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NEWS RELEASE

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FOR RELEASE

June 7, 2018

Auditor of State Mary Mosiman today released a report on a special investigation of the City of Huxley Fire and Rescue Association for the period January 1, 2012 through April 30, 2017. The special investigation was requested by Fire Chief Chad Anthony as a result of concerns regarding the propriety of certain financial transactions of the Huxley Fire and Rescue Association (Association).

Mosiman reported the special investigation identified \$5,581.19 of improper and unsupported disbursements from the funds collected by the Association. The \$2,732.02 of improper disbursements identified includes \$740.04 of cash payments to individuals, \$141.82 of cashier's checks issued to vendors, \$1,370.55 of debit card purchases, and \$479.61 of purchases at Sam's Club. The bank documents associated with these transactions were signed by the former Treasurer and co-signed by the former President of the Association.

The \$2,849.17 of unsupported disbursements identified includes \$2,201.15 paid to flower shops, \$524.30 of debit card purchases at Hickory Park in Ames, and \$273.72 of debit card purchases at Chili's restaurant in Ankeny.

Mosiman reported it was not possible to determine if any additional improper disbursements were made or if all donations and fundraiser collections were properly deposited during the period of the investigation because adequate records were not available.

The report includes recommendations for the Association to strengthen internal controls, such as improvements to segregation of duties, maintaining supporting documentation for all expenditures, and maintaining adequate financial records, including ledgers, receipt books, and bank reconciliations.

Copies of the report have been filed with the Division of Criminal Investigation, the Story County Attorney's Office, and the Attorney General's Office. A copy of the report is available for review in the Office of Auditor of State and on the Auditor of State's web site at <https://auditor.iowa.gov/reports/1720-0816-BE00>.

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**REPORT ON SPECIAL INVESTIGATION
OF THE
HUXLEY FIRE AND RESCUE ASSOCIATION
FOR THE PERIOD
JANUARY 1, 2012 THROUGH APRIL 30, 2017**

Table of Contents

	<u>Page</u>
Auditor of State's Report	3-4
Investigative Summary:	
Background Information	5-7
Detailed Findings	8-18
Recommended Control Procedures	19-21
Exhibits:	<u>Exhibit</u>
Summary of Findings	A 23
Improper and Unsupported Cash Withdrawals	B 24-25
Improper and Unsupported Vendor Payments	C 26-29
Fundraising Profit and Loss Summary	D 31
Staff	32



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Auditor of State's Report

To the Mayor and Officials of the Huxley
Fire and Rescue Department and
Huxley Fire and Rescue Association:

As a result of alleged improprieties regarding certain financial transactions and at the request of the Fire Chief of the Huxley Fire and Rescue Department, we conducted a special investigation of the Huxley Fire and Rescue Association (Association). We have applied certain tests and procedures to selected financial transactions of the Association for the period January 1, 2012 through April 30, 2017. Based on a review of relevant information and discussions with Department and Association members, we performed the following procedures.

- (1) Evaluated how the Association was established to determine if it is part of the City or a separate legal entity.
- (2) Evaluated internal controls to determine whether adequate policies and procedures were in place and operating effectively.
- (3) Reviewed activity in the Association's checking account to identify any unusual activity. We also examined images of redeemed cashier's checks and withdrawal documents for payments issued from the bank accounts to determine propriety.
- (4) For selected disbursements, we examined available supporting documentation to determine whether the disbursements were appropriate, properly approved, and properly supported.
- (5) Examined documentation obtained from selected vendors to determine propriety of certain disbursements.
- (6) Interviewed Department officials to determine the propriety of certain disbursements.
- (7) Interviewed Jana Erickson, the former Treasurer, and Scott Herman, the former President, to determine the propriety of certain disbursements.
- (8) Examined documentation maintained by the Association to determine if all collections were properly deposited.
- (9) Obtained and reviewed monthly statements for the former Association Treasurer's personal bank account to determine the propriety of certain deposits.

The procedures identified \$5,581.19 of improper and unsupported disbursements from the Association's bank accounts. Because adequate records were not available, we were unable to determine if there were additional improper disbursements or if all donations and fundraiser collections were properly deposited. Several internal control weaknesses were also identified. Our detailed findings and recommendations are presented in the Investigative Summary and **Exhibits A** through **D** 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 the City of

Huxley's Fire and Rescue Department or the Huxley Fire and Rescue Association, other matters might have come to our attention which would have been reported to you.

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

We would like to acknowledge the assistance and many courtesies extended to us by the officials and personnel of the Huxley Fire and Rescue Department and Huxley Fire and Rescue Association during the course of our investigation.


MARY MOSIMAN, CPA
Auditor of State

May 9, 2018

Report on Special Investigation
of the
Huxley Fire and Rescue Association

Investigative Summary

Background Information

The Huxley Fire and Rescue Department (Department) is located in Huxley, Iowa in Story County. The Department provides fire, hazmat, rescue services, and community education to residents in its service area. The Department serves the City of Huxley and provides mutual aid to the various cities and townships in Story County. Members of the Department established the Huxley Fire and Rescue Association (Association) in 2002 to raise funds to help support the operations of the Department. Membership in the Association is limited to members of the Department.

Department operations are overseen by the Fire Chief who is elected by the members of the Department and approved by the City Council. Chad Anthony was elected as the Fire Chief on January 3, 2017 and approved by the City Council on January 9, 2017. He was re-elected on January 2, 2018 and approved by the City Council on January 8, 2018. The operations of the Association are overseen by the Association's Board of Directors (Board).

The City is responsible for paying the Department's operating expenses, including the Fire Chief's salary, payments to members for the calls they respond to, utilities, fuel, insurance, monthly service fees for communications, training, building maintenance, and purchases and maintenance of equipment. In order to pay for the operations of the Department, the City budgets funds from its General Fund annually. In addition, the City has contracts with surrounding townships to provide fire and emergency services to the townships. All funds received under the contracts are deposited with the City and recorded in the City's accounting system.

The Association's primary revenue sources are donations and fundraising events, including an annual plant sale in the spring and hog roast at the end of the summer. A photography fundraising event is also held in the spring every other year. The 3 fundraising events are described in the following paragraphs.

- Plant sale – Each year, the City included a flyer with residents' water bills in April and May. Residents who wish to purchase plants complete the form and submit it with their payment to City Hall. After the ordering period closed, the Association's Treasurer picked up the order forms and payments, compiled the orders and placed the order with a local greenhouse. The collections were to be deposited in the Association's bank account.

The flowers were subsequently delivered to the Fire Department or the Treasurer picked them up. The greenhouse required payment at the time the order was picked up or delivered.

- Hog roast – The Association has held an annual hog roast in late August or early September. The hogs and some other supplies were donated by businesses in the area. However, the Association purchased items such as condiments, napkins, plates, trash bags, charcoal, and other items needed for the event.

The Association used a fish tank to collect free will donations at the event. At the end of the event, 2-3 members, including the Treasurer, took the fish tank to a back room and counted the donations. A deposit slip was prepared and the Treasurer took the cash, checks, and deposit slip to the bank.

- Photo fundraiser – During even number years, the Association distributes flyers requesting donations to help fund the purchase of specific equipment for the Department. Donations of any amount are accepted. However, if someone donates more than a set amount, they can receive a free sitting with a local

photographer. According to Department officials, this fundraiser typically generates the most revenue for the Association. In the past, the flyer was mailed in April, May, or June; however, in 2016, the flyers were mailed in September.

When a donor would like to take advantage of the photo session, the individual's name is included on a spreadsheet. Once the period to respond has ended, the list is provided to the photographer and the Association issues a cashier's check to the photographer for the sitting fees.

