18.

Agenda Item Request Form

BURNET COUNTY COMMISSIONER'S COURT

Meetings – 9:00am – 2nd and 4th Tuesday of Every Month

NO ITEM WILL BE ON AN AGENDA
WITHOUT PRIOR APPROVAL BY A MEMBER OF COMMISSIONER'S COURT

All **Contracts** must be approved by County Auditor's
And County Attorney's office prior to being on the Agenda

Agenda items and supporting documents are due to Court Coordinator's Office (Rm. 201) no later than noon on Thursday prior to the meeting date requested.

Ph: 512-715-5276 Fax: 512-715-5217 email: comcrt@burnetcountytexas.org

Presenters are to limit presentation time to no more than 5 minutes.

Today's Date: 5/3/21 **Requested by: Karin Smith**

AGENDA ITEM(S):
Acknowledgement of receipt of the year end Audit Report from MFAEMS.

Meeting Date Requested: (required)__5/11/21

Agenda Item Approved by: (required)

County Judge Oakley Commissioner Pct. 1 Luther Commissioner Pct. 2 Beierle

Commissioner Pct. 3 Wall Commissioner Pct. 4 Dockery

Marble Falls Area Emergency Medical Service, Inc.
Audit Report
for the Year Ended September 30, 2020 with Comparative Totals as of September 30, 2019

Taber and Burnett, P.C.
A Professional Corporation
Certified Public Accountants

Page

Taber and Burnett, P.C.
A Professional Corporation
Certified Public Accountants
P.O. Box 1519, 412 Buchanan Drive, Burnet, Texas 78611
512/756-4904; Fax: 512/756-4227

INDEPENDENT AUDITORS' REPORT

Board of Directors
Marble Falls Area Emergency
Medical Service, Inc.
Marble Falls, Texas

We have audited the accompanying Statement of Financial Position of the Marble Falls Area Emergency Medical Services, Inc., (a non-profit organization), as of September 30, 2020, and the related Statements of Activities, Cash Flows, and Functional Expenses for the year then ended and the related notes to the financial statements. The prior year comparative information has been derived from the Organization's 2019 financial statements, and in our report dated July 13, 2020, an unqualified opinion on those financial statements was expressed.

Management's Responsibility for the Financial Statements

The Organization's 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 audit. We conducted our audit 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 Organization'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 Marble Falls Area Emergency Medical Services, Inc. as of September 30, 2020, and the results of activities and the cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Tober & Burnett, PC

Burnet, Texas
April 22, 2021

Marble Falls Area Emergency Medical Service, Inc.

Statements of Financial Position — *As of September 30, 2020 and 2019*

Assets

	2020	2019
Current Assets		
Cash and cash equivalents (Note 2)	$ 51,223	$ 165,386
Net ambulance billings receivable (Note 3)	271,333	232,612
Inventory	57,484	54,385
Miscellaneous receivables	4,874	7,936
Total Current Assets	384,914	460,319
Fixed Assets (Note 4)		
Buildings	498,313	492,313
Furniture and fixtures	12,545	12,545
Communications and other equipment	689,965	666,507
Transportation equipment	1,490,995	1,260,213
Total Fixed Assets	2,691,818	2,431,578
Accumulated depreciation	(1,594,776)	(1,510,668)
Net Fixed Assets	1,097,042	920,910
Land	39,360	39,360
Total Assets	$ 1,521,316	$ 1,420,589
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 160,376	$ 104,674
Accrued expenses	20,026	99,804
Current portion of long-term debt (Note 5)	276,245	220,454
Total Current Liabilities	456,647	424,932
Long-term debt, less current portion (Note 5)	685,057	524,528
Total Liabilities	1,141,704	949,460
Net Assets		
Net assets without donor restrictions	351,928	436,581
Net assets with donor restrictions (Note 6)	27,684	34,548
Total Net Assets	379,612	471,129
Total Liabilities and Net Assets	$ 1,521,316	$ 1,420,589

The accompanying notes are an integral part of the financial statements.

