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NEWS RELEASE

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FOR RELEASE April 14, 2020

Auditor of State Rob Sand today released a report on a special investigation of the City of Buffalo for the period April 1, 2015 through August 31, 2018. The special investigation was requested by City officials as a result of concerns regarding certain financial transactions processed by the former Deputy City Clerk, Riki Harrington.

Sand reported the special investigation identified \$42,390.21 of undeposited collections, \$773.77 improper disbursements, and \$841.52 of unsupported disbursements. The undeposited collections identified includes:

- \$28,039.42 of checks substituted for cash collections recorded in the City's accounting system but not deposited to the City's bank account,
- \$5,079.13 of payments posted to utility customers' accounts which were not recorded on the daily receipt listing or deposited to the City's bank account,
- \$3,600 of security deposits for utility services recorded in the City's accounting system which were not deposited to the City's bank account, and
- \$2,641.00 of city fees recorded in the City's accounting system which were not deposited to the City's bank account.

Sand also reported the \$773.77 of improper disbursements identified includes \$488.68 of various credit card fees paid by the City; \$75.78 of unauthorized payroll disbursements issued to Ms. Harrington and the related City share of the payroll costs; and \$209.31 of late fees and interest paid to IPERS.

The \$841.52 of unsupported disbursements identified includes \$673.50 of purchases on the City's credit card for which the propriety of the purchases could not be determined and \$168.02 of checks issued from the City's checking account for petty cash replenishment for which supporting documentation could not be located.

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

Copies of the report have been filed with the Scott County Sheriff's Office, the Iowa Division of Criminal Investigation, the Scott 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 web site at <https://www.auditor.iowa.gov/reports/audit-reports/>.

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**REPORT ON SPECIAL INVESTIGATION
OF THE
CITY OF BUFFALO
FOR THE PERIOD
APRIL 1, 2015 THROUGH AUGUST 31, 2018**

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Auditor of State's Report

To the Honorable Mayor and
Members of the City Council:

As a result of concerns regarding certain financial transactions processed by the former Deputy City Clerk and at your request, we conducted a special investigation of the City of Buffalo. We have applied certain tests and procedures to selected financial transactions of the City for the period April 1, 2015 through August 31, 2018 unless otherwise specified. 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 bank records for certain deposits to the City's bank accounts to determine the source, purpose, and propriety of each deposit.
- (4) Compared collections recorded in the City's accounting system to detailed records for certain bank deposits to determine if collections were properly deposited.
- (5) Scanned images of redeemed checks issued from the City's bank accounts for reasonableness. We examined supporting documentation for selected disbursements to determine if they were properly approved, supported by adequate documentation, and appropriate for the City's operations.
- (6) Examined the City's available credit card statements to determine if purchases were appropriate for City operations, properly approved, and supported by adequate documentation. We also reviewed the payments posted to the City's credit card account to determine if the payments were issued from the City's bank account.
- (7) Examined payroll disbursements and reimbursements to the former Deputy City Clerk, Riki Harrington, to determine the propriety of the payments.
- (8) Interviewed City officials and personnel to determine the purpose of certain disbursements to vendors and reimbursements to employees.
- (9) Confirmed payments to the City by the State of Iowa to determine if they were properly deposited to the City's bank accounts in a timely manner.
- (10) Reviewed available City Council meeting minutes to identify significant actions and to determine if certain payments were properly approved.
- (11) Obtained and reviewed Ms. Harrington's personal bank statements to identify the source of certain deposits for the period September 1, 2015 through August 31, 2018. We also reviewed images of redeemed checks from the accounts to determine if any payments were made to the City.

These procedures identified \$42,390.21 of undeposited collections, \$773.77 improper disbursements, and \$841.52 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 **B** of this report.

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

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

A handwritten signature in black ink, appearing to read "Rob Sand". The signature is stylized and written in a cursive-like font.

ROB SAND
Auditor of State

March 26, 2020

City of Buffalo
Investigative Summary

Background Information

The City of Buffalo (City) is located in Scott County and has a population of approximately 1,270. The City employs a full-time City Clerk, a Public Works Director, and Chief of Police. In addition, the City Council approved hiring two employees as part-time Deputy Clerks during the April 6, 2015 Council meeting for a 3-month probationary period. One of the employees hired was Riki Harrington. According to the motion, both employees were to work approximate 20 hours per week and be paid \$9.00 per hour with no benefits. According to the City Clerk, Ms. Harrington was responsible for:

- 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, maintaining supporting documentation, preparing, and distributing checks, and posting to the accounting records;
- Payroll – calculating payroll amounts, preparing, and distributing checks, posting payments to the accounting records, and filing required payroll reports; and
- Utility billings – preparing and mailing billings, receipting and depositing collections, posting collections to customer accounts and accounting records, and preparing and making bank deposits.

In addition, Ms. Harrington and the City Clerk were the custodians of the City's petty cash drawer.

The City Clerk and Deputy Clerk each had their own computers and log in credentials for the City's accounting system. Once logged into a computer, any transaction processed on the computer would include the initials of the individual who was logged into the computer. According to the Clerk, both she and Ms. Harrington logged into their computers at the beginning of the day and remained logged in all day. The Clerk also stated their computers did not have a log out or lock screen function if they were inactive for a period of time. As a result, the Clerk and Deputy Clerk could use each other's computer.

When Ms. Harrington was out of the office or away from the front counter, the City Clerk received and recorded collections in the accounting system using her computer or Ms. Harrington's computer at the front of the office. The Clerk also stated Ms. Harrington had access to the Clerk's computer to process transactions in the accounting system.

During the August 24, 2015 meeting, the City Council restructured the Deputy Clerk's position to one person working 30 hours or less instead of two people working 20 hours each. During the meeting they approved hiring Ms. Harrington as the Deputy Clerk and dismissing the other employee. The minutes did not include any change in the Deputy Clerk's pay rate of \$9.00 per hour.

During the December 29, 2017 meeting, the City Council offered Ms. Harrington a full-time position of Deputy Clerk effective January 1, 2018 at \$15.50 per hour and one week of vacation for the first year.

The City established a primary checking account used for most City operations. Separate bank accounts were established for the Buffalo Community Center and the Buffalo Bingo account. However, the checking account for the Community Center was closed in June 2016 and the Bingo account was closed in February 2019. The balance of each closed account was combined with the

City's checking account on the day the account closed. In addition, the primary check account included any subsequent financial activity for the Community Center and Bingo operations.

The monthly bank statements for the City's bank accounts are mailed directly to City Hall and opened by the Deputy City Clerk. However, the City Clerk can access and review bank account activity on-line. The City Clerk reconciles the monthly bank statements to the accounting system, but she does not compare detailed deposit information to amounts recorded in the City's accounting system. In addition, the bank reconciliations are not reviewed by someone independent of preparing financial transactions, such as the Mayor or members of the City Council.

The City's primary funding sources include proceeds from utility billings, property taxes collected by the County on behalf of the City, and taxes remitted to the City by the State, such as road use tax and local option sales tax. The City also collects fees for building permits, fees for solicitor permits, refunds, rebates, and collections forwarded from the Scott County Clerk of Court. In addition, City collections include rental fees for the use of the Community Center and proceeds from the sale of bingo supplies, food and drinks at weekly bingo nights.

All City disbursements, including payroll, are to be made by check. In addition, purchases may be made with one of the three credit cards assigned to the City Clerk. The credit cards can be checked out from the City Clerk as needed. All disbursements are required to be supported by invoices or other documentation obtained by or submitted to the Deputy City Clerk. Each month, the Deputy City Clerk is to prepare a listing of bills to be paid and provide the listing to the City Council for approval. After the City Council approves the bills listing, the Deputy City Clerk prepares the checks to be signed by the City Clerk and the Mayor.

Monthly credit card statements are received by the City Clerk showing the purchases made with the individual credit cards issued to the City. Credit card purchases are required to be supported by receipts, invoices, or other documentation. The supporting documentation is to be included with the monthly bill listing for City Council approval.

While the City Clerk was preparing for the City's annual exam, she determined the amount of collections recorded for fines received from Scott County in fiscal year 2018 was about half of the amount received in prior years. The City Clerk contacted the Scott County Clerk of Court and obtained a listing of checks recently issued to the City and the dates they cleared the Scott County Clerk of Court's bank account. Using the redemption dates, the City Clerk requested detailed deposit information from the City's bank for selected dates and determined the checks from the Scott County Clerk of Court were deposited in the City's bank account even though they were not recorded in the City's accounting system. In addition, the City Clerk determined the amount of cash deposited for the dates of Scott County checks cleared the City's bank account was less than the amounts of cash collections recorded in the City's receipt listings.

The City Clerk contacted the Mayor with the concerns she identified. The Mayor reported when he and the Mayor Pro Tem met with Ms. Harrington regarding the improperly deposited checks from the Scott County Clerk of Court, she stated she "did not remember." Ms. Harrington was placed on unpaid administrative leave on August 23, 2018. The Mayor also took her keys to City Hall and changed the passwords for the City's accounting system when she was placed on leave.