Once the photo sessions have occurred, the photographer issues a check to the Association for a percentage of the amount collected for any additional sales of photo packages.

As previously stated, the operations of the Association are overseen by the Association's Board of Directors (Board). The Board consists of 7 Directors elected by the members, including a President, Vice President, Secretary, and Treasurer. The day-to-day financial operations are handled by the Treasurer. In June 2017, the Association updated its bylaws to include more detail on membership, meetings, election of officers, terms, and audit requirements.

As previously stated, Mr. Anthony was initially elected as the current Fire Chief on January 3, 2017; however, he has not been elected to a Board position for the Association. Scott Herman served as the President of the Association for several years until he resigned in January 2017. Mr. Herman was also the Assistant Chief of the Department for a period of time. The current President of the Association is Lee Eddy.

Jana Erickson held the positions of Secretary and Treasurer for the Association since 1984. However, she was removed from the Treasurer position in February 2017 when concerns over her handling of the Association's financial transactions were identified. She was voted back in as Treasurer after the new Association bylaws went into effect in May 2017. She was voted out as Treasurer on June 6, 2017 for not following the Association bylaws. During the same meeting, Ms. Betty Rob was voted in as the current Treasurer. Ms. Erickson is still the Association Secretary. Ms. Erickson was still the acting Treasurer from February 2017 until she was voted back in as Treasurer in May 2017. However, during the period February 2017 until May 2017 the Treasurer's duties' were performed by another Association member. Ms. Erickson's duties as the Treasurer included:

- 1) Receipts – collecting, preparing deposits, recording deposits in the checkbook, and making deposits,
- 2) Disbursements – purchasing supplies and equipment for the Association, purchasing cashier's checks to pay bills, distributing the cashier's checks, recording disbursements in a ledger, and maintaining supporting documentation,
- 3) Bank accounts – reconciling monthly bank statements to the accounting records, and
- 4) Reporting – preparing the monthly Treasurer's Report and other reports requested by the Fire Chief or other parties.

Additionally, Ms. Erickson, as the Secretary, was to maintain a list of members and record minutes for the Association meetings.

The funds raised by the Association are to be deposited in a bank account established by the Association and maintained separately from the City. The account allows the Association to write checks and use a debit card for purchases. The signers on the bank account are the Association's Treasurer and the Fire Chief.

Prior to May 2017, the former Association President, Scott Herman, and Ms. Erickson were authorized to withdraw funds from the Association's bank account. According to Department staff, they chose not to issue checks and instead have cashier's checks issued by the bank to the

vendors. In order to issue a cashier's check, a withdrawal slip was prepared and signed by Ms. Erickson and the former Association President. After the funds were withdrawn, 1 or more cashier's checks were prepared by the bank. In some instances, cash was also withdrawn to reimburse individuals for purchases made on behalf of the Association. Cashier's checks and reimbursements were to be supported by documentation maintained by the Treasurer. Beginning in November 2013, purchases were also made using a debit card linked to the Association's bank account.

In May 2017, the Association's bank account was closed and a new account was opened at a local bank. Currently, checks are written by the Treasurer and signed by the President and Vice President of the Association. The Association no longer has a debit card for the account. The current Fire Chief is a signer on the account in order to review bank records; however, he is not authorized to sign checks.

While Ms. Erickson was Treasurer, the statements for the Association's bank account were mailed directly to her home. Department officials we spoke with stated Ms. Erickson also maintained all the bank statements, supporting documentation, reports, minutes, and other documentation at her home. Supporting documentation was to include receipts, invoices, or other appropriate documentation from vendors and support for payments to the Department's members.

Currently the bank statements, supporting documentation, minutes, and other information are maintained at the Fire Department. The Treasurer reviews the supporting documentation before preparing the checks to be signed by the President and Vice President. The bank statements are reviewed by the Treasurer and the President.

As previously stated, Mr. Anthony was elected as the current Fire Chief on January 3, 2017 and was re-elected on January 2, 2018. Prior to becoming Fire Chief, he was a volunteer fire fighter with the Department and member of the Association. According Mr. Anthony, as a member he had previously heard rumors of Association funds not being used appropriately. When he became Fire Chief, Mr. Anthony found out minutes were not maintained showing what the Board approved, the bank statements were being mailed to the Treasurer's home, and no records were maintained at the Department. He also stated when he asked questions regarding these concerns during an Association meeting in January 2017, Ms. Erickson took him outside and told him she used the account for personal purchases by accident and asked how to repay it to the Association.

The current Fire Chief requested bank statements from Ms. Erickson who provided them going back to 2012. He also requested supporting documentation for the disbursements from the account, but Ms. Erickson did not provide any support to him. The Association sent a letter to Ms. Erickson on February 17, 2017 requesting all documents relating to the Association be submitted to the Department by February 20, 2017. At approximately the same time, the current Fire Chief informed the Mayor of the concerns and the Mayor requested Ms. Erickson bring all records to City Hall. According to the current Fire Chief, Ms. Erickson brought all the records she had to City Hall. When the current Fire Chief and the new Treasurer went through the records, they determined a debit card had been issued for the bank account, there was very little support for disbursements from the account, and there was a Sam's Club credit card no one knew about.

After the current Fire Chief's initial review of the bank statements and other information, he suggested, and the Association Board agreed, an audit of the Association's records was needed. The bank account was closed and a new account opened at a different bank.

As a result of concerns identified by the current Fire Chief regarding the propriety of financial transactions handled by the Association's former Treasurer, he contacted the Office of Auditor of State to request a review of the Association's operations. As a result of the request, we performed the procedures detailed in the Auditor of State's report for the period January 1, 2012 through April 30, 2017.

Detailed Findings

The procedures performed identified \$5,581.19 of improper and unsupported disbursements from the Association's bank account for the period January 1, 2012 through April 30, 2017. The bank documents associated with these transactions were signed by the former Treasurer and co-signed by the former President of the Association. **Exhibit A** summarizes the amounts identified.

Because adequate documentation was not available, it was not possible to determine if additional amounts were improperly disbursed or if all donations and collections from fundraising events held by the Association were properly deposited during the period of our investigation. Several internal control weaknesses were also identified. The improper and unsupported disbursements identified are discussed in detail in the following paragraphs.

IMPROPER DISBURSEMENTS

We spoke with Ms. Erickson and Mr. Herman to discuss the disbursements from the Association's account. According to Ms. Erickson, she turned over all supporting documentation, bank statements, and other records to the Association when they made the request.

Using the documentation available from the Association, including images of cashier's checks, available supporting documentation, internet searches, and discussions with Department staff, we classified the disbursements as improper, unsupported, or reasonable. Disbursements were classified as improper if they appeared personal in nature and/or were not necessary or reasonable for operations of the Association or Department. Disbursements were classified as unsupported if sufficient documentation was not available and we were unable to determine the propriety of the payment based on information obtained from Department staff, the payee, amount, and frequency of the payments. It is possible some of the unsupported disbursements may be appropriate for Association or Department operations.

We also identified disbursements we consider reasonable for Association or Department operations based on discussions with Department staff, available supporting documentation, the vendors, and the type of goods and services provided by the vendor. Examples of disbursements we considered reasonable include payments for postage, training, and fire equipment. We also considered fundraising costs reasonable based on discussions with Department officials, timing of the disbursements, if we were able to document sufficient proceeds were deposited to cover the costs of individual events and the funds were used to benefit the operations of the Association or Department.

