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NEWS RELEASE

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FOR RELEASE _____ April 7, 2011 _____

Auditor of State David A. Vaudt today released a report on a special investigation of the City of Modale Volunteer Fire Department (Department) for the period January 1, 2006 through January 31, 2010. The special investigation was requested by City officials as a result of concerns regarding certain financial transactions from the Department's accounts.

Vaudt reported the special investigation identified \$24,500.14 of improper and unsupported disbursements. Vaudt also reported it was not possible to determine if there were additional improper disbursements or if all donations and proceeds from fundraising events were properly deposited because adequate documentation was not available.

The improper disbursements of \$7,509.24 include excessive fuel purchases and purchases from an automotive supply vendor. The excessive fuel purchases were estimated to be \$6,977.00 and the \$236.36 of purchases from the automotive supply vendor included batteries and oil filters. The unsupported disbursements total \$16,990.90 and include \$3,925.99 of cash withdrawals, \$2,371.63 reimbursed to volunteer fire fighters or family members and \$156.16 of purchases from a local convenience store. In addition, Vaudt reported the procedures identified \$6,569.93 of disbursements which may not meet the test of public purpose as defined by an Attorney General's opinion dated April 25, 1979.

Vaudt reported the City pays for most of the Department's operating costs, including utilities, fuel, propane and monthly services for phones and pagers, from the City's General Fund. The City also maintains several certificates of deposit for the Department, the proceeds from which are to be used for replacing fire trucks.

In addition, the Department maintains multiple checking and savings accounts and has certificates of deposit which are not maintained by the City. Prior to fiscal year 2008, the Department deposited collections from townships into the accounts held by the Department. The accounts are used to pay expenses not paid by the City. Vaudt reported payments from these

accounts are not reviewed and approved by the City Council and the disbursements are not properly supported. The separate accounts were maintained by the Treasurer of the Department, who is a member of the Department.

Vaudt reported because the Department is a function of the City, all activity related to the operations of the Department should be accounted for by the City. Disbursements from the separate Department accounts which were to support the operations of the Department were obligations of the City which should have been subject to review and approval of the City Council. In accordance with section 384.3 of the *Code of Iowa*, all moneys received for City government purposes, with certain statutorily prescribed exceptions, must be credited to the General Fund of the City. As a result, Department collections which were intended to support the Department's operations should have been deposited to the City's General Fund.

The report also includes recommendations to strengthen the Department's internal controls, such as improvements to segregation of duties, controls over financial accounting records and maintaining adequate supporting documentation.

Copies of the report have been filed with the Division of Criminal Investigation, the Harrison County Attorney's Office and the Attorney General's Office. A copy of the report is available for review in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/specials/0922-0405-BE00.pdf>.

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**REPORT ON SPECIAL INVESTIGATION
OF THE
CITY OF MODALE VOLUNTEER FIRE DEPARTMENT
FOR THE PERIOD
JANUARY 1, 2006 THROUGH JANUARY 31, 2010**

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Auditor of State's Report

To the Honorable Mayor, Members
of the City Council and the Fire Chief:

At the request of City officials, we conducted a special investigation of the City of Modale Volunteer Fire Department (Department). We have applied certain tests and procedures to selected financial transactions of the Department for the period January 1, 2006 through January 31, 2010. Because not all records were available, we were not able to perform all procedures for the entire period.

Based on our review of relevant information and discussions with City officials and staff, we performed the following procedures for the period January 1, 2006 through January 31, 2010, unless otherwise specified:

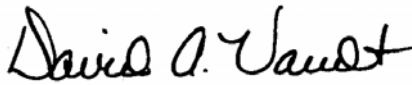
- (1) Evaluated the organization of the Department to determine whether it is a function of the City or a separate entity.
- (2) Evaluated internal controls to determine whether adequate policies and procedures were in place and operating effectively.
- (3) Examined all disbursements from bank accounts maintained by the Department and available supporting documentation to determine if disbursements were appropriate and supported by adequate documentation.
- (4) Examined all disbursements for the Department between July 1, 2008 to January 31, 2010 from the account maintained by the City and available supporting documentation to determine if disbursements were appropriate and supported by adequate documentation.
- (5) Obtained and reviewed invoices from certain vendors to determine if purchases from the vendors were appropriate. Invoices were obtained from United Western Cooperative for fuel and non-fuel purchases and from Mace's Auto Supply. We also obtained and reviewed invoices from United Western Cooperative for purchases made between February 1, 2010 and August 31, 2010 to determine if the amount of purchases changed after January 31, 2010.
- (6) Examined certificates of deposits (CDs) held by the Department and determined if proceeds from redeemed CDs were properly deposited to an account maintained by the Department.
- (7) Reviewed inventory and equipment on-hand to determine if certain purchases were in the Department's possession.
- (8) Confirmed payments to the Department by the State of Iowa, Harrison County, and Clay, Cincinnati and Taylor Townships to determine if they were properly deposited.
- (9) Reviewed the Department's meeting minutes for significant actions.

These procedures identified \$24,500.14 of improper and unsupported disbursements for the period January 1, 2006 through January 31, 2010. We were unable to determine if there were any additional improper disbursements or if all donations and fundraiser proceeds were properly deposited because adequate records were not available. Several internal control weaknesses were also identified. Our detailed findings and recommendations are presented in the Investigative Summary and **Exhibits A** and **B** of this report.

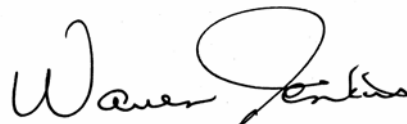
The procedures we performed do not constitute an audit of financial statements conducted in accordance with U.S. generally accepted auditing standards. Had we performed additional procedures, or had we performed an audit of financial statements of the City of Modale Volunteer Fire Department, other matters might have come to our attention that would have been reported to you.

Copies of the report have been filed with the Division of Criminal Investigation, the Harrison County Attorney's Office and the Attorney General's Office.

We would like to acknowledge the assistance and many courtesies extended to us by the officials and staff of the Modale Volunteer Fire Department and the City of Modale during the course of our investigation.



DAVID A. VAUDT, CPA
Auditor of State



WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

September 2, 2010

City of Modale Volunteer Fire Department
Investigative Summary

Background Information

The City of Modale is located in Harrison County and has a population of approximately 300. The Modale Volunteer Fire Department (Department) serves the City, the townships of Cincinnati, Clay and Taylor and surrounding rural farming residences and structural buildings. The Department serves roughly 30 square miles with approximately 70% of the jurisdiction's land used for agriculture, wild land or undeveloped property.

Volunteer fire departments from neighboring communities, such as Mondamin, Little Sioux and Missouri Valley, coordinate with the Department on fire calls and first response needs. The Department responds when these community partners need assistance and volunteer fire departments reciprocate when there is a need in the Modale area. As established by City ordinance, the Department must have a minimum of 6 appointed volunteer fire fighters at any given time. All volunteer firefighters are responsible for approving purchases during monthly meetings.

The Department was incorporated on October 4, 1977 and remained a legally separate entity until August 4, 2003, when it was dissolved by law due to the failure to file a biennial report as required by the *Code of Iowa*. The Department was re-incorporated on April 3, 2006 as a legally separate entity in accordance with Chapter 504 of the *Code of Iowa*. The Department was established primarily to support the City and, according to the Articles of Incorporation, the assets are to be distributed to the City upon dissolution of the Department. As a result, the Department is considered to be part of the City for financial reporting purposes. The City's ordinance does not specify any information about the Department other than it "was established."

From April 2006 through January 2010, the Department was led by 7 different Fire Chiefs. The Department also had at least 3 Treasurers during the same period. The Fire Chiefs and Treasurers are listed in **Table 1**.

Table 1

Title	Name	Period
Fire Chief	<i>Unknown</i>	Prior to April 2006
	Nick DeBolt	April 2006 - December 2006
	Dave Kuhlman	December 2006 - December 2007
	Jon Gilgen*	November 2007 - May 2008
	Gary Shearer	May 2008 - January 2009
	Phil Rocha	January 2009 - April 2009
	Gary Shearer	April 2009 - October 2009
	Jon Gilgen	October 2009 - January 2010
Acting Fire Chief	Kent Beebe	January 2010 – August 2010 [^]
Treasurer	<i>Unknown</i>	Prior to November 2007
	Jon Gilgen*	November 2007 - April 2009
	Julie Rocha	April 2009 - June 2010
	<i>Vacant</i>	June 2010 – August 2010 [^]

* - John Gilgen was both the Fire Chief and Treasurer from November 2007 through May 2008.

