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NEWS RELEASE

Short and Company, CPA, PLC today released a report on a special investigation of the Earlham Volunteer Fire and Rescue Association, Inc. (Association) for the period January 1, 2004 through April 30, 2011. The special investigation was requested by Association officials as a result of concerns regarding certain financial transactions from the Association's accounts.

Short and Company reported the special investigation identified \$33,504.10 in improper disbursements. The investigation also identified \$2,741.00 in undeposited receipts. Short and Company also reported that it was not possible to determine if there were additional improper disbursements or if all donations and proceeds from fundraising events were properly deposited because adequate documentation was not available.

The improper disbursements of \$33,504.10 included checks written by the Association treasurer to himself totaling \$23,050.32 and \$3,387.97 to the treasurer's wife. Additional improper disbursements totaled \$7,065.81 and include \$3,392.07 of cash withdrawals, with the remaining \$3,673.74 representing purchases and payments to vendors not generally utilized by the Association.

The Association was established to raise funds to provide support for the fire and rescue departments and to acquire and maintain fire, emergency, rescue and related equipment that are not budgeted by the city. The Association maintained multiple checking and savings accounts as well as certificates of deposit.

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

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

**REPORT ON SPECIAL INVESTIGATION
OF THE
EARLHAM VOLUNTEER FIRE AND
RESCUE ASSOCIATION, INC.**

**FOR THE PERIOD
JANUARY 1, 2004 THROUGH APRIL 30, 2011**

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"Our Goal is Client Success"

Independent Auditor's Report

To the Members of the Earlham Volunteer
Fire and Rescue Association, Inc.:

At the request of Association officials, we conducted a special investigation of the Earlham Volunteer Fire and Rescue Association, Inc. (Association). We have applied certain tests and procedures to selected financial transactions of the Association for the period January 1, 2004 through April 30, 2011. Because not all records were available, we were not able to perform all procedures for the entire period.

Based on our review of relevant information and discussions with Association officials, we performed the following procedures for the period January 1, 2004 through April 30, 2011, unless otherwise specified:

- (1) Evaluated the organization of the Association to determine whether it is a function of the City or a separate entity.
- (2) Evaluated internal controls to determine whether adequate policies and procedures were in place and operating effectively.
- (3) Examined all disbursements from bank accounts maintained by the Association and available documentation to determine if disbursements were appropriate and supported by adequate documentation.
- (4) Confirmed payments to the Association by the City of Earlham for the period January 2007 through January 2011 to determine if they were properly deposited.
- (5) Reviewed the Association's meeting minutes for significant actions for the period January 17, 2006 to May 15, 2011.
- (6) Reviewed deposits and available supporting documentation to determine if all receipts had been deposited.
- (7) Compared monthly treasurer reports to actual bank balances to determine the accuracy of treasurer reports made to the Association's membership for the period January 17, 2006 to May 15, 2011.

These procedures identified \$33,504.10 of improper disbursements for the period January 1, 2004 through April 30, 2011. We also identified \$2,741.00 of undeposited receipts. However, adequate records were not available for all donations and fundraiser proceeds and we were unable to determine if there were additional undeposited receipts. Several internal control weaknesses were also identified. Our detailed findings and recommendations are presented in the Investigative Summary and **Exhibits A through G** of this report.

The procedures we performed do not constitute an audit of financial statements conducted in accordance with auditing standards generally accepted in the United States of America. Had we performed additional procedures, or had we performed an audit of financial statements of the Earlham Volunteer Fire and Rescue Association, Inc., other matters might have come to our attention that would have been reported to you.

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

We would like to acknowledge the assistance and many courtesies extended to us by the officials of the Earlham Volunteer Fire and Rescue Association, Inc. during the course of our investigation.

Short & Company, CPA, P.C.

September 7, 2011

Earlham Volunteer Fire and Rescue Association, Inc.