As previously stated, withdrawal slips were prepared and signed by the former Treasurer and the former President of the Association. The cash withdrawn from the Association's bank account was used to reimburse individuals or issue cashier's checks to vendors. In addition, a debit card assigned to the Association's bank account was used to make purchases beginning in November 2013.

During the period of our investigation, the Association disbursed a total of \$123,419.72 from its bank account. Of this amount, \$117,838.53 of disbursements were reasonable for the operations of the Department. The \$117,838.53 includes disbursements related to fundraising events, the purchase of defibrillators, insurance, and equipment.

The remaining \$5,581.19 includes \$2,732.02 of improper disbursements and \$2,849.17 of unsupported disbursements. The improper and unsupported disbursements are explained in detail in the following paragraphs. **Exhibit A** summarizes the improper and unsupported disbursements identified.

Cash Withdrawals – We identified 11 improper cash withdrawals totaling \$740.04 paid to individuals. The cash withdrawal slips were signed by Ms. Erickson and Mr. Herman. The

\$740.04 of improper cash payments are listed in **Exhibit B**. Improper cash withdrawals identified are discussed in the following paragraphs.

- A \$252.50 withdrawal on April 13, 2012 which included a receipt from MetaBank for the purchase of a \$250.00 prepaid credit card and the related \$2.50 fee for the card. The withdrawal slip was signed by Ms. Erickson and Mr. Herman. The receipt does not indicate who received the card or what the card was to be used for. According to Ms. Erickson, she could not recall what the debit card was used for; however, she stated the receipt should have been located with the records she provided to the Department. According to the current Fire Chief, there was not a reason to purchase a prepaid credit card. Additional supporting documentation could not be located showing how the card was used. Because there was not support for the prepaid credit card, there were no fundraising events around this time, and disbursements were to be made by cashier's check, the \$252.50 purchase for a prepaid credit card is improper.
- A \$27.00 cash withdrawal on June 25, 2012 includes a notation on the withdrawal slip it was to reimburse "3 bills." The slip did not include any information on the bills being reimbursed or who was receiving the cash reimbursement. The withdrawal slip was signed by Ms. Erickson and Mr. Herman. Ms. Erickson could not recall what the bills were for. Because all Association bills and reimbursements to members were to be paid by cashier's check and there was no documentation showing who was paid for the bills or what the 3 bills were for, the \$27.00 is improper.
- A \$50.00 cash withdrawal on August 24, 2012 did not include any notations on the withdrawal slip indicating what the cash was used for or who was to be reimbursed. The withdrawal slip was signed by Ms. Erickson and Mr. Herman. Ms. Erickson and Mr. Herman could not recall what the bills were for. Because there was no support or reason for the withdrawal, the \$50.00 is improper.
- A \$75.31 cash withdrawal on May 31, 2013 included a notation on the withdrawal slip "Jana (lowes) - 48.31" and "Chicken Shed K McGinn Flowers \$27.00". The withdrawal slip was signed by Ms. Erickson and Mr. Herman. Ms. Erickson recalled the flowers may have been for a funeral but she could not recall who the flowers were for. According to Department officials, the flowers were for a funeral. However, documentation for the amount reimbursed to Ms. Erickson could not be located. Because there was no support for the amount Ms. Erickson reimbursed herself, the \$48.31 is improper.
- A \$75.00 cash withdrawal on August 23, 2013 includes the notation "Cash - Hog Roast" on the withdrawal slip. The withdrawal slip was signed by Ms. Erickson and Mr. Herman. The hog roast fundraiser is usually held in late August. According to Ms. Erickson and Mr. Hermann, they may have needed some supplies at the Hog Roast and the withdrawal was to reimburse someone or they may have used it for change. However, according to the current Fire Chief, there would be no reason cash would be needed for change for the hog roast fundraiser because it is a free will donation and cash and checks were collected in a fish tank at the door of the hog roast. Because cash was not needed for the hog roast, the \$75.00 is improper.
- A \$15.00 cash withdrawal on September 4, 2013 includes a notation "Cash - stamps & Thank yous." The withdrawal slip was signed by Ms. Erickson and Mr. Herman. According to the current Fire Chief, the Department sends out thank you, get well, and condolence cards. However, Department officials could not locate any documentation showing who the thank you cards were for. Ms. Erickson stated she did not recall who the thank you notes were for. Because all disbursements were to be made by cashier's check and there was no

support showing if the thank you cards were actually purchased and who they were mailed to, the \$15.00 is improper.

- A \$60.89 cash withdrawal on August 14, 2014 includes the notation “Jana-Replacement Plants” on the withdrawal slip. The withdrawal slip was signed by Ms. Erickson and Mr. Herman. The current Treasurer located a receipt from Holub Greenhouses which included the purchase of various plants and seeds. Department officials did not know of any reason the plants and seeds would need to be purchased. According to Ms. Erickson, the plants may have been used for the hog roast for decorations or around the Department building. Because all bills were to be paid by cashier’s check and there was no reason for the purchase of the plants and seeds, the \$60.89 is improper.
- A \$57.95 cash withdrawal was made on August 25, 2014. Based on the date of the withdrawal, the current Fire Chief thought some of the funds may have been used for purchases related to the hog roast fundraiser.

The withdrawal slip includes a notation “Janas (lowes plants) - \$36.34 + 1.61 (poster box).” The withdrawal slip was signed by Ms. Erickson and Mr. Herman and it did not include an explanation for the remaining \$20.00 withdrawn from the bank account.

The current Treasurer found a receipt from Lowes totaling \$36.34 which agreed with the notation on the withdrawal slip. The Lowes receipt listed 2-gallon size mums with grass for \$16.98 each, and sales tax of \$2.38 for a total of \$36.34. According to Ms. Erickson, the flowers were probably planted around the Department building. However, according to Department officials we spoke with, they do not recall flowers being planted at the Department. As a result, the \$36.34 purchase from Lowes is improper.

The current Treasurer also found a receipt for \$23.22 from Dollar General which included the purchase of hamburger buns, pop, and poster board. Because the withdrawal was around the time of the annual hog roast, these items were considered reasonable for Association operations.

The 2 receipts found by the current Treasurer total \$59.56, which exceeds the amount withdrawn. Because sufficient documentation is not available, we are unable to determine with certainty if the 2 receipts related to the \$57.95 cash withdrawal or if an incorrect amount was withdrawn as a reimbursement for the items listed on the receipts.

- An \$85.00 cash withdrawal on September 2, 2014 includes the notation “Gift card, Refund – Jana (pop, thank yous)” on the withdrawal slip. The remainder of the note was unreadable. The withdrawal slip was signed by Ms. Erickson and Mr. Herman. Based on the note, Ms. Erickson received the reimbursement. Ms. Erickson could not recall the reason for the gift card purchase. Department officials could not locate any documentation for the gift card showing who received the card or how it was used.

As previously stated, the Association sends out thank you, get well, and condolence cards on occasion. However, because disbursements were to be made by cashier’s check, there was no documentation of who received the thank you cards or gift cards, and the amount of pop purchased, the \$85.00 is improper.

- A \$40.00 cash withdrawal on March 20, 2015 includes the notation on the withdrawal slip “Postage, Envelopes, Thank yous.” The withdrawal slip was signed by Ms. Erickson and Mr. Herman. Department officials could not locate any documentation for the cash withdrawal. Ms. Erickson stated the Department sent out thank you cards for donations. The current Fire Chief stated the Department sends out thank you, get well, and condolence cards on

occasion. However, because disbursements were to be made by cashier's check and there was no support or a list of who the thank you cards were for, the \$40.00 is improper.

