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**NEWS RELEASE**

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Auditor of State David A. Vaudt today released a report on a special investigation of Before and After School Services (BASS), a non-profit organization established to provide child care services before and after school hours in the Spirit Lake and Okoboji Community School Districts. The report covers the period July 1, 2000 through December 31, 2004. The special investigation was requested by the Department of Human Services as a result of concerns about certain disbursements made with funds provided to BASS.

The Department awarded Wrap-Around grants totaling \$662,719.00 to BASS between July 1, 2000 and December 31, 2004. The Department administers the Wrap-Around program which is designed to serve children enrolled in core programs such as Head Start, Department of Education at-risk programs, Title I preschools or early childhood special education programs. Wrap-Around care is provided to eligible children during the day before and after the core program and during summers and other breaks in the core program's schedule.

BASS receives payments from the Department, from parents and guardians for child care services and from other sources. BASS received more than \$1.3 million from all sources between July 1, 2000 and December 31, 2004.

Because BASS is a non-profit organization, it must comply with section 501(c)(3) of the Internal Revenue Code which requires non-profit organizations must not be operated for the benefit of private interest, such as the creator or the creator's family.

Vaudt reported the special investigation identified \$419,335.76 of improper or unsupported disbursements that are not in accordance with requirements found in the Internal Revenue Code for non-profit organizations. Of this amount, \$169,043.53 was improperly paid to the organization's Executive Director. The remaining amount included \$77,732.76 of payments made

on the Executive Director's personal credit cards and \$147,391.62 of personal purchases, including vehicles, vacations and payments to the Executive Director's family members. Other personal items purchased included clothing, groceries, pet supplies and home decor.

Vaudt also reported adequate records for all receipts and disbursements were not available to determine whether additional amounts were undeposited or improperly disbursed. The report includes recommendations to strengthen the organization's internal controls and overall operations. Vaudt also made recommendations to the Department of Human Services to enhance its monitoring of the Wrap-Around program.

Copies of the report have been filed with the Spirit Lake Police Department, Dickinson County Attorney's Office, the Division of Criminal Investigation, the Attorney General's Office, the Iowa Department of Revenue and the Internal Revenue Service. 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/specials.htm>.

# # #

**REPORT ON SPECIAL INVESTIGATION  
OF  
BEFORE AND AFTER SCHOOL SERVICES  
FOR THE PERIOD  
JULY 1, 2000 THROUGH DECEMBER 31, 2004**

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Auditor of State's Report

To the Director of the  
Department of Human Services:

As a result of alleged improprieties with certain disbursements and at your request, we conducted a special investigation of Before and After School Services (BASS). We have applied certain tests and procedures to selected financial transactions of the organization for the period July 1, 2000 through December 31, 2004. Based on a review of relevant information and discussions with the BASS Executive Director and certain staff members and a representative of the Spirit Lake Police Department, we performed the following procedures:

- (1) Evaluated internal controls to determine whether adequate policies and procedures were in place and operating effectively.
- (2) Reviewed bank statements and related documentation to determine the disbursements which had been paid by the bank.
- (3) Examined documentation obtained for certain disbursements made from the BASS checking accounts to determine whether they were appropriate and supported by adequate documentation.
- (4) When possible, obtained statements for the Executive Director's personal credit card accounts and identified payments made on the accounts with funds from BASS checking accounts.
- (5) Analyzed payroll disbursements to determine whether the appropriate number of payroll disbursements had been made, to determine whether the amount paid to each employee appeared reasonable and to identify any improper or unsupported disbursements.
- (6) Confirmed payments made to BASS by the State of Iowa to determine if they were properly deposited.
- (7) Obtained and reviewed the Wrap-Around grant applications for compliance and to determine whether policies and procedures included in the applications had been implemented.
- (8) Obtained and reviewed grant reports submitted to the Department of Human Services to determine whether the expenditures claimed were supported by disbursements from BASS checking accounts.
- (9) Obtained and reviewed the Wrap-Around participant applications to determine whether they were eligible for the program.
- (10) Obtained and reviewed the Executive Director's personal bank statements to identify the source of certain deposits made to her accounts.

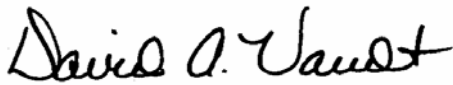
- (11) Obtained and reviewed contracts between BASS and the Spirit Lake and Okoboji Community School Districts for compliance with contract terms.

These procedures identified \$419,335.76 of improper or unsupported disbursements. We were unable to determine whether additional amounts may have been undeposited or improperly disbursed during this time period because adequate records were not available for all receipts and certain disbursements. Several internal control weaknesses were also identified. Our detailed findings and recommendations are presented in the Investigative Summary and **Exhibits A** through **L** 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 Before and After School Services, other matters might have come to our attention that would have been reported to you.

Copies of this report have been filed with the Spirit Lake Police Department, Dickinson County Attorney's Office, the Division of Criminal Investigation, the Attorney General's Office, the Iowa Department of Revenue and the Internal Revenue Service.

We would like to acknowledge the assistance and many courtesies extended to us by the officials and personnel of Before and After School Services, the Spirit Lake Police Department, the Spirit Lake and Okoboji Community School Districts and the Department of Human Services during the course of our investigation.



DAVID A. VAUDT, CPA  
Auditor of State

April 27, 2005



WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

Before and After School Services  
Investigative Summary

**Background Information**

Before and After School Services (BASS) is a non-profit organization established by Margaret (Meg) Waltz in 1995 to provide quality, affordable daycare for children enrolled in the Spirit Lake Community School District and core programs located within the District. In August 1997, BASS expanded to the Okoboji Community School District.

The Articles of Incorporation state BASS was formed in accordance with Chapter 504A of the *Code of Iowa*. Section 504A.25 of the *Code* requires each corporation to keep correct and complete books and records of account and minutes of the proceedings of its board of directors. According to Ms. Waltz, financial statements, reports or cumulative records of any type, as well as minutes of Board meetings, were not available.

In addition to applicable State Statutes, non-profit organizations must also comply with requirements found in the Internal Revenue Code. Section 501(c)(3) of the Internal Revenue Code requires non-profit organizations “must not be organized or operated for the benefit of private interest, such as the creator or the creator’s family, shareholders of the organization, other designated individuals, or persons controlled directly or indirectly by such private interests.”

According to the 2003 Biennial Report on file with the Secretary of State, BASS has a three-member Board of Directors comprised of Ms. Waltz; her husband, Timothy Waltz; and her father, Neal Armstrong. Ms. Waltz also serves as the Executive Director and supervises daily operations of the program. Her financial duties include collection of fees, deposit preparation, supply purchases and disbursement authorization and preparation. Ms. Waltz indicated Mr. Waltz also assists with the record keeping. There are no bank reconciliations or independent approval of disbursements.

BASS has two checking accounts from which payments are disbursed. Both accounts are held in the name of Before and After School Services. One account is designated as an operating account and the other as a payroll account. All funds received are to be deposited into one of these two accounts. According to Ms. Waltz, subsidiary records are not maintained that record activity by grant, revenue source or function.

According to Ms. Waltz, funds to operate BASS are received from parents or guardians of children enrolled in the program, the Department of Human Services (DHS) and an annual grant from a local philanthropic organization. **Table 1** summarizes the funding received by BASS in fiscal year 2001 through the first six months of fiscal year 2005. More detailed descriptions of each source follow the **Table**.

**Table 1**

Type of Funding	Fiscal Year Ended				07/1/04- 12/31/04	Total for 07/01/00 – 12/31/04
	06/30/01	06/30/02	06/30/03	06/30/04		
(1) Wrap-Around grants*	\$ 79,499.94	76,698.00	117,730.80	191,876.00	191,900.00	657,704.84
(2) POSS	-	-	12,725.05	49,745.73	29,247.18	91,717.96
(3) Private Donations	7,500.00	7,500.00	7,500.00	7,500.00	5,271.33	35,271.33
(4) Family Members of Executive Director	-	-	9,700.00	3,000.00	-	12,700.00
(5) Private Pays**	139,963.00	132,324.91	116,125.01	94,981.83	31,850.68	515,245.43
(6) Unidentified	-	-	6,000.00	-	-	6,000.00
<b>Total</b>	<b>\$223,962.94</b>	<b>219,522.91</b>	<b>269,780.86</b>	<b>347,103.56</b>	<b>258,269.19</b>	<b>1,318,639.46</b>

\* A portion of the grants were offset by obligations owed to the State of Iowa. (See page 15.)

\*\* Bank statements and related documentation were used to compile this information. Detail was not available to determine specific sources of each individual deposit. The amounts are reasonable for the amount paid by parents and guardians for child care services.

- (1) Wrap-Around grants – federal grants originating from the U.S. Department of Health and Human Services and awarded to BASS by DHS to provide services to eligible children enrolled in core programs. By terms of the grant agreement with DHS, BASS is required to use the grant funds for specific purposes. The more significant aspects of the Wrap-Around program and the requirements established by DHS are summarized in the following section of this report.

We obtained a listing of all payments to BASS from DHS for the Wrap-Around grants and traced them to their deposit.

- (2) Purchase of Social Services (POSS) – payments from DHS based on the number of hours of service BASS provides to certain children deemed eligible for services by DHS employees. The payment is based on a contracted hourly rate for a specified maximum number of units per child. BASS became eligible to provide POSS child care services in March 2003. These payments are considered to be payments to a vendor for services rendered, rather than grant payments.

We obtained a listing of all payments to BASS from DHS for POSS and traced them to their deposit.

- (3) Private donations – gifts provided to BASS by individuals or philanthropic organizations. Ms. Waltz was not able to provide us a copy of a grant agreement or other documentation associated with donations made to BASS. Therefore, we are unable to determine if specific restrictions on the use of the funds exist.

We observed the annual \$7,500 donations deposited to the BASS checking account.

- (4) Family members of Executive Director – While reviewing bank documents, we identified several checks from Ms. Waltz's family members. According to Ms. Waltz, these payments were considered loans to BASS.
- (5) Private pays – payments from parents or guardians who pay an hourly fee for the services provided by BASS. Because detailed receipt records, billing information or other financial records were not available from BASS, we were unable to determine the specific amount of revenue due from the private pays at any given point in time. We reviewed copies of bank documents to determine if the composition of individual deposits could be ascertained in order to determine the amounts deposited from this source. However, the deposit records were often not detailed enough to allow that determination.

Using information provided by Ms. Waltz and other BASS employees, including the average number of children served during given time periods, the hourly rate charged and the typical number of hours of service provided per day, we were able to calculate an estimate of the amount of revenue expected from private pays.

- (6) Unidentified – On April 30, 2003, a \$6,000 deposit was made to a BASS checking account. We were unable to determine the source of this deposit. Because it is an even dollar amount, it does not appear to be payments received from parents for child care services. It is possible a portion of the proceeds were withheld from the deposit in order to make the amount even. However, the bank document we reviewed does not show any funds withheld.

**Wrap-Around Grants** - The Wrap-Around program is designed to serve children enrolled in core programs such as Head Start, Department of Education at-risk programs, Title I preschools or early childhood special education programs. Wrap-Around services are to be provided during the day before and after the core program and during summers and other breaks in the core program's schedule. The grant application submitted by each Wrap-Around program provider includes an application each provider developed to document the eligibility of each child enrolled in their program. In order for a child to be eligible for Wrap-Around services, the child must be



enrolled in an approved core program. In addition, families must meet specified income levels and demonstrate minimum guidelines of need for service.

A “Statement of Assurances” is also included in the application. The statement includes assurances the provider will expend funds received solely on the described projects and programs, the figures, facts and representations made in the application are true and correct to the best of their knowledge, and if a grant project is not fully implemented, the money will be returned to DHS. **Appendix 1** includes the “Statement of Assurances” and signature page submitted by Ms. Waltz in May 2004.

Per the Iowa Administrative Code, Chapter 168.3(1), grant funds are intended for direct care staff costs, training for staff, equipment, transportation for children’s activities, materials, books, play equipment, rent and utilities. Nonallowable expenditures include construction or modification of the facility (except to serve children with special needs), administrative costs over ten percent (including nondirect care staff), payment of interest or organizational membership, excessive computer costs, actual food purchases, medical or health services for children and staff travel, including mileage, food or hotel.

Prior to fiscal year 2003, the maximum awarded for each individual grant was \$40,000 for 16 children. Effective with fiscal year 2003, the maximum was increased to \$48,000 for 16 children. If a provider applies for a grant to serve less than 16 children, the amount awarded is decreased proportionately. A provider may be awarded more than one grant per year. If a provider operates at multiple locations or has more than one site providing services to Wrap-Around eligible children, they may receive more than one grant. For example, an applicant operating two classrooms within the same facility may apply for two Wrap-Around grants.

BASS provides services at the elementary school in Spirit Lake and at the elementary school in Milford, referred to as the Okoboji site. BASS received a total of 15 grants for the two sites for fiscal years 2001 through 2005. The number of grants and the related amounts are summarized in **Table 2**. As illustrated by the **Table**, DHS awarded BASS two grants for services provided at the Okoboji site for fiscal years 2004 and 2005. However, according to the Director of the Okoboji site, Ms. Waltz told her the site had been awarded only one grant for each of the fiscal years.

**Table 2**

Fiscal Year	Spirit Lake Site		Okoboji Site		Total for BASS	
	# of Grants	Amount Awarded	# of Grants	Amount Awarded	# of Grants	Amount Awarded
2001	1	\$ 39,849.00	1	\$ 39,849.00	2	\$ 79,698.00
2002	1	39,849.00	1	39,849.00	2	79,698.00
2003	2	79,698.00	1	39,849.00	3	119,547.00
2004	2	95,938.00	2	95,938.00	4	191,876.00
2005	2	95,950.00	2	95,950.00	4	191,900.00
Total	8	\$ 351,284.00	7	\$ 311,435.00	15	\$ 662,719.00

Once a grant has been awarded, the recipient is required to submit six-month and twelve-month reports. These reports detail the number of children served and the costs of the program paid with Wrap-Around grant proceeds. DHS does not require supporting documentation to be submitted nor do they perform any independent verification of the information reported. According to a representative of DHS, grant recipients are expected to maintain supporting documentation and financial records in the event a monitoring visit is performed.

Also according to the representative of DHS, the provider may serve fewer children than the number identified in the grant application without being required to return grant funds. However, a guideline has not been established indicating by how many the number of children in the application can exceed the actual number of children served. Determination of the necessity to return funds is up to the judgment of DHS staff when reviewing the periodic reports submitted by the provider. If a significant difference is identified, a DHS employee may call the provider to discuss how the balance of the grant proceeds will be used. According to the representative of DHS, if the provider indicates the funds will be used for program enhancement, the provider usually does not have to return any funds to DHS.

The Department performs random monitoring visits of providers receiving Wrap-Around grants. A monitoring visit is also performed if a concern or other matter is brought to the Department's attention. While a provider may receive other funding from DHS, only Wrap-Around funding is reviewed during the monitoring visit. During the visit, the DHS reviewer verifies an application is on hand for each child participating in the program and the child is eligible for Wrap-Around funding. The physical layout of the facility is also reviewed along with the supplies purchased with grant funds and their reasonableness. According to a DHS representative, a monitoring visit has never been performed for BASS.

### Detailed Findings

In the summer of 2004, the Dickinson County Attorney's Office received an anonymous letter expressing concern regarding disbursements from BASS bank accounts and use of grant receipts. A representative of the Spirit Lake Police Department reviewed certain disbursements made with BASS funds during the fiscal years ended June 30, 2003 and 2004 and identified payments made for Ms. Waltz's personal expenses. Due to the irregularities identified, the representative contacted the Office of Auditor of State to determine the source of the State of Iowa warrants deposited to BASS checking accounts. The concerns were communicated to DHS, which requested the Office of Auditor of State conduct a special investigation. As a result of that request, we performed the procedures detailed in the Auditor of State's Report for the period July 1, 2000 through December 31, 2004.

The procedures identified \$419,335.76 of disbursements that are not in accordance with requirements found in the Internal Revenue Code for non-profit organizations. The disbursements included improper or unsupported payments to Ms. Waltz, payments made on her personal credit cards and other improper purchases, including vehicles, vacations, payments to Ms. Waltz's family members and various personal items. Our findings are summarized in **Exhibit A** and a detailed explanation of each finding follows. We were unable to determine whether additional amounts may have been undeposited or improperly disbursed during this time period because adequate records were not available for all receipts and certain disbursements.

**Table 3** summarizes the disbursements made by BASS for the period of our review. The **Table** also summarizes the disbursements we identified as unsupported or improper when compared to the requirements established by the Internal Revenue Code or terms of the Wrap-Around grant agreements.

Period	Total	Improper	Unsupported
Fiscal Year Ended 06/30/01	\$ 221,463.23	50,317.13	2,703.62
Fiscal Year Ended 06/30/02	222,565.76	53,015.83	-
Fiscal Year Ended 06/30/03	301,642.30	70,151.55	7,947.64
Fiscal Year Ended 06/30/04	367,540.48	134,932.26	3,282.46
07/01/04 – 12/31/04	260,487.34	83,905.30	5,599.59
Total for 07/01/00 – 12/31/04	\$ 1,373,699.11	392,322.07	19,533.31
Percentage of Total		28.6%	1.4%

**Payments to the Executive Director** – We reviewed each disbursement made with BASS funds and listed the payments made to Ms. Waltz in **Exhibit B. Table 4** summarizes the irregularities we identified during our review. We discussed a number of these disbursements with Ms. Waltz. She described many of them as ownership draws.

**Table 4**

<b>Description</b>	<b>Number of Disbursements Identified</b>	<b>Amount</b>
Ownership draws	57	\$160,063.53
Extra payroll checks	6	6,208.00
Payroll checks greater than regular salary amount	4	2,772.00
Total	67	\$169,043.53

The Articles of Incorporation for BASS specifically state “No part of the income of the corporation shall inure to the benefit of any director...(except that reasonable compensation may be paid for services rendered to or for the corporation affecting one or more of its purposes)....” This restriction is in accordance with requirements for tax-exempt organizations established in section 501(c)(3) of the Internal Revenue Code.

In accordance with Internal Revenue Service requirements, members of non-profit corporations are not permitted to share in the profits of the corporation. Members of non-profit corporations are also not to receive unreasonable compensation including, but not limited to, salary, fees, bonuses or other payments paid in cash or in kind.

In addition, as stated earlier, the Wrap Around grant is not intended to be used for administrative costs over ten percent (including salaries of nondirect care staff).

**Personal Credit Cards** – According to Ms. Waltz, no credit card accounts have been established for BASS. We identified 43 payments made to credit card vendors with BASS funds. Supporting documentation was not available from BASS for any of the credit card payments. The 43 payments total \$77,732.76 and are summarized in **Table 5**.

**Table 5**

<b>Credit Card</b>	<b>Exhibit</b>	<b>Number of Payments</b>	<b>Amount Paid</b>
Capital One	C	25	\$53,677.26
VISA	F	8	7,204.94
MBNA America	H	10	16,850.56
Total		43	\$77,732.76

We were able to trace 30 of the payments to statements for credit card accounts held in Ms. Waltz’s name, her husband’s name or in both names. The remaining 13 payments are to the same credit card vendors, but we were not able to obtain credit card statements that included the payments.