Investigative Summary

Background Information

The Earlham Volunteer Fire and Rescue Association, Inc. (Association) is a nonprofit corporation organized under Chapter 504A of the Code of Iowa and 501(c)(3) of the Internal Revenue Code. The Association was organized effective April 12, 2001. The primary purpose of the organization is to acquire and maintain fire, emergency, rescue and related equipment for the benefit of the local government and dedicate and distribute such equipment to the local government. As a result, the Association is considered part of the City of Earlham for financial reporting purposes.

From January 1, 2004 to April 30, 2011, the Association was led by one Fire Chief, Shawn Boyle and one Treasurer, Bradley Ruth. Both are volunteer members of the City of Earlham fire department.

The Association's primary revenue source is fundraisers and donations. The Association has also received annual payments from the City of Earlham based on the number of fire calls. Donations, payments from the City of Earlham and proceeds from fundraisers are deposited primarily to two accounts, a checking account and an interest bearing money market account. Because sufficient records were not readily available, we are unable to determine the source of all funds deposited to the accounts.

During the period of our review the Association maintained two other bank accounts and four certificates of deposit. Activity for these accounts is also included in our review. All of these additional accounts are currently closed with the exception of one account known as the "Operation SOS" checking account. Treasurer Bradley Ruth had sole control over all accounts for the period of our review.

The Association's practice is to hold monthly meetings of its membership which includes volunteer firefighters. The Association's secretary maintains minutes of the meetings on a standardized form and the Treasurer's report is documented on this standardized form.

In April 2011, Bradley Ruth, Treasurer, contacted Fire Chief, Shawn Boyle to inform him that he (Mr. Ruth) had been misusing Association funds. Mr. Ruth also indicated to Mr. Boyle that all funds had been returned. Mr. Boyle contacted local law enforcement and requested that Short and Company, CPA, PLC conduct an investigation of the accounts maintained by the Association and in the control of Treasurer, Bradley Ruth. As a result of the request, we performed the procedures detailed in our report for the period January 1, 2004 through April 30, 2011, unless otherwise noted.

Detailed Findings

These procedures identified \$33,504.10 of improper disbursements for the period January 1, 2004 through April 30, 2011. We also identified \$2,741.00 of undeposited receipts. However, adequate records were not available for all donations and fundraiser proceeds and we were unable to determine if there were additional undeposited receipts. In addition, we are unable to determine the source of all funds deposited to accounts and unable to determine the extent to which funds were returned as claimed by Mr. Ruth. As many deposits were in the form of cash and adequate records were not available for all donations and fundraiser proceeds, we did not request detail information directly from the bank for all deposits.

The \$33,504.10 of improper disbursements includes payments to the Association's Treasurer and his spouse, cash withdrawals and certain purchases. The purchases were from vendors that were not local to the community and/or were not generally used for supplies for fundraisers, etc. In some cases, payments were made to vendors that may be used by the Association but based on other information, these payments were deemed improper. These vendors and/or payments were identified by the Fire Chief and the two current assistant fire chiefs.

We reviewed disbursements from the accounts maintained by the Association between January 1, 2004 and April 30, 2011. Not all disbursements were supported by adequate documentation. We were able to obtain images of all redeemed checks for the period of January 1, 2004 and April 30, 2011 from the bank. Images of redeemed checks were not available for earlier periods. Supporting documentation was reviewed to determine if disbursements were proper. Supporting documentation included invoices, minutes of the Association's monthly meetings, and handwritten treasurer reports.

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

The treasurer and other members of the Association were allowed to purchase equipment and supplies for the Association. There were no formal procedures in place requiring pre-approval of purchases. Invoices and other supporting documentation were to be received directly by the Treasurer or provided to the Treasurer by other members of the Association.

Supporting Documentation – We determined adequate supporting documentation was not maintained for numerous disbursements between January 1, 2004 and April 30, 2011 from the bank accounts maintained by the Association. While adequate supporting documentation was not available, unsupported disbursements were deemed reasonable/proper based on the name of the vendor and/or notation in the memo portion of the checks, discussions with current fire chief and two assistant fire chiefs, minutes of the Association's monthly meetings and handwritten treasurer reports. Disbursements that were unsupported but deemed proper based on information discussed previously are not included in this report. We were unable to determine the propriety of \$33,504.10. **Table 1** includes a summary of the improper disbursements based on the name of the vendor, notation in the memo portion of the checks, discussions with current chief and two assistant fire chiefs, minutes of the Association's monthly meetings and handwritten treasurer reports. See **Exhibit B** for more detailed information.

