

**METROPOLITAN AREA
EMS AUTHORITY**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION**

**Years ended September 30, 2018 and 2017
with Report of Independent Auditors**

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REPORT OF INDEPENDENT AUDITORS

To the Members of the Board of Directors
Metropolitan Area EMS Authority

We have audited the accompanying financial statements of Metropolitan Area EMS Authority, which comprise the statements of net position as of September 30, 2018 and 2017, and the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Metropolitan Area EMS Authority as of September 30, 2018 and 2017, and the changes in net position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplemental information and other financial information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The other financial information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Correction of Error

As discussed in Note K to the financial statements, management identified certain errors which affected the calculation of the allowance for doubtful accounts in prior years. Accordingly, all affected amounts reported have been restated in the 2018 financial statements. Our audit report is not modified with respect to that matter.

Whitley Penn LLP

Fort Worth, Texas
January 14, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") is intended to assist the reader in assessing whether the financial position of Metropolitan Area EMS Authority (the "Authority") has improved or deteriorated as a result of the year's activities. The analysis should comment on changes in funds and significant budget variances. The analysis should describe capital asset and long-term debt activity. Finally, it should conclude with a description of currently known facts, decisions, or conditions that are expected to have a significant effect on financial positions or results of operations.

All of the information in this section of the financial report is the responsibility of the Authority's management.

The MD&A discussion for the years ended September 30, 2017 and 2016 has been adjusted to reflect the restatement discussed in Note K to the financial statements.

Basic Financial Statements

The three basic financial statements presented in this financial report are: the statements of net position; the statements of revenues, expenses, and changes in net position; and the statements of cash flows.

The statements of net position report all assets, deferred outflows, liabilities, and deferred inflows, with the net result presented as net position.

A "special-purpose government engaged in business-type activities" is intended to recover from "customers" a significant portion of the cost of providing goods and services. To help financial statement users assess the degree to which this goal has been achieved, the statements of revenues, expenses, and changes in net position, is presented in a format similar to the income statement of a for-profit business enterprise. Revenues and expenses are segregated into *operating* and *non-operating* classifications. Net operating revenues are amounts received from patient service fees and subscription and program income, less estimated uncollectible fees. Operating expenses are the costs incurred by the Authority to provide emergency and non-emergency transportation to the citizens within our member jurisdictions. Non-operating revenues and expenses include other income, gain (loss) on sale of assets, interest expense, and local member city subsidies.

The statements of cash flows provide financial statement users with the information to assess the adequacy of an Authority's cash flows, including the ability to generate sufficient cash to meet its obligations in a timely manner. Cash flows are classified into four categories:

- Cash flows from operating activities (operating revenues and expenses).
- Cash flows from non-capital financing activities – such as receipts from subsidies and community health programs.
- Cash flows from capital and related financing activities. This category includes capital outlays; proceeds from capital-related debt; debt service payments on capital-related debt; and proceeds from the sale of capital assets.
- Cash flows from investing activities - interest on investment activities. The Authority did not have any cash flows related to this category.

Statements of Net Position

The statements of net position include all assets and liabilities, with the net result presented as net position. Over time, increases or decreases in net position is one indicator of the improvement or erosion of the Authority's financial health.

	September 30,	
	2018	2017
		(restated)
Total current assets	\$33,269,085	\$33,773,455
Total capital assets, net, at cost	30,956,248	28,600,306
Total assets	<u>64,225,333</u>	<u>62,373,761</u>
Total current liabilities	3,507,315	3,379,154
Total noncurrent liabilities	3,617,948	4,413,894
Total liabilities	<u>7,125,263</u>	<u>7,793,048</u>
Net investment in capital assets	26,542,355	23,390,467
Restricted	608,620	608,620
Unrestricted	<u>29,949,095</u>	<u>30,581,626</u>
Total net position	<u><u>\$57,100,070</u></u>	<u><u>\$54,580,713</u></u>

During 2018, the financial position of the Authority saw an increase in net position of \$2,519,357, primarily resulting of an increase in net investment in capital assets of \$3,151,888. Current assets decreased by \$504,370 primarily due to a decrease in cash and cash equivalents, which was partially offset by an increase in net patient and other accounts receivable. The current ratio changed from 10:1 in 2017 to 9:5 in 2018.

Current assets consist of cash and cash equivalents, restricted cash, receivables, supplies inventory, and prepaid expenses. Cash and cash equivalents are maintained at levels necessary to cover current liabilities as they come due. Restricted cash relates to the Emergency Physicians Advisory Board (“EPAB”), which was assumed by the Authority during 2017 as a result of the Restated Interlocal Cooperative Agreement (“Interlocal Agreement”). Receivables are from customer ambulance services provided and the state of Texas Ambulance Supplemental Payment Program (“ASPP”) for governmental entities; supplies inventory is the amount of supplies on hand at the end of the fiscal year, while prepaid expenses are primarily attributed to annual contracts for computer maintenance software. Current assets increased from the prior year due to the increase in patient receivable as the number of transport runs increased during 2018. Further, prepaid expenses increased as a result of increased IT support services. These increases were partially offset by a decrease in cash and cash equivalents.

Capital assets consist of property and equipment, less accumulated depreciation. The depreciation methods are designed to amortize the cost of assets over their estimated useful lives. Estimated useful lives of the major categories of property and equipment are as follows: communication equipment 10 years, data processing equipment and software 3 to 5 years, office furniture and equipment 7 years, building and improvements 7 to 31 ½ years, and ambulance fleet inventory 3 to 5 years. Capital assets increased from the prior year primarily due to additions to the ambulance fleet of approximately \$4.7 million. A number of the Authority’s ambulance chassis had all been near fully depreciated and several were replaced during the current year, which resulted in disposals of approximately \$2.1 million that offset the ambulance purchases in 2018.

Current liabilities are comprised of current portion of long-term note payable, accounts payable and accrued liabilities, and unearned revenue. Current portion of accounts payable and accrued liabilities are the liabilities, at September 30, for goods and services received prior to the end of the fiscal year. Unearned revenue is composed of subscriptions and subsidies received but unearned prior to September 30. Subscriptions are being amortized over the period during which the subscriber is allowed to use the Authority’s services. Subsidies are received on either a monthly, quarterly, or annual basis. Subsidies received in advance are recognized as income in the quarter in which they are due. Current liabilities increased from the prior year primarily due to the increase in accounts payable and accrued liabilities as a result of timing of payments.

