

**REPORT ON SPECIAL INVESTIGATION OF THE
ACCOUNTS RELATED TO STUDENT ACTIVITIES OF THE
CLARINDA COMMUNITY SCHOOL DISTRICT**

**FOR THE PERIOD
JANUARY 1, 2015 THROUGH MAY 2, 2017**

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Auditor of State's Report

To the Board of Education of the
Clarinda Community School District:

As a result of concerns regarding certain bank accounts and at your request, we conducted a special investigation of bank accounts related to student activities held separately from the Clarinda Community School District (District). We have applied certain tests and procedures to these accounts for the period January 1, 2015 through May 2, 2017. Based on discussions with District officials and personnel and a review of relevant information, we performed the following procedures.

- 1) Reviewed documentation compiled by District officials, including notations of meetings with the former Athletic Director and head high school volleyball coach, Brian Wedemeyer, to obtain an understanding of concerns identified by District officials and subsequent actions.
- 2) Evaluated internal controls to determine whether adequate policies and procedures were in place and operating effectively.
- 3) Reviewed the Clarinda Middle/High School Activities/Athletics Handbook of Rules and Procedures and other District Board policies to determine the procedures for handling camps, fundraising, and District funds.
- 4) Reviewed documents signed by District employees who sponsor or are otherwise associated with extracurricular activities to determine if the employee disclosed a bank account was held separately from the District for the activity. In addition, we scanned the list of account names in the Student Activity Fund and compared them to the documents signed by District employees to determine all activities were accounted for.
- 5) For the separately maintained bank accounts established and identified by the coaches or sponsors of various student activities, we:
 - Interviewed District officials and employees who held the separately maintained bank accounts to determine the purpose and nature of the activity in the accounts.
 - Obtained and examined bank statements and related documents for the period January 1, 2015 through May 2, 2017 to determine the source of certain deposits and the propriety of disbursements. However, for the account established in the name Clarinda Football Club, bank statements were obtained for the period through December 31, 2016.
 - Obtained and examined selected supporting documents for transactions from the accounts.
- 6) Obtained and reviewed the personal bank statements of the boys' head high school track coach and his wife, both teachers within the District, to review activity related for the Clarinda Youth Track and Field event.

These procedures identified \$48,541.78 of collections improperly deposited to 6 unauthorized bank accounts during the period reviewed. Disbursements from the 6 unauthorized bank accounts for the same period total \$57,594.89. We determined \$20,998.49 of the disbursements were improper or unsupported. As a result of reviews performed, 5 of the 6 accounts identified were closed and \$10,774.03 was remitted to the District. The balance of the remaining account has not been transferred to the District.


The procedures also determined, for an additional activity, District funds were comingled with the sponsors' personal funds in a joint personal bank account. Because we were unable to determine the amounts collected or disbursed for the activity, the related amounts are not included in the \$48,541.78 of collections or \$57,594.89 of disbursements identified. In addition, the procedures identified a \$496.00 improperly handled transaction which was not associated with a separate bank account.

We were unable to determine if additional amounts were not properly deposited or if additional amounts were improperly disbursed because adequate records were not available. Our detailed findings and recommendations are presented in the Investigative Summary 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 the financial statements of the Clarinda 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 Page County Attorney's Office, the Attorney General's Office, and the Division of Criminal Investigation.

We would like to acknowledge the assistance extended to us by personnel of the Clarinda Community School District during the course of our investigation.


MARY MOSIMAN, CPA
Auditor of State

September 29, 2017

Report on Special Investigation of the
Student Activity Accounts of the
Clarinda Community School District

Investigative Summary

Background Information

The Clarinda Community School District (District) serves approximately 1,050 students in Page County. The District has approximately 70 teachers and an elementary school, middle school, and high school in Clarinda, Iowa. The District's 5 member Board meets on Mondays once or twice each month. Deron Stender was hired by the Board as the Superintendent in April 2016 and began employment with the District on July 1, 2016.

The District provides support to the sports, music, and arts programs available for student participation in the District. Individual accounts are maintained within the District's accounting system for each activity. Each student activity is overseen by an adult sponsor. The sponsors may be District faculty members or other adults hired by the District.

Brian Wedemeyer began employment with the District as the Athletic Director (Activities Director), assistant High School Principal, and Head Coach for High School volleyball on July 1, 2015. As the volleyball coach, Mr. Wedemeyer was the sponsor for the volleyball program and was responsible for organizing practices and guiding the team during games as well as collecting and remitting fundraising proceeds, donations, and uniform fees.

On July 6, 2015, Mr. Wedemeyer opened an account at Bank Iowa with the name Cardinal Volleyball. He opened the account with a \$2,000.00 deposit which Mr. Wedemeyer stated was comprised of his personal funds. Per Mr. Wedemeyer, he had an account like this at his prior school and was told he could establish an account at this District too. The address of the High School was listed for the bank account.

The prior volleyball coach for the District also held an outside bank account related to volleyball. The account was closed at the end of the 2014/2015 school year and a \$1,418.50 cashier's check was given to the District's Business Office to be provided to the next volleyball coach when named. In late August 2015, the District's Business Manager provided the cashier's check to Mr. Wedemeyer and requested he provide the District's Business Office with a receipt of deposit from the bank. On August 31, 2015, the funds were deposited to the Cardinal Volleyball account Mr. Wedemeyer established at Bank Iowa and a receipt was provided to the District's Business Office.

During the week of November 21, 2016, the District received an inquiry from a vendor which had received a \$1,952.91 payment from what appeared to be a District account; however, the payment was not for services rendered to the District. The vendor was concerned with the propriety of the payment. Through a series of communications, the District determined Mr. Wedemeyer wrote a check from the Cardinal Volleyball account he established to pay the vendor for installing a pool heater at his personal residence. On December 1, 2016, District Administrators met with Mr. Wedemeyer to discuss the matter. On the same date, a deposit was made to the Cardinal Volleyball account by Mr. Wedemeyer in the amount of \$1,952.91.

Upon discovery of the Cardinal Volleyball bank account maintained separately from the Districts' funds, Superintendent Stender met with District employees to inquire if other outside bank accounts existed for student activities related to the District. From the meetings, 8 separately maintained bank accounts were identified. It was also determined the funds of 1 activity were combined with the sponsors' personal bank account and 1 activity handled all transactions in cash rather than processing them through the District's accounts or a separately maintained bank account.

The 10 bank accounts identified are summarized in **Table 1**.

Table 1
Account Description
Cardinal Volleyball
Cardinal Basketball Camp (Tennis)
Clarinda History Bowl
Football (Bank Iowa)
Clarinda Football Club (Page County State Bank)
Clarinda Boys Basketball
Clarinda Football Moms
Clarinda Youth Basketball Club
Elementary Track Event
Clarinda Wrestling Club

The bank accounts and other funds maintained by District coaches and sponsors separately from District accounts were not approved by the District's Board of Education. The related financial activity had not previously been recorded in the District's financial records. Although the District's Business Office staff members were aware of the separately maintained accounts, they were not aware of the requirements for these accounts until Superintendent Stender asked about them.