[^] - As of the end of Office of Auditor of State special investigation fieldwork procedures.

The Department's primary revenue source is collections from townships for fire protection. The Department also holds fundraisers and receives donations. Prior to fiscal year 2008, all collections were deposited to bank accounts maintained by the Department. Beginning in fiscal year 2008, collections from townships were deposited to bank accounts maintained by the City for the Department. However, donations and proceeds from fundraisers continued to be deposited to bank accounts maintained by the Department. From January 1, 2006 through June 30, 2007, \$13,486.50 of collections from townships was deposited to the bank accounts maintained by the Department. In addition, \$3,936.18 of insurance proceeds or other reimbursements and \$100.05 of interest was deposited to the accounts. Because sufficient records were not readily available, we are unable to determine the source of the remaining \$35,114.61 deposited to the accounts.

During the period of our review, the City paid a large portion of the Department's operating expenses from the City's General Fund, including utilities, fuel, propane and monthly service fees for phones and pagers. The City also maintained several certificates of deposit (CDs) reserved for replacing the fire truck.

The Department also maintains CDs and multiple checking and savings accounts. The CDs held by the Department are also reserved for replacing the fire truck. The Department's accounts are to be used for Department expenses, including operating expenses, which are not paid by the City. The Treasurer of the Department is responsible for maintaining the accounts. The Treasurer is also a volunteer member of the Department.

In February 2010, City officials expressed concerns regarding the Department's financial transactions and requested the Office of Auditor of State conduct an investigation of the accounts maintained by the Department. As a result of that request, we performed the procedures detailed in the Auditor of State's Report for the period January 1, 2006 through January 31, 2010, unless otherwise noted.

Detailed Findings

These procedures identified \$24,500.14 of improper and unsupported disbursements for the period January 1, 2006 through January 31, 2010. We were unable to determine if there were any additional improper disbursements or if all donations and fundraiser proceeds were properly deposited during the period of our review because adequate records were not available.

The \$24,500.14 of improper and unsupported disbursements includes certain purchases and cash withdrawals. Most of the improper purchases were from a local convenience store and an auto parts store. The purchases from the convenience store, United Western Cooperative, included fuel and non-fuel items. The purchases from the auto parts store were made at Mace's Auto Supply, a NAPA store, in Missouri Valley. All findings are summarized in **Exhibit A** and a detailed explanation of each finding follows.

We reviewed disbursements from the accounts maintained by the Department between January 1, 2006 and January 31, 2010. However, not all disbursements were supported by adequate documentation and images of all redeemed checks were not readily available. As a result, we obtained images of certain checks exceeding \$100.00 and checks less than \$100.00 if they were issued in increments of \$5.00.

We also reviewed all disbursements from the City's General Fund for the Department from July 1, 2008 through January 31, 2010. Because we did not identify any concerns with disbursements from the City's General Fund, we did not extend testing into the period before July 1, 2008.

The Department's Treasurer was responsible for preparing, signing and distributing checks from the bank accounts maintained by the Department. The Treasurer was also responsible for accounting for the transactions and maintaining appropriate supporting documentation. Supporting documentation should have included receipts, invoices or other appropriate documentation from vendors.

The Treasurer and other members of the Department were allowed to purchase equipment and other miscellaneous items for the Department. Invoices or other supporting documentation were to be received directly by the Treasurer or provided to the Treasurer by other members of the Department.

As illustrated by **Table 1**, Julie Rocha was the Treasurer from April 2009 through June 2010. Acting Fire Chief Kent Beebe, who had assumed responsibility for all decisions related to the Department on January 4, 2010, also assumed the Treasurer's responsibilities after her resignation. While the Treasurer was responsible for maintaining documentation to support all disbursements, appropriate documentation was not available for some disbursements. As a result, we discussed disbursements to vendors which were unusual in nature with the Acting Fire Chief to determine if they were appropriate. Because the Acting Fire Chief expressed concerns regarding purchases from United Western Cooperative (the Cooperative) and Mace's Auto Supply (NAPA), supporting documentation was requested from the vendors.

During our review of the disbursements, we identified improper and unsupported disbursements to the vendors. All improper and unsupported disbursements identified are discussed in the following paragraphs.

Cooperative - Fuel Purchases – In January 2006, the Department purchased a 2005 Ford F550 truck. The Department also owned a 1975 Ford Pumper, a 1986 Chevrolet Blazer and a 1994 Kenworth Tanker. Each vehicle, except the Pumper, used diesel fuel. In June 2007, the 1975 Ford Pumper was replaced with a 1989 Ford F800 Pumper, which uses unleaded gasoline. Both the 2005 Ford F550 truck and the 1975 Ford Pumper had motors mounted on the vehicles to pump water. The motors used unleaded gasoline.

According to the Acting Fire Chief, the Department required vehicle logs to be completed. However, during the period of our review, we were only able to locate vehicle logs from September 2009 through June 2010. We were unable to locate any vehicle logs prior to September 2009.

According to the mileage logs we located, the 1989 Pumper was driven only 2 miles from January 2010 through June 2010. The number of miles driven was not recorded for the Blazer or the Tanker. The only notation in the mileage log for the Blazer was dated May 12, 2010, and it did not include an odometer reading. The only notation made for the Tanker was dated April 1, 2010.

According to a firefighter we spoke with, he estimated the vehicles were used approximately 4 times per month and were driven on meeting nights to ensure they were in good working condition. The mileage logs also showed 161 miles were recorded for the 2005 Ford F550 Truck from January 2010 through June 2010. The truck is used as a response vehicle for medical emergencies.

As previously stated, the Department provides fire protection for the City and Cincinnati, Clay and Taylor Townships. In addition, the Department answers calls to fires and other emergencies outside the City and township limits at the discretion of the Fire Chief. The Department also performs various training exercises and attends multiple parades with the vehicles during the summer months.

The Department purchases gasoline at the Cooperative. Prior to January 1, 2006, the Department obtained fuel cards which allowed members of the Department to purchase gasoline and diesel fuel at any time. A fuel card was kept in each vehicle. A fuel card was also kept at the Cooperative for the Department. Since January 1, 2010, fuel purchases have only been made by the Acting Fire Chief. The Acting Fire Chief retrieved the fuel cards from the vehicles, but was unable to locate the fuel card at the Cooperative.

Because we were unable to locate supporting documentation for each purchase from the Cooperative in the Department's records, we requested the Acting Fire Chief obtain monthly billings from the Cooperative for January 1, 2006 through August 31, 2010. Using the monthly billings obtained by the Acting Fire Chief, we identified fuel purchases made from the Cooperative. Each individual fuel purchase is listed in **Exhibit B** and all purchases are summarized in **Table 2**.

Table 2

Time Period	Unleaded Gallons	Diesel Gallons	Total Gallons	Amount	Average Price Per Gallon
01/01/06 – 12/31/06	295.8530	378.5520	674.4050	\$ 1,776.13	\$ 2.63
01/01/07 – 12/31/07	639.1830	367.8170	1,007.0000	2,955.98	2.94
01/01/08 – 12/31/08	796.4814	261.0570	1,057.5384	3,730.94	3.53
01/01/09 – 08/31/09	1,080.5916	75.4040	1,156.0006	2,451.89	2.12
09/01/09 – 08/31/10	153.0500	34.3830	187.4330	489.56	2.61
Total	2,965.1590	1,117.2180	4,082.3730	\$ 11,404.50	

As illustrated by the **Table**, the amount of unleaded gasoline purchased during the first 8 months of 2009 was significantly more than the amount of unleaded gasoline purchased during all of 2008. **Exhibit B** also illustrates the number of fuel purchases and the quantity of the fuel purchased decreased significantly after August 31, 2009. Also as illustrated by the **Table**, only 187.4330 gallons of fuel were purchased during the 12 months from September 1, 2009 through August 31, 2010.

