

**AREA METROPOLITAN  
AMBULANCE AUTHORITY**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTAL INFORMATION**

**Year ended September 30, 2014  
with Report of Independent Auditors**

**AREA METROPOLITAN  
AMBULANCE AUTHORITY**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTAL INFORMATION**

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## REPORT OF INDEPENDENT AUDITORS

To the Members of the Board of Directors  
Area Metropolitan Ambulance Authority  
Fort Worth, Texas

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Area Metropolitan Ambulance Authority, which comprise the statements of net position as of September 30, 2014, and the related statements of revenues, expenses and changes in net position and cash flows for the year 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 ("GAAP"); 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). 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 the Area Metropolitan Ambulance Authority as of September 30, 2014, and the results of its operations and cash flows for the year then ended in accordance with GAAP.

## **Other Matters**

### *Other Information*

The financial statements of the Area Metropolitan Ambulance Authority as of September 30, 2013, were audited by other auditors whose report dated January 21, 2014, expressed an unmodified opinion on those statements.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplementary information on pages 23 through 29 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such 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.

### *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 9 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 GAAS, 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.

The image shows a handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive, professional style.

Fort Worth, Texas  
January 9, 2014

## 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 Area Metropolitan Ambulance Authority (the "Authority") dba MedStar 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.

### 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 statement of net position reports 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. Operating revenues are amounts received from patient service fees and subscription income. 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 interest revenue, gain (loss) on sale of assets, other income, and local member city subsidies.

The statements of cash flows provide financial statement users with the information to assess the adequacy of an entity'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 member cities buy-in and receipts from subscriptions purchases.
- 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 includes all assets, deferred outflows, liabilities, and deferred inflows, 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.

|  | <b>September 30,</b> |                      |
|--|----------------------|----------------------|
|  | <b>2014</b>          | <b>2013</b>          |
| <b>Current assets</b>  |                      |                      |
| Cash and cash equivalents  | \$ 23,308,668        | \$ 24,307,199        |
| Patient accounts receivable, less allowance for doubtful<br>accounts of \$11,601,228 in 2014; \$15,016,898 in 2013 | 5,500,140            | 5,220,972            |
| Supplies inventory   | 363,761              | 269,877              |
| Prepaid expenses   | 518,508              | 591,743              |
| Total current assets   | <u>29,691,077</u>    | <u>30,389,791</u>    |
| <b>Capital assets, at cost</b>   |                      |                      |
| Land   | 325,165              | 325,165              |
| Construction in progress   | 10,441,303           | 3,794,273            |
| Communication equipment  | 2,974,672            | 1,809,313            |
| Data processing equipment and software   | 5,751,923            | 4,912,015            |
| Office furniture and equipment   | 1,869,309            | 630,677              |
| Buildings and improvements   | 3,194,349            | 3,194,349            |
| Ambulance fleet  | 9,485,967            | 8,272,821            |
|  | <u>34,042,688</u>    | <u>22,938,613</u>    |
| Less accumulated depreciation  | <u>16,792,706</u>    | <u>15,003,300</u>    |
| Total capital assets, at cost  | <u>17,249,982</u>    | <u>7,935,313</u>     |
| Total assets   | <u>46,941,059</u>    | <u>38,325,104</u>    |
| <b>Current liabilities</b>   |                      |                      |
| Accounts payable and accrued liabilities   | \$ 3,607,191         | \$ 1,433,934         |
| Retainage payable  | 503,547              | -                    |
| Current portion of long-term note payable  | 474,286              | 423,333              |
| Current portion of capital leases  | 288,741              | 538,866              |
| Unearned revenue   | 170,995              | 185,048              |
| Total current liabilities  | <u>5,044,760</u>     | <u>2,581,181</u>     |
| <b>Noncurrent liabilities</b>  |                      |                      |
| Long-term note payable   | 3,549,750            | 2,864,286            |
| Capital lease obligations  | -                    | 288,741              |
| Total noncurrent liabilities   | <u>3,549,750</u>     | <u>3,153,027</u>     |
| Total liabilities  | <u>8,594,510</u>     | <u>5,734,208</u>     |
| <b>Net position</b>  |                      |                      |
| Net investment in capital assets   | 12,937,205           | 6,763,023            |
| Unrestricted   | <u>25,409,344</u>    | <u>25,827,873</u>    |
| Total net position   | <u>\$ 38,346,549</u> | <u>\$ 32,590,896</u> |

Current assets of \$29,691,077 consist of cash and cash equivalents, receivables, supplies inventory, and prepaid expenses. Cash and cash equivalents are maintained at levels necessary to cover current liabilities as they come due. Receivables are from customer ambulance services provided; supplies inventory is the amount of supplies on hand at the end of the fiscal year, while prepaid expenses are attributed to annual contracts for computer maintenance software.

Noncurrent assets of \$17,249,982 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 replacement. Noncurrent assets increased from the prior year primarily due to construction in process related to the Authority's planned new facilities.

Current liabilities of \$5,044,760 are comprised of current portion of note and lease payments, accounts payable and accrued liabilities, and unearned revenue. Current portion of note and lease payments, 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 construction accounts payable related to the Authority's planned new facilities

Non-current liabilities are the portions of lease payments and note payable which are due in the future.

