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Missouri State Auditor

Village of Leawood



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Office of the
Missouri State Auditor
Susan Montee, JD, CPA

January 2010

The following findings were included in our audit report of the Village of Leawood.

Monies totaling at least \$325,564 are missing from the village between November 15, 2002 and October 16, 2008. In October 2008, the Village Chairman discovered copies of bank statements provided to the Board of Trustees by the former Village Treasurer were fabricated. These fabricated documents indicated the village had approximately \$263,000 at August 31, 2008, but bank records indicated the village only had \$978.

Village checks totaling \$37,300 were made payable to the former Village Treasurer from the village's official bank account between November 15, 2002, and October 16, 2008. These checks were not approved by the Village Board and according to village officials, signatures on these checks were forged. Additionally, village funds totaling \$290,433 were diverted into an unauthorized bank account (unknown to Village Trustees) between November 15, 2002 and October 16, 2008. Disbursements from this unauthorized account included checks totaling \$286,660 issued to the former Village Treasurer, \$1,604 for bank charges and postage, and \$2,169 returned to the village.

According to bank documents the unauthorized bank account was opened in 1978 under an account named, "Village of Leawood, General Revenue Fund," with the former Village Treasurer's personal address listed for banking correspondence. Village accounting records have not been returned to the village by the former Village Treasurer, and records of financial transactions from the bank are only available back to November 15, 2002. As a result, over 24 years of financial transactions involving this unauthorized bank account are unavailable for audit.

It is likely more village funds are missing prior to November 15, 2002. Village officials are concerned that franchise fees of up to \$299,840 received prior to November 15, 2002 may have also been deposited into the unauthorized account. Further, without accounting and bank records it is unclear if road monies from the Missouri Department of Revenue totaling \$379,112 received between 1982 and November 15, 2002 were accounted for properly. After an investigation by the Newton County Sheriff's Department felony stealing charges were filed by the Newton County Prosecuting Attorney against the former Village Treasurer. The village did not maintain bond coverage on the former Village Treasurer.

Poor accounting procedures and a general lack of oversight by village officials contributed to the loss of village funds. The former Village Treasurer performed all accounting functions for the village. Missing funds were concealed when reports prepared by the former Treasurer were unclear, contained numerous errors, lacked significant financial information, and were unsupported by adequate documentation. Bank

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statements (fabricated to conceal unauthorized accounting activities) provided to the Board contained numerous errors and irregularities that were not identified by the Board. Additionally, the Board failed to adequately track and monitor receipts and disbursements.

The village did not maintain written agreements for contracted services or solicit proposals for snow removal and legal services. Additionally, adequate documentation was not always maintained for compensation paid, and compensation was not reported to the Internal Revenue Service.

There is no evidence the village prepared an annual budget, as required by state law, until 2009. The village has not submitted annual financial reports to the State Auditor's office, as required by state law, since 1986, and the village has not posted or published semi-annual financial statements as required by state law.

Controls over village property tax collections need improvement. Duties of the Village Collector are not adequately segregated, an annual summary of total property tax collections and delinquent taxes is not prepared for the Board to review, and the Board of Trustees has not turned the collection of delinquent taxes over to the County Collector as required by state law. Additionally, the Village Collector does not always deposit property taxes timely, and the Board of Trustees has not established the tax levy by ordinance or held public hearings on the proposed property tax rates.

The village did not adequately track state motor vehicle-related revenues and road projects. The village deposits all state motor vehicle-related revenues into its general checking account and does not separately account for these monies, as required by the Missouri Constitution. Village officials have not adequately monitored road monies received from village residents and road projects.

Procedures for conducting and documenting village board meetings need improvement. Board meeting minutes do not always include sufficient detail of actions taken and the Board of Trustees does not meet within the required period of time after the election of trustees as required by state law. Additionally, the Village Secretary, who is a member of the Board of Trustees, voted to appoint her spouse to fill one of two vacant board positions which may represent nepotism. Further, improvement is needed in organizing, retaining, and enforcing village ordinances, and a policy for retaining and transferring village records at the conclusion of an official's term should be established to prevent the loss of village documents. The village also does not have adequate controls to ensure information requests from the public are handled in compliance with the Sunshine Law.

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VILLAGE OF LEAWOOD

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STATE AUDITOR'S REPORT



SUSAN MONTEE, JD, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
The Board of Trustees
Village of Leawood, Missouri

The State Auditor was requested by former Governor Matt Blunt, under Section 26.060, RSMo, to audit the Village of Leawood. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2008. The objectives of our audit were to:

1. Obtain an understanding of taxpayer concerns and perform various procedures to determine their validity and significance.
2. Evaluate the village's internal controls over significant management and financial functions.
3. Evaluate the village's compliance with certain legal provisions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the village, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with

behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the village's management and was not subjected to the procedures applied in our audit of the village.

The accompanying Management Advisory Report presents our findings arising from our audit of the Village of Leawood.



Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

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MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

VILLAGE OF LEAWOOD
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

1.	Missing Funds
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Between November 15, 2002, and October 16, 2008, monies totaling at least \$325,564 are missing from the village. Village checks were improperly issued to a former elected Village Trustee (who also served as Village Treasurer) from the village's official bank account, and village funds were diverted to an unauthorized bank account established in the village's name and checks were issued from that account to the former Village Treasurer. In addition, it is likely more village funds are missing prior to November 15, 2002.

In October 2008, the Village Chairman discovered copies of bank statements and interest notices for certificates of deposit (CD) provided to the Board of Trustees by the former Village Treasurer were fabricated. These fabricated bank documents along with treasurer reports prepared by the former Village Treasurer and provided to the Board of Trustees indicated the village had approximately \$263,000 in checking and CD accounts at August 31, 2008; however, according to bank records, the village only had \$978 in a checking account and no CDs. The former Village Treasurer resigned on October 16, 2008. An investigation was conducted by the Newton County Sheriff's Department and felony stealing charges were filed by the Newton County Prosecuting Attorney against the former Village Treasurer.

