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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 Kimballton for the period May 1, 2014 through August 31, 2017. The special investigation was requested by City officials as a result of concerns regarding certain financial transactions processed by the former City Clerk, Tammy Thompson.

Mosiman reported the special investigation identified \$89,939.12 of undeposited collections and improper and unsupported disbursements. Mosiman also reported \$37,137.63 of the undeposited utility collections was identified by comparing utility collections recorded in the City's utility accounting system to amounts deposited to the City's bank accounts between May 1, 2014 and August 31, 2017. The remaining undeposited utility collections identified are composed of \$1,353.82 of improper adjustments recorded in the City's utility accounting system. There were no explanations for the adjustments and they were not approved by the City Council.

The \$42,431.08 of improper disbursements identified includes \$24,375.15 of checks which were issued to or redeemed for cash, \$12,223.80 of unauthorized payroll costs and reimbursement checks to Ms. Thompson, and \$5,577.26 of improper purchases on the City's credit card.

The \$8,936.59 of unsupported disbursements identified includes \$3,333.55 of unsupported purchases on the City's credit card at Walmart, Sam's Club, and Amazon and \$5,439.80 of checks issued from the City's checking and Library accounts to individuals and vendors for which the City could not locate supporting documentation.

Mosiman also reported it was not possible to determine if additional amounts were improperly disbursed or if additional collections were not properly deposited because adequate documentation was not available.

In addition, Mosiman reported City officials did not implement policies or procedures to address the recommendations included in the previously released "Agreed-upon Procedures Report" for the period July 1, 2013 through June 30, 2014 and the "Report on the Status of Findings and Recommendations" for the period December 1, 2015 through May 31, 2016. Both reports included recommendations to segregate duties, perform utility reconciliations, perform an independent review of bank statements, and ensure all disbursements are properly supported and approved.

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

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

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**REPORT ON SPECIAL INVESTIGATION
OF THE
CITY OF KIMBALLTON
FOR THE PERIOD
MAY 1, 2014 THROUGH AUGUST 31, 2017**

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Auditor of State's Report

To the Honorable Mayor and
Members of the City Council:

As a result of alleged improprieties regarding certain financial transactions processed by the former City Clerk and at your request, we conducted a special investigation of the City of Kimballton. We have applied certain tests and procedures to selected financial transactions of the City for the period May 1, 2014 through August 31, 2017 or the period for which records were readily available. Based on a review of relevant information and discussions with City officials and personnel, we performed the following procedures:

- (1) Evaluated internal controls to determine whether adequate policies and procedures were in place and operating effectively.
- (2) Reviewed activity in the City's bank accounts to identify any unusual activity.
- (3) Examined certain deposits to the City's bank accounts to determine the source, purpose, and propriety of each deposit.
- (4) Compared collections recorded in the City's utility accounting system to bank deposits to determine if all collections were properly deposited.
- (5) Scanned images of redeemed checks issued from the City's bank accounts for reasonableness. We examined supporting documentation for selected disbursements to determine if they were properly approved, supported by adequate documentation, and appropriate for the City's operations.
- (6) Examined information obtained directly from vendors for certain disbursements to determine if purchases were appropriate for City operations.
- (7) Obtained and reviewed the City's credit card statements to determine if purchases were appropriate for City operations, properly approved, and supported by adequate documentation. We also reviewed the payments posted to the City's credit card account to determine if the payments were issued from the City's bank account.
- (8) Compared a list of books, CDs, and DVDs purchased by the City to materials in the Library to determine if they were located in the Library.
- (9) Examined payroll disbursements and reimbursements to the former City Clerk, Tammy Thompson, to determine the propriety of the payments.
- (10) Interviewed City officials and personnel to determine the purpose of certain disbursements to vendors and reimbursements to employees.
- (11) Confirmed payments to the City by the State of Iowa and Audubon County to determine if they were properly deposited to the City's bank accounts in a timely manner.
- (12) Reviewed available City Council meeting minutes to identify significant actions and to determine if certain payments were properly approved.
- (13) Obtained and reviewed Ms. Thompson's personal bank statements to identify the source of certain deposits. We also reviewed images of redeemed checks from the accounts to determine if any payments were made to the City.


- (14) Interviewed Ms. Thompson to obtain an understanding of how she carried out her job duties and attempted to obtain explanations for certain disbursements and adjustments made to the City's utility system.

These procedures identified \$89,939.12 of undeposited collections and improper and unsupported disbursements. We were unable to determine if additional amounts were improperly disbursed or if additional collections were properly deposited because adequate documentation was not available. Several internal control weaknesses were also identified. Our detailed findings and recommendations are presented in the Investigative Summary and **Exhibits A** through **J** 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 Kimballton, other matters might have come to our attention that would have been reported to you.

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

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


MARY MOSIMAN, CPA
Auditor of State

July 16, 2018

City of Kimballton
Investigative Summary

Background Information

The City of Kimballton (City) is located in Audubon County and has a population of approximately 320. The City employs a City Clerk who is responsible for the business operations of the City. The City also employs a full-time Water Superintendent/Maintenance employee who is responsible for reading water meters, making repairs to the water/sewer system, mowing, trimming, and removing snow. Tammy Thompson began employment with the City as the City Clerk on May 5, 2014. As the City Clerk, Ms. Thompson was responsible for the following functions:

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

The City's Library is located in City Hall and Ms. Thompson also acted as the Librarian. Her duties as the Librarian included purchasing books, CDs, and DVDs for the Library; checking materials out to patrons; collecting late fees; accepting donations; and organizing the Library. Because the Library does not have its own Board, oversight is provided by the City Council. As a result, all disbursements related to the Library were to be approved by the City Council. Materials for the Library were usually purchased from Amazon and Walmart.

According to City officials, typical hours at City Hall and the Library were from 11:30 a.m. to 4:30 p.m. Monday through Friday. According to the Mayor, Ms. Thompson was hired as a part-time employee and expected to work 25 hours per week and attend all City Council meetings. At the July 7, 2016 meeting, the City Council approved keeping the City Clerk position part-time and approved an increase in her expected work hours to 30 hours per week effective July 1, 2016. The City Clerk was paid an hourly rate established and approved by the City Council and documented in the City Council minutes.

According to City officials, Ms. Thompson was not entitled to reimbursements because she would not have incurred any significant expenses on behalf of the City and she did not attend training. In addition, as the City Clerk, she would have access to the check books for the City and Library bank accounts and the City credit cards.

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 Audubon County and remitted to the City. The City receives payments from the State and County electronically. Revenue is also received from customers for

water, sewer, electric, and garbage services and a police surcharge. Utility payments and other payments are collected through the mail, in person, or in the collection box at City Hall. Ms. Thompson did not consistently prepare receipts for collections or record the collections on an initial receipts listing.

According to the Water Superintendent, he records utility meter readings and provides the information to the City Clerk. According to the current City Clerk, she records the readings in the utility system which calculates the water, sewer, and electric charges based on the amount of usage for the month and the rates entered into the program. Charges for garbage services and the police surcharge are a flat fee. Once the bills are calculated, they are printed and mailed by the City Clerk. The rates charged by the City for water, sewer, and electric are established by City ordinance. According to the Mayor, Ms. Thompson did not prepare utility reconciliations and the City Council did not request the information.

All City disbursements, including payroll, are to be made by check or using the City's credit cards assigned to the City Clerk or Water Superintendent. All disbursements are to be supported by invoices or other documentation obtained by or submitted to the City Clerk. Each month, the City Clerk is to prepare a listing of bills to be paid and provide the listing to the City Council for approval. After the City Council approves the bills, the City Clerk prepares and signs the checks. The checks are given to the Mayor to be countersigned. According to the Mayor, all bills and credit card statements should be mailed to City Hall.

The City also maintains credit cards issued by First National Bank of Omaha. Monthly statements are received which show the purchases made with the individual credit cards issued to the City. Credit card purchases are to be supported by receipts, invoices, or other documentation and included in the monthly bill listing for City Council approval.

The City established 4 bank accounts, including a primary checking account used for most City operations and a money market savings account. Separate accounts were opened for the Kimballton Public Library and the Kimballton Town Hall.

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

On July 12, 2017, a representative of the City's accounting software company was helping Ms. Thompson close the books for the fiscal year ended June 30, 2017. According to the Mayor, the representative performed a bank reconciliation and noted there was approximately \$40,000.00 of uncleared deposits recorded in the City's accounting system. The representative reported Ms. Thompson told him she "must be entering them wrong." The representative set up a subsequent meeting for August 16, 2017 to help Ms. Thompson resolve the mistakes.

According to the representative, he worked with Ms. Thompson during the meeting on August 16, 2017 to reconcile the collections recorded in the accounting system for July 2017 to bank deposits. As a result of the attempt to reconcile the information, he identified 3 deposits to the bank which did not agree with information recorded in the City's accounting system. Specifically, the 3 deposits did not include cash collections recorded in the accounting system. When the representative asked Ms. Thompson where the cash was, she told him she didn't know. He also reported when he asked her if she took it, she stated "I don't know how to answer that." She also stated to the representative "I guess I am going to need a really good lawyer."

According to the Mayor, she received a call from the representative following the meeting on August 16, 2017 regarding the possibility of cash not being properly deposited by the City Clerk.

The next day, the representative sent the Mayor via email notes he prepared regarding the meeting with Ms. Thompson. A copy of the email is included in **Appendix 1**. As illustrated by the **Appendix**, the representative stated he encouraged Ms. Thompson “to leave the office, not touch anything and not take anything” because he was “afraid she would try to destroy records.”

According to the Mayor, she had a follow up conversation with Ms. Thompson on August 17, 2017 and Ms. Thompson resigned her position as City Clerk during the phone call. The Mayor then contacted the City Attorney who, in turn, contacted the Office of Auditor of State.

As a result of the concerns identified, the Office of Auditor of State was requested to review the City’s financial records. We performed the procedures detailed in the Auditor of State’s Report for the period May 1, 2014 through August 31, 2017.

Detailed Findings

The procedures performed identified \$89,939.12 of undeposited collections and improper and unsupported disbursements. This amount includes \$38,571.45 of undeposited collections and \$51,367.67 of improper and unsupported disbursements.

Of the undeposited utility collections identified, \$37,137.63 was identified by comparing utility collections recorded in the City’s accounting system to the amounts deposited in the City’s bank accounts between May 1, 2014 and August 31, 2017. An additional \$1,353.82 of undeposited utility collections was composed of certain adjustments recorded in the City’s utility accounting system. There were no explanations for the adjustments and they were not approved by the City Council.

The \$42,431.08 of improper disbursements identified includes:

- \$24,375.15 of checks redeemed for cash or cash withdrawals from the Library and City’s checking accounts.
- \$11,036.48 and \$869.56 of improper payroll and reimbursements, respectively, paid to Ms. Thompson,
- \$317.76 for the City’s share of FICA and IPERS paid as a result of the additional improper payroll checks to Ms. Thompson,
- \$5,577.26 of improper purchases using the City’s credit card, and
- \$172.12 of improper disbursements to other vendors from the City’s checking and Library accounts.

The \$8,936.59 of unsupported disbursements identified includes:

- \$3,333.55 of purchases on the City’s credit card,
- \$5,439.80 of disbursements from the City’s checking and Library accounts, and
- \$163.24 of reimbursements to Ms. Thompson.

Because supporting documentations was not available for all transactions, it was not possible to determine if additional amounts were improperly disbursed or if additional collections were not properly deposited. All findings are summarized in **Exhibit A** and a detailed explanation of each finding follows.

On June 28, 2018, we conducted an interview with Ms. Thompson, who was accompanied by her attorney. During the interview, she provided information regarding her duties as the City Clerk. However, when asked about certain checks issued to cash from the Library account, Ms. Thompson declined to answer any additional questions and the interview was ended after she consulted with her attorney.

UNDEPOSITED COLLECTIONS

As previously stated, the City established 4 bank accounts, including a primary checking account used for most City operations and a money market savings account. Separate accounts were opened for the Library and the Town Hall. The type of revenue received for each account follows:

- City checking account – Deposits include road use tax, local option sales tax, county property tax, and utility collections.
- City savings account – Deposits consist of transfers from the checking account.
- Library account – Deposits consist of revenue received from transfers from the City's checking account, Audubon County, and donations.
- Town Hall account – Deposits consist of donations for the renovation of the City's Town Hall.

By reviewing the Library account, we identified several deposits which were donations from a local business and an estate. City officials provided us a list of donations made to the Town Hall account. However, we could not determine if all donations received were included on the list. City officials could not locate records for donations received by the Library. Because records were not maintained for the donations received, we cannot determine if all donations received were deposited in the Town Hall account or the Library account.

We reviewed the deposits to each of the City's bank accounts to identify any unusual activity. We compared collection records available from the City to the bank deposits to determine if all recorded collections were properly deposited. We also reviewed the transfers made to the City's savings and Library accounts and determined City officials were aware of the transfers, but the transfers were not properly approved in the minutes.

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

Collections Recorded in Utility Accounting System

As previously stated, the City Clerk prepares and bills residents and businesses for utility services on a monthly basis. As the City Clerk, Ms. Thompson had primary responsibility for preparing billings, collecting payments, recording payments in the utility accounting system for each customer, and preparing and making deposits. According to City officials and the current City Clerk, utility billings are paid in cash and with checks. A limited number of customers also pay utility billings through the bank using direct deposit.

City officials provided a utility payment register (register) which included activity for all customers for the months of April 2014 through August 2017. The register lists each payment posted to customers' accounts and identifies each payment as cash, check, or direct deposit. In order to determine the accuracy of the register, we selected 20 customers' payments posted in May 2017 and reconciled the amount recorded in the register as paid to the amount deposited in the bank.

Because we were able to verify the accuracy of the register, we used it to compare the total amount recorded as collected each month to the amount deposited in the City's checking account. We also reviewed the deposits to the City's savings account, Library account, and the Town Hall account and did not identify any utility collections deposited to these accounts.

The majority of deposits made to the City's checking account were utility payments made by customers. However, there were also deposits from townships for Fire Department contracts, non-electronic collections from the State of Iowa and Audubon County, and rebates from the City's energy provider.

Table 1 summarizes the collections recorded in the utility register and the amounts deposited in the City's checking account by calendar year. The **Table** illustrates the collections recorded in the utility system exceed the amount deposited in the City's checking account by \$37,137.63.

Table 1			
Calendar Year	Collections per Register	Amount Deposited	Undeposited Collections
2014*	\$ 172,815.86	169,725.33	3,090.53
2015	259,565.27	259,404.74	160.53
2016	265,036.44	251,010.70	14,025.74
2017^	178,959.72	159,098.89	19,860.83
Total	\$ 876,377.29	839,239.66	37,137.63

* - From 05/01/14 – 12/31/14. Ms. Thompson was hired May 5, 2014.

^ - Through 08/31/17. Ms. Thompson resigned August 17, 2017.

Exhibit B illustrates the comparison by month of the amount recorded in the register to the amount deposited. As illustrated by the **Exhibit**, the amount deposited exceeded the collections recorded in the utility register for certain months. This can occur when collections are recorded toward the end of a month, but they are not deposited to the bank until after the 1st of the following month. However, as illustrated by **Table 1**, the total amount recorded in the utility register exceeded the total amount deposited to the City's checking account for each year.

As shown by **Exhibit B**, we identified undeposited collections beginning in May and June 2014. In July 2014, deposits exceeded the amount recorded as collected in the system. City officials could not provide an explanation for deposits exceeding the amount of collections recorded. For the period September 2014 through January 2016, the **Exhibit** shows in 3 instances the amount recorded as collected in one month was deposited in the next month. Starting in May 2016, the **Exhibit** shows the amount recorded in the utility register exceeded the amount deposited for every month, except for May 2017.

City officials identified several customers who routinely paid their utility bills with cash. We reviewed selected customers' accounts to determine if the payment recorded as cash on their account was subsequently deposited. In some instances, the payment recorded as cash was deposited to the City checking account, and in other instances, the cash payment was not included in the amount deposited to the City's checking account.

As previously stated, Ms. Thompson resigned as City Clerk on August 17, 2017. The Mayor and interim City Clerk filled in for the remainder of the month. **Exhibit B** shows from January 2017 through July 2017 there was only \$80.39 of cash deposited to the City's checking account. However, the utility register showed \$17,389.66 recorded as cash payments to customers' accounts for the same period.

During August 2017, when the Mayor and interim City Clerk issued the utility billings and deposited the utility collections, \$1,298.83 of cash was deposited to the City's checking account. In the following 3 months, the average cash deposited was approximately \$2,400.00. According to City officials we spoke with, the City consistently received cash from the same customers.

We reviewed deposits to Ms. Thompson's bank account for the period May 1, 2014 through July 31, 2017 to determine the makeup of selected deposits. We identified 81 instances totaling \$16,405.91 where cash was deposited to Ms. Thompson's personal bank account. Of the 81 deposits, 71 deposits included cash in even dollar amounts.

We also reviewed Ms. Thompson's bank statements for August and September 2017. We determined there was only 1 cash deposit to Ms. Thompson's personal bank account after she met

with the representative of the City's accounting system on July 12, 2017. The deposit was made on July 20, 2017. As previously stated, during the meeting on July 12, 2017, the representative initially identified concerns regarding cash collections recorded in the accounting system which were not included in bank deposits.

As previously stated, we interviewed Ms. Thompson on June 28, 2018. However, after consulting with her attorney, the interview was ended before we inquired about the differences between the collections recorded in the register and the amount deposited to the City's checking account.

The \$37,137.63 of undeposited utility collections calculated in **Table 1** and summarized by month in **Exhibit B** is included in **Exhibit A**.

Credit Adjustments and Refunds

As previously stated, Ms. Thompson had primary responsibility for the City's utility billings during her tenure as City Clerk. During our review of the utility payment register, we identified a number credit adjustments posted to customer accounts for the period of April 2014 through August 2017. As a result, we obtained a report which listed all credit adjustments made during this period.

The report included 216 credit adjustments applied to utility customers' accounts to reduce the balances owed. After consulting with City officials and reviewing available records, we determined 208 of the adjustments were reasonable and included adjustments for delinquent accounts for which a payment plan was established, refunds of utility deposits, and adjustments due to a system-wide billing error which occurred in June 2014. The remaining 8 adjustments totaling \$1,353.82 were not approved by the City Council or supported by documentation indicating reason for the adjustment. Of the 8 adjustments, 3 totaling \$640.85 were applied to the same customer's account on June 30, 2017.

City Council meeting minutes did not consistently include discussions or approvals of the credit adjustments or refunds. According to City officials we spoke with, they were to be informed of any adjustments/refunds made to an individual's utility account and did not recall discussions during Ms. Thompson's time as City Clerk. As a result, the 8 adjustments totaling \$1,353.82 are included in **Exhibit A** as undeposited utility collections.

Cash Withheld from Deposits

We identified an instance where \$80.00 cash was withheld from a deposit to the City's checking account. The deposit slip included the notation "\$80.00 cash out" and was signed by Ms. Thompson. A copy of the deposit ticket showing the cash withheld is included in **Appendix 2**.

As the City Clerk, Ms. Thompson was responsible for taking the deposits to the bank. According to City officials, the City was not to operate in cash. However, we determined Ms. Thompson maintained a petty cash fund. Based on a review of the petty cash ledger she maintained, we could not determine if the petty cash fund was replenished with disbursements from a City bank account or from cash collections during Ms. Thompson's employment.

Because City officials stated the City was not to operate in cash, except for the petty cash fund, the \$80.00 of cash withheld from deposits is included in **Exhibit A** as undeposited collections.

Other Collections

As previously stated, the City's primary revenue sources include taxes from the State of Iowa and the Audubon County. We confirmed the amounts the City received from these sources to determine if collections were properly deposited. We did not identify any concerns regarding the collections received from the State or the County.

IMPROPER AND UNSUPPORTED DISBURSEMENTS

As previously stated, the City established 4 bank accounts, including a primary checking account used for most City operations and a money market savings account. Separate accounts were opened for the Library and the Town Hall. Also as previously stated, all City disbursements are to be made by check or with the City credit cards assigned to the City Clerk and the Water Superintendent. We reviewed all disbursements and redeemed checks from the City's 4 bank accounts and all charges to the credit cards held by the former City Clerk and Water Superintendent for the period May 1, 2014 through August 31, 2017.

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

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

Disbursements from the Town Hall and savings accounts consisted of transfers and were deposited to the City account. We did not identify any improper or unsupported disbursements from the Town Hall and savings accounts. The improper and unsupported disbursements identified in the City and Library bank accounts and the improper and unsupported charges made with the City credit cards are explained in detail in the following paragraphs.

Checks Redeemed for Cash and Cash Withdrawals

During our review of disbursements from the Library and City bank accounts, we identified 1 cash withdrawal and a number of checks issued to cash or redeemed for cash. These disbursements, which were made between December 17, 2014 and March 6, 2017, are listed in **Exhibit C** and total \$24,375.15. All of the checks were issued by Ms. Thompson and the cash withdrawal was authorized by Ms. Thompson.

We identified 26 checks payable to "Cash" totaling \$23,530.15 issued from the Library account. Of the 26 checks, 18 were endorsed by Ms. Thompson and cashed at the City's bank or the bank where Ms. Thompson had a personal bank account. The 26 checks also include 8 which stated "carpet" in the memo line of the check and 9 which referred to work done at the Library, such as "Workers pay and supplies", "Library Work", and "Workers." The 9 checks were issued from August 19, 2015 through December 2, 2016. We identified 2 checks issued from the Library account made payable to Mrs. C Home décor on March 5, 2015 and June 30, 2015 for the purchase of carpet for the Library. According to the former Mayor, the Library was carpeted and painted in 2015. As a result, the checks issued to Ms. Thompson for carpet would not be for the carpet installed in the Library. A \$100.00 check was also issued from the Library account to "SCSB" (Shelby County State Bank) which included "cash" in the memo line and it was endorsed by Ms. Thompson. Copies of selected checks are included in **Appendix 3**.

We also identified 5 checks issued from the City's checking account issued to "Cash" or "Cash/Landmands Bank" and a cash withdrawal. The 5 checks and the cash withdrawal total \$845.00 and were for even dollar amounts. Of the 5 checks, 1 check was endorsed by Ms. Thompson and the cash withdrawal document included a notation which stated "OK per Tammy Phone call." We were unable to determine who picked up the cash based on the available documentation.

The \$845.00 of checks issued from the City's checking account included 2 checks which stated "Petty Cash" in the memo line. The City maintains a petty cash fund in the City Clerk's office. According to City officials, they did not know when or if the petty cash fund had been approved and if it had an established balance. City officials were unable to locate any supporting documentation to support the replenishment of the petty cash fund or how the fund had been used. As a result, the \$150.00 of petty cash replenishments are improper.

City officials could not locate any supporting documentation for the checks issued to cash. In addition, as previously stated, all disbursements were to be made by check from a City account or by using a City credit card. City Officials we spoke with stated there was no reason for the City to pay for supplies, services, or labor in cash. Supporting documentation should be available for all goods and services received by the City or the Library and all disbursements should be approved by the City Council before being issued.

During our review of Ms. Thompson's personal bank statements, we identified a \$400.00 deposit in Ms. Thompson's personal bank account on the same day check number 1081 from the Library account cleared the City's bank account. We also identified 12 checks from the Library and City bank accounts for cash which cleared on the same date of cash deposits into Ms. Thompson's account. However, the check amounts exceeded the deposit amounts in Ms. Thompson's personal accounts. As a result, it appears not all of the check proceeds were deposited for those incidents.

As previously stated, we conducted an interview with Ms. Thompson, who was accompanied by her attorney. However, when asked about certain checks issued to cash from the Library account, Ms. Thompson declined to answer the questions and requested to speak privately with her attorney. The interview was ended after she consulted with her attorney.

Because cash disbursements were not to be made from the City's bank accounts, the \$24,375.15 total of the checks listed in **Exhibit C** are included in **Exhibit A** as improper disbursements.

Checks Issued to Tammy Thompson

Ms. Thompson was to be paid on the 1st of each month for the prior month's work. According to the Mayor, Ms. Thompson was paid hourly and expected to work 25-30 hours per week. City officials stated Ms. Thompson was not entitled to reimbursements because she did not incur any significant expenses on behalf of the City and she did not attend training. As part of her duties, Ms. Thompson prepared the payroll and signed all checks.

Unauthorized Checks – As City Clerk, Ms. Thompson prepared the monthly payroll using an online payroll system from Intuit®. City employees are required to prepare timesheets. Ms. Thompson recorded the number of hours from the timesheets and other information, such as the IPERS rates, approved hourly pay rates, or salary amount into the payroll system. The payroll system calculated the gross pay and calculated the net pay check amount. The pay checks were then printed using the City's printer. Ms. Thompson was to present the payroll checks to the City Council each month to be approved and countersigned by the Mayor.

As previously stated, Ms. Thompson was hired in May 2014 and resigned during a phone call with the Mayor on August 17, 2017. Her final paycheck was for a total of 30 hours and covered the period August 1, 2017 through August 16, 2017. Because payroll checks were to be issued at the beginning of the month for the prior month, Ms. Thompson should have received a total of 39 payroll checks, which includes 1 combined check for the months of January and February 2017. However, during our review of the images of redeemed checks from the City's bank account, we determined Ms. Thompson received 49 checks totaling \$43,700.24 which were described as payroll for the period May 2014 through August 2017. **Table 2** compares the number and net amount of authorized payroll checks recorded in the payroll system by fiscal year for Ms. Thompson to the number and net amount of the checks Ms. Thompson actually received.