Net position of \$38,346,549 consists of net investment in capital assets and unrestricted net position. The net investment in capital assets is the total of property and equipment, less accumulated depreciation, and any related debt. 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 presents the revenues earned and the expenses incurred during the year. Activities are reported as either operating or non-operating.

|   | <b>Year Ended September 30,</b> |                      |
|---|---------------------------------|----------------------|
|   | <b>2014</b>                     | <b>2013</b>          |
| <b>Operating revenues</b>                   |                                 |                      |
| Patient service fees                        | \$ 136,759,228                  | \$133,068,346        |
| Subscription income                         | 343,350                         | 335,598              |
| Program income                              | 650,650                         | 111,261              |
|   | <u>137,753,228</u>              | <u>133,515,205</u>   |
| Less estimated uncollectible fees           | 96,433,490                      | 96,253,980           |
| Net operating revenues                      | 41,319,738                      | 37,261,225           |
| <br><b>Operating expenses</b>               |                                 |                      |
| Field operations                            | 19,714,214                      | 17,701,278           |
| Ambulance fleet operations                  | 2,361,945                       | 2,238,874            |
| General and administrative                  | 11,758,803                      | 10,420,140           |
| Depreciation                                | 1,789,408                       | 1,899,788            |
| Net operating expenses                      | <u>35,624,270</u>               | <u>32,260,080</u>    |
| <br>Operating income                        | 5,695,468                       | 5,001,145            |
| <br><b>Nonoperating revenues (expenses)</b> |                                 |                      |
| Other income                                | 112,248                         | 127,380              |
| Subsidy income                              | 36,182                          | 41,813               |
| Capital grant income                        | -                               | 533,473              |
| Interest expense                            | (88,245)                        | (76,477)             |
| Gain on disposition of assets               | -                               | 194,147              |
| Total nonoperating revenues (expenses)      | <u>60,185</u>                   | <u>820,336</u>       |
| <br>Change in net position                  | 5,755,653                       | 5,821,481            |
| <br><b>Net position, beginning of year</b>  | <u>32,590,896</u>               | <u>26,769,415</u>    |
| <br><b>Net position, end of year</b>        | <u>\$ 38,346,549</u>            | <u>\$ 32,590,896</u> |

Operating revenues generally consist mainly of two sources; patient services fees of \$136,759,228 and \$133,068,346 for 2014 and 2013, respectively, and subscription income of \$343,350 and \$335,598 for 2014 and 2013, respectively. 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 2014 and 2013, operating revenue also consists of other program income of \$650,650 and \$111,261, respectively. Other program income 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, being 29.35% for fiscal year 2014, results in net operating revenue of \$41,319,738.

Operating expenses of \$35,624,270 and \$32,260,080 for 2014 and 2013, respectively are from field operations, ambulance fleet operations, general and administrative and depreciation.

The field operation expenses of \$19,714,214 and \$17,701,278 for 2014 and 2013 respectively 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 of \$2,361,945 and \$2,238,874 for 2014 and 2013 respectively are expenses incurred to maintain the ambulances. Increases in these expenses are the result of increased services.

General and Administrative expenses of \$11,758,803 and \$10,420,140 for 2014 and 2013, respectively are the expenses incurred to manage the non-operational functions of the MedStar system, including billing, collections, and infrastructure maintenance. Depreciation expense of \$1,789,408 and \$1,899,788 for 2014 and 2013, respectively are provided on a straight-line basis. Depreciation methods are designed to amortize the cost of assets over their estimated useful lives. Increases in general and administrative expense are primarily the result of various employment costs and computer software expenses.

Net operating revenues of \$41,319,738 less the net operating expenses of \$35,624,270, results in operating income of \$5,695,468 for fiscal year 2014 an increase of \$694,323 from fiscal year 2013.

Total nonoperating revenues (expense) of \$60,185 consists primarily of other income of \$112,248 and interest expense of \$88,245. The decrease from fiscal year 2013 is the result of not receiving a capital grant in 2014.

*Statements of Cash Flows*

The statements of cash flows presents the information related to cash inflows and outflows summarized by operating, non-capital and capital financing and investing activities. However, there were no investing cash flows.

|   | <b>Year Ended September 30,</b> |                             |
|---|---------------------------------|-----------------------------|
|   | <b>2014</b>                     | <b>2013</b>                 |
| <b>Cash flows from operating activities</b>                     |                                 |                             |
| Patient service fees received                                   | \$ 41,026,517                   | \$ 37,269,847               |
| Cash paid to suppliers  | (11,112,493)                    | (12,409,823)                |
| Cash paid to employees  | (20,066,214)                    | (17,933,300)                |
| Net cash provided by operating activities                       | <u>9,847,810</u>                | <u>6,926,724</u>            |
| <b>Cash flows from noncapital financing activities</b>          |                                 |                             |
| Subsidy payments received                                       | 36,182                          | 41,813                      |
| Income from community health programs                           | 112,248                         | 127,380                     |
| Net cash provided by noncapital financing activities            | <u>148,430</u>                  | <u>169,193</u>              |
| <b>Cash flows from capital and related financing activities</b> |                                 |                             |
| Proceeds from insurance   | -                               | 90,445                      |
| Proceeds from sale of capital assets                            | -                               | 103,702                     |
| Proceeds from issuance of long-term note payable                | 1,159,750                       | 3,440,000                   |
| Payments on long-term note payable                              | (423,333)                       | (152,381)                   |
| Payments on capital leases                                      | (538,866)                       | (757,473)                   |
| Capital expenditures  | (11,192,322)                    | (4,566,404)                 |
| Net cash used in capital and related financing activities       | <u>(10,994,771)</u>             | <u>(1,842,111)</u>          |
| Net (decrease) increase in cash and cash equivalents            | (998,531)                       | 5,253,806                   |
| Cash and cash equivalents at beginning of year                  | <u>24,307,199</u>               | <u>19,053,393</u>           |
| Cash and cash equivalents at end of year                        | <u><u>\$ 23,308,668</u></u>     | <u><u>\$ 24,307,199</u></u> |

The statement of cash flows is an important factor to consider when evaluating financial viability of the Authority's ability to meet financial obligations as they mature. This statement's primary purpose is to provide relevant information about the cash receipts and cash payments of the Authority during a period. The statements of cash flows also helps user assess the ability to generate future net cash flows, the ability to meet obligations as they come due, and the need for external financing.

The primary cash receipts from operating activities are from patient service fees of \$41,026,517 in 2014 which is an increase of \$3,756,670 from 2013. The primary cash outlays for operating activities are payments to vendors/suppliers of \$11,112,493 which decreased from 2013 by \$1,297,330 and on behalf of the employees of \$20,066,214 which increased from 2013 by \$2,132,914, resulting in net cash provided by operating activities of \$9,847,810 for fiscal year 2014 an increase of \$2,921,086.