For the 30 payments traced to credit card statements, we determined the amount of individual purchases made with the credit card account and where the purchases occurred. Using the information from the statements, we classified the vendors into categories such as travel, recreation, clothing and discount stores. The purchases are listed in **Exhibits D, E, G** and **I**. The **Exhibits** illustrate few, if any, purchases would be considered reasonable for BASS operations. The **Exhibits** include purchases such as trips to the Mall of America in Bloomington, MN; Solidaridad Q in Mexico and Las Vegas, NV. In addition, there were several transactions at the Medford Outlet in Minnesota and local clothing vendors.

The minimum amount due on the credit cards was often not remitted and the established credit limit was often surpassed resulting in several over-limit and past due fees on the account totaling \$3,180.00. In addition, finance charges totaling \$10,278.11 accumulated due to the lack of payment.

Because the purchases made with the credit cards, the assessed fees and the finance charges do not appear to be related to BASS operations and because BASS funds should not be used to satisfy obligations established on personal credit cards, the 43 payments to the 3 credit card companies totaling \$77,732.76 have been included in **Exhibit A**.

**Wal-Mart Purchases** – We identified 75 payments totaling \$19,895.49 for purchases made at Wal-Mart. The payments are summarized in **Exhibit J**. Items such as food, office supplies and craft supplies may have been purchased at Wal-Mart for BASS operations.

Supporting documentation was not available from BASS for the purchases. However, with the assistance of the Spirit Lake Police Department, receipts were obtained from Wal-Mart for \$17,191.87 of the purchases. The receipts for the remaining \$2,703.62 of purchases, made during fiscal years 2001 and 2002, were not available from Wal-Mart.

Using the receipts, we determined whether the items purchased were improper, unsupported or reasonable. Purchases were classified as improper if the type of item or the quantity purchased appeared to be personal in nature or was not reasonable for BASS operations. Purchases were classified as unsupported if it was possible the purchase could have been used for either BASS operations or personal use. Purchases that appeared consistent with BASS operations, based on type of item or quantity purchased, were classified as reasonable. In addition to considering each individual item purchased, we also considered the context of the entire receipt. If the majority of the receipt was classified into one category, all items on the receipt were placed in that category.

As illustrated in **Exhibit K**, we identified \$6,738.18 of improper and \$3,165.67 of unsupported purchases from Wal-Mart. These amounts have been included in **Exhibit A**. The improper purchases included items such as beer, dog food, clothing and household items including holiday decorations. Certain items, such as the holiday decorations, were discussed with BASS or school district staff, when possible, to assist the auditor in classifying the Wal-Mart receipts. According to a discussion with the principal of the Spirit Lake Elementary School, none of the school staff recall seeing any type of decorations in the room used by BASS.

Also among the items purchased were Wal-Mart Shopper's Cards. With the assistance of the Spirit Lake Police Department, the receipts for purchases made with the cards were obtained when possible. We reviewed the available receipts to determine whether the purchases were personal in nature. For the receipts available, the items purchased with the cards are also included in **Exhibit K**. If a receipt was not available, the entire balance of the card was classified as unsupported.

**Other Personal Purchases** - We identified several other unsupported disbursements made with BASS funds that appear to be personal in nature. These disbursements are summarized in **Table 6** and listed in **Exhibit L**. As with the payments on credit cards and Wal-Mart purchases, these disbursements were classified as improper or unsupported. In classifying the disbursements, we considered the vendor type, the payee's relationship to BASS and Ms. Waltz and the reasonableness of the goods or services obtained.

**Table 6**

<b>Category</b>	<b>Amount</b>	<b>Improper</b>	<b>Unsupported</b>
Executive Director's Family Members	\$ 71,976.40	71,976.40	-
Automobile	28,111.13	26,370.00	1,741.13
Travel	19,400.00	19,400.00	-
Other Retail	14,490.64	12,114.48	2,376.16
Supplies	5,573.19	748.10	4,825.09
Food	4,211.39	-	4,211.39
Miscellaneous	2,356.58	1,846.33	510.25
Utilities	1,272.29	1,272.29	-
Total	\$ 147,391.62	133,727.60	13,664.02

As illustrated by **Table 6**, the majority of the improper disbursements were for the following items.

- Payments to Family Members - According to Ms. Waltz, \$30,376.40 was paid to her mother for grant writing services associated with the Wrap-Around grant. However, based upon our review of the Wrap-Around applications for BASS, minimal research was needed and the application did not appear to change significantly between fiscal years 2001 and 2005.

Also according to Ms. Waltz, disbursements to her father and other family members were repayments for loans they made to BASS. We compared deposits to BASS bank accounts from Ms. Waltz's family members to the payments identified by Ms. Waltz as repayments and determined, in a number of instances, the payments with BASS funds to family members occurred prior to the deposits from the family members. In addition, \$39,100 was disbursed to the family members, but only \$12,700 was received. **Table 7** summarizes the payments to and from family members which Ms. Waltz described as loan activity.

**Table 7**

<b>Family Member</b>	<b>Relationship to Ms. Waltz</b>	<b>Date</b>	<b>Payment</b>	
			<b>To</b>	<b>From</b>
Neal Armstrong	Father	09/19/02	\$ 1,000	-
		11/12/02	8,000	-
		01/29/03	-	700
		07/15/03	-	2,000
		07/18/03	-	1,000
		09/30/04	4,000	-
			13,000	3,700
Jerry and/or Janice Waltz	Husband's parents	12/24/02	5,000	-
		05/05/03	-	5,000
		05/06/03	-	1,000
		05/21/03	-	3,000
		10/29/03	4,000	-
		09/26/04	2,100	-
			11,100	9,000
Colleen Kloewer	Sister-in-law	11/16/03	15,000	-
Totals			\$39,100	12,700

In addition to the checks received from Ms. Waltz's family members listed in **Table 7**, we identified a check payable to "Meg Waltz Before and After School" from Mr. Waltz's parents. The check was for \$4,000 and was dated December 21, 2003. However, the check was deposited to Ms. Waltz's personal account, rather than a BASS checking account.

- Automobile – With the assistance of the Spirit Lake Police Department, a copy of a \$19,000 money order purchased with BASS funds was obtained. The money order was used to purchase a 2002 Chevy Avalanche from Great Lakes Toyota. A copy of the money order and purchase agreement are included in **Appendix 2**. Both the money order and the purchase agreement are dated September 24, 2004.

The total purchase price of the vehicle was \$30,039.64. In addition to the money order, an \$11,000 check dated September 24, 2004 was issued from a BASS checking account to Ms. Waltz and deposited to her personal account. A check from Ms. Waltz's personal account was subsequently issued to the dealership for the \$11,039.64 balance due on the vehicle. The \$11,000 check issued to Ms. Waltz has been included in **Exhibits A and B**.

When we asked Ms. Waltz about the purchase, she stated she had purchased a used truck to haul supplies for BASS. However, according to a representative of the Spirit Lake Police Department, Ms. Waltz told the bank teller that assisted her with the money order the funds were to be used to purchase a used van for the BASS program. In addition, a representative from the automobile dealer told the officer Ms. Waltz had told him the purchase was a surprise gift for her husband. The police officer has observed the Avalanche with personalized license plates not associated with BASS.

- Travel – A check for \$15,000, dated October 7, 2003 was issued from a BASS account to World Travel. With the assistance of the Spirit Lake Police Department, we were able to determine the check was a partial payment toward a vacation to Cancun, Mexico for Ms. Waltz and fifteen members of her family. In addition, \$13,000 in checks were issued to Ms. Waltz and deposited to her personal account. Checks from Ms. Waltz's personal account for \$9,000 were subsequently issued to World Travel for the balance of the trip. When we asked Ms. Waltz about the purchase, she stated the vacation was taken as a "benefit." The \$13,000 check issued to Ms. Waltz has been included in **Exhibits A and B**.

A check dated September 8, 2003 was issued from a BASS account. It was for \$4,400 and payable to Patt Swanson, proprietor of Blue Water Divers. The payment was for a trip to the Virgin Islands. According to Ms. Waltz, this vacation was also taken as a "benefit."

**Wrap-Around Grant** – As stated previously, each Wrap-Around grant is for a maximum of \$48,000 for 16 children or more. According to Ms. Waltz, when she applied for grant funds to serve 32 children at the Okoboji location, she knew there were not 32 children served there. However, she stated she was serving more than 32 children at the Spirit Lake location, which justified the additional grant at Okoboji. According to a representative from DHS, applicants are not allowed to "float" children from one location to another. In a case like this, DHS would have expected to receive one application for Okoboji and three applications for Spirit Lake, if Spirit Lake had multiple sites or classrooms.

DHS defines a site as a classroom within a facility. We observed only two sites from which BASS operates, one at the Spirit Lake Elementary School and one at the elementary school in Milford. Based on DHS' definition of a site, BASS should be eligible for only two grants per year.

By reporting 16 children on each of the six-month and twelve-month reports submitted to DHS, Ms. Waltz falsified reporting documents because 16 children were not actually served by each site.

We attempted to verify the Wrap-Around eligibility applications provided to us by Ms. Waltz for the 2003-2004 grant year. Using the Head Start class lists and interviews with the Early Childhood Special Education instructors, although Ms. Waltz had documents showing eligibility for 51 children, we determined only 26 were eligible for the Wrap-Around program. Several of the ineligible children were siblings of children receiving core services.

Because BASS operates only two sites and because we were able to confirm eligibility for only a portion of the children identified by Ms. Waltz, it appears BASS was not eligible for all of the Wrap-Around grant funds awarded. Concerns regarding eligibility for the grant awards have been brought to the attention of DHS officials.

When examining the six-month and twelve-month reports submitted to DHS by Ms. Waltz, we determined the entire amount of rent paid to the two school districts, as well as the salaries of the payroll clerk and Mr. Waltz, were included. According to DHS personnel, any applicable administrative expenses, such as salaries, postage, rent and telephone costs, should not be paid entirely by the grant but should be pro-rated by the provider. We also identified the following concerns with administrative costs included in the reports.

- Although the total rent paid in fiscal year 2003 was accurately reported, it was not allocated properly among BASS sites.
- The six-month report for fiscal year 2004 included \$14,400 of rent costs. However, only \$6,000 of rent was paid.
- The six-month report for fiscal year 2003 included \$2,400 of start-up costs for the Okoboji site. However, the fiscal year 2003 twelve-month report did not include any start-up costs, but facility costs were listed as \$2,400.
- The twelve-month report for fiscal year 2004, due October 1, 2004, had not been submitted as of April 14, 2005.

We compared the disbursements reported on the six-month and twelve-month reports for fiscal year 2003 and the six-month report for fiscal year 2004 to actual disbursements. Sufficient detail was not available to allow for a similar comparison to be performed for fiscal years 2001 and 2002. With the assistance of Ms. Waltz, we identified the disbursements used to prepare the periodic reports. We determined the disbursements included on the reports exceed the actual disbursements by a significant amount. The comparison is summarized in **Table 8**.

**Table 8**

<b>Report</b>	<b>Disbursements Reported to DHS</b>	<b>Actual Disbursements per Bank Records</b>	<b>Difference</b>
FY 2003 – 6 month	\$ 64,959.00	57,383.06	7,575.94
FY 2003 – 12 month	119,617.00	112,471.39	7,145.61
FY2004 – 6 month	106,065.87	65,941.05	40,124.82

According to Ms. Waltz, these reports include costs that have been incurred but might not have been actually paid. A representative of DHS stated while this may be the case, the expectation is the payment will be made within a reasonable time period after the report is prepared. By reviewing BASS bank statements, we determined some of the payments claimed against fiscal year 2003 or 2004 grants had yet to be paid as of December 31, 2004.

The actual disbursements shown in **Table 8** include improper disbursements of \$2,701.52 and \$1,780.90 to Wal-Mart during fiscal years 2003 and 2004, respectively. These amounts have been included in **Exhibit A**.

We also identified the following errors and discrepancies on the Wrap-Around applications submitted by Ms. Waltz.

- An application from the fiscal year 2003 Okobojo site stated 15 children were expected in the narrative. However, on the face of the application, the grant amount requested was based on 16 children.
- There is virtually no change in the narratives, statistics or letters of recommendation between grant years. The same recommendation letters are attached to each application.
- A recommendation letter included in the fiscal year 2003 Okobojo application was written in reference to the Spirit Lake site. Similarly, a recommendation letter in one of the fiscal year 2004 Spirit Lake applications refers to the Okobojo site. In addition, we spoke with one of the individuals providing a recommendation letter for BASS. She stated she knew nothing about either BASS or the Wrap-Around grant. It is not clear why she provided a letter of recommendation.
- One of the fiscal year 2004 applications for an Okobojo site was not signed prior to submission to DHS.
- One of the fiscal year 2004 Okobojo site application narratives states children do not have to be bussed to the BASS site, but another narrative states the children are bussed to the BASS site. In addition, while the Spirit Lake application states no children have to be bussed for the program, the day we visited the program children were observed arriving by bus.
- The applications' narratives state there is a 7-member advisory board that meets monthly and reviews financial information related to BASS. In addition, the narratives state goal evaluation and measurement is provided by Lakes Area Decategorization and Empowerment (LADE). However, according to a representative of LADE we spoke with, the agency only provides a letter of support to BASS and they have no other involvement with the program.
- Application narratives state a certified physical education teacher is provided in the summer. However, using the payroll records, we were unable to identify an employee with these credentials.
- Application narratives state employee handbooks and policy manuals are provided to all staff. However, according to a BASS employee we spoke with, no handbooks or manuals are received.

These discrepancies have been brought to the attention of DHS officials.

**Okobojo BASS Program** – According to the Director of the BASS Okobojo site, a significant portion of their supplies and food was received through donations because Ms. Waltz was often unwilling to provide funds or items needed at the Okobojo location.

Groceries necessary to provide snacks during the school year and meals during the summer were charged at local grocery vendors until the vendors refused to allow more credit because the bills were not paid. In addition, there were times when their telephone service would be disconnected due to nonpayment. Per Iowa Administrative Code Chapter 109.11(5), licensed child care centers are required to have a working nonpay telephone available.

The Site Director also stated she was required to charge a fee to parents to cover the cost of buses for field trips because Ms. Waltz had not paid rent or bussing charges to the Okobojo Community School District. The Director also stated staff at the Okobojo site had not received the required training.



**Undeposited Receipts** - We reviewed statements for Ms. Waltz's personal bank accounts and identified deposits from BASS private pays and a DHS POSS warrant. We also identified BASS payroll checks disbursed from Ms. Waltz's personal account. According to the payroll clerk for BASS, the BASS bank accounts were frozen by the Internal Revenue Service for a period of time. It was at this time Ms. Waltz used her personal account to distribute payroll to BASS staff.

We identified a total of \$23,192.36 deposited to Ms. Waltz's personal account that should have been deposited to a BASS account. Of this amount, \$2,822.31 was disbursed to a vendor BASS made purchases from and \$12,889.67 was disbursed to BASS employees for payroll. The remaining \$7,480.38 appears to have been used for disbursements of a personal nature. This amount is included in **Exhibit A**.

**Financial Condition** - We identified a number of checks written on the BASS checking accounts that were not honored due to insufficient funds. The checks included payroll disbursements and payments to vendors. We identified \$5,080.00 of bank fees associated with the dishonored checks. If improper payments to Ms. Waltz and other personal purchases had not been made, the checks written on the BASS accounts would have been honored. As a result, we have included the \$5,080.00 of bank fees in **Exhibit A**.

In addition, we determined several warrants issued to BASS by the State of Iowa had not been deposited into the BASS checking accounts. Upon further investigation, it was determined 11 of the warrants had been seized by the Department of Administrative Services (DAS) for the Income Offset Program. In fiscal year 2003, 7 state warrants were seized by DAS, 3 were seized in fiscal year 2004, and 1 warrant was seized in fiscal year 2005. In addition, as stated previously, a POSS warrant issued during fiscal year 2004 was traced to deposit in Ms. Waltz's personal account.

Several operating disbursements were paid from the payroll account and, similarly, several payroll disbursements were noted in the operating account. When accounting for the numerical sequence of checks, we determined the checks did not flow chronologically. As stated previously, no supporting documentation was maintained for either receipts or disbursements from either bank account. When asked to provide support, Ms. Waltz obtained the imaged cancelled checks from the bank. No financial reports or reconciliations were maintained. In addition, all funds were commingled, making it impossible to segregate which revenue source was used to pay which expenses. According to DHS, appropriate records should be maintained to separate revenue sources and to separate receipts and disbursements for each location.

**BASS Facility Contracts** - BASS has a contract with both the Spirit Lake and Okoboji Community School Districts specifying the amount to be paid for rent and bus services. The contract also specifies items, such as utilities, telephone and maintenance, to be provided by the school districts. During our review of disbursements from the BASS accounts, we determined rent for the Okoboji Community School District has not been paid for either fiscal year 2004 or 2005.

During our discussions with Ms. Waltz regarding the use of Wrap-Around grant funds, she stated the contract with the Spirit Lake Community School District required BASS to purchase one item each year to remain in the school. However, we could not locate such a provision in the contracts with either district. Ms. Waltz specified the items purchased for the last three years included a sound system, a TV/VCR wall unit and playground equipment. According to the Spirit Lake Elementary School Principal, the sound system and TV/VCR have been at the facility for at least six years. No one could attest to whether BASS had purchased those items. However, regarding the playground equipment, he indicated BASS had donated money towards the purchase of playground equipment by the school but had not directly purchased any playground equipment.

## **Recommended Control Procedures**

As part of our investigation, we reviewed the procedures used by Before and After School Services to perform bank reconciliations and process receipts, disbursements and payroll. An important aspect of internal control is to establish procedures that 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 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 organization'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 Executive Director had control over each of the following areas at one time.

- (1) Disbursements – check preparation, signing and distribution.
- (2) Receipts – collecting and depositing.
- (3) Reporting to the Department of Human Services.

In addition, there is not an independent Board to review financial operations and approve disbursements and related supporting documentation.

Recommendation – We realize segregation of duties is difficult with a limited number of office employees. However, the functions listed above should be segregated. In addition, an independent Board should review financial records, perform reconciliations and examine supporting documentation for accounting records on a periodic basis.

- B. Disbursements - During our review of disbursements for the period July 1, 2000 through December 31, 2004, the following conditions were identified:

- (1) Disbursements were not supported by invoices or other documentation.
- (2) Disbursements were not approved by an independent Board prior to disbursement.
- (3) Payments were made on personal credit cards issued to the Executive Director and/or her family.

Recommendation – All disbursements should be approved by an independent Board prior to disbursement with the exception of those specifically allowed by policy. Exceptions should be granted only for routine, recurring expenses such as rent and utilities. For those disbursements paid prior to Board approval, a listing should be provided to the Board at the next meeting for review and approval. Reimbursements for purchases made on a personal credit card should be paid to the individual requesting reimbursement, not directly to the credit card company. The reimbursement request should be presented along with appropriate supporting documentation and approved by an independent party.

- C. Payroll Records – Sufficient documentation was not maintained for payroll disbursements, including timesheets, payroll journals, support for disbursement of payroll taxes and periodic tax reporting forms.

Recommendation – Complete payroll records should be maintained to support payments made to employees and taxing authorities.

- D. Accounting Records – Section 504A.25 of the *Code of Iowa* requires each non-profit corporation to keep correct and complete books and records of account and minutes of the proceedings of its board of directors. Financial statements, reports or cumulative records, as well as minutes of Board meetings, were not available for BASS.

