



**OFFICE OF AUDITOR OF STATE
STATE OF IOWA**

Rob Sand
Auditor of State

State Capital Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 281-6518

NEWS RELEASE

Contact: Rob Sand
515/281-5835
or Annette Campbell
515/281-5834

FOR RELEASE June 30, 2020

Auditor of State Rob Sand today released a report on a special investigation of accounts associated with the Rudd-Rockford-Marble Rock Community School District (District) for the period May 1, 2009 through January 31, 2019. The special investigation was requested by District officials as a result of concerns regarding certain financial transactions handled by a former Special Education Instructor, Deb Kadera. Ms. Kadera was responsible for processing the financial transactions of the Rudd-Rockford-Marble Rock Parent Teacher Organization (PTO) and initiating transactions for the District's Junior class account.

Sand reported the special investigation identified \$18,086.94 of undeposited collections, \$3,783.77 of improper disbursements from the PTO's bank accounts, and \$3,162.75 of unsupported disbursements from the PTO's bank accounts. Improper and unsupported disbursements from the Junior class account held by the District were not identified.

The \$18,086.94 of undeposited collections identified include \$14,344.58 of proceeds from PTO events and \$3,742.36 from Junior class fundraisers. The undeposited PTO collections identified include:

- \$11,212.43 of Scholastic Book Fair collections,
- \$2,401.80 of General Mills Box Tops collections, and
- \$730.35 of proceeds from various PTO fundraisers.

The \$3,783.77 of improper PTO disbursements identified includes \$2,405.00 of transfers to Ms. Kadera's personal bank accounts and \$1,258.77 of other payments. Sand also reported it was not possible to determine if additional amounts were not properly deposited or improperly disbursed because sufficient documentation was not consistently available.

In addition, Sand reported Ms. Kadera transferred \$2,475.00 from her personal bank account to a PTO bank account and she issued three checks totaling \$3,745.79 that were deposited in the

PTO's bank account on January 2, 2019. According to a written statement from Ms. Kadera, the checks were to pay back reimbursements she and her husband received from the PTO account.

The report includes recommendations to strengthen the PTO's internal controls, such as improvements to segregation of duties, ensuring sufficient supporting documentation is maintained for all disbursements, and performing bank and receipt reconciliations. In addition, the report discloses the District has implemented new policies and procedures to ensure sufficient oversight is in place for all financial transactions of student activity funds.

Copies of this report have been filed with the Floyd County Sheriff's Office, the Iowa Division of Criminal Investigation, the Floyd 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://auditor.iowa.gov/reports/audit-reports/>.

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**REPORT ON SPECIAL INVESTIGATION
OF THE
RUDD-ROCKFORD-MARBLE ROCK COMMUNITY SCHOOL DISTRICT
FOR THE PERIOD
MAY 1, 2009 THROUGH JANUARY 31, 2019**

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Telephone (515) 281-5834 Facsimile (515) 281-6518

Auditor of State's Report

To the Members of the Board of Education of the
Rudd-Rockford-Marble Rock Community School District:

As a result of concerns identified regarding certain financial transactions and at the request of officials of the Rudd-Rockford-Marble Rock Community School District (District), we conducted a special investigation of transactions handled by Deb Kadera, a Special Education Teacher previously employed by the District. Ms. Kadera was responsible for processing financial transactions for the Rudd-Rockford-Marble Rock Parent Teacher Organization (PTO) and initiating transactions for the District's Junior class account.

We have applied certain tests and procedures to selected financial transactions of the District and the PTO for the period May 1, 2009 through January 31, 2019, as applicable. Based on a review of relevant information and discussions with District and PTO 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 bank accounts held by the PTO and accounts maintained by the District for the Junior class to identify any unusual activity.
- (3) Scanned images of all redeemed checks issued from the PTO's bank accounts for reasonableness and examined all disbursements to determine if they were properly approved and supported by adequate documentation. We also examined selected disbursements from the Junior class account to determine propriety.
- (4) Examined deposits to the PTO's bank accounts and accounts maintained by the District for the Junior class to determine the source, completeness, purpose, and propriety of each deposit.
- (5) Calculated expected collections for Junior class and PTO fundraisers to determine if amounts deposited to the accounts maintained by the District were reasonable.
- (6) Examined information obtained directly from vendors for certain fundraisers to determine the quantity and price of products sold, the amounts that should have been collected, and if payments to the vendors were made.
- (7) Reviewed available PTO meeting agendas to identify significant actions and to determine if certain payments were presented to the membership for approval and/or properly approved. Minutes of PTO meetings were not maintained.
- (8) Reviewed transfers to and from the PTO's bank accounts for propriety and proper approval.
- (9) Obtained and reviewed Ms. Kadera's personal bank statements to identify the source of certain deposits. We also reviewed images of redeemed checks from the account to determine if any repayments were made to the PTO and the District.
- (10) Interviewed Ms. Kadera to obtain explanations for certain disbursements and collections.

These procedures identified \$18,086.94 of undeposited collections, \$3,783.77 of improper disbursements, and \$3,162.75 of unsupported disbursements. The procedures also identified \$6,220.79 of repayments from Ms. Kadera's personal bank accounts to the PTO in January 2019. We were unable to determine if additional amounts were improperly disbursed or if additional collections were not properly deposited because adequate documentation was not available. Several internal control weaknesses were also identified. Our detailed findings and recommendations are presented in the Investigative Summary and **Exhibits A** through **F** 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 Rudd-Rockford-Marble Rock Community School District, other matters might have come to our attention that would have been reported to you.

Copies of this report have been filed with the Floyd County Sheriff's Office, the Iowa Division of Criminal Investigation, the Floyd 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 Rudd-Rockford-Marble Rock Community School District and the Floyd County Sheriff's Office during the course of our investigation.



ROB SAND
Auditor of State

May 27, 2020

Rudd-Rockford-Marble Rock Community School District
Investigative Summary

Background Information

The Rudd-Rockford-Marble Rock Community School District (District) is located in Rockford, Iowa and serves approximately 450 Kindergarten through 12th grade students in Floyd County, including the towns of Rudd, Rockford, and Marble Rock. The District is governed by a Board of Directors (Board) comprised of five members who are elected to four-year terms on a non-partisan basis.

The Rudd-Rockford-Marble Rock Parent Teacher Organization (PTO) is comprised of parents from the Rudd-Rockford-Marble Rock Elementary School. The PTO operates on a volunteer basis. Parents of elementary school students assist with various PTO fundraising activities throughout each school year. Membership dues are not required to be a member of the PTO. According to a former PTO member, there are no policies or bylaws established for the PTO and its operations. In addition, there is no PTO Board or other oversight committee that oversees the activity of the PTO.

