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**NEWS RELEASE**

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FOR RELEASE February 24, 2021

Auditor of State Rob Sand today released a report on a special investigation of the City of Pulaski for the period September 1, 2018 through December 31, 2019. The special investigation was requested by City officials as a result of concerns regarding certain financial transactions processed by the former City Clerk, Jamie Gust.

Sand reported the special investigation identified \$1,890.15 of improper disbursements and \$1,018.66 of unsupported disbursements. The \$1,890.15 of improper disbursements identified includes \$739.20 in unauthorized payments related to payroll and reimbursements issued to Ms. Gust. The improper disbursements identified also include \$826.74 of purchases made with the City's credit cards and \$243.21 of interest and fees related to credit card payments. Sand also reported the improper disbursements identified include late fees and interest related to IPERS reports.

The \$1,018.66 of unsupported disbursements identified is composed of purchases made with the City's credit cards. Because the purchases were not supported by sufficient documentation to determine the type and quantity of items purchased, it could not be determined if the purchases were for City operations or personal in nature.

Sand also reported City officials did not properly review payroll supporting documentation prior to issuance or determine the propriety of the number of hours Ms. Gust reported she worked. Sand reported Ms. Gust's monthly pay periodically exceeded the amounts paid to the individuals which held the City Clerk's position prior and subsequent to her tenure by significant amounts. In addition, Ms. Gust provided a written statement to the City Council members in January 2019 putting them on notice she intended to work more hours than the previous City Clerk and inviting them to speak with her if they had questions concerning the hours she reported. However, City Council members reported they did not ask Ms. Gust about the number of hours she reported she worked. Sand reported City officials have a responsibility to ensure the propriety of all aspects of payroll information in order to ensure the best interest of the City's citizens is served.

Sand recommended City officials implement procedures to ensure the City's internal controls are strengthened, including segregation of duties, performing independent reviews of bank reconciliations, and ensuring all disbursements are properly supported, approved, and paid in a timely manner. Sand also recommended City officials ensure they are properly carrying out all fiduciary responsibilities by exercising due care and properly reviewing all pertinent information.

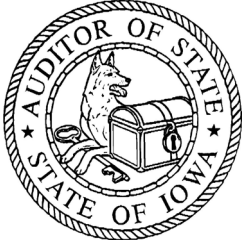
Copies of this report have been filed with the Davis County Sheriff's Office, the Iowa Division of Criminal Investigation, the Davis County Attorney's Office, and the Attorney General's Office. At the request of the Davis County Attorney's Office, a copy of the report has also been filed with the Appanoose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

# # #

**REPORT ON SPECIAL INVESTIGATION  
OF THE  
CITY OF PULASKI  
FOR THE PERIOD  
SEPTEMBER 1, 2018 THROUGH DECEMBER 31, 2019**

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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 have conducted a special investigation of the City of Pulaski (City). We have applied certain tests and procedures to selected financial transactions of the City for the period September 1, 2018 through December 31, 2019. 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 the deposits.
- (4) 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.
- (5) Examined payroll disbursements to the former City Clerk, Jamie Gust, to determine the propriety of the payments.
- (6) Examined the City's credit card statements to determine if purchases were appropriate for City operations, properly approved for payments, and supported by adequate documentation.
- (7) Examined information obtained directly from a vendor for certain purchases to determine if they were appropriate for City operations.
- (8) Interviewed City officials and personnel to determine the purpose of certain disbursements to individuals and vendors.
- (9) Reviewed available City Council meeting minutes to identify significant actions and to determine if certain payments were properly approved.
- (10) Determined IPERS contributions and examined related reports to determine if the proper amounts were remitted in a timely manner.


These procedures identified \$1,890.15 of improper disbursements and \$1,018.66 of unsupported disbursements. Several internal control weaknesses were also identified. Our detailed findings and recommendations are presented in the Investigative Summary and **Exhibits A through D** 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 Pulaski, other matters might have come to our attention that would have been reported to you.

Copies of this report have been filed with the Davis County Sheriff's Office, Division of Criminal Investigation, the Davis County Attorney's Office, and the Attorney General's Office. At the request of the Davis County Attorney's Office, a copy of this report has also been filed with the Appanoose County Attorney's Office.

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



ROB SAND  
Auditor of State

February 9, 2021

City of Pulaski  
Investigative Summary

**Background Information**

The City of Pulaski (City) is located in Davis County and has a population of approximately 260. The City employs a City Clerk who is responsible for the operations of the City. Jamie Gust was employed as the City Clerk from November 19, 2018 until October 17, 2019. As the City Clerk, Ms. Gust was responsible for the following functions:

- Receipts – opening mail, 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 transactions to the accounting records;
- Payroll – calculating payroll amounts; preparing, signing, and distributing checks; posting payments to the accounting records; and filing required payroll reports;
- Bank accounts – receiving and reconciling monthly bank statements to accounting records; and
- Reporting – preparing City Council minutes and financial reports.

According to City officials, as City Clerk, Ms. Gust was paid an hourly rate of \$12.00. The City Council did not establish the expected number of hours Ms. Gust was to work. City officials reported they discussed establishing a maximum number of hours. However, the discussions were not documented in the minutes and formal action was not taken. Ms. Gust was not eligible for paid vacation or sick leave. The current City Clerk is paid a salary of \$600 per month with no set number of required hours of work.

The City's primary revenue sources include local option sales tax, road use tax from the State of Iowa, and property tax collected by Davis County and remitted to the City electronically. Collections are also received from rental fees for the community center and a vending machine. The City also receives periodic payments from a third-party contractor which bills, collects, and identifies past due balances related to garbage, water, and sewer services provided by the City.

All City disbursements, including payroll, are made by check or using one of the City's credit cards. 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. Currently, the checks are also to include a second signature which can be the Mayor or a designated City Council member. However, according to City officials, Ms. Gust had the ability to sign checks without a second signature. Dual signatures were not required for checks during the time of her employment as City Clerk. The policy of requiring dual signatures was implemented in January 2020 which was after Ms. Gust's resignation.

The City maintains two credit card accounts. Ms. Gust used the credit cards for various purchases. Due to timing of billing cycles, the credit cards are paid in full prior to City Council meetings, but the City Council is provided with a list of the credit card charges paid. The City adopted a credit card policy which became effective in June 2019. The City's credit card policy contains provisions regarding authorized and unauthorized uses, purchase limits, violations of policy, and documentation of receipts supporting credit card purchases.

The City established three bank accounts, including a primary checking account used for all City operations and an account in the name of the Fire Department. The City also has a money market bank account. The monthly statements for the bank accounts are sent to the City Clerk and contain images of redeemed checks and deposit slips. The City Clerk performs monthly bank reconciliations for City Council review for each of the three bank accounts.

On October 17, 2019, the City Council met with Ms. Gust in closed session regarding performance related issues. After this meeting, Ms. Gust resigned her position as City Clerk. Upon her resignation, the City Council reviewed credit card statements and other billings and identified various unsupported or unauthorized disbursements made by Ms. Gust.