Description	Amount
Bradley Ruth, Treasurer	\$ 23,050.32
Crystal Ruth, Spouse of Treasurer	3,387.97
Cash withdrawals	3,392.07
Miscellaneous:	
Autozone	\$ 108.82
Brittian's Napa	34.10
Casey's	107.83
Hometown Market	60.00
HyVee	908.77
Kum & Go	78.16
Lowe's	252.79
Menards	48.28
Midamerican Energy	296.34

Quiktrip	243.23	
Qwest	340.89	
Subway	4.85	
US Cellular	1,023.05	
Walmart	166.63	3,673.74
Total		<u>\$ 33,504.10</u>

Undeposited Receipts – During our review of accounting records, supporting documentation was located for three fundraisers. Based on this documentation, it was determined that \$2,391.00 of funds raised cannot be traced to deposit. In addition, review of images of deposit slips obtained from the bank noted \$350.00 of funds withheld from deposits. See **Table 2** for detail of the undeposited proceeds and **Exhibit F** for copies of the deposit slips documenting amounts withheld from deposits.

Event	Amount	Deposit	Date
Exhibit C	2,154.00	Fundraiser Proceeds	
	(200.00)	Deposit (Checking)	4/6/2011
	(1,854.00)	Deposit (MM)	4/6/2011
	<u>100.00</u>	Undeposited proceeds	
Exhibit D	8,912.00	Train Proceeds	
	(2,268.00)	Deposit (Checking)	8/2/2010
	(4,727.00)	Deposit (MM)	8/2/2010
	<u>1,917.00</u>	Undeposited proceeds	
Exhibit E	1,075.00	Pancake Breakfast	
	(701.00)	Deposit (Checking)	4/20/2006
	<u>374.00</u>	Undeposited proceeds	
Total	<u><u>2,391.00</u></u>		

Treasurer Reports – The Association held monthly meetings of its membership. At these meetings, a treasurer report was given and documented by the Association’s secretary on a prescribed form used to document significant actions by the Association. This documentation included current bank balances of three accounts held by the Association. These reports also included interest earned and outstanding bills to be paid. **Exhibit G** shows a comparison of the monthly treasurer reports to actual bank balances. This comparison indicates a clear pattern of misleading balances presented to the membership.

Recommended Control Procedures

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

- 1) Receipts – collecting and depositing,
- 2) Disbursements – preparing, signing and mailing or distributing checks,
- 3) Investments – investing and custody,
- 4) Financial Reporting – receiving bank statements,
- 5) Accounting – performing all general accounting functions.

Recommendation – We realize segregation of duties is difficult with a limited number of staff. However, the functions listed above should be segregated. In addition, members of the Association should periodically review the bank statements, including images of cleared checks. Collections from fundraisers and donations should be reconciled to deposits and supporting documentation for accounting records should be examined on a periodic basis.

(B) Financial Accounting Records – Very limited financial records were maintained by the Association for the period of our review. The following conditions were identified:

- 1) A ledger was not located.
- 2) Pre-numbered receipts are not issued.
- 3) Monthly bank account reconciliations were not completed and bank statements were not reviewed by an individual independent of disbursing or receiving the Association's funds.
- 4) An investment register was not maintained for the Certificates of Deposit held by the Association.
- 5) All disbursements were not properly supported.

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

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

**Report on Special Investigation of the
Earlham Volunteer Fire and Rescue Association, Inc.**

Report on Special Investigation of the
Earlham Volunteer Fire and Rescue Association, Inc.

Summary of Findings
For the period January 1, 2006 to April 30, 2011

Description	Table/Page Number	Amount
Improper disbursements	Table 1	\$ 33,504.10
Undeposited receipts	Page 7	2,741.00
Total		<u>\$ 36,245.10</u>

Report on Special Investigation of the
Earlham Volunteer Fire and Rescue Association, Inc.

