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David A. Vaudt, CPA
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NEWS RELEASE

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FOR RELEASE July 12, 2012

Auditor of State David A. Vaudt today released a report on a special investigation of the City of Davis City for the period October 1, 2006 through November 26, 2011. The special investigation was requested by City officials as a result of concerns regarding certain disbursements made by the former City Clerk.

Vaudt reported the special investigation identified \$15,901.51 of improper and unsupported disbursements. The improper disbursements of \$4,128.87 include \$3,285.39 of reimbursements issued to the former City Clerk, Debra Marvin, and \$782.00 of IPERS late fees and interest. The improper disbursements also include \$71.48 of late fees and interest charges paid to vendors. In addition, Vaudt reported the \$11,762.64 of unsupported disbursements included reimbursements to Ms. Marvin totaling \$618.99. The remaining \$11,143.65 included payments to individuals and businesses, including NAPA, Larry's General Repair and Leon True Value.

Vaudt reported it was not possible to determine if additional amounts were improperly disbursed or if utility collections were not properly deposited because adequate records for disbursements and receipts were not available.

The report includes recommendations to strengthen the City's internal controls and overall operations, such as improving segregation of duties, performing bank reconciliations, requiring adequate documentation to support disbursements and performing an independent review of bank statements. In addition, Vaudt recommended all disbursements be approved by City officials.

Copies of the report have been filed with the Decatur County Attorney's Office, the Attorney General's Office and the Division of Criminal Investigation. A copy of the report is available for review in the Office of Auditor of State and on the Auditor of State's website at <http://auditor.iowa.gov/specials/1222-0246-BE00.pdf>.

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**REPORT ON SPECIAL INVESTIGATION
OF THE
CITY OF DAVIS CITY
FOR THE PERIOD
OCTOBER 1, 2006 THROUGH NOVEMBER 26, 2011**

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Auditor of State's Report

To the Honorable Mayor and
Members of the City Council:

As a result of alleged improprieties regarding certain disbursements and at your request, we conducted a special investigation of the City of Davis City. We have applied certain tests and procedures to selected financial transactions of the City for the period October 1, 2006 through November 26, 2011. Based on a review of relevant information and discussions with City officials and staff, we performed the following procedures:

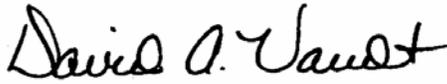
- (1) Evaluated internal controls to determine whether adequate policies and procedures were in place and operating effectively.
- (2) Reviewed activity in the bank account held by the City to identify any unusual activity.
- (3) Scanned images of redeemed checks issued from the City's bank account for reasonableness. We examined certain disbursements to determine if they were appropriate, properly approved and supported by adequate documentation.
- (4) Examined payroll checks to Debra Marvin, the former City Clerk, to determine if the appropriate number of payroll disbursements were made and if the amounts were appropriate.
- (5) Examined reimbursements made to Ms. Marvin to determine if payments were properly approved and supported.
- (6) Examined deposits to the City's bank account to determine the source, purpose and propriety of each deposit and to determine if deposits were made intact.
- (7) Confirmed payments to the City by the State of Iowa and Decatur County to determine whether they were properly deposited to the City's bank account and deposited in a timely manner.
- (8) Examined available receipts to determine if recorded collections were properly accounted for and deposited.
- (9) Reviewed available minutes of City Council meetings to identify significant actions taken by the City Council and to determine if certain payments were properly approved.

These procedures identified \$15,901.51 of improper and unsupported disbursements. We were unable to determine if additional amounts were improperly disbursed or if utility collections were not properly deposited because adequate records for disbursements and receipts were not available. Several internal control weaknesses were also identified. Our detailed findings and recommendations are presented in the Investigative Summary and **Exhibits A** and **B** of this report.