- A \$50.00 cash withdrawal on May 11, 2015 did not include any notations on the withdrawal slip indicating what the cash withdrawal was for or who was to be reimbursed. Ms. Erickson and Mr. Herman stated the cash may have been related to the plant sale. The withdrawal slip was signed by Ms. Erickson and Mr. Herman. Because disbursements were to be made by cashier's check and there was no support or reason provide for the cash withdrawal, the \$50.00 is improper.

Ms. Erickson and Mr. Herman stated the receipts should have been attached to the stubs of the cashier's checks and were with the records Ms. Erickson provided to the Association. As previously stated, Association officials originally could not locate the receipts and other records and requested Ms. Erickson bring all records to the Department. However, Association officials stated they did not receive all the receipts and cashier's check stubs for the withdrawals made from the Association's bank account.

The \$740.04 of improper cash withdrawals listed in **Exhibit B** are included in **Exhibit A** as improper disbursements.

Vendor Payments – We also identified \$1,512.37 of improper purchases made by cashier's check or debit card at area vendors which were not related to the operation of the Association or Department and were determined to be personal in nature. The \$1,512.37 includes \$1,370.55 of debit card purchases and \$141.82 of purchases made by cashier's checks. **Exhibits C** lists the improper and unsupported payments identified which were made by cashier's check and debit card. Selected improper disbursements made by cashier's check and debit card are discussed in the following paragraphs.

Buds Auto Repair, Inc. – We identified a \$820.35 debit card purchase on December 24, 2014 at Buds Auto Repair, Inc. for 2 invoices. The invoices show the customer's name was Scott Hermann, the Association President at the time. According to invoices provided by Department officials, the \$820.35 was to pay 2 invoices dated December 9, 2014 for repairs to a 2006 Buick. Mr. Herman stated the debit card purchase was his car and he must have grabbed the wrong debit card when he went to pay for the repairs. According to the current Fire Chief, the Association did not own a Buick. Because the \$820.35 payment was for repairs to a personal vehicle, the \$820.35 disbursement is improper.

Fareway – We identified 5 improper disbursements totaling \$135.02 to Fareway. Of the 5 disbursements, 3 disbursements totaling \$70.32 were made by cashier's checks and 2 disbursements totaling \$64.70 were made with a debit card. We reviewed the supporting documentation located at the Department and discussed the disbursements with Department officials. The \$135.02 of improper disbursements identified included:

- A \$31.68 cashier's check issued on February 7, 2012 to pay past due charges for which no support was available showing what or when the items were purchased. Because disbursements were to be supported by documentation and paid in a timely manner by cashier's check there would be no reason for a past due charge at Fareway.
- Purchases totaling \$79.46 which were supported by several receipts show the items purchased included Andes cream de mint, green peppers, cucumbers, potato chips, chocolate, whipped green, and cookies. Of the \$79.46, \$40.82 of purchases were made using a debit card. According to the current Fire Chief and the dates the purchases were made, there would be no reason for these items to

be purchased because there were no Association events around the time of the purchases.

- A \$23.88 debit card purchase on February 13, 2017 was not supported. As a result, we are unable to determine what was purchased. However, according to the current Fire Chief, there would be no reason for the items to be purchased because there were no Association events around the time of the purchases.

Ms. Erickson stated based on the dates for some of the purchases in January and February 2017, these may have been related to the annual party. The annual party is usually held in December or January but was moved in 2017 to February due to weather.

Because the \$135.02 of purchases were not for an Association event and the documentation could not be located for the items purchased, the \$135.02 paid from the Association's bank account is improper.

Casey's – We identified debit card purchases on May 15, 2014 for \$34.38 and July 29, 2014 for \$40.00. Department officials could not locate supporting documentation for the purchases. The Department has fuel cards provided by the City for purchasing fuel for the fire trucks and ambulance. As a result, there is no reason the Association's debit card would be needed for fuel or other purchases at Casey's.

The only purchase at Casey's which Department officials recall was for a gift card provided to the prom committee and the purchase of pizza for volunteers who helped clean up after the hog roast 1 year. Ms. Erickson and Mr. Herman stated they could not recall a reason for the purchases; however, they later stated it could be for help cleaning up after an event or for water or food for a fire call. Because the Department has fuel cards for purchasing fuel and there was no documentation for the 2 debit card purchases, the \$34.38 and \$40.00 debit card transactions at Casey's on May 15, 2014 and July 29, 2014, respectively, are improper.

Books A Million – According to the current Fire Chief, the \$25.00 debit card purchase at Books A Million in Ames, Iowa on September 22, 2016 was for a book Ms. Erickson admitted to him was personal. Ms. Erickson stated she grabbed the wrong debit card when she went to pay for the book. She disclosed this to the Fire Chief and repaid the \$25.00 to the Association. The Association could not locate any documentation showing the \$25.00 was repaid to the Association. Because Ms. Erickson admitted the purchase was personal, the \$25.00 disbursement is improper.

Chicken Shed – We identified a \$47.19 withdrawal on May 29, 2012. The withdrawal was used to issue a \$25.00 cashier's check to the Chicken Shed and a \$22.19 cashier's check to Fareway. We also identified a \$40.00 withdrawal on April 23, 2014 which was also used to issue a cashier's check to the Chicken Shed. Both withdrawal slips include Ms. Erickson's signature and a signature which appears to be the former Fire Chief's signature. According to the notations on the withdrawal slips, the cashier's checks were issued for flowers. We also identified debit card purchases of \$28.89 on January 22, 2015 and \$35.00 on March 7, 2016 at the Chicken Shed. Information on the Chicken Shed website states they sell flowers, baskets, and other decorative items. Department officials could not locate support for the 4 purchases. Ms. Erickson stated the purchase may be related to the flower sale, possibly for items used around the Department for landscaping, or if it was in January for the annual party. Because the Department could not locate support, disbursements were to be made by cashier's check, and flowers for the plant sale were purchased from Goode Greenhouse, the \$128.89 is improper.

Department officials we spoke with stated the items purchased at Fareway may have been used at the plant sale sponsored by the Association. As a result, the \$22.19 Fareway purchase is unsupported.

We also identified purchases of \$328.73 at SFI*PHOTOSBYSHUTTERFLY, Dollar General, Menards, and a payment to an individual for which documentation could not be located. Department officials also stated they did not recall any reason for the purchases. Because there was no supporting documentation and Department officials could not recall a reason for these purchases, the \$328.73 is included in **Exhibit C** as improper.

As previously stated we discussed the withdrawals from the Association’s bank account with Ms. Erickson and Mr. Herman. They both stated the receipts should have been attached to the stubs of the cashier’s checks and all other receipts were with the records Ms. Erickson provided to the Department.

The \$1,512.37 of improper payments listed in **Exhibit C** are included in **Exhibit A** as improper disbursements.

Sam’s Club – In order to purchase items from Sam’s Club, an individual or business must have a Sam’s Club membership card. The membership card allows the holder to purchase items and pay for the items using cash, check, or credit card. The Association had a membership with Sam’s Club which allowed anyone who had access to the membership card to make purchases.

According to Ms. Erickson and Mr. Herman, the Association decided to get its own membership card because it became difficult to get the City card and the purchase orders required to purchase items at Sam’s Club. Ms. Erickson stated she used her name and Mr. Herman’s name for the account when they applied for the membership card and the charge card. Ms. Erickson also stated the statements for the charge card were mailed to her home. Ms. Erickson started when she was removed as the Treasurer she cancelled the membership and charge card since it was in her name.

We identified payments from the Association’s bank account to Sam’s Club. Because sufficient documentation was not available from the Association, we obtained information regarding purchases made with the Association’s membership account directly from Sam’s Club. However, Sam’s Club was not able to provide information for purchases made prior to August 6, 2013. The information provided by Sam’s Club for purchases made after August 6, 2013 included dates of purchases, specific items purchased, the individual costs of the items, and how each purchase was paid for.