The cash flows from non-capital financing activities are from Subsidy payments received from member municipalities of \$36,182 and \$41,813 for 2014 and 2013, respectively and income from community health programs of \$112,248 and \$127,380 for 2014 and 2013, respectively.

The net decrease in overall cash and cash equivalents for the fiscal year 2014 was \$998,531. By adding this amount to the beginning of the year balance of \$24,307,199, the cash and cash equivalents for the fiscal year ending September 30, 2014, was \$23,308,668.

This reconciliation of operating income to net cash provided shows the operating income for fiscal year ended September 30, 2014, is as follows:

**Reconciliation of operating income to net cash provided by operating activities**

|  |                     |                     |
|--|---------------------|---------------------|
| Operating income   | \$ 5,695,468        | \$ 5,001,145        |
| Adjustments to reconcile operating income to net cash provided by operating activities |                     |                     |
| Depreciation   | 1,789,408           | 1,899,788           |
| Changes in assets and liabilities  |                     |                     |
| Accounts receivable  | (279,168)           | 16,323              |
| Supplies inventory   | (93,884)            | 86,723              |
| Prepaid expenses   | 73,235              | (33,239)            |
| Accounts payable and accrued liabilities   | 2,173,257           | (36,315)            |
| Retainage payable  | 503,547             | -                   |
| Unearned revenue   | (14,053)            | (7,701)             |
|  | <u>\$ 9,847,810</u> | <u>\$ 6,926,724</u> |
| Net cash provided by operating activities  |                     |                     |

The net cash provided by operating activities shows a result of an increase of net cash of \$9,847,809 for the fiscal year ended September 30, 2014.

**Analysis**

The financial position of the Authority in FY 2013-14 saw an increase in net position. Net position increased from \$32,590,896 in 2013 to \$38,346,549 in 2014. Cash and cash equivalents decreased from \$24,307,199 in 2013 to \$23,308,668 in 2014. The current ratio changed from 11.8:1 in 2013 to 6.0:1 in 2014.

An analysis of the accrual basis operating budget revenues and expenditures shows that for FY 2013-14 actual revenues were \$41,319,738. An analysis of the actual results compared to the operating budget shows operating revenues of \$41,319,738, which is \$2,664,732 or 6.89% over budgeted operating revenues of \$38,655,006. The majority of this variance is due to the gross patient service fee revenue collected consistent with budgeted collection rates.

Operating expenses, excluding depreciation, for the year ended September 30, 2014, of \$33,834,862 were \$360,269 or 1.05%, under budgeted expenses. This variance is primarily a result of increased field operations and ambulance fleet operations expenses necessary to support the increased patient service fees mentioned above.

## **FINANCIAL STATEMENTS**

**AREA METROPOLITAN AMBULANCE AUTHORITY**

**STATEMENTS OF NET POSITION**

|  | <b>September 30,</b> |               |
|--|----------------------|---------------|
|  | <b>2014</b>          | <b>2013</b>   |
| <b>Current assets</b>  |                      |               |
| Cash and cash equivalents  | \$ 23,308,668        | \$ 24,307,199 |
| Patient accounts receivable, less allowance for doubtful<br>accounts of \$11,601,228 in 2014; \$15,016,898 in 2013 | 5,500,140            | 5,220,972     |
| Supplies inventory   | 363,761              | 269,877       |
| Prepaid expenses   | 518,508              | 591,743       |
| Total current assets   | 29,691,077           | 30,389,791    |
| <b>Capital assets, at cost</b>   |                      |               |
| Land   | 325,165              | 325,165       |
| Construction in progress   | 10,441,303           | 3,794,273     |
| Communication equipment  | 2,974,672            | 1,809,313     |
| Data processing equipment and software   | 5,751,923            | 4,912,015     |
| Office furniture and equipment   | 1,869,309            | 630,677       |
| Buildings and improvements   | 3,194,349            | 3,194,349     |
| Ambulance fleet  | 9,485,967            | 8,272,821     |
|  | 34,042,688           | 22,938,613    |
| Less accumulated depreciation  | 16,792,706           | 15,003,300    |
| Total capital assets, at cost  | 17,249,982           | 7,935,313     |
| Total assets   | 46,941,059           | 38,325,104    |
| <b>Current liabilities</b>   |                      |               |
| Accounts payable and accrued liabilities   | \$ 3,607,191         | \$ 1,433,934  |
| Retainage payable  | 503,547              | -             |
| Current portion of long-term note payable  | 474,286              | 423,333       |
| Current portion of capital leases  | 288,741              | 538,866       |
| Unearned revenue   | 170,995              | 185,048       |
| Total current liabilities  | 5,044,760            | 2,581,181     |
| <b>Noncurrent liabilities</b>  |                      |               |
| Long-term note payable   | 3,549,750            | 2,864,286     |
| Capital lease obligations  | -                    | 288,741       |
| Total noncurrent liabilities   | 3,549,750            | 3,153,027     |
| Total liabilities  | 8,594,510            | 5,734,208     |
| <b>Net position</b>  |                      |               |
| Net investment in capital assets   | 12,937,205           | 6,763,023     |
| Unrestricted   | 25,409,344           | 25,827,873    |
| Total net position   | \$ 38,346,549        | \$ 32,590,896 |

See accompanying notes to financial statements.