A breakdown of the missing funds is as follows:

- Checks totaling \$37,300 were made payable to the Village Treasurer from the village's official bank account between November 15, 2002, and October 16, 2008. These checks were not approved by the Village Board and according to village officials, signatures on these checks were forged. Memo entries on these unauthorized checks indicated, "road contract," "road work," and "snow removal." According to village officials, the former Village Treasurer did not perform these services for the village. See Documentation of Missing Receipts and Unauthorized Disbursements at the end of this report for details of unauthorized checks issued to the former Village Treasurer.
- Village funds totaling \$290,433 were deposited into and disbursed from an unauthorized bank account in the name of the village and checks totaling \$286,660 were issued from this account to the former Village Treasurer between November 15, 2002, and October 16, 2008. Village Trustees indicated they were unaware this bank account existed. Transactions from this unauthorized account are summarized below:

Account Balance November 15, 2002	\$ 300
Deposits of village funds	290,123
Interest earned	<u>10</u>
Total Receipts plus Beginning Balance	290,433
Checks issued to the former Village Treasurer	286,660
Bank charges and postage	1,604
Funds returned to the village's official account*	2,100
Funds recovered by the village when account closed	<u>69</u>
Total Disbursements	290,433
Ending Balance (closed October 14, 2008)	<u><u>\$ 0</u></u>

*Represents checks issued to the village and deposited back into the village's officials bank account at times when the balance of the village's official account balance was at or near zero.

Bank account application records indicate this unauthorized account was opened in April 1978 under an account named, "Village of Leawood, General Revenue Fund." According to bank documents, the address for all banking correspondence for this unauthorized account was the former Village Treasurer's personal residence. The Village of Leawood Road Funds was printed on the checks along with the address of the village, falsely presenting the account as an official account. The former Treasurer was also the only signer on the account; however, checks issued reflect two signatures, the former Treasurer and a former Trustee who current officials indicate served on the village Board sometime in the late 1980s or early 1990s. It is unclear why the name of the former Trustee appeared as a signature on these improper checks. Village officials are unsure of when the former Treasurer was originally elected as a trustee and treasurer, but believe the date coincides with the opening of this bank account in 1978.

Village accounting records maintained by the former Village Treasurer were not returned to the village and were not available for our review, and records of financial transactions from the bank were only available back to November 15, 2002. As a result, over 24 years of financial transactions involving this unauthorized bank account are not available for audit. Since the unauthorized village bank account was used for the purpose of diverting funds from the village to the former Village Treasurer between November 15, 2002, and October 16, 2008, it is likely funds were improperly used prior to November 15, 2002.

Deposits into the unauthorized account were from two main sources, village receipts deposited directly into the unauthorized account, and checks issued on the village's official bank account. Between November 15, 2002, and October 16, 2008, all franchise fees received by the village (\$130,616) were deposited directly into this unauthorized bank account. As a result, village officials are concerned that franchise fees received prior to November 15, 2002, may have also been deposited into the unauthorized account. According to utility and cable company records provided to the Newton County Sheriff's

Department, franchise fees totaling \$299,840 were paid to the village between the inception of the fees in 1982 and November 15, 2002.

Additionally, according to records provided to the Newton County Sheriff's Department from the Missouri Department of Revenue (DOR), road monies totaling \$379,112 were paid to the village between 1982 and November 15, 2002. These monies were deposited directly into the village's official bank account beginning in October 1995. Prior to this date they were paid by check to the village. Without accounting and bank records, it is unclear if checks from the DOR were deposited into the village's official account or the unauthorized account.

Insufficient oversight and monitoring procedures and inadequate segregation of cash custody duties by village officials prevented the Board from detecting the irregularities between accounting records and the village's cash assets as further discussed in the remainder of the Management Advisory Report (MAR). In addition, bond coverage was not maintained on the former Village Treasurer.

Documentation of Missing Receipts and Unauthorized Disbursements included at the end of this report identifies missing village monies.

WE RECOMMEND the Board of Trustees work with law enforcement officials regarding criminal prosecution and take necessary actions to recover missing village funds.

AUDITEE'S RESPONSE

The Board of Trustees provided the following written response:

The Board of Trustees has cooperated and will continue to cooperate with law enforcement officials to recover missing village monies. It is the intention of the Board of Trustees to seek the maximum amount of restitution and criminal prosecution of the former Village Treasurer.

2. Accounting Procedures

Poor accounting procedures and a general lack of oversight by village officials contributed to the loss of village funds.

- A. The former Village Treasurer performed all accounting functions including receiving, recording, and depositing receipts; preparing and signing checks; recording disbursements; reconciling the bank account; and preparing financial statements for the village. Additionally, no one independent of the disbursement process accounted for the numerical sequence of checks or compared the approved accounts payable list to supporting documentation and actual checks issued. Although meeting minutes indicate the Board reviewed and approved the Treasurer's report at each meeting, review procedures did not detect irregularities.

- Missing funds were concealed when reports prepared by the former Treasurer were unclear, contained numerous errors, lacked significant financial information, and were unsupported by adequate documentation. Accounting records used by the Board of Trustees to make monetary decisions significantly understated receipts and overstated disbursements. In some instances, disbursements recorded in the village's financial records and approved by the Board of Trustees did not exist. For example, the Board approved to pay almost \$6,000 in utility bills in 2006, but actual utility payments for this period totaled only \$2,800. Further, checks issued to the former Treasurer and to the unauthorized bank account were omitted from the Treasurer's reports and contained questionable signatures. Adequate review procedures should have identified these problems.
- Bank statements (fabricated to conceal unauthorized accounting activities) provided to the Board contained numerous errors and irregularities that were not identified by the Board. For example, the fabricated bank statements depicted a letterhead and logo design that was similar, but had not been used by the village's depository bank. The heading on the February 28, 2003, bank statement was unreadable, while accounting information was clearly printed. We identified a fabricated statement in 2005 where the cash reconciliation summary did not calculate correctly, a statement for February 2003 that included daily balance summaries for December, and a statement for August 2006 that listed the same check number clearing twice for differing amounts. Fabricated bank statements did not include standard depository procedures and documentation, such as copies of cancelled checks or asterisks noting skipped check numbers. Had these fabricated bank statements been more closely reviewed, errors and irregularities could have been identified, and the missing funds may have been discovered sooner.
- Bank statements were not provided to the Board for each consecutive monthly period. For example, based upon documentation in meeting minutes, bank statements for May and June 2008 were not reviewed by the Board.
- The Board did not request original documentation to support investments or verify their existence. Reported investments purchased by the former Treasurer were not supported by original documentation confirming the accounting transactions. As a result, the Board believed a significant amount of village funds were invested in CDs; however, these investments did not exist.
- In 2005, the Board approved to change the authorized signatures on the village's checking account removing prior Board members and adding the current Board members. No one followed through to ensure these signature changes were made. Meeting minutes in May 2008, indicate the Board was notified that authorized signatures on the account did not agree with village

records. Village officials indicated one Board member's name removed from the account had not been elected to the Board since 2000.