Using the information provided by Sam’s Club, we were able to determine which payment methods were paid for with Association funds. **Table 1** summarizes the amounts paid by the payment methods specified by Sam’s Club.

Description	Amount	
Sources other than the Association:		
Various credit cards	\$ 1,415.70	
Debit Card	864.15	
Electronic checks*	849.34	
Cash	472.52	
EBT food stamps	101.50	3,703.21
Association bank account/credit card:		
Debit card	594.87	
ACH transaction	45.00	
Charges to Sam’s Club credit card	2,452.25	3,092.12
Total		<u>\$ 6,795.33</u>

* Traced to disbursements from Ms. Erickson’s personal bank account.

As illustrated by the **Table**, purchases totaling \$3,703.21 which were made with the Association’s membership account were not paid for with Association funds. These purchases included items such as bedding items, health care products, dishwasher detergent, books, and holiday décor. As a result, it is clear these items were not for Association operations and the Association’s membership account was used to make personal purchases.

Also as illustrated by the **Table**, there was a debit card payment and an ACH transaction from the Association’s bank account for purchases at Sam’s Club. In addition, \$2,452.25 of purchases were charged to the Association’s credit card. Using the Association’s bank statements, we determined Association funds were used to pay for \$2,157.85 of the \$2,452.25 of charges to the Association’s credit card. By adding the \$2,157.85 of payments for the credit card to the \$594.87 debit card payment and \$45.00 ACH transaction, we determined the total payments from the Association’s bank account totaled \$2,797.72.

We reviewed all the items purchased using the Association’s membership account. As previously stated, all items purchased and paid for with funds other than the Association’s bank account were personal in nature. The remaining purchases which were paid for with the Association’s bank account or the Sam’s Club credit card are described in **Table 2**. Based on the description of the item purchased, the date of the purchase, and discussions with Department staff, we determined the purchases listed in **Table 2** were reasonable for the Department/Association’s operations.

Date	Purpose of Purchase	Amount
08/06/13	Membership fee	\$ 45.00
08/06/14	Hog roast	407.50
06/13/14	4 th of July parade	69.86
08/06/14	Hog Roast (net of \$50.00 in shopping cards)	568.48
08/25/15	Hog roast (net of \$25.00 shopping card)	437.68
08/26/15	Hog roast	194.72
08/24/16	Hog roast (net of \$25.00 shopping card)	594.87
Total		\$ 2,318.11

As previously stated, for the period for which Sam’s Club was able to provide information regarding the purchases made with the Association’s membership account, we identified \$2,797.72 of disbursements from the Association’s bank account to Sam’s Club. As shown by **Table 2**, only \$2,318.11 of the purchase made during the same period were determined to be reasonable for the operations of the Association or Department. Items were considered reasonable if the purchase related to an annual fundraising event or other event sponsored by the Association.

Table 3 compares the amount paid from the Association’s bank account to the purchases made for the Association for the period August 6, 2013 through September 18, 2016.

Description	Amount
Payments made by the Association	\$ 2,797.72
Purchases determined to be reasonable	(2,318.11)
Improper purchases	\$ 479.61

The **Table** shows the Association paid \$479.61 more than the purchases which were reasonable for the operations of the Association/Department. Because the \$479.61 was not related to an Association event, the \$479.61 is included in **Exhibit A** as improper disbursements.

As previously stated, Sam's Club was not able to provide information for purchases made prior to August 6, 2013. Prior to this date, we identified 4 disbursements to Sam's Club from the Association's bank account which totaled \$653.25. Department officials were able to provide supporting documents for 3 of the 4 disbursements. The items purchased on the 3 occasions were appropriate for the Association's/Department operations. The remaining disbursement for which supporting documentation was not available was a \$125.92 payment to Sam's Club in July 2012. Because the amount is comparable to other Association purchases of candy for the 4th of July, we determined the \$125.92 was also reasonable.

UNSUPPORTED DISBURSEMENTS

Based on discussion with Department staff and the available supporting documentation, \$645.60 of cash disbursements listed in **Exhibit B** and \$2,203.57 of payments listed in **Exhibit C** which were made to vendors with cashier's checks or a debit card were classified as unsupported disbursements. As previously stated, unsupported disbursements are purchases which could be for Department operations or personal in nature. Selected unsupported disbursements are discussed below.

- Hog roast – We identified 2 cash withdrawals totaling \$840.00. A \$540.00 withdrawal on September 4, 2013 which related to 2 cashier's checks totaling \$240.00 and \$300.00 in cash. The withdrawal slip included a notation "Lee Family - \$300.50." We also identified a \$300.00 cash withdrawal on September 9, 2016 for 2 cashier's checks and \$100.00 in cash. The notation on the withdrawal slip included Lee Family Farms - \$100.00." The current Fire Chief contacted the Lee Family and they confirmed they did receive \$300.00 in gift cards as a donation for the hogs provided for the hog roast in 2013. However, they had no record of receiving \$100.00 in 2016. The current Fire Chief also asked members who were on the Board in 2013 and they did not recall approving the payments to the Lee Family. He also stated he thought the meat was usually donated.
- Plant sale change – We identified \$25.00 cash withdrawals on May 14, 2012, May 10, 2013, and May 12, 2016. The withdrawals were made at the same time a withdrawal was made in order to issue a cashier's check to Goode's Greenhouse for the plants purchased for the annual plant fundraiser. The withdrawal slips also included the notation "Change (Plant Sale)" on the withdrawal slip. According to Department officials, when individuals ordered a plant they were required to pay at the time the order was placed. Department officials also stated there may have been extra plants ordered and sold when the plants were delivered or picked up. As a result, they were not sure if cash would have been needed for the plant sale. If cash was used to make change, the amount withdrawn would have been redeposited shortly after the event with any additional collections from the plant sale.

We reviewed the bank statements for May 2012, 2013, and 2016. Based on the review, we identified \$134.00 of cash deposited on May 29, 2012 which may have included the \$25.00 withdrawn on May 14, 2012. We did not identify any cash deposited in May 2013 or May 2016 which could have included the cash withdrawn earlier in the month. However, deposits were made in June of 2013 and 2016 which may have included the \$25.00 cash withdrawn in May of those years. Because there were no records showing the amount collected at the sale and when the amounts were deposited, the \$25.00 cash withdrawals made on May 14, 2012, May 10, 2013, and May 12, 2016 are included as unsupported disbursements.

Gift cards – According to Department officials, they usually donate \$100.00 in gift cards to the prom committee in April each year and they purchase gift cards to be awarded to members at the annual Christmas party.

We identified a \$185.69 cash withdrawal on December 5, 2012 which included a notation on the withdrawal slip indicating the cash was used to purchase 2 gift cards at \$25.00 each and Christmas party supplies for \$135.69. According to the receipt for the \$135.69 of supplies purchased, the supplies consisted of spoons, forks, knives, and bowls. According to the current Fire Chief, the Association holds an annual Christmas party for the members and their families at which awards are presented to members. The current Fire Chief stated the gift cards may have been given out as awards at the party. Because the current Fire Chief stated the gift cards may have been for an Association event but we are unable to verify the disbursement, the \$50.00 is unsupported.

We also identified a total of \$450.00 of cash withdrawals during April 2012 through 2016 which were related to the annual donation to the post prom event at the high school. The Department was unable to locate support for \$300.00 of the \$450.00 of gift cards purchased. Because the Association donated to the post prom event in April each year and the purchases of the gift cards occurred in April the \$450.00 in gift cards purchased for prom are considered reasonable.

