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NEWS RELEASE

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Auditor of State Mary Mosiman today released a report on a special investigation of the City of Neola for the period January 1, 2009 through December 31, 2013. The special investigation was requested by City officials after identifying concerns with certain financial transactions processed by the former City Clerk, Deb Schierbrock. City officials also requested financial transactions processed by the Neola Volunteer Fire Department (Department) be reviewed to ensure City funds had not been comingled with Department funds. The Fire Chief is the former City Clerk's husband. As a department of the City, the Department should deposit all collections for operations with the City and all disbursements should be paid by the City rather than from a separately maintained bank account.

Mosiman reported the special investigation identified \$230,795.55 of improper and unsupported disbursements and undeposited utility collections. The amounts identified are summarized in the following table.

Description	City's Bank Account	Department's Bank Account	Total
Improper disbursements	\$ 21,448.61	19,857.33	41,305.94
Unsupported disbursements	94,922.50	27,366.88	122,289.38
Undeposited collections	67,200.23	-	67,200.23
Total	\$ 183,571.34	47,224.21	230,795.55

The \$21,448.61 of improper disbursements identified from the City's bank account includes \$10,392.00 paid to a contractor for unapproved concrete work at Mrs. Schierbrock's sister's home, payments to retail stores and restaurants, late fees and penalties paid to IPERS, and improper overtime payments. The \$94,922.50 of unsupported disbursements identified from the City's bank account includes over \$45,000.00 paid to convenience stores for fuel and other items. The unsupported disbursements identified also include payments to retail stores and reimbursements to Mrs. Schierbrock and her husband.

The \$19,857.33 of improper disbursements identified from the Department's bank account includes \$7,359.35 paid to grocery stores, including payments to Schierbrock's Grocery Store. The improper disbursements also include payments to retail vendors, checks issued to cash and petty cash, and purchases from restaurants. The \$27,366.88 of unsupported disbursements identified from the Department's bank account includes reimbursements to the volunteers and other individuals and purchases from auto supply stores and other retail vendors.

Mosiman also reported the City and the Department did not maintain supporting documentation for their disbursements, including disbursements which were considered reasonable for the operations of the City and the Department, such as phone charges, equipment purchases, and office supplies. We were unable to determine if the purchases were for City or Department operations or were for personal use because supporting documentation was not maintained for certain payments by the City and the Department, including payments to grocery stores, fuel vendors, Sam's Club, and Wal-Mart.

A City ordinance requires utility bills be paid by the 15th of each month or be charged a penalty for late payment. Mosiman reported Mrs. Schierbrock failed to bill and collect \$55,937.13 of utility penalties in accordance with the City's ordinance. She did not calculate or apply penalties to certain accounts, including the accounts for her personal residence and Schierbrock's Grocery Store, which was owned and operated by the family of the former City Clerk's husband until it closed in November 2013. The utility accounts for her personal residence and Schierbrock's Grocery Store should have been assessed \$12,838.04 and \$24,880.87 of penalties, respectively.

It is not possible to determine if additional undeposited collections related to City operations or donations and proceeds from fundraising events held by the Department were not properly deposited because adequate records were not available.

Mosiman also reported the Department deposited \$7,881.16 of collections for emergency medical and ambulance service billings to the Neola Fire & Rescue Fund Raisers Inc. bank account instead of to the City's bank account. Fund Raisers Inc. is a non-profit organization which was created to support the Department. The collections should have been deposited with the City and restricted for the operations of the Department.

Mosiman also reported the City did not comply with section 384.20 of the *Code of Iowa*, which states, in part, "A city shall keep accounts which show an accurate and detailed settlement of all public funds collected, received, or expended." The Department should deposit all collections for operations with the City and all disbursements should be paid by the City rather than from a separately maintained bank account.

The report also includes recommendations for the City to strengthen internal controls, including segregation of duties, maintaining supporting documentation, preparing utility and bank reconciliations, and developing a policy and procedure manual.

Copies of the report have been filed with the Division of Criminal Investigation, the Pottawattamie County Attorney's Office, and the Attorney General's Office. A copy of the report is available for review in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/specials/1421-0738-BE00.pdf>.

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**REPORT ON SPECIAL INVESTIGATION
OF THE
CITY OF NEOLA
FOR THE PERIOD
JANUARY 1, 2009 THROUGH DECEMBER 31, 2013**

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Auditor of State's Report

To the Honorable Mayor and
Members of the City Council:

As a result of concerns regarding possible improprieties regarding certain disbursements and at your request, we have conducted a special investigation of the City of Neola (City) and the Neola Volunteer Fire Department (Department). We have applied certain tests and procedures to selected financial transactions of the City and the Department for the period January 1, 2009 through December 31, 2013. Based on our review of relevant information and discussions with City Council members and other City and Department officials and personnel, we performed the following procedures:

- (1) Evaluated internal controls to determine whether adequate policies and procedures were in place and operating effectively.
- (2) Examined deposits to the City's bank account to determine the source and purpose of each deposit and to determine if deposits were made intact. We also confirmed certain collections related to Department operations to determine if they were properly deposited.
- (3) Reviewed activity in the City's bank account and the Fire Department's bank account to identify any unusual activity and examined images of redeemed checks.
- (4) Reviewed deposit activity in the Neola Fire & Rescue Fund Raisers Inc. bank account to determine the source of deposits and determine if any City funds were deposited in the account.
- (5) For selected disbursements, we examined available supporting documentation to determine whether the disbursements were appropriate, properly approved, and properly supported.
- (6) Examined payroll disbursements to all City officials, the Fire Chief, and the former City Clerk, Deb Schierbrock, to determine if payments were properly approved, properly supported, and the amount and frequency of the payments were reasonable.
- (7) Examined reimbursements to Mrs. Schierbrock and City officials to determine if payments were properly approved and supported.
- (8) Interviewed City officials and personnel to determine the purpose of certain disbursements and reimbursements made to employees and vendors.
- (9) Reviewed all collections for emergency medical and ambulance service billings to determine if they were deposited to the correct bank account and used properly.

These procedures identified \$230,795.55 of improper and unsupported disbursements and undeposited collections during the period January 1, 2009 through December 31, 2013. Of this amount, \$116,371.11 is disbursements from the City's bank account, \$47,224.21 is


disbursements from the Department's separately maintained bank account, and \$67,200.23 is undeposited City collections. We were unable to determine if there were any additional improper disbursements from the City or the Department's bank accounts or if all collections related to City operations or donations and proceeds from fundraising events held by the Department were properly deposited because adequate records were not available. Several internal control weaknesses were also identified. Our detailed findings and recommendations are presented in the Investigative Summary and **Exhibits A** through **E** of this report.

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

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

We would like to acknowledge the assistance and many courtesies extended to us by the officials of the City of Neola and representatives of the Neola Volunteer Fire Department during the course of our investigation.


MARY MOSIMAN, CPA
Auditor of State


WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

September 18, 2015

Report on Special Investigation of the
City of Neola

Investigative Summary

Background Information

The City of Neola is located in Pottawattamie County and has a population of 842, according to the 2010 census. The City is governed by a City Council consisting of 5 members. The City employs a full time City Clerk and a Maintenance Supervisor who oversees the operations of the Street Department.

Deb Schierbrock became City Clerk on January 7, 2008. As the City Clerk, she was responsible for:

- 1) Receipts – collecting, posting to the accounting records, and preparing and making bank deposits,
- 2) Disbursements – making certain purchases, receiving certain goods and services, presenting proposed disbursements to the City Council, maintaining supporting documentation, preparing and signing checks, distributing checks, and posting to the accounting records,
- 3) Payroll – calculating, preparing, signing, and distributing checks and posting to the accounting records,
- 4) Utility billings – preparing and mailing billings, receipting and depositing collections, and posting collections to customer accounts and accounting records,
- 5) Bank accounts – receiving and reconciling monthly bank statements to accounting records, and
- 6) Reporting – preparing financial reports, including the Annual Financial Report and the City budget, preparing City Council meeting minutes, and other reports as requested by the City Council.

Bill Schierbrock, Mrs. Schierbrock's husband, began employment as the City Maintenance Operator on January 17, 2008. As the Maintenance Operator, he oversaw the operations of the water plant, tested water samples, read meters, and was on-call in case of emergencies until he left the City's employment in December 2013. During the winter months, Mr. Schierbrock also plowed snow for the City. In addition to being the Maintenance Operator, Mr. Schierbrock is the Fire Chief of the Neola Volunteer Fire Department.

According to the City's personnel policy, City employees are paid on a weekly basis. City employees are required to use a time clock to record the hours worked and submit the timecards to the City Clerk at the end of the pay period. After receiving the timecards, the City Clerk is to prepare the payroll, write the checks, and distribute the checks to employees. The City Clerk is to maintain the timecards in the payroll files.

The City provides each full time employee a monthly stipend in lieu of health insurance. The stipend is currently \$480.00 per month. The City also reimburses employees for expenses related to City operations, including travel, with adequate supporting documentation.

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 Pottawattamie County. The City receives payments from the State and County electronically. The City also bills residents and businesses for electric, water, sewer, and garbage service. Utility bills are collected through the mail, in person, or in the drop box at City Hall. All collections are to be deposited in the City's bank account.

All City disbursements are to be paid by check and are required to be supported by invoices or other documentation obtained by or submitted to the City Clerk. Each month, the City Clerk is to

prepare a listing of bills and provide the listing to the City Council for approval. After the City Council reviews and approves the bills and supporting documentation, the City Clerk and Mayor sign the checks. The City also maintains a credit card for on-line purchases.

The City's monthly bank statements are mailed to City Hall and opened by the City Clerk. The City Clerk is to review the statements and images of the redeemed checks included with the statements. The bank statements are not reconciled to the City's accounting system. Neither the Mayor nor members of the City Council review the bank statements.

The Neola Volunteer Fire Department (Department) is a department of the City. The Department provides fire and emergency medical and ambulance services to the City and surrounding townships. Members of the Department are volunteers from the community who elect a Fire Chief annually. The City Council must approve the individual elected as the Fire Chief. Mr. Schierbrock has been the Fire Chief since 1995.

In addition to funds budgeted by the City for Department operations, the Department enters into contracts to provide fire service to surrounding townships. The Department also bills for emergency medical and ambulance service, except when the service is provided to a resident of the City.

The Department contracts with EMS Billing Services Inc. (EMS) to handle billings and collections for the Department's emergency medical and ambulance service. EMS prepares the bills based on the call logs provided by the Department and mails them to insurance companies, Medicaid/Medicare, and to individuals who are responsible for paying the bill. The bill includes instructions to mail payments to EMS rather than the City. At the end of each month, EMS mails a check for collections and its invoice for services to the Department along with a statement documenting which bills were collected.

Prior to the start of the investigation, the Department deposited all collections received from EMS and township contracts into a separately maintained bank account. The Department issued checks to EMS and paid some of the Department's operating expenses from the separately maintained bank account. During our investigation, Department officials were replaced by the City Clerk and the Mayor as the authorized signers on the Department's bank account. The City Clerk then became responsible for the transactions recorded in the account.

The Department established Neola Fire & Rescue Fund Raisers, Inc. (Fund Raisers) as a non-profit corporation under section 504A of the *Code of Iowa* in 1996. The organization raises funds for the acquisition and maintenance of fire and rescue vehicles, equipment and buildings, and for general operations of the Department. Fund Raisers was approved as a 501C.3 charitable organization by the Internal Revenue Service on December 30, 1996.

On November 12, 2012, the City Council approved a motion to sell the Department's 1999 International Toyne pumper firetruck for \$110,000.00 to Ewing-Northern Fire Protection District and to order a 2013 Toyne pumper from Toyne Inc. On November 13, 2012, the City entered into a contract with Toyne Inc. for the purchase of the truck. According to the contract, the cost of the truck was \$267,973.00. The City made an initial payment of \$90,373.00 on March 14, 2013. According to a City Council member we spoke with, the City intended to finance the truck because it would not have the funds on-hand to pay for the truck when the final bill was received. However, neither the City Council nor the City Clerk pursued financing for the truck.

In July 2013, a representative from Toyne Inc. called and informed Mrs. Schierbrock the truck was complete and ready for pickup and she prepared a check for \$184,794.00, which included the remaining balance of the original contract and an increase because of a change order. According to Mrs. Schierbrock, she gave the check to Mr. Schierbrock, who picked up the truck.

When the bank received the check, the bank's President called Mrs. Schierbrock and informed her there were insufficient funds in the City's bank account to honor the check. The check was

posted to the City's account on July 31, 2013. Prior to the check posting, the account had a balance of \$58,306.53. After the check was posted, the account showed a deficit balance of \$126,487.47. According to Mrs. Schierbrock, she instructed the bank's President to redeem the City's electric certificate of deposit (CD) which totaled \$132,473.57. The proceeds from the CD were added to the City's bank account on August 1, 2013, which resulted in an account balance of \$1,022.81.

According to a City Council member, after the CD was redeemed and the proceeds were deposited to the City's bank account, a bank representative called the Mayor and told him what had happened. The Mayor called several members of the City Council and met with Mrs. Schierbrock. On August 25, 2013, the City Council terminated her employment as the City Clerk, effective immediately, because of her inability to perform her duties as City Clerk. Upon Mrs. Schierbrock's termination, the Deputy Clerk became the acting City Clerk until November 27, 2013, when a new City Clerk was hired. The acting City Clerk resigned when the new City Clerk was hired.

While organizing the office and records, the new City Clerk noticed some unusual receipts for purchases of food. The City Clerk brought the concerns to the newly elected Mayor. On February 11, 2014, the Mayor contacted the Office of Auditor of State for assistance. During the City Council meeting on February 13, 2014, the City Council voted to have the Office of Auditor of State perform an investigation of the City's financial transactions.

As a result, the Office of Auditor of State performed the procedures detailed in the Auditor of State's Report for the period January 1, 2009 through December 31, 2013.

Detailed Findings

These procedures identified \$230,795.55 of improper and unsupported disbursements and undeposited utility receipts. The amounts identified are summarized in **Table 1**.

Table 1

Description	City's Bank Account	Department's Bank Account	Total
Improper disbursements	\$ 21,448.61	19,857.33	41,305.94
Unsupported disbursements	94,922.50	27,366.88	122,289.38
Undeposited collections	67,200.23	-	67,200.23
Total	\$ 183,571.34	47,224.21	230,795.55

The \$21,448.61 of improper disbursements identified from the City's bank account includes \$10,392.00 paid to a contractor for unapproved concrete work at Mrs. Schierbrock's sister's home, payments to retail stores and restaurants, late fees and penalties paid to IPERS, and improper overtime payments. The \$94,922.50 of unsupported disbursements identified from the City's bank account includes over \$45,000.00 paid to convenience stores for fuel and other items. The unsupported disbursements identified also include payments to retail stores and reimbursements to Mrs. Schierbrock and her husband.

The \$19,857.33 of improper disbursements identified from the Department's bank account includes \$7,359.35 paid to grocery stores, including payments to Schierbrock's Grocery Store. The improper disbursements also include payments to retail vendors, checks issued to cash and petty cash, and purchases from restaurants. The \$27,366.88 of unsupported disbursements identified from the Department's bank account includes reimbursements to the volunteers and other individuals and purchases from auto supply stores and other retail vendors.

We were unable to determine if there were any additional improper disbursements or if all collections related to City operations or donations and proceeds from fundraising events held by the Department were properly deposited because adequate records were not available.

The unsupported and improper disbursements identified are discussed in the following paragraphs and are summarized in **Exhibit A**.

We also identified disbursements we consider reasonable for City and Department operations based on discussions with City and Department personnel, supporting documentation maintained by the City and the Department, the vendors, and the type of goods and services provided by the vendor. Examples of disbursements we consider reasonable include payments for postage, utilities, fire equipment, medical supplies, construction services, and payments to State agencies, such as IPERS and the Department of Revenue.

FINANCIAL TRANSACTIONS OF THE CITY OF NEOLA

We reviewed disbursements from the City’s bank account for the period July 1, 2009 through December 31, 2013 to determine if they were appropriate; however, supporting documentation was not available for all disbursements from the City’s bank account. Based on discussions with City officials and Department staff, available supporting documentation, the vendors, the types of goods and/or services provided by the vendor, and the frequency and amounts paid to the vendors, we classified the disbursements as reasonable, improper, or unsupported. It was necessary to discuss some of the disbursements with Department staff because, even though the Department maintained a separate bank account, the City paid certain costs on behalf of the Department from the City’s bank account.

Disbursements were classified as improper if they appeared personal in nature or were not reasonable for City or Department operations. Disbursements were classified as unsupported if sufficient documentation was not available and we were unable to determine the propriety of the payment based on information obtained from City or Department staff, the payee, amount, and frequency of the payments. Disbursements were classified as reasonable if supporting documentation was available and/or if the disbursement appeared to be for City or Department operations based on the vendor, amount of payment, and frequency of payments to the vendor.

Exhibit B lists certain withdrawals and checks from the City’s bank account. The **Exhibit** does not include checks issued from the City’s bank account which were determined to be reasonable for City operations, unless a portion of the payment was classified as improper or unsupported. As summarized in the **Exhibit**, we identified \$17,163.86 of improper disbursements and \$89,795.60 of unsupported disbursements from the City’s bank account during the period of our investigation. The improper and unsupported disbursements identified are discussed in detail in the following paragraphs.

IMPROPER DISBURSEMENTS

Payments to Vendors - As illustrated by **Exhibit B**, we identified improper disbursements during the period of our investigation. **Table 2** lists the categories, the number of transactions, and the amount identified for the improper disbursements.

Table 2

Category	Number of Transactions	Improper Amount
Contractor payment	1	\$ 10,392.00
Retail	36	2,707.76
Restaurants	14	2,109.75
Petty cash	23	957.46
Grocery store	9	279.44
Office supplies	4	66.91
Other	12	650.54
Total	99	\$ 17,163.86

The **Table** illustrates we identified 99 improper payments totaling \$17,163.86. The following is a brief description of the improper payments in selected categories.

Contractor Payment – On September 17, 2012, check number 14082 was issued to Ron Handsaker for \$13,500.00. The invoice from Mr. Handsaker shows the payment was for removing and replacing a 106-foot by 4-foot front sidewalk, a 20-foot by 12-foot approach, rock, a driveway and slab, and a retaining wall at the residence of Denise Ring. A copy of the invoice is included in **Appendix 1**. According to a City official we spoke with, Ms. Ring is Mrs. Schierbrock's sister.

As illustrated by the **Appendix**, the cost of removing and replacing the sidewalk and approach was \$1,908.00 and \$1,200.00, respectively. In addition, the cost of removing and replacing the driveway, slab, and the retaining wall was \$10,167.00. The **Appendix** also illustrates the City paid \$225.00 for 14 tons of rock used at Ms. Ring's residence.

According to a City official we spoke with, the City undertook a program in 2012 to improve the concrete curbing of the business district. Property owners could have additional work performed for sidewalk repair and/or replacement at their cost. The additional work was to be initially paid by the City but the cost was to be repaid to the City by the property owners within a year, without any interest. According to the City official we spoke with, Ms. Ring requested permission to participate in the program even though the request was for her residence outside the business district.

While City officials approved her participation in the program, it was expected to be limited to sidewalk and approach repair or replacement. The cost of replacing the sidewalk and approach totaled \$3,108.00. City officials were not aware of and did not approve the removal and replacement of the driveway, slab, and retaining wall. In addition, City officials were not aware of the additional costs incurred for the rock, the majority of which would have been used for the driveway. The driveway, slab, retaining wall, and rock cost an additional \$10,392.00.

We reviewed minutes of City Council meetings and did not identify any discussions regarding the work performed at Ms. Ring's residence but paid for by the City. In addition, the payment to Mr. Handsaker was not included on any disbursement listings approved by the City Council. As the City Clerk, it was Mrs. Schierbrock's responsibility to ensure all disbursements were properly approved by the City Council.

After City officials became aware of the improvements to Ms. Ring's property which were improperly paid for by the City, a representative of the City sent a letter to Ms. Ring regarding payment to the City for the improvements. The letter, sent in September 2014, referred to an agreement Ms. Ring had established with the City to have a miscellaneous charge of \$50.00 added to her monthly utility bill in order to settle the \$13,500.00 owed. It appears the agreement was established between Ms. Ring and her sister, Mrs. Schierbrock, without the City Council's knowledge or approval. By paying \$50.00 per month, it would have taken Ms. Ring 22.5 years to repay the City the \$13,500.00 cost.

We reviewed the transactions recorded in the City's utility billing system for Ms. Ring's account and determined a \$50.00 fee was added to the account each month from October 2012 through August 2013. As stated previously, Mrs. Schierbrock was responsible for the preparation of the monthly utility billings and her employment with the City was terminated on August 25, 2013. The fee was no longer added to Ms. Ring's monthly billing after Mrs. Schierbrock's termination. During our review of Ms. Ring's utility account, we also determined:

- Payments were recorded on June 10, 2013 and September 18, 2013. Although no other payments were recorded between the 2 dates, no penalties were applied to the account due to delinquent payments.

- Adjustments were made to the account on August 20, 2013 which decreased the balance due by \$350.00. Because Mrs. Schierbrock was the City Clerk on August 20, 2013, she would have been responsible for the entries made to the utility billing system. We were unable to locate any explanation for or documentation related to the adjustment.

Every payment recorded to the account for each month from September 2013 through January 2014 was each payment was for less than the amount due on the account. The payment recorded to the account on February 27, 2014 brought the balance due to zero.