Summary of Improper Disbursements
For the period January 1, 2006 to April 30, 2011

Date	Cleared	Check #	Payee	Amount	Total
9/27/2004		1409	Brad Ruth	176.56	
12/6/2004		1420	Brad Ruth	253.46	
2/11/2005		1436	Brad Ruth	398.67	
10/19/2005		1460	Brad Ruth	625.37	
1/3/2006		1468	Brad Ruth	649.78	
4/26/2006		1489	Brad Ruth	175.00	
5/3/2006		1491	Brad Ruth	750.00	
5/30/2006		1496	Brad Ruth	500.00	
6/30/2006		1499	Brad Ruth	403.67	
1/26/2007		1518	Brad Ruth	200.00	
3/6/2007		1523	Brad Ruth	416.57	
3/27/2007		1528	Brad Ruth	256.38	
4/20/2007		1531	Brad Ruth	629.81	
8/1/2007		1543	Brad Ruth	867.35	
8/21/2007		1545	Brad Ruth	578.62	
9/5/2007		1547	Brad Ruth	635.27	
2/12/2008		1565	Brad Ruth	256.74	
2/12/2008		1566	Brad Ruth	302.76	
7/9/2008		1573	Brad Ruth	456.87	
4/16/2009		1587	Brad Ruth	350.00	
5/1/2009		1590	Brad Ruth	327.50	
5/12/2009		1591	Brad Ruth	270.00	
7/24/2009		1595	Brad Ruth	147.63	
9/3/2009		1600	Brad Ruth	250.00	
10/1/2009		1605	Brad Ruth	513.65	
10/13/2009		1606	Brad Ruth	100.00	
6/10/2009		1634	Brad Ruth	143.00	
7/7/2009		1637	Brad Ruth	425.00	
10/28/2009		1001	Brad Ruth	154.00	
1/27/2010		1615	Brad Ruth	227.39	
1/29/2010		1616	Brad Ruth	415.27	
2/17/2010		1618	Brad Ruth	437.76	
3/22/2010		1621	Brad Ruth	553.45	
4/5/2010		1623	Brad Ruth	207.83	
4/20/2010		1627	Brad Ruth	203.67	
5/3/2010		1638	Brad Ruth	197.23	

Exhibit B

Report on Special Investigation of the
Earlham Volunteer Fire and Rescue Association, Inc.

Summary of Improper Disbursements
For the period January 1, 2006 to April 30, 2011

Date Cleared	Check #	Payee	Amount	Total
5/4/2010	1639	Brad Ruth	1,493.87	
5/18/2010	1642	Brad Ruth	213.76	
5/28/2010	1644	Brad Ruth	253.45	
6/15/2010	1646	Brad Ruth	495.00	
8/23/2010	1654	Brad Ruth	489.57	
9/1/2010	1656	Brad Ruth	1,850.00	
9/13/2010	1658	Brad Ruth	950.00	
9/16/2010	1659	Brad Ruth	945.00	
10/28/2010	1662	Brad Ruth	473.86	
11/15/2010	1666	Brad Ruth	400.00	
11/23/2010	1667	Brad Ruth	250.00	
11/26/2010	1670	Brad Ruth	400.00	
12/20/2010	1673	Brad Ruth	450.00	
12/23/2010	1674	Brad Ruth	150.00	
1/24/2011	1676	Brad Ruth	600.00	
2/23/2011	1678	Brad Ruth	179.55	23,050.32
9/9/2008	1575	Crystal Ruth	352.76	
2/13/2006	1473	Crystal Ruth	97.86	
3/10/2006	1478	Crystal Ruth	287.60	
8/5/2004	1396	Crystal Ruth	231.46	
1/5/2004	1369	Crystal Ruth	45.53	
1/6/2004	1370	Crystal Ruth	131.67	
9/21/2004	1404	Crystal Ruth	437.65	
12/22/2004	1429	Crystal Ruth	120.00	
10/15/2008	1577	Crystal Ruth	185.55	
8/31/2009	1597	Crystal Ruth	600.00	
5/14/2010	1640	Crystal Ruth	572.89	
6/1/2010	1643	Crystal Ruth	175.00	
11/1/2010	1664	Crystal Ruth	150.00	3,387.97
11/2/2010	1663	Autozone*	108.82	108.82
3/28/2006	1480	Brittian's Napa*	34.10	34.10
7/5/2005	1451	Casey's+	10.96	
3/28/2006	1481	Casey's+	47.86	
7/3/2009	1671	Casey's+	29.01	
4/21/2010	1625	Casey's+	20.00	107.83