**AREA METROPOLITAN AMBULANCE AUTHORITY**

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

|   | <b>Year Ended September 30,</b> | <b>2014</b>                     | <b>2013</b> |
|---|---------------------------------|---------------------------------|-------------|
|   | <u>2014</u>                     | <u>2013</u>                     |             |
| <b>Operating revenues</b>                   |                                 |                                 |             |
| Patient service fees                        | \$ 136,759,228                  | \$ 133,068,346                  |             |
| Subscription income                         | 343,350                         | 335,598                         |             |
| Program income                              | 650,650                         | 111,261                         |             |
|   | <u>137,753,228</u>              | <u>133,515,205</u>              |             |
| Less estimated uncollectible fees           | 96,433,490                      | 96,253,980                      |             |
| Net operating revenues                      | <u>41,319,738</u>               | <u>37,261,225</u>               |             |
| <br><b>Operating expenses</b>               |                                 |                                 |             |
| Field operations                            | 19,714,214                      | 17,701,278                      |             |
| Ambulance fleet operations                  | 2,361,945                       | 2,238,874                       |             |
| General and administrative                  | 11,758,703                      | 10,420,140                      |             |
| Depreciation                                | 1,789,408                       | 1,899,788                       |             |
| Net operating expenses                      | <u>35,624,270</u>               | <u>32,260,080</u>               |             |
| <br>Operating income                        | <br>5,695,468                   | <br>5,001,145                   |             |
| <br><b>Nonoperating revenues (expenses)</b> |                                 |                                 |             |
| Other income                                | 112,248                         | 127,380                         |             |
| Subsidy income                              | 36,182                          | 41,813                          |             |
| Capital grant income                        | -                               | 533,473                         |             |
| Interest expense                            | (88,245)                        | (76,477)                        |             |
| Gain on disposition of assets               | -                               | 194,147                         |             |
| Total nonoperating revenues (expenses)      | <u>60,185</u>                   | <u>820,336</u>                  |             |
| <br>Change in net position                  | <br>5,755,653                   | <br>5,821,481                   |             |
| <br><b>Net position, beginning of year</b>  | <br><u>32,590,896</u>           | <br><u>26,769,415</u>           |             |
| <br><b>Net position, end of year</b>        | <br><u><u>\$ 38,346,549</u></u> | <br><u><u>\$ 32,590,896</u></u> |             |

See accompanying notes to financial statements.

**AREA METROPOLITAN AMBULANCE AUTHORITY**

**STATEMENTS OF CASH FLOWS**

|  | <b>Year Ended September 30,<br/>2014</b> | <b>2013</b>   |
|--|--|---------------|
| <b>Cash flows from operating activities</b>  |  |               |
| Patient service fees received  | \$ 41,026,517                            | \$ 37,269,847 |
| Cash paid to suppliers   | (11,112,493)                             | (12,409,823)  |
| Cash paid to employees   | (20,066,214)                             | (17,933,300)  |
| Net cash provided by operating activities  | 9,847,810                                | 6,926,724     |
| <b>Cash flows from noncapital financing activities</b>                                 |  |               |
| Subsidy payments received  | 36,182                                   | 41,813        |
| Income from community health programs  | 112,248                                  | 127,380       |
| Net cash provided by noncapital financing activities                                   | 148,430                                  | 169,193       |
| <b>Cash flows from capital and related financing activities</b>                        |  |               |
| Proceeds from insurance  | -  | 90,445        |
| Proceeds from sale of capital assets   | -  | 103,702       |
| Proceeds from issuance of long-term note payable                                       | 1,159,750                                | 3,440,000     |
| Payments on long-term note payable   | (423,333)                                | (152,381)     |
| Payments on capital leases   | (538,866)                                | (757,473)     |
| Capital expenditures   | (11,192,322)                             | (4,566,404)   |
| Net cash used in capital and related financing activities                              | (10,994,771)                             | (1,842,111)   |
| Net (decrease) increase in cash and cash equivalents                                   | (998,531)                                | 5,253,806     |
| Cash and cash equivalents at beginning of year   | 24,307,199                               | 19,053,393    |
| Cash and cash equivalents at end of year   | \$ 23,308,668                            | \$ 24,307,199 |
| <b>Reconciliation of operating income to net cash provided by operating activities</b> |  |               |
| Operating income   | \$ 5,695,468                             | \$ 5,001,145  |
| Adjustments to reconcile operating income to net cash provided by operating activities |  |               |
| Depreciation   | 1,789,408                                | 1,899,788     |
| Changes in assets and liabilities  |  |               |
| Accounts receivable  | (279,168)                                | 16,323        |
| Supplies inventory   | (93,884)                                 | 86,723        |
| Prepaid expenses   | 73,235                                   | (33,239)      |
| Accounts payable and accrued liabilities   | 2,173,257                                | (36,315)      |
| Retainage payable  | 503,547                                  | -             |
| Unearned revenue   | (14,053)                                 | (7,701)       |
| Net cash provided by operating activities  | \$ 9,847,810                             | \$ 6,926,724  |
| <b>Supplemental Disclosure of Cash Flow Information</b>                                |  |               |
| Interest paid  | \$ 89,729                                | \$ 75,725     |
| Capital asset received from grantor  | -  | 533,473       |

See accompanying notes to financial statements.

# **AREA METROPOLITAN AMBULANCE AUTHORITY**

## **NOTES TO FINANCIAL STATEMENTS**

**September 30, 2014 and 2013**

### **A. Significant Accounting Policies**

The financial statements of Area Metropolitan Ambulance Authority (the Authority) are presented in accordance with generally accepted accounting principles (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, and insurance providers.

#### **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 "net income and capital maintenance" measurement focus. This means that all assets, liabilities, equity, 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.

#### **Inventories**

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

## AREA METROPOLITAN AMBULANCE AUTHORITY

### NOTES TO FINANCIAL STATEMENTS *(continued)*

#### A. Significant Accounting Policies – continued

##### Capital Assets

Capital assets have an original cost of \$3,000 or more and over one year of useful life 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 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 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.

## AREA METROPOLITAN AMBULANCE AUTHORITY

### NOTES TO FINANCIAL STATEMENTS (*continued*)

#### A. Significant Accounting Policies – continued

##### Operating Revenues

Operating revenues generally consist mainly of two sources; patient services fees 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. Other 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 primarily 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.

#### 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

## AREA METROPOLITAN AMBULANCE AUTHORITY

### NOTES TO FINANCIAL STATEMENTS (*continued*)

#### **B. Cash and Investments – continued**

##### **Custodial Credit Risk – continued**

at least the bank balance less the Federal Deposit Insurance Corporation (“FDIC”) insurance at all times.

