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NEWS RELEASE

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FOR RELEASE June 28, 2019

Auditor of State Rob Sand today released a report on a special investigation of the Bagley Fire Fighter's Association for the period February 1, 2014 through September 30, 2018. The special investigation was requested by the former Fire Chief of the Bagley Fire Fighter's Association as a result of concerns regarding how the Association's financial transactions were being handled.

Sand reported the special investigation identified \$13,983.28 of improper disbursements and \$6,901.10 of unsupported disbursements from the Association's bank accounts. The \$13,983.28 of improper disbursements identified includes \$2,076.91 of purchases from Wal-Mart, Sam's Club, and Amazon, \$2,701.27 of convenience store purchases, \$6,589.85 in purchases from other vendors, \$2,552.25 of cash withdrawals, and \$63.00 of bank fees. The \$6,901.10 of unsupported disbursements identified includes \$1,240.34 paid to Wal-Mart, Sam's Club and Amazon, \$4,055.76 paid to other vendors, and \$1,605.00 of cash withdrawals.

In addition, Sand reported \$2,633.90 of undeposited collections were identified which include fundraising collections the Association's former Treasurer reported he received but which were not deposited.

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

The report also 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 Guthrie County Sheriff's Office, the Division of Criminal Investigation, the Guthrie 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/audit-reports/> .

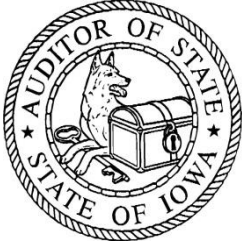
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**REPORT ON SPECIAL INVESTIGATION
OF THE
BAGLEY FIRE FIGHTER'S ASSOCIATION

FOR THE PERIOD
FEBRUARY 1, 2014 THROUGH SEPTEMBER 30, 2018**

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Auditor of State's Report

To the Officials of the Bagley
Fire Fighters Association:

As a result of alleged improprieties regarding certain financial transactions of the Bagley Fire Fighter's Association (Association) and at the request of the former Fire Chief, we conducted a special investigation of the Association. We have applied certain tests and procedures to selected financial transaction of the Association for the period February 1, 2014 through September 30, 2018. Based on discussions with Association personnel and a review of relevant information, we performed the following procedures.

- (1) Evaluated how the Association was organized to determine if it was a department of the City or a separate legal entity.
- (2) Evaluated the Association's internal controls over receipts and disbursements to determine whether adequate policies and procedures were in place and operating effectively.
- (3) Obtained and reviewed the Association's bank statements to identify any unusual activity and determine if bank reconciliations were performed in a timely manner, reviewed, and approved.
- (4) Scanned images of redeemed checks and withdrawal documents issued from the Association's bank accounts to determine reasonableness.
- (5) For selected disbursements, we examined available supporting documentation to determine whether the disbursements were appropriate, properly approved, and supported by adequate documentation.
- (6) Interviewed Association officials to determine the propriety of certain disbursements.
- (7) Interviewed Matt Sutherland, former Association President and Treasurer, to determine the propriety of certain disbursements.
- (8) Evaluated the Association's procedures for collecting and depositing donations and fund raising proceeds to determine if sufficient records were available to determine if collections were deposited intact and in a timely manner.

The procedures identified \$13,983.28 of improper disbursements, \$6,901.10 of unsupported disbursements, and \$2,633.90 of undeposited collections. Because adequate records were not available, we were unable to determine if there were additional improper disbursements or if all donations and fundraiser proceeds were properly deposited. Several internal control weaknesses were also identified. Our detailed findings and recommendations are presented in the Investigative Summary and **Exhibit A** through **G** 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 Bagley Fire Fighters 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 Guthrie County Sheriff's Office, the Division of Criminal Investigation, the Guthrie 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 personnel of the Bagley Fire Fighter's Association and the Guthrie County Sheriff's Office during the course of our investigation.

A handwritten signature in black ink, appearing to read "Rob Sand". The signature is stylized with a large, looped "R" and "S".

ROB SAND
Auditor of State

June 13, 2019

Report on the Special Investigation of the
Bagley Fire Fighter's Association

Investigative Summary

Background Information

The Bagley Fire Fighter's Association (Association) is located in Bagley, Iowa in Guthrie County. The Association provides fire services to residents in its service area. The Association serves the City of Bagley and provides mutual aid to the various cities and townships in Guthrie County. The Association was established in 2001 to raise funds to help support the operations of the Bagley Fire Department (Department). Membership in the Association is limited to members of the Department. The Department is staffed by volunteers (members) living in and around Bagley. The members are not compensated for their services.

Association operations are overseen by the Association's Board of Directors (Board). As part of the Board, the Board President is elected by the members of the Association. Matt Sutherland was elected as the President on November 24, 2013. He was re-elected on November 23, 2014, December 16, 2015, December 11, 2016, and in December 2017 (specific meeting date is unknown).

The City is responsible for paying the Department's operating expenses, including 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 signed 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 fundraising events, including an annual street dance held in the summer, a spring and fall pancake breakfast, and occasionally a fall soup supper. The 3 fundraising events are described in the following paragraphs.

- Night of Fire – The Association has held an annual street dance called Night of Fire in June or August. According to the Association's Facebook account, the event features a band and a beer garden with all proceeds going to the Association.
- Pancake Breakfast – During the spring and fall, the Association has held a free will offering pancake breakfast at the Fire Hall. They serve pancakes, biscuits and gravy, and sausages with all proceeds going to the Association.
- Fall Soup Supper – Occasionally, the Association has held free will offering soup supper at the Fire Hall prior to Trick or Treating. According to the Association's Facebook account, the Association served soup, cornbread, and a treat with all proceeds going to the Association.

As previously stated, the operations of the Association are overseen by the Association's Board of Directors (Board) which include President, Vice President, Secretary, and Treasurer. During the period of our investigation, Matt Sutherland served as President and Treasurer of the Association. As the Treasurer, Mr. Sutherland was responsible for the day-to-day financial operations, including:

- 1) Receipts – collecting, preparing deposits, posting to the accounting records, and making deposits,
- 2) Disbursements – purchasing, preparing checks, signing and distributing checks, posting to the accounting records, 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 as requested.

The funds raised by the Association are to be deposited in a bank accounts established by the Association and maintained separately from the City. The accounts allows the Association to write checks and use a debit care for purchases. The signors on the Association’s bank accounts are the Treasurer and the Vice President.

The bank statements for the Association’s bank accounts were mailed directly to the Mr. Sutherland’s personal residence. In addition, all unused and voided checks, supporting documentation, such as invoices and receipts, reports, Association meeting minutes, and other documentation were also maintained at Mr. Sutherland’s personal residence.

On August 25, 2018, the Association held their annual Night of Fire street dance and hired a band to provide entertainment for the event. As the Treasurer, Mr. Sutherland was responsible for ensuring the band was paid after the event concluded. An \$1,800.00 check was issued to the band by Mr. Sutherland. A few days later, a representative of the bank called the former Fire Chief because the balance in the Association’s checking account was not sufficient to honor the check.

After the former Fire Chief confirmed with the bank the check did not clear the Association’s bank account, the former Fire Chief contacted Mr. Sutherland to have a transfer of funds made from the money market account to the checking account. After it was discovered that there were no funds to be transferred from the money market account to the checking account, the former Fire Chief deposited personal funds in the account to cover the check to the band. He then contacted the Guthrie County Sheriff’s Office. On September 13, 2018, a deputy from the Sheriff’s Office contacted the Office of Auditor of State regarding certain transactions in the Association’s bank account.

As a result of concerns regarding the propriety of the Bagley Fire Fighter’s Association financial transactions, the Office of Auditor of State was requested to 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 February 1, 2014 through September 30, 2018.

Detailed Findings

The procedures performed identified \$13,983.28 of improper disbursements, \$6,901.10 of unsupported disbursements, and \$2,633.90 of undeposited collections for the period February 1, 2014 through September 30, 2018. The bank documents associated with the improper and unsupported disbursements identified were signed by Mr. Sutherland, the former Treasurer of the Association. The \$13,983.28 of improper disbursements identified include:

- \$1,695.57 of purchases from Amazon,
- \$136.30 of purchases from Wal-Mart,
- \$245.04 of purchases from Sam’s Club,
- \$2,701.27 of convenience store purchases,
- \$6,589.85 of purchases from other vendors,
- \$2,552.26 of cash withdrawals, and
- \$63.00 of bank fees.