- The Board of Trustees failed to adequately track and monitor the receipt of franchise fees and railroad and utility taxes paid to the village. The former Treasurer reported on the May 15, 2007, financial statement that approximately \$6,000 was received by the village in cable franchise fees for the period 2001 through 2006; however, actual cable franchise fees are received annually and totaled approximately \$24,000 for this period. Additionally, Board officials indicated the current cable franchise agreement was not approved by the Board of Trustees and with the exception of the former Village Treasurer's signature, the three remaining signatures on the contract are questionable.
- While disbursements are approved at Board meetings, the meetings are only held every other month. As a result, some disbursements are paid late, and some disbursements are paid prior to Board approval. During the period July 2000 through August 2002, the former Village Treasurer did not make any village disbursements for street lighting services. The village incurred approximately \$11,000 in electric charges during this period and it took until 2008 to pay all the charges in arrears. Had village officials reviewed invoices for electric charges, they would have been aware of the arrearages.
- According to records from the bank, the village has been paying approximately \$15 annually for a safety deposit box rental since 1980, and the box has not been accessed. Village officials were unaware of this box and cannot locate a key.

While some improvements in monitoring disbursements have been made since village officials discovered village funds were missing, some weaknesses still exist. The Chairman indicated he now reviews the bank reconciliations including cancelled checks; however, there is no documentation of this review.

To ensure village funds are spent appropriately, all disbursements should be closely scrutinized by the Board or someone independent of the disbursement process and properly authorized before the disbursement occurs. In addition, an independent reconciliation should be performed of the invoices, approved list of bills, and actual checks written. Poor controls over disbursements allowed some of the missing funds noted in MAR finding number 1 to go undetected.

Adequate oversight and proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties is not possible, adequate oversight of the Village Treasurer's work should be performed. Holding monthly Board meetings and adequately reviewing consecutive treasurer's reports and original bank statements could have detected the missing monies more timely.

- B. Officials authorized to sign checks are not bonded. Failure to properly bond individuals who have access to funds exposes the village to risk of loss.

WE RECOMMEND the Board of Trustees:

- A. Segregate cash custody duties to the extent possible and develop procedures to provide adequate oversight of the accounting functions performed by village officials. Additionally, the Board of Trustees should ensure all village receipts are properly deposited, all disbursements of village funds are legitimate, and village accounting records accurately document all financial activities.
- B. Obtain bond coverage for all officials with access to village assets.

AUDITEE'S RESPONSE

The Board of Trustees provided the following written responses:

- A. *Village cash control activities have now been segregated to the extent possible. Accounting records and bank statements are now reviewed by all members of the Board of Trustees and our review is indicated on original documents. The Board of Trustees believes that meeting bimonthly is sufficient to properly conduct village business. We now have procedures to ensure all invoices are reviewed and all disbursements are approved at bimonthly meetings. Recurring monthly disbursements, such as the electric bill, are now preapproved to be electronically disbursed from the village account to avoid late payment. Additionally, most revenues are now direct deposited into the village bank account. We will continue to inform village residents of the financial status of the village through village newsletter mailings that are sent bimonthly to all residents.*
- B. *We have looked into obtaining bond coverage and understand that key financial positions of the village Board of Trustees cannot obtain bond coverage until a financial audit of village records is completed. The Board of Trustees is currently in the process of engaging a Certified Public Accounting firm to perform an audit for the year ending December 31, 2009 to satisfy bonding company requirements.*

3. Village Disbursements

Procedures used to account for contracted services need to be improved.

- A. The village did not maintain written agreements for contracted services or solicit proposals for services.
- The village's contract for snow removal services expired in January 2003. According to meeting minutes, the Board approved to renew the snow removal contract in September 2008; however, a new written agreement was not formalized. Additionally, the village does not have a written agreement

with the village attorney. The village paid \$7,200 for snow removal services and \$2,200 for legal services in 2008.

- Proposals were not solicited for snow removal services or legal services. The Board of Trustees does not have a formal bidding policy, and as a result, the decision to solicit bids or proposals is made on an item by item basis.

- B. Compensation was paid to a village director without adequate documentation, and it is questionable whether this director should have been compensated as an employee rather than an independent contractor.

During 2007, the village paid an individual \$400 per month to perform the duties of Public Works Director. According to meeting minutes, the Board of Trustees changed this individual's title in January 2008 to Public Safety Director with compensation of \$200 to \$250 per month. The village paid this individual \$4,800 during 2007 and \$1,800 between January 2008 and April 2008. The village did not maintain documentation of the work performed, a written agreement for services, or documentation of how the amount paid was determined. Further, given the position of this individual, it is questionable whether or not the village should have withheld payroll taxes and compensated this individual as an employee of the village.

- C. Compensation paid to the Public Works/Public Safety Director, the Village Attorney, and the snow removal contractor was not reported to the Internal Revenue Service (IRS).

Section 432.070, RSMo. requires political subdivision contracts to be in writing, and documentation of hours worked is necessary to ensure the reasonableness and accuracy of compensation paid. Additionally, to ensure the village receives the best and lowest price for services and to provide interested parties an equal opportunity to participate in village business, a bidding policy should be developed and followed for major purchases. Further, the IRS Code contains specific instructions regarding the treatment of an employee versus an independent contractor, and IRS Form 1099-MISC is required to be filed with the federal government for nonemployees paid more than \$600 by the village during the year.

WE RECOMMEND the Board of Trustees obtain written agreements for contractual services, establish formal bidding policies and procedures, maintain adequate documentation to support non employee compensation paid, and report compensation on 1099 forms. Further, the Board of Trustees should determine whether it is more appropriate to compensate the Public Works/Public Safety Director as an independent contractor or an employee.

AUDITEE'S RESPONSE

The Board of Trustees provided the following written response:

The Board of Trustees is currently drafting an ordinance addressing bidding procedures to be used for village purchases. All contractual agreements with the village will be formalized in writing and contracts will be kept current. At this time, the village no longer has a need for a Public Safety Director, but will ensure all future reporting requirements of compensation paid to employees or contractors is properly reported as required.

4. Budgeting and Financial Reporting

Budgets have not been prepared, and financial reports have not been filed with the State Auditor's office or published as required by state law.

- A. There is no evidence the village prepared an annual budget until 2009. Additionally, the 2009 budget did not include a budget message, budget summary, beginning available resources, reasonable estimates of the ending available resources, or comparisons of actual receipts and disbursements for the 2 preceding fiscal years. Further, the 2009 budget was not formally approved by the Board of Trustees.

