4456 - Room Charge Pool Bar | \$5.19 | \$0.00 | (\$116.61) |
| 208833 | 8/3/2010 | POS Check: 4456 -- Restaurant Service Charge | \$0.78 | \$0.00 | (\$115.83) |
| 208834 | 8/3/2010 | POS Check: 4456 -- Sales Tax (POS) | \$0.36 | \$0.00 | (\$115.47) |
| 209382 | 8/3/2010 | Rm: 211 Park Season '10 | \$149.00 | \$0.00 | \$33.53 |
| 209383 | 8/3/2010 | Sales Tax | \$7.45 | \$0.00 | \$40.98 |
| 09384 | 8/3/2010 | Hotel Tax | \$10.43 | \$0.00 | \$51.41 |
| 209782 | 8/4/2010 | CC--VISA | \$0.00 | \$51.41 | \$0.00 |

Report on Special Investigation of the
Lake Mills Community School District

Copy of Adventureland Inn Folio

| 03/24/2011 09:42 | | 5152653506 | ADVENTURELAND INN | PAGE 03/03 |
|--------------------------------|------|-----------------|-----------------------|------------------------------|
| Credit Card Information | | | * * Already Processed | Balance: \$0.00 |
| Trans# | Type | Card Holder | Card Number | Amount Date/Time |
| *211086 | VISA | Chris Mathahs | ... 0204 | \$333.76 8/2/2010 2:41:04 PM |
| *211374 | VISA | MATHAHS/LARRY D | ... 9611 | \$51.41 8/4/2010 10:51:44 AM |

Membership#:

Method of Pay: Credit Card

Signature:

Folio Summary

| | |
|--------------------------|---------------|
| Previous Balance: | \$0.00 |
| Room Charges: | \$298.00 |
| Other Charges/Credits: | \$48.50 |
| Phone Charges: | \$0.00 |
| Tax: | \$38.67 |
| Less Payments: | \$385.17 |
| Total Amount Due: | \$0.00 |

NOTICE TO GUEST:

I agree that my liability for this bill is not waived and agree to be held personally liable in the event that the indicated person, or Company fails to pay for any part or the full amount of these charges or damages. The Adventureland Inn is a fully nonsmoking facility. A charge of \$350.00 will be assessed to your folio in the event that evidence of smoking is present in your room upon check-out. This property reserves the right to refuse service to anyone and cannot be responsible for guests' loss of money, jewelry or valuables of any kind.

THANK YOU FOR CHOOSING ADVENTURELAND INN
RESERVATIONS 1-800-910-5382 or 515-265-7321
www.adventurelandpark.com

Report on Special Investigation of the
Lake Mills Community School District

Copy of Checks Written for Personal Credit Card Payments

LAKE MILLS COMMUNITY SCHOOL DISTRICT
102 SOUTH 4TH AVENUE EAST
LAKE MILLS, IOWA 50450-1828
GENERAL FUND

032987

DATE
5.27.5

PAYTEE AMOUNT
9,500.00

AY Nine Thousand Five Hundred and No/100

TO
THE
ORDER
OF
Capital One

#032987# #0739220214#

#0000950000#

6/10/2005 32987 \$9,500.00

LAKE MILLS COMMUNITY SCHOOL DISTRICT
102 SOUTH 4TH AVENUE EAST
LAKE MILLS, IOWA 50450-1828
GENERAL FUND

032987

DATE
5.27.5

PAYTEE AMOUNT
9,500.00

AY Nine Thousand Five Hundred and No/100

TO
THE
ORDER
OF
Capital One

#032987# #0739220214#

#0000950000#

6/10/2005 32987 \$9,500.00

6/10/2005 32987 \$9,500.00

Report on Special Investigation of the Lake Mills Community School District

LAKE MILLS COMMUNITY SCHOOL DISTRICT
102 SOUTH 4TH AVENUE EAST
LAKE MILLS, IOWA 50450-1628
GENERAL FUND

039507

DATE
1.0.9

75-2202
739

Manufacturers Bank and Trust Company
Lake Mills, Iowa 50450

PAY THIS AMOUNT
\$7,900.00

AY Seventeen Thousand Nine Hundred and No/100-----

TO
THE
ORDER OF Bank of America

John H. Heston
JOHN H. HESTON, SECRETARY

Ray Heston
RAY HESTON, BOARD PRESIDENT

⑈039507⑈ ⑈07392202⑈ ⑈

38

Report on Special Investigation of the
Lake Mills Community School District

Copy of Checks Written for Personal Credit Card Payments

LAKE MILLS COMMUNITY SCHOOL DISTRICT
102 SOUTH 4TH AVENUE EAST
LAKE MILLS, IOWA 50450-1624
GENERAL FUND

041569

DATE
4.1.10

PAY THIS AMOUNT
8,590.00=

Manufacturers Bank and Trust Company
Lake Mills, Iowa 50450

AY Eight Thousand Five Hundred Ninety and No/100-----

TO
THE
ORDER
OF

Cardmember Service
PO Box 94014
Palatine, IL 60094-4014

4/8/2010 41569 88,590.00

**Report on Special Investigation of the
Lake Mills Community School District**

Report on Special Investigation of the
Lake Mills Community School District

Copy of Check Written to LMCS Wellness

Account #151777

Page 1 of 1

LAKE MILLS COMMUNITY SCHOOL DISTRICT 037622

102 SOUTH 4TH AVENUE EAST
LAKE MILLS, IOWA 50450-1628
GENERAL FUND

DATE 12/17/07 72-2202
738

PAY THIS AMOUNT
7,560.00

AY Seven Thousand Five Hundred Sixty and No/100-----

TO
THE ORDER OF LMCS Wellness
CASH

Teller 74 *Cheryl Mathews*
12/17/2007 13:02:48
12/17/2007 13:02:48

BOARD TREASURER/SECRETARY
BOARD PRESIDENT

12/17/2007 37622 57,560.00

ENDORSE HERE

X PAY TO THE ORDER OF
LAKE MILLS COMMUNITY SCHOOL
GENERAL FUND
ACCT. #151777

DO NOT WRITE OR SIGN BELOW THIS LINE
RESERVED FOR FINANCIAL INSTITUTION USE

<004-12/17/2007-03:11:36 PM

12/17/2007 37622 57,560.00

Report on Special Investigation of the
Lake Mills Community School District

Copies of Check Written to Christine Mathahs and Supporting Documentation

DISBURSEMENT FORM

Pay to: Chris Mathahs

☒ Lake Mills Community School General Fund
☐ Lake Mills Community School Activity Fund