Marble Falls Area Emergency Medical Service, Inc.

Statement of Activities

For the Year Ended September 30, 2020
with Comparative Totals for 2019

	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 Total
Revenues, Gains, & Other Support:				
Net service fees (Note 7)	$ 1,874,815	$ -	$ 1,874,815	$ 1,895,568
Service contracts-counties	1,326,731	-	1,326,731	1,287,591
Service contracts-cities	319,076	-	319,076	313,792
Class fees	10,669	-	10,669	13,399
Donations	29,422	10,452	39,874	32,998
Fundraisers	18,412	-	18,412	21,732
Gain (loss) on disposition of equipment	5,985	-	5,985	202,300
Grants	28,465	-	28,465	20,729
Interest income	187	6	193	354
Miscellaneous	75,789	-	75,789	11,466
VES contributions	54,401	-	54,401	54,362
Total Revenue	3,743,952	10,458	3,754,410	3,854,291
Net assets released from restrictions	17,322	(17,322)	-	-
Total Revenues, Gains, & Other Support	3,761,274	(6,864)	3,754,410	3,854,291
Cost of Special Activities & Programs:				
Personnel and personnel expense	2,505,684	-	2,505,684	2,420,262
Depreciation (Note 4)	271,487	-	271,487	195,992
Dues and subscriptions	64,465	-	64,465	42,227
Equipment-small purchases	33,151	-	33,151	33,441
Fuel	65,718	-	65,718	87,450
Insurance	334,238	-	334,238	328,027
Interest expense	41,287	-	41,287	37,029
Medical billing fee	111,683	-	111,683	75,778
Medical director	20,000	-	20,000	20,000
Medical supplies	141,275	-	141,275	105,136
Repairs and maintenance	57,063	-	57,063	73,100
Scholarships and donations	3,075	-	3,075	3,075
Training and education	15,749	-	15,749	18,452
Utilities	38,022	-	38,022	35,681
Total Cost of Special Activities & Programs	3,702,897	-	3,702,897	3,475,650
Revenues Net of Cost	58,377	(6,864)	51,513	378,641
Supporting Services:				
Personnel and personnel expense	124,131	-	124,131	124,548
Management and general	18,359	-	18,359	19,029
Fundraisers	540	-	540	709
Total Supporting Services	143,030	-	143,030	144,286
Change in Net Assets	(84,653)	(6,864)	(91,517)	234,355
Net Assets at Beginning of Year	436,581	34,548	471,129	236,774
Net Assets at End of Year	$ 351,928	$ 27,684	$ 379,612	$ 471,129

The accompanying notes are an integral part of the financial statements.

Marble Falls Area Emergency Medical Service, Inc.

Statements of Cash Flows — *For the Years Ended September 30, 2020 and 2019*

	2020	2019
Cash Flows from Operating Activities:		
Change in net assets	$ (91,517)	$ 234,355
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	271,487	195,992
(Increase) decrease in accounts receivable	(38,721)	(20,469)
(Increase) decrease in inventory	(3,099)	(713)
(Increase) decrease in miscellaneous receivables	3,062	(4,367)
Increase (decrease) in accounts payable	55,702	8,904
Increase (decrease) in accrued expenses	(79,778)	21,437
Net Cash Provided by (Used In) Operating Activities	117,136	435,139
Cash Flows from Investing Activities:		
Purchase of equipment	(448,134)	(301,601)
Disposition of equipment	515	47,820
Net Cash Provided by (Used In) Investing Activities	(447,619)	(253,781)
Cash Flows from Financing Activities:		
Loan proceeds	485,860	268,842
Principal paid	(269,540)	(367,898)
Net Cash Provided by (Used In) Financing Activities	216,320	(99,056)
Net Increase (Decrease) in Cash and Cash Equivalents	(114,163)	82,302
Cash and Cash Equivalents at Beginning of Year	165,386	83,084
Cash and Cash Equivalents at End of Year	$ 51,223	$ 165,386
Supplemental Cash Flow Disclosures:		
Cash Paid During the Year for:		
Interest	$ 41,287	$ 37,029
Income taxes	$ -	$ -
Noncash Activities		
In-kind donations	$ -	$ -

The accompanying notes are an integral part of the financial statements.

