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NEWS RELEASE

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FOR RELEASE June 20, 2024

Auditor of State Rob Sand today released a report on a special investigation of the Dexter Public Library for the period July 1, 2015 through March 1, 2022. The special investigation was requested by City officials as a result of concerns regarding certain financial transactions processed by the former Library Director, Mary McColloch.

Sand reported the special investigation identified \$13,589.50 of undeposited collections, \$4,179.59 of improper disbursements, and \$3,361.54 of unsupported disbursements.

Sand reported the \$13,589.50 of undeposited collections identified includes:

- \$5,801.80 of checks issued to the Library which were improperly deposited into the Dexter Community Foundation's bank account;
- \$75.00 of checks issued to the Library which were not properly deposited into the City's bank account;
- \$5,212.70 of Library collections for donations and fundraisers which were not properly deposited into the City's bank account; and
- \$2,500.00 of Bayer Ag grant proceeds issued to the Library which were deposited into the Dexter Community Foundation's bank account.

Sand also reported the \$4,179.59 of improper disbursements identified includes \$3,950.01 of improper payroll issued to Ms. McColloch, \$188.58 of improper payroll issued to the former Children's Librarian, and \$41.00 of reimbursements issued to Ms. McColloch.

The \$2,404.57 of unsupported disbursements identified includes \$2,302.61 of reimbursements issued to Ms. McColloch and \$101.96 of disbursements from the City's bank account to vendors for the Library. Sand reported it was not possible to determine the propriety of these disbursements because adequate documentation was not maintained to determine if they were for Library operations or personal in nature.

Sand 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.

Sand recommended Library officials implement procedures to ensure the library's internal controls are strengthened, including segregation of duties, enforcing policies in tracking and collecting revenue generated from library operations, ensuring donations and fundraiser revenue are tracked and deposited, and ensuring library disbursements are properly supported, approved, and paid in a timely manner.

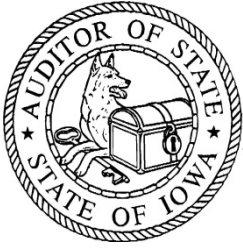
Copies of the report have been filed with the Dallas County Sheriff's Office, the Iowa Division of Criminal Investigation, the Dallas County Attorney's Office, and the Iowa Attorney General's Office. A copy of the report is available for review on the Auditor of State's website at [Special Interest Reports](#).

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**REPORT ON SPECIAL INVESTIGATION
OF THE
DEXTER PUBLIC LIBRARY
FOR THE PERIOD
JULY 1, 2015 THROUGH MARCH 1, 2022**

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Auditor of State's Report

To the Members of the City Council
and Dexter Library Board:

As a result of concerns regarding certain financial transactions and at the request of officials of the City of Dexter (City), we conducted a special investigation of the City of Dexter's Library. We have applied certain tests and procedures to selected financial transactions of the Library for the period July 1, 2015 through March 1, 2022, unless otherwise specified. Based on a review of relevant information and discussions with City and Library 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 at the Library.
- (2) Reviewed activity in the City's bank account to identify any unusual activity. Examined deposit detail for deposits made to the City's bank account to determine the source, completeness, purpose, and propriety of each deposit.
- (3) 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 supporting documentation, and appropriate for the Library's operations.
- (4) Interviewed City and Library officials and personnel to determine the purpose of certain disbursements to vendors and reimbursements to employees.
- (5) Examined payroll disbursements and reimbursements to the former Library Director, Mary McColloch, and the former Children's Librarian to determine the propriety of the payments.
- (6) Reviewed available City Council meeting minutes to identify significant actions and to determine if certain payments were properly approved. Reviewed available Library Board meeting minutes to identify significant actions and to determine if pay increases were presented to the Board for approval and/or were properly approved.
- (7) Confirmed payments made to the Library by the State of Iowa to determine if they were properly deposited to the City's bank account in a timely manner.
- (8) Reviewed activity related to the Clell F. Hoy Trust which was left to the City to determine compliance with the requirements of the Trust and to determine the propriety of the disposition of the remaining Trust funds upon closing of the Trust account.

These procedures identified \$13,589.50 of undeposited collections, \$4,179.59 of improper disbursements, and \$2,404.57 of 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** and **E** of this report.

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

Copies of this report have been filed with the Dallas County Sheriff's Office, the Iowa Division of Criminal Investigation, the Dallas 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 Dexter during the course of our investigation.

A handwritten signature in black ink, appearing to read "Rob Sand". The signature is stylized with a large, looped "R" and "S".

ROB SAND
Auditor of State

May 29, 2024

Dexter Public Library

Investigative Summary

Background Information

The City of Dexter (City) is located in Dallas County and has a population of approximately 640. The Dexter Public Library (Library) is governed by a 5-member Board of Trustees (Board) appointed by the Mayor with the approval of the City Council, which is responsible for setting Library policies, managing the Library's financial activity, and providing oversight of Library employees. According to a City ordinance, the Board has exclusive control over all funds received by or designated for the Library.

The Library employs a Library Director to oversee daily operations of the Library. Mary McColloch became the Library Director on July 1, 2008. As the Library Director, Ms. McColloch was responsible for:

- collecting miscellaneous receipts paid to the Library, such as fines, fundraising, donations, and memorials, recording the receipts, and remitting the funds collected to the City Clerk for deposit,
- purchasing goods and services for the Library, such as books, movies, and supplies, preparing vouchers for approval by the Board, and providing approved vouchers and corresponding supporting documentation to the City Clerk for payment,
- preparing and submitting a timesheet to document hours worked,
- preparing Library Board meeting minutes and monthly Librarians reports to the City Council, and
- hiring and managing Library staff which included a Children's Librarian, providing oversight, and conducting annual employee evaluations.

According to City officials, there are several revenue sources for the Library, including state aid from the State of Iowa, property tax collected by Dallas County and remitted to the City, and miscellaneous collections from patrons, such as fines for overdue materials, memorials, and fundraisers. City officials we spoke with stated most State payments are sent electronically but there are a few occasions where Ms. McColloch received a payment through the mail. The remaining collections are received through the mail or in person at City Hall or the Library. However, neither Ms. McColloch nor the Library staff prepared receipts or recorded the collections on an initial receipts listing.

All disbursements for the Library, including payroll, are processed by the City Clerk and are to be made by check. All disbursements are to be supported by itemized receipts, invoices, or other supporting documentation. Purchases made by the Library were typically made by Ms. McColloch with her personal funds and she would submit a claim for reimbursement. Ms. McColloch prepared a voucher for each disbursement or reimbursement, which was presented to the Board for approval. The approved voucher, along with the original receipts, was then submitted to the City Clerk for payment.

During the February 7, 2022, Library Board meeting, there were discussions held regarding a newly appointed Board member. According to Library officials we spoke with, the newly appointed Board member was vocal and known for questioning Ms. McColloch's actions. Based on the Library Board meeting minutes, Ms. McColloch was not in agreement with the decision to appoint the individual to the Library Board. In addition, Ms. McColloch stated that regardless of what was decided she was resigning from her position as Library Director effective February 24, 2022.

Ms. McColloch provided her resignation to the Board in writing on February 7, 2022. In addition, the February 7, 2022 Library Board meeting minutes reported two Board members also resigned from their positions with Ms. McColloch. The City Council accepted Ms. McColloch's resignation at the February 14, 2022 council meeting.

After Ms. McColloch resigned, Library officials were contacted by a concerned citizen, who stated that Ms. McColloch was taking filing cabinets and boxes from the Library and loading them into her personal vehicle. According to a Library official, they contacted the Mayor, who contacted the Dallas County Sheriff's Office. By the time law enforcement and City officials arrived at the Library, Ms. McColloch was no longer there, a report was subsequently filed with the Dallas County Sheriff's Office.

Following Ms. McColloch's resignation and removal of records by Ms. McColloch, City and Library officials began reviewing supporting documentation maintained at the Library. During their review, they identified receipts and revenue was identified as collected by the Library; however, Library and City officials determined those collections were not deposited into the City's bank account. Because collections could not be traced to the City's bank accounts, City and Library officials had concerns that those collections were deposited into the Dexter Community Foundation bank account which was created by Ms. McColloch as a separate legal entity outside of the City.

In addition, City and Library officials also stated they were concerned with the handling of a trust that had been left to the City. Based on records maintained, the City was named the beneficiary of the Clell F. Hoy Trust (Trust) dated May 17, 1989. These funds were entrusted to the City in January 2001. Through legal proceedings it was determined that the City could no longer be named the Successor of the Trust and on October 7, 2014, a petition for Appointment of Successor Trustee was filed and granted the Dexter Community Foundation as the successor trustee. A separate bank account was established with First State Bank by a group named the "Clell F Hoy Trust" with Ms. McColloch listed as a trustee. The investment account that was held by the City for these monies was closed and the proceeds were deposited into this First State Bank account. City officials we spoke to, stated they had concerns with the Trust monies being deposited into a separate bank account and were unsure if the funds being disbursed from this bank account were in accordance with the conditions of the Trust.

Due to the concerns regarding Library collections not deposited in the City's bank account, on August 19, 2022, City officials contacted the Office of Auditor of State. As a result of concerns identified by the City and Library officials, we performed the procedures detailed in the Auditor of State's Report for the period July 1, 2015 through March 1, 2022.

Detailed Findings

The procedures performed identified \$13,589.50 of undeposited collections, \$4,179.59 improper disbursements, and \$2,404.57 of unsupported disbursements.

The \$13,589.50 of undeposited collections identified includes:

- \$5,801.80 of checks issued to the Library which were improperly deposited into the Foundation's bank account;
- \$75.00 of checks issued to the Library which were not properly deposited into the City's bank account;
- \$5,212.70 of Library collections for donations and fundraisers which were not properly deposited into the City's bank account; and
- \$2,500.00 of grant proceeds issued to the Library but were deposited into the Foundation's bank account.

The \$4,179.59 of improper disbursements identified includes:

- \$3,950.01 of improper payroll issued to Ms. McColloch;
- \$188.58 of improper payroll issued to the former Children's Librarian; and
- \$41.00 of reimbursements issued to Ms. McColloch.

We also identified \$2,404.57 of unsupported disbursements which includes \$2,302.61 of reimbursements issued to Ms. McColloch and \$101.96 of disbursements from the City's checking account to vendors for the Library.

We were unable to determine if additional amounts were improperly disbursed or if additional Library receipts were improperly recorded and/or not collected because adequate supporting documentation was not available. All findings are summarized in **Exhibit A**.

We contacted Ms. McColloch to obtain an understanding of her job duties and certain transactions; however, Ms. McColloch did not return our calls. A detailed explanation of each finding as follows.