Table 2

Fiscal Year	Authorized Payroll Checks		Checks Received		Unauthorized Checks	
	Number of Checks	Net Amount	Number of Checks	Net Amount	Number of Checks	Amount
2014	2	\$ 1,916.19	2	\$ 1,916.19	-	\$ -
2015	12	12,187.07	12	12,187.07	-	-
2016	12	9,887.36	12	9,887.36	-	-
2017	11^	9,645.49	21	18,792.47	10	9,146.98
2018	2	917.15	2	917.15	-	-
Total	40	\$ 34,553.26	49	\$ 43,700.24	10	\$ 9,146.98

^ - Ms. Thompson received 11 checks in fiscal year 2017. Her payroll amounts for January and February 2017 were combined in 1 check as a result of being ill.

As illustrated by the **Table**, Ms. Thompson received 10 improper payroll checks totaling \$9,146.98 during fiscal year 2017. **Exhibit D** lists the 49 payroll checks Ms. Thompson issued herself compared to the authorized payroll checks recorded in the payroll system used by the City to issue payroll checks. The 10 additional improper payroll checks were not included in the payroll system used by the City or approved by the City Council. The payroll checks were signed by Ms. Thompson and countersigned by the Mayor or Mayor pro-tem. Selected copies of the unauthorized checks are included in **Appendix 4**. The 10 improper payroll checks are listed in **Exhibit D** and are discussed in the following bullets.

- Check number 467 issued on July 1, 2016 for \$969.13 and check number 475 issued on July 4, 2016 for \$931.39 both included “Pay Period: 6/1/2016 – 6/30/2016” on the memo line of the check. The **Exhibit** shows check number 464 issued on June 13, 2016 for \$899.34 was also for the pay period June 1, 2016 through June 30, 2016. Check number 464 is also recorded in the payroll system used by the City as Ms. Thompson’s authorized payroll check for this period. As a result, check number 467 issued on July 1, 2017 for \$969.13 and check number 475 issued on July 4, 2017 for \$931.39 are unauthorized.
- Check number 476 issued on August 10, 2016 for \$997.22 included “Pay Period 7/16/2016 - 7/31/2016” on the memo line of the check. As shown in the **Exhibit**, Ms. Thompson was issued check number 472 on August 1, 2016 for \$980.77. This check includes “Pay Period: 7/1/16-7/31/16” on the memo line of the check and agrees to the check included in the payroll system. As a result, check number 476 issued on August 10, 2016 for \$997.22 is improper.
- Check number 484 issued on October 1, 2016 for \$899.34 and check number 488 issued on October 7, 2016 for \$864.87 both included “Pay Period: 9/1/2016 – 9/30/2016” on the memo line of the check. The **Exhibit** shows check number 485 issued on October 1, 2016 for \$874.97 was also for the pay period 9/1/2016-9/30/2016. Check number 485 is also recorded in the payroll system used by the City as Ms. Thompson’s authorized payroll check for this period. As a result, check number 484 issued on October 1, 2016 for \$899.34 and check number 488 issued on October 7, 2016 for \$864.87 are improper.
- Check number 494 issued on November 15, 2016 for \$978.91 included “Pay Period 11/1/2016 - 11/14/2016” on the memo line of the check. As shown in the **Exhibit**, Ms. Thompson was issued check number 498 on December 1, 2016 for \$758.70 which included “Pay Period: 11/1/16 - 11/30/16” on the memo line of the check. Check 498 is also recorded in the payroll system as her authorized check. As a result, check number 494 issued on November 15, 2016 for \$978.91 is improper.
- Check number 499 issued on December 16, 2016 for \$929.97 included “Pay Period 12/1/2016 - 12/15/2016” on the memo line of the check. As shown in the **Exhibit**,

Ms. Thompson was issued check number 503 on January 1, 2017 for \$939.75 which includes "Pay Period: 12/1/16 - 12/31/16" on the memo line of the check. Check number 503 is recorded in the payroll system as her authorized payroll check. As a result, check number 499 issued on December 16, 2016 for \$929.97 is improper.

- Check number 507 issued on January 19, 2017 for \$882.53 included "Pay Period 1/1/2017 - 1/15/2017" on the memo line of the check. As shown in the **Exhibit**, Ms. Thompson was issued check number 520 on February 15, 2017 for \$957.87 which includes "Pay Period: 1/16/17 - 2/16/17" on the memo line of the check. Check number 520 is recorded in the payroll system as her authorized payroll check. However, the payroll system includes "1/1/17 -2/15/17" as the pay period covered by the payroll check. The payroll system also shows Ms. Thompson recorded 95 hours for this period.

According to the Mayor, Ms. Thompson did not work part of the month of February due to an illness. In addition, the Mayor thought Ms. Thompson may have issued herself 1 check for the hours she worked in January and February. Because Ms. Thompson was authorized to work 30 hours per week, it is unlikely she would be able to work 95 hours during the period January 1, 2017 through January 15, 2017 as indicated on the memo line of check 507. As a result, check number 507 issued on January 19, 2017 for \$882.53 is improper.

- Check number 522 issued on March 1, 2017 for \$846.46 included "Pay Period 2/1/2017 - 2/28/2017" on the memo line of the check. As stated in the previous bullet, Ms. Thompson issued herself check number 503 on February 15, 2017 for the pay period January 1, 2017 through February 16, 2017. In addition, the Mayor stated Ms. Thompson did not work during part of February. Because Ms. Thompson had been previously paid for her hours in February and did not work the entire month, check number 522 for \$846.46 issued on March 1, 2017 is improper.
- Check number 537 issued on May 16, 2017 for \$846.46 included "Pay Period 4/18/2017 - 5/15/2017" on the memo line of the check. According to the payroll system, Ms. Thompson was issued check number 532 for \$846.46 on May 1, 2017 for the pay period April 1, 2017 through April 30, 2017. In addition, Ms. Thompson issued check number 538 for \$783.09 on June 1, 2017 for the pay period May 1, 2017 through May 30, 2017. Because Ms. Thompson issued herself her payroll check for April 2017 on May 1, 2017 and issued herself her payroll check for May 2017 on June 1, 2017, check number 537 for \$846.46 issued on May 16, 2017 is improper.

The \$9,146.98 total of the 10 unauthorized checks listed in **Exhibit D** and summarized in **Table 2** is included in **Exhibit A** as improper disbursements.

Unauthorized Hours - As previously stated, Ms. Thompson was expected to work 25 hours per week for the period May 5, 2014 through June 30, 2016. Effective July 1, 2016, the City Council approved increasing her expected work hours to 30 hours per week. Based on a review of City Council minutes and discussions with City officials, Ms. Thompson was not authorized to work any additional hours in excess of the 25 or 30 hours as approved by the Council for the time periods specified. According to the Mayor, Ms. Thompson was expected to complete a timesheet each month. During an interview with Ms. Thompson, she stated she completed a timesheet and it was reviewed and approved by the Mayor. However, City officials could not locate timesheets prior to September 2016.

In order to determine if Ms. Thompson paid herself for hours in excess of her authorized hours, we compared the hours reported in the payroll system to her authorized hours per month or the hours reported on the available timesheets. Because timesheets were not available for most of the period, we used the number of hours reported in the payroll system up to, but not in excess of,

the maximum authorized hours when calculating Ms. Thompson's authorized gross pay. **Exhibit E** shows this comparison.

As shown by the **Exhibit**, we identified 14 payroll checks which included additional unauthorized hours resulting in a total overpayment of \$1,915.66. The additional unauthorized hours for these payments totaled 184.75. We also identified 2 payroll checks which were for fewer hours than recorded on her timesheet resulting in a total underpayment of \$26.16. Because the Mayor and City Council did not approve the additional hours, the \$1,889.50 difference between the \$1,915.66 overpayment and the \$26.16 underpayment is included in **Exhibit A** as improper disbursements.

FICA and IPERS – The gross pay Ms. Thompson reported to IPERS for herself agreed with the gross pay recorded in the payroll register. Specifically, the amount she reported included the unauthorized gross pay resulting from the unauthorized hours, but it did not include the \$9,146.98 for the 10 unauthorized checks listed in **Exhibit D**. The City paid \$173.20 for the employer's share of IPERS for the additional unauthorized hours Ms. Thompson included in her monthly payroll checks.

Because the payroll register included excess gross pay for the unauthorized hours, the City also incurred \$144.56 for the additional cost of the employer's share of FICA.

The \$317.76 of additional FICA and IPERS costs paid by the City is included in **Exhibit A** as improper disbursements.

IPERS Late Fees and Interest - We also determined the City paid \$82.75 of late fees and charges because Ms. Thompson did not file the IPERS reports in a timely manner. Because Ms. Thompson was responsible for ensuring timely payment of all City bills, including IPERS payments, the \$82.75 of late fees is included in **Exhibit A** as improper disbursements.

Reimbursements – According to City officials, Ms. Thompson did not attend training and was not entitled to be reimbursed for expenses. In addition, Ms. Thompson had access to the City checkbook and a City issued credit card. As a result, she would have no need to use her personal funds to purchase anything on behalf of the City. We determined Ms. Thompson issued herself 5 reimbursement checks totaling \$1,093.78.

Table 3 lists the reimbursement checks Ms. Thompson issued to herself. The **Table** shows the information from the checks and a description of the items for which Ms. Thompson was reimbursed.

Table 3

Per Redeemed Check Image			Description per Support or Check Memo*	Improper	Unsupported	Reasonable
Date	Number	Amount				
06/02/14	16283	\$ 19.17	HyVee – 4" annuals (flowers)	\$ 19.17	-	-
07/07/14	16309	46.55	Books for Customer/Library	-	-	46.55
03/03/15	1080~	163.24	<i>Repayment for Sam's Club</i>	-	163.24	-
09/04/15	16685	14.43	Wireless mouse	-	-	14.43
05/09/16	1138~^	850.39	<i>Project Library</i>	850.39	-	-
Total		\$ 1,093.78		\$ 869.56	163.24	60.98

* - Check memos are in italics.

~ - Checks were issued from the Library account. The remaining checks were issued from the City's checking account.

^ - Check was issued to "Cash-Tammy Thompson." The remaining checks were issued to "Tammy L Thompson" or "Tammy Thompson."

None of the checks listed in the **Table** were approved by the City Council. However, we reviewed supporting documentation available for 2 of the checks and determined the items purchased were reasonable for the City's operations. We also determined the items purchased were located in City Hall or the Library. We determined the following for the 3 remaining checks listed in the **Table**:

- Check number 16283 was supported by a receipt from HyVee for \$19.17 and documented 4 inch annual flowers were purchased. However, City officials do not recall flowers being purchased by the City. As a result, the reimbursement was classified as improper.
- City officials could not locate any support for check number 1080 for \$163.24 to reimburse Ms. Thompson for what she described as "repayment for Sam's Club" in the memo portion of the check.

While Ms. Thompson purchased books for the Library from Amazon, Walmart, and Sam's Club, based on our review of the City's purchase, the books were typically purchased with the City's credit card. There would not have been a reason for her to use her personal funds to purchase books for the City from Sam's Club. However, during our review of Ms. Thompson's personal bank account statements, we determined she made 2 electronic payments at Sam's Club on March 2, 2015, 1 of which was for \$163.24. Because we are unable to determine if the \$163.24 purchase made from Ms. Thompson's personal bank account was composed of books for the Library, the reimbursement was classified as unsupported.

- Check number 1138 was described as "Project Library." According to City officials we spoke with, when the Library was remodeled, new carpeting was installed, the walls were painted, and new tables and chairs were purchased. During our review of checks issued from the City and Library bank accounts, we identified checks issued to vendors in 2015 for carpet and painting. We also determined the new tables and chairs were purchased with the City's credit card.

According to the Mayor, there would be no reason for Ms. Thompson to be reimbursed \$850.39 for the Library project in May 2016 since the work was done in the spring of 2015.

The \$869.56 of improper and \$163.24 of unsupported reimbursements summarized in **Table 3** are included in **Exhibit A**.

Credit Card Charges

As previously stated, the City Clerk and the Water Superintendent each held a City credit card. The monthly credit card statements document the purchases made with the individual credit cards. During our review of records maintained at the City, we identified 2 additional City credit cards which were held by the City Clerk prior to Ms. Thompson. While the 2 additional credit cards were not closed until April 2018, no purchases were made with 1 of the 2 credit cards. However, there were purchases made with the remaining additional credit card.

We requested the credit card statements for all City credit cards; however, City officials could not locate all the statements for each of the credit cards issued to the City. As a result, they requested copies of the statements from the credit card company. We reviewed the activity on all the City's credit cards between May 1, 2014 and August 31, 2017 to determine if the purchases were necessary and reasonable for City operations or personal in nature.

Purchases were considered improper if the type of item or the quantity purchased appeared to be personal in nature or was not reasonable for City operations. When specific purchase information from the vendor was not available, charges which appeared consistent with City operations, based

on the vendor and/or the amount of the charge, were classified as reasonable. Purchases from vendors which could be for City or for personal use were classified as unsupported.

Based on the vendor, supporting documentation, and discussions with City officials, we did not identify any concerns for purchases made with the credit cards held by the former City Clerk or the Water Superintendent. However, for the credit card held by Ms. Thompson, we identified 247 charges which were improper or unsupported. Of the 247 charges identified, 133 were from Walmart, 9 were from Sam's Club, and 73 were from Amazon. The remaining 32 purchases included purchases at Dollar General, Hy-Vee, Thrift Books LLC, and interest charges and late fees.

According to City officials we spoke with, books, CDs, and DVDs for the Library were usually purchased from Amazon, Walmart, and Sam's Club. Books were requested by Library patrons and purchased by the City Clerk using a City credit card.

Because supporting documentation was not readily available for the charges from Walmart, Sam's Club, and Amazon, we obtained additional information directly from the vendors to determine if the items purchased were reasonable for City operations or personal in nature. The purchases from Walmart, Sam's Club, and Amazon are discussed in the following paragraphs.

Walmart and Sam's Club – We identified 133 charges totaling \$6,178.00 from Walmart and 9 charges totaling \$1,200.12 from Sam's Club. **Exhibits F** and **G** list the charges from Walmart and Sam's Club, respectively. As illustrated by the **Exhibits**, credit card purchases were made from Walmart from May 10, 2014 through August 11, 2017 and from Sam's Club from January 27, 2016 through June 23, 2017.

Walmart was unable to provide information for purchase made prior to September 6, 2014. As illustrated by **Exhibit F**, the charges from Walmart prior to this date were classified as unsupported because sufficient information was not available to determine what was purchased.

Based on the information received from Walmart and Sam's Club, we identified \$3,267.49 of improper and \$1,096.03 of unsupported purchases from Walmart and \$615.44 of improper purchases and \$137.01 of unsupported disbursements from Sam's Club. As illustrated by the **Exhibits**, the improper charges from Walmart and Sam's Club included items such as candy, CDs, DVDs, books, plants, home décor items, and sales tax.

We identified 324 books or magazines purchased from Walmart and Sam's Club. As stated previously, City officials stated books, CDs, DVDs, and other Library materials were purchased from Walmart, Sam's Club, and Amazon. In order to determine if the books, CDs, and DVDs we identified were included in the City's Library collection, we provided a list of those purchased to City officials. With the assistance of City officials, we observed 112 of the 324 books purchased from Walmart or Sam's Club located in the Library. However, the Library does not have any CDs or DVDs available for patrons. As a result, the CDs, DVDs, and remaining 212 books purchased at Walmart and Sam's Club are considered personal in nature and improper disbursements for the City.

Based on our observations of the books in the Library collection, many were romance novels, fiction, and mystery. The books were new and in good condition. The books which were not located in the Library also included romance, western, fiction, and mystery.

As shown in **Exhibits F** and **G**, we identified \$1,096.03 and \$137.01 of unsupported disbursements from Walmart and Sam's Club, respectively. The \$1,096.03 of unsupported Walmart purchases includes \$777.77 of purchase made for which Walmart was unable to provide support showing what items were purchased. The remaining \$318.26 of unsupported disbursements included on **Exhibit F** and the \$137.01 of unsupported disbursements included in **Exhibit G** include purchase of Kleenex, paper towels, trash bags, and toilet paper. Because these

items can be used for City operations or may be personal in nature, the \$1,096.03 included in **Exhibit F** and the \$137.01 included in **Exhibit G** are included in **Exhibit A** as unsupported disbursements.

The remaining \$1,814.48 of items purchased from Walmart and the remaining \$447.67 of items purchased from Sam's Club were determined to be reasonable for the City's operations. The reasonable purchases included items such as ink cartridges, paper, batteries, and the books which were found in the City's Library collection.

Because the City could not locate certain books, CDs, and DVDs purchased from Walmart and Sam's Club in the Library collection, the \$3,267.49 listed in **Exhibit F** and \$615.44 listed in **Exhibit G** are include in **Exhibit A** as improper disbursements. The unsupported purchases identified are also included in **Exhibit A**.

Amazon – As previously stated, we identified 73 purchases from Amazon totaling \$2,187.90. Because supporting documentation was not readily available in the City's files for any of the charges, we obtained additional information directly from Amazon to determine if the items purchased were reasonable for the City's operations or personal in nature. Amazon was able to provide information for 49 of the 73 purchases. For the remaining 24 transactions, City officials were able to access the order history from the City's online Amazon account.

Exhibit H lists the 73 transactions and the items purchased for each transaction. As shown by the **Exhibit**, we determined purchases totaling \$975.43 were reasonable for the City's operations, and \$1,074.19 were improper. We were unable to determine if the remaining \$138.28 were for the City's operations or personal in nature.

The **Exhibit** includes 135 books totaling \$2,135.67. As previously stated, the City purchased books for the Library from Amazon. In order to determine if the books were included in the City's Library collections, we prepared a list of the books purchased and provided it to City officials to compare to books on hand in the Library. With the assistance of City officials, we observed the books and were able to locate 65 of the 135 books purchased from Amazon. The books purchased from Amazon which were not located in the Library are considered personal purchases and included as improper purchases in **Exhibit H**.

Using the City's online order history, we identified 24 charges which were not included on the information received from Amazon. The 24 charges were for 35 books. We were able to determine 2 of the 35 books were in the possession of the City.

During our interview with Ms. Thompson, she stated residents called or stopped into the Library and requested a book they were interested in reading. She ordered the requested books through Amazon or Walmart. She also stated the former City Clerk/Librarian also called and asked for permission to buy books and be reimbursed for books she was interested in. Ms. Thompson approved the purchases and issued a check to the former City Clerk/Librarian when the books were received at the Library. In addition, the Council did not approve the purchase of the books prior to the purchase being made.

The unsupported purchases listed in **Exhibit H** include 2 transactions for which we were unable to determine the items purchased. The unsupported amounts in the **Exhibit** also include refunds to the City's credit card which did not match the detailed cost information provided by Amazon or individual orders from the City's online order history.

The purchases identified as reasonable for the City's operations include the books City officials were able to locate in the Library collection, computer accessories, and the related shipping charges.

The \$1,074.19 of improper disbursements and \$138.28 of unsupported disbursements listed in **Exhibit H** are included in **Exhibit A**.

Other vendors – Exhibit I lists the purchases made at other vendors by Ms. Thompson with City credit cards between May 10, 2014 and August 11, 2017. The **Exhibit** lists the \$620.14 of improper and \$1,962.23 of unsupported purchases identified. The \$620.14 of improper disbursements includes purchases from grocery stores, a \$400.00 charge from “WWW.SCHOOLMATE.COM”, and purchases from Apple iTunes®. According to the website for WWW.SCHOOLMATE.COM, the vendor provides supplies used by teachers and in school classrooms. The City would not have a need for \$400.00 of such supplies.

In addition, the City incurred late fees and interest charges on the credit card account totaling \$118.03. Because Ms. Thompson was responsible for ensuring timely payment of all City bills, including credit card payments, the additional charges and fees are considered improper and are included in **Exhibit I**.

The \$1,962.23 of unsupported purchases identified includes:

- Newegg.com – we identified a \$209.99 purchase and a \$931.96 purchase on May 10, 2016 from WWW.NEWEGG.COM. According to its website, Newegg sells computers, computer accessories, gaming, electronic, and networking equipment, health and sports equipment and apparel. The City Council approved the purchase of a computer from Newegg.com on May 4, 2016. However, City officials were unable to locate supporting documentation for the purchases. Because we are unable to determine the specific items purchased, they are included in the unsupported purchases listed in **Exhibit I**.
- Books – we identified a \$55.52 purchase on August 4, 2014 and a \$19.10 purchase on March 5, 2015 from THRIFT BOOKS LLC. We also identified a \$41.29 purchase on March 21, 2016 from HALF PRICE BOOKS. According to their websites, THRIFT BOOKS LLC and HALF PRICE BOOKS both sell new and used books. City officials could not locate supporting documentation for these purchases. Because City officials could not locate supporting documentation and we were unable to determine if the purchases were personal in nature or for the Library, they are included in the unsupported purchases listed in **Exhibit I**.
- THE WEBSTAURANT STORE – We identified a \$441.22 purchase on April 17, 2015 and an \$86.49 purchase on May 18, 2015 from the WEBSTAURANT STORE. According to its website, they sell restaurant supplies and equipment. According to City officials, these purchases may be related to the renovation of the Town Hall. However, they were unable to locate supporting documentation. Because we are unable to determine if the purchases are personal in nature or for City operations, they are included in the unsupported purchases listed in **Exhibit I**.
- Retail Stores – We identified 6 charges at various retail stores totaling \$131.95. The \$131.95 includes 3 charges totaling \$50.35 at Dollar General, a \$40.63 charge at Bomgaars, and a \$34.13 charge at Shopko. Because supporting documentation was not available for the disbursements, we were unable to determine what was purchased. Because these vendors sell items which may be personal in nature or for the City’s operations, they are included in the unsupported purchases listed in **Exhibit I**.

The \$620.14 of improper disbursements and \$1,962.23 of unsupported disbursements listed in **Exhibit I** are included in **Exhibit A**.

Other Improper and Unsupported Disbursements

As previously stated, we reviewed all disbursements and redeemed checks from the City and Library bank accounts for the period May 1, 2014 through August 31, 2017. In addition to improper disbursements to Ms. Thompson, checks issued to cash, and for purchases made with the City's credit cards, we identified other improper and unsupported disbursements from the City's bank accounts.

As previously stated, we determined the propriety of disbursements based on available supporting documentation; the type or the quantity of items purchased; discussions with City officials; and the vendor, frequency, and amount of payments. Purchases were determined to be improper if they were personal in nature or were not reasonable for City operations. Purchases for which we were unable to determine if they were for City operations or personal in nature were determined to be unsupported.

Exhibit J lists the disbursements to other vendors identified as improper and unsupported from the City's checking and Library accounts. As shown by the **Exhibit**, we identified \$172.12 of improper and \$5,439.80 of unsupported disbursements from these accounts. The improper disbursements include:

- Check number 16418 for \$34.62 issued to Card Services on November 5, 2014 – The check was issued from the City's checking account. The City's credit card payments were issued to Visa or First Bankcard Center. Because this disbursement was not related to the City's credit card, the \$34.62 is improper.
- Check number 1071 for \$50.00 issued to Exira Elkhorn Kimballton School on December 3, 2014 – The check was issued from the Library account and did not include a payee on the check image. City officials contacted the bank and were told the check was redeemed by Exira Elkhorn Kimballton School. According to City officials, there would be no reason for them to issue a check from the Library account to the school. As a result, check number 1071 for \$50.00 is improper.
- Check number 17171 for \$85.50 issued to Mike's Welding on April 7, 2017 – The check was issued from the City's checking account to pay a restocking fee for a piece of equipment which was not picked up. Because the City ordered and did not pick up the equipment and incurred a restocking fee, check number 17171 for \$85.50 is improper.

The 3 checks totaling \$170.12 were not approved by the City Council. In addition, the City incurred a \$2.00 late fee for paying a bill after the due date. The 3 checks and the late fee totaling \$172.12 are included in **Exhibit A** as improper disbursements.

The **Exhibit** also includes \$5,439.80 of unsupported disbursements. The unsupported disbursements include:

- Sarah Kunik – The City issued 20 checks totaling \$860.01 to Ms. Kunik from the Library account. According to Ms. Thompson and Ms. Kunik, Ms. Kunik contacted Ms. Thompson to request permission to buy a book for the Library which she wanted to read. Ms. Thompson verbally approved the purchases and reimbursed Ms. Kunik for the books when she provided the receipts and the books were given to the Library. According to City officials, some prior Council members may have known this was occurring, but current members were unaware of the practice. City officials were unable to locate receipts or a listing of books purchased by Ms. Kunik.
- Walmart/Sam's Club – The City made 3 payments to Walmart/Sam's club; check number 16391 for \$538.08 on November 5, 2017, a ACH payment of \$60.14 on

May 11, 2015, and a ACH payment of \$15.13 on June 12, 2017. City officials could not locate support for the items purchased. We requested the support from Walmart/Sam's club; however, they were unable to provide support for these 3 transactions.

- Maintenance Superintendent – Check number 16495 for \$298.00 issued on February 3, 2015 and check number 17109 for \$146.58 were issued to the Maintenance Superintendent. City officials could not locate supporting documentation for the checks issued. Check number 16495 included “For tami to go shopping” note on the memo line of the check. According to the Maintenance Superintendent, he added the note so he remembered it was for his wife to go shopping. According to the Maintenance Superintendent, the reference to “tami” in the notation does not refer to Tammy Thompson.