As a result of the concerns regarding the propriety of the City's financial transactions, the Office of Auditor of State was requested to review the City's financial records. As a result of the request, we performed the procedures detailed in the Auditor of State's Report for the period September 1, 2018 through December 31, 2019.

### **Detailed Findings**

The procedures performed identified \$1,890.15 of improper disbursements and \$1,018.66 of unsupported disbursements for the period September 1, 2018 through December 31, 2019. The \$1,890.15 of improper disbursements identified includes:

- \$739.20 of unauthorized payments issued to Ms. Gust,
- \$826.74 of improper purchases made with the City's credit cards,
- \$243.21 of late fees and interest to the City's credit cards, and
- \$81.00 of late fees and interest to IPERS.

The \$1,018.66 of unsupported disbursements identified includes purchases made with the City's credit cards. Because the purchases were not supported by sufficient documentation to determine the type and quantity of items purchased, we were not able to determine if the purchases were for City operations or personal in nature.

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

At the completion of our fieldwork, we attempted to contact Ms. Gust to obtain an explanation for the improper disbursements identified. However, we were unable to leave a message on the telephone number provided. Using information from the Iowa Department of Corrections, we determined Ms. Gust was placed on probation in December 2019 with a potential release date of August 2023. With the assistance of her assigned parole/probation officer, a text message was left on Ms. Gust's cellular telephone which was not returned.

### **IMPROPER AND UNSUPPORTED DISBURSEMENTS**

As previously stated, the City established a general checking account for City operations. Also as previously stated, all City disbursements are to be made by check or using one of the City's credit cards. We reviewed images of redeemed checks from the City's checking, Fire Department, and money market accounts and credit card statements for the period September 1, 2018 through December 31, 2019.

Using available supporting documentation, information obtained from internet searches, discussions with City officials, City Council meeting minutes, and frequency and amount of the payments, 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 disbursements were related to City operations or personal in nature. Other disbursements were classified as reasonable based on discussions with City officials or frequency and amount of the payments if sufficient supporting documentation was not available. The improper and unsupported disbursements identified are explained in detail in the following paragraphs.

### **Checks Issued to Ms. Gust**

As previously stated, Ms. Gust was responsible for preparing, signing, and distributing payments for the City, including payroll checks and reimbursements to herself. During our review of the City's bank statements, we identified 16 checks issued to Ms. Gust from September 1, 2018 through December 31, 2019. Ms. Gust signed 15 of the checks while her final paycheck, dated November 1, 2019, was signed by another City official. The 16 checks totaled \$10,017.22. They are described in detail in the following paragraphs.

**Payroll** – As previously stated, Ms. Gust was an hourly employee earning \$12 per hour. She was required to submit timesheets to document the hours she worked and describe the activities she performed as the City Clerk. Ms. Gust accounted for payroll in the City's QuickBooks® program and provided the payroll information to the City Council for review and approval. After City Council approval, Ms. Gust wrote checks to herself for the net pay amount.

Of the 16 checks issued to Ms. Gust, we determined 12 related to payroll earnings, including the final check prepared by another City official. The 12 checks total \$9,278.02 and are listed in **Exhibit B**.

As illustrated by **Exhibit B**, Ms. Gust issued herself a \$300.00 check on April 20, 2019 which was described in the check's memo as an advance on wages that were to be paid in May 2019. Payroll records and bank documents we examined show Ms. Gust deducted the \$300.00 advance from her authorized paycheck issued in May 2019. However, the \$300.00 advance was not authorized or approved by the City Council based on our review of the City Council meeting minutes. Because Ms. Gust deducted the advance from her next authorized paycheck, the \$300.00 is not included in **Exhibit A**.

In addition, payroll records and bank documents we examined do not include a payment to Ms. Gust for time she worked in March 2019. Although the bill listing provided to the City Council in the meeting packet includes a payroll check for March hours to be issued to Ms. Gust in April, we did not identify a redeemed check. We are unable to determine whether the payroll check was not issued or issued but not redeemed by Ms. Gust.

We compared the 12 checks issued to Ms. Gust for payroll to the available timesheets, payroll records, and City Council meeting minutes. However, not all timesheet records were available in hard copy, and the current City Clerk was unable to retrieve additional information from QuickBooks®. In those instances, we used the notations in the City Council meeting minutes to determine the number of hours Ms. Gust reported to the City Council. We are unable to determine if the missing timesheet records were originally presented to the City Council or if the Council members relied on Ms. Gust to simply inform them the number of hours she worked.

The 12 checks issued to Ms. Gust for payroll were for net wages calculated from gross wages less deductions for FICA and IPERS withholdings. We calculated Ms. Gust's total net payroll for the period of her employment and compared the calculated amount to the total payroll checks redeemed by Ms. Gust. We also compared individual payroll checks to the records available. As a result of this comparison, we identified two instances where Ms. Gust's calculated monthly payroll amount did not agree with the amount of the related redeemed check. However, the total of the 12 redeemed payroll checks was \$0.97 less than the calculated total net payroll. Because the variance identified

is less than \$1.00 and the total of the redeemed checks was less than the calculated net payroll, we did not include the difference in **Exhibit A**.

As previously stated, Jamie Gust was employed as the City Clerk from November 19, 2018 until October 17, 2019. **Table 1** summarizes the hours Ms. Gust reported by month. As illustrated by the **Table**, she reported she worked between 63 and 119 hours per month from December 2018 through her resignation in mid-October 2019.

<b>Month</b>	<b>Number of Hours</b>	<b>Month</b>	<b>Number of Hours</b>
November 2018*	15.0	May 2019	75.5
December 2018	67.0	June 2019	63.0
January 2019	90.0	July 2019	88.0
February 2019	91.0	August 2019	110.0
March 2019^	117.0	September 2019	119.0
April 2019	106.0	October* 2019	64.0

\* - Represents a partial month.

^ - Payroll check for this month was either not issued or not redeemed.

We determined the City Council approved payroll amounts for Ms. Gust based on the number of hours she reported. For five of the ten months for which timesheets were available, Ms. Gust provided descriptions of tasks she performed. However, the number of hours reported for some tasks appeared excessive based on the descriptions. As a result, we are unable to determine the propriety of the descriptions Ms. Gust reported to the City Council and the subsequent payments for the time reported. For example:

- In March 2019, Ms. Gust recorded 18 hours with the description “Meeting Prep” and over 6 hours of “Agenda copying, posting, and delivery.”
- In May 2019, she reported 14 hours with the description “Agenda” and 24 hours from May 2 through May 5, 2019 as “Bills/Checks/Delivering Agendas.” However, based on the approved bill listing and images of checks issued from the City’s bank account, she did not prepare any of the 19 checks approved during the May 6, 2019 City Council meeting until May 9, 2019 through May 21, 2019.

We also determined Ms. Gust submitted timesheet information for August 2019 and September 2019 showing 110 hours and 119 hours worked, respectively, without providing descriptions of the tasks she performed.

