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August 3, 2015

Board of Directors
Tri-Creek Ambulance Service Agency
1331 E. Commercial Ave.
P.O. Box 36
Lowell, IN 46356

We have reviewed the audit report prepared by Gibson & Brown CPA, Inc., for the period January 1, 2011 to December 31, 2012. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of Tri-Creek Ambulance Service Agency, as of December 31, 2012, and the results of its operations for the period then ended, on the basis of accounting described in the report.

The Independent Public Accountants' report is filed with this letter in our office as a matter of public record.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

AUDIT REPORT
OF
TRI-CREEK AMBULANCE
SERVICE AGENCY
JANUARY 1, 2011 TO
DECEMBER 31, 2012

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TRI-CREEK AMBULANCE SERVICE AGENCY
SCHEDULE OF OFFICIALS
2011 and 2012

Harold Mussman – West Creek Township Trustee
11821 W. 185th Avenue, Lowell, IN 46356

Rosey Morrow – Eagle Creek Township Trustee
8305 E. 173rd Road, Hebron, IN 46341

Alice Dahl – Cedar Creek Township Trustee
151 N. Fremont Street, Lowell, IN 46356

Michael McIntire – President
21402 Chestnut, Lowell, IN 46356

Randall Wietbrock – Vice President
3002 W. 181st Avenue, Lowell, IN 46356

Patricia Kopas – Board Member
15614 Cline Avenue, Lowell, IN 46356

Kyle Bruce – Board Member
11003 W. 219th Avenue, Lowell, IN 46356

Brian Mathias – Board Member
603 S. Lakeview Drive, Lowell, IN 46356

John Jurs – Board Member
4103 E. 217th Avenue, Hebron, IN 46341

Wilbert Fitch – Board Member
16800 County Line Road, Hebron, IN 46341

Craig Earley – Board Member
341 Tomahawk, Lowell, IN 46356

Richard Ludlow – Board Member
PO Box 284, Schneider, IN 46376

Marcia Quale – Treasurer
691 Ironwood Drive, Lowell, IN 46356

GOVERNMENTAL FUNDING AGENCIES

West Creek Township Trustee, Harold Mussman, Trustee
11821 W. 185th Avenue, Lowell, IN 46356

Eagle Creek Township Trustee, Rosey Morrow, Trustee
8305 E. 173rd Road, Hebron, IN 46341

Cedar Creek Township Trustee, Alice Dahl, Trustee
151 N. Freemont, Lowell, IN 46356

AUDITOR'S REPORT


TO: THE OFFICIALS OF THE TRI-CREEK AMBULANCE SERVICE AGENCY

We have audited the accompanying statements of receipts, disbursements, and balances (cash basis) of the Tri-Creek Ambulance Service Agency, Lake County, Indiana, for the years ended December 31, 2011 and 2012, as listed in the table of contents. These financial statements are the responsibility of the service agencies management. Our responsibility is to express an opinion of these financial statements based on our audit.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 1, the service agency's policy is to prepare its financial statements on the cash receipts and disbursements method; consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when liability is incurred. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above, present fairly the cash balances of the Tri-Creek Ambulance Service Agency, Lake County, Indiana, at December 31, 2011 and 2012, its receipts collected and disbursements paid during the years then ended, on the basis of accounting as referred to in the preceding paragraph, which has been applied in a manner consistent with that of preceding years.


Gibson & Brown CPA, Inc.
September 4, 2013

TRI-CREEK AMBULANCE SERVICE AGENCY
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND BALANCES
JANUARY 1, 2011 TO DECEMBER 31, 2012

| Fund | BALANCE 01/01/11 | RECEIPTS | DISBURSEMENTS | BALANCE 12/31/2011 |
|-----------------------------|---------------------|---------------------|---------------------|-----------------------|
| Operating: | | | | |
| DeMotte State Bank | \$ 54,039 | \$ 1,241,622 | \$ 1,086,787 | \$ 208,874 |
| Capital Improvement: | | | | |
| Chase | 13,550 | 23,442 | 36,992 | 0 |
| Capital Improvement: | | | | |
| Demotte State Bank | - | 15,820 | - | 15,820 |
| Payroll Account | | | | |
| Chase | 10,392 | 333,000 | 343,392 | (0) |
| Payroll Account | | | | |
| Demotte State Bank | - | 252,023 | 226,147 | 25,876 |
| Total | <u>\$ 77,981</u> | <u>\$ 1,865,907</u> | <u>\$ 1,123,779</u> | <u>\$ 250,569</u> |