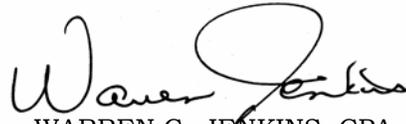
The procedures described above do not constitute an audit of financial statements conducted in accordance with U. S. generally accepted auditing standards. Had we performed additional procedures, or had we performed an audit of financial statements of the City, other matters might have come to our attention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

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

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



DAVID A. VAUDT, CPA
Auditor of State



WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

April 10, 2012

City of Davis City
Investigative Summary

Background Information

Davis City is located in Decatur County and has a population of approximately 260, according to the 2010 census. Debra Marvin became the City Clerk on July 10, 2006 and continued as the City Clerk until she passed away on November 26, 2011. As the City Clerk, Ms. Marvin was responsible for:

- 1) Receipts – collecting, preparing and making bank deposits and posting to the accounting records.
- 2) Disbursements – making purchases, receiving certain goods and services, presenting proposed disbursements to the City Council, maintaining supporting documentation, preparing, signing and distributing checks and posting to the accounting records,
- 3) Payroll – calculating payroll amounts, preparing, signing and distributing checks and posting to the accounting records,
- 4) Bank accounts – reconciling monthly bank statements to accounting records and
- 5) Reporting – preparing City Council minutes and financial reports.

The City's primary revenue sources include local option sales tax and road use tax from the State of Iowa and property tax collected by Decatur County. These funds are transferred electronically to the City's bank account. In addition, collections from households and businesses in the City for water, sewer and garbage are to be deposited to the City's bank account.

In addition to the City Clerk, the City employs a part-time Utility Clerk. The Utility Clerk is responsible for reading meters, preparing and mailing billings, receipting and depositing collections, posting collections to customer accounts and accounting records and preparing and making bank deposits. The Utility Clerk is also responsible for monthly reconciliations between amounts billed, collected and deposited for water, sewer and garbage services. According to the Mayor, the billing stubs and deposit slips are maintained at City Hall. All other records are maintained by the Utility Clerk at her home and were provided upon request by the City Council. According to the Utility Clerk, utility reconciliations were not prepared.

All disbursements are to be approved by the City Council at its monthly meeting. All City disbursements are to be made with checks signed by the City Clerk and the Mayor. Bank statements were mailed directly to City Hall to be reviewed and reconciled to the City's accounting records by the City Clerk. According to the Mayor, it is not known if the former City Clerk prepared bank reconciliations and the City was unable to locate bank reconciliations.

As previously stated, Ms. Marvin passed away on November 26, 2011. As a result, the City Council hired an interim City Clerk. The interim City Clerk was asked to prepare the Annual Financial Report (AFR). However, she was unable to locate supporting documentation for various disbursements from the City's bank account, bank reconciliations or utility reconciliations. As a result, she was unable to prepare the AFR.

According to the Mayor, Ms. Marvin worked from home and was also the City Clerk for Decatur City and the City of Pleasanton. Upon her death, the Mayor was provided several boxes of

records found in her home. When the Mayor went through the boxes, she found the City's records had been co-mingled with records from the other cities.

The Mayor and the interim City Clerk organized the records provided from Ms. Marvin's home and the records located in City Hall. While organizing the records, they found many of the bank statements were missing. The Mayor also discovered Ms. Marvin had been paying some of the City's bills electronically. The electronic payments were made primarily to Alliant Energy. According to the Mayor, the City Council did not approve electronic payment for the City's bills.

As a result of the concerns identified, the Mayor requested the Office of Auditor of State perform an investigation of the City's financial transactions. We performed the procedures detailed in the Auditor of State's Report for the period October 1, 2006 through November 26, 2011.

Detailed Findings

These procedures identified \$15,901.51 of improper and unsupported disbursements. Of this amount, \$4,138.87 was improper and \$11,762.64 was not supported by adequate documentation. We were unable to determine if additional amounts were improperly disbursed or if utility collections were not properly deposited because adequate records for disbursements and receipts were not available. In addition the bank was unable to provide detailed records prior to October 1, 2006. **Table 1** summarizes the improper and unsupported disbursements identified. A detailed explanation of each finding is included in the following sections of this report.