| Date | Reason for payment | TOTAL |
|--------|--------------------|----------------------------|
| 8.24.5 | Wellness | 50 ⁰⁰ last year |
| | | 50 ⁰⁰ this year |

Chris Mathahs
(your signature)

Approved by: _____ Fund: _____

* Disbursement form use:
Field trip expenses, admissions, entry fees, speakers, student entertainment, club fees/dues,
accompanists, 6th grade camp bills etc.
ATTACH ANY ITEMS TO BE MAILED WITH CHECK SUCH AS ROSTERS, ENTRY BLANKS ETC.

Report on Special Investigation of the
Lake Mills Community School District

Copies of Check Written to Christine Mathahs and Supporting Documentation

Lake Mills Community School District 102 South 4th Avenue East, Lake Mills, Iowa 50450-1628

Chris Mathahs
\$50 x 2 years = \$100.00
Check Number 37028
8/23/7

10-2135-272

Lake Mills Community School District 102 South 4th Avenue East, Lake Mills, Iowa 50450-1628

Wellness - 2 years @ \$50 = \$100

Report on Special Investigation of the
Lake Mills Community School District

Copies of Check Written to Christine Mathahs and Supporting Documentation

Lake Mills Community School District 102 South 4th Avenue East, Lake Mills, Iowa 50450-1628

Mathahs Chris A. Mathahs

CHECK DATE: 09/17/2007 CHECK NUMBER: 00037057

| INVOICE DATE | INVOICE NO | DESCRIPTION | AMOUNT |
|--------------|------------|-------------|--------|
| 09/14/2007 | 2008 | Wellness | 50.00 |

CHECK TOTAL: 50.00

Report on Special Investigation of the
Lake Mills Community School District

Copies of Check Written to Christine Mathahs and Supporting Documentation

LAKE MILLS COMMUNITY SCHOOL DISTRICT
102 SOUTH 4TH AVENUE EAST
LAKE MILLS, IOWA 50450-1628
GENERAL FUND

DATE: 5.13.10
PAY THIS AMOUNT: 250.00

041787

AY Two Hundred Fifty and No/100-----

TO THE ORDER OF: Chris Mathahs

Chris Mathahs
BOARD TREASURER/SECRETARY

Chris Mathahs
BOARD TREASURER

5/13/2010 41787 \$250.00

65/13/2810-13:29:45

DO NOT WRITE, STAMP OR SIGN BELOW THIS
RESERVED FOR FINANCIAL INSTITUTION USE

BRUNSON HERE

Appendix 6

Report on Special Investigation of the Lake Mills Community School District

Copies of Invoices for Printer Cartridges

Lake Mills Community School District 102 South 4th Avenue East, Lake Mills, Iowa 50450-1628

Reliable Reliable Printing Solutions, Inc. **CHECK DATE:** 03/09/2010 **CHECK NUMBER:** 00041509

| | | | |
|---------------------|-------------------|--------------------|---------------|
| INVOICE DATE | INVOICE NO | DESCRIPTION | AMOUNT |
| 03/08/2010 | 144403 | Laser Cartridges | 463.78 |

CHECK TOTAL: 463.78





Phone: 641/592-1882 Ext:

RETURN TOP PORTION WITH PAYMENT

| Invoice Date | Invoice No. | Customer | Order No. | Ship Via | Purchase Order Number | Salesperson | Terms |
|--------------|-------------|----------|-----------|----------|-----------------------|-------------|--------------------|
| 02/18/10 | 144403 | 1882LA | 109045 | UPS | 4949 | 8758 | 2% 10 Days, Net 30 |

| Quantity | Item Number | Item Description | Unit Price | Amount |
|----------|-------------|---|------------|--------|
| 1 | LSR2580 | HP LASERJET 2300 COMPATIBLE LASER CARTRIDGE | 393.60 | 393.60 |
| 1 | LSR2580 | HP LASERJET 2300 COMPATIBLE LASER CARTRIDGE | N/C | N/C |

10-2231-320-000-618

A 2% discount may be taken if paid within 10 days.
Any merchandise to be returned must have a return authorization number to be supplied by main office.

| | |
|----------------------|---------------|
| Nontaxable Subtotal | 393.60 |
| Taxable Subtotal | 0.00 |
| Shipping / Handling | 70.18 |
| Tax | 0.00 |
| Total Invoice | 463.78 |

Report on Special Investigation of the
Lake Mills Community School District

Copies of Invoices for Printer Cartridges

Reliable
Printing Solutions Inc.

