OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Rob Sand
Auditor of State

NEWS RELEASE

FOR RELEASE: July 7, 2026

Contact: Rob Sand – (515) 281-5835
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Auditor of State Rob Sand today released a report on a special investigation of the Township of Pleasant Grove (Township) for the period July 1, 2022 through January 31, 2026. The special investigation was requested by Township officials as a result of concerns regarding certain financial transactions processed by the former Township Clerk, Raymond White.

Sand reported the special investigation identified $248.00 of improper disbursements and $6,981.00 of unsupported disbursements. The $248.00 of improper disbursements includes $74.00 of withdrawals from the Township's main bank account and $174.00 of payments to various vendors. The $6,981.00 of unsupported disbursements includes checks and electronic payments to various vendors. However, because Township records were not sufficiently maintained, it was not possible to determine if additional amounts were improperly disbursed.

In addition, Sand reported it was not possible to determine if all revenue collections were properly deposited because adequate records were not available to determine amounts to be collected and deposited in the Township's Bank accounts.

Sand recommended Township officials implement procedures to ensure the Township 's internal controls are strengthened, including segregation of duties, performing independent review of bank statements, ensuring that all revenues are properly supported and reconciliations are performed for all revenues, and ensuring all disbursements are properly supported, approved, and paid in a timely manner. In addition, Township officials should ensure all actions taken by the Board of Trustees are properly documented in the minutes of Board of Trustees meetings and that all disbursements are publicly disclosed during these meetings.

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

REPORT OF SPECIAL INVESTIGATION
OF THE
TOWNSHIP OF PLEASANT GROVE

FOR THE PERIOD
JULY 1, 2022, THROUGH JANUARY 31, 2026

2513-0029-BE00

Table of Contents

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Rob Sand
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Auditor of State's Report

To the Township Board of Trustees:

As a result of concerns regarding certain financial transactions processed by the former Township Clerk, Mr. Raymond White, and at your request, we have conducted a special investigation of the Township of Pleasant Grove (Township). We have applied certain tests and procedures to selected financial transactions of the Township for the period July 1, 2022 through January 31, 2026, unless otherwise specified. Based on a review of relevant information and discussions with Township 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) Compared collections recorded in the Township 's bank account to detailed records for certain bank deposits to determine if collections were properly deposited for the period.

3) Reviewed available Township Board of Trustees meeting minutes to identify significant actions and to determine if certain payments were properly disclosed and approved.

4) Reviewed activity in the Township 's bank accounts to identify any unusual activity for the period June 1, 2018 through January 31, 2026. Specifically, we scanned images of redeemed checks issued from the Township '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 Township 's operations.

5) Examined payroll disbursements to Mr. White and the Board of Trustees for Board meeting attendance to determine the propriety of the payments.

6) Interviewed Township officials and personnel to determine the purpose of certain disbursements to vendors.

7) Interviewed Mr. White to obtain an understanding of how he carried out his job duties and explanations for certain financial transactions.

8) Interviewed Mr. Myers to obtain an understanding of his job duties and explanations for certain financial transactions.

These procedures identified $248.00 of improper disbursements and $6,981.00 of unsupported disbursements. We were unable to determine if additional amounts were improperly disbursed or if revenue collections were not properly deposited during the period reviewed 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** 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 Township of Pleasant Grove, other matters might have come to our attention that would have been reported to you.

Copies of this report have been filed with the Marion County Sheriff's Office, the Division of Criminal Investigation, the Marion County Attorney's Office, and the Attorney General's Office. We would like to acknowledge the assistance extended to us by officials and personnel of the Township of Pleasant Grove and the Marion County Sheriff's Office during the course of our investigation.

ROB SAND
Auditor of State

June 3, 2026

Township of Pleasant Grove

Investigative Summary

Background Information

Pleasant Grove Township (Township) is located in Marion County. The Township Board of Trustees (Board) is comprised of three members elected to four-year terms. The primary responsibilities of the Board are the maintenance of Township's four cemeteries: Swan, Spurgeon, Wheeling, and Pleasantville, and submitting payments to the Pleasantville Fire Department on behalf of the City of Swan, Union Township, and Franklin Township for the provision of fire and ambulance services to properties within the Township.

