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**NEWS RELEASE**

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Auditor of State Mary Mosiman today released a report on a special investigation of Moulton EMS Incorporated (EMS) for the period November 1, 2007 through October 31, 2015. The special investigation was requested after EMS officials identified unauthorized cash withdrawals from the EMS' bank accounts by the former Treasurer, Kim Horn.

Mosiman reported the special investigation identified \$22,665.08 of improper and unsupported disbursements and undeposited collections. The \$20,936.64 of improper disbursements identified includes \$13,709.00 of cash withdrawals, \$5,770.00 of checks Ms. Horn issued to herself, and \$905.00 of checks Ms. Horn issued to "Cash." Ms. Horn withdrew \$13,680.00 of the \$13,709.00 of cash improperly withdrawn from the EMS' bank accounts. The remaining \$29.00 was withdrawn by her father, Lewis Eugene ("Gene") Horn, who was also an EMS official.

The \$467.44 of unsupported disbursements identified includes payments to vendors for which supporting documentation was not available. As a result, it was not possible to determine the propriety of the payments.

The \$1,261.00 of undeposited collections identified includes funds which should have been deposited to the EMS' bank accounts for CPR classes and proceeds from a fundraising event which were not deposited. Mosiman reported it is not possible to determine if additional collections were not properly deposited because adequate records were not available.

The report includes recommendations to strengthen the EMS' internal controls and overall operations, such as improving segregation of duties, performing bank reconciliations, maintaining supporting documentation, and performing an independent review of bank statements and financial information presented to the EMS Board. In addition, the report includes a recommendation to

ensure all disbursements are approved by the EMS Board, as well as ensuring minutes of all EMS Board meetings are properly maintained and signed by the President and the Secretary/Treasurer.

Copies of the report have been filed with the Division of Criminal Investigation, the Appanoose 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 website at <https://auditor.iowa.gov/reports/1522-0020-BE00>.

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**REPORT ON SPECIAL INVESTIGATION  
OF  
MOULTON EMS INCORPORATED  
FOR THE PERIOD  
NOVEMBER 1, 2007 THROUGH OCTOBER 31, 2015**

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Auditor of State's Report

To the Members of the  
Moulton EMS Incorporated Board:

As a result of alleged improprieties regarding certain disbursements and at your request, we conducted a special investigation of Moulton EMS Incorporated (EMS). We have applied certain tests and procedures to selected financial transactions of the EMS for the period November 1, 2007 through October 31, 2015. Based on a review of relevant information and discussions with EMS officials, we performed the following procedures

- (1) Evaluated internal controls to determine whether adequate policies and procedures were in place and operating effectively.
- (2) Interviewed EMS officials to determine what accounting records were maintained, to obtain an understanding of how financial transactions were processed, and to determine if bank reconciliations were performed in a timely manner, reviewed, and approved.
- (3) Obtained and reviewed bank statements for the EMS' checking and savings accounts to identify any unusual activity.
- (4) Examined images of redeemed checks and withdrawal documents for payments from the EMS' bank accounts to determine reasonableness. We also examined certain disbursements to determine if they were appropriate, properly approved, and supported by adequate documentation.
- (5) Examined all payments from the EMS' bank accounts to the former Secretary/Treasurer to determine if the payments were appropriate, properly approved, and supported by adequate documentation.
- (6) Examined deposits to the EMS' bank accounts to determine if the deposits were made intact.
- (7) Obtained and reviewed the former Secretary/Treasurer's personal bank statements to identify the source of certain deposits.

These procedures identified \$22,665.08 of improper and unsupported disbursements and undeposited collections. We were unable to determine if additional amounts may have been improperly disbursed or if any additional collections were undeposited 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** through **F** of this report.

The procedures described above do not constitute an audit of financial statements conducted in accordance with U.S. generally accepted auditing standards. Had we performed additional procedures, or had we performed an audit of financial statements of Moulton EMS Incorporated, other matters might have come to our attention that would have been reported to you.

Copies of this report have been filed with the Division of Criminal Investigation, the Appanoose 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 personnel of the Moulton EMS Board during the course of our investigation.



MARY MOSIMAN, CPA  
Auditor of State



WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

February 5, 2016

Report on Special Investigation of  
Moulton EMS Incorporated

Investigative Summary

**Background Information**

The City of Moulton (City) is located in Appanoose County and has a population of approximately 600. The City provides certain emergency services to its citizens, including an ambulance service which is operated by a small group of emergency medical services volunteers. These volunteers formed Moulton EMS Incorporated (EMS), a non-profit corporation under the Revised Iowa Non-Profit Corporations Act, Chapter 504 of the *Code of Iowa* and under section 501(c)(3) of the Internal Revenue Code. In addition to providing emergency medical services to citizens of the City, the EMS provides emergency medical services to surrounding communities in its service area and is authorized to respond to mutual aid calls from fire departments, other ambulance services, and law enforcement agencies.

The EMS is operated by volunteers living in and around the City. The EMS holds annual elections for President, Vice President, and Secretary/Treasurer. The Board also includes Directors for various positions. Each Board member is elected to a one-year term, but can hold an office in sequential years. Kim Horn became the EMS Secretary/Treasurer in November 2007 and continued to hold the position for a number of years. None of the EMS members are paid for their service.

Bank accounts separate from the City's bank accounts were established for the EMS, including a savings account and a checking account. According to bank records, Ms. Horn was an authorized signer on the accounts. As the Secretary/Treasurer, Ms. Horn was responsible for maintaining the EMS' bank accounts and overseeing the EMS' financial operations, including:

- 1) Receipts – collecting, posting to accounting records, and preparing and making deposits to the EMS' bank accounts,
- 2) Disbursements – making certain purchases, receiving certain goods and services, presenting certain disbursements to the EMS Board for approval, maintaining supporting documentation, preparing, signing, and distributing checks, and posting to accounting records,
- 3) Bank accounts – receiving and reconciling monthly bank statements to accounting records, and
- 4) Meeting minutes – preparing minutes for EMS Board meetings and tracking memorials donated to the EMS.

When we spoke with EMS officials, they stated accounting records, such as a general ledger or a check register, were not maintained for activity in the EMS' bank accounts. According to EMS officials, the EMS' primary revenue source is billings generated for emergency medical services provided by the EMS. The billings are prepared by an EMS volunteer and the related collections are electronically deposited to a bank account maintained by the City, which Ms. Horn did not have access to. Ms. Horn was not involved in the billing or collections process.

EMS officials also stated they hold an annual fundraiser in early September as part of the Moulton Jamboree. The event was held in conjunction with the Moulton Fire Department and proceeds from the event were split evenly. In addition, the EMS receives proceeds from memorials.

Routine disbursements from the EMS' bank accounts were not presented to or approved by the EMS Board. However, according to EMS officials we spoke with, larger purchases were discussed prior to purchase. Disbursements from the EMS' bank accounts should be supported by

documentation which clearly shows what was purchased and how it benefits the operations of the EMS. For some of the transactions, officials were able to locate supporting documentation, such as invoices and receipts.

According to EMS officials we spoke with, Ms. Horn reported bank account balances at Board meetings, but she did not provide bank statements. The bank statements were not reviewed by anyone other than Ms. Horn. The EMS officials stated they became concerned in April 2015 when the balances reported by Ms. Horn did not make sense. However, when EMS officials requested additional information, it was not provided.

EMS officials we spoke with also stated the President seized a bank document from Ms. Horn during the Board meeting held in October 2015 which showed \$200.00 of cash had been withdrawn from the EMS' savings account the previous week. Because the cash withdrawal had not been authorized and was not needed for the EMS' operations, the President asked Ms. Horn where the cash was. According to EMS officials who were at the meeting, Ms. Horn was not able to provide an explanation.

EMS officials who were at the meeting stated Lewis Eugene "Gene" Horn, Ms. Horn's father, was also at the meeting because he was an EMS Director. The EMS officials also stated Mr. Horn told them Ms. Horn had taken funds from the EMS' account when he spoke with the President and Vice-President on the Thursday night following the Board meeting.