Sections 67.010 through 67.080, RSMo, set specific guidelines as to the format, approval, and amendment of the annual operating budget and require budgets to be adopted by order, motion, resolution, or ordinance.

- B. The village has not submitted annual financial reports to the State Auditor's office since 1986. Section 105.145, RSMo, requires political subdivisions to file annual reports of the financial transactions of the political subdivision with the State Auditor's office.

- C. The village has not posted or published semiannual financial statements as required by state law. The publication of such financial statements is intended to provide complete and accurate information to citizens regarding the financial activity and condition of the village. Although the village provides a narrative of financial activity in a newsletter sent to residents periodically, a complete financial statement is not prepared.

Section 80.210, RSMo, requires the Board of Trustees prepare and publish semiannual financial statements in a local newspaper, or if there is no local newspaper, to post semiannual financial statements in at least six of the most public places in the village. In addition, Section 80.220, RSMo, states that the village can be fined if the Chairman of the Board neglects to publish or post such statements.

WE RECOMMEND the Board of Trustees:

- A. Prepare annual budgets that include all information required by state law and ensure the budget is formally approved and the approval is documented in the Board of Trustee's meeting minutes.
- B. Submit annual financial reports to the State Auditor's office as required by state law.
- C. Publish or post semiannual financial statements that provide the citizens an account of all village financial activities as required by state law.

AUDITEE'S RESPONSE

The Board of Trustees provided the following written responses:

- A. *We have implemented a formal budgeting process consistent with Section 67.010 RSMo and a 2009 budget has been formally approved. We will ensure future budgets are prepared and approved in a timely manner and documentation of the approval is recorded in village minutes.*
- B. *The village submitted the 2008 financial report to the State Auditor's office in August 2009. Procedures have now been implemented to ensure future financial reports are submitted in a timely manner.*
- C. *We are currently providing financial information to village residents in bi-monthly newsletters that are mailed to residents. Annual financial statements will be prepared, approved by the Board of Trustees and posted as required by law.*

5.

Collector Procedures

Controls over village property tax collections need improvement, and the Board of Trustees did not set the annual property tax levy by ordinance or hold a public hearing prior to the rate approval as required by state law.

- A. Duties of the Village Collector are not adequately segregated. The Village Collector extends the tax books with information provided by Newton County officials, mails the tax statements, receives and deposits all tax payments, tracks delinquent taxes, and records tax book additions and abatements. Additionally, the Village Collector does not prepare an annual summary of total property tax collections and delinquent taxes for the Board to review, and the Board of Trustees has not ensured the collection of delinquent taxes is turned over to the County Collector as required by state law.

Section 80.480, RSMo, requires the Village Collector to prepare a list of delinquent taxes remaining uncollected on the first day of January of each year. This section also requires the Board of Trustees to examine and approve the list, credit the Village Collector for the amount of uncollected taxes, and turn over the collection of delinquent taxes to the County Collector.

To ensure all property taxes are accounted for properly, duties of the Village Collector should be adequately segregated. The Village Clerk should review the tax books, verify the tax book totals, and charge the Village Collector with the amount of taxes to collect. Additionally, the Village Collector should prepare an annual report as of January 1, summarizing total taxes charged, total collections, and a list of delinquent taxes due, and ensure the total charges equal total collections plus amounts remaining delinquent. The Board should review and approve the report and the delinquent tax list, and turn over the collection of delinquent taxes to the County Collector.

- B. The Village Collector does not always deposit property taxes timely. For example, all deposits made in January 2008 were property tax payments collected in December 2007. To reduce the risk of loss, theft, or misuse of funds, property tax receipts should be deposited on a timely basis.
- C. The Board of Trustees has not established by ordinance the annual rates of tax levy as required by law. Additionally, the Board of Trustees does not hold public hearings on the proposed property tax rates.

Section 80.460, RSMo, states the Board of Trustees shall fix the annual rate of tax levy by ordinance for each tax year. Section 67.110, RSMo, requires each governing body to hold at least one public hearing prior to approval of the proposed tax rates at which citizens may be heard. The section also provides guidance on what information is to be included at the public hearing.

WE RECOMMEND the Board of Trustees:

- A. Ensure Village Collector duties are properly segregated and annual statements of property tax charges, collections, and amounts remaining delinquent as of January 1 are prepared. In addition, the Board of Trustees should turn over the collection of delinquent taxes to the County Collector as required by state law.
- B. Ensure property tax receipts are deposited in a timely manner.
- C. Hold public hearings on proposed property tax rates and establish the annual tax levy by ordinance as required by state law.

AUDITEE'S RESPONSE

The Board of Trustees provided the following written responses:

- A&B. An ordinance for the collection of village property taxes by the Newton County Collector has recently been approved by the Board of Trustees. Implementation of Collection procedures by the Newton County Collector will begin with the collection of the 2009 property taxes.*
- C. A public hearing was held in August 2009 to set the tax levy for the 2009 tax year. Subsequent tax levies will be formally set in accordance with state law.*

6. Road Funds

The village did not adequately track state motor vehicle-related revenues and road projects.

- A. The village deposits all state motor vehicle-related revenues into its general checking account and does not separately account for these monies. Article IV, Section 30, Missouri Constitution, requires motor vehicle-related revenues apportioned by the state of Missouri be expended for street-related purposes, including policing, signing, lighting, and cleaning of roads and streets. In 2008 and 2007, the village received approximately \$35,000 and \$38,000, respectively, in state motor vehicle-related revenues and spent approximately \$10,300 and \$14,400, respectively, for street lighting and snow removal. The village should establish a separate fund or separate accounting to ensure the motor vehicle-related revenues are spent in accordance with the state constitution.
- B. Village officials have not adequately monitored road monies and road projects. Four checks totaling \$1,200 received from village residents were deposited into the unauthorized bank account. According to village officials, these checks represent payments from residents for a share of a road project; however, there is no documentation maintained accounting for the receipts and disbursements of the project. Bank records reflect a check for approximately \$2,400 issued to a contractor for road work during this time period, but it is unclear if this amount is related to this road project. As a result, it is unclear if more funds were collected from residents or if all residents properly paid for their share of the costs.

Village officials indicated the former Village Treasurer was responsible for the oversight of the project. To ensure all road funds are accounted for properly, documentation should be maintained to support road projects that include the total cost of the project, the share to be paid by residents, and records of payments received.

WE RECOMMEND the Board of Trustees:

- A. Establish a separate fund or separate accounting to ensure motor vehicle-related revenues are spent in accordance with the state constitution.
- B. Maintain adequate documentation to account for all road projects including the total cost of the project and amounts paid by residents.