Mr. Raymond White was elected as the Township's Clerk on November 8, 2022 and began service on January 1, 2023. Mr. White was elected to a four-year term and served as such until his resignation on January 3, 2026. As the Township Clerk, Mr. White was responsible for:

- Receipts – collecting Township funds, preparing deposits and depositing the collections,
- Disbursements – making purchases, receiving certain goods and services, maintaining supporting documentation, preparing and signing checks, distributing checks, and posting to the check register, and
- Reporting – preparing Board minutes and financial reports, including and budget submitted to Marion County Auditor.

The Township's primary revenue sources of revenue are property tax collected by Marion County and burial plot leased by the Township which are collected and deposited to the Township's Cemetery Fund. In addition, the Township also collects and transfers funds from the City of Swan, Union Township, and Franklin Township through their Fire Department bank account according to a 28E Agreement for fire and ambulance services from the City of Pleasantville Fire Department, Pleasant Grove Township, Marion County, Iowa, and the Pleasantville Fire Rescue Association.

In accordance with Section 359.47 of the *Code of Iowa*, "the clerk, while engaged in official business, is to be compensated for an hourly rate established by the County Board of Supervisors. The compensation is to be paid by the County rather than from Township funds." However, according to a representative of the Marion County Auditor's Office (County Auditor's Office), Mr. White did not receive any compensation from the County for performing the Clerk's duties. Mr. White did not request compensation from Marion County. According to the Marion County Auditor, he only requested compensation on behalf of Board Members.

According to Board Members, all Township disbursements are to be made by check, and Mr. White was responsible for providing all Township disbursements to the Board of Trustees for approval. After disbursements were approved, Mr. White signed the checks. The Township required only Mr. White's signature on checks and bank statements and check images were sent directly to Mr. White and were not reviewed by members of the Board. According to a Board member we spoke with, routine disbursements from the Township's bank account would be for winter snow removal, mowing contract and tree service fees, cemetery road, and printing expenses for cemetery maps.

According to Board officials, while reviewing the Township's records, they identified the following concerns:

- Payments were made to vendors for cemetery work which were not properly supported and were not approved by the Board.

- Board Members were holding unscheduled meetings and conducting Board business without the rest of the Board being present. In addition, they were not showing up to scheduled Board meetings, not properly documenting them, and not properly posting notices to the public notices as required by Iowa Code.

- Fire Department revenues were not being managed properly.

As a result of the concerns identified, Board Members with the assistance of the Marion County Sheriff's Office requested the Office of Auditor of State to review the Township's financial records. We performed the procedures detailed in the Auditor of State's Report for the period July 1, 2022 through January 31, 2026.

Detailed Findings

The procedures identified $248.00 of improper disbursements, $6,981.00 of unsupported disbursements for the period January 1, 2023 through January 31, 2026. The $248.00 of identified improper disbursements included $74.00 of cash withdrawals and $174.00 of payments to vendors.

The $6,981.00 of unsupported disbursements were payments to vendors.

We were unable to determine if additional funds were improperly disbursed or if any revenue collections were not properly deposited during the period reviewed because adequate supporting documents were not available. All findings are summarized in **Exhibit A** and a detailed explanation of each finding follows.

At the completion of fieldwork, we interviewed Mr. White and Mr. Myers, the previous Township Clerk, to obtain explanations for certain transactions and processes followed during Mr. White's employment with the Township. We also requested explanations for certain disbursements. The information Mr. White and Mr. Myers provided are described in the following paragraphs.

IMPROPER AND UNSUPPORTED DISBURSEMENTS

As previously stated, all disbursements were made by check or electronic fund transfers. We scanned all disbursements, redeemed checks, and purchases from the Township's bank account from January 1, 2023 through January 1, 2026 to determine propriety.

Using the supporting documentation available from the Township, information obtained from selected vendors, internet searches, the vendor, the frequency and amount of the payments, discussions with Township 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 Township. Disbursements were classified as unsupported if appropriate documentation was not available or it was not possible to determine if the disbursement was related to Township operations or was personal in nature. Other disbursements were classified as reasonable if it appeared they were for Township operations based on available supporting documentation, the vendor, frequency and amount of the payments, and/or discussions with the Board of Trustees, Township Clerk, and County Auditor.

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

Check and ACH Disbursements

As previously stated, we scanned all disbursements and redeemed checks from the Township 's bank account to determine if purchases were reasonable for Township operations. Also as previously stated, we determined the propriety of disbursements based on available supporting documentation; the type or the quantity of items purchased, discussions with Township officials, and the vendor, frequency, and amount of payments. We also reviewed disbursement listings approved by the Township Board of Trustees including the minutes of Township Board of Trustees meetings.