Non-current liabilities are the portions of the long-term note payable which are due in the future. The non-current liabilities decreased due to payments being made in accordance with the note agreement.

Net position consists of net investment in capital assets, restricted net position, and unrestricted net position. The net investment in capital assets is the total of property and equipment, less accumulated depreciation, and any related debt. The restricted net position is the total amounts related to EPAB which are restricted in accordance with the Interlocal Agreement. Unrestricted net position is the remaining net position available for use by the Authority for which a specific use has not been designated by the Authority.

	September 30,	
	2017	2016
	(restated)	(restated)
Total current assets	\$33,773,455	\$32,950,067
Total capital assets, net, at cost	<u>28,600,306</u>	<u>27,036,614</u>
Total assets	<u>62,373,761</u>	<u>59,986,681</u>
Total current liabilities	3,379,154	4,315,884
Total noncurrent liabilities	<u>4,413,894</u>	<u>5,531,498</u>
Total liabilities	<u>7,793,048</u>	<u>9,847,382</u>
Net investment in capital assets	23,390,467	21,030,830
Restricted	608,620	-
Unrestricted	<u>30,581,626</u>	<u>29,108,469</u>
Total net position	<u>\$54,580,713</u>	<u>\$50,139,299</u>

The financial position of the Authority in fiscal 2017 saw an increase in net position. Net position increased from \$50,139,299 in 2016 to \$54,580,713 in 2017. Cash and cash equivalents decreased from \$24,621,459 in 2016 to \$22,093,159 in 2017. The current ratio changed from 7.6:1 in 2016 to 10:1 in 2017.

Current assets consist of cash and cash equivalents, restricted cash, receivables, supplies inventory, and prepaid expenses. Cash and cash equivalents are maintained at levels necessary to cover current liabilities as they come due. Restricted cash relates to the EPAB, which was assumed by the Authority during 2017 as a result of the Interlocal Agreement. Receivables are from customer ambulance services provided and the ASPP; supplies inventory is the amount of supplies on hand at the end of the fiscal year, while prepaid expenses are primarily attributed to annual contracts for computer maintenance software. Current assets increased at September 30, 2017, due to the ASPP that was recorded as a receivable at year-end; however, there was no similar receivable at September 30, 2016, as it was received prior to year-end.

Capital assets consist of property and equipment, less accumulated depreciation. The depreciation methods are designed to amortize the cost of assets over their estimated useful lives. Estimated useful lives of the major categories of property and equipment are as follows: communication equipment 10 years, data processing equipment and software 3 to 5 years, office furniture and equipment 7 years, building and improvements 7 to 31 ½ years, and ambulance fleet inventory 3 to 5 years. Capital assets increased from the prior year primarily due to additions to the ambulance fleet, upgrades to software, improvements to facilities, and construction projects related to covered parking.

Current liabilities are comprised of current portion of note payments, accounts payable and accrued liabilities, and unearned revenue. Current portion of accounts payable and accrued liabilities are the liabilities, at September 30, for goods and services received prior to the end of the fiscal year. Unearned revenue is composed of subscriptions and subsidies received but unearned prior to September 30. Subscriptions are being amortized over the period during which the subscriber is allowed to use the Authority's services. Subsidies are received on either a monthly, quarterly, or annual basis. Subsidies received in advance are recognized as income in the quarter in which they are due. Current liabilities decreased from the prior year primarily due to the decrease in accounts payable and accrued liabilities for building repairs that were related to hail storm damage in fiscal year 2016, but were not paid until fiscal year 2017.

Non-current liabilities are the portions of the long-term note payable which are due in the future. The non-current liabilities decreased due to payments being made in accordance with the note agreement.

Net position consists of net investment in capital assets, restricted net position, and unrestricted net position. The net investment in capital assets is the total of property and equipment, less accumulated depreciation, and any related debt. The restricted net position is the total amounts related to EPAB which are restricted in accordance with the Interlocal Agreement. Unrestricted net position is the remaining net position available for use by the Authority for which a specific use has not been designated by the Authority.

Statements of Revenues, Expenses, and Changes in Net Position

The statements of revenues, expenses, and changes in net position present the revenues earned and the expenses incurred during the year. Activities are reported as either operating or non-operating.

	Year Ended September 30,	
	2018	2017
	<u> </u>	<u> </u>
		(restated)
Operating revenues	\$169,332,674	\$164,621,499
Less estimated uncollectible fees	120,473,154	117,457,380
Net operating revenues	<u>48,859,520</u>	<u>47,164,119</u>
Operating expenses	<u>46,591,644</u>	<u>43,374,733</u>
Operating income	2,267,876	3,789,386
Total nonoperating revenues, net	<u>251,481</u>	<u>43,408</u>
Change in net position before special item	2,519,357	3,832,794
Special item	<u>-</u>	<u>608,620</u>
Change in net position	2,519,357	4,441,414
Net position, beginning of year	<u>54,580,713</u>	<u>50,139,299</u>
Net position, end of year	<u><u>\$57,100,070</u></u>	<u><u>\$54,580,713</u></u>

An analysis of the accrual basis operating budget revenues and expenditures shows that for fiscal 2018, budgeted net operating revenues were \$49,804,313. An analysis of the actual results compared to the operating budget shows net operating revenues of \$48,859,520, which is \$944,793 or 1.9% under budgeted net operating revenues. The majority of this variance is due to the gross patient service fee revenue collected over the budgeted collection rates as actual quantity increase in trips provided exceeded the budgeted increase, which was offset by an increase in the allowance for doubtful accounts.

Operating expenses, excluding depreciation, for the year ended September 30, 2018, of \$43,433,457 were \$824,014, or 1.86%, under budgeted expenses of \$44,257,471.

Operating revenues consist mainly of patient services fees and other, which includes ASPP and subscription income. Patient service fees are gross billings to the Authority's customers for ambulance services provided. The subscription income is annual dollars received from the Authority's customers for a household membership. Operating revenues also includes other program income, which consists of fees from hospital patients for service. These revenue sources, less estimated uncollectible fees, which are calculated based on the estimated collection percentage for the fiscal year, results in net operating revenue of \$48,859,520 and \$47,164,119 for 2018 and 2017, respectively. Increase in net operating revenues is primarily related to increase in service provided.

Operating expenses of \$46,591,644 and \$43,374,733 for 2018 and 2017, respectively, are from field operations, ambulance fleet operations, general and administrative, and depreciation.