Deb Kadera began her employment with the District as a Special Education Instructor in August 2009. During her tenure, Ms. Kadera also served as the Junior class sponsor. According to District officials we spoke with, as a class sponsor, Ms. Kadera was responsible for helping the Junior class hold fundraisers for their Senior prom and Senior trip by:

- operating the various fundraisers independently,
- working with vendors to set up fundraisers,
- collecting proceeds of fundraisers,
- and ensuring the vendor invoices were submitted to the Business Office so payment could be remitted to the vendor after the fundraiser was completed.

Ms. Kadera was also responsible for submitting all proceeds from fundraisers to the District's Business Office to be recorded in the appropriate Activity Fund account and deposited to the District's bank account.

During the period of our investigation, sponsors maintained all supporting documentation for the various fundraisers held and were not required to submit to the District's Business Office any supporting documentation for collections. In addition, reconciliations of collections to supporting documentation were not performed.

Ms. Kadera began maintaining the accounting records for the PTO in approximately May 2009. Because there is no PTO Board or other oversight committee, Ms. Kadera was responsible for:

- collecting money, preparing and making deposits, and maintaining accurate records of monies received and
- preparing and issuing checks for various fundraisers, reimbursements to teachers, and other operations.

The PTO's primary revenue source is fundraisers, including Scholastic Book Fairs, Box Tops for Education, and spirit clothing sales. Funds received for the various fundraising activities at the District were remitted to Ms. Kadera to be deposited into the PTO bank accounts. According to Ms. Kadera, deposits were not regularly taken to the bank.

PTO disbursements were primarily made by check, which required a single signature. According to a PTO member we spoke with, collections or disbursements were not discussed or mentioned during

PTO meetings. They also reported Ms. Kadera only reported the balance of the PTO's bank accounts to those present at the meetings.

The PTO established two bank accounts, including a business checking account used for most PTO operations and a business savings account. The monthly bank statements for the PTO's bank accounts were mailed directly to Ms. Kadera's personal residence. As a result, the monthly statements and related images of redeemed checks were not periodically reviewed by members of the PTO or the District while Ms. Kadera maintained the PTO's accounting records.

On January 4, 2019, the District's Business Manager asked Ms. Kadera why no cash collections were remitted to the Business Office for a recently held Junior class fundraiser. Ms. Kadera initially stated she only accepted check payments for the fundraiser. The Business Manager asked Ms. Kadera to provide the supporting documentation showing only check collections. On January 7, 2019, Ms. Kadera met with the Superintendent and stated she had not told District administration about the cash bag kept in her classroom which contained cash from the fundraiser in question because it was missing. Ms. Kadera further stated there was approximately \$390.00 in cash missing, which she would repay. The Superintendent immediately notified the District's attorney of the situation; and, on January 8, 2019 Ms. Kadera was placed on paid administrative leave.

The District's Business Manager began reviewing the available District records for all Junior class fundraisers back to the 2014/2015 school year and identified discrepancies in the collections remitted to the Business Office when compared to the amounts paid to vendors.

During this same timeframe, a former PTO member informed District administration Ms. Kadera was running the PTO on her own and the PTO's bank accounts were overdrawn. Although the former PTO member had not been involved with the PTO for a number of years, her name had never been removed from the PTO's bank accounts. As a result, she was contacted by the PTO's bank to make her aware the PTO's bank accounts were overdrawn. At the direction of District administration, the former PTO member contacted Ms. Kadera and asked her to turn over the PTO's checkbook and bank statements to her.

Ms. Kadera turned over the bank statements and the checkbook along with a handwritten note on January 4, 2019. In the note, Ms. Kadera apologized for not being able to locate the PTO's receipt bag or the bookkeeping book. She further stated she would repay all reimbursements issued to her and her husband because they were unable to locate these items. A copy of the handwritten note is included in **Appendix 1**. The former PTO member and the Business Manager began reviewing the PTO bank statements and identified payments to Ms. Kadera and her husband, as well as transfers to bank accounts not held in the PTO's name.

At the direction of the District's Attorney, the Floyd County Sheriff's Office was contacted with the information they had gathered. The Floyd County Sheriff's Office subsequently confiscated Ms. Kadera's District computer and the files kept in her desk at the District. The Superintendent and Business Manager also contacted the Office of Auditor of State regarding the concerns.

As a result of the concerns identified by District officials and the Floyd County Sheriff's Office, the Office of Auditor of State was requested to review the PTO and District's financial records. We performed the procedures detailed in the Auditor of State's Report for the period May 1, 2009 through January 31, 2019.

Detailed Findings

The procedures performed identified \$18,086.94 of undeposited collections, \$3,783.77 of improper disbursements, and \$3,162.75 of unsupported disbursements.

The undeposited collections identified included \$3,742.36 from Junior class fundraising events and \$14,344.58 of proceeds from PTO fundraisers, including:

- \$11,212.43 of Scholastic Book Fair collections,
- \$2,401.80 of General Mills Box Tops collections, and
- \$730.35 of proceeds from various PTO fundraisers.

The \$3,783.77 of improper disbursements identified were from the PTO's bank account and includes \$2,405.00 of transfers to Ms. Kadera's personal bank accounts and \$1,258.77 of other payments. Improper disbursements from Junior class account held by the District were not identified.

We also determined Ms. Kadera transferred \$2,475.00 from her personal bank account to the PTO's bank accounts. In addition, Ms. Kadera issued three checks from her personal bank account totaling \$3,745.79 that were deposited in the PTO's bank account on January 2, 2019. As previously stated, Ms. Kadera provided a written note to a former PTO member that the checks were to repay reimbursements she and her husband received from the PTO.

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

On May 21, 2020, we conducted an interview with Ms. Kadera with the assistance of a Deputy from the Floyd County Sheriff's Office. During the interview, Ms. Kadera stated she was solely responsible for all disbursements from and deposits to the PTO's accounts. However, when asked about specific instances or transactions, she was typically not able to provide explanations. Additional information provided by Ms. Kadera during the interview is included in the following paragraphs.

UNDEPOSITED COLLECTIONS

PTO Fundraiser Collections

As previously stated, the PTO established two bank accounts, including a business checking account used for most PTO operations and a business savings account. We reviewed the deposits to each of the PTO's bank accounts to identify any unusual activity. Using supporting documentation of fundraisers maintained in Ms. Kadera's records, as well as information obtained directly from vendors, we compared the amounts that should have been collected to bank deposits to determine if all amounts were properly deposited. We also reviewed transfers made to and from the PTO's checking and savings accounts.

As previously stated, Ms. Kadera handled all accounting functions of the PTO during the period of our investigation. Specifically, Ms. Kadera was responsible for organizing and running fundraisers, ensuring all collections were received and deposited, and ensuring the amounts owed to vendors were properly paid. When we compared the amount of collections from the vendor's records to deposits to the PTO's bank accounts, we identified undeposited collections. Our findings regarding the PTO's collections are explained in detail in the following paragraphs.