During our review of disbursements, we identified a total of 89 disbursements made from the Township's main bank account totaling $205,507.28. Specifically, we identified 87 check disbursements totaling $204,892.41 and two ACH payments for $614.87. Of the 89 disbursements reviewed, we identified one improper disbursement and two unsupported disbursements.

The improper disbursement we identified was dated September 21, 2025 with check number 3270, was issued to Marion County Express for $72.00 with the memo line stating, "Inv. #3804 – Advertising." During the September 2025 Board of Trustees meeting, the Board agreed the full $72.00 invoice was not to be paid until additional clarification was provided for $24.00 of those charges. However, Mr. White paid the full amount of $72.00. Because the full payment was explicitly not approved by the Board, the excess payment of $24.00 is considered improper and has been included in **Exhibit A** as an improper disbursement.

- In addition, we identified unsupported disbursements from the Township's bank account totaling $6,981.00 which are included:

- On July 28, 2022, an ACH transaction to NWEDI 923844389 EDI PAYMENTS EDI for $561.00.

- On October 21, 2022, check number 3188 was issued to JR'S TREE & LANDSCAPING LLC for $6,420.00 with nothing listed in the memo line.

As illustrated above, these disbursements occurred from July 28, 2022 through June 6, 2026 and ranged from $561.00 to $6,420.00. For the two disbursements identified, supporting documentation was not available and Trustee members were unable to provide an explanation. Therefore, the two disbursements totaling $6,981.00 are included in **Exhibit A** as unsupported disbursements.

During our interview with Mr. White, we asked Mr. White about the check issued to Marion County Express in excess of what had been approved by the Trustees. Mr. White stated, "the vendor told him, they wouldn't allow the township to continue to advertise with them, if he didn't pay the full amount." When we asked Mr. White if this was communicated to the Trustees, he stated, "no."

Checks issued to the Previous Township Clerk

During our review of disbursements from the Township's bank account, we identified check number 3190 issued to Myers Family Holdings LLC for $1,500.00 dated December 31, 2022 with the memo line stating, "Nov & Dec Admin 2022". Supporting documentation was not available; however, according to Township officials, Mr. Myers was the Township Clerk at the time of this payment. Chapter 359.47 of the *Code of Iowa* states payments to Trustees and Clerks are issued from the County Auditor.

As a result, we obtained the Township's bank statements for the period of June 1, 2018 through December 31, 2022. During our review, we identified 27 checks issued to Myers Family Holdings LLC totaling $32,400.00. As previously stated, all township payroll is to be processed by the County Auditor at rates established by the Marion County Board of Supervisors. According to Township officials we spoke with, they could not provide an explanation for these payments. In addition, during our interview with Mr. White, we asked about these payments and Mr. White stated Mr. Myers had said this was a paid position but could not confirm what these payments were for.

Because Township officials and Mr. White were unable to provide an explanation for these payments, we reached out to Mr. Myers for an interview. During the interview, Mr. Myers stated this was not payroll, but rather an agreement which was established between his business and the Trustees at the time. Mr. Myers also stated the agreement was in place because while he was the Township Clerk, his business in town acted as a "town hall of sorts" and these payments were essentially a rental agreement for Township business to be conducted at the space his business occupied.

Based on our interview with Mr. Myers, we obtained a copy of the agreement between Myers Family Holdings LLC and the Township dated January 1, 2014. According to the agreement, the Township would pay Myers Family Holdings LLC $750.00 per month for the duration of the agreement, and the agreement would be renewed annually. During our interview with Mr. Myers, he stated he did not seek re-election in the fall of 2022 as he was closing his business and moving out of state. He went on to say the agreement ended when he was no longer the Township clerk.

As part of our procedures, we compared the amount and frequency of the checks issued to Myers Family Holdings LLC to determine if the amounts paid were in accordance with the agreement. During our review, we identified one payment issued to Myers Family Holdings LLC which exceeded the agreed upon monthly amount and in total for the year. Specifically, check number 3176 issued on January 7, 2021 in the amount of $900.00. The $150.00 in excess of the $750.00 monthly payment amount is considered an improper payment.

As a result, the $150.00 improper disbursement is included in **Exhibit A** as an improper disbursement.