As of September 30, 2014 and 2013, the carrying amount of the Authority’s cash on hand was \$23,308,668 and \$24,307,199, respectively and the bank balance was \$23,900,494 and \$24,455,020, 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**

As of October 1, 1997, the Authority has adopted a defined contribution pension plan created in accordance with Internal Revenue Code Section 401(a). The plan is administered by ICMA Retirement Corporation. All full-time employees are eligible for participation in the plan after six months of employment. The plan requires that the Authority match a portion of participant contributions annually. Authority contributions for the years ended September 30, 2014 and 2013, were approximately \$80,000 and \$87,000 (which includes approximately \$2,100 and \$14,900 of forfeitures allocated to participant accounts), respectively. Employee contributions for the years ended September 30, 2014 and 2013, were approximately \$45,500 and \$49,700, respectively.

As of October 1, 2005, the Authority adopted a second defined contribution pension plan created in accordance with Internal Revenue Code Section 401(a) to be used by new employees. The plan is administered by ICMA Retirement Corporation. All full-time employees are eligible for participation in the plan after six months of employment. The plan requires that the Authority match a portion of participant contributions annually. Authority contributions for the years ended September 30, 2014 and 2013, were approximately \$854,400 and \$802,800 (which includes approximately \$66,800 and \$32,200 of forfeitures allocated to participant accounts), respectively. Employee contributions for the years ended September 30, 2014 and 2013, were approximately \$569,200 and \$540,400, respectively.

**AREA METROPOLITAN AMBULANCE AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**E. Capital Assets Activity**

Capital asset activity for the Authority for the year ended September 30, 2014 and 2013, was as follows:

|  | Beginning<br>Balance<br>10/1/2013 | Additions           | Retirements     | Ending<br>Balance<br>9/30/2014 |
|--|-----------------------------------|---------------------|-----------------|--------------------------------|
| Capital assets not being depreciated       |                                   |                     |                 |                                |
| Land                                       | \$ 325,165                        | \$ -                | \$ -            | \$ 325,165                     |
| Construction in progress                   | 3,794,273                         | 6,647,030           | -               | 10,441,303                     |
| Total capital assets not being depreciated | 4,119,438                         | 6,647,030           | -               | 10,766,468                     |
| Capital assets being depreciated           |                                   |                     |                 |                                |
| Communication equipment                    | 1,809,313                         | 1,165,359           | -               | 2,974,672                      |
| Data processing equipment and software     | 4,912,015                         | 839,908             | -               | 5,751,923                      |
| Office furniture and equipment             | 630,677                           | 1,238,632           | -               | 1,869,309                      |
| Buildings and improvements                 | 3,194,349                         | -                   | -               | 3,194,349                      |
| Ambulance fleet and clinical equipment     | 8,272,821                         | 1,216,807           | 3,661           | 9,485,967                      |
| Total capital assets being depreciated     | 18,819,175                        | 4,460,706           | 3,661           | 23,276,220                     |
| Total at historical cost                   | 22,938,613                        | 11,107,736          | 3,661           | 34,042,688                     |
| Less accumulated depreciation              |                                   |                     |                 |                                |
| Communication equipment                    | 1,592,223                         | 154,871             | -               | 1,747,094                      |
| Data processing equipment and software     | 4,311,145                         | 343,816             | -               | 4,654,961                      |
| Office furniture and equipment             | 417,431                           | 41,663              | -               | 459,094                        |
| Buildings and improvements                 | 2,360,548                         | 103,424             | -               | 2,463,972                      |
| Ambulance fleet                            | 6,321,953                         | 1,145,632           | -               | 7,467,585                      |
| Total accumulated depreciation             | 15,003,300                        | 1,789,406           | -               | 16,792,706                     |
| Capital assets, net                        | <u>\$ 7,935,313</u>               | <u>\$ 9,318,330</u> | <u>\$ 3,661</u> | <u>\$ 17,249,982</u>           |

**AREA METROPOLITAN AMBULANCE AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**E. Capital Assets Activity – continued**

|  | Beginning<br>Balance<br>10/1/2012 | Additions           | Retirements | Ending<br>Balance<br>9/30/2013 |
|--|-----------------------------------|---------------------|-------------|--------------------------------|
| Capital assets not being depreciated       |                                   |                     |             |                                |
| Land                                       | \$ 325,165                        | \$ -                | \$ -        | \$ 325,165                     |
| Construction in progress                   | -                                 | 3,794,273           | -           | 3,794,273                      |
| Total capital assets not being depreciated | 325,165                           | 3,794,273           | -           | 4,119,438                      |
| Capital assets being depreciated           |                                   |                     |             |                                |
| Communication equipment                    | 1,772,111                         | 37,202              | -           | 1,809,313                      |
| Data processing equipment and software     | 4,738,024                         | 173,991             | -           | 4,912,015                      |
| Office furniture and equipment             | 630,677                           | -                   | -           | 630,677                        |
| Buildings and improvements                 | 3,194,349                         | -                   | -           | 3,194,349                      |
| Ambulance fleet and clinical equipment     | 7,279,645                         | 1,017,934           | 24,758      | 8,272,821                      |
| Total capital assets being depreciated     | 17,614,806                        | 1,229,127           | 24,758      | 18,819,175                     |
| Total at historical cost                   | 17,939,971                        | 5,023,400           | 24,758      | 22,938,613                     |
| Less accumulated depreciation              |                                   |                     |             |                                |
| Communication equipment                    | 1,410,555                         | 181,668             | -           | 1,592,223                      |
| Data processing equipment and software     | 3,907,968                         | 403,177             | -           | 4,311,145                      |
| Office furniture and equipment             | 347,220                           | 70,211              | -           | 417,431                        |
| Buildings and improvements                 | 2,179,075                         | 181,473             | -           | 2,360,548                      |
| Ambulance fleet and clinical equipment     | 5,283,452                         | 1,063,259           | 24,758      | 6,321,953                      |
| Total accumulated depreciation             | 13,128,270                        | 1,899,788           | 24,758      | 15,003,300                     |
| Capital assets, net                        | <u>\$ 4,811,701</u>               | <u>\$ 3,123,612</u> | <u>\$ -</u> | <u>\$ 7,935,313</u>            |

**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, 2014 or 2013.

The Authority is in process of constructing new facilities. The remaining amount owed at September 30, 2014 is \$3,722,235.