During the October 4, 2009 City Council meeting, the City Council suspended Former Fire Chief Dave Kuhlman. Mr. Kuhlman had resigned from the Department effective February 18, 2009. However, he continued to answer emergency medical service (EMS) calls. The Council suspended him until it could be determined if his resignation from the Department also required he not respond to EMS calls. The City Council ultimately accepted Mr. Kuhlman's resignation in October 2009.

Also at the October 4, 2009 meeting, the City Council suspended Former Fire Chief Phil Rocha from the Department as a result of misconduct. At the recommendation of the Mayor and the Fire Chief, Mr. Rocha was terminated from the Department on January 4, 2010.

Because the amount of fuel purchased from September 1, 2009 through August 31, 2010 appeared reasonable for the number of miles the vehicles were driven, we used this information to determine a reasonable amount of fuel which should have been purchased for earlier periods. To be conservative, we doubled the 187.4330 gallons purchased during this period in our calculation. As illustrated by **Table 3**, we compared the 374.8660 gallons to the actual number of gallons purchased for each 12-month period from January 1, 2006 through December 31, 2008. Also as illustrated by the **Table**, we adjusted the 374.8660 for the 8-month period from January 1, 2009 through August 31, 2009 and compared the calculation to the actual purchases for this period.

By multiplying the average price per gallon illustrated in **Table 2** for each time period by the difference between the number of gallons purchased and the reasonable number of gallons we calculated, we estimated the cost of the improper fuel purchases for the period January 1, 2006 through August 31, 2009.

Table 3

Time Period	Total Gallons Purchased	Less Reasonable Number of Gallons*	Excess Gallons Purchased	Average Price per Gallon	Estimated Cost of Excess Gallons Purchased
01/01/06 – 12/31/06	674.4050	374.8660	299.5390	\$ 2.63	\$ 787.79
01/01/07 – 12/31/07	1,007.0000	374.8660	632.1340	2.94	1,858.47
01/01/08 – 12/31/08	1,057.5384	374.8660	682.6724	3.53	2,409.83
01/01/09 – 08/31/09	1,156.0006	249.9107	906.0899	2.12	1,920.91
Total	3,894.9440	1,374.5087	2,520.4353		\$ 6,977.00

* - Determined by doubling the 187.4330 gallons purchased from 09/01/09 through 08/31/10 for each 12-month period from 01/01/06 through 12/31/08. The doubled amount was adjusted for the 8-month period from 01/01/09 through 08/31/09.

The \$6,977.00 estimated cost of the excess gallons purchased summarized in **Table 3** is included in **Exhibit A**. The fuel purchases were paid for from the bank accounts maintained by the Department and the City's General Fund.

In addition to the fuel purchases for which the Cooperative provided monthly billings, we identified \$3,415.61 of payments to the Cooperative for which supporting documentation was not provided. Of that amount, all but \$21.38 was paid for by the City. Based on descriptions of the payments recorded in the City's financial records, the payments appear to be primarily for propane purchased for heating. Other miscellaneous purchases may have been included in the \$3,415.61 of payments. Because we did not identify any concerns with purchases made by the City, we did not request additional supporting documentation from the Cooperative and the purchases have not been included in **Exhibit A**.

Cooperative – Non-fuel Purchases – In addition to fuel, members of the Department purchased miscellaneous items from the Cooperative. As previously stated, we were unable to locate supporting documentation for each purchase from the Cooperative before January 1, 2010. However, all purchases made between January 1, 2010 and August 31, 2010 were properly supported.

Because supporting documentation was not available for each purchase, we requested the Acting Fire Chief obtain monthly billings for January 1, 2006 through August 31, 2010. Using the monthly billings obtained by the Acting Fire Chief, we determined some of the purchases from the Cooperative were not for fuel or propane. We also identified unsupported disbursements, as well as purchases which may not meet the test of public purpose.

For 20 payments made by the City, which total \$156.16, we were unable to determine what was purchased. As a result, this amount is included in **Exhibit A** as unsupported disbursements.

We also identified 23 purchases from the Cooperative which included ice, pop, candy and pizza. Based on discussions with the Acting Fire Chief, the candy may have been used for parades the Department participated in. Other purchases, such as ice, pop and pizza, may have been to demonstrate appreciation to the volunteers.

Of the 23 purchases, 13 which totaled \$107.95 were paid from the Department's account. The source of the funds used to pay for the purchases from the Department's account was not identified or determinable. If the purchases were made with City funds held in the Department's account, the purchases may not meet the test of public purpose as defined in an Attorney

General's opinion dated April 25, 1979 because the public benefits to be derived have not been clearly documented. The remaining 10 purchases, which totaled \$123.37, were paid for by the City. These purchases may not meet the test of public purpose as defined in an Attorney General's opinion dated April 25, 1979 because the public benefits to be derived have not been clearly documented.

We did not identify any non-fuel purchases from the Cooperative between September 27, 2009 and June 30, 2010. During July and August 2010, we identified 4 transactions which included miscellaneous hardware items.

NAPA - Auto Parts Purchases – Because we were unable to locate supporting documentation for each purchase from NAPA, we requested the Acting Fire Chief obtain invoices from NAPA for January 1, 2006 through January 31, 2010. Using the invoices obtained by the Acting Fire Chief, we identified purchases which appear to be personal in nature and unrelated to the Department's operations. Each of the purchases identified were made before January 1, 2010. The purchases total \$236.36 and are listed in **Table 4**.

Date	Description	Amount	
06/04/07	Battery (NAPA Legend 75 Month)	\$ 68.95	
	Battery – Core Deposit	6.00	\$ 74.95
08/08/08	Oil Filter – 2006 GMC Truck Sierra 1500 1/2 Ton 4WD	6.29	
	Oil Filter – Master Pack	6.02	12.31
02/07/09	Oil Filter		6.69
05/04/09	Oil Filter	6.69	
	ALL CLIM	45.48	52.17
08/01/09	Oil Filter – 2002 Chevrolet Truck Silverado 2500 3/4 Ton 4WD	6.44	
	Battery (NAPA Legend 75 Month)	73.80	
	Battery - Core Deposit	10.00	90.24
	Total		<u>\$ 236.36</u>

As illustrated by the **Table**, the purchases include 2 vehicle batteries. While performing an inventory of the batteries currently in the Department's vehicles, we determined all batteries in the vehicles were purchased prior to November 2005. In addition, none of the batteries in the vehicles matched the manufacturer of the batteries purchased at NAPA.

In addition, 4 of the oil filters purchased were for a 2006 GMC Sierra and another oil filter purchased was for a 2002 Chevrolet Silverado. The Department does not own vehicles fitting these descriptions. We requested Customer Vehicle Ownership History Reports from the Harrison County Treasurer for Mr. Rocha and his wife, Julie Rocha, and Mr. Kuhlman and his wife, Annette Kuhlman. Using the reports, we determined Mr. and Ms. Rocha were co-owners of a 2006 GMC Sierra which was purchased in February 2008. However, the reports reflected neither the Rochas or the Kuhlman's owned a 2002 Chevrolet Silverado.

The \$236.36 of personal purchases is included in **Exhibit A** as improper disbursements.

Other Miscellaneous Purchases – During our review of disbursements from the bank accounts maintained by the Department, we identified a cell phone purchased for \$267.50 for Mr. Kuhlman. According to a volunteer firefighter we spoke with, the cell phone was purchased to replace Mr. Kuhlman’s cell phone which was damaged in a fire. We were unable to locate a policy regarding replacement of personal items damaged during fire and emergency responses. In addition, we were unable to locate approval in either the Department’s minutes or the City Council minutes for the replacement of the damaged cell phone. As a result, we classified this purchase as an improper disbursement.

We also identified an \$86.49 reimbursement to Lynette Sell, the wife of volunteer firefighter Rick Sell, for a purchase made at Sam’s Club. The payment was made in April 2006. The purchase included \$58.11 for candy which appears to have been purchased for distribution for the Easter holiday. However, the purchase at Sam’s Club also includes \$28.38 for small quantities of tomatoes, oranges, chicken broth and tomato juice. The Acting Fire Chief was unable to determine why these items would be needed for the Department. Because these items are typically not used by the Department, we classified \$28.38 of the reimbursement as an improper disbursement.

The \$295.88 total for the cell phone purchase and improper reimbursement is included in **Exhibit A** as improper disbursements.