Scholastic Book Fairs – Each spring and fall the PTO held a Scholastic Book Fair during parent-teacher conferences. According to the Scholastic representative we spoke with, Scholastic provided the products and a cash register to be used by the PTO during the Book Fair. All sales were to be entered into the cash register provided by Scholastic by the type of payment received. Payment types included cash, check, or credit card. Credit card payments were paid directly to Scholastic and were not processed or deposited by PTO members or volunteers. However, all cash and checks collected during the Book Fairs were to be deposited to the PTO's bank accounts. After each Book Fair, Ms. Kadera boxed the unsold products to return to Scholastic, along with the cash register.

According to the Scholastic representative we spoke with, the PTO had two choices regarding how to retain profit from the fundraiser: retain 25% of total cash sales or remit all cash and check receipts and receive 50% of total sales in Scholastic Dollars to be used by the District at Scholastic's online store to purchase books and supplies for the District. According to the Scholastic representative we spoke with, the PTO elected to receive Scholastic Dollars during the period of our investigation. As a result, all cash and checks collected from each Book Fair should have been deposited into the PTO's bank accounts and the total amount collected was to then be paid to Scholastic by the PTO. However, if a parent or customer issued their check directly to Scholastic, it was not deposited by the PTO. Instead, it was sent to Scholastic along with the PTO's check and the amount of the payment made by the PTO was adjusted accordingly. We determined all amounts owed to Scholastic by the PTO were paid in full for the period February 2011 through October 2018.

During our review of documentation obtained from Ms. Kadera's desk by the Floyd County Sheriff's Office, we located some Scholastic sales invoices and cumulative sales receipts; however, the records were not complete. As a result, we contacted Scholastic and obtained invoices directly from Scholastic for all Book Fairs dating back to February 2011. Scholastic also provided supporting documentation for the October 2010 book fair, which was the first book fair, Ms. Kadera would have handled. However, we were unable to obtain the PTO's bank statements for that time period. The invoices received from Scholastic include total sales, the amount paid by credit cards, and the amount paid to Scholastic by the PTO.

Using the invoices from Scholastic, we determined the date of the invoice, the amount of credit card purchases, the amount of total cash/check purchases, and the amount remitted to Scholastic from the PTO for each Scholastic Book Fair held. We also determined all deposits to the PTO's bank accounts identified as Book Fair proceeds and compared the amount deposited to the amount of cash/check sales for each Book Fair. In addition, we identified all checks issued from the PTO's bank accounts to Scholastic and identified 15 instances where the amount paid did not agree with the amount owed based on Scholastic's records. Based on conversations with a Scholastic representative and review of the records obtained from Ms. Kadera's desk, we determined the differences between the amounts owed and the amounts remitted from the PTO's bank accounts were check issued to Scholastic by individual customers. As a result, the payments to Scholastic by the PTO satisfied the remaining obligation.

Exhibit B summarizes a comparison of the total sales for each Book Fair, checks issued to Scholastic by customers, and the amounts deposited. As illustrated by the **Exhibit**, we identified \$11,098.31 of undeposited collections for the period October 1, 2010 through January 31, 2019, beginning with the February 2011 Book Fair. During our interview with Ms. Kadera, she could not provide an explanation for the undeposited collections "unless they used some of the cash for dinners [for the teacher conferences]." When we asked how often that may have happened, Ms. Kadera stated "2 or 3 times." It is apparent a limited number of meals would not explain the total amount of undeposited collections identified.

During our review of payments issued to Scholastic from the PTO's bank accounts, we identified two instances where the amounts remitted were greater than the amounts owed by the District. On November 26, 2010 the PTO issued a payment to Scholastic in the amount of \$1,797.10, resulting in an overpayment of \$3.84; and on December 6, 2011, the PTO issued payments to Scholastic for \$1,960.97, resulting in an overpayment of \$110.28. According to the Scholastic representative we spoke with, it is their practice to issue refunds for overpayments, however, they did not have detailed refund records available from 2010 and 2011. During our review of the PTO's bank statements we did not identify deposits which included the refunds. As a result, we determined the \$114.12 of refunds were not properly deposited to the PTO's bank accounts.

The \$11,098.31 of undeposited Scholastic Book Fair collections summarized in **Exhibit B** and the \$114.12 of undeposited refund checks, totaling \$11,212.43, are included in **Exhibit A** as undeposited collections.

General Mills Box Tops – A primary fundraising event for the PTO is the collection of General Mills box tops by students and teachers throughout the school year. At the end of each school year, all box tops collected were given to a PTO member, who counted the number collected, completed the submission form, and mailed the box tops to General Mills. After the submission form and box tops were received and processed by General Mills, they issued a check to the PTO which was to be deposited into its bank accounts. Ms. Kadera received the checks issued by General Mills and was responsible for depositing the funds into the PTO’s bank accounts.

During our review of available documentation obtained from Ms. Kadera’s desk, we located four reward check stubs and two submission reports. Because the submission reports did not list the amount remitted to the PTO, we contacted General Mills and obtained a listing of all checks issued by General Mills to the PTO for the period May 2009 through December 2018.

The listing of checks from General Mills included the date and the amount of each check issued. We compared the listing to deposits made to the PTO’s bank accounts and determined seven of the nine General Mills checks were properly deposited into the PTO’s bank accounts. However, the remaining two checks were not properly deposited. The two checks identified were dated April 20, 2009 and April 19, 2017 and issued for \$1,519.00 and \$882.80, respectively. The \$2,401.80 of undeposited checks from General Mills are included in **Exhibit A**.

Miscellaneous Fundraisers – As previously stated, the PTO’s primary revenue sources include fundraisers and occasional donations. We reviewed available documentation related to these revenue sources to determine if collections were properly deposited. However, the PTO did not maintain a complete listing of events, donations, or receipts.

However, during our review of the available supporting documentation for various fundraisers, we identified two instances where checks were not properly deposited into the PTO’s bank accounts. The checks were proceeds from fundraising events and included a \$638.35 check from Schwan’s Home Service, Inc. dated April 24, 2010 and a \$92.00 check from Spirit and Pride dated October 25, 2016 for the sale of apparel. The \$730.35 of undeposited checks identified are included in **Exhibit A**.

Ms. Kadera’s Personal Bank Accounts

We reviewed deposits made to Ms. Kadera’s personal bank accounts for the period January 1, 2012 through March 31, 2019 to determine the composition of selected deposits. As a result of our review, we identified 46 instances where funds were deposited to Ms. Kadera’s personal bank accounts within seven days of a deposit made to the PTO’s bank accounts. The deposits identified total \$35,534.01. Of the 46 deposits, we determined 20 were for even dollar amounts. These deposits do not include any payroll amounts to Ms. Kadera or her husband. Because sufficient bank records were not readily available, we were unable to determine the source of the funds deposited.