Recommendation – Detailed accounting records and financial statements, as well as minutes of Board meetings, should be maintained for all BASS activity.

- E. Non-profit Regulations – Non-profit regulations, as well as the Articles of Incorporation for BASS, state members are not permitted to share in the profits of the corporation. Assets of a non-profit organization are not to be used for the private enrichment of the organization's incorporators, agents, directors, employees or members. The payments to the Executive Director exceeding the established bi-weekly payroll appear to violate these regulations.

Recommendation – A reasonable annual salary should be established for the Executive Director as compensation for services rendered to BASS. In addition, procedures should be established to ensure compliance with Internal Revenue Service regulations. Amounts exceeding the established salary should not be paid.

- F. Policies and Procedures Manuals – BASS does not have policy and procedures manuals related to accounting, emergency procedures, health and safety or personnel.

Recommendation – Policy and procedures manuals should be developed to provide the following benefits:

- (1) Aid in training additional or replacement personnel.
- (2) Help achieve uniformity in accounting and in the application of policies and procedures.
- (3) Save supervisory time by recording decisions so they will not have to be made each time the same, or a similar, situation arises.

- G. Monitoring – No monitoring visits have been performed by DHS for the Wrap-Around program administered by BASS. In addition, no supporting documentation is required to be submitted with the six-month and twelve-month reports and DHS does not perform independent verification of information submitted. DHS also does not provide written guidance on the completion of the six-month and twelve-month reports or on financial record keeping.

Recommendation – DHS should perform monitoring visits on a regular basis. Although it is not necessary for it to be submitted, DHS should require appropriate supporting documentation be maintained and be available upon request. Information submitted on the Wrap-Around applications and reports should be independently verified.

Specific instructions should be provided on the completion of the six-month and twelve-month reports, such as ensuring applicable expenses are pro-rated. In addition, DHS should provide written guidance regarding maintenance of separate records for Wrap-Around grant funds, maintenance of separate records for individual sites and whether the six-month and twelve-month reports should be completed on the cash basis or accrual basis.

H. Wrap-Around Attendance Requirements – A provider may serve fewer children than the number identified in the grant application without being required to return grant funds. DHS has not established guidelines regarding by how many the number of children in the application can exceed the actual number of children served.

Recommendation – Guidelines should be established regarding by how many the number of children in the application can exceed the actual number of children served without having to return Wrap-Around grant funds to DHS.

## **Exhibits**

**Special Investigation of  
Before and After School Services**

Special Investigation of  
Before and After School Services

Summary of Findings  
For the period July 1, 2000 through December 31, 2004

Description	Exhibit / Page	Amount		
		Improper	Unsupported	Total
Payments to Meg Waltz	Table 4, Page 9	\$ 169,043.53	-	169,043.53
Payments on Personal Credit Cards:				
Capital One	Exhibit C	53,677.26	-	53,677.26
VISA	Exhibit F	7,204.94	-	7,204.94
MBNA America	Exhibit H	16,850.56	-	16,850.56
		<u>77,732.76</u>	<u>-</u>	<u>77,732.76</u>
Payments made to Wal-Mart:				
Unsupported Payments	Exhibit J	-	2,703.62	2,703.62
Improper or Unsupported Purchases	Exhibit K	6,738.18	3,165.67	9,903.85
		<u>6,738.18</u>	<u>5,869.29</u>	<u>12,607.47</u>
Other Personal Purchases	Exhibit L	133,727.60	13,664.02	147,391.62
Bank Fees	Page 15	5,080.00	-	5,080.00
Subtotal Improper and Unsupported Payments		392,322.07	19,533.31	411,855.38
Undeposited Receipts	Page 15	7,480.38	-	7,480.38
Grand Total		<u>\$ 399,802.45</u>	<u>19,533.31</u>	<u>419,335.76</u>

**Special Investigation of  
Before and After School Services**



Special Investigation of  
Before and After School Services

Payments to Meg Waltz  
For the period July 1, 2000 through December 31, 2004

<b>Check Number</b>	<b>Check Date</b>	<b>Amount</b>	<b>Regular Payroll</b>	<b>Ownership Draws</b>	<b>Extra Payroll</b>	<b>Incorrect Payroll</b>
1705	05/23/00	\$ 767.50	767.50	-	-	-
1725	06/06/00	767.50	767.50	-	-	-
1755	06/20/00	767.50	767.50	-	-	-
1784	07/05/00	767.50	767.50	-	-	-
1810	07/18/00	767.50	767.50	-	-	-
1840	08/03/00	767.50	767.50	-	-	-
1867	08/15/00	767.50	767.50	-	-	-
1888	08/29/00	767.50	767.50	-	-	-
** 3064	09/08/00	2,000.00	-	2,000.00	-	-
** 3065	09/09/00	1,000.00	-	1,000.00	-	-
** 3071	09/11/00	8,000.00	-	8,000.00	-	-
1908	09/13/00	767.50	767.50	-	-	-
** 3081	09/19/00	1,000.00	-	1,000.00	-	-
** 3082	09/20/00	1,000.00	-	1,000.00	-	-
** 3083	09/21/00	2,000.00	-	2,000.00	-	-
** 3085	09/24/00	5,000.00	-	5,000.00	-	-
1923	09/26/00	1,457.00	767.50	-	-	689.50
** 3097	10/05/00	3,000.00	-	3,000.00	-	-
** 3100	10/18/00	1,000.00	-	1,000.00	-	-
1963	10/24/00	1,457.00	767.50	-	-	689.50
** 3111	10/30/00	3,000.00	-	3,000.00	-	-
** 3112	10/30/00	2,000.00	-	2,000.00	-	-
1983	11/07/00	1,457.00	767.50	-	-	689.50
** 3116	11/15/00	500.00	-	500.00	-	-
** 3117	11/16/00	1,000.00	-	1,000.00	-	-
2005	11/21/00	767.50	767.50	-	-	-
2024	12/05/00	767.50	767.50	-	-	-
2042	12/19/00	767.50	767.50	-	-	-
** 3119	12/19/00	900.00	-	900.00	-	-
** 3120	12/23/00	1,000.00	-	1,000.00	-	-
** 3121	12/23/00	1,000.00	-	1,000.00	-	-
2060	01/03/01	758.50	758.50	-	-	-
2079	01/16/01	767.50	767.50	-	-	-

**Exhibit B**Special Investigation of  
Before and After School ServicesPayments to Meg Waltz  
For the period July 1, 2000 through December 31, 2004

	<b>Check Number</b>	<b>Check Date</b>	<b>Amount</b>	<b>Regular Payroll</b>	<b>Ownership Draws</b>	<b>Extra Payroll</b>	<b>Incorrect Payroll</b>
**	3124	01/19/01	1,000.00	-	1,000.00	-	-
	2101	01/30/01	767.50	767.50	-	-	-
	2125	02/13/01	767.50	767.50	-	-	-
	2144	02/27/01	767.50	767.50	-	-	-
	2165	03/13/01	767.50	767.50	-	-	-
	2185	03/25/01	767.50	767.50	-	-	-
	2205	04/09/01	767.50	767.50	-	-	-
	2250	04/30/01	767.50	767.50	-	-	-
	2251	05/08/01	767.50	767.50	-	-	-
	2252	05/16/01	767.50	767.50	-	-	-
	2313	06/19/01	767.50	767.50	-	-	-
	2339	07/03/01	767.50	767.50	-	-	-
	2422	08/14/01	767.50	767.50	-	-	-
**	3183	09/15/01	5,000.00	-	5,000.00	-	-
**	3200	09/24/01	2,000.00	-	2,000.00	-	-
	2503	10/09/01	767.50	767.50	-	-	-
**	3205	10/12/01	1,000.00	-	1,000.00	-	-
**	3207	10/20/01	4,000.00	-	4,000.00	-	-
	2520	10/23/01	767.50	767.50	-	-	-
**	3223	10/30/01	4,000.00	-	4,000.00	-	-
	2536	11/06/01	767.50	767.50	-	-	-
**	3227	11/15/01	2,000.00	-	2,000.00	-	-
	2553	11/20/01	767.50	767.50	-	-	-
**	3231	11/27/01	4,000.00	-	4,000.00	-	-
	2583	12/18/01	767.50	767.50	-	-	-
	2603	01/02/02	788.50	788.50	-	-	-
	2620	01/15/02	788.50	788.50	-	-	-
	2637	01/29/02	788.50	788.50	-	-	-
	2653	02/12/02	788.50	788.50	-	-	-
	2669	02/26/02	788.50	788.50	-	-	-
	2685	03/12/02	788.50	788.50	-	-	-
	2703	03/26/02	788.50	788.50	-	-	-
	2717	04/09/02	788.50	788.50	-	-	-

Special Investigation of  
Before and After School Services

Payments to Meg Waltz  
For the period July 1, 2000 through December 31, 2004

<b>Check Number</b>	<b>Check Date</b>	<b>Amount</b>	<b>Regular Payroll</b>	<b>Ownership Draws</b>	<b>Extra Payroll</b>	<b>Incorrect Payroll</b>
2748	05/07/02	788.50	788.50	-	-	-
2763	05/21/02	788.50	788.50	-	-	-
2795	06/04/02	788.50	788.50	-	-	-
2824	06/18/02	788.50	788.50	-	-	-
2855	07/02/02	788.50	788.50	-	-	-
2890	07/16/02	788.50	788.50	-	-	-
2921	07/30/02	788.50	788.50	-	-	-
2950	08/13/02	788.50	788.50	-	-	-
2977	08/27/02	788.50	788.50	-	-	-
2998	09/10/02	788.50	788.50	-	-	-
** 3270	09/19/02	1,000.00	-	1,000.00	-	-
3019	09/24/02	788.50	788.50	-	-	-
** 3285	09/26/02	3,000.00	-	3,000.00	-	-
3023	10/08/02	1,492.00	788.50	-	-	703.50
** 3309	10/12/02	1,000.00	-	1,000.00	-	-
3039	10/22/02	788.50	788.50	-	-	-
** 3311	10/29/02	500.00	-	500.00	-	-
3057	11/05/02	788.50	788.50	-	-	-
** 3335	11/12/02	5,000.00	-	5,000.00	-	-
3076	11/19/02	788.50	788.50	-	-	-
** 3350	11/24/02	1,000.00	-	1,000.00	-	-
** 3352	12/16/02	2,000.00	-	2,000.00	-	-
3112	12/17/02	788.50	788.50	-	-	-
** 3361	12/20/02	788.60	788.60	-	-	-
** 3367	12/27/02	788.60	788.60	-	-	-
3145	01/14/03	781.50	781.50	-	-	-
** 3369	01/18/03	781.50	-	-	781.50	-
3161	01/28/03	781.50	781.50	-	-	-
3177	02/11/03	781.50	781.50	-	-	-
3191	02/25/03	788.50	788.50	-	-	-
3207	03/11/03	788.50	788.50	-	-	-
3226	03/25/03	788.50	788.50	-	-	-
3244	04/08/03	788.50	788.50	-	-	-

**Exhibit B**Special Investigation of  
Before and After School ServicesPayments to Meg Waltz  
For the period July 1, 2000 through December 31, 2004

<b>Check Number</b>	<b>Check Date</b>	<b>Amount</b>	<b>Regular Payroll</b>	<b>Ownership Draws</b>	<b>Extra Payroll</b>	<b>Incorrect Payroll</b>
3266	04/08/03	500.00	-	500.00	-	-
3270	04/22/03	788.50	788.50	-	-	-
3289	05/06/03	788.50	788.50	-	-	-
3303	05/20/03	788.50	788.50	-	-	-
3317	06/02/03	788.50	788.50	-	-	-
3334	06/17/03	788.50	788.50	-	-	-
3360	07/01/03	788.50	788.50	-	-	-
3386	07/15/03	788.50	788.50	-	-	-
3413	07/29/03	801.50	801.50	-	-	-
3439	08/12/03	801.50	801.50	-	-	-
3464	08/21/03	801.50	801.50	-	-	-
3492	09/09/03	801.50	801.50	-	-	-
3510	09/23/03	801.50	801.50	-	-	-
3526	09/29/03	801.50	-	-	801.50	-
** 3464	10/01/03	20,000.00	-	20,000.00	-	-
3529	10/07/03	1,156.25	1,156.25	-	-	-
** 3511	10/15/03	1,200.00	-	1,200.00	-	-
** 3520	10/19/03	3,000.00	-	3,000.00	-	-
3546	10/21/03	1,156.25	1,156.25	-	-	-
** 3526	10/28/03	2,000.00	-	2,000.00	-	-
3573	11/04/03	1,156.25	1,156.25	-	-	-
** 3540	11/06/03	8,000.00	-	8,000.00	-	-
** 3546	11/11/03	5,000.00	-	5,000.00	-	-
3593	11/18/03	1,156.25	1,156.25	-	-	-
** 3551	11/25/03	1,000.00	-	1,000.00	-	-
3610	12/02/03	1,156.25	1,156.25	-	-	-
** 3552	12/05/03	600.00	-	600.00	-	-
** 3556	12/10/03	2,000.00	-	2,000.00	-	-
3628	12/16/03	1,156.25	1,156.25	-	-	-
3638	12/24/03	1,156.25	1,156.25	-	-	-
** 3576	01/10/04	500.00	-	500.00	-	-
3667	01/13/04	1,156.25	1,156.25	-	-	-
3682	01/27/04	1,156.25	1,156.25	-	-	-

Special Investigation of  
Before and After School Services

Payments to Meg Waltz  
For the period July 1, 2000 through December 31, 2004

<b>Check Number</b>	<b>Check Date</b>	<b>Amount</b>	<b>Regular Payroll</b>	<b>Ownership Draws</b>	<b>Extra Payroll</b>	<b>Incorrect Payroll</b>
** 3595	02/05/04	503.73	-	503.73	-	-
** 3596	02/06/04	500.00	-	500.00	-	-
** 3597	02/06/04	500.00	-	500.00	-	-
3697	02/10/04	1,156.25	1,156.25	-	-	-
3716	02/24/04	1,156.25	1,156.25	-	-	-
3734	03/09/04	1,156.25	1,156.25	-	-	-
3744	03/23/04	1,156.25	1,156.25	-	-	-
3768	04/06/04	1,156.25	1,156.25	-	-	-
3788	04/20/04	1,156.25	1,156.25	-	-	-
3806	05/04/04	1,156.25	1,156.25	-	-	-
** 3598	05/12/04	1,531.90	-	1,531.90	-	-
3830	05/18/04	1,156.25	1,156.25	-	-	-
3839	06/01/04	1,156.25	1,156.25	-	-	-
3849	06/09/04	1,156.25	1,156.25	-	-	-
** 3644	07/01/04	1,156.25	-	-	1,156.25	-
3902	07/13/04	1,156.25	1,156.25	-	-	-
** 3645	07/15/04	1,156.25	-	-	1,156.25	-
3931	07/27/04	1,156.25	1,156.25	-	-	-
3961	08/10/04	1,156.25	1,156.25	-	-	-
3990	08/24/04	1,156.25	1,156.25	-	-	-
** 3618	09/03/04	1,156.25	-	-	1,156.25	-
4059	09/08/04	1,156.25	1,156.25	-	-	-
** 3616	09/10/04	503.90	-	503.90	-	-
** 3611	09/20/04	1,156.00	1,156.00	-	-	-
4079	09/20/04	1,156.25	1,156.25	-	-	-
** 3621	09/23/04	5,000.00	-	5,000.00	-	-
** 3626	09/24/04	11,000.00	-	11,000.00	-	-
** 3617	10/01/04	1,156.25	-	-	1,156.25	-
4094	10/04/04	1,156.25	1,156.25	-	-	-
** 3651	10/08/04	5,781.25	-	5,781.25	-	-
** 3653	10/11/04	3,468.75	-	3,468.75	-	-
** 3658	10/14/04	3,468.75	-	3,468.75	-	-

**Exhibit B**

Special Investigation of  
Before and After School Services

Payments to Meg Waltz  
For the period July 1, 2000 through December 31, 2004

<b>Check Number</b>	<b>Check Date</b>	<b>Amount</b>	<b>Regular Payroll</b>	<b>Ownership Draws</b>	<b>Extra Payroll</b>	<b>Incorrect Payroll</b>
4112	10/18/04	1,156.25	1,156.25	-	-	-
** 3664	10/19/04	3,468.75	-	3,468.75	-	-
** 3666	10/22/04	3,468.75	-	3,468.75	-	-
4130	11/02/04	1,156.25	1,156.25	-	-	-
** 3671	11/07/04	1,699.00	-	1,699.00	-	-
** 3674	11/08/04	3,468.75	-	3,468.75	-	-
4150	11/15/04	1,156.25	1,156.25	-	-	-
4168	11/30/04	1,156.25	1,156.25	-	-	-
4185	12/13/04	1,156.25	1,156.25	-	-	-
** 3094	NONE	2,000.00	-	2,000.00	-	-
<b>Total</b>		<b>\$ 267,655.98</b>	<b>98,612.45</b>	<b>160,063.53</b>	<b>6,208.00</b>	<b>2,772.00</b>

\*\* These disbursements were made from the BASS Operating Account. The remaining disbursements were made from the BASS Payroll Account.

NOTE: In addition to the checks listed above, we identified 3 checks that were not honored by the bank due to insufficient funds in the BASS Operating Account. As of April 2005, these checks had not cleared the bank. The checks are as follows:

<b>Check Number</b>	<b>Check Date</b>	<b>Amount</b>
3345	11/23/02	\$1,000.00
3677	11/26/04	3,468.75
3679	12/10/04	3,502.00
		<u>\$7,970.75</u>

Special Investigation of  
Before and After School Services

Payments on Personal Capital One Credit Card Account  
For the period July 1, 2000 through December 31, 2004

Account Number	Check Number	Check Date	Amount Not Supported by Credit Card Statement for Account #1	Amount Supported by Credit Card Statement for Account #1 (Exhibit D)	Amount Supported by Credit Card Statement for Account #2 (Exhibit E)	Total
1	3077	09/19/00	\$ -	3,000.00	-	3,000.00
1	3092	10/03/00	-	3,000.00	-	3,000.00
1	3113	11/11/00	-	700.00	-	700.00
1	3125	01/19/01	-	750.00	-	750.00
**	3135	06/13/01	547.47	-	-	547.47
**	3192	09/24/01	5,000.00	-	-	5,000.00
1	3193	09/24/01	-	7,000.00	-	7,000.00
1	3212	10/30/01	-	1,000.00	-	1,000.00
1	3251	04/30/02	-	620.00	-	620.00
**	3295	09/28/02	2,000.00	-	-	2,000.00
1	3296	09/30/02	-	2,000.00	-	2,000.00
**	3327	11/11/02	1,000.00	-	-	1,000.00
1	3328	11/11/02	-	1,000.00	-	1,000.00
**	3443	07/22/03	500.00	-	-	500.00
1	3446	07/22/03	-	500.00	-	500.00
**	3465	10/01/03	8,651.38	-	-	8,651.38
1	3466	10/01/03	-	10,000.00	-	10,000.00
**	3576	11/04/03	79.00	-	-	79.00
1	3534	11/05/03	-	1,000.00	-	1,000.00
**	3613	12/02/03	1,150.91	-	-	1,150.91
1	3554	12/10/03	-	1,000.00	-	1,000.00
1	3558	12/21/03	-	2,000.00	-	2,000.00
1	3592	01/28/04	-	500.00	-	500.00
2	3593	01/28/04	-	-	500.00	500.00
**	3771	04/15/04	178.50	-	-	178.50
Total			\$ 19,107.26	34,070.00	500.00	53,677.26

\*\* These payments could not be traced to the Capital One statements obtained. Auditor only received statements from November 2003 to October 2004 for account number 2. Therefore, we were unable to determine whether unidentified payments prior to November 2003 were applied to that account. Statements for account number 1 were received for July 2000 through August 2004. However, even though the dates of the payments fall within this time period, the payments were not applied to that account.