The Clarinda Middle/High School Activities/Athletics Handbook of Rules and Procedures 2015-2016 states, "a coach/sponsor may run his/her own camp. The coach/sponsor must clear camp date through the Activities Directors." The Handbook also states, "all fund-raising conducted in the name of the Clarinda High School must have the Activities Director approval prior to starting the process. Our goal is not to have fundraisers or involve coaches in fundraising." It also addresses t-shirt orders, noting "all t-shirt/apparel purchased and billed through Clarinda High School must be approved ahead of time and all money collected before the order is placed. If you are ordering t-shirts/apparel and not running it through Clarinda High School please bring a copy of the order to the office so they are prepared to help answer questions."

As a result of the concerns identified by Superintendent Stender regarding the bank accounts and other funds maintained by District coaches and sponsors separately from District accounts, the Office of Auditor of State reviewed the District's activities accounts and separately maintained funds. We performed the procedures detailed in the Auditor of State's report for the period January 1, 2015 through May 2, 2017. In addition, in March 2017, the District hired an attorney to conduct an investigation into the concerns regarding use of District funds by school employees. We reviewed the results of that investigation during our review and have included its conclusions in the findings below.

Detailed Findings

These procedures identified \$48,541.78 of collections improperly deposited to 6 unauthorized bank accounts. These collections include proceeds for camps and fundraising activities. Disbursements from the 6 unauthorized bank accounts from January 1, 2015 through May 2, 2017 total \$57,594.89. Of this amount, improper and unsupported disbursements total \$20,998.49.

For an additional activity, the procedures also determined District funds were comingled with the sponsors' personal funds in a joint personal bank account. Because we were unable to determine the amounts collected or disbursed for the activity, the related amounts are not included in the \$48,541.78 of collections or \$57,594.89 of disbursements identified. In addition, the procedures identified an improperly handled \$496.00 transaction which was not associated with a separate bank account.

We were unable to determine if additional collections were not properly deposited or if additional amounts were improperly disbursed during the period because adequate records were not available.

Table 2 summarizes the activities for which bank accounts and other funds were maintained by District coaches and sponsors separately from District accounts. The **Table** also summarizes improperly deposited collections and improper and unsupported disbursements.

Description	Improperly Deposited Collections	Disbursements		
		Improper	Unsupported	Total
Cardinal Volleyball	\$ 12,588.03	4,135.00	5,510.03	9,645.03
Cardinal Basketball Camp (Tennis)	525.00	-	-	-
Clarinda History Bowl	16,484.99	-	5,542.67	5,542.67
Football (Bank Iowa)*	8,213.57	1,431.20	792.59	2,223.79
Clarinda Football Club*	6,756.19	640.00	-	640.00
Clarinda Boys Basketball	3,974.00	-	2,947.00	2,947.00
Total	\$ 48,541.78	6,206.20	14,792.29	20,998.49

* - Activity shown is for 07/08/13 through 12/31/16 for the account at Bank Iowa and for 01/01/15 through 12/31/16 for the Clarinda Football Club. Activity shown for all other accounts is for 01/01/15 through 05/02/17.

In addition to the transactions summarized in **Table 2**, we determined District funds were comingled with the Elementary Track Event sponsors' personal funds in their personal bank account. Because we were unable to determine the amounts collected or disbursed for the annual event, its financial activity is not included in **Table 2**. We also identified a \$496.00 transaction for Clarinda Softball which was not properly handled by District personnel. The transaction involved a check issued to the District but endorsed over to the High School softball coach by a District official. The proceeds from the check were used to purchase items not customarily funded by the District.

In accordance with Iowa Administrative Code chapter 281-98.70, "Moneys collected through school activities are public funds that are the property of the school district and are under the financial control of the school board." Iowa Administrative Code chapter 281-98.70 also states, "Prudent and proper accounting of all receipts and expenditures in these accounts is the responsibility of the board. School districts may maintain subsidiary records for student activities if those records are reconciled to the official records on a monthly basis; however, all official accounting records of the student activity fund shall be maintained within the school district's chart of accounts pursuant to Uniform Financial Accounting for Iowa School District and Area Education Agencies." Maintaining bank accounts and funds separate from District records does not allow proper review and approval of the collections and disbursements by the Board, as required by section 279.29 of the *Code of Iowa*.

The Iowa Department of Education updated the "Frequently Asked Questions (FAQs) Regarding the Student Activity Fund" on March 23, 2016. Page 3 of the FAQs document specifies:

“Question: May an athletic director, coaching staff, or other activity sponsors or staff establish separate checking accounts for fundraising or other activities related to district athletics? If so, is it okay to use the district's taxpayer identification number?

Answer: No. An athletic director, coaching staff, or other activity sponsors or staff should not establish separate checking accounts for fundraising, or any other purpose, using the district's taxpayer identification number or their own personal taxpayer identification number. These individuals should comply with the account procedures established by the district.

If a separate checking account is deemed necessary and appropriate, it should be opened and accounted for through the district's business office rather than an individual. This allows the district to comply with section 291.6 of the Code of Iowa regarding the duties of the district secretary to "keep an accurate account of all expenses incurred by the corporation, and present the same to the board for audit and payment" pursuant to section 279.29 of the Code of Iowa. This also ensures that proper internal control procedures are in place for compliance and accountability and allows legitimate use of the district's taxpayer identification number and sales tax exemption on purchases made from this account.

As a recommended practice where possible, districts are encouraged to annually request from banks all accounts which include the district's tax identification number."

As previously stated, when Superintendent Stender met with District employees, 11 activities were identified for which bank accounts were maintained separately from District records or other funds were identified. We made inquiries of the coaches and sponsors of the 11 activities identified to determine the purpose and type of each separately maintained account or funds.

We also reviewed supporting documentation, including check images, for deposits and disbursements, when available. Based on our review of the vendor, frequency, and amount of payments and discussions with District staff, we classified payments as improper, unsupported, or reasonable. Payments were classified as improper if they appeared personal in nature or were not reasonable for the programs. Payments were classified as unsupported if it was not possible to determine if the payments were related to the program or were personal in nature. Disbursements were classified as reasonable if the supporting documentation or other information available showed the disbursements were for various activities. The disbursements identified as improper and unsupported are listed in **Table 2**.

To ensure an account was identified for each student activity, we scanned the list of account names in the District's Student Activity Fund. We determined an account was maintained either by the District or a separately maintained account was identified for each activity. However, this procedure did not ensure additional bank accounts were not maintained separately from District records for those activities that were included in the District's records.

As a result of our review of the accounts identified when the Superintendent met with District employees and any supporting documentation for the 11 activities, we identified the findings summarized in the following paragraphs.

Cardinal Volleyball – According to Mr. Wedemeyer, he is the only authorized name on the Cardinal Volleyball account he established at Bank Iowa. We reviewed check images for the account and identified only Mr. Wedemeyer's signature on the checks. As previously stated, Mr. Wedemeyer reported the initial deposit to the account was \$2,000.00 of his personal funds and the account included a \$1,418.50 deposit from the former volleyball coach's account where funds accumulated from District events and fundraisers. Also as previously stated, a \$1,952.91 pool heater installed at Mr. Wedemeyer's personal residence was paid for from the account in November 2016. Mr. Wedemeyer reimbursed the account this amount on December 1, 2016 after discussing the transaction with District officials.