The letter sent to Ms. Ring in September 2014 stated she made eleven \$50.00 payments totaling \$550.00 between October 2012 and August 2013. **Table 3** summarizes the activity recorded in Ms. Ring’s utility account for the concrete work paid for by the City. As illustrated by the **Table**, eleven \$50.00 fees were added to Ms. Ring’s utility account during this period. However, she did not pay all the fees recorded in the account. Instead, some of the fees were reversed with the adjustments recorded on August 20, 2013. The **Table** illustrates a net billing of \$200.00 was recorded to Ms. Ring’s utility account for the concrete work. Because the account balance was shown as paid in full with the payment recorded on February 27, 2014, Ms. Ring paid only \$200.00 for the concrete work rather than the \$550.00 reported by the City in the September 2014 letter.

Table 3

Date	Description	Amount
10/01/12	Service-Miscellaneous	\$ 50.00
11/09/12	Service-Miscellaneous	50.00
12/10/12 [^]	Billing-Miscellaneous	50.00
01/10/13 [^]	Billing-Miscellaneous	50.00
02/10/13	Miscellaneous-Garbage Paving	50.00
03/10/13	Billing-Miscellaneous	50.00
04/10/13	Billing-Miscellaneous	50.00
05/10/13	Billing-Miscellaneous	50.00
06/10/13	Billing-Miscellaneous	50.00
07/10/13	Billing-Miscellaneous	50.00
08/10/13	Billing-Miscellaneous	50.00
08/20/13	Adjustment-Garbage	(24.00)
08/20/13	Adjustment-Miscellaneous	(144.03)
08/20/13	Adjustment-Garbage	(12.00)
08/20/13	Adjustment-Miscellaneous	(50.00)
08/20/13	Adjustment-Garbage	(12.00)
08/20/13	Adjustment-Miscellaneous	(50.00)
08/20/13	Adjustment-Garbage	(7.97)
08/20/13	Adjustment-Miscellaneous	(50.00)
Net Total		<u>\$ 200.00</u>

[^] - The December 2012 and January 2013 billings were recorded in 2 utility systems as the City transitioned from one system to another. While the amounts of the billings were the same, the dates and descriptions of the transactions varied slightly. The dates and descriptions included in the **Table** are per the City’s current utility billing system.

As illustrated by the **Table**, the \$50.00 fee included in the February 10, 2013 billing was recorded as a garbage fee instead of a miscellaneous fee. As also illustrated by the **Table**, some of the adjustments recorded on August 20, 2013 were recorded to garbage fees and others were recorded to miscellaneous. Ms. Ring's utility account showed she was charged \$12.00 each month for garbage service. However, there was no reason to remove the monthly garbage service charges from her account. As a result, it appears the \$350.00 of adjustments were related to the paving costs recorded in Ms. Ring's utility account.

In addition to the amounts Ms. Ring paid to the City through her utility account, Albert Ring, her father, made a payment to the City for the concrete work at her residence, which was recorded in the City's accounting system on September 26, 2012. We also observed a deposit slip Mrs. Schierbrock prepared on September 26, 2012 which shows the \$2,000.00 payment from Mr. Ring was deposited to the City's bank account.

In December 2014, the City sent a statement to the County Treasurer which certified the \$10,950.00 of unpaid concrete work as paving services for Ms. Ring. This amount was determined by subtracting the \$2,000.00 payment from Mr. Ring and the \$550.00 the City believed had been paid through the utility billing system from the \$13,500.00 invoice amount paid by the City. The certification also stated the amount was to be paid over 5 years at 0% interest. As a result of the certification, the County recorded a special assessment on Ms. Ring's property for \$2,191.00 per year for 5 years. The assessment included a \$5.00 administrative fee. Using online property records, we determined the first \$2,191.00 payment was made on September 3, 2015.

Because the City used the \$550.00 amount in the calculation of the special assessment rather than the \$200.00 actually collected, City officials should consult legal counsel regarding recovery of the remaining \$350.00.

Because Mrs. Schierbrock should not have used City funds to pay the \$10,392.00 of unapproved concrete work at Ms. Ring's residence, the payment is included in **Exhibit B** as an improper disbursement. The City subsequently received \$4,391.00 for the concrete work at Ms. Ring's residence, including \$200.00 through the utility billing system, the \$2,000.00 payment from Mr. Ring, and the \$2,191.00 assessment paid in 2015. Of the \$4,391.00 repaid to the City, \$3,108.00 should have been repaid to the City within 1 year for the concrete work authorized by the City Council. The remaining \$1,283.00 repaid to the City is included in **Exhibit A** as a partial repayment of the \$10,392.00 improperly paid by the City.

As stated previously, the City Council approved paying for certain concrete work at specified properties. The property owners were to repay the City for the cost of the concrete work within a year without any interest. In addition, a 5-year special assessment without interest was established for Ms. Ring's property to reimburse the City after City officials became aware of unauthorized concrete work performed at her residence and paid for by the City. Establishing a long-term interest-free financing arrangement for Ms. Ring covering unapproved improvements to her personal residence does not provide a public benefit.

In accordance with section 74A.4 of the *Code of Iowa*, the rate of interest payable on unpaid balances of special assessments levied against benefited properties shall not exceed the maximum rate in effect at the time of adoption of the final assessment schedule, which was 9% at the time the City established the special assessment. It would have been reasonable and in the City's best interest to have included interest on the remaining unpaid balance for the improvements made to Ms. Ring's property.

Retail – As illustrated by **Table 2**, we identified 36 improper purchases from retail vendors which total \$2,707.76. Of the 36 purchases identified, 23 were from Wal-Mart and included food, candy, toys, and holiday decorations. The remaining improper payments identified include 5 checks which total \$925.00 for multiple membership dues at Sam's Club. While it would not be improper for the City to pay for 1 or 2 memberships if the City Council approved the memberships, the public benefit of paying for more than 2 memberships which are held simultaneously is not obvious.

Restaurants – As illustrated by **Table 2**, we identified 14 improper purchases from restaurants which total \$2,109.75. Some of the purchases included alcohol. Of the 14 purchases identified, 9 were from local vendors, including 4 for holiday outings for City employees and City officials in January 2010, January 2011, January 2012, and December 2012. Of the 4 payments, 3 were to Pizza King and ranged from \$371.74 to \$422.55 and a \$550.53 payment was made to Gurney's Restaurant in Missouri Valley.

While there may be certain instances for which it would be reasonable for the City to pay for meals for employees, it is not in the public's benefit to pay for meals while the employees are not traveling outside the City unless attending an approved event. The remaining improper payments identified included alcohol purchases.

Petty Cash – Petty cash is used to pay small amounts owed, such as postage. For any disbursement from petty cash, a receipt or other appropriate supporting documentation should be maintained with the remaining petty cash until it is replenished. The supporting documentation should then be maintained with the disbursement records to support the replenishment.

We identified 23 checks issued to petty cash which total \$957.46. The receipts to support some of the purchases made with petty cash show the purchases were not appropriate for City funds. For example, a Band Perry compact disc, groceries, and clothing were purchased. In addition, we identified receipts for meals purchased with petty cash.

Disbursements for meals and other travel related expenditures are normally done through a reimbursement process. The process requires the employee to submit a request for reimbursement along with the supporting documentation and the reason why the expenditure was incurred. After being reviewed by the appropriate supervisory personnel and approved, a reimbursement check is issued to the employee.

According to the current City Clerk, the City's accounting system shows the last reimbursement to petty cash was on October 18, 2013. The current City Clerk also stated there has not been a petty cash account since she became City Clerk and she was not familiar with what it would have been used for in the past. Based on this information and disbursements we identified from the City's bank account, it is unlikely the \$957.46 total of the checks issued to petty cash were related to postage or other small payments.

Grocery Stores – As illustrated by **Table 2**, we identified 9 improper purchases from grocery stores which total \$279.44. Of the 9 purchases identified, 8 were from Fareway and included candy and coffee. The remaining purchase also included candy and muffins.

Other – The 12 improper disbursements described as "other" in **Table 2** total \$650.54 and include the following payments:

- Traffic Ticket – As illustrated by **Exhibit B**, the City paid \$100.00 to Council Bluffs Photo Enforcement on October 9, 2012 for a ticket resulting from a

vehicle running a red light. The City was unable to provide support showing who the ticket was issued to or why the ticket was paid.

Traffic tickets are the responsibility of the individual to whom the ticket is issued, regardless if they are driving a City vehicle or their personal vehicle on City business. There is no public benefit from using City funds to pay traffic tickets or other fines resulting from driver violations. As a result, the \$100.00 is included in **Exhibit A** as an improper disbursement.

- Bank Overdraft Charges – During our review of disbursements from the City’s bank account, we identified 4 instances in which a total of \$195.00 of bank overdraft charges were incurred. Of this amount, \$150.00 was the result of Mrs. Schierbrock issuing a check for \$187,704.00 in July 2013 to pay the balance on the new pumper truck purchased by the City. As previously stated, the payment resulted in a deficit balance of \$126,487.47 in the bank account because sufficient funds were not available when the check was redeemed.

Because Mrs. Schierbrock should have ensured the City’s bank account contained sufficient funds prior to issuing disbursements from the account, the \$195.00 is included in **Exhibit A** as improper disbursements.

UPS Charges – The City has a prepaid account with UPS which is used primarily for shipping water samples for analysis and occasionally other City operations. We identified a check written to UPS to replenish the UPS prepaid account which was supported by an invoice showing shipping charges were incurred for items shipped from Delta Sports in Dike, IA to Scheel’s All Sports in Cedar Falls, IA. Because these charges did not appear appropriate for City operations, we requested City officials obtain an account history from UPS of the City’s prepaid account. City officials obtained a list of charges to the account for the period of our investigation.

We reviewed the list of 716 charges City officials obtained from UPS. Of the 716 charges, 313 charges included a complete address and 403 charges included only a zip code for the receiver. We compared the zip codes provided for the 403 charges without complete addresses to the zip codes identified for the 313 charges with complete addresses and determined:

- 389 shipments were from the City to Newton, IA, where the company used for water testing is located. These shipments are appropriate for City operations.
- 4 were from the City to the University of Iowa. The State Hygienic Lab is located at the University and the City has sent water samples there for testing. As a result, these shipments are appropriate for City operations.
- The remaining 10 charges were for shipments from the City. The destinations the packages were shipped to included 1 to Iowa State University in Ames, IA; 3 to Lake Forest, CA; 3 to Branford, CT; 1 to Omaha, NE; 1 to Imperial, NE; and 1 to Waukesha, WI. City officials were not able to provide support for these 10 charges or a reason for shipping packages to these destinations. Because we were unable to determine the propriety of the charges, the \$78.34 paid by the City for the 10 shipping charges is included in **Exhibit A** as unsupported disbursements.

Based on the shipper and receiver listed for the 313 charges with complete address information, we identified 68 charges totaling \$702.01 which were not related to City operations. **Table 4** summarizes the 68 improper charges identified.

Table 4

Shipper	Receiver	Number of Shipments	Amount
Delta Sports - Dike, Iowa	Scheel's All Sports - Cedar Falls, IA	60	\$ 572.21
Packaging Products Corp. - Rome, GA	INX International - WI, IL, CO	4	78.81
Gateway Warehouse - Calumet City, IL	INX International, WI	1	26.07
Darling Bolt Co. - Warren, MI	Long-Lok Fasteners Corp. - CA	1	9.29
City of Neola, IA	Peltz Shoes - Clearwater, FL	1	8.05
City of Neola, IA	Stacy Shure - Los Angeles, CA	1	7.58
Total		68	\$ 702.01

As illustrated by the **Table**, the City paid \$572.21 for shipments from Delta Sports in Dike, IA to Scheel's All Sports in Cedar Falls, IA. Delta Sports specializes in archery targets, decoys, and accessories. According to the UPS listing of charges, the first shipping charge for Delta Sports was on March 27, 2009. The last shipping charge was on July 2, 2012. **Table 4** also includes shipments from and to other vendors not associated with City operations and 2 shipments from the City which were personal in nature. The shipments to Peltz Shoes and Stacy Shure were sent by the former Deputy City Clerk, Sarah McDermott, according to information obtained from UPS. As a result, the \$702.01 of shipping costs is included in **Exhibit A** as improper disbursements.

IPERS Fees and Interest – By obtaining and reviewing Employer Annual Statements from IPERS for the years 2009 through 2013, we identified a number of transactions for which the City incurred fees and interest because payments were not remitted in a timely manner during 2012 and 2013. The \$1,293.75 of fees and interest identified for the period July 1, 2012 through December 31, 2013 are included in **Exhibit A** as improper disbursements.

Overtime Pay – The City's policy manual states:

“Overtime Pay – All full time City employees are paid at a rate of 1½ times their regular hourly rate for all hours worked in excess of 40 hours per week. Paid leaves, holidays, or any other paid non-work time shall not be counted as work time for purposes of determining overtime.”

Based on our review of timecards prepared by employees, information recorded in the payroll register, and the payroll checks issued to employees, we determined Mrs. Schierbrock and the Deputy City Clerk received overtime pay they were not entitled to in accordance with the City's policy. Overtime pay was incorrectly calculated during pay periods which included holidays, vacation, and sick leave. Because the overtime was incorrectly calculated, the City also incurred additional FICA and IPERS contributions as a result of the excess compensation.

As stated previously, Mrs. Schierbrock was responsible for collecting timecards, preparing the payroll register, and preparing and distributing payroll checks. The excess costs identified are summarized in **Table 5** and included in **Exhibit A** as improper disbursements.

Table 5

Employee	Number of Hours	Excess Costs		
		Gross Pay	City's Share of FICA and IPERS	Total
Deb Schierbrock	63.25	\$ 1,705.36	279.78	1,985.14
Sarah McDermott	23.00	261.00	42.85	303.85
Total		\$ 1,966.36	322.63	2,288.99

UNSUPPORTED DISBURSEMENTS

Payments to Deb and Bill Schierbrock – During our review of disbursements from the City’s bank account, we identified 42 non-payroll checks issued to Deb or Bill Schierbrock. The payments identified were reviewed to determine if they were supported by adequate documentation. As previously stated, Mrs. Schierbrock handled all responsibilities for payment distribution, including preparing and distributing checks, maintaining supporting documentation, and posting to the accounting records.

The 42 payments identified to Mrs. or Mr. Schierbrock total \$5,048.56. The City was unable to locate supporting documentation for any of the 42 payments. Of the payments identified, 26 totaling \$2,513.02 were paid to Mrs. Schierbrock. The 26 payments are included in **Exhibit C** and range from \$20.40 to \$309.00. Of the 26 payments, 16 are under \$100.00.

The 42 payments identified also include 16 payments totaling \$2,535.54 to Mr. Schierbrock. The payments are listed in **Exhibit D** and range from \$24.20 to \$900.00. Of the 16 payments, 10 are for \$100.00 or under and 1 was for \$900.00. We identified 4 instances where checks with sequential check numbers were issued to Mrs. and Mr. Schierbrock on the same day.

The \$2,513.02 paid to Mrs. Schierbrock and the \$2,535.54 paid to Mr. Schierbrock are included in **Exhibit A** as unsupported disbursements.

Other Unsupported Disbursements - The City purchases supplies, food, gas, and other items which are used for the operations of the City. The City did not maintain adequate supporting documentation which included a description of all items purchased and the purpose of all disbursements.

In addition to the unsupported payments to Mr. and Mrs. Schierbrock discussed in the previous section, we identified \$89,795.60 of unsupported disbursements during the period of our investigation. The additional unsupported disbursements identified are listed in **Exhibit B**. They are also summarized in **Table 6** by category, the number of transactions, and the amount identified for the unsupported disbursements.

Table 6

Category	Number of Transactions	Unsupported Amount
Convenience stores/fuel	140	\$ 45,084.30
Auto parts/supplies	60	15,735.55
Retail vendors	62	10,617.65
Office supplies	19	4,131.71
Grocery stores/restaurant supplies	11	2,740.13
Lodging	6	1,930.18
Electronics/computer store	4	1,854.07
Reimbursements to individuals	13	1,540.30
Electrical supplies and repair	45	1,388.87
Fire Department purchases	3	652.60
Petty cash	3	187.48
Printing/graphics	3	174.07
Other	15	3,758.69
Total	384	\$ 89,795.60

Because the City did not maintain supporting documentation for the purchases, or document the public purpose of the purchases, we could not determine if the purchases were for City, Department, or personal use. Because the City did not maintain adequate supporting

documentation for the disbursements summarized in **Table 6**, the \$89,795.60 total is included in **Exhibit A** as unsupported disbursements.

The **Table** illustrates we identified 384 payments for which the City could not provide supporting documentation or for which sufficient information was not available to determine if the disbursement was reasonable for City operations or personal in nature. The following is a brief description of selected categories.

Convenience Stores/Fuel – As illustrated by **Table 6**, we identified 140 unsupported payments totaling \$45,084.30 to convenience stores and other fuel vendors. The City purchases fuel for City and Department vehicles using credit cards issued by Fleet One, LLC and from Don's Fuel (Don's) in Neola. **Exhibit B** includes payments during the period of our investigation to Fleet One, LLC and payments to various convenience stores which sell fuel and other products.

In addition to purchasing fuel for City vehicles and Department trucks from Don's, the City also purchases propane from Don's. According to City staff we spoke with, Don's does not accept the Fleet One credit cards. Instead, a sales ticket is prepared which is to be signed by the person making the purchase. A copy of the ticket is maintained at Don's and a copy is provided to the purchaser which is to be submitted to the City Clerk. When the City Clerk receives the monthly bill from Don's, she is to match it to the individual sales receipts. The City was unable to provide the signed tickets to support the purchases made from Don's. The vendor was also unable to provide receipts for the payments.

The Fleet One credit cards are primarily used by the Department to purchase fuel for trucks and other equipment. However, the Fleet One credit cards were also occasionally used to purchase fuel for City operations. Because the Fleet One credit cards can be used at a number of locations, they allow Department members to purchase fuel from various locations prior to or after responding to emergency calls. The statements received from Fleet One include a statement for the Department and a separate statement for "maintenance," which are the City's charges. According to City staff we spoke with, there was only one pin number for all the Fleet One credit cards and the City and the Department did not track who used the credit cards, which could only be used for fuel purchases. However, the City was unable to provide detailed charge slips to document the purchases on the Fleet One credit cards.

The 140 payments summarized in **Table 6** include 12 purchases from Farm Service, a vendor which is no longer in business. According to a City employee we spoke with, this vendor was a cooperative from which fuel was purchased. The vendor also sold fertilizer. Because sufficient documentation was not maintained, we were unable to determine what portion of the payments were for fuel and what portion, if any, was for fertilizer.

Because the City did not maintain supporting documentation, including mileage logs and receipts, we are unable to determine if purchases from Don's, with the Fleet One credit cards, or purchases from other fuel vendors were for City or Department operations or were personal in nature.

Auto Parts/Supplies – As illustrated by **Table 6**, we identified 60 payments totaling \$15,735.55 to automotive supply vendors for which supporting documentation was not available or for which the receipts available did not contain a sufficient description to determine the propriety of the purchase.

Retail Vendors – As illustrated by **Table 6**, we identified 62 unsupported payments totaling \$10,617.65 to Wal-Mart, Menards, Bomgaars, Underwood Farm Supply, and similar retail stores. These stores carry items which could be for City operations or for personal use. Of

the \$10,617.65 identified, \$6,308.27 was paid to Menards, \$2,195.54 was paid to Bomgaars, and \$550.83 was paid to Underwood Farm Supply. Without detailed receipts, it is not possible to determine if the items or the quantity purchased would be necessary and reasonable for the operations of the City or may be for personal use.

Office Supplies - As illustrated by **Table 6**, we identified 19 payments totaling \$4,131.71 to office supply vendors for which supporting documentation was not available. All of the payments identified were to Office Max, which sells products which could be for City operations or for personal use.

Grocery Stores/Restaurant Supplies - As illustrated by **Table 6**, we identified 11 unsupported payments totaling \$2,740.13 to grocery stores and for restaurant supplies. The City purchased supplies, goods, and services from various grocery stores, including Fareway and Schierbrock's Grocery Store. These vendors sell items which could be for City, Department, or personal use.

We identified 10 payments to grocery stores which are classified as unsupported because receipts, invoices, or other appropriate documentation was not available or because we were unable to determine if the items purchased were for City operations or were personal in nature. The City paid \$2,586.62 for these purchases. Of this amount, \$2,549.05 was paid to Schierbrock's Grocery Store. Schierbrock's Grocery Store was owned by Bill Schierbrock's parents. As previously stated, Bill Schierbrock worked for the City and is the current Fire Chief and his wife was the City Clerk during part of the period of our investigation. Schierbrock's Grocery Store closed in November 2013.

It is not unusual for a City or a City Department to purchase food and beverages when there is a clear public benefit. Purchases of food for meetings or training may be an allowable use of public funds. However, the public benefit should be identified, documented, and approved during a City Council meeting prior to the event for which food and beverages are to be provided. Because the City did not maintain supporting documentation for the items purchased or the public purpose served, we could not determine if the purchases were for City or personal use. Individuals performing their normal job duties, such as traveling for work, should be responsible for purchasing their own meals and submitting a request for reimbursement.

Reimbursements to Individuals - As illustrated by **Table 6**, we identified 13 payments to individuals totaling \$1,540.30 for which supporting documentation was not available. City officials were unable to provide any reason for the payments. The payments ranged from \$25.00 to \$281.84. Of the 13 payments identified, 5 totaling \$430.00 were to Derek Schierbrock, the son of Mr. and Mrs. Schierbrock.

UNDEPOSITED COLLECTIONS

Unbilled and Uncollected Utility Billings - We identified several concerns during our review of the City's utility billing system. The concerns identified are discussed in the following paragraphs.