Special Investigation of  
Before and After School Services

Capital One Purchases (Account #1)  
For the period July 1, 2000 through December 31, 2004

Statement Date	Payments and Credits			Transaction Date	Vendor
	BASS	Non-BASS	Total		
07/14/00	\$	-	-	06/15/00	Shaw Paint Glass and L[ocksmith]
				06/15/00	Wal-Mart Supercenter
				06/20/00	NWF National Wildlife
				06/20/00	NWF National Wildlife
				06/22/00	Wal-Mart Denison
				06/24/00	Piragis Northwoods Co Ely MN
				06/24/00	Canadian Water Inc Ely MN
				06/24/00	Pengals, Inc Ely MN
				06/27/00	Wal-Mart Supercenter
				06/28/00	Whispering Winds Arnolds Park
				06/29/00	NW Federal Savings Bank
				06/29/00	Wal-Mart Supercenter
				06/30/00	Shoppers Supply
				06/30/00	Shoppers Supply
				07/01/00	Shoppers Supply
				07/01/00	Shoppers Supply
				07/04/00	Wal-Mart Supercenter
				07/05/00	Yesterdays Arnolds Park
				07/06/00	Wal-Mart Supercenter
				07/07/00	Bobs Repair & Tow
				07/08/00	Wal-Mart Supercenter
				07/08/00	Recreational Outfitter Arnolds Park
				07/09/00	Wal-Mart Supercenter
				07/10/00	Wal-Mart Supercenter
				07/11/00	Wal-Mart Supercenter
				07/11/00	K-Mart



<b>Vendor Category **</b>	<b>Charges</b>	
	<b>Amount of Purchase</b>	<b>Credit Card Fees</b>
Other Retail	\$ 157.61	102.83
Discount Store	110.04	-
Crafts/Gifts	124.90	-
Crafts/Gifts	99.95	-
Discount Store	122.41	-
Travel	56.40	-
Travel	57.80	-
Travel	35.75	-
Discount Store	113.95	-
Recreation	69.89	-
Cash Advance	2,000.00	-
Discount Store	203.94	-
Other Retail	155.20	-
Other Retail	179.57	-
Other Retail	45.57	-
Other Retail	30.41	-
Discount Store	82.89	-
Recreation	14.84	-
Discount Store	51.52	-
Automobile	57.56	-
Discount Store	128.32	-
Recreation	26.50	-
Discount Store	139.45	-
Discount Store	109.83	-
Discount Store	135.68	-
Discount Store	82.81	-

Special Investigation of  
Before and After School Services

Capital One Purchases (Account #1)  
For the period July 1, 2000 through December 31, 2004

Statement Date	Payments and Credits			Transaction Date	Vendor
	BASS	Non-BASS	Total		
				07/11/00	Staples
				07/13/00	Flower Shoppe
08/14/00	-	350.00	350.00	07/14/00	Wal-Mart Supercenter
				07/14/00	Phillips Ioco
				07/19/00	Wal-Mart Supercenter
				07/19/00	Motor Inn
				07/22/00	Children's Place
				07/24/00	Minnesota Choice Meats Pipestone MN
				07/28/00	Wal-Mart Supercenter
				07/28/00	Country Stork Worthington MN
				07/30/00	Parks Marina Inc Okoboji
				07/31/00	Wal-Mart Supercenter
				08/03/00	Clay County Fair
09/14/00	-	-	-	08/17/00	Black Wolf Lodge Wisconsin Dells
				08/25/00	Handspring Inc
10/14/00	6,000.00	-	6,000.00	10/08/00	Pamida
				10/09/00	Van Heusen Medford
				10/10/00	Old Navy Bloomington
				10/10/00	Children's Place
11/14/00	700.00	-	700.00	10/14/00	Sioux Falls Scheels
				10/14/00	Children's Place Sioux Falls
				10/14/00	Toys R Us
				10/14/00	Country Stork
				10/17/00	NWF National Wildlife
				10/19/00	Wal-Mart Supercenter
				10/21/00	Nike Factory Store Medford
				10/22/00	Café Odyssey Bloomington

<b>Vendor Category **</b>	<b>Charges</b>	
	<b>Amount of Purchase</b>	<b>Credit Card Fees</b>
Office Supply	344.42	-
Crafts/Gifts	35.00	-
Discount Store	178.30	136.51
Automobile	431.49	-
Discount Store	130.98	-
Automobile	116.29	-
Clothing	62.54	-
Travel	200.00	-
Discount Store	95.09	-
Clothing	55.99	-
Recreation	184.28	-
Discount Store	108.49	-
Travel	97.00	-
Travel	20.00	113.83
Crafts/Gifts	85.00	-
Discount Store	209.77	104.67
Clothing	114.96	-
Clothing	56.00	-
Clothing	68.81	-
Recreation	492.90	63.03
Clothing	100.37	-
Crafts/Gifts	508.74	-
Clothing	112.94	-
Crafts/Gifts	120.10	-
Discount Store	36.70	-
Clothing	109.98	-
Travel	37.29	-

Special Investigation of  
Before and After School Services

Capital One Purchases (Account #1)  
For the period July 1, 2000 through December 31, 2004

Statement Date	Payments and Credits			Transaction Date	Vendor
	BASS	Non-BASS	Total		
				10/22/00	Underwater World Bloomington
				10/22/00	Embassy Suites Hotel Bloomington
				10/22/00	Knotts Camp Snoopy Bloomington
				10/22/00	Professor Bellows Phot Des Moines
				10/26/00	Guyz and Galz
				11/01/00	Wal-Mart Supercenter
				11/01/00	Wal-Mart Supercenter
				11/03/00	Cabelas Inc - NE
				11/04/00	Sears Roebuck
				11/04/00	Target
				11/04/00	Children's Place Council Bluffs
				11/04/00	Midwest Sports
				11/04/00	The Gap
				11/04/00	Payless Shoe Source
				11/04/00	Bugle Boy
				11/06/00	Wild Wings Mail
				11/06/00	Rio Bravo Cant Sioux Falls
				11/08/00	DU Catalog
				11/09/00	Wild Wings Mail
				11/13/00	Wal-Mart Supercenter
12/14/00	-	-	-	11/15/00	VCN Alaska Vital Records Juneau
				11/18/00	Cabelas Inc Owatonna MN
				11/18/00	Ichiban Japanese Steak Minneapolis
				11/18/00	Nike Factory Store
				11/19/00	Embassy Suites - Bloomington
				11/21/00	DU Catalog

<b>Vendor Category **</b>	<b>Charges</b>	
	<b>Amount of Purchase</b>	<b>Credit Card Fees</b>
Travel	64.60	-
Travel	164.27	-
Travel	41.90	-
Recreation	39.88	-
Clothing	87.98	-
Discount Store	246.55	-
Discount Store	30.51	-
Recreation	248.93	-
Other Retail	114.40	-
Discount Store	180.15	-
Clothing	66.41	-
Recreation	33.34	-
Clothing	81.08	-
Clothing	45.55	-
Clothing	143.94	-
Crafts/Gifts	316.01	-
Travel	29.27	-
Crafts/Gifts	21.33	-
Crafts/Gifts	104.48	-
Discount Store	44.10	-
Other	40.50	76.64
Travel	74.52	-
Travel	133.03	-
Clothing	63.97	-
Travel	180.83	-
Crafts/Gifts	137.62	-

Special Investigation of  
Before and After School Services

Capital One Purchases (Account #1)  
For the period July 1, 2000 through December 31, 2004

Statement Date	Payments and Credits			Transaction Date	Vendor
	BASS	Non-BASS	Total		
				11/21/00	I M C Solidaridad Q
				11/22/00	Iberostar Playa Del CA
				11/23/00	I M C Solidaridad Q
				12/01/00	Wal-Mart Supercenter
				12/03/00	JC Penney Catalog
				12/07/00	Wild Wings Mail
				12/07/00	CWC Coldwater Creek ID
01/14/01	-	-	-	--	----
02/14/01	750.00	-	750.00	01/24/01	CWC Coldwater Creek ID
				02/05/01	Wal-Mart Supercenter
03/14/01	-	-	-	02/14/01	Wal-Mart Supercenter
				02/14/01	Spirit Lake Silver & Gold
				02/16/01	Wal-Mart Supercenter
				02/17/01	OshKosh Medford
				02/17/01	Carters Childrenswear Medford
				02/18/01	Caseys
04/14/01	-	-	-	--	----
05/14/01	-	-	-	--	----
06/14/01	-	1,000.00	1,000.00	--	----
07/14/01	-	50.00	50.00	06/26/01	Wal-Mart Supercenter
				06/27/01	Wal-Mart Supercenter
				06/29/01	Hy-Vee Estherville
08/14/01	-	100.00	100.00	07/15/01	Wal-Mart Supercenter
09/14/01	-	-	-	--	----
10/14/01	7,000.00	-	7,000.00	10/11/01	Wal-Mart Supercenter
				10/12/01	Foley Clothing Co
11/14/01	1,000.00	-	1,000.00	10/12/01	Monte Carlo Sh[o]w T[ic]k[e]t Las Vegas
				10/13/01	Ethel M Chocolates Las Vegas

<b>Vendor Category **</b>	<b>Charges</b>	
	<b>Amount of Purchase</b>	<b>Credit Card Fees</b>
Travel	330.75	-
Travel	85.12	-
Travel	105.04	-
Discount Store	228.30	-
Clothing	144.07	-
Crafts/Gifts	162.75	-
Clothing	116.85	-
---	-	109.99
Clothing	111.85	81.33
Discount Store	100.27	-
Discount Store	53.47	75.84
Crafts/Gifts	95.23	-
Discount Store	42.77	-
Clothing	16.80	-
Clothing	20.85	-
Automobile	7.31	-
---	-	113.70
---	-	111.88
---	-	143.99
Discount Store	125.40	78.36
Discount Store	117.49	-
Grocery	85.86	-
Discount Store	32.16	82.36
---	-	82.50
Discount Store	106.82	64.18
Clothing	42.79	-
Travel	119.90	60.18
Travel	115.68	-

Special Investigation of  
Before and After School Services

Capital One Purchases (Account #1)  
For the period July 1, 2000 through December 31, 2004

Statement Date	Payments and Credits			Transaction Date	Vendor
	BASS	Non-BASS	Total		
				10/13/01	Monte Carlo Lance Burton Las Vegas
				10/15/01	Wal-Mart Supercenter
				10/15/01	Monte Carlo Blackstone Las Vegas
				10/15/01	Monte Carlo Buffet Las Vegas
				10/18/01	Wal-Mart Supercenter
				10/19/01	Wal-Mart Supercenter
				10/20/01	Gymboree
				10/20/01	Lane Bryant
				10/20/01	Galyans Richfield
				10/21/01	Embassy Suites Hotel - Bloomington
				10/21/01	Levis Outlet
				10/21/01	Van Heusen
				10/23/01	Wal-Mart Supercenter
				10/24/01	WDTC TVL Reservations FL
				10/24/01	WDTC TVL Reservations FL
				10/25/01	D I Travel Co FL
				10/26/01	Wal-Mart Supercenter
				10/27/01	Wal-Mart Supercenter
				11/02/01	Wal-Mart Supercenter
				11/02/01	Lego Shop at Home
				11/02/01	The Dance Line Sioux Falls
				11/03/01	JC Penney
				11/03/01	On Cue
				11/03/01	Thousand Baskets
				11/04/01	Target
				11/04/01	Nike Factory Store
				11/08/01	DU Catalog



<b>Vendor Category **</b>	<b>Charges</b>	
	<b>Amount of Purchase</b>	<b>Credit Card Fees</b>
Travel	101.17	-
Discount Store	123.49	-
Travel	133.01	-
Travel	55.73	-
Discount Store	87.12	-
Discount Store	98.86	-
Clothing	116.15	-
Clothing	142.18	-
Travel	207.93	-
Travel	145.13	-
Clothing	59.98	-
Clothing	113.96	-
Discount Store	106.73	-
Travel	1,634.19	-
Travel	1,483.37	-
Travel	140.00	-
Discount Store	173.66	-
Discount Store	165.40	-
Discount Store	38.08	-
Recreation	578.97	-
Travel	36.04	-
Clothing	97.10	-
Recreation	94.28	-
Crafts/Gifts	56.68	-
Discount Store	196.21	-
Clothing	43.99	-
Crafts/Gifts	310.95	-

Special Investigation of  
Before and After School Services

Capital One Purchases (Account #1)  
For the period July 1, 2000 through December 31, 2004

Statement Date	Payments and Credits			Transaction Date	Vendor
	BASS	Non-BASS	Total		
				11/10/01	Target
12/14/01	-	32.00	32.00	11/23/01	Pro Image
				11/23/01	Bath & Body
				11/23/01	Children's Place
				11/23/01	American Eagle Outfitter
				11/27/01	Thousand Baskets
				12/05/01	WDTC Tvl Reservations FL
				12/05/01	WDTC Tvl Reservations FL
				12/05/01	Goodies Handmade Candies
				12/05/01	WDTC Tvl Reservations FL
01/14/02	-	26.65	26.65	12/13/01	Pooh Corner L[a]k[e] Buena Vi[sta] FL
				12/16/01	Pooh Corner L[a]k[e] Buena Vi[sta] FL
				12/16/01	World of Disney L[a]k[e] Buena Vi[sta] FL
02/14/02	-	-	-	--	----
03/14/02	-	-	-	--	----
04/14/02	-	350.00	350.00	--	----
05/14/02	620.00	-	620.00	--	----
06/14/02	-	-	-	05/15/02	Wal-Mart Supercenter
				05/16/02	Hy-Vee
				05/17/02	Wal-Mart Supercenter
				05/17/02	Wal-Mart Supercenter
07/14/02	-	18,700.00	18,700.00	07/08/02	Wal-Mart Supercenter
				07/08/02	Wal-Mart Supercenter
				07/08/02	Wal-Mart Supercenter
				07/08/02	Paper Warehouse
				07/08/02	Seasons Center
				07/08/02	Hy-Vee

<b>Vendor Category **</b>	<b>Charges</b>	
	<b>Amount of Purchase</b>	<b>Credit Card Fees</b>
Discount Store	153.68	-
Recreation	74.18	76.54
Crafts/Gifts	28.62	-
Clothing	69.40	-
Clothing	26.99	-
Crafts/Gifts	73.80	-
Travel	113.00	-
Travel	108.00	-
Crafts/Gifts	75.44	-
Travel	98.65	-
Travel	27.67	83.96
Travel	60.81	-
Travel	108.76	-
---	-	142.65
---	-	135.72
---	-	197.78
---	-	190.96
Discount Store	141.62	228.24
Grocery	72.18	-
Discount Store	19.38	-
Discount Store	65.18	-
Discount Store	53.48	117.83
Discount Store	513.94	-
Discount Store	12.58	-
Office Supply	151.20	-
Medical	68.40	-
Grocery	42.98	-

Special Investigation of  
Before and After School Services

Capital One Purchases (Account #1)  
For the period July 1, 2000 through December 31, 2004

Statement Date	Payments and Credits			Transaction Date	Vendor
	BASS	Non-BASS	Total		
				07/08/02	Ticketmaster-Eagles
				07/08/02	Remingtons Restaurant
				07/08/02	Arnolds Park Arnolds Park IA
				07/09/02	Hy-Vee
				07/11/02	Lakes Family Practice
				07/11/02	Parks Marina Inc
				07/11/02	Yesterdays Arnolds Park
				07/11/02	Wal-Mart Supercenter
				07/12/02	Wal-Mart Supercenter
				07/11/02	Speedpay Fees-IES Utilities - Bill Pay
				07/11/02	Alliant Energy-IES Utilities - Bill Pay
				07/11/02	NCO Bill Pymt Svs IVR
08/14/02	-	-	-	07/12/02	Kinbrae Steakhouse Arnolds Park
				07/13/02	Deja Blues Diner
				07/13/02	Staples
				07/14/02	Wal-Mart Supercenter
				07/16/02	Rad Billing LLC
				07/16/02	Wal-Mart Supercenter
				07/16/02	Medical X Ray Center Sioux Falls
				07/16/02	Blue Water Divers
				07/17/02	Wal-Mart Supercenter
				07/17/02	McKenna Hospital Sioux Falls
				07/19/02	Blue Water Divers
				07/20/02	Parks Marina Inc
				07/20/02	The Lube Center
				07/21/02	Hy-Vee
				07/22/02	Wal-Mart Supercenter

<b>Vendor Category **</b>	<b>Charges</b>	
	<b>Amount of Purchase</b>	<b>Credit Card Fees</b>
Recreation	166.40	-
Recreation	28.83	-
Recreation	70.00	-
Grocery	160.41	-
Medical	60.40	-
Recreation	96.61	-
Recreation	49.71	-
Discount Store	85.83	-
Discount Store	77.59	-
Other	9.62	-
Other	343.51	-
Other	160.60	-
Recreation	51.86	-
Recreation	19.69	-
Office Supply	30.78	-
Discount Store	156.47	-
Medical	24.45	-
Discount Store	62.81	-
Medical	93.49	-
Recreation	165.80	-
Discount Store	74.22	-
Medical	512.48	-
Recreation	122.30	-
Recreation	25.47	-
Automobile	34.19	-
Grocery	102.79	-
Discount Store	351.97	-

Special Investigation of  
Before and After School Services

Capital One Purchases (Account #1)  
For the period July 1, 2000 through December 31, 2004

Statement Date	Payments and Credits			Transaction Date	Vendor
	BASS	Non-BASS	Total		
				07/22/02	Hy-Vee
				07/22/02	Blue Water Divers
				07/23/02	Transfer Payment
				07/23/02	Caseys
				07/23/02	New Ag Hori
				07/24/02	Boys Scouts America Co
				07/25/02	Wal-Mart Supercenter
				07/26/02	Anesthesiology Association
				07/26/02	Pizza Factory St Charles MN
				07/27/02	Mr Pancake Wisconsin Dells
				07/27/02	Exxon Mobil 26
				07/28/02	Great Wolf Lodge Reta Wisconsin Dells
				07/28/02	Chuck E. Cheese LaCrosse WI
				07/29/02	Wal-Mart Supercenter
				07/30/02	KCS Trustworthy Hardware
				07/30/02	Yesterdays Arnolds Park
				07/30/02	Wal-Mart Supercenter
				07/31/02	Hy-Vee
				07/31/02	Wal-Mart Supercenter
				07/31/02	Blue Water Divers
				08/01/02	Target
				08/01/02	Wal-Mart Supercenter
				08/01/02	Wal-Mart Supercenter
				08/01/02	JC Penney
				08/01/02	Lane Bryant
				08/01/02	American Eagle Outfitter
				08/01/02	Michaels