As previously stated, the District hired an attorney in March 2017 to conduct an investigation into the concerns regarding use of District funds by school employees. That investigation concluded the account included District funds.

As a result of the investigation, the Cardinal Volleyball account was closed on April 28, 2017. Prior to closing the account, Mr. Wedemeyer transferred \$4,000.00 from the Cardinal Volleyball account on April 28, 2017 to his personal bank account. The remaining balance of \$1,548.65 was withdrawn from the account and remitted to the District for deposit. The District set up an account for the Volleyball Club in the Student Activity Fund to which the \$1,548.65 was deposited. In addition, Mr. Wedemeyer resigned from his position at the District.

Table 3 summarizes the activity in the Cardinal Volleyball account based on bank statements provided by Mr. Wedemeyer. The \$5,548.65 balance on April 27, 2017 shown in the **Table** was eliminated on April 28, 2017 with the \$4,000.00 transfer to Mr. Wedemeyer's personal bank account and \$1,548.65 cash withdrawal which was provided to the District for deposit.

Table 3	
Description	Amount
Beginning balance, 01/01/15	\$ -
Deposits	27,090.61
Disbursements	(21,541.96)
Balance, 04/27/17	\$ 5,548.65

Based on our review of the supporting documentation, including all deposit slips, and discussions with Mr. Wedemeyer, the account included a combination of Districts funds, AAU funds, and Mr. Wedemeyer's personal funds.

The account included deposits for volleyball camps and clinics, AAU lesson fees, and sales of apparel. During our initial review of the deposits to the account, we determined Mr. Wedemeyer deposited \$3,952.91 of personal funds to the bank account, including the \$2,000.00 deposit on July 6, 2015 to open the account and the \$1,952.91 deposited on December 1, 2016 to reimburse the account for the personal payment made in November. Mr. Wedemeyer did not identify any additional personal deposits during our initial fieldwork. However, when he provided certain bank statements to us at a later date, he also provided a copy of a letter he sent to the Iowa Board of Educational Examiners (BOEE). The letter was not dated, but it stated it was in response to a complaint dated May 8, 2017 and it contained information regarding the Cardinal Volleyball account. In the letter, Mr. Wedemeyer identified 3 additional deposits which he stated included his personal funds. The 3 additional deposits he identified as personal included:

- \$2,135.00 deposited on July 29, 2015 - income from a summer farm job,
- \$488.08 deposited on August 20, 2015 - insurance refund, and
- \$2,012.50 deposited on February 18, 2016 - reimbursement of licensing expenses from Shore Motors.

For the additional deposits Mr. Wedemeyer identified in the letter, we obtained additional documentation from the bank and requested supporting documentation from Mr. Wedemeyer. Based on the information available for the 3 deposits, we determined:

- The \$2,135.00 deposited on July 29, 2015 was cash and the remaining portion of the \$3,500.00 deposit was composed of checks for the annual volleyball camp. Mr. Wedemeyer was not able to provide a copy of a 1099 or any other appropriate tax document to verify the deposit was composed of earnings from a summer job.

In addition, when we analytically compared the July 29, 2015 deposit to collections for the 2016 volleyball camp, it appeared the \$2,135.00 of cash may be related to the volleyball camp collections. As a result, we cannot verify the \$2,135.00 of cash deposited to the account was comprised of personal funds.

- Documentation obtained from the bank for the August 20, 2015 deposit showed it included a \$473.08 check from an insurance company issued to Brian Wedemeyer and Susan Wedemeyer. As previously stated, Mr. Wedemeyer reported to the Iowa Board of Educational Examiners he received a \$488.08 insurance refund. The difference of \$15.00 was a check written to the Cardinal Volleyball account for a t-shirt. As a result, the deposit included only \$473.08 of personal funds.
- Documentation obtained from the bank illustrated the \$2,012.50 deposit on February 18, 2016 was a check from Shore Motors issued to Brian Wedemeyer. As a result, the deposit was comprised of personal funds.

Based on the information available, we determined Mr. Wedemeyer deposited \$6,438.49 of personal funds to the Cardinal Volleyball account. Of the \$20,652.12 remaining deposits to the account, we determined \$12,588.03 was related to High School volleyball events, including volleyball camps and team shirt sales. In addition, \$8,064.09 of the deposits were related to AAU events, such as volleyball tournaments and training. Because \$12,588.03 of the deposits related to the High School volleyball program were improperly deposited to the account established by Mr. Wedemeyer, this amount is included in **Table 2**.

We reviewed bank statements and check images for all disbursements from the account, which included apparel purchases for players and coaches, travel to AAU events, volleyball equipment, and entry and registration fees for camps and clinics. In addition, electronic disbursements were made to a Capital One credit card issued in the name of "Brian A. Wedemeyer, Cardinal Volleyball." Because supporting documentation was not maintained, for some disbursements, we were unable to determine which relate to the District and which relate to AAU.

Supporting documentation was not available for 21 of the disbursements from the account totaling \$13,597.94. **Exhibit A** lists the 21 disbursements and Mr. Wedemeyer's explanations. As illustrated by the **Exhibit**, the 4 disbursements classified as improper include the following transactions.

- A \$135.00 cash withdrawal made on August 8, 2016 for which Mr. Wedemeyer was unable to provide an explanation.
- A \$2,000.00 check Mr. Wedemeyer issued to himself on August 8, 2016. Mr. Wedemeyer described this as a payment for camp workers and supplies. It would be very unusual for the purchase of supplies to result in an even dollar amount.
- The \$1,952.91 check Mr. Wedemeyer issued to Clarinda Heating on November 23, 2016 for installation of a pool heater at his personal residence.
- A \$4,000.00 internet transfer to Mr. Wedemeyer's personal bank account on April 28, 2017. This transfer was made on the same day as the \$1,548.65 cash withdrawal made to close the account. Mr. Wedemeyer stated in the letter he sent to the BOEE, "The \$1,952.91 check to Clarinda Heating was the only personal expense ever paid out of that account, aside from the \$4,000.00 I removed from the account when I closed it. That \$4,000 was less than the \$6,635.49 of personal funds that I otherwise put into the account."

Because we do not concur the full \$6,635.49 referred to by Mr. Wedemeyer was comprised solely of personal funds, we also do not concur the \$4,000.00 transfer was appropriate.

While the 4 improper disbursements total \$8,087.91 as illustrated by **Exhibit A**, this amount was reduced by the \$2,000.00 deposit of personal funds Mr. Wedemeyer used to open the account in July 2015 and the \$1,952.91 personal check Mr. Wedemeyer deposited on December 1, 2016 as a reimbursement for the check issue to Clarinda Heating. As a result, the net amount of \$4,135.00 is included in **Table 2** as improper disbursements.