AUDITEE'S RESPONSE

The Board of Trustees provided the following written responses:

- A. *A separate accounting of road funds is now being maintained.*
- B. *Members of the Board of Trustees had no knowledge of and did not approve the collection of monies from village residents for road repairs. All road projects will be overseen by the Board of Trustees and adequate documentation will be recorded and maintained.*

7. Meeting Minutes and Ordinances
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Procedures for conducting and documenting meetings need improvement, the appointment of a Trustee's spouse may represent nepotism, and village ordinances are not complete and up to date. Further, the village does not have a policy regarding public access to records.

- A. Board meeting minutes do not always include sufficient detail of actions taken and are not signed by the preparer or a Trustee upon approval. For example, meeting minutes did not include documentation of the reappointment of some members of the Village Board of Adjustments after their terms expired. One instance was noted where minutes did not include a record of the votes taken on an issue.

Minutes serve as the only official permanent record of decisions made by the Board. Complete and accurate meeting minutes are necessary to retain a record of business conducted and to provide an official record of Board actions and decisions, in addition to being required by Section 610.020, RSMo. Further, meeting minutes should be signed by the preparer or a Board member to provide an independent attestation that the minutes are a correct record of the matters discussed and actions taken.

- B. The Board of Trustees does not meet within the required period of time after the election of trustees as required by state law. Board meetings are held as scheduled on the third Tuesday of every other month with the first meeting after

the election held in May. Section 80.060, RSMo, requires every Board of Trustees to assemble within 20 days after the election.

- C. The Village Secretary, who is a member of the Board of Trustees, voted to appoint her spouse to fill one of two vacant board positions on November 18, 2008. Board minutes indicate the motion to appoint two individuals (including her spouse) to the two vacant trustee positions passed with three votes for and no votes against. During the same meeting, minutes also indicate the Village Secretary subsequently voted to appoint her spouse as the Village Clerk.

Article VII, Section 6, Missouri Constitution, defines the penalty for nepotism, and indicates that any public official who names or appoints to public office or employment any relative within the fourth degree shall forfeit his office. Because of the serious consequences that result by hiring a relative, the Board should ensure its members abstain from any decision to hire a relative and ensure that action is fully documented in the meeting minutes.

- D. Improvement is needed in organizing, retaining, and enforcing village ordinances, and some ordinances have not been passed as required by state law.

- The village does not maintain a list of ordinances passed or rescinded. In March 2009, the village listed ordinances on a website. In some instances, the ordinances posted to the website do not include the date the ordinance was passed by the Board. Additionally, not all ordinances have been posted. It is important that the village's ordinances be maintained in a complete and up-to-date manner. A list of all ordinances passed and repealed by the village could help keep track of ordinances.
- The village does not have procedures in place to enforce its ordinances. Additionally, some ordinances authorize penalties to be assessed to violators; however, the village has not assessed penalties. For example, meeting minutes indicated a building permit was not obtained on a construction project as required by ordinance, but no documentation that further action was taken by the Board. Since ordinances represent legislation which has been passed by the Board of Trustees to govern the village and its residents, village officials should have procedures in place to enforce ordinances.
- The village has not adopted ordinances to establish the duties and compensation of village officials. Section 80.240, RSMo, allows the Board to appoint certain officials, prescribe their duties, and fix their compensation. The Village Collector and the Village Public Works Director/Public Safety Director receive compensation for their duties. Compensation rates set by ordinance, in addition to meeting statutory requirements, document the approved amounts to be paid and eliminate potential misunderstandings on the amount of compensation village officials are to receive.

- The village has not adopted by ordinance the fixed time and place of holding its meetings. Section 80.060, RSMo, requires the Board of Trustees to fix, by ordinance, the time and place of its meetings.
- E. The village does not have a permanent City Hall and respective records are maintained by the board member appointed to each board officer position. A policy for the retention and transfer of files at the conclusion of each official's tenure has not been established causing the loss of some village documents. The position of Village Clerk has been held by five individuals since May 2003. Board of Trustee minutes indicate two instances where village ordinances were not turned over to the successor clerk in a timely manner. In one instance, the Village Clerk elected in April 2005, did not receive all village ordinances in effect until March 2006. Additionally, all documentation to support village disbursements up to September 2008, is not available or has not been returned by the former Treasurer, and village officials are attempting to recreate or obtain missing documents. To ensure village records are properly retained and transmitted to successor officials timely, the Board of Trustees should adopt an ordinance outlining these issues.
- F. The village does not have adequate controls to ensure information requests from the public are handled in compliance with the Sunshine Law. The village has not adopted a policy establishing a records custodian and setting forth policies for documenting requests, responding to requests, or fees to be charged for researching and providing copies of requested public documents. Section 610.023, RSMo, lists requirements for making village records available to the public.

WE RECOMMEND the Board of Trustees:

- A. Ensure meeting minutes include adequate detail of actions taken and are signed by the Chairman and the preparer.
- B. Hold Board of Trustee meetings within the time period required by state law after the April election.
- C. Ensure apparent and actual instances of nepotism are avoided.
- D. Maintain a complete updated set of village ordinances in an organized manner, establish procedures to enforce ordinances, and adopt ordinances as required by law.
- E. Adopt an ordinance addressing the proper method to retain and transmit village records to subsequent elected officials.
- F. Develop a public access policy to comply with state law.

AUDITEE'S RESPONSE

The Board of Trustees provided the following written responses:

- A. We will ensure minutes of the Board of Trustees include adequate detail of board communications, activities and decisions and are signed by the Chairman of the Board and attested by the preparer.*
- B. We will ensure the board is re-organized within the required time period after elections are held as required by law.*
- C. We concur and will ensure that trustees abstain from voting on issues that involve related parties and the abstention will be documented in the board meeting minutes.*
- D. We concur and acknowledge that procedures for maintaining village ordinances need to be improved. The current website will be removed and procedures will be implemented to maintain a complete record of passed village legislation.*
- E. We are currently discussing policies and procedures for maintaining and transmitting village records. An ordinance will be drafted and approved so village records are consistently maintained in the future.*
- F. We will discuss and approve a public record access policy as required by law.*

HISTORY, ORGANIZATION, AND
STATISTICAL INFORMATION

VILLAGE OF LEAWOOD
HISTORY, ORGANIZATION, AND
STATISTICAL INFORMATION

The Village of Leawood is located in Newton County. The village was incorporated in 1956. The population of the village in 2000 was 904.