As illustrated by **Exhibit B**, some of the payroll checks issued to Ms. Gust exceeded \$1,000.00 per month. As previously stated, the current City Clerk is paid \$600.00 per month. In addition, the individual who held the City Clerk’s position prior to Ms. Gust was paid \$1,000.00 per quarter. It is unclear why the City Council did not question the number of hours reported by Ms. Gust which resulted in her being paid significantly more than the previous City Clerk. We reviewed correspondence Ms. Gust provided to City Council members in January 2019 which stated, in part, “if anyone has any questions concerning the work I am doing or the hours I’m putting in, feel free to address me and I will gladly give you a precise explanation.” City Council members we spoke with reported they did not ask Ms. Gust about the number of hours she reported she worked. As a result, we are unable to determine the propriety of the number of hours she reported and the payroll amounts issued to her.

**Reimbursements and Other Checks** – Ms. Gust was authorized to receive reimbursement for expenses incurred while performing official duties or making certain purchases. The remaining four checks issued to Ms. Gust are listed in **Table 2** and described in the following paragraphs.

**Table 2**

<b>Per Check Image</b>			
<b>Check Date</b>	<b>Check Number</b>	<b>Memo</b>	<b>Amount</b>
05/21/19	4383	Reimbursement for education fees	\$ 260.00
07/20/19	4447	TRAVEL EXPENSE FOR SCHOOL IN AMES JULY 22-24, 2019	100.00
08/19/19	4479	<i>None</i>	300.00
09/17/19	4502	Mileage Reimbursement from Pulaski to Ottumwa and Caution Wet Floor x 2 First Aid x 3	79.20
Total			<u>\$ 739.20</u>

- As illustrated by the **Table**, Ms. Gust issued to herself check number 4383 in the amount of \$260.00 on May 21, 2019. According to the notation in the memo portion of the check, this payment was for “Reimbursement for education fees.” The check was not included in the list of bills for the City Council to consider for approval.

During our review of redeemed check images, we determined Ms. Gust issued another \$260.00 check which was a payment to the Bloomfield Library approved by the City Council in the June 3, 2019 meeting minutes. According to the current City Clerk, the City pays an annual fee to the Bloomfield Library for the City’s citizens to have access to the library. The City paid \$260.00 with check number 4406 dated June 8, 2019 and signed by Ms. Gust to the Bloomfield Library for its annual contract for library services. We are unable to determine if Ms. Gust was attempting to conceal the check issued to herself or make check number 4383 appear as the payment for library services.

Because the check issued by Ms. Gust to herself was not supported or approved by the City Council, it is an improper disbursement.

- Table 2** also includes check number 4447 which Ms. Gust issued to herself for \$100.00 on July 20, 2019. According to the notation in the memo portion of the check, this payment was for “Travel Expense for School in Ames July 22-24, 2019.”

The City Council meeting minutes for April 1, 2019 document Ms. Gust requested approval to attend Clerk Training classes. The City Council asked Ms. Gust to submit the costs to attend this training for approval at the next City Council meeting scheduled in May. Ms. Gust provided a travel and training request dated May 6, 2019 to the City Council for Clerk Training to be held in Ames, Iowa, from July 22 through July 24, 2019 with a departure date of July 21 and return date of July 24. Ms. Gust estimated expenses for this training as summarized in **Table 3**.

<b>Table 3</b>	
<b>Description</b>	<b>Amount</b>
Iowa League of Cities Registration Fee	\$ 403.00
Private Vehicle Transportation: 300 miles at \$.54 per mile	162.00
Gateway Hotel and Conference Center	208.00
Full Day Meal Costs	50.00
Wages	225.00
Total Cost/Advance Requested	<u>\$ 1,048.00</u>

The request sheet does not contain signatures by Ms. Gust or approving City officials. In addition, minutes from City Council meetings do not include discussion of the

estimate or to what extent the estimated costs were approved. However, the Iowa League of Cities Registration Fee was included with the June bills for City Council approval and was paid with check number 4395. In addition, according to a City official, the City Council approved the costs for this training, but for two nights lodging rather than the three requested nights. We determined Ms. Gust used the City's credit card to pay for her lodging. However, as discussed below, she paid for three nights' lodging and not the two nights approved.

As illustrated by **Table 3**, Ms. Gust included an estimate for meal expenses on the approval request. However, we did not identify any meal purchases either directly charged to the City's credit card or sought through reimbursement with provided receipts. We are unable to determine what, if any, amount Ms. Gust incurred for meal expenses for the training in Ames.

Monthly statements show Ms. Gust used the City's credit card to purchase fuel for her personal vehicle rather than claim reimbursement for mileage as included in the estimate. We identified two fuel purchases in Ames, Iowa on July 22, 2019 and July 24, 2019 for 12 gallons and 10 gallons, respectively. Because Ms. Gust did not claim mileage and the fuel purchases totaled less than the estimated mileage, we considered the fuel purchases reasonable and did not include them in **Exhibit A**. However, we are unable to determine why an additional 10 gallons of fuel was purchased on the last day of the training.

As previously stated, the training was held from July 22 through July 24, 2019. However, the \$100.00 check Ms. Gust issued to herself was dated July 20, 2019 and cleared the City's bank account on July 22, 2019. The supporting documentation Ms. Gust provided for the \$100.00 check was a receipt from the TJ Maxx store in Ankeny, Iowa, which was dated July 21, 2019 for items totaling \$83.87 that were personal in nature. As a result, the \$100.00 payment Ms. Gust issued to herself is an improper disbursement.

- In addition, **Table 2** includes check number 4479 in the amount of \$300.00 which Ms. Gust issued to herself on August 19, 2019. The memo section of the check did not contain a description for this payment.

Information recorded in the City's accounting records show this payment was described as "Clerk Wages," but the payment was not included in Ms. Gust's payroll records. In addition, the City Council meeting minutes do not include any notations related to this payment to Ms. Gust and it was not included in monthly listings of bills and expenses for City Council approval. As a result, the \$300.00 payment Ms. Gust issued to herself is an improper disbursement.

- The final disbursement listed in **Table 2** is check number 4502 which Ms. Gust issued to herself on September 17, 2019 for \$79.20. According to the notation in the memo portion of the check, this payment was for "Mileage Reimbursement from Pulaski to Ottumwa and Caution Wet Floor x 2 First Aid x 3."

According to the check stub for this payment, the \$79.20 was composed of \$48.15 for the Caution Wet Floor signs, \$16.05 for the first aid kits, and \$15.00 for mileage reimbursement. However, the City's credit card statements also included the purchase of two Caution Wet Floor signs on September 26, 2019 from OfficeSupply.com. Because the signs were purchased online, there would not be a need to travel to Ottumwa to purchase them or reimburse Ms. Gust for their cost.

In addition, the list of bills approved by the City Council did not include check number 4502 to Ms. Gust. As a result, the \$79.20 payment Ms. Gust issued to herself for signs, first aid kits, and mileage is an improper disbursement.

Because the four payments listed in **Table 2** were determined to be improper, the \$739.20 total is included in **Exhibit A**.