EMS officials were able to obtain bank statements directly from the bank and identified a number of unauthorized cash withdrawals. Ms. Horn was suspended from her duties with the EMS on October 12, 2015 as a result of the concerns identified. Mr. Horn was also suspended from his duties with the EMS on October 12, 2015 as a result of a potential conflict of interest related to the concerns identified. He was subsequently reinstated to work on EMS calls, but not in his role as an EMS official.

As a result of the concerns identified, EMS officials contacted the Office of Auditor or State and requested a review of the EMS' financial transactions. We performed the procedures detailed in the Auditor of State's report for the period November 1, 2007 through October 31, 2015.

### **Detailed Findings**

These procedures identified \$22,665.08 of improper and unsupported disbursements and undeposited collections for the period November 1, 2007 through October 31, 2015. The \$20,936.64 of improper disbursements identified includes \$13,709.00 of cash withdrawals, \$5,770.00 of checks Ms. Horn issued to herself, and \$905.00 of checks Ms. Horn issued to "Cash." The \$467.44 of unsupported disbursements identified includes payments to vendors and the \$1,261.00 of undeposited collections identified includes proceeds for CPR classes and fundraiser proceeds.

Because adequate records were not available, we were unable to determine if there were any additional improper disbursements or any additional undeposited collections. The improper and unsupported disbursements and undeposited collections identified are discussed in the following paragraphs and summarized in **Exhibit A**.

#### **IMPROPER AND UNSUPPORTED DISBURSEMENTS**

We reviewed all disbursements from the EMS' bank accounts for the period November 1, 2007 through October 31, 2015. We also attempted to review supporting documentation for the disbursements to determine if they were appropriate; however, supporting documentation was not maintained for some of the disbursements.

Because supporting documentation was not available for all documents, we reviewed the payees and other notations on images of redeemed checks and reviewed notations on records obtained from the bank for cash withdrawals. We also reviewed receipts which were maintained. In addition, we discussed the disbursements with EMS officials to determine propriety.

Based on our review of the vendor, the frequency, and the amount of payments, and discussions with EMS, we classified payments as improper, unsupported, or reasonable. Payments were classified as improper if they appeared personal in nature or were not reasonable for EMS operations. Payments were classified as unsupported if it was not possible to determine if the payment was related to EMS operations or was personal in nature. Disbursements were classified as reasonable if the supporting documentation showed items were purchased for EMS operations or if the vendor, frequency, and amount of payments to vendors appeared appropriate for the EMS' operations. Reasonable transactions identified include, but were not limited to, purchases of food and supplies for the annual Moulton Jamboree, purchases from Wal-Mart for EMS operations, and postage purchases.

The improper and unsupported disbursements identified are discussed in detail in the following paragraphs.

**Cash Withdrawals** – As previously stated, the EMS maintained savings and checking accounts. We identified 125 cash withdrawals from the EMS' bank accounts which are listed in **Exhibit B**. We obtained copies of the related withdrawal documents from the bank. The documents obtained show Ms. Horn made 122 of the 125 cash withdrawals. The remaining 3 cash withdrawals were made by Mr. Horn.

According to an EMS official we spoke with, the only acceptable cash withdrawal would be near the beginning of September to be used as change at the annual Moulton Jamboree. As a result, we determined cash withdrawals near the time of the annual Jamboree were reasonable so long as there was a subsequent deposit of at least that amount. As illustrated by **Exhibit B**, we were able to identify cash withdrawals in 2010, 2011, 2012, 2014, and 2015 which appear related to the Moulton Jamboree and may have been subsequently redeposited to the EMS' bank account. As a result, the 5 cash withdrawals are considered reasonable.

We did not identify a similar cash withdrawal in 2013; however, Ms. Horn issued a check to "Cash" for \$100.00 on August 30, 2013. The memo portion of the check included a notation it was for the cake walk sponsored by the EMS as part of the Jamboree.

As the **Exhibit** also illustrates, we determined 7 of the 125 cash withdrawals were deposited to another EMS bank account. Ms. Horn made 5 of these withdrawals and Mr. Horn made 2. These cash withdrawals are also considered reasonable for the EMS' operations.

However, none of the remaining 113 cash withdrawals identified were authorized or appear appropriate for EMS operations. All but 1 of these cash withdrawals were made by Ms. Horn. Mr. Horn withdrew \$29.00 on October 23, 2012. According to EMS officials we spoke with, a petty cash account is not maintained by the EMS. As a result, any cash withdrawals not deposited to another EMS bank account or determined to be for the Jamboree were classified as improper disbursements. The \$13,709.00 of improper disbursements listed in **Exhibit B** are included in **Exhibit A**.

**Checks to Cash** – During our review of disbursements from the EMS' checking account, we identified 10 checks issued to "Cash" which total \$1,005.00. The checks were issued from November 15, 2008 through August 30, 2013. Notations on the memo lines of a number of the checks indicate the payments were for cash on hand or supplies. As previously stated, EMS officials we spoke with stated the EMS did not keep cash on hand. EMS officials also stated payments for supplies should be issued directly to a vendor or as a reimbursement to an EMS volunteer. Checks written to cash are listed in **Exhibit C**. As previously stated, the \$100.00 check Ms. Horn issued to cash on August 30, 2013 appears to be for change used for the cake walk at the annual Moulton Jamboree. As a result, it is considered reasonable.

The \$905.00 total of the 9 remaining checks is included in **Exhibit A** as improper disbursements.

**Checks to Kim Horn** - During our review of disbursements from the EMS' bank accounts, we identified 34 checks Ms. Horn issued to herself. The checks are listed in **Exhibit D** and total \$5,770.00. All of the checks included a countersignature along with Ms. Horn's signature, with the exception of check number 1150 issued on March 31, 2010. This check appears to have been prepared by Ms. Horn but did not contain her signature.

EMS officials we spoke with stated checks may be issued to volunteers for reimbursements, but those payments should be supported by a receipt, invoice, or other appropriate documentation. EMS officials also stated because the Secretary/Treasurer is a volunteer position, checks should not have been issued to Ms. Horn for payroll.

**Exhibit D** also illustrates check number 1269 issued on September 2, 2014 for \$250.00 includes a notation on the memo portion which was struck through. The struck through portion reads "cake walk", which was followed by the notation "EMS Raffle." As illustrated by **Exhibit B**, we identified a \$100.00 cash withdrawal on August 29, 2014 which appears to be for change at the Moulton Jamboree. According to an EMS official we spoke with, \$250.00 would not be needed for change.

As illustrated by the **Exhibit**, all of the checks Ms. Horn issued to herself were for even dollar amounts and in increments of \$10.00. EMS officials were unable to locate any receipts, invoices, or other supporting documentation for the checks Ms. Horn issued to herself. Because it would be very unusual for reimbursement checks to be issued in even \$10.00 increments and because the payments were not properly supported, the \$5,770.00 of checks is included in **Exhibit A** as improper disbursements.

**Check to Janice Horn** - During our review of disbursements from the EMS' bank accounts, we determined check number 1113 was issued on August 19, 2008 to Janice Horn, Ms. Horn's mother, for \$108.05. The memo portion on the check included the notation "Garmon [sic] GPS".

During our review of disbursements, we identified payments for 3 additional GPS units. The EMS officials we spoke with stated the 3 GPS units purchased earlier are still in use by the EMS. However, the GPS unit purchased with check number 1113 was not used in the ambulance or at the EMS garage. As a result, the \$108.05 payment is included in **Exhibit A** as an improper disbursement.

**Payments to Retail Vendors** - We reviewed all disbursements to retail vendors from the EMS' checking account for the period November 1, 2007 through October 31, 2015. For most of these disbursements, an image of the redeemed check issued to the vendor was included with the monthly bank statements. However, some checks issued to the retail vendors were electronically redeemed. An image of these checks was not included in the monthly bank statements. EMS officials were able to locate support for a number of the disbursements to vendors.

We reviewed the disbursements to the retail vendors from the EMS' checking account to determine if the transactions appeared reasonable for EMS operations.

