

NEWS RELEASE

FOR RELEASE: Thursday, July 14, 2011

Contact: Supt. Dave Lockridge

The Seymour Community School District today released a report of a special investigation done by TD&T Financial Group, P.C of the Seymour School District Activity Fund. The report covers the period of July 1, 2009 through December 31, 2010. The special investigation was requested by the officials of the Seymour School District as a result of concerns regarding the handling of cash collections for the Activity Fund by a District employee, Ms. Tiena Lewis.

Ms. Lewis, the District's Student Activities Secretary, was responsible for counting collections, preparing receipts, posting collections to the general ledger, daily receipt reconciliations, preparing deposit tickets, submitting collections for deposit to the bank, and reconciling the monthly bank statements.

On January 5, 2011, while Ms. Lewis was off work, the School Board Secretary obtained the activity fund bank bag to provide change for an athletic event. In the bag was an envelope with "\$942 FFA" written on the outside of it. Inside the envelope was \$215 in cash and three checks from Ms. Lewis totaling \$728. One check was payable to "Seymour FFA" for \$33 and said "fruit" in the memo. A second undated check was payable to "School" for \$120 and had no memo entry. A third check, for \$575, had no payee, no date and no memo. The special investigation did not identify any additional instances where Ms. Lewis may have replaced cash with personal checks.

The special investigation also identified instances where cash receipts were not deposited at the bank in the order they were received.

The report includes recommendations to strengthen Seymour School District's internal controls.

Copies of the report have been filed with the Division of Criminal Investigation, the Wayne County Attorney's Office, the Attorney General's Office and the Office of Auditor of State. A copy of the report is available for review in the office of the Auditor of State and on the Auditor of State's website at <http://auditor.iowa.gov/specials/index.html>.

SEYMOUR SCHOOL DISTRICT

Independent Accountants' Report on
Applying Agreed-Upon Procedures

For the Period
July 1, 2009 through December 31, 2010

**SEYMOUR SCHOOL DISTRICT
SEYMOUR, IOWA**

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317 High Avenue East
Oskaloosa, IA 52577
(641) 672-2523
Fax (641) 673-7453
www.tdtpc.com

TD & T Financial Group, P.C.

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Independent Accountants' Report on Applying Agreed-Upon Procedures

To the Board of Education of the
Seymour School District

At the request of the District officials and as a result of an alleged misappropriation of funds, we have performed the procedures enumerated in the attached report, which were agreed to by Seymour School District, to assist in evaluating certain records, transactions and procedures within the District for the period July 1, 2009 through December 31, 2010. Seymour School District management is responsible for the District's accounting records. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described in the attached report either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are reported in the attached report, Description of Procedures Performed.

We were not engaged to, and did not, perform an examination, an audit or a review, the objectives of which would be the expression of an opinion or limited assurance on the status of certain records, transactions, and procedures. Accordingly, we do not express such an opinion or limited assurance. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of Seymour School District and Iowa State Auditor's Office and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

TD&T Financial Group, P.C.

Oskaloosa, Iowa
April 22, 2011

SEYMOUR SCHOOL DISTRICT

Seymour, Iowa

Background Information

Seymour School District operates public schools for children in grades pre-kindergarten through twelve. The geographic area served includes the Cities of Seymour and Promise City, Iowa, and the predominate agricultural territory in Wayne and Appanoose Counties. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

Ms. Tiena Lewis was employed by the District as the Student Activities Secretary. She was responsible for counting collections, preparing receipts, posting collections to the general ledger, daily receipt reconciliations, preparing deposit tickets, submitting collections for deposit to the bank, and reconciling the monthly bank statements.

On January 5, 2011, Ms. Lewis was off work for medical purposes. In Ms. Lewis's absence, Ms. Mollie Banks, who is the School Board Secretary, obtained the activity fund bank bag to provide change for an athletic event. Ms. Banks found an envelope in the bag. "\$942 FFA" was written on the outside of the envelope. Inside the envelope, Ms. Banks found \$215 in cash and three checks from Ms. Lewis totaling \$728. One of the checks from Ms. Lewis was payable to "Seymour FFA" for \$33 and was dated 12/9/10 and said "fruit" in the memo. The second check was payable to "School" for \$120; it was not dated and there was no memo. The third check had no payee, no date and no memo; it was for \$575. A copy of each check is included in **Appendix 1**. Ms. Banks notified Mr. David Lockridge, superintendent, about the envelope.

The District notified their annual auditor and she notified the State Auditor's Office. The District also contacted the county attorney. Ms. Lewis's husband is a county sheriff's deputy, so the county attorney indicated that the State DCI would be involved.

Ms. Lewis's employment was terminated and she brought in \$728 in cash to cover the three checks that were found in the bank bag. When Ms. Banks and Mr. Lockridge cleaned out Ms. Lewis's desk, they discovered an envelope containing \$210 in \$10 bills in one of the drawers. The source of this cash is not known.

As a result of the replacement of cash with personal checks, District officials engaged our firm to perform the procedures detailed in the Description of Procedures Performed on pages 3 and 4.

SEYMOUR SCHOOL DISTRICT
Seymour, Iowa

Description of Procedures Performed
For the Period July 1, 2009 through December 31, 2010

Based on discussions with District personnel and the Iowa State Auditor's Office and a review of relevant information, we performed the following procedures for the periods specified:

1. Obtained an understanding of internal controls over the Activity Fund in order to determine if adequate policies were in place and operating effectively.