### **Payments to Vendors**

As previously stated, we reviewed all disbursements, credit card transactions, and redeemed checks from the City's three bank accounts for the period September 1, 2018 through December 31, 2019. We determined the propriety of disbursements based on available supporting documentation; the type or quantity of the items purchased; discussions with City officials; and the vendor, frequency, and amount of payments.

**Credit Card Disbursements** – The City maintains two credit card accounts, each having \$1,000.00 limits. The City Clerk is the administrator for the credit card accounts and held the cards which could be used by other City officials. The credit cards are to be primarily used for fuel for the Fire Department vehicles. However, City Clerks have used the credit cards to order office supplies and other items necessary for City operations. Because credit card payments are often due prior to the next scheduled City Council meeting, the current City Clerk pays the credit card bills prior to City Council approval in order to avoid late fees. However, the credit card bills are presented by the City Clerk as part of the next meeting's agenda.

The January 2019 City Council meeting minutes document the City Council approved Ms. Gust to purchase office supplies as needed without prior approval by the City Council. However, Ms. Gust was to provide the list of any purchased items on the monthly list of bills provided to the City Council for approval at their regular meetings. Receipts and supporting documentation for credit card purchases are to be maintained in the City Clerk's office. We examined the credit card statements and reviewed the activity for each credit card to determine if the purchases were necessary and reasonable for City operations or personal in nature.

To determine the propriety of purchases, we considered available supporting documents, information in City Council meeting minutes, discussions with City officials, the vendor, and/or the amount of the charge. 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. Charges which appeared consistent with City operations were classified as reasonable. Purchases for which supporting documentation was not available and which were from vendors which could be for City operations or for personal use were classified as unsupported. For some purchases, a portion of the charge was reasonable, unsupported, and/or improper for City operations.

We determined the City's credit card accounts were used to purchase authorized items, including office and Fire Department supplies; fuel; paint and other hardware supplies; and candy for parades. The City's credit cards were also used to purchase such items as software subscriptions for QuickBooks® and Adobe®. Purchases were made from various vendors, including Dollar Tree, Menards, Walmart, Shopko, Staples, Target, and convenient stores.

For most of the credit card charges, the person making the purchase was not identifiable. However, as City Clerk, Ms. Gust was the administrator for the credit cards and was responsible for obtaining the supporting documentation for credit card purchases and providing this documentation to the City Council. We were unable to review supporting documentation or receipts for many credit card charges because it was not maintained in the City's records and City officials were unable to locate it.

As illustrated by **Exhibit C**, we identified \$826.74 of improper credit card purchases for such items as Amazon Prime, lodging, candy, sidewalk chalk, paint and paint supplies, soda, PayPal purchases, a car wash purchase, and bottled water. The improper purchases identified include the following transactions.

- City records included a receipt for a purchase from Walmart in Mount Pleasant, Iowa on August 30, 2019. We also identified additional purchases from Walmart with the

City's credit cards for which we obtained detailed purchase information directly from Walmart. Personal items purchased from Walmart included groceries; paint and related supplies; fishing tackle; and a shower curtain with rings. We were unable to obtain the detailed purchase information for the \$114.92 Walmart purchase posted on June 26, 2019. As a result, that transaction was classified as unsupported.

- As previously stated, Ms. Gust attended Clerk Training classes in Ames, Iowa in July 2019. As part of her reimbursement request, she included a receipt from the Gateway Hotel & Conference Center which included three nights of lodging. However, the City Council approved only two nights lodging rather than the three requested. As a result, we classified the \$104.16 incurred for one night as improper.
- As previously stated, we identified fuel purchases in Ames, Iowa on July 22, 2019 and July 24, 2019. According to the July 24, 2019 receipt, Ms. Gust also purchased a "premium" grade car wash at a Phillips 66 gas station in Ames.

According to supporting documentation, Ms. Gust also purchased \$28.61 of fuel on July 18, 2019 at the Jet Stop in Milton, Iowa. This expense was three days prior to her departure date of July 21, 2019 for the training in Ames, Iowa. In addition, based on the supporting documentation we reviewed, Ms. Gust presented this receipt with the other fuel receipts provided for the Clerk Training classes. Because we classified the fuel purchases on July 22, 2019 and July 24, 2019 as reasonable, the \$28.61 fuel purchase was classified as improper.

- There was no supporting documentation available for purchases from Amazon, including a \$13.90 payment for a Prime membership on November 30, 2018. The membership was not a necessary cost for City operations.

According to the current City Clerk, a prior City Clerk may have used Amazon; however, the City representatives we spoke with do not remember Ms. Gust purchasing anything from Amazon for the City. Because we are unable to definitively determine whether the item purchased was personal in nature or for City operations, the \$49.84 purchase from Amazon Marketplace on September 10, 2019 was classified as unsupported.

- There was no supporting documentation available for the two purchases on October 14, 2019 for which the vendors were paid through PayPal. The transactions involve vendors which are not reasonable with which to conduct City operations.

Also as illustrated by **Exhibit C**, we identified \$1,018.66 of purchases for which sufficient documentation and/or additional information was not available to determine the propriety of the purchase. These transactions include purchases from lumber and hardware stores, cleaning supplies, janitorial supplies, maintenance supplies, candy, and batteries. These purchases were made from vendors that are reasonable for City operations.

We also identified 35 transactions which included tax totaling \$102.24. As a governmental entity, the City maintains a tax-exempt status. As a result, the City should not incur any sales tax. City officials should ensure steps are taken to procure items in an appropriate manner. We have not included the \$102.24 in **Exhibit A**.

The \$826.74 of improper purchases and \$1,018.66 of unsupported purchases identified are included in **Exhibit A** as improper and unsupported disbursements, respectively.

**Credit Card Fees and Interest** – As previously stated, as City Clerk, Ms. Gust was responsible for ensuring all City disbursements were paid in a timely manner. During our review of the credit card statements, we identified \$243.21 of late fees and interest charges. Of this amount, \$191.53 occurred while Ms. Gust was City Clerk. The remaining \$51.68 was incurred prior to Ms. Gust's employment as City Clerk. The \$243.21 of late fees and interest charges are listed in **Exhibit D** and included in **Exhibit A** as improper disbursements.

**IPERS Late Fees and Interest** – Using reports obtained from IPERS, we determined the City paid \$20.00 of late fees and charges because Ms. Gust did not file IPERS reports in a timely manner. As the City Clerk, Ms. Gust was responsible for ensuring timely payment of all City bills, including IPERS payments. We also determined the City also incurred \$61.00 of late fees and charges after Ms. Gust was no longer City Clerk.

The \$81.00 of late fees and charges identified are included in **Exhibit A** as improper disbursements.

## **OTHER ADMINISTRATIVE ISSUES**

**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:

- 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 an appropriate purpose of the disbursements.
- Review the City’s bank statements and credit card statements.
- Request and review bank reconciliations.