Unbilled Utility Penalties - We identified 11 utility accounts which were coded as exempt from penalties in the utility system. However, based on discussions with City officials, the 11 accounts should not have been exempt from penalties. In accordance with City Ordinance 223, dated December 28, 1977, all payments are payable on the 15th day of the month following the month for which the service is received. Payments not received by the 15th of the month shall be subject to a 5% late payment penalty.

We reviewed the 11 accounts and recalculated the penalty amounts as stated in the City's ordinance. For the 11 accounts identified, \$63,280.59 of penalties should have been billed and collected. However, only \$7,340.14 of penalties was posted to the accounts. As a result, the remaining \$55,937.13 of penalties are classified as undeposited utility collections. The \$55,937.13 is included in **Exhibit A** as undeposited collections

As stated previously, the utility account for Denise Ring, Mrs. Schierbrock's sister, was not charged the appropriate penalties when she did not make any utility payments between June 10, 2013 and September 18, 2013. During this period, her account should have been charged penalties. In accordance with the City's ordinance, the account should have continued to accrue penalties until the account was paid in full on February 27, 2014. The amount of penalties not assessed to Ms. Ring's account totals \$432.81. We also determined penalties were not properly assessed to the following accounts:

- The utility account for Mr. and Mrs. Schierbrock's personal residence should have been assessed \$12,838.04 of penalties because they did not pay their complete utility bill in a timely manner. Because the payments received did not completely satisfy the amount due, penalties should have continually accrued.
- The utility account for Schierbrock's Grocery Store, owned by Bill Schierbrock's parents, should have been assessed \$24,880.87 of penalties. While utility payments were received, they did not completely satisfy the amount due.

Section 388.6 of the *Code of Iowa* states, "A city utility or a combined utility system may not provide use or service at a discriminatory rate, except to the city or its agencies, as provided in section 384.91." As a result, the City is required to establish and apply consistent billing rates to certain types of customers, such as residential or commercial. We determined penalties were applied, as warranted, to utility accounts which were not coded as exempt from penalties. Providing utility services to certain customers without penalties would be considered a discriminatory rate.

Improper Adjustments - When we reviewed the utility billings, we also identified \$3,381.94 of adjustments which were not properly supported. The adjustments decreased the amount owed to the City. Of the amount identified, \$2,474.81 was for Schierbrock's Grocery Store's utility account. Because the adjustments were not properly supported, we were unable to determine why Mrs. Schierbrock made the adjustments. As a result, the \$3,381.94 is included in **Exhibit A** as undeposited collections.

Offset Billings - We also determined Mrs. Schierbrock did not consistently collect utility billings from the Gazette newspaper or pay the Gazette newspaper invoice in full each month. While reviewing several invoices from the Gazette, we observed the following hand note "applied to utility bill owing City." Based on the note, Mrs. Schierbrock applied a credit to the Gazette's utility bill for the amount the City owed the Gazette for publishing notices in the paper. We were unable to locate a specific payment for the bills for which she offset the amount owed to the Gazette by the amount the Gazette owed for utilities. The City was unable to provide support to document the City Council and the Gazette agreed to this practice.

By offsetting the invoices from the Gazette with the amount due for utilities, the appropriate amount of collections were not properly deposited in the Water and Sewer Funds. In addition, the City's General Fund financial position was enhanced because the amount due to the Gazette for publications was not paid from the General Fund. Because we are unable to identify the total amount the Gazette invoices were offset by utility billings, we are unable to determine the amount owed by the City's General Fund to the Water and Sewer funds. Because the net effect to the City's finances was zero, an amount has not been included in **Exhibit A**.

FINANCIAL TRANSACTIONS OF THE NEOLA FIRE DEPARTMENT

As previously stated, the Department is part of the City but maintains a separate bank account for operations. The Department receives collections from townships and EMS billings which are deposited in the Department's separately maintained bank account.

The Department also operates the Neola Fire and Rescue Fund Raisers, Inc. (Fund Raisers), a separate non-profit organization. Fund Raisers routinely collects donations and proceeds from fundraising events which are deposited into the Fund Raisers' separately maintained bank account. Checks issued from this account could be signed by the same individuals who were authorized to issue checks from the Department's bank account. According to an Officer with the Department, when something needed to be paid, they would make the payment from whatever checkbook was more readily available, either the checkbook for the Department's bank account or the checkbook for the Fund Raisers' bank account.

Because the Department is part of the City, all funds received are considered City funds and should be deposited to a City bank account. Disbursements should be necessary and reasonable for the operations of the Department, in the best interest of the public, and approved by the City Council. Section 384.20 of the *Code of Iowa* states, "A city shall keep accounts which show an accurate and detailed statement of all public funds collected, received, or expended for any city purpose, by any city officer, employee, or other person, and which show the receipts, use, and disposition of all city property. Public money may not be expended or encumbered except under and an annual or continuing appropriation." Based on this *Code* requirement, the City should maintain all accounts related to the Department.

Because the Department did not maintain adequate supporting documentation, including bank statements, invoices, charge slips, and other support, the current City Clerk contacted the bank and requested copies of the Department's bank statements and images of redeemed checks. We also obtained copies of the Fund Raisers' bank statements from members of the organization.

Using the documentation available from the Department and the bank, including images of checks redeemed from the Department's and the Fund Raisers' bank accounts, any available supporting documentation, information regarding the types of goods and/or services provided by the payees, and discussions with Department and City staff, we classified the disbursements as reasonable, improper, or unsupported.

Disbursements are classified as improper if they appear personal in nature and/or are not necessary or reasonable for operation of the Department. Disbursements are classified as unsupported if sufficient documentation was not available and we were unable to determine the propriety of the payment based on information obtained from Department and City staff, the payee, amount, and frequency of the payments. Disbursements are classified as reasonable if supporting documentation was available or if the disbursement appeared to be for Department operations based on the vendor, amount of payment, and frequency of payments to the vendor.

Exhibit E lists the improper and unsupported checks and other withdrawals identified from the Department's separately maintained bank account. As illustrated by the **Exhibit**, the Department purchases supplies, food, gas, and other items which are used for the operations of the Department. As previously stated, the Department's Treasurer stated the Department paid bills and made purchases using either the Department's checkbook or the Fund Raisers' checkbook, depending on which was more readily available. As illustrated by **Exhibit E**, we identified \$19,857.33 of improper disbursements and \$27,366.88 of unsupported disbursements from the Department's bank account during the period of our investigation. The improper and unsupported disbursements identified are explained in detail in the following paragraphs.

IMPROPER DISBURSEMENTS

As illustrated by **Exhibit E**, purchases were made from a number of vendors, including Kum & Go, Don's Fuel and Auto Inc. (Don's), Sam's Club, and various grocery stores. Supporting documentation was not available at the Department for all disbursements made by the Department. As shown in the **Exhibit**, we identified a total of \$19,857.33 of improper disbursements. The improper disbursements identified are summarized in **Table 7** and are discussed in detail in the following paragraphs.

Table 7

Category	Number of Payments	Amount
Grocery stores	28	\$ 7,359.35
Retail vendors	28	5,669.56
Cash	12	3,836.70
Restaurants	27	2,191.25
Related to Fund Raisers, Inc.	3	785.47
Bank fee	1	15.00
Total	99	\$ 19,857.33

Grocery Stores – As illustrated by **Table 7**, we identified 28 improper disbursements totaling \$7,359.35. The 3 largest payments were to Schierbrock's Grocery Store, the local grocery owned by Mr. Schierbrock's parents. These payments are listed in **Table 8**.

Table 8

Check Date	Check Number	Payee	Amount
04/15/09	1494	Schierbrock's Grocery	\$ 2,430.32
11/20/09	1518	Schierbrock	761.18
11/23/09	1516	Schierbrock's	690.41
Total			\$ 3,881.91

Based on the date of the payments and the amounts, it appears the checks were for supplies used during the annual St. Patrick's Day dinner held in March 2009 and the annual pancake breakfast held in November 2009. While the supplies for the events were paid for by the Department, the proceeds from the events were deposited to the Fund Raisers' bank account.

During our review of the Fund Raisers' bank statements, we identified 4 large disbursements to Schierbrock's Grocery Store in 2010 and 2011 which appear to be for the annual dinner in 2010 and 2011 and the pancake breakfast in 2010. When we reviewed the Department's and the Fund Raisers' bank statements, we determined the proceeds from these annual fund raising events were deposited into the Fund Raisers' bank account from March 2009 through March 2011 even though the groceries for the 2009 events were paid for from the Department's bank account. In addition, \$500.00 of the proceeds from the 2012 pancake breakfast were deposited to the Fund Raisers' bank account.

During our review of disbursements from the Department's bank account, we identified additional similar payments to Schierbrock's Grocery Store in 2011, 2012, and 2013 which appear to be for supplies for the annual dinner and pancake breakfast events. However, the proceeds for these events were deposited to the Department's bank account rather than the Fund Raisers' bank account. As a result, these payments are not included in **Exhibit A** as improper.

Because the Fund Raisers' organization was established to raise funds for the Department, all costs associate with fund raising events should be paid for from the Fund Raisers' bank account rather than the Department's funds. In addition, all proceeds from the fund raising events should be properly deposited to the Fund Raisers' bank account. However, if the City pays for some of the costs of these events, at a minimum, the City's costs should be recovered from the proceeds. The financial transactions between the 2 organizations should not be comingled.

Items purchased from vendors for the remaining disbursements to grocery stores included beer, pop, and various food items. While some of the receipts included notations the purchase was related to a training event, we were unable to verify that explanation.

Retail Vendors – As illustrated by **Table 7**, we identified 28 improper disbursements totaling \$5,669.56 to retail vendors, including payments to Kmart, Sam's Club, Shopko, Bass Pro Shops, and Wal-Mart. As illustrated by **Exhibit E**, the items purchased from these vendors include beer, boat seats, chips, candy, condiments, bread, various food items, Christmas decorations, over-the-counter medication, and batteries.

Some of the payments to Sam's Club were annual dues for multiple memberships. The Department paid a total of \$570.00 for memberships to Sam's Club. The payments ranged from \$45.00 in December 2013 for a single membership to \$210.00 in March 2010 for 6 memberships. According to a representative from Sam's Club, each membership includes a complimentary membership. As stated previously, it would not be improper for the City to pay for 1 or 2 memberships if the City Council approved the memberships. However, the public benefit of paying for more than 2 memberships which are held simultaneously is not obvious. Based on our review, we identified a limited number of purchases from Sam's Club which were reasonable for the Department. These purchases could have been made with 1 or 2 memberships.

Exhibit E also includes a \$480.00 electronic payment to Wild Life Wonders. According to the vendor's website, it is a curator of flora and fauna jewelry, art, and décor.

Cash - We identified 12 transactions, including checks issued to cash and petty cash, cash withdrawals, and ATM withdrawals from the Department's account, which total \$3,836.70. The transactions identified are listed in **Table 9**.

Table 9

Check Date	Check Number	Payee	Description per Support	Amount
12/09/10	1568	Cash	Santa Claus	\$ 100.00
04/05/11	1597	Petty Cash	Food, cash after st pats dinner, beer	200.00
05/21/11	1615	Cash	IWCC EMT Testing	120.00
12/10/11	1645	Cash	None	200.00
03/02/12	-	ATM Withdrawal	None	20.00
11/13/12	-	Withdrawal	Transfer funds	2,000.00
12/08/12	1737	Cash	Santa	100.00
01/23/13	1749	Petty Cash	None	200.00
04/15/13	1778	Petty Cash	None	150.00
05/28/13	1790	Petty Cash	Taco bell (call), Estate Sale, Walmart - bath tissue)	150.00
07/19/13	1791	Cash	None	500.00
11/14/13	1826	Petty Cash	None	96.70
Total				<u>\$ 3,836.70</u>

As illustrated by the **Table**, the withdrawals ranged from \$20.00 at an ATM to a \$2,000.00 withdrawal. We also identified 5 checks written to “Cash” totaling \$1,020.00 and 5 checks written to “Petty Cash” totaling \$796.70. As also illustrated by the **Table**, 2 checks issued to “Cash” included a notation “Santa Claus” or “Santa” in the memo line of the check and a check included “IWCC EMT Testing” in the memo line. We determined the Department and the City issued checks to Iowa Western Community College (IWCC) for training. It is not clear why cash would be needed when checks were typically issued to the College.

The **Table** illustrates 4 of the 5 checks issued to “Petty Cash” were for even dollar amounts. As previously, stated petty cash is used for paying small amounts owed, such as postage, and any petty cash disbursements should be supported by a receipt or other appropriate documentation. The supporting documentation should be maintained as support for the check issued to replenish petty cash. Based on the nature of disbursements from petty cash, it would be very unusual for checks to be issued in even dollar amounts to replenish petty cash.

The **Table** also includes a \$2,000.00 transfer from the Department’s bank account to the Fund Raisers’ bank account. At the time the transfer was made, the Fund Raisers’ bank account had a balance of \$251.51. Shortly after the \$2,000.00 was deposited to the Fund Raisers’ bank account, a \$2,390.00 check was issued to Stateline Trailers. The memo portion of the check documents the payment was for a trailer for the Ranger (ATV). It is unclear why the Department did not directly purchase the trailer rather than transferring funds to a separate organization to make the purchase.

As a result, the \$3,836.70 summarized in **Table 9** is included in **Exhibit A** as improper disbursements.

Restaurants – As illustrated by **Table 7**, we identified 27 improper disbursements to restaurants which total \$2,191.25. The payments ranged from \$28.99 to \$233.47. Of the 27 payments, 13 were made to Buck Snort, a local restaurant featuring pizza, barbecued meats, sandwiches, and alcohol. While some of the receipts included notations the purchase was related to a training event, we were unable to verify that explanation. While there may be certain instances for which it would be reasonable for the Department to pay for meals, the public benefit of the disbursements identified was not clearly documented.

It not clear why Department funds were used to purchase meals in the local area. In addition, because some of the disbursements included the purchase of alcohol, there is no known purpose related to Department operations. As a result, the purchases from restaurants are included in **Exhibit A** as improper disbursements.

Related to Fund Raisers, Inc. – As previously stated, all costs associated with fund raising events should be paid for from the Fund Raisers’ bank account rather than the Department’s funds. In addition, all proceeds from the fund raising events should be properly deposited to the Fund Raisers’ bank account. However, if the City pays for some of the costs of these events, at a minimum, the City’s costs should be recovered from the proceeds. The financial transactions between the 2 organizations should not be comingled.

During our review of disbursements from the Department’s bank account, we identified the following transactions which appear to be Fund Raisers’ activities.

- Check number 1508 was issued on October 6, 2009 to the IRS for \$642.46. Supporting documentation shows the payment was for the fee to file IRS form 990 for nonprofit organizations. The filing of IRS form 990 is the responsibility of the non-profit organization and not the City or the Department. As a result, the Department should not have paid the fee.

- Check number 1519 was issued on February 11, 2010 to Office Max for \$53.75. The supporting documentation shows raffle tickets were purchased. Because it appears this purchase was related to a fund raising event, it should have been made from the Fund Raisers' bank account.
- Check number 1802 was issued on August 6, 2013 to Neola Fire & Rescue Fund Raisers Inc. for \$89.26. Supporting documentation was not available for the disbursement.

Because these disbursements were for the benefit of the Fund Raisers' organization, they should have been paid from the Fund Raisers' bank account. As a result, the \$785.47 of disbursements are included in **Exhibit A** as improper disbursements of Department funds.

Bank Fee - The Department incurred a \$15.00 overdraft fee on September 21, 2011 because sufficient funds were not available in the Department's bank account. Because the individuals responsible for administering the Department's bank account should have ensured it contained sufficient funds prior to issuing disbursements from the account, the \$15.00 fee is included in **Exhibit A** as an improper disbursement.

UNSUPPORTED DISBURSEMENTS

The Department purchases supplies, food, gas, and other items which are used for the operations of the Department. According to the Department's Treasurer, the Department paid bills and made purchases using either the Department's checkbook or the Fund Raisers' checkbook, depending on which more readily available. As illustrated by **Exhibit E**, we identified \$27,366.88 of unsupported disbursements during the period of our investigation. **Table 10** lists the categories, the number of transactions, and the amount identified for the unsupported disbursements.

Table 10

Category	Number of Payments	Amount
Retail vendors	22	\$ 6,767.05
Reimbursements to individuals	41	5,642.77
Office and janitorial supplies/postage	18	2,909.20
Convenience stores/fuel	47	2,377.44
Computer equipment	1	2,145.00
Automotive	7	798.86
Gifts/promotional items	6	632.64
Tools and supplies	4	896.95
Accounting services for Fund Raising organization	4	500.00
Sign manufacturing	1	338.37
Credit card	3	328.90
Other	20	3,509.57
No payee listed	4	520.13
Total	178	\$ 27,366.88

The following is a brief description of selected categories.

Retail Vendors – As illustrated by **Table 10**, we identified 22 unsupported disbursements to retail vendors from the Department’s account. Disbursements in this category include purchases from Nebraska Furniture Mart, Sam’s Club, Menards, Target, Kmart, and Cabela’s. These stores sell products which could be for the Department’s operations or for personal use. Of the \$6,767.05 identified, \$2,856.02 was paid to Nebraska Furniture Mart, \$2,134.44 was paid to Sam’s Club, and \$722.02 was paid to Menards.

Without detailed receipts, it is not possible to determine if the items purchased or the quantity purchased would be necessary and reasonable for the operations of the Department. Because the Department did not maintain documentation showing what the payments were for, we cannot determine if they were reasonable for Department operations or were personal in nature.

Reimbursements to Individuals – According to City officials we spoke with, the Fire Chief and Department members are eligible for reimbursement of expenses related to training and other expenses related to their duties as members of the Department. As shown in **Table 10**, we identified 41 checks which total \$5,642.77 issued to individuals for which supporting documentation was not available.

Some of the checks included a notation in the memo line indicating the payments were reimbursements for training, supplies, or equipment. Because the Department did not maintain documentation showing what the payments or reimbursements were for, we cannot determine if the reimbursements were reasonable for Department operations or were personal in nature.

Office and Janitorial Supplies/Postage – The 18 payments identified for office and janitorial supplies and postage total \$2,909.20 and include checks and electronic payments issued to Larsen Supply, Office Max, Office Depot, and the Post Office. Without detailed receipts, it is not possible to determine if the items purchased or the quantity purchased would be necessary and reasonable for Department operations. Because the Department did not maintain documentation showing what the payments were for, we cannot determine if they were reasonable for Department operations or were personal in nature.

Convenience Stores/Fuel – As illustrated by **Table 10**, we identified 47 payments to convenience stores or other vendors which sell fuel. The purchases total \$2,377.44. Because the Department did not maintain supporting documentation, including mileage logs and receipts, we are unable to determine if purchases from these vendors were for Department operations or were personal in nature.

Gifts/Promotional Items – The 6 payments summarized in **Table 10** total \$632.64 and include purchases from a florist, a card company, and vendors which sell promotional or award products. Because the Department did not maintain appropriate supporting documentation, we are unable to determine if purchases from these vendors were for Department operations or were personal in nature.

Other – The 20 payments summarized as “Other” in **Table 10** total \$3,509.57 and include payments for a GPS, a display case, lodging costs, and a donation. Without adequate supporting documentation, we are unable to determine if these payments were related to Department operations or were personal in nature.

UNDEPOSITED COLLECTIONS

As previously stated, the Department contracts with EMS Billing Services Inc. (EMS) to handle billings and collections for the Department's emergency medical and ambulance services. EMS prepares bills based on the call logs provided by the Department and mails them to insurance companies, Medicaid/Medicare, and to individuals who are responsible for paying the bill. The bill includes instructions to mail payments to EMS rather than the City. At the end of each month, EMS mails a check for collections and its invoice for services to the Department, along with a statement documenting which bills were collected.

While the collections should have been deposited to the City's bank account, the Department deposited the collections in the Department's separately maintained bank account during the period of our investigation. By comparing the amounts remitted by EMS to the amounts deposited, we determined \$119,272.00 of EMS collections were not deposited in the City's bank account. Of this amount, \$111,390.84 was deposited in the Department's bank account and \$7,881.16 was deposited in the Fund Raisers' bank account.

Table 11 lists the 2 collections from EMS which were deposited into the Fund Raisers' bank account. As illustrated by the **Table**, 1 of the checks from EMS was split between the Fund Raisers' bank account and the Department's bank account.

Table 11

Date	EMS Collections	Deposited to	
		Department Bank Account	Fund Raisers' Bank Account
05/19/10	\$ 2,583.00	-	2,583.00
08/20/10	5,448.16	150.00	5,298.16
Total	\$ 8,031.16	150.00	7,881.16

In accordance with requirements established by section 384.20 of the *Code of Iowa*, all deposits should have been made to the City's bank account. During our investigation, the Department began remitting the collections from EMS to the City. The City now deposits the collections in the City's bank account and restricts the funds for use by the Department. In addition, the City is now administering the Department's separately maintained bank account.

However, the \$7,881.16 deposited in the Fund Raisers' bank account should be remitted to the City because the funds were for Department operations and not a donation in support of the Fund Raisers organization. As a result, the \$7,881.16 is included in **Exhibit A** as undeposited City collections.

OTHER ADMINISTRATIVE ISSUES

Unauthorized Loans - As previously stated, the City Council approved the purchase of a 2013 International Toyne Pumper from Toyne Fire Equipment on November 12, 2012. On November 13, 2012, the City entered into a contract with Toyne Inc. to purchase the truck. The original contract was for \$267,973.00.