Supporting Documentation – We determined adequate supporting documentation was not maintained for \$82,151.67 of the disbursements between January 1, 2006 and January 31, 2010 from the bank accounts maintained by the Department. This amount does not include the unsupported purchases from the Cooperative and NAPA previously identified.

While adequate supporting documentation was not available, \$65,316.93 of the \$82,151.67 of unsupported disbursements appear to be reasonable for the Department’s operations based on the name of the vendor and/or notation in the memo portion of the checks. We were unable to determine the propriety of the remaining \$16,834.74. As a result, this amount is included in **Exhibit A** as unsupported disbursements. **Table 5** includes a summary of the unsupported disbursements based on the name of the vendor and/or notation in the memo portion of the checks.

Table 5

Description	Amount
Cash withdrawals	\$ 3,925.99
Miscellaneous:	
Bands and music	\$ 3,600.00
Reimbursements to volunteer firefighters or family members	2,371.63
Alcohol and ice purchases	2,135.74
Payments to Thrivent Lutheran	1,500.00
Retail vendors	1,274.88
Miscellaneous disbursements	822.72
Cooperative	703.58
Grocery vendors	354.66
Florist	81.70
Utilities	63.84
Total	12,908.75
	\$ 16,834.74

Public Purpose – During the course of our review, we identified \$6,569.93 of purchases from the Department’s accounts which are summarized in **Table 6**.

While the purchases were adequately supported, the source of the funds used to pay for the purchases was not identified or determinable. If the purchases were made with City funds held in the Department’s accounts, the purchases may not meet the test of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 since the public benefits to be derived from the purchases have not been clearly documented.

Description	Amount
Alcohol and ice purchases	\$ 4,617.20
Retail vendors	818.21
Reimbursements to volunteer firefighters or family members	731.08
Grocery vendors	332.66
Convenience store	70.78
Total	<u>\$ 6,569.93</u>

Inventory – On June 29, 2010, we observed the inventory on-hand at the Department. We compared our observations to the Department’s Schedule of Insured Miscellaneous Property, an inventory listing created by the Department near the end of calendar year 2009. Based on our discussions with the Acting Fire Chief and our observations, we determined certain items were properly in possession of the Department. However we were unable to locate the following items: a digital camera, a Magnum Scott Air Pack, 8 pagers, a radio, a shovel, a Gall Micro Cassette Recorder, a 4-gallon air compressor, 2 USB thumb drives and a floppy drive. We were unable to place a value on the items. As a result, we have not included an amount in **Exhibit A**.

Separately Maintained Bank Accounts - Section 384.3 of the *Code of Iowa* states, in part, “All moneys received for city government purposes from taxes and other sources must be credited to the general fund of the city,” with certain statutorily prescribed exceptions. As previously stated, we determined the Department is a part of the City and, as a result, all monies received by the Department for government purposes are subject to section 384.3 of the *Code of Iowa*.

Recommended Control Procedures

As part of our investigation, we reviewed the procedures used by the Department to process receipts and disbursements. An important aspect of internal control is to establish procedures that provide accountability for assets susceptible to loss from errors or fraud. These procedures provide the actions of one individual will act as a check on those of another and provide a level of assurance errors or fraud will be noted within a reasonable time during the course of normal operations. Based on our findings and observations detailed below, the following recommendations are made to strengthen the Department’s internal controls.

- (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. The Treasurer for the Department had control over each of the following areas for the Department:
 - 1) Receipts – collecting and depositing,
 - 2) Disbursements – purchasing and preparing, signing and mailing or distributing checks,

- 3) Investments – investing and custody,
- 4) Financial Reporting – receiving bank statements,
- 5) Accounting – performing all general accounting functions.

Recommendation – We realize segregation of duties is difficult with a limited number of staff. However, the Department should review its control procedures to obtain the maximum internal control possible under the circumstances utilizing currently available volunteer personnel.

- (B) Separately Maintained Accounts – The Department maintains several bank accounts. In addition, the Department has certificates of deposit (CDs) which are to be used for fire truck replacement. Although the City began depositing receipts from townships into a City bank account in fiscal year 2008, township funds were deposited into the accounts maintained by the Department prior to fiscal year 2008.

By reviewing the deposits made to the accounts maintained by the Department, we determined some of the funds in the accounts were collected for a City purpose. However, the account is not held or currently administered by a City official. In addition, transactions and the resulting balances of funds collected for a City purpose have not been reported to the City Council and disbursements of funds collected for a City purpose are not reviewed or approved by the City Council.

Recommendation – Section 384.20 of the *Code of Iowa* states, in part, “A city shall keep accounts which show an accurate and detailed statement of all public funds collected, received, or expended for any city purpose.” All financial transactions of these accounts should be included in the City Clerk’s monthly financial reports.

Because public funds were deposited to accounts maintained by the Department and not by the City, City officials should work with legal counsel to determine the amount, if any, held in the Department’s accounts which should be held by the City Clerk. This amount should be deposited with the City Clerk.

If the amount of City funds held by the Department cannot be determined, the City should pass a resolution providing a reasonable estimated amount of City funds held by the Department which should be deposited with the City.

- (C) Financial Accounting Records – Very limited financial records were maintained by the Department for the period of our review. The following conditions were identified:
- 1) A ledger was not maintained.
 - 2) Pre-numbered receipts were not issued.
 - 3) Vehicle logs were not maintained.
 - 4) Monthly bank account reconciliations were not completed and bank statements were not reviewed by an individual independent of disbursing the Department’s funds.
 - 5) An investment register was not maintained for the CDs held by the Department.

Because of the lack of adequate records, we were unable to determine if collections from donations and various fund-raisers were properly deposited.

We examined CDs held by the Department and determined the proceeds from redeemed CDs were properly deposited into the Department’s bank account.

Recommendation – Appropriate documentation, such as pre-numbered receipts and invoices, should be kept to support all Department financial activity. In addition, monthly bank reconciliations should be prepared by a person independent of other financial responsibilities and financial reports submitted at the monthly Department meetings should be supported by account records. Also, adequate accounting ledgers, vehicle logs and an investment register should be maintained.

- (D) Inventory – The Department does not have policies or procedures in place for monitoring inventory. An inventory was documented once during the period of our review, but was not monitored on a periodic basis. In addition, proper safeguards are not in place to prevent access to inventory by unauthorized individuals.

Recommendation – Sufficient records should be maintained to ensure the Department is able to review inventory on a periodic basis. In addition, a person independent of inventory responsibilities should periodically perform a review between inventory records and inventory on-hand. The independent individual should document their review. The Department should also ensure proper safeguards are in place to prevent access to inventory by unauthorized individuals.

- (E) Social and Charitable Gambling License – As part of its fund-raising efforts, the Department conducts raffles. Section 99B.7 of the *Code of Iowa* requires organizations to obtain a social and charitable gambling license to conduct fund-raising activities. The Department was licensed with the Iowa Department of Inspections and Appeals between April 15, 2008 and April 14, 2009. During our review, we determined raffles were conducted outside the period the Department's license was valid.

Recommendation – The Department should ensure it obtains a qualified organization license from the Iowa Department of Inspections and Appeals prior to conducting any fund-raising activities or social gambling.

- (F) 1099 Forms – As previously stated, the Department conducts raffles and prizes are awarded. The Department did not file a 1099 form with the Internal Revenue Service for those recipients receiving prizes in excess of \$600.00.

Recommendation – The Department should ensure all recipients receiving prizes greater than \$600.00 receive a 1099 form as required by the Internal Revenue Service.

- (G) Fires and Emergency Response Reports – Section 100.3 of the *Code of Iowa* requires the Department to submit a report to the State Fire Marshal within 10 days following the end of the month for any fires causing an estimated damage of \$50.00 or more. In addition, the Department is responsible for including any emergency responses by the Department.

According to a representative of the State Fire Marshal's Office, there were 20 incidents reported during calendar year 2006. In addition, there were 12 incidents reported between January 1, 2007 and March 30, 2008 and no incidents reported after March 30, 2008. Based on discussions with the Acting Fire Chief about Department activity after March 30, 2008, the Department has not properly reported all incidents to the State Fire Marshal's Office.

Recommendation – The Department should ensure all reports to the State Fire Marshal are properly filed as required by section 100.3 of the *Code of Iowa*. The reports should also include emergency responses.

