

**Harris County Emergency  
Services District #1**

Financial Statements  
for the year ended December 31, 1993  
and Independent Auditors' Report

# Blazek Rogers & Vetterling

CERTIFIED PUBLIC ACCOUNTANTS

## Independent Auditors' Report

To the Board of Commissioners of  
Harris County Emergency Services District #1:

We have audited the accompanying balance sheet of Harris County Emergency Services District #1 as of December 31, 1993, and the related statements of revenues, expenses, and changes in fund balance and of cash flows for the year then ended. These financial statements are the responsibility of Harris County Emergency Services District #1's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Harris County Emergency Services District #1 as of December 31, 1993, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

*Blazek Rogers & Vetterling*

August 25, 1995

# Harris County Emergency Services District #1

Balance Sheet as of December 31, 1993

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## ASSETS

### Current Assets:

Cash and cash equivalents	\$ 286,485
Taxes receivable (less allowance for uncollectible items of \$15,185)	668,782
Prepaid expenses	<u>5,049</u>
Total Current Assets	<u>960,316</u>

### Fixed Assets:

Ambulances	152,739
Accumulated depreciation	<u>(107,794)</u>
Fixed Assets, net	<u>44,945</u>

TOTAL ASSETS \$ 1,005,261

## LIABILITIES AND FUND BALANCE

### Current Liabilities:

Accrued interest	\$ 6,668
Other accrued expenses	56
Capital lease obligation – ambulances	<u>48,084</u>
Total Current Liabilities	54,808

Fund Balance 950,453

TOTAL LIABILITIES AND FUND BALANCE \$ 1,005,261

*See Notes to Financial Statements.*

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## Harris County Emergency Services District #1

Statement of Revenues, Expenses and Changes in Fund Balance  
for the year ended December 31, 1993

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### REVENUES:

Taxes	\$ 753,029
Investment income	<u>6,040</u>
Total Revenues	<u>759,069</u>

### EXPENSES:

Provider contract	497,500
Depreciation	54,760
Bad debt expense	15,185
Legal and other professional fees	11,093
Interest	8,001
Harris County Appraisal District fees	6,291
Other	<u>2,124</u>
Total Expenses	<u>594,954</u>

REVENUES OVER EXPENSES 164,115

Fund Balance (Restated), Beginning of Year 786,338

Fund Balance, End of Year \$ 950,453

*See Notes to Financial Statements.*

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# Harris County Emergency Services District #1

Statement of Cash Flows for the year ended December 31, 1993

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## CASH FLOWS FROM OPERATING ACTIVITIES:

Revenues over expenses	\$ 164,115
Adjustment to arrive at net cash provided by operating activities:	
Depreciation and amortization	54,760
Decrease in taxes receivable	24,724
Increase in prepaid expenses	(145)
Increase in accrued expenses	<u>51</u>
Net Cash Provided by Operating Activities	<u>243,505</u>

## CASH FLOWS FROM FINANCING ACTIVITIES:

Payments under capital lease	<u>(48,084)</u>
NET INCREASE IN CASH	195,421
Cash, Beginning of Year	<u>91,064</u>
Cash, End of Year	<u>\$ 286,485</u>

See Notes to Financial Statements.

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# Harris County Emergency Services District #1

Notes to Financial Statements for the year ended December 31, 1993

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## NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization – Harris County Emergency Services District #1 (the “District”) was approved by the voters of Harris County on May 4, 1991. The purpose of the District is to provide emergency ambulance services and medical aid, generally within the boundaries of the District in North Harris County. Such services are provided by a third-party contractor (See Note 3).

The District is governed by a five-member Board of Commissioners, members of which are appointed by Harris County Commissioners’ Court. The District’s operating budget is subject to approval by Commissioners’ Court. The District’s property tax levy of \$.03 per \$100 of valuation is set by the legislature of the State of Texas. Such taxes are collected by the Harris County Appraisal District.

Federal Income Tax Status – The District is exempt from federal income taxes as a political subdivision of the State of Texas.

Cash Equivalents include highly-liquid investments with original maturities of three months or less and are grouped with cash on the balance sheet.

Fixed Assets are stated at cost. Depreciation is calculated using the straight-line method over estimated useful lives of three years. The ambulances are in the possession of and operated by the third-party service provider (See Note 3).

Tax Revenues are recognized in the year of assessment. The majority of these tax revenues receivable are collected in the calendar year following assessment. An allowance is recorded to estimate potentially uncollectible tax revenues.

## NOTE 2 – CONCENTRATION OF CREDIT RISK

The District maintains all cash for daily operations in one banking institution and additional savings in another. During 1993, total deposits at both institutions exceeded the federally insured limit of \$100,000 per depositor.

### NOTE 3 – SERVICE PROVIDER CONTRACT

The District has a contract with Harris County Emergency Corps (the "Corps"), an unrelated non-profit organization, for the Corps to provide emergency medical services to the District. The contract expires July 31, 1997. The majority of the revenue of the Corps consists of contract payments from the District and insurance proceeds collected for services provided under this contract. The amount due under this contract is determined annually, based upon discussions between and budget considerations of the District and the Corps.

### NOTE 4 – RESTATED BEGINNING FUND BALANCE

During 1993, the District became aware of information which allowed management to estimate its expected property tax revenues during the year of assessment. The current revenue recognition policy was adopted and implemented retroactively during 1993. The effect of this change on previous years is accounted for by increasing beginning fund balance by \$697,353.

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