In addition, we determined City officials did not properly review payroll supporting documentation prior to issuance or determine the propriety of the number of hours Ms. Gust reported she worked. As previously stated, Ms. Gust’s monthly pay periodically exceeded the amounts paid to the individual which held the City Clerk’s position prior to her tenure and the current City Clerk by significant amounts. Also as previously stated, a third party contractor bills, collects, and identifies past due balances related to garbage, water, and sewer services provided by the City. Because Ms. Gust was not responsible for these duties, her responsibilities as City Clerk should not have required as much time as City Clerks employed by other municipalities.

Ms. Gust provided a written statement to the City Council members in January 2019 putting them on notice she intended to work more hours than the previous City Clerk and inviting them to speak with her if they had “questions concerning the work I am doing or the hours I’m putting in.” City Council members we spoke with reported they did not ask Ms. Gust about the number of hours she reported she worked. As a result, it is not possible to determine the propriety of the number of hours she reported and the payroll amounts issued to her. In order to ensure the best interest of the City’s citizens is served, City officials have a responsibility to ensure the propriety of all aspects of payroll information.

We also determined Ms. Gust purchased a computer without City Council authorization in July 2019. Ms. Gust returned the computer to the City upon her resignation; however, it appeared the hard drive had been wiped clean.

On January 23, 2018, the Office of Auditor of State issued a Report on the Status of Findings and Recommendations from the City of Pulaski’s Periodic Examination Report dated November 17, 2015. The report covered the period June 1, 2016 through April 30, 2017. The report included recommendations regarding the segregation of duties, the independent review of bank reconciliations, the lack of utility reconciliations, the lack of financial reporting, and timely approval of the Urban Renewal Report. Had City officials implemented the recommendations, it is likely the improper disbursements would have been identified in a more timely manner. In addition, the implementation of controls recommended in the report may have reduced the opportunity for the City’s funds to be improperly disbursed.

## **Recommended Control Procedures**

As part of our investigation, we reviewed the procedures used by the City of Pulaski to perform bank reconciliations and process 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 – opening mail, 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) Bank accounts – receiving and reconciling monthly bank statements to accounting records, and
  - (5) Reporting – preparing City Council meeting minutes and financial reports, including monthly Treasurer 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 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.

Bank statements should be delivered to and reviewed by an official who does not collect or disburse City funds and bank reconciliations should be performed on a monthly basis. The reviews should be documented by the signature or initials of the reviewer and the date of the review.

- B. City Council Meeting Minutes – During our review of the regular and special City Council meeting minutes, we determined only 10 of the 29 documents provided were signed by both the City Clerk and Mayor.

Recommendation – In accordance with section 380.7 of the *Code of Iowa*, both the City Clerk and Mayor are required to sign the City Council meeting minutes to authenticate these documents and to document their review and approval of the operations of the City as discussed during City Council meetings.

- C. Payroll – City Council members approved the former City Clerk's monthly payroll amounts based on the number of hours she reported. Supporting documentation was not available for two of the twelve payroll amounts and the supporting documentation was not consistent for the remaining ten payroll amounts. Specifically, five of the documents did not include descriptions of the tasks performed and the number of hours reported for some tasks appeared excessive based on the descriptions provided. As a result, it was not possible to determine the propriety of the payroll amounts.



Recommendation – The City Clerk no longer is paid on an hourly basis and currently receives a monthly salary. However, should that change in the future, City officials should implement procedures to ensure appropriate payroll records are maintained. In addition, the City Council, or a designated member who is familiar with any City employee’s actions, should review and approve their timesheet for each pay period to ensure the number of hours reported is reasonable. The review and approval should be documented by the signature or initials of the reviewer and the date of approval.

- D. Credit Card – The City has credit cards for use by the City Clerk as well as Fire Department officials for City purchases. City officials established a credit card policy according to the June 3, 2019 City Council meeting minutes, which requires receipts to be provided to support credit card purchases. However, supporting documentation was not available for a significant number of purchases made with the City’s credit card. In addition, the credit card bills are paid prior to City Council meetings, and no independent review and approval of the statement is done prior to the payment.

Also, the City incurred \$243.21 of late fees and interest for the period September 1, 2018 through December 31, 2019.

Recommendation – City officials should ensure procedures are implemented which ensure all purchases made with the City’s credit cards are adequately supported by sufficient documentation which specifies the goods or services purchased and why they are necessary for City operations if not readily apparent.

In addition, although the City may establish a policy allowing the credit card bill to be paid prior to the City Council meetings, an independent party should review and approve the individual charges prior to the payment being made. This review should be documented by the reviewer’s initials and the date. Also, all credit card payments should be remitted in a timely manner to ensure late fees are not incurred.

- E. Disbursements – During our review of the City’s disbursements, the following concerns were identified:

- Disbursements were not consistently supported by invoices or other documentation.
- Not all disbursements were approved by the City Council.
- The City incurred late payment fees because the City Clerk did not pay certain City obligations in a timely manner.
- Checks were only signed by the City Clerk.
- The City periodically paid sales tax even though the City is a tax-exempt entity.

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 and supporting documentation should be provided to the City Council at the next meeting for review and approval.

The City Council’s approval of the disbursement listing should be documented in the minutes. To strengthen internal control, the listing should be signed by the City Clerk and a City official then filed with the minutes. All payments should be remitted in a timely manner to ensure late fees are not incurred.

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

- F. City Property – During our review, we determined Ms. Gust purchased a computer using the City’s credit card on July 21, 2019 without the approval of the City Council. Ms. Gust turned the computer in to the City with her resignation. However, it appeared the hard drive had been wiped clean.

Recommendation – City officials should establish policies and procedures for property to include procedures for acquisition of property, the assignment and location of accountable property during their time used by the City, and documentation of proper disposal at the end of their useful life.

In addition, City officials should ensure all City property is adequately safeguarded. Assets meeting certain thresholds, or which are susceptible to loss should be properly tagged to make it readily apparent they are City property. Periodic inventories of specified equipment should be periodically performed by someone independent of custodial duties.

- G. Reconciliation of Utility Billings, Collections, and Delinquent Accounts – In November 2015, the City began using a third-party contractor to bill, collect and follow up on past due balances related to garbage, water, and sewer services. However, a reconciliation of the billings, collections, and delinquent accounts is not prepared by the City or obtained from the third-party contractor and reviewed by the City.

Recommendation – City officials should establish procedures to ensure billings, collections, and delinquent accounts are reconciled in a timely manner and any variances are promptly resolved. In addition, a City official or someone independent of billing and collection duties should monitor delinquent accounts. Their periodic reviews should be documented by signature or initials along with the date of their review.

- H. Monthly City Clerk’s Report – No written monthly Clerk’s reports could be located in the City’s records. According to the current City Clerk, he believes Ms. Gust provided a verbal report but not written. We are unable to determine what, if any, information was reported to the City Council.

Recommendation – The City should establish procedures to ensure receipts and fund balances are being accounted for and reported in a written Clerk’s report to the City Council. In addition, the monthly Clerk’s report should include a comparison of total disbursements to the certified budget by function.

- I. Tax Increment Financing – Urban Renewal Report – The 2018 and 2019 Urban Renewal Reports were not approved by the City Council until December 27, 2018 and February 3, 2020, respectively.