The field operation expenses are expenses the Authority incurred for the field personnel, and also the office staff for the departments of Clinical, Community Health, Communication Center, Health & Safety, Human Resources, Logistics, IT, PIO, and Deployment. Ambulance fleet operations expenses are expenses incurred to maintain the ambulances. The increase in field operation expenses is not only related to an increase in service provided, but also an increase in personnel as salaries increased by approximately \$1,000,000. The Authority hired more personnel to combat the overtime expenses paid during the prior year.

General and administrative expenses are the expenses incurred to manage the non-operational functions of the Authority, including billing, collections, and infrastructure maintenance. Depreciation expense is provided on a straight-line basis and the methods are designed to amortize the cost of assets over their estimated useful lives. Depreciation increased due to increased capital assets. Increases in general and administrative expense are primarily due to an increase in repairs and maintenance expenses relating to the Logis CAD system as well as due to the aforementioned increase in new personnel.

Total non-operating revenues consist primarily of interest expense, other income, subsidy income, and gain on disposition of assets. The increase in nonoperating revenues primarily relates to net proceeds received from the sale of assets. There were no similar proceeds received in 2017.

	Year Ended September 30,	
	2017	2016
	(restated)	(restated)
Operating revenues	\$164,621,499	\$158,694,759
Less estimated uncollectible fees	<u>117,457,380</u>	<u>112,436,811</u>
Net operating revenues	47,164,119	46,257,948
Operating expenses	<u>43,374,733</u>	<u>39,886,227</u>
Operating income	3,789,386	6,371,721
Total non-operating revenues, net	<u>43,408</u>	<u>98,084</u>
Change in net position before special item	3,832,794	6,469,805
Special item	<u>608,620</u>	<u>-</u>
Change in net position	4,441,414	6,469,805
Net position, beginning of year	<u>50,139,299</u>	<u>43,669,494</u>
Net position, end of year	<u><u>\$54,580,713</u></u>	<u><u>\$ 50,139,299</u></u>

An analysis of the accrual basis operating budget revenues and expenditures shows that for fiscal 2017, budgeted net operating revenues were \$50,186,338. An analysis of the actual results compared to the operating budget shows operating revenues of \$47,164,119, which is \$3,022,219 or 6.4% under budgeted operating revenues. The majority of this variance is due to the gross patient service fee revenue collected over the budgeted collection rates as actual quantity increase in trips provided exceeded the budgeted increase offset by the uncollectible fees being much larger than budgeted.

Operating expenses, excluding depreciation, for the year ended September 30, 2017, of \$40,908,717 were \$533,752 or 1.29%, under budgeted expenses of \$41,442,469.

Operating revenues generally consist mainly of patient services fees and other, which includes ASPP and subscription income. Patient service fees are gross billings to the Authority's customers for ambulance services provided. The subscription income is annual dollars received from the Authority's customers for a household membership. For fiscal year 2017 and 2016, operating revenue also includes other program income, which consists of fees from patients of hospitals for service. These revenue sources, less estimated uncollectible fees, which are calculated on the estimated collection percentage for the fiscal year, result in net operating revenue of \$47,164,119 and \$46,257,948 for 2017 and 2016, respectively. Increase in operating revenue is primarily related to increase in service provided.

Operating expenses of \$43,374,733 and \$39,886,227 for 2017 and 2016, respectively, are from field operations, ambulance fleet operations, general and administrative, and depreciation.

The field operation expenses are expenses the Authority incurred for the field personnel, and also the office staff for the departments of Clinical, Community Health, Communication Center, Health & Safety, Human Resources, Logistics, IT, PIO, and Deployment. Ambulance fleet operations expenses are expenses incurred to maintain the ambulances. Decreases in these expenses are the result of decreased fuel expenses.

General and administrative expenses are the expenses incurred to manage the non-operational functions of the MedStar system, including billing, collections, and infrastructure maintenance. Depreciation expense is provided on a straight-line basis. Depreciation methods are designed to amortize the cost of assets over their estimated useful lives. Decreases in general and administrative expense are primarily the result of lower insurance expenses, a decrease in expenses paid to the medical director, and consulting expenses relating to ASPP.

Total non-operating revenues (expenses) consist primarily of interest expense, other income, and subsidy income. The decrease in non-operating revenues in 2017, as compared to non-operating revenues in 2016, is primarily the result of net proceeds received from insurance claims related to a hail storm which damaged our building and ambulance fleet in 2016.

Significant transactions or other events within the control of management that are either unusual in nature or infrequent in occurrence are special items. During 2017, the special item relates to the assumption of the EPAB cash account by the Authority pursuant to the Interlocal Agreement entered into by the Authority's member cities during the current year. As a result, the Authority recognized the restricted cash balance and restricted net position of EPAB during the year ended September 30, 2017.

Capital Assets and Debt Administration

Capital Assets

At September 30, 2018, capital assets before depreciation, which includes both depreciable and non-depreciable assets, totaled \$47,894,826. This is an increase of \$1,156,262 over 2017. Accumulated depreciation decreased by \$1,199,680 to \$16,938,578 at September 30, 2018.

During 2018, data processing equipment and software decreased approximately \$1.7 million due to the disposal of software. Building and improvements increased approximately \$488,000. Ambulance fleet increased by approximately \$4.7 million related to fleet acquisitions and upgrades made throughout the year, offset by disposals of approximately \$2.1 million. Due to these additions to the Authority's fleet, depreciation expense also increased.

At September 30, 2017, capital assets before depreciation, which include both depreciable and non-depreciable assets, totaled \$46,738,564. This is an increase of \$2,785,327 over 2016. Accumulated depreciation increased by \$1,221,635 to \$18,138,258 at September 30, 2017.

During 2017, data processing equipment and software increased approximately \$660,000 due to the acquisition of new software. Building and improvements increased approximately \$1.7 million related to drainage improvements and covered parking construction. Ambulance fleet increased by approximately \$1.4 million related to fleet acquisitions and upgrades made throughout the year, offset by disposals of approximately \$1.2 million. Due to these additions, depreciation expense also increased.

More detailed information on capital assets can be found in Note E of the financial statements.

Long-Term Debt

At September 30, 2018, the Authority had approximately \$4.4 million outstanding on its notes payable, which was a decrease of approximately \$796,000 from the prior year. The decrease in the balance resulted from continued payment on the existing obligations. The notes payable consist of an equipment loan and a construction loan related to the Authority's facility.