**Wal-Mart** - During our review of disbursements from the EMS' checking account, we identified 5 payments to Wal-Mart for which supporting documentation could not be located. The 5 payments are included in **Exhibit E**. As illustrated by the **Exhibit**, the 5 payments are classified as unsupported because we are unable to determine if the items purchased were for EMS operations or personal in nature.

EMS officials were able to locate or obtain receipts from Wal-Mart for the remaining checks issued to Wal-Mart from the EMS' checking account. Using the receipts and explanations from EMS officials we spoke with, we were able to determine if items purchased from were reasonable for EMS operations. According to EMS officials we spoke with, certain over-the-counter medical supplies, such as pain relievers and bandages, are donated to the EMS by a local health care provider. As a result, those items should not be purchased by the EMS. However, according to EMS officials, the EMS purchased various types of monitors and first aid kits to distribute as promotional items at community events.

EMS officials also stated certain cleaning supplies would be reasonable purchases for the EMS because general cleaning would need to be done at the EMS building and for the ambulances. Based on the receipts available for our review, the amounts and frequency of cleaning supply purchases from Wal-Mart did not appear to be unreasonable. EMS officials also stated office supplies, such as paper, ink, binders and labels, are reasonable purchases for EMS operations.

We reviewed the items purchased from Wal-Mart with EMS officials. As illustrated by **Exhibit E**, improper purchases identified include deodorant, vitamins, craft supplies (including needles and non-trauma scissors), prepaid “mifi” phone cards, air fresheners, and clothing. In addition, a window fan was purchased but current EMS officials have not seen one for either the building or ambulances.

**Exhibit E** also includes 8 instances in which the Wal-Mart receipt documents the check from the EMS’ checking account was issued for an amount which exceeded the total cost of the items purchased. In these instances, cash was returned to the customer. The cash returned for these 8 instances totals \$150.00. As illustrated by the **Exhibit**, for 7 of the 8 instances, \$20.00 cash was returned to the customer and \$10.00 was returned in the remaining instance. EMS officials we spoke with stated there is no reason to receive cash back.

Checks for the EMS require 2 signatures. However, because Wal-Mart processes checks electronically at the store, images of the checks issued to Wal-Mart were not available from the bank. EMS officials stated Ms. Horn had an authorized signer sign a blank check prior to going to Wal-Mart. The individual countersigning the checks did not review the related receipts to determine if proper purchases had been made.

The \$394.59 of improper and \$237.84 of unsupported payments listed in **Exhibit E** are included in **Exhibit A**.

T & L Market and Deli – T & L Market and Deli (T & L) is a local vendor from which the EMS frequently purchased items such as beverages to have on hand for volunteers. Purchases were typically made on account and paid for at a later date by the EMS Treasurer. The payments by the EMS to T & L are listed in **Table 1**.

**Table 1**

<b>Per Check Image</b>					
<b>Date</b>	<b>Check Number</b>	<b>Amount</b>	<b>Improper</b>	<b>Unsupported</b>	<b>Reasonable</b>
06/13/08	1111	\$ 23.43	-	23.43	-
10/17/09	1140	11.88	-	11.88	-
06/27/10	1155	48.81	-	48.81	-
08/19/10	1162	14.77	-	14.77	-
05/26/11	1177	14.29	-	14.29	-
05/03/12	1191	12.82	-	12.82	-
07/09/12	1203	48.44	-	48.44	-
09/23/12	1206	29.78	-	29.78	-
04/30/13	1223	12.91	-	12.91	-
06/04/14	1253	18.20	-	5.38	12.82
08/20/14	1266	27.09	20.00	7.09	-
04/15/15 <sup>^</sup>	1286	8.36	-	-	8.36
<b>Total</b>		<b>\$ 270.78</b>	<b>20.00</b>	<b>229.60</b>	<b>21.18</b>

<sup>^</sup> - Date on check image is difficult to read, but appears to be 04/15/15 based on the dates of surrounding checks and date it cleared the EMS’ bank account.

When we compared the 12 payments to supporting documentation available from the EMS, we determined:

- The supporting documentation for check number 1253 was a handwritten receipt for a purchase made on May 20, 2014. The receipt shows 2 12-packs were purchased for \$12.82. Based on the price and information from EMS officials, the 12-packs were pop. As a result, it may have been purchased by the EMS for the volunteers and is considered reasonable for EMS operations.

The receipt also shows 2 additional items totaling \$5.38 were purchased, but they were not described on the receipt. Because we are unable to determine what was purchased and the propriety of the items purchased, the \$5.38 portion of the purchase is considered unsupported.

- As illustrated by the **Table**, check number 1266 was dated August 20, 2014 and was for \$27.09. However, the related receipt shows 2 items totaling \$7.09 were purchased on July 12, 2014 for the First Responders (EMS). Because we are unable to determine what was purchased and the propriety of the items purchased, the \$7.09 portion of the purchase is considered unsupported.

A copy of the receipt is included in **Appendix A**. As illustrated by the **Appendix**, the \$7.09 balance was paid on August 20, 2014. As a result, it is apparent no additional amounts were owed to T & L, so the \$20.00 excess would have been returned to the customer as cash back. Ms. Horn prepared the check for \$20.00 in excess of the balance due. The \$20.00 portion of the check which exceeds the purchase amount is considered improper.

- The receipt for the \$8.36 payment made on August 15, 2015 shows the payment was “receipted on account” by T & L on August 17, 2015 for a purchase charged at the vendor on March 26, 2015. The receipt for the March 26, 2015 purchase does not include a description of the item(s) purchased. However, the charge slip included initials of EMS officials documenting their review of the purchase. According to EMS officials we spoke with, ice was purchased for the EMS and used by the volunteers. As a result, it is considered reasonable for EMS operations.
- EMS records did not include receipts or any other type of supporting documentation from T & L for check numbers 1203 and 1206. In addition, the supporting documentation for the remaining payments did not provide any descriptions of the items purchased. Because we are unable to determine what was purchased and the propriety of the items purchased, the remaining checks are considered unsupported.

The \$20.00 of improper and \$229.60 of unsupported disbursements identified are included in **Exhibit A**.

**Overdraft Charge** - During our review of disbursements from the EMS’ bank accounts, we also identified a \$30.00 overdraft charge incurred on August 24, 2010. As the Treasurer, it was Ms. Horn’s responsibility to ensure sufficient funds were available in the EMS’ bank accounts prior to issuing any payments. As a result, the \$30.00 overdraft charge is included in **Exhibit A** as an improper disbursement.

## **UNDEPOSITED COLLECTIONS**

**Memorials** - EMS officials we spoke with stated the EMS periodically receives memorials. Ms. Horn was responsible for recording the memorials received. We were able to trace all the money received for memorials into an EMS bank account for the records maintained. However, EMS officials stated additional memorials may have been received but not properly recorded. As a result, we were unable to determine what amount, if any, of additional memorials were received but not deposited.

**CPR Training Fees** - EMS members occasionally provide CPR training through Indian Hills Community College (IHCC). The EMS collects a fee from training participants to recover the amount paid to IHCC for training materials and CPR cards for the participants. The fees collected by the EMS are to be deposited into an EMS bank account.

We determined the EMS made 22 payments to IHCC during the period of our investigation. For 5 of these 22 payments, we were able to determine the related fees collected by the EMS were properly deposited. However, for the remaining 17 payments, a total of \$401.00 was not deposited to the EMS' bank accounts. Because sufficient collection records were not maintained, we are unable to identify which participants' fees were not properly deposited. The \$401.00 of undeposited collections are listed in **Exhibit F** and are included in **Exhibit A**.

**Fundraiser Proceeds** - According to EMS officials we spoke with, a joint fundraising event was held with the Fire Department in June 2011 and May 2012. We identified the following checks issued from the EMS' checking account which were related to the fundraising events.

**Table 2**

<b>Check Date</b>	<b>Check Number</b>	<b>Payee</b>	<b>Memo</b>	<b>Amount</b>
06/26/11	1178	Fire Department	½ of fundraiser	\$ 430.00
05/07/12	1196	Moulton Fire Department	Fire dept half of fundraiser	915.00
Total				\$ 1,345.00

As illustrated by the **Table**, the memo portions of the checks stated they were to provide half of the proceeds from the fundraisers to the Fire Department. As a result, the total proceeds from the fundraising events should have been deposited to the EMS' checking account. We identified a \$1,830.00 deposit to the EMS' checking account on May 7, 2012.