Ms. Harrington subsequently submitted a letter of resignation effective August 28, 2018. The City Council accepted Ms. Harrington's resignation during the September 4, 2018 City Council meeting. The Mayor then contacted the City's Police Chief. The Scott County Sheriff's Office and the Office of Auditor of State were also subsequently contacted.

As a result of the concerns identified, the Office of Auditor of State was requested to review the City's financial records. We performed the procedures detailed in the Auditor of State's Report for the period April 1, 2015 through August 31, 2018.

Detailed Findings

The procedures performed identified \$42,390.21 of undeposited collections, \$773.77 improper disbursements, and \$841.52 of unsupported disbursements.

The \$42,390.12 of undeposited collections identified includes:

- \$28,039.42 of checks substituted for cash collections recorded in the City's accounting system but not deposited to the City's bank account,
- \$5,079.13 of payments posted to the individual customers' accounts but not properly deposited in the City's bank accounts,
- \$3,600.00 of security deposits for utility services recorded in the City's accounting system but not properly deposited in the City's bank accounts,
- \$2,789.93 of City collections improperly deposited to Ms. Harrington's personal bank account,
- \$2,641.00 of permits and licenses recorded in the City's accounting system but not properly deposited in the City's bank accounts, and
- \$240.64 of miscellaneous cash collections recorded in the City's accounting system but not properly deposited into the City's bank accounts.

The \$773.77 of improper disbursements identified includes:

- \$488.68 of various credit card fees paid by the City.
- \$75.78 of improper payroll disbursements issued to Ms. Harrington; and
- \$209.31 of late fees and penalties paid to IPERS.

The \$841.52 of unsupported disbursements identified includes \$673.50 of purchases at Amazon, HyVee and other stores for which the propriety of the purchases could not be determined. The unsupported disbursements identified also includes \$168.02 used to replenish petty cash.

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

At the completion of fieldwork, we contacted Ms. Harrington to obtain an explanation for the undeposited collections and improper disbursements identified. We scheduled a date and time to meet with her; however, prior to the scheduled time, Ms. Harrington's attorney left a voicemail with the Scott County Sheriff's Office cancelling the interview.

UNDEPOSITED COLLECTIONS

As previously stated, the City established a primary checking account used for most City operations. However, separate bank accounts were opened for the Community Center and Bingo. Collections deposited to each account is dependent on their source. Specifically:

- City checking account – Deposits include collections from road use tax, local option sales tax, property tax, utility billings, building permits, and solicitor permits. Miscellaneous collections are also received, such as refunds, rebates, and collections forwarded from the Scott County Clerk of Court.

- Community Center account – Deposits consist of collections received from the operation of the Community Center, specifically, rental fees and donations. This account was closed in June 2016. The remaining balance was deposited into the City’s checking account along with all subsequent collections of rental fees and donations.
- Bingo account – Deposits consist of collections received by the City for the operation of weekly bingo nights at the Community Center. Collections include payments for purchases of bingo cards, food, drinks, and daubers. This account was closed in February 2019. The remaining balance was deposited into the City’s checking account along with all subsequent collections from the bingo operations.

The City bills households and local businesses each month for water, sewer, electric, and recycling services. City utility staff electronically read the water and electric meters on the 15th of each month. The meter readings are downloaded to the City’s accounting system from the electronic readers. The accounting system calculates the monthly utility bills using the established rates entered into the system. A flat fee for recycling is also added to the bill. During her employment, Ms. Harrington was responsible for printing and mailing the bills. According to the City Clerk, Ms. Harrington did not prepare utility reconciliations and the City Council did not request the information.

Utility payments are due on the 20th of each month. After the 21st of each month, the accounting system automatically applies penalties to outstanding bills. According to City officials we spoke with, utility payments are primarily received through the mail. Residents may also pay their bill at City Hall during normal business hours or drop their payments in a drop box located at City Hall. According to the City Clerk, there are several residents who pay their bills electronically. These payments are automatically deposited into the City’s bank accounts each month. According to the City Clerk, Ms. Harrington opened the mail but did not prepare an initial listing of collections received through the mail.

All collections, regardless of their source, were to be recorded in the City’s accounting system by Ms. Harrington or the City Clerk when received. As previously stated, the City also receives miscellaneous collections in addition to monthly utility payments. Such collections include fines provided by the Scott County Clerk of Court’s Office, building permits, solicitor permits, and rental fees for the Community Center. Ms. Harrington was responsible for preparing the deposit at the end of the day and taking the deposit to the City’s bank.

We reviewed the deposits to each of the City’s bank accounts to identify any unusual activity. We also compared collections recorded in the City’s accounting system to the deposit detail provided by the City’s bank to determine if all recorded collections were properly deposited.

When we attempted to reconcile the collections recorded in the City’s accounting system to the deposits to the City’s checking account, we identified concerns regarding undeposited collections, including:

- Checks substituted for cash in the deposits to the City’s bank account.
- Daily receipt listings summarizing collections recorded in the City’s accounting system for which there was not a related deposit to the City’s bank account.
- Entries in the City’s utility system which indicate utility bills were paid by customers, but for which the payments were not recorded in the daily receipts listing and there was not a deposit to the City’s bank account.
- Entries in the City’s utility system which indicate security deposits for utility services were collected, but for which the payments were not recorded in the daily receipts listing and there was not a deposit to the City’s bank account.

Through our testing, we determined these instances overlapped and were at times interrelated. Our findings are explained in detail in the following paragraphs.

Checks Substituted for Cash

As previously stated, all collections were to be recorded in the City's accounting system and a daily receipt listing was to be printed from the accounting system and filed. As the Deputy City Clerk, Ms. Harrington was responsible for preparing the utility billings, collecting and recording the related payments in the accounting system for each customer, and preparing and making bank deposits. However, both the Deputy Clerk and the City Clerk were responsible for recording collections in the accounting system which were not for utility payments.

We obtained copies of the daily receipt listings from the City for the period April 1, 2015 through August 28, 2018. The listings generated by the City's accounting system included the following information for each individual collection recorded:

- the receipt number assigned by the accounting system;
- the type of payment, such as monthly utility bill, security deposit for utility services, Community Center rental fee, building permit, or solicitor fee;
- the individual making the payment,
- if applicable, the utility account number the payment was for,
- the amount of each collection recorded;
- the form of each payment designated as cash or check and, if applicable, the check number; and
- the initials of the individual who recorded the transaction and the date and time of the entry.

The daily receipt listings also included total amounts for the day's activity, including the total amounts collected in cash and checks.

Using the City's bank statements and deposit slips, we identified all deposits to the City's checking account for the period of April 1, 2015 through August 31, 2018. We also determined the cash and check composition for each deposit. We then compared the amount of cash and checks recorded on the daily receipt listings to the amount of cash and checks included in the deposits to the City's checking account.

Based on this comparison, we identified deposits for which the composition of cash and checks deposited to the City's bank account was not the same as the amount of cash and checks recorded on the City's daily receipt listing. For these deposits, we obtained the deposit detail from the City's bank and compared the detailed bank records to the individual collections recorded in the daily receipts listings from the City's accounting system.

Exhibit B lists the instances for which we determined the amount of cash and checks deposited to the City's bank account did not agree with the amount of cash and checks recorded in the City's accounting system. As illustrated by the **Exhibit**, the difference between the cash recorded in the City's records and the cash deposited with the bank ranged from \$300.00 to \$2,992.94 for individual deposits. The **Exhibit** also illustrates for each instance identified the amount of the checks deposited with the bank but not recorded in the City's accounting system equaled the amount of cash recorded in the City's accounting system but not deposited with the bank. As a result, it is apparent checks were substituted for cash collections recorded in the City's accounting system.

Exhibit B also lists the checks which were used to substitute for cash which had been recorded in the City's daily receipt listings. By comparing images of detailed bank records of what was deposited in the City's bank account to the activity recorded on the daily receipt listings, we identified 42 checks totaling \$27,539.42 which were substituted for cash collections recorded in the City's

accounting system. We also determined the 42 checks identified were not recorded in the City's accounting system.

As illustrated by **Exhibit B**, in some cases more than one check was deposited to the City's bank account rather than the cash collected and the checks were not properly recorded in the City's accounting system. For example, six checks which were not recorded in the City's accounting system were included in the bank deposit made on September 7, 2016. The six checks totaled \$1,879.40 which agrees with the amount of cash collections recorded in the accounting system for others but wasn't deposited in the City's bank account.