- (H) Fire Protection Agreements with Townships – The Department provides fire protection for Cincinnati, Clay and Taylor townships. Section 28E.32 requires municipalities which agree to provide fire protection services or emergency medical service for another municipality to do so in writing. In accordance with the *Code of Iowa*, a municipality includes a city, county, township, benefited fire district or agency formed under Chapter 28E of the *Code of Iowa*. The City or Department does not have written fire protection agreements with each township.

Recommendation – The City or Department should obtain a written fire protection agreement with each of the townships.

- (I) Blanket Surety Bond – In accordance with Chapter 64 of the *Code of Iowa*, City officers, including the City Clerk and City Treasurer, are required to post a bond. Bonds are not required of City Council Members, but the Mayor is required to post a bond. In addition, bonds are required from all other officials or employees who have the authority to handle and disburse public funds. A City may cover all officers and employees who are not required to file individual bonds with a blanket surety bond.

The City did not have a blanket surety bond as allowed by Chapter 64 of the *Code of Iowa*. The City only had a surety bond for the City Clerk. Neither the Mayor nor any members of the Department, including the Treasurer, were covered under the City Clerk's surety bond. Because public funds were held in the accounts maintained by the Department, the Treasurer and other members of the Department who handle or disburse public funds should have been bonded.

Recommendation – The City should comply with the provisions contained in Chapter 64 of the *Code of Iowa* and periodically review its bond coverage for adequacy.

**Report on Special Investigation of the
City of Modale Volunteer Fire Department**

Report on Special Investigation of the
City of Modale Volunteer Fire DepartmentSummary of Findings
For the period January 1, 2006 through January 31, 2010

Description	Exhibit/Table/ Page Number	Amount		
		Improper	Unsupported	Total
United Western Cooperative:				
Fuel purchases	Table 3	\$ 6,977.00	-	6,977.00
Non-fuel purchases	Page 9	-	156.16	156.16
Auto parts purchases	Table 4	236.36	-	236.36
Cash withdrawals	Table 5	-	3,925.99	3,925.99
Miscellaneous	Pages 10-11	295.88	12,908.75	13,204.63
Total		<u>\$ 7,509.24</u>	<u>16,990.90</u>	<u>24,500.14</u>

Exhibit BReport on Special Investigation of the
City of Modale Volunteer Fire DepartmentUnited Western Cooperative Fuel Purchases
For the period January 1, 2006 through August 31, 2010

Date	Description per Vendor	Quantity (Gallons)		Amount	Signature (per Invoice)
		Unleaded	Diesel		
01/02/06	CARD #1002 NO LEAD	5.5960	-	\$ 12.25	#
01/22/06	CARD #1002 N.L. GASAHOL	16.4560	-	37.01	#
01/24/06	CARD #1002 N.L. GASAHOL	3.5570	-	8.00	#
01/24/06	CARD #1002 N.L. GASAHOL	6.6610	-	14.98	#
01/24/06	CARD #1002 N.L. GASAHOL	4.2950	-	9.66	#
01/24/06	CARD #1002 N.L. GASAHOL	11.1850	-	25.16	#
01/24/06	CARD #1002 N.L. GASAHOL	12.4720	-	28.05	#
02/16/06	GASOHOL - CS KENT B #720	9.7910	-	21.53	#
02/26/06	DIESEL - CS KENT B	-	4.6750	12.01	#
02/28/06	CARD #1002 DIESEL	-	3.4760	8.93	#
03/01/06	CARD #1002 N.L. GASAHOL	24.4690	-	55.52	#
03/08/06	CARD #1002 DIESEL	-	18.7310	49.43	#
03/09/06	CARD #1002 NO LEAD	2.1000	-	5.08	#
03/01/06	CARD #1002 DIESEL	-	7.6700	20.01	#
03/29/06	CARD #1002 NO LEAD	1.5840	-	4.10	#
04/01/06	CARD #1002 N.L. GASAHOL	10.6360	-	27.00	#
04/01/06	CARD #1002 N.L. GASAHOL	26.4040	-	67.04	#
04/01/06	CARD #1002 N.L. GASAHOL	1.9650	-	4.99	#
04/01/06	CARD #1002 DIESEL	-	13.1140	35.00	#
04/10/06	GASOHOL - CS KENT B #720	3.1550	-	8.01	#
04/12/06	CARD #1002 N.L. GASAHOL	1.4300	-	3.73	#
04/23/06	CARD #1002 DIESEL	-	8.0980	22.99	#
05/17/06	CARD #1002 N.L. GASAHOL	7.1530	-	20.02	#
06/08/06	CARD #1002 NO LEAD	1.7530	-	4.89	#
06/08/06	CARD #1002 DIESEL	-	3.4600	10.03	#
06/08/06	CARD #1002 N.L. GASAHOL	13.3920	-	37.35	#
06/10/06	CARD #1002 DIESEL	-	51.7450	150.01	#
06/10/06	CARD #1002 NO LEAD	10.7570	-	30.00	#
07/04/06	CARD #1002 DIESEL	-	16.2010	48.91	#
07/04/06	CARD #1002 DIESEL	-	38.3370	115.74	#
07/08/06	CARD #1002 N.L. GASAHOL	10.2900	-	30.86	#
07/12/06	CARD #1002 NO LEAD	2.1060	-	6.00	#
07/22/06	CARD #1002 NO LEAD	1.2870	-	3.74	#
07/29/06	CARD #1002 DIESEL	-	14.8340	47.16	#
07/29/06	CARD #1002 N.L. GASAHOL	12.8860	-	38.00	#
08/04/06	CARD #1002 N.L. GASAHOL	8.3820	-	24.97	#
08/19/06	CARD #1002 DIESEL	-	13.9780	46.95	#

Report on Special Investigation of the
City of Modale Volunteer Fire Department

United Western Cooperative Fuel Purchases
For the period January 1, 2006 through August 31, 2010

Date	Description per Vendor	Quantity (Gallons)		Amount	Signature (per Invoice)
		Unleaded	Diesel		
09/04/06	DIESEL - CS	-	4.4200	15.00	#
09/04/06	GASOHOL - CS	22.8930	-	59.27	#
09/23/06	CARD #1002 DIESEL	-	13.1340	32.56	#
09/23/06	CARD #1002 N.L. GASAHOL	5.0140	-	10.72	#
10/03/06	GASOHOL - CS	16.6030	-	35.02	#
11/02/06	GASOHOL - CS	24.1500	-	50.95	#
11/08/06	DIESEL - CS	-	17.6040	45.22	#
11/08/06	GASOHOL - CS	2.9990	-	6.33	#
11/18/06	DIESEL - CS	-	22.5200	58.99	#
11/18/06	NO LEAD GASOLINE - CS	11.4000	-	24.96	#
11/21/06	CARD #1002 DIESEL	-	22.9030	59.98	#
11/24/06	DIESEL - CS R SELL	-	19.1700	50.22	#
11/25/06	DIESEL - CS	-	10.2700	26.90	#
11/25/06	CARD #1002 DIESEL	-	32.4640	85.02	#
11/27/06	CARD #1002 DIESEL	-	14.3310	37.53	#
12/06/06	CARD #1002 N.L. GASAHOL	3.0320	-	6.85	#
12/06/06	CARD #1002 DIESEL	-	11.3600	31.68	#
12/17/06	CARD #1002 DIESEL	-	16.0570	43.82	#
Subtotal for 01/01/06 - 12/31/06		295.8530	378.5520	1,776.13	
01/12/07	CARD #1002 N.L. GASAHOL	33.9650	-	72.99	#
01/13/07	DIESEL - CS	-	13.7800	36.64	#
02/13/07	CARD #1002 DIESEL	-	10.1280	26.42	#
02/13/07	CARD #1002 NO LEAD	2.1480	-	4.83	#
03/07/07	CARD #1002 DIESEL	-	28.9900	79.40	#
03/07/07	CARD #1002 N.L. GASAHOL	0.7040	-	1.71	#
03/11/07	CARD #1002 DIESEL	-	7.4970	20.98	#
03/18/07	CARD #1002 DIESEL	-	6.0900	16.92	#
03/21/07	CARD #1002 DIESEL	-	7.4780	20.78	#
03/21/07	CARD #1002 DIESEL	-	8.9870	24.97	#
03/21/07	CARD #1002 NO LEAD	2.1210	-	5.45	#
04/07/07	CARD #1002 N.L. GASAHOL	10.1560	-	27.61	#
04/07/07	CARD #1002 DIESEL	-	31.6650	93.06	#
04/08/07	CARD #1002 N.L. GASAHOL	6.7710	-	18.41	#
04/12/07	CARD #1002 N.L. GASAHOL	8.1060	-	22.04	#
04/20/07	CARD #1002 N.L. GASAHOL	2.7480	-	7.61	#
04/20/07	CARD #1002 DIESEL	-	31.5220	92.01	#