The remaining checks include payments to individuals and the Danish Village Voice, a newspaper in Elk Horn Iowa, and Atlantic Motor Supply. Because City officials could not locate supporting documentation and were unsure what was purchased, the \$5,439.80 is included in **Exhibit A** as unsupported disbursements.

We also determined check number 16748 for \$300.00 issued on December 5, 2015 and check number 17083 issued for \$350.00 on December 19, 2016 included “Christmas Bonus” on the memo line of the check. The City Council minutes for these months document the City Council approved a Christmas Bonus in 2015 and 2016. However, the approval of these payments in the minutes did not clearly document the public purpose served as defined in an Attorney General’s opinion dated April 25, 1979. The minutes did not include discussion on the public benefit served by issuing bonuses. In addition, bonuses should be included in the City’s payroll system so the appropriate taxes can be withheld and amounts paid included in the annual W-2 reports.

OTHER ADMINISTRATIVE ISSUES

During our testing and fieldwork, we identified the additional items discussed in detail in the following paragraphs.

Donations to Non-Profits – We identified 4 checks issued from City bank accounts to non-profit organizations totaling \$2,400.00. According to City officials, the checks were issued to support little league baseball and for improvements to the baseball fields. The City Council minutes and the supporting documentation did not include the benefit to the public for the donations.

Transfers – We reviewed all transfers made between City bank accounts from May 2014 through August 2017. Of the 50 transfers identified, 32 were made from the City Town Hall account to the City’s checking account, 11 were from the City’s checking account to the savings account, 1 was from the Library account to the City’s checking account, and 6 were from the City savings account to the City checking account. We determined the 50 transfers were not properly approved by the City Council prior to the transfers being made.

According to City officials, the transfers made from the City’s bank accounts were appropriate. City officials we spoke with stated the transfers from the checking account to the City’s savings account were made to earn interest on the balance. Transfers back were to help pay bills as needed. The transfers from the Town Hall account were made to cover the expenses paid from the City’s checking account for the Town Hall renovation.

Town Hall Donations – As previously stated, the “Town Hall” account was to receive donations and funds for the purpose of renovating the City’s Town Hall building to be used as a Community Center. City officials were able to provide a document which listed \$243,670.79 of donations received by the City for the Town Hall renovation. However, the list did not include the date of the donations and may not have listed all donations received. This document was used to publicly

thank all of the individuals or businesses that had donated to the project. It was not prepared with the intent of being used to ensure all collections were ultimately deposited to the bank.

Using the list, we were able to trace the name of certain donors to deposit tickets included with the Town Hall bank statements. However, because the list did not consistently include amounts donated or the dates donations were made, we were unable to verify all donations were properly deposited.

City Council Meeting Minutes – We reviewed the City Council meeting minutes from April 2014 through September 2017 and determined 11 of the minutes were not signed by the City Clerk or the Mayor to authenticate the record as required by section 380.7 of the *Code of Iowa*.

Oversight – City officials have a fiduciary responsibility to exercise authority over its funds, efficiently and effectively achieve its mission, provide oversight of the City's operations and maintain the public trust. Oversight is typically defined as the "watchful and responsible care" a governing body exercises in its fiduciary capacity. Based on our review, we determined the City officials did not provide sufficient oversight of the City's financial transactions and did not:

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

The Office of Auditor of State previously released an "Agreed-upon Procedures Report" for the period July 1, 2013 through June 30, 2014 and a "Report on the Status of Findings and Recommendations" for the period December 1, 2015 through May 31, 2016. Both reports included recommendations for improvements regarding the fiduciary areas:

- Segregation of duties related to the handling of cash, receipts, disbursements, payroll, utilities and financial reporting.
- Bank reconciliations were prepared; however, there were variances between the bank balance and the general ledger balance which were not resolved. The reconciliations were not reviewed by an independent person.
- A reconciliation of utility billings, collections and delinquent accounts were not prepared.
- Supporting documentation was not maintained for the disbursements tested and had to be requested from the vendor.

The reports also included findings related to compliance with the *Code of Iowa* and the Report on the Status of Findings and Recommendations also included a finding the petty cash fund was not authorized by City officials.

Had City officials developed and implemented policies and procedures to segregate duties, review bank reconciliations, required and reviewed utility reconciliations, and maintained supporting documentation, City officials may have identified undeposited utility collections and improper disbursements earlier. In addition, the implementation of controls may have reduced the opportunity for the City's funds to be improperly disbursed or not properly deposited.

Recommended Control Procedures

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

A. Segregation of Duties – An important aspect of internal control is the segregation of duties among individuals to prevent one person from handling duties which are incompatible. The former City Clerk had control over each of the following areas:

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

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

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

- (1) Disbursements were not always supported by invoices or other documentation.
- (2) Not all disbursements were approved by the City Council.
- (3) The City incurred finance charges and late payment fees because the former City Clerk did not pay certain City obligations 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 an independent individual for review and countersignature.

- C. Reconciliation of Utility Billings, Collections, and Delinquent Accounts – The former City Clerk had sole responsibility for preparing billings for the City’s utilities. We determined reconciliations of utility billings and collections and delinquent accounts were not required, prepared, or reviewed by the City Council. We also determined supporting documentation was not maintained for adjustments posted to customers’ accounts.

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

- D. Credit Cards – The City has credit cards for use by the City Clerk and the Water Superintendent while on City business. The City does not have a formal credit card policy. However, the City required original itemized receipts be submitted to validate expenses on City issued credit cards. Itemized receipts were not consistently maintained or available to support all credit card purchases. In addition, we determined the City incurred finance charges and late payment fees because the former City Clerk did not pay the balance on the credit card accounts each month and/or did not make payments in a timely manner.

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

- E. Payroll – The City Clerk was originally authorized to work 25 hour per week. The City Council approved increasing the City Clerk’s authorized hours per week to 30 hours per week effective July 1, 2016. Employees were required to complete timesheets and submit them for approval. City employees are be paid the first week of the month for the previous month’s hours. During our review of payroll, we identified the following:

- Ms. Thompson issued herself 10 unauthorized checks totaling \$9,146.98. The checks were described as payroll in the memo portion of the checks.
- Ms. Thompson paid herself \$1,889.50 for 184.75 hours in excess of the number of hours authorized by the City Council.
- We determined timesheets were not maintained for the period prior to September 2016.
- Bonuses for City staff were paid in cash instead of being processed through the payroll system so the appropriate taxes could be withheld and the amount included in the annual W-2 reports.

Recommendation – The City should implement procedures to ensure appropriate payroll records are maintained. City officials should periodically review payroll records to ensure payroll is calculated properly. In addition, the City Council, or a designated member who is familiar with the City Clerk’s actions, should review and approve the City Clerk’s timesheet for each pay period. The review and approval should be documented by the signature or initials of the reviewer and the date of approval. In addition, bonuses should be included in the payroll system to ensure the appropriate taxes are withheld and the amounts included in the annual W-2 reports.

- F. City Council Minutes – Chapter 21 of the *Code of Iowa* requires minutes to be kept of all meetings of governmental bodies. During our review of minutes, we determined:

- Minutes were not signed by the City Clerk as required by section 380.7(4) of the *Code of Iowa*. In addition, they did not include the signature of the Mayor or a City Council member to authenticate the record.
- Not all disbursements were presented to the City Council for approval.
- The minutes did not include financial reports filed by the City Clerk.

Recommendation – The City should implement procedures to ensure the City Clerk and the Mayor or a City Council member sign all meeting minutes. In addition, the minutes should be reviewed in a timely manner so any errors can be identified and corrected. The City Council should also ensure all City obligations are presented to the City Council for approval prior to payment and financial reports the City Clerk presents to the City Council are filed with the related minutes.

The City Council should also ensure compliance with all applicable sections of the *Code of Iowa*.

- G. Petty Cash Fund – The City maintains a petty cash fund for incidental expenses. We identified several checks issued to cash for the replenishment of the fund. City officials could not locate supporting documentation to support the checks written to cash for replenishing the fund. In addition, the City does not have a policy for the petty cash fund and has not established an authorized balance for the petty cash fund.

Recommendation – The City should evaluate if a petty cash fund is needed. If it is determined a petty cash fund is needed, the City should establish an authorized balance for the petty cash fund. The City should develop a policy on how the fund should be used including requiring supporting documentation to be maintained to support the replenishment of the petty cash fund

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

An "Agreed-upon Procedures Report" for the period July 1, 2013 through June 30, 2014 and a "Report on the Status of Findings and Recommendations" for the period December 1, 2015 through May 31, 2016, included recommendations for improvements regarding the City officials' fiduciary responsibility. As a result, City officials were aware controls needed to be improved.

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

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

For example, bank statements should be delivered to an official who does not collect or disburse City funds. The bank statements should be reviewed in a timely manner for unusual activity. Bank reconciliations should be performed monthly and reviewed by

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

- I. Library – Residents were allowed to call the City Clerk and request the City purchase books they wanted to read or request approval to purchase a book they wanted to read and be reimbursed for the book when they brought the book in to the Library.

Recommendation – The City should ensure the purchase of Library materials are necessary and not for the personal benefit of one resident. The City Council should review and approve the purchase of materials for the Library.

Exhibits

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

Report on Special Investigation of the
City of Kimballton

Summary of Findings
For the Period May 1, 2014 through August 31, 2017

Description	Exhibit/Table/ Page Number	Improper	Unsupported	Total
Undeposited collections:				
Utility collections:				
Cash collections	Exhibit B/Table 1	\$ 37,137.63	-	37,137.63
Credit adjustments and refunds	Page 10	1,353.82	-	1,353.82
Cash withheld from deposits	Page 10	80.00	-	80.00
Total undeposited collections		38,571.45	-	38,571.45
Improper and unsupported disbursements:				
Checks redeemed for cash and cash withdrawals	Exhibit C	24,375.15	-	24,375.15
Payments to or for Tammy Thompson:				
Unauthorized checks	Exhibit D/Table 2	9,146.98	-	9,146.98
Unauthorized hours	Exhibit E	1,889.50	-	1,889.50
City's share of FICA and IPERS	Page 15	317.76	-	317.76
IPERS late fees and interest	Page 15	82.75	-	82.75
Reimbursement checks	Table 3	869.56	163.24	1,032.80
Credit card purchases:				
Walmart	Exhibit F	3,267.49	1,096.03	4,363.52
Sam's Club	Exhibit G	615.44	137.01	752.45
Amazon	Exhibit H	1,074.19	138.28	1,212.47
Other vendors	Exhibit I	620.14	1,962.23	2,582.37
Other improper and unsupported disbursements	Exhibit J	172.12	5,439.80	5,611.92
Total improper and unsupported disbursements		42,431.08	8,936.59	51,367.67
Total		\$ 81,002.53	8,936.59	89,939.12

Exhibit B

Report on Special Investigation of the
City of Kimballton

Undeposited Utility Collections
For the Period May 1, 2014 through August 31, 2017

Month	Collections per Utility Payment Register			Deposits to the Bank			Undeposited / (Excess) Utility Collections
	Cash	Check	Total	Cash	Check	Total	
May 2014	\$ 4,134.96	20,512.17	24,647.13	1,826.37	21,664.81	23,491.18	1,155.95
June 2014	2,404.43	16,440.61	18,845.04	1,164.64	14,621.17	15,785.81	3,059.23
July 2014	3,634.71	21,358.59	24,993.30	2,895.94	23,372.01	26,267.95	(1,274.65)
August 2014	2,295.65	16,861.11	19,156.76	1,890.75	17,116.01	19,006.76	150.00
September 2014	4,008.72	18,791.60	22,800.32	4,010.11	18,790.21	22,800.32	-
October 2014	2,829.78	18,822.23	21,652.01	2,657.78	18,994.23	21,652.01	-
November 2014	2,384.88	16,221.37	18,606.25	1,878.02	16,630.36	18,508.38	97.87
December 2014	2,172.51	19,942.54	22,115.05	1,495.79	20,717.13	22,212.92	(97.87)
Subtotal 2014	23,865.64	148,950.22	172,815.86	17,819.40	151,905.93	169,725.33	3,090.53
January 2015	1,542.28	22,794.37	24,336.65	972.97	22,561.12	23,534.09	802.56
February 2015	3,845.17	25,411.49	29,256.66	4,470.48	25,588.74	30,059.22	(802.56)
March 2015	5,041.96	21,196.19	26,238.15	2,741.96	23,496.18	26,238.14	0.01
April 2015	1,992.92	19,826.99	21,819.91	1,992.90	19,826.99	21,819.89	0.02
May 2015	1,221.54	20,658.84	21,880.38	1,221.54	20,234.84	21,456.38	424.00
June 2015	3,193.49	16,764.52	19,958.01	3,193.49	16,764.52	19,958.01	-
July 2015	647.81	16,868.96	17,516.77	978.00	16,539.07	17,517.07	(0.30)
August 2015	2,799.75	17,892.38	20,692.13	2,799.75	16,721.04	19,520.79	1,171.34
September 2015	2,054.16	21,079.94	23,134.10	2,258.16	22,047.28	24,305.44	(1,171.34)
October 2015	1,710.47	15,738.29	17,448.76	1,641.90	15,956.86	17,598.76	(150.00)
November 2015	3,152.19	17,859.56	21,011.75	3,352.19	17,659.56	21,011.75	-
December 2015	393.60	15,878.40	16,272.00	313.95	16,071.25	16,385.20	(113.20)
Subtotal 2015	27,595.34	231,969.93	259,565.27	25,937.29	233,467.45	259,404.74	160.53
January 2016	1,623.38	20,407.75	22,031.13	1,389.13	19,893.01	21,282.14	748.99
February 2016	6,360.82	21,005.37	27,366.19	6,360.82	21,005.37	27,366.19	-
March 2016	2,273.54	20,249.54	22,523.08	2,145.33	20,377.75	22,523.08	-
April 2016	2,406.79	22,798.93	25,205.72	2,903.41	22,538.78	25,442.19	(236.47)
May 2016	2,619.08	20,096.36	22,715.44	1,867.26	19,255.77	21,123.03	1,592.41
June 2016	2,676.16	17,206.67	19,882.83	1,232.75	17,720.41	18,953.16	929.67
July 2016	1,894.10	18,091.70	19,985.80	104.00	17,402.71	17,506.71	2,479.09
August 2016	2,085.15	20,104.21	22,189.36	340.00	20,923.42	21,263.42	925.94
September 2016	2,126.60	19,580.27	21,706.87	-	19,580.27	19,580.27	2,126.60
October 2016	1,448.00	21,100.38	22,548.38	220.00	21,327.38	21,547.38	1,001.00
November 2016	1,803.72	15,557.35	17,361.07	-	15,556.79	15,556.79	1,804.28
December 2016	2,654.23	18,866.34	21,520.57	-	18,866.34	18,866.34	2,654.23
Subtotal 2016	29,971.57	235,064.87	265,036.44	16,562.70	234,448.00	251,010.70	14,025.74

Report on Special Investigation of the
City of Kimballton

Undeposited Utility Collections
For the Period May 1, 2014 through August 31, 2017

Month	Collections per Utility Payment Register			Deposits to the Bank			Undeposited / (Excess) Utility Collections
	Cash	Check	Total	Cash	Check	Total	
January 2017	1,725.79	22,453.43	24,179.22	-	21,419.11	21,419.11	2,760.11
February 2017	1,986.28	20,318.15	22,304.43	-	20,062.48	20,062.48	2,241.95
March 2017	5,028.33	22,492.77	27,521.10	-	22,492.77	22,492.77	5,028.33
April 2017	3,837.14	19,409.11	23,246.25	-	18,705.11	18,705.11	4,541.14
May 2017	100.00	16,004.58	16,104.58	-	16,254.58	16,254.58	(150.00)
June 2017	3,053.49	22,550.94	25,604.43	80.39	22,500.92	22,581.31	3,023.12
July 2017	1,658.63	17,078.62	18,737.25	-	18,182.60	18,182.60	554.65
August 2017	1,487.40	19,775.06	21,262.46	1,298.83	18,102.10	19,400.93	1,861.53
Subtotal 2017	18,877.06	160,082.66	178,959.72	1,379.22	157,719.67	159,098.89	19,860.83
Total	\$ 100,309.61	776,067.68	876,377.29	61,698.61	777,541.05	839,239.66	37,137.63

Report on Special Investigation of the
City of Kimballton

Checks Redeemed for Cash and Cash Withdrawals
For the Period May 1, 2014 through August 31, 2017

Check Date		Check Number	Description per Statement	Memo on Check / Cash Withdrawal Document
12/17/14	*	16443	Cash	None
03/02/15	^ *	1081	Cash	Carpet
04/02/15	^	1085	SCSB	Cash
04/22/15	^	1089	Cash	Carpet
05/07/15	^	1091	Cash	Carpet
05/15/15	^	1095	Cash	Carpet
05/22/15	^	1097	Cash	None
06/05/15	^	1099	Cash	Carpet
06/12/15	^ *	1100	Cash	Carpet
06/19/15	^	1101	Cash	Carpet
06/26/15	^	1104	Cash	Carpet
07/31/15		1111	Cash	None
08/19/15	*	1114	Cash	To pay workers and products
08/31/15		1115	Cash	Workers pay and supplies
09/15/15	*	1117	Cash	Workers - Supplies
09/25/15		1118	Cash	None
10/15/15	^ *	1120	Cash	For Library
11/02/15	^	1121	Cash	Supplies
11/05/15		16709	Cash	Petty Cash
11/10/15	^ *	1122	Cash	None
11/23/15	*	1124	Cash	None
12/21/15	^ *	1125	Cash	None
01/11/16	^ *	1126	Cash	Library work
01/19/16	*	1127	Cash	Workers
01/19/16	^ *	1128	Cash	None
01/28/16		1131	Cash	Workers Pay
02/08/16	^ *	1132	Cash	Library Work
04/04/16		16824	Cash/Landmands Bank	None
06/01/16		16871	Cash	None
09/07/16	^	1140	Cash	Labor - printer
10/28/16		CW	City of Kimballton/Cash	\$20- 1's, \$100- 5's, \$100 -10's / Ok per Tammy phone call
12/02/16		1142	Cash	Labor
03/06/17		17150	Cash	Petty Cash Drawer
Total				

^ - Check was endorsed by Tammy Thompson.

CW - Cash withdrawal made at the bank rather than a check.

* - On the date the check cleared the City's account, a cash deposit was made into Ms. Thompson's account on the same date.

Amount Withdrawn			
	Total	Library	City
\$	250.00	-	250.00
	400.00	400.00	-
	100.00	100.00	-
	500.00	500.00	-
	1,000.00	1,000.00	-
	1,000.00	1,000.00	-
	1,000.00	1,000.00	-
	1,000.00	1,000.00	-
	1,000.00	1,000.00	-
	1,000.00	1,000.00	-
	1,500.00	1,500.00	-
	1,500.00	1,500.00	-
	1,500.00	1,500.00	-
	1,200.00	1,200.00	-
	800.00	800.00	-
	1,000.00	1,000.00	-
	1,000.00	1,000.00	-
	1,000.00	1,000.00	-
	50.00	-	50.00
	1,200.00	1,200.00	-
	500.00	500.00	-
	500.00	500.00	-
	1,000.00	1,000.00	-
	1,000.00	1,000.00	-
	200.00	200.00	-
	500.00	500.00	-
	800.00	800.00	-
	75.00	-	75.00
	150.00	-	150.00
	329.65	329.65	-
	220.00	-	220.00
	1,000.50	1,000.50	-
	100.00	-	100.00
\$	24,375.15	23,530.15	845.00

Report on Special Investigation of the
City of Kimballton

Unauthorized Checks Issued to Tammy Thompson
For the Period May 1, 2014 through August 31, 2017

Pay Period	Per Bank Statement/Check			Check Amount
	Check Number	Check Date	Memo	
May 2014	342	05/30/14	Pay Period 5/1/2014 - 5/31/2014	\$ 944.55
June 2014	347	07/01/14	Pay Period 6/1/2014 - 6/30/2014	971.64
July 2014	353	08/01/14	Pay Period 7/1/2014 - 7/31/2014	1,059.51
Aug 2014	358	09/01/14	Pay Period 8/1/2014 - 8/31/2014	1,138.32
Sept 204	363	10/01/14	Pay Period 9/1/2014 - 9/30/2014	1,125.35
Oct 2014	368	11/01/14	Pay Period 10/1/2014 - 10/31/2014	1,123.20
Nov 2014	373	12/01/14	Pay Period 12/1/2014 - 12/31/2014	734.39
Dec 2014	378	01/01/15	Pay Period 1/1/2015 - 1/31/2015	889.91
Jan 2015	383	02/01/15	Pay Period 1/1/2015 - 1/31/2015	1,006.56
Feb 2015	388	03/01/15	Pay Period 2/1/2015 - 2/28/2015	917.99
March 2015	393	03/18/15	Pay Period 3/1/2015 - 3/31/2015	959.03
April 2015	397	05/01/15	Pay Period 4/1/2015 - 4/30/2015	1,054.08
May 2015	402	06/01/15	Pay Period 5/1/2015 - 5/31/2015	1,079.99
June 2015	407	07/01/15	Pay Period 6/1/2015 - 6/30/2015	1,098.74
July 2015	412	08/01/15	Pay Period 7/1/2015 - 7/31/2015	639.14
Aug 2015	417	09/01/15	Pay Period: 8/1/2015-8/31/2015	943.03
Sept 2015	422	10/01/15	Pay Period 9/1/2015 - 9/30/2015	812.35
Oct 2015	425	11/01/15	Pay Period 10/1/2015 - 10/31/2015	812.35
Nov 2015	432	12/01/15	Pay Period: 11/1/2015-11/31/2015	812.35
Dec 2015	439	01/01/16	Pay Period 12/1/2015 - 12/31/2015	812.35
Jan 2016	442	02/01/16	Pay Period 1/1/2016 - 1/31/2016	767.84
Feb 2016	446	03/01/16	Pay Period 2/1/2016-2/29/2016	833.02
March 2016	451	04/01/16	Pay Period 3/1/2016-3/31/2016	824.23
April 2016	456	05/01/16	Pay Period: 4/1/2016-4/30/2016	832.02
May 2016	463	06/01/16	Pay Period: 5/1/2016-5/31/2016	899.34
June 2016	464	06/13/16	Pay Period: 6/1/2016-6/13/2016	899.34
	467	07/01/16	Pay Period 6/1/2016-6/30/2016	969.13
	475	07/04/16	Pay Period: 6/1/2016-6/30/2016	931.39

Per Intuit Payroll Reports

Date	Check Number	Pay Period	Gross Wages	Deductions	Net Payroll	Amount
05/30/14	342	5/1/14-5/30-14	\$ 1,102.50	157.95	944.55	-
07/01/14	347	6/1/14-6/30/14	1,135.00	163.36	971.64	-
08/01/14	353	7/1/14-7/31/14	1,242.50	182.99	1,059.51	-
09/01/14	358	8/1/14-8/31/14	1,317.50	179.18	1,138.32	-
10/01/14	363	9/1/14-9/30/14	1,302.50	177.15	1,125.35	-
11/01/14	368	10/1/14-10/31/14	1,300.00	176.80	1,123.20	-
12/01/14	373	12/1/14-12/31/14	850.00	115.61	734.39	-
01/01/15	378	1/1/15-1/31/15	1,030.00	140.09	889.91	-
02/01/15	383	1/1/15-1/31/15	1,165.00	158.44	1,006.56	-
03/01/15	388	2/1/15-2/28/15	1,062.50	144.51	917.99	-
04/01/15	393	3/1/15-3/31/15	1,110.00	150.97	959.03	-
05/01/17	397	4/1/15-4/30/15	1,220.00	165.92	1,054.08	-
06/01/15	402	5/1/15-8/31/15	1,250.00	170.01	1,079.99	-
07/01/15	407	6/1/15-6/30/15	1,336.50	237.76	1,098.74	-
08/01/15	412	7/1/15-7/31/15	739.75	100.61	639.14	-
09/01/15	417	8/1/15-8/31/15	1,119.25	176.22	943.03	-
10/01/15	422	9/1/15-9/30/15	990.00	177.65	812.35	-
11/01/15	425	10/1/15-10/31/15	990.00	177.65	812.35	-
12/01/15	432	11/1/15-11/30/15	990.00	177.65	812.35	-
01/01/16	439	12/1/15-12/31/15	990.00	177.65	812.35	-
02/01/16	442	1/1/16-1/31/16	935.00	167.16	767.84	-
03/01/16	446	2/1/16-2/28/16	1,019.70	186.68	833.02	-
04/01/16	451	3/1/16-3/31/16	1,008.37	184.14	824.23	-
05/01/16	456	4/1/16-4/30/16	1,019.70	187.68	832.02	-
06/01/16	463	5/1/16-5/31/16	1,110.35	211.01	899.34	-
07/01/16	464	6/1/16-6/30/16	1,110.35	211.01	899.34	-
-	-	-	-	-	-	969.13
-	-	-	-	-	-	931.39

Report on Special Investigation of the
City of Kimballton

Unauthorized Checks Issued to Tammy Thompson
For the Period May 1, 2014 through August 31, 2017

Pay Period	Per Bank Statement/Check			
	Check Number	Check Date	Memo	Check Amount
July 2016	472	08/01/16	Pay Period: 7/1/2016-7/31/2016	980.77
	476	08/10/16	Pay Period: 7/16/2016-8/15/2016	997.92
Aug 2016	479	09/01/16	Pay Period: 8/1/2016-8/31/2016	849.59
Sept 2016	485	10/01/16	Pay Period: 9/1/2016-9/30/2016	874.97
	484	10/01/16	Pay Period: 9/1/2016-9/30/2016	899.34
	488	10/07/16	Pay Period: 9/1/2016-9/30/2016	864.87
Oct 2016	491	11/01/16	Pay Period: 10/1/2016-10/31/2016	899.34
	494	11/15/16	Pay Period: 11/1/2016-11/14/2016	978.91
Nov 2016	498	12/01/16	Pay Period: 11/1/2016-11/30/2016	758.70
	499	12/16/16	Pay Period: 12/1/2016-12/15/2016	929.97
Dec 2016	503	01/01/17	Pay Period: 12/1/2016-12/31/2016	939.75
	507	01/19/17	Pay Period: 1/1/2017-1/15/2017	882.53
Jan/Feb 2017	520	02/15/17	Pay Period: 1/16/2017-2/16/2017	957.87
	522	03/01/17	Pay Period: 2/1/2017-2/28/2017	846.46
March 2017	527	04/01/17	Pay Period: 3/1/2017-3/31/2017	884.84
April 2017	532	05/01/17	Pay Period: 4/1/2017-4/30/2017	846.46
	537	05/16/17	Pay Period: 4/18/2017-5/15/2017	846.46
May 2017	538	06/01/17	Pay Period: 5/1/2017-5/31/2017	738.09
June 2017	543	07/01/17	Pay Period: 6/1/2017-6/30/2017	915.11
July 2017	550	08/01/17	Pay Period: 7/1/2017-7/31/2017	614.67
Aug 2017	556	09/05/17	None	302.48
Totals				<u>\$ 43,700.24</u>

None - There was not a corresponding check recorded in the Intuit Payroll Reports.