Junior Class Fundraiser Collections

As previously stated, Ms. Kadera was responsible for helping the Junior class raise funds for their Senior prom and Senior trip by operating the various fundraisers. Specifically, she was responsible for working with the vendor to set up the fundraiser, collecting the money, and ensuring the District remitted payment to the vendor after the fundraiser was completed. Ms. Kadera was to maintain all the supporting documentation for the various Junior class fundraisers and remit all collections to the District’s Business Office to have the funds recorded in the District’s accounting system and deposited to the District’s bank account.

Using supporting documentation of fundraisers maintained in Ms. Kadera’s records and information obtained directly from vendors, we compared total sales to the receipt postings in the District’s accounting system to determine if all collections were properly deposited. We also

reviewed disbursements to vendors from the District's Activity Fund to ensure the proper amounts were paid. In addition, we reviewed the District's accounting records for the Junior class account to identify any unusual transactions.

When we compared the total sales from the vendors' records to deposits to the District's accounting system, we identified undeposited collections. Our findings regarding the Junior class' collections are explained in detail in the following paragraphs.

Great American Opportunities – A primary fundraising event for the Junior class each year was through Great American Opportunities (Great American). The fundraising event was held each fall from September 2013 through November 2018. According to District officials we spoke with, originally magazines were sold through Great American; but in the fall of 2018, they began selling tumblers, team flags, and snack tins instead.

Great American provided order forms and pamphlets of the products available for purchase. Members of the Junior class used the pamphlets to sell the available products. Purchases were made by either recording them on the order form and paying cash or check or by purchasing directly from Great American's website using a credit card. At the end of the fundraiser, the completed order forms and payments collected were turned in to Ms. Kadera who was responsible for submitting the order forms to Great American and the collections to the District's Business Office.

After the order forms were submitted to Great American, a bill was sent to the District for the cost of the products sold. Based on discussions with Great American representatives, the District retained approximately 40% of total sales from the order forms and paid Great American approximately 60% of total order form sales. However, the payment was often increased by amounts for incentives and awards. In addition, after closing the fundraiser, all purchases made online were totaled and Great American issued the District a check for a share of the proceeds.

During our review of available documentation obtained from Ms. Kadera's desk by the Floyd County Sheriff's Office, we located some Great American sales invoices, paper order forms, and profit check stubs; however, the records were not complete. As a result, we contacted Great American and obtained sales invoices and online sales profit check stubs directly from Great American for all Junior class fundraisers from September 2013 through November 2018. Similar documentation for periods prior to September 2013 was not available from Great American. The sales invoices received from Great American included the invoice date, total sales, and the amount owed by the District. We also identified all checks issued by the District to Great American for Junior class fundraisers and determined the amounts owed by the District were paid to Great American with the exception of a \$.30 underpayment for the fundraiser held during the 2014/2015 school year. We also identified a \$1.87 late fee the District paid to Great American for the fundraiser held during the 2016/2017 school year.

In addition, we determined the amount of collections posted to the District's accounting system for the Junior class and identified the amounts related to the annual fall fundraiser. By comparing the sales information from the documents obtained from Great American to the amounts recorded in the District's accounting system, we identified \$2,080.36 of undeposited collections. **Exhibit C** summarizes the comparisons by school year. This amount is included in **Exhibit A**.

Pizza Fundraiser – Beginning with the 2015/2016 school year, the Junior class sold kits from a national pizza franchise. Specifically, students sold kits for pizzas, bread, and dessert. The District earned \$6.00 for each kit sold.

According to the District officials we spoke with, each student collected cash or checks for their sales and turned in the order forms and the money they collected to Ms. Kadera. She remitted the collections to the Business Office for deposit and posting to the District's accounting system. However, she did not submit the order forms to the Business Office. At the end of the sale, the amount of product sold less \$6.00 per kit sold was billed to the District and a check was issued to

the franchise. We determined the amounts owed by the District to Little Caesars were properly paid for the period March 2016 through January 2019.

District officials located the invoices from the franchise for the fundraiser events held during Ms. Kadera's tenure as Junior class sponsor. The invoices include total sales by type of kit, a breakdown of individual quantities ordered and the price by unit, total sales amount, the amount paid by credit card, and the amount owed by the District at the time of delivery.

Using information from the invoices, we determined the amount of collections that should have been remitted to the District's Business Office to be recorded in the District's accounting system and deposited in the District's bank account. We compared this amount to District records and determined not all collections were properly remitted to the District's Business Office.

Using information from the invoices, we also determined the District's share of the proceeds based on the number of kits sold and subtracted the proceeds from the total sales less the purchases made with a credit card. The net amount calculated was the amount the District owed the franchise for the cost of the products sold. We confirmed the amount calculated agreed with the amount shown on the invoice. We then compared the amount owed to checks the District issued to the franchise and determined the District properly remitted all payments to the franchise for the products sold.

Exhibit D summarizes the comparisons, undeposited collections, and the payments to the franchise. As illustrated by the **Exhibit**, we identified \$1,662.00 of undeposited collections for the period March 3, 2016 through January 25, 2019, which are included in **Exhibit A**.

IMPROPER AND UNSUPPORTED DISBURSEMENTS

As previously stated, the PTO established two bank accounts, including a business checking account used for most PTO operations and a business savings account. Also as previously stated, all PTO disbursements were to be made by check. We reviewed all disbursements and images of checks redeemed from the PTO's two bank accounts for the period April 29, 2009 through December 31, 2018.

Using available supporting documentation and based on information obtained from internet searches, discussions with District officials and former PTO members, school year calendars, and the vendor, frequency and amount of the payments, we classified payments as improper, unsupported, or reasonable.

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

The improper and unsupported disbursements identified in the PTO's checking and savings bank accounts are explained in detail in the following paragraphs.

Transfers to Outside Bank Accounts

As previously stated, a PTO Board or other oversight committee had not been established to oversee the activity of the PTO or review and approve transfers made to/from PTO accounts. As part of our review of activity in the PTO's bank accounts, we identified 36 transfers from April 29, 2009 through January 31, 2019. Bank documents we reviewed show each transfer was authorized by Ms. Kadera.

The 36 transfers include seven transfers from the PTO's savings account to the PTO's checking account. The remaining 29 transfers are listed in **Exhibit E**. As illustrated by the **Exhibit**, the transfers were made between September 6, 2018 and December 14, 2018. Also as illustrated by the **Exhibit**, the 29 transfers include 19 transfers out from and 10 transfers in to a PTO bank account and total \$2,405.00 and \$2,475.00, respectively. None of the 29 transfers listed involved another PTO bank account.