At September 30, 2017, the Authority had approximately \$5.2 million outstanding on its notes payable, which was a decrease of approximately \$796,000 from the prior year. The decrease in the balance resulted from continued payment on the existing obligations. The notes payable consist of an equipment loan and a construction loan related to the Authority's facility.

Economic Factors and Next Year's Rates

The Authority's mission is to manage the assets and resources under its stewardship in order to provide emergency medical service and transportation to individuals in Member Municipalities in Denton, Johnson, Parker, Tarrant, and Wise counties. It is the intent of the Authority to set its fees and other charges at a level to recover the cost of its activities including renewal and replacement of its facilities and equipment. The Authority's rates are not expected to increase significantly next year. With the constant growth in the Member Municipalities, the Authority expects continued growth in services provided.

FINANCIAL STATEMENTS

METROPOLITAN AREA EMS AUTHORITY

STATEMENTS OF NET POSITION

	September 30,	
	2018	2017
		(restated)
Assets		
Current assets		
Cash and cash equivalents	\$ 19,466,791	\$ 22,093,159
Cash and cash equivalents - restricted	608,620	608,620
Patient and other accounts receivable, less allowance for doubtful accounts of \$12,850,096 in 2018; \$24,552,964 in 2017	12,063,092	10,055,995
Supplies inventory	299,899	299,899
Prepaid expenses	830,683	715,782
Total current assets	33,269,085	33,773,455
Capital assets, at cost		
Land	559,380	559,380
Communication equipment	3,501,612	3,662,592
Data processing equipment and software	6,749,029	8,501,628
Office furniture and equipment	2,227,490	2,259,440
Buildings and improvements	18,782,433	18,294,147
Ambulance fleet	16,027,819	13,461,377
Construction in progress	47,063	-
	47,894,826	46,738,564
Less accumulated depreciation	16,938,578	18,138,258
Total capital assets, net, at cost	30,956,248	28,600,306
Total assets	\$ 64,225,333	\$ 62,373,761
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 2,562,797	\$ 2,407,364
Current portion of long-term note payable	795,945	795,945
Unearned revenue	148,573	175,845
Total current liabilities	3,507,315	3,379,154
Noncurrent liabilities		
Long-term note payable	3,617,948	4,413,894
Total liabilities	7,125,263	7,793,048
Net position		
Net investment in capital assets	26,542,355	23,390,467
Restricted - Emergency Physicians Advisory Board	608,620	608,620
Unrestricted	29,949,095	30,581,626
Total net position	\$ 57,100,070	\$ 54,580,713

See accompanying notes to financial statements.

METROPOLITAN AREA EMS AUTHORITY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Year Ended September 30, 2018	2017 (restated)
Operating revenues		
Patient service fees and other	\$ 168,132,918	\$ 163,660,546
Subscription income	346,265	305,442
Program income	853,491	638,742
Grant income	-	16,769
	169,332,674	164,621,499
Less estimated uncollectible fees	120,473,154	117,457,380
Net operating revenues	48,859,520	47,164,119
Operating expenses		
Field operations	26,118,597	24,907,162
Ambulance fleet operations	2,247,009	2,001,390
General and administrative	15,067,851	14,000,165
Depreciation	3,158,187	2,466,016
Total operating expenses	46,591,644	43,374,733
Operating income	2,267,876	3,789,386
Nonoperating revenues (expenses)		
Other income	81,170	139,680
Subsidy income	27,821	27,819
Interest expense	(103,659)	(124,091)
Gain on disposition of assets	246,149	-
Total nonoperating revenues, net	251,481	43,408
Change in net position before special item	2,519,357	3,832,794
Special item		
Assumption of Emergency Physicians Advisory Board (Note J)	-	608,620
Change in net position	2,519,357	4,441,414
Net position, beginning of year	54,580,713	50,139,299
Net position, end of year	\$ 57,100,070	\$ 54,580,713

See accompanying notes to financial statements.

METROPOLITAN AREA EMS AUTHORITY

STATEMENTS OF CASH FLOWS

	Year Ended September 30,	2018	2017
			(restated)
Cash flows from operating activities			
Patient service fees received	\$	46,825,151	\$ 44,603,951
Cash paid to suppliers		(16,795,213)	(16,879,308)
Cash paid to employees		(26,593,791)	(25,470,698)
Net cash provided by operating activities		3,436,147	2,253,945
 Cash flows from non-operating investing activities			
Subsidy payments received		27,821	27,819
Income from community health programs		81,170	139,680
Net cash provided by noncapital financing activities		108,991	167,499
 Cash flows from capital and related financing activities			
Proceeds from sale of capital assets		308,300	35,993
Principal paid on capital long-term note payable		(795,946)	(795,945)
Interest paid on capital long-term note payable		(107,580)	(124,091)
Capital expenditures		(5,576,280)	(4,065,701)
Net cash used in capital and related financing activities		(6,171,506)	(4,949,744)
 Net increase (decrease) in cash and cash equivalents		(2,626,368)	(2,528,300)
Cash and cash equivalents at beginning of year		22,093,159	24,621,459
 Cash and cash equivalents at end of year		\$ 19,466,791	\$ 22,093,159
 Reconciliation of operating income to net cash provided by operating activities			
Operating income	\$	2,267,876	\$ 3,789,386
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation		3,158,187	2,466,016
Changes in assets and liabilities			
Accounts receivable		(2,007,097)	(2,588,237)
Supplies inventory		-	(20,377)
Prepaid expenses		(114,901)	(134,454)
Accounts payable and accrued liabilities		159,354	(1,286,458)
Unearned revenue		(27,272)	28,069
Net cash provided by operating activities		\$ 3,436,147	\$ 2,253,945
 Supplemental Disclosure of Cash Flow Information			
Interest paid		\$ 99,738	\$ 124,091
 Non-cash investing, capital and financing activities			
Assumption of Emergency Physicians Advisory Board (Note J)	\$	-	\$ 608,620

See accompanying notes to financial statements.