Per Intuit Payroll Reports						
Date	Check Number	Pay Period	Gross Wages	Deductions	Net Payroll	Amount
08/16/01	472	7/1/16-7/31/16	1,220.80	240.03	980.77	-
-	-	-	-	-	-	997.92
09/01/16	479	8/1/16-8/31/16	1,042.35	192.76	849.59	-
10/01/16	485	9/1/16-9/30/16	1,076.35	201.38	874.97	-
-	-	-	-	-	-	899.34
-	-	-	-	-	-	864.87
11/01/16	491	10/1/16-10/31/16	1,110.35	211.01	899.34	-
-	-	-	-	-	-	978.91
12/01/16	498	11/1/16-11/30/16	929.05	170.35	758.70	-
-	-	-	-	-	-	929.97
01/01/17	503	12/1/16-12/31/16	1,087.68	147.93	939.75	-
-	-	-	-	-	-	882.53
02/01/17	511	1/1/17-2/15/17	1,108.65	150.78	957.87	-
-	-	-	-	-	-	846.46
04/01/17	527	3/1/17-3/31/17	1,102.82	217.98	884.84	-
05/01/17	532	4/1/17-4/30/17	1,050.30	203.84	846.46	-
-	-	-	-	-	-	846.46
06/01/07	539	5/1/17-5/31/17	900.57	162.48	738.09	-
07/01/17	543	6/1/17-6/30/17	1,143.65	228.54	915.11	-
08/01/17	550	7/1/17-7/31/17	727.62	112.95	614.67	-
09/05/17	556	8/1/17-8/16/17	350.10	47.62	302.48	-
			<u>\$ 41,296.76</u>	<u>6,743.50</u>	<u>34,553.26</u>	<u>9,146.98</u>

Report on Special Investigation of the
City of Kimballton

Unauthorized Hours Paid to Tammy Thompson
For the Period May 1, 2014 through August 31, 2017

Per Intuit Payroll Reports						Maximum Authorized Hours ~
Date	Check Number	Pay Period	Hours	Hourly Rate	Gross Wages	
05/30/14	342	5/1/14-5/30-14	110.25	\$ 10.00	1,102.50	105
07/01/14	347	6/1/14-6/30/14	113.50	10.00	1,135.00	105
08/01/14	353	7/1/14-7/31/14	124.25	10.00	1,242.50	110
09/01/14	358	8/1/14-8/31/14	131.75	10.00	1,317.50	105
10/01/14	363	9/1/14-9/30/14	130.25	10.00	1,302.50	105
11/01/14	368	10/1/14-10/31/14	130.00	10.00	1,300.00	115
12/01/14	373	12/1/14-12/31/14	85.00	10.00	850.00	90
01/01/15	378	1/1/15-1/31/15	103.00	10.00	1,030.00	110
02/01/15	383	1/1/15-1/31/15	116.50	10.00	1,165.00	105
03/01/15	388	2/1/15-2/28/15	106.25	10.00	1,062.50	100
04/01/15	393	3/1/15-3/31/15	111.00	10.00	1,110.00	110
05/01/17	397	4/1/15-4/30/15	122.00	10.00	1,220.00	110
06/01/15	402	5/1/15-8/31/15	125.00	10.00	1,250.00	100
07/01/15	407	6/1/15-6/30/15	121.50	11.00	1,336.50	110
08/01/15	412	7/1/15-7/31/15	67.25	11.00	739.75	110
09/01/15	417	8/1/15-8/31/15	101.75	11.00	1,119.25	105
10/01/15	422	9/1/15-9/30/15	90.00	11.00	990.00	105
11/01/15	425	10/1/15-10/31/15	90.00	11.00	990.00	110
12/01/15	432	11/1/15-11/30/15	90.00	11.00	990.00	95
01/01/16	439	12/1/15-12/31/15	90.00	11.00	990.00	110
02/01/16	442	1/1/16-1/31/16	85.00	11.00	935.00	100
03/01/16	446	2/1/16-2/28/16	90.00	11.33	1,019.70	100
04/01/16	451	3/1/16-3/31/16	89.00	11.33	1,008.37	115
05/01/16	456	4/1/16-4/30/16	90.00	11.33	1,019.70	105
06/01/16	463	5/1/16-5/31/16	98.00	11.33	1,110.35	105
07/01/16	464	6/1/16-6/30/16	98.00	11.33	1,110.35	132
08/01/16	472	7/1/16-7/31/16	107.75	11.33	1,220.80	120

Authorized Pay			Over/(Under) Payment
Hours	Hourly Rate	Gross Pay	
105.00	\$ 10.00	1,050.00	52.50
105.00	10.00	1,050.00	85.00
110.00	10.00	1,100.00	142.50
105.00	10.00	1,050.00	267.50
105.00	10.00	1,050.00	252.50
115.00	10.00	1,150.00	150.00
85.00	10.00	850.00	-
103.00	10.00	1,030.00	-
105.00	10.00	1,050.00	115.00
100.00	10.00	1,000.00	62.50
110.00	10.00	1,100.00	10.00
110.00	10.00	1,100.00	120.00
100.00	10.00	1,000.00	250.00
110.00	11.00	1,210.00	126.50
67.25	11.00	739.75	-
101.75	11.00	1,119.25	-
90.00	11.00	990.00	-
90.00	11.00	990.00	-
90.00	11.00	990.00	-
90.00	11.00	990.00	-
85.00	11.00	935.00	-
90.00	11.33	1,019.70	-
89.00	11.33	1,008.37	-
90.00	11.33	1,019.70	-
98.00	11.33	1,110.35	-
98.00	11.33	1,110.35	-
107.75	11.33	1,220.80	-

Report on Special Investigation of the
City of Kimballton

Unauthorized Hours Paid to Tammy Thompson
For the Period May 1, 2014 through August 31, 2017

Per Intuit Payroll Reports						Maximum Authorized Hours ~
Date	Check Number	Pay Period	Hours	Hourly Rate	Gross Wages	
09/01/16	479	8/1/16-8/31/16	92.00	11.33	1,042.35	138
10/01/16	485	9/1/16-9/30/16	95.00	11.33	1,076.35	126
11/01/16	491	10/1/16-10/31/16	98.00	11.33	1,110.35	120
12/01/16	498	11/1/16-11/30/16	82.00	11.33	929.05	120
01/01/17	503	12/1/16-12/31/16	96.00	11.33	1,087.68	126
02/01/17	511	1/1/17-2/15/17	95.00	11.67	1,108.65	114
04/01/17	527	3/1/17-3/31/17	94.50	11.67	1,102.82	120
05/01/17	532	4/1/17-4/30/17	90.00	11.67	1,050.30	120
06/01/17	539	5/1/17-5/31/17	77.17	11.67	900.57	136
07/01/17	543	6/1/17-6/30/17	98.00	11.67	1,143.65	132
08/01/17	550	7/1/17-7/31/17	62.35	11.67	727.62	120
09/05/17	556	8/1/17-8/16/17	30.00	11.67	350.10	72
Total						

~ - Because timesheet were not available for the period prior to June 2016 , we used the lower of the number of hours reported in the payroll system or the authorized hours per month to calculate the maximum allowed gross pay for the month. City Hall is open on Martin Luther King and President's day.

Note: Exhibit does not include checks with a difference of \$1.00 or less.

Authorized Pay			Over/(Under) Payment
Hours	Hourly Rate	Gross Pay	
92.00	11.33	1,042.35	-
95.00	11.33	1,076.35	-
98.25	11.33	1,113.17	(2.82)
82.00	11.33	929.05	-
83.50	11.33	946.06	141.63
97.00	11.67	1,131.99	(23.34)
94.50	11.67	1,102.82	-
90.00	11.67	1,050.30	-
77.17	11.67	900.57	-
86.00	11.67	1,003.62	140.03
62.37	11.67	727.82	-
30.00	11.67	350.10	-
			<u>\$ 1,889.50</u>

Report on Special Investigation of the
City of Kimballton

Credit Card Purchases - Wal-Mart
For the Period May 1, 2014 through August 31, 2017

Per Credit Card Statement			Per Walmart	
Date	Amount	Visit Date	UPC Description	Description
05/10/14	\$ 121.95	05/10/14	Detailed description not provided by Wal-Mart.	
05/16/14	45.61	05/16/14	Detailed description not provided by Wal-Mart.	
05/01/14	64.07	05/01/14	Detailed description not provided by Wal-Mart.	
07/03/14	120.21	07/03/14	Detailed description not provided by Wal-Mart.	
07/20/14	126.36	07/20/14	Detailed description not provided by Wal-Mart.	
08/01/14	32.28	08/01/14	Detailed description not provided by Wal-Mart.	
08/16/14	23.08	08/16/14	Detailed description not provided by Wal-Mart.	
08/22/14	77.94	08/22/14	Detailed description not provided by Wal-Mart.	
08/23/14	115.31	08/23/14	Detailed description not provided by Wal-Mart.	
08/26/14	50.96	08/26/14	Detailed description not provided by Wal-Mart.	
09/06/14	18.43	09/06/14	BOOK	ONE NIGHT WITH A COW
			BOOK	HIGHLANDER NEXT DOOR
			BOOK	LONG TALL TEXANS VO
			TAX	
09/18/14	17.08	09/18/14	SHRPIECSL2CT	SHARPIE CHISEL BLACK 2 CT
			COPY PAPER	GP COPY & PRINT;COPY PAPER 400CNT
			BOOK	INNOCENCE UNDONE
			TAX	
10/01/14	34.40	10/01/14	HSY MINIS	HERSHEY'S MINIATURES
			REESE MINI	REESE'S PB CUP MINIATURES
			FACE TISSUE	KLEENEX 160 COUNT
			BTY 2 REG	BOUNTY 2 REGULAR SAS PRINT
			TRASH BAGS	13 GALLON TALL KITCHEN BAG, 36 COUNT
			BOOK	TEXAS BORN 2 IN 1
			BOOK	CHRISTMAS IN COWBOY
			TAX	
10/08/14	20.97	10/08/14	BOOK	BURN
			TAX	
10/15/14	23.23	10/15/14	BOOK	LAST TRUE COWBOY THE PAPERBACK
			BOOK	TRYING PATIENCE
			BOOK	A PLACE CALLED HARMO
			BOOK	COWBOY CHRISTMAS PAPERBACK
			TAX	

Unit Qty	Retail Price	Improper	Unsupported	Reasonable
	\$ 121.95	-	121.95	-
	45.61	-	45.61	-
	64.07	-	64.07	-
	120.21	-	120.21	-
	126.36	-	126.36	-
	32.28	-	32.28	-
	23.08	-	23.08	-
	77.94	-	77.94	-
	115.31	-	115.31	-
	50.96	-	50.96	-
1	5.24	5.24	-	-
1	5.99	5.99	-	-
1	5.99	5.99	-	-
	1.21	1.21	-	-
	18.43			
1	2.47	-	-	2.47
3	7.50	-	-	7.50
1	5.99	5.99	-	-
	1.12	1.12	-	-
	17.08			
1	3.54	3.54	-	-
1	3.54	3.54	-	-
2	3.14	-	3.14	-
1	3.72	-	3.72	-
1	6.98	-	6.98	-
1	5.24	-	-	5.24
1	5.99	5.99	-	-
	2.25	2.25	-	-
	34.40			
1	19.60	-	-	19.60
	1.37	1.37	-	-
	20.97			
1	5.99	5.99	-	-
1	5.24	5.24	-	-
1	5.99	5.99	-	-
1	4.49	-	-	4.49
	1.52	1.52	-	-
	23.23			

Report on Special Investigation of the
City of Kimballton

Credit Card Purchases - Wal-Mart
For the Period May 1, 2014 through August 31, 2017

Per Credit Card Statement		Per Walmart		
Date	Amount	Visit Date	UPC Description	Description
10/17/14	32.53	10/17/14	TIGER PUMPKN GOURDS MAGIC 6 PACK PUMPKIN PIE PUMPKINS TAX	TIGER STRIPED PUMPKINS BAGGED GOURDS SCOTCH MAGIC TAPE BOX 6PK 3/4IN X 800IN CARVING PUMPKIN PIE PUMPKINS
10/29/14	17.62	10/29/14	BOOK BOOK BOOK TAX	HOW TO ROPE A REAL M MIXED MESSAGES SNOWFLAKES ON THE SE
11/19/14	12.82	11/19/14	BOOK BOOK TAX	WYOMING STRONG TO LOVE AND TO CHERI
12/01/14	40.63	12/01/14	BOOK BOOK BOOK BOOK BOOK BOOK BOOK TAX	WM TOH CAKE MIX WM TOH BACKYD BBQ WM TOH COOKIES WM TOH FRESH TBLE LONG TALL TEXANS VO NEVER LOVE A COWBOY PAPERBACK ANGEL CREEK
12/07/14	55.11	12/07/14	BOOK BOOK BOOK BOOK TAX	HOPE TO DIE WM TOH CASSEROLES THREE WEEKS WITH A B TOM CLANCY FULL FORC

Unit Qty	Retail Price	Improper	Unsupported	Reasonable
1	2.98	2.98	-	-
1	2.98	2.98	-	-
1	9.97	9.97	-	-
3	8.64	8.64	-	-
3	6.84	6.84	-	-
	1.12	1.12	-	-
	32.53			
1	5.24	5.24	-	-
1	5.24	5.24	-	-
1	5.99	5.99	-	-
	1.15	1.15	-	-
	17.62			
1	5.99	5.99	-	-
1	5.99	-	-	5.99
	0.84	0.84	-	-
	12.82			
1	5.00	5.00	-	-
1	5.00	5.00	-	-
1	5.00	5.00	-	-
1	5.00	5.00	-	-
1	5.99	-	-	5.99
1	5.99	-	-	5.99
1	5.99	5.99	-	-
	2.66	2.66	-	-
	40.63			
1	20.30	20.30	-	-
1	5.00	-	-	5.00
1	5.24	5.24	-	-
1	20.96	-	-	20.96
	3.61	3.61	-	-
	55.11			

Report on Special Investigation of the
City of Kimballton

Credit Card Purchases - Wal-Mart
For the Period May 1, 2014 through August 31, 2017

Per Credit Card Statement		Per Walmart		
Date	Amount	Visit Date	UPC Description	Description
01/13/15	64.68	01/13/15	ERASER REFIL	ERASE REFILL
			BOOK	COLD COLD HEART
			BOOK	SAINT ODD AN ODD TH
			BOOK	MCKETTRICKS OF TEXAS
			BOOK	LONER THE PAPERBACK
			BOOK	SILVER THAW A MYSTI
			BIC C. TAPE	BIC 1PK CORRECTION TAPE
			TAX	
01/20/15	20.23	01/20/15	ENVELOPE	40 CT SECURITY ENVELOPE
			BOOK	DESPERATE HEARTS
			BOOK	A FAMILY FOR MADDIE
			BOOK	TEXAS MAIL ORDER BRI
			TAX	
01/21/15	81.22	01/21/15	V RSE HEARTS	REESE'S VALENTINES HEARTS
			VAL CANDY	KISSES W/CARAMEL
			BAGGED CHOC	VAL MILK 7.2OZ BAG
			CHERRY LOVE	GIMBAL'S CHERRY LOVERS
			VAL CANDY	M&MS RED VELVET 9.9OZ
			BOOK	TOH COOKBOOK 4TH ED
			VAL CLING	HAPPY VAL CLASSIC CL
			VAL CLING	HEART VAL CLASSC CLG
			TIN BUCKET	HEART TOSS BUCKET
			TIN BUCKET	HAPPY VAL BUCKET
			TIN BUCKET	MULTI HEART BUCKET
			TRUFFLE KISS	HERSHEY'S TRUFFLE KISSES 10OZ
			CARAMEL HRT	HERSHEY'S CARAMEL HEARTS 9.28OZ
			RD/SLV TT HT	RED/SILVER TABLE TOP HEART
			POM POM	RED POM POM
			HEART GEL CL	SCALLOP HEART GEL CLING
			MONSTER GEL	PARTY MONSTER GEL CLING
			VAL GEL CLIN	BE MY VALENTINE GEL CLING
			CONFETTI	GLITTER CONFETTI
			BOOK	COWBOY S WAY THE PAPERBACK
			BOOK	COWGIRLS DON T CRY PAPERBACK
			TAX	

Unit Qty	Retail Price	Improper	Unsupported	Reasonable
1	1.64	-	-	1.64
1	19.56	-	-	19.56
1	19.60	-	-	19.60
1	5.99	5.99	-	-
1	5.99	5.99	-	-
1	5.99	5.99	-	-
1	1.68	-	-	1.68
	4.23	4.23	-	-
	64.68			
1	0.94	-	-	0.94
1	5.99	5.99	-	-
1	5.99	5.99	-	-
1	5.99	-	-	5.99
	1.32	1.32	-	-
	20.23			
1	2.88	2.88	-	-
1	2.88	2.88	-	-
2	9.96	9.96	-	-
1	2.48	2.48	-	-
1	2.88	2.88	-	-
1	19.97	19.97	-	-
1	0.98	0.98	-	-
1	0.98	0.98	-	-
1	0.98	0.98	-	-
1	0.98	0.98	-	-
1	0.98	0.98	-	-
1	2.88	2.88	-	-
1	2.88	2.88	-	-
1	4.98	4.98	-	-
2	1.96	1.96	-	-
1	1.48	1.48	-	-
1	2.98	2.98	-	-
1	2.98	2.98	-	-
2	1.96	1.96	-	-
1	3.93	3.93	-	-
1	3.93	-	-	3.93
	5.31	5.31	-	-
	81.22			

Report on Special Investigation of the
City of Kimballton

Credit Card Purchases - Wal-Mart
For the Period May 1, 2014 through August 31, 2017

Per Credit Card Statement		Per Walmart		
Date	Amount	Visit Date	UPC Description	Description
02/05/15	33.75	02/05/15	BOOK BOOK BOOK TAX	MACKENZIE S LEGACY HOW TO KISS A COWBOY CRASH AND BURN
02/14/15	11.62	02/14/15	BOOK BOOK TAX	A RANCHER S HOME PAPERBACK LONE TEXAN THE
02/21/15	290.56	02/21/15	COPY PAPER JOINT COMPND PAINTEASY HE INT PAINT SMART EDGE HE INT PAINT 6PK TOWEL WAG PAINT READY HVLP TAX	GP 88 BRIGHT COPY PAPER PROFORM LITE W/ DUST-TECH R/M 1GAL WAGNER PAINT EASY PAINT CONDITIONER HE WHITE SEMI GLOSS INTERIOR PAINT 1G WAGNER SMART EDGE ROLLER HE GNG WARM CARAMEL SG INT PAINT 1G TERRY TOWEL PAINTREADY HVLP SPRAYER
02/28/15	34.74	02/28/15	REESE MINI MINI EGGS HRSY MINI LINDT MILK BOOK BOOK TAX	REESE'S MINIATURES MINI ROBIN EGGS 13.75 OZ HERSHEY MINIATURES 19.75 OZ SPRING LINDOR MILK 7.2OZ STAND UP BAG AMELIA OUTLAW HARTES THE V
03/12/15	35.95	03/12/15	BOOK BOOK BOOK BOOK TAX	TEXAS WILDFLOWER OBSESSION IN DEATH AT THE RANCHER S REQ DOCTOR S COWBOY THE
03/14/15	(20.93)	03/14/15	BOOK TAX	OBSESSION IN DEATH

Unit Qty	Retail Price	Improper	Unsupported	Reasonable
1	5.99	-	-	5.99
1	5.99	5.99	-	-
1	19.56	-	-	19.56
	2.21	2.21	-	-
	33.75			
1	4.87	4.87	-	-
1	5.99	5.99	-	-
	0.76	0.76	-	-
	11.62			
3	10.41	-	-	10.41
1	6.97	6.97	-	-
1	7.47	7.47	-	-
4	85.88	85.88	-	-
1	15.00	15.00	-	-
2	42.94	42.94	-	-
1	3.88	3.88	-	-
1	99.00	99.00	-	-
	19.01	19.01	-	-
	290.56			
3	8.64	8.64	-	-
1	2.88	2.88	-	-
1	5.28	5.28	-	-
1	5.00	5.00	-	-
1	5.99	-	-	5.99
1	4.87	4.87	-	-
	2.08	2.08	-	-
	34.74			
1	5.99	5.99	-	-
1	19.56	19.56	-	-
1	3.93	3.93	-	-
1	4.12	4.12	-	-
	2.35	2.35	-	-
	35.95			
(1)	(19.56)	(19.56)	-	-
	(1.37)	(1.37)	-	-
	(20.93)			

Report on Special Investigation of the
City of Kimballton

Credit Card Purchases - Wal-Mart
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Per Credit Card Statement		Per Walmart		
Date	Amount	Visit Date	UPC Description	Description
03/16/15	17.64	03/16/15	ALWAY BLADES FACE TISSUE UTILITY KNIF DCK 45YD MAX TAX	ALLWAY RAZOR BLADES 10PK KLEENEX ULTRA 4 X 120 BUNDLE 480 CT SOFT GRIP ALUMINUM RETRACTABLE KNIFE 45YD MAX STRENGTH DUCK TAPE
03/21/15	32.57	03/21/15	BOOK BOOK BOOK BOOK BOOK BOOK TAX	AT WOLF RANCH CALHOUN WOMEN AMAND COOL HAND HANK COWBO HOME ON THE RANCH O HOME ON THE RANCH C HOME ON THE RANCH W
03/28/15	83.80	03/28/15	BUNNIES RABBIT 16 OZ KRABBY PATTY BSKT STUFFER MC FOIL EGGS SMARTIES EASTER CNDY EGG HNT CHOC SR WATERMLON TAX	EASTER MILK CHOCOLATE MINI BUNNIES FRANKFORD'S SOLID MILK CHOC BUNNY 16 OZ KRABBY PATTIE EASTER BAG - 19 OZ MAYFAIR EASTER BASKET STUFFER FRANKFORD MILK CHOCOLATE FOIL EGGS 12 OZ E1636DZ - EASTER SMARTIES 1 LB BAG ULTIMATE EGG HUNT BAG MARS ULTIMATE EGG HUNT CHOCOLATE 31OZ JB PEEPS 10CT SOUR WATERMELON CHICKS
04/04/15	54.43	04/04/15	MAGAZINE BOOK BOOK BOOK BOOK BOOK TAX	DIABETIC LIVING STRANGER THE MCKETTRICKS OF TEXAS WHEN IT S RIGHT PART TIME COWBOY CLOSER YOU COME THE
04/09/15	(105.93)	04/09/15	024964211470 TAX	PAINTREADY HVLP SPRAYER

Unit Qty	Retail Price	Improper	Unsupported	Reasonable
1	1.97	1.97	-	-
1	5.87	-	5.87	-
1	1.88	1.88	-	-
1	6.77	6.77	-	-
	1.15	1.15	-	-
	17.64			
1	4.97	4.97	-	-
1	5.99	5.99	-	-
1	4.87	4.87	-	-
1	4.87	4.87	-	-
1	4.87	4.87	-	-
1	4.87	4.87	-	-
	2.13	2.13	-	-
	32.57			
5	14.40	14.40	-	-
3	10.44	10.44	-	-
2	10.96	10.96	-	-
1	5.48	5.48	-	-
4	11.52	11.52	-	-
2	4.56	4.56	-	-
1	9.98	9.98	-	-
1	9.98	9.98	-	-
1	1.00	1.00	-	-
	5.48	5.48	-	-
	83.80			
1	9.99	-	-	9.99
1	17.97	-	-	17.97
1	5.98	5.98	-	-
1	4.97	4.97	-	-
1	5.98	5.98	-	-
1	5.98	5.98	-	-
	3.56	3.56	-	-
	54.43			
(1)	(99.00)	(99.00)	-	-
	(6.93)	(6.93)	-	-
	(105.93)			