Findings: We noted a lack of segregation of duties. The former Student Activities Secretary had control over each of the following areas for the Activity Fund for the period July 1, 2009 through December 31, 2010:

Receipts – counting collections*, preparing receipts, posting collections to the general ledger, daily receipt reconciliations, preparing deposit tickets, submitting collections for deposit to the bank, and reconciling the monthly bank statements.

*Collections from athletic admissions were counted by the former Student Activities Secretary and the School Board Secretary together. However, tickets are not used for admissions to athletic events, there are no head counts or tally sheets prepared and no other sufficient type of documentation is prepared which would allow for an independent reconciliation between the amount of collections received and the amount subsequently deposited. Other collections were only counted by the former Student Activities Secretary.

2. Compared dates on deposit tickets to dates the deposits cleared the bank for the Activity Fund for the period July 1, 2009 through December 31, 2010.

Findings: Out of 242 deposit tickets, we noted 28 instances where deposit tickets with earlier dates cleared the bank after other deposit tickets that had later dates. These 28 deposits all included cash in amounts ranging from \$3 to \$1,643 (total cash portion of these deposits was \$9,724.40). See **Appendix 2** for a listing of these deposits and **Appendix 3** for copies of deposit tickets.

3. Compared dates on deposit tickets to dates the deposits cleared the bank for the Lunch Fund for the period July 1, 2010 through December 31, 2010.

Findings: Out of 89 deposit tickets, we noted 7 instances where deposit tickets with earlier dates cleared the bank after other deposit tickets that had later dates. These 7 deposits all included cash in amounts ranging from \$20.75 to \$105.00 (total cash portion of these deposits was \$431.16).

4. Compared amounts on receipts to amounts deposited in the bank for the Activity Fund for the period November 1, 2010 through December 31, 2010.

Findings: It appeared that deposit tickets were prepared periodically and included receipts in the sequential order. Amounts on receipts agreed to amounts deposited in the bank for the Activity Fund for the period November 1, 2010 through December 31, 2010, except one deposit was \$5 less than the receipt.

SEYMOUR SCHOOL DISTRICT
Seymour, Iowa

Description of Procedures Performed (Continued)
For the Period July 1, 2009 through December 31, 2010

5. Scanned deposit tickets for the Activity Fund for the period July 1, 2009 through December 31, 2010 to identify any receipts from Tiena Lewis.

Findings: We noted two deposit tickets for the Activity Fund for the period July 1, 2009 through December 31, 2010 that included checks from Tiena Lewis. Both checks appeared to be for her purchase of a fundraising activity.

6. Scanned cancelled check images on the bank statements for the Activity Fund for the period July 1, 2009 through December 31, 2010 to identify possible alteration of payee.

Findings: We did not identify any cancelled check images where the payee appeared to have been altered.

7. Compared the amounts and receipt numbers in the Activity Fund Ledger book for the FFA Fruit Sale to the amounts and receipts numbers in the FFA Treasurer's Ledger book and carbon copies of receipts.

Findings: Amounts and receipt numbers in the Activity Fund Ledger book maintained by the Business Office of the District agreed to the amounts and receipt numbers in the FFA Treasurer's Ledger book and carbon copies of receipts, with one exception. There was one receipt for \$2,459 that was included in the Business Office records, but not included in the FFA Treasurer's records.

SEYMOUR SCHOOL DISTRICT
Seymour, Iowa

Recommended Control Procedures

- A. Segregation of Duties – An important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. Ms. Lewis had control over receipts for the Activity Fund. She collected, posted, deposited and reconciled receipts to the bank deposits.

Recommendation – We realize segregation of duties is difficult with a limited number of office employees. However, the duties within the receipt function listed above should be segregated to the extent possible. Specifically, we suggest that someone independent of the receipt collection process (1) account for the numerical sequence of receipts and (2) compare receipts to subsequent deposits to ensure deposits are complete and deposited in a timely manner.