The village government consists of a five-member elected board of trustees. The members are elected for 2-year terms and are not compensated. The chairman is appointed by the board from the members. The Board of Trustees and other officials during the 2 years ended December 31, 2008, are identified below.

Board of Trustees	Dates of Service During the 2 Years Ended December 31, 2008
Denny Desmond, Chairman	January 2007 to December 2008
Dave Smith, Vice Chairman	January 2007 to December 2008
Fran Owen, Secretary	January 2007 to December 2008
Dale Owen, Clerk (1)	November 2008 to December 2008
Jim Bates, Clerk (1)	April 2007 to September 2008
Tim Green, Clerk (1)	January 2007 to April 2007
John Mitchell, Treasurer (2)	November 2008 To December 2008
Paul Boyd, Treasurer (2)	January 2007 to October 2008

Other Officials	Dates of Service During the 2 Years Ended December 31, 2008	Compensation Paid for the Year Ended December 31, 2008	Compensation Paid for the Year Ended December 31, 2007
John Alford, Collector	January 2007 to December 2008	\$ 612	692
Ernie Trumbly, Public Safety Director (3)	January 2007 to April 2008	1,800	4,800

- (1) Dale Owen was appointed to the Board in November 2008, after Jim Bates resigned in September 2008. Jim Bates was elected in April 2007 replacing Tim Green.
- (2) John Mitchell was appointed to the Board in November 2008, to replace Paul Boyd who resigned in October 2008.
- (3) Ernie Trumbly served as Public Works Director until he was appointed as Public Safety Director in January 2008. The village's final payment to Mr. Trumbly was in April 2008 and the Board reported his resignation in November 2008.

Assessed valuations and tax rates for 2008 and 2007 were as follows:

ASSESSED VALUATIONS	<u>2008</u>	<u>2007</u>
Real estate**	\$ 7,529,887	7,386,094

** Taxes were only assessed on real property.

TAX RATE PER \$100 ASSESSED VALUATION	Rate	
	<u>2008</u>	<u>2007</u>
General	\$.2235	.2235

A summary of the village's financial activity for the 2 years ended December 31, 2008, is presented on the next page.

VILLAGE OF LEAWOOD
FINANCIAL STATEMENT

	<u>Year Ended December 31,</u>	
	<u>2008</u>	<u>2007</u>
RECEIPTS		
Motor vehicle taxes	\$ 34,913	38,165
Real estate taxes	19,949	15,972
Railroad and utility taxes	829 *	674 *
Franchise fees	24,446 *	24,615 *
FEMA	5,550 *	0
Building permits	10 *	7 *
Unknown cash	0	200 *
Recovered from unauthorized account	69	0
Total Receipts	<u>85,766</u>	<u>79,633</u>
DISBURSEMENTS		
Street lights	4,364	5,995
Printing services	1,185	843
Legal fees	2,247	1,490
Public Works/Public Safety Director	1,800	4,800
Snow removal	7,200	7,200
Reimbursements	0	339
Tree trimming	0	350
Debris removal	7,600	0
Collector	612	692
Other	705	383
Disbursements to former Treasurer	7,650	3,900
Deposits into unauthorized bank account	36,128	56,595
Total Disbursements	<u>69,491</u>	<u>82,587</u>
Receipts Over (Under) Disbursements	16,275	(2,954)
Cash Balance, January 1	4,815	7,769
Cash Balance, December 31	<u>\$ 21,090</u>	<u>4,815</u>

* These receipts were deposited directly into the unauthorized bank account except for receipts totaling \$5 for permits, \$3,600 for FEMA, and \$5,152 for franchise fees in 2008.

DOCUMENTATION OF MISSING RECEIPTS
AND UNAUTHORIZED DISBURSEMENTS

VILLAGE OF LEAWOOD
DOCUMENTATION OF MISSING RECEIPTS AND UNAUTHORIZED DISBURSEMENTS
NOVEMBER 15, 2002 THROUGH OCTOBER 16, 2008

Summary of Missing Village Funds

	<u>Amount</u>
Unauthorized bank account balance at November 15, 2002	\$ 300
Village receipts deposited into unauthorized bank account	138,373
Payments from official bank account to unauthorized bank account	151,750
Interest earned on unauthorized bank account	10
	<u>290,433</u>
Checks issued to the former Village Treasurer from official account	37,300
Monies returned and recovered from unauthorized account	<u>(2,169) *</u>
Total Missing Village Funds	<u><u>\$ 325,564</u></u>

* Includes two payments for \$1,150 and \$950 and recovered funds of \$69.

Breakdown of Deposits into Unauthorized Bank Account

Year	Railroad & Utility Taxes	Franchise Fees	Building Permits	FEMA	Street Repair Collections	Unidentified Cash	Payments from Official Village Bank Account	Total
2008	\$ 829	19,294	5	1,950	-	-	14,050	36,128
2007	673	24,615	7	-	-	200	31,100	56,595
2006	736	22,815	15	-	-	-	25,700	49,266
2005	714	22,882	15	-	-	-	26,100	49,711
2004	633	20,049	12	-	1,200	-	18,050	39,944
2003	736	18,575	32	-	-	-	28,850	48,193
2002	*	2,386	-	-	-	-	7,900	10,286
Totals	<u>\$ 4,321</u>	<u>130,616</u>	<u>86</u>	<u>1,950</u>	<u>1,200</u>	<u>200</u>	<u>151,750</u>	<u>290,123</u>

* Includes November 15, 2002 to December 31, 2002 only.

Summary of Checks issued to the Former Village Treasurer

Year	From Official Village Bank Account	From Unauthorized Bank Account
* 2008	\$ 7,650	\$ 36,450
2007	3,900	55,950
2006	1,650	50,250
2005	1,600	48,450
2004	13,050	38,300
2003	9,000	48,260
** 2002	450	9,000
	<u>\$ 37,300</u>	<u>\$ 286,660</u>

* Last check cleared October 16, 2008, the date of the former Village Treasurer's resignation.