**AREA METROPOLITAN AMBULANCE AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**F. Risk Management and Commitments – continued**

At September 30, 2014, the Authority was involved in litigation resulting from the ordinary course of business. While the ultimate results of these matters cannot be determined, management does not expect them to have a material adverse effect on its financial position.

**G. Capital Leases**

The Authority leases certain equipment with a total cost of \$901,289 and \$2,009,176 under capital leases with accumulated depreciation of \$819,189 and \$1,671,762 as of September 30, 2014 and 2013, respectively. The following is a schedule by fiscal year of future minimum lease payments under the capital lease obligations together with the present value of the net minimum lease payments as of September 30, 2014:

|   |                 |
|---|-----------------|
| 2015  | \$ 298,784      |
| Total minimum lease payment                 | <u>298,784</u>  |
| Less amount representing interest           | <u>10,043</u>   |
| Present value of net minimum lease payments | 288,741         |
| Less current portion                        | <u>288,741</u>  |
| <br>Noncurrent                              | <br><u>\$ -</u> |

**H. 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. The outstanding balance of the equipment loan at September 30, 2014, was \$2,628,572. The construction loan, on which \$1,159,750 was drawn in the current year, bears interest at a rate of 2.27%, and is to be paid in monthly installments of \$1,429 plus accrued interest. The outstanding balance of the construction loan at September 30, 2014, was \$1,395,464. The loans are collateralized by patient accounts receivable, supplies inventory, and construction in progress. 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, 2014, the Authority was in compliance with these covenants and financial ratios.

**AREA METROPOLITAN AMBULANCE AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**I. Long-Term Note Payable – continued**

The annual requirements to amortize all notes payable outstanding as of September 30, 2014, are as follows:

| Year Ending<br>September 30, | Principal   | Interest  | Total       |
|------------------------------|-------------|-----------|-------------|
| 2015                         | \$474,286   | \$60,085  | \$534,371   |
| 2016                         | 474,286     | 49,318    | 523,604     |
| 2017                         | 474,286     | 38,552    | 512,838     |
| 2018                         | 474,286     | 27,786    | 502,072     |
| 2019                         | 474,286     | 17,020    | 491,306     |
| 2020                         | 1,652,606   | 7,788     | 1,660,394   |
| Thereafter                   | \$4,024,036 | \$200,549 | \$4,224,585 |

The following is a summary of long-term debt transactions of the Authority for the years ended September 30, 2014 and 2013:

|                | Balances<br>October 1,<br>2013 | Increases           | Decreases         | Balances<br>September 30,<br>2014 | Due<br>Within<br>One Year |
|----------------|--------------------------------|---------------------|-------------------|-----------------------------------|---------------------------|
| Notes payable  | \$3,287,619                    | \$ 1,159,750        | \$ 423,333        | \$ 4,024,036                      | \$ 474,286                |
| Capital leases | 827,607                        |                     | 538,866           | 288,741                           | 288,741                   |
|                | <u>\$4,115,226</u>             | <u>\$ 1,159,750</u> | <u>\$ 962,199</u> | <u>\$ 4,312,777</u>               | <u>\$ 763,027</u>         |

|                | Balances<br>October 1,<br>2012 | Increases           | Decreases         | Balances<br>September 30,<br>2013 | Due<br>Within<br>One Year |
|----------------|--------------------------------|---------------------|-------------------|-----------------------------------|---------------------------|
| Notes payable  | \$ -                           | \$ 3,440,000        | \$ 152,381        | \$ 3,287,619                      | \$ 423,333                |
| Capital leases | 1,585,080                      | -                   | 757,473           | 827,607                           | 538,866                   |
|                | <u>\$1,585,080</u>             | <u>\$ 3,440,000</u> | <u>\$ 909,854</u> | <u>\$ 4,115,226</u>               | <u>\$ 962,199</u>         |

**AREA METROPOLITAN AMBULANCE AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**J. 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 is protected against higher than expected claims costs through the purchase of stop loss coverage of \$100,000 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. Accordingly, claim liabilities are evaluated periodically. The following summarizes the self-insured plan claims and liabilities for health care benefits.

| <u>Fiscal<br/>Year</u> | <u>Beginning of<br/>Year Accrual</u> | <u>Current Year<br/>Estimates</u> | <u>Claim<br/>Payments</u> | <u>End of Year<br/>Accrual</u> |
|------------------------|--------------------------------------|-----------------------------------|---------------------------|--------------------------------|
| 2014                   | \$ -                                 | \$ 1,633,116                      | \$ (1,256,489)            | \$ 376,627                     |

**SUPPLEMENTAL INFORMATION**

**AREA METROPOLITAN AMBULANCE AUTHORITY**  
**BILLINGS AND COLLECTIONS**  
**YEARS ENDED SEPTEMBER 30, 2014 AND 2013**

|                                   | <u>2014</u>    | <u>2013</u>    |
|-----------------------------------|----------------|----------------|
| <b>Total services billed</b>      | \$ 137,409,878 | \$ 133,179,607 |
| <b>Estimated collectible fees</b> | 40,325,738     | 36,814,366     |
| <b>Collection rate</b>            | 29.35%         | 27.64%         |

**AREA METROPOLITAN AMBULANCE AUTHORITY**

**UNEARNED REVENUE DETAIL**

**SEPTEMBER 30, 2014 AND 2013**

|  | <u>2014</u>       | <u>2013</u>       |
|--|-------------------|-------------------|
| Unearned revenue   |                   |                   |
| Cash received from subscriptions expiring next fiscal year | \$ 170,995        | \$ 185,048        |
| Total unearned subscription revenue                        | <u>\$ 170,995</u> | <u>\$ 185,048</u> |