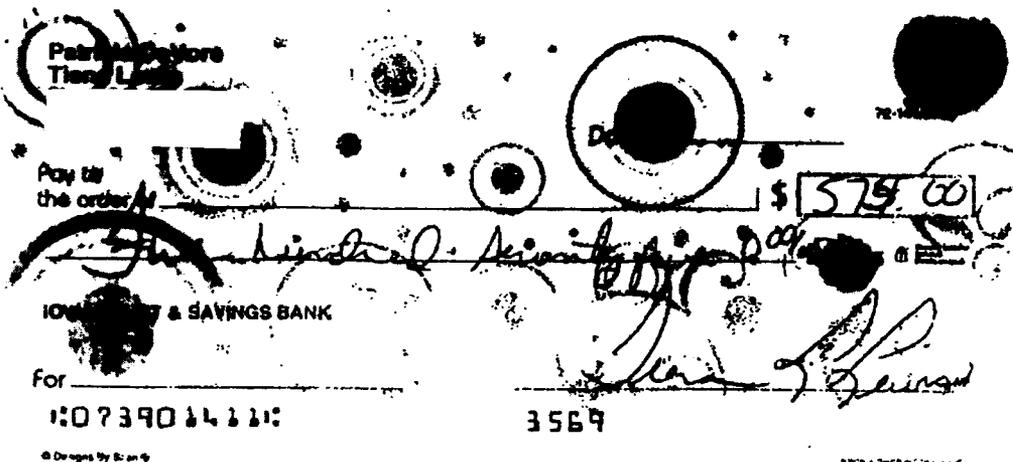
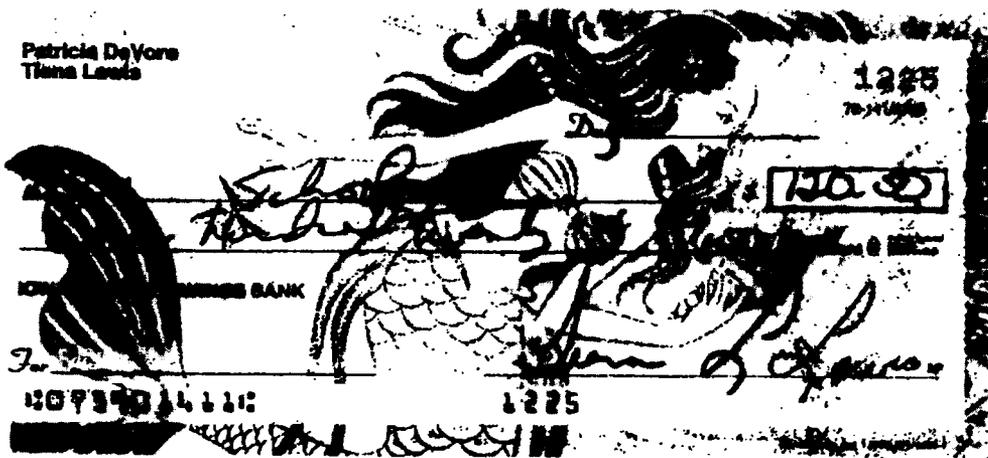
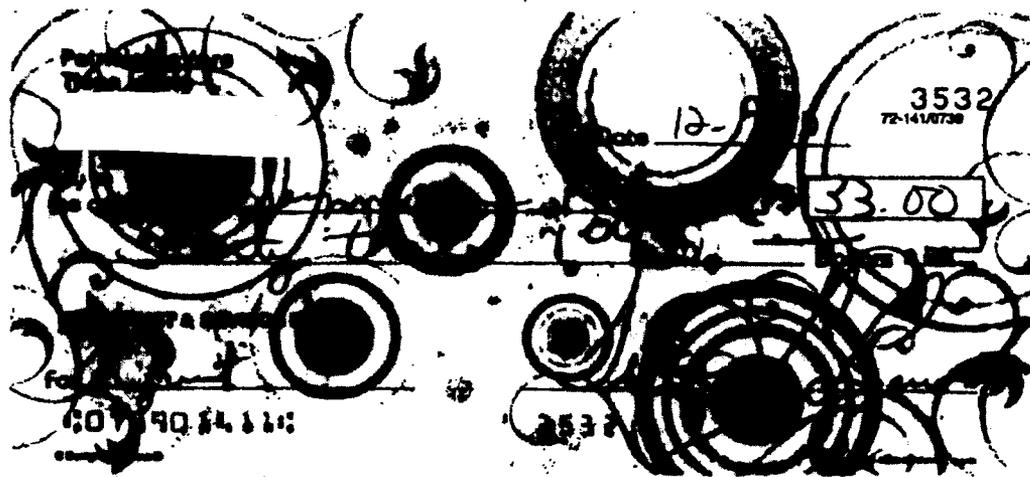
- B. Deposits – All receipts were not deposited intact and were not always made in a timely manner.

Recommendation – All collections should be deposited intact. The District should monitor and enforce compliance with established policies related to the timeliness of deposits.

- C. Cash Collections – Cash from athletic events is not counted by the individuals who collected the cash prior to being placed in the safe. In addition, tickets are not used, there are no head counts or tally sheets prepared, and no other sufficient type of documentation is prepared which would allow for an independent reconciliation between the amount of collections received and the amount subsequently deposited.

Recommendation – The District should implement procedures to require cash counts be completed and documented for all cash collections. The count sheets should be signed by the individuals counting the cash. Tickets, head counts, or tally sheets should also be used to document the number of people in attendance.

SEYMOUR SCHOOL DISTRICT
Seymour, Iowa
Copies of Checks from Ms. Tiena Lewis



SEYMOUR SCHOOL DISTRICT
Seymour, Iowa
Listing of Deposits Tested

The following pages contain a listing of the 242 deposits that were tested as part of this engagement. The 28 shaded deposits are instances where another deposit ticket with a later date cleared the bank before the shaded deposit ticket.

For example, the first shaded deposit was dated 10/8/2009. It cleared the bank on 10/14/2009. A deposit ticket dated one day later, 10/9/2009, cleared the bank on 10/13/2009, one day earlier than the 10/8/2009 deposit. If deposits were being made intact, then the deposit ticket dated 10/8/2009 should have cleared the bank on 10/13/2009, as well.

The sequence of the preparation of deposit slips was not consistent with the dates the amounts were actually deposited to the bank. Each time there was a skip in the sequence of deposits, cash was included in the deposit.