As previously stated, we obtained Ms. Kadera's personal bank statements for the period January 1, 2012 through March 31, 2019. We compared the 19 transfers out listed in **Exhibit E** to Ms. Kadera's personal bank account statements and determined 16 of the 19 transfers from the PTO's bank accounts were deposited to Ms. Kadera's personal accounts and the three remaining amounts were deposited to Ms. Kadera's son's bank account. PTO members we spoke with reported there was not a reason for these transfers. As a result, the \$2,405.00 of transfers out listed in **Exhibit E** are included in **Exhibit A** as improper disbursements.

Using Ms. Kadera's personal bank statements, we also determined the 10 transfers into a PTO bank account were from Ms. Kadera's personal bank accounts. Because these funds were deposited to the PTO's bank accounts, the \$2,475.00 of transfers in listed on **Exhibit E** are included in **Exhibit A** as repayments.

Payments to PTO Members and Vendors

As previously stated, we reviewed all disbursements and images of redeemed checks from the PTO's two bank accounts for the period April 29, 2009 through January 31, 2019. In addition to the improper transfers to the personal bank accounts held by Ms. Kadera and her family, we identified other improper and unsupported disbursements from the PTO's bank accounts.

We identified thirteen checks totaling \$1,990.00 issued to Ms. Kadera or her husband. Using the available supporting documentation, the dates, and memo lines of the checks we determined if each of these checks were reasonable, unsupported, or improper. The disbursements to Ms. Kadera and her husband included:

- Two checks issued to Ms. Kadera for reimbursements totaling \$327.22. The checks were supported by receipts and were for items related to the PTO's annual fall fest.
- Seven checks issued to Ms. Kadera or her husband, Russ Kadera, for reimbursements totaling \$655.01. The checks were supported by receipts; however, after consulting with PTO members, we were unable to determine if the items purchased were for PTO operations or for personal purposes.
- Five checks issued to Ms. Kadera or her husband. According to the memo lines of the checks, they were reimbursements for items purchased for the PTO. However, four of the five reimbursements were not supported by documentation such as receipts or invoices to show what was purchased, the vendor, or the date of the purchase and the four checks were even dollar amounts. Each of the four checks exceeded \$125.00. The receipt for the remaining reimbursement identified certain items as personal; however, the total amount of the receipt total was reimbursed to Ms. Kadera. The four checks and the improper portion of the fifth check total \$1,007.77.

As previously stated, **Appendix 1** illustrates Ms. Kadera provided a PTO member a handwritten note in which she offered to repay all reimbursements issued to her and her husband. The **Appendix** lists the total of reimbursements to be \$2,286.44. Additionally, the amounts deposited to the PTO's bank account from Ms. Kadera's personal bank account in January 2019 totaled \$3,745.79. When we asked about the differences between the \$1,990.00 of checks issued from the PTO accounts to Mr. and/or Mrs. Kadera, the \$2,286.44 listed in the note, and the \$3,745.79 deposited to the PTO bank account in January 2019, Ms. Kadera was unable to provide an explanation. The note also stated repayment of the reimbursements was in lieu of not being able

to provide financial records to the PTO. It is unclear how repayment of the reimbursements is related to the lost financial records.

Exhibit F lists the disbursements to vendors identified as improper and unsupported. As illustrated by the **Exhibit**, we identified \$1,258.77 of improper and \$3,162.75 of unsupported disbursements. The improper disbursements include the following transactions.

- The \$1,007.77 of checks issued to Mr. or Ms. Kadera previously described for which there was no supporting documentation or the receipt identified certain items as personal.
- A \$200.00 cash withdrawal from the PTO's savings account on February 2, 2015. PTO members we spoke with stated there was not a need for cash to be withdrawn from the account for PTO operations.
- A check dated May 3, 2015 issued to "PEO Chapter Ed" totaling \$51.00. PEO International is an organization for the promotion of women. PTO members we spoke with stated there was not a reason for the PTO to pay this organization.

The unsupported disbursements identified include payments to PTO members and vendors for which supporting documentation was not available and/or vendors which sell items which may be for PTO operations or personal in nature. Examples of these disbursements include:

- The seven checks issued to Mr. or Ms. Kadera previously described which totaled \$655.01.
- Eight checks issued to former PTO members for reimbursements totaling \$1,249.03.
- Eight checks issued to Express Mart totaling \$521.27. Express Mart is a convenience store in Rockford that the PTO regularly used to purchase pizza and chicken for meals during the District's parent teacher conferences. However, the eight checks identified do not coincide to dates of the conferences. The memo lines of these checks state there were for "Teacher App" or "Pizza P-T emp." We were unable to determine if the events described occurred.
- Three checks issued to grocery stores totaling \$148.55.

The \$1,258.77 and \$3,162.75 of improper and unsupported disbursements identified in **Exhibit F**, respectively, are included in **Exhibit A**.

PTO Account Bank Fees

During our review of disbursements from the PTO's bank accounts, we identified three instances where overdraft fees were incurred totaling \$90.00 and a \$30.00 returned item fee incurred by the PTO for issuing a check with insufficient funds in their bank account. Because Ms. Kadera should have ensured the PTO's bank accounts contained sufficient funds prior to issuing disbursements from the accounts, the \$120.00 of bank fees identified is included in **Exhibit A** as improper disbursements.

REPAYMENTS

As previously stated, we obtained and reviewed Ms. Kadera's personal bank statements. During our review of the images of redeemed checks from the account, we determined three checks were issued to the PTO or cash on January 2, 2019 totaling \$3,745.79. As previously stated, Ms. Kadera turned over the PTO's bank statements and checkbook along with a handwritten note to a PTO member on January 4, 2019. **Table 1** summarizes the three checks from Ms. Kadera's personal bank account.

Table 1

Check Number	Check Date	Payee	Memo	Amount
3618	01/02/19	Cash	<i>None</i>	\$ 1,969.32
3619	01/02/19	RRMR PTO	<i>None</i>	1,643.47
3620	01/02/19	PTO	<i>None</i>	133.00
Total				<u>\$ 3,745.79</u>

We determined the three checks were deposited to the PTO’s checking account. A deposit of \$3,215.79 was made on January 2, 2019 and a \$530.00 deposit was posted to the account on January 3, 2019. Using the deposit slips received from the bank, we determined the January 2, 2019 deposit totaled \$3,745.79. According to the notations on the deposit slip, the deposit included \$1,969.32 of currency and two checks totaling \$1,776.47. In addition, a notation at the bottom of the deposit slip stated, “Savings Deposit 530.” Because the funds deposited to the PTO’s account came from Ms. Kadera’s personal account, the \$3,745.79 is included in **Exhibit A** as repayments.