Goode Greenhouse – We identified 8 purchases totaling \$10,024.94 from Goode Greenhouse. The Department usually purchased the flowers and plants for the annual plant fundraiser from Goode Greenhouse. The fundraiser is usually held in May each year. Of the 8 purchases, 4 purchases totaling \$653.80 were not supported by documentation showing what was purchased or the reason for the purchase. The 4 purchases include: a cashier's check issued on June 5, 2012 for \$143.25, 2 cash payments on May 14, 2013 totaling \$47.90 and June 28, 2013 for \$66.70, and a debit card purchases on May 14, 2014 for \$395.95

According to Department officials, based on the dates and the notations on the withdrawal slips, the purchase may have been related to replacing flowers which were improperly ordered. Because we are unable to verify the 4 purchases were for the Association or its annual plant fundraiser, the \$653.80 is unsupported.

Hickory Park – We identified a debit card purchase at Hickory Park for \$524.30 on February 13, 2017. There was no documentation indicating what the purchase was for or who it was for. In addition, there was not a Department event or fundraiser around this time. According to the current Fire Chief, Ms. Erickson had possession of the debit card. Because there are no receipts showing who was at Hickory Park, what was purchased, or documenting the benefit to the Department, the \$524.30 debit card purchase is improper.

Chili's – We identified 2 debit card purchases – totaling \$273.72 at Chili's in Ankeny. The first debit card purchase for \$123.72 was posted to the Association's bank account on March 18, 2014 and the other purchase of \$150.00 was posted on March 24, 2015. According to the current Fire Chief, based on the dates of the transactions the purchases may be for purchasing meals for members who participate in the "Fight for Air Climb" held in Des Moines. The "Fight for Air Climb" is a fundraiser for the American Lung Association and several members participated each year. Because the Association did pay for meals for members who participated in the "Fight for Air Climb" but there are no receipts showing who was at Chili's, or what was purchased, the \$273.72 in debit card purchases are included as unsupported disbursements.

The \$645.60 of cash disbursements listed in **Exhibit B** and \$2,203.57 of payments listed in **Exhibit C** which were made to vendors with cashier's checks or a debit card are included in **Exhibit A** as unsupported disbursements.

UNDEPOSITED COLLECTIONS

Because the Department did not maintain support for collections made at the various fundraising events, donations received by the Department, or other receipts not deposited with the City, we cannot determine if all collections were properly deposited in the Department's separately maintained bank account.

According to Department officials we spoke with, the Association's primary revenue source is collections from 3 fundraising events. As previously stated, the 3 fundraisers are the annual plant sales, annual hog roast, and a photo fundraiser held every even year. According to Department officials, the plant and photo fundraisers are usually held at the same time.

As previously stated, the hog roast and photo fundraisers were free will donations. The amounts collected were often deposited in a single deposit, and records were not maintained to determine how much of the deposit was for the plant sale and the amount deposited for the photo sitting fundraiser.

The current Treasurer was able to locate limited records for the 3 fundraisers. Based on the records available, the current Treasurer prepared a summary of the profit/loss for the fundraisers for the periods records were available. **Exhibit D** summarizes the revenue and expenses by calendar year for the fundraisers. Because adequate records of collections and disbursements related to the fundraiser were not maintained, we cannot determine if the amounts shown are complete.

According to Department officials we spoke with, they did not receive any information on the amount raised by the plant sales. They also stated there were years they had leftover plants or years the Treasurer said the wrong plants were delivered and she had to go purchase more and return some plants. Information was also not available regarding the amount collected for the photo fundraiser. As illustrated by **Exhibit D**, the amount collected decreased significantly in 2016 when compared to 2014. Association officials are unable to provide an explanation for the decrease.

The information presented for the annual hog roast in **Exhibit D** shows a decline in expenses for 2015 and 2016. Prior to 2015, the Association paid a local Pepsi distributor approximately \$1,000.00 for the CO2 tanks and pop for the hog roast. However, as illustrated by **Exhibit D**, expenses decreased approximately \$2,000 from 2014 to 2015. As previously stated, adequate records were not maintained for the fundraising events. As a result, we are unable to provide explanation for the remaining decrease in expenses. According to Department officials, the hogs, buns, pop, water, and other items were usually donated by local businesses and individuals. The Department usually provided plates, napkins, silverware, and some condiments.

As previously stated, because sufficient records were not maintained for the fundraising events, we cannot determine if the collections from the events sponsored by the Association were sufficient to pay the costs of the events or all collections were deposited.

OVERSIGHT AND INTERNAL CONTROL

As previously stated, Department staff we spoke with stated they chose not to issue checks and instead have cashier's checks issued by the bank to vendors. In order to issue a cashier's check, a withdrawal slip was prepared and signed by Ms. Erickson and the former Association President. After the funds were withdrawn, 1 or more cashier's checks were prepared by the bank.

Because the former Treasurer did not issue checks from the Association's bank account, images were not included with the monthly bank statements which specified vendors or individuals who received payments from the Association. While copies of cash withdrawal slips were included in the bank statements, they did not specify a verifiable payee. The monthly bank statements did not include copies of the cashier's checks issued by the bank with Association funds. As a result,

if someone had reviewed the monthly bank statements, they would not have been able to determine how Association funds were spent.

The Association's Executive Committee and Board have a fiduciary responsibility to exercise authority over its funds, efficiently and effectively achieve its mission, provide oversight of the Association's operations and maintain the public trust. Oversight is typically defined as the "watchful and responsible care" a governing body exercises in its fiduciary capacity. Because the former President co-signed the cash withdrawal slips for disbursements from the Association's bank account, he was responsible for ensuring funds were used exclusively for Department/Association operations.

Based on our review, we identified the following concerns related to oversight of the Association:

- The Board was not aware the Treasurer did not maintain adequate supporting documentation for all Association disbursements.
- Minutes of Association meetings were not maintained which included a list of bills approved, financial reports, or other information requested or discussed.
- The Association does not have a written policy and procedures manual which includes requirements for supporting documentation for all payments to vendors, credit card charges, reimbursements to members and other individuals, or the use of a debit card.
- Disbursements were made with a debit card. These purchases are not approved by the Board prior to disbursement.

Recommended Control Procedures

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

- A) Segregation of Duties – An important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. The Treasurer for the Association had control over each of the following areas for the Department:
- (1) Receipts – collecting, preparing deposits, posting to the ledger, and making deposits,
 - (2) Disbursements – purchasing, preparing disbursements, distributing cashier's checks, posting to the ledger, and maintaining supporting documentation,
 - (3) Bank accounts – reconciling monthly bank statements to the accounting records, and
 - (4) Reporting – preparing the monthly Treasurer's Report and other reports requested by the Fire Chief or other parties.

Recommendation – We realize segregation of duties is difficult with a limited number of staff. However, Association officials should review control procedures to obtain the maximum internal control possible under the circumstances utilizing currently available personnel and/or elected officials.

- B) Supporting Documentation – The Association did not maintain adequate supporting documentation for purchases from vendors or reimbursements to individuals. As a result, we cannot determine if all purchases and reimbursements to individuals were necessary and reasonable for the operations of the Association.

Recommendation – The Association should implement policies requiring adequate supporting documentation be provided in order to determine the goods and services purchased, the related quantity, and reimbursements to individuals are necessary and reasonable for the operations of the Department. Disbursements should not be approved unless adequate supporting documentation is available. Disbursements should be approved by the Association Board prior to payment.