According to the Mrs. Schierbrock, a representative from Toyne Inc. called her during July 2013 and told her the truck was finished and ready for pickup. According to Mrs. Schierbrock, she panicked because she had never set up financing for the truck. She went to the bank in an attempt to get financing but, in order to do it properly, a public hearing was required and the City had to comply with requirements established by the *Code of Iowa* before a loan could be obtained. Because there was not enough time for the process to be completed and Toyne was going to charge a storage fee for the truck, Mrs. Schierbrock called Toyne and said she was sending a check for \$187,794.00 with the Fire Chief.

When the City's bank received the check, the President of the bank called Mrs. Schierbrock and told her the City's bank account did not have sufficient funds to honor the check. Mrs. Schierbrock told the President to redeem the City's electric certificate of deposit (CD) held at the bank to cover the check. The balance of the CD was \$132,424.23 at the time it was redeemed and deposited to the City's bank account.

Mrs. Schierbrock did not inform the Mayor or the City Council prior to redeeming the CD. As a result, the City Council did not authorize redeeming the CD. Funds deposited in the Electric Fund are restricted for the operations of the electric utility system, including any debt service payments. Because the proceeds from the CD were deposited in the City's General Fund, it should be treated as a loan. As a result, the City's General Fund owes the Electric Fund \$132,424.23.

Bills Listing – The bills listing included with the City Council meeting minutes included the amount, payee, and a brief description of the payment. The listing did not include check numbers or electronic payments. As a result, the City Council was not notified of all electronic disbursements from the City's bank account.

Separately Maintained Accounts – As previously stated, the Department maintained a separate bank account for Department operations. Fund Raisers Inc. also maintained its own bank account. According to Department staff we spoke with, the Department issued checks from whichever checkbook was more readily available when paying a bill. They would not distinguish if the payment was for Department operations or something which should be paid by Fund Raisers Inc.

As previously stated, the Department's bank account should have been included in the City's accounting records. Disbursements and collections should be handled by the City Clerk and comply with City policies and procedures.

Fund Raisers Inc. is a separate non-profit organization and is not a part of the City or the Department. Receipts from operations of the Department, such as EMS billings, should not be deposited in the Fund Raisers' bank account. The Board of Fund Raisers Inc. should approve all disbursements from its bank account and the checkbook should not be maintained by the Department.

Sale of a Fire Truck – On February 4, 2011, the Department sold a City-owned fire truck to the Snyder Fire Department for \$70,000.00. The check was deposited into the Fund Raisers' bank account and not the City's bank account. On the same day, the Fund Raisers issued a check to Farmers State Bank for \$70,000.00. The memo line of the check noted it was to "apply to loan New Truck." The funds received from the sale of the City's fire truck and the subsequent payment on the loan for the new fire truck should have been processed by the City.

RECOMMENDED CONTROL PROCEDURES

As part of our investigation, we reviewed the procedures used by the City of Neola and the Neola Volunteer Fire Department 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 City's and the Department's internal controls.

- A. Segregation of Duties – An important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. The former City Clerk had control over each of the following areas:
- 1) Receipts – collecting, preparing deposits, and making deposits.
 - 2) Utilities – billing, collecting, posting, preparing the deposit, depositing collections, preparing the delinquent account listing, and utility reconciliations.
 - 3) Disbursements – purchasing, preparing checks, signing, and distributing checks.
 - 4) Payroll – preparing checks, signing, posting, and distribution.
 - 5) Bank accounts – receiving and reconciling monthly bank statements to the accounting records.
 - 6) Reporting – preparing the monthly City Clerk's reports, City Council meeting minutes, and other reports requested by the City Council or other parties.

During the period of our investigation, the Department used a separately maintained bank account to make certain payments. In addition, certain funds which should have been deposited in the City's bank account were deposited in the Department's separately maintained bank account. The Treasurer of the Department and the Fire Chief had the ability to process all financial transactions associated with the Department's separately maintained bank account. There was not adequate segregation of duties for the account's transactions.

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 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.

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

The City no longer has a separately maintained bank account for the Department.

- B. Separately Maintained Accounts – Section 384.20 of the *Code of Iowa* states, in part, “A city shall keep accounts which show an accurate and detailed statement of all public funds collected, received, or expended for any city purpose.”

The Department maintained a separate bank account with collections and disbursements during the period of our investigation. The Department is considered part of the City for financial reporting purposes. As a result, the Department’s separate bank account should be included in the City’s accounting records and the City Clerk’s monthly financial reports.

Based on our review of the sources of the deposits made to the Department’s account, the funds in the Department’s separate bank account are public funds collected for a City purpose. The account was not held or administered by a City official. In addition, transactions and the resulting balances were not reported to the City Council and disbursements from the account were not reviewed or approved by the City Council.

Recommendation – All financial transactions of the Department’s accounts should be included in the City Clerk’s monthly financial reports. The Department’s activity should be subject to City Council review and the City’s budget process. In addition, internal control would be strengthened and operating efficiency could be increased by integrating the receipts and disbursements of the account with the City’s accounting records in the City Clerk’s office.

- C. Public Purpose – Section 384.3 of the *Code of Iowa* states, in part, “All moneys received for city government purposes from taxes and other sources must be credited to the general fund of the city.” We determined the Department is a part of the City and, therefore, all monies received by the Department are subject to section 384.3 of the *Code of Iowa*.

During the course of our investigation, we identified disbursements which may not meet the test of public purpose as defined in an Attorney General’s Opinion dated April 25, 1979 since the public benefits to be derived have not been clearly documented. Examples of these disbursements include food and grocery purchases, promotional items, and purchases from a florist.

According to the Attorney General’s Opinion, it is possible for these disbursements to meet the test of serving a public purpose under certain circumstances, although such items will certainly be subject to a deserved close scrutiny. The line to be drawn between a proper and an improper purpose is very thin.

Recommendation – City officials should determine and document the public purpose served by these expenditures before authorizing any further payments from City accounts or the separate Department account. If these practices continue, City officials should establish written policies and procedures for documenting the public purpose served.

- D. Initial Listing – The City Clerk and the Department Treasurer did not prepare receipts or an initial listing of checks received at City Hall, collections from EMS, or donations collected. Receipts and initial listings provide a basis for an independent reviewer to compare the amount of checks and cash received to the amount deposited. Because receipts and initial listings were not prepared, we were unable to determine if all collections were properly deposited.

Recommendation – Receipts and initial listings should be prepared listing all checks and cash received. An individual independent of the receipt and deposit process should compare the receipts and listings to the amounts subsequently deposited and the review should be documented by the reviewer’s signature or initials and the date of the review. A

City Council member or an independent individual designated by the City Council may perform the review.

E. Supporting Documentation – During our review of the City’s disbursements, the following were identified:

- 1) Disbursements were not always supported by invoices or other documentation.
- 2) Not all disbursements made by check were approved by the City Council and none of the disbursements made with a debit card were included in the approved bill listings.
- 3) The City incurred late fees and interest for IPERS payments which were not remitted 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 interest are not incurred.

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

F. Petty Cash – During the period of our investigation, checks were issued from the City’s bank account and the Department’s bank account to petty cash. Petty cash is typically established to make change and to pay for incidental costs, such as postage and small purchases. A conservative, reasonable amount should be established for petty cash and it should be replenished as needed. The amounts used to replenish petty cash should be supported by appropriate documentation.

We identified a number of checks issued to petty cash which were not supported by receipts, invoices, or similar documentation. In addition, the current City Clerk is not aware of the City maintaining petty cash and has not had the need to establish petty cash.

Recommendation – The City Council should determine the need for petty cash. If it is determined to be necessary, the City Council should develop and implement policies and procedures on the proper use of petty cash and the support required in order for payments to be made.

G. Utility Billings – During our review of the City’s utility billings, we identified the following:

- Utility billing were not periodically reconciled to the amounts collected and unpaid balances.
- Several utility accounts had an excessive delinquent balance and the shut-off policy and procedures were not enforced for these accounts.
- We identified 11 accounts which were coded as penalty exempt even though they should not have been. As a result, the City did not bill or collect \$55,937.13 of penalties.
- The outstanding balance for the former City Clerk’s utility account had been \$642.91 in the previous utility billing system, but was recorded as \$0 in the

current utility billing system. As a result, the City did not pursue collection of the \$642.91 difference.

- The former City Clerk offset a vendor's utility billings by the amount owed to the vendor rather than collecting and depositing the amount which should have been billed.
- Adjustments to the utility billing system totaling \$2,492.71 were not properly supported. The adjustments decreased the amount owed to the City.

Recommendation – City officials should establish procedures to ensure utility billings, collections and delinquencies are reconciled for each billing period in a timely manner. The City Council should also ensure an independent party reviews the reconciliation in a timely manner and the review should be documented by the signature or initials of the reviewer and the date of the review. The City Council should also monitor delinquencies.

Procedures should also be developed which ensure any exemptions entered into the City's utility billing system are periodically reviewed to ensure they are appropriate and comply with the policies approved by the City Council in the rate ordinance. In addition, all adjustments made to balances should be properly reviewed, approved, and supported.

- H. Credit Card Policy – In order to eliminate the need for employees and officials to make purchases on behalf of the City and request reimbursement, the City obtained a credit card in early 2014 so items could be purchased online and shipped directly to the City. The credit card is also used for registering for training events and related travel costs. While City officials have established adequate controls over the use of the credit card and payment of subsequent billings, a written credit card policy has not been established.

Recommendation – The City should develop a formal written policy outlining the use of credit cards. The policy, at a minimum, should address who controls the credit cards, who is authorized to use the credit cards, and for what purposes the credit card may be used. The policy should identify the types of supporting documentation required to substantiate charges. The policy should also specify what actions will be taken if the credit card is used for personal use.

- I. Debit Card – The City has a debit card for use by various employees. The City has not adopted a formal policy to regulate the use of the debit card and to establish procedures for the proper accounting of debit card purchases. The use of the debit card allows employees to circumvent the established purchase approval process.

Recommendation – In order to ensure all disbursements are properly approved prior to payment, the City/Department should eliminate the use of the debit card.

Exhibits

**Report on Special Investigation of the
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Summary of Findings
For the period January 1, 2009 through December 31, 2013

Description	Exhibit/Table/ Page Number	Amount		
		Improper	Unsupported	Total
<u>City:</u>				
Improper and unsupported disbursements:				
Payments to vendors	Exhibit B	\$ 17,163.86	89,795.60	106,959.46
Payments to UPS	Table 4/Page 14	702.01	78.34	780.35
IPERS late fees and interest	Page 14	1,293.75	-	1,293.75
Overtime pay	Table 5	2,288.99	-	2,288.99
Payments to Deb Schierbrock	Exhibit C	-	2,513.02	2,513.02
Payments to Bill Schierbrock	Exhibit D	-	2,535.54	2,535.54
Subtotal improper and unsupported disbursements		21,448.61	94,922.50	116,371.11
Undeposited collections:				
Unbilled and uncollected utility billings:				
Unbilled utility penalties	Page 18	55,937.13	-	55,937.13
Improper adjustments	Page 18	3,381.94	-	3,381.94
Improperly deposited EMS collections	Table 11	7,881.16	-	7,881.16
Subtotal undeposited collections		67,200.23	-	67,200.23
Total from the City's bank account		88,648.84	94,922.50	183,571.34
<u>Fire Department:</u>				
Improper and unsupported disbursements:				
Payments to vendors	Exhibit E	19,857.33	27,366.88	47,224.21
Total from the City's and the Fire Department's bank accounts		108,506.17	122,289.38	230,795.55
Less: Repayments for unapproved contractor services	Page 11	(1,283.00)	-	(1,283.00)
Net		\$ 107,223.17	122,289.38	229,512.55

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City Payments to Vendors
For the period January 1, 2009 through December 31, 2013

Date^	Check Number	Payee	Check Amount	Reasonable	Improper	Unsupported
12/23/08	10924	Penny's Visions	\$ 100.00	-	-	100.00
12/23/08	10925	Touch of Class	50.00	-	-	50.00
01/02/09	EP	Kum & Go	25.55	-	-	25.55
01/12/09	10951	Donovan Oil Co.	203.97	-	-	203.97
01/12/09	10952	Farm Service	354.86	-	-	354.86
01/12/09	10984	T-C Auto	211.71	-	-	211.71
01/12/09	10988	Zimmerman's	63.52	-	-	63.52
01/15/09	EP	Office Max	189.99	-	-	189.99
02/05/09	EP	Best Buy	185.07	-	-	185.07
02/05/09	EP	Menards	170.04	-	-	170.04
02/09/09	11025	Donovan Oil Co.	79.50	-	-	79.50
02/09/09	11026	Farm Service	244.34	-	-	244.34
02/09/09	11018	Petty Cash	99.88	22.92	76.96	-
02/09/09	11052	T-C Auto	35.65	-	-	35.65
02/09/09	11057	Zimmerman's	6.70	-	-	6.70
02/19/09	11072	Jeremy Vanarsdol	281.84	-	-	281.84
03/02/09	EP	Pizza King	40.00	-	40.00	-
03/09/09	11099	Donovan Oil Co.	70.25	-	-	70.25
03/09/09	11100	Farm Service	249.37	-	-	249.37
03/09/09	EP	Menards	37.47	-	-	37.47
03/09/09	11125	T-C Auto	664.31	-	-	664.31
03/09/09	11128	Zimmerman's	7.88	-	-	7.88
04/06/09	11156	Petty Cash	82.44	37.88	44.56	-
04/13/09	11211	James Cornick	180.00	-	-	180.00
04/13/09	11206	Sam's Club	5.83	-	-	5.83
04/13/09	11205	Schierbrocks	144.90	-	-	144.90
04/13/09	11209	T-C Auto	378.35	-	-	378.35
04/14/09	11170	Donovan Oil Co.	210.17	-	-	210.17
04/14/09	11171	Farm Service	514.41	-	-	514.41
04/17/09	11208	Zimmerman's	61.79	-	-	61.79
05/11/09	11266	Fleet One LLC	198.01	-	-	198.01
05/11/09	11285	T-C Auto	109.17	-	-	109.17

Description Per Support or Information from City Official(s)	Category ~
<i>None</i>	General retail/box stores/farm supply stores
<i>None</i>	General retail/box stores/farm supply stores
Fuel	Convenience stores/fuel
<i>None</i>	Convenience stores/fuel
<i>None</i>	Fuel or fertilizer
<i>None</i>	Auto Parts/Supplies
<i>None</i>	General electrical supplies and repair
<i>None</i>	Office Supplies
Canon digital camera, 1gb SD card, 2gb Cruzer card, AA batteries (For Fire Dept)	Electronics/computer store
<i>None</i>	General retail/box stores/farm supply stores
<i>None</i>	Convenience stores/fuel
<i>None</i>	Fuel or fertilizer
Candy, cakes, cookies, balloons	Petty cash
<i>None</i>	Auto Parts/Supplies
<i>None</i>	General electrical supplies and repair
<i>None</i>	Reimbursements
2 \$20 gift certificates	Restaurant
<i>None</i>	Convenience stores/fuel
<i>None</i>	Fuel or fertilizer
<i>None</i>	General retail/box stores/farm supply stores
<i>None</i>	Auto Parts/Supplies
<i>None</i>	General electrical supplies and repair
Retirement gift, candle, candy, jelly beans	Petty Cash
<i>None</i>	Reimbursements
Sam's Club membership dues	Retail
Food, Bounce, crackers, towels, batteries, garbage bags	Grocery stores/restaurants/restaurant supplies
<i>None</i>	Auto Parts/Supplies
<i>None</i>	Convenience stores/fuel
<i>None</i>	Fuel or fertilizer
<i>None</i>	General electrical supplies and repair
<i>None</i>	Convenience stores/fuel
<i>None</i>	Auto Parts/Supplies

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City Payments to Vendors
For the period January 1, 2009 through December 31, 2013

Date^	Check Number	Payee	Check Amount	Reasonable	Improper	Unsupported
05/11/09	11278	Zimmerman's	77.70	-	-	77.70
05/12/09	11244	Donovan Oil Co.	81.61	-	-	81.61
05/13/09	11259	Farm Service	637.36	-	-	637.36
05/18/09	11289	Herb Brich	365.00	-	-	365.00
06/02/09	11299	Shelly Naig	140.07	-	-	140.07
06/03/09	11300	Petty Cash	53.60	6.94	46.66	-
06/09/09	11356	Donovan Oil Co.	87.06	-	-	87.06
06/09/09	11329	Don's Fuel	261.66	-	-	261.66
06/09/09	11330	Fleet One LLC	43.64	-	-	43.64
06/09/09	11344	T-C Auto	4.20	-	-	4.20
06/09/09	11348	Zimmerman's	20.14	-	-	20.14
06/26/09	EP	Fareway	19.19	-	19.19	-
07/13/09	11398	Petty Cash	79.75	-	79.75	-
07/14/09	11419	Bradley's Floral	80.25	-	80.25	-
07/14/09	11421	Derek Roberts	50.00	-	-	50.00
07/14/09	11403	Donovan Oil Co.	108.90	-	-	108.90
07/14/09	11404	Farm Service	497.66	-	-	497.66
07/14/09	11423	Fleet One LLC	40.69	-	-	40.69
07/14/09	11420	Herb Brich	291.00	-	-	291.00
07/14/09	11249	Sam's Club	210.00	-	210.00	-
07/14/09	11431	T-C Auto	34.48	-	-	34.48
07/15/09	11434	Zimmerman's	116.45	-	-	116.45
07/20/09	EP	County Inn	117.60	-	-	117.60
07/23/09	EP	Cheesecake West Des Moines	14.73	-	14.73	-
07/24/09	EP	Gateway Hotel	676.48	-	-	676.48
07/24/09	EP	Stuart BP QPS	40.02	-	-	40.02
08/03/09	EP	Fareway	19.17	-	19.17	-
08/03/09	EP	Walmart	60.87	-	-	60.87
08/11/09	11474	Donovan Oil Co.	240.37	-	-	240.37
08/11/09	11485	Don's Fuel	510.45	-	-	510.45
08/11/09	11475	Fleet One, LLC	190.51	-	-	190.51

Description Per Support or Information from City Official(s)	Category ~
None	General electrical supplies and repair
None	Convenience stores/fuel
None	Fuel or fertilizer
None	Other
None	Reimbursements
Candy, \$5 donation, K cups	Petty Cash
None	Convenience stores/fuel
None	Convenience stores/fuel
None	Convenience stores/fuel
None	Auto Parts/Supplies
None	General electrical supplies and repair
Jelly beans, Motrin	Grocery Store
Grocery, day lillies	Petty Cash
None	Other
None	Electronics/computer store
None	Convenience stores/fuel
None	Fuel or fertilizer
None	Convenience stores/fuel
None	Other
Sam's Club membership dues	Retail
None	Auto Parts/Supplies
None	General electrical supplies and repair
7/15/09 Room charge for Deb Schierbrock, 07/15/09	Lodging
None	Restaurant
Room charges, 07/16/09-07/21/09	Lodging
Gas, properly subtracted from mileage reimbursement calculation	Convenience stores/fuel
Starburst, chocolate stars	Grocery Store
None	General retail/box stores/farm supply stores
None	Convenience stores/fuel
None	Convenience stores/fuel
None	Convenience stores/fuel

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08/11/09	11484	Herb Brich	254.00	-	-	254.00
08/11/09	11504	T-C Auto	36.11	-	-	36.11
08/26/09	EP	Office Max	744.96	-	-	744.96
09/04/09	11543	Petty Cash	79.61	71.22	8.39	-
09/15/09	11560	Donovan Oil Co.	115.00	-	-	115.00
09/15/09	11561	Fleet One, LLC	167.00	-	-	167.00
09/16/09	11578	Don's Fuel	123.95	-	-	123.95
09/16/09	11596	NCP of Iowa	272.00	-	-	272.00
09/16/09	11587	T-C Auto	510.90	-	-	510.90
09/16/09	11597	Zimmerman's	115.07	-	-	115.07
09/18/09	EP	Bomgaars	70.07	-	-	70.07
09/23/09	EP	Kum & Go-Cash	20.00	-	-	20.00
09/24/09	EP	Positive Promotions	555.30	-	-	555.30
10/13/09	11621	Don's Fuel	521.47	-	-	521.47
10/13/09	11622	Fleet One, LLC	455.79	-	-	455.79
10/13/09	11645	Shelby Vet Clinic	16.05	-	-	16.05
10/13/09	11646	T-C Auto	82.52	-	-	82.52
10/13/09	11647	Underwood Farm Supply LLC	145.50	-	-	145.50
10/13/09	11651	Zimmerman's	45.31	-	-	45.31
10/30/09	EP	Bomgaars	138.66	-	-	138.66
11/10/09	11699	Don's Fuel	466.56	-	-	466.56
11/10/09	11700	Fleet One, LLC	110.46	-	-	110.46
11/10/09	11732	Petty Cash	81.64	33.99	47.65	-
11/10/09	11716	Tri-Center Napa	90.83	-	-	90.83
11/10/09	11726	Underwood Farm Supply LLC	112.23	-	-	112.23
11/10/09	11718	Zimmerman's	5.35	-	-	5.35
11/24/09	EP	Target	102.59	-	-	102.59
12/03/09	EP	Bomgaars	292.04	-	-	292.04
12/07/09	EP	WM Supercenter	21.22	-	21.22	-
12/14/09	11771	Don's Fuel	463.37	-	-	463.37
12/14/09	11772	Fleet One, LLC	169.89	-	-	169.89
12/14/09	11768	Petty Cash	87.97	28.87	59.10	-