UNDEPOSITED COLLECTIONS

As previously stated, the Library is a department of the City, and while the Library Board oversees the activity of the Library, all funds received are to be turned into the City Clerk, recorded in the City's accounting software, and deposited into the City's bank account. As previously stated, Ms. McColloch was responsible for collecting all revenues generated by the Library and turning over the collections to the City Clerk for deposit. The City established a primary checking account used for all City operations.

Also as previously stated, there are several revenue sources for the Library, including state aid from the State of Iowa, property tax collected by Dallas County and remitted to the City, and miscellaneous collections from patrons, such as fines for overdue materials, memorials, donations, and fundraisers. All collections, regardless of source, were to be recorded in the City's accounting system when received and deposited into the City's bank account.

Dexter Community Foundation Account - According to the Iowa Secretary of State's website, on March 25, 2006, Ms. McColloch had created the Foundation as a nonprofit organization. The purpose of the Foundation was to "engage in activities to promote the preservation of and enhancement of the quality of life of the Dexter area, and generally use all proper measures for advancing the mental, moral, and physical interest of Dexter. The Dexter Community Foundation is to receive bequests, gifts, or donations of property in fee simple or in trust for public, charitable, or other purposes."

As previously stated, City and Library officials were concerned Library collections were deposited in the Dexter Community Foundation's (Foundation) bank account. During the City's review of records maintained at the Library, City and Library officials identified copies of checks and copies of certain deposit slips. According to the documentation provided by the City, copies of checks included checks issued to the Dexter Library but deposited with the Foundation.

Based on our review of the Foundation's Articles of Incorporation, there was no specific language related to the Dexter Public Library. In addition, according to City officials we spoke with, the City Council did not approve of the establishment of the Foundation or its separately maintained bank account. As a result, we obtained copies of the Foundation's bank statements, check images, and deposit details for the period July 1, 2015 through March 1, 2022. During our review of the Foundation's deposit details, we identified 65 checks issued to the Library that were improperly deposited into the Foundation's bank account.

Exhibit B lists 65 checks, totaling \$5,801.80, which were deposited into the Foundation's bank account. As illustrated by the **Exhibit**, there were 56 checks which included the word "Library" in the payee line. Specifically, the payee line stated, "Dexter Public Library", "Dexter Library Building Fund", "Dexter Library", or "Dexter Library Foundation", and "Dexter Library Community Foundation". Because these checks contained "Library" in some fashion in the payee line, we determined these checks should have been given to the City Clerk to be deposited into the City's bank account.

For the checks listed on the **Exhibit** that were issued to "Dexter Library Foundation" the memo lines stated "memorial", "memorial of", and/or "in memory of." During our review of the Library Board meeting minutes and Librarian's Reports, we identified several instances where Ms. McColloch routinely

discussed the Library receiving money in memory of an individual or individuals. Using Library Board meeting minutes and notations included in the memo line of the checks, we identified several of the checks deposited in the Foundation’s bank statements were for memorials or donations discussed during the Library Board meetings such as Vivian Lawson Memorial. As a result, these checks were included in the **Exhibit** as undeposited collections.

Also as illustrated by the **Exhibit**, we identified a check issued to “Dexter Library Community Foundation.” According to the memo line of the check, the check was identified as a “Library Donation.” Because the memo line identified the Library, this check was included in the **Exhibit** as an undeposited collection.

The **Exhibit** also includes two checks from Mr. and Mrs. McColloch dated November 16, 2016 and November 25, 2016 that were issued to the “Dexter Public Library”. According to the Librarian’s report dated November 30, 2016, Ms. McColloch reported the Dexter Library was named as the recipient of Dick Adkins’ memorial and she would like to use the money towards the Hall which would also be renamed Adkins Hall after Mr. Adkins. As illustrated by the **Exhibit**, the notations included in the memo lines were “Donation for Hall” and “Dick Adkins Memorial.” Because the notations in the memo lines correspond with information provided in the Librarian’s report regarding the Library being the recipient of the Dick Adkins memorial, these two checks have been identified as undeposited collections.

Also as illustrated by the **Exhibit**, there were nine checks written to the “Dexter Park Board” between July 2015 and August 2015 that were deposited into the Foundation’s bank account. According to the City Clerk, the Dexter Park Board is a City department but they maintain a separate bank account from the City. The City Clerk is able to see the activity in this account; however, they have no control of the receipts or disbursements in this account.

According to City officials, during the summer of 2015, the City’s Park Board was raising funds to renovate the bathrooms at the City Park. City officials we spoke with stated Ms. McColloch was also on the Park Board and Ms. McColloch told the Park Board she did not trust the City and asked the Park Board to run the fundraising efforts for the park bathroom renovation through the Foundation’s bank account. The City was unable to provide Park Board meeting minutes; therefore, we were unable to determine if the Park Board agreed to have fundraising collections deposited in the Foundation’s bank account. However, because the Park Board is a City department and the Park Board maintains a separate bank account, the nine checks should be deposited in the City’s bank account and not the Foundation’s bank account. As a result, the nine checks are included on **Exhibit B** as undeposited collections.

Because the checks were issued to the Library and/or Park Board, the checks should have been deposited to the City’s bank account or the Park Board’s bank account. Therefore, the \$5,801.80 of checks issued to the Library and/or Park Board included in **Exhibit B** are included in **Exhibit A** as undeposited collections.

In addition to the 65 checks identified in **Exhibit B**, using the notations on Library Board meeting minutes provided, we identified two additional checks issued to the Dexter Public Library totaling \$75.00. We were unable to trace these checks to the City’s bank account. As a result, because these checks were issued to the Library but were not properly deposited they are considered undeposited collections. The two checks are listed in **Table 1**.

Table 1

Check Number	Check Date	Issuer	Payee	Memo	Amount
1008	06/30/15	REDACTED	Dexter Public Library	Thank you	\$ 40.00
6757	08/19/15	REDACTED	Dexter Public Library	Phyllis Piatt memorial	35.00
Total					<u>\$ 75.00</u>

As illustrated by the **Table**, the two checks listed on the City Council and/or Library Board meeting minutes as Library collections were issued to the Dexter Public Library and have not been included on **Exhibit B**. As a result, the \$75.00 included in **Table 1** are included in **Exhibit A** as undeposited collections.

During our review of the deposit details for the deposits made to the Foundation's bank account, we also identified 45 checks from individuals were issued to the Dexter Community Foundation and/or Dexter Lions Club that had "Dexter Library", "Library", and/or "Dexter Park Board" listed on the memo lines of the checks that were deposited into the Foundation's bank account totaling \$2,595.00. Based on the memo lines of the checks, the memo line indicates these checks were related to the Library and/or Park Board; however, we were unable to determine the intent of these checks. Therefore, these 45 checks are not included in **Exhibit A**.

In addition to reviewing the sources of the deposits in the Foundation's bank account, we also reviewed the disbursements from the Foundation's bank account for the period July 1, 2015 through March 1, 2022 to determine if any funds were used for the Library or the Park Board. During our review, we identified the following:

- Of the 167 disbursements, totaling \$38,722.29, 59 disbursements, totaling \$18,247.85, were issued to Michael McColloch (Husband of Ms. McColloch) which accounted for 47.1% of funds spent from the Foundation's bank account. These disbursements were for reimbursement of supplies and other items purchased by Mr. McColloch based on the notations included in the memo lines of the check images.
- 31 disbursements, totaling \$11,197.24, were issued to Audubon State Bank which accounted for 28.9% of funds spent from the Foundation's bank account. During our review, we determined Ms. McColloch held personal bank accounts at Audubon State Bank. According to City officials, the City did not have any accounts with Audubon State Bank.

The 90 disbursements to Mr. McColloch and Audubon State Bank, totaling \$29,445.09, are not included on **Exhibit A** as this was not a City bank account.

Library Fundraisers and Donations – As previously stated, Ms. McColloch was responsible for collecting, tracking, and remitting all Library receipts to the City Clerk for deposit into the City's bank account. During our review of available supporting documentation, we identified the Library and the City did not maintain detailed fundraising records. Therefore, we obtained copies of the City Council meeting minutes, Library Board meeting minutes, and Librarian's reports as part of the City Council meeting minute packets for the period of July 1, 2015 through March 1, 2022. Using these reports, we created a listing of fundraisers and donations marked as receipts by the Library, specifically for donations and fundraisers for the period of our review.

As previously stated, we obtained copies of the Foundation's bank statements and deposit details for every deposit made to the account for the period of July 1, 2015 through March 1, 2022. We also received copies of the City's bank account and deposit details for selected deposits for the same period.

Using the notations of collections identified in the City Council meeting minutes, Library Board meeting minutes, and Librarian's reports as part of the City Council meeting minute packets provided, we identified 60 instances where a specific individual and/or amount was noted as being received for the Library. We compared the listing of collections to deposits made in the City's bank account to determine if the collections were properly deposited. During our comparison, we identified the following:

- 5 of 60 collections identified were properly deposited in the City's bank account;
- 3 of 60 collections identified occurred prior to the period records were available for the City's bank account; and

- 32 of 60 collections identified were improperly deposited in the Foundation’s bank account; however, 21 of the 32 collections are included in **Exhibit B** as undeposited collections. The remaining 11 collections were identified in the City Council/Library meeting minutes as collections for the Library totaling \$527.80 were subsequently deposited in the Foundation’s account and are listed in **Table 2**.

Table 2

Check Number	Check Date	Issuer	Payee	Memo	Amount
4664	04/24/16	REDACTED	Dexter Comm Foundation	Dexter Library Mem: Vivian Lawson	\$ 25.00
1593	05/22/16	REDACTED	Dexter Community Foundation	None	200.00
1535	09/16/16	Twentieth Century Club	Dexter Community Foundation	Memorial Books for Vivian Lawson	212.80
6189	12/09/16	REDACTED	Dexter Community Foundation	None	15.00
16195	12/09/16	REDACTED	Dexter Community Foundation	None	15.00
4823	12/09/16	REDACTED	Dexter Comm. Foundation	None	10.00
10499	12/09/16	REDACTED	Dexter Community Foundation	None	10.00
4246	12/09/16	REDACTED	Dexter Community Foundation	None	10.00
3270	12/09/16	REDACTED	Dexter Community Foundation	None	10.00
2387	12/09/16	REDACTED	Dexter Community Foundation	None	10.00
12242	12/09/16	REDACTED	Dexter Community Foundation	Library	10.00
Total					<u>\$ 527.80</u>

As illustrated by the **Table**, the remaining 11 collections noted on the City Council and/or Library Board meeting minutes as donations, which included the individuals name and amount, were issued to the Dexter Community Foundation. Because the 11 checks were issued to the Dexter Community Foundation but identified as collections for the City and/or Library, these 11 checks totaling \$527.80 are undeposited collections.