SEYMOUR SCHOOL DISTRICT
Seymour, Iowa
Lising of Deposits Tested

| Date on Deposit Ticket | Date Cleared Bank | Cash Included in Deposit | Checks Included in Deposit | Total Deposit Amount |
|---------------------------|----------------------|-----------------------------|-------------------------------|-------------------------|
| 7/7/2009 | 7/8/2009 | 28.00 | - | 28.00 |
| 7/7/2009 | 7/8/2009 | 152.00 | 71.00 | 223.00 |
| 7/15/2009 | 7/16/2009 | 658.00 | - | 658.00 |
| 7/20/2009 | 7/20/2009 | 81.00 | 68.00 | 149.00 |
| not available | 7/20/2009 | not available | not available | 1,528.28 |
| not available | 7/20/2009 | not available | not available | 2,671.23 |
| 8/5/2009 | 8/7/2009 | 150.00 | 230.00 | 380.00 |
| 8/11/2009 | 8/11/2009 | 160.00 | 80.00 | 240.00 |
| 8/13/2009 | 8/18/2009 | 8.00 | - | 8.00 |
| 8/13/2009 | 8/18/2009 | 12.00 | - | 12.00 |
| 8/17/2009 | 8/18/2009 | 20.00 | 254.96 | 274.96 |
| 8/17/2009 | 8/18/2009 | - | 13.00 | 13.00 |
| 8/17/2009 | 8/18/2009 | - | 10.00 | 10.00 |
| 8/25/2009 | 8/25/2009 | 171.00 | 517.00 | 688.00 |
| 8/25/2009 | 8/25/2009 | - | 9.24 | 9.24 |
| 8/25/2009 | 8/25/2009 | - | 40.00 | 40.00 |
| 9/1/2009 | 9/1/2009 | - | 105.00 | 105.00 |
| 9/8/2009 | 9/9/2009 | 260.00 | 480.00 | 740.00 |
| 9/8/2009 | 9/9/2009 | 821.00 | 52.00 | 873.00 |
| 9/8/2009 | 9/9/2009 | 173.00 | 10.00 | 183.00 |
| 9/8/2009 | 9/9/2009 | 195.00 | 480.00 | 675.00 |
| 9/11/2009 | 9/16/2009 | 150.00 | 344.00 | 494.00 |
| 9/14/2009 | 9/16/2009 | 402.00 | 50.00 | 452.00 |
| 9/14/2009 | 9/16/2009 | - | 83.00 | 83.00 |
| 9/16/2009 | 9/17/2009 | 6.00 | 77.00 | 83.00 |
| 9/16/2009 | 9/17/2009 | 134.00 | 95.00 | 229.00 |
| 9/17/2009 | 9/21/2009 | 33.00 | 136.00 | 169.00 |
| 9/18/2009 | 9/21/2009 | 149.00 | - | 149.00 |
| 9/18/2009 | 9/21/2009 | 491.20 | 521.00 | 1,012.20 |
| 9/21/2009 | 9/22/2009 | - | 120.00 | 120.00 |
| 9/21/2009 | 9/22/2009 | 155.00 | 322.00 | 477.00 |
| 9/21/2009 | 9/22/2009 | 442.00 | 86.00 | 528.00 |
| 9/22/2009 | 9/22/2009 | 190.00 | 6.00 | 196.00 |
| 9/22/2009 | 9/29/2009 | 25.00 | 20.00 | 45.00 |
| 9/23/2009 | 9/29/2009 | 15.00 | 15.00 | 30.00 |
| 9/25/2009 | 9/28/2009 | 40.00 | 409.00 | 449.00 |
| 9/28/2009 | 9/28/2009 | 57.00 | - | 57.00 |

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SEYMOUR SCHOOL DISTRICT
Seymour, Iowa
Lising of Deposits Tested (Continued)