The \$6,901.10 of unsupported disbursements identified include \$5,296.10 of purchases from vendors and \$1,605.00 of cash withdrawals. The \$2,633.90 of undeposited collections identified are composed of proceeds from fundraising events.

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.

On February 27, 2019, we conducted an interview with Mr. Sutherland at the Guthrie County Sheriff's Office. During the interview, he provided information regarding his duties, he described disbursements from the Association's bank accounts, and he identified personal purchases he made with Association funds. He also stated during the interview he made deposits to the Association's bank account to repay for some of his personal purchases. In addition, during a September 19, 2018 interview with Mr. Sutherland, he stated when he repaid the Association it was sometimes in cash and sometimes with a check.

We were unable to locate any repayments from Mr. Sutherland deposited in the Association's bank account. With the assistance of the Guthrie County Sheriff's Office, we requested documentation for the repayments Mr. Sutherland described, but none was provided. As a result, we were unable to verify Mr. Sutherland's statements he repaid the Association for some personal purchases. Specific information he provided about the personal purchases he made with Association funds is included in the following paragraphs.

IMPROPER AND UNSUPPORTED DISBURSEMENTS

As previously stated, the Association's disbursements were made by check or debit card and supporting documentation was maintained at Mr. Sutherland's personal residence. Using bank statements, we reviewed all disbursements and redeemed checks from the Association's checking account and money market account for the period February 1, 2014 through September 30, 2018.

Using the available supporting documentation obtained from Mr. Sutherland; information obtained from selected vendors; internet searches; discussions with Association officials; and the vendor, frequency and amount of payments, we classified payments 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. 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 the Association members and the payee, amount, and frequency of the payments. It is possible some of the unsupported disbursements may be appropriate for Association operations.

We also identified disbursements we consider reasonable for Association operations based on discussions with Association 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 Association members, timing of disbursements, if we were able to document sufficient proceeds were deposited to cover the costs of individual events and if the funds were used to benefit the operation of the Association or Department.

Withdrawal slips were prepared and signed by the former President of the Association. The cash withdrawn from the Association's bank was to be used to provide a change fund for fundraising events. The debit card assigned to the Association's bank account was used to make purchases beginning in September 2014.

During the period of our investigation, the Association disbursed a total of \$60,837.97 from its checking account and \$22,354.60 from its money market savings account to transfer to the checking account. Of the \$60,837.97, \$39,953.59 of disbursements were reasonable for the operations of the Association. These disbursements include purchases related to fundraising events, equipment, and clothing.

The remaining \$20,884.38 includes \$13,983.28 of improper disbursements and \$6,901.10 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.

Amazon – We identified 41 transactions involving Amazon in the Association’s monthly bank statements. The net amount of the 41 transactions totaled \$2,166.60. Because supporting documentation was not available for the transactions, we contacted Amazon and obtained a detailed listing of the items purchased. **Exhibit B** lists the items purchased which was provided by Amazon.

Based on discussions with Association members, the items purchased from Amazon are not reasonable for Association operations. As illustrated by **Exhibit B**, the personal items identified include motorcycle gear and clothing, men’s clothing, a wedding band, saddles, and Fire TV stick for streaming media.

The information provided by Amazon also included the address to where the items were shipped. The items shipped were sent to Mr. Sutherland at a personal residence located in Bagley. When we spoke with Mr. Sutherland, he confirmed certain items were personal purchases. The purchases he specified are identified in **Exhibit B** and include motorcycle gear, the wedding band, saddles, and men’s clothing and outerwear.

Exhibit B illustrates Amazon did not provide detailed listings of items for 10 transactions. Because sufficient information was not available for these purchases, they are classified as unsupported. The **Exhibit** also includes a purchase of nitrile gloves for which we were unable to determine if they were for the Association’s operations or personal in nature.

The \$1,695.57 of improper purchases and \$471.03 of unsupported purchases listed in **Exhibit B** are included in **Exhibit A**.

Wal-Mart – We identified 9 purchases from Walmart in the Association’s monthly bank statements which totaled \$1,016.14. The net amount of the 9 transactions totaled \$1,016.14. Because supporting documentation was not available for the transactions, we contacted Walmart and obtained a detailed listing of the items purchased.

We reviewed the items purchased with Association members who identified 2 purchases as appropriate for Association operations. Specifically, they reported the candy, fruit, and lunch bags purchased in December 2016 were for the Santa event sponsored by the Association. They also reported the candy, bubbles, and chalk purchased in April 2017 were appropriate for an Easter event sponsored by the Association. However, they stated the remaining items listed by Walmart, which are included in **Exhibit C**, were not reasonable for Association operations.

As illustrated by the **Exhibit**, the personal items identified include a harness to connect a stereo in a Ford automobile, a 20 ounce bottle of soda, Marlboro menthol gold cigarettes, men’s sandals, and a phone case. When we spoke with Mr. Sutherland, he only identified only the Marlboro cigarettes as personal. **Exhibit C** also illustrates Walmart did not provide detailed listings of items for 4 transactions. Because sufficient information was not available for these purchases, they are classified as unsupported.

The \$136.30 of improper purchases and \$711.43 of unsupported purchases listed in **Exhibit C** are included in **Exhibit A**.

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, debit card, or credit card. Mr. Sutherland had a membership with Sam's Club which allowed him to make purchases.

During our review of Association's bank statements, we identified 9 payments to Sam's Club which totaled \$913.34. Because supporting documentation was not available for the transactions, we contacted Sam's Club and obtained a detailed listing of the items purchased.

Of the 9 payments, 2 were for annual membership fees. Based on listing obtained from Sam's Club, Mr. Sutherland periodically used the membership for his own personal purposes even though the Association paid for the membership.

For the 7 remaining transactions, we reviewed the items purchased with Association members. According to the Association members we spoke with, 5 of the purchases were composed of items needed for the pancake breakfast fundraisers sponsored by the Association. However, the remaining 2 purchases included items which are not for Association operations. Specifically, the personal items identified included dog food, a vacuum, and sales tax. The 2 purchases which included the personal items are listed in **Exhibit D**.

During our interview with Mr. Sutherland, he identified the dog food as an improper disbursement. However, according to Association members, the vacuum could not be located at the Fire Department.

Exhibit D also includes 2 purchases classified as unsupported which totaled \$57.88. Because Sam's Club did not provide detailed information for the 2 purchases, we were unable to determine if they were for Association operations or personal in nature.

The \$245.04 of improper disbursements and \$57.88 of unsupported disbursements listed in **Exhibit D** are included in **Exhibit A**.

Convenience Stores – During our review, we identified 84 disbursements to local convenience stores for the period February 1, 2014 through September 30, 2018. The 84 disbursements totaling \$2,701.27 are listed in **Exhibit E**.

We were unable to locate or obtain supporting documentation for the 84 disbursements. Because supporting documentation was not available, we discussed the disbursements with Mr. Sutherland who identified 44 of the 84 disbursements as personal in nature. However, according to the current Fire Chief, all fire trucks and other fire vehicles are fueled at the City pumps located in Bagley. As a result, there is no reason Association funds would be spent for fuel at a convenience store. In addition, the Association would not have a reason to make any other purchases at a convenience store.

As a result, the \$2,701.27 of convenience store disbursements are included in **Exhibit A** as improper disbursements.

Other Vendors – During our review, we identified several other vendor payments to business, such as B.W. Outfitters, Scheels, and Skeffington's Formal Wear which were not reasonable for the Association's operations. Supporting documentation for purchases of this nature was not available for these vendors; however, based on discussions with Association members, discussions with Mr. Sutherland, and searches on the internet, we were able to determine if the disbursement was reasonable for Association operations, personal in nature, or, due to lack of detail, could be for Association operations or personal in nature.