We also identified 20 of 60 receipts which we were unable to trace to a deposit made in the City’s bank account or in the Foundation’s bank account. The 20 receipts totaling \$4,684.90 are listed in **Exhibit C**.

As illustrated by the **Exhibit**, the 20 receipts were identified as revenue in the Library Board meeting minutes; however, we were unable to trace the 20 receipts to a deposit in the City’s bank account. Therefore, the 20 receipts are undeposited collections.

As a result, the \$527.80 from **Table 2** and \$4,684.90 from **Exhibit C** which total \$5,212.70 are included in **Exhibit A** as undeposited collections.

Library Grants – As previously stated, Ms. McColloch was responsible for collecting, recording, and remitting all Library receipts to the City Clerk for deposit into the City’s bank account. Using the City Council and Library Board minutes and the librarian’s reports, we created a listing of all funds identified as grant revenues received by the Library for the period of our review.

According to the October 28, 2020 Library Board meeting minutes, the Library received \$2,500.00 from the Farmers Grow Communities Grant from Bayer Ag. We were unable to trace the \$2,500.00 grant proceeds to a deposit in the City’s bank account. Because we had identified other Library receipts deposited to the Foundation’s bank account, we reviewed the Foundation’s bank account deposit detail and identified the \$2,500.00 check was deposited in the Foundation’s bank account on October 1, 2020.

Because this check was identified in the Library Board meeting minutes as a Library grant receipt, the \$2,500.00 is included in **Exhibit A** as undeposited collections.

IMPROPER AND UNSUPPORTED DISBURSEMENTS

As previously stated, all City disbursements are to be made by check. We scanned all Library disbursements and redeemed checks from the City's bank account from July 1, 2015 through March 1, 2022 to determine propriety.

Using the supporting documentation available from the City, internet searches, the vendor, the frequency and amount of payments, discussions with City and Library 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 City and Library officials.

The improper and unsupported disbursements identified in the City's bank account are explained in detail in the following paragraphs.

Payroll

According to City and Library officials, Library employees were paid an hourly rate based on hours worked and recorded on the employee's timesheets. Payroll checks were issued on a bi-monthly basis. In addition, Library employees were eligible for reimbursement of expenses related to City operations if they submitted supporting documentation.

Library employees were expected to work 1:00 p.m. to 7:00 p.m. Tuesday, 1:00 p.m. to 5:00 p.m. Wednesday through Friday, and 9:00 a.m. to 12:00 p.m. Saturday which were the Library's typical operating hours.

Unauthorized Payroll Issued to Mary McColloch

As previously stated, Ms. McColloch began employment with the City on July 1, 2008. Based on our discussions with City and Library officials and review of supporting documentation maintained in the City's records, we determined the City did not properly maintain all Library Board meeting minutes or all payroll resolutions which documented pay rates and the expected hours Ms. McColloch was to work. Specifically, there was no record of Library Board meeting minutes for the period of December 2017 through December 2018.

However, based on operating hours and outside events such as Library Board meetings, City and Library officials stated this was a part-time position with the expectation 25 hours would be worked each week. In addition, City and Library officials we spoke with stated there were times throughout the year such as summer and fall City and Library officials would expect hours worked to increase to 40 hours worked each week due to summer programs, garage sales, and fall festivities.

During our review, we identified 250 checks totaling \$119,424.05 issued to Ms. McColloch during the period of our review. Of the 250 checks, 177 checks, totaling \$101,665.58, were for payroll and the remaining 73 checks, totaling \$17,758.47, were issued to Ms. McColloch as reimbursements.

As previously stated, the City did not consistently maintain Library Board meeting minutes or payroll resolutions establishing pay rates and expected hours for Ms. McColloch for our period of review. We

were able to obtain some Library Board meeting minutes, but not all of them, from the City’s records. In addition, we were able to obtain some salary increase documentation, but not all of them.

Because sufficient supporting documentation was not available to ensure all hourly rates recorded for Ms. McColloch had been approved by the Library Board, we used the hourly rates approved in Library Board meeting minutes when available and the hourly rates recorded in the City’s payroll system to calculate the expected gross pay per pay period when they were not available. **Table 3** summarizes the hourly rates recorded in the City’s payroll system and the dates they became effective.

Table 3

Effective Date	Hourly Pay Rate	Percentage Increase
08/01/15	\$ 11.75	-
07/01/16	12.22	4.0%
08/30/17	12.72	4.0%
06/26/18	13.23	4.0%
07/09/19	13.76	4.0%
07/07/20	14.31	4.0%
07/01/21	15.17	6.0%

As illustrated by the **Table**, Ms. McColloch received an annual increase of 4.0% at or around her anniversary date, each of the first five years of our review and a 6.0% increase at the start of her last year of employment with the City. City and Library officials we spoke with were able to confirm the hourly pay rates paid to Ms. McColloch were reasonable.

We compared the number of hours recorded in the payroll system for Ms. McColloch to her timesheets to identify any excess payments. During our review of the available timesheets, we identified 155 of the 177 payroll checks had timesheets that had evidence of review, approval, and the hours on the timesheet tied to the hours listed on the payroll system for that pay period. Of the remaining 22 timesheets, 11 timesheets that were maintained in the City’s records had evidence of review and approval; however, the hours listed on the timesheets did not match the hours on the payroll system for the pay period. Specifically, six timesheets had hours greater than the hours recorded on the payroll system, while five had hours less than the hours recorded on the payroll system. The remaining 11 timesheets could not be located by City or Library officials.

For our comparison, except for the instances where the hours listed on the timesheet were less than the hours reported on the payroll system, we used the number of hours reported in the payroll system up to, but not in excess of, the expected hours for each pay period to determine if the amount paid to Ms. McColloch as gross pay was appropriate. **Exhibit D** illustrates the comparison between hours recorded in the payroll system to hours Ms. McColloch was expected to work for each pay period.

As shown by the **Exhibit**, we identified 39 payroll checks which included 253.50 hours in excess of the amount expected, resulting in \$3,380.37 of excess gross wages. In addition to the excess gross wages amounts identified **Exhibit D**, the City incurred the employer’s share of FICA and IPERS contributions for the excess payroll, which total \$258.60 and \$311.04, respectively.

The \$3,380.37 of excess gross payroll, the \$569.64 of related FICA and IPERS contributions paid by the City totaling \$3,950.01 are included in **Exhibit A** as improper disbursements.

Unauthorized Payroll Issued to former Children's Librarian

As a result of concerns identified by the City, we reviewed the compensation received by the former Children's Librarian for the period of July 1, 2019 through February 28, 2022. Based on our discussions with City and Library officials and review of supporting documentation maintained in the City's records, we determined the City properly maintained all minutes of Library Board meeting minutes which documented pay rates; however, the expected hours for the former Children's Librarian was not properly documented. According to discussions with City and Library officials, this was a part-time position with the expectation 20 hours would be worked each week based on the operating hours of the Library as stated above.

We compared the number of hours recorded in the payroll system for the former Children's Librarian to the timesheets to identify any excess payments. During our review of the available timesheets, we identified that the 65 of the 66 payroll checks had timesheets that had evidence of them being reviewed, approved, and the hours on the timesheet tied to the hours listed on the payroll system for that pay period. The remaining timesheet that was maintained in the City's records had evidence of review and approval: however, the hours listed on the timesheets did not match the hours on the payroll system for the pay period. Specifically, the timesheet had hours less than the hours recorded on the payroll system.

For our comparison, we used the number of hours reported in the payroll system up to, but not in excess of, the hours listed on the timesheet for the one instance where the hours recorded on the payroll system did not tie to the timesheet to determine if the amount paid to the former Children's Librarian as gross pay was appropriate.

During our review, we determined the former Children's Librarian was paid 13.50 hours in excess of the amount expected for the pay period of January 2, 2022 to January 15, 2022. Check number 22717 issued January 19, 2022, included \$161.06 of excess gross wages for the 13.50 hours. In addition, the City incurred the employer's share of FICA and IPERS contributions for the excess payroll, which total \$12.32 and \$15.20, respectively.

The \$161.06 of excess gross payroll, the \$27.52 of related FICA and IPERS contributions paid by the City totaling \$188.58 are included in **Exhibit A** as improper disbursements.

Reimbursements to Mary McColloch

As previously stated, we identified 73 checks totaling \$17,758.47 were issued to Ms. McColloch for reimbursement of mileage and purchase of supplies. According to City and Library officials, it would be reasonable for Ms. McColloch to receive reimbursement for mileage and supply purchases.

For the period of July 1, 2015 through March 1, 2022, we reviewed the available supporting documentation to determine the propriety of the reimbursements identified. During our review, we identified 65 of the 73 checks, totaling \$15,640.47, were issued to Library Petty Cash – Mary McColloch. The remaining eight checks, totaling \$2,118.00, were reimbursements issued to Ms. McColloch for mileage and various supplies purchased for Library operations.

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 and Library officials; and the vendor, frequency, and amount of payments.

Based on the supporting documentation available, we identified a reimbursement to Ms. McColloch which was considered improper and 17 reimbursements to Ms. McColloch which contained unsupported purchases. **Exhibit E** list the reimbursements which contained improper and unsupported items reimbursed to Ms. McColloch. As illustrated by the **Exhibit**, we identified \$41.00 of improper and \$2,302.61 of unsupported reimbursements issued to Ms. McColloch.

As illustrated by the **Exhibit**, the improper reimbursement to Ms. McColloch included the same invoice that had been used two months prior for reimbursement. As illustrated by the **Exhibit**, the unsupported reimbursements include portions of or all of a reimbursement check that were not properly supported by adequate supporting documentation.

The \$41.00 of improper purchases and \$2,302.61 of unsupported reimbursements listed on **Exhibit E** are included in **Exhibit A**.

Library Claim Disbursements

As previously stated, we scanned all Library disbursements and redeemed checks from the City's bank account for the period of July 1, 2015 through March 1, 2022. Also 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 and Library officials; and the vendor, frequency, and amount of payments. Purchases for which we were unable to determine the propriety were classified as unsupported. We identified three disbursements from the City's bank account to Library vendors which were unsupported. Specifically, the unsupported disbursements include payments to:

- Check number 20326 issued on November 13, 2017 to Earlham Building Center Inc. in the amount of \$59.99, the City did not maintain supporting documentation and City and Library officials we spoke to, could not provide an explanation;
- Check number 20689 issued on July 9, 2018 to Stuart True Value Hardware in the amount of \$19.99, the City did not maintain supporting documentation and the nature of the vendor could be for City operations or personal in nature; and
- Check number 20781 issued on September 10, 2018 to Stuart True Value Hardware in the amount of \$21.98, the City did not maintain supporting documentation and the nature of the vendor could be for City operations or personal in nature.