Description Per Support or Information from City Official(s)	Category ~
<i>None</i>	Other
<i>None</i>	Auto Parts/Supplies
<i>None</i>	Office Supplies
Groceries	Petty Cash
<i>None</i>	Convenience stores/fuel
<i>None</i>	Convenience stores/fuel
<i>None</i>	Convenience stores/fuel
<i>None</i>	Other
<i>None</i>	Auto Parts/Supplies
<i>None</i>	General electrical supplies and repair
<i>None</i>	General retail/box stores/farm supply stores
<i>None</i>	Convenience stores/fuel
<i>None</i>	Fire Department purchases
<i>None</i>	Convenience stores/fuel
<i>None</i>	Convenience stores/fuel
<i>None</i>	Other
<i>None</i>	Auto Parts/Supplies
<i>None</i>	General retail/box stores/farm supply stores
<i>None</i>	General electrical supplies and repair
<i>None</i>	General retail/box stores/farm supply stores
<i>None</i>	Convenience stores/fuel
<i>None</i>	Convenience stores/fuel
Hand lotion, candy, coffee, ibuprofen	Petty Cash
Parts and repairs	Auto Parts/Supplies
<i>None</i>	General retail/box stores/farm supply stores
<i>None</i>	General electrical supplies and repair
12 strings of lights Christmas lights	General retail/box stores/farm supply stores
<i>None</i>	General retail/box stores/farm supply stores
Cappacino flavoring, ibuprofen, Cinchrec 136	Retail
<i>None</i>	Convenience stores/fuel
<i>None</i>	Convenience stores/fuel
Retirement gift - SWI Clerk, lunch	Petty Cash

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12/14/09	11802	Schierbrocks	300.00	-	-	300.00
12/14/09	11804	Tri-Center NAPA	509.91	-	-	509.91
12/14/09	11807	Wayne Manufacturing Co, L.C.	184.10	-	-	184.10
12/14/09	11822	Zimmerman's	16.19	-	-	16.19
12/18/09	11828	Penny's Visions	25.00	-	-	25.00
12/18/09	11826	Touch of Class	100.00	-	-	100.00
01/11/10	11862	Fleet One, LLC	162.34	-	-	162.34
01/11/10	11893	Petty Cash	72.65	37.65	35.00	-
01/11/10	11883	Tri-Center NAPA	202.65	-	-	202.65
01/11/10	11886	Zimmerman's	11.64	-	-	11.64
01/14/10	11861	Don's Fuel	819.94	-	-	819.94
01/19/10	EP	Gurney's Restaurant	550.53	-	550.53	-
01/29/10	EP	Fareway	39.13	21.51	17.62	-
02/10/10	11952	Tri-Center NAPA	503.49	-	-	503.49
02/10/10	11956	Zimmerman's	18.75	-	-	18.75
02/16/10	11932	Don's Fuel	494.01	-	-	494.01
02/16/10	EP	Wal-Mart	26.62	-	-	26.62
02/16/10	11966	Wayne Manufacturing Co, L.C.	184.10	-	-	184.10
02/17/10	11933	Fleet One, LLC	192.45	-	-	192.45
02/26/10	EP	Copy Cat	57.58	-	-	57.58
03/09/10	12005	Don's Fuel	597.90	-	-	597.90
03/09/10	12006	Fleet One, LLC	135.68	-	-	135.68
03/09/10	12025	Schierbrocks	996.10	-	-	996.10
03/09/10	12027	Tri-Center NAPA	91.33	-	-	91.33
03/15/10	EP	Copy Cat	27.29	-	-	27.29
03/25/10	12050	Petty Cash	88.76	21.50	67.26	-
03/26/10	EP	Hobby Lobby	63.25	46.13	17.12	-
03/26/10	EP	Kmart	39.57	-	-	39.57
03/29/10	12052	Jen Sturtz	128.38	-	-	128.38
04/06/10	EP	Garden Ridge	74.88	-	74.88	-
04/07/10	EP	Bass Pro Shop	44.91	-	-	44.91
04/14/10	12071	Don's Fuel	464.99	-	-	464.99

Description Per Support or Information from City Official(s)	Category ~
<i>None</i>	Grocery stores/restaurants/restaurant supplies
Parts and repairs	Auto Parts/Supplies
<i>None</i>	Other
<i>None</i>	General electrical supplies and repair
<i>None</i>	General retail/box stores/farm supply stores
<i>None</i>	General retail/box stores/farm supply stores
fuel	Convenience stores/fuel
<i>4 Meals "Underwood friends"</i>	Petty Cash
Parts and repairs	Auto Parts/Supplies
Supplies	General electrical supplies and repair
<i>None</i>	Convenience stores/fuel
<i>Purchase at a restaurant in Missouri Valley. Per City official, holiday party for City employees and officials</i>	Grocery stores/restaurants/restaurant supplies
Candy & Hills Cappacino, Cleaning Supplies	Grocery Store
Parts and repairs	Auto Parts/Supplies
Supplies	General electrical supplies and repair
<i>None</i>	Convenience stores/fuel
Mr. Coffee maker	General retail/box stores/farm supply stores
Christmas light bulbs	Other
Fuel (Fire Dept.)	Convenience stores/fuel
<i>None</i>	Printing/Graphics
Generator (\$462.15)	Convenience stores/fuel
Fuel (Fire Dept.)	Convenience stores/fuel
Utility scales, supplies	Grocery stores/restaurants/restaurant supplies
Parts and repairs	Auto Parts/Supplies
<i>None</i>	Printing/Graphics
Candy, Hills Brother coffee	Petty Cash
Furniture	Retail
<i>None</i>	General retail/box stores/farm supply stores
<i>None</i>	Reimbursements
<i>None</i>	Retail
<i>None</i>	General retail/box stores/farm supply stores
Hydraulic oil (\$243.75)	Convenience stores/fuel

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04/14/10	12111	Farm Service	70.00	-	-	70.00
04/14/10	12072	Fleet One, LLC	154.99	-	-	154.99
04/14/10	EP	Kmart	32.09	-	-	32.09
04/14/10	12094	Tri-Center NAPA	435.55	-	-	435.55
04/14/10	12099	Zimmerman's	89.97	-	-	89.97
05/04/10	EP	Target	9.87	-	-	9.87
05/07/10	EP	Schierbrocks	5.06	-	-	5.06
05/13/10	12142	Don's Fuel	324.93	-	-	324.93
05/13/10	12143	Fleet One, LLC	145.19	-	-	145.19
05/14/10	12164	Tri-Center NAPA	110.99	-	-	110.99
05/14/10	12168	Zimmerman's	15.88	-	-	15.88
06/01/10	EP	Wal-Mart	34.75	24.91	9.84	-
06/15/10	12212	Don's Fuel	221.23	-	-	221.23
06/15/10	12213	Fleet One, LLC	75.00	-	-	75.00
06/15/10	12235	Tri-Center NAPA	51.33	-	-	51.33
06/15/10	12239	Zimmerman's	17.12	-	-	17.12
06/30/10	12251	Petty Cash	100.40	34.08	66.32	-
07/02/10	EP	Office Max	70.60	-	-	70.60
07/12/10	12283	Don's Fuel	924.20	-	-	924.20
07/12/10	12284	Fleet One, LLC	55.60	-	-	55.60
07/12/10	12313	Sam's Club	140.00	-	140.00	-
07/12/10	12314	Tri-Center NAPA	96.69	-	-	96.69
07/13/10	EP	Gateway Express	37.00	-	-	37.00
07/19/10	EP	Gateway Hotel	553.15	-	-	553.15
07/22/10	12329	Zimmerman's	11.80	-	-	11.80
07/23/10	EP	The Buck Snort	13.00	-	13.00	-
08/05/10	EP	Bomgaars	161.55	-	-	161.55
08/06/10	EP	Fareway	22.06	-	22.06	-
08/11/10	12356	Don's Fuel	165.40	-	-	165.40
08/11/10	12381	Tri-Center NAPA	193.91	-	-	193.91
08/11/10	12387	Zimmerman's	10.72	-	-	10.72

Description Per Support or Information from City Official(s)	Category ~
Fire Dept. Propane	Fuel or fertilizer
Fuel (Fire Dept. \$140.90)	Convenience stores/fuel
<i>None</i>	General retail/box stores/farm supply stores
Parts and repairs	Auto Parts/Supplies
(Fire Dept.)	General electrical supplies and repair
<i>None</i>	General retail/box stores/farm supply stores
<i>None</i>	Grocery stores/restaurants/restaurant supplies
Fire (\$60.66)	Convenience stores/fuel
Fire Dept.	Convenience stores/fuel
Supplies (Fire Dept. \$82.22)	Auto Parts/Supplies
Supplies	General electrical supplies and repair
Hills cappicino, Bounty paper towels	Retail
Fire (\$60.66)	Convenience stores/fuel
Fire Dept.	Convenience stores/fuel
Parts and repairs	Auto Parts/Supplies
Supplies	General electrical supplies and repair
<i>Reimbursed for phone already paid by City, coffee, candy</i>	Petty Cash
<i>None</i>	Office Supplies
Fire (\$60.66); Diesel (\$452.40)	Convenience stores/fuel
Fire Dept.	Convenience stores/fuel
Sam's Club membership dues	Retail
Supplies	Auto Parts/Supplies
<i>None</i>	Convenience stores/fuel
Room charges for Deb Schierbrock, 07/11/10-07/15/10	Lodging
Supplies	General electrical supplies and repair
<i>3 meals</i>	Restaurant
<i>None</i>	General retail/box stores/farm supply stores
Bounty basics, Starburst, Hills coffee	Grocery Store
Fire (\$60.66); Diesel (\$452.40) <i>Erroneous City explanation in minutes.</i>	Convenience stores/fuel
Parts and repairs	Auto Parts/Supplies
Supplies	General electrical supplies and repair

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08/25/10	12405	Petty Cash	75.55	40.09	-	35.46
09/13/10	EP	Fareway	37.57	-	-	37.57
09/14/10	12433	Don's Fuel	215.03	-	-	215.03
09/14/10	12434	Fleet One, LLC	72.75	-	-	72.75
09/14/10	12470	Petty Cash	72.02	-	-	72.02
09/14/10	12454	Schierbrocks	492.31	-	-	492.31
09/14/10	12465	Tri-Center NAPA	17.88	-	-	17.88
09/14/10	EP	Wal-Mart	26.55	23.15	3.40	-
09/14/10	12462	Zimmerman's	17.40	-	-	17.40
10/13/10	12493	Don's Fuel	494.98	-	-	494.98
10/13/10	12494	Fleet One, LLC	32.02	-	-	32.02
10/14/10	12509	Bomgaars	148.99	-	-	148.99
10/14/10	12519	Tri-Center NAPA	132.99	-	-	132.99
10/14/10	12523	Zimmerman's	42.60	-	-	42.60
10/20/10	EP	Kum & Go	60.05	-	-	60.05
10/21/10	EP	County Inn & Suite	106.40	-	-	106.40
10/25/10	EP	Fareway	30.51	-	30.51	-
11/09/10	12563	Fleet One, LLC	62.11	-	-	62.11
11/12/10	12562	Don's Fuel	635.21	-	-	635.21
11/12/10	12594	Tri-Center NAPA	192.18	-	-	192.18
11/29/10	12607	Petty Cash	89.29	47.17	42.12	-
12/06/10	EP	Office Depot	120.60	-	-	120.60
12/14/10	12660	Don's Fuel	394.87	-	-	394.87
12/14/10	12661	Fleet One, LLC	17.00	-	-	17.00
12/14/10	12694	Tri-Center NAPA	435.92	-	-	435.92
12/14/10	12693	Zimmerman's	123.68	-	-	123.68
12/15/10	12705	Penny's Visions	50.00	-	-	50.00
12/15/10	12706	Touch of Class	25.00	-	-	25.00
01/07/11	EP	Fareway	63.09	-	63.09	-
01/10/11	EP	Pizza King	372.70	-	372.70	-
01/11/11	12740	Don's Fuel	485.87	-	-	485.87

Description Per Support or Information from City Official(s)	Category ~
<i>Oakes variety store - no detail of items purchased</i>	Petty Cash
<i>None</i>	Grocery stores/restaurants/restaurant supplies
<i>None</i>	Convenience stores/fuel
Fire Dept. fuel	Convenience stores/fuel
<i>None</i>	Petty Cash
Supplies	Grocery stores/restaurants/restaurant supplies
Supplies	Auto Parts/Supplies
Grape, strawberry jelly, legal pads	Retail
Supplies	General electrical supplies and repair
<i>None</i>	Convenience stores/fuel
Fire Dept. fuel	Convenience stores/fuel
<i>None</i>	General retail/box stores/farm supply stores
Supplies	Auto Parts/Supplies
Supplies	General electrical supplies and repair
<i>None</i>	Convenience stores/fuel
<i>None</i>	Lodging
Hills Coffee, Starbursts, bagels	Grocery Store
Fire Dept. fuel	Convenience stores/fuel
Fire (\$101.60), generator (\$412.91)	Convenience stores/fuel
Supplies	Auto Parts/Supplies
Poinsetta, angel, Christmas lights	Petty Cash
<i>None</i>	Office Supplies
Fire (\$103.81)	Convenience stores/fuel
Fire Dept. fuel	Convenience stores/fuel
Supplies	Auto Parts/Supplies
Set Elec. Pole (\$112.50); Supplies (\$11.18)	General electrical supplies and repair
<i>None</i>	General retail/box stores/farm supply stores
<i>None</i>	General retail/box stores/farm supply stores
Candy, food	Grocery Store
Food/Alcohol <i>Per City official, holiday party for City employees and officials</i>	Restaurant
Fire (\$103.81)	Convenience stores/fuel

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01/11/11	12741	Fleet One, LLC	47.02	-	-	47.02
01/11/11	12762	Tri-Center NAPA	120.10	-	-	120.10
01/11/11	12764	Zimmerman's	11.80	-	-	11.80
01/28/11	EP	Target	40.93	18.40	22.53	-
02/11/11	EP	Wal-Mart	50.81	15.97	34.84	-
02/16/11	13611	Don's Fuel	23.00	-	-	23.00
02/16/11	12797	Don's Fuel	1,074.69	-	-	1,074.69
02/16/11	12798	Fleet One, LLC	160.00	-	-	160.00
02/16/11	12818	Schierbrocks	55.11	-	-	55.11
02/16/11	12819	Tri-Center NAPA	131.52	-	-	131.52
02/16/11	12823	Zimmerman's	35.70	-	-	35.70
02/17/11	EP	No Frills Supermarket	15.00	-	15.00	-
03/08/11	EP	Wal-Mart	73.53	-	73.53	-
03/16/11	12859	Don's Fuel	345.24	-	-	345.24
03/16/11	12877	Tri-Center NAPA	507.51	-	-	507.51
03/16/11	12879	Zimmerman's	11.80	-	-	11.80
04/13/11	12930	Don's Fuel	442.45	-	-	442.45
04/13/11	12927	Fleet One, LLC	115.22	-	-	115.22
04/13/11	12950	Tri-Center NAPA	101.37	-	-	101.37
04/26/11	12963	Petty Cash	73.85	68.12	5.73	-
05/11/11	12991	Andersen & Sons INC	424.00	-	-	424.00
05/11/11	12983	Don's Fuel	393.12	-	-	393.12
05/11/11	13002	Fleet One, LLC	83.89	-	-	83.89
05/11/11	13001	Office Depot	423.98	-	-	423.98
05/11/11	13010	Zimmerman's	16.68	-	-	16.68
05/12/11	EP	Fireawards.com	534.80	-	-	534.80
05/12/11	13018	Tri-Center NAPA	354.87	-	-	354.87
06/09/11	13038	Petty Cash	95.23	52.40	42.83	-
06/14/11	13053	Don's Fuel	898.06	-	-	898.06
06/14/11	13054	Fleet One, LLC	104.30	-	-	104.30
06/14/11	13087	Neola Lions Club	30.00	-	30.00	-
06/14/11	13076	Tri-Center NAPA	211.01	-	-	211.01

Description Per Support or Information from City Official(s)	Category ~
Fire Dept. fuel	Convenience stores/fuel
Supplies	Auto Parts/Supplies
Supplies	General electrical supplies and repair
Office supplies, candy	Retail
Office supplies, food	Retail
None	Convenience stores/fuel
Fire (\$275.17); Diesel (\$552.72)	Convenience stores/fuel
Fire Dept. fuel	Convenience stores/fuel
Ice melt, batteries, paper towels	Grocery stores/restaurants/restaurant supplies
Supplies	Auto Parts/Supplies
Supplies	General electrical supplies and repair
Coffee	Other
Candy, food	Retail
Fire (\$50)	Convenience stores/fuel
Supplies (\$119.78); Boom Truck (\$300.83)	Auto Parts/Supplies
Supplies	General electrical supplies and repair
Fire (\$144.45)	Convenience stores/fuel
Fire fuel	Convenience stores/fuel
Supplies (Fire \$22.65)	Auto Parts/Supplies
Postage, office supplies, groceries	Petty Cash
None	Other
Fire (\$76.93)	Convenience stores/fuel
Fire Fuel	Convenience stores/fuel
None	Office Supplies
Supplies	General electrical supplies and repair
None	Other
Parts and repairs	Auto Parts/Supplies
Print photos, groceries, donation	Petty Cash
Fire (\$105); Fill fuel barrel (\$663)	Convenience stores/fuel
Fire Fuel	Convenience stores/fuel
None	Other
Parts	Auto Parts/Supplies

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Date^	Check Number	Payee	Check Amount	Reasonable	Improper	Unsupported
06/16/11	EP	Paypal	46.64	-	-	46.64
07/12/11	13135	Don's Fuel	554.77	-	-	554.77
07/12/11	13122	Fleet One, LLC	281.96	-	-	281.96
07/12/11	13159	Sam's Club	210.00	-	210.00	-
07/12/11	13152	Tri-Center NAPA	229.26	-	-	229.26
07/12/11	13158	Zimmerman's	17.50	-	-	17.50
07/13/11	EP	Classic Chevrolet	95.26	-	-	95.26
07/18/11	EP	Wal-Mart	10.53	-	10.53	-
07/28/11	EP	Ourdesigns.com	59.85	-	-	59.85
08/01/11	EP	Copy Cat	89.20	-	-	89.20
08/09/11	13188	Don's Fuel	421.73	-	-	421.73
08/09/11	13189	Fleet One, LLC	63.38	-	-	63.38
08/09/11	13228	Jennie Edmundson Hospital	493.89	-	-	493.89
08/09/11	13215	Tri-Center NAPA	687.89	-	-	687.89
08/17/11	EP	Overdraft Charge	15.00	-	15.00	-
09/01/11	EP	Super Saver	50.60	24.70	25.90	-
09/12/11	EP	Wal-Mart	13.78	3.68	10.10	-
09/14/11	13274	Don's Fuel	1,377.75	-	-	1,377.75
09/14/11	13275	Fleet One, LLC	220.98	-	-	220.98
09/14/11	13301	Tri-Center NAPA	48.38	-	-	48.38
09/14/11	13305	Zimmerman's	21.50	-	-	21.50
09/16/11	EP	Kum & Go	20.00	-	-	20.00
09/30/11	13324	Derek Schierbrock	80.00	-	-	80.00
10/07/11	13331	Annette Stark	11.69	-	-	11.69
10/11/11	13350	Don's Fuel	1,725.30	-	-	1,725.30
10/11/11	13340	Fleet One, LLC	321.54	-	-	321.54
10/11/11	13362	Tri-Center NAPA	74.27	-	-	74.27
10/31/11	13382	Petty Cash	92.36	54.27	38.09	-
11/16/11	13400	Don's Fuel	462.98	-	-	462.98
11/16/11	13401	Fleet One, LLC	192.59	-	-	192.59
11/16/11	13427	Tri-Center NAPA	118.56	-	-	118.56

Description Per Support or Information from City Official(s)	Category ~
None	General retail/box stores/farm supply stores
Fuel	Convenience stores/fuel
Fire fuel	Convenience stores/fuel
Sam's Club membership dues	Retail
Supplies and parts	Auto Parts/Supplies
Supplies	General electrical supplies and repair
None	Auto Parts/Supplies
Coffee	Retail
None	Fire Department purchases
None	Printing/Graphics
Fire (\$68)	Convenience stores/fuel
Fire fuel	Convenience stores/fuel
None	Other
Supplies, Fire Dept. (\$661.52)	Auto Parts/Supplies
None	Other
Dish soap, toilet paper, paper towels, M & M's, muffins, paper plates	Grocery store
Office cleaner and Hills Brothers coffee	Retail
Fire (\$262.84); Hydraulic Fluid (\$631)	Convenience stores/fuel
Fire fuel	Convenience stores/fuel
Supplies	Auto Parts/Supplies
Supplies	General electrical supplies and repair
None	Convenience stores/fuel
None	Reimbursements
None	Other
None	Convenience stores/fuel
None	Convenience stores/fuel
Parts and repairs	Auto Parts/Supplies
Groceries, mix and match candy, postage, cleaning fee	Petty Cash
None	Convenience stores/fuel
None	Convenience stores/fuel
Parts and repairs	Auto Parts/Supplies