Exhibit BReport on Special Investigation of the
City of Modale Volunteer Fire DepartmentUnited Western Cooperative Fuel Purchases
For the period January 1, 2006 through August 31, 2010

Date	Description per Vendor	Quantity (Gallons)		Amount	Signature (per Invoice)
		Unleaded	Diesel		
04/20/07	CARD #1002 N.L. GASAHOL	13.3590	-	36.99	#
04/28/07	CARD #1002 DIESEL	-	12.5510	35.63	#
04/28/07	CARD #1002 DIESEL	-	7.2360	20.54	#
05/02/07	CARD #1002 N.L. GASAHOL	17.6410	-	50.26	#
05/05/07	CARD #1002 N.L. GASAHOL	4.9270	-	14.58	#
05/13/07	CARD #1002 DIESEL	-	14.9190	42.65	#
05/13/07	CARD #1002 N.L. GASAHOL	9.6810	-	30.00	#
05/23/07	CARD #1002 N.L. GASAHOL	19.5600	-	66.48	#
06/05/07	CARD #1002 N.L. GASAHOL	2.2760	-	7.28	#
06/08/07	NO LEAD GASOLINE - CS L. ASCHENBRENNER	8.1000	-	25.05	#
06/10/07	CARD #1002 DIESEL	-	14.8560	42.18	#
06/10/07	CARD #1002 N.L. GASAHOL	16.9480	-	49.98	#
06/20/07	CARD #1002 N.L. GASAHOL	3.4150	-	10.07	#
07/01/07	CARD #1002 DIESEL	-	16.9420	49.11	#
07/01/07	CARD #1002 DIESEL	-	16.2760	47.18	#
07/01/07	CARD #1002 N.L. GASAHOL	34.7580	-	102.50	#
07/08/07	CARD #1002 N.L. GASAHOL	6.4500	-	19.02	#
07/09/07	CARD #1002 NO LEAD	21.7660	-	68.54	#
07/15/07	CARD #1002 DIESEL	-	16.5590	49.66	#
07/15/07	CARD #1002 NO LEAD	4.4920	-	14.82	#
07/20/07	CARD #1002 NO LEAD	8.3650	-	26.76	#
07/22/07	CARD #1002 N.L. GASAHOL	10.9940	-	33.63	#
07/26/07	CARD #1002 NO LEAD	2.3080	-	7.06	#
07/29/07	CARD #1002 N.L. GASAHOL	14.5690	-	43.11	#
08/02/07	CARD #1002 N.L. GASAHOL	5.2760	-	15.03	#
08/03/07	GASOHOL - CS FUN DAY FUEL REIMBURSEMENT-BEER AND FOOD RUN	10.5300	-	30.01	#
08/03/07	CARD #1002 NO LEAD	4.8460	-	14.29	#
08/08/07	DIESEL - CS 720	-	16.0300	48.09	None
08/08/07	NO LEAD GASOLINE - CS 731	19.9000	-	57.70	None
08/08/07	DIESEL - CS 733	-	7.5500	22.65	None
08/29/07	CARD #1002 NO LEAD	26.4920	-	79.98	#
08/31/07	CARD #1002 N.L. GASAHOL	6.8650	-	20.04	#
09/09/07	CARD #1002 NO LEAD	7.5860	-	23.51	#
09/16/07	CARD #1002 NO LEAD	8.0200	-	23.41	#
09/17/07	CARD #1002 DIESEL	-	10.6520	32.58	#
09/17/07	CARD #1002 NO LEAD	23.3440	-	68.14	#
09/27/07	CARD #1002 NO LEAD	8.6080	-	24.18	None

Report on Special Investigation of the
City of Modale Volunteer Fire Department

United Western Cooperative Fuel Purchases
For the period January 1, 2006 through August 31, 2010

Date	Description per Vendor	Quantity (Gallons)		Amount	Signature (per Invoice)
		Unleaded	Diesel		
09/30/07	CARD #1002 NO LEAD	6.7140	-	18.86	#
09/30/07	CARD #1002 DIESEL	-	15.0000	46.94	#
09/30/07	CARD #1002 NO LEAD	5.0340	-	14.14	#
10/06/07	CARD #1002 N.L. GASAHOL	10.0190	-	26.54	#
10/07/07	CARD #1002 DIESEL	-	37.6670	115.60	#
10/10/07	CARD #1002 NO LEAD	15.0890	-	39.97	#
10/11/07	CARD #1002 DIESEL	-	6.3130	19.37	#
10/14/07	CARD #1002 N.L. GASAHOL	11.0150	-	29.18	#
11/04/07	NO LEAD GASOLINE - CS 731-D???	37.8900	-	111.74	David Kuhlman
11/06/07	DIESEL - CS 720	-	17.5900	58.75	#
11/10/07	CARD #1002 NO LEAD	10.2300	-	32.93	#
11/14/07	CARD #1002 N.L. GASAHOL	4.8320	-	15.07	#
11/14/07	CARD #1002 N.L. GASAHOL	4.3410	-	13.54	#
11/14/07	CARD #1002 NO LEAD	20.8200	-	67.02	#
11/16/07	CARD #1002 N.L. GASAHOL	35.5880	-	111.00	#
11/28/07	CARD #1002 N.L. GASAHOL	10.0130	-	30.03	#
12/01/07	CARD #1002 NO LEAD	6.7710	-	21.12	#
12/09/07	CARD #1002 NO LEAD	11.4570	-	34.59	#
12/10/07	GASOHOL - CS D??	13.8000	-	40.02	David Kuhlman
12/16/07	CARD #1002 DIESEL	-	11.5390	40.49	#
12/16/07	CARD #1002 NO LEAD	11.6630	-	35.21	#
12/20/07	CARD #1002 NO LEAD	8.1780	-	24.69	#
12/23/07	CARD #1002 NO LEAD	8.9140	-	26.91	#
12/25/07	CARD #1002 NO LEAD	8.2030	-	24.77	#
12/30/07	CARD #1002 NO LEAD	10.8170	-	32.98	#
Subtotal for 01/01/07 - 12/31/07		639.1830	367.8170	2,955.98	
01/01/08	CARD #1002 NO LEAD	10.2390	-	31.22	#
01/17/08	CARD #1002 N.L. GASAHOL	15.6800	-	47.02	#
01/19/08	CARD #1002 NO LEAD	10.7030	-	32.74	#
01/20/08	CARD #1002 N.L. GASAHOL	14.1840	-	41.97	#
01/24/08	CARD #1002 DIESEL	-	14.0370	46.73	#
01/25/08	CARD #1002 NO LEAD	10.1230	-	30.36	#
02/01/08	CARD #1002 N.L. GASAHOL	10.5190	-	29.97	#
02/10/08	CARD #1002 NO LEAD	9.4950	-	28.00	#
02/10/08	CARD #1002 N.L. GASAHOL	10.3090	-	29.37	#
02/21/08	CARD #1002 N.L. GASAHOL	6.8260	-	20.13	#

Exhibit BReport on Special Investigation of the
City of Modale Volunteer Fire DepartmentUnited Western Cooperative Fuel Purchases
For the period January 1, 2006 through August 31, 2010