<b>Vendor Category **</b>	<b>Charges</b>	
	<b>Amount of Purchase</b>	<b>Credit Card Fees</b>
Grocery	18.47	-
Recreation	85.74	-
Other	8,700.00	-
Automobile	12.42	-
Other	34.18	-
Other	61.18	-
Discount Store	329.16	-
Medical	357.50	-
Travel	37.97	-
Travel	48.18	-
Automobile	33.00	-
Travel	131.54	-
Travel	59.52	-
Discount Store	448.76	-
Other Retail	53.50	-
Recreation	53.46	-
Discount Store	114.88	-
Grocery	33.15	-
Discount Store	53.34	-
Recreation	219.35	-
Discount Store	53.30	-
Discount Store	42.23	-
Discount Store	300.00	-
Clothing	159.88	-
Clothing	137.01	-
Clothing	172.14	-
Crafts/Gifts	99.32	-

Special Investigation of  
Before and After School Services

Capital One Purchases (Account #1)  
For the period July 1, 2000 through December 31, 2004

Statement Date	Payments and Credits			Transaction Date	Vendor
	BASS	Non-BASS	Total		
				08/01/02	The Children's <i>[Place]</i>
				08/02/02	Deer Run
				08/04/02	Hy-Vee
				08/06/02	Amoco
				08/06/02	Limited Too
				08/06/02	The Children's <i>[Place]</i>
				08/06/02	Toys R Us
				08/06/02	Sioux Falls Scheels
				08/07/02	Wal-Mart Supercenter
				08/07/02	Arnolds Park
				08/08/02	USPS
				08/08/02	Wal-Mart Supercenter
				08/09/02	Blue Water Divers
				08/10/02	The Three Sons Inc
				08/11/02	Hy-Vee
				08/13/02	CWC Coldwater Creek
09/14/02	-	-	-	08/13/02	Hy-Vee
				08/14/02	Wal-Mart Supercenter
				08/16/02	Wal-Mart Supercenter
				08/17/02	Wal-Mart Supercenter
				08/20/02	Wal-Mart Supercenter
				08/21/02	Wal-Mart Supercenter
				08/22/02	Wal-Mart Supercenter
				08/29/02	Medford Factory Store
				08/30/02	Country Inn & Suites - Bloomington
10/14/02	2,000.00	-	2,000.00	10/12/02	Best Buy
				10/12/02	Country Stork



<b>Vendor Category **</b>	<b>Charges</b>	
	<b>Amount of Purchase</b>	<b>Credit Card Fees</b>
Clothing	85.58	-
Recreation	54.60	-
Grocery	82.26	-
Automobile	61.31	-
Clothing	176.51	-
Clothing	43.46	-
Crafts/Gifts	236.27	-
Recreation	153.67	-
Discount Store	148.44	-
Recreation	51.20	-
Office Supply	37.00	-
Discount Store	147.63	-
Recreation	48.11	-
Clothing	55.64	-
Grocery	96.66	-
Clothing	166.95	-
Grocery	28.31	193.63
Discount Store	122.61	-
Discount Store	58.71	-
Discount Store	74.48	-
Discount Store	59.70	-
Discount Store	174.44	-
Discount Store	16.55	-
Travel	61.25	-
Travel	101.02	-
Travel	184.40	181.83
Clothing	202.58	-

Special Investigation of  
Before and After School Services

Capital One Purchases (Account #1)  
For the period July 1, 2000 through December 31, 2004

Statement Date	Payments and Credits			Transaction Date	Vendor
	BASS	Non-BASS	Total		
				10/12/02	Gymboree
11/14/02	-	-	-	10/13/02	Furniture Outlet
				10/27/02	Wal-Mart Supercenter
12/14/02	1,000.00	-	1,000.00	11/06/02	Wild Wings Mail
				11/18/02	Returned Check
				11/25/02	Kum & Go
				11/26/02	Wal-Mart Supercenter
				11/29/02	Harlan Coast to Coast
				11/29/02	Pamida Inc
				11/30/02	Kidtopia
				11/30/02	Carolyns Hallmark
				12/01/02	Kidtopia
				12/04/02	Marys Antique
				12/07/02	BRY Jess[ica] [Lo]nd[o]n Tel[ephone] Ord[er]
01/14/03	-	99.00	99.00	--	----
02/14/03	-	-	-	--	----
03/14/03	-	500.00	500.00	--	----
04/14/03	-	-	-	--	----
05/14/03	-	500.00	500.00	--	----
06/14/03	-	-	-	--	----
07/14/03	-	-	-	--	----
08/14/03	500.00	-	500.00	--	----
09/14/03	-	-	-	--	----
10/14/03	10,000.00	-	10,000.00	--	----
11/14/03	1,000.00	-	1,000.00	11/06/03	Fishermans Factory
				11/06/03	Spirit Lake Silver [& Gold]
				11/06/03	Wal-Mart Supercenter

<b>Vendor Category **</b>	<b>Charges</b>	
	<b>Amount of Purchase</b>	<b>Credit Card Fees</b>
Clothing	120.84	-
Other Retail	1,034.70	165.80
Discount Store	33.47	-
Crafts/Gifts	75.95	230.50
Other	1,000.00	-
Automobile	37.95	-
Discount Store	239.27	-
Automobile	88.75	-
Discount Store	68.52	-
Clothing	71.67	-
Crafts/Gifts	96.09	-
Clothing	91.98	-
Crafts/Gifts	85.59	-
Clothing	108.99	-
---	-	217.79
---	-	220.13
---	-	202.96
---	-	218.83
---	-	212.43
---	-	246.66
---	-	245.02
---	-	250.02
---	-	251.24
---	-	192.92
Recreation	120.29	36.33
Crafts/Gifts	726.46	-
Discount Store	188.45	-

Special Investigation of  
Before and After School Services

Capital One Purchases (Account #1)  
For the period July 1, 2000 through December 31, 2004

Statement Date	Payments and Credits			Transaction Date	Vendor
	BASS	Non-BASS	Total		
				11/07/03	Dress Barn - Medford
				11/07/03	Gap Outlet - Medford
				11/07/03	Carters - Medford
				11/08/03	M&Ms World - Vegas
				11/08/03	Brats - Vegas
				11/09/03	Endangered Species - Vegas
				11/09/03	Mirage - Impulse Shop - Vegas
				11/09/03	HDD Harley Davidson - Vegas
				11/09/03	Foto Forum - Vegas
				11/09/03	Mirage Hotel & Casino - Vegas
				11/09/03	Mirage Hotel - Shop - Vegas
				11/12/03	Hy-Vee Foods
				11/12/03	Hy-Vee Foods
				11/12/03	Carolyns Hallmark
				11/13/03	Thousand Baskets
				11/13/03	Wal-Mart Supercenter
12/14/03	-	510.26	510.26	11/13/03	Wal-Mart Supercenter
				11/13/03	Cabin Fever Gifts
				11/14/03	Boyz and Bearies
				11/15/03	Wal-Mart Supercenter
				11/18/03	Thousand Baskets
				11/20/03	Thousand Baskets
				11/22/03	The Enchanted Oaks
				11/24/03	Best Buy
				11/24/03	The Country Stork
				11/24/03	Wal-Mart Supercenter
				11/25/03	Wal-Mart Supercenter

<b>Vendor Category **</b>	<b>Charges</b>	
	<b>Amount of Purchase</b>	<b>Credit Card Fees</b>
Clothing	127.46	-
Clothing	85.93	-
Clothing	45.00	-
Travel	58.05	-
Clothing	63.43	-
Travel	69.88	-
Travel	30.00	-
Travel	65.04	-
Travel	46.19	-
Travel	36.25	-
Travel	73.10	-
Grocery	64.20	-
Grocery	88.27	-
Crafts/Gifts	80.18	-
Crafts/Gifts	29.94	-
Discount Store	199.52	-
Discount Store	49.42	98.27
Crafts/Gifts	349.74	-
Crafts/Gifts	33.93	-
Discount Store	161.36	-
Crafts/Gifts	57.50	-
Crafts/Gifts	754.33	-
Crafts/Gifts	61.50	-
Travel	12.71	-
Clothing	163.72	-
Discount Store	385.41	-
Discount Store	670.02	-

Special Investigation of  
Before and After School Services

Capital One Purchases (Account #1)  
For the period July 1, 2000 through December 31, 2004

Statement Date	Payments and Credits			Transaction Date	Vendor
	BASS	Non-BASS	Total		
				11/26/03	Casey's
				11/26/03	Hy-Vee
				11/26/03	Wal-Mart Supercenter
				11/26/03	Kidtopia
				11/26/03	Kidtopia
				11/28/03	The Home Depot
				11/30/03	Wal-Mart Supercenter
				11/30/03	Wal-Mart Supercenter
				12/01/03	Wal-Mart Supercenter
				12/01/03	Wal-Mart Supercenter
				12/04/03	Spirit Lake Silver [ <i>&amp; Gold</i> ]
				12/04/03	Cabelas Inc - NE
				12/04/03	Wal-Mart Supercenter
				12/04/03	Marys Antique & Gift
				12/04/03	Eyecare Centre
				12/06/03	Wal-Mart Supercenter
				12/07/03	Sparkys One Stop
				12/08/03	Wal-Mart Supercenter
				12/08/03	Casey's
				12/08/03	ShopKo
				12/10/03	Wal-Mart Supercenter
				12/11/03	Wal-Mart Supercenter
				12/11/03	Shoppers Supply
01/14/04	3,000.00	-	3,000.00	12/15/03	Wal-Mart Supercenter
				12/16/03	Wal-Mart Supercenter
				12/17/03	Thousand Baskets
				12/20/03	Donovans Hobby & Scu[ba]

<b>Vendor Category **</b>	<b>Charges</b>	
	<b>Amount of Purchase</b>	<b>Credit Card Fees</b>
Automobile	39.32	-
Grocery	59.71	-
Discount Store	96.18	-
Clothing	104.65	-
Clothing	42.78	-
Other Retail	63.73	-
Discount Store	160.44	-
Discount Store	215.97	-
Discount Store	66.99	-
Discount Store	230.60	-
Crafts/Gifts	252.23	-
Recreation	142.80	-
Discount Store	95.31	-
Crafts/Gifts	60.86	-
Medical	137.00	-
Discount Store	153.49	-
Automobile	12.65	-
Discount Store	42.38	-
Automobile	21.56	-
Other Retail	367.53	-
Discount Store	99.62	-
Discount Store	55.72	-
Other Retail	102.63	-
Discount Store	202.96	132.38
Discount Store	105.71	-
Crafts/Gifts	497.74	-
Travel	535.81	-

Special Investigation of  
Before and After School Services

Capital One Purchases (Account #1)  
For the period July 1, 2000 through December 31, 2004

Statement Date	Payments and Credits			Transaction Date	Vendor
	BASS	Non-BASS	Total		
				12/23/03	Wal-Mart Supercenter
				12/23/03	M Js Kids LLC
				12/26/03	Wal-Mart Supercenter
				12/30/03	Turavia PTO Aventuras - Solidaridad Q
				12/31/03	Dressel Diver - Solidaridad Q
				01/04/04	Embassy Suites - Bloomington
				01/04/04	Embassy Suites - Bloomington
				01/05/04	<i>A[merican] Eagl[e] Outf[it]t[e]r</i>
				01/10/04	<i>The Old Spaghetti Fact[ory]</i>
				01/11/04	Embassy Suites - Minneapolis
				01/11/04	Cabelas Retail - Owatonna MN
				12/17/03	Dan Services
02/14/04	500.00	-	500.00	--	----
03/14/04	-	-	-	02/15/04	Pirates Tortola
				02/17/04	Sea Grape Boutique Tortola
				02/18/04	Caribbean Flavor No. 2 Virgin Gorda
				02/20/04	Island News & Gift Sho[p] San Antonio
				03/04/04	Village East Resort & Okoboji
04/14/04	-	-	-	--	----
05/14/04	-	-	-	--	----
06/14/04	-	-	-	--	----
07/14/04	-	300.00	300.00	06/28/04	Returned Check
08/14/04	-	818.00	818.00	--	----
Total	<u>\$ 34,070.00</u>	<u>23,335.91</u>	<u>57,405.91</u>		

\*\* Used by the auditor to determine whether the purchase was improper or unsupported.

**Note:** Items in italics were added by auditor.



Vendor Category **	Charges	
	Amount of Purchase	Credit Card Fees
Discount Store	205.18	-
Clothing	54.05	-
Discount Store	316.67	-
Travel	138.28	-
Travel	183.27	-
Travel	163.44	-
Travel	163.44	-
Clothing	29.95	-
Travel	63.87	-
Travel	172.52	-
Travel	101.16	-
Medical	100.41	-
---	-	134.22
Travel	75.00	127.63
Travel	115.25	-
Travel	75.85	-
Travel	11.00	-
Recreation	86.90	-
---	-	139.89
---	-	166.63
---	-	174.09
Other	300.00	201.35
---	-	145.73
	<u>\$ 54,399.66</u>	<u>7,161.78</u>

Special Investigation of  
Before and After School Services

Capital One Purchases (Account #2)  
For the period July 1, 2000 through December 31, 2004

Statement Date	Payments and Credits			Transaction Date	Vendor
	BASS	Non-BASS	Total		
11/22/03	\$ -	80.16	80.16	--	----
12/22/03	-	-	-	12/02/03	VCN*Iowa Vital Records
				12/02/03	Dixie Metal Detectors
				12/02/03	Red Lobster
				12/02/03	Rhapsody Music - Mankato MN
				12/03/03	Wal-Mart Supercenter
				12/04/03	Blue Water Divers
				12/05/03	Wrens Nest
				12/05/03	Caseys
				12/05/03	Mikes of Okoboji
				12/06/03	The Three Sons, Inc.
				12/07/03	Ace Hardware
				12/07/03	Hi *WineCntryGift Bskt
				12/07/03	Paper Warehouse
				12/07/03	Wal-Mart Supercenter
				12/08/03	Hy-Vee Foods
				12/10/03	Wal-Mart Supercenter
				12/11/03	Wal-Mart Supercenter
				12/12/03	Wal-Mart Supercenter
				12/13/03	Wal-Mart Supercenter
				12/14/03	Wal-Mart Supercenter
				12/15/03	NWF*National Wildlife
				12/15/03	Wal-Mart Supercenter
				12/15/03	NWF*National Wildlife
				12/15/03	NWF*National Wildlife

Vendor Category **	Charges	
	Amount of Purchase	Credit Card Fees
- - -	\$ -	-
Other	15.50	-
Recreation	623.96	-
Recreation	79.96	-
Recreation	361.61	-
Discount Store	145.25	-
Recreation	3,094.50	-
Crafts/Gifts	119.96	-
Automobile	31.98	-
Recreation	99.30	-
Clothing	927.69	-
Other Retail	63.52	-
Crafts/Gifts	451.60	-
Office Supply	48.58	-
Discount Store	226.55	-
Grocery	48.14	-
Discount Store	130.86	-
Discount Store	430.17	-
Discount Store	84.72	-
Discount Store	231.31	-
Discount Store	117.94	-
Crafts/Gifts	44.97	-
Discount Store	78.26	-
Crafts/Gifts	235.30	-
Crafts/Gifts	44.97	-

Special Investigation of  
Before and After School Services

Capital One Purchases (Account #2)  
For the period July 1, 2000 through December 31, 2004

Statement Date	Payments and Credits			Transaction Date	Vendor
	BASS	Non-BASS	Total		
				12/16/03	CRA*Connecting Threads - WA
				12/18/03	Wal-Mart Supercenter
				12/19/03	Wal-Mart Supercenter
				12/20/03	C.J. Banks
				12/20/03	Lane Bryant
01/22/04	-	-	-	12/20/03	Toys R Us
				01/04/04	Hy-Vee Foods
				01/06/04	Wal-Mart Supercenter
				01/06/04	Hy-Vee Foods
				01/07/04	Wal-Mart Supercenter
				01/10/04	Wal-Mart Supercenter
				01/13/04	Wal-Mart Supercenter
				01/18/04	Wal-Mart Supercenter
02/22/04	500.00	-	500.00	--	----
Total	\$ 500.00	80.16	580.16		

\*\* Used by the auditor to determine whether the purchase was questionable or undeterminable.

**Note:** Items in italics were added by auditor.

<b>Vendor Category **</b>	<b>Charges</b>	
	<b>Amount of Purchase</b>	<b>Credit Card Fees</b>
Recreation	30.60	-
Discount Store	94.61	-
Discount Store	147.59	-
Clothing	366.73	-
Clothing	213.59	-
Recreation	151.89	220.63
Grocery	180.32	-
Discount Store	225.26	-
Grocery	136.19	-
Discount Store	108.86	-
Discount Store	141.38	-
Discount Store	142.51	-
Discount Store	81.52	-
---	-	227.95
	<u>\$ 9,757.65</u>	<u>448.58</u>

**Special Investigation of  
Before and After School Services**

Special Investigation of  
Before and After School Services

Payments on Personal VISA Credit Card Account  
For the period July 1, 2000 through December 31, 2004

<b>Check Number</b>	<b>Check Date</b>	<b>Amount Not Supported by Credit Card Statement</b>	<b>Amount Supported by Credit Card Statement (Exhibit G)</b>	<b>Total</b>
3194	09/24/01	\$ -	1,567.28	1,567.28
3198*	09/28/01	1,909.67	-	1,909.67
3291	09/28/02	-	500.00	500.00
3325	11/11/02	-	1,000.00	1,000.00
3445	07/22/03	-	100.00	100.00
3468	10/01/03	-	1,327.99	1,327.99
3555	12/10/03	-	500.00	500.00
3591	01/28/04	-	300.00	300.00
<b>Total</b>		<b>\$ 1,909.67</b>	<b>5,295.27</b>	<b>7,204.94</b>

\* This payment was applied to an unidentified credit card account. Although the date of the payment falls within the time period for which credit card statements were obtained, this payment was not included in those statements.