However, there were no deposits to the EMS' checking or savings accounts near the date of the 2011 fundraising event, and there were no deposits to the EMS' checking or savings accounts in June or July 2011 for \$860.00. The deposits to the EMS' checking account in June and July 2011 were from other sources. Because the \$860.00 of fundraising proceeds were not deposited to an EMS bank account, the \$860.00 of proceeds is included in **Exhibit A** as undeposited collections.

## **OTHER ADMINISTRATIVE ISSUES**

**Board Minutes** - According to EMS officials, board meetings are held each month. Ms. Horn served as the Secretary/Treasurer for the Board and was responsible for maintaining minutes. EMS officials were able to locate minutes for only 15 of the meetings during the time period of our investigation. For the minutes available, we were able to compare financial transactions to bank accounts.

**Signing of Blank Checks** - As previously stated, EMS officials periodically signed blank checks so Ms. Horn could make purchases when the exact amount of the purchase was not known in advance.

**Lack of Oversight** - Ms. Horn had complete control over the financial transactions of the EMS and EMS officials provided limited oversight. Ms. Horn was the only one to see the bank statements. Until February 2015, the bank statements were mailed to Ms. Horn's personal address rather than Moulton City Hall or the EMS office. At EMS meetings, Ms. Horn presented financial information, but did not provide bank statements or supporting documents when requested. Additionally, bank reconciliations were not performed.

## **REPAYMENT**

As previously stated, Ms. Horn and Mr. Horn were suspended from their duties with the EMS on October 12, 2015. Also as previously stated, EMS officials stated Mr. Horn told them Ms. Horn had taken funds from the EMS' bank account when he spoke with them following the Board meeting where the President confronted Ms. Horn about a \$200.00 cash withdrawal.

When we spoke with EMS officials, they stated Mr. Horn deposited \$700.00 to the EMS' bank account after he was suspended. The bank statements we reviewed document \$700.00 was deposited on October 13, 2015. According to an EMS official we spoke with, when she asked Mr. Horn why he made the deposit, he explained he wanted to try to help his daughter. The \$700.00 deposit is included in **Exhibit A** as a repayment.

### **Recommended Control Procedures**

As part of our investigation, we reviewed the procedures used by Moulton EMS Incorporated (EMS) to perform bank reconciliations and process receipts, and disbursements. An important aspect of internal control is to establish procedures which provide accountability for assets susceptible to loss from error and irregularities. These procedures provide the actions of one individual will act as a check on those of another and provide a level of assurance errors or irregularities will be identified within a reasonable time during the course of normal operations. Based on our findings and observations detailed below, the following recommendations are made to strengthen the EMS' internal controls.

- A. Segregation of Duties – An important aspect of internal control is the segregation of duties among employees to prevent an individual from handling duties which are incompatible. The former Secretary/Treasurer had control over each of the following areas:
- (1) Receipts – collecting, posting to accounting records, and preparing and making deposits to the EMS' bank accounts,
  - (2) Disbursements – making certain purchases, receiving certain goods and services, presenting certain disbursements to the EMS Board for approval, maintaining supporting documentation, preparing, signing, and distributing checks, and posting to accounting records,
  - (3) Bank accounts – receiving and reconciling monthly bank statements to accounting records, and
  - (4) Reporting – preparing minutes for EMS Board meetings and tracking memorials donated.

Recommendation – We realize segregation of duties is difficult with a limited number of staff. However, EMS officials should review control procedures to obtain the maximum internal control possible under the circumstances utilizing currently available personnel. The EMS' funds are now maintained by more than one individual and all disbursements are reviewed and approved by the Board.

- B. Supporting Documentation – Adequate supporting documentation was not maintained for all disbursements to vendors and individuals.

Recommendation – EMS officials should implement procedures which require adequate supporting documentation be provided to the Board to ensure all transactions are appropriate for the EMS' operations. Disbursements should not be approved unless adequate supporting documentation is available. In addition, disbursements should be approved by the EMS Board prior to payment.

- C. Cash Withdrawals – We identified a number of cash withdrawals from the EMS’ bank accounts. Sufficient supporting documentation was not maintained for the withdrawals identified.

Recommendation – Disbursements should be made by checks. In those instances when cash must be obtained, the EMS Board should ensure adequate supporting documentation is provided to clearly document how the cash was used appropriately for the EMS’ operations. In addition, the Board should authorize the cash withdrawal prior to the transaction.

- D. Dual Signatures – Checks issued from the EMS checking account require 2 signatures. However, on certain occasions an authorized signer signed a blank check. As a result, the individual countersigning the check did not review any documentation to determine the propriety of the disbursement. In addition, we identified certain checks which did not include a countersignature.

Recommendation – The individual applying a countersignature to checks should compare the information on the check to supporting documentation to ensure the payment is appropriate for EMS operations prior to signing the check. In addition, the Board should implement procedures to ensure all checks are properly countersigned.

- E. Financial Accounting Records – Very limited financial records were maintained for the period of our investigation. The following were identified:

- Receipts and disbursements were not posted to a ledger or other accounting system.
- Pre-numbered receipts were not issued for collections from donations.
- Disbursements were not approved or documented in the minutes of Board meetings.
- Monthly bank account reconciliations were not completed and bank statements were delivered to and reviewed by the individual responsible for disbursing the EMS’ funds.

Recommendation – The EMS’ financial transactions are now handled and recorded by multiple members of the EMS Board. The EMS Board should ensure financial transactions are recorded in formal accounting records to account for all receipts and disbursements. Records should include:

- Pre-numbered receipts for collections.
- Adequate supporting documentation for disbursements, including invoices and receipts.
- Checks should be reviewed by an independent party and the review should include comparing invoices and supporting documentation to the check.
- Disbursements should be reviewed and approved at EMS Board meetings.
- Monthly bank to book reconciliations should be prepared and reviewed by independent parties.

- F. Board Minutes – Board meeting minutes were not consistently maintained. Additionally, all disbursements should be approved by the EMS Board.

Recommendation – Minutes of each Board meeting should be prepared, maintained, and approved by the Board at the next meeting. In addition, the minutes should be signed by the Board President and Secretary/Treasurer.

## **Exhibits**

Report on Special Investigation of  
Moulton EMS Incorporated

Summary of Findings  
For the Period November 1, 2007 through October 31, 2015

<b>Description</b>	<b>Exhibit/Table/ Page Number</b>	<b>Improper</b>	<b>Unsupported</b>	<b>Total</b>
Improper and unsupported disbursements:				
Cash withdrawals	<b>Exhibit B</b>	\$ 13,709.00	-	13,709.00
Checks to cash	<b>Exhibit C</b>	905.00	-	905.00
Checks to Kim Horn	<b>Exhibit D</b>	5,770.00	-	5,770.00
Check to Janice Horn	<b>Page 8</b>	108.05	-	108.05
Payments to retail vendors:				
Wal-Mart	<b>Exhibit E</b>	394.59	237.84	632.43
T & L Market and Deli	<b>Table 1</b>	20.00	229.60	249.60
Overdraft charge	<b>Page 10</b>	30.00	-	30.00
Subtotal improper and unsupported disbursements		20,936.64	467.44	21,404.08
Undeposited collections:				
CPR training fees	<b>Exhibit F</b>	401.00	-	401.00
Fundraiser proceeds	<b>Page 11</b>	860.00	-	860.00
Subtotal undeposited collections		1,261.00	-	1,261.00
Total improper and unsupported disbursements and undeposited collections		\$ 22,197.64	467.44	22,665.08
Repayment:				
Payment from Gene Horn	<b>Page 12</b>			(700.00)
Net amount				\$ 21,965.08