Recommendation – City officials should ensure the Urban Renewal Report is approved and filed by December 1 each year.

- J. Oversight by City Officials – 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.

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 operations of the City.

In order to ensure the best interest of the City’s citizens is served, City officials have a responsibility to ensure the propriety of all aspects of payroll information. However, City officials did not properly review payroll supporting documentation prior to issuance or

determine the propriety of the number of hours the former City Clerk reported she worked. Her monthly pay periodically exceeded the amounts paid to other City Clerks prior to and subsequent to her tenure by significant amounts.

On January 23, 2018, the Office of Auditor of State issued a Report on the Status of Findings and Recommendations from the City of Pulaski's Periodic Examination Report dated November 17, 2015. The report covered the period June 1, 2016 through April 30, 2017. The report included recommendations regarding the segregation of duties, the independent review of bank reconciliations, and the lack of utility reconciliations. Had City officials implemented the recommendations, it is likely the improper disbursements would have been identified in a more timely manner. In addition, the implementation of controls recommended in the report may have reduced the opportunity for the City's funds to be improperly disbursed.

Recommendation – Oversight by City officials is essential and should be an ongoing effort. City officials should exercise due care and review all pertinent information. 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. The review should be documented by the signature or initials of the reviewer and the date of the review.

## **Exhibits**

**Report on Special Investigation  
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Summary of Findings  
For the Period September 1, 2018 through December 31, 2019

<b>Description</b>	<b>Exhibit /Table/ Page Number</b>	<b>Improper</b>	<b>Unsupported</b>	<b>Total</b>
Improper and unsupported disbursements:				
Checks issued to Jamie Gust	<b>Table 1</b>	\$ 739.20	-	739.20
Credit card purchases	<b>Exhibit C</b>	826.74	1,018.66	1,845.40
Credit card interest and fees	<b>Exhibit D</b>	243.21	-	243.21
IPERS late fees and interest	<b>Page 13</b>	81.00	-	81.00
Total		\$ 1,890.15	1,018.66	2,908.81

**Report on Special Investigation  
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Payroll Checks Issued to Ms. Gust  
For the Period September 1, 2018 through December 31, 2019

Per Check Image

Check Date	Check Number	Payee	Memo	Amount
12/31/18	4261	Jamie K Gust	12019 - 2018 4th Quarter Pay	\$ 461.75
01/07/19	4283	Jamie K Gust	12019 City Clerk Wages	436.25
02/04/19	4291	Jamie K Gust	<i>None</i>	929.45
03/04/19	4322	Jamie K Gust	<i>None</i>	939.78
04/20/19	4360	Jamie K Gust	Advance on April Hours Paid in May	300.00
05/05/19	4379	Jamie Gust	<i>None</i>	794.69
06/03/19	4387	Jamie Gust	May Clerk Wages	779.70
07/05/19	4419	Jamie Gust	MAY WAGES \$12 63 hours	650.62
08/05/19	4448	Jamie Gust	<i>None</i>	1,012.07
08/29/19	4480	Jamie Gust	<i>None</i>	1,135.99
10/01/19	4504	Jamie Gust	Sept Wages 119 hours @ 12	1,228.93
11/01/19	4549	Jamie Gust	<i>None</i>	608.79
Total				<u>\$ 9,278.02</u>

Note: Auditor's notations are in italics.



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Credit Card Purchases  
For the Period September 1, 2018 through December 31, 2019

Per Credit Card Statements				Per Supporting Documentation	
Card Number	Transaction Date	Transaction Description	Charges	Description	Cost
0194	11/30/18	Amazon Prime Amzn.ccm/bill WA	\$ 13.90	<i>Details not available</i>	\$ 13.90
					<u>13.90</u>
0194	12/12/18	USPS PO 1874520592 PULASKI IA	13.35	<i>Details not available</i>	13.35
					<u>13.35</u>
0194	03/30/19	DOLLAR-GENERAL #2378 BLOOMFIELD IA	28.46	TIDE ORG. 64OZ DAWN ULTRA ORIGINAL TAX	17.95 7.99 2.52
					<u>28.46</u>
0194	04/20/19	DOLLAR-GENERAL #2378 BLOOMFIELD IA	37.08	SPECTRUM GRASS WEED CLOROX WIPES TWIN PK MR CLEAN OCN WTR APC HEFTY ULT 13G LAV VN SCRUB DOT HD SCRUB SP 50PK VINYL GLOVES BELSTROM GRASS SHEAR TAX	9.00 3.50 3.00 4.95 3.85 4.35 6.00 2.43
					<u>37.08</u>
0533	04/23/19	MENARDS KIRKSVILLE MO KIRKSVILLE MO	43.33	<i>Details not available</i>	43.33
					<u>43.33</u>
0194	05/12/19	WAL-MART #0985 FAIRFIELD IA	91.56	48X66 BERBER REMNANT BLUE BONNET REGULAR QTRS GREAT VALUE CREAM CHEESE SPREAD CUPS GREAT VALUE COLBY JACK SHRED 8 OZ LENDERS REFRIGERATED BLUEBERRY BAGEL 6CT SS RANCH & BACON SWEET BABY RAY'S HONEY BBQ SAUCE 28OZ MRS BUTTERWORTH SYRUP LITE	10.00 0.84 1.52 1.88 1.66 1.73 2.38 2.78

<b>Improper</b>	<b>Unsupported</b>	<b>Reasonable</b>
13.90	-	-
-	13.35	-
-	17.95	-
-	7.99	-
-	2.52	-
-	9.00	-
-	3.50	-
-	3.00	-
-	4.95	-
-	3.85	-
-	4.35	-
-	6.00	-
-	2.43	-
43.33	-	-
-	10.00	-
0.84	-	-
1.52	-	-
1.88	-	-
1.66	-	-
1.73	-	-
2.38	-	-
2.78	-	-

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Credit Card Purchases  
For the Period September 1, 2018 through December 31, 2019

Per Credit Card Statements				Per Supporting Documentation	
Card Number	Transaction Date	Transaction Description	Charges	Description	Cost
				GREAT VALUE SLICED CARROTS 14.5 OZ	1.50
				GREAT VALUE NO SALT GREEN BEANS 14.5 OZ	1.00
				GREAT VALUE NO SALT SWEET PEAS 15 OZ	1.00
				SAM'S CHOICE TWISTUP 12OZ 12PK CANS	2.46
				IA 12PK BOTTLE DEP	0.60
				FINGERTIP MOISTENER	4.88
				GREAT VALUE HONEY WHEAT BREAD	1.96
				KRAFT VELV CHSY SKLTS PHILLY CHEESESTEAK	2.82
				APPLE BARREL 2OZ SNOW WHITE	0.50
				AZALEA FLOWERING	11.94
				MS 13PC LUISA PEVA SHOWER CURTAIN GREY	2.00
				GREAT VALUE 2% MILK GAL	4.78
				BLUE BONNET MARGARINE ORIGINAL TUB 45 OZ	2.98
				PLASTIC LETTER OPENER	0.97
				MANILA FILE FOLDER LETTER SIZE 50 COUNT	3.32
				WESTERN ORIGINAL 15OZ	1.58
				PEN & GEAR 2 INCH EXPANDING FILE ASST.	4.97
				PEN+GEAR #10 PEEL&STICK ENVELOPE 250CT	9.24
				GREAT VALUE 8OZ PEPPERJACK SLICE	1.84
				GREAT VALUE COLBY JACK NATURAL SLICE 8 O	1.84
				2PK MESH SINK STRAINER	2.87
				TAX	3.72
					<u>91.56</u>
0194	05/13/19	FUEL 24 00108217 FAIRFIELD IA	32.00	<i>Details not available</i>	32.00
					<u>32.00</u>
0194	05/13/19	ORSCHELN FAIRFIELD 20 FAIRFIELD IA	29.06	<i>Details not available</i>	29.06
					<u>29.06</u>