The improper disbursements are listed in **Exhibit F**. As illustrated by the **Exhibit**, we identified \$6,589.85 of improper disbursements. When we met with Mr. Sutherland, he admitted making personal purchases with funds from the Association's bank account. During the meeting, he identified 13 purchases totaling \$2,328.23. The 13 purchases are identified as improper in

Exhibit F and include purchases from restaurants, a jewelry store, a grocery store, \$1,293.63 of purchases from B.W. Outfitters in February 2015, and a \$165.50 charge from Skeffington’s Formal Wear.

The remaining improper disbursements were identified by obtaining supporting documentation directly from the vendor, performing internet searches on the vendor, and/or based on discussions with Association members. According to Association members we spoke with, vendors, such as Bed Bath and Beyond, Scheels, Van Wall Equipment, and Schuling Hitch were not used by the Association and would be personal in nature. As illustrated by the **Exhibit**, the improper disbursements identified also include a \$950.00 down payment on a skid loader from Van Wall Equipment on July 8, 2016, a \$377.28 charge from State Farm on May 5, 2016, and purchases of clothing, horse feed, and furniture.

Exhibit G lists the unsupported disbursements identified. As illustrated by the **Exhibit**, we identified 56 disbursements totaling \$4,055.76 for which supporting documentation could not be located. As a result, we were unable to determine the items purchased. Because supporting documentation was not available and purchases from the vendors included in the **Exhibit** may be for Association operations or personal in nature, we discussed the disbursements with Association members. Association members were unable to determine if the purchases were for Association operations based on the vendors, dates, and amounts of the purchases. Because the purchases may have been for Association operations or personal in nature, they were classified as unsupported.

The \$6,589.85 of improper disbursements and \$4,055.76 of unsupported disbursements are included in **Exhibit A**.

Cash Withdrawals – During our review of the bank statements for the checking account and the money market savings account, we identified 11 cash withdrawals. Because supporting documentation, such as cash count sheets from fundraising events, was not available, we discussed the cash withdrawals with Mr. Sutherland and current Association members. According to Mr. Sutherland, the cash withdrawals were for fundraising events to make change. However, during our interview with Mr. Sutherland, he admitted to using the Association’s debit card to make ATM cash withdrawals for personal use in July 2016.

The 11 cash withdrawals identified are listed in **Table 1**. The **Table** includes the date of the cash withdrawal, the description, and the amount.

Table 1

Date	Description	Amount	Improper	Unsupported
08/08/14	Check #1293 for Cash	\$ 450.00	-	450.00
08/26/14	Miscellaneous Debit	400.00	400.00	-
06/19/15	Miscellaneous Debit	345.00	-	345.00
06/19/15	Miscellaneous Debit	260.00	-	260.00
08/14/15	Miscellaneous Debit	525.00	525.00	-
06/06/16	Miscellaneous Debit	1,000.00	1,000.00	-
07/05/16	ATM Withdrawal - Sparky	201.50	201.50	-
07/08/16	ATM Withdrawal - Sparky	201.50	201.50	-
07/11/16	ATM Withdrawal - Sparky	201.50	201.50	-
08/27/16	Miscellaneous Debit	550.00	-	550.00
09/26/16	ATM Withdrawal - Caseys	22.75	22.75	-
Total		\$ 4,157.25	2,552.25	1,605.00

As illustrated by the **Table**, we identified \$2,552.25 of improper cash withdrawals for the period of our investigation. The improper cash withdrawals include cash withdrawals on dates which are not near any of the Association’s fundraising events and the 3 ATM cash withdrawals identified by Mr. Sutherland.

In addition to the improper cash withdrawals, we identified 4 cash withdrawals totaling \$1,605.00 which were classified as unsupported because we were unable to determine if the cash was used for a fundraising event which would have occurred around the time period of the transaction.

The \$2,552.25 of improper and the \$1,605.00 of unsupported cash withdrawals are included in **Exhibit A** as improper and unsupported disbursements.

Bank Fees – In addition to identifying cash withdrawals, we identified 3 bank fees which have been summarized in **Table 2**.

Date	Description	Amount
11/21/14	Telephone transfer fee	\$ 3.00
09/01/16	Overdraft fee	30.00
08/29/18	Overdraft fee	30.00
Total		\$ 63.00

As illustrated by the **Table**, the \$63.00 of bank fees include a telephone transfer fee and overdraft fees. Because Mr. Sutherland improperly used Association funds, fees were incurred. As a result, the \$63.00 of bank fees are included in **Exhibit A** as improper disbursements.

UNDEPOSITED COLLECTIONS

Because the Association did not maintain support for the amounts collected at the various fundraising events, donations received by the Association, or any other collections, we cannot determine if all collections were properly deposited in the Association’s bank account.

According to Association members we spoke with, the Association’s primary revenue source is composed of collections from 3 fundraising events. As previously stated, the 3 fundraisers are the annual Night of Fire, the semi-annual pancake breakfasts, and an annual soup supper.

As previously stated, the pancake breakfasts and soup suppers were free will donations and the Night of Fire were collections from beer sales. Because the fundraising events did not overlap, separate deposits were to be made for each event and the collections were reported in the Association Board meeting minutes. According to Association officials, as the Treasurer, Mr. Sutherland was responsible for presenting information regarding the total collections from the fundraisers to the Board. He was also responsible for ensuring all collections were properly deposited to the bank.

As a result, we compared collections reported by Mr. Sutherland to the Association Board from the meeting minutes to the actual deposits in the Association’s bank account. **Table 3** summarizes the amount of collections reported to the Association Board to the amounts deposited near the dates of the fundraising events.

Table 3

Date of Event	Amount per		
	Minutes	Bank Deposit	Undeposited Collections
09/21/14	\$ 1,441.00	1,420.00	21.00
06/20/15	3,600.00	2,368.10	1,231.90
03/13/16	856.00	515.00	341.00
11/13/16	803.00	465.00	338.00
11/12/17	509.00	379.00	130.00
04/08/18	1,129.00	557.00	572.00
Total	\$ 8,338.00	5,704.10	2,633.90

As illustrated by the **Table**, we identified \$2,633.90 of undeposited collections for 6 of the fundraising events held during our period of review. We discussed the amount of undeposited collections identified with an Association official to determine if there was an explanation for the discrepancies. According to the Association official, he recalls having discussions regarding fundraising collections at the meetings but none of the discussion was disclosed in the minutes, other than the amount collected. In addition, he stated the Association members relied on Mr. Sutherland’s numbers because they did not have a reason not to and they did not have the opportunity to review the bank statements or deposit information for the collections received through fundraisers.

As a result, the \$2,633.90 of undeposited fundraising collections are included in **Exhibit A** as undeposited collections.

OVERSIGHT AND INTERNAL CONTROL

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

- The Treasurer did not maintain adequate supporting documentation for all Association disbursements.
- The Association does not have a written policy and procedures manual which includes requirements for supporting documentation for all payments to vendors, debit card purchases, and reimbursements to members and other individuals.

Because the Department maintained separate bank accounts for the Association, appropriate oversight was not provided for the disbursements from those accounts. Specifically:

- The Association was not required to present financial information to the City Council.
- The Association was not required to follow the City’s policies and procedures for receipting and disbursing funds.

Recommended Control Procedures

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 members to prevent an individual member 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 checks, signing and distributing checks, 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 Chief or other parties.

Recommendation – We realize segregation of duties is difficult with a limited number of staff. However, the Association should review their 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.

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 or Association. All payments should be approved by an oversight authority prior to disbursement. In addition, disbursements should not be approved unless adequate supporting documentation is available.

C) Debit Card – We identified numerous purchases made with a debit card from the Association's checking account. However, the purchases were not supported with adequate documentation. In addition, because purchases made using a debit card are an immediate payment, they do not allow for proper authorization by the Association Board.

Recommendation – Association officials should implement procedures requiring all Association obligations be paid by check and properly supported with original invoices, receipts, or other appropriate documentation. In addition, Association officials should remove the debit card capabilities to ensure disbursements cannot be automatically deducted from the Association's checking account.

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) A ledger was not maintained.
- (2) Pre-numbered receipts were not issued for collections for donations and fund raising activities.
- (3) Monthly bank account reconciliations were not completed and the bank statements were delivered to and reviewed by the individual responsible for disbursing the Association's funds.
- (4) Periodic summaries or reports of activity were not prepared and distributed to Association officials for their review and approval.