Report on Special Investigation of  
Moulton EMS Incorporated

Cash Withdrawals  
For the Period November 1, 2007 through October 31, 2015

**Per Bank Statement or Document**

<b>Account</b>	<b>Bank Date</b>	<b>Description</b>	<b>Amount</b>	<b>Signature</b>	<b>Notation on Bank Document</b>
Savings	05/25/10	Withdrawal	\$ 2,000.00	Kim Horn	To <i>[checking]</i>
Savings	08/26/10	Withdrawal	3,000.00	Kim Horn	<i>None</i>
Savings	09/01/10	Withdrawal	200.00	Kim Horn	Moulton EMS
Savings	09/09/10	Withdrawal	100.00	Kim Horn	For Moulton EMS
Savings	10/06/10	Withdrawal	200.00	Kim Horn	Cash
Savings	10/22/10	Withdrawal	250.00	Kim Horn	Cash
Savings	10/29/10	Withdrawal	250.00	Kim Horn	Cash
Savings	12/10/10	Withdrawal	100.00	Kim Horn	<i>None</i>
Savings	02/25/11	Withdrawal	100.00	Kim Horn	<i>None</i>
Savings	04/07/11	Withdrawal	100.00	Kim Horn	<i>None</i>
Savings	05/02/11	Withdrawal	50.00	Kim Horn	<i>None</i>
Checking	05/04/11	Withdrawal	20.00	Kim Horn	<i>None</i>
Savings	05/31/11	Withdrawal	80.00	Kim Horn	<i>None</i>
Savings	06/07/11	Withdrawal	85.00	Kim Horn	<i>None</i>
Savings	06/16/11	Withdrawal	50.00	Kim Horn	<i>None</i>
Checking	06/16/11	Withdrawal	2,000.00	Kim Horn	<i>[Savings]</i>
Savings	06/21/11	Withdrawal	80.00	Kim Horn	<i>None</i>
Savings	07/11/11	Withdrawal	100.00	Kim Horn	<i>None</i>
Savings	07/21/11	Withdrawal	80.00	Kim Horn	Cash
Savings	08/11/11	Withdrawal	60.00	Kim Horn	Cash
Savings	08/18/11	Withdrawal	50.00	Kim Horn	<i>None</i>
Savings	08/30/11	Withdrawal	100.00	Kim Horn	<i>None</i>
Savings	09/06/11	Withdrawal	170.00	Kim Horn	<i>None</i>
Savings	09/15/11	Withdrawal	100.00	Kim Horn	<i>None</i>
Savings	09/27/11	Withdrawal	150.00	Kim Horn	<i>None</i>

<b>Deposited to</b>		<b>Improper</b>	<b>Reasonable</b>
<b>Checking Account</b>	<b>Savings Account</b>		
\$ 2,000.00	-	-	2,000.00
3,000.00	-	-	3,000.00
-	-	200.00	-
-	-	-	100.00
-	-	200.00	-
-	-	250.00	-
-	-	250.00	-
-	-	100.00	-
-	-	100.00	-
-	-	100.00	-
-	-	50.00	-
-	-	20.00	-
-	-	80.00	-
-	-	85.00	-
-	-	50.00	-
-	2,000.00	-	2,000.00
-	-	80.00	-
-	-	100.00	-
-	-	80.00	-
-	-	60.00	-
-	-	50.00	-
-	-	100.00	-
-	-	-	170.00
-	-	100.00	-
-	-	150.00	-

Report on Special Investigation of  
Moulton EMS Incorporated

Cash Withdrawals  
For the Period November 1, 2007 through October 31, 2015

**Per Bank Statement or Document**

<b>Account</b>	<b>Bank Date</b>	<b>Description</b>	<b>Amount</b>	<b>Signature</b>	<b>Notation on Bank Document</b>
Savings	10/11/11	Withdrawal	80.00	Kim Horn	<i>None</i>
Savings	10/20/11	Withdrawal	80.00	Kim Horn	Cash
Savings	10/26/11	Withdrawal	100.00	Kim Horn	<i>None</i>
Savings	11/08/11	Withdrawal	50.00	Kim Horn	<i>None</i>
Savings	11/14/11	Withdrawal	80.00	Kim Horn	<i>None</i>
Savings	11/21/11	Withdrawal	200.00	Kim Horn	<i>None</i>
Savings	12/07/11	Withdrawal	100.00	Kim Horn	<i>None</i>
Savings	12/19/11	Withdrawal	80.00	Kim Horn	<i>None</i>
Savings	12/27/11	Withdrawal	100.00	Kim Horn	<i>None</i>
Savings	01/12/12	Withdrawal	250.00	Kim Horn	<i>None</i>
Savings	01/26/12	Withdrawal	80.00	Kim Horn	<i>None</i>
Savings	02/21/12	Withdrawal	200.00	Kim Horn	<i>None</i>
Checking	05/24/12	Withdrawal	1,000.00	Kim Horn	<i>[Savings]</i>
Savings	06/06/12	Withdrawal	100.00	Kim Horn	<i>None</i>
Savings	06/12/12	Withdrawal	80.00	Kim Horn	<i>None</i>
Savings	06/21/12	Withdrawal	20.00	Kim Horn	<i>None</i>
Savings	06/28/12	Withdrawal	1,000.00	Lewis Horn	To: - Ch'ing
Savings	08/02/12	Withdrawal	50.00	Kim Horn	<i>None</i>
Savings	08/15/12	Withdrawal	250.00	Kim Horn	Cash
Savings	08/30/12	Withdrawal	150.00	Kim Horn	<i>None</i>
Savings	09/05/12	Withdrawal	175.00	Kim Horn	<i>None</i>
Savings	09/17/12	Withdrawal	80.00	Kim Horn	<i>None</i>
Savings	09/20/12	Withdrawal	40.00	Kim Horn	<i>None</i>
Savings	09/28/12	Withdrawal	200.00	Kim Horn	<i>None</i>

<b>Deposited to</b>		<b>Improper</b>	<b>Reasonable</b>
<b>Checking Account</b>	<b>Savings Account</b>		
-	-	80.00	-
-	-	80.00	-
-	-	100.00	-
-	-	50.00	-
-	-	80.00	-
-	-	200.00	-
-	-	100.00	-
-	-	80.00	-
-	-	100.00	-
-	-	250.00	-
-	-	80.00	-
-	-	200.00	-
-	1,000.00	-	1,000.00
-	-	100.00	-
-	-	80.00	-
-	-	20.00	-
1,000.00	-	-	1,000.00
-	-	50.00	-
-	-	250.00	-
-	-	150.00	-
-	-	-	175.00
-	-	80.00	-
-	-	40.00	-
-	-	200.00	-

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Report on Special Investigation of  
Moulton EMS Incorporated

Cash Withdrawals  
For the Period November 1, 2007 through October 31, 2015

**Per Bank Statement or Document**

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<b>Account</b>	<b>Bank Date</b>	<b>Description</b>	<b>Amount</b>	<b>Signature</b>	<b>Notation on Bank Document</b>
Savings	10/02/12	Withdrawal	200.00	Kim Horn	<i>None</i>
Savings	10/09/12	Withdrawal	150.00	Kim Horn	<i>None</i>
Savings	10/19/12	Withdrawal	150.00	Kim Horn	<i>None</i>
Checking	10/23/12	Withdrawal	29.00	Lewis Horn	<i>None</i>
Savings	10/29/12	Withdrawal	100.00	Kim Horn	<i>None</i>
Savings	11/01/12	Withdrawal	50.00	Kim Horn	<i>None</i>
Savings	11/09/12	Withdrawal	100.00	Kim Horn	<i>None</i>
Savings	11/15/12	Withdrawal	200.00	Kim Horn	Cash
Savings	11/21/12	Withdrawal	80.00	Kim Horn	<i>None</i>
Savings	11/26/12	Withdrawal	200.00	Kim Horn	<i>None</i>
Savings	12/04/12	Withdrawal	200.00	Kim Horn	<i>None</i>
Savings	12/12/12	Withdrawal	200.00	Kim Horn	<i>None</i>
Savings	12/19/12	Withdrawal	150.00	Kim Horn	<i>None</i>
Savings	12/24/12	Withdrawal	100.00	Kim Horn	<i>None</i>
Savings	01/03/13	Withdrawal	200.00	Kim Horn	<i>None</i>
Savings	01/09/13	Withdrawal	200.00	Kim Horn	<i>None</i>
Savings	01/18/13	Withdrawal	150.00	Kim Horn	<i>None</i>
Savings	02/04/13	Withdrawal	200.00	Kim Horn	<i>None</i>
Savings	03/01/13	Withdrawal	10,000.00	Kim Horn	<i>None</i>
Savings	05/17/13	Withdrawal	150.00	Kim Horn	<i>None</i>
Savings	06/06/13	Withdrawal	150.00	Kim Horn	<i>None</i>
Savings	06/10/13	Withdrawal	200.00	Kim Horn	<i>None</i>
Savings	06/19/13	Withdrawal	100.00	Kim Horn	<i>None</i>
Savings	06/28/13	Withdrawal	200.00	Kim Horn	<i>None</i>
Savings	07/10/13	Withdrawal	200.00	Kim Horn	<i>None</i>