Withdrawals

During our review of disbursements from the Township's bank account, we identified three withdrawals and corresponding withdrawal slips. The three withdrawals totaled $74.00 and are summarized in **Table 1**.

Table 1

Check Date per Bank Statements	Vendor per Bank Statement	Amount per Bank Statement
10/04/24	Withdrawal	$ 8.00
08/05/25	Withdrawal	2.00
09/08/25	Withdrawal	64.00
Total		$ 74.00

As illustrated by the **Table**, the withdrawals occurred between October 4, 2024 and September 8, 2025 and ranged from $2.00-$64.00. As previously stated, all Township disbursements are to be made by check. According to Township officials, there would be no reason for cash withdrawals. As a result, the $74.00 in cash withdrawals is considered improper and is included in **Exhibit A** as an improper disbursement.

During our interview with Mr. White, we asked about the cash withdrawals. Mr. White stated, "I never did any cash withdrawals". When we asked if anyone else would have had access to the bank accounts to make cash withdrawals, he stated, "no". During our interview with Mr. Myers, he confirmed there was no reason for cash withdrawals.

Board of Trustees Compensation

As previously stated, the Township Board conveyed concerns that Board meetings were occurring and not being properly documented on meetings minutes. According to the County Auditor, Mr. White was responsible for tracking each Board of Trustees meeting attendance and submitting a request to the County Auditor requesting payment for attending each meeting. The County Auditor stated the rate paid per meeting was $15.00 for the Pleasant Grove Board of Trustee members and the Township Clerk.

Based on supporting documentation provided by the County Auditor, only one Trustee member received payments from the County Auditor for attending meetings because she was the only official which filed the paperwork to receive payments. We traced those payments to the meeting minutes to verify attendance for the Trustee member. However, because Board meeting minutes we not available, we were unable to determine if the Trustee member attended the Board meetings.

UNDEPOSITED COLLECTIONS

As previously discussed, one of the Township's primary sources of funding is burial plot sales. In addition, the Township was responsible for forwarding money received from Union Township, Franklin Township, and the City of Swan according to the Pleasantville Fire Department 28E Agreement which was signed by the Township.

Burial Plot Revenue

According to Mr. White, he required the customer to send a check to him which included the individual(s) legal first and last name and address so that it can go on the burial plot deed. In addition, Mr. White stated the burial plot collections were not deposited on a routine basis but rather when he decided. Also, Mr. White stated no one else touched the money before he deposited the collections.

Mr. White also stated all records were kept at his house and there was no formal tracking system to monitor the revenues other than the process that is in place. At the monthly Board meetings, he stated he only provided a copy of the bank statements for their review and did not provide bank reconciliations to the Board.

During our review, we identified two receipt books maintained in the Township's safe which contained receipts for 55 cemetery plot sales totaling $35,007.00. In addition, during our review of the Township's bank account, we identified deposits totaling $43,200.00 in cash and check for burial plots.

Because the bank account identified more collections than the Township had recorded as collections, we were unable to determine the remaining source of the burial plot deposits.

28E Agreement Payments

According to Board members we spoke with, they stated Mr. White was responsible for collecting payments from Franklin Township, Union Township, and the City of Swan and transferring those funds to the Pleasantville Fire Department through the Township's Fire Department account as a part of the 28E agreement signed by the Township.

During our review of supporting documentation including but not limited to bank statements and check image, we identified Franklin Township checks were being issued to Pleasant Grove Township but were subsequently being deposited directly into Pleasantville Fire Department/EMS bank account. In addition, we traced all three checks issued to Pleasant Grove Township from Union Township to a deposit in Pleasant Grove Township's bank accounts. Also, we identified five transfers from Pleasant Grove Township bank accounts to Pleasantville Fire Department/EMS bank account, totaling approximately $200,000, which occurred between June 2023 and June 2025.

Based on available records, funds collected by Pleasant Grove Township for the 28E agreement were properly deposited and subsequently transferred to Pleasantville Fire Department/EMS.

OTHER ADMINISTRATIVE ISSUES

Oversight

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

- Compare the bill listings to supporting documentation and checks.
- Require and maintain original, itemized receipts for all disbursements, including a review of supporting documentation to ensure the public purpose of the disbursements.
- Review the Township's bank statements.
- Request and review bank reconciliations.