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Date	Amount	Visit Date	UPC Description	Description
04/09/15	23.99	04/09/15	FACE TISSUE TRIM ROLLER WASTEBAGS TAX	KLEENEX UPRIGHT 4PK 75 COUNT ULTRA SHURLINE 4" WALL/CEILING ROLLER GV 13G ODOR SHIELD LEMON 44CT
04/20/15	23.61	04/20/15	BOOK BOOK BOOK BOOK TAX	BACK IN THE GAME TEXAS REBELS EGAN THIS GUN FOR HIRE LOVE AFTER ALL
05/03/15	32.43	05/03/15	PERENNIAL PETUNIA ANNUAL ANNUAL TAX	2.6QT DIANTHUS SUPER TRPR PETUNIAPACK 9PK PETUNIA 3QT GERANIUM LANDSCAPE
05/06/15	143.73	05/06/15	HYDRANGEA MOM MINIROSE BOOK FACE TISSUE ORANGE STAR ANNUAL CANDLE BOOK BOOK BOOK HYDRANGEA TAX	6IN HYDRANGEA MOMDAY MINI ROSE 6IN TWICE A TEXAS BRIDE KLEENEX ULTRA 4 X 120 BUNDLE 480 CT MOTHERS DAY 1PT ORANGE STAR QT GERBERA DAISY GLADE BLOOM PEONY & CHERRY CANDLE 3.8OZ GROOM WHO ALMOST G SINFUL A BITTER CRE DIAMOND SPUR MOTHERS DAY HYDRANGEA 15.5OZ

Unit Qty	Retail Price	Improper	Unsupported	Reasonable
1	5.68	-	5.68	-
2	9.76	9.76	-	-
1	6.98	-	6.98	-
	1.57	1.57	-	-
	23.99			
1	5.99	5.99	-	-
1	4.12	4.12	-	-
1	5.98	5.98	-	-
1	5.98	5.98	-	-
	1.54	1.54	-	-
	23.61			
1	10.28	10.28	-	-
4	7.28	7.28	-	-
1	5.77	5.77	-	-
1	6.98	6.98	-	-
	2.12	2.12	-	-
	32.43			
2	33.96	33.96	-	-
2	17.96	17.96	-	-
1	5.98	5.98	-	-
1	5.87	-	5.87	-
2	16.48	16.48	-	-
2	10.96	10.96	-	-
2	5.96	5.96	-	-
1	5.24	5.24	-	-
1	5.98	5.98	-	-
1	5.98	5.98	-	-
2	19.96	19.96	-	-
	9.40	9.40	-	-
	143.73			

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Date	Amount	Visit Date	UPC Description	Description
06/02/15	85.50	06/02/15	MC SMR CITR A&H BAG WASTEBAGS FAVOR 9.7 6P FACE TISSUE OB TP HLDR TOILET BRUSH PAPER TOWEL FBRZ/STYLE7 BOOK BOOK TAX	MR CLEAN SUMMER CITRUS 40 OZ DILUTE ARM AND HAMMER BISSELL 7 BAG GV 13G ODOR SHIELD FRESH 44CT FAVOR AEROSOL 9.7 OZ KLEENEX ULTRA 4 X 120 BUNDLE 480 CT OB BEAD WIRE TP HLDR OILED BRONZE TOILET BRUSH WITH HOLDER BOUNTY 12 MEGA ROLL SELECT A SIZE WHITE BISSELL FEBREZE STYLE 7 BAG MAXIMUM RIDE FOREVER OUTLAW HEARTS
06/08/15	74.62	06/08/15	STAPLES GEL HL 3CT BIC COR TAPE ALARM CLOCK BOOK BOOK STICKY 3 X 5 TAX	SWINGLINE PREMIUM STAPLES SHARPIE ACCENT BIC 4PK CORRECTION TAPE ANALOG ATOMIC WALL CLOCK BROKEDOWN COWBOY FINDERS KEEPERS A N POST IT 3 X 5 NOTES 2 PACK
06/12/15	23.50	06/12/15	MAGAZINE MAGAZINE BOOK TAX	DIABETIC LIVING MAGAZINE REIMAN BOOKAZINES - I LL STAND BY YOU
06/17/15	41.13	06/17/15	BOOK BOOK TAX	WILDFIRE IN HIS ARMS TOM CLANCY S UNDER F
06/19/15	13.65	06/19/15	BOOK TAX	GREY SW
06/26/15	12.80	06/26/15	BOOK BOOK TAX	COME THE SPRING BIG SKY RIVER

Unit Qty	Retail Price	Improper	Unsupported	Reasonable
1	2.97	-	2.97	-
1	3.97	3.97	-	-
1	6.98	-	6.98	-
1	1.97	-	1.97	-
1	5.87	-	5.87	-
1	6.97	6.97	-	-
1	9.97	9.97	-	-
1	15.97	-	15.97	-
1	5.98	5.98	-	-
1	13.28	-	-	13.28
1	5.98	5.98	-	-
	5.59	5.59	-	-
	85.50			
1	2.96	-	-	2.96
1	4.44	-	-	4.44
1	5.47	-	-	5.47
1	19.97	-	-	19.97
1	5.98	5.98	-	-
1	20.98	-	-	20.98
2	9.94	-	-	9.94
	4.88	4.88	-	-
	74.62			
1	5.99	-	-	5.99
1	9.99	-	-	9.99
1	5.98	5.98	-	-
	1.54	1.54	-	-
	23.50			
1	18.18	-	-	18.18
1	20.26	-	-	20.26
	2.69	2.69	-	-
	41.13			
1	12.76	12.76	-	-
	0.89	0.89	-	-
	13.65			
1	5.98	5.98	-	-
1	5.98	5.98	-	-
	0.84	0.84	-	-
	12.80			

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Date	Amount	Visit Date	UPC Description	Description
06/27/15	27.22	06/27/15	POSTIT 4X4 COLOR DOT DUCK 3/4IN SUPERSTICKY PAPER PAPER TAX	POSTIT SUPER STICKY 4X4 YELLOW 3PK REMOVABLE 3/4" GARAGE SALE PP DOTS 315CT DUCK 3/4IN X 1000IN 4PK I SUPER STICKY NOTES, 3PDS/PK BRIGHT PAPER NEON PAPER
07/05/15	41.87	07/05/15	FACE TISSUE BOOK BOOK BOOK BOOK TAX	KLEENEX 3PK 120 COUNT ULTRA FT HER HOMETOWN HERO LAST CHANCE HERO UNTAMED USED TO BE LOVERS
07/30/15	19.20	07/30/15	BOOK BOOK BOOK TAX	HOME BY MORNING ORCHARD AT THE EDGE WILD THUNDER
08/06/15	115.93	08/06/15	HSY MINIS REESE MINI WHITE REESE FACE TISSUE OLVGRDN \$50 PAPER TOWEL BATH TISSUE BOOK BOOK TAX	HERSHEY'S MINIATURES REESE'S PB CUP MINIATURES WHITE REESE MINIATURES KLEENEX 3PK 120 COUNT ULTRA FT OLIVE GARDEN \$50 BOUNTY 12 MEGA ROLL SELECT A SIZE WHITE ANGEL SOFT 12 DBL BATH TISSUE USED TO BE LOVERS ALERT
08/21/15	43.56	08/21/15	DUMP DINNERS CROCKPOT BOOK BOOK TAX	DUMP DINNERS BOOK CROCK POT DUMP MEALS- AS SEEN ON TV HOTTER YOU BURN THE FRICTION

Unit Qty	Retail Price	Improper	Unsupported	Reasonable
1	4.97	-	-	4.97
1	1.68	-	-	1.68
1	5.88	-	-	5.88
1	4.97	-	-	4.97
1	3.97	-	-	3.97
1	3.97	-	-	3.97
	1.78	1.78	-	-
	27.22			
1	4.47	-	4.47	-
1	5.98	5.98	-	-
1	5.98	5.98	-	-
1	17.46	17.46	-	-
1	5.24	5.24	-	-
	2.74	2.74	-	-
	41.87			
1	5.98	5.98	-	-
1	5.98	5.98	-	-
1	5.98	5.98	-	-
	1.26	1.26	-	-
	19.20			
1	3.54	3.54	-	-
1	3.54	3.54	-	-
1	3.54	3.54	-	-
1	4.47	-	4.47	-
1	50.00	50.00	-	-
1	15.97	-	15.97	-
1	5.74	-	5.74	-
1	5.24	5.24	-	-
1	19.58	19.58	-	-
	4.31	4.31	-	-
	115.93			
1	9.88	9.88	-	-
1	9.88	9.88	-	-
1	5.98	-	-	5.98
1	14.97	14.97	-	-
	2.85	2.85	-	-
	43.56			

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Per Credit Card Statement		Per Walmart		
Date	Amount	Visit Date	UPC Description	Description
08/29/15	97.08	08/29/15	FACE TISSUE	KLEENEX 3PK 120 COUNT ULTRA FT
			ORG BUCKT	7.5``H IRON BUCKET ORANGE
			RED BUCKT	7.5``H IRON BUCKET RED
			BALE 20 INCH	FLORACRAFT STRAW BALE 20 IN PALLT
			FABRIC RBN	2.5``X9FT RIBBON
			FABRIC RBN	2.5``X9FT RIBBON
			SCRW PCK SUN	16``H SCARECROW PICK GIRL SUNFLOWER
			SCRW PCK NVY	16``H SCARECROW PICK BOY NAVY PANTS
			WELCOME	TABLE DECOR
			RED BUCKT	4.75``H WOOD BUCKET RED
			BOOK	RANCHER S SURPRISE S
			BOOK	RANCHER AND THE ROCK
			RD MAPL BAG	RD MAPL BAG.
			GLT RD OAK B	GLT RD OAK BAG.
			YE OAK BAG	YE OAK BAG.
			AC RND PMK	AC RND PMK.
			CR TL PMK	CR TL PMK.
			GR TL PMK	GR TL PMK.
			OR SNFL	OR SNFL.
			PINECNE BAG	PINECNE BAG.
			PINECNE BAG	PINECNE BAG.
			BOOK	RANSOM CANYON
			TAX	
08/30/15	19.44	08/30/15	BOOK RINGS	BOOK RINGS
			G2 PEN	G2 BLACK FINE 2PK
			POSTIT CUBE	POSTIT 2X2 CUBE ULTRA
			MAJACNTAST4C	SHARPIE ACCENT TANK ASSORTED 4CT
			SHRPIUFBLK2C	SHARPIE ULTRAFINE BLACK 2CT
			ENVELOPE	#10 SEC ENV 150CT
			3X3 NOTE	POST-IT SUPER STICKY 1PK 90SH YELLOW
			3X3 NOTE	POST-IT SUPER STICKY 1PK 90SH NEON GREEN
			3X3 NOTE 1PK	POST-IT SUPER STICKY 1PK 90SH ORANGE
			ENVELOPES	# 6-3/4 SECURITY TINT, WHITE 100
			TAX	
09/08/15	28.82	09/08/15	BOOK	BAD NEWS COWBOY
			BOOK	STARLIGHT ON WILLOW
			BOOK	DRIFTER THE
			TAX	

Unit Qty	Retail Price	Improper	Unsupported	Reasonable
1	4.47	-	4.47	-
1	6.98	6.98	-	-
1	6.98	6.98	-	-
3	23.94	23.94	-	-
1	2.24	2.24	-	-
2	4.48	4.48	-	-
1	0.98	0.98	-	-
1	0.98	0.98	-	-
1	4.84	4.84	-	-
1	2.98	2.98	-	-
1	4.12	4.12	-	-
1	5.98	5.98	-	-
1	0.98	0.98	-	-
1	0.98	0.98	-	-
1	0.98	0.98	-	-
1	2.97	2.97	-	-
1	2.97	2.97	-	-
1	2.97	2.97	-	-
1	2.97	2.97	-	-
1	0.98	0.98	-	-
1	0.98	0.98	-	-
1	4.98	4.98	-	-
	6.35	6.35	-	-
	97.08			
1	1.88	-	-	1.88
1	2.26	-	-	2.26
1	2.88	-	-	2.88
1	1.74	-	-	1.74
1	1.97	-	-	1.97
1	3.47	-	-	3.47
1	1.00	-	-	1.00
1	1.00	-	-	1.00
1	1.00	-	-	1.00
1	0.97	-	-	0.97
	1.27	1.27	-	-
	19.44			
1	5.98	5.98	-	-
1	14.97	14.97	-	-
1	5.98	-	-	5.98
	1.89	1.89	-	-
	28.82			

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Date	Amount	Visit Date	UPC Description	Description
09/15/15	82.04	09/15/15	BOOK	END GAME
			BOOK	X
			BOOK	MAKE ME A JACK REAC
			BOOK	SCAM THE
			TAX	
09/25/15	24.24	09/25/15	FACE TISSUE	KLEENEX ULTRA FACIAL TISSUE WHITE 120
			CLX TBC FRSH	CLOROX TOILET BOWL CLEANER FRESH 24 FO
			PAPER TOWEL	BOUNTY 12 MEGA ROLL SELECT A SIZE WHITE
			TAX	
10/02/15	22.76	10/02/15	TIGER PUMPKN	TIGER STRIPED PUMPKINS
			GOURDS	BAGGED GOURDS
			PIE PUMPKINS	PIE PUMPKINS
			MINI PUMPKIN	MINI AUTUMN COULURE PUMPKINS
			TAX	
10/09/15	41.62	10/09/15	BOOK	EVERGREEN SPRINGS
			BOOK	WILD WHISPERS
			BOOK	CHRISTMAS ON THE RAN
			BOOK	CHRISTMAS IN MUSTANG
			TAX	
10/16/15	(21.68)	10/16/15	BOOK	X
			TAX	
10/22/15	84.51	10/22/15	BOOK	DEVOTED IN DEATH
			BOOK	UNDERCOVER A NOVEL
			BOOK	SATURN RUN A NOVEL
			BOOK	ROGUE LAWYER
			TAX	

Unit Qty	Retail Price	Improper	Unsupported	Reasonable
1	18.86	-	-	18.86
1	20.26	20.26	-	-
1	17.97	-	-	17.97
1	19.58	-	-	19.58
	5.37	5.37	-	-
	82.04			
3	4.71	-	4.71	-
1	1.97	-	1.97	-
1	15.97	-	15.97	-
	1.59	1.59	-	-
	24.24			
1	2.98	2.98	-	-
1	2.98	2.98	-	-
3	7.44	7.44	-	-
3	8.94	8.94	-	-
	0.42	0.42	-	-
	22.76			
1	4.98	4.98	-	-
1	5.98	5.98	-	-
1	13.56	-	-	13.56
1	14.38	-	-	14.38
	2.72	2.72	-	-
	41.62			
(1)	(20.26)	(20.26)	-	-
	(1.42)	(1.42)	-	-
	(21.68)			
1	19.56	-	-	19.56
1	19.58	19.58	-	-
1	19.58	19.58	-	-
1	20.26	-	-	20.26
	5.53	5.53	-	-
	84.51			

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10/28/15	111.30	10/28/15	MAJACNTAST4C FACE TISSUE DUCK OUTDOOR BOOK BOOK BOOK BOOK TAX	SHARPIE ACCENT TANK ASSORTED 4CT KLEENEX 3PK 120 COUNT ULTRA FT 30YD OUTDOOR DUCK TAPE ROGUE LAWYER DEPRAVED HEART CORRUPTED HARDCOVER PLAYING WITH FIRE A NOVE HARDCOVER
10/30/15	6.40	10/30/15	BOOK TAX	I LL BE HOME FOR CHR
11/07/15	55.82	11/07/15	MAGAZINE MAGAZINE MAGAZINE BOOK BOOK BOOK BOOK BOOK TAX	ALL YOU MAGAZINE FIRST FOR WOMEN WALM MAGAZINE WOMANS WORLD WALMART MAGAZINE HOLLY LANE YULE BE MINE OUTLAW S BRIDE FOREVER AND ALWAYS BAZAAR OF BAD DREAMS
11/12/15	21.29	11/12/15	MAGAZINE MAGAZINE TAX	MAGAZINE CELEB HAIR SPECIAL HAIRDO MAGAZINE
12/09/15	66.25	12/09/15	BOOK BOOK BOOK BOOK BOOK BOOK TAX	A COWBOY UNDER THE M CROSS JUSTICE HARDCOVER WYOMING RUGGED PAPERBACK HARDER YOU FALL THE PAPERBACK ASHLEY BELL A NOVEL HARDCOVER FOREVER HIS TEXAS BRIDE PAPERBACK
12/16/15	21.79	12/16/15	BOOK SITE MERCH TAX	TASTE OF HOME CHURCH SUPP LIFE AND HOME MAKE ME STAY

Unit Qty	Retail Price	Improper	Unsupported	Reasonable
1	2.64	-	-	2.64
2	8.94	-	8.94	-
2	12.74	-	12.74	-
1	20.26	20.26	-	-
1	20.28	20.28	-	-
1	19.58	-	-	19.58
1	19.58	-	-	19.58
	7.28	7.28	-	-
	111.30			
1	5.98	-	-	5.98
	0.42	0.42	-	-
	6.40			
1	2.99	-	-	2.99
1	2.49	-	-	2.49
1	1.79	-	-	1.79
1	5.98	5.98	-	-
1	5.98	5.98	-	-
1	5.98	-	-	5.98
1	5.98	5.98	-	-
1	20.98	-	-	20.98
	3.65	3.65	-	-
	55.82			
1	9.95	-	-	9.95
1	9.95	-	-	9.95
	1.39	1.39	-	-
	21.29			
1	4.12	4.12	-	-
1	20.28	20.28	-	-
1	5.98	-	-	5.98
1	5.98	5.98	-	-
1	19.58	19.58	-	-
1	5.98	5.98	-	-
	4.33	4.33	-	-
	66.25			
1	14.38	14.38	-	-
1	5.98	5.98	-	-
	1.43	1.43	-	-
	21.79			

Report on Special Investigation of the
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Per Credit Card Statement		Per Walmart		
Date	Amount	Visit Date	UPC Description	Description
12/19/15	3.91	12/19/15	BOOK	ROGUE LAWYER
			BOOK	NIGHT HAWK
			BOOK	SHAMELESS A BITTER
			BOOK	COUNTING ON A COWBOY PAPERBACK
			BOOK	ANYTHING FOR YOU PAPERBACK
			TAX	
01/12/16	12.80	01/12/16	BOOK	FINDING PROMISE PAPERBACK
			BOOK	WILDEST DREAMS PAPERBACK
			TAX	
01/20/16	12.80	01/20/16	BOOK	NIGHT HAWK
			BOOK	WILDEST DREAMS PAPERBACK
			TAX	
01/25/16	44.52	01/25/16	WERTHER'S	WERTHER'S ORIGINAL HARD CANDY
			LIFESAVER	LIFESAVERS WINTERGREEN
			BATH TISSUE	ANGEL SOFT 36 DOUBLE BONUS PACK
			BTY 12 BIG	BOUNTY 12 BIG SAS
			CHOC	LINDOR MILK 8.5OZ BAG
			CLEAR TIN	ARROWS CLEAR TIN
			TAX	
01/29/16	53.78	01/29/16	BOOK	WILDEST DREAMS PAPERBACK
			CORK TILES	QUARTET 12X12 CORK TILES
			PEN	EASY TOUCH RETRACTABLE BALLPOINT PEN
			ROLLER COVER	CVR 9" WMT BETTER 3/8" KNIT WHITE 3PK
			PAPERMATE	WRITE BROTHERS 10CT BLUE 1.2 STICK PEN
			HE INT PAINT	HE GNG WARM CARAMEL SG INT PAINT 1G
			ASTDNEONPINS	HI VOLTAGE FX PUSH PINS
			4" W&C REFL	4" W&C TRIM REFILL
			BOOK	RUSTLER S MOON
			BOOK	JEOPARDY
			TAX	

Unit Qty	Retail Price	Improper	Unsupported	Reasonable
(1)	(20.26)	(20.26)	-	-
1	5.98	5.98	-	-
1	5.98	-	-	5.98
1	5.98	5.98	-	-
1	5.98	5.98	-	-
	0.25	0.25	-	-
	3.91			
1	5.98	-	-	5.98
1	5.98	5.98	-	-
	0.84	0.84	-	-
	12.80			
1	5.98	5.98	-	-
1	5.98	5.98	-	-
	0.84	0.84	-	-
	12.80			
1	1.98	1.98	-	-
1	1.78	1.78	-	-
1	15.97	-	15.97	-
1	12.97	-	12.97	-
1	5.94	5.94	-	-
1	2.97	2.97	-	-
	2.91	2.91	-	-
	44.52			
(1)	(5.98)	(5.98)	-	-
1	5.94	-	-	5.94
1	4.24	-	-	4.24
1	6.24	6.24	-	-
1	1.34	-	-	1.34
1	19.76	19.76	-	-
1	1.88	-	-	1.88
1	4.88	4.88	-	-
1	5.98	5.98	-	-
1	5.98	5.98	-	-
	3.52	3.52	-	-
	53.78			

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Date	Amount	Visit Date	UPC Description	Description
02/17/16	7.97	02/17/16	LIQUID SOAP BOOK TAX	DIAL LHS GOLD 9.375OZ HOW TO WRANGLE A COW
02/23/16	12.80	02/23/16	BOOK BOOK TAX	STONE COLD COWBOY PAPERBACK TEXAS ON MY MIND PAPERBACK
03/18/16	96.36	03/18/16	BOOK BOOK BOOK BOOK BOOK TAX	RIPLEY S BELIEVE IT GUINNESS WORLD RECOR PRIVATE PARIS PROPERTY OF A NOBLE WOMAN HARDCOVER GANGSTER THE HARDCOVER
03/24/16	124.53	03/24/16	SIXLETS BAG EASTER CANDY CHEWY CANDY M&M'S CHILDS PLAY KIT K LOVERS EGG HUNT MIX CRD MULTIPK JELLYBEANS PASTEL EGGS HSY EGG HUNT TAX	EASTER SIXLETS BAG HERSHEY JOLLY RANCHER JOLLY BEANS BIG TIME SUGAR 23.3OZ M&M'S MILK CHOC 19.2OZ CHILDS PLAY EASTER 18/34OZ PP KITKAT ASSORTMENT EASTER BAG RM PALMER BUNNY EGG HUNT MIX BAG MULTIPK CRD ETR PUPPY EARS STARBURST JELLYBEANS ORIGINAL 14OZ 4FT 48CT 40MM PASTEL EGGS HERSHEY'S 130CT EGG HUNT ASSORTMENT
03/25/16	23.60	03/25/16	CELLO CARROT CELLO BUNNY BOOK TAX	CELLO CARROT BAGS CELLO BUNNY BAGS WIDOW THE HARDCOVER

Unit Qty	Retail Price	Improper	Unsupported	Reasonable
1	1.47	-	1.47	-
1	5.98	5.98	-	-
	0.52	0.52	-	-
	7.97			
1	5.98	-	-	5.98
1	5.98	-	-	5.98
	0.84	0.84	-	-
	12.80			
1	14.97	-	-	14.97
1	14.97	-	-	14.97
1	19.58	-	-	19.58
1	20.26	20.26	-	-
1	20.28	-	-	20.28
	6.30	6.30	-	-
	96.36			
3	8.64	8.64	-	-
1	2.48	2.48	-	-
3	16.44	16.44	-	-
1	4.86	4.86	-	-
2	10.96	10.96	-	-
2	11.96	11.96	-	-
2	19.96	19.96	-	-
1	5.97	5.97	-	-
1	1.98	1.98	-	-
2	3.96	3.96	-	-
2	29.96	29.96	-	-
	7.36	7.36	-	-
	124.53			
2	1.94	1.94	-	-
2	1.94	1.94	-	-
1	18.18	-	-	18.18
	1.54	1.54	-	-
	23.60			

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Date	Amount	Visit Date	UPC Description	Description
03/29/16	25.59	03/29/16	SITE MERCH SITE MERCH SITE MERCH BOOK TAX	ONCE A RANCHER A TASTE OF FIRE UNDER THE DESERT SKY BLUE SKIES PAPERBACK
04/06/16	44.93	04/06/16	REESE MINI HSYSPDRKMINI WASTEBAGS BATH TISSUE BOOK BOOK TAX	REESE'S PB CUP MINIATURES HERSHEY SPECIAL DARK MINIS 11OZ GV 13G ODOR SHIELD LEMON 44CT ANGEL SOFT 36 DOUBLE BONUS PACK ONE NIGHT RODEO A BLACKT PAPERBACK MUST LOVE COWBOYS PAPERBACK
04/07/16	20.95	04/07/16	SITE MERCH TAX	FAMILY JEWELS
04/15/16	6.40	04/15/16	BOOK TAX	FRONTIER WOMAN PAPERBACK
04/20/16	49.05	04/20/16	BOOK BOOK BOOK TAX	ONE NIGHT CHARMER PAPERBACK LAST MILE THE HARDCOVER WAR HAWK HARDCOVER
04/28/16	55.45	04/28/16	BOOK BOOK BOOK SITE MERCH TAX	HIDE AWAY HARDCOVER OUT RIDER PAPERBACK DAKOTA BORN PAPERBACK EXTREME PREY
05/04/16	63.58	05/04/16	BOOK BOOK BOOK TAX	OBSESSION THE HARDCOVER APARTMENT A NOVEL THE HARDCOVER 15TH AFFAIR HARDCOVER