<b>Deposited to</b>		<b>Improper</b>	<b>Reasonable</b>
<b>Checking Account</b>	<b>Savings Account</b>		
-	-	200.00	-
-	-	150.00	-
-	-	150.00	-
-	-	29.00	-
-	-	100.00	-
-	-	50.00	-
-	-	100.00	-
-	-	200.00	-
-	-	80.00	-
-	-	200.00	-
-	-	200.00	-
-	-	200.00	-
-	-	150.00	-
-	-	100.00	-
-	-	200.00	-
-	-	200.00	-
-	-	150.00	-
-	-	200.00	-
10,000.00	-	-	10,000.00
-	-	150.00	-
-	-	150.00	-
-	-	200.00	-
-	-	100.00	-
-	-	200.00	-
-	-	200.00	-

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Report on Special Investigation of  
Moulton EMS Incorporated

Cash Withdrawals  
For the Period November 1, 2007 through October 31, 2015

**Per Bank Statement or Document**

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<b>Account</b>	<b>Bank Date</b>	<b>Description</b>	<b>Amount</b>	<b>Signature</b>	<b>Notation on Bank Document</b>
Savings	08/01/13	Withdrawal	200.00	Kim Horn	<i>None</i>
Savings	08/12/13	Withdrawal	100.00	Kim Horn	<i>None</i>
Savings	08/21/13	Withdrawal	100.00	Kim Horn	<i>None</i>
Savings	08/28/13	Withdrawal	100.00	Kim Horn	<i>None</i>
Savings	09/16/13	Withdrawal	100.00	Kim Horn	<i>None</i>
Savings	09/25/13	Withdrawal	150.00	Kim Horn	<i>None</i>
Savings	10/23/13	Withdrawal	100.00	Kim Horn	<i>None</i>
Savings	10/31/13	Withdrawal	100.00	Kim Horn	<i>None</i>
Savings	12/04/13	Withdrawal	200.00	Kim Horn	<i>None</i>
Savings	01/21/14	Withdrawal	80.00	Kim Horn	<i>None</i>
Savings	01/29/14	Withdrawal	100.00	Kim Horn	Cash
Savings	05/30/14	Withdrawal	100.00	Kim Horn	<i>None</i>
Savings	06/12/14	Withdrawal	200.00	Kim Horn	Cash
Savings	07/16/14	Withdrawal	75.00	Kim Horn	<i>None</i>
Savings	08/18/14	Withdrawal	50.00	Kim Horn	<i>None</i>
Savings	08/29/14	Withdrawal	100.00	Kim Horn	<i>None</i>
Savings	09/10/14	Withdrawal	150.00	Kim Horn	<i>None</i>
Savings	09/16/14	Withdrawal	350.00	Kim Horn	<i>None</i>
Savings	09/22/14	Withdrawal	250.00	Kim Horn	<i>None</i>
Savings	10/14/14	Withdrawal	80.00	Kim Horn	<i>None</i>
Savings	10/21/14	Withdrawal	50.00	Kim Horn	<i>None</i>
Savings	11/03/14	Withdrawal	1,500.00	Lewis Horn	To [checking]
Savings	11/04/14	Withdrawal	100.00	Kim Horn	<i>None</i>
Savings	11/07/14	Withdrawal	200.00	Kim Horn	<i>None</i>
Savings	11/25/14	Withdrawal	100.00	Kim Horn	<i>None</i>

<b>Deposited to</b>		<b>Improper</b>	<b>Reasonable</b>
<b>Checking Account</b>	<b>Savings Account</b>		
-	-	200.00	-
-	-	100.00	-
-	-	100.00	-
-	-	100.00	-
-	-	100.00	-
-	-	150.00	-
-	-	100.00	-
-	-	100.00	-
-	-	200.00	-
-	-	80.00	-
-	-	100.00	-
-	-	100.00	-
-	-	200.00	-
-	-	75.00	-
-	-	50.00	-
-	-	-	100.00
-	-	150.00	-
-	-	350.00	-
-	-	250.00	-
-	-	80.00	-
-	-	50.00	-
1,500.00	-	-	1,500.00
-	-	100.00	-
-	-	200.00	-
-	-	100.00	-

Report on Special Investigation of  
Moulton EMS Incorporated

Cash Withdrawals  
For the Period November 1, 2007 through October 31, 2015

**Per Bank Statement or Document**

<b>Account</b>	<b>Bank Date</b>	<b>Description</b>	<b>Amount</b>	<b>Signature</b>	<b>Notation on Bank Document</b>
Savings	12/08/14	Withdrawal	80.00	Kim Horn	<i>None</i>
Savings	12/15/14	Withdrawal	200.00	Kim Horn	<i>None</i>
Savings	12/19/14	Withdrawal	80.00	Kim Horn	<i>None</i>
Savings	12/29/14	Withdrawal	150.00	Kim Horn	<i>None</i>
Savings	01/13/15	Withdrawal	180.00	Kim Horn	<i>None</i>
Savings	01/15/15	Withdrawal	80.00	Kim Horn	<i>None</i>
Savings	01/20/15	Withdrawal	80.00	Kim Horn	<i>None</i>
Savings	01/27/15	Withdrawal	80.00	Kim Horn	<i>None</i>
Savings	01/29/15	Withdrawal	80.00	Kim Horn	<i>None</i>
Savings	02/02/15	Withdrawal	80.00	Kim Horn	<i>None</i>
Savings	02/03/15	Withdrawal	60.00	Kim Horn	<i>None</i>
Savings	03/13/15	Withdrawal	100.00	Kim Horn	<i>None</i>
Savings	03/18/15	Withdrawal	80.00	Kim Horn	<i>None</i>
Savings	03/24/15	Withdrawal	80.00	Kim Horn	<i>None</i>
Savings	06/05/15	Withdrawal	80.00	Kim Horn	<i>None</i>
Savings	06/11/15	Withdrawal	80.00	Kim Horn	<i>None</i>
Savings	06/15/15	Withdrawal	60.00	Kim Horn	<i>None</i>
Savings	07/01/15	Withdrawal	80.00	Kim Horn	<i>None</i>
Savings	07/09/15	Withdrawal	80.00	Kim Horn	<i>None</i>
Savings	07/13/15	Withdrawal	60.00	Kim Horn	<i>None</i>
Savings	07/20/15	Withdrawal	50.00	Kim Horn	<i>None</i>
Savings	08/06/15	Withdrawal	80.00	Kim Horn	<i>None</i>
Savings	08/12/15	Withdrawal	80.00	Kim Horn	<i>None</i>
Savings	09/01/15	Withdrawal	180.00	Kim Horn	<i>None</i>
Savings	09/10/15	Withdrawal	100.00	Kim Horn	<i>None</i>
Savings	10/02/15	Withdrawal	200.00	Kim Horn	<i>None</i>
Total			<u>\$ 34,854.00</u>		

Note: Auditor's notations are in italics.