<b>Improper</b>	<b>Unsupported</b>	<b>Reasonable</b>
1.50	-	-
1.00	-	-
1.00	-	-
2.46	-	-
0.60	-	-
-	-	4.88
1.96	-	-
2.82	-	-
0.50	-	-
11.94	-	-
2.00	-	-
4.78	-	-
2.98	-	-
-	-	0.97
-	-	3.32
1.58	-	-
-	-	4.97
-	-	9.24
1.84	-	-
1.84	-	-
-	2.87	-
3.72	-	-
32.00	-	-
29.06	-	-

Report on Special Investigation of the  
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Credit Card Purchases  
For the Period September 1, 2018 through December 31, 2019

Per Credit Card Statements				Per Supporting Documentation	
Card Number	Transaction Date	Transaction Description	Charges	Description	Cost
0194	05/16/19	CANTRIL LUMBER & HARDWARE CANTRIL IA	124.52	<i>Details not available</i>	124.52 <u>124.52</u>
0194	05/16/19	DOLLAR-GENERAL #2378 BLOOMFIELD IA	19.26	<i>Details not available</i>	19.26 <u>19.26</u>
0194	05/16/19	DUTCHMAN S GAS CANTRIL IA	32.24	<i>Details not available</i>	32.24 <u>32.24</u>
0533	05/19/19	MENARDS OTTUMWA IA OTTUMWA IA	58.55	<i>Details not available</i>	58.55 <u>58.55</u>
0194	05/19/19	ORSCHELN FAIRFIELD 20 FAIRFIELD IA	23.70	<i>Details not available</i>	23.70 <u>23.70</u>
0194	05/20/19	WAL-MART #0985 FAIRFIELD IA	54.87	WOOLY BOOGER HOLDER TREBLE HOOK ROMAINE LETTUCE BHG 2.5QT MONARDA EXPERT GARDENER 2.5QT LILY ASIATIC GREAT VALUE HONEY WHEAT BREAD EXPERT GARDENER 2.5QT CAMPANULA GREAT VALUE 2% MILK GAL BHG 2.5QT BELLIS GREAT VALUE LED 40W 18YR 1PK MICHAEL ANGELO'S MEAT LASAGNA FRENCH BREAD SINGLE LOAF TAX	4.32 1.48 7.84 6.88 1.96 6.88 4.78 7.84 3.00 6.96 0.36 2.57 <u>54.87</u>
0194	05/21/19	JET STOP MILTON MILTON IA	13.21	<i>Details not available</i>	13.21 <u>13.21</u>

<b>Improper</b>	<b>Unsupported</b>	<b>Reasonable</b>
124.52	-	-
-	19.26	-
-	32.24	-
-	58.55	-
23.70	-	-
4.32	-	-
1.48	-	-
-	-	7.84
-	-	6.88
1.96	-	-
-	-	6.88
4.78	-	-
-	-	7.84
-	-	3.00
6.96	-	-
0.36	-	-
2.57	-	-
-	13.21	-

Report on Special Investigation of the  
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Credit Card Purchases  
For the Period September 1, 2018 through December 31, 2019

Per Credit Card Statements				Per Supporting Documentation	
Card Number	Transaction Date	Transaction Description	Charges	Description	Cost
0194	05/23/19	DUTCHMAN S GAS CANTRIL IA	10.00	<i>Details not available</i>	10.00
					<u>10.00</u>
0194	05/23/19	DUTCHMAN'S STORE CANTRIL IA	57.67	<i>Details not available</i>	57.67
					<u>57.67</u>
0194	06/15/19	DUTCHMAN'S STORE CANTRIL IA	96.78	<i>Details not available</i>	96.78
					<u>96.78</u>
0194	06/23/19	SQ *PULASKI GAS 'N GRILL Pulaski IA	9.13	<i>Details not available</i>	9.13
					<u>9.13</u>
0194	06/26/19	WAL-MART #985 FAIRFIELD IA	114.92	<i>Details not available</i>	114.92
					<u>114.92</u>
0194	07/18/19	JET STOP MILTON IA	28.61	Regular Gasoline	28.61
					<u>28.61</u>
0194	07/24/19	GATEWAY HOTEL & CONFER AMES IA	329.17	07/21/2019 ROOM CHARGE	93.00
				07/21/2019 ROOM TAX	11.16
				07/22/2019 ROOM CHARGE	93.00
				07/22/2019 ROOM TAX	11.16
				07/22/2019 IOWASTATER RM CHG	16.69
				07/23/2019 ROOM CHARGE	93.00
				07/23/2019 ROOM TAX	11.16
					<u>329.17</u>
0194	07/24/19	PHILLIPS 66 - GATEWAYEXPR AMES IA	34.63	Regular	27.00
				Premium	9.63
				Discount	(2.00)
					<u>34.63</u>

<b>Improper</b>	<b>Unsupported</b>	<b>Reasonable</b>
-	10.00	-
-	57.67	-
-	96.78	-
-	9.13	-
-	114.92	-
28.61	-	-
93.00	-	
11.16	-	
-	-	93.00
-	-	11.16
-	-	16.69
-	-	93.00
-	-	11.16
-	-	27.00
9.63	-	-
(2.00)	-	-



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Credit Card Purchases  
For the Period September 1, 2018 through December 31, 2019