Recommendation – Association officials should ensure the establishment of 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.
- Periodic summaries or reports of activity should be prepared then reviewed and approved by Association officials.

E) Association Oversight – The Association Board has a fiduciary responsibility to provide oversight of the Association's operations and financial transactions. Oversight is typically defined as the "watchful and responsible care" a governing body exercises in its fiduciary capacity.

Based on our observations and the procedures we performed, we determined the Association Board failed to exercise proper fiduciary oversight. The lack of appropriate oversight and the failure to ensure implementation of adequate controls permitted a member to exercise too much control over the operations of the Association.

Recommendation – Oversight by Association members is essential and should be an ongoing effort. Association officials should exercise due care and review all pertinent information. Association officials should also ensure sufficient information is prepared to them for making decisions and appropriate policies and procedures are adopted, implemented, and monitored to ensure compliance.

Exhibits

Report on Special Investigation of the
Bagley Fire Fighter's Association

Summary of Findings
For the Period February 1, 2014 through September 30, 2018

Description	Exhibit/Table/ Page Number	Improper	Unsupported	Total
Improper and unsupported disbursements:				
Vendor payments:				
Amazon	Exhibit B	\$ 1,695.57	471.03	2,166.60
Wal-Mart	Exhibit C	136.30	711.43	847.73
Sam's Club	Exhibit D	245.04	57.88	302.92
Convenience stores	Exhibit E	2,701.27	-	2,701.27
Other vendors	Exhibits F and G	6,589.85	4,055.76	10,645.61
Cash withdrawals	Table 1	2,552.25	1,605.00	4,157.25
Bank fees	Table 2	63.00	-	63.00
Total improper and unsupported disbursements		13,983.28	6,901.10	20,884.38
Undeposited fundraising collections	Table 3	2,633.90	-	2,633.90
Total		\$ 16,617.18	6,901.10	23,518.28

Report on Special Investigation of the
Bagley Fire Fighter's Association

Improper and Unsupported Purchases from Amazon
For the Period February 1, 2014 through September 30, 2018

Transaction Date	Item Description	Amount
02/09/15	Detailed description not provided by Amazon.	54.99
		<u>54.99</u>
02/23/15	Detailed description not provided by Amazon.	139.99
		<u>139.99</u>
02/24/15	Detailed description not provided by Amazon.	139.99
		<u>139.99</u>
03/09/15	Detailed description not provided by Amazon.	2.97
		<u>2.97</u>
03/16/15	Detailed description not provided by Amazon.	11.39
		<u>11.39</u>
03/23/15	Detailed description not provided by Amazon.	9.42
		<u>9.42</u>
04/02/15	Detailed description not provided by Amazon.	6.21
		<u>6.21</u>
04/09/15	Detailed description not provided by Amazon.	6.43
		<u>6.43</u>
07/13/15	REDACTED (Video DVD)	7.46
	REDACTED (Video DVD)	5.99
	Shipping	5.97
	Gift Card	(9.10)
		<u>10.32</u>
07/14/15	Harley Davidson Cup/Drink/Beverage Holder Drink2Go	10.99
	Shipping	6.00
		<u>16.99</u>
07/28/15	Elegant Women Black Bandanas Lace Headwrap Headband Girls' Hair Accessory Gift	2.98
	Global Vision Marilyn 3 Glasses (Black Frame/Smoke Lens)	13.45
	Harley-Davidson Womens Jump Off Contrast Side Panels Orange Sleeveless Tank - XXL	19.99
	Pink Rose Paisley Rhinestone Chop Top Biker Doo Wrap Bandana	17.99
	Genuine Victory Motorcycles Womens Victory Black Tank X-Large pt# 286326009	29.99
	Shipping (total)	15.18

Improper	Unsupported
-	54.99
-	139.99
-	139.99
-	2.97
-	11.39
-	9.42
-	6.21
-	6.43
7.46	-
5.99	-
5.97	-
(9.10)	-
10.99	-
6.00	-
2.98	-
13.45	-
19.99	-
17.99	-
29.99	-
15.18	-

Report on Special Investigation of the
Bagley Fire Fighter's Association

Improper and Unsupported Purchases from Amazon
For the Period February 1, 2014 through September 30, 2018

Transaction Date	Item Description	Amount
	Gift Cards (total)	(84.40)
		<u>15.18</u>
07/31/15	Victory Motorcycles Vegas / Kingpin / Highball Deluxe Passenger Touring Seat	189.99 ^
	Gift Cards	(155.00)
		<u>34.99</u>
09/15/15	Modern Style comfort fit Mens 8mm Black Titanium Wedding Band Ring Size 8.5	39.99 ^
	Shipping	17.00
	Gift Card	(4.61)
		<u>52.38</u>
04/04/16	Spyder Men's Outbound Half Zip Sweater, Large, Black/Black/Black	59.33 ^
	Spyder Men's Silver Dip T-Neck, Black/bryte Orange, Large	43.42 ^
	Shipping	12.95
		<u>115.70</u>
04/04/16	Ariat Men's Shield Logo Bi-fold Wallet Brown	33.20 ^
		<u>33.20</u>
04/06/16	Ariat Men's Crescent Fleece Jacket Black Large	79.95 ^
	Ariat Men's AC Mesh Vent Tek Polo, Orange, Large	39.95 ^
		<u>119.90</u>
04/07/16	Ariat Men's Front Gray Mesh Hat, Black, One Size	19.42 ^
	Spyder Men's Pitch Half Zip Jacket, Osetra, Large	86.75 ^
	Ariat Men's Logo Softshell Jacket, Black, X-Large	79.95 ^
	Ariat Men's Tek Polo, Geranium, Large	34.95 ^
	Ariat Men's Distressed Hat, Brown, One Size	15.97 ^
	Shipping	12.41
	Discount	(12.41)
		<u>237.04</u>
05/17/16	Tahoe Tack Canvas Contour Cut Saddle Pad, Black	44.36 ^
	Shipping	18.82
		<u>63.18</u>
05/18/16	Ariat Men's Distressed Hat, Olive, One Size	18.75 ^
	Shipping	9.98
		<u>28.73</u>

Improper	Unsupported
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(84.40)	-
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189.99	-
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(155.00)	-
----------	---

39.99	-
-------	---

17.00	-
-------	---

(4.61)	-
--------	---

59.33	-
-------	---

43.42	-
-------	---

12.95	-
-------	---

33.20	-
-------	---

79.95	-
-------	---

39.95	-
-------	---

19.42	-
-------	---

86.75	-
-------	---

79.95	-
-------	---

34.95	-
-------	---

15.97	-
-------	---

12.41	-
-------	---

(12.41)	-
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44.36	-
-------	---

18.82	-
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18.75	-
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9.98	-
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Report on Special Investigation of the
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Improper and Unsupported Purchases from Amazon
For the Period February 1, 2014 through September 30, 2018

Transaction Date	Item Description	Amount
05/18/16	The Colorado Saddlery Western Sport Natural Ride Saddle	131.20 ^
	Shipping	21.00
		<u>152.20</u>
05/18/16	Ford F-150 F150 Leather Key Chain Brown Rectangular Key Ring Fob	8.59 ^
		<u>8.59</u>
07/05/16	REDACTED (Video DVD)	9.79
	REDACTED (Video DVD)	5.99
	Shipping	5.97
		<u>21.75</u>
07/05/16	Tough 1 Tough-1 Ride - Behind Tandem Saddle for Western Saddle, Brown	56.55 ^
		<u>56.55</u>
07/06/16	Showman One Piece Leather Braided Roping Reins with Scissor Snap Ends, 7 Foot (Dark Oil)	22.00 ^
	Shipping	7.33
		<u>29.33</u>
07/06/16	Skidsteer Dual Hay Spear bale spike skid steer case kubota (HAY MP)	285.00 ^
		<u>285.00</u>
07/07/16	Tahoe Tack Basket Weave 5/8" Knotted Headstall USA Leather Dark Oil Full	36.95 ^
	Shipping	4.95
		<u>41.90</u>
07/07/16	Tough 1 Poly Rope Tied Halter, Pink	9.88 ^
	Shipping	12.58
		<u>22.46</u>
11/14/16	VersaPro Black Nitrile Exam Gloves, Powder Free (Large 1000/case)	67.99
		<u>67.99</u>
11/21/16	Kenworth W770 770 Truck Classic Outline Design Tshirt large grey	20.00
	Kenworth W770 770 Truck Classic Outline Design Tshirt large black	20.00
	Shipping	5.00
		<u>45.00</u>
02/14/17	Moto Z Play Case,AnoKe [Credit Card Slots Holder][Not Wallet] Hard Silicone Rubber Hybrid Armor Shockproof Protective Case For Motorola Moto Z Play Dr	6.99