Special Investigation of  
Before and After School Services

VISA Purchases  
For the period July 1, 2000 through December 31, 2004

Statement Date	Payments and Credits			Transaction Date	Vendor
	BASS	Non-BASS	Total		
09/05/00	\$ -	-	-	08/25/00	MN Twins/Season Sales Minneapolis
				08/25/00	Kart Ranch Omaha NE
				08/26/00	OshKosh Medford
				08/26/00	Big Dog Sportswear Medford
				08/26/00	Bugle Boy Medford
				08/26/00	Nike Factory Store Medford
				08/26/00	Carter's Chldrnwr Medford [ <i>Childrenswear</i> ]
				08/27/00	Knotts Camp Snoopy Bloomington
				08/27/00	Embassy Suites Bloomington
				08/27/00	Bath&Body Bloomington
				08/27/00	Old Navy Bloomington
				08/27/00	Café Odyssey Bloomington
				08/28/00	Knotts Camp Snoopy Bloomington
				08/28/00	Wal-Mart Supercenter
				08/30/00	Wal-Mart Supercenter
				08/30/00	Shoppers Supply
10/05/00	-	900.00	900.00	09/25/00	Wal-Mart Supercenter
				09/26/00	Wal-Mart Supercenter
				09/30/00	The Enchanted Oaks
				09/30/00	Sugar Bear - Blaine MN
11/05/00	-	-	-	10/06/00	NWF National Wildlife
				10/09/00	Nike Factory Store Medford
				10/13/00	NWF National Wildlife
12/05/00	-	-	-	--	----
01/05/01	-	120.00	120.00	--	----
02/05/01	-	-	-	01/17/01	Wal-Mart Supercenter
				01/21/01	Wal-Mart Supercenter



Vendor Category **	Charges	
	Amount of Purchase	Credit Card Fees
Travel	64.00	-
Travel	56.00	-
Clothing	59.70	-
Clothing	40.97	-
Clothing	40.47	-
Clothing	174.91	-
Clothing	20.00	-
Travel	83.80	-
Travel	148.40	-
Crafts/Gifts	28.76	-
Clothing	104.50	-
Travel	50.97	-
Travel	31.17	-
Discount Store	471.20	-
Discount Store	63.84	-
Other Retail	98.53	-
Discount Store	110.72	20.30
Discount Store	66.02	-
Crafts/Gifts	189.22	-
Crafts/Gifts	132.50	-
Crafts/Gifts	42.40	43.24
Clothing	119.97	-
Crafts/Gifts	64.40	-
---	-	48.14
---	-	23.01
Discount Store	119.79	53.03
Discount Store	35.17	-

Special Investigation of  
Before and After School Services

VISA Purchases  
For the period July 1, 2000 through December 31, 2004

Statement Date	Payments and Credits			Transaction Date	Vendor
	BASS	Non-BASS	Total		
03/05/01	-	88.00	88.00	--	----
04/05/01	-	-	-	--	----
05/05/01	-	-	-	--	----
06/05/01	-	92.00	92.00	--	----
07/05/01	-	75.00	75.00	--	----
08/05/01	-	-	-	--	----
09/05/01	-	100.00*	100.00	--	----
10/05/01	1,567.28	-	1,567.28	--	----
11/05/01	-	-	-	10/17/01	A Thousand Baskets
12/05/01	-	-	-	11/06/01	Gap Outlet Medford
				11/06/01	OshKosh Medford
				11/06/01	Carter's Chldrnwr Medford [ <i>Childrenswear</i> ]
				11/12/01	Wal-Mart Supercenter
				11/13/01	Gymboree
				11/15/01	Wal-Mart Supercenter
01/05/02	-	-	-	--	----
02/05/02	-	100.00	100.00	--	----
03/05/02	-	-	-	--	----
04/05/02	-	100.00	100.00	--	----
05/05/02	-	200.00*	200.00	--	----
06/05/02	-	-	-	05/18/02	Hy-Vee
				05/19/02	Hy-Vee
				05/21/02	Wal-Mart Supercenter
07/05/02	-	200.00	200.00	--	----
08/05/02	-	-	-	07/22/02	Wal-Mart Supercenter
09/05/02	-	-	-	--	----
10/05/02	500.00	300.00	800.00	--	----

Vendor Category **	Charges	
	Amount of Purchase	Credit Card Fees
---	-	24.87
---	-	53.19
---	-	53.19
---	-	51.95
---	-	51.95
---	-	51.00
---	-	51.00
---	-	-
Crafts/Gifts	166.63	-
Clothing	91.94	44.49
Clothing	142.48	-
Clothing	60.10	-
Discount Store	620.02	-
Clothing	107.78	-
Discount Store	34.09	-
---	-	45.18
---	-	15.87
---	-	44.80
---	-	15.53
---	-	14.80
Grocery	42.77	43.36
Grocery	90.94	-
Discount Store	67.67	-
---	-	15.19
Discount Store	200.00	43.92
---	-	45.26
---	-	14.59

Special Investigation of  
Before and After School Services

VISA Purchases  
For the period July 1, 2000 through December 31, 2004

Statement Date	Payments and Credits			Transaction Date	Vendor
	BASS	Non-BASS	Total		
11/05/02	-	-	-	10/10/02	The Three Sons, Inc Milford
				10/17/02	The Three Sons, Inc Milford
				10/19/02	Cost Cutters
				10/24/02	Hy-Vee
				10/25/02	Wal-Mart Supercenter
12/05/02	1,000.00	-	1,000.00	11/27/02	Wal-Mart Supercenter
				11/28/02	K-Mart
				11/30/02	Ace Hardware
				11/30/02	Kidtopia
01/05/03	-	-	-	12/08/02	Wal-Mart Supercenter
				12/09/02	Abercrombie & Fitch
02/05/03	-	-	-	--	----
03/05/03	-	-	-	--	----
04/05/03	-	267.00	267.00	--	----
05/05/03	-	100.00	100.00	--	----
06/05/03	-	-	-	05/16/03	CJ Banks
07/05/03	-	75.00	75.00	--	----
08/05/03	100.00	-	100.00	08/02/03	Dunhams
09/05/03	-	-	-	08/06/03	Hy-Vee
10/05/03	-	-	-	--	----
11/05/03	1,327.99	-	1,327.99	10/24/03	A Thousand Baskets
				10/25/03	A Thousand Baskets
				10/25/03	Young Vogue
				10/25/03	Fabric & Textile Warehouse[e]
				10/25/03	A-List Comics & Collectib[les]
				10/26/03	Wal-Mart Supercenter
				10/27/03	Touch of Class - IN

Vendor Category **	Charges	
	Amount of Purchase	Credit Card Fees
Clothing	367.65	43.07
Clothing	275.63	-
Other Retail	14.79	-
Grocery	19.87	-
Discount Store	33.71	-
Discount Store	220.84	12.48
Discount Store	44.84	-
Other Retail	84.76	-
Clothing	397.61	-
Discount Store	127.64	52.72
Clothing	55.97	-
---	-	52.91
---	-	81.91
---	-	17.05
---	-	16.76
Clothing	130.53	52.03
---	-	17.61
Recreation	84.98	16.99
Grocery	27.52	52.71
---	-	52.71
Crafts/Gifts	258.84	9.11
Crafts/Gifts	151.39	-
Clothing	151.36	-
Crafts/Gifts	31.69	-
Recreation	106.00	-
Discount Store	66.22	-
Crafts/Gifts	289.71	-

Special Investigation of  
Before and After School Services

VISA Purchases  
For the period July 1, 2000 through December 31, 2004

Statement Date	Payments and Credits			Transaction Date	Vendor
	BASS	Non-BASS	Total		
				10/29/03	Wal-Mart Supercenter
				10/29/03	Hy-Vee
				10/30/03	Wal-Mart Supercenter
				11/01/03	Remingtons Restaurant
				11/02/03	Carolyn's Hallmark Shop
12/05/03	-	-	-	--	----
01/05/04	500.00	150.00	650.00	12/24/03	Wal-Mart Supercenter
02/05/04	300.00	-	300.00	--	----
03/05/04	-	-	-	--	----
04/05/04	-	59.00	59.00	--	----
05/05/04	-	-	-	--	----
06/05/04	-	59.00	59.00	05/12/04	Wal-Mart Supercenter
				05/13/04	Wal-Mart Supercenter
				05/13/04	Casey's
				05/14/04	The Lube Center
				05/14/04	Wal-Mart Supercenter
				05/15/04	Old Market Spaghetti Work
				05/15/04	Casey's
				05/15/04	Paper Warehouse
				05/16/04	Wal-Mart Supercenter
				05/18/04	Wal-Mart Supercenter
07/05/04	-	-	-	--	----
08/05/04	-	-	-	--	----
09/05/04	-	100.00	100.00	--	----
Total	<u>\$ 5,295.27</u>	<u>3,085.00</u>	<u>8,380.27</u>		

\* Per review of the bank statement for this time period, there is a check which cleared the BASS operating account for this amount. However, the check was not one selected to be requested from the bank. Therefore, auditor is unable to determine with certainty the check went to this vendor.

\*\* Used by the auditor to determine whether the purchase was improper or unsupported.

**Note:** Items in italics were added by auditor.

Vendor Category **	Charges	
	Amount of Purchase	Credit Card Fees
Discount Store	31.21	-
Grocery	65.01	-
Discount Store	39.37	-
Recreation	18.34	-
Crafts/Gifts	49.70	-
---	-	53.46
Discount Store	512.83	16.74
---	-	16.90
---	-	42.42
---	-	13.42
---	-	42.42
Discount Store	65.59	17.59
Discount Store	85.32	-
Automobile	20.10	-
Automobile	28.95	-
Discount Store	43.60	-
Travel	28.50	-
Automobile	36.50	-
Office Supply	49.93	-
Discount Store	30.94	-
Discount Store	12.15	-
---	-	83.04
---	-	83.32
---	-	83.61
	<u>\$ 8,101.42</u>	<u>1,798.84</u>

**Special Investigation of  
Before and After School Services**



Special Investigation of  
Before and After School ServicesPayments on Personal MBNA America Credit Card Account  
For the period July 1, 2000 through December 31, 2004

<b>Check Number</b>	<b>Check Date</b>	<b>Amount Not Supported by Credit Card Statement</b>	<b>Amount Supported by Credit Card Statement (Exhibit I)</b>	<b>Total</b>
3191	09/24/01	\$ 5,000.00	-	5,000.00
3214	10/31/01	1,000.00	-	1,000.00
3253	05/01/02	500.00	-	500.00
3294	09/28/02	-	2,000.00	2,000.00
3326	11/11/02	-	1,000.00	1,000.00
3359	12/19/02	-	1,000.00	1,000.00
3444	07/22/03	-	300.00	300.00
3467	10/01/03	-	4,550.56	4,550.56
3553	12/10/03	-	1,000.00	1,000.00
3594	01/28/04	-	500.00	500.00
Total		\$ 6,500.00	10,350.56	16,850.56

Special Investigation of  
Before and After School Services

MBNA America Purchases  
For the period July 1, 2000 through December 31, 2004

Statement Date	Payments and Credits			Transaction Date	Vendor
	BASS	Non-BASS	Total		
08/01/02	\$ -	-	-	07/13/02	Wal-Mart Supercenter
				07/15/02	Wal-Mart Supercenter
				07/15/02	Great Wolf Lodge (Arrival Date 7/26/02)
				07/18/02	Wal-Mart Supercenter
				07/22/02	Oriental Trading Company
				07/22/02	Blue Water Divers
				07/26/02	Marleys - Lake Delton WI
				07/28/02	Great Wolf Lodge (Arrival Date 7/26/02)
09/03/02	-	-	-	08/02/02	Wal-Mart Supercenter
				08/05/02	Iowa State Unvrsty Alm <i>[University Alumni]</i>
				08/08/02	Ranch Amusement Park
				08/12/02	Wal-Mart Supercenter
				08/12/02	Blue Water Divers
10/01/02	-	-	-	--	----
11/01/02	2,000.00	-	2,000.00	10/19/02	Wal-Mart Supercenter
				10/19/02	Mary's Antique
				10/23/02	Columbia Sportswear Co
				10/26/02	Wal-Mart Supercenter
12/02/02	1,000.00	-	1,000.00	11/23/02	Spirit Lake Silver
				11/24/02	Village East Resort (Arrival Date 11/23/02)
				11/26/02	Mary's Antique
01/02/03	1,000.00	49.95	1,049.95	12/04/02	Wal-Mart Supercenter
				12/04/02	Floey Clothing <i>[Foley]</i>
				12/05/02	Cabelas Inc
				12/05/02	Wal-Mart Supercenter
				12/09/02	Crystal Chalet - Sioux Falls, SD

Vendor Category **	Charges	
	Amount of Purchase	Credit Card Fees
Discount Store	\$ 196.50	88.57
Discount Store	372.70	-
Travel	331.90	-
Discount Store	94.43	-
Other Retail	431.78	-
Recreation	462.24	-
Travel	87.18	-
Travel	473.00	-
Discount Store	190.94	172.91
Other	45.00	-
Recreation	52.00	-
Discount Store	315.36	-
Recreation	203.30	-
---	-	163.92
Discount Store	189.02	73.79
Crafts/Gifts	312.39	-
Clothing	69.88	-
Discount Store	100.53	-
Crafts/Gifts	105.93	73.45
Travel	134.63	-
Crafts/Gifts	201.84	-
Discount Store	220.46	90.25
Clothing	233.26	-
Recreation	106.75	-
Discount Store	232.66	-
Crafts/Gifts	17.23	-

Special Investigation of  
Before and After School Services

MBNA America Purchases  
For the period July 1, 2000 through December 31, 2004

Statement Date	Payments and Credits			Transaction Date	Vendor
	BASS	Non-BASS	Total		
				12/09/02	Lane Bryant
				12/09/02	Lane Bryant
				12/09/02	Donovans Hobby & Scu <b><i>ba</i></b>
				12/09/02	Bath & Body Works
				12/09/02	C.J. Banks
				12/09/02	Red Lobster - Sioux Falls, SD
				12/09/02	Wilsons Leather
				12/12/02	Wal-Mart Supercenter
				12/28/02	Dressel Diver - Solidarid <b><i>ad</i></b> Q Mexico
				12/31/02	Dressel Diver - Solidarid <b><i>ad</i></b> Q Mexico
02/01/03	-	-	-	01/03/03	Tab Iberostar Tucan Cancun Mexico
03/01/03	-	-	-	--	----
04/01/03	-	-	-	--	----
05/01/03	-	550.00	550.00	04/11/03	Express Payment Check Fee
				04/28/03	Express Payment Check Fee
06/02/03	-	300.00	300.00	--	----
07/01/03	-	-	-	--	----
08/01/03	300.00	-	300.00	--	----
09/02/03	-	-	-	--	----
10/01/03	-	-	-	--	----
11/01/03	4,550.56	-	4,550.56	10/25/03	A Thousand Baskets
				10/30/03	Hy-Vee Foods
12/01/03	-	-	-	11/01/03	Carolyn's Hallmark Shop
				11/02/03	Mary's Antique & Gift
				11/03/03	The Enchanted Oaks
				11/03/03	Wal-Mart Supercenter
				11/03/03	JC Penney Catalog

Vendor Category **	Charges	
	Amount of Purchase	Credit Card Fees
Clothing	20.67	-
Clothing	31.79	-
Travel	51.78	-
Crafts/Gifts	62.54	-
Clothing	68.37	-
Travel	79.00	-
Clothing	217.27	-
Discount Store	30.88	-
Travel	482.51	-
Travel	58.82	-
Travel	151.42	126.08
---	-	122.20
---	-	134.04
Other	2.50	95.39
Other	5.00	-
---	-	89.77
---	-	117.95
---	-	97.59
---	-	132.81
---	-	126.21
Crafts/Gifts	184.93	29.17
Grocery	38.96	-
Crafts/Gifts	341.51	87.15
Crafts/Gifts	473.03	-
Crafts/Gifts	106.41	-
Discount Store	125.48	-
Clothing	431.87	-

Special Investigation of  
Before and After School Services

MBNA America Purchases  
For the period July 1, 2000 through December 31, 2004

Statement Date	Payments and Credits			Transaction Date	Vendor
	BASS	Non-BASS	Total		
				11/07/03	JC Penney Catalog
				11/07/03	JC Penney Catalog
				11/25/03	JC Penney Catalog
				11/25/03	Mary's Antique & Gift
				11/26/03	The Three Sons, Inc
				11/28/03	JC Penney Catalog
01/02/04	1,000.00	-	1,000.00	11/29/03	Blue Water Divers
				12/07/03	JC Penney Catalog
				12/15/03	JC Penney Catalog
02/02/04	500.00	-	500.00	01/03/04	Hotel Barcelo Maya B Akumal Mexico
				01/05/04	Bubba Gump Shrimp - Bloomington, MN
				01/10/04	Casey's
				01/10/04	Cabela's Retail
				01/10/04	Wal-Mart Supercenter
03/01/04	-	-	-	02/13/04	Country Inn & Suites
04/01/04	-	-	-	--	----
05/01/04	-	-	-	--	----
06/01/04	-	-	-	--	----
07/01/04	-	844.00	844.00	--	----
Total	<u>\$ 10,350.56</u>	<u>1,743.95</u>	<u>12,094.51</u>		

\*\* Used by the auditor to determine whether the purchase was improper or unsupported.

**Note:** Items in italics were added by auditor.

Vendor Category **	Charges	
	Amount of Purchase	Credit Card Fees
Clothing	109.08	-
Clothing	165.29	-
Clothing	284.49	-
Crafts/Gifts	140.76	-
Clothing	1,714.14	-
Clothing	88.18	-
Recreation	819.48	109.89
Clothing	26.24	-
Clothing	293.99	-
Travel	207.55	107.98
Travel	65.82	-
Automobile	35.50	-
Recreation	36.24	-
Discount Store	63.13	-
Travel	98.79	142.61
---	-	197.12
---	-	198.72
---	-	207.60
---	-	151.39
	<u>\$ 12,294.33</u>	<u>2,936.56</u>

Special Investigation of  
Before and After School ServicesPayments to Wal-Mart  
For the period July 1, 2000 through December 31, 2004

<b>Check Number</b>	<b>Check Date</b>	<b>Amount Not Supported by Receipt</b>	<b>Amount Supported by Receipt (Exhibit K)</b>
3066	09/14/00	\$ 1,354.23	-
3122	01/03/01	845.01	-
3204	10/09/01	504.38	-
3265	09/17/02	-	51.32
3275	09/19/02	-	61.52
3279	09/23/02	-	78.00
3282	09/28/02	-	366.62
3306	10/04/02	-	147.82
3284	10/11/02	-	242.28
3316	11/07/02	-	229.82
3317	11/09/02	-	196.89
3318	11/11/02	-	174.63
3336	11/12/02	-	227.97
3338	11/14/02	-	1,012.96
3341	11/18/02	-	126.19
3355	12/17/02	-	362.89
3362	12/23/02	-	176.21
3366	12/24/02	-	86.05
3364	12/26/02	-	17.92
3370	01/18/03	-	103.28
3375	01/21/03	-	85.69
3389	04/28/03	-	59.64
3394	04/30/03	-	126.26
3395	05/01/03	-	91.27
3402	05/07/03	-	95.13
3411	05/29/03	-	207.29
3412	06/04/03	-	280.58
3413	06/05/03	-	584.13
3415	06/06/03	-	367.92
3494	06/08/03	-	74.13
3414	06/09/03	-	146.62
3416	06/13/03	-	120.56
3420	06/25/03	-	741.93
3421	06/26/03	-	447.94
3422	06/30/03	-	50.00
3425	07/07/03	-	205.27
3426	07/08/03	-	52.09
3427	07/10/03	-	135.19
3428	07/14/03	-	255.98



Special Investigation of  
Before and After School Services

Payments to Wal-Mart  
For the period July 1, 2000 through December 31, 2004

<b>Check Number</b>	<b>Check Date</b>	<b>Amount Not Supported by Receipt</b>	<b>Amount Supported by Receipt (Exhibit K)</b>
3433	07/16/03	-	75.90
3434	07/20/03	-	250.55
3438	07/21/03	-	510.17
3435	07/22/03	-	53.14
3448	07/28/03	-	253.52
3458	10/05/03	-	314.01
3473	10/06/03	-	205.12
3500	10/10/03	-	76.37
3507	10/15/03	-	252.87
3519	10/16/03	-	133.18
3522	10/22/03	-	193.43
3524	10/27/03	-	587.82
3525	10/29/03	-	191.18
3529	10/31/03	-	69.63
3533	11/01/03	-	270.79
3535	11/02/03	-	154.62
3538	11/04/03	-	363.10
3539	11/05/03	-	139.89
3542	11/11/03	-	164.29
3543	11/13/03	-	374.68
3548	11/18/03	-	229.94
3549	11/21/03	-	130.27
3612	8/23/2004	-	135.97
3613	8/24/2004	-	211.03
3615	8/25/2004	-	102.66
3625	09/30/04	-	443.17
3643	09/30/04	-	380.76
3669	10/02/04	-	292.17
3646	10/07/04	-	156.46
3649	10/08/04	-	600.00
3656	10/14/04	-	83.07
3673	11/03/04	-	428.35
3672	11/15/04	-	195.17
3675	12/08/04	-	88.30
3683	12/20/04	-	536.81
3685	12/23/04	-	753.49
Total		\$ 2,703.62	17,191.87