| <u>Date on Deposit Ticket</u> | <u>Date Cleared Bank</u> | <u>Cash Included in Deposit</u> | <u>Checks Included in Deposit</u> | <u>Total Deposit Amount</u> |
|-----------------------------------|------------------------------|-------------------------------------|---------------------------------------|---------------------------------|
| 9/30/2009 | 10/2/2009 | 78.00 | 540.00 | 618.00 |
| 9/30/2009 | 10/2/2009 | 212.00 | 3.00 | 215.00 |
| 10/2/2009 | 10/5/2009 | - | 193.62 | 193.62 |
| 10/8/2009 | 10/9/2009 | 125.00 | 224.00 | 349.00 |
| 10/8/2009 | 10/14/2009 | 156.00 | - | 156.00 |
| 10/9/2009 | 10/13/2009 | 161.00 | - | 161.00 |
| 10/9/2009 | 10/13/2009 | 193.00 | 64.00 | 257.00 |
| 10/12/2009 | 10/13/2009 | 186.12 | - | 186.12 |
| 10/12/2009 | 10/13/2009 | 832.39 | - | 832.39 |
| 10/12/2009 | 10/13/2009 | 624.72 | - | 624.72 |
| 10/13/2009 | 10/14/2009 | - | 171.00 | 171.00 |
| 10/20/2009 | 10/23/2009 | 500.00 | - | 500.00 |
| 10/20/2009 | 10/23/2009 | 325.93 | - | 325.93 |
| 10/20/2009 | 10/23/2009 | - | 500.00 | 500.00 |
| 10/21/2009 | 10/28/2009 | 15.00 | 39.00 | 54.00 |
| 10/21/2009 | 10/28/2009 | 36.00 | - | 36.00 |
| 10/30/2009 | 11/2/2009 | 57.00 | - | 57.00 |
| 10/30/2009 | 11/2/2009 | 130.00 | - | 130.00 |
| 10/30/2009 | 11/2/2009 | - | 98.00 | 98.00 |
| 11/9/2009 | 11/10/2009 | 130.50 | 416.00 | 546.50 |
| 11/19/2009 | 11/20/2009 | 84.00 | - | 84.00 |
| 11/20/2009 | 11/25/2009 | 175.00 | - | 175.00 |
| 11/23/2009 | 11/25/2009 | 445.00 | 1,490.50 | 1,935.50 |
| 11/23/2009 | 11/25/2009 | 333.00 | 1,566.00 | 1,899.00 |
| 11/24/2009 | 11/25/2009 | 172.55 | 687.45 | 860.00 |
| 11/30/2009 | 11/30/2009 | 157.00 | - | 157.00 |
| 11/30/2009 | 11/30/2009 | 77.00 | 1,568.50 | 1,645.50 |
| 11/30/2009 | 12/8/2009 | 339.50 | - | 339.50 |
| 12/1/2009 | 12/8/2009 | 131.50 | 100.00 | 231.50 |
| 12/2/2009 | 12/8/2009 | 140.00 | - | 140.00 |
| 12/3/2009 | 12/8/2009 | 501.00 | - | 501.00 |
| 12/3/2009 | 12/8/2009 | 145.65 | - | 145.65 |
| 12/7/2009 | 12/8/2009 | 345.00 | 1,211.00 | 1,556.00 |
| 12/7/2009 | 12/11/2009 | - | 500.00 | 500.00 |
| 12/11/2009 | 12/11/2009 | 222.00 | 1,050.00 | 1,272.00 |
| 12/11/2009 | 12/11/2009 | 186.00 | 643.00 | 829.00 |
| 12/11/2009 | 12/11/2009 | 367.00 | - | 367.00 |

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SEYMOUR SCHOOL DISTRICT
Seymour, Iowa
Lising of Deposits Tested (Continued)

| <u>Date on Deposit Ticket</u> | <u>Date Cleared Bank</u> | <u>Cash Included in Deposit</u> | <u>Checks Included in Deposit</u> | <u>Total Deposit Amount</u> |
|-----------------------------------|------------------------------|-------------------------------------|---------------------------------------|---------------------------------|
| 12/15/2009 | 12/17/2009 | 579.00 | 252.00 | 831.00 |
| 12/15/2009 | 12/17/2009 | - | 59.33 | 59.33 |
| 12/15/2009 | 12/17/2009 | 25.00 | 332.00 | 357.00 |
| 12/15/2009 | 12/17/2009 | 98.00 | 294.00 | 392.00 |
| 12/15/2009 | 12/17/2009 | 234.50 | - | 234.50 |
| 12/17/2009 | 12/18/2009 | 1,630.50 | 4,783.50 | 6,414.00 |
| 12/29/2009 | 12/30/2009 | 503.00 | 1,377.00 | 1,880.00 |
| 12/29/2009 | 12/30/2009 | 571.50 | 241.00 | 812.50 |
| 1/5/2010 | 1/6/2010 | - | 659.66 | 659.66 |
| 1/5/2010 | 1/6/2010 | 212.00 | 100.00 | 312.00 |
| 1/5/2010 | 1/14/2010 | 60.00 | 326.00 | 386.00 |
| 1/6/2010 | 1/25/2010 | 28.00 | - | 28.00 |
| 1/7/2010 | 1/25/2010 | 386.00 | - | 386.00 |
| 1/11/2010 | 1/14/2010 | 386.00 | - | 386.00 |
| 1/11/2010 | 1/14/2010 | 268.55 | - | 268.55 |
| 1/11/2010 | 1/25/2010 | 20.73 | - | 20.73 |
| 1/13/2010 | 1/14/2010 | 138.80 | - | 138.80 |
| 1/13/2010 | 1/25/2010 | 427.00 | 7.00 | 434.00 |
| 1/18/2010 | 2/8/2010 | 200.00 | 19.60 | 219.60 |
| 1/25/2010 | 2/8/2010 | 60.00 | - | 60.00 |
| 1/25/2010 | 2/8/2010 | 233.79 | 325.00 | 558.79 |
| 1/29/2010 | 2/11/2010 | 287.00 | - | 287.00 |
| 2/2/2010 | 2/11/2010 | 44.00 | - | 44.00 |
| 2/4/2010 | 2/11/2010 | 3.24 | 266.00 | 269.24 |
| 2/10/2010 | 2/16/2010 | 357.50 | - | 357.50 |
| 2/11/2010 | 2/16/2010 | 134.35 | - | 134.35 |
| 2/12/2010 | 2/16/2010 | 684.00 | - | 684.00 |
| 2/12/2010 | 2/16/2010 | 168.00 | 336.00 | 504.00 |
| 2/15/2010 | 2/19/2010 | 820.15 | - | 820.15 |
| 2/16/2010 | 2/26/2010 | 321.30 | - | 321.30 |
| 2/19/2010 | 2/26/2010 | 20.50 | 101.75 | 122.25 |
| 2/19/2010 | 2/26/2010 | 508.00 | 54.00 | 562.00 |
| 2/26/2010 | 3/3/2010 | 254.00 | 122.00 | 376.00 |
| 3/1/2010 | 3/3/2010 | 683.00 | 50.00 | 733.00 |
| 3/1/2010 | 3/3/2010 | - | 1,908.40 | 1,908.40 |
| 3/1/2010 | 3/3/2010 | 61.00 | 130.00 | 191.00 |
| 3/1/2010 | 3/3/2010 | 103.00 | 30.00 | 133.00 |