Also as illustrated by the **Exhibit**, in some cases only one check was deposited to the City's bank account rather than the cash collected; however, the amount of the check was "spread" over more than one bank deposit and/or more than one daily receipts listing. For example, three bank deposits on November 7, 2016 and a bank deposit on November 8, 2016 had to be added together to total the daily receipts listing for November 7, 2016. The difference between cash and checks deposited to the bank and the cash and checks recorded in the accounting system for this period totaled \$1,019.23, which is the amount of a check from the Scott County Clerk of Court which was substituted in the bank deposit for cash collected by the City. Also, two bank deposits made on April 2, 2018 had to be added together to total the daily receipts listings for March 26, 2018 and March 28, 2018. The difference between total cash and checks deposited to the bank for this activity and the cash and checks recorded in the accounting system totaled \$1,154.47, which is the amount of a check from a local restaurant which was substituted in the bank deposit for cash collected by the City.

When we reviewed the checks used to substitute for cash in the bank deposits, we determined 31 of the 42 checks identified were not recorded in the City's accounting system as payments which were due to the City. As a result, it was not readily apparent when the checks were used to substitute for cash collections. During our review, we identified the following commonalities.

- Twelve checks totaling \$6,712.42 from the Scott County Clerk of Court were used to substitute for cash collected by the City. The City periodically receives payments from the Clerk of Court for fines related to tickets issued by the City's Police Department. Because the City's accounting system does not include amounts due to the City for the fines, it was not readily apparent when the checks received from the Clerk of Court were used to substitute for cash collections.
- Ten checks issued to the City for various fees were used to substitute for cash collected by the City, including:
 - Five checks totaling \$4,284.66 from Mediacom Communions Corp. According to the City Clerk, the City receives a quarterly payment from Mediacom for franchise fees.
 - Three checks for \$500.00 each received from funeral homes for fees associated with opening and closing cemetery plots.
 - A \$1,000.00 check from Casey's for a construction permit.
 - A \$500.00 check from MidAmerican Energy for a construction permit.
- Three checks issued to the City for refunds and rebates were used to substitute for cash collected by the City, including:
 - A \$1,466.67 check from MidAmerican Energy as part of a rebate program for energy improvements made by the City.
 - A \$2,884.50 check from Resale Power Group of Iowa. According to the City Clerk, the City purchases their power from Resale Power Group of Iowa. At the end of each year, if revenues exceed operating expenses for the Resale Power Group, a refund check is issued to its members.

- A \$220.13 refund check from Grainger, a vendor from which the City makes purchases.
- Six checks issued to the City for rent were used to substitute for cash collected by the City, including:
 - Three checks totaling \$900.00 from the Scott County Auditor's Office. According to the Count Auditor, the County rents space in the City of Buffalo's Library for the Scott County Library.
 - Two checks for \$300.00 each from Larry Woods Auction for rental of the Community Center.
 - A \$225.00 cashier's check payable to the Community Center. According to the City Clerk, this payment is for a rental fee.

We also identified eleven checks from utility customers which were deposited to the City's bank account but were not listed in the related daily receipts listings. The eleven checks total \$7,246.04 and ranged from \$139.69 to \$1,154.47. As previously stated, each of the eleven checks were substituted for cash collections in the deposits made to the City's bank account. **Table 1** lists the eleven checks from utility customers and compares the check dates, the dates the checks were deposited, and the dates the payments were subsequently posted to the customers' utility accounts as a payment.

Table 1

Check Date	Payor	Amount	Date Check Deposited	Date Posted	Posted As
09/05/16	Customer A	\$ 139.69	09/07/16	09/27/16	Cash
-	Customer B	326.73	09/07/16	09/27/16	Cash
09/05/16	Customer C	216.68	09/07/16	09/27/16	Cash
09/05/16	Customer D	237.97	09/07/16	09/27/16	Cash
09/04/16	Customer E	409.89	09/07/16	09/27/16	Cash
12/09/16	Customer F	2,992.94	12/13/16	02/24/17	Cash ##
02/20/18	Customer G	1,154.47	04/02/18	04/01/18	Cash
07/09/18	Customer I	371.81	07/16/18	10/26/18	Adjustment
07/09/18	Customer K	330.63	07/16/18	07/26/18	Cash
07/13/18	Customer H	389.29	07/16/18	07/26/18	Check
07/10/18	Customer J	675.94	07/16/18	07/26/18	Check
Total		<u>\$ 7,246.04</u>			

- Posted as a \$3,028.83 cash payment, which is the \$2,992.94 amount due in December 2016 plus penalties and interest applied in January and February 2017.

As illustrated by the **Table**, the check from Customer G was posted as a payment in the utility customer's account on April 1, 2018 and deposited to the bank on April 2, 2018. However, the payment was not listed in either of the daily receipts listings which correspond to the two deposits made to the City's bank account on April 2, 2018. As illustrated by **Exhibit B**, the two deposits to the City's bank account on April 2, 2018 were supported by daily receipt listings dated March 26, 2018 and March 28, 2018. We determined all collections on the City's daily receipt listings for March 26, 2018 and March 28, 2018 were recorded by Ms. Harrington. We also determined the check was the only collection included in the daily receipt listing for April 1, 2018 and the collection was recorded by Ms. Harrington. However, there was not a deposit to the City's bank account which corresponded to that daily receipt listing. As a result, the City's utility system and accounting system improperly included a \$1,154.47 collection.

In addition, the **Table** illustrates the amount of the check from Customer I was posted to the customer’s utility account as an adjustment on October 26, 2018 for their check payment which was used to substitute for another customer’s cash payment in the July 16, 2018 bank deposit. Because it was posted as an adjustment, the City did not receive any collections from another source that were used to satisfy the amount due on the utility account.

Table 1 also illustrates the amounts of nine of the substituted checks were posted to the payor’s utility account as a cash or check payment but not at or near the time the checks were deposited to the City’s bank account. Five of these nine checks were posted as cash payments to the City on September 27, 2016 and one was posted as a cash payment on February 24, 2017. The cash and check composition of the daily receipts listing for September 27, 2016 and February 24, 2017 agreed with the amount of cash and checks deposited to the City’s bank account for the corresponding deposits on September 28, 2016 and March 1, 2017, respectively. As a result, we determined the utility account balances for these six payors were satisfied with cash payments. As previously stated, the City receives a number of miscellaneous collections which are not recorded in the City’s accounting records as receivable amounts. As a result, cash collections such as rental fees or solicitor fees could be used to pay the outstanding utility obligations. We are unable to determine the source of the cash collections used to satisfy the six utility obligations.

The daily receipt listing for September 27, 2016 shows the five check amounts were sequentially recorded as cash payments in the City’s accounting system by Ms. Harrington between 2:20pm and 2:39pm. In addition, the daily receipt listing for February 24, 2017 shows the cash payment recorded for Customer F was initially recorded by Ms. Harrington as a check payment at 11:06am, but that transaction was then voided. The same payment amount was recorded by Ms. Harrington as a cash collection at 11:17am that day.

The amounts of the remaining 3 checks listed in **Table 1** were posted in the accounting system as payments to the City on July 26, 2018. The amount of one of the three checks was recorded as a cash collection; however, the amounts of the last two checks were recorded as check collections. When we compared the cash and check composition recorded on the City’s daily receipt listing for July 26, 2018 to the amount of cash and checks deposited in the corresponding deposit to the City’s bank account on August 1, 2018, we determined they did not agree.

Specifically, we determined the daily receipt listing included seven check payments totaling \$1,974.84; however, the detailed deposit information from the bank included six checks totaling \$1,409.61. When we compared the individual checks recorded in the City’s accounting system to the deposited checks, we determined the two amounts posted as check payments were not included in the bank deposit. We also determined a \$500.00 check from Runge Mortuary and Crematory was included in the deposit but not included in the daily receipts listing. **Table 2** summarizes the comparison of the cash and check compositions in the daily receipts listing and the bank deposit.

Description	Checks	Cash	Total
Totals from 07/26/18 receipt listing	\$ 1,974.84	1,564.88	\$3,539.72
Payment from Customer H	(389.29)	389.29	-
Payment from Customer J	(675.94)	675.94	-
Revised totals for receipt listing	909.61	2,630.11	3,539.72
Per bank deposit detail	1,409.61	2,130.11	3,539.72
Difference	\$ (500.00)	500.00	-

As illustrated by the **Table**, we reduced the amount of the checks recorded in the daily receipts listing by the amounts of the two checks that were not included in the bank deposit. By then comparing the revised totals to the bank deposit detail, the \$500.00 check from Runge Mortuary and Crematory, which was substituted for cash collections, is apparent. Using a copy of the check obtained from the bank, we determined the \$500.00 payment from the mortuary was issued on July 27, 2018 and was for fees associated with opening and closing cemetery plots. The July 26, 2018 daily receipt listing documents the three improper transactions listed in **Table 1** for that date were recorded by Ms. Harrington.

The \$27,539.42 of undeposited cash collections summarized in **Exhibit B** and the \$500.00 substituted check illustrated in **Table 2** are included in **Exhibit A** as undeposited collections.

As previously stated, the daily receipts listing includes a field which documents the initials of the individual who recorded the collection in the accounting system. We determined Ms. Harrington processed 1,025 of the 1,060 (96.6%) of the collections recorded on the daily receipts listings in **Exhibit B** which included checks substituted for cash. As previously stated, Ms. Harrington was also responsible for preparing and taking the deposit to the City's bank. According to a representative from the City's bank, Ms. Harrington routinely made the deposits for the City.