As previously stated, when District officials requested Ms. Kadera turn over the PTO’s checkbook and bank statements, she provided a handwritten letter stating she was paying back \$133.00 which was “transferred by accident.” A copy of the handwritten letter is included in **Appendix 1**.

During our interview with Ms. Kadera, she stated the payments were to repay all the reimbursements she had received from the PTO account because they were being “accused.” When asked about the sentence in the handwritten note stating “it would take a couple of months to repay,” she stated she has not made any payments to the PTO since January 2019, and she does not remember the details of the letter as it was an emotional time.

OTHER ADMINISTRATIVE ISSUES

District officials have a fiduciary responsibility to exercise authority over its funds, efficiently and effectively achieve its mission, provide oversight of the District’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 District officials did not provide sufficient oversight of the District’s financial transactions by:

- not implementing a formal application and review process for fundraisers held at the District,
- allowing all supporting documentation to be maintained by the sponsor responsible for holding the fundraiser,
- not performing reconciliations of fundraiser sales to receipts or deposits,
- not ensuring an initial listing of fundraiser receipts and profit checks received is neither prepared nor reconciled, and
- not ensuring the PTO was properly organized with adequate independent oversight.

During conversations with District officials and review of District policy, it was identified that the District has since passed and implemented new policies and procedures regarding student activity fund fundraisers. The new policy requires prior approval of all fundraisers by the Superintendent, and that all supporting documentation from the fundraisers are to be turned in at the completion of the fundraiser along with a reconciliation of total sales to receipts and disbursements to be provided to the business office for independent review.

Recommended Control Procedures

As part of our investigation, we reviewed the procedures used by the Rudd-Rockford-Marble Rock Community School District and the Rudd-Rockford-Marble Rock PTO to process receipts and disbursements. 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 internal controls over funds raised on behalf of the schools by affiliated organizations.

- A. Guidance to Affiliated Organizations – According to an opinion of the Iowa Attorney General dated September 1, 1983, “Iowa law does not require school districts to maintain funds raised by outside organizations in the school activity account. A school district board may regulate fundraising activity during school and school sponsored events, and it may regulate the use of funds derived from those sources.”

Districts should have policies and/or procedures in place to address fundraising activity, including:

- The Board may adopt a policy to require Board approval of all fundraising activity, including fundraising activities of affiliated organizations such as Booster Clubs and the PTO.
- Boards should establish procedures for fundraising activity for District-sponsored fund raisers as well as fundraisers sponsored by outside groups and organizations to help ensure consistency and accountability over fundraising activities.
- The Board should determine the extent, if any, of administrative support to be provided for affiliated organization fundraising activity, including the cost and/or expense associated with staff time used in collecting payments, preparing, printing and/or assembling mailings, and postage.
- Fundraising activity should be clearly designated as District-sponsored and/or sponsored by an outside group or affiliated organization to clearly establish responsibility and accountability.

In addition, the District should develop written guidance to be provided to affiliated organizations to help ensure proper accountability. Topics to be included in the guidance should include:

- 1) Segregation of Duties – An important aspect of internal controls is the segregation of duties among employees or volunteers to prevent an individual from handling duties which are incompatible. Controls over receipts and disbursements should be properly segregated among members of the affiliated organizations. In addition, the affiliated organizations’ Board should review financial records, perform reconciliations and examine supporting documentation for accounting records on a periodic basis.
- 2) Supporting Documentation – All purchases made with the affiliated organizations’ funds should be properly supported by invoices, receipts or other appropriate documentation.
- 3) Receipts – The affiliated organizations should ensure proper documentation, such as receipts or order forms for products sold, are properly prepared and maintained. In addition, members of the affiliated organizations’ Boards should ensure all funds collected are properly deposited to the organizations’ accounts.

- 4) Policies, Bylaws, and Board – Members of affiliated organizations should establish a Board which can provide guidance and oversight of the entity’s operations. In addition, the Board should develop and implement written policies and procedures regarding the manner in which collections should be handled; how disbursements should be documented, reviewed, and approved prior to payment; and expectations of periodic reports to the membership, such as monthly financial reports. The policies and procedures developed should clearly address the Board’s fiduciary responsibility to ensure all funds are handled appropriately.

- 5) Documentation of Approved Transactions – Minutes of all member meetings should be recorded and maintained. The minutes should include information presented to the membership, such as bank balances, results of fundraising events, and upcoming events. The minutes should also document the actions taken by the oversight Board, officials, and/or membership, such as approval of disbursements. The minutes should be reviewed and approved by membership or the Board at the subsequent meeting and signed by the preparer and an official to document accuracy. Agendas are not substitutes for minutes.

Exhibits

Report on Special Investigation of the
Rudd-Rockford-Marble Rock Community School District

Summary of Findings
For the Period May 1, 2009 through January 31, 2019

Description	Exhibit/Table/ Page Number	Improper	Unsupported	Total
Undeposited collections:				
PTO fundraisers:				
Scholastic Book Fair	Exhibit B/Page 8	\$11,212.43	-	11,212.43
General Mills Box Tops	Page 9	2,401.80	-	2,401.80
Miscellaneous fundraisers	Page 9	730.35	-	730.35
Subtotal of undeposited PTO collections		14,344.58	-	14,344.58
Junior class collections:				
Great American Opportunities	Exhibit C	2,080.36	-	2,080.36
Pizza fundraiser	Exhibit D	1,662.00	-	1,662.00
Subtotal of undeposited Junior class collections		3,742.36	-	3,742.36
Total undeposited collections		18,086.94	-	18,086.94
Improper and unsupported disbursements from the PTO accounts:				
Transfers to outside bank accounts	Exhibit E	2,405.00	-	2,405.00
PTO account disbursements	Exhibit F	1,258.77	3,162.75	4,421.52
PTO account bank fees	Page 13	120.00	-	120.00
Total improper and unsupported disbursements		3,783.77	3,162.75	6,946.52
Total		\$21,870.71	3,162.75	25,033.46
Less: Payments by Deb Kadera				
Transfers from Deb Kadera's bank accounts	Exhibit E			(2,475.00)
Payments from Deb Kadera's bank accounts	Page 14			(3,745.79)
Net amount				\$18,812.67

Report on Special Investigation of the
Rudd-Rockford-Marble Rock Community School District

Undeposited Scholastic Book Fair Collections
For the Period May 1, 2009 through January 31, 2019