Unit Qty	Retail Price	Improper	Unsupported	Reasonable
1	5.98	5.98	-	-
1	5.98	5.98	-	-
1	5.98	5.98	-	-
1	5.98	5.98	-	-
	1.67	1.67	-	-
	25.59			
1	3.54	3.54	-	-
1	3.54	3.54	-	-
1	6.98	-	6.98	-
1	15.97	-	15.97	-
1	5.98	5.98	-	-
1	5.98	5.98	-	-
	2.94	2.94	-	-
	44.93			
1	19.58	-	-	19.58
	1.37	1.37	-	-
	20.95			
1	5.98	5.98	-	-
	0.42	0.42	-	-
	6.40			
1	5.98	5.98	-	-
1	20.28	-	-	20.28
1	19.58	-	-	19.58
	3.21	3.21	-	-
	49.05			
1	19.58	-	-	19.58
1	5.98	5.98	-	-
1	5.98	5.98	-	-
1	20.28	20.28	-	-
	3.63	3.63	-	-
	55.45			
1	19.58	19.58	-	-
1	20.26	-	-	20.26
1	19.58	-	-	19.58
	4.16	4.16	-	-
	63.58			

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Date	Amount	Visit Date	UPC Description	Description
05/10/16	(20.95)	05/10/16	BOOK TAX	OBSESSION THE HARDCOVER
05/12/16	28.25	05/12/16	FACE TISSUE MAGAZINE MAGAZINE BOOK TAX	KLEENEX 3PK 120 COUNT ULTRA FT MAGAZINE COUNTRY ALMANAC MAGAZINE LAST PROMISE PAPERBACK
05/19/16	50.09	05/19/16	BOOK BOOK BOOK BOOK TAX	DONT YOU CRY HARDCOVER NEVER KNOWING AS TIME GOES BY HARDCOVER DEVIL YOU KNOW THE PAPERBACK
06/03/16	56.95	06/03/16	BOOK BOOK BOOK BOOK TAX	END OF WATCH A NOVEL HARDCOVER UNTAMED PAPERBACK HOT COWBOY NIGHTS WM EX PAPERBACK EMPEROR S REVENGE THE HARDCOVER
06/11/16	6.40	06/11/16	BOOK TAX	DARING IN A BLUE DRESS A PAPERBACK
06/12/16	20.95	06/12/16	BOOK TAX	DISHONORABLE INTENTIONS HARDCOVER
06/14/16	58.67	06/14/16	BOOK BOOK BOOK TAX	HOUSE OF SECRETS THE HARDCOVER TOM CLANCY DUTY AND HONOR HARDCOVER FOREIGN AGENT A THRILLER HARDCOVER

Unit Qty	Retail Price	Improper	Unsupported	Reasonable
(1)	(19.58)	(19.58)	-	-
	(1.37)	(1.37)	-	-
	(20.95)			
1	4.48	-	4.48	-
1	9.95	-	-	9.95
1	5.99	-	-	5.99
1	5.98	5.98	-	-
	1.85	1.85	-	-
	28.25			
1	17.88	-	-	17.88
1	7.98	7.98	-	-
1	14.97	-	-	14.97
1	5.98	5.98	-	-
	3.28	3.28	-	-
	50.09			
1	20.98	-	-	20.98
1	5.98	5.98	-	-
1	5.98	5.98	-	-
1	20.28	20.28	-	-
	3.73	3.73	-	-
	56.95			
1	5.98	5.98	-	-
	0.42	0.42	-	-
	6.40			
1	19.58	-	-	19.58
	1.37	-	-	1.37
	20.95			
1	19.58	19.58	-	-
1	20.28	-	-	20.28
1	14.97	14.97	-	-
	3.84	3.84	-	-
	58.67			

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Date	Amount	Visit Date	UPC Description	Description
06/21/16	56.72	06/21/16	FACE TISSUE BOOK BATH TISSUE BTY 12 SUPER TAX	KLEENEX 3PK 120 COUNT ULTRA FT PURSUIT A FOX AND O HARE HARDCOVER ANGEL SOFT 12 DBL BATH TISSUE BOUNTY 12 SUPER ROLL SAS
07/02/16	43.36	07/02/16	BOOK BOOK PRECIOUS BD+ TAX	YOU I NEVER KNEW THE PAPERBACK GAMES THE HARDCOVER PRECIOUS CARGO BD+DC STD WS
07/11/16	87.30	07/11/16	RECEIPT BOOK BOOK BOOK BOOK BANDS#32-8OZ BOOK FNGR MOISTEN WIPES TAX	2 PART MONEY/RENT RECEIPT BOOK SWEET LITTLE LIES PAPERBACK DEFENDER MAGIC A NOVEL HARDCOVER #32 ADV RUBBERBANDS TOM CLANCY DUTY AND HONOR HARDCOVER FINGERTIP MOISTENR TOUCH SCREEN WIPES 24 CT
07/13/16	(21.70)	07/13/16	BOOK TAX	TOM CLANCY DUTY AND HONOR HARDCOVER
07/17/16	49.23	07/17/16	FACE TISSUE BOOK BOOK BATH TISSUE TAX	KLEENEX 3PK 120 COUNT ULTRA FT RETURN OF BRODY MCBRIDE PAPERBACK PURSUIT A FOX AND O HARE HARDCOVER ANGEL SOFT 36 DOUBLE BONUS PACK
07/29/16	21.38	07/29/16	MAGAZINE MAGAZINE TAX	MAGAZINE TASTE OF HOME BOOKAZINE MAGAZINE REIMAN BOOKAZINES -

Unit Qty	Retail Price	Improper	Unsupported	Reasonable
1	4.48	-	4.48	-
1	19.58	-	-	19.58
2	11.48	-	11.48	-
1	17.47	-	17.47	-
	3.71	3.71	-	-
	56.72			
1	5.98	5.98	-	-
1	19.58	19.58	-	-
1	14.96	14.96	-	-
	2.84	2.84	-	-
	43.36			
1	8.67	-	-	8.67
1	5.98	5.98	-	-
1	17.88	-	-	17.88
1	20.26	-	-	20.26
1	0.67	-	-	0.67
1	20.28	20.28	-	-
1	4.88	-	-	4.88
1	2.97	-	-	2.97
	5.71	5.71	-	-
	87.30			
(1)	(20.28)	(20.28)	-	-
	(1.42)	(1.42)	-	-
	(21.70)			
1	4.48	-	4.48	-
1	5.98	5.98	-	-
1	19.58	-	-	19.58
1	15.97	-	15.97	-
	3.22	3.22	-	-
	49.23			
1	9.99	-	-	9.99
1	9.99	-	-	9.99
	1.40	-	-	1.40
	21.38			

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Date	Amount	Visit Date	UPC Description	Description
07/30/16	40.15	07/30/16	BOOK	BLACK WIDOW THE HARDCOVER
			BOOK	DON T LET GO A HOPE
			BOOK	INTO DUST
			BOOK	WILD SPLENDOR
			TAX	
08/04/16	60.51	08/04/16	7INPREMASST	7IN PREMIUM FOLIAGE
			POTTING SOIL	MIRACLE-GRO POTTING SOIL 2CF
			DESIGN MIX	3.8 DESIGNER MIX
			EXOTIC ANGEL	6IN EXOTIC ANGEL FOLIAGE
			CONTAINER	13.2" COLONNADE RESIN PLANTER CLAY
			PLANTER	15.4" COLONNADE CLAY PLANTER
			WIPES	TOUCH SCREEN WIPES 24 CT
			TAX	
08/08/16	19.25	08/08/16	MAGAZINE	DIABETIC LIVING QTR MAGAZINE
			BOOK	BEAUTIFUL DISASTER
			TAX	
08/09/16	29.31	08/09/16	CLXMTBCRNCLN	CLOROX MANUAL TBC RAIN CLEAN 6/3X24OZ
			BOOK	COWBOY COME HOME
			BOOK	JUST WHAT I NEEDED
			BOOK	RECKLESS IN TEXAS
			BOOK	NO ONE BUT YOU PAPERBACK
			TAX	
08/12/16	93.14	08/12/16	STORYBOOK	HAND HAND FINGERS BD BK STORYBOOKS
			CHILDREN STO	FROZN LGB
			PMK BLESSING	RESIN PUMPKIN BLESSINGS
			BOOK	FINDING DORY LGB LITTLE GOLDN SPINNER
			BOOK	BULLSEYE
			BOOK	SMOOTH OPERATOR
			BOOK	ABSOLUTE POWER (SPEC
			BOOK	TOTAL CONTROL (SPECI
			TAX	

Unit Qty	Retail Price	Improper	Unsupported	Reasonable
1	19.58	-	-	19.58
1	5.98	5.98	-	-
1	5.98	5.98	-	-
1	5.98	5.98	-	-
	2.63	2.63	-	-
	40.15			
1	5.27	5.27	-	-
2	23.72	23.72	-	-
1	2.74	2.74	-	-
1	4.88	4.88	-	-
2	9.00	9.00	-	-
1	5.00	5.00	-	-
2	5.94	-	-	5.94
	3.96	3.96	-	-
	60.51			
1	5.99	-	-	5.99
1	12.00	12.00	-	-
	1.26	1.26	-	-
	19.25			
1	4.97	-	-	4.97
1	4.48	-	-	4.48
1	5.98	5.98	-	-
1	5.98	5.98	-	-
1	5.98	5.98	-	-
	1.92	1.92	-	-
	29.31			
1	4.49	-	-	4.49
1	4.74	-	-	4.74
2	17.96	17.96	-	-
1	4.74	-	-	4.74
1	19.58	-	-	19.58
1	19.58	-	-	19.58
1	7.98	-	-	7.98
1	7.98	-	-	7.98
	6.09	6.09	-	-
	93.14			

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Date	Amount	Visit Date	UPC Description	Description
08/13/16	51.39	08/13/16	15IN MILANO POTTING SOIL ALWY 14N1 FOLIAGE SUCCULENT ROLLR COVERS TAX	15IN MILANO PLANTER-CLAY MIRACLE-GRO POTTING SOIL 2CF 14-IN-1 PAINTER'S TOOL PINEAPPLE PLANT. SUPERWHITE HAWORTHIA CVR 9" WMT WORKCHOICE 3/4" KNIT 2PK
08/20/16	27.34	08/20/16	CORDS BANDS#32-8OZ WD SIGN SUNF WD SIGN OWL RED TIE TAX	NATURAL MEDIUM HEMP #32 ADV RUBBERBANDS 24``H WOOD SIGN SUNFLOWER 24``H WOOD SIGN OWL WALL DECOR
08/22/16	19.24	08/22/16	BOOK BOOK TAX	WALKING DISASTER A RIVERBEND ROAD PAPERBACK
09/03/16	25.27	09/03/16	FACE TISSUE BOOK BOOK BOOK TAX	KLEENEX UPRIGHT 4PK 75 COUNT ULTRA FIRE BRAND PAPERBACK ALWAYS A COWBOY PAPERBACK SUNRISE CROSSING PAPERBACK
09/09/16	142.79	09/09/16	DUEL BD+DC BOOK MAGAZINE MAGAZINE FUN SIZE BOOK BOOK BOOK NYSM 2 BD+DV TAX	DUEL, THE BD+DC STD WS RUSHING WATERS A NOVEL HARDCOVER HAIRDO MAGAZINE SOPHISTICATE HAIR ST MAGAZINE 3MUSKETEERS FS 20.92OZ STING INSIDIOUS CURIOUS MINDS NOW YOU SEE ME 2 BD+DVD+DC STD WS

Unit Qty	Retail Price	Improper	Unsupported	Reasonable
1	7.47	7.47	-	-
1	9.00	9.00	-	-
1	5.97	5.97	-	-
1	14.96	14.96	-	-
2	6.96	6.96	-	-
1	3.67	3.67	-	-
	3.36	3.36	-	-
	51.39			
1	4.94	4.94	-	-
1	0.67	-	-	0.67
1	4.98	4.98	-	-
1	4.98	4.98	-	-
1	9.98	9.98	-	-
	1.79	1.79	-	-
	27.34			
1	12.00	12.00	-	-
1	5.98	5.98	-	-
	1.26	1.26	-	-
	19.24			
1	5.68	-	5.68	-
1	5.98	5.98	-	-
1	5.98	5.98	-	-
1	5.98	5.98	-	-
	1.65	1.65	-	-
	25.27			
1	17.96	17.96	-	-
1	20.28	-	-	20.28
1	9.95	-	-	9.95
1	6.99	-	-	6.99
1	4.88	4.88	-	-
1	14.97	-	-	14.97
1	18.88	-	-	18.88
1	19.58	19.58	-	-
1	19.96	19.96	-	-
	9.34	9.34	-	-
	142.79			

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Date	Amount	Visit Date	UPC Description	Description
09/21/16	100.51	09/21/16	BOOK	HOME HARDCOVER
			BOOK	HER RENEGADE RANCHER A M PAPERBACK
			BOOK	APPRENTICE IN DEATH HARDCOVER
			BOOK	GIRL ON THE TRAIN T
			BOOK	CURIOUS MINDS
			INTERROG BD+	INTERROGATION BD+DC STD WS
			TAX	
09/24/16	17.09	09/24/16	BATH TISSUE	ANGEL SOFT 36 DOUBLE BONUS PACK
			TAX	
09/29/16	50.16	09/29/16	CNTRL IN BD+	CENTRAL INTELLIGENCE BD+DC STD WS
			BOOK	MERRY COWBOY CHRISTMAS PAPERBACK
			BOOK	CHRISTMAS IN MUSTANG CREE PAPERBACK
			BOOK	BLAME IT ON THE COWBOY PAPERBACK
			BOOK	DENIM AND LACE PAPERBACK
			TAX	
10/11/16	66.00	10/11/16	BOOK	CURIOUS MINDS
			LEG TARZ BD+	LEGEND OF TARZAN, THE BD+DVD+DC STD WS E
			BOOK	WOMAN OF GOD HARDCOVER
			BOOK	TRUE BLUE COWBOY CHRISTMA PAPERBACK
			BOOK	MISSING A PRIVATE NOVEL HARDCOVER
			BLOOD FA BD+	BLOOD FATHER BD+DC STD WS
			TAX	
10/21/16	61.65	10/21/16	BOOK	SMALL GREAT THINGS A NOV HARDCOVER
			BOOK	ESCAPE CLAUSE HARDCOVER
			INDEPEND BD+	INDEPENDENCE DAY 2 BD+DVD+DC STD WS
			TAX	
11/01/16	42.98	11/01/16	BOOK	RANCHERS EXPECTANT CHRIST PAPERBACK
			BOOK	COWBOYS BIG FAMILY TREE PAPERBACK
			BOOK	WHISTLER THE HARDCOVER
			BOOK	A WEDDING FOR CHRISTMAS PAPERBACK
			BOOK	JUDE S LAW PAPERBACK
			TAX	

Unit Qty	Retail Price	Improper	Unsupported	Reasonable
1	14.97	-	-	14.97
1	5.98	5.98	-	-
1	19.58	19.58	-	-
1	18.86	-	-	18.86
1	19.58	19.58	-	-
1	14.96	14.96	-	-
	6.58	6.58	-	-
	100.51			
1	15.97	-	15.97	-
	1.12	1.12	-	-
	17.09			
1	22.96	22.96	-	-
1	5.98	5.98	-	-
1	5.98	-	-	5.98
1	5.98	5.98	-	-
1	5.98	-	-	5.98
	3.28	3.28	-	-
	50.16			
(1)	(19.58)	(19.58)	-	-
1	24.96	24.96	-	-
1	19.58	-	-	19.58
1	5.98	5.98	-	-
1	12.78	-	-	12.78
1	17.96	17.96	-	-
	4.32	4.32	-	-
	66.00			
1	17.38	17.38	-	-
1	20.28	20.28	-	-
1	19.96	19.96	-	-
	4.03	4.03	-	-
	61.65			
1	4.12	4.12	-	-
1	4.12	4.12	-	-
1	19.97	-	-	19.97
1	5.98	5.98	-	-
1	5.98	5.98	-	-
	2.81	2.81	-	-
	42.98			

Report on Special Investigation of the
City of Kimballton

Credit Card Purchases - Wal-Mart
For the Period May 1, 2014 through August 31, 2017

Per Credit Card Statement		Per Walmart		
Date	Amount	Visit Date	UPC Description	Description
11/19/16	125.91	11/19/16	BOOK	NIGHT SCHOOL A JACK REAC HARDCOVER
			BOOK	NIGHT WATCH HARDCOVER
			BOOK	CHAOS A SCARPETTA NOVEL HARDCOVER
			BOOK	AWARD A NOVEL THE HARDCOVER
			BOOK	WRONG SIDE OF GOODBYE TH HARDCOVER
			BOOK	NO MAN S LAND HARDCOVER
			TAX	
11/25/16	61.12	11/25/16	LED ICICLE	70 LED ICICLE MULTI LIGHT SET
			CNDYCN TBLTP	DOUBLE CANDY CANE TABLE TOP
			LIS SNWMN TT	LET IT SNOW SNOWMAN TABLE TOP
			COOL WHITE	70CW/CW BLU RANDOM TWINKLE LED ICL LIGHT
			CLEAR ROPE	18FT CLEAR ROPE LIGHT WITH 216 LIGHTS
			TAX	
12/04/16	41.24	12/04/16	REESE MINI	REESE'S PB CUP MINIATURES
			KIT KAT SNK	KIT KAT SNACK SIZE
			REESE JMBSNK	REESE JUMBO SNACK SIZE
			HERSHEY MINI	HERSHEY'S CHRISTMAS MINIATURES
			CHER KISSES	HOLIDAY CHERRY KISSES
			YORK MINIS	YORK MINIATURES 19.75 OZ
			BATTERIES	RAYOVAC ALKALINE AA VALUE 16PK
			BOOK	WISCONSIN WEDDING A PAPERBACK
			TAX	
12/10/16	161.07	12/10/16	DARKNESS DVD	DARKNESS DVD STD WS
			BOOK	MISS PEREGRINE TRILO
			DAM SHAR DVD	DAM SHARKS DVD STD WS
			BOOK	TURBO TWENTY THREE A STE HARDCOVER
			BOOK	CROSS THE LINE HARDCOVER
			REMAINS DVD	REMAINS, THE DVD STD WS
			SECRETPE BD+	SECRET LIFE OF PETS BD+DVD+DC STD WS
			PERFWEAP DVD	PERFECT WEAPON, THE DVD STD AN
			TAX	

Unit Qty	Retail Price	Improper	Unsupported	Reasonable
1	16.97	-	-	16.97
1	19.58	-	-	19.58
1	20.28	-	-	20.28
1	20.28	-	-	20.28
1	20.28	-	-	20.28
1	20.28	-	-	20.28
	8.24	8.24	-	-
	<u>125.91</u>			
2	13.54	13.54	-	-
1	4.84	4.84	-	-
1	4.84	4.84	-	-
2	19.94	19.94	-	-
2	13.96	13.96	-	-
	4.00	4.00	-	-
	<u>61.12</u>			
1	3.54	3.54	-	-
1	3.48	3.48	-	-
1	5.78	5.78	-	-
1	3.24	3.24	-	-
1	3.24	3.24	-	-
1	5.28	5.28	-	-
1	8.97	-	-	8.97
1	5.24	5.24	-	-
	2.47	2.47	-	-
	<u>41.24</u>			
1	14.96	14.96	-	-
1	39.87	39.87	-	-
1	9.96	9.96	-	-
1	19.58	-	-	19.58
1	20.28	-	-	20.28
1	12.96	12.96	-	-
1	19.96	19.96	-	-
1	12.96	12.96	-	-
	10.54	10.54	-	-
	<u>161.07</u>			

Report on Special Investigation of the
City of Kimballton

Credit Card Purchases - Wal-Mart
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Per Credit Card Statement		Per Walmart		
Date	Amount	Visit Date	UPC Description	Description
12/15/16	39.48	12/15/16	STAGECOA DVD BOOK BOOK TAX	STAGECOACH: THE STORY OF TEXA DVD STD WS LAST CHANCE COWBOYS THE PAPERBACK TOM CLANCY TRUE FAITH A HARDCOVER
12/22/16	104.14	12/22/16	PAPER CLIPS END OF A DVD BATH TISSUE BTY 12 SUPER BOURNE5M BD+ TAX	PAPER CLIPS, ASST STND GIANT, 1000 CT END OF A GUN DVD STD WS ANGEL SOFT 36 DOUBLE BONUS PACK BOUNTY 12 SUPER - 22 ROLLS SAS BOURNE 5 MOVIE COLLECTION BD+DC MP WS
01/04/17	39.01	01/04/17	BOOK BOOK TAX	SLEEPING BEAUTY KILLER T HARDCOVER AWARD A NOVEL THE HARDCOVER
01/11/17	55.47	01/11/17	COPY PAPER BOOK DEEPWATE BD+ ACCOUNTA DVD TAX	GP BASIC 20-88-750 6P ARIZONA HEAT PAPERBACK DEEPWATER HORIZON BD+DVD+DC STD WS ACCOUNTANT, THE DVD STD WS
01/17/17	85.41	01/17/17	BOOK WHOLE TR BD+ HOLLOW P BD OUIJA2BD BD+ GIRLONTR BD+ TAX	MULBERRY MOON PAPERBACK WHOLE TRUTH, THE BD+DC STD WS HOLLOW POINT, THE BD STD WS OUIJA: ORIGIN OF EVIL BD+DVD+DC STD WS GIRL ON THE TRAIN BD+DVD+DC STD WS
01/27/17	20.95	01/27/17	BOOK TAX	NEVER NEVER HARDCOVER

Unit Qty	Retail Price	Improper	Unsupported	Reasonable
1	9.96	9.96	-	-
1	5.98	5.98	-	-
1	20.96	-	-	20.96
	2.58	2.58	-	-
	39.48			
1	5.97	-	-	5.97
1	12.96	12.96	-	-
1	15.97	-	15.97	-
1	17.47	-	17.47	-
1	44.96	44.96	-	-
	6.81	6.81	-	-
	104.14			
1	16.18	16.18	-	-
1	20.28	-	-	20.28
	2.55	2.55	-	-
	39.01			
2	9.94	-	-	9.94
1	5.98	5.98	-	-
1	19.96	19.96	-	-
1	15.96	15.96	-	-
	3.63	3.63	-	-
	55.47			
1	5.98	5.98	-	-
1	17.96	17.96	-	-
1	15.96	15.96	-	-
1	19.96	19.96	-	-
1	19.96	19.96	-	-
	5.59	5.59	-	-
	85.41			
1	19.58	-	-	19.58
	1.37	1.37	-	-
	20.95			

Report on Special Investigation of the
City of Kimballton

Credit Card Purchases - Wal-Mart
For the Period May 1, 2014 through August 31, 2017

Per Credit Card Statement		Per Walmart		
Date	Amount	Visit Date	UPC Description	Description
02/03/17	39.13	02/03/17	COPY PAPER BOOK BOOK BOOK TAX	GP BASIC 20-88-750 6P WYOMING BRAVE PAPERBACK HEART OF A COWBOY PAPERBACK RIGHT BEHIND YOU HARDCOVER
02/21/17	49.07	02/21/17	COPY PAPER HOLLOW P BD NOCTRNLA BD+ TAX	GP BASIC 20-88-750 6P HOLLOW POINT, THE BD STD WS NOCTURNAL ANIMALS BD+DVD+DC STD WS
03/01/17	42.97	03/01/17	BOOK OFFICERD BD SHUT IN BD+D TAX	WILL OF STEEL TEXAS WILD PAPERBACK OFFICER DOWNE BD STD WS SHUT IN BD+DVD+DC STD WS
03/07/17	49.46	03/07/17	BOOK BOOK INCARNAT BD+ TAX	BACK IN THE SADDLE A NOV PAPERBACK DANGEROUS GAMES A NOVEL HARDCOVER INCARNATE BD+DVD+DC STD WS
04/24/17	23.44	04/24/17	MAGAZINE BOOK BOOK TAX	COUNTRY ALMANAC MAGAZINE HOME ON THE RANGE A NOVE PAPERBACK TEXAS HOMECOMING PAPERBACK
04/26/17	37.88	04/26/17	NK KDOWN DS CHR TIP RUBR TAX	SATIN NICKEL KICKDOWN DOOR STOP 1 1/8" RUBBER CHAIR TIP WHITE
04/27/17	41.90	04/27/17	BOOK BOOK TAX	SILENCE FALLEN HARDCOVER DANGEROUS GAMES A NOVEL HARDCOVER

Unit Qty	Retail Price	Improper	Unsupported	Reasonable
1	4.97	-	-	4.97
1	5.98	5.98	-	-
1	6.74	6.74	-	-
1	18.88	-	-	18.88
	2.56	2.56	-	-
	39.13			
2	9.94	-	-	9.94
1	15.96	15.96	-	-
1	19.96	19.96	-	-
	3.21	3.21	-	-
	49.07			
1	5.24	5.24	-	-
1	14.96	14.96	-	-
1	19.96	19.96	-	-
	2.81	2.81	-	-
	42.97			
1	5.98	5.98	-	-
1	20.28	20.28	-	-
1	19.96	19.96	-	-
	3.24	3.24	-	-
	49.46			
1	9.95	-	-	9.95
1	5.98	5.98	-	-
1	5.98	5.98	-	-
	1.53	1.53	-	-
	23.44			
4	19.88	-	-	19.88
8	15.52	-	-	15.52
	2.48	2.48	-	-
	37.88			
1	18.88	-	-	18.88
1	20.28	-	-	20.28
	2.74	2.74	-	-
	41.90			