Report on Special Investigation of the
Earlham Volunteer Fire and Rescue Association, Inc.

Summary of Improper Disbursements
For the period January 1, 2006 to April 30, 2011

Date Cleared	Check #	Payee	Amount	Total
9/4/2004	1399	E Bank	450.00	
10/25/2004	1412	E Bank	50.00	
8/30/2005	1454	cash	50.00	
12/30/2005	1469	E Bank	300.00	
5/22/2006	1493	E Bank	100.00	
5/15/2009	1631	cash	300.00	
6/11/2009	1635	cash	255.00	
7/9/2009	1593	cash	170.00	
8/28/2009	1598	cash	150.00	
9/15/2009	counter withdrawal		1,547.07	
8/30/2010	1672	cash	20.00	3,392.07
10/14/2009	1607	Hometown Market++	40.00	
4/19/2010	1626	Hometown Market#	20.00	60.00
7/13/2004	1392	HyVee*	56.70	
9/27/2004	1408	HyVee*	25.88	
12/24/2004	1430	HyVee*	44.54	
2/1/2005	1433	HyVee*	23.14	
2/15/2005	1437	HyVee*	28.41	
3/1/2005	1438	HyVee*	248.50	
9/27/2005	1456	HyVee*	21.86	
8/30/2006	1507	HyVee*	25.58	
3/2/2007	1522	HyVee*	33.50	
11/7/2007	1557	HyVee*	40.66	
12/19/2007	1559	HyVee*	87.68	
10/15/2008	1576	HyVee*	57.87	
9/22/2010	1660	HyVee*	117.38	
11/26/2010	1668	HyVee*	97.07	908.77
9/19/2006	1508	Kum & Go+*	47.00	
10/11/2006	1510	Kum & Go+*	31.16	78.16
9/8/2004	1398	Lowe's*	87.25	
9/22/2004	1405	Lowe's*	23.25	
9/28/2004	1410	Lowe's*	93.47	
6/1/2010	1645	Lowe's*	48.82	252.79

Exhibit B

Report on Special Investigation of the
Earlham Volunteer Fire and Rescue Association, Inc.

Summary of Improper Disbursements
For the period January 1, 2006 to April 30, 2011

Date	Cleared	Check #	Payee	Amount	Total
	8/5/2004	1395	Menards*	48.28	48.28
	8/22/2007	1544	Midamerican^	296.34	296.34
	3/19/2004	1401	Quiktrip+*	38.17	
	10/4/2004	1411	Quiktrip+*	18.52	
	11/5/2004	1414	Quiktrip+*	29.38	
	12/7/2004	1419	Quiktrip+*	48.35	
	1/10/2005	1431	Quiktrip+*	47.02	
	2/4/2005	1435	Quiktrip+*	25.11	
	6/22/2005	1448	Quiktrip+*	36.68	243.23
	10/19/2010	eft	Qwest>	340.89	340.89
	2/1/2007	1519	Subway*	4.85	4.85
	12/7/2004	1421	US Cellular**	200.00	
	2/2/2005	1434	US Cellular**	152.80	
	11/7/2007	eft	US Cellular***	447.44	
	9/4/2009	1601	US Cellular**	222.81	1,023.05
	7/7/2004	1391	Walmart*(1)	10.93	
	12/6/2004	1418	Walmart*	18.39	
	11/15/2005	1490	Walmart*	77.80	
	8/30/2006	1506	Walmart*	59.51	166.63
					<u>\$33,504.10</u>