- D) Financial Accounting Records – Very limited financial records were maintained by the Association during the period of our investigation. The following conditions were identified:

- (1) No ledger was maintained.
- (2) Pre-numbered receipts were not issued for collections for donations and fund raising activities.
- (3) Monthly bank account reconciliations were completed; however, the bank statements were delivered to and reviewed by the individual responsible for disbursing the Association's funds.

Recommendation – Department officials should establish formal accounting records to account for all receipts and disbursements. Records should include:

- Pre-numbered receipts for all collections.
- Adequate supporting documentation for disbursements, including invoices and receipts.
- Checks should be prepared by the Treasurer and written in sequential order. Checks should be reviewed and signed by appropriate officials. The review should include comparing invoices and supporting documentation to the check.
- Monthly bank to book reconciliations should be prepared by an independent individual and reviewed by someone independent of all financial transactions.

E) Recording Donations - The former Treasurer did not keep a record of donations, collections from fundraising events, or provide receipts to individuals or organizations that made donations to the Association. In addition records were not maintained of the profit and loss of the various fundraising events held by the Association. As a result, it is not possible to determine if all collections are deposited intact and in a timely manner.

Recommendation – Procedures should be established to ensure donations and other collections are recorded and receipts are provided to donors. This provides donors with documentation to use for tax purposes and it provides the entity a tool to monitor deposits. Someone independent of other financial duties should review the donation log or receipt book on a periodic basis and comparisons should be made to bank deposits as part of the monthly bank reconciliation process.

F) Debit Card - We identified a number of purchases made with the debit card associated with the Association’s bank account. The debit card was used to purchase food at restaurants, make donations for a fundraising event, postage, grocery stores, greenhouses, and home improvement stores, such as Lowes and Menards. The purchases were not consistently supported by appropriate documentation. Purchases made using a debit card are an immediate payment and do not allow the proper authorization by an oversight Board or Council.

Recommendation – Association officials should implement procedures requiring all purchases with Association funds be by check, properly supported with original invoices, receipts, or other appropriate documentation. In addition, officials should consider eliminating the use of a debit card and using a credit card in its place. A debit card instantly uses Association funds without any independent review or approval. However, a credit card allows officials to determine the propriety of purchases prior to authorizing the use of Association funds to pay for purchases made with the credit card.

In addition, Department officials should establish a written policy which prohibits the personal use of the credit card. The policy should specify the potential consequences of using the credit card for personal purchases. The policy should be clearly communicated to all Association members and each member using the credit card should be required to sign a statement regarding their understanding of the policy.

G) Cashier’s checks - We identified a number of purchases made with cashier’s checks from the Association’s checking account. Because cashier’s checks were used the bank statements did not include images of the disbursements and a reviewer was not able to determine the propriety of the disbursements from the account. In addition, the purchases made by cashier’s checks were not consistently supported by appropriate documentation.

Recommendation – Association officials should implement procedures requiring all purchases with Association funds be properly supported with original invoices, receipts,

or other appropriate documentation. In addition, officials should ensure all payments are made by check issued for the checking account and not cashier's checks.

- H) Meeting minutes – The Association did not maintain minutes, financial reports, bills listings presented to the Board for approval or other requested information provided to Department officials and members of the Association.

Recommendation – Association officials should ensure detailed financial information is reported by the Secretary/Treasurer to provide transparency to the members. The minutes should be reviewed in a timely manner so any errors can be identified and corrected. In addition, procedures should be implemented which ensure the Secretary and the President sign all meeting minutes to document their accuracy. All obligations should be presented to Board for approval prior to payment and financial reports presented by the Secretary/Treasurer to the City Council should be filed with the related minutes.

Exhibits

Report on Special Investigation of the
Huxley Volunteer Fire and Rescue Association

Summary of Findings
For the Period January 1, 2012 through April 30, 2017

Description	Exhibit / Table	Amount		
		Improper	Unsupported	Total
Improper and unsupported disbursements:				
Cash withdrawals	Exhibit B	\$ 740.04	645.60	1,385.64
Payments to vendors	Exhibit C	1,512.37	2,203.57	3,715.94
Sam's Club	Table 3	479.61	-	479.61
Total improper and unsupported disbursements		<u>\$2,732.02</u>	<u>2,849.17</u>	<u>5,581.19</u>

Report on Special Investigation of the
Huxley Fire and Rescue Association

Improper and Unsupported Cash Withdrawals
For the Period January 1, 2012 through April 30, 2017

Per Supporting Documentation or Notes on the Withdrawal Slip

Date	Vendor per Receipt	Description from Receipt or Manual Notation	Amount
04/26/12	MetaBank	\$250 prepaid VISA, MasterCard or Discover Gift Card; \$2.50 purchase fee	\$ 252.50
05/11/12	-	Change for Plant Sale	25.00
06/12/12	-	Reimburse - 3 Bills	27.00
08/24/12	-	<i>None</i>	50.00
12/05/12	-	2 Gift Cards (50.00)	50.00
05/10/13	-	<i>None</i>	25.00
05/14/13	Goode Greenhouses	Various flowers	47.90
05/31/13	-	Jana (Lowe's)	48.31
06/28/13	Goode Greenhouses	Various Flowers	66.70
06/28/13	-	Scott (Board) - 6.00	6.00
08/23/13	-	Cash - Hog Roast	75.00
09/03/13	-	Cash - stamps & Thank yous	15.00
09/04/13	-	Lee Family - 300.50	300.00
08/13/14	Holub Greenhouses	Various Plants / Seeds; Sales Tax \$3.98	60.89
08/21/14	Lowe's	2.00-GAL Mum with Grass @ \$16.98; Sales Tax \$2.38	36.34
08/26/14	-	Gift Cards; Refund - Jana (pop, thank yous); Unreadable (Hog Roast)	85.00
03/20/15	-	Postage Envelopes Thank Yous	40.00
05/08/15	-	<i>None</i>	50.00
05/13/16	-	Change (Plant Sale)	25.00
09/09/19	-	Lee Family Farms - 100.00	100.00
Total			<u>\$ 1,385.64</u>

Improper	Unsupported
252.50	-
-	25.00
27.00	-
50.00	-
-	50.00
-	25.00
-	47.90
48.31	-
-	66.70
-	6.00
75.00	-
15.00	-
-	300.00
60.89	-
36.34	-
85.00	-
40.00	-
50.00	-
-	25.00
-	100.00
<u>740.04</u>	<u>645.60</u>

Report on Special Investigation of the
Huxley Fire and Rescue Association

Improper and Unsupported Vendor Payments
For the Period January 1, 2012 through April 30, 2017

Per Bank Statement / Cahier's Check

Date~	Check Number	Payment To	Memo
02/07/12	050527	Fareway	None
05/29/12	050601	FAREWAY	None
05/29/12	050602	CHICKEN SHED	None
06/05/12	050612	Goode Greenhouse	None
08/31/12	050666	Town & Country	None
03/05/13	051003	KRISTA MCGINN	None
08/06/13	050862	Fareway	None
11/15/13	050939	Jimmie Weatherman	None
01/31/14	050987	FAREWAY	None
03/18/14	DC	CHILI'S - ANKENY ANKENY IA	NA
04/23/14	051085	Chicken Shed Primitive	None
05/14/14	DC	GOODE GREENHOUSES DES MOINES IA	NA
05/15/14	DC	CASEYS GEN STORE3075 ANKENY IA	NA
05/20/14	DC	LOWES #00581* AMES IA	NA
07/29/14	DC	CASEYS GEN STORE 2842 HUXLEY IA	NA
08/11/14	051138	Travis Rhiner	None
12/24/14	DC	BUD S AUTO REPAIR HUXLEY IA #0143	NA
12/31/14	051287	Fareway (1 check - 2 receipts)	None
01/22/15	DC	CHICKEN SHED PRIMITIVE HUXLEY IA #0143	NA
03/24/15	DC	CHILI'S #651 ANKENY IA #0143	NA
09/18/15	051352	TOWN AND COUNTRY	None
01/07/16	051580	BRIAN FREESE	None
01/12/16	DC	SFI*PHOTOSBYSHUTTERFLY 800-986-1065 CA #0143	NA
03/07/16	DC	CHICKEN SHED PRIMITIVE HUXLEY IA #0150	NA
06/28/16	DC	GET SMART PRODUCTS 8008270673 NY #0150	NA