METROPOLITAN AREA EMS AUTHORITY

NOTES TO FINANCIAL STATEMENTS

September 30, 2018 and 2017

A. Significant Accounting Policies

The financial statements of Metropolitan Area EMS Authority (the “Authority”), formerly known as Area Metropolitan Ambulance Authority, are presented in accordance with accounting principles generally accepted in the United States of America (“GAAP”) applicable to independent enterprise agencies as prescribed by the Governmental Accounting Standards Board (“GASB”). The following is a summary of the nature of operations and significant accounting policies:

Nature of Operations

The Authority provides emergency medical service and transportation to individuals in Member Municipalities in Denton, Johnson, Parker, Tarrant, and Wise counties. All of the Authority’s accounts receivable is due from county residents, Medicare, Medicaid, insurance providers, and the state of Texas Health and Human Services Commission.

Reporting Entity

For financial reporting purposes, management has considered all potential component units. The decision whether or not to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 61, *The Financial Reporting Entity: Omnibus; an amendment of GASB Statements No. 14 and No. 34*.

No entities met the above requirements to be considered component units. In addition, the Authority is not a component unit of any other governmental entity.

Measurement Focus and Basis of Accounting

The Authority uses the economic resources measurement focus. This means that all assets, liabilities, net position, revenues, and expenses are accounted for using the accrual basis of accounting.

Revenue is recognized when earned and expenses are recognized when they are incurred.

Allowance for Uncollectible Accounts

An allowance for uncollectible billed accounts receivable is provided based on an analysis of historical trends.

Supplies Inventories

Inventories of supplies are stated at the lower of cost (first-in, first-out) or net realizable value.

METROPOLITAN AREA EMS AUTHORITY

NOTES TO FINANCIAL STATEMENTS (continued)

A. Significant Accounting Policies – continued

Capital Assets

Capital assets having an original cost of \$3,000 or more and over one year of useful life are capitalized and are stated at cost. Depreciation is provided on the straight-line basis. Depreciation methods are designed to amortize the cost of assets over their estimated useful lives. Estimated useful lives of major categories of capital assets and equipment are as follows:

<u>Category</u>	<u>Estimated Life</u>
Communication equipment	10 years
Data processing equipment and software	3-5 years
Office furniture and equipment	7 years
Buildings and improvements	7-31.5 years
Ambulance fleet	3-5 years

Maintenance, repairs, renewals, and betterments which do not enhance the value or increase the basic productive capacity of assets are charged to expense as incurred.

Accumulated Vacation and Sick Leave

Employees of the Authority earn vacation and sick leave. Unused vacation leave up to three weeks may be carried over to subsequent periods. However, employees will not be compensated for their unused sick leave.

Cash Flows Presentation

For purpose of the statement of cash flows, investments and time deposits with maturities of three months or less when purchased are considered cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Included in the accompanying financial statements are estimates of uncollectible fees based upon past collections history of the Authority. It is reasonably possible that the actual uncollectible fees may differ and that the difference may be material to the financial statements.

METROPOLITAN AREA EMS AUTHORITY

NOTES TO FINANCIAL STATEMENTS (*continued*)

A. Significant Accounting Policies – continued

Operating Revenues

Operating revenues generally consist mainly of patient services fees, including the state of Ambulance Supplemental Payment Program (“ASPP”), subscription income, and program income. Patient service fees are gross billings to the Authority’s customers for ambulance services provided. The subscription income is annual dollars received from the Authority’s customers for a household membership. Program income consists of fees from patients of hospitals for service.

Non-operating Revenues

Non-operating revenues are those revenues that do not relate to the Authority’s nature of operations. These consist of subsidy revenues paid by cities to reduce the cost of emergency medical services to their residents and community health programs initiated by the Authority as a means to provide certified health advice for residents and reduce unnecessary transports, and other income which includes fees for placing ambulances in high traffic areas to lower response times and fees from hospitals for consulting non-emergency patients to avoid a hospital stay.

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the Authority or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

Recently Issued Accounting Pronouncements

In 2015, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2015-11, *Simplifying the Measurement of Inventory* (“ASU 2015-11”). ASU 2015-11 amended Accounting Standards Codification (“ASC”) Topic 330, *Inventory*, providing that entities should measure inventory at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonable predictable costs of completion, disposal, and transportation. ASU 2015-11 is effective prospectively for annual periods beginning after December 15, 2016. The Authority has adopted ASU 2015-11 for the annual period beginning October 1, 2017. Adoption of ASU 2015-11 did not have an impact on the Authority’s valuation of inventory.

METROPOLITAN AREA EMS AUTHORITY

NOTES TO FINANCIAL STATEMENTS (*continued*)

B. Cash and Investments

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Authority's investment policy does not contain policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: the policy requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least the bank balance less the Federal Deposit Insurance Corporation ("FDIC") insurance at all times.

As of September 30, 2018 and 2017, the carrying amount of the Authority's cash on hand was \$19,466,791 and \$22,093,159, respectively, and the bank balance was \$20,779,705 and \$23,242,058, respectively. Bank balance not covered by depository insurance under the FDIC was fully collateralized by pledged investments.

C. Unearned Revenue

Unearned revenue is composed of subscriptions received but unearned. Subscriptions are amortized over the period during which the subscriber is allowed to use the Authority's services.

D. Defined Contribution Pension Plan

The Authority has two defined contribution plans created in accordance with applicable sections of the Internal Revenue Code. The plans were previously administered by ICMA Retirement Corporation prior to all assets of both plans being transferred to new plans administered by MassMutual Retirement Services on February 2, 2015. All full-time employees are eligible for participation in these plans after six months of employment. The plans require that the Authority match a portion of participant contributions annually. The Authority's contributions for the years ended September 30, 2018 and 2017, were approximately \$903,000 and \$902,000 (which includes approximately \$39,000 and \$30,000 of forfeitures allocated to participant accounts), respectively. Employee contributions for the years ended September 30, 2018 and 2017, were approximately \$809,000 and \$756,000, respectively.