Per Credit Card Statements				Per Supporting Documentation	
Card Number	Transaction Date	Transaction Description	Charges	Description	Cost
0194	08/02/19	JET STOP MILTON MILTON IA	10.01	<i>Details not available</i>	10.01 <u>10.01</u>
0194	08/02/19	MENARDS IOWA CITY IA IOWA CITY IA	134.23	<i>Details not available</i>	134.23 <u>134.23</u>
0194	08/14/19	OFFICESUPPLY.COM	127.07	<i>Details not available</i>	127.07 <u>127.07</u>
0194	08/17/19	WM SUPERCENTER #1285 OTTUMWA IA	115.65	2 MIL 9X12 CLEAR PLASTIC SHEETING 4X16 CARBON STEEL WIRE BRUSH SHOE HANDLE BEST 2 PC BRUSH SET 3 PIECE PLASTIC TRAY LINER 2PK 4X3 8IN. BEST WOVEN ROLLER COVERS 3IN BENT SCRAPER 4X3/8" BEST SVN MINI WITH FRAME 7 PC MINI KIT-INTERIOR EG 3 PACK NITRILE GLOVES-M CPUL WHT FL EXT 3.5G TAX	2.97 3.97 9.97 1.88 4.88 4.97 5.47 7.97 2.00 64.00 7.57 <u>115.65</u>
0194	08/26/19	SQ *PULASKI GAS 'N GRILL Pulaski IA	67.44	<i>Details not available</i>	67.44 <u>67.44</u>
0194	08/26/19	WM SUPERCENTER #1285 OTTUMWA IA	58.04	YEAR LONG RED MULCH 2CF 4PK 10FT TD TAX	38.80 15.44 3.80 <u>58.04</u>

<b>Improper</b>	<b>Unsupported</b>	<b>Reasonable</b>
-	10.01	-
134.23	-	-
-	127.07	-
2.97	-	-
3.97	-	-
9.97	-	-
1.88	-	-
4.88	-	-
4.97	-	-
5.47	-	-
7.97	-	-
2.00	-	-
64.00	-	-
7.57	-	-
-	67.44	-
-	-	38.80
-	15.44	-
-	3.80	-

Report on Special Investigation of the  
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Credit Card Purchases  
For the Period September 1, 2018 through December 31, 2019

Per Credit Card Statements				Per Supporting Documentation	
Card Number	Transaction Date	Transaction Description	Charges	Description	Cost
0194	08/27/19	DUTCHMAN'S STORE CANTRIL IA	42.59	<i>Details not available</i>	42.59
					<u>42.59</u>
0194	08/28/19	SQ *PULASKI GAS 'N GRILL Pulaski IA	4.01	<i>Details not available</i>	4.01
					<u>4.01</u>
0194	08/30/19	WM SUPERCENTER #784 MOUN PLEASAN IA	14.65	GV .5L WATER	3.98
				CHKBRD BL QT ( <i>Black chalkboard paint</i> )	9.97
				TAX	0.70
					<u>14.65</u>
0194	09/03/19	DUTCHMANS STORE CANTRIL IA	35.41	48pc Sidewalk Chalk	0.59
				Dyed card stock	2.65
				Medium Mums	29.85
				IA Sales Tax	2.32
					<u>35.41</u>
0194	09/10/19	AMZN Mktp USC251 67503 Amzn.comlbill WA	49.84	<i>Details not available</i>	49.84
					<u>49.84</u>
0194	09/24/19	DUTCHMANS STORE CANTRIL IA	38.68	AAA Batteries	15.99
				AA Batteries	22.69
					<u>38.68</u>
0533	10/10/19	MENARDS OTTUMWA IA OTTUMWA IA	101.64	<i>Details not available</i>	101.64
					<u>101.64</u>
0194	10/12/19	MENARDS OTTUMWA IA OTTUMWA IA	87.89	Cabot Problem Solver Wh Acc Ext Pr	60.50
				Rust-Oleum Rocksolid Roller 9x3/8	16.89

<b>Improper</b>	<b>Unsupported</b>	<b>Reasonable</b>
-	42.59	-
-	4.01	-
3.98	-	-
9.97	-	-
0.70	-	-
0.59	-	-
2.65	-	-
29.85	-	-
2.32	-	-
-	49.84	-
-	15.99	-
-	22.69	-
-	101.64	-
-	-	60.50
-	-	16.89

Report on Special Investigation of the  
City of Pulaski

Credit Card Purchases  
For the Period September 1, 2018 through December 31, 2019

Per Credit Card Statements				Per Supporting Documentation	
Card Number	Transaction Date	Transaction Description	Charges	Description	Cost
				Frost King 8'x25' mil clear	8.99
				Pepsi Cola 20 oz	1.51
					<u>87.89</u>
0194	10/14/19	DUTCHMAN'S STORE CANTRIL IA	47.40	Mars Chocolate Mini Candy Bar	10.17
				Assorted Jolly Ranchers Candy	12.69
				Assorted Salt Water Taffy	8.48
				Assorted Tootsie Roll Pops	9.35
				Indian Corn SMALL	1.50
				16 Mini Pumkins	4.00
				IA Sales Tax	1.21
					<u>47.40</u>
0533	10/14/19	PAYPAL EBAY INC 402-935-7733 CA	2.66	<i>Details not available</i>	2.66
					<u>2.66</u>
0533	10/14/19	PAYPAL KATNICOLECH 402-935-7733 CA	37.98	<i>Details not available</i>	37.98
					<u>37.98</u>
0533	10/27/19	DOLLAR-GENERAL #2378 BLOOMFIELD IA	7.22	GLAD FLAP TIE 13G 60	6.75
				TAX	0.47
					<u>7.22</u>
Totals			<u>\$ 2,278.41</u>		<u>\$ 2,278.41</u>

Note: Auditor's notations in italics.

<b>Improper</b>	<b>Unsupported</b>	<b>Reasonable</b>
-	-	8.99
1.51	-	-
-	10.17	-
-	12.69	-
-	8.48	-
-	9.35	-
-	1.50	-
-	4.00	-
-	1.21	-
2.66	-	-
37.98	-	-
-	6.75	-
-	0.47	-
<b>826.74</b>	<b>1,018.66</b>	<b>433.01</b>

**Exhibit D**Report on Special Investigation of the  
City of PulaskiCredit Card Fees and Interest Charges  
For the Period September 1, 2018 through December 31, 2019


<b>Per Credit Card Statement</b>			
<b>Card Number</b>	<b>Transaction Date</b>	<b>Transaction Description</b>	<b>Amount</b>
0194	10/31/18	INTEREST CHARGE PURCHASE	\$ 2.06
0533	10/31/18	INTEREST CHARGE PURCHASE	1.62
0194	10/31/18	LATE FEE	29.00
0533	10/31/18	LATE FEE	19.00
0194	11/30/18	INTEREST CHARGE PURCHASE	1.31
0533	11/30/18	INTEREST CHARGE PURCHASE	2.31
0194	11/30/18	LATE FEE	19.00
0533	11/30/18	LATE FEE	29.00
0533	12/31/18	INTEREST CHARGE PURCHASE	2.19
0194	12/31/18	INTEREST CHARGE PURCHASE	1.97
0194	12/31/18	LATE FEE	29.00
0533	12/31/18	LATE FEE	29.00
0194	04/30/19	INTEREST CHARGE PURCHASE	8.75
0533	04/30/19	INTEREST CHARGE PURCHASE	2.00
0194	04/30/19	LATE FEE	38.00
0533	04/30/19	LATE FEE	29.00
Total			<u>\$ 243.21</u>

Report on Special Investigation of the  
City of Pulaski

Staff

This special investigation was performed by:

Jennifer Campbell, CPA, Manager  
Blair Johnston, Auditor Investigator

  
Annette K. Campbell, CPA  
Deputy Auditor of State