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Special Investigation of  
Before and After School Services

Purchases at Wal-Mart  
For the period July 1, 2000 through December 31, 2004

<b>Receipt Date</b>	<b>Receipt Total</b>	<b>Improper</b>	<b>Unsupported</b>	<b>Reasonable</b>	<b>Sales Tax**</b>
09/17/02	\$ 51.32	1.76	-	49.16	0.40
09/19/02	61.52	24.89	13.09	19.52	4.02
09/23/02	78.00	26.66	9.34	37.98	4.02
09/28/02	366.62	366.62	-	-	-
10/04/02	147.82	102.58	36.32	-	8.92
10/11/02	242.28	242.28	-	-	-
11/07/02	229.82	49.15	88.38	80.16	12.13
11/09/02	196.89	196.89	-	-	-
11/11/02	174.63	101.94	-	67.18	5.51
11/14/02	227.97	138.75	20.35	59.49	9.38
11/14/02	1,012.96	146.61	200.15	620.15	46.05
11/18/02	126.19	5.28	-	117.96	2.95

<b>Shopper's Card Remaining Balance</b>	<b>Description of Improper Purchases</b>
-	Candy bars
-	Halloween candy, 2 Halloween buckets, 20 oz. bottle of pop
-	Halloween candy, 20 oz. bottle of pop
-	Halloween costume and decorations, Play Station 2 accessory, video game, bath towels, mens socks, batteries, lens case, candy
-	Hot dog buns, ketchup, mustard, cookies, black light, witch wig, jewelry, sunglasses, Halloween decorations, batteries, 20 oz. bottle of pop
-	9 inch TV/VCR, video accessories, batteries, interior paint, paint tape, wall border, 20 oz. bottle of pop
-	Tree skirt, appliques, 20 oz. bottle of pop
-	Tree, floral products, ornaments, laundry supplies, cleaning products, fish food, bananas
-	Candy, hot dog buns, hot dogs, figurine, 20 oz. bottle of pop
-	Candy, nuts, cheese, deli meat, fabric, gift ribbons, Thanksgiving decorations, 20 oz. bottle of pop
-	Video tape, salt, flour, sugar, candy, batteries, Christmas decorations, fishing supplies
-	17 Andes mints, 20 oz. bottle of pop

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Special Investigation of  
Before and After School Services

Purchases at Wal-Mart  
For the period July 1, 2000 through December 31, 2004

<b>Receipt Date</b>	<b>Receipt Total</b>	<b>Improper</b>	<b>Unsupported</b>	<b>Reasonable</b>	<b>Sales Tax**</b>
12/17/02	362.89	194.98	19.33	124.97	23.61
12/23/02	176.21	31.35	1.77	135.68	7.41
12/24/02	86.05	86.05	-	-	-
12/26/02	17.92	17.92	-	-	-
01/18/03	103.28	16.41	41.14	39.50	6.23
01/22/03	85.69	14.86	19.72	45.50	5.61
04/28/03	59.64	-	59.64	-	-
04/30/03	126.26	126.26	-	-	-
05/01/03	91.27	51.67	17.12	16.80	5.68
05/07/03	95.13	64.09	15.49	9.35	6.20
05/29/03	207.29	158.75	18.30	17.97	12.27
06/04/03	280.58	159.64	17.86	88.84	14.24
06/05/03	584.13	14.48	519.55	46.69	3.41

<b>Shopper's Card Remaining Balance</b>	<b>Description of Improper Purchases</b>
-	CD player, ball of hemp, ribbons, hair accessories, phone cards, 35mm film, Christmas decorations, stocking stuffer, 20 oz. bottle of pop
-	Cereal, bows, gift wrap, donut, 20 oz. bottle of pop
-	Microwave, media box, root beer, box of chocolates, tile table, batteries, parmesan cheese, garbage bags, 20 oz. bottle of pop
-	Diapers, baby wipes, sanitary napkins, tampons, health care products, cleaning products, pizza, 20 oz. bottle of pop ( <i>net of \$40 shopper's card</i> )
-	Fleece throw, candy
-	Party toys, ribbon, candy
-	
-	Fabric, laundry supplies, tank top, candy, health care supplies, collar, leash
-	Cat brush, candy, donut, 20 oz. bottle of pop
-	Candy, 6 pack of pop, hair accessories, makeup, diapers
-	Fabric, vinyl, 2 rugs, rolls, applesauce, PC accessory, chicken pasta
-	Flip chair, 3D poster, Prince CD, tumbler, 20 oz. bottle of pop
-	Toothbrush, straws, reversible mesh, 20 oz. bottles of pop

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Special Investigation of  
Before and After School Services

Purchases at Wal-Mart  
For the period July 1, 2000 through December 31, 2004

<b>Receipt Date</b>	<b>Receipt Total</b>	<b>Improper</b>	<b>Unsupported</b>	<b>Reasonable</b>	<b>Sales Tax**</b>
06/06/03	367.92	40.00	191.57	134.25	2.10
06/09/03	146.62	12.23	-	130.65	3.74
06/13/03	120.56	82.83	31.66	-	6.07
06/25/03	741.93	48.98	615.76	68.44	8.75
06/26/03	447.94	-	273.82	169.59	2.94
06/30/03	50.00	20.00	8.63	18.10	3.27
07/07/03	205.27	15.67	25.13	159.70	4.77
07/08/03	52.09	5.52	1.94	41.39	3.24
07/10/03	135.19	33.44	34.41	60.63	6.71
07/14/03	255.98	12.23	55.00	183.04	5.71
07/16/03	75.90	54.41	17.56	-	3.93
07/21/03	250.55	1.12	0.83	243.28	5.32
07/22/03	53.14	48.01	2.76	-	2.37
07/23/03	510.17	65.53	38.01	381.16	25.47
07/28/03	253.52	10.71	13.31	225.62	3.88

<b>Shopper's Card Remaining Balance</b>	<b>Description of Improper Purchases</b>
-	Pastries, phone card
-	Candy, chips
-	Honey, rolls, chips, fresh cut fruit, tuna, marshmallows, cookies, crackers, rice, applesause, ribbon, toilet paper, glass votives
-	Candy, cream cake, bananas, bottle of water
1.59	
-	Fabric
-	Laundry supplies, candy, 20 oz. bottle of pop
-	Bread, childrens clothing, 20 oz. bottle of pop
-	Flashin Lix, ice cream, 20 oz. bottle of pop
-	Snack cakes, candy, pastries, bottle of water
-	Gloves, party accessories and toys, crackers, pickles, 20 oz. bottle of pop
-	20 oz. bottle of pop
-	Candy, diapers, childrens hat, cake, health care supplies
-	Candy, health care supplies, thermometer, 20 oz. bottle of pop
-	Candy, eggs, 20 oz. bottle of pop

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Special Investigation of  
Before and After School Services

Purchases at Wal-Mart  
For the period July 1, 2000 through December 31, 2004

<b>Receipt Date</b>	<b>Receipt Total</b>	<b>Improper</b>	<b>Unsupported</b>	<b>Reasonable</b>	<b>Sales Tax**</b>
10/05/03	314.01	232.46	13.69	52.28	15.58
10/06/03	205.12	18.34	30.09	149.93	6.76
10/08/03	74.13	44.08	3.97	23.21	2.87
10/10/03	76.37	6.00	39.76	27.70	2.91
10/15/03	252.87	215.04	3.96	21.72	12.15
10/16/03	133.18	85.38	6.76	35.07	5.97
10/22/03	193.43	85.09	11.56	86.71	10.07
10/27/03	587.82	217.53	158.02	196.21	16.06
10/29/03	191.18	113.10	-	68.49	9.59
10/31/03	69.63	33.76	-	33.52	2.35
11/01/03	270.79	218.73	36.79	-	15.27
11/02/03	154.62	103.07	41.82	-	9.73



<b>Shopper's Card Remaining Balance</b>	<b>Description of Improper Purchases</b>
-	Crackers, grocery items, pop, mens clothing, ladies clothing, childrens clothing, candle, diapers, cleaning supplies, FRS radio, dog food, 20 oz. bottle of pop
-	Candy, 20 oz. bottle of pop
-	Cookies, beef jerky, candy, baby wipes, clothing, 20 oz. bottle of pop
-	Candy
-	Grocery items including onions, potatoes, pancakes, bananas, soup, and cookies; clothing; diapers; pop; sheets; ornaments
-	Camera, magic cards, laundry supplies, trash bags, grocery items
-	Candy, comforter, glue gun, fabric, groceries, 20 oz. bottle of pop
-	Party favors, pickles, 15 foot tree, ornaments, halloween items, flowers, groceries, 20 oz. bottle of pop
-	Dog bones, interior paint and paint supplies, diapers, spices, pop, beef jerky, donuts, Halloween items, candy, groceries, light bulbs, 20 oz. bottle of pop
-	Halloween and fall decorations, candy
-	Ornaments, home décor, Christmas decorations, fabric, candle, grocery items
-	Body and bed pillows, bear, laundry supplies, air freshner, toilet paper, pop, tree skirt, grocery items, 20 oz. bottle of pop

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Special Investigation of  
Before and After School Services

Purchases at Wal-Mart  
For the period July 1, 2000 through December 31, 2004

<b>Receipt Date</b>	<b>Receipt Total</b>	<b>Improper</b>	<b>Unsupported</b>	<b>Reasonable</b>	<b>Sales Tax**</b>
11/04/03	363.10	234.95	69.18	37.29	21.68
11/05/03	139.89	23.82	17.01	91.90	7.16
11/11/03	164.29	164.29	-	-	-
11/12/03	374.68	89.73	13.94	240.86	13.53
11/18/03	229.94	39.60	10.00	178.16	2.18
11/21/03	130.27	98.26	-	23.52	8.49
08/23/04	135.97	3.86	-	130.73	1.38
08/24/04	211.03	29.76	-	178.21	3.06
08/25/04	102.66	-	-	102.66	-
09/30/04	443.17	341.46	35.32	37.40	28.99
10/01/04	380.76	42.32	58.68	255.53	24.23
10/07/04	156.46	78.06	-	69.54	8.86
10/08/04	600.00	-	108.58	480.56	10.86

<b>Shopper's Card Remaining Balance</b>	<b>Description of Improper Purchases</b>
-	Christmas decorations and ornaments, candy, fabric, film, 20 oz. bottle of pop
-	Bedding, candy, grocery items, 20 oz. bottle of pop
-	Tree toppers, outlet strip, electrical items, curtain rod, cookies, film, candy, photo frames, laundry supplies, ornaments, soap, fabric, 20 oz. bottle of pop
16.62	Beef jerky, candy, candles, Christmas lights, tree toppers, pop, Christmas décor
-	Beef jerky, Christmas décor, rug, laundry supplies, grocery items, 20 oz. bottle of pop
-	Pink Leappad, Leappad book, Neil Diamond CD or video, cookies, 20 oz. bottle of pop
-	Teaspoons, bottle of water
-	Beer, pop, dog food
-	
-	Game table, double phone card
-	Halloween decorations and items, chicken noodle soup
-	Coffee, candle, candy, juvenile throw
-	

Special Investigation of  
Before and After School Services

Purchases at Wal-Mart  
For the period July 1, 2000 through December 31, 2004

<b>Receipt Date</b>	<b>Receipt Total</b>	<b>Improper</b>	<b>Unsupported</b>	<b>Reasonable</b>	<b>Sales Tax**</b>
10/14/04	83.07	-	-	83.07	-
11/02/04	292.17	-	39.38	233.68	19.11
11/03/04	428.35	389.61	13.52	-	25.22
11/15/04	195.17	49.45	-	142.26	3.46
12/08/04	88.30	32.48	32.83	19.93	3.06
12/20/04	536.81	503.91	12.87	-	20.03
12/22/04	753.49	453.49	-	150.94	1.57
<b>Total</b>	<b>\$ 17,191.87</b>	<b>6,738.18</b>	<b>3,165.67</b>	<b>6,543.83</b>	<b>578.49</b>

\*\* If an entire receipt was classified within the same category (i.e., improper), the sales tax was also classified within that category. However, if a receipt was split among categories, the tax was listed separately in the "Sales Tax" column.

<b>Shopper's Card Remaining Balance</b>	<b>Description of Improper Purchases</b>
-	
-	
-	Grocery items, cleaning supplies, poster board, broom, 2 cell phone cards, 400 minute phone card, phone case, 20 oz. bottle of pop
-	200 minute phone card, 20 oz. bottle of pop
-	Grocery items
-	Card holder, \$200 Shoppers card, double phone card, cell phone card, laundry supplies, shampoo, grocery items
147.49	Video games, software, Pixter, Pixter accessories, wrapping paper, diary, toys, rack
<u>165.70</u>	

Special Investigation of  
Before and After School Services

Other Personal Purchases  
For the period July 1, 2000 through December 31, 2004

<b>Per Check</b>				
Check Number	Check Date	Payee	Memo	Description provided by Executive Director
3063	07/31/00	Boji Bay		//
3079	09/26/00	Custom Creations		//
3086	09/28/00	Carol Armstrong		//
3131	01/23/01	Hollywood Grill		//
3206	10/23/01	Carol Armstrong		//
3225	11/08/01	Janice Waltz		//
3226	11/13/01	Mary's [Antique & Gift Shoppe]		//
3228	11/16/01	Mary's [Antique & Gift Shoppe]		//
2923 &	07/30/02	Dyno's		Payment on gas account. Don't have anymore because don't have the driving.
2979 &	08/27/02	Dyno's		Payment on gas account. Don't have anymore because don't have the driving.
3267	09/18/02	Shindigs by Stumps	Halloween Party	Supplies for the haunted house we have every year.
3269	09/19/02	Carol Armstrong	Grant Writer	Fee for completing Wrap-Around and Ross Applications
3276	09/19/02	Great Lake GM		Vehicle for travel between sites
3274	09/19/02	Mary's [Antique & Gift Shoppe]		Christmas program with ornaments for the children and an employee party
3268	09/19/02	Neal Armstrong	Loan Payment	Father provided a loan to help BASS pay back payroll taxes.
3273	09/19/02	Oriental Trading		Supplies - Craft Kits
3020 &	09/24/02	Dyno's		Payment on gas account. Don't have anymore because don't have the driving.
3280	09/25/02	Paper Warehouse		Supplies - Themes
3287	09/28/02	National Wildlife Fund		Could be Christmas calendars OR Christmas cards
3303	09/29/02	Chadwick's		Director unable to provide explanation. <i>Vendor is a women's clothing catalog.</i>
3301	09/29/02	Qwest		Telephone - Had business calls from home.
3302	09/29/02	Qwest	712-336-XXXX	Telephone - Had business calls from home.

<b>Amount</b>	<b>Improper</b>	<b>Unsupported</b>
502.44	502.44	-
531.00	531.00	-
3,500.00	3,500.00	-
1,097.72	1,097.72	-
3,500.00	3,500.00	-
2,000.00	2,000.00	-
901.81	901.81	-
617.07	617.07	-
144.77	-	144.77
313.78	-	313.78
1,112.76	-	1,112.76
10,000.00	10,000.00	-
7,367.00	7,367.00	-
139.08	139.08	-
1,000.00	1,000.00	-
1,193.86	-	1,193.86
277.47	-	277.47
136.04	-	136.04
198.00	198.00	-
106.73	106.73	-
300.00	300.00	-
178.12	178.12	-

Special Investigation of  
Before and After School Services

Other Personal Purchases  
For the period July 1, 2000 through December 31, 2004

<b>Per Check</b>				
<b>Check Number</b>	<b>Check Date</b>	<b>Payee</b>	<b>Memo</b>	<b>Description provided by Executive Director</b>
3297	09/30/02	Storey Kenworthy		Office supplies - Paper, Computer ink, etc.
3308	10/04/02	Mary's [Antique & Gift Shoppe]		Christmas program with ornaments for the children and an employee party
3021 &	10/08/02	Dyno's		Payment on gas account. Don't have anymore because don't have the driving.
3283	10/08/02	Identity Marketing		Christmas presents for the children OR Slinky's with BASS advertisement OR BASS magnets for parents
3310	10/20/02	Spirit Lake Football		Fundraiser donation - purchased fruit
3313	11/06/02	Mary's [Antique & Gift Shoppe]		Christmas program with ornaments for the children and an employee party
3315	11/09/02	Mary's [Antique & Gift Shoppe]		Christmas program with ornaments for the children and an employee party
3324	11/11/02	Heartsong		Director unable to provide explanation. <i>Vendor is a book publisher producing primarily romance novels.</i>
3323	11/11/02	National Wildlife Fund		Could be Christmas calendars OR Christmas cards
3329	11/11/02	Pizza Ranch		Deliver pizza in the summer for the children
3321	11/12/02	Neal Armstrong	Loan Payment	Father provided a loan to help BASS pay back payroll taxes.
3337	11/12/02	Shoppers [Supply]		Possibly the lumber for the shelving built in the storage room at Spirit Lake. Also, had to buy a storage unit for Milford; it could be that.
3075 &	11/13/02	Dyno's		Payment on gas account. Don't have anymore because don't have the driving.
3340	11/15/02	Shoppers [Supply]		Possibly the lumber for the shelving built in the storage room at Spirit Lake. Also, had to buy a storage unit for Milford; it could be that.
3351	12/16/02	Dyno's		Mileage/gas for driving between sites
3353	12/16/02	Post Master		Stamps
3357	12/19/02	Blue Water Divers		EMT Training OR Supplies for Christmas Parties
3356	12/19/02	Michelle & Co		Probably Christmas cards
3363	12/24/02	Jerry Waltz	Loan Payment	Father-in-law provided BASS a loan for operating expenses.
3160 &	01/23/03	R & D Industries		Probably where Cindy [Hansen] gets the payroll checks or software
3258 &	04/08/03	Dyno's		Payment on gas account. Don't have anymore because don't have the driving.
3259 &	04/08/03	Qwest		Telephone



<b>Amount</b>	<b>Improper</b>	<b>Unsupported</b>
245.43	-	245.43
1,568.15	1,568.15	-
196.70	-	196.70
186.87	186.87	-
72.00	-	72.00
948.93	948.93	-
334.66	334.66	-
299.30	299.30	-
299.60	299.60	-
244.84	-	244.84
8,000.00	8,000.00	-
290.18	-	290.18
210.08	-	210.08
64.09	-	64.09
200.00	-	200.00
81.40	-	81.40
713.57	713.57	-
466.56	466.56	-
5,000.00	5,000.00	-
193.48	-	193.48
289.08	-	289.08
85.53	85.53	-