Recommended Control Procedures

As part of our investigation, we reviewed the procedures used by the Township of Pleasant Grove 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 Township '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 Township Clerk had control over each of the following areas:

1) Receipts – collecting, posting to the accounting records, and preparing and making bank deposits,

2) Disbursements – making certain purchases, receiving certain goods and services, presenting disbursements to the Township Board of Trustees for approval, maintaining supporting documentation, preparing, signing, and distributing checks, and posting to the accounting records,

3) Payroll – calculating payroll amounts, preparing, signing, and distributing checks, posting payments to the accounting records, and filing required payroll reports,

4) Cash – handling, reconciling bank accounts, and recording,

5) Bank accounts – receiving and reconciling monthly bank statements to accounting records, and

6) Reporting – preparing Township Board of Trustees meeting minutes and financial reports, including monthly Township Clerk reports and the Annual Financial Reports.

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

Also, bank statements should be delivered to an official who does not collect or disburse Township funds. The bank statements should be reviewed in a timely manner for unusual activity. Bank reconciliations should be performed monthly and should be reviewed by someone independent of other financial responsibilities. The reviews should be documented by the signature or initials of the reviewer and the date of the review.

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

1) Disbursements were not consistently supported by invoices or other documentation.

2) Disbursements were not approved by the Township Board of Trustees.

Recommendation – All Township disbursements should be approved by the Township Board of Trustees prior to payment, with the exception of those specifically allowed by a Township Board of Trustees approved policy. For those disbursements paid prior to Township Board of Trustees approval, a listing should be provided to the Township Board of Trustees at the next Township Board of Trustees' meeting for review and approval. 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 Collections, and Deposits for Other Revenues – During our review of the Township's revenues for burial plot leases we determined that we could not perform testing on these revenues because the Township could not provide documentation that showed how much it actually earned. In addition, reviews of the monthly bank reconciliations were not performed.

Recommendation – Procedures should be established to ensure that all receipts from the Township's revenues are properly supported and before being deposited and reconciled after deposit. Additionally, Township Board of Trustees officials should review the reconciliations to ensure accuracy and completeness. The review should be documented by the signature or initials of the reviewer and date of the review.

D) Reconciliation of Bank Accounts, Collections, and Deposits – The Township did not ensure that the checking account was reconciled, and independent reviews of the monthly bank reconciliations were not performed. During our review of collections and deposits, we determined:

1) An initial listing of mail receipts was not prepared.

2) Collections and postings to the receipt accounting software were not reconciled to deposits.

Recommendation – Procedures should be established to ensure an initial listing for all receipts is prepared and that collections recorded on the initial listing are reconciled to postings in the Township's accounting records and deposits for each month. Additionally, Township Board of Trustees officials should review the reconciliations to ensure accuracy and completeness. The review should be documented by the signature or initials of the reviewer and date of the review.

E) Oversight – Township officials have a fiduciary responsibility to exercise authority over its funds, efficiently and effectively achieve its mission, provide oversight of the Township'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:

1) Compare the bill listings to supporting documentation and checks.

2) Require and maintain original, itemized receipts for all disbursements and revenues.

3) Review the supporting documentation to ensure an appropriate purpose of the disbursements and verify accuracy of reported revenues.

4) Require and maintain a revenue tracking supporting documentation for cemetery plots and fire and/or rescue revenue.

Recommendation – Oversight by Township officials is essential and should be an ongoing effort. Township officials should exercise due care and review all pertinent information. Township 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 with Township policies and procedures.

Exhibit

Report on the Special Investigation
of the
Township of Pleasant Grove

Summary of Findings – Exhibit A

For the Period July 1, 2022 through January 31, 2026

Description	Exhibit/Table/ Page Number	Improper	Unsupported	Total
Improper and unsupported disbursements: Unauthorized checks	**Page 7**	$ 24.00	6,981.00	7,005.00
Checks issued to previous Township Clerk	**Page 8**	150.00	-	150.00
Withdrawals	**Page 8**	74.00	-	74.00
Total improper and unsupported disbursements		$ 248.00	6,981.00	7,229.00

Report on the Special Investigation
of the
Township of Pleasant Grove

Staff

This special investigation was performed by:

Ryan T. Jelsma, CFE, Manager
Richard D. Flenory, CFE, CIA, Senior Auditor
Gono Quaye, Staff Auditor

Melissa Finestead

Melissa J. Finestead, CFE
Deputy Auditor of State