** Includes November 15, 2002 to December 31, 2002 only.

Detailed Listing of Payments from Official Village Bank Account to Former Village Treasurer

<u>Check Date</u>	<u>Check Number</u>	<u>Amount</u>	<u>Noted on Check Memo Line</u>
1/29/2008	2062	\$ 1,500	debris removal
3/14/2008	2063	1,800	road work-brush removal
4/28/2008	2070	1,500	brush removal
8/25/2008	2091	650	road work
9/21/2008	2085	850	road cleanup
9/29/2008	2086	350	road work
9/9/2008	2092	650	road contract
10/8/2008	2087	350	road work
	Total 2008	<u>7,650</u>	
1/16/2007	1994	1,200	road work - plowing
6/7/2007	2023	900	road contract
9/18/2007	2034	600	road work
11/26/2007	2051	1,200	road contract
	Total 2007	<u>3,900</u>	
6/28/2006	1957	400	road project
9/28/2006	1979	600	road repairs
10/14/2006	1981	650	road work
	Total 2006	<u>1,650</u>	
1/18/2005	1881	650	tree trimming & brush
3/22/2005	1894	950	road contract
	Total 2005	<u>1,600</u>	
1/4/2004	1800	900	road contract
* 2/24/2003	1808	950	road contract
3/9/2004	1809	1,800	road contract
5/17/2004	1819	650	road contract work
6/14/2004	1832	650	road project
6/22/2004	1833	950	road contract
8/20/2004	1843	650	road contract
8/2/2004	1844	600	road contract
9/14/2004	1845	500	road contract
8/31/2004	1848	450	road work
9/20/2004	1852	750	street repairs
11/9/2004	1856	1,200	road contract
11/13/2004	1858	850	road contract
11/23/2004	1865	600	road work
12/17/2004	1870	900	road contract
12/27/2004	1871	650	tree trimming
	Total 2004	<u>13,050</u>	

* Check cleared the bank in February 2004.

Detailed Listing of Payments from Official Village Bank Account to Former Village Treasurer Continued

<u>Check Date</u>	<u>Check Number</u>	<u>Amount</u>	<u>Noted on Check Memo Line</u>
2/4/2003	1745	1,800	road contract
2/11/2003	1747	1,500	road contract
3/10/2003	1749	1,200	road contract
3/18/2003	1756	650	road contract
4/15/2003	1748	1,200	road contract
4/22/2003	1759	500	road work
6/5/2003	1766	300	road signs
8/14/2003	1767	450	road signs
9/8/2003	1768	450	road signs
10/15/2003	1786	950	road contract
	Total 2003	<u>9,000</u>	
12/10/2002	1732	450	road work
	Total 2002	<u>450</u>	
	Grand Total	<u>\$ 37,300</u>	

Detailed Listing of Payments from Unauthorized Bank Account to Former Village Treasurer

<u>Check Date</u>	<u>Check Number</u>	<u>Amount</u>	<u>Noted on Check Memo Line</u>
* 1/14/2007	1269	\$ 400	brush removal
1/21/2008	1270	2,100	road contract
1/28/2008	1271	2,100	brush removal
3/25/2008	1272	2,400	brush debris removal
2/19/2008	1274	1,800	brush removal
3/20/2008	1275	1,500	brush removal
4/1/2008	1276	1,800	road contract
4/20/2008	1277	1,800	road work
5/7/2008	1278	2,100	debris removal
5/20/2008	1280	1,250	road contract
5/23/2008	1281	2,100	road contract
6/5/2008	1282	1,800	road contract
6/18/2008	1283	2,400	road contract
7/18/2008	1284	2,400	road contract
7/21/2008	1286	1,850	road contract
8/18/2008	1288	1,800	road contract
8/22/2008	1289	2,100	road contract
8/25/2008	1290	2,100	road contract
9/19/2008	1291	1,800	road contract
9/20/2008	1292	850	road work
	Total 2008	<u>36,450</u>	

* Check cleared the bank in January 2008.

Detailed Listing of Payments from Unauthorized Bank Account to Former Village Treasurer Continued

<u>Check Date</u>	<u>Check Number</u>	<u>Amount</u>	<u>Noted on Check Memo Line</u>
1/6/2007	1229	1,500	road contract
1/18/2007	1230	1,500	road grading
1/23/2007	1231	1,650	road paving
2/10/2007	1232	1,800	road contract
2/21/2007	1233	2,100	road contract
2/27/2007	1234	900	road contract
3/22/2007	1236	1,500	road contract
3/28/2007	1237	1,400	road contract
4/3/2007	1238	2,100	road contract
4/9/2007	1239	1,800	road contract
4/19/2007	1241	2,100	road contract
4/23/2007	1242	1,800	road contract
5/22/2007	1244	2,400	road contract
5/29/2007	1245	1,800	road contract
6/1/2007	1246	900	road work
6/6/2007	1247	2,200	road contract
6/11/2007	1248	500	road work
6/22/2007	1249	1,300	road contract
7/12/2007	1250	1,500	road contract
7/20/2007	1251	1,500	road contract
7/31/2007	1253	2,250	road contract
8/23/2007	1254	1,800	road contract
8/27/2007	1255	1,000	road contract
9/21/2007	1256	2,100	road contract
10/2/2007	1257	2,100	road contract
10/22/2007	1259	2,400	road contract
10/24/2007	1261	750	road contract
11/7/2007	1262	1,050	road contract
11/20/2007	1263	1,750	road contract
11/30/2007	1264	2,400	road contract
12/14/2007	1265	2,500	road contract
12/21/2007	1267	1,200	brush removal
12/24/2007	1268	2,400	brush removal
	Total 2007	<u>55,950</u>	

Detailed Listing of Payments from Unauthorized Bank Account to Former Village Treasurer Continued

<u>Check Date</u>	<u>Check Number</u>	<u>Amount</u>	<u>Noted on Check Memo Line</u>
* 12/31/2005	1188	1,200	road contract
1/10/2006	1189	1,200	road contract
1/16/2006	1190	1,200	road contract
1/23/2006	1191	2,100	road contract
2/2/2006	1192	2,100	road contract
2/20/2006	1193	1,500	road contract
3/9/2006	1194	1,300	road work
3/14/2006	1195	1,200	road contract
3/20/2006	1196	1,250	road contract
3/29/2006	1197	2,100	road contract
4/4/2006	1199	1,850	road contract
4/18/2006	1200	1,200	road contract
5/20/2006	1201	1,200	road contract
6/8/2006	1202	1,150	road contract
6/20/2006	1203	1,200	road contract
6/29/2006	1204	2,100	road contract
7/21/2006	1205	1,200	road contract
7/24/2006	1207	1,200	road contract
8/15/2006	1210	1,500	road contract
8/22/2006	1211	1,800	road contract
8/28/2006	1212	1,850	road contract
9/14/2006	1213	950	road contract
9/20/2006	1214	1,500	road contract
9/22/2006	1215	1,200	road contract
10/3/2006	1216	1,100	road contract
10/21/2006	1217	1,500	road contract
10/25/2006	1218	800	road contract
11/8/2006	1219	1,200	road contract
11/15/2006	1220	1,000	road contract
11/21/2006	1222	1,200	road contract
11/25/2006	1223	400	road work
12/1/2006	1224	1,800	snow removal
12/6/2006	1225	1,200	road contract
12/13/2006	1226	2,100	road contract
12/18/2006	1227	2,100	road contract
12/20/2006	1228	800	road repairs
	Total 2006	<u>50,250</u>	