Individual Utility Accounts

During our fieldwork, the City Clerk identified a limited number of utility customers who frequently pay their monthly utility bills in cash. We reviewed the utility account history for the customers she identified and determined certain payments posted to four customers' utility account were not recorded on a daily receipt listing. We also determined during our testing certain payments posted to a utility account established for Ms. Harrington's daughters' household included payments which were not recorded on a daily receipt listing. Because Ms. Harrington's personal residence was not located in Buffalo, a utility account was not established for her residence. However, her daughters maintained a residence within the City and received City utility services. Ms. Harrington was responsible for billing her daughters for utility services, collecting payments for the account, and depositing the payments to the City's bank account.

As previously stated, deposits made to the City's bank account are supported by daily receipt listings. When a collection or utility payment is not included in the daily receipts listing, the collection is not deposited to the City's bank account. It is possible payments recorded in the utility system but not recorded on daily receipt listings were not received by the City and a payment was improperly recorded in the utility system to reduce or satisfy the customer's outstanding utility obligation. It is also possible a payment was recorded in the utility system when a utility payment was made but the amount collected was diverted, not properly recorded on the daily receipt listing, and not subsequently deposited in the City's bank account. In either case, the City did not receive the payment(s) that should have been deposited to the City's bank account for utility payments that are not recorded on the daily receipt listings.

Table 3 summarizes the payments recorded in the utility system which were not included in the daily receipt listings and, as a result, not deposited to the City's bank account. The **Table** also includes transactions which were improperly recorded for Customer O's account, which is a utility account established for Ms. Harrington's daughters. Additional explanations for each account follow the **Table**.

Account Holder	Amount
a) Customer L	\$ 935.00
b) Customer M	63.93
c) Customer N	441.69
d) Customer G	1,473.72
e) Customer O	2,164.79
Total	\$ 5,079.13

- a) **Customer L's Account** – During our testing, we determined the utility account established for Customer L included four payments which were not included in the daily receipt listing for the day the payment was recorded. **Table 4** lists the four payments posted to the account. As illustrated by the **Table**, the payments recorded in the utility account total \$935.00.

Date	Amount
11/08/17	\$ 60.00
04/02/18	275.00
05/17/18	350.00
07/03/18	250.00
Total	<u>\$ 935.00</u>

During our review of Customer L's utility account, we determined the payments which were recorded on daily receipt listings were recorded as cash collections. This is consistent with the City Clerk identifying the account as one for which payments were frequently made in cash. We also determined payments were made at irregular intervals, often made in "round" amounts as illustrated by **Table 4**, and frequently did not equal the total obligation due for the account. For these reasons, it is likely the transactions listed in **Table 4** were undeposited cash payments made on the account rather than entries made to the utility system to satisfy the outstanding account obligation. Because the \$935.00 was not recorded in the daily receipts listing, it was not deposited in the City's bank account.

- b) **Customer M's Account** – During our testing, we determined the utility account established for Customer M included two payments which were not included in the daily receipt listing for the day the payment was recorded. **Table 5** lists the two payments posted to the account. As illustrated by the **Table**, the payments recorded in the utility account total \$63.93.

Date	Amount
07/12/16	\$ 36.00
12/18/17	27.93
Total	<u>\$ 63.93</u>

Because the \$63.93 was not recorded in the daily receipts listing, it was not deposited in the City's bank account.

- c) **Customer N** – During our testing, we determined the utility account established for Customer N included two payments which were not included in the daily receipt listing for the day the payment was recorded. **Table 6** lists the two payments posted to the account. As illustrated by the **Table**, the payments recorded in the utility account total \$441.69.

Date	Amount
02/20/18	\$ 239.70
05/19/18	201.99
Total	<u>\$ 441.69</u>

Because the \$441.69 was not recorded in the daily receipts listing, it was not deposited in the City's bank account.

- d) **Customer G's Account** – As illustrated by **Exhibit B**, a \$1,154.47 check from Customer G was used to substitute for cash in the deposit to the City's bank account on April 2, 2018. Also, as previously stated, we determined the \$1,154.47 check was included on the daily receipt listing for April 1, 2018, but there was not a corresponding deposit to the City's bank account for that daily receipt listing. During our review of Customer G's utility account, we also determined a second payment totaling \$1,473.72 was applied to the account on April 1, 2018. However, the \$1,473.72 payment was not included on any daily receipt listing. As a result, it was not included in a deposit to the City's bank account.
- e) **Customer O's Account** – According to City officials, a utility account established for Customer O belonged to Ms. Harrington's daughters. During our review of the utility account, we determined utility services were turned on for the account in March 2016 and turned off in July 2018. During the time services were active on the account, 29 monthly billings were prepared for the account. Of the payments posted to the account, 15 were not included in the daily receipt listing and, as a result, were not included in a deposit to the City's bank account. **Table 7** summarizes the 15 payments identified. As illustrated by the **Table**, the 15 payments recorded in the account totaled \$2,164.79. Because the \$2,164.79 was not recorded in the daily receipts listing, it was not deposited in the City's bank account.

<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
05/16/16	\$ 81.87	11/15/16	129.45	01/15/18	95.30
07/20/16	175.62	01/19/17	104.00	02/10/18	100.00
08/04/16	119.74	03/19/17	121.73	03/18/18	108.77
09/20/16	264.59	08/16/17	248.89	06/20/18	99.00
10/19/16	215.30	11/17/17	187.75	07/07/18	112.78
				Total	<u>\$ 2,164.79</u>

During our review of Ms. Harrington's daughters' utility account, we also identified the following situations:

- A \$100.00 payment was recorded in Ms. Harrington's daughters' utility account on April 28, 2017 which resulted in the account having a credit (negative) balance of \$109.34. The April 28, 2017 receipt listing includes the \$100.00 cash payment recorded for Ms. Harrington's daughters' utility account. However, **Exhibit B** illustrates, with the exception of \$8.90, all of the cash collections recorded on the April 28, 2017 daily receipt listing were substituted by check from Mediacom. As a result, the City did not receive a cash payment for the account as reflected in the account history. However, because this payment is already included in **Exhibit B**, it was not added to **Table 3** as an additional undeposited collection.
- We identified several additional instances for which unusual payments were posted to Ms. Harrington's daughters' utility account which brought the account balance to a credit (negative) amount due. For example, a \$7.05 payment was posted to the account on January 20, 2018 which resulted in the account having a credit (negative) balance of \$7.05. On January 31, 2018, a \$107.05 billing was posted to the account leaving exactly \$100.00 due on the account. Also, a \$117.76 payment was posted on the account on May 16, 2018 which resulted in the account having a credit (negative) balance of \$23.94. On May 30, 2018, a \$122.94 billing was posted to the account leaving exactly \$99.00 due on the account.

As stated previously, as the Deputy Clerk, Ms. Harrington had access to all the collections received by the City, including miscellaneous payments for fees, refunds, and rebates. Any of these collections could have been used to post payments to any utility account rather than properly recording the collection as a fee, refund, or rebate.

Because sufficient records were not available to determine if the payments of this nature recorded in Ms. Harrington's daughters' utility account were from another source, we did not classify them as undeposited collections.

- A \$.50 payment was posted to Ms. Harrington's daughters' utility account on June 5, 2018. The payment was included in the June 5, 2018 daily receipts listing which supported a deposit to the City's bank account on June 8, 2018. Using detailed records obtained from the bank, we determined another utility customer remitted a \$24.98 money order to satisfy the \$24.48 balance due on his utility account.

The June 5, 2018 daily receipt listing documents Ms. Harrington posted \$24.48 of the money order to the remitter's utility account and the remaining \$.50 to her daughters' utility account. Because the individual who remitted the money order to the City paid \$.50 in excess of his utility bill, a refund is due to him. The City's obligation to refund such a small amount to the utility customer is negligible.

Each of these instances illustrates Ms. Harrington had the ability to improperly record transactions which reduced the amount due on her daughters' utility account.

As previously stated, most of the payments summarized in **Table 3** were identified because the City Clerk reported the account holders frequently made their utility payments in cash or because they were a family member of Ms. Harrington. In addition, the concern with the payment posted to Customer G's account was identified because we closely reviewed all payments posted to the account after identifying a check issued to the City by the customer was substituted for cash in a deposit to the City's bank account.

Without tracing every payment posted in every utility account to the related daily receipts listing, we are unable to determine if there are similar instances of payments recorded in the utility system but not recorded in the daily receipt listing and, as a result, not deposited to the City's bank account.

The \$5,079.13 of utility payments identified which were not deposited to the City's bank account and are summarized in **Table 3** are also included in **Exhibit A**.

Security Deposits for Utility Services

As previously stated, the City bills for utility services, including water, sewer, electric and recycling fees. As the Deputy City Clerk, Ms. Harrington had primary responsibility for issuing monthly utility bills and collecting utility payments. She was also responsible for collecting security deposits for utility services when accounts were established.