Because City and Library officials could not locate supporting documentation for the disbursements identified above, we were unable to determine if the disbursement was for Library operations or personal in nature. As a result, the \$101.96 total is included in **Exhibit A** as unsupported disbursements.

Hoy Trust Disbursements

As previously stated, the City was named the beneficiary of the Clell F. Hoy Trust (Trust) dated May 17, 1989. These funds were entrusted to the City in January 2001. The terms of the Trust state that the:

1. My trustee shall pay to the Dexter Museum in monthly or convenient installments, using the net income derived from the Clell F. Hoy Trust.
 - a) The net income shall be paid to the Dexter Museum only during the period of time they are operating with a Board of Directors for the museum.
 - b) If the Dexter Museum fails to operate without a Board of Directors or the Dexter Museum terminates its operation or discontinues functioning as a museum, then I direct that all income payments.
2. My trustee shall pay to the Dallas County Historical Society.

In addition, according to City officials we spoke with, the net income was to be used to pay for the utilities and maintaining the Dexter Museum property.

Pursuant to Chapter 24 of the City's Code of Ordinances, the Dexter Museum (Museum) is a department of the City. In addition, according to Chapter 24.03(2) of the City's Code of Ordinances, the Museum Board shall have exclusive control of the expenditure of all funds allocated for Museum purposes from moneys available from interest, gifts, donations and all other monies received.

According to an email provided by the City dated April 15, 2022, the Dexter Museum Board Treasurer stated “The Dexter Museum is city owned.” The email continues with stating that Mary (Ms. McColloch) is the current Dexter Museum Board President and that their Board feels the need to stand alone as a non-profit.” A copy of the email is included as **Appendix 1**.

The Museum Treasurer maintains a checking account for the Museum which is not included in the City’s accounting records. While the Museum is a department of the City, the transactions and resulting balance of this separate account are not included in the City’s accounting records and is not included in the City’s annual budget, monthly financial reports or Annual Financial Reports. In addition, the Museum’s separate checking account is currently held under the tax ID number of the Dexter Community Foundation. Chapter 384.20 of the Code of Iowa states, in part, “A City shall keep accounts which show an accurate and detailed statement of all public funds collected, received, or expended for any city purpose, by any city officer, employee, or other person, and which show the receipt, use and disposition of all city property.” Since the Museum is a department of the City, it is unclear why the account is held by the Foundation.

In addition, the disbursements from this account are not reviewed and approved by the City Council. Also, a summary of the account’s receipts, total disbursements and the listing of claims allowed each month were not published in accordance with Chapter 372.13(6) of the Code of Iowa.

Through legal proceedings it was determined that the City could no longer be named the Successor of the Trust and on October 7, 2014, a petition for Appointment of Successor Trustee was filed and granted the Dexter Community Foundation as the successor trustee. A separate bank account was established with First State Bank by a group named the “Clell F Hoy Trust” with Ms. McColloch listed as a trustee.

Previously, the City had placed the Trust monies into an Edward Jones investment account. When the new Successor Trustee, Ms. McColloch took over, the Edward Jones investment account was cashed out, closed, and the proceeds were deposited into the First State Bank account. The funds from the Edward Jones investment account were drawn down and deposited in the “Clell F Hoy Trust” First State Bank account between June 2, 2019 through October 1, 2019. The total amount drawn and deposited totaled \$49,706.41.

We identified the “Clell F Hoy Trust” group reinvested \$50,000.00 with Charles Schwab on November 11, 2019. As stated above, the trustee was required to pay net income to the Dexter Museum. However, the City has not received the net income derived from the Trust since August 2018.

From the City’s records, we obtained a letter dated June 6, 2022 received by the City of Dexter’s attorney from legal counsel for Ms. McColloch and the Dexter Museum Board. In the letter, the Dexter Museum Board were seeking through legal counsel to obtain the following:

- To have the funds remaining in the City’s Museum, special revenue fund be remitted to the Dexter Museum Board;
- To obtain the Museum from the City at a cost of \$500.00 to transfer the property;
- The Museum would no longer expect the City to provide any financial support; and
- The City would not have any oversight or concerns in the operation of the Dexter Museum.

The City of Dexter declined the Museum’s offer. As stated above, because the City owns the Museum and the trust specifies net income shall be paid to the Dexter Museum, they are owed interest received since August 2018. Because they have not received net income since August 2018, it appears they are in violation of the trust. The City has reached out to Ms. McColloch regarding income owed; however, the City has not received any communication from Ms. McColloch.

OTHER ADMINISTRATIVE ISSUES

Library Board Meeting Minutes – We attempted to review the Library Board meeting minutes from July 2015 through March 2022 and determined the Library Board meeting minutes were not properly maintained as required by section 380.7 of the *Code of Iowa*. Specifically, there were no Library Board meeting minutes maintained in the Library’s records for a 13-month period from December 2017 to December 2018.

Oversight – City and Library 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 and Library 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 listing 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.
- Require supporting documentation to be maintained for fundraisers.
- Perform reconciliations of fundraiser sales/donation support to receipts or deposits.
- Ensure an initial listing of fundraiser receipts and/or donations received is neither prepared nor reconciled.

Recommended Control Procedures

As part of our investigation, we reviewed the procedures used by the City of Dexter to 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 and Library'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 Library Director had control over each of the following areas:
- Receipts – collecting, posting to the Library's records,
 - Disbursements – making certain purchases, receiving certain goods and services, presenting disbursements to the Library Board for approval, maintaining supporting documentation,
 - Cash – handling, recording and reporting,
 - Financial Reporting – preparing Library bills including monthly Librarians 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 employees of the Library and or the City. In addition, members of the Library Board 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:
- Disbursements were not always supported by invoices or other documentation.
 - Not all disbursements were approved by the Library Board.

Recommendation – All City disbursements should be approved by the Library Board and/or City Council prior to payment, with the exception of those specifically allowed by a Board/Council approved policy. For those disbursements paid prior to Board/Council approval, a listing should be provided to the Board/Council at the next meeting for review and approval. Original receipts should be provided to the Board/Council to be handed over to the City Clerk to be reconciled each month and scrutinized for compliance with Board policy prior to approval and payment.

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. Library Board Minutes – Chapter 21 of the *Code of Iowa* requires minutes to be kept for all meetings of government bodies. During our review of minutes, we determined:
- Library Board minutes were not maintained or retained in the City's records for 13 months of the period reviewed.
 - Not all disbursements were approved by the Library Board

Recommendation – City officials should implement procedures to ensure the Library is maintaining Library Board minutes in their records. They should also implement procedures to ensure all actions taken by the Board are properly documented. In addition, the minutes should be reviewed in a timely manner so any errors can be identified and corrected. City officials should also ensure all Board obligations are presented to the Board for approval prior to the payment.

- D. Receipts – The Library collects money for various reasons, including donations, fundraisers and payment of fees. Receipts were not issued for collections and collections were not reconciled to the amount deposited.

In addition, some of the collections were used to make purchases rather than being deposited to the City's bank account.

Recommendation – Collections should be recorded in a receipt book and deposited intact in a timely manner. Collections should also be reconciled to the amounts deposited. Any undeposited collections should be safeguarded in a locked file or safe. Also, all donations received should be recorded in a manner which specifies the designation of if the donation is for the Library or another organization. In addition, all Library collections should be deposited to the City's bank account.

- E. Payroll – During our review of payroll, we determined the starting pay rate, expected hours, and any changes to the pay rate or expected hours for the Ms. McColloch were not properly documented in the City Council minutes. In addition, we determined there rarely was evidence of approval for any changes in pay by City officials.

The library hours for the time period reviewed were Tuesday 1:00 p.m. to 7:00 p.m.; Wednesday, Thursday and Friday 1:00 p.m. to 5:00 p.m.; and Saturday 9:00 a.m. to 12:00 p.m. Library employees were required to complete timesheets and submit them for approval. Library employees are to be paid every two weeks from the City's Checking account. During our review of payroll disbursements, we identified the following:

- Ms. McColloch was paid \$3,380.37 for 253.50 hours in excess of the number of hours expected.
- The former Children's Librarian was paid \$161.60 for 13.50 hours in excess of the number of hours expected.

Recommendation – City officials should implement procedures to ensure appropriate payroll records are maintained. City officials should also periodically review payroll records to ensure payroll is calculated properly.

- F. Separately Maintained Records – The City's Park Board maintains a separate bank account from the City. Chapter 384.20 of the *Code of Iowa* states, in part, "A city shall keep accounts which show an accurate and detailed statement of all public funds collected, received, or expended for any city purpose." As a result, the Park Board's separate account is not included in the City's accounting records.

Recommendation – Chapter 384.20 of the *Code of Iowa* states, in part, "A city shall keep accounts which show an accurate and detailed statement of all public funds collected, received, or expended for any city purpose." For better accountability, financial and budgetary control, the financial activity and balances of the Park Board's account should be included in the City's accounting records and reported to the City Council on a monthly basis.

- G. Hoy Trust – The Last Will and Testament of Clell F. Hoy states the Trustee shall pay the Dexter Museum (Museum) in monthly or other convenient Installments, the net income derived from the Trust, so long as the museum is operating with a Board of Directors.

The City has not received the net income derived from the Trust since August 2018, when the \$50,000 bequest was moved to a Charles Schwab Investment Account, under the Trustee, the Dexter Community Foundation.

In addition, the Museum is a department of the City. The Museum's Treasurer maintains a checking account for the Museum which is not included in the City's accounting records. The

transactions and resulting balance of this separate account are not included in the City's accounting records, City's annual budget, monthly financial reports or Annual Financial Reports. In addition, the disbursements from this account were not reviewed and approved by the City Council.

Recommendation – The City should work with the Dexter Community Foundation to ensure net income derived from the Trust is paid to the Dexter Museum in monthly or other convenient installments, in accordance with the Last Will and Testament of Clell F. Hoy.

Additionally, to strengthen internal controls and increase operating efficiencies, the financial activity of the Museum's separately maintained checking account should be integrated with the City's accounting records. The financial activity should be included in the City's accounting records, monthly financial reports and the Annual Financial Reports. The activity in this account should be subject to City Council review and approval, after review and approval by the Museum Board, and should be included in the City's budget process.

- H. Oversight – City and Library officials have a fiduciary responsibility to provide oversight of the Library'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 observation and the procedures performed, we determined that City and Library officials failed to exercise proper fiduciary oversight. The lack of appropriate oversight and the failure to ensure implementation of adequate controls permitted a member to exercise too much control over the operations of the Library.