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11/16/11	13428	Underwood Farm Supply	133.99	-	-	133.99
11/16/11	13430	Zimmerman's	20.03	-	-	20.03
11/21/11	EP	Wal-Mart	38.57	25.41	13.16	-
11/30/11	EP	Don's Fuel	20.40	-	-	20.40
11/30/11	EP	Kmart	39.84	33.55	6.29	-
12/15/11	13467	Don's Fuel	100.00	-	-	100.00
12/15/11	13477	Don's Fuel	728.00	-	-	728.00
12/15/11	13476	Fleet One, LLC	249.18	-	-	249.18
12/15/11	13469	Peter Sorenson	25.00	-	-	25.00
12/15/11	13468	Touch of Class	50.00	-	-	50.00
12/15/11	13509	Tri-Center NAPA	444.59	-	-	444.59
12/15/11	13505	Zimmerman's	21.83	-	-	21.83
12/16/11	13510	The Buck Snort	57.78	-	57.78	-
01/03/12	EP	Office Max	77.55	-	-	77.55
01/03/12	EP	Pizza King	422.55	-	422.55	-
01/06/12	EP	ATV Motor Sports	140.33	-	-	140.33
01/09/12	13535	Petty Cash	79.35	40.10	39.25	-
01/11/12	13555	Bomgaars	654.82	-	-	654.82
01/11/12	13545	Don's Fuel	82.27	-	-	82.27
01/11/12	13546	Farm Service	570.79	-	-	570.79
01/11/12	13547	Fleet One, LLC	361.60	-	-	361.60
01/11/12	13566	Tri-Center NAPA	177.49	-	-	177.49
01/20/12	EP	Midwest Sporting Goods	37.45	-	-	37.45
01/27/12	13583	Petty Cash	87.41	40.00	47.41	-
02/10/12	13595	Derek Schierbrock	80.00	-	-	80.00
02/16/12	13624	Bomgaars	19.99	-	-	19.99
02/16/12	13612	Fleet One, LLC	437.05	-	-	437.05
02/16/12	13633	Office Depot	226.02	-	-	226.02
02/16/12	13634	Schierbrocks	198.11	-	-	198.11
02/16/12	13635	Tri-Center NAPA	109.78	-	-	109.78

Description Per Support or Information from City Official(s)	Category ~
None	General retail/box stores/farm supply stores
None	General electrical supplies and repair
Office supplies, food	Retail
None	Convenience stores/fuel
Christmas lights, candle	Retail
None	Convenience stores/fuel
None	Convenience stores/fuel
None	Convenience stores/fuel
None	Reimbursements
None	General retail/box stores/farm supply stores
None	Auto Parts/Supplies
None	General electrical supplies and repair
"Food to state shed for appreciation"	Restaurant
None	Office Supplies
Food/Alcohol Per City official, holiday party for City employees and officials	Restaurant
None	Auto Parts/Supplies
Groceries, poinsetta, coffee, batteries, cleaning fee	Petty Cash
None	General retail/box stores/farm supply stores
None	Convenience stores/fuel
None	Fuel or fertilizer
None	Convenience stores/fuel
None	Auto Parts/Supplies
None	Fire Department purchases
Band Perry CD, picture frames	Petty Cash
None	Reimbursements
None	General retail/box stores/farm supply stores
None	Convenience stores/fuel
Paper, ink, office supplies, includes hand held blender	Office Supplies
Supplies	Grocery stores/restaurants/restaurant supplies
Parts and repairs	Auto Parts/Supplies

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02/27/12	EP	Restaurant Equippers	153.51	-	-	153.51
03/12/12	EP	Paypal	35.00	-	-	35.00
03/15/12	13679	Fleet One, LLC	610.35	-	-	610.35
03/15/12	13699	Tri-Center NAPA	566.34	-	-	566.34
03/15/12	13700	Underwood Farm Supply	57.11	-	-	57.11
03/15/12	13703	Zimmerman's	13.00	-	-	13.00
03/30/12	EP	Wal-Mart	63.34	-	63.34	-
04/04/12	13717	Jen Sturtz	86.57	-	-	86.57
04/06/12	EP	Wal-Mart	62.84	-	62.84	-
04/11/12	13737	Farm Service	602.05	-	-	602.05
04/11/12	13738	Fleet One, LLC	491.57	-	-	491.57
04/11/12	13766	Menards	125.23	-	-	125.23
04/11/12	13762	Tri-Center NAPA	254.45	-	-	254.45
04/16/12	EP	Menards	287.76	-	-	287.76
04/19/12	EP	Stuart 66 Food Mart	104.01	-	-	104.01
04/20/12	EP	Target	33.38	-	-	33.38
04/23/12	EP	Holiday Inn	335.98	-	-	335.98
04/24/12	13779	Petty Cash	85.18	71.69	13.49	-
05/14/12	EP	WM Supercenter #435	100.39	34.58	65.81	-
05/15/12	13807	Don's Fuel	616.88	-	-	616.88
05/15/12	13806	Farm Service	163.95	-	-	163.95
05/15/12	13808	Fleet One, LLC	452.03	-	-	452.03
05/15/12	13827	Menards	167.82	-	-	167.82
05/15/12	13830	Tri-Center NAPA	67.34	-	-	67.34
05/15/12	13832	Zimmerman's	27.42	-	-	27.42
05/25/12	13849	Petty Cash	81.99	55.00	26.99	-
06/04/12	EP	Fareway Stores	32.71	13.26	19.45	-
06/04/12	EP	Menards	221.58	-	-	221.58
06/13/12	13866	Don's Fuel	303.50	-	-	303.50
06/13/12	13867	Fleet One, LLC	235.25	-	-	235.25
06/13/12	13898	Sam's Club	140.00	-	140.00	-

Description Per Support or Information from City Official(s)	Category ~
<i>None</i>	Grocery stores/restaurants/restaurant supplies
Redwood Publications for Fire Truck Advertisement	General retail/box stores/farm supply stores
<i>None</i>	Convenience stores/fuel
Parts and repairs	Auto Parts/Supplies
<i>None</i>	General retail/box stores/farm supply stores
<i>None</i>	General electrical supplies and repair
Easter Candy	Retail
<i>None</i>	Reimbursements
Food	Retail
<i>None</i>	Fuel or fertilizer
<i>None</i>	Convenience stores/fuel
<i>None</i>	General retail/box stores/farm supply stores
Parts and repairs	Auto Parts/Supplies
<i>None</i>	General retail/box stores/farm supply stores
<i>None</i>	Convenience stores/fuel
<i>None</i>	General retail/box stores/farm supply stores
<i>None</i>	Lodging
Groceries, aspirin, postage, cleaning	Petty Cash
Office Supplies/Food	Retail
<i>None</i>	Convenience stores/fuel
<i>None</i>	Fuel or fertilizer
<i>None</i>	Convenience stores/fuel
<i>None</i>	General retail/box stores/farm supply stores
<i>None</i>	Auto Parts/Supplies
<i>None</i>	General electrical supplies and repair
Clothing, postage	Petty Cash
Office supplies, candy	Grocery Store
<i>None</i>	General retail/box stores/farm supply stores
<i>None</i>	Convenience stores/fuel
<i>None</i>	Convenience stores/fuel
Membership dues	Retail

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06/13/12	13885	Tri-Center NAPA	71.89	-	-	71.89
06/13/12	13890	Zimmerman's	22.58	-	-	22.58
07/12/12	13935	Don's Fuel	436.76	-	-	436.76
07/12/12	13936	Fleet One, LLC	179.25	-	-	179.25
07/12/12	13957	Schierbrocks	154.92	-	-	154.92
07/12/12	13959	Tri-Center NAPA	351.06	-	-	351.06
07/12/12	13963	Underwood Farm Supply	49.22	-	-	49.22
07/12/12	13962	Zimmerman's	13.00	-	-	13.00
07/23/12	EP	Wal-Mart	44.94	15.57	29.37	-
07/30/12	EP	Hobby Lobby	61.45	-	61.45	-
07/31/12	13977	Derek Roberts	1,439.00	-	-	1,439.00
08/15/12	14015	Bomgaars	18.49	-	-	18.49
08/15/12	14004	Don's Fuel	376.21	-	-	376.21
08/15/12	14005	Fleet One, LLC	361.44	-	-	361.44
08/21/12	14467	Tri-Center NAPA	271.13	-	-	271.13
08/22/12	EP	Office Max	16.89	12.90	3.99	-
08/22/12	EP	Wal-Mart	79.63	-	79.63	-
09/12/12	14061	Don's Fuel	1,074.71	-	-	1,074.71
09/12/12	14062	Fleet One, LLC	234.22	-	-	234.22
09/12/12	14083	Zimmerman's	13.00	-	-	13.00
09/14/12	14095	Tri-Center NAPA	558.31	-	-	558.31
09/14/12	14096	Underwood Farm Supply	40.18	-	-	40.18
09/17/12	14082	Ron Handacker	13,500.00	3,108.00	10,392.00	-
09/17/12	EP	The Olive Garden	35.00	-	35.00	-
09/24/12	EP	Office Depot	112.50	-	-	112.50
09/28/12	EP	Office Max	299.59	-	-	299.59
09/28/12	EP	Wal-Mart	331.62	-	331.62	-
10/09/12	14138	Co. Bluffs Photo Enforcement	100.00	-	100.00	-
10/09/12	14125	Don's Fuel	543.58	-	-	543.58
10/09/12	14126	Fleet One, LLC	171.56	-	-	171.56
10/09/12	14146	Menards	434.94	-	-	434.94

Description Per Support or Information from City Official(s)	Category ~
<i>None</i>	Auto Parts/Supplies
<i>None</i>	General electrical supplies and repair
<i>None</i>	Convenience stores/fuel
<i>None</i>	Convenience stores/fuel
<i>None</i>	Grocery stores/restaurants/restaurant supplies
<i>None</i>	Auto Parts/Supplies
<i>None</i>	General retail/box stores/farm supply stores
<i>None</i>	General electrical supplies and repair
Office Supplies, food	Retail
Floral	Retail
<i>None</i>	Electronics/computer store
<i>None</i>	General retail/box stores/farm supply stores
<i>None</i>	Convenience stores/fuel
<i>None</i>	Convenience stores/fuel
<i>None</i>	Auto Parts/Supplies
Bear Claw Back Scratcher - 3.99	Office Supplies
Food, office supplies	Retail
<i>None</i>	Convenience stores/fuel
<i>None</i>	Convenience stores/fuel
<i>None</i>	General electrical supplies and repair
<i>None</i>	Auto Parts/Supplies
<i>None</i>	General retail/box stores/farm supply stores
<i>Concrete work at Denise Ring's residence</i>	Contractor payment
Meals. Receipt noted 2 guests.	Restaurant
<i>None</i>	Office Supplies
<i>None</i>	Office Supplies
Food, vacuum, Vtech console	Retail
<i>None</i>	Other
<i>None</i>	Convenience stores/fuel
<i>None</i>	Convenience stores/fuel
<i>None</i>	General retail/box stores/farm supply stores

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10/09/12	14152	Tri-Center NAPA	389.72	-	-	389.72
10/23/12	14165	Petty Cash	90.15	4.28	85.87	-
10/29/12	EP	Gordmans	81.37	-	81.37	-
10/30/12	EP	Wal-Mart	51.41	-	51.41	-
11/05/12	EP	Hobby Lobby	49.71	-	-	49.71
11/14/12	14209	Don's Fuel	467.26	-	-	467.26
11/14/12	14210	Fleet One, LLC	252.96	-	-	252.96
11/14/12	14224	Menards	84.00	-	-	84.00
11/14/12	14225	Tri-Center NAPA	425.07	-	-	425.07
11/14/12	EP	Underwood TRK	65.27	-	-	65.27
11/14/12	14228	Zimmerman's	40.67	-	-	40.67
11/15/12	EP	Oklahoma Joes BBQ	59.19	-	59.19	-
11/15/12	EP	Trexmart	99.11	-	-	99.11
11/16/12	EP	Holiday Inn	140.57	-	-	140.57
11/16/12	EP	Wal-Mart	75.40	-	75.40	-
11/19/12	EP	Applebees	40.12	-	40.12	-
11/19/12	14241	Derek Roberts	180.00	-	-	180.00
11/19/12	EP	The Station	65.00	-	-	65.00
11/23/12	EP	Wal-Mart	75.34	-	75.34	-
12/06/12	EP	The Buck Snort	28.89	-	28.89	-
12/10/12	EP	Massimo Zanetti Beverage	39.71	-	39.71	-
12/10/12	EP	Wal-Mart	116.63	-	116.63	-
12/11/12	EP	TGI Taylor Gifts	49.96	-	49.96	-
12/12/12	EP	Office Max	601.74	-	-	601.74
12/13/12	14299	Don's Fuel	1,308.98	-	-	1,308.98
12/13/12	14300	Fleet One, LLC	60.46	-	-	60.46
12/13/12	14313	Menards	239.95	-	-	239.95
12/13/12	EP	Office Depot	271.35	-	-	271.35
12/13/12	14286	Tri-Center NAPA	830.21	-	-	830.21
12/14/12	EP	Office Depot	160.08	-	-	160.08
12/14/12	14284	Zimmerman's	25.19	-	-	25.19
12/18/12	EP	Minden Bowl Café And Lounge	51.63	-	51.63	-

Description Per Support or Information from City Official(s)	Category ~
<i>None</i>	Auto Parts/Supplies
Taco salad, burgers and drinks, auto parts	Petty Cash
Seasonal purchases	Retail
Food	Retail
<i>None</i>	General retail/box stores/farm supply stores
<i>None</i>	Convenience stores/fuel
<i>None</i>	Convenience stores/fuel
<i>None</i>	General retail/box stores/farm supply stores
<i>None</i>	Auto Parts/Supplies
<i>None</i>	Convenience stores/fuel
<i>None</i>	General electrical supplies and repair
<i>Receipt unreadable. Vendor located in Kansas City.</i>	Restaurant
27.463 gallons - Dearborn, MO	Convenience stores/fuel
Leisure trip per support	Lodging
Christmas decorations	Retail
2 Dinners in Kansas City	Restaurant
<i>None</i>	Electronics/computer store
<i>None</i>	Convenience stores/fuel
Candy, gifts, decoration	Retail
Lunch with Data Tech	Restaurant
Coffee refills	Other
Coffee machine	Retail
Christmas decorations	Retail
<i>None</i>	Office Supplies
<i>None</i>	Convenience stores/fuel
<i>None</i>	Convenience stores/fuel
<i>None</i>	General retail/box stores/farm supply stores
<i>None</i>	Office Supplies
<i>None</i>	Auto Parts/Supplies
<i>None</i>	Office Supplies
<i>None</i>	General electrical supplies and repair
<i>None</i>	Restaurant

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12/19/12	14293	Penny's Visions	100.00	-	-	100.00
12/19/12	14295	Touch of Class	50.00	-	-	50.00
12/19/12	EP	Wal-Mart	84.31	-	84.31	-
12/24/12	EP	Pizza King	371.74	-	371.74	-
12/28/12	14250	Derek Schierbrock	120.00	-	-	120.00
01/09/13	EP	Dultmeier Sales NE	236.40	-	-	236.40
01/15/13	14384	Bomgaars	374.53	-	-	374.53
01/15/13	14400	Don's Fuel	1,212.27	-	-	1,212.27
01/15/13	EP	Dultmeier Sales NE	45.58	-	-	45.58
01/15/13	14395	Farm Service	59.85	-	-	59.85
01/15/13	14377	Fleet One, LLC	138.21	-	-	138.21
01/15/13	14409	Menards	294.32	-	-	294.32
01/15/13	14390	Tri-Center NAPA	196.23	-	-	196.23
01/15/13	14406	Zimmerman's	13.00	-	-	13.00
01/16/13	14367	Petty Cash	89.78	-	9.78	80.00
01/17/13	14368	Rick Craft	175.00	-	-	175.00
01/25/13	EP	The Buck Snort	51.89	-	51.89	-
01/29/13	EP	Walmart.com	41.74	-	-	41.74
02/01/13	EP	Massimo Zanetti Beverage	66.89	-	66.89	-
02/05/13	EP	Walmart	71.53	-	71.53	-
02/13/13	EP	Office Max Council Bluffs	85.28	69.34	15.94	-
02/21/13	14460	Don's Fuel	175.00	-	-	175.00
02/21/13	14461	Fleet One, LLC	355.17	-	-	355.17
02/21/13	14493	Menards	265.29	-	-	265.29
02/21/13	14506	Tri-Center NAPA	372.82	-	-	372.82
02/28/13	14515	Derek Schierbrock	110.00	-	-	110.00
03/07/13	EP	Office Max Council Bluffs	104.38	-	-	104.38
03/07/13	EP	Shopko	59.88	-	59.88	-

Description Per Support or Information from City Official(s)	Category ~
None	General retail/box stores/farm supply stores
None	General retail/box stores/farm supply stores
Candy, food	Retail
Food, alcohol. <i>Per City official, holiday party for City employees and officials.</i>	Restaurant
None	Reimbursements
None	Auto Parts/Supplies
None	General retail/box stores/farm supply stores
None	Convenience stores/fuel
None	Auto Parts/Supplies
None	Fuel or fertilizer
None	Convenience stores/fuel
None	General retail/box stores/farm supply stores
None	Auto Parts/Supplies
None	General electrical supplies and repair
<i>Aspirin, no support for the remainder</i>	Petty Cash
None	Reimbursements
6 Meals, drinks, and sides	Restaurant
None	General retail/box stores/farm supply stores
None	Other
Paper plates, coffee, food	Retail
Office supplies, candy	Office Supplies
None	Convenience stores/fuel
None	Convenience stores/fuel
None	General retail/box stores/farm supply stores
None	Auto Parts/Supplies
None	Reimbursements
None	Office Supplies
Candy	Retail

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03/11/13	EP	Fareway Stores	62.45	-	62.45	-
03/14/13	14545	Bomgaars	124.43	-	-	124.43
03/14/13	14534	Don's Fuel	779.65	-	-	779.65
03/14/13	14535	Fleet One, LLC	22.00	-	-	22.00
03/14/13	14556	Tri-Center NAPA	761.88	-	-	761.88
03/14/13	14557	Underwood Farm Supply	12.60	-	-	12.60
03/14/13	14558	Zimmerman's	13.00	-	-	13.00
03/18/13	EP	Don's Fuel	18.33	-	-	18.33
03/27/13	14568	Jeremy Vanarsdol	93.44	-	-	93.44
04/05/13	14582	Derek Schierbrock	40.00	-	-	40.00
04/09/13	14583	Petty Cash	76.71	50.50	26.21	-
04/15/13	14632	Bomgaars	41.98	-	-	41.98
04/15/13	14602	Don's Fuel	392.01	-	-	392.01
04/15/13	14603	Fleet One, LLC	161.68	-	-	161.68
04/15/13	14616	Menards	38.43	-	-	38.43
04/15/13	14619	Tri-Center NAPA	93.03	-	-	93.03
04/15/13	EP	Walmart	31.09	-	31.09	-
04/15/13	14621	Zimmerman's	35.20	-	-	35.20
04/16/13	EP	Don's Fuel	52.00	-	-	52.00
04/16/13	14636	Menards	202.16	-	-	202.16
04/19/13	EP	Massimo Zanetti Beverage	61.89	-	61.89	-
05/13/13	EP	Office Depot	129.09	-	-	129.09
05/13/13	EP	WalMart	69.97	-	69.97	-
05/17/13	14680	Don's Fuel	405.23	-	-	405.23
05/17/13	14679	Fleet One, LLC	216.57	-	-	216.57
05/17/13	14688	Menards	752.43	-	-	752.43
05/17/13	14691	Tri-Center NAPA	249.55	-	-	249.55
06/17/13	EP	Hobby Lobby	267.49	-	-	267.49
06/17/13	EP	WalMart	30.46	6.09	24.37	-
06/19/13	14741	Don's Fuel	107.61	-	-	107.61
06/19/13	14744	Fleet One, LLC	216.61	-	-	216.61

Description Per Support or Information from City Official(s)	Category ~
Candy, food	Grocery Store
None	General retail/box stores/farm supply stores
None	Convenience stores/fuel
None	Convenience stores/fuel
None	Auto Parts/Supplies
None	General retail/box stores/farm supply stores
None	General electrical supplies and repair
None	Convenience stores/fuel
None	Reimbursements
None	Reimbursements
K cups, cleaning fee, change	Petty Cash
None	General retail/box stores/farm supply stores
None	Convenience stores/fuel
None	Convenience stores/fuel
None	General retail/box stores/farm supply stores
None	Auto Parts/Supplies
Kcups, bread, plates	Retail
None	General electrical supplies and repair
None	Convenience stores/fuel
None	General retail/box stores/farm supply stores
Skinny Latte	Other
None	Office Supplies
Candy, food	Retail
None	Convenience stores/fuel
None	Convenience stores/fuel
None	General retail/box stores/farm supply stores
None	Auto Parts/Supplies
None	General retail/box stores/farm supply stores
Cleaning supplies, coffee	Retail
None	Convenience stores/fuel
None	Convenience stores/fuel

Report on Special Investigation of the
City of Neola

City Payments to Vendors
For the period January 1, 2009 through December 31, 2013