We requested a listing of all security deposits for utility services recorded in the City's accounting system for the period April 1, 2015 through August 31, 2018. Using the report, we compared the security deposits recorded in the City's utility system to the daily receipt listing for the day the deposit was recorded. By performing this comparison, we identified 18 security deposits totaling \$3,600.00 which were recorded in the utility system but were not recorded on a daily receipt listing. Because the receipt listing for these days reconciled to the amount deposited to the City's bank account, the \$3,600.00 of deposits recorded in the City's utility system as received were not properly deposited and are included on **Exhibit A** as undeposited collections.

City Deposit Made to Ms. Harrington's Personal Bank Account

We reviewed deposits to Ms. Harrington's personal bank account for the period September 1, 2015 through August 31, 2018 to determine the makeup of selected deposits. We identified 45 deposits totaling \$10,031.93 which were composed of cash. Of the 45 deposits, 44 included cash in even dollar amounts.

In addition, we identified a \$2,789.93 deposit to Ms. Harrington's personal bank account on November 2, 2016. The deposit detail from the bank showed the deposit included the City's collections from that date. The deposit was posted to Ms. Harrington's account on November 3, 2016. Prior to this deposit Ms. Harrington's account had a balance of \$3.99. The \$2,789.93 of City collections improperly deposited to Ms. Harrington's personal bank account is included in **Exhibit A** as undeposited collections.

In addition, a \$2,789.93 withdrawal was posted to Ms. Harrington's account on November 7, 2016. The same day a \$2,789.93 deposit was made to the City's bank account. The \$2,789.93 transaction on November 7, 2016 is included in **Exhibit A** as a repayment.

City Permits and Licenses

As shown in **Exhibit B**, we identified several permits and fees remitted to the City with a check which was substituted for cash. We also identified a number of building permit, solicitor permit, and rental license payments recorded on the daily receipt listings from April 2015 through August 2018.

We obtained reports from the City's accounting system for each of these types of collections recorded in the City's accounting system during the period of our review. Using the reports from the City's accounting system, we compared the amounts recorded for each of the permits and licenses to the daily receipts listings to determine if they were properly recorded and deposited. Based on this comparison we identified the following:

- We did not identify any concerns regarding the collections received by the City for rental fees.
- We identified 36 building permits totaling \$2,551.00 posted to the accounting system which were not included on a daily receipt listing. Because the daily receipt listings agree with the amounts deposited to the bank in total, the \$2,551.00 of collections not included on a daily receipt listing were not deposited to the City's bank account.
- We identified 6 solicitor permits totaling \$90.00 posted to the accounting system which were not included on a daily receipt listing. Because the daily receipt listings agree with the amounts deposited to the bank in total, the \$90.00 of collections not included on a daily receipt listing were not deposited to the City's bank account.

The \$2,641.00 of undeposited building permit fees and solicitor permit fees identified by this comparison are included in **Exhibit A**. However, it is not possible to determine if additional amounts were not properly deposited because adequate documentation was not available from the City which ensures all collections were properly recorded in the City's accounting records. As previously stated, we identified instances where rental fees, a building permit, and other miscellaneous collections were received as checks which were used to substitute for cash collections when deposits were taken to the bank. For these instances, the collections were not recorded in the City's accounting records.

Miscellaneous Receipts

During our comparison of the cash and checks identified on the daily receipt listings to the cash and checks included in the deposits to the City's accounts, we identified 4 cash payments included

in the daily receipt listings which were not deposited to the City's bank account. The 4 instances include:

- June 2, 2015 – Detailed records from the City's bank show \$382.00 of cash was deposited; however, \$521.66 was recorded as cash on the daily receipt listing. Of the \$139.66 difference, a money order for \$130.40 was recorded as cash on the receipt listing but shown as a check deposit on the detail received from the bank. The remaining \$9.26 of cash could not be explained. As a result, the \$9.26 is considered undeposited collections.
- October 14, 2016 – Detailed records from the City's bank show \$457.25 of cash was deposited; however, \$463.75 was recorded as cash on the daily receipt listing. The \$6.50 difference could not be explained. As a result, the \$6.50 is considered undeposited collections.
- November 3, 2017 – Detailed records from the City's bank show \$210.68 of cash was deposited; however, \$310.68 was recorded as cash on the daily receipt listing. When we compared the receipt listing to the detail from the bank, we identified a \$100.00 cash payment posted to the receipt listing for a gym rental was not deposited. As a result, the \$100.00 is a undeposited collection.
- December 19, 2018 – Detailed records from the City's bank show \$292.40 of cash was deposited; however, \$417.28 was recorded as cash on the daily receipt listing. When we compared the receipt listing to the detail from the bank, we identified a \$124.88 cash payment posted to the receipt listing for a utility customer was not deposited. As a result, the \$124.88 is a undeposited collection.

Because the 4 instances were recorded on the receipt listing but not deposited with the City's bank, the total of \$240.64 is included in **Exhibit A** as undeposited collections.

Collections from the State of Iowa

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

IMPROPER AND UNSUPPORTED DISBURSEMENTS

As previously stated, all City disbursements are to be made by check and purchases may be made with the City credit cards assigned to the City Clerk. Also as previously stated, Ms. Harrington was responsible for calculating payroll amounts, preparing and distributing checks to vendors and for payroll, and posting payments to the accounting records. We scanned all disbursements and redeemed checks from the City's bank account from April 1, 2015 through August 31, 2018 to determine propriety. We also scanned all charges to the credit cards held by the City Clerk for the same period.

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

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

The improper and unsupported disbursements identified in the City’s bank account and the improper and unsupported charges to the City’s credit cards are explained in detail in the following paragraphs.

Credit Card Charges

As previously stated, the City Clerk maintained the City credit cards. The monthly credit card statements document the purchases made with the individual credit cards. We obtained the credit card statements for each credit card and reviewed the activity shown on the statements from April 1, 2015 through August 31, 2018 to determine if purchases were necessary and reasonable for City operations or personal in nature. We also identified various fees and charges summarized on the statements.

Purchases were considered improper if the type of item or the quantity purchased appeared to be personal in nature or was not reasonable for City operations. When specific purchase information from the vendor was not available, charges which appeared consistent with City operations, based on the vendor and/or the amount of the charge, were classified as reasonable. Purchases from vendors which could be for City or for personal use were classified as unsupported.

Based on the vendor, supporting documentation, and discussions with City officials, we identified 47 transactions which were improper or unsupported. **Table 8** summarizes the improper and unsupported transactions identified.

Table 8

Description	Number of Transactions	Improper	Unsupported	Total
Amazon	7	\$ -	481.48	481.48
General retail	5	-	192.02	192.02
Interest	16	238.68	-	238.68
Late fee	20	250.00	-	250.00
Total	48	\$ 488.68	673.50	1,162.18

The **Table** illustrates, of the \$488.68 of improper charges identified, \$238.68 and \$250.00 were for interest and late fees, respectively. The \$488.68 total interest and late fees incurred does not include 7 additional late fees totaling \$273.00 and 3 additional interest charges totaling \$2.37 which were subsequently reversed. Because Ms. Harrington was responsible for ensuring timely payment of all City bills, including credit card payments, the additional charges and fees are considered improper.

The \$673.50 of unsupported purchases identified include 7 charges from Amazon totaling \$481.48 and 5 charges at various retail stores totaling \$192.02. Specifically, the \$192.02 includes 2 charges totaling \$86.56 at Hy-Vee, a \$69.50 charge at IDRIVE.com, a \$20.92 charge at Dollar General, and a \$15.04 charge at Aldi. Supporting documentation was not available for the twelve purchases. As a result, we were unable to determine what was purchased. Because items purchased from Amazon and the retail stores may be personal in nature or for the City’s operations, they are included in the unsupported purchases listed in **Table 9**.

City officials could not locate the statements for one credit card which included activity after July 24, 2018. In addition, the statements for a second credit card which included activity after August 15, 2018 were not located. As a result, we were unable to determine if there were additional late fees and interest charges incurred and/or reversed or other improper and unsupported charges for the credit cards during these months.

The \$488.68 of improper and \$673.50 of unsupported credit card charges listed in **Table 9** are included in **Exhibit A**.

Unauthorized Payroll and Related Costs

Ms. Harrington was to be paid each Thursday for the prior week’s work. According to the Mayor, her gross pay was based on the amount of time she worked each week on her hourly pay rate. She was also entitled to reimbursement of expenses related to training such as mileage, food, and lodging. As previously stated, Ms. Harrington prepared the payroll and provided the checks to the City Clerk and Mayor for signature.

Also as previously stated, Ms. Harrington and another individual were hired as part-time Deputy Clerks in April 2016. At that time, the City Council authorized each of them to work approximately 20 hours per week. During the August 24, 2015 meeting, the City Council restructured the Deputy Clerk position to be filled by one person working up to 30 hours per week and authorized Ms. Harrington to fill the position. In addition, the City Council offered Ms. Harrington a full-time position effective January 1, 2018.