Improper	Unsupported
131.20	-
21.00	-
8.59	-
9.79	-
5.99	-
5.97	-
56.55	-
22.00	-
7.33	-
285.00	-
36.95	-
4.95	-
9.88	-
12.58	-
-	67.99
20.00	-
20.00	-
5.00	-
6.99	-

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Improper and Unsupported Purchases from Amazon
For the Period February 1, 2014 through September 30, 2018

Transaction Date	Item Description	Amount
	Shipping	6.18
		<u>13.17</u>
05/02/17	VXi BlueParrott 202720 B250-XT 89 Percent Noise Canceling Bluetooth Headset	79.99
	Shipping	23.98
		<u>103.97</u>
05/19/17	Partsam Waterproof Clear/Amber 11 LED 15" Turn Signal Light Bar w/Surface Mount Utility	11.99
		<u>11.99</u>
05/19/17	Ariat Men's Half Mesh Hat, Black, Small/Medium	26.95 ^
		<u>26.95</u>
06/08/17	Detailed description not provided by Amazon.	16.66
		<u>16.66</u>
08/08/17	Detailed description not provided by Amazon.	14.99
		<u>14.99</u>
08/21/17	Cinch Men's Arenaflex Short Sleeve Logo Tee, Red, Large	8.70 ^
	Shipping	3.28
		<u>11.98</u>
08/28/17	Ariat Men's Distressed Hat, Brown, One Size	18.99 ^
		<u>18.99</u>
08/29/17	Cinch Men's Arenaflex Short Sleeve Poly Teck Athletic Tee with Screen Print, Black, Large	9.26 ^
	Shipping	1.00
		<u>10.26</u>
08/31/17	Cinch Men's Basic Short Sleeve Cotton Crew Neck Tee with Front Screen Print, Charcoal, Large	6.00 ^
	Cinch Men's Soft Hand Jersey Short Sleeve T-Shirt, Navy, Large	6.00 ^
		<u>9.00</u>
		<u>21.00</u>
09/01/17	Replacement Belt Clip Holster for Otterbox Defender Samsung Galaxy S8 - Black	7.99
		<u>7.99</u>
06/20/18	Fire TV with 4K Ultra HD and Alexa Voice Remote (Pendant Design) Streaming Media Player	69.99

Improper	Unsupported
6.18	-
79.99	-
23.98	-
11.99	-
26.95	-
-	16.66
-	14.99
8.70	-
3.28	-
18.99	-
9.26	-
1.00	-
6.00	-
6.00	-
9.00	-
7.99	-
69.99	-

Report on Special Investigation of the
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Improper and Unsupported Purchases from Amazon
For the Period February 1, 2014 through September 30, 2018

Transaction Date	Item Description	Amount
	Tax	4.90
	Shipping	3.99
		<u>78.88</u>
Total		<u><u>\$ 2,166.60</u></u>

& - Identified as personal purchase by Matt Sutherland

Improper	Unsupported
4.90	-
3.99	-
<u>1,695.57</u>	<u>471.03</u>

Report on Special Investigation of the
Bagley Fire Fighter's Association

Improper and Unsupported Purchases from Wal-Mart
For the Period February 1, 2014 through September 30, 2018

Per Bank Statement		Per Walmart Receipt		
Date	Amount	Visit Date	UPC Description	Additional Description
07/01/14	\$ 52.50	06/29/14	<i>Detailed description not provided by Wal-Mart.</i>	
07/29/14	39.66	07/27/14	<i>Detailed description not provided by Wal-Mart.</i>	
03/31/15	194.52	03/29/15	<i>Detailed description not provided by Wal-Mart.</i>	
06/22/15	424.75	#	<i>Detailed description not provided by Wal-Mart.</i>	
01/19/16	32.82	01/19/16	SAVAGE BAT HOTELT2C BD+ TAX	RAWLINGS YTH SAVAGE BAT 30 HOTEL TRANSYLVANIA 2 BD+DVD+DC STD WS
06/01/18	36.31	05/31/18	MARL M GOLD IA DEPOSIT DR PEPPER YARD PEST FORD CONECT FLY RIBBON TAX	MARLBORO MENTHOL GOLD BOX IA SINGLE BOTTLE DEP. DR PEPPER PET 20FO RAID MULTI-INSECT KILLER 15OZ SCOSCHE FORD CONNECTOR (<i>harness for auto stereo</i>) PIC 4 PACK FLYING INSECT RIBBON
06/18/18	67.17	06/17/18	2" TGL BLT 3" TGL BLT WALL PATCH AD PLAYER M SANDALS PHONE CASE TAX	1/8"X2" TOGGLE BOLTS 3/16"X3" TOGGLE BOLTS DUCK 5IN X 5IN PVC WALL PATCH AD BT PLAYER (<i>Blue tooth player for auto</i>) MENS WRANGLER STRAP SANDAL OB DEF SAMSUNG GS9 - BLACK (<i>cell phone case</i>)
Total	<u>\$ 847.73</u>			

- Detailed information was not provided by Wal-Mart.

^ - Identified as personal purchase by Matt Sutherland.

Note: Auditor's notations are in italics.

Unit Qty	Retail Price	Improper	Unsupported
	\$ 52.50	-	52.50
	52.50		
	39.66	-	39.66
	39.66		
	194.52	-	194.52
	194.52		
	424.75	-	424.75
	424.75		
1	9.00	9.00	-
1	21.96	21.96	-
	1.86	1.86	-
	32.82		
2	13.20	13.20 ^	-
1	0.05	0.05	-
1	1.78	1.78	-
1	5.42	5.42	-
1	9.97	9.97	-
4	3.52	3.52	-
	2.37	2.37	-
	36.31		
1	1.57	1.57	-
1	1.67	1.67	-
1	2.47	2.47	-
1	19.87	19.87	-
1	19.96	19.96	-
1	17.24	17.24	-
	4.39	4.39	-
	67.17		
	<u>\$ 847.73</u>	<u>136.30</u>	<u>711.43</u>

Report on Special Investigation of the
Bagley Fire Fighter's Association

Improper and Unsupported Purchases from Sam's Club
For the Period February 1, 2014 through September 30, 2018

Per Credit Card Statement		Per Sam's Club		
Date	Amount	Visit Date	UPC Description	Additional Description
03/03/14	\$ 43.06	#	<i>Detailed description not provided by Sam's Club.</i>	
09/21/15	14.82	#	<i>Detailed description not provided by Sam's Club.</i>	
03/14/16	126.91	03/11/16	SALT PACKETS PEPPER PKTS DCPNCKMX10LB GLOVES SYRUP LOL SPRDBTR BENEFUL HLY ITAL. SAUS. ITAL. 3 MEAT TAX	SALT PACKETS PEPPER PACKETS BUTTERMILK PANCAKE DAILY CHEF ORIGINAL SYRUP SPREADABLE BUTTER BENEFUL HEALTHY WEIGHT MAKE AND TAKE PIZZA MAKE AND TAKE PIZZA
11/14/16	301.09	11/12/16	RENMBRSHIP SALT SHAKERS PEPPR SHAKER SHARK NV585 DCPNCKMX10LB FOLGERS FOLGERS SYRUP INST SV TAX	SAM'S MEMBERSHIP IODIZED SALT SHAKER PEPPER SHAKER SHARK VACUUM BUTTERMILK PANCAKE CLASSIC ROAST DECAF ORIGINAL SYRUP INSTANT SAVINGS
Total	<u>\$ 485.88</u>			

- Sam's Club did not provide detailed information.

^ - Identified as personal purchase by Matt Sutherland.

Note: Auditor's notations are in italics.