Marble Falls Area Emergency Medical Service, Inc.

Statement of Functional Expenses

For the Year Ended September 30, 2020
with Comparative Totals for 2019

	Program Services	Supporting Services Administrative	Fundraising	2020 Total	2019 Total
Personnel and personnel expense	$ 2,505,684	$ 124,131	$ -	$ 2,629,815	$ 2,544,810
Depreciation	271,487	-	-	271,487	195,992
Dues and subscriptions	64,465	-	-	64,465	42,227
Equipment-small purchases	33,151	-	-	33,151	33,441
Fuel	65,718	-	-	65,718	87,450
Fundraisers	-	-	540	540	709
Insurance	334,238	-	-	334,238	328,027
Interest expense	41,287	-	-	41,287	37,029
Management and general	-	18,359	-	18,359	19,029
Medical billing fee	111,683	-	-	111,683	75,778
Medical director	20,000	-	-	20,000	20,000
Medical supplies	141,275	-	-	141,275	105,136
Repairs and maintenance	57,063	-	-	57,063	73,100
Scholarships and donations	3,075	-	-	3,075	3,075
Training	15,749	-	-	15,749	18,452
Utilities	38,022	-	-	38,022	35,681
2020 Total	$ 3,702,897	$ 142,490	$ 540	$ 3,845,927	$ -
2019 Total	$ 3,475,650	$ 143,577	$ 709	$ -	$ 3,619,936

The accompanying notes are an integral part of the financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Marble Falls Area Emergency Medical Service, Inc. (the Service) is a non-profit organization established to provide emergency ambulance and medical services to the City of Marble Falls, Texas and the surrounding 300 square mile area. The primary sources of revenues are from service fees and contracts for emergency medical services.

Basis of Presentation

Resources are classified for accounting and reporting purposes into two classes of net assets, according to externally imposed restrictions.

Net assets without donor restrictions: This is the portion of net assets of the Service that can be used subject only to the board limits resulting from the nature of the Service, the environment it operates in, or the purposes specified in its articles of incorporation or bylaws. In some cases, the use of these resources is also subject to limits resulting from contractual agreements with suppliers, creditors, and others entered into by the Service in the course of its business. The Service has the greatest ability to choose when using these resources.

Net assets without donor restrictions generally result from grants, contracts, and contributions that are not subject to donor-imposed restrictions, and income from investing excess operating cash, reduced by expenses incurred in providing services, raising contributions, and performing administrative functions.

Net assets with donor restrictions: This is the portion of net assets of the Service that is subject to either donor-imposed time restrictions or donor-imposed purpose restrictions. These restrictions limit the Service's choices when using these resources because the Service has a fiduciary responsibility to its donors to follow the donor's instructions.

Net assets with donor restrictions generally result from donor-restricted contributions.

Tax Status

Under provisions of the Internal Revenue Code, Section 501(c)(3), the Service is exempt from taxes on income other than unrelated business income. Since the Service had no net unrelated business income during the years ended September 30, 2020 and 2019, no provision for income taxes has been made. The Service's open audit periods are for the fiscal year ends September 30, 2018 to September 30, 2020.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

Contributions are recognized when the donor gives funds to the Service that are, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires because the contributed resources are spent in accordance with the donor's instructions or because of passage of time, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Contributed Services

The Service receives many services from volunteers which are not recorded in these financial statements. The Service records services in the financial statements if the volunteer services create or enhance a non-financial asset; or require specialized skills, are performed by people with those skills, and would otherwise be purchased. No contributed services were recognized in the years ending September 30, 2020 or 2019.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. The expenses are allocated based on the nature of the expense.