The remaining 21 disbursements listed in **Exhibit A** are unsupported disbursements which appear to be related to volleyball activities based on the vendor, payment amounts, and frequency of the payments; however, we were unable to determine if these payments relate to the High School volleyball program or the AAU program due to the lack of supporting documentation. Because we are not able to determine if these purchases were related to AAU or the High School volleyball program, they are classified as unsupported. The \$5,510.03 of unsupported disbursements are included in **Table 2**.

As stated previously, Mr. Wedemeyer withdrew \$1,548.65 from the Cardinal Volleyball account on April 28, 2017 to close the account. This amount was remitted to the District and deposited in an

account established with the District's Activity Fund for the volleyball program. Based on our review of the activity in the Cardinal Volleyball bank account established by Mr. Wedemeyer, the \$1,548.65 remitted to the District was less than the amount which should have been remitted.

Table 4 summarizes the activity included in the bank account by the source of the funds. As illustrated by the **Table**, the amount of disbursements to Mr. Wedemeyer exceeded the amount of personal funds he deposited to the account. The **Table** also includes the \$5,510.03 of disbursements listed in **Exhibit A** for which we were unable to determine if the payments were related to the High School volleyball program or the AAU volleyball program. If all \$5,510.03 of the disbursements were related to the High School program, the ending balance in the account for the High School would have been \$2,170.47, which is \$621.82 greater than the amount Mr. Wedemeyer remitted to the District for the program.

If all \$5,510.03 of the unsupported disbursements were related to the AAU volleyball program, the amount which should have been remitted to the District would have been \$7,680.50, which is \$6,131.85 more than the amount Mr. Wedemeyer remitted.

Because we are unable to determine what portion of the \$5,510.03 of unsupported disbursements were related to the respective volleyball programs, we are unable to definitively determine the amount which should have been remitted to the District. However, it should have been between \$2,170.47 and \$7,680.50.

Table 4

Description	Personal Funds	AAU Volleyball	High School Volleyball	Unknown	Total
Deposits	\$ 6,438.49	8,064.09	12,588.03	-	27,090.61
Disbursements	(8,087.91)	(7,036.49)	(4,907.53)	(5,510.03)	(25,541.96)
Ending Balance	\$ (1,649.42)	1,027.60	7,680.50	(5,510.03)	1,548.65

Because the District's undeposited collections, the unsupported disbursements, and the amount improperly disbursed to Mr. Wedemeyer are included in **Table 2**, it is not necessary to include any additional amounts from **Table 4**.

Cardinal Basketball Camp (Tennis) – According to Matt Bird, the Head Coach for High School boys' tennis, he established a bank account at Page County State Bank which currently includes financial activities related to tennis. Mr. Bird opened the account in 2006 or 2007 when he was the Head Coach for basketball using registration fees received for basketball camp. When Mr. Bird resigned as Head Coach for basketball and became Head Coach for boys' tennis, he kept the account with him. The name of the bank account has not been updated to reflect the sport he is currently coaching.

Table 5 summarizes the activity in the Cardinal Basketball Camp account based on bank statements provided by Mr. Bird.

Table 5

Description	Amount
Beginning balance, 01/01/15	\$ 78.16
Deposit on 04/12/16	525.00
Disbursement on 04/18/16	(563.38)
Balance, 04/30/17	\$ 39.78

The account included a \$525.00 deposit on April 12, 2016 from various students for tennis uniforms and a related \$563.38 disbursement on April 18, 2016 to the Clarinda Community School District, who paid the vendor for the tennis uniforms. As previously stated, the Business Office was aware of the separate bank accounts held by certain coaches and sponsors, but

concerns about the outside accounts were not voiced until after Superintendent Stender began employment with the District.

According to Mr. Bird, the District will not provide funding for tennis team uniforms. As a result, the account is used as a clearing account for funds collected to purchase the team uniforms. The funds collected were paid to the District and the District then purchased the uniforms. However, the Iowa Department of Education does not allow separate checking accounts for activities related to district athletics. As a result, a separately maintained bank account should not be utilized for the tennis team. Because the \$525.00 related to the High School tennis program was improperly deposited to the account established by Mr. Bird, this amount is included in **Table 2**.

The investigation conducted by the outside attorney also concluded the account is District funds. As a result of the investigation, the Cardinal Basketball (Tennis) account was closed and the balance of \$39.78 was transferred to the District on May 2, 2017. The District set up an account for the Tennis Club in the Student Activity Fund. Since the account initially included financial transactions associated with the basketball team and later involved the tennis team, District officials should determine if any portion of the amount remitted from the separate account should be allocated to the basketball team.

Clarinda History Bowl – Based on bank statements provided by Linda Vander Bosch, the History Team Advisor and an employee of the District, a savings account in the name of Clarinda History Bowl was opened on February 2, 2015. According to Ms. Vander Bosch and based on a review of narratives she provided, the account was opened with proceeds from fundraising activities at the suggestion of the prior District Administrator. The savings account has been handled by Ms. Vander Bosch since it was established.

According to Ms. Vander Bosch, the District funded most of the costs the first year the District's team qualified for Nationals and traveled to Washington D.C. for the competition. The sponsors, parents, and Parent Teacher Association also contributed to the trip for meals, sightseeing tours, and team shirts. In subsequent years, the District funded a smaller portion of the cost with the remaining funds being contributed from the separately maintained bank account, the Parent Teacher Association, the Team Advisor's personal funds, and the participants' families.

All students who participate in the activity are students of the Clarinda Community School District. **Table 6** summarizes the activity in the Clarinda History Bowl account based on bank statements provided by Ms. Vander Bosch.

Description	Amount
Beginning balance, 02/01/15	\$ -
Deposits	16,484.99
Disbursements	(12,967.17)
Withdrawal on 03/13/17 to close the account	(3,517.82)
Ending balance	\$ -

The account included deposits from concession sales, donations from individuals, and various other fund raising events. The savings account does not have checks or a debit card. Since there were no other methods to withdraw funds, Ms. Vander Bosch periodically withdrew large amounts of cash from the savings account. According to Ms. Vander Bosch, she charged the cost of the charter bus, which provided transportation to the History Bowl, to her personal credit card. We verified the payment was made with her personal credit card. Ms. Vander Bosch stated she used a portion of the cash withdrawals to reimburse herself for the amount charged on her personal credit card.

There were other expenses she identified as being paid with her personal funds and later reimbursed, however, supporting documentation was not always maintained to determine expenses had been paid with her personal funds. A portion of the cash was also distributed to the participating students as their daily meal allowance on the History Bowl trip. Each day of the trip, the Team Advisors provided individual students an envelope with their meal allowance. In addition, trip expenses such as parking, sightseeing tours, registrations, and other miscellaneous expenses related to the History Bowl trip were paid with cash.

As illustrated by **Table 6**, disbursements from the savings account totaled \$12,967.17. Because the disbursements were in cash, we were unable to definitively determine how some of the funds were used. However, Ms. Vander Bosch was able to provide receipts for the charter bus service for \$5,042.50, registration fees of \$150.00, and 2 disbursements to Butter Braids for fundraising products totaling \$2,232.00. She was not able to provide supporting documentation for the remaining \$5,542.67 of cash withdrawn from the account.