(continued)

SEYMOUR SCHOOL DISTRICT
Seymour, Iowa
Lising of Deposits Tested (Continued)

| <u>Date on Deposit Ticket</u> | <u>Date Cleared Bank</u> | <u>Cash Included in Deposit</u> | <u>Checks Included in Deposit</u> | <u>Total Deposit Amount</u> |
|-------------------------------|--------------------------|---------------------------------|-----------------------------------|-----------------------------|
| 3/1/2010 | 3/3/2010 | 203.75 | 216.00 | 419.75 |
| 3/1/2010 | 3/3/2010 | 69.25 | 72.50 | 141.75 |
| 3/2/2010 | 3/12/2010 | 190.00 | - | 190.00 |
| 3/3/2010 | 3/12/2010 | 23.08 | 42.00 | 65.08 |
| 3/3/2010 | 3/19/2010 | 182.00 | - | 182.00 |
| 3/12/2010 | 3/19/2010 | - | 10.00 | 10.00 |
| 3/12/2010 | 3/19/2010 | 48.75 | - | 48.75 |
| 3/12/2010 | 3/19/2010 | 32.00 | 200.00 | 232.00 |
| 3/12/2010 | 3/19/2010 | 200.25 | - | 200.25 |
| 3/15/2010 | 3/19/2010 | 43.00 | - | 43.00 |
| 3/19/2010 | 3/25/2010 | 10.00 | - | 10.00 |
| 3/19/2010 | 3/25/2010 | 3.00 | 197.00 | 200.00 |
| 3/19/2010 | 3/25/2010 | 47.75 | 44.00 | 91.75 |
| 3/26/2010 | 4/2/2010 | 85.00 | - | 85.00 |
| 3/26/2010 | 4/2/2010 | 107.50 | 96.00 | 203.50 |
| 3/26/2010 | 4/2/2010 | - | 50.00 | 50.00 |
| 3/26/2010 | 4/2/2010 | 115.00 | - | 115.00 |
| 3/26/2010 | 4/2/2010 | 15.00 | 129.00 | 144.00 |
| 3/31/2010 | 4/2/2010 | 4.00 | 120.00 | 124.00 |
| 3/31/2010 | 4/2/2010 | 10.17 | 135.00 | 145.17 |
| 3/31/2010 | 4/2/2010 | 80.00 | - | 80.00 |
| 4/1/2010 | 4/2/2010 | 51.50 | 680.50 | 732.00 |
| 4/1/2010 | 4/2/2010 | 212.50 | - | 212.50 |
| 4/5/2010 | 4/8/2010 | 64.00 | 36.00 | 100.00 |
| 4/6/2010 | 4/8/2010 | - | 25.00 | 25.00 |
| 4/8/2010 | 4/15/2010 | 46.00 | 25.00 | 71.00 |
| 4/8/2010 | 4/15/2010 | 73.21 | - | 73.21 |
| 4/12/2010 | 4/15/2010 | 200.00 | 25.00 | 225.00 |
| 4/12/2010 | 4/15/2010 | 70.00 | 125.00 | 195.00 |
| 4/13/2010 | 4/15/2010 | 90.00 | 235.00 | 325.00 |
| 4/13/2010 | 4/22/2010 | 45.00 | 50.00 | 95.00 |
| 4/16/2010 | 4/22/2010 | 160.00 | 155.00 | 315.00 |
| 4/19/2010 | 4/22/2010 | 320.00 | 50.00 | 370.00 |
| 4/19/2010 | 4/22/2010 | 20.00 | 50.00 | 70.00 |
| 4/20/2010 | 4/22/2010 | 24.88 | - | 24.88 |
| 4/20/2010 | 4/22/2010 | 53.20 | 631.80 | 685.00 |
| 4/21/2010 | 4/22/2010 | 45.45 | 49.55 | 95.00 |

(continued)