Per Supporting Documentation or Notes on the Withdrawal Slip

Date	Description from Receipt or Manual Notation	Amount	Improper	Unsupported
02/01/12	Past due	\$ 31.68	31.68	-
05/11/12	Napkins, forks, orange juice, milk; tax \$.35	22.19	-	22.19
05/29/12	Chix Shed/Flowers	25.00	25.00	-
06/05/12	<i>None</i>	143.25	-	143.25
08/31/12	<i>None</i>	29.00	-	29.00
02/05/13	Dollar General - Lays Chips; Doritos	6.50	6.50	-
06/03/13	Green peppers; cucumber; Lay's chips; milk; rotini; Cookies 1/2 gal.; Miracle Whip; tomatoes	27.15	27.15	-
11/15/13	J. Weatherman payment	210.80	-	210.80
01/31/14	ANDES CRM DE MNT (6 @ \$1.79 (\$10.74); Sales tax \$.75	11.49	11.49	-
03/18/14	<i>None</i>	123.72	-	123.72
04/23/14	Flowers - Chicken Shed Primitives	40.00	40.00	-
05/13/14	Various Flowers	395.95	-	395.95
05/15/14	<i>None</i>	34.38	34.38	-
05/20/14	<i>None</i>	29.90	-	29.90
07/29/14	<i>None</i>	40.00	40.00	-
08/11/14	<i>None</i>	150.00	-	150.00
12/09/14	<i>None</i>	820.35	820.35	-
12/06/14	Various types of Candy; Napkins, Cups, Plates, Forks, Spoons Sales Tax \$2.49	66.47	-	66.47
01/22/15	<i>None</i>	28.89	28.89	-
03/24/15	<i>None</i>	150.00	-	150.00
10/02/15	<i>Receipt not itemized</i>	27.00	-	27.00
01/07/16	<i>None</i>	85.00	-	85.00
01/12/16	<i>None</i>	14.11	14.11	-
03/07/16	<i>None</i>	35.00	35.00	-
06/25/16	5x7 solid wood value frame (30 @ \$3.33); 8x10 solid wood value frame \$4.75; Shipping \$11.95	116.60	-	116.60

Report on Special Investigation of the
Huxley Fire and Rescue Association

Improper and Unsupported Vendor Payments
For the Period January 1, 2012 through April 30, 2017

Per Bank Statement / Cahier's Check

Date~	Check Number	Payment To	Memo
08/12/16	DC	ORIENTAL TRADING CO 402-9393111 NE #0150	NA
08/15/16	DC	DOLLAR-GENERAL #0812 HUXLEY IA #0150	NA
08/15/16	DC	MENARDS ANKENY IA ANKENY IA #0150	NA
08/26/16	DC	FAREWAY STORES #06 SSS ANKENY IA #0150	NA
09/09/16	DC	DOLLAR-GENERAL #0812 HUXLEY IA #0150	NA
09/22/16	DC	BOOKS A MILLION 119 AMES IA #0150	NA
09/29/16	059094	NELSON FAMILY	<i>None</i>
11/28/16	DC	MENARDS ANKENY IA ANKENY IA #0143	NA
12/19/16	DC	FAREWAY STORES, INC HUXLEY IA #0150	NA
01/24/17	DC	FAREWAY STORES #38 SSS AMES IA #0150	NA
02/06/17	DC	PARTY CITY ANKENY IA #0150	NA
02/13/17	DC	FAREWAY STORES, INC HUXLEY IA #0150	NA
02/13/17	DC	HICKORY PARK RESTAURANT AMES IA #0143	NA
02/13/17	DC	DOLLAR TREE AMES IA #0150	NA
02/13/17	DC	PP*STOPSMELLFL 04029352244 IA #0150	NA
Total			

~ - Dates on cashier's checks or date the debit card purchase was posted to bank account.

DC - Debit card purchase.

NA - Not applicable.

Note: Auditor's notations are in italics.

Per Supporting Documentation or Notes on the Withdrawal Slip

Date	Description from Receipt or Manual Notation	Amount	Improper	Unsupported
08/12/16	None	21.49	21.49	-
08/12/16	Cellos Adult-AG \$2; Tax \$.14	2.14	2.14	-
08/15/16	None	5.29	5.29	-
08/25/16	Grapes	18.74	-	18.74
09/07/16	Cellos Adult-AG (3 @ \$1) (hand written note stating these are thank-you's). Sales Tax \$3.21	3.21	3.21	-
09/22/16	None	25.00	25.00	-
09/29/16	Nelson Family - 100.00	100.00	-	100.00
11/28/16	None	211.98	211.98	-
12/19/16	None	10.65	-	10.65
01/23/17	Chocolate, whipped topping, Chex Mix, pop	40.82	40.82	-
02/06/17	None	3.17	3.17	-
02/13/17	None	23.88	23.88	-
02/13/17	None	524.30	-	524.30
02/13/17	None	12.84	12.84	-
02/13/17	None	48.00	48.00	-
		<u>\$3,715.94</u>	<u>1,512.37</u>	<u>2,203.57</u>

**Report on Special Investigation of the
Huxley Volunteer Fire and Rescue Association**

Report on Special Investigation of the
Huxley Fire and Rescue Association

Fundraising Profit and Loss Summary
For the Period January 1, 2012 through April 30, 2017

Event	Calendar Year					Total
	2012	2013	2014	2015	2016	
Plant sale / Photo sitting:						
Revenue	\$17,346.00	3,012.75	19,361.64	3,165.25	8,138.87	51,024.51
Expenses Photo	(4,200.00)	-	(6,200.00)	-	(3,950.00)	(14,350.00)
Expenses plant	(2,174.53)	(2,043.29)	(2,447.93)	(2,720.54)	(3,224.24)	(12,610.53)
Profit/(loss)	10,971.47	969.46	10,713.71	444.71	964.63	24,063.98
Hog roast:						
Revenue	3,791.74	5,852.36	4,031.96	5,476.00	5,477.73	24,629.79
Expenses	(1,939.12)	(2,052.92)	(2,482.08)	(316.01)	(938.23)	(7,728.36)
Profit/(loss)	1,852.62	3,799.44	1,549.88	5,159.99	4,539.50	16,901.43
Total all events:						
Revenue	21,137.74	8,865.11	23,393.60	8,641.25	13,616.60	75,654.30
Expenses	(8,313.65)	(4,096.21)	(11,130.01)	(3,036.55)	(8,112.47)	(34,688.89)
Profit/(loss)	\$12,824.09	4,768.90	12,263.59	5,604.70	5,504.13	40,965.41

Report on Special Investigation of the
Huxley Volunteer Fire and Rescue Association

Staff

This special investigation was performed by:

Annette K. Campbell, CPA, Director
James S. Cunningham, CPA, Manager
Christian E. Cottingham, Senior Auditor



Tamera S. Kusian, CPA
Deputy Auditor of State