Prior-Year Summarized Information

The financial statements include certain prior-year summarized information in total. With respect to the statements of activities and the statement of functional expenses, such prior-year information is not presented by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Service's 2019 financial statements from which the summarized information was derived.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

The Service considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents, if any. The carrying amount for cash and cash equivalents approximates fair value.

Inventories

Inventories consist of medical supplies on hand at year-end. Inventories are valued at cost based on the first-in, first out method.

Property and Equipment

Property and equipment purchased by the Service is recorded at cost. Donated property and equipment is recorded at fair market value as of the date donated. Property and equipment acquired by the Service is considered to be owned by the Service. The Service maintains title to all depreciable assets.

The Service follows the practice of capitalizing all expenditures for or donations of property and equipment in excess of $1,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets. Upon sales or retirement of land, buildings, and equipment, the cost and related depreciation, if any, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations. Depreciation is computed on the straight line basis over the useful lives of the assets as follows:

Buildings	20 to 39 years
Furniture and fixtures	5 to 7 years
Communications and other equipment	5 to 15 years
Transportation equipment	3 to 7 years

Recent Accounting Pronouncements

In June 2018 the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The Service has applied the provisions of this ASU to the September 30, 2020 financial statements. There are no material impact on the financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606). This guidance requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which entities expect to be entitled in exchange for those goods or services. The update also requires additional disclosure to enable readers of the financial statement to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contract with customers. The Service has adopted this update, along with all subsequent amendments (collectively, "ASC 606") in fiscal year 2020. There was no material impact to service revenue in the financial statements.

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents totaled $51,223 at September 30, 2020 and $165,386 at September 30, 2019. Cash and cash equivalents consist of bank accounts that are available for use in current operations.

NOTE 3 - NET AMBULANCE BILLINGS RECEIVABLE

Net ambulance billings receivable as of September 30, 2020 and 2019 are:

	2020	2019
Accounts receivable billed	$ 5,348,578	$ 7,001,398
Allowance for doubtful accounts	(5,077,245)	(6,768,786)
	$ 271,333	$ 232,612

The Service utilizes the reserve method to account for bad debts based upon reserving all emergency service billings greater than 90 days old and a percentage of all billings up to 90 days old based on historical experience of collections, adjustments, and write-offs. Past due receivable balances upon review of management are written off when collection efforts have been unsuccessful. Accounts receivable billed include charges for emergency medical services rendered through September 30, 2020 and 2019, respectively.

NOTE 4 - FIXED ASSETS

Changes in fixed assets during the year ended September 30, 2020, are as follows:

	Balance October 1, 2019	Additions	Deletions	Balance September 30, 2020
Buildings	$ 492,313	$ 6,000	$ -	$ 498,313
Furniture and fixtures	12,545	-	-	12,545
Communications and other equipment	666,507	70,177	46,719	689,965
Transportation equipment	1,260,213	371,957	141,175	1,490,995
Total Fixed Assets	2,431,578	448,134	187,894	2,691,818
Less accumulated depreciation	(1,510,668)	(271,487)	(187,379)	(1,594,776)
Total Fixed Assets Net of Depreciation	$ 920,910	$ 176,647	$ 515	$ 1,097,042

NOTE 5 - LONG-TERM DEBT

The following schedule summarizes notes payable transactions for the year ended September 30, 2020:

	Balance October 1, 2019	Additions	Principal Payments	Balance September 30, 2020
Notes payable	$ 593,466	$ 440,860	$ 166,875	$ 867,451
Line of credit	33,769	45,000	45,266	33,503
Zoll and stryker loans	22,401	-	22,401	-
Building loan	95,346	-	34,998	60,348
	$ 744,982	$ 485,860	$ 269,540	$ 961,302

NOTE 5 - LONG-TERM DEBT (Continued)

Notes payable consist of the following as of September 30, 2020:

Payee and Terms	Principal Balance
First United Bank, Marble Falls, Texas, payable in 60 monthly installments of $1,138, including interest at 4.25%, beginning May 2019, due May 2024, for purchase of a vehicle, secured by vehicle.	$ 46,204
First United Bank, Marble Falls, Texas, payable in monthly installments of $2,331, including interest at 4.25%, beginning December 2017, due December 2022, for loan consolidation, secured by a vehicle.	59,867
First United Bank, Marble Falls, Texas, for a loan on the building and land, payable in monthly installments of $3,252, including interest beginning June 2012, due May 2022. Interest is 5% through May 2022.	60,348
First United Bank, Marble Falls, Texas, payable in 60 monthly installments of $3,160, including interest at 4.25%, beginning January 2018, due January 2023, for purchase of a vehicle, secured by vehicle.	149,109
First United Bank, Marble Falls, Texas, payable in 60 monthly installments of $3,820, including interest at 4.0%, beginning May 2020, due May 2025, for purchase of a vehicle, secured by vehicle.	194,403
Security State Bank, Marble Falls, Texas, payable in 78 monthly installments of $3,269, including interest at 4.25%, beginning May 2020, due October 2026, for purchase of a vehicle, secured by vehicle.	206,205
Security State Bank, Marble Falls, Texas, payable in 60 monthly installments of $2,876, including interest at 4.25%, beginning April 2018, due April 2023, for purchase of a vehicle, secured by vehicle.	84,136
Security State Bank, Marble Falls, Texas, line of credit from August 2019. Interest only payments tied to the Wall Street Journal rate but no less than 5.0%. Balance due August 2020, secured by vehicle.	33,503

NOTE 5 - LONG-TERM DEBT (Continued)

Security State Bank, Marble Falls, Texas, payable in 60 monthly installments of $3,279, including interest at 4.25%, beginning March 2019, due March 2024, for purchase of a vehicle, secured by vehicle.	127,527
	961,302
Less current portion	(276,245)
	$ 685,057

Annual payments required to amortize all long-term notes payable outstanding as of September 30, 2020, are as follows:

For the Year Ending September 30,	Principal
2021	$ 276,245
2022	238,228
2023	187,941
2024	143,470
2025	78,581
2026	36,837
	$ 961,302

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of September 30, 2020 and 2019 consisted of contributions received for education expenses, car seats, and an employee charitable fund.

NOTE 7 - NET SERVICE FEES

Service fees are recognized based on transport and are reported net of adjustments for costs disallowed by Medicaid, Medicare, and insurance companies. Service fees are also reported net of the provision for bad debts.

NOTE 8 - CONCENTRATIONS OF RISK

Revenue from the Horseshoe Bay and Spicewood area service contracts were approximately 25 and 23 percent of the Service's total revenues for the years ended September 30, 2020 and 2019, respectively. A significant reduction in or elimination of this contract would have a material effect on the Service.

NOTE 9 - SIMPLE IRA PLAN

The Service maintains a Simple IRA pension plan covering all employees. The Service will match each eligible employee's Simple IRA contributions up to 3 percent of the employee's compensation for the year. The employer contributions for the year ending September 30, 2020 were $65,700 and for September 30, 2019 were $62,305.

NOTE 10 - LIQUIDITY AND RESERVES

The Service has a policy to manage its liquidity and reserves in order to operate with financial stability, maintain adequate liquidity, and maintain sufficient reserves. The following table reflects the Service's financial assets (cash and cash equivalents and investments) as of September 30, 2020, reduced by amounts not available for general expenditures within one year.

		2020
Total financial assets	$	51,223
Less those unavailable for general expenditure within one year due to:		
None		-
Financial assets available to meet cash needs for general expenditures within one year	$	51,223

NOTE 11 - SUBSEQUENT EVENTS

Subsequent to year end, the Service had one ambulance involved in an accident during the February 2021 winter storm. Repairs have been started and an insurance claim has been filed. Also, the Service approved the purchase of $48,000 of new communication equipment.

The Service did not have any other subsequent events through April 22, 2021, which is the date the financial statements were available to be issued for events requiring recording or disclosure in the financial statements for the fiscal year ended September 30, 2020.