Table 7 compares the cash withdrawals to the disbursements for which supporting documentation was available.

Table 7		
Description	Amount	
Cash Withdrawals:		
04/02/15	\$ 653.00	
05/19/15	4,324.17	
05/23/16	4,900.00	
06/03/16	3,000.00	
06/07/16	90.00	12,967.17
Less: Supported disbursements		
Charter bus	(5,042.50)	
Registration fees	(150.00)	
Butter Braids fundraiser	(2,232.00)	(7,424.50)
Total unsupported disbursements	\$ 5,542.67	

Although a portion of each year's trip is funded by the savings account and others who contribute, the District is funding a significant portion of the trip, including hotel rooms and registration for the teams. Ms. Vander Bosch also stated many items purchased for fundraising events and other meals and supplies provided to the team were purchased with her personal funds and not reimbursed.

Based on supporting documentation reviewed and discussions with Ms. Vander Bosch, we determined the History Bowl is an activity of the District. Because the \$16,484.99 related to the History Bowl was improperly deposited to the account established by Ms. Vander Bosch, this amount is included in **Table 2**. The **Table** also includes the \$5,542.67 of unsupported disbursements.

The investigation conducted by the outside attorney also concluded the account is District funds. As a result of the investigation, the History Bowl account was closed on March 13, 2017 and the balance of \$3,517.82 was remitted to the District. The District set up an account for the History Club in the Student Activity Fund.

In addition to the \$3,517.82 from the savings account, Ms. Vander Bosch remitted \$2,680.00 to the District. According to Ms. Vander Bosch, additional fundraisers were held and donations were received after the account was closed. As a result, the District deposited a total of \$6,197.82 to the account within the District's Activity Fund.

Football (Bank Iowa) – According to Mark Schilb, the Head Coach of the High School football team until he resigned at the end of the 2016/2017 school year, this account was established by the previous football coach who turned it over to him when he became Head Coach. He also stated he is the only individual whose name is on the account. We reviewed check images for the account and determined only Mr. Schilb's signature was on the checks.

Table 8 summarizes the activity in the Football (Bank Iowa) account based on bank statements provided by Mr. Schilb.

Table 8	
Description	Amount
Beginning balance, 07/08/13	\$ –
Deposits	8,213.57
Disbursements	(8,143.62)
Balance, 02/20/17	69.95
Reimbursement on 02/21/17	881.00
Ending balance	\$ 950.95

The Bank Iowa football account had no activity between August 12, 2015 and February 21, 2017. The account balance remained at \$69.95 during this time period. Proceeds from football camps held during the summer of 2016 were deposited into a separate bank account, the Clarinda Football Club account, described in the next section.

The majority of deposits consisted of entry fees for the summer football camps. According to Mr. Schilb, flyers for the summer camps were posted in the District's weight room but none were available for our review. Players on the District's team are not required to participate; however, most do. Although not restricted to students of the Clarinda School District, because the flyers are only posted in the District's weight room, the event is not widely known by other area students. The camps for various age groups are held each year prior to the start of school. The camps are listed on the District's calendar and are held on the District's property. The camps do not pay the District for use of the facilities, nor do they purchase separate insurance.

Disbursements from the account were for football apparel and supplies for the High School football team, meals, and clothing purchased for the coaches. Most purchases were made with the account's debit card.

Mr. Schilb provided printouts from Bank Iowa's on-line banking site. The on-line statements included activity dating back to July 8, 2013. We scanned the statements for unusual activity and identified charges from December 30, 2014 to January 2, 2015 which appeared personal in nature. The unusual charges included \$103.36 to Columbine Inn, \$203.00 to Ski Cooper in Leadville, Colorado, and \$207.13 to Colorado Ski. According to Mr. Schilb, he had been traveling with his family and his personal credit or debit card was rejected, so he used the football account debit card. He explained he thought he had paid the funds back, but upon review of the bank statements realized he had not reimbursed the account. Although outside our original scope of review, given the personal nature of the charges, we expanded our testing to include activity from July 8, 2013 to December 31, 2016 for this account. Upon further review, we identified similar charges on December 30, 2013 at Ski Cooper for \$260.00 and \$107.71 at the Columbine Inn. Total expenses for the 2014 and 2013 trips were \$881.20.

During our interview with Mr. Schilb, he explained the account was presented to him by the previous coach as being his personal account. He was told he could use the funds to purchase personal items for himself and his assistant coaches as the funds had been earned through the summer camps, which he was not required to provide. After we met with Mr. Schilb and reviewed the bank statements with him, he reimbursed the account \$881.00 for personal charges on the

family ski trips on February 21, 2017. We observed bank statements showing the deposit. The balance in the account after the \$881.00 deposit was \$950.95.

Supporting documentation was not available for disbursements from the account totaling \$792.59. As a result, we could not determine if these purchases were personal in nature or related to the football program. However, based on the vendor names identified on the bank statements for these transactions, they may be related to football. **Exhibit B** lists the disbursements from the account which were classified as improper and unsupported. The **Exhibit** also includes Mr. Schilb's explanations for the disbursements.

Based on discussions with Mr. Schilb and a review of the account's activity, the transactions should be included in the District's student activity accounts. Because of the way the annual football camp is currently administered, the collections for the camp should be deposited with the District. If the sponsors of the camp want to operate it as a non-District activity, they should pay the District for the use of District facilities and purchase separate insurance for the camp in order to distinguish itself as a non-District activity.

Because \$8,213.57 was improperly deposited to the account administered by Mr. Schilb, this amount is included in **Table 2**. The **Table** also includes the \$2,223.79 of improper and unsupported disbursements identified.

The investigation conducted by the outside attorney also concluded the account is District funds. As a result of the investigation, the Football (Bank Iowa) account was closed and the balance of \$950.95 was remitted to the District on April 26, 2017. The District set up an account for the Football Club in the Student Activity Fund. In addition, Mr. Schilb resigned from his position at the District effective at the end of the 2016/2017 school year.

Clarinda Football Club (Page County State Bank) – Individuals authorized for the Clarinda Football Club account established at Page County State Bank include Mr. Schilb and 3 other non-District employees. The deposits to and disbursements from the account held at Page County State Bank are similar to those in the Football account held at Bank Iowa. The account at Page County State Bank was opened approximately 2 to 3 years ago by the Head Coach for the High School football team who preceded Mr. Schilb and has been utilized more in the past few years than the Bank Iowa account. According to a discussion with a non-District employee involved with the account, this account was started with donations so the football coach could buy items for the team without having to go through the football boosters.

Table 9 summarizes the activity in the Clarinda Football Club account based on bank statements provided by Mr. Schilb.

Table 9	
Description	Amount
Beginning balance, 01/01/15	\$ 611.43
Deposits	6,756.19
Disbursements	(4,822.05)
Ending balance, 12/31/16	\$ 2,545.57

The account included collections for football camp registration fees and a few donations from individuals as payment for services provided by the football team. Disbursements include purchases of clothing for football camp and weight lifting equipment for the football team. Some disbursements were made through 3 cash withdrawals to the football coach totaling \$640.00. According to Mr. Schilb, the cash withdrawals were used to purchase items for the football team and the coaches; however, there is no supporting documentation for these purchases. Because supporting documentation and explanations were not provided, the withdrawals are considered improper. The cash withdrawals are listed in **Table 10**.