Description	Exhibit/ Table	Improper	Unsupported	Total
Reimbursements to Debra Marvin	Exhibit A	\$ 3,285.39	618.99	3,904.38
IPERS late fees and interest	Table 3	782.00	-	782.00
Vendor payments	Exhibit B/ Table 4	71.48 [^]	11,143.65	11,215.13
Total		\$ 4,138.87	11,762.64	15,901.51

[^] - Late fees and finance charges

IMPROPER DISBURSEMENTS

According to the Mayor, payment of City obligations should have been made by check and City business should not have been conducted in cash or electronically. The City had charge accounts established at several local stores. The bills from these vendors were to be paid each month by check. The City does not have any credit cards.

We reviewed bank statement activity from the City's bank account to determine to whom checks were issued for the period of review. We were unable to review bank statement activity prior to October 1, 2006 because records were not available. Based on our review, we identified a number of unusual vendors and disbursements which did not appear to be for City purposes. As previously stated, supporting documentation was not available for a significant number of disbursements made during the period of our investigation. Therefore, we discussed the unusual disbursements with City officials to determine if they were reasonable for the operations of the City. The improper and unsupported disbursements are discussed in more detail in the following sections.

Wage Payments and Reimbursements to Debra Marvin – As previously stated, Ms. Marvin became the City Clerk on July 10, 2006 and was compensated \$7.00 per hour for training

through September 1, 2006. According to the City Council meeting minutes, Ms. Marvin was to be paid a gross amount of \$400.00 per month after September 1, 2006. We identified 62 checks issued to Ms. Marvin during the 62 months from October 1, 2006 through November 26, 2011. The 62 checks range in amounts from \$341.40 to \$359.40. We were unable to review checks issued to Ms. Marvin prior to October 1, 2006 because bank statements were not available.

City officials were unable to locate payroll journals and time sheets for the period of our investigation. City officials were also unable to locate all the quarterly wage reports and W-2's. A copy of Ms. Marvin's 2010 W-2 was located showing she earned \$4,800.00, or \$400.00 per month, during the calendar year. Based on Ms. Marvin's 2010 W-2, we determined Ms. Marvin's salary did not increase from the amount approved during the September 1, 2006 Council meeting. **Table 2** summarizes Ms. Marvin's net pay during the period from October 1, 2006 through November 26, 2011.

Table 2

Fiscal Year	Number of Checks	Total Amount Paid
2007	9	\$ 3,101.40
2008	12	4,128.00
2009	12	4,116.00
2010	12	4,106.40
2011	12	4,237.60
2012^	5	1,729.40
Total	62	\$21,418.80

^ - Through November 26, 2011

As illustrated by the **Table**, the compensation Ms. Marvin received each fiscal year was comparable for the period of our investigation. We reviewed each payroll check issued to Ms. Marvin. However, because payroll records were not located, we cannot verify the calculation of the net pay. It is reasonable for her net pay to fluctuate due to changes in the tax rate used to calculate withholdings or deductions withheld each month. We did not identify any unauthorized payroll checks issued to Ms. Marvin.

According to a City official we spoke with, it would be reasonable for Ms. Marvin to also receive reimbursements for mileage and some office supplies. According to a City official, Ms. Marvin drove to Decatur City to pick up mail from the City's post office box and purchase supplies for City Hall. We identified 21 reimbursement checks issued to Ms. Marvin during the period from October 1, 2006 through November 26, 2011. The 21 checks are included in **Exhibit A**.

As previously stated, Ms. Marvin prepared, signed and distributed all checks and posted the payments to the accounting records. She was also responsible for maintaining supporting documentation for each disbursement. In addition, the reimbursements should be approved by the City Council.

We located supporting documentation for 1 of the 21 reimbursement checks issued to Ms. Marvin. According to the supporting documentation, Ms. Marvin was reimbursed for the purchase of ink cartridges, which is reasonable for City operations. Supporting documentation could not be located for the remaining 20 checks and City officials were unable to determine or recall the reason for the reimbursements.