Recommendation – Oversight by City and Library officials is essential and should be an ongoing effort. City and Library officials should exercise due care and review all pertinent information. City and Library officials should also ensure sufficient information is prepared to them for making decisions and appropriate policies and procedures are adopted, implemented, and monitored to ensure compliance.

Exhibits

**Report on Special Investigation
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Summary of Findings
For the Period July 1, 2015 through March 1, 2022

Description	Exhibit/Table/ Page Number	Improper	Unsupported	Total
Undeposited collections:				
Library collections deposited in the Foundation account	Exhibit B	\$ 5,801.80	-	5,801.80
Checks issued to the Library	Table 1	75.00	-	75.00
Library fundraisers and donations	Table 2 / Exhibit C	5,212.70	-	5,212.70
Library grants deposited in Foundation account	Page 11	2,500.00	-	2,500.00
Subtotal of undeposited collections		13,589.50	-	13,589.50
Improper and unsupported disbursements:				
Unauthorized payroll:				
Issued to Mary McColloch	Exhibit D	3,950.01	-	3,950.01
Issued to former Children's Librarian	Page 13	188.58	-	188.58
Reimbursements to Mary McColloch	Exhibit E	41.00	2,302.61	2,343.61
Library claim disbursements	Page 14	-	101.96	101.96
Subtotal of improper and unsupported disbursements		4,179.59	2,404.57	6,584.16
Totals		\$ 17,769.09	2,404.57	20,173.66

Report on Special Investigation of the
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Undeposited Library Collections Deposited in the Foundation's Bank Account
For the Period July 1, 2015 through March 1, 2022

Per Check Image			
Check Date	Check Number	Issuer	Payee
07/27/15	40586	REDACTED	Dexter Park Board
07/28/15	1273	OLD SETTLERS FUND	Dexter Park Board
07/30/15	1208	REDACTED	Dexter Park Board
08/01/15	2944	REDACTED	Dexter Park Board
08/07/15	3232	REDACTED	Dexter Park Board
08/21/15	1503	REDACTED	Dexter Park Board
08/22/15	7197	REDACTED	Dexter Park Board
08/28/15	1754	REDACTED	Dexter Park Board
08/29/15	2447	REDACTED	Dexter Park Board
04/02/16	2410	REDACTED	Dexter Library Foundation
04/02/16	1853	REDACTED	Dexter Library Foundation
04/24/16	3682	REDACTED	Dexter Library Foundation
04/24/16	4406	REDACTED	Dexter Library
04/24/16	2744	REDACTED	Dexter Library
04/24/16	6852	REDACTED	Dexter Library Foundation
04/25/16	5729	REDACTED	Dexter Library Foundation
04/25/16	10000	REDACTED	Dexter Library Foundation
05/04/16	17945	REDACTED	Dexter Library Foundation
05/13/16	2412	REDACTED	Dexter Library Foundation
05/23/16	1408	REDACTED	Dexter Library
10/17/16	8774	REDACTED	Dexter Public Library
10/21/16	1159	REDACTED	Dexter Library
11/16/16	10896	MICHAEL L. MCCOLLOCH MARY E. MCCOLLOCH	Dexter Public Library
11/17/16	6723	BEAR CREEK FRIENDS CHURCH	DEXTER LIBRARY
11/17/16	2902	REDACTED	DEXTER LIBRARY
11/18/16	2631	REDACTED	DEXTER LIBRARY
11/25/16	10282	MICHAEL L. McCOLLOCH MARY E. McCOLLOCH	DEXTER PUBLIC LIBRARY
11/30/16	2538	REDACTED	DEXTER LIBRARY
12/01/16	1582	REDACTED	DEXTER LIBRARY FOUNDATION
12/08/16	2325	REDACTED	DEXTER LIBRARY FOUNDATION
12/13/16	848511847	REDACTED	DEXTER LIBRARY
08/24/17	4612	REDACTED	DEXTER PUBLIC LIBRARY
08/24/17	3127	REDACTED	DEXTER LIBRARY
08/25/17	12311	REDACTED	DEXTER PUBLIC LIBRARY
08/28/17	10580	REDACTED	DEXTER PUBLIC LIBRARY
08/29/17	1331	REDACTED	DEXTER PUBLIC LIBRARY

Check Memo	Amount
None	\$ 50.00
None	100.00
DONATION	25.00
PARK BOARD-SOFTBALL	100.00
DONATION	50.00
DONATION	100.00
DONATION	25.00
DEXTER 5K	15.00
5K X3	30.00
VIVIAN LAWSON MEMORIAL	300.00
VIVIAN LAWSON MEMORIAL	285.00
MEMORIAL	20.00
None	25.00
Memorial to Vivian Lawson	25.00
VIVIAN LAWSON	25.00
Memorial Vivian Lawson	40.00
Memorial of Vivian Lawson	30.00
VIVIAN LAWSON MEMORIAL	25.00
VIVIAN LAWSON MEMORIAL	150.00
None	15.00
None	20.00
None	15.00
DONATION FOR HALL	250.00
None	40.00
DICK ADKINS MEM	10.00
MEMORIAL R. ADKINS	20.00
DICK ADKINS MEMORIAL	500.00
MEMORIAL (DICK ADKINS)	100.00
DICK ADKINS MEMORIAL	25.00
In Memory of Bob and Vivian Lawson	100.00
RICHARD ADKINS MEMORIAL DONATION	830.00
FOR MEMORY OF ROSS TERWILLIGER	20.00
ROSS TERWILLIGER MEMORIAL	20.00
ROSS TERWILLIGER MEMORIAL	10.00
FOR ROSS	25.00
MEMORY OF ROSS TERWILLIGER	50.00

Report on Special Investigation of the
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Undeposited Library Collections Deposited in the Foundation's Bank Account
For the Period July 1, 2015 through March 1, 2022

Per Check Image			
Check Date	Check Number	Issuer	Payee
08/29/17	16502	<i>REDACTED</i>	DEXTER LIBRARY
08/30/17	3788	<i>REDACTED</i>	DEXTER PUBLIC LIBRARY
09/08/17	1055	CLELL F. HOLY TRUST	DEXTER PUBLIC LIBRARY
09/22/17	12188	<i>REDACTED</i>	DEXTER PUBLIC LIBRARY
09/25/17	11548	<i>REDACTED</i>	DEXTER PUBLIC LIBRARY
12/05/17	1061	CLELL F. HOLY TRUST	DEXTER PUBLIC LIBRARY
12/08/17	3257	<i>REDACTED</i>	DEXTER LIBRARY FOUNDATION
06/21/18	10350	<i>REDACTED</i>	DEXTER LIBRARY
07/13/18	4539	<i>REDACTED</i>	DEXTER LIBRARY
07/13/18	5.1301E+10	<i>REDACTED</i>	DEXTER LIBRARY
08/01/18	8555	<i>REDACTED</i>	DEXTER LIBRARY
08/26/19	1547	Twentieth Century club	Dexter Public Library
10/14/19	27846	<i>REDACTED</i>	Dexter Library
10/17/19	7399	<i>REDACTED</i>	Dexter Library Community Foundation
10/17/19	7901	Simpson Shear Shop	Dexter Library
10/17/19	114	<i>REDACTED</i>	Dexter Public Library
10/17/19	3674	<i>REDACTED</i>	Dexter Library
12/14/19	22170	<i>REDACTED</i>	Dexter Library
03/29/20	37930	<i>REDACTED</i>	Dexter Library
10/30/20	1003	<i>REDACTED</i>	Dexter Library Foundation
11/01/20	2547	Feller Farms, LLC	Dexter Library Foundation
11/01/20	5715	<i>REDACTED</i>	Dexter Library Foundation
11/05/20	1355	<i>REDACTED</i>	Dexter Library
11/10/20	1084	<i>REDACTED</i>	Dexter Library
11/13/20	22304	<i>REDACTED</i>	Dexter Library
12/11/20	3515	<i>REDACTED</i>	Dexter Library
07/10/21	5178	<i>REDACTED</i>	Dexter Library Building fund
07/10/21	4180	<i>REDACTED</i>	Dexter Library Bld Fund
10/01/21	3332	<i>REDACTED</i>	Dexter Public Library
Total			

NOTE: Auditor's notations are in italics.

Check Memo	Amount
ROSS TERWILLIGER	25.00
IN MEMORY OF ROSS TERWILLIGER	50.00
10 MAULSBY BOOKS	148.40
ROSS T. MEMORIAL	15.00
<i>None</i>	25.00
BOOKS DALLAS CO	296.80
<i>None</i>	10.00
<i>None</i>	10.00
MEMORY FOR BEN HAYNES	25.00
bowl, ckbk, candy	20.00
<i>None</i>	50.00
Kindergarten class	324.10
<i>None</i>	25.00
Library Donation	20.00
Donation	15.00
Soup Supper	20.00
<i>None</i>	50.00
<i>None</i>	25.00
Memorial Nation	455.00
Donation	25.00
<i>None</i>	60.00
Fundraiser	20.00
Donation	25.00
<i>None</i>	200.00
<i>None</i>	12.50
<i>None</i>	30.00
WES WATER MEMORIAL	25.00
<i>None</i>	25.00
<i>None</i>	300.00
	<u>\$ 5,801.80</u>

**Report on Special Investigation
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Report on Special Investigation of the
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Undeposited Library Fundraisers and Donations
For the Period July 1, 2015 through March 1, 2022

Per Library Board Minutes		
Date	Amount	Description per Library Board Minutes
02/24/16 ~ \$	20.00	Copies
02/24/16 ~	20.00	Donation
02/24/16 ~	31.90	Book Sale
02/24/16 ~	74.00	Garage Sale
03/30/16 ~	400.00	Garage Sale
05/25/16 ~	75.00	Donation from Edna Barr
09/28/16 ~	84.00	Book Sale
11/22/17 ~	88.00	Cash for books
11/29/17 ~	293.00	Book Sale/Garage Sale
02/02/18 ~	25.00	Cash Donation
02/15/18	20.00	books
05/12/18 ~	195.00	Made \$195, and \$75 raffle
05/12/18 ^	75.00	Made \$195, and \$75 raffle
06/27/28 ~	163.00	White Pole Road Garage Sales
08/29/18 ~	690.00	Glassware sold \$350 and \$340 raised by Quilt
03/27/19 ~	100.00	Memorial from Mark and Ellen Peterson
04/24/19 ~	450.00	Spring fundraiser recap
08/28/19 ~	223.00	Fall Festival recap: book and garage sale items
10/21/19 *	358.00	Revenue for Soup Supper Fundraiser \$538
12/09/20 ~	1,300.00	Dexter Café fundraiser made over \$1,300
Total	<u>\$ 4,684.90</u>	

NOTE: Auditor's notations are in italics.