2230 Michigan Avenue
Santa Monica, CA 90404

TEL: 888.241.6899 424.645.6677

FAX: 424.645.6688

Bill To:

LAKE MILLS COMMUNITY SCHOOL
102 S 4TH AVE E
LAKE MILLS, IA 50450-1628

| | |
|--------------|----------|
| Invoice Date | 03/19/10 |
| Invoice No. | 149761 |
| Customer No. | 1882LA |




| | |
|---------------------------|----------------|
| Amount Enclosed: \$ _____ | Exp: _____ |
| Credit Card No.: _____ | Card ID: _____ |
| Signature: _____ | |

Ship To: LAKE MILLS COMMUNITY SCHOOL
102 S 4TH AVE E
LAKE MILLS, IA 50450-1628

Attention: CHRIS MATHAHS

Phone: 641/592-1882 Ext:

PLEASE RETURN TOP PORTION WITH PAYMENT

| Invoice Date | Invoice No. | Customer No. | Order No. | Ship Via | Purchase Order Number | Salesperson | Terms |
|---|-------------|---|------------|---------------|-----------------------|-------------|-------------|
| 03/19/10 | 149761 | 1882LA | 112925 | UPS | VERBAL | R841 | Net 10 Days |
| Quantity | Item Number | Item Description | Unit Price | Amount | | | |
| 1 | LSR2580 | HP LASERJET 2300 COMPATIBLE LASER CARTRIDGE | LOT | 492.00 | | | |
| 10- 2321-811 | | | | | | | |
| <div style="display: flex; justify-content: space-around; align-items: center;"> <div>echeck \$ _____</div> <div></div> <div></div> <div></div> </div> | | | | | | | |
| <p>A 2% discount may be taken if paid within 10 days. Any merchandise to be returned must have a return authorization number to be supplied by main office. Claims must be made within 5 days of receipt of goods. Past due balances are subject to a 1.5% per month finance charge. Order with Premium.</p> | | | | | | | |
| <p>Nontaxable Subtotal 492.00 Taxable Subtotal 0.00 Shipping / Handling 87.23 Tax 0.00</p> | | | | | | | |
| Total Invoice | | | | 579.23 | | | |

Customer Original

1

Report on Special Investigation of the
Lake Mills Community School District

Copies of Invoices for Printer Cartridges

Reliable
Printing Solutions Inc.
2230 Michigan Avenue
Santa Monica, CA 90404
TEL: 888.241.6899 424.645.6677
FAX: 424.645.6688

Bill To:
LAKE MILLS COMMUNITY SCHOOL
102 S 4TH AVE E
LAKE MILLS, IA 50450-1628

Attention: CHRIS MATHAHS

| | |
|--------------|----------|
| Invoice Date | 03/19/10 |
| Invoice No. | 149762 |
| Customer No. | 1882LA |

Amount Enclosed: \$ _____ Exp: _____
Credit Card No.: _____ Card ID: _____
Signature: _____

Ship To: LAKE MILLS COMMUNITY SCHOOL
102 S 4TH AVE E
LAKE MILLS, IA 50450-1628

Phone: 641/592-1882 Ext:

PLEASE RETURN TOP PORTION WITH PAYMENT

| Invoice Date | Invoice No. | Customer No. | Order No. | Ship Via | Purchase Order Number | Salesperson | Terms |
|---|-------------|---|-----------|----------|-----------------------|---------------|--------------------|
| 03/19/10 | 149762 | 1882LA | 112926 | UPS | VERBAL | R841 | 2% 10 Days, Net 20 |
| Quantity | Item Number | Item Description | | | | Unit Price | Amount |
| 1 | LSR2580 | HP LASERJET 2300 COMPATIBLE LASER CARTRIDGE | | | | LOT | 492.00 |
| <div style="display: flex; justify-content: space-between;"> <div> <p>A 2% discount may be taken if paid within 10 days. Any merchandise to be returned must have a return authorization number to be supplied by main office. Claims must be made within 5 days of receipt of goods. Past due balances are subject to a 1.5% per month finance charge. Order with Premium.</p> </div> <div> <p>Nontaxable Subtotal 492.00 Taxable Subtotal 0.00 Shipping / Handling 87.23 Tax 0.00</p> </div> </div> | | | | | | | |
| Total Invoice | | | | | | 579.23 | |

Customer Original (Reprinted)

1

Report on Special Investigation of the
Lake Mills Community School District

Copies of Invoices for Printer Cartridges

Reliable
Printing Solutions Inc.

2230 Michigan Avenue
Santa Monica, CA 90404

TEL: 888.241.6899 424.645.6677

FAX: 424.645.6688

Bill To:

LAKE MILLS COMMUNITY SCHOOL
102 S 4TH AVE E
LAKE MILLS, IA 50450-1628

| | |
|--------------|----------|
| Invoice Date | 06/04/10 |
| Invoice No. | 162255 |
| Customer No. | 1882LA |

| | |
|---------------------------|----------------|
| Amount Enclosed: \$ _____ | Exp: _____ |
| Credit Card No.: _____ | Card ID: _____ |
| Signature: _____ | |





Ship To: LAKE MILLS COMMUNITY SCHOOL
102 S 4TH AVE E
LAKE MILLS, IA 50450-1628

Attention: CHRIS MATHAHS

Phone: 641/592-1882 Ext:

PLEASE RETURN TOP PORTION WITH PAYMENT

| Invoice Date | Invoice No. | Customer No. | Order No. | Ship Via | Purchase Order Number | Salesperson | Terms |
|--------------|-------------|---|------------|----------|-----------------------|-------------|--------------------|
| 06/04/10 | 162255 | 1882LA | 121984 | UPS | FINAL SHIPMENT | R241 | 2% 10 Days, Net 15 |
| Quantity | Item Number | Item Description | Unit Price | Amount | | | |
| 2 | LSR2580 | HP LASERJET 2300 COMPATIBLE LASER CARTRIDGE | LOT | 984.00 | | | |

| | | |
|---|--|--|
|     | | <p>Nontaxable Subtotal 984.00</p> <p>Taxable Subtotal 0.00</p> <p>Shipping / Handling 174.46</p> <p>Tax 0.00</p> <p>Total Invoice 1158.46</p> |
| <p>A 2% discount may be taken if paid within 10 days.</p> <p>Any merchandise to be returned must have a return authorization number to be supplied by main office.</p> <p>Claims must be made within 5 days of receipt of goods.</p> <p>Past due balances are subject to a 1.5% per month finance charge.</p> <p>Order with Premium.</p> | | |