METROPOLITAN AREA EMS AUTHORITY

NOTES TO FINANCIAL STATEMENTS (continued)

E. Capital Assets Activity

Capital asset activity for the Authority for the year ended September 30, 2018 and 2017, was as follows:

	Beginning Balance 10/1/2017	Additions	Retirements	Ending Balance 9/30/2018
Capital assets not being depreciated:				
Land	\$ 559,380	\$ -	\$ -	\$ 559,380
Construction in progress	-	47,063	-	47,063
Total capital assets not being depreciated	559,380	47,063	-	606,443
Capital assets being depreciated:				
Communication equipment	3,662,592	81,545	242,525	3,501,612
Data processing equipment and software	8,501,628	184,139	1,936,738	6,749,029
Office furniture and equipment	2,259,440	-	31,950	2,227,490
Buildings and improvements	18,294,147	567,966	79,680	18,782,433
Ambulance fleet	13,461,377	4,695,567	2,129,125	16,027,819
Total capital assets being depreciated	46,179,184	5,529,217	4,420,018	47,288,383
Total at historical cost	46,738,564	5,576,280	4,420,018	47,894,826
Less accumulated depreciation:				
Communication equipment	2,309,769	267,254	242,525	2,334,498
Data processing equipment and software	5,836,980	526,000	1,893,738	4,469,242
Office furniture and equipment	1,067,258	288,412	31,950	1,323,720
Buildings and improvements	1,965,922	648,934	60,531	2,554,325
Ambulance fleet	6,958,329	1,427,587	2,129,123	6,256,793
Total accumulated depreciation	18,138,258	3,158,187	4,357,867	16,938,578
Capital assets, net	<u>\$28,600,306</u>	<u>\$ 2,418,093</u>	<u>\$ 62,151</u>	<u>\$30,956,248</u>

METROPOLITAN AREA EMS AUTHORITY

NOTES TO FINANCIAL STATEMENTS (continued)

E. Capital Assets Activity – continued

	Beginning Balance 10/1/2016	Additions	Retirements	Ending Balance 9/30/2017
Capital assets not being depreciated:				
Land	\$ 559,380	\$ -	\$ -	\$ 559,380
Total capital assets not being depreciated	559,380	-	-	559,380
Capital assets being depreciated:				
Communication equipment	3,581,588	81,004	-	3,662,592
Data processing equipment and software	7,841,538	660,090	-	8,501,628
Office furniture and equipment	2,209,643	49,797	-	2,259,440
Buildings and improvements	16,553,175	1,776,964	35,992	18,294,147
Ambulance fleet	13,207,913	1,497,845	1,244,381	13,461,377
Total capital assets being depreciated	43,393,857	4,065,700	1,280,373	46,179,184
Total at historical cost	43,953,237	4,065,700	1,280,373	46,738,564
Less accumulated depreciation:				
Communication equipment	2,082,098	227,671	-	2,309,769
Data processing equipment and software	5,352,397	484,583	-	5,836,980
Office furniture and equipment	760,383	306,875	-	1,067,258
Buildings and improvements	1,422,483	543,439	-	1,965,922
Ambulance fleet	7,299,262	903,448	1,244,381	6,958,329
Total accumulated depreciation	16,916,623	2,466,016	1,244,381	18,138,258
Capital assets, net	\$27,036,614	\$ 1,599,684	\$ 35,992	\$28,600,306

F. Risk Management and Commitments

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To mitigate the risk of loss, the Authority carries commercial insurance. There were no significant reductions in coverage in the years ended September 30, 2018 or 2017.

METROPOLITAN AREA EMS AUTHORITY

NOTES TO FINANCIAL STATEMENTS (continued)

G. Long-Term Note Payable

In June 2013, the Authority issued General Improvement Revenue Bonds. The issuance was for \$8,000,000, which consists of an equipment loan of \$3,200,000 and a construction loan available for draws of up to \$4,800,000, both of which were for the purpose of providing funds for the purchase of land and expenses associated with the construction of the Authority's administrative headquarters. The equipment loan bears interest at a rate of 2.27%, and is paid in monthly installments of \$38,095 plus accrued interest with a balloon payment required at maturity. The outstanding balance of the equipment loan at September 30, 2018, was \$800,000. The construction loan bears interest at a rate of 2.27%, and is to be paid in monthly installments of \$28,234 plus accrued interest with a balloon payment required at maturity. The outstanding balance of the construction loan at September 30, 2018, was \$3,613,893. The loans are collateralized by patient accounts receivable, supplies inventory, and capital assets. All outstanding principal and accrued interest is due June 5, 2020. The Authority is required to maintain certain debt covenants and financial ratios under the loans. At September 30, 2018, the Authority was in compliance with these covenants and financial ratios. Subsequent to September 30, 2018, the notes payable were refinanced with a new financial institution. See Note L.

The annual requirements to amortize all notes payable outstanding as of September 30, 2018, are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 795,945	\$ 103,005	\$ 898,950
2020	<u>3,617,948</u>	<u>68,443</u>	<u>3,686,391</u>
Total	<u>\$ 4,413,893</u>	<u>\$ 171,448</u>	<u>\$ 4,585,341</u>

METROPOLITAN AREA EMS AUTHORITY

NOTES TO FINANCIAL STATEMENTS (continued)

G. Long-Term Note Payable – continued

The following is a summary of long-term debt transactions of the Authority for the years ended September 30, 2018 and 2017:

	<u>Beginning Balance 10/1/2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance 9/30/2018</u>	<u>Due Within One Year</u>
Notes payable	\$ 5,209,839	\$ -	\$ (795,946)	\$ 4,413,893	\$ 795,945
	<u>Beginning Balance 10/1/2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance 9/30/2017</u>	<u>Due Within One Year</u>
Notes payable	\$ 6,005,784	\$ -	\$ (795,945)	\$ 5,209,839	\$ 795,945

H. Commitments and Contingencies

Ambulance Purchase Agreement

Effective February 28, 2018, the Authority entered into a five-year purchase agreement relating to the production and delivery of certain ambulance modules. The Authority has agreed to purchase three ambulance units per quarter during the period October 1, 2018 through February 28, 2023. Based on the agreement, the price per ambulance module is approximately \$150,000 and the price will increase by 2% every 12 months after the first year. The first 12 month period will start on the effective date of the purchase agreement.

I. Insurance Plan

The Authority became self-insured for health care benefits beginning January 1, 2014. The Authority contracts with Group & Pension Administrators, Inc. (“GPA”) to facilitate all claims. The Authority is solely responsible for all claim costs, both reported and unreported. GPA provides administrative services to the Authority including claims administration and customer service. The Authority changed from GPA to a new administrator beginning October 1, 2017. The Authority is protected against higher than expected claims costs through the purchase of stop-loss coverage of \$150,000 per covered person. Liabilities include an amount for claims that have been incurred but not reported (“IBNRs”). The resultant liability calculation is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards.

METROPOLITAN AREA EMS AUTHORITY

NOTES TO FINANCIAL STATEMENTS (continued)

I. Insurance Plan – continued

Accordingly, claim liabilities are evaluated periodically. At September 30, 2018 and 2017, the IBNR liability of \$260,232 and \$299,767, respectively, is recorded within accounts payable and accrued liabilities on the statements of net position. The following summarizes the self-insured plan claims and liabilities for health care benefits.