- ^ - Cash Deposit into the Dexter Community Foundation bank account on May 17, 2018, date of Library Fundraiser was May 12, 2018 per Library Board meeting minutes.
- * - Deposit in the Dexter Community Foundation bank account that ties in total to the amount reported in the October 30, 2019 Library Board meeting minutes. Only included the cash portion of the deposit, as the checks in this deposit are included on Exhibit B.
- ~ - Receipt listed on the Dexter Library Board meeting minutes, agenda and/or Librarian's report to the City Council. Unable to determine if these receipts were issued in cash or check. We were unable to trace these receipts to deposits in the Dexter Community Foundation bank account or the City's First State Bank account.

Report on Special Investigation of the
Dexter Public Library

Improper Payroll Issued to Mary McColloch
For the Period July 1, 2015 through March 31, 2022

Per Report from City's Payroll System

Date	Check Number	Paid Through	Hours	Hourly Rate	Gross Wages
06/29/15	19112	06/27/15	44.00	\$ 11.75	517.00
07/13/15	19119	07/11/15	55.00	11.75	646.25
07/27/15	19165	07/25/15	33.50	11.75	393.63
08/10/15	19173	08/08/15	47.75	11.75	561.06
08/24/15	19221	08/22/15	45.25	11.75	531.69
09/08/15	19227	09/05/15	49.75	11.75	584.56
09/21/15	19271	09/19/15	39.25	11.75	461.19
10/05/15	19284	10/03/15	46.75	11.75	549.31
10/19/15	19320	10/17/15	43.75	11.75	514.06
11/02/15	19326	10/31/15	41.75	11.75	490.56
11/16/15	19369	11/14/15	50.75	11.75	596.31
11/30/15	19375	11/30/15	33.25	11.75	390.69
12/14/15	19382	12/12/15	54.00	11.75	634.50
12/29/15	19418	12/26/15	40.75	11.75	478.81
01/11/16	19454	01/09/16	40.25	11.75	472.94
01/25/16	19459	01/23/16	39.75	11.75	467.06
02/08/16	19464	02/06/16	40.50	11.75	475.88
02/22/16	19504	02/27/16	46.25	11.75	543.44
03/07/16	19508	03/05/16	38.75	11.75	455.31
03/21/16	19541	03/19/16	40.75	11.75	478.81
04/04/16	19546	04/02/26	45.25	11.75	531.69
04/18/16	19572	04/16/16	44.00	11.75	517.00
05/02/16	19579	04/30/16	43.50	11.75	511.13
05/16/16	19605	05/14/16	50.25	11.75	590.44
05/31/16	19614	05/28/16	58.75	11.75	690.31
06/14/16	19666	06/11/16	48.25	11.75	566.94
06/28/16	19673	06/25/16	55.00	11.75	646.25
07/14/16	19712	07/09/16	52.75	12.22	644.61
07/28/16	19718	07/23/16	62.00	12.22	757.64
08/09/16	19743	08/06/16	57.50	12.22	702.65
08/22/16	19751	08/20/16	58.00	12.22	708.76

Calculated Gross Pay**				Improper Disbursements			
Hours	Hourly Rate	Gross Wages	Excess Hours	Employer's Share			
				Gross Pay	FICA	IPERS	Total
44.00	\$ 11.75	517.00	-	-	-	-	-
44.00	11.75	517.00	11.00	129.25	9.89	11.54	150.68
44.50	11.75	522.88	-	-	-	-	-
47.75	11.75	561.06	-	-	-	-	-
45.25	11.75	531.69	-	-	-	-	-
49.75	11.75	584.56	-	-	-	-	-
39.25	11.75	461.19	-	-	-	-	-
46.75	11.75	549.31	-	-	-	-	-
43.75	11.75	514.06	-	-	-	-	-
41.75	11.75	490.56	-	-	-	-	-
50.75	11.75	596.31	-	-	-	-	-
33.25	11.75	390.69	-	-	-	-	-
54.00	11.75	634.50	-	-	-	-	-
34.75	11.75	408.31	6.00	70.50	5.39	6.30	82.19
40.25	11.75	472.94	-	-	-	-	-
39.75	11.75	467.06	-	-	-	-	-
40.50	11.75	475.88	-	-	-	-	-
46.25	11.75	543.44	-	-	-	-	-
38.75	11.75	455.31	-	-	-	-	-
40.75	11.75	478.81	-	-	-	-	-
45.25	11.75	531.69	-	-	-	-	-
44.00	11.75	517.00	-	-	-	-	-
43.50	11.75	511.13	-	-	-	-	-
48.25	11.75	566.94	2.00	23.50	1.80	2.10	27.40
58.75	11.75	690.31	-	-	-	-	-
48.25	11.75	566.94	-	-	-	-	-
55.00	11.75	646.25	-	-	-	-	-
52.75	12.22	644.61	-	-	-	-	-
62.00	12.22	757.64	-	-	-	-	-
57.50	12.22	702.65	-	-	-	-	-
58.00	12.22	708.76	-	-	-	-	-

Report on Special Investigation of the
Dexter Public Library

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For the Period July 1, 2015 through March 31, 2022

Per Report from City's Payroll System

Date	Check Number	Paid Through	Hours	Hourly Rate	Gross Wages
09/07/16	19758	09/03/16	63.75	12.22	779.03
09/20/16	19792	09/17/16	69.75	12.22	852.35
10/04/16	19795	10/01/16	63.75	12.22	779.03
10/18/16	19825	10/15/16	56.25	12.22	687.38
11/01/16	19832	10/29/16	59.25	12.22	724.04
11/16/16	19861	11/12/16	55.00	12.22	672.10
11/30/16	19865	11/16/16	60.00	12.22	733.20
12/13/16	19895	12/10/16	52.00	12.22	635.44
12/28/16	19903	12/24/16	59.25	12.22	724.04
01/11/17	19943	01/07/17	62.50	12.22	763.75
01/24/17	19947	01/21/17	55.75	12.22	681.27
02/06/17	19951	02/04/17	57.00	12.22	696.54
02/21/17	19982	02/18/17	58.50	12.22	714.87
03/06/17	19987	03/04/17	52.50	12.22	641.55
03/20/17	20023	03/18/17	50.50	12.22	617.11
04/04/17	20029	04/01/17	50.25	12.22	614.06
04/17/17	20067	04/15/17	47.25	12.22	577.40
05/02/17	20072	04/29/17	47.50	12.22	580.45
05/16/17	20113	05/13/17	39.00	12.22	476.58
05/30/17	20121	05/27/17	41.75	12.22	510.19
06/13/17	20151	06/10/17	47.25	12.22	577.40
06/27/17	20156	06/24/17	51.50	12.22	629.33
07/11/17	20201	07/08/17	57.75	12.22	705.71
07/25/17	20163	07/22/17	56.25	12.22	687.38
08/08/17	20205	08/05/17	57.00	12.22	696.54
08/22/17	20237	08/19/17	57.00	12.22	696.54
09/05/17	20242	09/02/17	58.25	12.72	740.94
09/18/17	20272	09/16/17	59.25	12.72	753.66
10/03/17	20276	09/30/17	54.00	12.72	686.88
10/16/17	20309	10/14/17	66.00	12.72	839.52
10/31/17	20313	10/28/17	62.75	12.72	798.18

Calculated Gross Pay**			Excess Hours	Improper Disbursements			
Hours	Hourly Rate	Gross Wages		Employer's Share			Total
				Gross Pay	FICA	IPERS	
63.75	12.22	779.03	-	-	-	-	-
69.75	12.22	852.35	-	-	-	-	-
63.75	12.22	779.03	-	-	-	-	-
56.25	12.22	687.38	-	-	-	-	-
59.25	12.22	724.04	-	-	-	-	-
55.00	12.22	672.10	-	-	-	-	-
60.00	12.22	733.20	-	-	-	-	-
50.00	12.22	611.00	2.00	24.44	1.87	2.18	28.49
50.00	12.22	611.00	9.25	113.04	8.65	10.09	131.78
50.00	12.22	763.75	12.50	152.75	11.69	13.64	178.08
50.00	12.22	681.27	5.75	70.27	5.38	6.27	81.92
50.00	12.22	696.54	7.00	85.54	6.54	7.64	99.72
50.00	12.22	714.87	8.50	103.87	7.95	9.28	121.10
50.00	12.22	641.55	2.50	30.55	2.34	2.73	35.62
50.00	12.22	617.11	0.50	6.11	0.47	0.55	7.13
50.00	12.22	614.06	0.25	3.06	0.23	0.27	3.56
47.25	12.22	577.40	-	-	-	-	-
47.50	12.22	580.45	-	-	-	-	-
39.00	12.22	476.58	-	-	-	-	-
41.75	12.22	510.19	-	-	-	-	-
47.25	12.22	577.40	-	-	-	-	-
51.50	12.22	629.33	-	-	-	-	-
57.75	12.22	705.71	-	-	-	-	-
56.25	12.22	687.38	-	-	-	-	-
57.00	12.22	696.54	-	-	-	-	-
57.00	12.22	696.54	-	-	-	-	-
58.25	12.72	740.94	-	-	-	-	-
59.25	12.72	753.66	-	-	-	-	-
54.00	12.72	686.88	-	-	-	-	-
66.00	12.72	839.52	-	-	-	-	-
62.75	12.72	798.18	-	-	-	-	-

Report on Special Investigation of the
Dexter Public Library

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For the Period July 1, 2015 through March 31, 2022

Per Report from City's Payroll System

Date	Check Number	Paid Through	Hours	Hourly Rate	Gross Wages
11/15/17	20354	11/11/17	53.75	12.72	683.70
11/28/17	20358	11/25/17	58.50	12.72	744.12
12/12/17	20395	12/09/17	49.50	12.72	629.64
12/27/17	20399	12/23/17	44.00	12.72	559.68
01/09/18	20434	01/06/18	60.50	12.72	769.56
01/24/18	20438	01/20/18	60.75	12.72	772.74
02/06/18	20445	02/03/18	59.00	12.72	750.48
02/20/18	20494	02/17/18	57.75	12.72	734.58
03/06/18	20500	03/03/18	59.00	12.72	750.48
03/20/18	20529	03/17/18	63.25	12.72	804.54
03/31/18	20534	03/31/18	50.25	12.72	639.18
04/17/18	20576	04/14/18	46.00	12.72	585.12
05/01/18	20583	04/28/18	48.75	12.72	620.10
05/15/18	20611	05/12/18	57.25	12.72	728.22
05/30/18	20616	05/26/18	37.00	12.72	470.64
06/12/18	20646	06/09/18	39.25	12.72	499.26
06/26/18	20652	06/23/18	39.50	12.72	502.44
07/10/18	20696	07/07/18	53.50	13.23	707.81
07/25/18	20702	07/21/18	52.00	13.23	687.96
08/07/18	20708	08/04/18	58.50	13.23	773.96
08/21/18	20739	08/18/18	53.75	13.23	711.11
09/05/18	20749	09/01/18	42.25	13.23	558.97
09/18/18	20786	09/15/18	43.50	13.23	575.51
10/02/18	20797	09/29/18	46.25	13.23	611.89
10/16/18	20829	10/13/18	44.75	13.23	592.04
10/30/18	20838	10/27/18	59.25	13.23	783.88
11/13/18	20891	11/10/18	60.25	13.23	797.11
11/26/18	20896	11/24/18	40.25	13.23	532.51
12/11/18	20941	12/08/18	56.25	13.23	744.19
12/26/18	20947	12/22/18	46.00	13.23	608.58
01/08/19	* 10172388	01/05/19	54.75	13.23	724.34