Special Investigation of  
Before and After School Services

Other Personal Purchases  
For the period July 1, 2000 through December 31, 2004

<b>Per Check</b>				
<b>Check Number</b>	<b>Check Date</b>	<b>Payee</b>	<b>Memo</b>	<b>Description provided by Executive Director</b>
3382	04/27/03	Qwest		Telephone - Had business calls from home.
3384	04/28/03	Storey Kenworthy		Office supplies - Paper, Computer ink, etc.
3393	04/30/03	Dyno's		Mileage/gas for driving between sites
3396	05/01/03	Identity Marketing		Christmas presents for the children OR Slinky's with BASS advertisement OR BASS magnets for parents
3398	05/05/03	Post Master		Stamps
3403	05/08/03	Mary's [Antique & Gift Shoppe]		Christmas program with ornaments for the children and an employee party
3405	05/15/03	Dyno's		Mileage/gas for driving between sites
3407	05/23/03	Lakeshore		One of our supply companies
3423	06/30/03	Spirit Lake Hot Lunch		Bought portion cups
3429	07/14/03	Post Master		Stamps
3440	07/22/03	^^		Director unable to provide an explanation.
3447	07/22/03	Alliant Energy		Director unable to provide explanation. <i>Utilities for BASS are provided by the Community School Districts.</i>
3436	07/22/03	Blue Water Divers		Director unable to provide explanation.
3437	07/22/03	Blue Water Divers		T-shirt or hat for a prize
3441	07/22/03	Shoppers [Supply]		Supplies - Shelving/Lumber
3442	07/22/03	Storey Kenworthy		Office supplies
3452	08/01/03	OST [Okoboji Summer Theater]		Took children to a play
3455	09/08/03	Patt Swanson		Trip to Virgin Islands taken as a benefit
3524 &	09/23/03	R & D Industries		Possibly payroll checks
3469	10/01/03	National Wildlife Fund		Possibly puzzles
3456	10/01/03	Storey Kenworthy		Office supplies
3470	10/06/03	Identity Marketing		T-shirts/Fleece jackets with the BASS logo for staff to wear
3488	10/07/03	World Travel		Vacation taken as a benefit
3497	10/08/03	Mary's [Antique & Gift Shoppe]		Christmas Stuff

<b>Amount</b>	<b>Improper</b>	<b>Unsupported</b>
37.42	37.42	-
171.67	-	171.67
40.00	-	40.00
128.66	128.66	-
74.00	-	74.00
404.46	404.46	-
28.25	-	28.25
120.52	-	120.52
28.25	-	28.25
37.00	-	37.00
247.90	247.90	-
156.29	156.29	-
422.35	422.35	-
17.99	-	17.99
748.10	748.10	-
17.14	-	17.14
60.00	-	60.00
4,400.00	4,400.00	-
48.75	-	48.75
894.43	894.43	-
21.99	-	21.99
1,760.74	-	1,760.74
15,000.00	15,000.00	-
500.15	500.15	-

Special Investigation of  
Before and After School Services

Other Personal Purchases  
For the period July 1, 2000 through December 31, 2004

<b>Per Check</b>				
<b>Check Number</b>	<b>Check Date</b>	<b>Payee</b>	<b>Memo</b>	<b>Description provided by Executive Director</b>
3518	10/15/03	Carol Armstrong	Grant Writing	Fee for completing Wrap-Around and Ross Applications
3509	10/16/03	National Wildlife Fund	Christmas Cards	Possibly puzzles
3523	10/24/03	Mary's <i>[Antique &amp; Gift Shoppe]</i>		Christmas Stuff
3527	10/29/03	Carol Armstrong		Fee for completing Wrap-Around and Ross Applications
3528	10/29/03	Janice Waltz		Mother-in-law provided loan to help BASS pay back payroll taxes.
3530	10/31/03	Carol Armstrong		Fee for completing Wrap-Around and Ross Applications
3537	11/03/03	Dyno's		Gas
3536	11/03/03	Identity Marketing	Christmas Gifts for Kids	T-shirts/Fleece jackets with the BASS logo for staff to wear
3541	11/06/03	Carol Armstrong		Fee for completing Wrap-Around and Ross Applications
3545	11/16/03	Colleen Kloewer	Loan Payment	Sister-in-law provided loan to help BASS pay back payroll taxes.
@	11/17/03	^^		Director unable to provide an explanation.
3563	12/12/03	Mary's <i>[Antique &amp; Gift Shoppe]</i>		Christmas Stuff
3560	12/18/03	Tim Waltz	Christmas	Director unable to provide explanation.
3561	12/21/03	Lora Bilney	Christmas	Employee Christmas Bonus
3572	12/22/03	Amber Novak		Employee Christmas Bonus
3568	12/22/03	Ashley Wiff	Christmas	Employee Christmas Bonus
3565	12/22/03	Bernadine Frederick	Christmas	Employee Christmas Bonus
3569	12/22/03	Carolyn Bjornson	Christmas	Employee Christmas Bonus
3567	12/22/03	Debbie Simmons	Christmas	Employee Christmas Bonus
3571	12/22/03	Geneva Clark	Christmas	Employee Christmas Bonus
3564	12/22/03	Jeremiah Johnson	Christmas	Employee Christmas Bonus
3562	12/22/03	Katy Hyatt	Christmas	Employee Christmas Bonus
3573	12/22/03	Linda Thelen		Employee Christmas Bonus
3566	12/22/03	Margie Riggen	Christmas	Employee Christmas Bonus

<b>Amount</b>	<b>Improper</b>	<b>Unsupported</b>
5,000.00	5,000.00	-
428.00	428.00	-
283.92	283.92	-
150.00	150.00	-
4,000.00	4,000.00	-
502.00	502.00	-
41.00	-	41.00
413.12	-	413.12
150.00	150.00	-
15,000.00	15,000.00	-
285.64	285.64	-
643.46	643.46	-
500.00	500.00	-
25.00	25.00	-
25.00	25.00	-
25.00	25.00	-
25.00	25.00	-
25.00	25.00	-
25.00	25.00	-
25.00	25.00	-
25.00	25.00	-
25.00	25.00	-
25.00	25.00	-
25.00	25.00	-
25.00	25.00	-
25.00	25.00	-

Special Investigation of  
Before and After School Services

Other Personal Purchases  
For the period July 1, 2000 through December 31, 2004

<b>Per Check</b>				
<b>Check Number</b>	<b>Check Date</b>	<b>Payee</b>	<b>Memo</b>	<b>Description provided by Executive Director</b>
3570	12/22/03	Merrie Kaye Shaffer	Christmas	Employee Christmas Bonus
3574	12/22/03	Sarah Reuter		Employee Christmas Bonus
3559	12/23/03	Goodies		Christmas Goodie Bags - <i>Vendor is a candy shop.</i>
3577	01/14/04	USPS		Stamps
3582	01/15/04	USPS (Postmaster)		Stamps
3590	01/28/04	Qwest		Okoboji phone
3588	01/28/04	Storey Kenworthy		Office supplies
**	02/17/04	BMSI Autodebit		Director unable to provide explanation.
3609	07/28/04	Subway		Director unable to provide explanation.
3967 &	08/18/04	Subway Subs		Summer Lunch
3619	08/25/04	Dairy Queen	#19	Last day of summer - BASS employee lunch
3614	08/27/04	Pizza Ranch		Summer Program - Lunch
@	09/24/04	Great Lakes Toyota		Used truck for hauling supplies. <i>The money order was for \$19,000. A \$3 service charge was added.</i>
3623	09/26/04	Janice Waltz		Purchased 2-way radios and a refrigerator from brother-in-law's company (Panama Transfer) damaged goods sale
3627	09/29/04	Pizza Ranch	Summer Lunch Program	//
3638	09/30/04	Arnolds Park	Queen Ride	//
3630	09/30/04	Carol Armstrong		//
3628	09/30/04	Neal Armstrong	Credit Card Payment for Summer ??	//
3640	09/30/04	Qwest		//
3641	09/30/04	Shoppers <i>[Supply]</i>		//
3639	09/30/04	Storey Kenworthy		//
4081 &	10/04/04	Carol Armstrong		//

<b>Amount</b>	<b>Improper</b>	<b>Unsupported</b>
25.00	25.00	-
25.00	25.00	-
102.02	-	102.02
37.00	-	37.00
37.00	-	37.00
155.33	155.33	-
43.21	-	43.21
174.35	174.35	-
273.15	-	273.15
276.15	-	276.15
60.57	-	60.57
71.44	-	71.44
19,003.00	19,003.00	-
2,100.00	2,100.00	-
261.48	-	261.48
311.00	311.00	-
118.80	118.80	-
4,000.00	4,000.00	-
359.60	359.60	-
868.97	-	868.97
30.60	-	30.60
1,242.60	1,242.60	-

Special Investigation of  
Before and After School Services

Other Personal Purchases  
For the period July 1, 2000 through December 31, 2004

<b>Per Check</b>				
<b>Check Number</b>	<b>Check Date</b>	<b>Payee</b>	<b>Memo</b>	<b>Description provided by Executive Director</b>
3648	10/06/04	Patt Swanson	First Aid Training	//
3652	10/09/04	Sam's		//
4099 &	10/18/04	Carol Armstrong		//
3668	10/24/04	Sam's	#19	//
4123 &	11/02/04	Carol Armstrong		//
4133 &	11/15/04	Carol Armstrong		//
3676	11/21/04	Sam's	#19	//
4153 &	11/30/04	Carol Armstrong		//
3680	12/11/04	Sam's	#19	//
4171 &	12/13/04	Carol Armstrong		//
3684	12/21/04	Newmans		//
Total				

& Payment made from BASS Payroll Account.

^^ No payee was specified on the check.

@ Item was a money order; therefore, there is no check number.

\*\* Item was an auto-debit; therefore, there is no check number.

// We identified this disbursement after meeting with Ms. Waltz. We did not request an explanation for this disbursement.

Note: Items in italics added by auditor.



<b>Amount</b>	<b>Improper</b>	<b>Unsupported</b>
350.00	-	350.00
307.05	-	307.05
1,242.60	1,242.60	-
1,606.73	-	1,606.73
1,242.60	1,242.60	-
1,242.60	1,242.60	-
579.89	-	579.89
1,242.60	1,242.60	-
428.07	-	428.07
1,242.60	1,242.60	-
184.31	-	184.31
<b>\$ 147,391.62</b>	<b>133,727.60</b>	<b>13,664.02</b>

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Special Investigation of  
Before and After School Services

Staff

This special investigation was performed by:

Annette K. Campbell, CPA, Director  
Jennifer Campbell, CPA, Senior Auditor  
Heather B. Allen, Staff Auditor



Tamera S. Kusian, CPA  
Deputy Auditor of State

## **Appendices**

Special Investigation of  
Before and After School Services

Wrap-Around Statement of Assurances and Signature Page

**STATEMENT OF ASSURANCES**

The applicant hereby agrees that if wrap-around child care grant funds are provided:

1. They will be in compliance with all federal and state civil rights laws and regulation with respect to equal employment opportunity.
2. They will be in compliance with Title VI of the 1964 Civil Rights Act, as amended, and all other federal, state and local laws and regulations regarding the provision of services.
3. They will be in compliance with Section 504 of the Rehabilitation Act of 1973, as amended, and with all federal, state, and local Section 504 laws and regulation, and with the Americans with Disabilities Act.
4. They will be in compliance with all federal, state and local laws and regulations regarding affirmative action.
5. They will exclude no person from the participation in or the receipt of programs, activities or benefits on the grounds of race, creed, color, sex, age, physical or mental disability, religion, national origin, or political belief; nor shall they discriminate against any person in employment or application for employment on the grounds of race, creed, color, sex, age, physical or mental disability, religion, national origin, or political belief.
6. If a grant project is not fully implemented in all facets, the money will be returned to the Department of Human Services.
7. They will expend funds received as a result of this application solely on the described projects and programs.
8. The figures, facts and representations made in this application, including all exhibits and attachments, are true and correct to the best of their knowledge.
9. Any unused funds will be returned to DHS.

Special Investigation of  
Before and After School Services

Wrap-Around Statement of Assurances and Signature Page

10. The filing of this application has been authorized by:

<u>Meg Waltz</u>	<u>5/29/04</u>
Signature of Executive Director or Other Person Authorized to Sign for Applicant Agency	Date

<u>Meg Waltz</u>	Executive Director
Please Type or Print Name and Position of Above Person	

<u>Meg Waltz</u>	<u>Executive Director</u>
Name of Project Director	Position

This section is to be completed by the Department of Human Services.

Any restrictions:

<u>\$ 47,975</u>	<u>Kevin W Conner</u>
Amount Approved	Authorized Signature
	<u>Director, 8/27/04</u>
	Title Date

Special Investigation of  
Before and After School Services

Copies of Documents Related to Purchase of Vehicle

11640 28088

REMITTER  
*BASS May Waltz*  
SPIRIT LAKE, IA 9-24-04 72-569/739  
031127

PAY TO THE ORDER OF *Great Lakes Toyota* \$ 19,000.00

FIRST BANK AND TRUST **T 9 0 0 0 0 D O L L A R S 0 0 C T S** DOLLARS

THIS DOCUMENT HAS A MICRO-PRINT SIGNATURE LINE, WATERMARK AND A THERMOCHROMIC ICON, ABSENCE OF THESE FEATURES WILL INDICATE A COPY

**FIRST BANK AND TRUST**  
802 Lake Street PO Box AA Spirit Lake, Iowa 51360

PRESIDENT CASHIER  
*Cheryl Korns* MP

⑈0 28088⑈ [REDACTED] 051 ⑈0001900000⑈

Special Investigation of  
Before and After School Services

Copies of Documents Related to Purchase of Vehicle

MOTOR VEHICLE PURCHASE AGREEMENT			
NO. _____	DEAL# 11079	CUST# 11640	DATE 09/24/04
BUYER: MARGARET RUTH WALTZ		CO-BUYER: TIMOTHY JOSEPH WALTZ	
ADDRESS: _____			
CITY: SPIRIT LAKE			
STATE: IA		ZIP: 51360	
BUYER'S REGISTRATION MONTH: _____		COUNTY: DICKINSON	
SALESPERSON: LENN ARLO ZEMPEL			
RES. PHONE: _____ BUS. PHONE: _____			
DESCRIPTION OF PURCHASED VEHICLE: <input type="checkbox"/> NEW <input checked="" type="checkbox"/> USED <input type="checkbox"/> DEMO <input type="checkbox"/> CAR <input checked="" type="checkbox"/> TRUCK <input type="checkbox"/> PROGRAM RENTAL <input type="checkbox"/> VAN			
STOCK NO. 041303A TO BE DELIVERED ON OR ABOUT: 09/24/04			
YEAR 2002 MAKE CHEVROLET TRUCK MODEL AVALANCHE BODY TYPE 4DR			
VIN # _____ COLOR: WHT TRIM: _____			
PRICE OF VEHICLE	\$ 25988.00	TRADE-IN ALLOWANCE AND OTHER CREDITS: YEAR	
ACCESSORIES		TRADE-IN MAKE	MODEL BODY TYPE
		PLATE NO.	VIN #
		BALANCE OWED TO	
		ADDRESS	
		TRADE-IN ALLOWANCE	\$ N/A
		LESS BALANCE OWED	\$ N/A
		NET TRADE-IN ALLOWANCE OR REMAINING TRADE-IN DEBT	\$ N/A
		DEPOSIT OR CREDIT BALANCE	\$ N/A
		MANUFACTURER'S REBATE (IF ANY)	\$ N/A
		TOTAL DOWN PAYMENT (TRANSFER TO LEFT COLUMN)	\$ N/A
<b>BUYER'S TRADE-IN CERTIFICATION</b>			
If you are trading in a vehicle, you certify the following:			
1. That there is no salvage or repair history on the vehicle title that would affect the value of the vehicle. If there is salvage or repair history on the title, you agree that the dealer may cancel this sale.			
2. That to the best of your knowledge, the vehicle was never on a salvage, rebuilt or flood title in this or any other state.			
3. That while you have owned the trade-in, its odometer has not been repaired, replaced, tampered with or altered in any way. That the odometer statement, damage disclosure statement and prior vehicle history which you provided us for your trade-in is true and correct.			
4. That the original emission control system (including the catalytic converter) is intact. That the engine and transmission have not been changed from the manufacturer's original specifications. That the trade-in does not have a cracked or defective head, block, power-train or frame.			
\$ SERVICE CONTRACT PRICE	\$ 2232.00	<b>DISCLAIMER OF WARRANTY</b> IF THERE IS A MANUFACTURER'S WARRANTY ON THE VEHICLE YOU ARE BUYING, THE DEALER IS NOT A PARTY TO IT AND IT IS NOT A PART OF THIS CONTRACT. IF WE ARE AUTHORIZED BY THE MANUFACTURER TO PERFORM WARRANTY WORK ON YOUR VEHICLE, WE HOPE THAT YOU ASK US TO PERFORM THE WORK. HOWEVER, THE MANUFACTURER'S WARRANTY IS BETWEEN YOU AND THE MANUFACTURER. AS FAR AS THE DEALER IS CONCERNED, YOU UNDERSTAND THAT THE VEHICLE IS SOLD "AS IS" WITH ALL FAULTS AND THAT WE MAKE NO WARRANTY OF MERCHANTABILITY AND NO WARRANTY THAT THE VEHICLE IS FIT FOR ANY PARTICULAR PURPOSE. [There is additional information in (2) on the back of this contract.]	
\$ 28220.00	28220.00		
\$ N/A	LESS TRADE-IN ALLOWANCE		
\$ N/A	LESS MANUFACTURER'S REBATE		
\$ 28220.00	TAXABLE AMOUNT		
TAX \$ 1455.64	TITLE FEE \$15 LICENSE FEE \$ 323.00	\$ 1793.64	
DOC. FEE \$ 26.00		\$ 26.00	
LIEN FILING FEE [credit sale only see (1) on back]		\$ N/A	
TOTAL CASH DELIVERED PRICE		\$ 30039.64	
LESS TOTAL DOWN PAYMENT (FROM RIGHT COLUMN)		\$ - N/A	
UNPAID CASH BALANCE DUE ON DELIVERY		\$ 30039.64	
OTHER INFORMATION OR TERMS OF SALE: -19800.00 11039.64			
You understand that this agreement (including the terms on the back) is an offer to purchase the vehicle described which will become a binding contract once the dealer has signed it. This document represents the complete agreement between you and the dealer regardless of any other oral, written or prior agreements or representations. However, if you are buying a used vehicle, the information you see on the window form for this vehicle is part of the contract and the information on the window form overrides any contrary provision in this contract.			
Iowa law requires us to give you the following notice: You understand that liability insurance coverage which would protect you under the Iowa Motor Vehicle and Safety Responsibility Act IS NOT INCLUDED in your purchase of this motor vehicle.			
By signing this contract, you are certifying that you are at least 18 years old (if there are two buyers, that at least one of you is 18 years old), that you have read this contract, front and back, and agree to its terms, and that you have received a copy of it.			
Accepted By: _____ Dealer's Authorized Representative		X Margaret Ruth Waltz _____ Buyer's Signature Date of Birth _____ Buyer's Driver's License or F.I.D. No. & Soc. Sec. No. if different from Drivers License No. _____ X _____ Co-Buyer's Signature Date of Birth _____ Co-Buyer's Driver's License or F.I.D. No. & Soc. Sec. No. if different from Drivers License No. _____	