Report on Special Investigation of the
City of Kimballton

Credit Card Purchases - Wal-Mart
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Per Credit Card Statement		Per Walmart		
Date	Amount	Visit Date	UPC Description	Description
05/02/17	42.65	05/02/17	BOOK BOOK TAX	BURIAL HOUR THE HARDCOVER 16TH SEDUCTION HARDCOVER
05/09/17	(20.95)	05/09/17	BOOK TAX	BURIAL HOUR THE HARDCOVER
05/17/17	12.54	05/17/17	COPY PAPER MOISTENER TAX	GP COPY & PRINT 92B 20LB ENVELOPE MOISTENER BOTTLE DABNSEAL
06/29/17	89.52	06/29/17	BERLIN S DVD BOOK BOOK BOOK BOOK BOOK TAX	BERLIN SYNDROME DVD STD WS TEXAN THE PAPERBACK A TOUCH OF FROST PAPERBACK MURDER GAMES HARDCOVER DUCHESS A NOVEL THE HARDCOVER UNDAUNTED HARDCOVER
07/08/17	18.40	07/08/17	BOOK BOOK BOOK TAX	PART OF THE BARGAIN A WI PAPERBACK LAST CHANCE COWBOYS THE PAPERBACK PHANTOM WALTZ PAPERBACK
08/11/17	6.40	08/11/17	BOOK TAX	TOUGHER IN TEXAS PAPERBACK
<u>\$ 6,178.00</u>				

Unit Qty	Retail Price	Improper	Unsupported	Reasonable
1	19.58	19.58	-	-
1	20.28	-	-	20.28
	2.79	2.79	-	-
	42.65			
(1)	(19.58)	(19.58)	-	-
	(1.37)	(1.37)	-	-
	(20.95)			
2	7.44	-	-	7.44
1	4.28	-	-	4.28
	0.82	0.82	-	-
	12.54			
1	12.96	12.96	-	-
1	5.98	5.98	-	-
1	5.98	-	-	5.98
1	19.58	-	-	19.58
1	20.28	20.28	-	-
1	18.88	-	-	18.88
	5.86	5.86	-	-
	89.52			
1	5.24	5.24	-	-
1	5.98	5.98	-	-
1	5.98	5.98	-	-
	1.20	1.20	-	-
	18.40			
1	5.98	5.98	-	-
	0.42	0.42	-	-
	6.40			
	\$ 6,178.00	3,267.49	1,096.03	1,814.48

Report on Special Investigation of the
City of Kimballton

Credit Card Purchases - Sam's Club
For the Period May 1, 2014 through August 31, 2017

Per Credit Card Statement			Per Sam's Club		
Date	Amount		Visit Date	UPC Description	Description
01/27/16	\$ 160.86		01/27/16	BLUE DURA AA48PK KODAK COLOR DU CB AL AA SUPER STICK NYPD RED 4 JRWRTNGCNY SAM'S COPY TAX	STREET DATE 01/19/16 ALKALINE BATTERIES KODAK COLOR INK TWIN PAC ALKALINE BATTERIES POST-IT SUPER STICKY NOTE PATTERSON JAMES 24 PADS-CANARY 10 REAMS/ 5000 SHEET COPY PAPER
02/27/16	40.56		02/27/16	BROTHERHOOD IN DEATH FIND HER COUNTRY BRIDE TAX	PENGUIN PENGUIN MACOMBER DEBBIE
04/02/16	102.61		04/02/16	BOUNTY SAS ZSAM COLUM KODAK COLOR 10 BLACK INK TALL DARK BILLIONAIR TAX	BOUNTY 12 CLUB ROLLS 131 CT ENVELOPE 500 COUNT KODAK COLOR INK TWIN PAC KODAK WITH 3 CARTRIDGES BAXTER MANDY
07/02/16	122.21		07/02/16	CANON INK TOUGH LUCK HERO FORCEFLEX INST SV INST SV DURA AA48PK INDEPENDENCE DAY DU CB AL AA TAX	CANON VALUE PACK YATES MAISEY HARLEQUIN 120 CT ODOR SHIELD GLAD 13 GALLON FORCEFLEX BATTERY CHARGER ALKALINE BATTERIES COES BEN ALKALINE BATTERIES

Unit Qty	Retail Price	Improper	Unsupported	Reasonable
1	\$ 17.36	17.36	-	-
1	17.86	-	-	17.86
1	34.98	-	-	34.98
1	16.98	-	-	16.98
1	12.88	-	-	12.88
1	16.76	16.76	-	-
1	5.68	-	-	5.68
1	27.84	-	-	27.84
	10.52	10.52	-	-
	<u>160.86</u>			
1	16.76	16.76	-	-
1	16.17	16.17	-	-
1	4.98	4.98	-	-
	2.65	2.65	-	-
	<u>40.56</u>			
1	19.98	-	19.98	-
1	5.98	-	-	5.98
1	34.98	-	-	34.98
1	29.98	-	-	29.98
1	4.98	4.98	-	-
	6.71	6.71	-	-
	<u>102.61</u>			
1	59.88	-	-	59.88
1	4.98	4.98	-	-
1	16.77	-	16.77	-
(1)	(3.40)	-	(3.40)	-
(1)	(5.00)	-	-	(5.00)
1	17.98	-	-	17.98
1	6.48	6.48	-	-
1	15.98	-	-	15.98
	8.54	8.54	-	-
	<u>122.21</u>			

Report on Special Investigation of the
City of Kimballton

Credit Card Purchases - Sam's Club
For the Period May 1, 2014 through August 31, 2017

Per Credit Card Statement		Per Sam's Club		
Date	Amount	Visit Date	UPC Description	Description
09/17/16	154.68	09/17/16	BOUNTY SAS DURA AA48PK KODAK COLOR 10 BLACK INK KLX FT 12PK INST SV INST SV GLAD 33GAL IMAGE PLUS TAX	BOUNTY 12 CLUB ROLLS 131 CT ALKALINE BATTERIES KODAK COLOR INK TWIN PAC KODAK WITH 3 CARTRIDGES KLEENEX 12 PK / 160 SHEETS BOUNTY BASICS SAS KLEENEX ML 33 GAL 70 COUNT BRIGHT MULTI-PURPOSE
12/20/16	42.39	12/20/16	DURA AA48PK BROKEN TRUST SCROOGE WORE SPURS M TAX	ALKALINE BATTERIES PENGUIN DAILEY JANET PENGUIN RANDOM
03/05/17	173.19	03/05/17	INST SV CHARMIN US CURTAIN OF DEATH HC MISTRESS HC NOWHERE MAN ECHOES IN DEATH HC BOUNTY HUMANS BOW DOWN ODESSA SEA SLEEPING BEAUTY KLLR TAX	BOUNTY SAS WHITE CHARMIN 36 GIANT ROLLS GRIFFIN WEB PENGUIN RANDOM STEEL DANIELLE PENGUIN RANDOM HURWITZ GREG MPS MPS 168 CT BOUNTY HACHETTE BOOK PENGUIN RANDOM SIMON SCHUSTER

Unit Qty	Retail Price	Improper	Unsupported	Reasonable
1	19.98	-	19.98	-
1	17.98	-	-	17.98
1	34.98	-	-	34.98
1	29.98	-	-	29.98
1	14.76	-	14.76	-
(1)	(4.00)	-	(4.00)	-
(1)	(3.00)	-	(3.00)	-
1	14.98	-	14.98	-
1	18.44	-	-	18.44
	10.58	10.58	-	-
	<u>154.68</u>			
1	18.98	-	-	18.98
1	16.76	16.76	-	-
1	3.88	3.88	-	-
	2.77	2.77	-	-
	<u>42.39</u>			
(1)	(4.00)	-	(4.00)	-
1	20.98	-	20.98	-
1	16.98	16.98	-	-
1	16.98	16.98	-	-
1	15.48	15.48	-	-
1	17.48	17.48	-	-
1	27.98	-	27.98	-
1	16.76	16.76	-	-
1	16.98	16.98	-	-
1	15.98	15.98	-	-
	11.59	11.59	-	-
	<u>173.19</u>			

Report on Special Investigation of the
City of Kimballton

Credit Card Purchases - Sam's Club
For the Period May 1, 2014 through August 31, 2017

Per Credit Card Statement		Per Sam's Club		
Date	Amount	Visit Date	UPC Description	Description
05/18/17	196.67	05/18/17	CUTTHROAT HC RIPPER VICIOUS CIRCLE HC BLACK BOOK HC GOLDEN PREY HC FIX THE HC ONE PERFECT LIE HC ALL BY MYSELF HC FAST AND LOOSE HC INTO THE WATER HC NO MIDDLE NAME HC TAX	PENGUIN RANDOM CORNWELL PATRICIA PENGUIN RANDOM HACHETTE BOOK GOLDEN PREY HC FIX THE HC ONE PERFECT LIE HC ALL BY MYSELF HC FAST AND LOOSE HC INTO THE WATER HC NO MIDDLE NAME HC
06/23/17	206.95		DURA AA48PK KLX FT 12PK E911 FEE POST IT META VERIZON SMEAD FILES IMAGE PLUS CUTAWAY HC FROZEN HOURS HC BLACKOUT HC ULTIMATUM HC SILENT CORNER HC TAX	ALKALINE BATTERIES KLEENEX 12 PK / 160 SHEETS IA PREPAID WIRELESS 3 X 3 METALLIC COLOR PREPAID WIRELESS VERIZON 150CT MANILA FILE FOLDERS BRIGHT MULTI-PURPOSE KOVAC CHRISTINA FROZEN HOURS HC ELSBERG MARC ROBARDS KAREN SILENT CORNER HC
<u>\$ 1,200.12</u>				

Unit Qty	Retail Price	Improper	Unsupported	Reasonable
1	16.98	16.98	-	-
1	17.88	17.88	-	-
1	15.98	15.98	-	-
1	16.76	16.76	-	-
1	16.98	16.98	-	-
1	16.98	16.98	-	-
1	16.76	16.76	-	-
1	15.98	15.98	-	-
1	16.76	16.76	-	-
1	16.76	16.76	-	-
1	15.98	15.98	-	-
	12.87	12.87	-	-
	196.67			
1	19.98	-	-	19.98
1	15.98	-	15.98	-
1	0.51	0.51	-	-
1	4.91	-	-	4.91
1	42.78	42.78	-	-
1	7.44	-	-	7.44
1	18.98	-	-	18.98
1	15.36	15.36	-	-
1	18.78	18.78	-	-
1	15.98	15.98	-	-
1	15.98	15.98	-	-
1	16.76	16.76	-	-
	13.51	13.51	-	-
	206.95			
	\$ 1,200.12	615.44	137.01	447.67

Report on Special Investigation of the
City of Kimballton

Credit Card Purchases - Amazon
For the Period May 1, 2014 through August 31, 2017

Per Credit Card Statement			Per Amazon		
Transaction Date	Amount		Order Date	Item Description	Amount
05/21/14	\$	36.02	05/20/14	Silicon Power 64GB Firma ZN F80 USB 2.0 Flash Drive, Gray Aluminum (SP064GBUF2F80V1S)	\$ 24.98
				SHIPPING	11.04
09/05/14		18.81	09/04/14	Field of Prey	17.32 ^
				SHIPPING	1.49
09/05/14		18.73	09/04/14	Murder 101: A Decker/Lazarus Novel (Decker/Lazarus Novels)	17.24 ^
				SHIPPING	1.49
09/06/14		72.94	09/04/14	The Drop	16.10 ^
				Personal (Jack Reacher)	16.45 ^
				Haunted (A Bishop/SCU Novel)	18.49 ^
				Close to Home	15.94 ^
				SHIPPING	5.96
09/11/14		58.64	09/10/14	Festive in Death	19.56 ^
				Robert B. Parker's Blind Spot (A Jesse Stone Novel)	18.86 ^
				Found: A Mickey Bolitar Novel, Book 3	14.25 ^
				SHIPPING	5.97
09/18/14		46.01	09/17/14	The Golem of Hollywood	20.48 ^
				Top Secret (A Clandestine Operations Novel)	21.55 ^
				SHIPPING	3.98
10/02/14		59.82	09/30/14	The lost Key (A Brit in the FBI)	19.44 ^
				The Perfect Witness	20.51 ^
				Bones Never Lie: A Novel	19.87 ^
10/07/14		13.87	09/17/14	Mr. Miracle: A Christmas Novel	11.88 ^
				SHIPPING	1.99
10/10/14		36.63	10/01/14	Paris Match (Stone Barrington)	19.86 ^
				Sandford, John	16.77 ^

Improper	Unsupported	Reasonable
-	-	24.98
-	-	11.04
17.32	-	-
1.49	-	-
17.24	-	-
1.49	-	-
-	-	16.10
-	-	16.45
-	-	18.49
15.94	-	-
1.42	-	4.54
19.56	-	-
18.86	-	-
-	-	14.25
4.35	-	1.62
20.48	-	-
21.55	-	-
3.98	-	-
19.44	-	-
20.51	-	-
19.87	-	-
11.88	-	-
1.99	-	-
19.86	-	-
16.77	-	-

Report on Special Investigation of the
City of Kimballton

Credit Card Purchases - Amazon
For the Period May 1, 2014 through August 31, 2017

Per Credit Card Statement		Per Amazon		
Transaction Date	Amount	Order Date	Item Description	Amount
10/13/14	27.64	10/11/14	Montana Sky Christmas: A Sweetwater Springs Short Story Collection	6.29 ^
			Stormy Montana Sky (The Montana Sky Series)	9.99 ^
			Painted Montana Sky: A Montana Sky Series Novella	5.39 ^
			SHIPPING	5.97
10/13/14	16.80	10/01/14	Leaving Time: A Novel	16.80 ^
10/27/14	37.20	10/01/14	Pegasus: A Novel	20.52 ^
			Gray Mountain: A Novel	16.68 ^
11/12/14	17.86	10/01/14	Flesh and Blood: A Scarpetta Novel	17.86 ^
11/12/14	40.62	10/29/14	Sharon Osborne Extreme: My Autobiography	4.49 ^
			Christmas at Twilight: A Twilight, Texas Novel	6.00 ^
			A Husband for Christmas: Snow	12.13 ^
			Kisses/Lionhearted	
			Revival: A Novel	18.00 ^
11/14/14	(0.71)	-	-	(0.71)
11/14/14	0.96	-	-	0.96
11/25/14	17.70	10/01/14	Betrayed: A Rosato & Associates Novel	17.70 ^
11/28/14	5.94	10/01/14	The Christmas Ranch & A Cold Creek Holiday (The Cowboys of Cold Creek)	5.94 ^
01/26/15	41.91	12/19/14	The Escape (John Puller Series)	14.00 ^
			A Country Christmas: Buffalo Valley/Return to Promise (Heart of Texas)	7.19 ^
			Private Vegas	20.72 ^
02/11/15	13.63	12/19/14	An Island Christmas: A Novel	13.63 ^
02/11/15	18.99	10/01/14	Motive: An Alex Delaware Novel	18.99 ^

Improper	Unsupported	Reasonable
6.29	-	-
9.99	-	-
5.39	-	-
5.97	-	-
16.80	-	-
20.52	-	-
-	-	16.68
-	-	17.86
4.49	-	-
6.00	-	-
-	-	12.13
-	-	18.00
-	(0.71)	-
-	0.96	-
17.70	-	-
5.94	-	-
-	-	14.00
7.19	-	-
-	-	20.72
13.63	-	-
18.99	-	-

Report on Special Investigation of the
City of Kimballton

Credit Card Purchases - Amazon
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Per Credit Card Statement		Per Amazon		
Transaction Date	Amount	Order Date	Item Description	Amount
03/15/15	84.45	03/12/15	Painted Montana Sky: A Montana Sky Series Novella	20.96 ^
			Stormy Montana Sky (The Montana Sky Series)	17.59 ^
			A Husband for Christmas: Snow Kisses\Lionhearted	4.10 ^
			Private Vegas	22.36 ^
			NYPD Red 3	19.44 ^
03/16/15	107.65	03/12/15	Montana Sky Christmas: A Sweetwater Springs Short Story Collection (Montana Sky Series)	24.95 ^
			The Christmas Ranch & A Cold Creek Holiday (The Cowboys of Cold Creek)	20.31 ^
			Christmas at Twilight: A Twilight, Texas Novel	21.13 ^
			The Escape (John Puller Series)	20.33 ^
			An Island Christmas: A Novel	20.93 ^
03/16/15	16.80	12/19/14	NYPD Red 3	16.80 ^
03/16/15	7.87	03/12/15	Sharon Osbourne Extreme: My Autobiography	4.08 ^
			Revival: A Novel	3.79 ^
04/13/15	84.77	04/07/15	A Country Christmas: Buffalo Valley\Return to Promise (Heart of Texas)	19.84
			Mightier than the Sword (The Clifton Chronicles)	20.51 ^
			Back of Beyond (Thorndike Press Large Print Core Series)	24.11 ^
			Solitude Creek (A Kathryn Dance Novel)	20.31 ^
04/20/15	12.60	04/07/15	Tamarack County: A Novel (Cork O'Connor Mystery Series)	12.60 ^
04/28/15	17.37	04/07/15	Rain on the Dead	17.37 ^
04/28/15	19.01	04/15/15	Blue Heaven	19.01 ^
05/06/15	19.01	10/01/14	Your Next Breath	19.01 ^
05/07/15	(2.21)	-	-	(2.21)

Improper	Unsupported	Reasonable
20.96	-	-
17.59	-	-
-	-	4.10
-	-	22.36
-	-	19.44
24.95	-	-
20.31	-	-
21.13	-	-
-	-	20.33
20.93	-	-
-	-	16.80
4.08	-	-
-	-	3.79
19.84	-	-
-	-	20.51
24.11	-	-
-	-	20.31
-	-	12.60
-	-	17.37
-	-	19.01
19.01	-	-
-	(2.21)	-

Report on Special Investigation of the
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Transaction Date	Amount	Order Date	Item Description	Amount
05/12/15	19.01	04/15/15	14th Deadly Sins (Women's Murder Club)	19.01 ^
05/13/15	38.28	04/15/15	Three Weeks to Say Goodbye	38.28 ^
05/21/15	36.74	05/20/15	Rattlesnake Crossing	36.74 ^
05/21/15	13.94	05/20/15	Twelve Days (A John Wells Novel)	9.95 ^
			SHIPPING	3.99
05/21/15	42.29	05/20/15	Remains of Innocence: A Brady Novel of Suspense (Joanna Brady Mysteries)	38.30 ^
			SHIPPING	3.99
05/21/15	18.38	05/20/15	Be Careful What You Wish For (The Clifton Chronicles)	18.38 ^
05/23/15	(2.19)	-	-	(2.19)
06/04/15	10.22	05/20/15	Theodore Boone: The Fugitive	10.22 ^
06/04/15	29.00	05/20/15	Clive Barker's The Midnight Meat Train Special Definitive Edition	29.00 ^
06/22/15	35.18	05/20/15	The Melody Lingers On	18.38 ^
			Wicked Charms: A Lizzy and Diesel Novel (Lizzy & Diesel)	16.80 ^
08/06/15	10.59	08/06/15	The Counterfeit Agent (A John Wells Novel)	6.60 ^
			SHIPPING	3.99
08/07/15	8.37	08/06/15	Cold Betrayal: An Ali Reynolds Novel (Ali Reynolds Series)	4.38 ^
			SHIPPING	3.99
08/07/15	12.75	08/06/15	Trust No One	8.76 ^
			SHIPPING	3.99

Improper	Unsupported	Reasonable
-	-	19.01
38.28	-	-
-	-	36.74
-	-	9.95
-	-	3.99
38.30	-	-
3.99	-	-
-	-	18.38
-	(2.19)	-
10.22	-	-
29.00	-	-
-	-	18.38
16.80	-	-
-	-	6.60
-	-	3.99
-	-	4.38
-	-	3.99
8.76	-	-
3.99	-	-

Report on Special Investigation of the
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Credit Card Purchases - Amazon
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Transaction Date	Amount	Order Date	Item Description	Amount
08/09/15	23.60	08/06/15	Every Fifteen Minutes	4.99 ^
			The Scarlet Gospels	4.99 ^
			The Girl Who Loved Tom Gordon	9.99 ^
			SHIPPING	3.63
08/10/15	117.44	08/06/15	Private India: City on Fire	15.14 ^
			Breaking Creed (A Ryder Creed Novel)	7.06 ^
			Robert B. Parker's Kickback (Spenser)	7.99 ^
			Nursing2016 Drug Handbook (Nursing Drug Handbook)	15.12 ^
			Theodore Boone: the Fugitive	7.99 ^
			The Fall: A Novel	7.19 ^
			Wicked Charms: A Lizzy and Diesel Novel (Lizzy & Diesel)	11.24 ^
			The Melody Lingers On	7.99 ^
			Stephen King's N.	7.09 ^
			Blood Trail (A Joe Pickett Novel)	18.52 ^
			SHIPPING	12.11
08/12/15	28.17	08/06/15	14th Deadly Sin (Women's Murder Club)	26.95 ^
			SHIPPING	1.22
09/08/15	14.78	08/06/15	Tortured Souls: The Legend of Primordium	13.57 ^
			SHIPPING	1.21
09/09/15	(0.08)	-	-	(0.08)
09/28/15	58.68	08/06/15	Memory Man	17.37 ^
			Gathering Prey	19.01 ^
			Clive Barker's The Midnight Meat Train Special Definitive Edition	18.66 ^
			SHIPPING	3.64

Improper	Unsupported	Reasonable
-	-	4.99
4.99	-	-
-	-	9.99
0.91	-	2.72
-	-	15.14
7.06	-	-
7.99	-	-
15.12	-	-
7.99	-	-
-	-	7.19
11.24	-	-
-	-	7.99
7.09	-	-
-	-	18.52
6.49	-	5.62
-	-	26.95
-	-	1.22
13.57	-	-
1.21	-	-
-	(0.08)	-
-	-	17.37
19.01	-	-
18.66	-	-
2.49	-	1.15

Report on Special Investigation of the
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Credit Card Purchases - Amazon
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Per Credit Card Statement		Per Amazon		
Transaction Date	Amount	Order Date	Item Description	Amount
11/23/15	146.28	11/16/15	Free Fire	14.00 ^
			Trophy Hunt (A Joe Pickett Novel)	8.99 ^
			Force of Nature (A Joe Pickett Novel)	18.32 ^
			Badlands: A Novel	16.44 ^
			X (A Kinsey Millhone Novel)	16.80 ^
			Shadow Play: An Eve Duncan Novel	16.96 ^
			Cold Wind (A Joe Pickett Novel)	16.80 ^
			Out of Range (A Joe Pickett Novel)	18.98 ^
			Endangered (A Joe Pickett Novel)	18.99 ^
11/26/15	(0.16)	-	-	(0.16)
03/07/16	42.51	02/29/16	Breaking Point (A Joe Pickett Novel)	5.34 ^
			Nowhere to Run (A Joe Pickett Novel)	18.78 ^
			In Plain Sight (A Joe Pickett Novel)	18.39 ^
03/08/16	17.76	02/29/16	Below Zero (A Joe Pickett Novel)	17.76 ^
03/09/16	(0.99)	-	-	(0.99)
05/31/16	16.21	05/20/16	Sabrent USB 2.0 to Parallel Printer Cable Adapter	16.21
08/07/16	70.18	08/03/16	Open Season (A Joe Pickett Novel)	21.33 ^
			The Finisher (Vega Jane, Book 1)	33.99 ^
			Winterkill (A Joe Pickett Novel)	4.29 ^
			The Keeper (Vega Jane, Book 2)	15.24 ^
			The Murder House	7.99 ^
			UNEXPLAINED REDUCTION	(12.66)
08/07/16	31.21	08/03/16	Savage Run: a Joe Pickett Novel	10.86 ^
			Stone Cold (Joe Pickett)	12.39 ^
			The Crossing (Bosch)	7.96 ^

Improper	Unsupported	Reasonable
14.00	-	-
-	-	8.99
-	-	18.32
16.44	-	-
-	-	16.80
16.96	-	-
-	-	16.80
-	-	18.98
-	-	18.99
-	(0.16)	-
-	-	5.34
-	-	18.78
-	-	18.39
-	-	17.76
-	(0.99)	-
-	-	16.21
-	-	21.33
33.99	-	-
-	-	4.29
-	-	15.24
-	-	7.99
(12.66)	-	-
-	-	10.86
-	-	12.39
-	-	7.96

Report on Special Investigation of the
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Credit Card Purchases - Amazon
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Per Credit Card Statement		Per Amazon		
Transaction Date	Amount	Order Date	Item Description	Amount
08/03/16	(70.18)	- -		(70.18)
09/06/16	3.99	09/01/16	Under the Dome: Part 2: A Novel	3.99 ^
09/06/16	113.02	09/01/16	Shots Fired: Stories from Joe Pickett Country	15.24 ^
			Robert B. Parker's the Devil Wins (A Jesse Stone Novel)	21.33 ^
			The Survivor (A Mitch Rapp Novel)	17.32 ^
			Tricky Twenty-Two: A Stephanie Plum Novel	4.30 ^
			The Guilty (Will Robie)	18.22 ^
			Deadly Assets (Badge Of Honor)	4.99 ^
			The Highway	19.75 ^
			Revenge	11.87 ^
10/17/16	4.29	10/12/16	Clawback: An Ali Reynolds Novel	4.29 ^
10/17/16	3.99	10/12/16	The Ragman's Memory (Joe Gunther Mysteries)	3.99 ^
10/17/16	16.40	10/12/16	Robert B. Parker's Debt to Pay (A Jesse Stone Novel)	16.40 ^
10/24/16	8.58	10/12/16	The Steel Kiss (A Lincoln Rhyme Novel)	4.34 ^
			SHIPPING	2.48
			UNEXPLAINED CHARGE	1.76
10/20/16	134.38	10/12/16	Off the Grid (A Joe Pickett Novel)	22.48 ^
			That Night: A Novel	16.80 ^
			SHIPPING	8.68
			UNEXPLAINED CHARGE	86.42
01/25/17	15.09	01/24/17	Still Missing	11.10 ^
			SHIPPING	3.99
01/26/17	11.98	01/24/17	Always Watching (Thorndike Press Large Print Core Series)	7.99 ^
			SHIPPING	3.99

Improper	Unsupported	Reasonable
(21.33)	-	(48.85)
-	-	3.99
-	-	15.24
21.33	-	-
-	-	17.32
-	-	4.30
-	-	18.22
4.99	-	-
19.75	-	-
11.87	-	-
4.29	-	-
3.99	-	-
16.40	-	-
-	-	4.34
-	0.72	1.76
-	1.76	-
-	-	22.48
-	-	16.80
-	5.97	2.71
-	86.42	-
-	-	11.10
-	-	3.99
-	-	7.99
-	-	3.99

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Credit Card Purchases - Amazon
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Per Credit Card Statement		Per Amazon		
Transaction Date	Amount	Order Date	Item Description	Amount
01/26/17	6.89	01/24/17	Those Girls: A Novel	2.90 ^
			SHIPPING	3.99
02/01/17	94.42	01/24/17	Hell is Empty: A Walt Longmire Mystery (Walt Longmire Mysteries)	8.94 ^
			The Disposable Man (Joe Gunther Mysteries)	4.35 ^
			The Skeleton Knee (Joe Gunther Mysteries)	5.99 ^
			A Serpent's Tooth: A Longmire Mystery	12.83 ^
			The Highwayman: A Longmire Mystery	13.52 ^
			7 Products not detailed out	48.79 ^
03/10/17	20.59	03/09/17	My Sister's Grave (The Tracy Crosswhite Series)	16.60 ^
			SHIPPING	3.99
03/11/17	5.18	03/09/17	Bones in Her Pocket (Temperance Brennan)	1.19 ^
			SHIPPING	3.99
03/13/17	13.80	03/09/17	Drunken Fireworks	8.82 ^
			SHIPPING	4.98
	<u>\$ 2,187.90</u>			<u>\$ 2,187.90</u>

^ - Item purchased was a book or magazine which could not be located in the City Library.