Table 10

Date	Name on Withdrawal Slip	Amount
06/11/15	Mark Schilb	\$ 360.00
04/07/16	Mark Schilb	240.00
09/30/16	Mark Schilb	40.00
Total		<u>\$ 640.00</u>

Based on discussions with Mr. Schilb and review of the account activity, the transactions should be included in the District's student activity accounts. Because of the way the annual football camp is currently administered, the collections for the camp should be deposited with the District. If the sponsors of the camp want to operate it as a non-District activity, they should pay the District for the use of District facilities and purchase separate insurance for the camp in order to distinguish itself as a non-District activity.

Because \$6,756.19 was improperly deposited to the account, this amount is included in **Table 2**. The **Table** also includes the \$640.00 of improper disbursements identified.

Based on discussions with District officials, this account was not provided to the outside attorney because officials were not aware of the account. In addition, funds from the account have not been remitted to the District. As previously stated, Mr. Schilb resigned from his position at the District.

Clarinda Boys Basketball – This account is handled by an employee of the District, Rodney Eberly, who coaches basketball and baseball. Mr. Eberly was unsure when the account was opened or the source of the start-up funds. Periodically, the basketball coaches of the District offer skills camps. The camps are advertised as "Clarinda H.S. Youth Boys Basketball Skill Development Camp." The camps are held at the High School gym and students in 3rd through 6th grades may participate. Students pay a participation fee for the camp, which includes a t-shirt.

Table 11 summarizes the activity in the Clarinda Boys Basketball account based on bank statements provided by Mr. Eberly.

Table 11

Description	Amount
Beginning balance, 01/01/15	\$ 3,619.54
Deposits	3,974.00
Disbursements	(5,556.71)
Withdrawal on 04/26/17 to close the account	<u>(2,036.83)</u>
Ending balance	<u>\$ -</u>

The bank account included receipts from camp participants. Disbursements included t-shirts for the participants and apparel for the coaches.

During discussions with Mr. Eberly, he stated custodial fees or rental of the District facilities were paid in the past. We were unable to locate such payments, either in the basketball account for the period of January 1, 2015 to December 31, 2016. We also reviewed receipts in the District's financial records to determine if custodial fees or facility rental fees from the Basketball program were received by the District. We were unable to locate any receipts of this description. As a result, we determined the skills camps are a District function.

In addition, sales tax was not paid on a large purchase of clothing. This indicates the vendor believed the purchase was for the District, which is exempt from sales tax. Supporting

documentation was not available for transactions totaling \$2,947.00. As a result, we could not determine if these purchases were personal in nature or related to the basketball program. **Exhibit C** lists the unsupported disbursements from the account and Mr. Eberly's explanations.

Because the \$3,974.00 related to the Basketball team was improperly deposited to the account administered by Mr. Eberly, this amount is included in **Table 2**. The **Table** also includes the \$2,947.00 of unsupported disbursements.

The investigation conducted by the outside attorney also concluded the account is District funds. As a result of the investigation, the Clarinda Boys Basketball account was closed and the balance of \$2,036.83 was remitted to the District on April 26, 2017. The District set up an account for the Basketball Club in the Student Activity Fund.

Clarinda Softball – The High School softball coach, who is also an employee within the District, does not maintain an outside bank account. However, an on-line fundraiser conducted through a vendor's website resulted in profits of \$496.00 for the softball team. The vendor's check for the profits was sent to the District's address, payable to Clarinda HS. The District's administrative staff endorsed the check and provided it to the softball coach. The softball coach then cashed the check and used the funds to purchase apparel for the softball coaches, supplies for the softball banquet, and a gift card for the volunteer coach. Supporting documentation was not available for the purchases as they were all made in cash and no receipts were kept.

According to the High School softball coach, the fundraising was done with the intent of using the profits to purchase apparel for the coaches, supplies for the annual banquet, and a gift for the volunteer coach. The District has not customarily provided funding for such purchases. As a result, the check for the profits, although written to Clarinda HS, was instead endorsed over to the softball coach.

Because the softball coach cashed the check from the vendor and made subsequent purchases in cash, we are unable to determine if funds were spent for the intended purposes. If the team conducts a similar fundraiser in the future, it should follow guidance provided by the Iowa Department of Education related to fundraising. Since the softball team does not have an outside bank account, this information was not included in the outside attorney's investigation.

Clarinda Football Moms – According to a District employee we spoke with, who is also the mother of a High School football player, the Clarinda Football Moms account was established in 2012 by a group of moms of football players. For a period of time, the account was handled by a mom who was also a substitute teacher for the District. The individual later became a full-time employee of the District. As of January 23, 2017, the bank account was turned over to another individual who is not a District employee.

The account's deposits consist of donations from parents and others in the community for the purchase of food for the High School football team. The meals are provided before or after football games, usually on days of away games. Disbursements consisted of reimbursements to individuals for their purchases or directly purchasing groceries or meals from restaurants, such as Subway.

After reviewing activity in the account and discussions with District employees, it was determined the funds in the account are not District funds.

Clarinda Youth Basketball Club – According to a teacher within the District and a District Board member we spoke with, this account was established several years ago by the sponsor of the Basketball Club who was not a District employee. The group meets periodically to plan the annual youth basketball tournament and review bank statements and other financial information. Informal minutes of the meetings are kept.

The account includes deposits of entry fees and concession sales from a youth basketball tournament held at various locations including the Clarinda Lied Center, Clarinda High School, and Clarinda Middle School. The Clarinda Lied Center is a privately funded community center, not a facility owned by the District. Disbursements included payments to individuals for referee services, purchase of resale items for the concession stand, rental of the District facilities, and other miscellaneous expenses related to the youth basketball tournaments. The tournament is open to all boys and girls in 3rd through 6th grades.

Based on our review of the account's bank statements, we determined the group pays to use the District's facilities. The youth basketball events of the group are held at both District facilities and non-District facilities and participants include both students of the District and other children in the area. It was determined the Clarinda Youth Basketball Club is not a District function.

Elementary Track Event – The current Head Coach of the High School boys' track team and his wife, who is also an employee within the District, hold an elementary track event for boys and girls in 1st through 6th grades each year. A fee is required for each participating child and there's also an option to purchase a t-shirt. The event is held at the High School track, but the District does not receive a payment for use of the facilities. The event is open to students of the District and the Clarinda Lutheran School.

Collections from the event are deposited into the sponsors' personal checking account. Disbursements included such items as t-shirts for participants and volunteers, purchases of ribbons, snacks for participants, and thank you gifts for volunteers. All funds related to the event are co-mingled with the sponsors' personal funds. An accurate account of collections and disbursements from the annual event could not be determined because sufficient records were not maintained and the activity is comingled with the sponsors' personal deposits and purchases.