Customer Original

1

Report on Special Investigation of the
Lake Mills Community School District

Copies of Invoices for Printer Cartridges

**Reliable
Printing Solutions Inc.**

2230 Michigan Avenue
Santa Monica, CA 90404

TEL: 888.241.6899 424.645.6677
FAX: 424.645.6688

Bill To:

LAKE MILLS COMMUNITY SCHOOL
102 S 4TH AVE E
LAKE MILLS, IA 50450-1628

| | |
|--------------|----------|
| Invoice Date | 06/04/10 |
| Invoice No. | 162256 |
| Customer No. | 1882LA |




| | |
|---------------------------|----------------|
| Amount Enclosed: \$ _____ | Exp: _____ |
| Credit Card No.: _____ | Card ID: _____ |
| Signature: _____ | |

Ship To: LAKE MILLS COMMUNITY SCHOOL
102 S 4TH AVE E
LAKE MILLS, IA 50450-1628

Attention: CHRIS MATHAHS

Phone: 641/592-1882 Ext:

PLEASE RETURN TOP PORTION WITH PAYMENT

| Invoice Date | Invoice No. | Customer No. | Order No. | Ship Via | Purchase Order Number | Salesperson | Terms |
|--|-------------|---|-----------|----------|-----------------------|-------------|--------------------|
| 06/04/10 | 162256 | 1882LA | 121985 | UPS | FINAL SHIPMENT | R241 | 2% 10 Days, Net 30 |
| Quantity | Item Number | Item Description | | | | Unit Price | Amount |
| 2 | LSR2580 | HP LASERJET 2300 COMPATIBLE LASER CARTRIDGE | | | | LOT | 984.00 |
| <div style="display: flex; justify-content: space-between; align-items: center;"> <div> <p>e-check \$ _____</p> <p>*****</p> </div> <div>    </div> </div> <div style="margin-top: 20px;"> <p>A 2% discount may be taken if paid within 10 days.</p> <p>Any merchandise to be returned must have a return authorization number to be supplied by main office.</p> <p>Claims must be made within 5 days of receipt of goods.</p> <p>Past due balances are subject to a 1.5% per month finance charge.</p> <p>Order with Premium.</p> </div> <div style="display: flex; justify-content: flex-end; margin-top: 20px;"> <div> <p>Nontaxable Subtotal 984.00</p> <p>Taxable Subtotal 0.00</p> <p>Shipping / Handling 174.46</p> <p>Tax 0.00</p> <p>Total Invoice 1158.46</p> </div> </div> | | | | | | | |

Customer Original

1

Report on Special Investigation of the
Lake Mills Community School District

Copies of Invoices for Printer Cartridges

Reliable
Printing Solutions Inc.

2230 Michigan Avenue
Santa Monica, CA 90404

TEL: 888.241.6899 424.645.6677

FAX: 424.645.6688

Bill To:

LAKE MILLS COMMUNITY SCHOOL
102 S 4TH AVE E
LAKE MILLS, IA 50450-1628

| | |
|--------------|----------|
| Invoice Date | 06/04/10 |
| Invoice No. | 162257 |
| Customer No. | 1882LA |




| | |
|---------------------------|----------------|
| Amount Enclosed: \$ _____ | Exp: _____ |
| Credit Card No.: _____ | Card ID: _____ |
| Signature: _____ | |

Ship To: LAKE MILLS COMMUNITY SCHOOL
102 S 4TH AVE E
LAKE MILLS, IA 50450-1628

Attention: CHRIS MATHAHS

Phone: 641/592-1882 Ext:

PLEASE RETURN TOP PORTION WITH PAYMENT

| Invoice Date | Invoice No. | Customer No. | Order No. | Ship Via | Purchase Order Number | Salesperson | Terms |
|---|-------------|---|------------|----------------|-----------------------|-------------|--------------------|
| 06/04/10 | 162257 | 1882LA | 121986 | UPS | FINAL SHIPMENT | R241 | 2% 10 Days, Net 45 |
| Quantity | Item Number | Item Description | Unit Price | Amount | | | |
| 2 | LSR2580 | HP LASERJET 2300 COMPATIBLE LASER CARTRIDGE | LOT | 984.00 | | | |
| <div style="display: flex; justify-content: space-around; align-items: center;"> <div>echeck \$ _____</div> <div></div> <div></div> <div></div> </div> | | | | | | | |
| <p>A 2% discount may be taken if paid within 10 days. Any merchandise to be returned must have a return authorization number to be supplied by main office. Claims must be made within 5 days of receipt of goods. Past due balances are subject to a 1.5% per month finance charge. Order with Premium.</p> | | | | | | | |
| <p>Nontaxable Subtotal 984.00 Taxable Subtotal 0.00 Shipping / Handling 174.46 Tax 0.00</p> | | | | | | | |
| Total Invoice | | | | 1158.46 | | | |

Customer Original

1

Report on Special Investigation of the
Lake Mills Community School District

Copies of Invoices for Printer Cartridges

Reliable
Printing Solutions Inc.