* Check cleared the bank in January 2006

Detailed Listing of Payments from Unauthorized Bank Account to Former Village Treasurer Continued

<u>Check Date</u>	<u>Check Number</u>	<u>Amount</u>	<u>Noted on Check Memo Line</u>
* 1/3/2004	1152	2,100	road contract
1/11/2005	1153	1,250	road contract
1/19/2005	1154	1,800	road contract
2/7/2005	1156	850	road contract
2/24/2005	1157	1,250	road contract
3/10/2005	1158	1,200	road contract
3/21/2005	1159	1,200	road contract
4/1/2005	1160	2,100	road contract
4/11/2005	1164	1,800	road contract
4/20/2005	1165	1,800	road contract
5/11/2005	1166	1,500	road project
5/16/2005	1167	400	tree trimming
5/21/2005	1168	950	tree removal
6/8/2005	1169	1,250	road contract & tree trimming
6/14/2005	1170	1,550	road contract
6/21/2005	1171	1,100	road contract
6/28/2005	1172	1,200	road contract
** 7/20/2004	1173	1,400	road contract
8/19/2005	1175	2,500	road contract
9/20/2005	1176	2,350	road contract
9/30/2005	1177	1,800	road contract
10/20/2005	1178	1,800	road contract
10/22/2005	1179	2,100	road contract
11/18/2005	1181	2,100	road contract
12/2/2005	1182	2,100	road contract
12/7/2005	1183	1,800	road contract
12/19/2005	1184	2,400	road contract
12/22/2005	1185	2,400	road contract
12/14/2005	1187	2,400	road contract
		<u>Total 2005</u>	<u>48,450</u>

* Check cleared the bank in January 2005.

** Check cleared the bank in July 2005.

Detailed Listing of Payments from Unauthorized Bank Account to Former Village Treasurer Continued

<u>Check Date</u>	<u>Check Number</u>	<u>Amount</u>	<u>Noted on Check Memo Line</u>
1/20/2004	1113	1,200	road work
* 1/20/2003	1114	1,800	road contract
** 1/29/2003	1115	1,200	road contract
** 2/6/2003	1116	650	snow removal
2/18/2004	1117	1,250	street repairs
3/12/2004	1118	500	road contract
3/15/2004	1119	250	road signs
4/2/2004	1121	2,100	road contract
4/5/2004	1122	1,800	road contract
4/12/2004	1123	1,650	road contract
4/20/2004	1124	1,250	road contract
5/11/2004	1127	1,200	road contract
5/24/2004	1129	1,800	road contract
6/8/2004	1130	1,800	road contract
6/16/2004	1131	300	tree trimming
6/21/2004	1132	950	road contract
6/29/2004	1134	600	road contract
7/8/2004	1135	700	road work
7/20/2004	1137	1,100	road contract
8/18/2004	1139	1,650	road contract
9/18/2004	1140	1,200	road contract
9/21/2004	1141	750	road contract
*** 11/13/2004	1142	900	road contract
10/20/2004	1143	1,600	road contract
10/29/2004	1144	950	road contract
11/20/2004	1145	1,250	road contract
11/29/2004	1146	2,100	road contract
12/8/2004	1148	1,250	road contract
12/15/2004	1149	1,500	road contract
12/17/2004	1150	1,250	tree & brush removal
12/22/2004	1151	1,800	road contract
		Total 2004	<u>38,300</u>

* Check cleared the bank in January 2004

** Check cleared the bank in February 2004

*** Check cleared the bank in October 2004

Detailed Listing of Payments from Unauthorized Bank Account to Former Village Treasurer Continued

<u>Check Date</u>	<u>Check Number</u>	<u>Amount</u>	<u>Noted on Check Memo Line</u>
1/2/2003	1068	950	snow plowing
1/3/2003	1069	2,150	road repair contract
1/9/2003	1071	600	road signs
1/15/2003	1072	950	road contract
1/21/2003	1073	1,800	snow removal contract
1/28/2003	1074	1,200	road contract
2/4/2003	1075	900	road contract
2/18/2003	1076	1,300	road contract
3/26/2003	1077	2,100	road contract
3/28/2003	1078	1,500	road work
4/8/2003	1079	260	road signs
4/21/2003	1080	2,100	road contract
5/20/2003	1081	1,500	road contract
5/29/2003	1082	1,200	road contract
6/17/2003	1084	950	road contract
6/25/2003	1086	600	road contract
6/29/2003	1087	950	road contract
7/8/2003	1088	950	road contract
7/21/2003	1089	1,550	road contract
7/29/2003	1090	1,500	road contract
8/4/2003	1093	950	road contract
8/15/2003	1094	1,500	road contract
8/15/2003	1095	450	road contract
9/15/2003	1096	1,500	road contract
9/26/2003	1097	950	road contract
10/1/2003	1098	200	road sign
10/21/2003	1099	1,800	road contract
11/3/2003	1100	950	road contract
11/7/2003	1101	600	road contract
11/14/2003	1102	1,600	road repairs
11/18/2003	1103	1,200	road contract
11/26/2003	1104	1,200	road contract
11/29/2003	1105	1,500	road contract
12/12/2003	1107	950	road contract
12/17/2003	1108	2,500	road contract
12/22/2003	1110	2,100	road contract
12/20/2003	1111	1,200	road signs & repair
12/29/2003	1112	2,100	road contract
		<u>Total 2003</u>	
		<u>48,260</u>	

Detailed Listing of Payments from Unauthorized Bank Account to Former Village Treasurer Continued

<u>Check Date</u>	<u>Check Number</u>	<u>Amount</u>	<u>Noted on Check Memo Line</u>
11/1/2002	1055	250	road signs
11/14/2002	1056	600	road repairs
11/20/2002	1058	750	road contract
11/20/2002	1059	1,400	road contract
11/27/2002	1060	500	road signs placement
12/12/2002	1061	1,800	road contract
12/17/2002	1065	1,800	road contract
12/18/2002	1066	950	snow removal supplies
12/26/2002	1067	950	snow plowing
	Total 2002	<u>9,000</u>	
	Grand Total	<u><u>\$ 286,660</u></u>	