<b>Deposited to</b>		<b>Improper</b>	<b>Reasonable</b>
<b>Checking Account</b>	<b>Savings Account</b>		
-	-	80.00	-
-	-	200.00	-
-	-	80.00	-
-	-	150.00	-
-	-	180.00	-
-	-	80.00	-
-	-	80.00	-
-	-	80.00	-
-	-	80.00	-
-	-	80.00	-
-	-	60.00	-
-	-	100.00	-
-	-	80.00	-
-	-	80.00	-
-	-	80.00	-
-	-	80.00	-
-	-	60.00	-
-	-	80.00	-
-	-	80.00	-
-	-	60.00	-
-	-	50.00	-
-	-	80.00	-
-	-	80.00	-
-	-	180.00	-
-	-	-	100.00
-	-	200.00	-
<b>17,500.00</b>	<b>3,000.00</b>	<b>13,709.00</b>	<b>21,145.00</b>

**Report on Special Investigation of  
Moulton EMS Incorporated**

Report on Special Investigation of  
Moulton EMS Incorporated

Checks to Cash  
For the Period November 1, 2007 through October 31, 2015

<b>Per Check Image</b>					
<b>Check Date</b>	<b>Check Number</b>	<b>Memo Line</b>	<b>Amount</b>	<b>Improper</b>	<b>Reasonable</b>
11/15/08	1120	Cash for postage, etc.	\$ 25.00	25.00	-
06/25/09	1129	Cash on hand	50.00	50.00	-
10/17/09	1139	<i>None</i>	80.00	80.00	-
10/04/09	1141	cash to have on hand	100.00	100.00	-
11/01/09	1143	<i>None</i>	100.00	100.00	-
11/27/09	1144	<i>None</i>	150.00	150.00	-
12/28/09	1146	post cards, <i>illegible</i> , etc.	150.00	150.00	-
11/27/10	1170	Supplies	100.00	100.00	-
01/10/11	1173	supplies	150.00	150.00	-
08/30/13	1233	Cake walk <i>illegible</i> ^^	100.00	-	100.00
Total			<u>\$ 1,005.00</u>	<u>905.00</u>	<u>100.00</u>

^^ - Considered reasonable because date issued was near the Moulton Jamboree.

Note: Auditor's notations are in italics.

**Exhibit D**Report on Special Investigation of  
Moulton EMS IncorporatedChecks to Kim Horn  
For the Period November 1, 2007 through October 31, 2015**Per Check Image**

<b>Check Date</b>	<b>Check Number</b>	<b>Memo Line</b>	<b>Amount</b>
05/30/08 ^	1108	EMS Cert	\$ 10.00
12/08/08	1121	Wal-Mart supplies	60.00
08/01/09	1130	P.O. and T & L Bill	50.00
09/10/09	1135	Cash for cake walk	100.00
03/13/10	1149	<i>None</i>	200.00
03/31/10	1150	Cash for office supplies	150.00
03/15/11	1175	(Cash)	150.00
05/13/11	1176	Cash	150.00
10/04/11	1183	<i>None</i>	80.00
12/01/11	1185	Cash in safe	80.00
12/12/11	1186	<i>None</i>	250.00
01/17/12	1188	reimbursement for supplies	80.00
03/27/12	1190	cash for supplies	200.00
05/05/12	1195	<i>None</i>	250.00
07/09/12	1204	<i>None</i>	150.00
12/06/12	1214	office supplies, etc.	200.00
09/30/13	1237	misc supplies	200.00
10/14/13	1239	<i>None</i>	100.00
11/18/13	1240	Wal-Mart supplies, etc.	250.00
11/05/13	1249	office supplies	200.00
11/13/13	1241	<i>None</i>	250.00
12/23/13	1242	<i>None</i>	300.00
01/06/14	1243	<i>None</i>	150.00
02/04/14	1245	<i>None</i>	200.00
04/17/14	1247	supplies	200.00

Report on Special Investigation of  
Moulton EMS Incorporated

Checks to Kim Horn  
For the Period November 1, 2007 through October 31, 2015

**Per Check Image**

<b>Check Date</b>	<b>Check Number</b>	<b>Memo Line</b>	<b>Amount</b>
06/18/14	1256	supplies	100.00
04/03/14	1259	supplies, bills	250.00
07/09/14	1261	bill	200.00
07/18/14	1263	<i>None</i>	100.00
07/31/14	1267	supplies, bills, cash on hand	200.00
08/11/14	1265	supplies, bills, etc.	400.00
09/02/14	1269	<del>cake walk</del> EMS Raffle	250.00
09/05/14	1270	Jamboree	220.00
04/03/15	1283	<i>None</i>	40.00
Total			<u>\$ 5,770.00</u>

^ - Cleared the EMS bank account on May 29, 2008.

Note: Auditor's notations are in italics.

Report on Special Investigation of  
Moulton EMS Incorporated

Payments to Wal-Mart  
For the Period November 1, 2007 through October 31, 2015

<b>Bank Date</b>	<b>Visit Date</b>	<b>Check Number</b>	<b>Description per Receipt</b>	<b>Additional Description</b>	<b>Amount</b>
12/20/07	##	1102	No receipt	-	\$ 6.03
01/31/08	##	1103	No receipt	-	54.75
11/07/08	11/05/08	1119	ANGELSFT12RL	Toilet paper	5.97
			TRASH BAG	Trash bags	7.94
			3 RL 2-PLY	Toilet paper	1.86
			GV FT 3X160	Paper towels	3.34
			EVDAY A 25	25 sheets of photo paper	9.44
			SALES TAX	Sales tax	2.00
			CHANGE DUE	Cash back	20.00
					50.55
01/21/09	01/19/09	1122	CAR WASH	Car cleaner	5.64
			FEBREZEAUTO	Auto air fresheners	2.97
			MG 6 ROLL	Paper towels	3.78
			SELECT LT BX	Cigarettes	3.67
			SELECT LT BX	Cigarettes	3.67
			SELECT LT BX	Cigarettes	3.67
			SALES TAX	Sales tax	1.64
					25.04
06/03/09	06/01/09	1126	LABELS	Address labels	9.22
			WRITING PAD	Note pad	3.27
			ARMSTRONG FL	Floor cleaner	4.57
			SPONGE MOP	Mop	4.76
			COT MOP HEAD	Replacement mop head	4.00
			SALES TAX	Sales tax	1.81
			CHANGE DUE	Cash back	20.00
					47.63

<b>Improper</b>	<b>Unsupported</b>	<b>Reasonable</b>
-	6.03	-
-	54.75	-
-	-	5.97
-	-	7.94
-	-	1.86
-	-	3.34
-	-	9.44
-	-	2.00
20.00	-	-
20.00	-	30.55
5.64	-	-
2.97	-	-
-	-	3.78
3.67	-	-
3.67	-	-
3.67	-	-
1.64	-	-
21.26	-	3.78
-	-	9.22
-	-	3.27
-	-	4.57
-	-	4.76
-	-	4.00
-	-	1.81
20.00	-	-
20.00	-	27.63

Report on Special Investigation of  
Moulton EMS Incorporated

Payments to Wal-Mart  
For the Period November 1, 2007 through October 31, 2015

<b>Bank Date</b>	<b>Visit Date</b>	<b>Check Number</b>	<b>Description per Receipt</b>	<b>Additional Description</b>	<b>Amount</b>
06/11/09	06/09/09	1127	ANGELSFT24RL	Toilet paper	11.67
			ANTI-PERSPIR	Anti-perspirant	2.52
			DAWN 56OZ	Dish Soap	5.36
			BATTERY	Batteries	1.88
			PG-40 BLACK	Printer ink	21.00
			CL31 CLR INK	Printer ink	20.97
			SALES TAX	Sales tax	4.44
					67.84
08/21/09	08/19/09	1132	EQ APAP	Value pack acetaminophen	4.00
			BANDAGES	Bandages	0.96
			SALES TAX	Sales tax	0.35
			CHANGE DUE	Cash back	20.00
					25.31
09/02/09	08/31/09	1133	BP MONITOR	Blood pressure monitor	34.88
			1ST AID KIT	1st Aid Kit	9.64
			SALES TAX	Sales tax	3.12
			CHANGE DUE	Cash back	20.00
					67.64
09/11/09	09/09/09	1134^	BLK INK CART	Printer ink	23.97
			CLR INK CART	Printer ink	19.97
			WINDOW FAN	Window fan	9.00
			SALES TAX	Sales tax	3.71
					56.65
04/01/10	03/30/10	1148	COPY PAPER	Paper	3.50
			PLANNER	Planner	2.97
			PLDGE MS FF	Multi surface cleaner	3.97
			CLX TBC FRSH	Toilet bowl cleaner	1.97
			SALES TAX	Sales tax	0.87
			CHANGE DUE	Cash back	10.00
					23.28