We also reviewed the available City Council meeting minutes to determine if the City Council approved the remaining 20 reimbursement checks. We identified 3 reimbursement checks approved by the City Council. According to the meeting minutes, 2 of the 3 reimbursements were for supplies, copier and ink. According to the Mayor, the reimbursements appear reasonable for

City operations. The 3rd reimbursement, made on July 20, 2011, was approved by the City Council for a sign at the park in the amount of \$300.00, but Ms. Marvin issued the reimbursement check for \$400.00. As a result, \$100.00 is improper. We also identified 6 reimbursements to Ms. Marvin, totaling \$2,026.53, which were not listed in the minutes with other bills the City Council approved. Of the 6 reimbursements, Ms. Marvin recorded check number 4122 as VOID in the City's check register, but check number 4122 was subsequently issued to Ms. Marvin for \$326.29.

As previously stated, Ms. Marvin worked from home and was the City Clerk for 2 additional cities. Because she worked for 2 additional cities, it is possible she could submit a claim for reimbursement to each City for the same purchase or use supplies purchased by one City for the other 2 cities. According to the Mayor, at one time the City Council approved reimbursing Ms. Marvin for a portion of a printer she purchased to be used at her home for all 3 cities where she was employed as the City Clerk. Because supporting documentation was not maintained, we are unable to determine if the City reimbursed Ms. Marvin for only the City's portion of any shared costs, including the purchase of the printer.

Because Ms. Marvin had access to the City's checkbook and was able to pay vendors directly, there would be limited reasons for making purchases with personal funds and requesting reimbursement from the City. As a result, the remaining 11 reimbursements totaling \$1,158.86 are considered to be improper. Reimbursements totaling \$3,285.39 to Ms. Marvin are included in **Table 1** as improper disbursements.

IPERS Late Fees and Interest – During our review of the City's bank account, we identified payments to IPERS which ranged from \$73.16 to \$1,011.02. As previously stated, Ms. Marvin handled all responsibilities for disbursements, including preparing, signing and distributing checks and posting to the accounting records. In addition, Ms. Marvin was responsible for ensuring all payments were remitted in a timely manner. We obtained Employer Annual Statements for calendar years 2006 through 2011 from IPERS and compared the check amounts to the amounts shown on the Employer Annual Statements to determine if late fees and interest were incurred. As a result, we identified 38 transactions in which the City incurred late fees and interest because Ms. Marvin did not remit payments in a timely manner. **Table 3** summarizes the number and the amount of late fees and interest incurred by the City.

Table 3

Description	Number of Transactions	Amount
Late fees	16	\$ 342.00
Interest	22	440.00
Total	38	\$ 782.00

The \$782.00 of late fees and interest are included in **Table 1** as improper disbursements.

Unsupported Disbursements - As previously stated, Ms. Marvin handled all responsibilities for disbursements, including preparing, signing and distributing checks, posting to the accounting records and maintaining supporting documentation. In addition, Ms. Marvin was responsible for ensuring all payments were remitted in a timely manner. Because adequate supporting documentation was not maintained, we were unable to determine if a number of the disbursements were necessary and reasonable for operations of the City or were personal in nature.

During our review of other disbursements from the City's bank account, we identified 24 checks totaling \$11,143.65 issued by Ms. Marvin which appear unusual for City operations based on vendor, amount of the check and/or frequency of the payment(s). The 24 individual checks are listed in **Exhibit B**. Because receipts and/or invoices were not available for all of the purchases, we reviewed City Council meeting minutes to determine if the checks were approved and we

discussed the transactions with City officials to determine if they appeared appropriate for the City's operations. Specifically, we discussed the vendor, date and the amount of individual transactions. We were unable to locate City Council approval for the 24 checks in the City Council meeting minutes. Because the 24 checks were not supported and we were unable to determine their propriety in any other way, the 24 checks totaling \$11,143.65 are included in **Table 1** as unsupported disbursements.