The City Council also periodically increased Ms. Harrington’s authorized hourly pay rate. Specifically, based on resolutions we reviewed, she was to receive \$10.00 per hour for fiscal year 2015, \$11.00 per hour for fiscal year 2016, and \$12.50 per hour for the first portion of fiscal year 2018. Minutes from the December 29, 2017 City Council meeting also document an approved increase to \$15.50 per hour effective January 1, 2018.

The Mayor also reported Ms. Harrington was expected to complete a timesheet each week. The timesheet was to be signed by the Mayor. When we requested copies of Ms. Harrington’s timesheets for April 2015 through August 2018, City officials could not locate timesheets for eight weeks. Also, the timesheets for eight additional weeks did not include the Mayor’s signature. When we spoke with the Mayor, he reported although he signed Ms. Harrington’s timesheets, he did not ensure the number of hours she reported complied with the maximum number of hours authorized by the City Council and confirmed he approved timesheets which included more than the 30 hour maximum authorized by the City Council for the period August 2015 through December 2017. He stated he approved hours in excess of 30 per week for Ms. Harrington because it was cheaper to pay her hourly wage than to pay the City Clerk for overtime.

To determine if Ms. Harrington calculated the correct payroll for herself, for each paycheck she received we reviewed the related timesheet if it was available. Using the hours recorded on the timesheet and the applicable authorized hourly rate, we recalculated the authorized maximum gross pay. We then compared this amount to the gross pay recorded in the payroll register which was used to calculate the net pay Ms. Harrington received. We identified 2 instances for which Ms. Harrington received gross pay in excess of the amount authorized. The two instances identified are listed in **Table 9**.

Table 9

Date	Check Number	Hours per Timesheet	Hourly Rate	Authorized Gross Pay	Actual Gross Pay	Excess Gross Pay
01/07/16	19614	28.5	\$ 10.00	285.00	325.00	40.00
09/14/17	21514	33.5	12.50	418.75	443.75	25.00
Total				\$ 703.75	768.75	65.00

In both cases identified in the **Table**, the timesheet submitted and approved by the Mayor agreed with the number of hours reported in the payroll register. In addition, the gross pay Ms. Harrington reported to IPERS for herself agreed with the gross pay recorded in the payroll register. As a result, the City incurred an additional \$4.97 of IPERS contributions and \$5.57 of FICA costs for the \$65.00 of excess gross pay Ms. Harrington added to the two payroll checks listed in **Table 9**.

The \$75.78 total for the excess gross pay and the City’s share of IPERS and FICA costs is included in **Exhibit A** as improper disbursements.

As previously stated, City officials reported Ms. Harrington was entitled to reimbursements for travel related expenses for training. We reviewed the supporting documentation for a \$143.52 reimbursement check she received on August 6, 2018 for mileage to attend training and determined the payment was properly supported and approved by the City Council.

IPERS Late Fees and Interest

During our review of the IPERS reports submitted by Ms. Harrington, we determined the City paid \$209.31 of late fees and charges because they were not filed in a timely manner. Because Ms. Harrington was responsible for ensuring timely payment of all City bills, including IPERS payments, the \$209.31 of late fees identified is included in **Exhibit A** as improper disbursements.

Other Unsupported Disbursements

As previously stated, we scanned all disbursements and redeemed checks from the City’s bank account for the period April 1, 2015 through August 31, 2018. We determined the propriety of disbursements based on available supporting documentation; the type or the quantity of items purchased; discussions with City officials; and the vendor, frequency, and amount of payments. Based on this testing, we did not identify any additional disbursements from the City’s bank account which were improper. However, we identified two disbursements for which we were unable to determine the purpose. We were unable to determine if the funds from the City’s bank account for these two instances were for City operations or were spent for items which were personal in nature.

The City issues a check to “Petty Cash” to replenish the City’s petty cash as needed. Petty cash is typically used to purchase postage, car washes for the police vehicles, and small supplies. We identified nineteen checks issued to “Petty Cash” from April 1, 2015 through August 31, 2018 and determined seventeen of the checks were supported by receipts. However, City officials were unable to locate support for the remaining two checks and were unsure of what the petty cash was used for. The two checks are listed in **Table 10**.

Check Date	Check Number	Payee	Amount
08/07/15	18384	Petty Cash	\$ 56.25
10/08/15	18633	Petty Cash	111.77
Total			<u>\$ 168.02</u>

Because we are unable to determine the propriety of the \$168.02 spent from the City’s checking account, this amount is included in **Exhibit A** as unsupported 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:

- Properly review payroll supporting documentation prior to issuance.
- Compare the bill listings to supporting documentation and checks.

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

Approved Payroll – As previously stated, Ms. Harrington was authorized by the City Council to work up to 30 hours per week from August 2015 through December 2017. However, we determined Ms. Harrington recorded and was paid for more than 30 hours per week for 104 of the 115 weeks during that period. As previously stated, the Mayor reviewed and approved Ms. Harrington's timesheets. According to the Mayor, he approved Ms. Harrington's timesheet which were in excess of 30 hours because it was cheaper to pay Ms. Harrington for the excess hours at her hourly rate then to pay the City Clerk for the additional hours at her overtime rate. He also stated he did not inform the City Council of the number of times he approved Ms. Harrington to work more than the authorized 30 hours per week.

Community Center Cash Receipts -The Community Center (Center) is operated by the Buffalo Community Center Board (Board), made up of 3 volunteers from the area with indefinite term limits. The Community Center provides rental space to individuals and groups and held a weekly bingo event which was open to the public. The Center also offered concessions and had a liquor license which allowed the Center to offer bar services to individuals and groups who rented the Center.

Deposits consisted of collections from the rental of the Center and concession stand, and bar sales. According to the City Clerk, the Community Center manager and a Board member took the cash and checks received at the Community Center and during bingo events to the bank and deposited it in the night depository. Collections related to the rental of the Community Center were to be deposited in the City's checking account and collections related to Bingo events were to be deposited in the Bingo bank account. The City Clerk did not receive any documentation from the Community Center showing the total amounts collected at or for the Community Center. The City Clerk reported she recorded collections in the accounting system at the end of the month using deposits from the City's checking and Bingo bank statements. She did not have a way to determine completeness of the amounts deposited to the bank and recorded in the accounting system.

During our review of the daily receipt listings, we identified several instances where collections were recorded twice in the accounting system. Because the City Clerk did not receive any supporting documentation from the Community Center we cannot determine if all amounts collected for rental of the Community Center, all proceeds from the concession stand and bar, and all amounts collected during bingo events were properly deposited.

Recommended Control Procedures

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

- A. Segregation of Duties – An important aspect of internal control is the segregation of duties among individuals to prevent one person from handling duties which are incompatible. The former Deputy City Clerk had control over each of the following areas:
- Receipts – collecting, posting to the accounting records, and preparing and making bank deposits,
 - Disbursements – making certain purchases, receiving certain goods and services, presenting disbursements to the City Council for approval, maintaining supporting documentation, preparing, and distributing checks, and posting to the accounting records,
 - Payroll – calculating payroll amounts, preparing, and distributing checks, posting payments to the accounting records, and filing required payroll reports, and
 - Utility billings – preparing and mailing billings, receipting and depositing collections, posting collections to customer accounts and accounting records, and preparing and making bank deposits.

The City Clerk had control over each of the following areas:

- Investing – detailed record keeping, custodian, reconciling, and verifies earnings.
- Debt – maintaining bond and other long-term debt records as well as having access to cash functions.
- Financial Reporting – preparing City Council meeting minutes and financial reports including monthly City Clerk reports and the Annual Financial Report.

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

- B. Disbursements – During our review of the City's disbursements, the following were identified:
- Disbursements were not always supported by invoices or other documentation.
 - The City incurred finance charges and late payment fees because certain City obligations were not paid in a timely manner.

Recommendation – All City disbursements should be approved by the City Council prior to payment, with the exception of those specifically allowed by a City Council approved policy. For those disbursements paid prior to City Council approval, a listing should be provided to the City Council at the next City Council meeting for review and approval. Original receipts

should be provided to the City Clerk and reconciled to the credit card statements each month and charges should be reviewed and scrutinized for compliance with City policy prior to approval and payment. All payments should be remitted in a timely manner to ensure late fees and interest are not incurred.

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

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

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

- D. Payroll – We identified two instances where Ms. Harrington’s gross pay exceeded the amount authorized. The excess gross pay and the City’s share of related FICA and IPERS costs for the two instances identified totaled \$75.78. In addition, we determined the Mayor approved Ms. Harrington to work more hours than she was authorized by the City Council. The Mayor did not inform the City Council of the number of times he authorized Ms. Harrington to work in excess of the 30 hours per week she was authorized.

Recommendation – City officials should periodically review payroll records to ensure payroll is calculated properly and compare the amount recorded in the payroll register to the actual payroll checks issued. In addition, the City Council should be made aware and approve instances where staff are approved for hours in excess of the hours authorized by the City Council. .