| Fund | BALANCE 01/01/12 | RECEIPTS | DISBURSEMENTS | BALANCE 12/31/12 |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|
| Operating: | | | | |
| DeMotte State Bank | \$ 208,874 | \$ 796,173 | \$ 846,691 | \$ 158,356 |
| Capital Improvement/Savings: | | | | |
| Demotte State Bank | 15,820 | 29,208 | 26,976 | 18,053 |
| Payroll Account | | | | |
| DeMotte State Bank | 25,876 | 560,500 | 573,281 | 13,095 |
| Total | <u>\$ 250,569</u> | <u>\$ 1,385,881</u> | <u>\$ 1,446,947</u> | <u>\$ 189,503</u> |

**TRI-CREEK AMBULANCE SERVICE AGENCY
DETAILED SCHEDULE OF RECEIPTS
January 1, 2011 to December 31, 2012**

FUND AND SERVICES

OPERATING ACCOUNT:

| | <u>2011</u> | <u>2012</u> |
|-------------------------------------|--------------------------------|------------------------------|
| <u>TOWNSHIP ASSESSMENTS:</u> | | |
| Cedar Creek-2012 Contract | \$ - | \$ 266,532 |
| Cedar Creek-2011 Contract | 270,000 | |
| Cedar Creek-2010 Contract | 135,000 | |
| Eagle Creek-2011 Contract | 75,000 | |
| Eagle Creek-2012 Contract | - | 66,944 |
| West Creek-2012 Contract | - | |
| West Creek-2011 Contract | 165,000 | |
| West Creek-2010 Contract | 50,000 | |
| West Creek-2012 Contract | | 90,000 |
| AMBULANCE CALLS | 444,003 | 370,868 |
| INTEREST | 35 | 51 |
| MISCELLANEOUS: | | |
| Loan from West Creek Township | | |
| Loan from Demotte State Bank | 100,000 | |
| Miscellaneous | 2,584 | 1,778 |
| <u>Total Receipts</u> | <u>\$ 1,241,622</u> | <u>\$ 796,173</u> |

CAPITAL IMPROVEMENT ACCOUNT:

| | | |
|----------------------------------|-----------------------------|-----------------------------|
| Donations | \$ 24,572 | \$ 27,447 |
| Transfer from Chase CIA | 14,669 | |
| Sale of Van | | 1,750 |
| Interest on Account | 21 | 11 |
| <u>Total Receipts</u> | <u>\$ 39,262</u> | <u>\$ 29,208</u> |

PAYROLL ACCOUNT:

| | | |
|--|------------------------------|------------------------------|
| Transfer from Capital Improvement Fund | | |
| From Cedar Creek for Loan Payment | \$ 5,000 | |
| Transfer from General Fund | 580,023 | 560,500 |
| <u>Total Receipts</u> | <u>\$ 585,023</u> | <u>\$ 560,500</u> |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

**TRI-CREEK AMBULANCE SERVICE AGENCY
DETAILED SCHEDULE OF DISBURSEMENTS
January 1, 2011 to December 31, 2012.**

FUND AND PURPOSE

OPERATING ACCOUNT:

Service & Personnel:

| | | |
|---|---------------|---------------|
| | <u>2011</u> | <u>2012</u> |
| Net wages to employees (See note 3) | | \$ 0 |
| Taxes deposited that were withheld from employees | 0 | 0 |
| PERF retirement | 35,090 | 59,418 |
| Insurance withheld from employees-125 Plan | - | |
| Subtotal | <u>35,090</u> | <u>59,418</u> |

SERIES 200 ACCOUNTS:

| | | |
|--------------------|---------------|---------------|
| Travel & Education | 182 | 2,795 |
| Postage | 1,714 | 1,546 |
| Telephone | 3,418 | 3,433 |
| Legal Fees | 2,446 | 3,460 |
| Accounting Fees | 2,917 | 1,785 |
| Subtotal | <u>10,676</u> | <u>13,019</u> |

SERIES 300 ACCOUNTS:

| | | |
|--------------------|---------------|---------------|
| Vehicle Operations | 13,076 | 13,538 |
| Misc. Supplies | 453 | 627 |
| Uniforms | 3,335 | 3,197 |
| Repairs/Service | 4,762 | 7,384 |
| Office Supplies | 2,580 | 1,650 |
| Subtotal | <u>24,206</u> | <u>26,396</u> |