While scanning available invoices for the 24 checks included in **Exhibit B**, we identified 6 instances in which the City incurred late fees and finance charges. The 6 instances are listed in **Table 4**, including the date, payee and amount of the late fee or finance charge.

Table 4

Date	Payee	Amount of		Total
		Late Fees	Finance Charges	
02/20/08	South Central Coop	\$ -	11.66	11.66
08/13/08	South Central Coop	-	17.13	17.13
04/08/09	South Central Coop	-	14.11	14.11
05/13/09	South Central Coop	-	15.83	15.83
06/10/09	NAPA	9.06	-	9.06
12/12/09	Barker Imp	3.69	-	3.69
Total		\$ 12.75	58.23	71.48

As illustrated by the **Table**, the City incurred \$71.48 of late fees and finance charges because Ms. Marvin did not remit payments in a timely manner. As a result, the late fees and finance charges totaling \$71.48 are included in **Table 1** as improper disbursements.

We determined the City was charged sales tax on several purchases. Because the City is a governmental entity, the City is exempt from paying sales tax. However, because the amount is insignificant, it is not included in **Table 1**.

UNDEPOSITED COLLECTIONS

As previously stated, the City's primary revenue sources include taxes from the State of Iowa and Decatur County. In addition, the City collects receipts for providing water, sewer and garbage services to residents. We reviewed documentation related to these sources to determine if collections were properly deposited.

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

Taxes from the County – We confirmed payments to the City by Decatur County to determine if they were properly deposited to the City's bank account. We determined all payments from the County were properly deposited to the City's bank account.

Utility Collections – As previously stated, the Utility Clerk has primary responsibility for billing, collecting, assessing penalties and collecting and depositing payments. According to City officials we spoke with, payments for utilities are received through the mail, dropped off with the City Clerk at City Hall or dropped in the drop box located outside City Hall.

Billing statements are sent out monthly. The billing statements reflect the current amount and any past due amounts owed. The amounts on the billing statements are manually prepared by

the City's Utility Clerk based on the meter readings. The Utility Clerk does not prepare utility reconciliations.

Because billing statements are prepared manually, we reviewed October 2011 to determine if collections were properly posted and deposited. We determined collections were properly posted and deposited for the month of October 2011.

We also obtained the most current ledger and reviewed the ledger to determine if Ms. Marvin and the Utility Clerk were paying their utility bills for the period June 2011 through November 2011. We determined Ms. Marvin and the Utility Clerk paid their utility bills for the period June 2011 through November 2011. As a result, we did not extend our testing.

ADDITIONAL CONCERNS

During our investigation, we also became aware of additional concerns related to the operations of the City. Specifically, we identified the following:

- There was no evidence monthly financial reports were provided to the City Council detailing receipts, disbursements, fund and account balances or comparisons of actual expenses to the budget.
- City Council meeting minutes and related documentation, such as bill listings, were not maintained for all months during the period of our investigation.
- Bank and utility reconciliations were not performed or reviewed by the City Council.
- Timesheets were not maintained for the City Clerk, the Utility Clerk and the City Maintenance employee.
- According to the Mayor, the City Clerk and the Mayor found a program on the City's computer which allowed a former City Council member to access the City's computer even after leaving the City Council. According to a City official, the program has not been removed from the City's computer as of April 13, 2012 because City officials are unsure how to properly remove the program and the City Council is considering replacing the computer.
- The City owns and insures a historic church which was donated to the City. The church is being repaired by 2 citizens on their own time for which they are not billing the City. According to City officials we spoke with, the citizens are using the City's taxpayer identification number in order to avoid paying sales tax on items purchased to repair the church and they were reimbursed by the City for materials. No supporting documentation was provided to us for the work done on the church. In addition, we were told there is a separate bank account for the repair of the church. However, the City could not locate records regarding the account.

Recommended Control Procedures

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

- A) Segregation of Duties - An important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. The former City Clerk had control over each of the following areas for the City.