2230 Michigan Avenue
Santa Monica, CA 90404
TEL: 888.241.6899 424.645.6677
FAX: 424.645.6688

| | |
|--------------|----------|
| Invoice Date | 06/04/10 |
| Invoice No. | 162258 |
| Customer No. | 1882LA |

| | |
|---------------------------|----------------|
| Amount Enclosed: \$ _____ | Exp: _____ |
| Credit Card No.: _____ | Card ID: _____ |
| Signature: _____ | |





Bill To: LAKE MILLS COMMUNITY SCHOOL
102 S 4TH AVE E
LAKE MILLS, IA 50450-1628

Ship To: LAKE MILLS COMMUNITY SCHOOL
102 S 4TH AVE E
LAKE MILLS, IA 50450-1628

Attention: CHRIS MATHAHS

Phone: 641/592-1882 Ext:

PLEASE RETURN TOP PORTION WITH PAYMENT

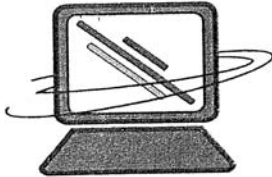
| Invoice Date | Invoice No. | Customer No. | Order No. | Ship Via | Purchase Order Number | Salesperson | Terms |
|---|-------------|---|------------|----------------|-----------------------|-------------|--------------------|
| 06/04/10 | 162258 | 1882LA | 121987 | UPS | FINAL SHIPMENT | R241 | 2% 10 Days, Net 60 |
| Quantity | Item Number | Item Description | Unit Price | Amount | | | |
| 2 | LSR2580 | HP LASERJET 2300 COMPATIBLE LASER CARTRIDGE | LOT | 984.00 | | | |
|     | | | | | | | |
| <p>A 2% discount may be taken if paid within 10 days. Any merchandise to be returned must have a return authorization number to be supplied by main office. Claims must be made within 5 days of receipt of goods. Past due balances are subject to a 1.5% per month finance charge. Order with Premium.</p> | | | | | | | |
| <p>Nontaxable Subtotal 984.00 Taxable Subtotal 0.00 Shipping / Handling 174.46 Tax 0.00</p> | | | | | | | |
| Total Invoice | | | | 1158.46 | | | |

Customer Original

1

Report on Special Investigation of the
Lake Mills Community School District

Copies of Invoices for Printer Cartridges



CENTURY COMPUTER PRODUCTS INC.

2230 MICHIGAN AVENUE
SANTA MONICA, CA 90404
TEL: 800-409-9990 424-645-6300
FAX: 424-645-6310

| |
|--------------|
| INVOICE No. |
| 113509 |
| CUSTOMER No. |
| 18LA82 |

BILL TO:
LAKE MILLS COMMUNITY SCHOOL
102 S 4TH AVE E
LAKE MILLS, IA 50450-1628

SHIP TO:
LAKE MILLS COMMUNITY SCHOOL
102 S 4TH AVE E
LAKE MILLS, IA 50450-1628

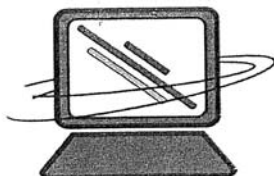
ATTENTION: CHRIS MATHAS

PHONE: 641/592-1882 **EXT:**

| CUSTOMER # | ORDER # | INVOICE DATE | TERMS | SALES # | PURCHASE ORDER # | SHIP VIA | | | | | | | | | | | | | | | | | | | | | | | | |
|--|-------------------|---|--------------------|---------|------------------|------------|--------------|--------|-----------------|--|-------------|--------|-----------|--|--------------|----------|---------------|--|--------------------|--|-----------------|--|----------|---------|-----|--------|-----------|------|----------------------|-------------------|
| 18LA82 | 94209 | 10/29/10 | 2% 10 Days, Net 20 | RKS1 | COMPLETE ORDER | UPS | | | | | | | | | | | | | | | | | | | | | | | | |
| Item No. | Quantity | Item Description | | | | Unit Price | Amount | | | | | | | | | | | | | | | | | | | | | | | |
| L68020 | 2 | HP LASERJET P2055 LASER CARTRIDGE - OEM | | | | LOT | 1,134.00 | | | | | | | | | | | | | | | | | | | | | | | |
| <p align="center">Please Return Bottom Portion with Payment</p> <table> <tr> <td>Customer No.</td> <td>18LA82</td> <td>Credit Card No.</td> <td></td> </tr> <tr> <td>Invoice No.</td> <td>113509</td> <td>Exp. Date</td> <td></td> </tr> <tr> <td>Invoice Date</td> <td>10/29/10</td> <td>Security Code</td> <td></td> </tr> <tr> <td>Amount Enclosed \$</td> <td></td> <td>Cardholder Name</td> <td></td> </tr> </table> <p>2% discount may be taken if paid within 10 days. Any merchandise to be returned must have a return authorization number to be supplied by main office. Claims must be made within 5 days of receipt of goods. Past due balances are subject to a 1.5% per month finance charge. Order with Premium.</p> <table> <tr> <td align="right">SUBTOTAL</td> <td align="right">1134.00</td> </tr> <tr> <td align="right">H/C</td> <td align="right">201.06</td> </tr> <tr> <td align="right">SALES TAX</td> <td align="right">0.00</td> </tr> <tr> <td align="right">INVOICE TOTAL</td> <td align="right">\$1,335.06</td> </tr> </table> <p align="center">CENTURY COMPUTER PRODUCTS INC. 2230 MICHIGAN AVENUE SANTA MONICA, CA 90404</p> | | | | | | | Customer No. | 18LA82 | Credit Card No. | | Invoice No. | 113509 | Exp. Date | | Invoice Date | 10/29/10 | Security Code | | Amount Enclosed \$ | | Cardholder Name | | SUBTOTAL | 1134.00 | H/C | 201.06 | SALES TAX | 0.00 | INVOICE TOTAL | \$1,335.06 |
| Customer No. | 18LA82 | Credit Card No. | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Invoice No. | 113509 | Exp. Date | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Invoice Date | 10/29/10 | Security Code | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Amount Enclosed \$ | | Cardholder Name | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SUBTOTAL | 1134.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| H/C | 201.06 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SALES TAX | 0.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| INVOICE TOTAL | \$1,335.06 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Report on Special Investigation of the
Lake Mills Community School District

Copies of Invoices for Printer Cartridges



CENTURY COMPUTER PRODUCTS INC.