SERIES 500 ACCOUNTS:

| | | |
|--|----------------|----------------|
| Operating and Workman's Compensation Insurance | 63,431 | 67,525 |
| Employees' medical insurance | 125,636 | 107,131 |
| Medical Insurance paid to employees | | |
| Employer's unemployment taxes | - | |
| Employer's pension cost PERF | | |
| Rent to town of Lowell | 8,800 | 4,400 |
| Subtotal | <u>197,867</u> | <u>179,056</u> |

SERIES 700 ACCOUNTS:

| | | |
|------------------------------|--------------|--------------|
| Radio Equipment | 263 | 1,153 |
| Medical Equipment & Supplies | 3,419 | 4,493 |
| Subtotal | <u>3,682</u> | <u>5,646</u> |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

TRI-CREEK AMBULANCE SERVICE AGENCY
DETAILED SCHEDULE OF DISBURSEMENTS (CONTINUED)
January 1, 2011 to December 31, 2012

| | <u>2011</u> | <u>2012</u> |
|---|---------------------|-------------------|
| MISCELLANEOUS | | |
| Demotte State Bank Principal | 225,000 | |
| Demotte State Bank Interest | 4,487 | |
| Bank fees | | |
| Refunds | 521 | |
| Transfer to payroll account | 585,023 | 560,500 |
| Misc | 235 | 2,656 |
| Subtotal | <u>815,266</u> | <u>563,156</u> |
| Total Disbursements | <u>\$ 1,086,787</u> | <u>\$ 846,691</u> |
| CAPITAL IMPROVEMENT ACCOUNT: | | |
| Transfer to DeMotte State Bank CIA | \$ 14,669 | \$ - |
| Transfer to Operating Account | - | - |
| Raffle prize payouts | 425 | 375 |
| DSB Loan Payment - Ambulance | 15,000 | 14,465 |
| Interest | - | 535 |
| Grant Purchase | 1,779 | |
| Equipment-Electronic Cot | - | 11,600 |
| Miscellaneous | 5,119 | |
| Subtotal | <u>36,992</u> | <u>26,975</u> |
| Total Disbursements | <u>\$ 36,992</u> | <u>\$ 26,975</u> |
| PAYROLL ACCOUNT: | | |
| Net wages to employees (See note 3) | \$ 418,579 | \$ 414,809 |
| Taxes deposited that were withheld from employees | 99,691 | 109,073 |
| Employer's matching social security | 40,475 | 42,397 |
| Employer's unemployment taxes | 1,945 | 1,264 |
| Bank fees | 603 | 252 |
| Garnishments | 1,935 | - |
| AFLAC Insurance withheld from employees | 6,311 | 5,486 |
| Subtotal | <u>569,539</u> | <u>573,281</u> |
| Total Disbursements | <u>\$ 569,539</u> | <u>\$ 573,281</u> |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

TRI-CREEK AMBULANCE SERVICE AGENCY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2012

Note 1. Basis of Presentation and Significant Accounting Policies

- A. This report of the Tri-Creek Ambulance Service Agency includes all funds of the Tri-Creek Ambulance Service Agency. The following funds were used:

Operating – The Operation Funds consists of one checking (interest bearing) account with DeMotte State Bank.

Capital Improvement – The Capital Improvement Funds consists of one savings (interest bearing) account with Chase. This account was closed in 2011 and the funds were transferred to a savings (interest bearing) account with DeMotte State Bank.

Payroll – The Payroll Funds consists of one checking (non-interest bearing) account with Chase. This account was closed in 2011 and the funds were transferred to checking (non-interest bearing) account with DeMotte State Bank.

- B. The Tri-Creek Ambulance Service Agency's policy is to prepare its financial statement on the basis of cash receipts and disbursements; consequently, certain revenues and the related assets are recognized when received and certain expenses are recognized when paid.

Generally accepted accounting principles require the use of accrual basis of accounting. The accrual basis of accounting require that revenues be recognized in the accounting period when earned and become measurable and expenses are recognized in the period incurred, if measurable.