- (1) Receipts - collecting, depositing, journalizing and posting.

- (2) Disbursements - preparing checks, distributing and posting.
- (3) Payroll – preparing, signing, posting and distributing.
- (4) Financial records – reconciling bank balances to the City’s records and comparing redeemed checks to recorded disbursements, preparation of the City Council minutes and preparation of financial reports, including monthly City Clerk’s reports.

In addition, the Utility Clerk is solely responsible for utilities, including meter readings, bill preparation, applying penalty fees, collections, posting, deposit preparation and making deposits.

Recommendation - We realize segregation of duties is difficult with a limited number of office employees. However, the functions listed above should be segregated between the City Clerk, the Utility Clerk, the Mayor and City Council members. In addition, City Council members should review financial records, perform reconciliations and examine supporting documentation for accounting records on a periodic basis.

City officials should also implement procedures to ensure bank statements are delivered to and reviewed by an official not responsible for collecting or disbursing City funds.

- B) Bank Reconciliations - During our investigation, we determined reconciliations of the City’s accounting records to the bank balances had either not been performed or could not be located if they were performed.

Recommendation - To improve financial accountability and control, a monthly reconciliation of the City’s accounting records to the bank balance should be prepared by someone independent of accounting functions and retained. Any variances should be investigated and resolved in a timely manner.

- C) Reconciliation of Utility Billings, Collections and Delinquent Accounts – Utility billings, collections and delinquent accounts are not reconciled on a periodic basis.

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

- D) Disbursements - During our review of the City’s disbursements, the following were identified:

- (1) Disbursements were not always supported by invoices or other documentation.
- (2) Disbursements were not always properly recorded in the City’s disbursement ledger.
- (3) Disbursements were not always approved by the City Council.
- (4) While the disbursements appear reasonable for City operations, because Ms. Marvin worked as City Clerk for 2 other cities, we were unable to determine if all disbursements were for the City.
- (5) The City incurred late fees and interest for IPERS payments because payments were not always made in a timely manner.

Recommendation - All City disbursements should be approved by the City Council prior to payment, with the exception of those specifically allowed by a City Council approved policy. For those disbursements paid prior to City Council approval, a

listing should be provided to the City Council at the next City Council meeting for review and approval. All payments should be remitted in a timely manner to ensure late fees and penalties are not incurred.

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

In addition, all supporting documentation should be maintained at City Hall.

- E) Monthly Financial Reports – There was no evidence monthly financial reports detailing receipts, disbursements, fund and account balances with comparisons to budget were provided to the City Council.

Recommendation – Monthly financial reports should be prepared and submitted to the City Council for its review and approval. All reports should be maintained on file. Comparisons to budget should be included in the financial reports to provide better control over budgeted disbursements and provide the opportunity for timely amendments to the budget.

- F) City Council Oversight – The City Council has a fiduciary responsibility to provide oversight of the City’s operations and financial transactions. Oversight is typically defined as the “watchful and responsible care” a governing body exercises in its fiduciary capacity.

Based on our observations and procedures performed, we identified the City Council failed to exercise proper fiduciary oversight. The lack of appropriate oversight and failure to ensure implementation of adequate internal controls permitted an employee to exercise too much power over the operation of the City. The City Council frequently relied on information from the City Clerk without adequate supporting documentation or information.

Recommendation – Oversight by the City Council is essential and should be an ongoing effort by all members. In the future, the City Council should exercise due care and require and review pertinent information and documentation prior to making decisions affecting the City.

In addition, appropriate policies and procedures should be adopted, implemented and monitored to ensure compliance with established policies and procedures.

- G) City Council Minutes – We were unable to locate City Council minutes and bill listings for the period of our investigation.

Recommendation – Procedures should be implemented which ensure all disbursements are properly presented to and approved by the City Council prior to payment and the disbursements are included in the City Council meeting minutes. Bill listings should be presented to and approved by the City Council and should be retained at City Hall with the minutes.