Calculated Gross Pay**			Excess Hours	Improper Disbursements			
Hours	Hourly Rate	Gross Wages		Employer's Share			Total
				Gross Pay	FICA	IPERS	
53.75	12.72	683.70	-	-	-	-	-
58.50	12.72	744.12	-	-	-	-	-
49.50	12.72	629.64	-	-	-	-	-
44.00	12.72	559.68	-	-	-	-	-
50.00	12.72	636.00	10.50	133.56	10.22	11.93	155.71
50.00	12.72	636.00	10.75	136.74	10.46	12.21	159.41
50.00	12.72	636.00	9.00	114.48	8.76	10.22	133.46
50.00	12.72	636.00	7.75	98.58	7.54	8.80	114.92
50.00	12.72	636.00	9.00	114.48	8.76	10.22	133.46
50.00	12.72	636.00	13.25	168.54	12.89	15.05	196.48
50.00	12.72	636.00	0.25	3.18	0.24	0.28	3.70
46.00	12.72	585.12	-	-	-	-	-
48.75	12.72	620.10	-	-	-	-	-
57.25	12.72	728.22	-	-	-	-	-
37.00	12.72	470.64	-	-	-	-	-
39.25	12.72	499.26	-	-	-	-	-
39.50	12.72	502.44	-	-	-	-	-
53.50	13.23	707.81	-	-	-	-	-
52.00	13.23	687.96	-	-	-	-	-
58.50	13.23	773.96	-	-	-	-	-
53.75	13.23	711.11	-	-	-	-	-
42.25	13.23	558.97	-	-	-	-	-
43.50	13.23	575.51	-	-	-	-	-
46.25	13.23	611.89	-	-	-	-	-
44.75	13.23	592.04	-	-	-	-	-
59.25	13.23	783.88	-	-	-	-	-
60.25	13.23	797.11	-	-	-	-	-
40.25	13.23	532.51	-	-	-	-	-
56.25	13.23	744.19	-	-	-	-	-
46.00	13.23	608.58	-	-	-	-	-
50.00	13.23	661.50	4.75	62.84	4.81	5.93	73.58

Report on Special Investigation of the
Dexter Public Library

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Date	Check Number	Paid Through	Hours	Hourly Rate	Gross Wages
01/21/19	20995	01/19/19	50.25	13.23	664.81
02/05/19	21000	02/02/19	46.25	13.23	611.89
02/18/19	21031	02/16/19	36.50	13.23	482.90
03/04/19	21036	03/02/19	49.00	13.23	648.27
03/19/19	21076	03/16/19	56.25	13.23	744.19
04/01/19	21084	03/30/19	64.00	13.23	846.72
04/15/19	21123	04/13/19	48.25	13.23	638.35
04/30/19	21129	04/26/19	58.75	13.23	777.26
05/14/19	21166	05/11/19	54.00	13.23	714.42
05/28/19	21172	05/25/19	47.75	13.23	631.73
06/11/19	21218	06/08/19	45.50	13.23	601.97
06/25/19	21228	06/22/19	50.50	13.23	668.12
07/09/19	21277	07/06/19	57.75	13.76	794.64
07/24/19	21286	07/20/19	67.00	13.76	921.92
08/06/19	21295	08/03/19	49.50	13.76	681.12
08/20/19	21342	08/17/19	44.50	13.76	612.32
09/03/19	21352	08/31/19	61.25	13.76	842.80
09/16/19	21389	09/14/19	49.50	13.76	681.12
09/30/19	21399	09/28/19	54.00	13.76	743.04
10/15/19	21443	10/12/19	49.25	13.76	677.68
10/29/19	21452	10/26/19	53.25	13.76	732.72
11/12/19	21484	11/09/19	50.00	13.76	688.00
11/26/19	21497	11/23/19	53.25	13.76	732.72
12/10/19	21529	12/07/19	63.00	13.76	866.88
12/23/19	21540	12/21/19	45.25	13.76	622.64
01/07/20	21558	01/05/20	48.50	13.76	667.36
01/20/20	21590	01/18/20	45.25	13.76	622.64
02/03/20	21600	02/01/20	47.25	13.76	650.16
02/18/20	21638	02/15/20	58.25	13.76	801.52
03/03/20	21644	02/29/20	52.75	13.76	725.84
03/18/20	21684	03/14/20	53.50	13.76	736.16

Calculated Gross Pay**			Excess Hours	Improper Disbursements			
Hours	Hourly Rate	Gross Wages		Employer's Share			Total
				Gross Pay	FICA	IPERS	
50.00	13.23	661.50	0.25	3.31	0.25	0.31	3.87
46.25	13.23	611.89	-	-	-	-	-
36.50	13.23	482.90	-	-	-	-	-
49.00	13.23	648.27	-	-	-	-	-
50.00	13.23	661.50	6.25	82.69	6.33	7.81	96.83
50.00	13.23	661.50	14.00	185.22	14.17	17.49	216.88
48.25	13.23	638.35	-	-	-	-	-
50.00	13.23	661.50	8.75	115.76	8.86	10.93	135.55
54.00	13.23	714.42	-	-	-	-	-
47.75	13.23	631.73	-	-	-	-	-
45.50	13.23	601.97	-	-	-	-	-
50.50	13.23	668.12	-	-	-	-	-
57.75	13.76	794.64	-	-	-	-	-
67.00	13.76	921.92	-	-	-	-	-
49.50	13.76	681.12	-	-	-	-	-
44.50	13.76	612.32	-	-	-	-	-
61.25	13.76	842.80	-	-	-	-	-
49.50	13.76	681.12	-	-	-	-	-
54.00	13.76	743.04	-	-	-	-	-
49.25	13.76	677.68	-	-	-	-	-
53.25	13.76	732.72	-	-	-	-	-
50.00	13.76	688.00	-	-	-	-	-
53.25	13.76	732.72	-	-	-	-	-
63.00	13.76	866.88	-	-	-	-	-
45.25	13.76	622.64	-	-	-	-	-
48.50	13.76	667.36	-	-	-	-	-
45.25	13.76	622.64	-	-	-	-	-
47.25	13.76	650.16	-	-	-	-	-
50.00	13.76	688.00	8.25	113.52	8.68	10.72	132.92
50.00	13.76	688.00	2.75	37.84	2.89	3.57	44.30
50.00	13.76	688.00	3.50	48.16	3.68	4.55	56.39

Report on Special Investigation of the
Dexter Public Library

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Date	Check Number	Paid Through	Hours	Hourly Rate	Gross Wages
03/31/20	21690	03/28/20	21.00	13.76	288.96
04/15/20	21716	04/11/20	50.00	13.76	688.00
04/29/20	21722	04/25/20	54.25	13.76	746.48
05/12/20	21762	05/09/20	48.75	13.76	670.80
05/26/20	21770	05/23/20	47.75	13.76	657.04
06/12/20	21804	06/06/20	49.25	13.76	677.68
06/23/20	21808	06/20/20	61.00	13.76	839.36
07/07/20	21823	07/04/20	52.25	13.76	747.70
07/21/20	21857	07/18/20	53.50	14.31	765.59
08/04/20	21864	08/01/20	50.00	14.31	715.50
08/18/20	21893	08/15/20	49.50	14.31	708.35
08/31/20	21899	08/29/20	45.00	14.31	643.95
09/15/20	21941	09/12/20	50.50	14.31	722.66
09/29/20	21953	09/26/20	50.00	14.31	715.50
10/13/20	22009	10/10/20	42.50	14.31	608.18
10/28/20	22015	10/25/20	45.50	14.31	651.11
11/10/20	22056	11/07/20	50.75	14.31	726.23
11/24/20	22062	11/21/20	48.00	14.31	686.88
12/08/20	22069	12/05/20	45.75	14.31	654.68
12/23/20	^ 22116	12/19/20	50.50	14.74	744.13
01/06/21	22128	01/02/21	44.00	14.31	629.64
01/20/21	* 22150	01/16/21	56.25	14.31	804.94
02/03/21	* 22165	01/30/21	53.50	14.31	765.59
02/17/21	* 22200	02/06/21	51.00	14.31	729.81
03/03/21	* 22211	02/27/21	56.75	14.31	812.09
03/17/21	* 22245	03/13/21	57.25	14.31	819.25
03/31/21	22255	03/27/21	50.50	14.31	722.66
04/14/21	22289	04/10/21	55.00	14.31	787.05
04/28/21	22296	04/24/21	56.00	14.31	801.36
05/12/21	22329	05/08/21	57.50	14.31	822.83
05/26/21	22340	05/22/21	53.25	14.31	762.01

Calculated Gross Pay**			Excess Hours	Improper Disbursements			
Hours	Hourly Rate	Gross Wages		Employer's Share			Total
				Gross Pay	FICA	IPERS	
21.00	13.76	288.96	-	-	-	-	-
50.00	13.76	688.00	-	-	-	-	-
50.00	13.76	688.00	4.25	58.48	4.47	5.52	68.47
48.75	13.76	670.80	-	-	-	-	-
47.75	13.76	657.04	-	-	-	-	-
49.25	13.76	677.68	-	-	-	-	-
61.00	13.76	839.36	-	-	-	-	-
52.25	13.76	747.70	-	-	-	-	-
53.50	14.31	765.59	-	-	-	-	-
50.00	14.31	715.50	-	-	-	-	-
49.50	14.31	708.35	-	-	-	-	-
45.00	14.31	643.95	-	-	-	-	-
50.50	14.31	722.66	-	-	-	-	-
50.00	14.31	715.50	-	-	-	-	-
42.50	14.31	608.18	-	-	-	-	-
45.50	14.31	651.11	-	-	-	-	-
50.75	14.31	726.23	-	-	-	-	-
48.00	14.31	686.88	-	-	-	-	-
45.75	14.31	654.68	-	-	-	-	-
50.00	14.31	715.50	0.50	21.48	1.64	2.03	25.15
44.00	14.31	629.64	-	-	-	-	-
50.00	14.31	715.50	6.25	89.43	6.84	8.44	104.71
50.00	14.31	715.50	3.50	50.09	3.83	4.73	58.65
50.00	14.31	715.50	1.00	14.31	1.10	1.35	16.76
50.00	14.31	715.50	6.75	96.59	7.39	9.12	113.10
50.00	14.31	715.50	7.25	103.74	7.94	9.79	121.47
50.00	14.31	715.50	0.50	7.16	0.55	0.68	8.39
50.00	14.31	715.50	5.00	71.55	5.47	6.75	83.77
50.00	14.31	715.50	6.00	85.86	6.57	8.11	100.54
57.50	14.31	822.83	-	-	-	-	-
53.25	14.31	762.01	-	-	-	-	-