<u>Year Ended September 30,</u>	<u>Beginning of Year Accrual</u>	<u>Current Year Estimates</u>	<u>Claim Payments</u>	<u>End of Year Accrual</u>
2018	\$ 299,767	\$ 2,758,510	\$ (2,798,045)	\$ 260,232
2017	\$ 144,222	\$ 2,975,581	\$ (2,820,036)	\$ 299,767

J. Emergency Physicians Advisory Board

Prior to 2017, the Authority maintained a cash account on behalf of the Emergency Physicians Advisory Board (“EPAB”) for the expense of medical direction. The Authority recorded the amounts paid into the EPAB cash account within operating expenses in the accompanying statements of revenues, expenses, and changes in net position based on the number of transports that occurred during the fiscal year. In addition, amounts were also paid into the EPAB cash account for research performed by EPAB and the medical directors. Expenditures from the EPAB cash account were only made at EPAB’s direction to pay its expenses and the contract fees for the medical directors.

Pursuant to the Restated Interlocal Cooperative Agreement (“Interlocal Agreement”) entered into by the Authority’s member cities in 2017, the Authority assumed direct responsibility for the expenses of medical direction. The Authority is no longer paying funds to the EPAB cash account. Pursuant to the Interlocal Agreement, the balance in the EPAB cash account remains restricted and can only be used for the original purposes for which the amounts were paid into the account. EPAB’s approval is required for disbursements from this cash account. Upon the effective date of the Interlocal Agreement, the Authority recognized the EPAB restricted cash account and restricted net position of approximately \$608,000. This amount is presented as a special item in the accompanying statement of revenues, expenses, and changes in net position during the year ended September 30, 2017.

METROPOLITAN AREA EMS AUTHORITY

NOTES TO FINANCIAL STATEMENTS (continued)

K. Restatement

The 2017 financial statements have been restated to correct certain errors identified by management which affected the calculation of the allowance for doubtful accounts for the years ended September 30, 2015 through 2017. Management erroneously included collections for the state of Texas ASPP within its historical collection percentage. The historical collection percentage is used in the calculation of the allowance for doubtful accounts. Additionally, when management prepared the allowance for doubtful accounts calculation, the collection percentage was not applied to the correct monthly billing amounts. These errors caused the allowance for doubtful accounts to be understated in each of the years ended September 30, 2015 through 2017. The effects of the restatement on the financial statements as of and for the year ended September 30, 2017, are summarized as follows.

Statement of net position as of September 30, 2017:

	As Previously Reported	Adjustments	Restated Balance
Patient and other accounts receivable, less allowance for doubtful accounts	\$ 18,455,995	\$ (8,400,000)	\$ 10,055,995
Total current assets	42,173,455	(8,400,000)	33,773,455
Total assets	70,773,761	(8,400,000)	62,373,761
Unrestricted net position	38,981,626	(8,400,000)	30,581,626
Total net position	62,980,713	(8,400,000)	54,580,713

Statement of revenue, expenses, and changes in net position for the year ended September 30, 2017:

	As Previously Reported	Adjustments	Restated Balance
Estimated uncollectible fees	\$113,057,380	\$ 4,400,000	\$117,457,380
Net operating revenues	51,564,119	(4,400,000)	47,164,119
Operating income	8,189,386	(4,400,000)	3,789,386
Change in net position before special item	8,232,794	(4,400,000)	3,832,794
Change in net position	8,841,414	(4,400,000)	4,441,414
Net position, beginning of year	54,139,299	(4,000,000)	50,139,299
Net position, end of year	62,980,713	(8,400,000)	54,580,713

METROPOLITAN AREA EMS AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

K. Restatement – continued

Statement of cash flows for the year ended September 30, 2017:

	<u>As Previously Reported</u>	<u>Adjustments</u>	<u>Restated Balance</u>
Operating income	\$ 8,189,386	\$ (4,400,000)	\$ 3,789,386
Accounts receivable	(6,988,237)	4,400,000	(2,588,237)

L. Subsequent Events

Effective November 28, 2018, the Authority entered into a credit authority available for draws up to \$20,000,000 through November 28, 2021 for refinancing and the purchase of ambulances, land, and construction of future deployment centers. The purpose of the deployment centers will be to provide offices for personnel and maintain and deploy ambulances for service with the Fort Worth metropolitan area and other areas served by the Authority in Tarrant, Johnson, or Denton County.

Effective November 28, 2018, the Authority entered into a term note in the amount of \$4,450,000 for the purpose of refinancing the existing debt obligations as discussed in Note G.

In preparing the financial statements, management has evaluated all subsequent events and transactions for potential recognition or disclosure through January 14, 2019, the date the financial statements were available for issuance