Unit Qty	Retail Price	Improper	Unsupported	Reasonable
1	\$ 43.06	-	43.06	-
	<u>43.06</u>			
	14.82	-	14.82	-
	<u>14.82</u>			
1	1.98	-	-	1.98
1	2.98	-	-	2.98
4	27.92	-	-	27.92
1	8.16	-	-	8.16
1	5.98	-	-	5.98
3	26.94	-	-	26.94
1	33.58 ^	33.58	-	-
1	7.88	7.88	-	-
1	8.99	8.99	-	-
	2.50	2.01	-	0.49
	<u>126.91</u>			
1	45.00	-	-	45.00
1	3.29	-	-	3.29
1	13.76	-	-	13.76
1	179.98	179.98	-	-
3	20.94	-	-	20.94
1	9.98	-	-	9.98
1	10.82	-	-	10.82
1	6.72	-	-	6.72
1	(2.00)	-	-	(2.00)
	12.60	12.60	-	-
	<u>301.09</u>			
	<u>\$ 485.88</u>	<u>245.04</u>	<u>57.88</u>	<u>182.96</u>

Bagley Fire Fighter's Association

Report on Special Investigation of the
Bagley Fire Fighter's Association

Improper Purchases from Convenience Stores
For the Period February 1, 2014 through September 30, 2018

Per Bank Statement		
Date	Transaction Description	Amount
09/18/14	POS Purchase at Sparky's One Stop #15 Rippey IA 548041 426100005	\$ 7.19
10/22/14	POS Purchase at Sparky's One Stop #15 Rippey IA 548261 429500000	91.12
01/05/15	POS Purchase at Kum & Go #203 Perry IA	7.80
06/17/15	POS Purchase at Sparky's One Stop #15 Rippey IA 548251 516800033	16.96
07/06/15	POS Purchase at Sparky's One Stop #04 Bayard IA548261 518700062	3.01
07/20/15	POS Purchase at RIX AMOCO MANNING IS 548141 519900003	8.75 ^
09/01/15	POS Purchase at Sparky's One Stop #04 Bayard IA 548141 524400012	63.18
11/02/15	POS Purchase at Sparky's One Stop #04 Bayard IA 548141 530400049	10.90
11/30/15	POS Purchase at BP#6022222Kruegers BP #4 - Grimes IA 548131 53330003	182.01 ^
11/30/15	POS Purchase at Caseys Gen Store 2559 Granger IA 548041 533300098	24.83
03/14/16	Check # 1396 - Caseys Gen Store 5159656100 1396	47.06
04/13/16	POS Purchase at Caseys Gen Store 2551 Woodward IA 548041 610400088	16.02
04/14/16	POS Purchase at Sparkey's One Stop #22 Jefferson IA 548141 6105000	4.14 ^
05/05/16	POS Purchase at Sparkey's One Stop #22 Jefferson IA 548131 6126000	48.32 ^
05/16/16	POS Purchase at Sparkey's One Stop #22 Jefferson IA 548081 6136000	7.69
05/19/16	POS Purchase at Sparkey's One Stop #22 Jefferson IA 548251 6140000	65.08 ^
05/23/16	POS Purchase at BP #9328246 The Mill BP Holland IA 548081 614300058	8.66
05/23/16	POS Purchase at Kum & Go #238 Jefferson IA 648261 614400024	81.69
05/23/16	POS Purchase at Sparkey's One Stop Guthrie Cente IA 548131 614400065	63.08
05/25/16	POS Purchase at Sparkey's One Stop #22 Jefferson IA 548041 6146000	70.34
05/26/16	POS Purchase at Sparkey's One Stop #22 Jefferson IA 548261 6147000	73.37
05/27/16	POS Purchase at Sparkey's One Stop #22 Jefferson IA 548141 6148000	20.97
06/13/16	POS Purchase at Sparkey's One Stop #22 Jefferson IA 548251 6140000	8.80
06/13/16	POS Purchase at Sparkey's One Stop #22 Jefferson IA 548251 6140000	71.28 ^
06/15/16	POS Purchase at Sparkey's One Stop #22 Jefferson IA 548041 616700	15.60 ^
06/17/16	POS Purchase at Sparkey's One Stop #22 Jefferson IA 548141 6169000	17.51 ^
06/20/16	POS Purchase at Sparkey's One Stop #22 Jefferson IA 548081 6170000	15.60 ^
07/01/16	POS Purchase at Sparkey's One Stop #22 Jefferson IA 548141 6183000	17.62 ^
07/05/16	POS Purchase at Caseys Gen Store 1617 Jefferson IA 548081 61850006	18.40 ^
07/05/16	POS Purchase at Caseys Gen Store 1617 Jefferson IA 548081 61850006	35.03 ^

Exhibit EReport on Special Investigation of the
Bagley Fire Fighter's AssociationImproper Purchases from Convenience Stores
For the Period February 1, 2014 through September 30, 2018

Per Bank Statement		
Date	Transaction Description	Amount
07/05/16	POS Purchase at Sparkey's One Stop #22 Jefferson IA 548081 6186000	15.60 ^
07/05/16	POS Purchase at Sparkey's One Stop #22 Jefferson IA 548131 618600073	27.45 ^
07/07/16	POS Purchase at Sparkey's One Stop #22 Jefferson IA 548131 6189000	67.74 ^
07/11/16	POS Purchase at Sparkey's One Stop #22 Jefferson IA 548251 6191000	25.04 ^
09/29/16	POS Purchase at Kum & Go #544 Eagle Grove IA 548081 627300065	3.09
10/03/16	POS Purchase at Sparkey's One Stop #22 Jefferson IA 548081 6276000	16.92 ^
10/03/16	POS Purchase at Sparkey's One Stop #22 Jefferson IA 548141 6275000	17.40 ^
10/03/16	POS Purchase at Sparkey's One Stop #22 Jefferson IA 548141 6277000	22.95 ^
11/07/16	POS Purchase at Sparky's One Stop #24 Harcourt IA 548251 631000004	18.07
11/17/16	POS Purchase at Sparkey's One Stop #22 Jefferson IA 548081 6322000	102.40 ^
11/17/16	POS Purchase at Sparky's One Stop #24 Harcourt IA 548041 632200074	11.74
12/01/16	POS Purchase at Sparkey's One Stop #22 Jefferson IA 548131 633600	18.95 ^
12/02/16	POS Purchase at Sparkey's One Stop #22 Jefferson IA 548141 6277000	40.81 ^
12/02/16	POS Purchase at Sparkey's One Stop #22 Jefferson IA 548141 6337000	20.43
12/14/16	POS Purchase at Sparkey's One Stop #22 Jefferson IA 548081 6349000	23.75 ^
12/13/16	POS Purchase at Caseys Gen Store 1617 Jefferson IA 548261 63480003	34.54
12/27/16	POS Purchase at Kum & Go #115 Perry IA 548261 6359000009	76.14
01/05/17	POS Purchase at Sparkey's One Stop #22 Jefferson IA 548131 7005000	20.97 ^
01/06/17	POS Purchase at Sparkey's One Stop #22 Jefferson IA 548131 7006000	24.09 ^
01/11/17	POS Purchase at Sparkey's One Stop #22 Jefferson IA 548041 7011000	19.32 ^
01/11/17	POS Purchase at Sparkey's One Stop #22 Jefferson IA 548131 7011000	81.08 ^
02/16/17	POS Purchase at Sparkey's One Stop #22 Jefferson IA 548141 7047000	54.01 ^
02/21/17	POS Purchase at Sparkey's One Stop #22 Jefferson IA 548081 7049000	77.35 ^
03/09/17	POS Purchase at Caseys Gen Store 2891 Fort Dodge IA 548041 7068000	11.47
03/10/17	POS Purchase at Sparkey's One Stop #22 Jefferson IA 548261 7069000	13.67 ^
03/13/17	POS Purchase at Sparkey's One Stop #22 Jefferson IA 548251 7070000	22.21 ^
03/31/17	POS Withdrawal. BC Ampride Truck Plaza I Bouton IA 722765 10276500	18.94
04/04/17	POS Purchase at Sparkey's One Stop #22 Jefferson IA 548131 7094000	29.03 ^
04/10/17	POS Purchase at Sparkey's One Stop #22 Jefferson IA 548251 7098000	21.47
04/14/17	POS Purchase at Caseys Gen Store 2698 Perry IA 548081 710400083	11.60