- E. Reconciliation of Bank Accounts, Collections, and Deposits – While the City’s general checking account was reconciled, independent reviews of the monthly bank reconciliations were not performed. During our review of collections and deposits, we determined:

- An initial listing of mail receipts is not being done.
- Collections and postings to the receipt accounting software were not reconciled to deposits.

Recommendation – Procedures should be established to ensure an initial listing for mail receipts is being completed and that collections of receipts are being reconciled to postings and deposits for each month. Additionally, the City Council should review the reconciliations. The review should be documented by the signature or initials of the reviewer and date of the review.

- F. Community Center Collections – During our review of collections from the Community Center, the following conditions were identified:

- The Community Center did not maintain supporting documentation to support collections from the rental of the Community Center, collections from concessions stand and bar sales, or collections during bingo events.
- Collections were not reconciled to deposits.

Recommendation – City officials should ensure they have a complete listing of all events for which deposits should be expected. The procedures should include a requirement for supporting documentation, such as cash register tapes, receipt listings, rental agreements, or other support be maintained to support the amount collected and deposits. The policy should also require deposits be made in a timely manner and all collections be reconciled to the amount deposited after every event. In addition, City officials should establish policies which ensure at least two individuals are involved in determining the amount collected at events. The two individuals should count proceeds, document the amount collected, and ensure the collections are deposited in the City bank account in a timely manner.

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

An “Agreed-upon Procedures Report” for the period July 1, 2016 through June 30, 2017 and a “Special Investigation of the City of Buffalo Community Center” for the period January 1, 2013 through June 30, 2016”, included recommendations for improvements regarding the City officials’ fiduciary responsibility. As a result, City officials were aware controls needed to be improved.

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

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

For example, bank statements should be delivered to an official who does not collect or disburse City funds. The bank statements should be reviewed in a timely manner for unusual activity. Bank reconciliations should be performed monthly and reviewed by someone independent of other financial responsibilities. In addition, utility reconciliations should be reviewed by City officials. In addition, an initial listing of receipts should be maintained and periodically reviewed by someone independent of the receipting, recording and depositing functions. The reviews should be documented by the signature or initials of the reviewer and the date of the review.

Exhibits

**Report on Special Investigation
Of the
City of Buffalo**

Report on Special Investigation of the
City of Buffalo

Summary of Findings
For the Period April 1, 2015 through August 31, 2018

Description	Exhibit/Table/ Page Number	Improper	Unsupported	Total
Undeposited collections:				
Utility collections:				
Checks Substituted for Cash	Exhibit B	\$27,539.42	-	27,539.42
Additional Check Substitution	Table 2	500.00	-	500.00
Individual Accounts	Table 3	5,079.13	-	5,079.13
Security Deposits for Utility Services	Page 16	3,600.00	-	3,600.00
City Deposit Made to Ms. Harrington's Personal Bank Account	Page 17	2,789.93	-	2,789.93
City Permits/Licenses	Page 17	2,641.00	-	2,641.00
Miscellaneous receipts	Pages 17 & 18	240.64	-	240.64
Total undeposited collections		42,390.12	-	42,390.12
Improper and unsupported disbursements:				
Credit card purchases	Table 8	488.68	673.50	1,162.18
Unauthorized Payroll and Related Costs	Pages 20 & 21	75.78	-	75.78
IPERS late fees and interest	Page 21	209.31	-	209.31
Other unsupported disbursements	Table 10	-	168.02	168.02
Total improper and unsupported disbursements		773.77	841.52	1,615.29
Total		\$43,163.89	841.52	44,005.41
Less: Repayment by Riki Harrington	Page 17			(2,789.93)
Net amount				\$41,215.48

Report on Special Investigation of the
City of Buffalo

Undeposited Collections – Checks Substituted for Cash
For the Period April 1, 2015 through August 31, 2018

Per Bank Statements/Deposit Slips				Per Daily Receipt Listings				Difference		
Deposit Date	Cash	Check	Total	Date	Cash	Check	Total	Cash	Check	Total
09/07/16	\$ 121.16	6,753.04	6,874.20	09/01/16	\$ 2,000.56	4,873.64	6,874.20	(1,879.40)	1,879.40	-
	121.16	6,753.04	6,874.20		2,000.56	4,873.64	6,874.20	(1,879.40)	1,879.40	-
11/07/16	175.00	-	175.00							
11/07/16	1,072.50	-	1,072.50							
11/07/16	499.75	300.00	799.75							
11/08/16	121.24	11,894.85	12,016.09	11/07/16	2,887.72	11,175.62	14,063.34	(1,019.23)	1,019.23	-
	1,868.49	12,194.85	14,063.34		2,887.72	11,175.62	14,063.34	(1,019.23)	1,019.23	-
12/07/16	26.62	3,809.66	3,836.28	12/05/16	676.16	3,160.12	3,836.28	(649.54)	649.54	-
	26.62	3,809.66	3,836.28		676.16	3,160.12	3,836.28	(649.54)	649.54	-
12/13/16	46.27	9,970.27	10,016.54	12/12/16	3,039.21	6,977.33	10,016.54	(2,992.94)	2,992.94	-
	46.27	9,970.27	10,016.54		3,039.21	6,977.33	10,016.54	(2,992.94)	2,992.94	-
01/03/17	758.67	3,588.46	4,347.13	01/03/17	1,258.67	3,088.46	4,347.13	(500.00)	500.00	-
	758.67	3,588.46	4,347.13		1,258.67	3,088.46	4,347.13	(500.00)	500.00	-
02/01/17	18.38	1,851.22	1,869.60	01/30/17	448.13	1,421.47	1,869.60	(429.75)	429.75	-
02/06/17	65.09	11,646.81	11,711.90	02/02/17	433.09	11,278.81	11,711.90	(368.00)	368.00	-
	83.47	13,498.03	13,581.50		881.22	12,700.28	13,581.50	(797.75)	797.75	-
04/26/17	43.16	2,880.55	2,923.71	04/19/17	1,043.16	1,880.55	2,923.71	(1,000.00)	1,000.00	-
	43.16	2,880.55	2,923.71		1,043.16	1,880.55	2,923.71	(1,000.00)	1,000.00	-
04/28/17	8.90	4,712.35	4,721.25	04/28/17	854.72	3,866.53	4,721.25	(845.82)	845.82	-
	8.90	4,712.35	4,721.25		854.72	3,866.53	4,721.25	(845.82)	845.82	-
06/12/17	55.63	7,262.29	7,317.92	06/08/17	555.63	6,762.29	7,317.92	(500.00)	500.00	-
	55.63	7,262.29	7,317.92		555.63	6,762.29	7,317.92	(500.00)	500.00	-
06/13/17	339.68	3,703.35	4,043.03	06/06/17	1,137.01	2,906.02	4,043.03	(797.33)	797.33	-
	339.68	3,703.35	4,043.03		1,137.01	2,906.02	4,043.03	(797.33)	797.33	-

Checks Substituted for Cash

Deposit Date	Check Number	Check Date	From	Amount
09/07/16	1485	09/05/16	Customer A	\$ 139.69
09/07/16	1083	-	Customer B	326.73
09/07/16	3850	09/05/16	Customer C	216.68
09/07/16	5687	09/05/16	Customer D	237.97
09/07/16	5972	09/04/16	Customer E	409.89
09/07/16	709862	09/01/16	Scott County Clerk of Court	548.44
				<u>1,879.40</u>
11/08/16	712055	11/02/16	Scott County Clerk of Court	1,019.23
				<u>1,019.23</u>
12/07/16	13392	12/11/16	Scott County Clerk of Court	649.54
				<u>649.54</u>
12/13/16	468416	12/09/16	Customer F	2,992.94
				<u>2,992.94</u>
01/03/17	6598	12/27/16	Weerts Funeral Home	500.00
				<u>500.00</u>
02/01/17	679216	01/23/17	Mediacom Communications Corp	797.75
				<u>797.75</u>
04/26/17	2881088	03/27/17	Casey's General Stores	1,000.00
				<u>1,000.00</u>
04/28/17	694605	04/21/17	Mediacom Communications Corp.	845.82
				<u>845.82</u>
06/12/17	850875	03/23/16	MidAmerican Energy	500.00
				<u>500.00</u>
06/13/17	728538	06/01/17	Scott County Clerk of Court	797.33
				<u>797.33</u>

Report on Special Investigation of the
City of Buffalo

Undeposited Collections – Checks Substituted for Cash
For the Period April 1, 2015 through August 31, 2018