Date	Description per Vendor	Quantity (Gallons)		Amount	Signature (per Invoice)
		Unleaded	Diesel		
02/22/08	CARD #1002 NO LEAD	5.4800	-	17.53	#
02/24/08	CARD #1002 NO LEAD	11.9040	-	38.08	#
02/24/08	CARD #1002 DIESEL	-	10.7070	38.75	#
03/02/08	CARD #1002 N.L. GASAHOL	6.6310	-	20.55	#
03/16/08	CARD #1002 NO LEAD	9.2830	-	30.16	#
03/23/08	CARD #1002 N.L. GASAHOL	10.0250	-	31.57	#
03/28/08	DIESEL - CS CONTROL BURN	-	1.0100	4.02	None
03/30/08	CARD #1002 DIESEL	-	8.7290	34.47	#
03/30/08	CARD #1002 N.L. GASAHOL	6.3610	-	20.03	#
03/30/08	CARD #1002 NO LEAD	18.0020	-	58.49	#
04/05/08	CARD #1002 N.L. GASAHOL	6.9990	-	22.32	#
04/13/08	CARD #1002 N.L. GASAHOL	9.0090	-	28.73	#
04/18/08	CARD #1002 N.L. GASAHOL	10.5330	-	35.38	#
04/23/08	CARD #1002 N.L. GASAHOL	7.4430	-	25.00	#
04/27/08	CARD #1002 NO LEAD	10.4050	-	37.03	#
04/30/08	CARD #1002 DIESEL	-	11.4730	47.60	#
04/30/08	CARD #1002 N.L. GASAHOL	11.5440	-	39.93	#
05/03/08	GASOHOL - CS ATV FUEL, J.G	5.0400	-	17.46	Jon Gilgen
05/03/08	CARD #1002 N.L. GASAHOL	11.5710	-	40.03	#
05/04/08	GASOHOL - CS CAN'T READ SIG	7.3700	-	26.25	Phil Rocha
05/04/08	CARD #1002 N.L. GASAHOL	4.9840	-	17.24	#
05/05/08	CARD #1002 N.L. GASAHOL	1.1550	-	4.00	#
05/12/08	CARD #1002 N.L. GASAHOL	6.9380	-	24.97	#
05/17/08	CARD #1002 N.L. GASAHOL	10.0160	-	36.45	#
05/17/08	CARD #1002 DIESEL	-	12.2350	53.82	#
05/18/08	CARD #1002 DIESEL	-	22.8570	100.55	#
05/25/08	CARD #1002 N.L. GASAHOL	13.8720	-	52.70	#
05/26/08	CARD #1001 NO LEAD	9.9970	-	38.98	#
05/31/08	CARD #1001 NO LEAD	7.9280	-	30.91	#
06/01/08	CARD #1002 N.L. GASAHOL	5.2700	-	20.02	#
06/04/08	CARD #1002 N.L. GASAHOL	6.9810	-	26.52	#
06/07/08	CARD #1002 N.L. GASAHOL	10.5424	-	39.98	#
06/08/08	CARD #1002 DIESEL	-	11.2770	52.99	#
06/08/08	CARD #1002 N.L. GASAHOL	11.8450	-	45.00	#
06/12/08	CARD #1002 N.L. GASAHOL	22.1930	-	85.42	#
06/12/08	CARD #1002 NO LEAD	10.1420	-	40.05	#
06/14/08	CARD #1002 N.L. GASAHOL	8.8460	-	34.05	#

Report on Special Investigation of the
City of Modale Volunteer Fire Department

United Western Cooperative Fuel Purchases
For the period January 1, 2006 through August 31, 2010

Date	Description per Vendor	Quantity (Gallons)		Amount	Signature (per Invoice)
		Unleaded	Diesel		
06/15/08	CARD #1002 N.L. GASAHOL	6.7030	-	25.80	#
06/19/08	CARD #1002 NO LEAD	19.9370	-	78.73	#
06/19/08	CARD #1002 N.L. GASAHOL	11.8600	-	45.65	#
06/22/08	CARD #1002 NO LEAD	22.7880	-	89.99	#
06/24/08	CARD #1002 DIESEL	-	19.6150	90.21	#
06/24/08	CARD #1002 N.L. GASAHOL	6.4850	-	24.96	#
06/25/08	CARD #1002 N.L. GASAHOL	7.5870	-	29.96	#
06/26/08	CARD #1002 N.L. GASAHOL	10.0000	-	38.49	#
06/28/08	CARD #1002 N.L. GASAHOL	10.3790	-	39.95	#
06/29/08	CARD #1002 N.L. GASAHOL	30.8780	-	118.85	#
07/01/08	CARD #1002 N.L. GASAHOL	9.1110	-	35.07	#
07/08/08	CARD #1002 N.L. GASAHOL	5.2090	-	20.05	#
07/10/08	CARD #1002 DIESEL	-	12.9920	61.05	#
07/10/08	CARD #1002 N.L. GASAHOL	5.1300	-	20.00	#
07/12/08	CARD #1002 N.L. GASAHOL	7.6970	-	30.01	#
07/15/08	CARD #1002 N.L. GASAHOL	10.6420	-	42.45	#
07/18/08	CARD #1002 N.L. GASAHOL	12.5470	-	50.05	#
07/19/08	CARD #1002 N.L. GASAHOL	6.0190	-	24.01	#
07/20/08	CARD #1002 N.L. GASAHOL	4.6950	-	18.73	#
07/22/08	CARD #1002 N.L. GASAHOL	6.7150	-	25.98	#
07/25/08	CARD #1002 NO LEAD	7.8230	-	30.11	#
07/26/08	GASOHOL - CS GARY	10.7100	-	40.16	Gary Shearer
07/27/08	CARD #1002 N.L. GASAHOL	8.0230	-	30.08	#
08/01/08	CARD #1002 N.L. GASAHOL	10.6860	-	40.06	#
08/03/08	CARD #1002 DIESEL	-	30.0160	135.04	#
08/03/08	CARD #1002 N.L. GASAHOL	5.8280	-	21.85	#
08/10/08	NO LEAD GASOLINE - CS LEFT TEAM? 731	14.8200	-	56.31	David Kuhlman
08/10/08	NO LEAD GASOLINE - CS RIGHT TEAM? 731	11.4200	-	43.41	None
08/10/08	DIESEL - CS 720	-	14.2700	62.79	David Kuhlman
08/10/08	DIESEL - CS FUEL 733	-	34.0800	149.95	David Kuhlman
09/07/08	CARD #1002 N.L. GASAHOL	2.0030	-	7.01	Jon Gilgen
09/13/08	CARD #1002 N.L. GASAHOL	54.2700	-	189.89	Illegible
10/12/08	CARD #1002 NO LEAD	7.7080	-	23.04	#
11/02/08	CARD #1002 DIESEL	-	16.3290	48.97	#
11/02/08	CARD #1002 N.L. GASAHOL	33.6320	-	74.63	#
11/02/08	CARD #1002 N.L. GASAHOL	6.7730	-	15.03	#
11/03/08	CARD #1002 NO LEAD	5.6560	-	12.72	Illegible

Exhibit B

Report on Special Investigation of the
City of Modale Volunteer Fire Department

United Western Cooperative Fuel Purchases
For the period January 1, 2006 through August 31, 2010