Legend -

- * - Vendor not local to City of Earlham; per Fire Chief, not a vendor used by the Association
- ^ - All utility costs paid for by the City of Earlham
- + - Fuel for fire vehicles paid for by the City of Earlham
- > - Per bank statement, payment is for phone number 515-758-2612 which is the home phone number for Bradley Ruth.
- # - Check was written for \$20 over purchase with \$20 received as cash back
- ** - Account #443968852 noted in memo on check which is the personal account of Bradley Ruth
- ++ - No support located
- (1) - Receipt was located; amount represents purchase of personal items
- *** - Not a check purchase. Set up as a withdrawal from checking account. Only information is XXXXXX5946. Appears to be a social security number.

Report on Special Investigation of the
Earlham Volunteer Fire and Rescue Association, Inc.

Support for Fundraiser Proceeds
April 2011

Fundraiser expenses
683.40 for Steaks Home Tan Market
119.33 Supplies from Trudy
27.90 Hometown Market supplies
56.00 Earlham Advocate Advertising

886.63 Total
100.00 for cash box
986.63

Fundraiser Proceeds	
2154.00	Total
(1314.00	cash
840.00	checks

100.00 Returned from cash box
200.00 Deposited in checking
1854.00 Deposited in MM

mm 14,698.77
1300.00 Marty Dutton Donation
750.00 Transferred to checking to cover fundraiser

Report on Special Investigation of the
Earlham Volunteer Fire and Rescue Association, Inc.

Support for Train Ride Proceeds
July 2010

30.00 Donations

4615.00 cash }
4297.00 checks } 8912.00

2228.00 TO Interstate Railroad

6684.00 TO Earlham Fire Dept.

8,912 -

Report on Special Investigation of the
Earlham Volunteer Fire and Rescue Association, Inc.

Support for Pancake Breakfast Proceeds
April 2006

4-18-06

249.67 Atlantic Fire Dept. 270⁰⁰
Thrivent 500⁰⁰
US Cellular 24⁵³

Deposited
Received ~~1005~~ 7⁰⁰
Pancake Breakfast
Bills for Breakfast
53.06

MM

5182.87 Interest 7.49

100 ACC 200 500
29.57
4.28
34.87
2.10
136.37

June Me + Lurt
Form application

Exhibit G

**Report on Special Investigation of the
Earlham Volunteer Fire and Rescue Association, Inc.**

**Treasurer Reports Compared to Actual Bank Balances
January 17, 2006 to March 15, 2011**

Per Treasurer's Report					Actuals per bank statements				
Money Market	Interest on Money Market	Checking	Special	Interest on Special	Money Market	Interest on Money Market	Checking		
5,163.47	8.46	265.67	Account opened in June 2007		2,627.54	8.46	291.71		
	undetermined								
5,175.38	5.64	72.07					3,285.45	5.64	2.07
5,182.87	7.49	249.67					3,592.94	7.49	2.88
6,090.75	7.88	88.97					3,600.82	7.88	(27.49)
6,100.02	10.02	102.35					2,100.84	10.02	466.56
5,807.23	7.21	120.18					2,302.15	7.21	120.00
5,815.09	8.86	250.78					2,293.11	6.86	466.55
5,822.68	7.59	226.51					2,283.93	6.72	378.12
5,829.94	7.26	182.67					2,274.44	6.41	73.26
4,635.48	5.54	105.08					1,065.05	6.51	124.47
4,640.27	4.79	107.43					2,027.73	3.58	124.47
5,651.27	8.22	259.16					4,221.44	6.10	4.67
6,553.28	12.01	235.39					4,623.45	12.01	299.82
6,265.99	12.61	336.81					4,136.06	12.61	132.71
5,476.93	10.94	304.93					2,846.89	10.83	428.22
4,876.82	10.83	234.65					2,338.13	7.14	242.40
4,586.46	9.64	133.91			5,000.00	-	1,677.97	5.74	133.91
4,595.03	8.57	195.55			5,000.00	-	1,466.20	4.13	153.93
5,949.54	10.51	171.78			5,037.20	-	5,398.63	4.33	(374.42)
6,211.81	12.27	146.95	5,051.07	13.87	4,294.38	11.65	241.05		
5,022.09	10.28	188.44	5,062.91	11.84	3,104.66	10.28	1,809.46		
4,731.34	9.25	193.03	8,702.61	13.09	2,613.91	9.25	88.04		
4,738.73	7.39	123.74	8,719.59	16.98	3,133.97	6.39	(259.74)		
4,746.27	7.54	97.28	8,900.77	21.18	2,841.58	7.61	195.83		
4,754.36	7.63	220.82	8,921.35	20.58	2,448.58	7.00	(461.12)		
5,950.83	8.47	175.77	8,938.89	17.54	3,626.15	5.47	115.02		
	8.24					6.42			
5,667.49	8.42	157.77	8,955.14	16.25	3,337.81	5.24	93.83		
5,673.33	5.84	203.22	8,988.40	10.16	3,341.65	3.84	121.28		
5,678.83	5.50	105.31	8,998.55	10.15	2,895.45	3.80	16.50		
5,484.50	5.67	198.36	9,008.71	10.16	2,898.84	3.39	155.31		
	undetermined								
5,493.96	4.84	198.36	9,028.40	10.17	2,905.64	3.62	109.13		
5,498.31	4.35	158.13	9,037.85	9.45	2,908.81	3.17	68.90		
	undetermined								