Per Bank Statements/Deposit Slips				Per Daily Receipt Listings				Difference		
Deposit Date	Cash	Check	Total	Date	Cash	Check	Total	Cash	Check	Total
07/12/17	2,279.58	5,408.94	7,688.52	07/10/17	2,722.04	4,966.48	7,688.52	(442.46)	442.46	-
	2,279.58	5,408.94	7,688.52		2,722.04	4,966.48	7,688.52	(442.46)	442.46	-
07/27/17	4,414.82	5,439.26	9,854.08	07/24/17	5,311.99	4,542.09	9,854.08	(897.17)	897.17	-
	4,414.82	5,439.26	9,854.08		5,311.99	4,542.09	9,854.08	(897.17)	897.17	-
08/28/17	360.97	4,402.97	4,763.94	08/24/17	1,827.64	2,936.30	4,763.94	(1,466.67)	1,466.67	-
	360.97	4,402.97	4,763.94		1,827.64	2,936.30	4,763.94	(1,466.67)	1,466.67	-
10/31/17	680.54	2,696.37	3,376.91	10/26/17	1,519.92	1,856.99	3,376.91	(839.38)	839.38	-
	680.54	2,696.37	3,376.91		1,519.92	1,856.99	3,376.91	(839.38)	839.38	-
11/08/17	566.71	4,941.82	5,508.53	11/07/17	1,287.51	4,221.02	5,508.53	(720.80)	720.80	-
	566.71	4,941.82	5,508.53		1,287.51	4,221.02	5,508.53	(720.80)	720.80	-
12/06/17	891.07	7,281.61	8,172.68	12/04/17	1,904.95	6,267.73	8,172.68	(1,013.88)	1,013.88	-
	891.07	7,281.61	8,172.68		1,904.95	6,267.73	8,172.68	(1,013.88)	1,013.88	-
01/05/18	1,044.91	3,654.16	4,699.07	01/04/18	1,667.39	3,031.68	4,699.07	(622.48)	622.48	-
	1,044.91	3,654.16	4,699.07		1,667.39	3,031.68	4,699.07	(622.48)	622.48	-
01/18/18	282.47	8,201.02	8,483.49	01/16/18	582.47	7,901.02	8,483.49	(300.00)	300.00	-
	282.47	8,201.02	8,483.49		582.47	7,901.02	8,483.49	(300.00)	300.00	-
01/29/18	80.21	1,206.98	1,287.19	01/25/18	984.75	302.44	1,287.19	(904.54)	904.54	-
	80.21	1,206.98	1,287.19		984.75	302.44	1,287.19	(904.54)	904.54	-
02/08/18	593.57	1,106.59	1,700.16	02/07/18	973.00	727.16	1,700.16	(379.43)	379.43	-
	593.57	1,106.59	1,700.16		973.00	727.16	1,700.16	(379.43)	379.43	-
03/06/18	260.19	11,014.97	11,275.16	03/05/18	560.19	10,714.97	11,275.16	(300.00)	300.00	-
	260.19	11,014.97	11,275.16		560.19	10,714.97	11,275.16	(300.00)	300.00	-
03/14/18	1,491.77	8,905.90	10,397.67	03/12/18	1,791.77	8,605.90	10,397.67	(300.00)	300.00	-
	1,491.77	8,905.90	10,397.67		1,791.77	8,605.90	10,397.67	(300.00)	300.00	-
04/02/18	34.90	3,329.56	3,364.46	03/26/18	889.37	2,475.09	3,364.46	(854.47)	854.47	-
04/02/18	65.00	1,220.57	1,285.57	03/28/18	365.00	920.57	1,285.57	(300.00)	300.00	-
	99.90	4,550.13	4,650.03		1,254.37	3,395.66	4,650.03	(1,154.47)	1,154.47	-

Checks Substituted for Cash

Deposit Date	Check Number	Check Date	From	Amount
07/12/17	721575	07/03/17	Scott County Clerk Of Court	442.46
				442.46
07/27/17	708236	07/17/17	Mediacom Communications Corp	897.17
				897.17
08/28/17	956773	08/15/17	MidAmerican Energy	1,466.67
				1,466.67
10/31/17	725682	10/20/17	Mediacom Communications Corp	839.38
				839.38
11/08/17	726289	11/01/17	Scott Count Clerk of Court	720.80
				720.80
12/06/17	727340	12/01/17	Scott County Clerk of Court	1,013.88
				1,013.88
01/05/18	728309	01/02/18	Scott County Clerk of Court	622.48
				622.48
01/18/18	288713	01/11/18	Scott County Auditor	300.00
				300.00
01/29/18	742369	01/19/18	Mediacom Communications Corp	904.54
				904.54
02/08/18	729624	02/01/18	Scott County Clerk of Court	159.30
02/08/18	2683	01/26/18	Grainger	220.13
				379.43
03/06/18	6947	03/03/18	Woods Auction Larry Woods	300.00
				300.00
03/14/18	289777	03/08/18	Scott County Auditor	300.00
				300.00
04/02/18	19372	02/20/18	Customer G	1,154.47
				1,154.47

Report on Special Investigation of the
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Undeposited Collections – Checks Substituted for Cash
For the Period April 1, 2015 through August 31, 2018

Per Bank Statements/Deposit Slips				Per Daily Receipt Listings				Difference		
Deposit Date	Cash	Check	Total	Date	Cash	Check	Total	Cash	Check	Total
04/24/18	1,449.21	18,295.02	19,744.23	04/20/18	4,333.71	15,410.52	19,744.23	(2,884.50)	2,884.50	-
	1,449.21	18,295.02	19,744.23		4,333.71	15,410.52	19,744.23	(2,884.50)	2,884.50	-
06/08/18	915.69	3,704.81	4,620.50	06/05/18	1,409.55	3,210.95	4,620.50	(493.86)	493.86	-
	915.69	3,704.81	4,620.50		1,409.55	3,210.95	4,620.50	(493.86)	493.86	-
06/19/18	1,181.91	1,601.18	2,783.09	06/13/18	1,681.91	1,101.18	2,783.09	(500.00)	500.00	-
	1,181.91	1,601.18	2,783.09		1,681.91	1,101.18	2,783.09	(500.00)	500.00	-
06/19/18	572.23	2,011.45	2,583.68	06/14/18	872.23	1,711.45	2,583.68	(300.00)	300.00	-
	572.23	2,011.45	2,583.68		872.23	1,711.45	2,583.68	(300.00)	300.00	-
07/02/18	2,165.35	7,650.37	9,815.72	06/20/18	2,690.35	7,125.37	9,815.72	(525.00)	525.00	-
	2,165.35	7,650.37	9,815.72		2,690.35	7,125.37	9,815.72	(525.00)	525.00	-
07/16/18	105.44	4,994.42	5,099.86	07/03/18	1,787.58	3,312.28	5,099.86	(1,682.14)	1,682.14	-
	105.44	4,994.42	5,099.86		1,787.58	3,312.28	5,099.86	(1,682.14)	1,682.14	-
07/16/18	3.02	8,520.56	8,523.58	07/10/18	333.65	8,189.93	8,523.58	(330.63)	330.63	-
	3.02	8,520.56	8,523.58		333.65	8,189.93	8,523.58	(330.63)	330.63	-
07/25/18	1,210.65	2,019.10	3,229.75	07/24/18	1,710.65	1,519.10	3,229.75	(500.00)	500.00	-
	1,210.65	2,019.10	3,229.75		1,710.65	1,519.10	3,229.75	(500.00)	500.00	-
Totals	\$ 24,002.26	185,980.48	209,982.74		\$ 51,541.68	158,441.06	209,982.74	(27,539.42)	27,539.42	-

Checks Substituted for Cash

Deposit Date	Check Number	Check Date	From	Amount
04/24/18	9734	04/04/18	Resale Power Group of Iowa	2,884.50
				<u>2,884.50</u>
06/08/18	734247	05/29/18	Scott County Clerk of Court	100.00
06/08/18	734743	06/01/18	Scott County Clerk of Court	393.86
				<u>493.86</u>
06/19/18	13533410	06/11/18	Weerts Funeral Home	500.00
				<u>500.00</u>
06/19/18	291677	06/14/18	Scott County Auditor	300.00
				<u>300.00</u>
07/02/18	6986	06/21/18	Woods Auction Larry Woods	300.00
07/02/18	466765	06/16/18	Cashier's check payable to Community Center	225.00
				<u>525.00</u>
07/16/18	1064	07/13/18	Customer H	389.29
07/16/18	4085	07/09/18	Customer I	371.81
07/16/18	735962	07/02/18	Scott County Clerk of Court	245.10
07/16/18	5002545	07/10/18	Customer J	675.94
				<u>1,682.14</u>
07/16/18	15297610	07/09/18	Customer K	330.63
				<u>330.63</u>
07/25/18	26429	07/21/18	McGinnis-Chambers Funeral Home	500.00
				<u>500.00</u>
				<u>\$ 27,539.42</u>

Report on Special Investigation of the
City of Buffalo

Staff

This special investigation was performed by:

James S. Cunningham, CPA, Director
Ryan T. Jelsma, Senior Auditor II
Mark W. Hart, Assistant Auditor
Brandon G. Sommers, Assistant Auditor
Nathan A. De Wit, Assistant Auditor



Annette K. Campbell, CPA
Deputy Auditor of State