Date of Event	Collections per Scholastic Records			Less: Checks Issued to Scholastic	Net Collections
	Total Collections	Less: Credit Card Sales	Cash/ Check		
February 2011	\$ 2,288.07	307.99	1,980.08	418.87	1,561.21
October 2011	2,252.79	402.10	1,850.69	-	1,850.69
February 2012	2,199.86	418.84	1,781.02	18.00	1,763.02
November 2012	2,079.15	189.28	1,889.87	160.77	1,729.10
February 2013	1,545.72	333.08	1,212.64	247.18	965.46
November 2013	2,687.88	846.65	1,841.23	211.81	1,629.42
February 2014	1,872.35	340.84	1,531.51	164.29	1,367.22
November 2014	2,760.35	779.14	1,981.21	228.24	1,752.97
February 2015	1,848.61	481.88	1,366.73	81.42	1,285.31
November 2015	2,437.07	803.78	1,633.29	93.67	1,539.62
March 2016	2,254.98	587.52	1,667.46	399.02	1,268.44
October 2016	2,596.41	713.42	1,882.99	44.98	1,838.01
April 2017					
	2,176.34	474.42	1,701.92	44.95	1,656.97
October 2017	2,227.65	520.05	1,707.60	73.37	1,634.23
March 2018	3,045.90	1,175.52	1,870.38	14.98	1,855.40
October 2018	2,635.31	797.05	1,838.26	700.93	1,137.33
Total	\$ 36,908.44	9,171.56	27,736.88	2,902.48	24,834.40

^ - Deposit made exceeded total sales per the vendor's records. Unable to determine all sources of revenue included in the deposit made to the PTO's bank account. As a result, the amount deposited was reduced by \$20.45.

**Book Fair Deposits per
PTO Bank Statements**

Date	Total	Undeposited Collections
03/24/11	1,561.21 ^	-
11/21/11	1,499.28	351.41
03/22/12	1,410.88	352.14
11/16/12	1,014.06	715.04
03/06/13	642.71	322.75
11/25/13	130.98	1,498.44
03/31/14	825.79	541.43
11/24/14	899.62	853.35
03/23/15	705.98	579.33
11/30/15	659.95	879.67
04/06/16	570.84	697.60
11/16/16	997.56	840.45
04/13/17	422.66	
05/05/17	1,139.77	
	<u>1,562.43</u>	94.54
11/21/17	777.66	856.57
04/17/18	477.14	1,378.26
	-	1,137.33
	<u>13,736.09</u>	<u>11,098.31</u>

Report on Special Investigation of the
Rudd-Rockford-Marble Rock Community School District

Undeposited Great American Opportunities Collections
For the Period May 1, 2009 through January 31, 2019

School Year	Sales Amounts					Undeposited Collections
	Per Great American Invoice [^]		Per District's Accounting System*			
	Date	Amount	Month	Amount Recorded		
2013/2014	09/10/13	\$ 3,566.00	Sep 13	\$ 3,516.14	49.86	
2014/2015	09/22/14	3,725.75	Sep 14	3,631.75		
		-		-		
		3,725.75		3,631.75	94.00	
2015/2016	09/24/15	2,397.00	Oct/Dec 15	2,390.00	7.00	
2016/2017	12/09/16	771.00	Oct/Nov 16	891.00		
	12/09/16	280.00	-	-		
		-	-	-		
		1,051.00		891.00	160.00	
2017/2018	10/14/17	5,148.00	Nov 17	3,690.50	1,457.50	
2018/2019	11/26/18	2,063.00	Oct/Nov 18	1,751.00	312.00	
Total		\$ 17,950.75		15,870.39	2,080.36	

[^] - Excluding online credit card purchases.

* - Amount deposited with District's Business Office.

- The District's accounting system includes a \$48.36 check issued to Great American Opportunities from the Junior class account on May 1, 2015. However, based on the date of the payment and invoices from Great American, the payment is not related to a fundraising event sponsored by the Junior class. As a result, it is not included in this analysis.

~ - Payment per the District's accounting system was \$.30 less than the invoice amount.

** - Late fee incurred by the District.

Cost of Products Sold

Per Great American Invoice		Per District's Accounting System#			Difference
Date	Amount	Date	Check Number	Amount	
09/10/13	\$ 2,139.60	09/26/13	16029	\$ 2,139.60	-
09/22/14	2,318.97	09/19/14	16614	690.53	
-	-	10/24/14	16686	1,628.14	~
	<u>2,318.97</u>			<u>2,318.67</u>	(0.30)
09/24/15	1,486.14	10/30/15	17222	1,486.14	-
12/09/16	462.60	01/04/17	17936	462.60	
12/09/16	173.60	12/16/16	17906	95.47	
-	-	01/14/17	17936	80.00	
	<u>636.20</u>			<u>638.07</u>	1.87 **
10/14/17	3,316.76	11/15/17	18375	3,316.76	-
11/26/18	1,368.06	11/14/18	18875	1,368.06	-
	<u>11,265.73</u>			<u>11,267.30</u>	<u>1.57</u>

Report on Special Investigation of the
Rudd-Rockford-Marble Rock Community School District

Undeposited Pizza Fundraiser's Collections
For the Period May 1, 2009 through January 31, 2019

Sales Proceeds					
School Year	Per Vendor Invoices		Per District's Accounting System		Undeposited Collections
	Invoice Date	Total Sales*	Month	Amount Deposited	
2015/2016	03/03/16	\$ 5,396.00	Mar 16	5,396.00 ^	-
2016/2017	01/27/17	4,663.00	Feb/Mar 17	3,682.00	981.00
2017/2018	01/26/18	3,645.00	Feb 18	2,964.00	681.00
2018/2019	01/25/19	2,750.00	Feb 19	2,750.00 ^	-
Totals		<u>\$ 16,454.00</u>		<u>14,792.00</u>	<u>1,662.00</u>

* - Net of credit card sales.

^ - Revenue recorded exceeded total sales per the vendor's records. We are unable to determine all sources of revenue included in the postings recorded in the District's accounting system. As a result, the amount recorded was reduced by \$103.00 and \$105.00 for school years 2015-2016 and 2018-2019, respectively.