		Variances						
Interest on Special	Interest on Special	Money Market	Interest on Money Market	Checking	Interest on Special	Interest on Special		
Account opened in June 2007		2,535.93	-	(26.04)	Account opened in June 2007			
		1,889.93	-	70.00				
		1,589.93	-	246.79				
		2,489.93	-	116.46				
		3,999.18	-	(364.21)				
		3,505.08	-	0.18				
		3,521.98	2.00	(215.77)				
		3,538.75	0.87	(151.61)				
		3,555.50	0.85	109.41				
		3,570.43	(0.97)	(19.39)				
		2,612.54	1.21	(17.04)				
		1,429.83	2.12	254.49				
		1,929.83	-	(64.43)				
		2,129.93	-	204.10				
		2,630.04	0.11	(123.29)				
		2,538.69	3.69	(7.75)				
5,010.79	10.79	2,908.49	3.90	-	(10.79)	(10.79)		
5,023.33	12.54	3,128.83	4.44	41.62	(23.33)	(12.54)		
5,037.20	13.87	550.91	6.18	546.20	-	(13.87)		
5,050.68	13.48	1,917.43	0.62	(94.10)	0.39	0.39		
5,062.52	11.84	1,917.43	-	(1,621.02)	0.39	-		
8,702.61	13.09	2,117.43	-	104.99	-	-		
8,719.59	16.98	1,604.76	1.00	383.48	-	-		
8,740.77	21.18	1,904.69	(0.07)	(98.55)	160.00	-		
8,761.35	20.58	2,305.78	0.63	681.94	160.00	-		
8,778.89	17.54	2,324.68	3.00	60.75	160.00	-		
		-	1.82	-	-	-		
8,908.08	12.94	2,329.68	3.18	63.94	47.06	3.31		
8,918.24	10.16	2,331.68	2.00	81.94	70.16	-		
8,928.39	10.15	2,783.38	1.70	88.81	70.16	-		
8,938.55	10.16	2,585.66	2.28	43.05	70.16	-		
8,958.24	10.17	2,588.32	1.22	89.23	70.16	-		
9,033.45	9.45	2,589.50	1.18	89.23	4.40	-		