SUPPLEMENTAL INFORMATION

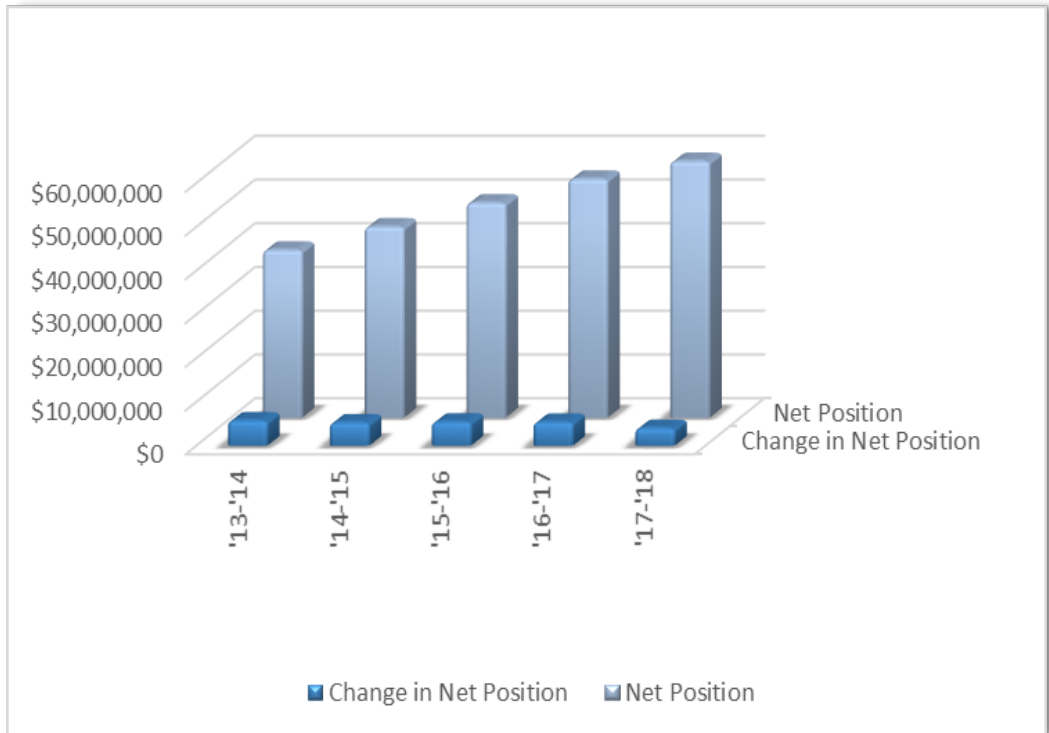
METROPOLITAN AREA EMS AUTHORITY
SCHEDULES OF GENERAL AND ADMINISTRATIVE EXPENSES
YEARS ENDED SEPTEMBER 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Advertising	\$ 405	\$ 1,454
Banking and credit card fees	88,916	119,055
Collection fees	297,851	270,454
Dues and subscriptions	52,578	67,843
Equipment	155,846	141,734
Insurance	3,676,262	3,527,765
License - certification	20,962	5,303
Other	639,816	641,006
Payroll taxes	377,908	357,264
Postage	55,121	41,271
Professional fees	1,059,351	931,221
Public relations	39,373	96,448
Recruitment and training	69,610	48,499
Rent expense	43,180	45,083
Repairs and maintenance	1,914,634	1,509,868
Retirement plan contribution	212,484	213,696
Salaries	5,616,420	5,307,986
Supplies	124,926	106,629
Telephone and utilities	556,877	495,554
Travel	65,331	72,032
	<u>\$15,067,851</u>	<u>\$14,000,165</u>

OTHER FINANCIAL INFORMATION

METROPOLITAN AREA EMS AUTHORITY

CHANGE IN NET POSITION VS. NET POSITION

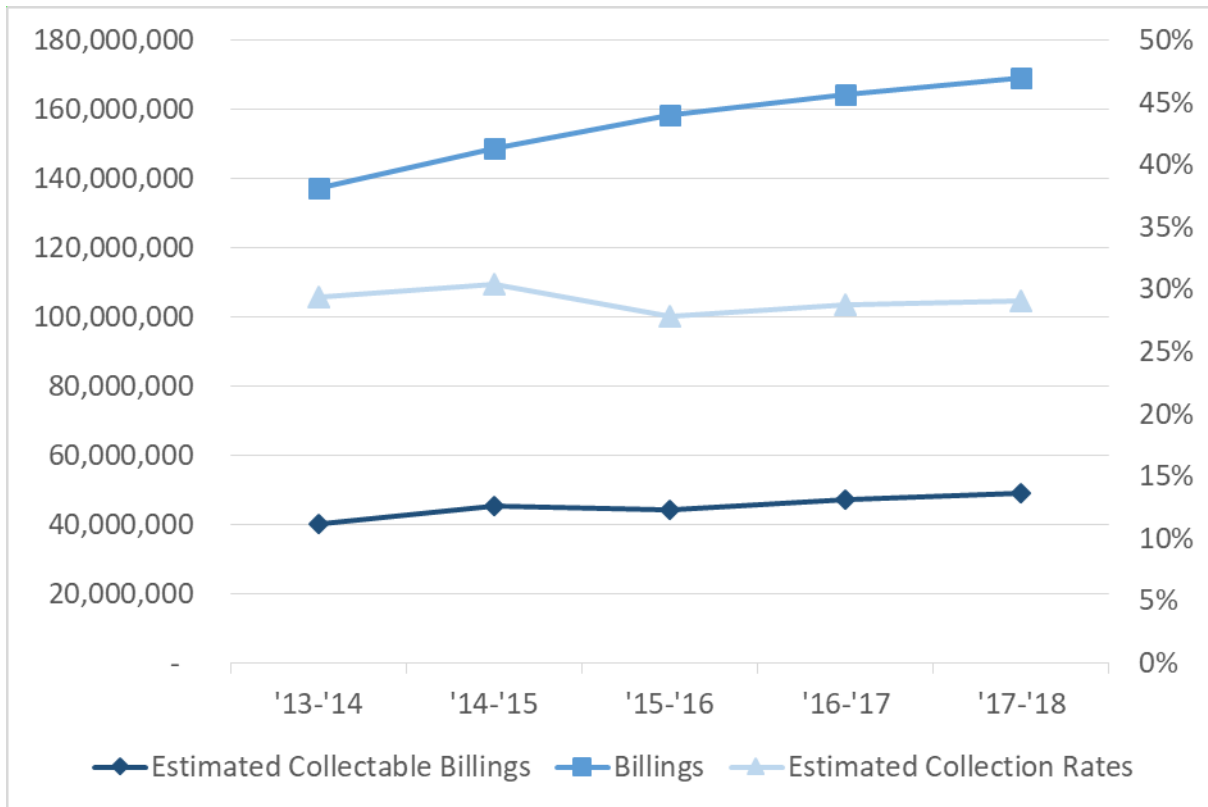


	<u>Change in Net Position</u>		<u>Net Position</u>	
2013-2014	\$ 5,755,653		\$38,346,549	
2014-2015	5,322,945	*	43,669,494	*
2015-2016	6,496,805	*	50,139,299	*
2016-2017	4,441,414	*	54,580,713	*
2017-2018	2,519,357		57,100,070	

*Amount has been restated. See Note K to the financial statements.

METROPOLITAN AREA EMS AUTHORITY

BILLINGS VS. COLLECTION RATES



	<u>Estimated Collectable Billings</u>		<u>Billings</u>		<u>Estimated Collection Rates</u>
2013-2014	\$ 40,325,738		\$ 137,409,878		29.35%
2014-2015	45,246,148	*	148,574,701		30.45%
2015-2016	45,129,477	*	158,375,972		28.50%
2016-2017	46,203,166	*	164,299,288		28.12%
2017-2018	47,659,764		168,986,409		28.20%

*Amount has been restated. See Note K to the financial statements.