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Improper Purchases from Convenience Stores
For the Period February 1, 2014 through September 30, 2018

Per Bank Statement		
Date	Transaction Description	Amount
04/17/17	POS Purchase at Sparkey's One Stop #22 Jefferson IA 548251 7105000	16.03 ^
04/18/17	POS Purchase at Kum & Go #238 Jefferson IA 548081 710800024	11.82 ^
04/20/17	POS Purchase at Sparkey's One Stop #22 Jefferson IA 548081 7110000	11.30 ^
04/21/17	POS Purchase at Caseys Gen Store 0040 Scranton IA 548141 711100016	31.46
05/03/17	POS Purchase at Sparkey's One Stop #22 Jefferson IA 548261 7123000	82.00 ^
05/08/17	POS Purchase at Sparkey's One Stop #22 Jefferson IA 548041 7126000	40.43 ^
06/16/17	POS Purchase at Sparkey's One Stop #22 Jefferson IA 548261 7167000	50.05 ^
09/06/17	POS Purchase at Caseys Gen Store 0040 Scranton IA 548141 724900069	40.00
05/09/18	POS Purchase at Sparkey's One Stop #22 Jefferson 548131 8129000	21.00 ^
05/09/18	POS Purchase at Sparkey's One Stop #22 Jefferson 548141 8129000	46.24 ^
05/11/18	POS Purchase at Casey's Gen Store 1617 Jefferson IA 548081 81310007	25.88
05/14/18	POS Purchase Sparky's One Stop #24 Harcourt 548041 813200089	17.86
05/14/18	POS Purchase Sparky's One Stop #24 Harcourt 548141 813200089	39.61
06/01/18	POS Purchase at Casey's Gen Store 1617 Jefferson IA 548131 81520002	20.98
06/01/18	POS Purchase Sparkey's One Stop #22 Jefferson 548251 8152000	10.29 ^
06/01/18	POS Purchase Sparky's One Stop #04 Bayard IA 548041 815200062	8.11
06/18/18	POS Purchase at Casey's Gen Store 1617 Jefferson IA 548041 81670001	15.87
06/19/18	POS Purchase at Casey's Gen Store 2303 Glidden IA 548131 817000035	20.28 ^
06/22/18	POS Purchase at Sparky's One Stop #04 Bayard IA 548141 817300074	40.00
06/22/18	POS Purchase Sparkey's One Stop #22 Jefferson 548081 8173000	19.82
06/25/18	POS Purchase Sparkey's One Stop #22 Jefferson 548141 8174000	12.55 ^
07/05/18	POS Purchase Sparkey's One Stop #22 Jefferson 548131 8185000	18.87 ^
07/16/18	POS Purchase at Caseys Gen Store 1002 Grand Junctio IA 548141 8195	14.96
07/20/18	POS Purchase at Sparkey's One Stop #22 Jefferson IA 548141 8201000	15.62
Total		<u>\$ 2,701.27</u>

^ - Identified as personal purchase by Matt Sutherland

Report on Special Investigation of the
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Improper Purchases from Other Vendors
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Per Bank Statement

Check Date	Check Number	Description per Statement or Check Image	Amount
09/15/14	#	POS Purchase at Bed Bath & Beyond #428 Clive IA	\$ 48.71
02/09/15	#	^ POS Purchase at B.W. Outfitters Anita IA 548261 503900010	481.50
02/19/15	#	^ POS Purchase at B.W. Outfitters Anita IA 548261 505500002	293.18
02/27/15	#	^ POS Purchase at B.W. Outfitters Anita IA 548081 505800070	518.95
06/22/15	#	POS Purchase at Shopko 00206805 Perry IA 548261 517100036	47.89
09/21/15	#	^ POS Purchase at Skeffingtons Formal Wear 515-2242942 IA 548251 526	165.50
11/16/15	#	POS Purchase at Orscheln Perry 74 Perry IA 548081 533400048	6.40
12/07/15	#	^ POS Purchase Anita Supply Center Anita IA 548141 534100080	6.94
12/07/15	#	^ POS Purchase Anita Supply Center Anita IA 548041 534100080	21.39
12/21/15	#	POS Purchase at Shopko 00206805 Perry IA 548041 535300001	57.50
12/28/15	#	POS Purchase at Scheels Des Moines West Des Moines IA 548251 5361000	21.19
12/28/15	#	POS Purchase at Scheels Des Moines West Des Moines IA 548251 5361000	521.49
02/02/16	#	POS Purchase at Panorama Gardens Panora IA 548131 6033	40.66
02/02/16	#	^ POS Purchase at IN *BW Outfitters Inc 712-7623374 IA 548081 605200	26.75
03/17/16	#	POS Purchase at County Processing Fee West Des Moines 548081 6077	2.06
03/17/16	#	POS Purchase at Greene Co Treasurer Jefferson IA 548261 607700035	25.00
03/28/16	#	POS Purchase at Orscheln Guthrie Ctr 75 Guthrie Cente IA 548041 60	136.40
03/30/16	#	POS Purchase at Bomgaars # 34 Jefferson Jefferson IA 547131 609000	128.39
04/05/16	#	POS Purchase at Rainbow Online Store - Beijing CN 548141 609600091	71.43
05/05/16	#	POS Purchase at State Farm 800-956-6310 IL 648081 612600022	377.28
05/26/16	#	^ POS Purchase at Bett & Bevs BBQ Jefferson IA 548041 614700062	7.49
05/31/16	#	POS Purchase at Greyhound F/S #6364 Denver CO 548081 615200086	7.35
05/31/16	#	POS Purchase at Bomgaars #34 Jefferson Jefferson IA 548041 614900	117.49
06/13/16	#	^ POS Purchase at Hy Vee 1297 Jefferson IA 548081 616300036	24.07
06/13/16	#	POS Purchase at Bomgaars #34 Jefferson Jefferson IA 548251 6165000	26.19
07/05/16	#	POS Purchase at KFC C471003 Boone Ia 548251 6185	6.84
07/05/16	#	POS Withdrawal. Bomgaars #34 Jefferson Jefferson IA 726856 716856	25.85
07/05/16	#	^ POS Purchase at Western Edge LTD Ames Ames IA 548081 618500066	567.09
07/08/16	#	POS Purchase at Van Wall Equipment Nevada IA 548081 619000060	950.00
11/21/16	#	POS Purchase at Bomgaar's #34 Jefferson Jefferson IA 548251 632600	62.42
11/23/16	#	POS Purchase at Schuling Hitch of Ames Ames IA 548131 632800054	588.45