<b>Improper</b>	<b>Unsupported</b>	<b>Reasonable</b>
-	-	11.67
2.52	-	-
-	-	5.36
-	-	1.88
-	-	21.00
-	-	20.97
-	-	4.44
2.52	-	65.32
4.00	-	-
0.96	-	-
0.35	-	-
20.00	-	-
25.31	-	-
-	-	34.88
-	-	9.64
-	-	3.12
20.00	-	-
20.00	-	47.64
-	-	23.97
-	-	19.97
9.00	-	-
-	-	3.71
9.00	-	47.65
-	-	3.50
-	-	2.97
-	-	3.97
-	-	1.97
-	-	0.87
10.00	-	-
10.00	-	13.28

Report on Special Investigation of  
Moulton EMS Incorporated

Payments to Wal-Mart  
For the Period November 1, 2007 through October 31, 2015

<b>Bank Date</b>	<b>Visit Date</b>	<b>Check Number</b>	<b>Description per Receipt</b>	<b>Additional Description</b>	<b>Amount</b>
07/12/10	07/08/10	1157	SHS PST WAX	Auto paste wax	3.28
			DIESEL KLEEN	Fuel additive to clean diesel engine	15.57
			DIESEL KLEEN	Fuel additive to clean diesel engine	15.57
			CAR WASH	Car cleaner	3.88
			SALES TAX	Sales tax	2.68
					40.98
12/06/10	12/02/10	1171	PG 30 BLK INK	Printer ink	18.97
			CL 31 CLR INK	Printer ink	22.97
			SALES TAX	Sales tax	2.94
			CHANGE DUE	Cash back	20.00
					64.88
01/18/11	##	1172	<i>No receipt</i>	-	38.02
03/14/11	03/14/11	1174	PG-210XL	Printer ink	23.97
			CL-211XL	Printer ink	28.97
			COPY PAPER	Paper	3.47
			PHOTO PAPER	Photo paper	7.26
			SALES TAX	Sales tax	4.46
			CHANGE DUE	Cash back	20.00
					88.13
06/11/12	##	1201	<i>No receipt</i>	-	20.00
09/27/12	09/25/12	1208	PLDG MS ANTB	Multi surface cleaner	3.97
			LYSOL CLING	Toilet bowl cleaner	1.97
			EQ DAILY WMN	Women multivitamin	3.98
			NDLE THRDER	Needle threader	0.97
			UNV MCN NDL	Needle	1.67
			NEEDLE HOMECEC	Home craft needles	1.67

<b>Improper</b>	<b>Unsupported</b>	<b>Reasonable</b>
3.28	-	-
-	-	15.57
-	-	15.57
3.88	-	-
-	-	2.68
7.16	-	33.82
-	-	18.97
-	-	22.97
-	-	2.94
20.00	-	-
20.00	-	44.88
-	38.02	-
-	-	23.97
-	-	28.97
-	-	3.47
-	-	7.26
-	-	4.46
20.00	-	-
20.00	-	68.13
-	20.00	-
-	-	3.97
-	-	1.97
3.98	-	-
0.97	-	-
1.67	-	-
1.67	-	-

Report on Special Investigation of  
Moulton EMS Incorporated

Payments to Wal-Mart  
For the Period November 1, 2007 through October 31, 2015

<b>Bank Date</b>	<b>Visit Date</b>	<b>Check Number</b>	<b>Description per Receipt</b>	<b>Additional Description</b>	<b>Amount</b>
			3PK SCISSORS	Scissors	4.77
			VZW PPD MIFI	Verizon prepaid phone card	129.88
			GV 12 ROLL	Paper towels	7.24
			BOUNTY TOWEL	Paper towels	5.97
			SALES TAX	Sales tax	11.35
					173.44
11/30/12	11/28/12	1212	BIC FLEX & M	Lighters	5.00
			3RL REV WRAP	Reversible gift wrap	7.00
			INDEXES	Binder indexes	0.97
			ADDRESS LBL	Address labels	4.64
			EAGLE10PKBLU	Pens	0.94
			INDEXES	Binder indexes	0.97
			1 BINDER	Binder	0.92
			1 BINDER	Binder	0.92
			TRANS TAPE	Clear tape	1.00
			BINDER	Binder	0.92
			SALES TAX	Sales tax	1.28
			CHANGE DUE	Cash back	20.00
					44.56
12/10/12	##	1216	<i>No receipt</i>	-	119.04
07/21/14	07/18/14	1262	NYLON ROPE	Rope	8.17
			RYCDIFFUSER	Auto air fresheners	2.88
			RYCDIFFUSER	Auto air fresheners	2.88
			MENS KNIT	Men's clothing	7.88
			MENS KNIT	Men's clothing	7.88
			SALES TAX	Sales tax	2.08
					31.77
Total					\$ 1,045.54

## - Unable to obtain receipt from Wal-Mart. As a result, the purchase is considered unsupported.

^ - Check was not signed by Kim Horn. Instead, it was signed by Gene Horn and Mike Young.

<b>Improper</b>	<b>Unsupported</b>	<b>Reasonable</b>
4.77	-	-
129.88	-	-
-	-	7.24
-	-	5.97
11.35	-	-
154.29	-	19.15
5.00	-	-
7.00	-	-
-	-	0.97
-	-	4.64
-	-	0.94
-	-	0.97
-	-	0.92
-	-	0.92
-	-	1.00
-	-	0.92
1.28	-	-
20.00	-	-
33.28	-	11.28
-	119.04	-
8.17	-	-
2.88	-	-
2.88	-	-
7.88	-	-
7.88	-	-
2.08	-	-
31.77	-	-
394.59	237.84	413.11

**Exhibit F**

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Report on Special Investigation of  
Moulton EMS IncorporatedUndeposited CPR Training Fees  
For the Period November 1, 2007 through October 31, 2015

<b>Check Date</b>	<b>Check Number</b>	<b>Amount</b>
11/14/08	1116	\$ 21.50
05/08/09	1125	80.50
10/22/09	1138	10.50
05/06/10	1151	77.00
06/26/10	1156	3.50
08/02/10	1158	7.00
10/11/10	1168	32.00
10/18/12	1207	20.00
10/30/12	1210	24.00
05/12/13	1225	32.00
05/17/13	1227	8.00
06/06/13	1229	20.00
10/15/13	1238	15.00
04/17/14	1248	5.00
06/24/14	1258	10.00
10/27/14	1276	20.00
10/30/14	1277	15.00
Total		<u>\$ 401.00</u>

Report on Special Investigation of  
Moulton EMS Incorporated

Staff

This special investigation was performed by:

Annette K. Campbell, CPA, Director  
Kyle C. Smith, CPA, Staff Auditor

  
Tamera S. Kusian, CPA  
Deputy Auditor of State

Report on Special Investigation of  
Moulton EMS Incorporated

Copy of Receipt from T & L Market and Deli

Date: 7-12-14

M: ~~Vendor~~ *First Responders*

Address: \_\_\_\_\_

Reg. No.	Clerk	Account Forward
1	<i>Chg</i>	<i>378</i>
2		
3		
4		<i>331</i>
5		
6		
7		<i>7.09</i>
8		
9		
10	<i>Paid</i> <i>8-20-14</i> <i>[Signature]</i> <i>6000-0</i>	
11		
12		
13		
14		
15		

7-12-01 11:35:39 Your Amount Stated to Date - If Error is Found, Return at Once  
1-852-246200/46205