2230 MICHIGAN AVENUE
SANTA MONICA, CA 90404
TEL: 800-409-9990 424-645-6300
FAX: 424-645-6310

| |
|--------------|
| INVOICE NO. |
| 113510 |
| CUSTOMER NO. |
| 18LA82 |

BILL TO:
LAKE MILLS COMMUNITY SCHOOL
102 S 4TH AVE E
LAKE MILLS, IA 50450-1628

SHIP TO:
LAKE MILLS COMMUNITY SCHOOL
102 S 4TH AVE E
LAKE MILLS, IA 50450-1628

ATTENTION: CHRIS MATHAS

PHONE: 641/592-1882 **EXT:**

| CUSTOMER # | ORDER # | INVOICE DATE | TERMS | SALES # | PURCHASE ORDER # | SHIP VIA | |
|------------|----------|---|--------------------|---------|------------------|------------|----------|
| 18LA82 | 94210 | 10/29/10 | 2% 10 Days, Net 40 | RKS1 | COMPLETE ORDER | UPS | |
| Item No. | Quantity | Item Description | | | | Unit Price | Amount |
| L68020 | 2 | HP LASERJET P2055 LASER CARTRIDGE - OEM | | | | LOT | 1,134.00 |

Please Return Bottom Portion with Payment

Customer No. 18LA82 Credit Card No.
Invoice No. 113510 Exp. Date
Invoice Date 10/29/10 Security Code
Amount Enclosed \$ Cardholder Name

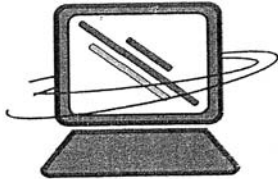
.% discount may be taken if paid within 10 days.
Any merchandise to be returned must have a return authorization number to be supplied by main office.
Claims must be made within 5 days of receipt of goods.
Past due balances are subject to a 1.5% per month finance charge. Order with Premium.

CENTURY COMPUTER PRODUCTS INC.
2230 MICHIGAN AVENUE
SANTA MONICA, CA 90404

SUBTOTAL 1134.00
H/C 201.06
SALES TAX 0.00
INVOICE TOTAL \$1,335.06

Report on Special Investigation of the
Lake Mills Community School District

Copies of Invoices for Printer Cartridges



CENTURY COMPUTER PRODUCTS INC.

2230 MICHIGAN AVENUE
SANTA MONICA, CA 90404
TEL: 800-409-9990 424-645-6300
FAX: 424-645-6310

| |
|--------------|
| INVOICE NO. |
| 113511 |
| CUSTOMER NO. |
| 18LA82 |

BILL TO:
LAKE MILLS COMMUNITY SCHOOL
102 S 4TH AVE E
LAKE MILLS, IA 50450-1628

SHIP TO:
LAKE MILLS COMMUNITY SCHOOL
102 S 4TH AVE E
LAKE MILLS, IA 50450-1628

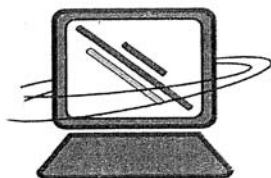
ATTENTION: CHRIS MATHAS

PHONE: 641/592-1882 **EXT:**

| CUSTOMER # | ORDER # | INVOICE DATE | TERMS | SALES # | PURCHASE ORDER # | SHIP VIA | |
|--|----------|---|--------------------|-----------------|------------------|------------|-------------------|
| 18LA82 | 94211 | 10/29/10 | 2% 10 Days, Net 60 | RKS1 | COMPLETE ORDER | UPS | |
| Item No. | Quantity | Item Description | | | | Unit Price | Amount |
| L68020 | 2 | HP LASERJET P2055 LASER CARTRIDGE - OEM | | | | LOT | 1,134.00 |
| Please Return Bottom Portion with Payment | | | | | | | |
| Customer No. | | 18LA82 | | Credit Card No. | | | |
| Invoice No. | | 113511 | | Exp. Date | | | |
| Invoice Date | | 10/29/10 | | Security Code | | | |
| Amount Enclosed \$ | | | | Cardholder Name | | | |
| <small>2% discount may be taken if paid within 10 days. Any merchandise to be returned must have a return authorization number to be supplied by main office. Claims must be made within 5 days of receipt of goods. Past due balances are subject to a 1.5% per month finance charge. Order with Premium.</small> | | | | | | | |
| CENTURY COMPUTER PRODUCTS INC. 2230 MICHIGAN AVENUE SANTA MONICA, CA 90404 | | | | | | SUBTOTAL | 1134.00 |
| | | | | | | H/C | 201.06 |
| | | | | | | SALES TAX | 0.00 |
| INVOICE TOTAL | | | | | | | \$1,335.06 |

Report on Special Investigation of the
Lake Mills Community School District

Copies of Invoices for Printer Cartridges



CENTURY COMPUTER PRODUCTS INC.