Cost of Kits Sold

Per Vendor Invoices				Per District's Accounting System		
Invoice Date	Total Sales*	Less: District Proceeds	Amount Owed to Franchise	Date	Check Number	Check Amount
03/03/16	\$ 5,396.00	1,614.00	3,782.00	03/07/16	17449	\$ 3,782.00
01/27/17	4,663.00	1,374.00	3,289.00	02/02/17	17999	3,289.00
01/26/18	3,645.00	1,056.00	2,589.00	02/02/18	18539	2,589.00
01/25/19	2,750.00	834.00	1,916.00	02/01/19	19012	1,916.00
	<u>16,454.00</u>	<u>4,878.00</u>	<u>11,576.00</u>			<u>11,576.00</u>

**Report on Special Investigation
of the
Rudd-Rockford-Marble Rock Community School District**

Report on Special Investigation of the
Rudd-Rockford-Marble Rock Community School District

PTO Bank Account Transfers
For the Period May 1, 2009 through January 31, 2019

Account	Date	Transferred Out	Amount Transferred In
Savings	09/06/18	\$ 50.00	-
Business Checking	09/12/18	30.00	-
Business Checking	09/12/18	125.00	-
Business Checking	09/14/18	-	30.00
Business Checking	09/14/18	-	125.00
Savings	09/14/18	-	50.00
Business Checking	09/19/18	170.00	-
Business Checking	09/20/18	-	170.00
Business Checking	09/26/18	100.00	-
Business Checking	10/01/18	-	100.00
Business Checking	10/12/18	200.00	-
Business Checking	10/15/18	35.00	-
Business Checking	10/17/18	40.00	-
Business Checking	10/18/18	120.00	-
Savings	10/18/18	130.00	-
Business Checking	10/22/18	-	400.00
Savings	10/22/18	-	100.00
Business Checking	10/29/18	175.00	-
Savings	10/31/18	125.00	-
Business Checking	11/01/18	25.00	-
Business Checking	11/08/18	-	500.00
Business Checking	11/08/18	-	500.00
Business Checking	11/15/18	500.00	-
Business Checking	11/15/18	-	500.00
Business Checking	11/19/18	200.00	-
Savings	12/05/18	200.00	-
Business Checking	12/12/18	135.00	-
Savings	12/13/18	10.00	-
Savings	12/14/18	35.00	-
Total		<u>\$ 2,405.00</u>	<u>2,475.00</u>

Report on Special Investigation of the
Rudd-Rockford-Marble Rock Community School District

Improper and Unsupported PTO Disbursements
For the Period May 1, 2009 through January 31, 2019

Check Date	Check Number	Description per statement	Memo on check	Amount
04/27/09	1256	Kathy Smith	None	\$ 62.77
05/03/10	1240	PEO Chapter Ed	None	51.00
05/27/10	1241	Hy-Vee	None	73.33
04/08/10	1239	Kathy Smith	None	43.42
05/28/10	1243	Deb Kadera	Reim. Jumpers	200.00
11/29/10	1258	Teresa Stevens-Marth	FF Rice Krispies	75.30
04/01/11	1263	Fareway	None	64.03
04/04/11	1264	Express Mart	None	102.87
06/27/11	1266	Teresa Marth	None	68.15
01/12/12	1269	Teresa Stevens-Marth	Mike B	712.25
04/23/12	1271	Joni Klemmerust	Reim for Donns Chose	138.50
10/26/12	1274	Deb Kadera	Fall Festival Reimb	180.61
02/18/13	1279	Express Mart	DL 257CL0072	28.62
02/19/13	1280	Russ Kadera	Reimb for P/T	56.00
10/27/13	1286	Russ Kadera	F. Fest Reimb	124.67
10/31/13	1287	Kmart	Fall Fest	40.18
05/06/14	1295	Express Mart	Teacher App.	47.97
05/08/14	1296	Deb Kadera	PTO Sandwich T.A.	132.00
05/09/14	1297	Express Mart	None	26.23
05/26/14	1318	Russ Kadera	Jumpers+Freezers	295.00
09/23/14	1299	Deb Kadera	Class Treat - Envelp	39.00
10/29/14	1300	Deb Kadera	Reim Fall Fest	375.00
10/29/14	1301	Fareway	Fall Fest	11.19
11/04/14	1302	Express Mart	DL 257CL0072	37.70
11/04/14	1303	MYF	None	100.00
11/06/14	1304	Express Mart	None	34.99
02/02/15		Withdrawal		200.00
02/16/15	1307	Express Mart	Pizza P-T Emp	188.14
04/28/15	1310	Teresa Stevens-Marth	Reimbursement	136.00

Improper	Unsupported	Reasonable
-	62.77	-
51.00	-	-
-	73.33	-
-	43.42	-
200.00	-	-
-	75.30	-
-	64.03	-
-	102.87	-
-	68.15	-
-	712.25	-
-	138.50	-
5.77	-	174.84
-	28.62	-
-	56.00	-
-	124.67	-
-	40.18	-
-	47.97	-
132.00	-	-
-	26.23	-
295.00	-	-
-	39.00	-
375.00	-	-
-	11.19	-
-	37.70	-
-	100.00	-
-	34.99	-
200.00	-	-
-	188.14	-
-	136.00	-

Report on Special Investigation of the
Rudd-Rockford-Marble Rock Community School District

Improper and Unsupported PTO Disbursements
For the Period May 1, 2009 through January 31, 2019

Check Date	Check Number	Description per statement	Memo on check	Amount
05/04/15	1312	Express Mart	DL 257CL0072	54.75
10/30/15	1314	SCT	Pizza for Teachers	75.00
10/30/15	1349	Deb Kadera	Fall Fest Snack	140.61
11/04/15	1320	Deb Kadera	Fall Fest \$1 Tue	25.98
05/24/16	1323	Pizza Ranch	<i>None</i>	137.54
05/27/16	1325	Teresa Stevens-Marth	<i>None</i>	12.64
11/07/16	1352	Deb Kadera	Walmart Conf Supplies	109.37
06/05/17	1330	Kmart	<i>None</i>	33.00
10/30/18	1333	Yes Way Pizza	Conferences	203.17
12/03/18	1336	Deb Kadera	Reimbursement Stut	159.38
Total				<u>\$ 4,596.36</u>

Improper	Unsupported	Reasonable
-	54.75	-
-	75.00	-
-	140.61	-
-	25.98	-
-	137.54	-
-	12.64	-
-	109.37	-
-	33.00	-
-	203.17	-
-	159.38	-
<hr/>	<hr/>	<hr/>
1,258.77	3,162.75	174.84

Report on Special Investigation of the
Rudd-Rockford-Marble Rock Community School District

Staff

This special investigation was performed by:

Jennifer Campbell, CPA, Manager
Ryan T. Jelsma, Senior Auditor II
Steven D. Rater, Staff Auditor
April R. Davenport, Assistant Auditor
Brandon G. Sommers, Assistant Auditor



Annette K. Campbell, CPA
Deputy Auditor of State

Appendix

Report on Special Investigation
of the
Rudd-Rockford-Marble Rock Community School District

Copy of Handwritten Letter from Deb Kadera

Terese

Here is checkbook and statements.
I apologize I can't find the receipt bag
and bookkeeping book. When I went to
Florida - Russ had the bag and he can't
remember where he put it. The book
is in the bag. Russ and I decided,
since can't find bag, we will pay back
all the reimbursements to him and I. This
should be \$2,286.44. It will take me
a couple of months to repay.

Just to let you know when I received
the book, there was no balance so I have
been going by the bank statements.

I went through my records and
repaid the \$133 - that was transferred
by accident. (\$103 Checking, \$30 Savings)

Any questions, I know you will
find me.

Deb