Description per supporting documentation or internet search

None

None

None

None

Feminine hygiene products and Fila tennis shoes

None

Coupling reducing 1/2 in x 3, nipple 1/4 x 2 rb

None

None

LEGO's, wrapping paper, card, tissue paper, and batteries

None

None

Flower store

None

None

None

10 Ft Gate & Rebar Wire

Gate, Pasture, Lag Bolt, 1-3/4x14' 18GA/GR

Womens clothing

None

None

None

T-Post, 1.25 Lb 7' Gray/Red

None

Nozzle, Pistol, Large Full Size Zinc HDHalter, Original, Nylon Small Blue

None

Oil, Bar & Chain, Lubeforce Quart Bolts, Nuts, & Flat Washers Carriage Grade

Billet, Off, Nylon 1-3/4X39 In Brown

Insect Killer, RTU Trigr Gallon Home DF

None

Down payment on skid loader with pallet forks

Flood Reflector Bulb, Lampholder, Staple Cable, 2 Lampholder Kits, Box Cover

None

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Check Date	Check Number	Description per Statement or Check Image	Amount
12/01/16	#	POS Purchase at Bomgaars #34 Jefferson Jefferson IA 548131 63360	28.62
12/05/16	#	^ POS Purchase at Bomgaars #34 Jefferson Jefferson IA 548261 634000	15.25
12/05/16	#	^ POS Purchase at Jared - Galleria4608 800-877-8169 OH 548261 633900014	180.00
12/16/16	1670	Bomgaar's	128.39
12/19/16	#	POS Purchase at Bomgaars #34 Jefferson Jefferson IA 548081 635300	51.34
12/27/16	#	POS Purchase at Shopko Perry IA 548141 635900068	43.31
03/09/17	#	POS Purchase at McDonald's F17678 Fort Dodge IA 548261 706800044	9.61
06/16/17	#	POS Purchase at Bomgaars #34 Jefferson Jefferson IA 548081 716700	45.99
06/26/17	#	POS Purchase at Bomgaars #34 Jefferson Jefferson IA 548081 717700	192.59
05/11/18	#	POS Purchase at McDonald's F17678 Fort Dodge IA 548141 813100013	7.48
06/14/18	#	POS Purchase at Hy Vee 1522 Perry IA 548081 816500064	22.82
06/15/18	#	POS Purchase at Hy Vee 1297 Jefferson IA 548081 816600090	4.94
06/15/18	#	POS Purchase at Burger King #10772 Perry IA 548081 8166	15.91
06/15/18	#	^ POS Purchase at Casa De Oro Jefferson IA 548251 816600069	20.12
06/20/18	#	POS Purchase at Shopko 680 00206805 Perry IA 548081 817100026	353.08
06/21/18	#	POS Purchase at Jefferson A&W Jefferson IA 548081 817200054	9.72
06/22/18	#	POS Purchase at Jefferson A&W Jefferson IA 548251 817300081	11.74
07/05/18	#	POS Purchase at Hy Vee 1297 Jefferson IA 548081 818500068	67.09
Total			\$6,589.85

- Debit Card Transaction

^ - Identified as personal purchase by Matt Sutherland

Note: Auditor's notations are in italics.

Description per supporting documentation or internet search

Galvanized Coupling, Teflon Pipe Tape, Galvanized Nipple, Groove Joint Pliers,
Cast Iron Pipe Wrench

2 hose clamps and dryer vent kit

None

Propane heater

Sweatshirt and jeans

Black ink cartridge and vehicle charger

None

Horse feed and headlight

1/4 In Impact Driver

None

None

None

None

None

Entertainment credenza and side table

None

None

None

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Per Bank Statement

Check Date	Check Number	Description per Statement or Check Image
07/27/14	1284	Sears
08/07/14	1292	Scott Guttonfelder
09/15/14	#	POS Purchase at Office Depot # 2335 WDM IA
09/29/14	#	POS Purchase at Hy-Vee 1522 Perry IA
11/07/14	1306	Quandts
12/08/14	#	POS Purchase at Shopko 00206805 Perry IA
12/08/14	#	POS Purchase at Hy-Vee 1522 Perry IA
01/22/15	#	POS Purchase at Hy Vee 411 Perry IA 548081 50220056
01/25/15	1314	Central Iowa Publishing
02/12/15	#	POS Purchase at Harland ACE Hdwe Perry IA 548081 504300040
06/08/15	#	POS Purchase at Promo Direct 800-7486150 NV 548041 515900068
07/20/15	#	POS PURCHASE AT VAN WALL MOTORSPORTS PERRY IA 548141 519900055
08/13/15	#	POS Purchase at USPS 18714607231206576 Perry IAS 548261 522500079
11/16/15	#	POS Purchase at Paypal *MOTORCITYEX 402-935-7733 CA 548261 5320000
11/30/15	#	POS Purchase at The Home Depot 2107 Ankeny IA 548131 533300033
12/05/15	1392	Lake Lumber
12/07/15	#	POS Purchase at Hy Vee 1522 Perry IA 548251 534000079
12/07/15	#	POS Purchase at Hy Vee 1522 Perry IA 548261 533900021
12/28/15	#	POS Purchase at Hy Vee 1522 Perry IA 548261 536100019
12/29/15	#	POS Puchase at Vistapr*vistaprint.com 866-8936743 MA 548081 53630
12/30/15	1352	USPS
01/19/16	#	POS Purchase at Office Depot # 2335 WDM IA 548141 601700028
01/21/16	#	POS Purchase at Harland Ace Hdwe Perry IA 548141 602100015
01/25/16	#	POS Purchase at Shopko 678 00206789 Jefferson IA 548261 602400000

Memo on check	Amount
<i>Illegible</i>	\$ 288.89
Gift Card	50.00
-	38.14
-	102.89
<i>Illegible</i>	35.00
-	10.65
-	53.31
-	37.75
-	35.00
-	39.57
-	391.00
-	78.35
-	1.20
-	25.00
-	28.27
Supplies	35.21
-	21.81
-	51.33
-	72.97
-	58.21
Shipping to Cosco	17.90
-	149.73
-	42.75
-	7.47

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Unsupported Purchases from Other Vendors
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Per Bank Statement

Check Date	Check Number	Description per Statement or Check Image
02/22/16	#	POS Purchase at Northern Tool Equipment Des Moines IA 548141 605100
03/01/16	#	POS Purchase at Harland Ace Hdwe Perry IA 548251 606100057
03/01/16	#	POS Purchase at Oreilly Auto 00003442 Perry IA 548261 606100000
03/03/16	#	POS Purchase at Oreilly Auto 00003442 Perry IA 548131 606300000
03/09/16	1397	Hummel Auto Works
03/28/16	#	POS Purchase at Lake Lumber Panora IA 548261 608700004
04/28/16	#	POS Purchase at Muir Embroidery & Sports Jefferson IA 548261 61190
04/28/16	#	POS Purchase at Durbin Automotive Jefferson IA 548261 611900018
04/29/16	#	POS Purchase at Shopko 678 00206789 Jefferson IA 548251 61200028
05/31/16	#	POS Purchase at The Home Depot 2107 Ankeny IA 548041 615100079
05/31/16	#	POS Purchase at The Home Depot 2107 Ankeny IA 548131 615100079
05/31/16	#	POS Purchase at Tractor Supply #612 Ankeny IA 548081 615000069
07/07/16	#	POS Withdrawal. Shopko Jefferson Jefferson IA 722562 87256200
07/07/16	#	POS Withdrawal. Shopko Jefferson Jefferson IA 726699 846699
08/22/16	#	POS Purchase at Nobbies - Clive Clive IA 548261 6235
08/22/16	#	POS Purchase at Office Depot #2335 WDM IA 548081 623500073
11/21/16	#	POS Purchase at Orscheln Guthrie Ctr 75 Guthrie Cente IA 548261 63
12/01/16	#	POS Purchase at Don's Ace Hdwe Jefferson IA 548081 6336
12/05/16	#	POS Purchase at Orscheln Boone 87 Boone IA 548251 633900076
02/02/17	#	POS Purchase at Dollar-General #8463 Jefferson IA 548141 703300049
03/09/17	#	POS Purchase at Shopko 678 00206789 Jefferson IA 548261 7069000
04/03/17	#	POS Purcahse at Hy Vee 1297 Jefferson IA 548251 709300040
04/04/17	#	POS Purchase at Jefferson Telecom http://JE IA 548081 70940001
04/17/17	#	POS Purchase at Dollar General #8463 Jefferson IA 548261 710700067

Memo on check	Amount
-	22.22
-	26.72
-	39.56
-	29.92
Unit 3 Maintenance	275.76
-	64.37
-	47.08
-	378.12
-	48.13
-	0.36
-	139.78
-	187.32
-	54.54
-	67.40
-	33.89
-	37.60
-	187.56
-	36.37
-	88.79
-	21.18
-	16.75
-	45.78
-	50.83
-	28.30

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Per Bank Statement

Check Date	Check Number	Description per Statement or Check Image
05/10/17	#	POS Purchase at Smith Tire Yale IA 548081 713000099
05/22/17	#	POS Purchase at New Way Ford Coon Rapids IA 548261 714100065
06/13/17	#	POS Purchase at Smith Tire Yale IA 548251 716400050
Total		

- Debit Card Transaction

Note: Auditor's notations are in italics.


Memo on check	Amount
-	174.37
-	216.46
-	64.20
	<hr/>
	<u>\$4,055.76</u>

Report on Special Investigation of the
Bagley Fire Fighter's Association

Staff

This special investigation was performed by:

Melissa J. Finestead, CFE, Manager
Crystal D. Jimenez-Boender, Staff Auditor


Annette K. Campbell, CPA
Deputy Auditor of State