Report on Special Investigation of the
Dexter Public Library

Improper Payroll Issued to Mary McColloch
For the Period July 1, 2015 through March 31, 2022

Per Report from City's Payroll System

Date	Check Number	Paid Through	Hours	Hourly Rate	Gross Wages
06/09/21	22347	06/05/21	52.25	14.31	747.70
06/21/21	22384	06/19/21	63.00	14.31	901.53
07/07/21	22403	07/03/21	75.00	14.31	1,073.25
07/21/21	22425	07/17/21	63.93	15.10	965.59
08/03/21	22432	07/31/21	64.50	15.17	978.47
08/18/21	22469	08/14/21	52.25	15.17	792.63
08/27/21	22476	08/19/21	6.00	15.17	91.02
09/01/21	22481	08/28/21	61.00	15.17	925.37
09/15/21	22509	09/11/21	51.30	15.17	778.22
09/29/21	22515	09/25/21	53.50	15.17	811.60
10/13/21	22555	10/09/21	58.75	15.17	891.24
10/27/21	22568	10/23/21	50.50	15.17	766.09
11/10/21	22609	11/06/21	64.00	15.17	970.88
11/24/21	22615	11/20/21	50.25	15.17	762.29
12/08/21	22620	12/04/21	58.50	15.17	887.45
12/22/21	22664	12/18/21	57.75	15.17	876.07
01/04/22	22683	01/01/22	44.50	15.17	675.07
01/19/22	22721	01/14/22	17.75	15.17	269.27
01/24/22	22715	01/15/22	27.50	15.17	417.18
02/02/22	22723	01/29/22	46.00	15.17	697.82
02/16/22	22768	02/12/22	48.75	15.17	739.54
02/18/22	22774	02/18/22	46.00	15.17	697.82
Total					

* - Check numbers listed on the City's payroll report do not tie to the actual check number that cleared the bank; however, the payee, amount, and date does.

** - Calculation based on actual number of hours per approved timesheets and hourly pay rate approved in Library Board meeting minutes.

^ - Ms. McColloch had 50.5 hours during the pay period, however she claimed that 3.0 hours were overtime. The expectation of hours worked for the pay period was 50.0, therefore the difference between the actual gross pay compared to the expected gross payroll is considered improper.

Calculated Gross Pay**			Excess Hours	Improper Disbursements			
Hours	Hourly Rate	Gross Wages		Employer's Share			
				Gross Pay	FICA	IPERS	Total
52.25	14.31	747.70	-	-	-	-	-
63.00	14.31	901.53	-	-	-	-	-
75.00	14.31	1,073.25	-	-	-	-	-
63.93	15.10	965.59	-	-	-	-	-
64.50	15.17	978.47	-	-	-	-	-
52.25	15.17	792.63	-	-	-	-	-
6.00	15.17	91.02	-	-	-	-	-
61.00	15.17	925.37	-	-	-	-	-
51.30	15.17	778.22	-	-	-	-	-
53.50	15.17	811.60	-	-	-	-	-
58.75	15.17	891.24	-	-	-	-	-
50.50	15.17	766.09	-	-	-	-	-
64.00	15.17	970.88	-	-	-	-	-
50.25	15.17	762.29	-	-	-	-	-
58.50	15.17	887.45	-	-	-	-	-
50.00	15.17	758.50	7.75	117.56	8.99	11.10	137.65
44.50	15.17	675.07	-	-	-	-	-
17.75	15.17	269.27	-	-	-	-	-
27.50	15.17	417.18	-	-	-	-	-
46.00	15.17	697.82	-	-	-	-	-
48.75	15.17	739.54	-	-	-	-	-
17.50	15.17	265.48	28.50	432.34	33.07	40.81	506.22
			253.50	\$ 3,380.37	258.60	311.04	3,950.01

Report on Special Investigation
of the Dexter Public Library

Improper and Unsupported Reimbursements Issued to Mary McColloch
For the Period July 1, 2015 through March 1, 2022

Per Check Image			
Check Date	Check Number	Payee	Amount
07/23/15	19161	MARY MCCOLLOCH	\$ 545.35
07/11/16	19704	PETTY CASH - LIBRARY MARY MCCOLLOCH	501.73
07/10/17	20189	PETTY CASH - LIBRARY MARY MCCOLLOCH	291.90
09/12/16	19776	MARY MCCOLLOCH	130.68
01/06/17	19928	MARY MCCOLLOCH	620.36
08/11/17	20227	PETTY CASH - LIBRARY MARY MCCOLLOCH	593.43
06/13/18	20651	PETTY CASH - LIBRARY MARY MCCOLLOCH	233.30
08/13/18	20729	PETTY CASH - LIBRARY MARY MCCOLLOCH	242.30
12/10/18	20928	PETTY CASH - LIBRARY MARY MCCOLLOCH	145.47
05/13/19	21157	PETTY CASH - LIBRARY MARY MCCOLLOCH	409.01
06/14/19	21224	PETTY CASH - LIBRARY MARY MCCOLLOCH	471.15
08/02/19	21327	PETTY CASH - LIBRARY MARY MCCOLLOCH	438.38
09/09/19	21369	PETTY CASH - LIBRARY MARY MCCOLLOCH	95.70
10/11/19	21427	PETTY CASH - LIBRARY MARY MCCOLLOCH	194.55
11/11/19	21476	PETTY CASH - LIBRARY MARY MCCOLLOCH	462.85
06/30/20	21821	PETTY CASH - LIBRARY MARY MCCOLLOCH	87.63
10/12/20	21976	PETTY CASH - LIBRARY MARY MCCOLLOCH	205.36
12/13/21	22650	PETTY CASH - LIBRARY MARY MCCOLLOCH	494.29
Total			<u>\$ 5,618.09</u>

NOTE: Auditor's notations are in italics.

Description per Support	Reasonable	Improper	Unsupported
<i>No support maintained for this reimbursement</i>	\$ -	-	545.35
<i>No support maintained for Casey's expense</i>	458.73	-	43.00
<i>No detailed support for True Value expense</i>	231.91	-	59.99
<i>No location for where the mileage claimed was incurred</i>	-	-	130.68
<i>No support maintained for this reimbursement</i>	-	-	620.36
<i>No support maintained for Amazon and Casey's expenses</i>	526.09	-	67.34
<i>No support maintained for Dollar General expense</i>	216.71	-	16.59
<i>No support maintained for Casey's expense</i>	217.30	-	25.00
<i>No detailed support for Goodwill expense of \$10.00 and no support maintained for \$30.16 of expenses</i>	105.31	-	40.16
<i>No support maintained for this reimbursement</i>	-	-	409.01
<i>No support maintained for \$97.48 of the expenses</i>	373.67	-	97.48
<i>Same invoice for CR services \$41.00 was used in the June 2019 reimbursement, considered improper.</i>	397.38	41.00	-
<i>No detailed support for Goodwill expense of \$21.24</i>	74.46	-	21.24
<i>No detailed support for 3 Amazon expenses totaling \$71.33</i>	123.22	-	71.33
<i>No detailed support for True Value expense</i>	428.90	-	33.95
<i>No support maintained for this reimbursement</i>	-	-	87.63
<i>No support maintained for \$18.63 of the expenses</i>	186.73	-	18.63
<i>No support maintained for Amazon expenses</i>	479.42	-	14.87
	\$ 3,819.83	41.00	2,302.61

Report on Special Investigation of the
Dexter Public Library

Staff

This special investigation was performed by:

Ryan T. Jelsma, CFE, Manager
Gono Quaye, Staff Auditor

A handwritten signature in black ink that reads "Melissa Finestead". The signature is written in a cursive, flowing style.

Melissa J. Finestead, CFE
Deputy Auditor of State

Appendix

Report on Special Investigation
of the Dexter Public Library

Copy of Email Regarding Clell Hoy Trust

6/3/22, 9:38 AM

Gmail - Dexter Museum

<lawoffice.█@gmail.com>

Dexter Museum

4 messages

█ <█@msn.com> Fri, Apr 15, 2022 at 6:26 AM
To: Lawoffice.█@gmail.com
Cc: Mary McColloch <█@gmail.com>, █ <█@aol.com>, █ <█@msn.com>, █@netins.net>, █ <█@aol.com>

The Dexter Museum is city owned. The building was purchased by the citizens of Dexter to start a museum in the 1970's. Clell Hoy left a will with over \$60,000 in a trust with the interest to be used to for the museum. Money from the trust was used for improvements to the building to get it museum ready. The city set up an account with Brenton Bank for the money to be invested. The bank fees to oversee the trust were prohibitive. The city then invested with Edward Jones. The money continued to flow through the city, using the interest money to pay the utility bills. The city was told after a city audit that they were in violation and cannot invest the museum money left by Clell Hoy. Since the museum is not a non profit, the Dexter Foundation nonprofit was formed. The museum, park board, library and others could fall under the umbrella of the foundation. It allowed us to apply for grants. We received grant money to help fund the historical markers erected on Dexfield Road in 2008 and 2011. And this month we have been notified we will receive grant money from the Dallas County Foundation to establish computer audio stations at our permanent displays.

In 2006 the city told us we need to have an ordinance in place. Mary is currently President and I am Treasurer. We are also Trustees for the Clell Hoy \$50,000 Trust, after the city relinquished their involvement. It is now invested with Schwab. Our board has made many improvements on the inside of the building, creating many displays. We are open May through October on Sunday afternoons. We provide programs and tours to the historical sites for our many visitors. We have three permanent displays; Dexfield Amusement Park, Barrow Gang capture and the 1948 National Plowing Match when President Truman came to give a historical speech to 100,000 people.

The museum's income is derived from the Schwab interest plus donations from visitors, selling of books, t-shirts, etc. The interest money from the trust pays the utilities, advertising, supplies and miscellaneous expense. The city doesn't help us with expenses except they did replace the toilet 4 years ago.

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