Although all area students are invited to participate in the track event, the event is sponsored by District employees, the event is held at a District facility, and the District does not receive a payment for use of the facilities. Therefore, we determined the event is a District activity and the funds of the Elementary Track Event are District funds. Because we were unable to determine the amounts collected or disbursed for the annual event, financial activity is not included in **Table 2** for the elementary track event.

Individuals sponsoring the event should take steps to ensure the public is aware the event is not a District sponsored event. Such steps would include not using the name and mascot of the Clarinda Community School District on publications and apparel to promote the event. District employees should not sponsor events. Also, the event should reimburse the District for use of the school's facilities and ensure they are separately insured.

The investigation conducted by the outside attorney concluded the account is not District funds. Based on information from the attorney, the sponsors of the event stated it is sponsored by the City Park and Recreation Department and is not a school-sponsored activity. If the event is sponsored by a Department of the City, it is not clear why the registration fees are not collected and deposited by the City.

Correspondence from the attorney also states the event sponsors reported they are willing to pay rent for use of the District's track. In addition, the correspondence states the sponsors reported the event is covered by the City's liability insurance policy. However, because the event is held on the District's property, we are unable to verify the accuracy of this statement.

Clarinda Wrestling Club – This account is primarily handled by an administrative employee of the District and the records are maintained on a computer owned by the District. According to the District employee, there are 2 other authorized signers on the account, including a parent and a Wrestling Club coach. The Club holds wrestling tournaments and offers uniform rentals. In

addition, elementary age children can participate in camps and be a part of the Elite Wrestling program.

The account included collections from camps, concession sales, and other fundraising events. Disbursements included payments for clothing, resale items for the concession stand, AAU memberships, travel costs for coaches, tickets to State Wrestling Finals, facility rental, and insurance purchased from the District.

Based on review of supporting documentation and discussions with the District employees, the Club pays for use of the District's facilities, purchases separate insurance from the District, and disbursements include many AAU related items. We observed payments from the Wrestling Club account and subsequent receipt by the District for facility rental and insurance. Based on this information, we determined the funds in the account are not District funds. Although the Wrestling Club properly paid the District for facility rental and insurance, a District administrative employee is an authorized signer on the account and should be removed from the account to ensure there is not an appearance the District is involved in administering the account.

The Club should take steps to ensure the public is aware the events are not District sponsored events. Steps would include not utilizing the District's name or mascot on any apparel or publications. Also, the District employee should not use District time or equipment to track the non-District funds. The records of the Club should be removed from the District's computer. The investigation conducted by the outside attorney also concluded the account is not District funds.

Recommended Control Procedures

As part of our investigation, we reviewed limited procedures of the District's Administrative office and the receipt and disbursement process of various student activity bank accounts maintained outside the District's records. An important aspect of internal control is to establish procedures which provide accountability for assets susceptible to loss from errors 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 noted 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 District's and Student Activity Account's internal controls.

- A. Separately Maintained Bank Accounts – Based on procedures performed, 6 separately maintained bank accounts were identified which were not included in the District's financial statements. These are accounts for Cardinal Volleyball, Clarinda Basketball Camp (Tennis), Clarinda History Bowl, Football (Bank Iowa), Clarinda Football Club and Clarinda Boys Basketball. Of the 6 accounts, 5 have been closed and the balances remitted to the District. The balance for the Clarinda Football Club has not been remitted, but the account is held by an employee who is no longer with the District.

We also determined District funds were comingled with the Elementary Track Event sponsors' personal bank account. In addition, District officials improperly endorsed a check over to the High School softball coach and the proceeds were used to purchase items not customarily funded by the District.

Recommendation – The District should establish policies and procedures to ensure all bank accounts associated with the District or District activities are reviewed and approved by the Board prior to their establishment.

The procedures should include criteria to be used by the District to evaluate the proposed bank account in order to determine if a separate account is necessary, if the activity would more appropriately be included in the District's Student Activity Fund, or if the activity is that of an outside entity and is not a part of the District. In establishing these criteria, the District should consider the nature of the activity and the planned use of the funds. Chapter 281-98.70 of the Iowa Administrative Code requires moneys collected through school activities are public funds that are the property of the school district and are under the financial control of the school board. Section 291.6 of the *Code of Iowa* requires the Board Secretary to keep an accurate accounting record of each payment from each fund which shall be provided monthly to the Board for audit and payment.

Additional guidance which should be considered by the District when developing a clear distinction between Student Activity Funds and when it is appropriate to establish separate bank accounts is available from the "Frequently Asked Questions (FAQs) Regarding the Student Activity Fund" document issued by the Iowa Department of Education on March 23, 2016.

In addition, District officials should periodically request financial institutions provide a list of any accounts which include abbreviations or names which indicate an affiliation with a Clarinda school and/or school address.

District officials should also consult legal counsel to determine how to recover amounts held by the Clarinda Football Club which should have been deposited with the District.

- B. Approval of Fundraisers – In accordance with District policy, all fundraisers held by a school club or organization must be approved in advance by the Athletic Director. Various fund raisers were held for Student Activities and activity tracked through non-District accounts. No documentation of advance approval was maintained for the fundraisers reviewed.

Recommendation – The District should ensure all fundraisers held by school clubs or organizations are properly approved in advance and the approval is documented. In addition, District officials should ensure all student activity sponsors are aware of the District's policy and the requirement for a written application.

- C. Disbursements – During our review of disbursements in the various bank accounts not held by the District, the following concerns were identified:

- (1) Disbursements were not always supported by invoices or other documentation.
- (2) Disbursements were not approved by the Club members or District.
- (3) Certain disbursements were made using a debit card or cash withdrawals.

Recommendation – All Student Activity Clubs and District disbursements should be made by check and should be approved by members of the Club or the District prior to disbursement. The Clubs and District should discontinue the use of a debit card and cash withdrawals. In addition, detailed supporting documentation should be maintained for all disbursements.

- D. Receipts – Receipts were not issued for collections. Other supporting documentation for various Student Activity fundraising events, camps fees, clinic fees and uniform fees was not maintained or was incomplete. As a result, we are unable to determine the total amount of collections.

Recommendation – District officials should ensure sufficient supporting documentation is maintained for all collections. An independent person should reconcile the amount deposited to total collections to ensure all collections are properly deposited.

- E. Endorsement of Checks – The District endorsed a check with the payee of "Clarinda H.S." and did not deposit it into a District account.

Recommendation – The District should ensure all checks issued to the District are properly deposited. If it is necessary to subsequently remit funds to another party, a check should be issued and sufficient documentation maintained.

- F. Non-District Bank Account – A District administrative employee is an authorized signer on the Clarinda Wrestling Club Account.

Recommendation – In order to maintain a clear distinction between District activities and non-District activities, District employees should not be involved in the administration of non-District bank accounts.