2230 MICHIGAN AVENUE
SANTA MONICA, CA 90404
TEL: 800-409-9990 424-645-6300
FAX: 424-645-6310

| |
|--------------|
| INVOICE No. |
| 113512 |
| CUSTOMER No. |
| 18LA82 |

BILL TO:
LAKE MILLS COMMUNITY SCHOOL
102 S 4TH AVE E
LAKE MILLS, IA 50450-1628

SHIP TO:
LAKE MILLS COMMUNITY SCHOOL
102 S 4TH AVE E
LAKE MILLS, IA 50450-1628

ATTENTION: CHRIS MATHAS

PHONE: 641/592-1882 **EXT:**

| CUSTOMER # | ORDER # | INVOICE DATE | TERMS | SALES # | PURCHASE ORDER # | SHIP VIA | |
|------------|----------|---|--------------------|---------|------------------|------------|----------|
| 18LA82 | 94212 | 10/29/10 | 2% 10 Days, Net 80 | RKS1 | COMPLETE ORDER | UPS | |
| Item No. | Quantity | Item Description | | | | Unit Price | Amount |
| L68020 | 2 | HP LASERJET P2055 LASER CARTRIDGE - OEM | | | | LOT | 1,134.00 |

Please Return Bottom Portion with Payment

Customer No. 18LA82 Credit Card No.
Invoice No. 113512 Exp. Date
Invoice Date 10/29/10 Security Code
Amount Enclosed \$ Cardholder Name

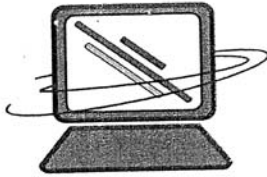
% discount may be taken if paid within 10 days.
Any merchandise to be returned must have a return authorization number to be supplied by main office.
Claims must be made within 5 days of receipt of goods.
Past due balances are subject to a 1.5% per month finance charge. Order with Premium.

CENTURY COMPUTER PRODUCTS INC.
2230 MICHIGAN AVENUE
SANTA MONICA, CA 90404

| | |
|----------------------|-------------------|
| SUBTOTAL | 1134.00 |
| H/C | 201.06 |
| SALES TAX | 0.00 |
| INVOICE TOTAL | \$1,335.06 |

Report on Special Investigation of the
Lake Mills Community School District

Copies of Invoices for Printer Cartridges



CENTURY COMPUTER PRODUCTS INC.

2230 MICHIGAN AVENUE
SANTA MONICA, CA 90404
Tel: 800-409-9990 424-645-6300
Fax: 424-645-6310

| |
|--------------|
| INVOICE No. |
| 113513 |
| CUSTOMER No. |
| 18LA82 |

BILL TO:
LAKE MILLS COMMUNITY SCHOOL
102 S 4TH AVE E
LAKE MILLS, IA 50450-1628

SHIP TO:
LAKE MILLS COMMUNITY SCHOOL
102 S 4TH AVE E
LAKE MILLS, IA 50450-1628

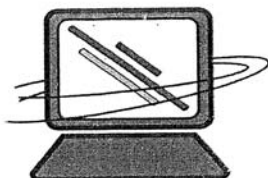
ATTENTION: CHRIS MATHAS

PHONE: 641/592-1882 **EXT:**

| CUSTOMER # | ORDER # | INVOICE DATE | TERMS | SALES # | PURCHASE ORDER # | SHIP VIA | | | | | | | | | | | | | | | | | | | | | | | | |
|--|-------------------|---|---------------------|---------|------------------|----------|--------------|--------|-----------------|--|-------------|--------|-----------|--|--------------|----------|---------------|--|--------------------|--|-----------------|--|----------|---------|-----|--------|-----------|------|----------------------|-------------------|
| 18LA82 | 94213 | 10/29/10 | 2% 10 Days, Net 100 | RKS1 | COMPLETE ORDER | UPS | | | | | | | | | | | | | | | | | | | | | | | | |
| Item No. | Quantity | Item Description | | | Unit Price | Amount | | | | | | | | | | | | | | | | | | | | | | | | |
| L68020 | 2 | HP LASERJET P2055 LASER CARTRIDGE - OEM | | | LOT | 1,134.00 | | | | | | | | | | | | | | | | | | | | | | | | |
| <p align="center">Please Return Bottom Portion with Payment</p> <table> <tr> <td>Customer No.</td> <td>18LA82</td> <td>Credit Card No.</td> <td></td> </tr> <tr> <td>Invoice No.</td> <td>113513</td> <td>Exp. Date</td> <td></td> </tr> <tr> <td>Invoice Date</td> <td>10/29/10</td> <td>Security Code</td> <td></td> </tr> <tr> <td>Amount Enclosed \$</td> <td></td> <td>Cardholder Name</td> <td></td> </tr> </table> <p><small> .% discount may be taken if paid within 10 days. Any merchandise to be returned must have a return authorization number to be supplied by main office. Claims must be made within 5 days of receipt of goods. Past due balances are subject to a 1.5% per month finance charge. Order with Premium. </small></p> <table> <tr> <td align="right">SUBTOTAL</td> <td align="right">1134.00</td> </tr> <tr> <td align="right">H/C</td> <td align="right">201.06</td> </tr> <tr> <td align="right">SALES TAX</td> <td align="right">0.00</td> </tr> <tr> <td align="right">INVOICE TOTAL</td> <td align="right">\$1,335.06</td> </tr> </table> <p align="center"> CENTURY COMPUTER PRODUCTS INC. 2230 MICHIGAN AVENUE SANTA MONICA, CA 90404 </p> | | | | | | | Customer No. | 18LA82 | Credit Card No. | | Invoice No. | 113513 | Exp. Date | | Invoice Date | 10/29/10 | Security Code | | Amount Enclosed \$ | | Cardholder Name | | SUBTOTAL | 1134.00 | H/C | 201.06 | SALES TAX | 0.00 | INVOICE TOTAL | \$1,335.06 |
| Customer No. | 18LA82 | Credit Card No. | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Invoice No. | 113513 | Exp. Date | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Invoice Date | 10/29/10 | Security Code | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Amount Enclosed \$ | | Cardholder Name | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SUBTOTAL | 1134.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| H/C | 201.06 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SALES TAX | 0.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| INVOICE TOTAL | \$1,335.06 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Report on Special Investigation of the
Lake Mills Community School District

Copies of Invoices for Printer Cartridges



CENTURY COMPUTER PRODUCTS INC.