SEYMOUR SCHOOL DISTRICT
Seymour, Iowa
Lising of Deposits Tested (Continued)

| <u>Date on Deposit Ticket</u> | <u>Date Cleared Bank</u> | <u>Cash Included in Deposit</u> | <u>Checks Included in Deposit</u> | <u>Total Deposit Amount</u> |
|-----------------------------------|------------------------------|-------------------------------------|---------------------------------------|---------------------------------|
| 4/21/2010 | 4/22/2010 | 2.48 | 490.00 | 492.48 |
| 4/21/2010 | 4/29/2010 | 258.00 | - | 258.00 |
| 4/23/2010 | 4/29/2010 | 30.00 | 166.70 | 196.70 |
| 4/26/2010 | 4/29/2010 | 108.50 | 142.17 | 250.67 |
| 4/27/2010 | 4/29/2010 | 80.00 | - | 80.00 |
| 4/27/2010 | 4/29/2010 | - | 15.00 | 15.00 |
| 4/30/2010 | 5/7/2010 | 51.00 | 15.00 | 66.00 |
| 4/30/2010 | 5/7/2010 | 179.00 | 143.00 | 322.00 |
| 5/12/2010 | 5/14/2010 | 25.00 | 845.70 | 870.70 |
| 5/13/2010 | 5/21/2010 | 1,154.00 | - | 1,154.00 |
| 5/14/2010 | 5/21/2010 | 185.00 | 132.00 | 317.00 |
| 5/20/2010 | 5/21/2010 | 84.00 | 20.00 | 104.00 |
| 5/20/2010 | 5/21/2010 | 15.00 | 105.00 | 120.00 |
| 5/25/2010 | 6/3/2010 | 30.00 | 295.00 | 325.00 |
| 5/28/2010 | 6/3/2010 | 251.60 | 396.00 | 647.60 |
| 6/1/2010 | 6/3/2010 | 1,120.00 | 105.00 | 1,225.00 |
| 6/3/2010 | 6/3/2010 | - | 27.00 | 27.00 |
| 6/3/2010 | 6/4/2010 | 111.71 | 56.25 | 167.96 |
| 6/22/2010 | 6/23/2010 | 930.25 | 757.20 | 1,687.45 |
| 6/25/2010 | 6/29/2010 | 108.00 | 105.00 | 213.00 |
| 6/30/2010 | 7/14/2010 | 545.00 | - | 545.00 |
| 7/6/2010 | 7/6/2010 | 156.80 | 115.00 | 271.80 |
| 7/12/2010 | 7/14/2010 | 130.00 | - | 130.00 |
| 7/13/2010 | 7/14/2010 | 128.00 | - | 128.00 |
| 7/15/2010 | 7/23/2010 | 520.00 | 1,231.50 | 1,751.50 |
| 7/23/2010 | 7/30/2010 | 165.00 | - | 165.00 |
| 7/29/2010 | 7/30/2010 | - | 60.00 | 60.00 |
| 8/4/2010 | 8/11/2010 | 12.00 | - | 12.00 |
| 8/9/2010 | 8/11/2010 | 210.00 | 275.00 | 485.00 |
| 8/9/2010 | 8/11/2010 | 90.00 | 13.80 | 103.80 |
| 8/20/2010 | 8/20/2010 | 53.40 | - | 53.40 |
| 8/20/2010 | 8/20/2010 | - | 200.00 | 200.00 |
| 8/20/2010 | 8/20/2010 | 10.00 | - | 10.00 |
| 8/20/2010 | 8/20/2010 | 6.00 | 3.00 | 9.00 |
| 8/23/2010 | 8/30/2010 | 517.50 | 455.00 | 972.50 |
| 8/27/2010 | 9/1/2010 | 190.00 | - | 190.00 |
| 8/30/2010 | 9/1/2010 | 20.00 | 100.00 | 120.00 |

(continued)

SEYMOUR SCHOOL DISTRICT
Seymour, Iowa
Lising of Deposits Tested (Continued)

| Date on Deposit Ticket | Date Cleared Bank | Cash Included in Deposit | Checks Included in Deposit | Total Deposit Amount |
|---------------------------|----------------------|-----------------------------|-------------------------------|-------------------------|
| 8/30/2010 | 9/1/2010 | 70.00 | 300.00 | 370.00 |
| 8/30/2010 | 9/1/2010 | 420.00 | 240.00 | 660.00 |
| 8/30/2010 | 9/1/2010 | 535.00 | - | 535.00 |
| 9/3/2010 | 9/9/2010 | 1,024.00 | - | 1,024.00 |
| 9/8/2010 | 9/9/2010 | - | 96.00 | 96.00 |
| 9/8/2010 | 9/9/2010 | 26.00 | 717.00 | 743.00 |
| 9/10/2010 | 9/15/2010 | 20.00 | - | 20.00 |
| 9/10/2010 | 9/15/2010 | 262.00 | - | 262.00 |
| 9/13/2010 | 9/15/2010 | 1.00 | 453.00 | 454.00 |
| 9/14/2010 | 9/22/2010 | 192.00 | 606.00 | 798.00 |
| 9/16/2010 | 9/22/2010 | 40.00 | 56.00 | 96.00 |
| 9/16/2010 | 9/22/2010 | 328.00 | - | 328.00 |
| 9/17/2010 | 9/22/2010 | 166.00 | 85.00 | 251.00 |
| 9/20/2010 | 9/22/2010 | 50.00 | 28.00 | 78.00 |
| 9/20/2010 | 9/22/2010 | 1,605.00 | - | 1,605.00 |
| 9/21/2010 | 9/22/2010 | 104.00 | 154.00 | 258.00 |
| 9/22/2010 | 9/29/2010 | 458.45 | 266.00 | 724.45 |
| 9/28/2010 | 9/28/2010 | 87.50 | - | 87.50 |
| 9/28/2010 | 9/28/2010 | 28.00 | 133.00 | 161.00 |
| 9/30/2010 | 10/6/2010 | 617.75 | 255.00 | 872.75 |
| 10/1/2010 | 10/6/2010 | 468.00 | 744.00 | 1,212.00 |
| 10/1/2010 | 10/6/2010 | 255.26 | 33.00 | 288.26 |
| 10/4/2010 | 10/6/2010 | 1,190.00 | 20.00 | 1,210.00 |
| 10/4/2010 | 10/6/2010 | 389.00 | 90.00 | 479.00 |
| 10/13/2010 | 10/22/2010 | 84.75 | 447.00 | 531.75 |
| 10/19/2010 | 10/22/2010 | 90.00 | 85.00 | 175.00 |
| 10/20/2010 | 10/22/2010 | 990.00 | - | 990.00 |
| 10/20/2010 | 10/22/2010 | 224.00 | 50.00 | 274.00 |
| 10/21/2010 | 10/22/2010 | 186.50 | 200.00 | 386.50 |
| 10/26/2010 | 11/2/2010 | 50.00 | | 50.00 |
| 10/26/2010 | 11/2/2010 | 328.00 | 38.00 | 366.00 |
| 10/28/2010 | 11/2/2010 | - | 305.00 | 305.00 |
| 10/29/2010 | 11/2/2010 | 617.25 | 272.00 | 889.25 |
| 11/1/2010 | 11/16/2010 | 122.00 | 742.00 | 864.00 |
| 11/5/2010 | 11/16/2010 | 38.80 | - | 38.80 |
| 11/12/2010 | 11/16/2010 | 85.00 | - | 85.00 |
| 11/16/2010 | 11/16/2010 | 60.00 | 36.00 | 96.00 |