Exhibits

Report on Special Investigation of the
City of Davis City

Reimbursements to Debra Marvin
For the period October 1, 2006 through November 26, 2011

Per Check Image					Description per Supporting Documentation or City Council Minutes
Check Date	Check Number	Amount	Memo Line		
11/06/06	2890	\$ 67.86	None		None
03/05/07	2961	34.36	None		None
10/01/07	3078	198.00	None		None
04/10/08	3165	160.00	None		None
06/21/08	3201	89.65	None		None
08/13/08	3234	80.00	None		None
09/08/08	3244	100.43	None		None
12/18/08	3305	150.71	None		None
02/11/09	3336 @	252.00	None		None
04/10/09	3368	44.95	None		None
07/27/09	3430 *	73.82	None		Supplies
09/20/09	3469 *	245.17	None		Copier & Ink
12/14/09	3527 @	417.04	None		None
12/29/09	3528 @	506.00	None		None
04/05/10	3571	169.40	None		None
06/09/10	4016	83.00	None		Pixma ink cartridges, Canon Black cartridges, 5 Canon pgbk chips, Canon Ink
09/14/10	4065	63.50	None		None
12/26/10	4122 ~,@	326.29	None		None
07/20/11	4249 ^,*	400.00	None		None
10/12/11	4292 @	61.38	None		None
11/14/11	4313 @	463.82	Supplies & Reimb		None
Total		<u>\$ 3,987.38</u>			

* - Disbursement was approved by the City Council.

@ - Minutes were available, but disbursement was not approved by the City Council.

~ - Check was shown as voided in the check register.

^ - According to the Mayor, \$300.00 was for the purchase of a sign for the park.

	Supported	Improper	Unsupported
\$	-	67.86	-
	-	34.36	-
	-	198.00	-
	-	160.00	-
	-	89.65	-
	-	80.00	-
	-	100.43	-
	-	150.71	-
	-	252.00	-
	-	44.95	-
	-	-	73.82
	-	-	245.17
	-	417.04	-
	-	506.00	-
	-	169.40	-
	83.00	-	-
	-	63.50	-
	-	326.29	-
	-	100.00	300.00
	-	61.38	-
	-	463.82	-
\$	83.00	3,285.39	618.99

Exhibit BReport on Special Investigation of the
City of Davis CityUnsupported Vendor Payments
For the period October 1, 2006 through November 26, 2011

Per Check Image				
Check Date	Check Number	Payee	Amount	
12/04/06	2918	Joe Lewis	\$	975.41
10/01/07	3074	1st Union Church		500.00
12/20/07	3113	Bob Toney		438.60
07/30/09	3431	John Anderson		2,327.40
07/30/09	3432	Lee Anderson		2,327.40
09/21/09	3470	Office Max		418.67
02/18/10	3555	Larry's General Repair		194.54
04/01/10	3570	Video Adventure		339.06
05/03/10	3593	Brad Kinney		500.00
06/15/10	4005	NAPA		59.42
12/06/10	4108	Mike Boswell		73.88
12/06/10	4105	Robert Rehm		129.29
12/13/10	4115	NAPA		47.64
01/15/11	4136	Larry's General Repair		205.90
02/20/11	4150	Leon True Value		4.29
03/15/11	4167	Larry's General Repair		58.08
05/15/11	4197	R C Systems		80.90
05/26/11	4203	Dollar General		12.57
06/15/11	4216	Leon True Value		128.62
07/16/11	4248	NAPA		90.46
07/16/11	4247	Radio Communication Co		873.03
09/07/11	4264	Miki Harrah		1,250.00
09/25/11	4279	NAPA		16.69
11/14/11	4304	NAPA		91.80
Total			\$	<u>11,143.65</u>

Report on Special Investigation of the
City of Davis City

Staff

This special investigation was performed by:

Annette K. Campbell, CPA, Director
James S. Cunningham, CPA, Manager
Melissa J. Knoll-Speer, Senior Auditor II


Tamera S. Kusian, CPA
Deputy Auditor of State