2230 MICHIGAN AVENUE
SANTA MONICA, CA 90404
TEL: 800-409-9990 424-645-6300
FAX: 424-645-6310

| |
|--------------|
| INVOICE No. |
| 113514 |
| CUSTOMER No. |
| 18LA82 |

BILL TO:
LAKE MILLS COMMUNITY SCHOOL
102 S 4TH AVE E
LAKE MILLS, IA 50450-1628

SHIP TO:
LAKE MILLS COMMUNITY SCHOOL
102 S 4TH AVE E
LAKE MILLS, IA 50450-1628

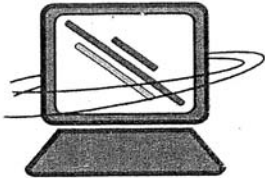
ATTENTION: CHRIS MATHAS

PHONE: 641/592-1882 **EXT:**

| CUSTOMER # | ORDER # | INVOICE DATE | TERMS | SALES # | PURCHASE ORDER # | SHIP VIA | | | | | | | | |
|--|-----------------|---|---------------------|---------|------------------|------------|---------------------|-----------------|--------------------|-----------|-----------------------|---------------|--------------------|-----------------|
| 18LA82 | 94214 | 10/29/10 | 2% 10 Days, Net 120 | RKS1 | COMPLETE ORDER | UPS | | | | | | | | |
| Item No. | Quantity | Item Description | | | | Unit Price | Amount | | | | | | | |
| L68020 | 2 | HP LASERJET P2055 LASER CARTRIDGE - OEM | | | | LOT | 1,134.00 | | | | | | | |
| <p align="center">Please Return Bottom Portion with Payment</p> <table> <tr> <td>Customer No. 18LA82</td> <td>Credit Card No.</td> </tr> <tr> <td>Invoice No. 113514</td> <td>Exp. Date</td> </tr> <tr> <td>Invoice Date 10/29/10</td> <td>Security Code</td> </tr> <tr> <td>Amount Enclosed \$</td> <td>Cardholder Name</td> </tr> </table> <p> <small> % discount may be taken if paid within 10 days. Any merchandise to be returned must have a return authorization number to be supplied by main office. Claims must be made within 5 days of receipt of goods. Past due balances are subject to a 1.5% per month finance charge. Order with Premium. </small> </p> <div> <div> <p align="center">CENTURY COMPUTER PRODUCTS INC. 2230 MICHIGAN AVENUE SANTA MONICA, CA 90404</p> </div> <div> <p align="right"> SUBTOTAL 1134.00 H/C 201.06 SALES TAX 0.00 INVOICE TOTAL \$1,335.06 </p> </div> </div> | | | | | | | Customer No. 18LA82 | Credit Card No. | Invoice No. 113514 | Exp. Date | Invoice Date 10/29/10 | Security Code | Amount Enclosed \$ | Cardholder Name |
| Customer No. 18LA82 | Credit Card No. | | | | | | | | | | | | | |
| Invoice No. 113514 | Exp. Date | | | | | | | | | | | | | |
| Invoice Date 10/29/10 | Security Code | | | | | | | | | | | | | |
| Amount Enclosed \$ | Cardholder Name | | | | | | | | | | | | | |

Report on Special Investigation of the
Lake Mills Community School District

Copies of Invoices for Printer Cartridges



CENTURY COMPUTER PRODUCTS INC.

2230 MICHIGAN AVENUE
SANTA MONICA, CA 90404
TEL: 800-409-9990 424-645-6300
FAX: 424-645-6310

| |
|--------------|
| INVOICE NO. |
| 113515 |
| CUSTOMER NO. |
| 18LA82 |

BILL TO:
LAKE MILLS COMMUNITY SCHOOL
102 S 4TH AVE E
LAKE MILLS, IA 50450-1628

SHIP TO:
LAKE MILLS COMMUNITY SCHOOL
102 S 4TH AVE E
LAKE MILLS, IA 50450-1628

ATTENTION: CHRIS MATHAS

PHONE: 641/592-1882 **EXT:**

| CUSTOMER # | ORDER # | INVOICE DATE | TERMS | SALES # | PURCHASE ORDER # | SHIP VIA | |
|---|----------|---|---------------------|---------|------------------|----------------------|-------------------|
| 18LA82 | 94215 | 10/29/10 | 2% 10 DAYS, NET 140 | RKS1 | COMPLETE ORDER | UPS | |
| Item No. | Quantity | Item Description | | | | Unit Price | Amount |
| L6802O | 2 | HP LASERJET P2055 LASER CARTRIDGE - OEM | | | | LOT | 1,134.00 |
| Please Return Bottom Portion with Payment | | | | | | | |
| Customer No. | 18LA82 | Credit Card No. | | | | | |
| Invoice No. | 113515 | Exp. Date | | | | | |
| Invoice Date | 10/29/10 | Security Code | | | | | |
| Amount Enclosed \$ | | Cardholder Name | | | | | |
| <small>% discount may be taken if paid within 10 days. Any merchandise to be returned must have a return authorization number to be supplied by main office. Claims must be made within 5 days of receipt of goods. Past due balances are subject to a 1.5% per month finance charge. Order with Premium.</small> | | | | | | | |
| | | | | | | SUBTOTAL | 1134.00 |
| | | | | | | H/C | 201.06 |
| | | | | | | SALES TAX | 0.00 |
| CENTURY COMPUTER PRODUCTS INC. 2230 MICHIGAN AVENUE SANTA MONICA, CA 90404 | | | | | | INVOICE TOTAL | \$1,335.06 |