**AREA METROPOLITAN AMBULANCE AUTHORITY**

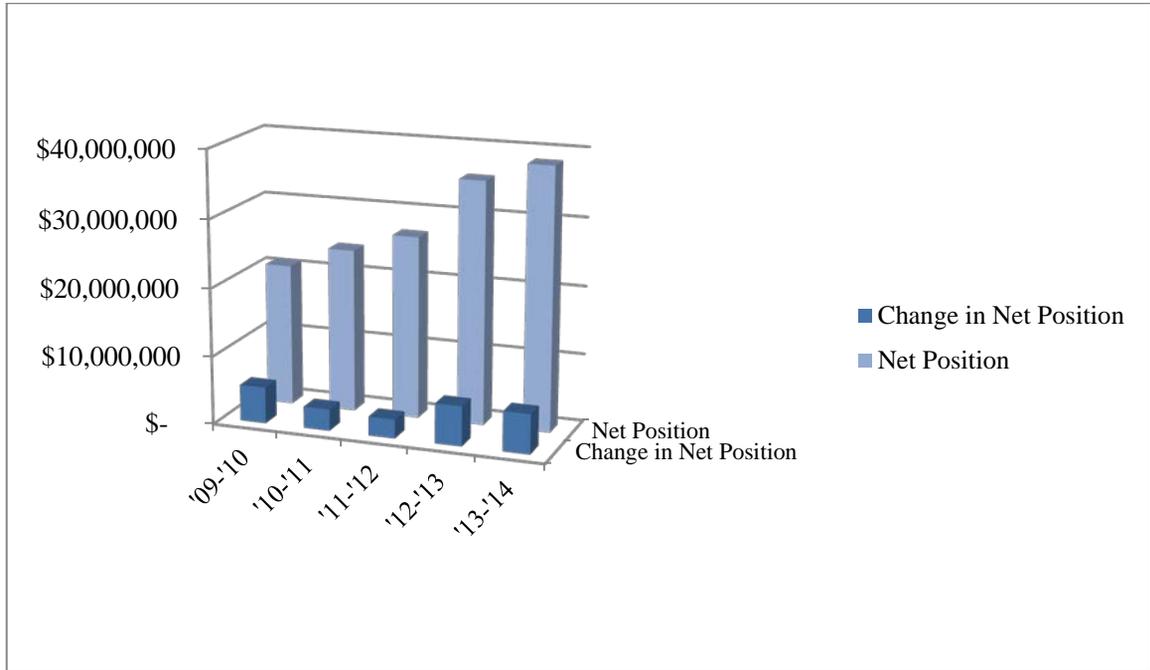
**SCHEDULES OF GENERAL AND ADMINISTRATIVE EXPENSES**

**YEARS ENDED SEPTEMBER 30, 2014 AND 2013**

|                              | <b>2014</b>          | <b>2013</b>          |
|------------------------------|----------------------|----------------------|
| Advertising                  | \$ 134,775           | \$ 32,689            |
| Antenna lease                | 26,823               | 9,000                |
| Banking and credit card fees | 117,714              | 74,137               |
| Collection fees              | 212,526              | 218,597              |
| Dues and subscriptions       | 42,456               | 28,914               |
| Equipment                    | 188,414              | 5,188                |
| Insurance                    | 2,427,372            | 2,551,519            |
| License - certification      | 74,033               | 67,969               |
| Other                        | 360,363              | 192,039              |
| Payroll taxes                | 262,285              | 301,360              |
| Postage                      | 65,845               | 80,386               |
| Professional fees            | 970,626              | 609,221              |
| Public education             | -                    | 1,573                |
| Public relations             | 26,412               | 35,139               |
| Quality control              | 761,545              | 734,596              |
| Recruitment and training     | 43,344               | 179,210              |
| Rent expense                 | 48,629               | 71,315               |
| Repairs and maintenance      | 955,198              | 623,891              |
| Retirement plan contribution | 246,362              | 208,572              |
| Salaries                     | 4,152,100            | 3,837,455            |
| Seminars                     | -                    | 88,378               |
| Supplies                     | 131,625              | 119,551              |
| Telephone and utilities      | 409,950              | 243,863              |
| Travel                       | 100,306              | 105,578              |
|                              | <u>\$ 11,758,703</u> | <u>\$ 10,420,140</u> |

**AREA METROPOLITAN AMBULANCE AUTHORITY**

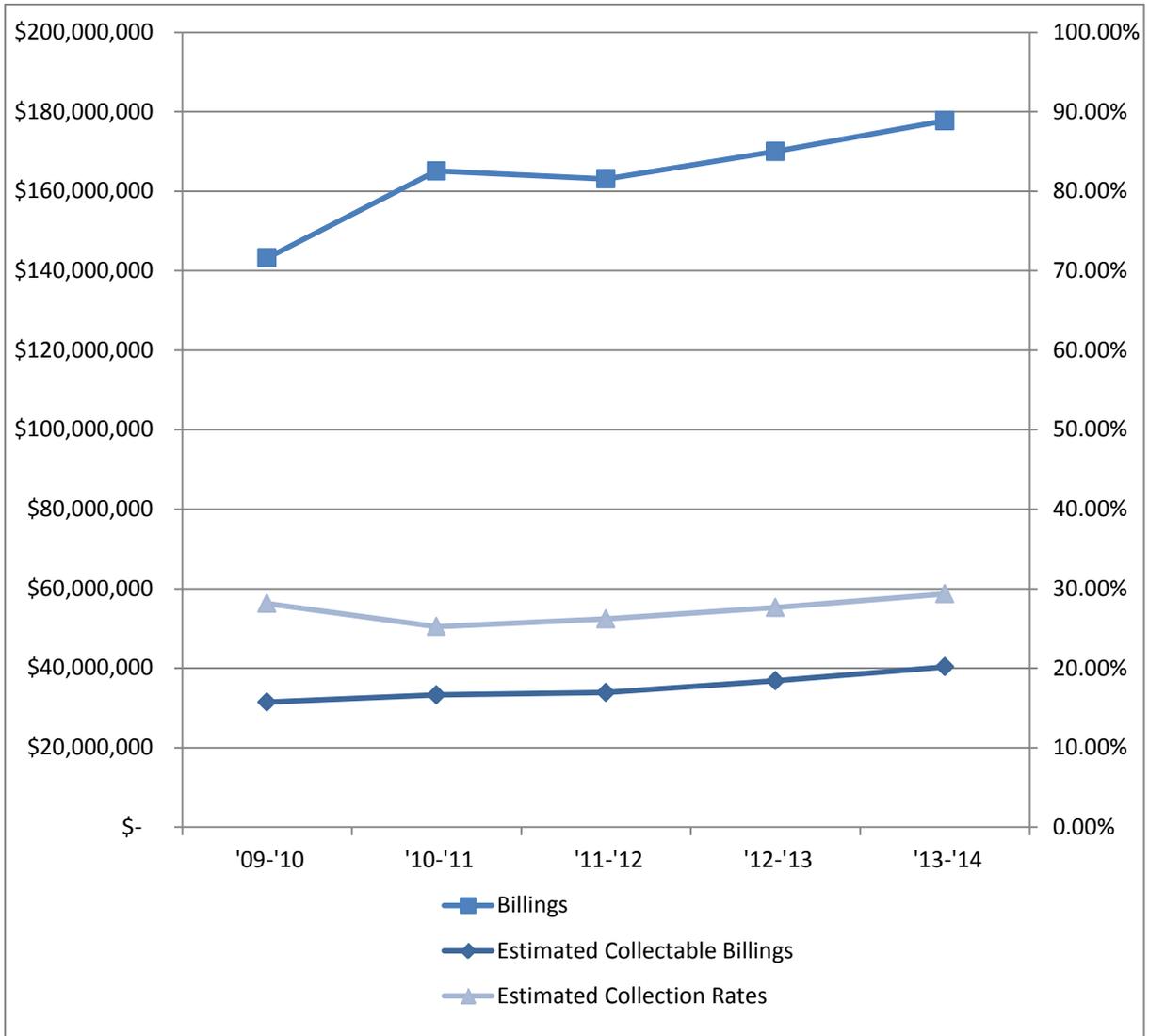
**CHANGE IN NET POSITION VS. NET POSITION**