(continued)

SEYMOUR SCHOOL DISTRICT
Seymour, Iowa
Lising of Deposits Tested (Continued)

| <u>Date on Deposit Ticket</u> | <u>Date Cleared Bank</u> | <u>Cash Included in Deposit</u> | <u>Checks Included in Deposit</u> | <u>Total Deposit Amount</u> |
|-----------------------------------|------------------------------|-------------------------------------|---------------------------------------|---------------------------------|
| 11/18/2010 | 11/22/2010 | 856.00 | 85.00 | 941.00 |
| 11/18/2010 | 12/14/2010 | 6.00 | - | 6.00 |
| 11/19/2010 | 11/22/2010 | 48.00 | - | 48.00 |
| 11/24/2010 | 12/3/2010 | 36.00 | - | 36.00 |
| 11/29/2010 | 12/3/2010 | 20.00 | - | 20.00 |
| 11/29/2010 | 12/3/2010 | 44.00 | - | 44.00 |
| 11/30/2010 | 12/14/2010 | 99.00 | - | 99.00 |
| 12/10/2010 | 12/14/2010 | 24.00 | - | 24.00 |
| 12/10/2010 | 12/14/2010 | 59.80 | - | 59.80 |
| 12/10/2010 | 12/14/2010 | 252.00 | - | 252.00 |
| 12/13/2010 | 12/17/2010 | 3.00 | 1,449.00 | 1,452.00 |
| 12/13/2010 | 12/17/2010 | 620.98 | - | 620.98 |
| 12/14/2010 | 12/17/2010 | 4.45 | 266.00 | 270.45 |
| 12/15/2010 | 12/17/2010 | 1,574.00 | 6,489.00 | 8,063.00 |
| 12/16/2010 | 12/17/2010 | 27.00 | 2,432.00 | 2,459.00 |
| 12/21/2010 | 12/23/2010 | 1,643.00 | 513.00 | 2,156.00 |
| 12/22/2010 | 12/23/2010 | 255.20 | - | 255.20 |
| 12/23/2010 | 12/23/2010 | 209.00 | - | 209.00 |

Appendix 3
SEYMOUR SCHOOL DISTRICT
Seymour, Iowa
Copies of Deposit Tickets

The following pages are images from the October 30, 2009 bank statement for the Seymour School District Activity Fund from Corydon State Bank.

CORTON STATE BANK
CORTON, IOWA 50804

ACCOUNT NUMBER: 10-1307

DATE: 10/16/2009

AMOUNT: 171.00

INITIALS: [Signature]

40 10/16/2009 171.00

CORTON STATE BANK
CORTON, IOWA 50804

ACCOUNT NUMBER: 10-1307

DATE: 10/23/2009

AMOUNT: 500.00

INITIALS: [Signature]

40 10/23/2009 500.00

CORTON STATE BANK
CORTON, IOWA 50804

ACCOUNT NUMBER: 10-1307

DATE: 10/23/2009

AMOUNT: 325.93

INITIALS: [Signature]

40 10/23/2009 325.93

CORTON STATE BANK
CORTON, IOWA 50804

ACCOUNT NUMBER: 10-1307

DATE: 10/23/2009

AMOUNT: 500.00

INITIALS: [Signature]

40 10/23/2009 500.00

CORTON STATE BANK
CORTON, IOWA 50804

ACCOUNT NUMBER: 10-1307

DATE: 10/28/2009

AMOUNT: 54.00

INITIALS: [Signature]

40 10/28/2009 54.00

CORTON STATE BANK
CORTON, IOWA 50804

ACCOUNT NUMBER: 10-1307

DATE: 10/28/2009

AMOUNT: 36.00

INITIALS: [Signature]

40 10/28/2009 36.00