Date^	Check Number	Payee	Check Amount	Reasonable	Improper	Unsupported
06/19/13	14753	Menards	519.50	-	-	519.50
06/19/13	14757	Sam's Club	225.00	-	225.00	-
06/19/13	14763	Zimmerman's	24.95	-	-	24.95
06/30/13	14790	Tri-Center NAPA	486.88	-	-	486.88
07/16/13	14817	Bomgaars	149.99	-	-	149.99
07/16/13	14824	D & D Communications	315.20	-	-	315.20
07/16/13	14806	Don's Fuel	488.37	-	-	488.37
07/16/13	14827	Farm Service	537.03	-	-	537.03
07/16/13	14807	Fleet One, LLC	379.16	-	-	379.16
07/16/13	14820	Menards	1,028.15	-	-	1,028.15
07/16/13	14821	Zimmerman's	40.30	-	-	40.30
07/19/13	14842	Petty Cash	88.00	80.52	7.48	-
07/25/13	EP	Office Depot	85.08	58.10	26.98	-
07/25/13	EP	Office Depot	6.34	-	-	6.34
07/31/13	EP	Overdraft fee	15.00	-	15.00	-
08/16/13	14886	Don's Fuel	355.95	-	-	355.95
08/16/13	14888	Fleet One, LLC	535.20	-	-	535.20
08/16/13	14883	Herb Brich	250.00	-	-	250.00
08/16/13	EP	Massimo Zanetti Beverage	61.80	-	61.80	-
08/16/13	14895	Menards	1,318.29	-	-	1,318.29
08/16/13	14898	Petty Cash	91.68	51.12	40.56	-
08/17/13	14908	Tri-Center NAPA	404.08	-	-	404.08
08/17/13	14913	Zimmerman's	15.60	-	-	15.60
08/21/13	EP	Overdraft fee	15.00	-	15.00	-
08/22/13	EP	Overdraft fee	150.00	-	150.00	-
09/17/13	14944	Don's Fuel	145.07	-	-	145.07
09/17/13	14953	Wex Bank	169.01	-	-	169.01
09/18/13	14961	Menards	120.91	-	-	120.91
09/18/13	14965	Zimmerman's	11.93	-	-	11.93
10/16/13	EP	Office Max	206.03	186.03	20.00	-

Description Per Support or Information from City Official(s)	Category ~
<i>None</i>	General retail/box stores/farm supply stores
Sam's Club membership dues	Retail
<i>None</i>	General electrical supplies and repair
<i>None</i>	Auto Parts/Supplies
<i>None</i>	General retail/box stores/farm supply stores
<i>None</i>	Other
<i>None</i>	Convenience stores/fuel
<i>None</i>	Fuel or fertilizer
<i>None</i>	Convenience stores/fuel
<i>None</i>	General retail/box stores/farm supply stores
<i>None</i>	General electrical supplies and repair
Candy, fruit snacks	Petty Cash
Office supplies, candy	Office Supplies
<i>None</i>	Office Supplies
<i>None</i>	Other
<i>None</i>	Convenience stores/fuel
<i>None</i>	Convenience stores/fuel
<i>None</i>	Other
<i>None</i>	Other
Food, root beer, 30 qt turkey fryer	General retail/box stores/farm supply stores
K cups, coffee, cleaning fee, cleaning supplies, postage	Petty Cash
<i>None</i>	Auto Parts/Supplies
<i>None</i>	General electrical supplies and repair
<i>None</i>	Other
<i>None</i>	Other
<i>None</i>	Convenience stores/fuel
<i>None</i>	Convenience stores/fuel
<i>None</i>	General retail/box stores/farm supply stores
<i>None</i>	General electrical supplies and repair
Coffee and office supplies	Office Supplies

Report on Special Investigation of the
City of Neola

City Payments to Vendors
For the period January 1, 2009 through December 31, 2013

Date[^]	Check Number	Payee	Check Amount	Reasonable	Improper	Unsupported
10/18/13	EP	Don's Fuel	40.01	-	-	40.01
10/22/13	15017	Don's Fuel	423.69	-	-	423.69
10/23/13	15041	Schierbrocks Dept Store	202.54	-	-	202.54
10/23/13	15044	Tri-Center NAPA	418.34	-	-	418.34
10/23/13	15047	Zimmerman's	13.00	-	-	13.00
10/30/13	15050	Wex Fleet Card	298.97	-	-	298.97
11/14/13	EP	Target	155.34	-	-	155.34
11/21/13	EP	Office Max	352.36	-	-	352.36
12/06/13	EP	Dollar General	61.36	-	-	61.36
12/11/13	15085	Don's Fuel	1,051.91	-	-	1,051.91
12/11/13	15101	Wex Bank	177.53	-	-	177.53
12/11/13	15102	Zimmerman's	14.53	-	-	14.53
12/13/13	EP	Dean Sparr ENT	62.63	-	-	62.63
12/13/13	EP	Dean Sparr ENT	100.23	-	-	100.23
12/18/13	EP	Office Depot	36.00	-	-	36.00
12/18/13	EP	Office Depot	161.54	-	-	161.54
12/26/13	EP	Office Depot	43.04	-	-	43.04
Total			\$ 111,651.05	4,691.59	17,163.86	89,795.60

[^] - Date shown is the check date or the date the electronic payment was recorded on the City's bank statement.

~ - Category is based on information from City official(s) and the vendor's type of business.

EP = Electronic payment.

Note: Auditor's notations are in italics.

Description Per Support or Information from City Official(s)	Category ~
<i>None</i>	Convenience stores/fuel
<i>None</i>	Convenience stores/fuel
<i>None</i>	Grocery stores/restaurants/restaurant supplies
<i>None</i>	Auto Parts/Supplies
<i>None</i>	General electrical supplies and repair
<i>None</i>	Convenience stores/fuel
<i>None</i>	General retail/box stores/farm supply stores
<i>None</i>	Office Supplies
<i>None</i>	General retail/box stores/farm supply stores
<i>None</i>	Convenience stores/fuel
<i>None</i>	Convenience stores/fuel
<i>None</i>	General electrical supplies and repair
<i>None</i>	Other
<i>None</i>	Other
<i>None</i>	Office Supplies
<i>None</i>	Office Supplies
<i>None</i>	Office Supplies

Exhibit C

Report on Special Investigation of the
City of NeolaPayments to Deb Schierbrock
For the period January 1, 2009 through December 31, 2013

Check Date	Check Number	Check Amount
03/27/09	11150	\$ 140.40
05/20/09	11290	124.05
07/24/09	11446	187.16
08/21/09	11533	55.00
10/29/09	11680	125.40
11/24/09	11743	44.00
12/18/09	11821	57.20
03/09/10	11997	22.00
03/15/10	12030	44.00
03/25/10	12051	22.00
07/19/10	12320	222.65
08/25/10	12406	22.00
10/14/10	12508	22.00
10/29/10	12539	116.30
12/09/10	12654	52.80
04/19/11	12957	48.96
07/22/11	13165	309.00
09/30/11	13322	20.40
12/08/11	13453	119.33
02/14/12	13607	36.63
04/23/12	13778	96.73
06/26/12	13906	66.60
09/28/12	14107	212.78
10/25/12	14174	22.20
03/27/13	14570	22.60
08/29/13	14926	300.83
Total		<u>\$ 2,513.02</u>

Report on Special Investigation of the
City of NeolaPayments to Bill Schierbrock
For the period January 1, 2009 through December 31, 2013

Check Date	Check Number	Check Amount
01/22/09	11000	\$ 425.59
02/19/09	11071	265.61
04/23/09	11221	61.84
07/24/09	11445	66.00
08/11/09	11487	172.15
08/21/09	11532	97.35
02/10/10	11957	44.00
03/04/10	11989	44.00
04/29/10	12120	35.75
07/12/10	12261	24.20
08/25/10	12407	45.65
12/15/10	12701	100.00
03/17/11	12891	20.40
01/31/13	14431	900.00
02/01/13	14434	131.08
03/27/13	14569	101.92
Total		<u>\$ 2,535.54</u>

Report on Special Investigation of the
City of Neola

Selected Fire Department Payments and Withdrawals
For the period January 1, 2009 through December 31, 2013

Date^	Check Number	Payee	Check Amount	Reasonable	Improper	Unsupported
01/12/09	1487	Barco Municipal Products	\$ 338.37	-	-	338.37
03/11/09	1491	Corum's Flowers	27.82	-	-	27.82
03/11/09	1492	Sam's Club	70.00	-	70.00	-
04/15/09	1494	Schierbrock's Grocery	2,430.32	-	2,430.32	-
05/11/09	1497	Larsen Supply	396.10	-	-	396.10
05/11/09	1495	Jim Hawk	55.84	-	-	55.84
05/11/09	1496	KNOD	27.00	-	-	27.00
05/20/09	1498	Megan Sorensen	60.00	-	-	60.00
06/11/09	1501	No Frills	37.85	-	37.85	-
08/10/09	1503	Telrepco	2,145.00	-	-	2,145.00
08/10/09	1504	Todd Frank	300.00	-	-	300.00
08/13/09	1505	Ryan Ward	85.00	-	-	85.00
08/31/09	1507	William Huddle	242.00	-	-	242.00
10/06/09	1508	IRS (United States Treasurer)	642.46	-	642.46	-
10/07/09	1509	Greg Hxxx (<i>illegible</i>)	43.78	-	-	43.78
10/08/09	1510	Jeremy Myers	16.02	-	-	16.02
11/02/09	1511	Collins Consulting	200.00	-	-	200.00
11/20/09	1517	Larsen Supply	127.98	-	-	127.98
11/20/09	1518	Schierbrock	761.18	-	761.18	-
11/23/09	1516	Schierbrock's	690.41	-	690.41	-
11/25/09	1514	No Frills	24.60	-	24.60	-
12/03/09	1521	Tim Junkman	311.43	-	-	311.43
12/09/09	1524	Tribune	70.00	-	-	70.00
12/15/09	1527	Bill Huddle	730.25	-	-	730.25
02/06/10	1531	Nebraska Furniture Mart	326.32	-	-	326.32
02/07/10	1532	Office Max	105.67	-	-	105.67
02/11/10	1519	Office Max	53.75	-	53.75	-
02/14/10	1540	NFM (<i>Nebraska Furniture Mart</i>)	1,289.79	-	-	1,289.79
03/04/10	1534	Jeremey Meyers	46.55	-	-	46.55
03/13/10	1535	Sam's	207.64	-	207.64	-
03/15/10	1537	Sam's Club	210.00	-	210.00	-
04/07/10	1541	Corum's Flowers	53.50	-	-	53.50
05/19/10	1548	Lynn Card Co	136.50	-	-	136.50
08/05/10	EP	Kum And Go Conve Elec Check	80.00	-	-	80.00
08/30/10	1552	US Bank	59.50	-	-	59.50

Description per Support	Category ~
None	Signs and equipment
None	Gifts/Flowers
Membership fee	Retail - general
None	Grocery Store
Various Utensils	Janitorial, restroom, restaurant supply
None	Reimbursement
None	Other - Radio station
Class (EMS) (Snack items)	Reimbursement
cookies, chips, donut holes	Grocery store
8985/113840	Computer - Tough books
Menards supplies	Reimbursement
None	Reimbursement
Pop - Paint	Reimbursement
990 ER 6/30/08 XXXXXX (Tax return for Fund Raisers Inc.)	Fundraising
None	Reimbursement
None	Reimbursement
None	Accounting, Payroll, Tax services
None	Janitorial, restroom, restaurant supply
None	Grocery Store
None	Grocery Store
None	Grocery store
None	Reimbursement
None	Other - Newspaper
Supplies	Reimbursement
TV	Retail - Furniture store
Label maker + supplies	Office supplies
Raffle tickets	Fundraising - Office supplies
None	Retail - Furniture store
Lighting fixture for closet	Reimbursement
Pop and beer	Retail - general
6 membership card renewals	Retail - general
Invoice # 59219	Gifts/Flowers
Cust #43222	Gifts/Cards
None	Convenience store (Fuel)
Acct #XXXXXXXXXXXX	Credit card payment

Report on Special Investigation of the
City of Neola

Selected Fire Department Payments and Withdrawals
For the period January 1, 2009 through December 31, 2013

Date[^]	Check Number	Payee	Check Amount	Reasonable	Improper	Unsupported
09/09/10	1553	Bill Huddle	90.00	-	-	90.00
09/09/10	1554	Dan Roberts	60.00	-	-	60.00
11/08/10	EP	OFFICEMAX	133.70	-	-	133.70
11/11/10	1561	Laneis XXXXXX	60.00	-	-	60.00
11/15/10	EP	OFFICEMAX	62.36	-	-	62.36
11/15/10	EP	Sam's Club	170.06	-	170.06	-
12/02/10	1567	Rick Rodewald	150.00	-	-	150.00
12/09/10	1568	Cash	100.00	-	100.00	-
01/18/11	1570	Dan Roberts	250.00	-	-	250.00
01/18/11	1571	PCFRA (<i>Pottawattamie Co. Fire & Rescue Assoc.</i>)	50.00	-	-	50.00
01/19/11	1575	Bill Schierbrock	75.00	-	-	75.00
02/03/11	1578	Sam's Club	105.00	-	105.00	-
02/03/11	1579	Buck Snort	66.00	-	66.00	-
02/11/11	1581	Kyle Clark	765.00	-	-	765.00
02/24/11	1589	US Bank	50.87	-	-	50.87
03/08/11	EP	BEST BUY	256.79	-	-	256.79
03/10/11	1557	PCFRA (<i>Pottawattamie Co. Fire & Rescue Assoc.</i>)	50.00	-	-	50.00
03/16/11	1596	The Buck Snort	48.00	-	48.00	-
04/05/11	1597	Petty Cash	200.00	-	200.00	-
04/05/11	1598	Buck Snort	42.00	-	42.00	-
04/08/11	1599	Buck Snort	95.25	-	95.25	-
04/25/11	1602	US Bank	218.53	-	-	218.53
04/26/11	1604	No Frills	196.90	-	196.90	-
04/27/11	1609	La Mesa	151.00	-	-	151.00
04/28/11	1608	Don's Fuel	35.00	-	-	35.00
05/12/11	1610	Chuck Gross	40.00	-	-	40.00
05/12/11	1611	Ryan Ward	66.59	-	-	66.59
05/21/11	1616	Crystal Husz	30.00	-	-	30.00
05/21/11	1615	Cash	120.00	-	120.00	-
06/09/11	1618	Carolyn Kay	30.00	-	-	30.00
06/10/11	EP	SAMSClub-WALMART	185.78	-	185.78	-
07/07/11	1622	Buck Snort	36.00	-	36.00	-

Description per Support	Category ~
Supplies	Reimbursement
<i>Cole review class</i>	Reimbursement
<i>None</i>	Office supplies
Child birth XXXXXXXX	Reimbursement
<i>None</i>	Office supplies
Pop, beer, cookies	Retail - general
<i>None</i>	Reimbursement
Santa Claus	Cash
CPR	Reimbursement
Annual dues	Other
Reimburse for fuel 24.518 gal	Reimbursement
4 membership card renewals	Retail - general
<i>None</i>	Restaurant
<i>None</i>	Reimbursement
Acct #XXXXXXXXXXXXXXXXXX	Credit card payment
NUVI Garmin - GPS	Other - Electronics
Image Trend 9-25-10-9/24/11	Other
<i>None</i>	Restaurant
Food, cash after st pats dinner, beer	Cash
<i>None</i>	Restaurant
Food for Class	Restaurant
Acct #XXXXXXXXXXXXXXXXXX	Credit card payment
Gatorade, Pepsi, Mt. Dew, Dr. Pepper	Grocery store
EMT Class	Other - Restaurant
EMT Class	Convenience store (fuel)
<i>None</i>	Reimbursement
<i>None</i>	Reimbursement
IWCC EMT Testing	Reimbursement
IWCC EMT Testing	Cash
<i>None</i>	Reimbursement
Beer, pop, water, sport drinks	Retail - general
Food	Restaurant

Report on Special Investigation of the
City of Neola

Selected Fire Department Payments and Withdrawals
For the period January 1, 2009 through December 31, 2013

Date[^]	Check Number	Payee	Check Amount	Reasonable	Improper	Unsupported
07/19/11	EP	SAMS CLUB STORES	89.28	-	89.28	-
08/12/11	EP	OFFICE DEPOT	162.76	-	-	162.76
08/12/11	1662	Nick Kuster	200.00	-	-	200.00
08/18/11	1663	Ryan Ward	216.00	-	-	216.00
08/25/11	1664	Dan Roberts	40.00	-	-	40.00
09/06/11	EP	SAMS CLUB STORES	157.21	140.49	16.72	-
09/06/11	EP	No Frills	271.09	-	271.09	-
09/21/11	EP	Overdraft Charge	15.00	-	15.00	-
09/21/11	1625	Rite Pierson	60.00	-	-	60.00
10/06/11	1630	Coon's Corner	30.00	-	30.00	-
10/08/11	1631	<i>Blank</i>	263.09	-	-	263.09
10/11/11	1627	Bradley's	84.90	-	-	84.90
10/12/11	1668	Buck Snort	50.00	-	50.00	-
10/21/11	1632	Ryan Ward	85.07	-	-	85.07
11/08/11	1634	Schierbrock's	100.00	-	100.00	-
11/22/11	EP	SAMS CLUB STORES	1,310.23	996.88	313.35	-
12/08/11	1642	Collins Consulting	100.00	-	-	100.00
12/08/11	1643	Michael Collins Memorial	250.00	-	-	250.00
12/10/11	1645	Cash	200.00	-	200.00	-
12/13/11	EP	KMART	240.35	-	240.35	-
01/19/12	1651	Dan Roberts	50.00	-	-	50.00
01/24/12	1650	Super Saver	219.05	-	219.05	-
01/27/12	EP	SAMS CLUB STORES	860.38	-	-	860.38
01/27/12	EP	SHOPKO STORES	180.77	85.58	95.19	-
02/16/12	1655	Lisa Reichter	40.00	-	-	40.00
02/21/12	EP	SAMS CLUB STORES	268.37	-	268.37	-
03/01/12	1656	Bill Huddle	21.33	-	-	21.33
03/01/12	1676	Sam's Club	140.00	-	140.00	-
03/01/12	1672	United Rent-All	490.25	-	-	490.25

Description per Support	Category ~
Candy for parade (<i>purchased after the parade</i>)	Retail - general
<i>None</i>	Office supplies
SCLS Course	Reimbursement
<i>None</i>	Reimbursement
Class	Reimbursement
Candy, paper towels, alcohol, toilet paper	Retail - general
Pop, beer, alcohol, wine	Grocery store
<i>None</i>	Bank fee
EMS Class	Reimbursement
<i>None</i>	Restaurant / Bar
Batteries	No payee
McDermott Service	Other
<i>None</i>	Restaurant
Reimb fareway food chili fixings	Reimbursement
Snap on	Grocery Store
Pop, coffee, beer, water, 60 cup urns, soap, paper towels, folding chairs, tables	Retail - general
<i>None</i>	Accounting, Payroll, Tax services
<i>None</i>	Reimbursement
<i>None</i>	Cash
Tree skirt, ornaments, butter dish, salt and pepper shakers, cleaning supplies, claritin, deodorant, plant, chamois, gum	Retail - General
Class	Reimbursement
Beer, alcohol, ingredients for gumbo	Grocery store
<i>None</i>	Retail - general
4 folding chairs, health and beauty products, food, candy	Retail - general
<i>None</i>	Reimbursement
TV mount, printer ink, batteries, USB, food items	Retail - general
<i>None</i>	Reimbursement
4 card membership renewals	Retail - general
03/16/12 Rental	Tool and equipment rental

Report on Special Investigation of the
City of Neola

Selected Fire Department Payments and Withdrawals
For the period January 1, 2009 through December 31, 2013

Date^	Check Number	Payee	Check Amount	Reasonable	Improper	Unsupported
03/01/12	1680	Jim Hawk Truck Trailer	73.70	-	-	73.70
03/02/12	EP	SAMS CLUB	375.90	-	375.90	-
03/02/12	EP	ATM Withdrawal	20.00	-	20.00	-
03/02/12	EP	OFFICE MAX	34.47	-	-	34.47
03/13/12	1659	Fisher Fixtures	432.39	-	-	432.39
03/15/12	EP	WAL-MART STORES	205.24	-	205.24	-
04/05/12	1682	Minden Meat Market	99.63	-	99.63	-
04/19/12	1685	Buck Snort	28.99	-	28.99	-
04/27/12	EP	KUM AND GO CONVE	66.53	-	-	66.53
05/03/12	EP	SAMS CLUB	74.78	-	-	74.78
05/08/12	1691	Larsen Supply Co.	275.64	-	-	275.64
05/15/12	EP	HHS CMS CLIA PAYMENT	150.00	-	-	150.00
06/11/12	EP	NO FRILLS SUPERMAR	201.52	-	201.52	-
06/12/12	1702	Don's Fuels	40.00	-	-	40.00
06/12/12	1701	Buck Snort	149.79	-	149.79	-
06/18/12	EP	DONS FUEL AND AUTO INC	74.74	-	-	74.74
06/28/12	1704	JM xxxx	20.00	-	-	20.00
07/05/12	EP	SAMSCLUB #6472	408.86	-	-	408.86
07/05/12	1708	Schierbrock's	432.17	-	432.17	-
07/05/12	1707	The Buck Snort	96.30	-	96.30	-
07/10/12	EP	DONS FUEL AND AUTO INC	43.63	-	-	43.63
07/12/12	1709	Dan Roberts	50.00	-	-	50.00
07/12/12	1709	Dan Roberts	50.00	-	-	50.00
07/16/12	EP	SAMS CLUB	489.89	-	489.89	-
07/23/12	EP	PAYPAL	40.15	-	-	40.15
07/23/12	EP	MENARDS CNCL BLF	577.15	-	-	577.15
07/27/12	EP	DONS FUEL AND AUTO INC	33.68	-	-	33.68
08/02/12	1711	Minden Meat Market	104.00	-	104.00	-
08/09/12	1712	Bill Huddle	56.83	-	-	56.83
08/13/12	EP	KUM AND GO CONVE	43.04	-	-	43.04
08/17/12	EP	DONS FUEL AND AUTO INC	57.52	-	-	57.52