|         | <b>Change in Net<br/>Position</b> | <b>Net Position</b> |
|---------|-----------------------------------|---------------------|
| '09-'10 | \$ 5,325,391                      | \$ 20,833,850       |
| '10-'11 | 3,147,436                         | 23,981,286          |
| '11-'12 | 2,788,129                         | 26,769,415          |
| '12-'13 | 5,821,481                         | 32,590,896          |
| '13-'14 | 5,755,653                         | 38,346,549          |

**AREA METROPOLITAN AMBULANCE AUTHORITY**

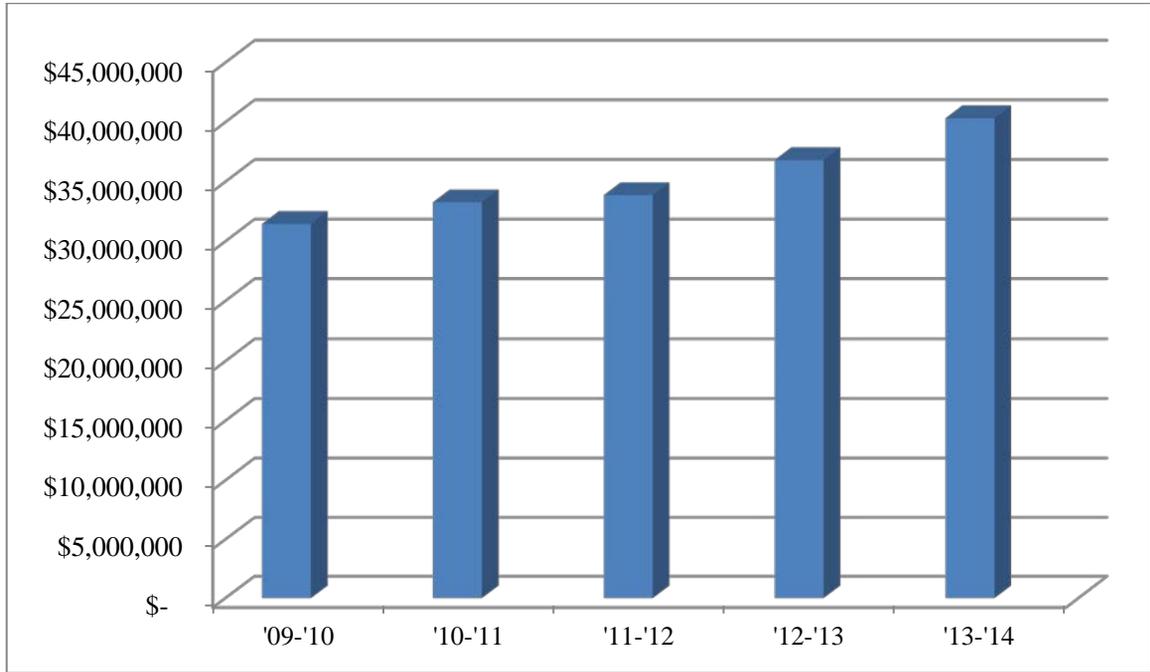
**BILLINGS VS. COLLECTION RATES**



|         | <b>Estimated<br/>Collectable<br/>Billings</b> | <b>Billings</b> | <b>Estimated<br/>Collection<br/>Rates</b> |
|---------|---|-----------------|---|
| '09-'10 | \$ 31,450,678                                 | \$ 111,759,853  | 28.14%                                    |
| '10-'11 | 33,267,214                                    | 131,830,036     | 25.23%                                    |
| '11-'12 | 33,864,165                                    | 129,244,167     | 26.20%                                    |
| '12-'13 | 36,814,366                                    | 133,179,607     | 27.64%                                    |
| '13-'14 | 40,325,738                                    | 137,409,878     | 29.35%                                    |

**AREA METROPOLITAN AMBULANCE AUTHORITY**

**COLLECTIONS ON BILLINGS**



|         |    |            |
|---------|----|------------|
| '09-'10 | \$ | 31,450,678 |
| '10-'11 |    | 33,267,214 |
| '11-'12 |    | 33,864,165 |
| '12-'13 |    | 36,814,366 |
| '13-'14 |    | 40,325,738 |