Since the Tri-Creek Ambulance Service Agency's policy is to prepare its financial statement on the basis of cash receipts and disbursements, the financial statements presented herein are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

Note 2. Basis of Organization

The Tri-Creek Ambulance Service Agency was created by a joint civil township agreement to provide ambulance service pursuant to Public Law 137 Acts of 1972, Chapter 265 of the Acts of 1969 and all other statutes of the State of Indiana pertaining to fire fighting services on March 6, 1974. This agency does not file any Non-for-Profit annual Secretary of State Reports. The Tri-Creek Ambulance Service Agency Incorporated January 14, 2005.

Note 3. Net Wages

This audit is based on cash disbursements and receipts. Some taxes and pension payments are due the month after the end of the calendar quarter.

| | <u>2011</u> | <u>2012</u> |
|------------------------------|------------------|------------------|
| Gross Wages | \$ 547,311.62 | \$ 547,442.85 |
| Taxable Wages | \$ 521,100.58 | \$ 520,274.72 |
| Tax exempt medical insurance | 16,043.30 | 15,721.31 |
| Tax deferred retirement | <u>10,167.74</u> | <u>11,446.82</u> |
| | \$ 547,311.62 | \$ 547,442.85 |

Note 4. Pensions

The Tri-Creek Ambulance Service Agency has as of June 8, 1992 adopted a resolution authorizing it to join the Indiana Public Employees Retirement Fund (PERF) and to cover seven classified full time employees. This resolution was accepted by the Board of Trustees of the P.E.R.F. and assigned account #1594. Reports and payment are due quarterly, with the first report to cover the period 7/1/92 through 9/30/92.

The employee P.E.R.F. deduction shall be 3.0%. The Tri-Creek Ambulance Service agency's contribution is arrived at by actuarial valuation submitted to the Public Employees Retirement Fund. The 2011 employer contribution rate was 8.25%. The 2012 rate was 8.25%.

Note 5. Direct Benefits From Governmental Units

The township assessments are based upon the current assessed values of each township according to the Lake County Assessors Office. The assessment is done annually.

The following amounts were received by the Tri-Creek Ambulance Service Agency during the period of this audit.

| | <u>2011</u> | <u>2012</u> |
|-------------|-------------|-------------|
| Cedar Creek | \$ 405,000 | \$ 266,532 |
| Eagle Creek | \$ 75,000 | \$ 66,944 |
| West Creek | \$ 215,000 | \$90,000 |

Note 6. Delinquent Accounts Policy

In 2008, Tri-Creek Ambulance Service Agency entered into a collection agreement with Services of Indiana to collect delinquent accounts.

Note 7. Overtime Policy

As of January 1, 1995, due to lawsuits regarding overtime pay against fire departments and ambulance / paramedics, to meet federal guidelines against municipalities, this agency will no longer allow employees to "bank" hours, so as not to incur excess hours over 40 hours per week. If anyone in the future exceeds 40 hours per week, they will be paid overtime (time and one half) for these excess hours.

Note 8. Miscellaneous under cash receipts.

| | <u>2011</u> | <u>2012</u> |
|--|-----------------|-------------|
| Transfer from Capital Improvement Fund | \$ - | \$ - |
| Refund from Insurance Company | 2,584 | - |
| Employee Insurance payments | - | - |
| Refund of expense | - | - |
| Totals | <u>\$ 2,584</u> | <u>\$ -</u> |

Note 9. Capital Expenditure

In 2011 pagers and minitor IV were purchased from Miner Sales Shop. In addition, in 2012 a 1997 Ford E40 Econoline was purchased for \$20,000.00 from Lake Hills Fire Department. A loan increase of \$23,000.00 was requested and granted by DeMotte State Bank for the purchase of the ambulance and needed improvements to the ambulance.

TRI-CREEK AMBULANCE SERVICE AGENCY

AUDIT RESULTS AND COMMENTS

JANUARY 1, 2011 TO DECEMBER 31, 2012

The following audit findings were discussed with Mr. Craig Earley, Treasurer of Tri-Creek Ambulance Service Agency, during the course of the audit and at the exit conference held September 9, 2013.

Finding:

None noted.

TRI-CREEK AMBULANCE SERVICE AGENCY

EXIT CONFERENCE

JANUARY 1, 2011 TO DECEMBER 31, 2012

On September 9, 2013, an exit conference was conducted with Mr. Craig Earley, Treasurer of Tri-Creek Ambulance Service Agency. Mr. Earley concurred with the audit results.