Note: The items listed in italics were identified by using the City's Amazon online order history.

Improper	Unsupported	Reasonable
-	-	2.90
-	-	3.99
8.94	-	-
4.35	-	-
5.99	-	-
12.83	-	-
13.52	-	-
-	48.79	-
16.60	-	-
3.99	-	-
1.19	-	-
3.99	-	-
8.82	-	-
4.98	-	-
1,074.19	138.28	975.43

Report on Special Investigation of the
City of Kimballton

Credit Card Purchases - Other Vendors
For the Period May 1, 2014 through August 31, 2017

Per Credit Card Statement

Transaction Date	Transaction Description	Charges
07/12/14	HYVEE 1241 HARLAN IA	\$ 5.10
08/01/14	THRIFT BOOKS, LLC 206-903-1175 WA	55.52
12/11/14	SUPER SAVER #12 COUNCIL BLUFF IA	14.72
03/04/15	THRIFT BOOKS, LLC 206-903-1175 WA	19.10
03/28/15	DOLLAR-GENERAL #0111 ATLANTIC IA	21.46
04/17/15	THE WEBSTAURANT STORE 717-392-7472 PA	441.22
05/15/15	THE WEBSTAURANT STORE 717-392-7472 PA	86.49
03/18/16	HALF PRICE BOOKS #031 CLIVE IA	41.29
03/25/16	DOLLAR-GENERAL #0111 ATLANTIC IA	6.42
04/07/16	WWW.SCHOOLMATE.COM 800-5168339 NE	400.00
05/06/16	FAREWAY STORES #940 ATLANTIC IA	24.85
05/10/16	WWW.NEWEGG.COM 800-390-1119 CA	209.99
05/10/16	WWW.NEWEGG.COM 800-390-1119 CA	931.96
05/12/16	BOMGAARS #22 HARLAN HARLAN IA	40.63
06/08/16	VILLAGE SINCLAIR ELKHORN IA	5.54
07/27/16	KMART 3097 COUNCIL BLUFF IA	6.84
10/06/16	HY VEE 1241 HARLAN IA	6.51
10/25/16	INTEREST CHARGE	12.30
10/25/16	LATE FEE	39.00
11/25/16	INTEREST CHARGE	10.21
01/25/17	INTEREST CHARGE	11.82
01/25/17	LATE FEE	39.00
02/25/17	INTEREST CHARGE	5.70
03/28/17	SHOPKO 683 00206839 AUDUBON IA	34.13
03/28/17	AUDUBON ACE HARDWARE 712-5632764 IA	17.09

Description Per Support or Internet Search	Improper	Unsupported
Grocery store	\$ 5.10	-
New and used online bookstore	-	55.52
6 in red ponsettia	14.72	-
On-line bookstore	-	19.10
General box store	-	21.46
Restaurant supplies and equipment	-	441.22
Restaurant supplies and equipment	-	86.49
Book store	-	41.29
General box store	-	6.42
Per website - offers school supplies	400.00	-
Grocery store	24.85	-
On-line computer /electronic store	-	209.99
On-line computer /electronic store	-	931.96
Retail farm, supply store	-	40.63
Gas station	5.54	-
Box store - general merchandise	-	6.84
Grocery store	6.51	-
-	12.30	-
-	39.00	-
-	10.21	-
-	11.82	-
-	39.00	-
-	5.70	-
Box store - general merchandise	-	34.13
Hardware store	-	17.09

Report on Special Investigation of the
City of Kimballton

Credit Card Purchases - Other Vendors
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Per Credit Card Statement

Transaction Date	Transaction Description	Charges
03/28/17	DOLLAR-GENERAL #6075 AUDUBON IA	22.47
04/28/17	RUBBERSTAMPWAREHOUS 855-240-0861 NE	27.62
05/09/17	HY VEE 1026 ATLANTIC IA	45.39
05/19/17	APL*ITUNES.COM/BILL 866-712-7753 CA	0.77
05/19/17	APL*ITUNES.COM/BILL 866-712-7753 CA	31.51
05/19/17	FRD-APL*ITUNES.COM/BILL 866-712-7753 CA	(31.51)
05/19/17	FRD-APL*ITUNES.COM/BILL 866-712-7753 CA	(0.77)
Totals		<u>\$ 2,582.37</u>

Description Per Support or Internet Search	Improper	Unsupported
General box store	-	22.47
Pre inked stamps	-	27.62
Grocery store	45.39	-
Apple itunes store, moveis, books, pdocasts	0.77	-
Apple itunes store, moveis, books, pdocasts	31.51	-
Apple itunes store, moveis, books, pdocasts	(31.51)	-
Apple itunes store, moveis, books, pdocasts	(0.77)	-
	\$ 620.14	1,962.23

Report on Special Investigation of the
City of Kimballton

Improper and Unsupported Disbursements
For the Period May 1, 2014 through August 31, 2017

Check Date	Check Number	Description per statement	Memo on check
01/06/14	16152	Aunt B's Floral	#1476
01/06/14	16138	Yvonne Jensen	None
02/03/14	16190	Quill	None
03/07/14	16217	ESC	None
03/07/14	16216	Nelson Farm Supply	None
04/08/14	16244	Craig Weber	None
05/14/14	16270	Annette Andersen	None
06/06/14	16299	Harlan Flower Barn	For Invoice #12122
08/05/14	# 1064	Sarah Kunik	None
09/11/14	16351	Fajens	None
11/03/14	16418	Card Services	None
11/03/14	16395	Eldon Boeck	None
11/05/14	16391	Sams Club StoresTelechk, Landmands Bank	None
12/02/14	# 1072	Sarah Kunik	Books for Library
12/03/14	# 1071	Exira Elkhorn Kimballton School (<i>Based on endorsement</i>)	None
01/05/15	16455	David Neal	None
01/06/15	# 1074	Sarah Kunik	Library Books
01/29/15	# 1076	Sarah Kunik	Books for Library
02/03/15	16499	Napa	None
02/03/15	16495	Brad Madsen	For tami to go shopping
02/23/15	# 1078	Sarah Kunik	Book
03/23/15	# 1083	Sarah Kunik	Book
04/20/15	# 1088	The Flower Barn	Yvonne Jenson
05/11/15	# ACH	Samsclub ACH	None
05/12/15	# 1092	Fajen	Invoice #055833
06/30/15	# 1105	Kellie Haas	Work in the library
07/31/15	# 1110	Sarah Kunik	For Books

	Withdrawals	Improper	Unsupported
\$	58.85	-	58.85
	140.00	-	140.00
	52.41	-	52.41
	193.00	-	193.00
	177.75	-	177.75
	146.04	-	146.04
	93.06	-	93.06
	64.00	-	64.00
	57.50	-	57.50
	5.54	2.00	3.54
	34.62	34.62	-
	11.94	-	11.94
	538.08	-	538.08
	55.95	-	55.95
	50.00	50.00	-
	150.00	-	150.00
	39.66	-	39.66
	62.81	-	62.81
	48.80	-	48.80
	298.00	-	298.00
	20.93	-	20.93
	20.97	-	20.97
	52.50	-	52.50
	60.14	-	60.14
	9.87	-	9.87
	45.00	-	45.00
	82.99	-	82.99

Report on Special Investigation of the
City of Kimballton

Improper and Unsupported Disbursements
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Check Date		Check Number	Description per statement	Memo on check
08/05/15		16648	Lavonne Christensen	<i>None</i>
08/05/15		16649	Shawn Petersen	<i>None</i>
10/19/15	#	1106	Bethany Lutheran	Cookbook
12/07/15		16732	Lavonne Christensen	<i>None</i>
12/07/15		16731	Shirlyn Petersen	<i>None</i>
01/26/16	#	1130	Sarah Kunik	Books for Library
02/22/16	#	1133	Sarah Kunik	Book
04/11/16	#	1135	Sarah Kunik	Books for Library
04/21/16	#	1137	Sarah Kunik	Books for Library
06/10/16		16886	Lavonne Christensen	<i>None</i>
08/15/16		16954	BW Gas & Convenience	<i>None</i>
09/06/16	#	1139	Sarah Kunik	For a book
09/07/16		16974	Danish Windmill	<i>None</i>
09/07/16		16963	Risa Grabill	<i>None</i>
10/05/16		17010	Brandon Martin	<i>None</i>
10/05/16		17011	Kim Anderson	<i>None</i>
10/24/16	#	1141	Sarah Kunik	Book
11/04/16		17052	Jodee & Aaron Dixon	<i>None</i>
01/31/17		17109	Brad Madsen	<i>None</i>
03/24/17		17153	Stransberry Accounting	Class 101
04/05/17	#	1145	Sarah Kunik	Books
04/06/17		17175	Mike's Welding	<i>None</i>
04/06/17		17171	Mike's Welding	<i>None</i>
04/18/17	#	1147	Chelsea Jacobsen	<i>None</i>
04/18/17	#	1149	Chelsea Jacobsen	<i>None</i>
04/18/17	#	1148	ODE Design	<i>None</i>
04/21/17	#	1150	Sarah Kunik	Books
05/08/17	#	1152	Sarah Kunik	<i>None</i>
05/22/17	#	1153	Sarah Kunik	Book

Withdrawals	Improper	Unsupported
82.90	-	82.90
108.56	-	108.56
10.00	-	10.00
37.21	-	37.21
50.56	-	50.56
83.01	-	83.01
21.69	-	21.69
20.20	-	20.20
41.90	-	41.90
35.00	-	35.00
52.40	-	52.40
20.20	-	20.20
100.00		100.00
264.00	-	264.00
100.00	-	100.00
100.00	-	100.00
22.45	-	22.45
100.00	-	100.00
146.58	-	146.58
75.00		75.00
62.53	-	62.53
285.86	-	285.86
85.50	85.50	-
34.78	-	34.78
45.47	-	45.47
74.00	-	74.00
43.82	-	43.82
41.90	-	41.90
21.70	-	21.70

Report on Special Investigation of the
City of Kimballton

Improper and Unsupported Disbursements
For the Period May 1, 2014 through August 31, 2017

Check Date		Check Number	Description per statement	Memo on check
06/02/17	#	1154	Sarah Kunik	Book
06/07/17	#	1156	Sarah Kunik	Books
06/08/17		17232	Todd Larsen	<i>None</i>
06/12/17	#	ACH	Wal-Mart Stores Purchase 1157 Atla IA	None
07/05/17		17242	Pam Parker	Work
08/01/17		17269	Pam Parker	<i>None</i>
08/02/17	#	1159	Sarah Kunik	Books
08/03/17		17293	Lavonne Christensen	<i>None</i>
08/03/17		17289	Mark Petersen	<i>None</i>

Total

- Check issued from the Library account.

Withdrawals	Improper	Unsupported
20.95	-	20.95
56.43	-	56.43
192.32	-	192.32
115.13		115.13
180.40	-	180.40
182.50	-	182.50
62.42	-	62.42
44.88	-	44.88
19.26	-	19.26
\$ 5,611.92	172.12	5,439.80

Report on Special Investigation of the
City of Kimballton

Staff

This special investigation was performed by:

Annette K. Campbell, CPA, Director
James S. Cunningham, CPA, Manager
Ryan T. Jelsma, Senior Auditor II
Mark D. Newhall, Staff Auditor
Premnarayn Gobin, Staff Auditor
Elin M. Landgren, Assistant Auditor

A handwritten signature in black ink that reads "Tamera S. Kusian". The signature is written in a cursive style with a large, sweeping initial 'T'.

Tamera S. Kusian, CPA
Deputy Auditor of State

Appendices

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

Report on Special Investigation of the
City of Kimballton

Copy of Email - Timeline of Events

Tammy Thompson

From: Millette [REDACTED]
Sent: Tuesday, September 12, 2017 9:23 AM
To: Kimballton City Clerk
Subject: Fwd: Cit of Kimballton

Millette Shores

Begin forwarded message:

From: Millette [REDACTED]
Date: August 17, 2017 at 4:55:45 PM CDT
To: eddie@clerkbooks.com
Subject: Re: Cit of Kimballton

Eddy,

Thank you and I will be in contact moving forward if I have more questions.

Thank you again,

Millette Shores

On Aug 17, 2017, at 4:25 PM, Eddie May <eddie@clerkbooks.com> wrote:

Hi Mayor Shores,

Here are my notes regarding the current issue. Please let me know if you have any questions. Otherwise I will wait to hear from you.

Thanks,
Eddie May

ClerkBooks Municipal Accounting System

855-5-CLERKS (855-525-3757)
641-425-9878 (cell phone)
www.clerkbooks.com



7/12/17: As we were ending the end of year closing I checked the bank reconciliations to verify that all transactions had cleared or were expected to clear. I found approximately \$40,000 in uncleared deposits. I asked Tammy about them and she stated there must be some mistake, that she must be entering them in wrong. Due to time constraints I setup a time to work with her to find the mistakes four weeks later on August 16th. We were heading out for two weeks of continuing education and one week of vacation. The other available days were booked with end of year meetings with other cities. Tammy had worked with us for several years and her response led me to believe that she had simply double entered information or made some other bookkeeping error. I told her this looked like a major issue and that she should take this seriously. I asked her

Report on Special Investigation of the City of Kimballton

Copy of Email – Timeline of Events

to research the issue but not to change anything. I told her if she changed anything I would ask for an audit.

8/16/17: I started our conversation by letting her know we had a great time at continuing education and that I had some great ideas for how to solve the General Fund deficits and to help improve the City using the TIF program and the excess cash in the Electric Fund. I was very positive and excited for Kimballton. I then asked her if she had found anything regarding the outstanding deposits. She said she was not able to find anything. I said no problem, let's take a look together. We decided to look at the most recent transactions in hopes that they would be the most fresh in her memory.

We opened up the bank reconciliation window and pulled up the checking account information. She obtained a digital copy of the bank statement from online banking so I could see the July bank statement. Together we went through and reconciled the deposits from the July bank statement. There were a few automatic deposits that were not in QuickBooks yet, so we entered them in together. After clearing all of the deposits from the statement and balancing to the correct number and dollar amount of deposits on the statement there were still 3 deposits not reconciled during the July time frame. We opened those deposits up together to look at the details.

The first one was dated 7/18/17. It included 6 cash payments from utility bill customers totaling \$758.63. The second one was dated 7/6/17. It included 1 cash payment from one utility bill customer for \$400.00. The third one was also dated 7/6/17. It included 1 cash payment from one utility bill customer for \$250.00. I asked Tammy what she remembered about these transactions and she said she didn't know. I then asked her what her procedures for taking payments and making deposits are.

(the following conversation is a paraphrase as I was not recording the conversation or taking exact notes at the time of the conversation - the exact order of the questions and responses may be in question, but the general content is accurate.)

I asked her if these were legitimate payments and she said yes.
I asked her who receives the cash, and she said she does.
I asked her who enters the payments into QuickBooks, and she said she does.
I asked her who fills out the deposit slip, and she said she does.
I asked her who takes the deposit to the bank, and she said she does.
I asked her if anyone else ever handles the deposits or could have intercepted them, she said no.

I re-assured her that I am on her side and that I want to help her find out what happened to this cash. We looked to see if the cash could have been double entered on another deposit ticket. We could not find any that might have.

I asked her where she thinks the cash is, and she said she didn't know.
I asked her if she thought if someone at the bank might have taken it, she said no.
I asked her if anyone in the office might have taken it, she said no.
I asked her if she took it, and she said "I don't know how to answer that".

I said that sounds to me like you are saying that you took it, she said nothing.
I asked her where the cash is, and she said "nowhere".
I asked her if she meant that it was still on the desk, in a drawer, in a safe or somewhere else in the office, she said no.
I assured her I am not accusing her, I want to help her, but I need her to help me find this cash. She said "I guess I am going to need a really good lawyer".

At this point I stopped speaking and took a backup copy of the QuickBooks file.
After getting the backup, I offered one more time for her to explain where we might look in QuickBooks to find this cash. I had hoped I had misunderstood what she was saying. Again, she responded with the cash is nowhere.

Because I was afraid she would try to destroy records, I encouraged her to leave the office, not touch anything and not take anything. I told her I would let the Mayor know what is happening and will let the Mayor and Council decide what to do. I told her that I wish the very best for her and she thanked me. As far as I can tell she did leave the office without changing anything on the computer. I watched the computer until I was able to hand it off to the Mayor. I do not know if she took any physical items from the office.

After hanging up with Tammy, I looked for a phone number for Mayor Randy Poldberg (this who we had in our files and the League of Cities has on file, as the Mayor of Kimballton). I could not find a phone number, so I called and left a message for the Maintenance person to try and get the phone

Report on Special Investigation of the City of Kimballton

Copy of Email – Timeline of Events

number. I kept looking for information on Randy and found that he owns a body shop in Kimballton. I called that number and left a message for Randy to call me. I did not leave any details on those messages. I then found a contacts file on Tammy's computer with Randy's cell phone number and called him. He was driving. I introduced myself and asked if he is still the Mayor. He said he was not. I asked for the new Mayor's information. He asked if I had tried calling Tammy. I told him the call is about Tammy. That the call is confidential and urgent, and that it is not a sales call. He gave me the new Mayor's name (Millette) and her phone number.

I called Mayor Millette Shores and left her a message to call as soon as possible about an urgent and confidential matter regarding Tammy. A little while later she called and said she was shopping with her kids and that she wanted me know she got the message and would call later. She said she had briefly spoken with Tammy and had a basic idea of what the call is about. She did call back later on the way back to Kimballton and asked what the specifics were. I told her it was related to cash payments from customers that were entered into the system but not cleared through the bank. She asked how much and I said approximately \$41,000. She asked if there could be any mistake and I ran through a few key elements what I found and of the conversation with Tammy. She said she would call the bank and the City Attorney and call me back later that night. She asked me to email her some screenshots of the issues for her to review. I said I would.

Mayor Shores called back later that night and we reviewed the screenshots and discussed some of the specific transactions. We did find some of the larger amounts were check deposits, rather than cash, and that throws some suspicion as to the validity of the issue. However, most of the transactions (estimated 95%) were cash transactions. Mayor Shores asked if there were any checks written out to cash, and we did find 6 or 7 checks to cash. Some of them did look like legitimate Petty Cash checks, others were in questions.

We installed remote access software on Mayor Shores' and Tammy's computers so that Mayor Shores can access Tammy's computer to do more research. I also asked if I could add an administrative account so that we can access the computer if it shuts off or if Tammy changes the password. She agreed. She said she would present this information to the City Attorney and ask some questions at the bank and would get back to me if she has any questions.

8/17/17: As I prepared this recollection, I opened up the backup I had taken and reviewed the deposits in July to see if there is anything I missed. I was hoping to find cash amounts added to the deposit slips in a non traditional format. I looked at every deposit in July and I did not find any. I then sent a copy of these notes to Mayor Shores.

Report on Special Investigation of the
City of Kimballton

Copies of Selected Checks Issued to Cash – Library Account

KIMBALLTON PUBLIC LIBRARY 0457
P.O. Box 67
Kimballton, IA 52543

1099
6/5/15

Pay to the Order of Cash \$ 1000.00
one thousand & no/100 Dollars

Landmarks Bank

For Carpet [Redacted]
[Redacted]
1099

Signature: [Redacted]

Back of check: LANDMARKS BANK, [Redacted], 1000.00, 6/5/15, 1099, [Redacted]

Check 1099, Amount \$1,000.00 On 6/5/2015

KIMBALLTON PUBLIC LIBRARY 0457
P.O. Box 67
Kimballton, IA 52543

1100
6/12/15

Pay to the Order of Cash \$ 1000.00
one thousand & no/100 Dollars

Landmarks Bank

For Carpet [Redacted]
[Redacted]
1100

Signature: [Redacted]

Back of check: LANDMARKS BANK, [Redacted], 1000.00, 6/12/15, 1100, [Redacted]

Check 1100, Amount \$1,000.00 On 6/12/2015

Report on Special Investigation of the
City of Kimballton

Copies of Selected Checks Issued to Cash – Library Account

KIMBALLTON PUBLIC LIBRARY 0497
P.O. Box 67
Kimballton, IA 51543

1101

Date: 6/20/15

Pay to the Order of: Cash \$ 1000.00

Five thousand & no/100 Dollars

Landmarks

For: Deposit

Signature: Jimmy Thompson

1101

Landmarks Bank

Check 1101, Amount \$1,000.00 On 6/19/2015

KIMBALLTON PUBLIC LIBRARY 0497
P.O. Box 67
Kimballton, IA 51543

1104

Date: 6/26/15

Pay to the Order of: Cash \$ 1500.00

Five thousand five hundred & no/100 Dollars

Landmarks

For: Deposit

Signature: Jimmy Thompson

1104

Landmarks Bank

Check 1104, Amount \$1,500.00 On 6/26/2015

Report on Special Investigation of the
City of Kimballton

Copies of Selected Improper Payroll Checks

City of Kimballton
Kimballton, Iowa 51543

LANCASHIRE BANK
Julesburg & Kimballton, Iowa
72-11-17750

0484

10/1/2016

PAY TO THE ORDER OF Tammy L Thompson \$ 899.34

Eight Hundred Ninety-Nine and 34/100 DOLLARS

Tammy L Thompson
P.O. Box 126
Elk Horn, IA 51531

MEMO Pay Period: 02/01/2016 - 09/30/2016

DEPOSITED TO THE ACCOUNT OF
THE KIMBALLTON IOWA
SHELBY COUNTY STATE BANK
72-318 KIMBALLTON, IOWA 72-319

SHELBY COUNTY STATE BANK

Check 484, Amount \$899.34 On 9/27/2016

City of Kimballton
Kimballton, Iowa 51543

LANCASHIRE BANK
Julesburg & Kimballton, Iowa
72-11-17750

0488

10/11/2016

PAY TO THE ORDER OF Tammy L Thompson \$ 864.87

Eight Hundred Sixty-Four and 87/100 DOLLARS

Tammy L Thompson
P.O. Box 126
Elk Horn, IA 51531

MEMO Pay Period: 02/01/2016 - 09/30/2016

Tammy Thompson

SHELBY COUNTY STATE BANK

Check 488, Amount \$864.87 On 10/11/2016

Report on Special Investigation of the
City of Kimballton

Copies of Selected Improper Payroll Checks

City of Kimballton
Kimballton, Iowa 51542

LANDMARK BANK
Audubon & Northpark, Iowa
72-1127/729

0522

3/1/2017

PAY TO THE ORDER OF Tammy L Thompson

\$ 846.46

Eight Hundred Forty-Six and 46/100

Tammy L Thompson
P.O. Box 128
Elk Horn, IA 51531

MELO
Pay Period: 02/01/2017 - 02/28/2017

SHELBY COUNTY STATE BANK

DEPOSITED TO THE ACCOUNT OF
THE APPLICANT NAMED ABOVE
THE SHELBY COUNTY STATE BANK
72539 HAWAII, IOWA 72539

Check 522, Amount \$846.46 On 3/2/2017

City of Kimballton
Kimballton, Iowa 51542

LANDMARK BANK
Audubon & Northpark, Iowa
72-1127/729

0537

5/18/2017

PAY TO THE ORDER OF Tammy L Thompson

\$ 846.46

Eight Hundred Forty-Six and 46/100

Tammy L Thompson
P.O. Box 128
Elk Horn, IA 51531

MELO
Pay Period: 04/18/2017 - 05/15/2017

SHELBY COUNTY STATE BANK

Check 537, Amount \$846.46 On 5/18/2017