Exhibit G

**Report on Special Investigation of the
Earlham Volunteer Fire and Rescue Association, Inc.**

**Treasurer Reports Compared to Actual Bank Balances
January 17, 2006 to March 15, 2011**

Meeting Date	Per Treasurer's Report					Actuals per bank statements		
	Money Market	Interest on Money Market	Checking	Special	Interest on Special	Money Market	Interest on Money Market	Checking
January 20, 2009	4,905.20	3.14	254.75	9,055.70	9.26	2,914.71	3.14	148.37
February 17, 2009	5,207.82	2.62	62.98	9,055.70	7.68	3,217.33	2.62	560.43
March 17, 2009	5,109.48	2.28	126.23	9,069.64	6.26	3,219.61	2.28	62.98
April 21, 2009	7,842.05	2.57	126.23	9,640.11	5.47	5,702.18	2.57	126.23
May 19, 2009	6,995.37	3.32	184.33	10,436.92	5.81	4,205.50	3.32	166.83
June 16, 2009	6,197.88	2.51	134.33	10,443.97	7.05	2,858.01	2.51	52.83
July 21, 2009	6,746.25	2.37	60.95	10,451.75	7.78	2,705.80	1.98	144.45
August 18, 2009	6,647.70	2.45	123.50	10,459.55	7.80	2,557.80	1.81	111.82
September 15, 2009	6,051.09	2.39	152.83	10,467.37	7.82	2,359.54	1.74	145.89
October 20, 2009	6,553.27	2.18	148.53	10,564.83	7.46	2,514.12	1.78	572.24
November 17, 2009	6,555.56	2.29	338.75	10,416.60	5.77	2,515.82	1.28	245.24
December 15, 2009	14,472.16	2.15	195.35	closed		8,699.88	2.19	2,460.71
January 19, 2011	14,478.07	5.91	111.26			8,705.79	5.91	126.62
February 16, 2010	15,356.55	5.48	157.76			8,511.27	5.48	606.96
March 16, 2010	9,862.27	5.72	392.76			8,015.99	4.72	5,615.70
April 20, 2010	9,581.37	4.81	351.83			6,920.80	4.81	218.33
May 18, 2010	9,585.51	4.14	164.14			4,224.94	4.14	182.89
June 22, 2010	9,943.47	4.65	114.14			4,027.70	2.76	189.07
July 20, 2010	9,748.04	4.57	117.03			3,830.04	2.34	136.18
August 17, 2010	16,684.00	4.35	217.03			8,559.25	2.21	2,404.18
September 21, 2010		undetermined						
October 19, 2010	17,151.87	7.56	104.53			4,515.50	2.27	270.84
November 16, 2010		undetermined						
12/22/2010	11,591.47	6.47	268.61			2,496.40	1.54	80.17
January 18, 2011	11,295.65	4.18	430.61			2,081.42	0.92	186.87
February 15, 2011	11,299.72	4.07	305.61			2,850.33	0.81	86.87
March 15, 2011	11,303.99	4.27	305.61			2,651.09	0.76	87.32

		Variances				
Interest on Special	Interest on Special	Money Market	Interest on Money Market	Checking	Special	Interest on Special
8,551.30	9.26	1,990.49	-	106.38	504.40	-
8,558.98	7.68	1,990.49	-	(497.45)	496.72	-
8,565.24	6.26	1,889.87	-	63.25	504.40	-
9,640.11	5.47	2,139.87	-	-	-	-
10,436.92	5.81	2,789.87	-	17.50	-	-
10,443.97	7.05	3,339.87	-	81.50	-	-
10,451.75	7.78	4,040.45	0.39	(83.50)	-	-
10,459.55	7.80	4,089.90	0.64	11.68	-	-
7,320.27	7.79	3,691.55	0.65	6.94	3,147.10	0.03
8,825.73	5.46	4,039.15	0.40	(423.71)	1,739.10	2.00
8,676.97	3.77	4,039.74	1.01	93.51	1,739.63	2.00
-	1.47	5,772.28	(0.04)	(2,265.36)		
		5,772.28	-	(15.36)		
		6,845.28	-	(449.20)		
		1,846.28	1.00	(5,222.94)		
		2,660.57	-	133.50		
		5,360.57	-	(18.75)		
		5,915.77	1.89	(74.93)		
		5,918.00	2.23	(19.15)		
		8,124.75	2.14	(2,187.15)		
		12,636.37	5.29	(166.31)		
		9,095.07	4.93	188.44		
		9,214.23	3.26	243.74		
		8,449.39	3.26	218.74		
		8,652.90	3.51	218.29		