Description per Support	Category ~
Inv # 6 213620117	Automotive - Trucking service
Canopy, pop, batteries, shrimp, chicken wings, broccoli	Retail - general
None	Cash
None	Office supplies
unreadable	Other - Food service equipment supplier
Beer, alcohol, water, tea, bread, peanut butter, condiments, febreze	Retail - general
60 6oz ground beef patty	Grocery store
None	Restaurant
None	Convenience store (Fuel)
None	Retail - general
Plastic plates, cups, broom	Janitorial, restroom, restaurant supply
None	Other
None	Grocery store
None	Convenience store (fuel)
None	Restaurant
None	Convenience store (fuel)
None	Other
Debit	Retail - general
Pork loin, potatoes, foil, corn, ice, ice cream, pop	Grocery Store
5 pizzas	Restaurant
None	Convenience store (fuel)
None	Reimbursement
None	Reimbursement
POS - gatorade, water	Retail - general
None	Automotive
None	Retail - General
None	Convenience store (fuel)
None	Grocery store
Reimbursed for food (chips, chicken filets)	Reimbursement
None	Convenience store (Fuel)
None	Convenience store (fuel)

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Date^	Check Number	Payee	Check Amount	Reasonable	Improper	Unsupported
08/22/12	EP	WAL-MART #1965	165.35	-	165.35	-
08/27/12	EP	SAMS CLUB STORES	131.93	-	131.93	-
08/27/12	EP	FAREWAY STORES	113.23	-	113.23	-
08/27/12	EP	MENARDS CNCL BLF	144.87	-	-	144.87
09/04/12	EP	SAM'S CLUB	108.30	-	108.30	-
09/05/12	1718	Minden Meat	178.70	-	178.70	-
09/06/12	EP	KUM & GO #23	62.00	-	-	62.00
09/11/12	EP	DONS FUEL AND AUTO INC	47.85	-	-	47.85
09/11/12	EP	DONS FUEL AND AUTO INC	74.22	-	-	74.22
09/11/12	EP	DONS FUEL AND AUTO INC	75.00	-	-	75.00
09/13/12	1870	Ryan Ward	52.79	-	-	52.79
09/17/12	EP	SHELL SERVICE STATION	75.00	-	-	75.00
09/20/12	1750	Buck Snort	96.30	-	96.30	-
10/09/12	EP	KUM & GO #23	36.02	-	-	36.02
10/12/12	EP	DULTMEIER SALES	208.77	-	-	208.77
10/16/12	EP	DULTMEIER SALES	19.16	-	-	19.16
11/05/12	EP	LONGHORN STEAK	130.43	-	130.43	-
11/06/12	1723	No Frills	65.82	-	65.82	-
11/13/12	EP	Withdrawal	2,000.00	-	2,000.00	-
11/13/12	EP	STANDARD AUTO SVC	53.23	-	-	53.23
11/13/12	EP	UNDERWOOD FUEL	49.83	-	-	49.83
11/17/12	1730	The Buck Snort	77.04	-	77.04	-
11/20/12	EP	DONS FUEL AND AUTO INC	3.00	-	-	3.00
11/20/12	EP	DONS FUEL AND AUTO INC	55.40	-	-	55.40
11/26/12	EP	SEARS ROEBUCK	72.72	-	-	72.72
12/01/12	1722	Buck Snort	93.09	-	93.09	-
12/04/12	1733	Blank	150.00	-	-	150.00
12/08/12	1737	Cash	100.00	-	100.00	-
12/10/12	EP	HOB LOB	85.23	-	-	85.23
12/10/12	EP	KMART	51.33	-	-	51.33

Description per Support	Category ~
Beer, alcohol, cleaning supplies	Retail - general
candy, nuts, lighters	Retail - general
Beans, beef enchilada, lettuce, mexican food items	Grocery store
<i>None</i>	Retail - General
Pop	Retail - general
Whole BBQ Hog	Grocery store
<i>None</i>	Convenience store (Fuel)
<i>None</i>	Convenience store (fuel)
<i>None</i>	Convenience store (fuel)
<i>None</i>	Convenience store (fuel)
Menards - bolt cutter	Reimbursement
<i>None</i>	Convenience store (fuel)
Food for Class	Restaurant
<i>None</i>	Convenience store (Fuel)
<i>None</i>	Automotive - Car Wash , hose supplies
<i>None</i>	Automotive - Car Wash , hose supplies
5 dinners	Restaurant
Inv#14784c	Grocery store
<i>None</i>	Cash
<i>None</i>	Automotive
<i>None</i>	Convenience store (fuel)
4 pizzas	Restaurant
<i>None</i>	Convenience store (fuel)
<i>None</i>	Convenience store (fuel)
Women's pink work gloves	Retail - general
5 pizzas	Restaurant
Training	No payee
Santa	Cash
<i>None</i>	Retail Hobby store
<i>None</i>	Retail - General

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City of Neola

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Date^	Check Number	Payee	Check Amount	Reasonable	Improper	Unsupported
12/10/12	EP	DONS FUEL AND AUTO INC	57.01	-	-	57.01
12/10/12	EP	TARGET	84.57	-	-	84.57
12/28/12	1736	J&H Breast Health Center	416.00	-	-	416.00
01/10/13	1738	Buck Snort	74.04	-	74.04	-
01/22/13	1739	Collins Consulting	100.00	-	-	100.00
01/22/13	EP	DONS FUEL AND AUTO INC	52.00	-	-	52.00
01/23/13	1747	No Frills	195.40	-	195.40	-
01/23/13	1749	Petty Cash	200.00	-	200.00	-
01/23/13	1746	Larsen Supply Co	298.66	-	-	298.66
01/23/13	1744	KNOD	30.00	-	-	30.00
01/29/13	1759	Buck Snort	57.58	-	57.58	-
02/02/13	1760	NFM	710.28	-	-	710.28
02/04/13	EP	NORTHERN TOOL + EQUIP	32.09	-	-	32.09
02/04/13	EP	OFFICE MAX	160.45	-	-	160.45
02/04/13	EP	SHELL OIL	25.00	-	-	25.00
02/05/13	EP	DONS FUEL AND AUTO INC	20.43	-	-	20.43
02/06/13	EP	OFFICEMAX 0971	79.36	-	-	79.36
02/07/13	1762	Rich Rodewald	100.00	-	-	100.00
02/08/13	EP	FAREWAY STORES 073	74.34	-	74.34	-
02/19/13	EP	ALBRIGHT'S AUTO PLUS	13.90	-	-	13.90
02/19/13	EP	SHELL SERVICE STATION	50.03	-	-	50.03
03/04/13	EP	DONS FUEL AND AUTO INC	31.00	-	-	31.00
03/04/13	EP	DONS FUEL AND AUTO INC	72.00	-	-	72.00
03/08/13	1782	Minden Meat	65.75	-	65.75	-
03/11/13	EP	OUTBACK 1614	135.00	-	135.00	-
03/11/13	EP	STONEY CREEK INN	223.74	-	-	223.74
03/11/13	EP	STONEY CREEK INN	223.74	-	-	223.74
03/14/13	1810	Dan Robers	100.00	-	-	100.00
03/18/13	1764	<i>Blank</i>	72.04	-	-	72.04
03/18/13	EP	DONS FUEL AND AUTO INC	58.34	-	-	58.34
03/18/13	EP	DONS FUEL AND AUTO INC	59.00	-	-	59.00
03/18/13	EP	DONS FUEL AND AUTO INC	59.29	-	-	59.29
03/18/13	EP	DONS FUEL AND AUTO INC	66.05	-	-	66.05
03/18/13	EP	SAMSCLUB #6472	176.54	-	-	176.54

Description per Support	Category ~
None	Convenience store (fuel)
Staples, yoga mat, Embark, Breast Cancer Awareness	Retail - general Other - Donations
4 pizzas	Restaurant
None	Accounting, Payroll, Tax services
None	Convenience store (fuel)
None	Grocery store
None	Cash
Utensils, Fork, knives, spoon plastic	Janitorial, restroom, restaurant supply
Advertising	Other - Radio station
3 pizzas	Restaurant
None	Retail - Furniture store
None	Tool and supplies
None	Office supplies
None	Convenience store (fuel)
None	Convenience store (fuel)
None	Office supplies
Training	Reimbursement
chicken breast, cheese, chicken stock	Grocery store
None	Automotive
None	Convenience store (fuel)
None	Convenience store (fuel)
None	Convenience store (fuel)
Meat for training	Grocery store
4 meals, 1 appetizer, and 3 beers-(EMS Class) with tip	Restaurant
None	Other - Hotel
None	Other - Hotel
Training	Reimbursement
None	No payee
None	Convenience store (fuel)
None	Convenience store (fuel)
None	Convenience store (fuel)
None	Convenience store (fuel)
None	Retail - general

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Date^	Check Number	Payee	Check Amount	Reasonable	Improper	Unsupported
03/18/13	EP	WAL-MART #1965	160.89	-	160.89	-
03/18/13	EP	TARGET	27.87	-	-	27.87
03/20/13	1765	Buck Snort	112.35	-	112.35	-
03/25/13	1766	Schierbrock's	178.76	-	178.76	-
03/26/13	1768	No Frills / Bag N Save	496.61	-	496.61	-
04/03/13	EP	UNDERWOOD FUEL	35.01	-	-	35.01
04/06/13	1777	Bill Huddle	250.00	-	-	250.00
04/08/13	EP	DONS FUEL AND AUTO INC	56.00	-	-	56.00
04/08/13	EP	DONS FUEL AND AUTO INC	67.00	-	-	67.00
04/09/13	EP	DONS FUEL AND AUTO INC	43.04	-	-	43.04
04/15/13	1778	Petty Cash	150.00	-	150.00	-
04/15/13	EP	NORTHERN TOOL + EQUIP	58.24	-	-	58.24
04/16/13	EP	SEARS ROEBUCK	149.44	-	-	149.44
04/16/13	EP	PROV ENRLMNT FEE	532.00	-	-	532.00
04/19/13	1779	<i>Blank</i>	35.00	-	-	35.00
05/02/13	1783	Paul Ward	68.00	-	-	68.00
05/06/13	1784	The Buck Snort	123.57	-	123.57	-
05/20/13	1786	KNOD	60.00	-	-	60.00
05/20/13	1788	Larsen Suply Co.	620.57	-	-	620.57
05/28/13	1790	Petty Cash	150.00	-	150.00	-
06/03/13	EP	KMART 3097	44.36	-	-	44.36
06/07/13	EP	PIZZA KING	66.34	-	66.34	-
06/10/13	EP	DONS FUEL AND AUTO INC	50.01	-	-	50.01
06/17/13	EP	THE BUCK SNORT	38.52	-	38.52	-
06/26/13	EP	THE BUCK SNORT	79.18	-	79.18	-
06/28/13	EP	OFFICE MAX	96.28	-	-	96.28
07/01/13	EP	SAMSClub #6472	503.91	-	-	503.91
07/08/13	EP	DONS FUEL AND AUTO INC	72.00	-	-	72.00
07/08/13	EP	DONS FUEL AND AUTO INC	74.04	-	-	74.04
07/15/13	EP	BASS PRO SHOPS	217.14	-	217.14	-
07/17/13	EP	UTV HEADQUARTERS INC	389.95	-	-	389.95
07/18/13	EP	DONS FUEL AND AUTO INC	42.01	-	-	42.01
07/18/13	EP	DONS FUEL AND AUTO INC	75.00	-	-	75.00

Description per Support	Category ~
Beer, mustard, tea, onion soup mix, cake	Retail - general
<i>None</i>	Retail - general
6 pizzas - class	Restaurant
Groceries	Grocery Store
Gatorade, Pepsi, beer	Grocery store
<i>None</i>	Convenience store (fuel)
Building Equipment	Reimbursement
<i>None</i>	Convenience store (fuel)
<i>None</i>	Convenience store (fuel)
<i>None</i>	Convenience store (fuel)
Beer, cash at Kum & Go, Taco Bell, Wendy's	Cash
<i>None</i>	Tool and supplies
<i>None</i>	Retail - general
<i>None</i>	Other
<i>None</i>	No payee
St. Pats Bread	Reimbursement
4 pizzas, wings, rubeen, wrap, 3 sides	Restaurant
<i>None</i>	Other - Radio station
<i>None</i>	Janitorial, restroom, restaurant supply
<i>None</i>	Cash
<i>None</i>	Retail - General
credit card receipt only	Restaurant
<i>None</i>	Convenience store (fuel)
<i>None</i>	Restaurant
<i>None</i>	Restaurant
<i>None</i>	Office supplies
<i>None</i>	Retail - general
<i>None</i>	Convenience store (fuel)
<i>None</i>	Convenience store (fuel)
Boat seats, Adult rec vests	Retail - Sporting goods
<i>None</i>	Automotive - UTV Parts and Service (motorsports)
<i>None</i>	Convenience store (fuel)
<i>None</i>	Convenience store (fuel)

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Date^	Check Number	Payee	Check Amount	Reasonable	Improper	Unsupported
07/19/13	1791	Cash	500.00	-	500.00	-
07/22/13	EP	KMART 3097	181.89	-	-	181.89
07/22/13	EP	KUM & GO #23	49.75	-	-	49.75
08/02/13	EP	KUM & GO #23	39.83	-	-	39.83
08/02/13	1796	United Healthcare Ins	119.11	-	-	119.11
08/06/13	1802	Neola Fire & Rescue Fund Raisers Inc.	89.26	-	89.26	-
08/31/13	1804	Ink Images	251.60	-	-	251.60
09/02/13	1805	Sam's Club	652.83	-	652.83	-
09/03/13	EP	SAM'S CLUB	109.97	-	-	109.97
09/05/13	1807	Schierbrock's Dept. Store	27.18	-	27.18	-
09/05/13	1806	Hoo doo	22.00	-	-	22.00
09/16/13	EP	KUM & GO #23	65.01	-	-	65.01
09/19/13	1808	Dan Roberts	100.00	-	-	100.00
09/19/13	EP	NO FRILLS SPRMKTS	226.05	-	226.05	-
09/25/13	EP	SHERBONDY GARDEN CENTE	49.17	-	-	49.17
10/03/13	1812	Minden Grocery	75.63	-	75.63	-
10/07/13	EP	THE BUCK SNORT	44.40	-	44.40	-
10/07/13	EP	THE BUCK SNORT	57.78	-	57.78	-
10/07/13	EP	KUM & GO #23	16.07	-	-	16.07
10/08/13	1813	The Buck Snort	41.70	-	41.70	-
10/08/13	EP	DONS FUEL AND AUTO INC	70.01	-	-	70.01
10/11/13	1814	Minden Grocery	31.58	-	31.58	-
10/11/13	1815	Minden Meat Market	44.49	-	44.49	-
10/15/13	1816	Mary Pat Schierbrock	295.29	-	-	295.29
10/15/13	1822	Sam's Club	40.99	-	40.99	-
10/15/13	1817	True North	305.90	-	-	305.90
10/17/13	EP	WILD LIFE WONDERS	480.00	-	480.00	-
10/17/13	EP	FIREAWARDS.COM	125.77	-	-	125.77
10/18/13	EP	OFFICE DEPOT #1090	42.35	-	-	42.35
10/23/13	EP	DONS FUEL AND AUTO INC	25.01	-	-	25.01
10/25/13	EP	KUM & GO #23	25.00	-	-	25.00

Description per Support	Category ~
None	Cash
None	Retail - General
None	Convenience store (Fuel)
None	Convenience store (Fuel)
Darlene Hammock	Other - Insurance Compnay
None	Fundraising organization
Work Order No. 7567A	Promotions items (shirts)
Acct #XXXXXXX - Various food items	Retail - general
None	Retail - general
Supplies	Grocery Store
Water	Other
None	Convenience store (Fuel)
EMS Trianing	Reimbursement
Gatorade, pop, beer	Grocery store
None	Retail - Garden store
None	Grocery store
2 pizzas and a salad, receipt says 3 guests	Restaurant
3 pizzas, receipt says 3 guests	Restaurant
None	Convenience store (Fuel)
None	Restaurant
None	Convenience store (fuel)
Hambrger buns, brownies, chips	Grocery store
11.15 lbs meat	Grocery store
None	Reimbursement
Acct #XXXXXXX - Late Fee and interest charges	Retail - general
Insurance	Other - Insurance compnay
Website describes vendor as "Curators of flora and fauna jewelry, art and décor"	Retail - Gifts
None	Gifts Recognition awards
None	Office supplies
None	Convenience store (fuel)
None	Convenience store (Fuel)

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Selected Fire Department Payments and Withdrawals
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Date[^]	Check Number	Payee	Check Amount	Reasonable	Improper	Unsupported
10/28/13	EP	DONS FUEL AND AUTO INC	48.04	-	-	48.04
11/06/13	1825	Midwest Trophy	37.45	-	-	37.45
11/07/13	EP	313 3rd ST UNDERWOOD IA	27.60	-	-	27.60
11/08/13	1824	Clear View Designs	285.00	-	-	285.00
11/08/13	EP	SAMS CLUB STORES	287.97	-	287.97	-
11/08/13	EP	PANERA BREAD #608006	233.47	-	233.47	-
11/08/13	EP	WAL-MART #1965	45.79	-	45.79	-
11/14/13	1826	Petty Cash	96.70	-	96.70	-
11/15/13	1828	Buck Snort	88.13	-	88.13	-
11/15/13	1829	Collins Consulting	100.00	-	-	100.00
11/24/13	1833	Brandon Dxxxxx (<i>illegible</i>)	50.00	-	-	50.00
11/25/13	EP	FAREWAY STORES	15.56	-	15.56	-
11/25/13	EP	No Frills Superm	34.83	33.30	1.53	-
11/25/13	EP	SAMS CLUB STORES	150.60	-	150.60	-
11/25/13	EP	KUM & GO #23	22.00	-	-	22.00
11/27/13	EP	CABELA'S.COM INC	307.99	-	-	307.99
11/29/13	EP	NEBRASKA FURNITURE MAR	529.63	-	-	529.63
12/16/13	EP	SAMS CLUB STORES	45.00	-	45.00	-
12/17/13	EP	314 FRONT ST NEOLA IA	46.00	-	-	46.00
12/20/13	EP	314 FRONT ST NEOLA IA	55.25	-	-	55.25
12/30/13	EP	MILWAUKEE ELECTRIC TOO	316.37	-	-	316.37
12/30/13	EP	OFFICE MAX	184.00	-	-	184.00
Total			<u>\$ 48,480.46</u>	<u>1,256.25</u>	<u>19,857.33</u>	<u>27,366.88</u>

[^] - Date shown is the check date or the date the electronic payment was recorded on the Department's bank statement.

~ - Category is based on information from City official(s) and the vendor's type of business.

EP = Electronic payment.

Note: Auditor's notations are in italics.

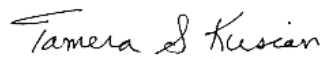
Description per Support	Category ~
<i>None</i>	Convenience store (fuel)
Memorial name plates	Promotional items
<i>None</i>	Post Office location
Display Case	Other - Furniture - display case
Pop, water, beer, food, cleaning items	Retail - general
Assorted bagels, bread, Catering size soups and mac & cheese (<i>used \$125 gift card for partial pay</i>)	Restaurant
Chips, paper, batteries, auxiliary cable	Retail - general
<i>None</i>	Cash
4 pizzas and a 2 piece chicken, delivery fee	Restaurant
<i>None</i>	Accounting, Payroll, Tax services
Equipment for helmet	Reimbursement
<i>None</i>	Grocery store
20 packages of butter, 2 packages of hash browns, peanut butter, jam, 2 loaves of bread, 1 bottled Diet Dr. Pepper	Grocery store
Foam plates, beer, food items	Retail - general
<i>None</i>	Convenience store (Fuel)
<i>None</i>	Retail - Sporting goods
<i>None</i>	Retail - Furniture store
New member sale	Retail - general
<i>None</i>	Post Office location
<i>None</i>	Post Office location
<i>None</i>	Tools
<i>None</i>	Office supplies

Report on Special Investigation of the
City of Neola

Staff

This special investigation was performed by:

Annette K. Campbell, CPA, Director
James S. Cunningham, CPA, Manager
Stephen J. Hoffman, Senior Auditor
Trent M. Mussmann, Staff Auditor
Jessica L. Russell, Assistant Auditor


Tamera S. Kusian, CPA
Deputy Auditor of State

Report on Special Investigation of the
City of Neola

Copy of Invoice for Concrete Work

CONTRACTORS INVOICE

WORK PERFORMED AT:

402-616- [REDACTED]

TO: Ron Handaker [REDACTED]
1003 So 13th St
C.B. Iowa 51501

101 2nd St
(Denise Ring)

DATE: _____ YOUR WORK ORDER NO. _____ OUR BID NO. _____

DESCRIPTION OF WORK PERFORMED		
FRONT SIDEWALK ^{RTR}	106' x 4'	\$ 1,908
APPROACH RTR	20' x 12'	\$ 1,200
14 ton Rock		\$ 225. ⁰⁰
		\$ 3,333. ⁰⁰
Driveway & Slab in rear of bridge RTR and retaining wall		\$ 10,167. ⁰⁰
Total		\$ 13,500. ⁰⁰

pt. by
Ch. #14082
9/14/12

All Material is guaranteed to be as specified, and the above work was performed in accordance with the drawings and specifications provided for the above work, and was completed in a substantial workmanlike manner for the agreed sum of Thirteen thousand five hundred & 7/100 Dollars (\$ 13,500.⁰⁰).

This invoice is a Partial Full invoice due and payable by: _____ Month _____ Day _____ Year

in accordance with our Agreement Proposal No. _____ Dated _____ Month _____ Day _____ Year



CONTRACTORS INVOICE