Date	Description per Vendor	Quantity (Gallons)		Amount	Signature (per Invoice)
		Unleaded	Diesel		
11/24/08	CARD #1002 NO LEAD	8.8880	-	17.50	#
12/14/08	CARD #1002 NO LEAD	6.0650	-	9.70	#
12/22/08	CARD #1002 NO LEAD	19.0170	-	32.31	#
12/28/08	DIESEL - CS D?? 733 AND 720	-	31.6300	80.01	David Kuhlman
12/28/08	NO LEAD GASOLINE - CS	3.5600	-	6.06	#
12/28/08	DIESEL - CS D?-720	-	9.8000	24.78	David Kuhlman
12/28/08	NO LEAD GASOLINE - CS 732-D?	8.8300	-	15.00	David Kuhlman
Subtotal for 01/01/08 - 12/31/08		796.4814	261.0570	3,730.94	
01/12/09	CARD #1002 NO LEAD	21.0770	-	40.03	#
01/16/09	GASOHOL - CS CAN'T READ SIG	22.3700	-	39.14	Phil Rocha
01/16/09	NO LEAD GASOLINE - CS	4.9100	-	9.09	Phil Rocha
01/16/09	CARD #1002 N.L. GASAHOL	10.0250	-	17.53	#
01/22/09	CARD #1002 NO LEAD	23.6030	-	46.00	#
01/26/09	CARD #1002 NO LEAD	19.9090	-	38.01	#
01/28/09	CARD #1002 NO LEAD	7.8590	-	15.00	#
01/29/09	CARD #1002 NO LEAD	10.8470	-	20.71	#
02/01/09	CARD #1002 NO LEAD	21.4780	-	41.00	#
02/03/09	CARD #1002 NO LEAD	16.4980	-	31.49	#
02/07/09	CARD #1002 NO LEAD	18.7870	-	35.86	#
02/10/09	CARD #1002 NO LEAD	21.4400	-	42.00	#
02/11/09	CARD #1002 N.L. GASAHOL	18.0360	-	33.53	#
02/14/09	CARD #1002 N.L. GASAHOL	19.9740	-	37.13	#
02/14/09	CARD #7002 NO LEAD	7.3470	-	14.39	#
02/16/09	CARD #1002 N.L. GASAHOL	21.2500	-	39.50	#
02/19/09	CARD #1002 N.L. GASAHOL	22.5910	-	42.00	#
02/21/09	CARD #1002 N.L. GASAHOL	20.9880	-	39.02	#
02/25/09	CARD #1002 N.L. GASAHOL	17.6690	-	30.90	#
02/26/09	CARD #1002 N.L. GASAHOL	21.1950	-	37.07	#
03/01/09	CARD #1002 N.L. GASAHOL	18.2960	-	32.00	#
03/03/09	CARD #1002 NO LEAD	22.8340	-	44.50	#
03/05/09	CARD #1002 N.L. GASAHOL	20.5090	-	37.92	#
03/08/09	GASOHOL - CS	25.5800	-	47.30	Phil Rocha
03/11/09	CARD #1002 N.L. GASAHOL	24.0500	-	44.47	#
03/15/09	CARD #7002 N.L. GASAHOL	14.7630	-	27.30	#
03/16/09	CARD #1002 N.L. GASAHOL	22.2600	-	41.16	#
03/18/09	CARD #1002 N.L. GASAHOL	14.3920	-	26.61	#

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		Unleaded	Diesel		
03/19/09	CARD #1002 N.L. GASAHOL	22.4480	-	41.51	#
03/21/09	CARD #7002 DIESEL	-	17.8600	33.50	#
03/23/09	CARD #1002 NO LEAD	22.0640	-	43.00	#
04/01/09	CARD #7002 NO LEAD	21.4530	-	44.17	#
04/03/09	CARD #7002 N.L. GASAHOL	24.4090	-	47.82	#
04/12/09	DIESEL - CS #720	-	10.5300	23.07	David Kuhlman
05/02/09	CARD #8002 NO LEAD	23.3110	-	48.00	#
05/04/09	CARD #8002 NO LEAD	23.0680	-	47.50	#
05/06/09	NO LEAD GASOLINE - CS	19.1800	-	41.41	Bob
05/06/09	CARD #7002 DIESEL	-	12.5110	27.01	#
05/06/09	CARD #7002 DIESEL	-	9.7280	21.00	#
05/09/09	CARD #8002 NO LEAD	19.6580	-	44.41	#
05/13/09	CARD #8002 NO LEAD	19.9260	-	45.01	#
05/14/09	CARD #8002 NO LEAD	20.7290	-	46.83	#
05/20/09	CARD #7002 N.L. GASAHOL	9.3300	-	22.01	#
05/29/09	GASOHOL - CS CAN'T READ SIG	7.4000	-	18.21	<i>Illegible</i>
05/30/09	GASOHOL - CS #731	10.0200	-	24.65	<i>Illegible</i>
06/20/09	GASOHOL - CS CAN'T READ SIG	9.8000	-	25.48	<i>Illegible</i>
06/20/09	GASOHOL - CS CAN'T READ SIG	5.4200	-	14.03	<i>Illegible</i>
06/27/09	GASOHOL - CS	11.4700	-	28.68	<i>Illegible</i>
06/30/09	NO LEAD GASOLINE - CS CAN'T READ SIG	20.0900	-	50.03	<i>Illegible</i>
07/04/09	NO LEAD GASOLINE - CS BEFORE LOGAN PARADE	10.6600	-	26.96	David Kuhlman/Bob
07/04/09	NO LEAD GASOLINE - CS AFTER LOGAN PARADE	0.1186	-	19.21	David Kuhlman/Bob
07/11/09	DIESEL - CS B? CAN'T READ SIG	-	7.9200	19.01	Bob Taylor
07/12/09	GASOHOL - CS CAN'T READ SIG	22.1300	-	50.00	<i>Illegible</i>
07/20/09	GASOHOL - CS GAS CAN 720	5.2600	-	11.88	David Kuhlman
07/24/09	GASOHOL - CS PUMPER 731-GARY SHEARER	50.2200	-	118.48	Gary Shearer
07/25/09	GASOHOL - CS BOB	21.2700	-	50.19	Bob
07/31/09	GASOHOL - CS CAN'T READ SIG	30.3700	-	72.86	<i>Illegible</i>
08/05/09	GASOHOL - CS 731-B??	24.0100	-	60.00	Bob
08/07/09	GASOHOL - CS PHIL-FUN DAYS PICKIN UP WATER FIGHT STUFF	12.0100	-	30.02	Phil Rocha
08/08/09	NO LEAD GASOLINE - CS BY JOHN GILGIN, PARADE	3.8400	-	10.00	Jon Gilgen
08/08/09	GASOHOL - CS FUN DAYS-CAN'T READ SIG	25.3800	-	63.43	<i>Illegible</i>
08/09/09	GASOHOL - CS CAN'T	14.0000	-	35.01	Bob
08/12/09	GASOHOL - CS B?? CAN'T READ SIG	25.2200	-	63.02	Bob
08/16/09	GASOHOL - CS B?? CAN'T READ SIG	12.0100	-	30.02	Bob
08/18/09	GASOHOL - CS CAN'T READ SIG	11.5900	-	28.96	<i>Illegible</i>

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United Western Cooperative Fuel Purchases
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		Unleaded	Diesel		
08/26/09	GASOHOL - CS CAN'T READ SIGNATURE	12.1900	-	30.00	<i>Illegible</i>
08/30/09	DIESEL - CS CAN'T READ	-	16.8600	44.85	David Kuhlman
Subtotal for 01/01/09 - 08/31/09		1,080.5916	75.4090	2,451.89	
09/02/09	GASOHOL - CS CAN'T READ SIG	9.7600	-	24.01	<i>Illegible</i>
09/06/09	NO LEAD GASOLINE - CS D?? -GAS FOR POWER WASHER	4.0200	-	10.07	David Kuhlman
09/07/09	GASOHOL - CS D??	11.2300	-	26.85	David Kuhlman
09/09/09	GASOHOL - CS D??-CAN'T READ SIG	8.6500	-	20.75	Phil Rocha
09/28/09	NO LEAD GASOLINE - CS TOILET-PHIL ROCHA	13.6700	-	32.80	Phil Rocha
10/01/09	NO LEAD GASOLINE - CS TOILET	12.9200	-	31.00	Phil Rocha
10/05/09	NO LEAD GASOLINE - CS CAN'T READ	9.1100	-	21.87	Phil Rocha
10/06/09	NO LEAD GASOLINE - CAS CAN'T READ SIG	8.5500	-	20.53	Bob
12/06/09	GASOHOL - CS UNIT 731-PAIGE J	35.0800	-	91.18	Paige Johnsen
02/09/10	DIESEL - CS #720	-	8.0500	22.57	#
03/26/10	CARD #1003 NO LEAD	4.2000	-	12.00	#
05/13/10	CARD #2003 N.L. GASAHOL	4.6000	-	12.88	#
05/13/10	CARD #2003 N.L. GASAHOL	15.2500	-	42.68	#
07/10/10	CARD #1003 DIESEL	-	26.3330	76.34	#
07/25/10	NO LEAD GASOLINE - CS TRUCK 731	12.3700	-	34.02	#
08/06/10	CARD #3003 N.L. GASAHOL	3.6400	-	10.01	#
Subtotal for 09/01/09 - 08/31/10		153.0500	34.3830	489.56	
Total		2,965.1590	1,117.2180	\$ 11,404.50	


- Ticket not available or not provided by United Western Cooperative.

Report on Special Investigation of the
City of Modale Volunteer Fire Department

Staff

This special investigation was performed by:

Annette K. Campbell, CPA, Director
Ernest H. Ruben, Jr., CPA, Manager
James R. Wittenwyler, Staff Auditor


Tamera S. Kusian, CPA
Deputy Auditor of State