**Report on Special Investigation of the
Accounts Related to Student Activities of the
Clarinda Community School District**

Exhibits

Report on Special Investigation of the
Student Activity Accounts of the
Clarinda Community School District

Selected Disbursements from the Cardinal Volleyball Account
For the period January 1, 2015 through May 2, 2017

Per Bank Statement and Redeemed Checks

Date	Transaction Type /Check Number	Payee/Description	Check/Debit Amount
07/15/15	EFT	Bank Iowa	\$ 20.00
08/04/15	1001	Jenny Bair	300.00
08/11/15	1000	Devin Jensen	1,200.00
09/15/15	1003	Decker Sports	352.00
10/13/15	1004	Decker Sports	178.00
01/12/16	EFT-1013	Capital One	657.32
02/08/16	1009	Pink Panthers	70.00
03/07/16	1016	Circle C Signs	58.00
03/15/16	EFT-1019	Capital One	313.99
03/22/16	1017	Simpson College	110.00
03/30/16	1020	Simpson College	45.00
06/23/16	1023	Simpson College	50.00
08/08/16	W/D	Cash	135.00
08/08/16	1028	Brian Wedemeyer	2,000.00
08/11/16	1024	Simpson College	650.00
08/15/16	EFT-1027	Capital One	1,015.29
09/13/16	EFT-1031	Capital One	404.53
11/18/16	EFT-1032	Capital One	58.00
11/21/16	1033	Trophies Plus	27.90
11/23/16	1034	Clarinda Heating	1,952.91
04/28/17	Trans	Internet transfer to checking ***0405 Fund Transfer via Online	4,000.00
Total			<u>\$ 13,597.94</u>

Improper	Unsupported	Explanation provided by Mr. Wedemeyer
-	20.00	Order checks
-	300.00	Camp coach
-	1,200.00	Camp coach
-	352.00	Volleyball equipment
-	178.00	None
-	657.32	Stamps, volleyball supplies - balls and shelves
-	70.00	Tourney entry
-	58.00	Volleyball shirts
-	313.99	Volleyball clinic - food and hotel
-	110.00	Team registration
-	45.00	Player registration, team camp
-	50.00	Player registration, team camp
135.00	-	None
2,000.00	-	Pay camp workers, supplies for Simpson camp
-	650.00	Registration
-	1,015.29	Rooms and meals for volleyball camp
-	404.53	Volleyball clinic fee, apparel, gas
-	58.00	Volleyball banquet awards
-	27.90	Awards
1,952.91	-	Services and materials for installing pool heater at Mr. Wedmeyer's personal residence
4,000.00	-	None
8,087.91	5,510.03	

Report on Special Investigation of the
Student Activity Accounts of the
Clarinda Community School District

Selected Disbursements from the Football (Bank Iowa) Account
For the period January 1, 2015 through May 2, 2017

Per Bank Statement

Date	Transaction Type	Payee/Description	Amount
09/03/13	POS	HyVee - Clarinda	\$ 47.23
10/31/13	POS	Burger King	17.04
11/18/13	POS	Weil's Clothing	21.38
11/25/13	POS	HyVee Gas	60.08
12/16/13	POS	Walmart #1683 (Shenandoah, IA)	26.50
12/30/13	POS	Columbine Inn	107.71
12/30/13	POS	Ski Cooper	260.00
02/18/14	POS	Caseys General Store	57.87
04/08/14	POS	US Postal Services	30.00
06/16/14	POS	McDonald's	6.79
06/20/14	POS	Redbox DVD rental	2.57
06/25/14	POS	Cenex	43.86
08/25/14	POS	Dollar General	29.10
09/05/14	Withdrawal	Cash	550.00
09/22/14	POS	Weil's Clothing	38.10
09/22/14	POS	Weil's Clothing	144.38
11/28/14	POS	Kum & Go	9.83
12/30/14	POS	Colorado Ski & ...	207.13
12/31/14	POS	Ski Cooper	203.00
01/02/15	POS	Columbine Inn	103.36
01/05/15	Check	Unknown	103.79
02/03/15	POS	Alco- #267-Clarinda	85.60
06/12/15	POS	Amazon Mktplace	40.39
06/18/15	POS	Vaughn's Café - Clarinda	11.00
07/03/15	POS	Pier 60 Concessi....	17.08
Total			<u>\$ 2,223.79</u>

Improper	Unsupported	Explanation provided by Mr. Schilb
-	47.23	Food for camp
-	17.04	Meal for coaches
-	21.38	Football apparel
-	60.08	Gas for football trip
-	26.50	Poster board materials for weight room
107.71	-	Personal trip
260.00	-	Personal trip
-	57.87	Gas or food
-	30.00	Football embroidery
-	6.79	Team camp
-	2.57	Team camp movie
-	43.86	Gas or food
-	29.10	Gatorade for players
550.00	-	Coaching shirts bought with cash
-	38.10	Coaching apparel
-	144.38	Coaching apparel
-	9.83	Gas
207.13	-	Personal trip
203.00	-	Personal trip
103.36	-	Personal trip
-	103.79	Unknown
-	85.60	Gift for volunteer coach
-	40.39	DVD's
-	11.00	Meal for volunteer coach
-	17.08	Gift for coach
1,431.20	792.59	

Exhibit C

Report on Special Investigation of the
Student Activity Accounts of the
Clarinda Community School District

Selected Disbursements from the Clarinda Boys Basketball Account
For the period January 1, 2015 through May 2, 2017

Per Bank Statement and Redeemed Checks					
Date	Check Number	Payee/Description	Amount	Explanation provided by Mr. Eberly	
01/20/15	1006 ^	Hy-Vee	\$ 29.94	<i>None</i>	
01/20/15	1005	Renee Kettwikk	90.00	Food	
01/21/15	1003	Nancy Rahn	28.00	Reimbursement for shirt	
01/29/15	1007 ^	Hy-Vee	5.99	<i>None</i>	
02/04/15	1002	Casey Dudek	45.00	<i>None</i>	
02/09/15	1008 ^	Hy-Vee	23.94	<i>None</i>	
02/17/15	1034 ^	Hy-Vee	34.72	<i>None</i>	
05/14/15	1009	Post Office	0.98	<i>None</i>	
05/20/15	1011	Curt Schulte	325.00	Summer boys basketball camp at Glenwood High School	
06/08/15	1012	Ryan Goodson	429.20	Professional basketball trainer	
07/21/15	1013	Jordan Moses	286.00	Reimbursement for basketball supplies	
07/23/15	1014	Ryan Goodson	1,200.00	Professional basketball trainer	
12/01/15	1015 ^	Hy-Vee	14.41	<i>None</i>	
12/28/15	1017	Hy-Vee	19.22	<i>None</i>	
02/10/16	1019	BSN Sports	264.60	<i>None</i>	
04/12/16	1020	Bruner's	150.00	<i>None</i>	
Total			<u>\$ 2,947.00</u>		

^ - Check redeemed electronically.
Auditor's notations are in italics.

Report on Special Investigation of the
Student Activity Accounts of
Clarinda Community School District

Staff

This special investigation was performed by:

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Jennifer L. Wall, CPA, Manager
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Ian N. Judson, Assistant Auditor
Cody J. Pifer, Assistant Auditor

A handwritten signature in black ink, reading "Tamera S. Kusian". The signature is written in a cursive style with a large, stylized 'T' and 'K'.

Tamera S. Kusian, CPA
Deputy Auditor of State

