



# HARFORD COUNTY, MARYLAND

## Office of the County Auditor

February 10, 2014

Ms. Mary Chance, Director of Administration  
220 S. Main St.  
Bel Air, MD 21014

Mr. Russell Strickland, Director of Emergency Services  
2220 Ady Rd.  
Forest Hill, MD 21050

Dear Ms. Chance and Mr. Strickland:

In accordance with Section 213 of the Harford County Charter, and at your request, we have performed an audit of the costs associated with Emergency Medical Services (EMS) provided by the Harford County Volunteer Fire and EMS Foundation (the Foundation). The objective of this audit was to estimate the Foundation's annual costs based on historical data and the projected staffing requirements. In addition to estimating the Foundation costs, we estimated the County-wide EMS costs using information provided by various volunteer fire companies (VFC). The results of the audit are detailed in the attached report. We would like to thank the members of the Foundation and VFC management for their cooperation during the audit.

The audit found that the Foundation's annual costs are approximately \$3.3 million for fiscal year 2014 and \$5.3 million for fiscal year 2015. The increase reflects additional staffing requests that were approved by the Foundation Board. Considering the higher staffing, the County-wide cost of Emergency Medical Service is approximately \$12.1 million per year. Further, we estimate that the County-wide potential EMS revenue is between \$5.9 and \$6.6 million. Consequently, the deficit between potential revenue and projected costs for EMS is \$5.67 million, annually.

The audit team is available to respond to any questions you have regarding the attached report.

Sincerely,

Chrystal Brooks, CPA, CGFM, CIA, CISA, CGAP, CRMA  
County Auditor

*~ Preserving Harford's past; promoting Harford's future ~*



Audit Report No.: 2013-S-01

cc: Members of the Harford County Council  
Mr. David Craig, County Executive  
Board Members and Management of the Foundation



HARFORD COUNTY, MARYLAND  
Office of the County Auditor

**AUDIT OF HARFORD COUNTY EMERGENCY MEDICAL  
SERVICES COSTS**

Period Covered:  
**07/01/2010 through 06/30/2013**

**Report Number: 2013-S-01**

Date Issued:  
**02/10/2014**

**Audit Team:**

Chrystal Brooks, CPA, CIA, CGAP, CISA, CGFM, CRMA  
County Auditor

Laura Tucholski, CPA, CFE, CRMA  
Auditor

*~ Preserving Harford's past; promoting Harford's future ~*



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## **BACKGROUND INFORMATION**

### **INTRODUCTION**

In Harford County, emergency medical service (EMS) is provided by 11 volunteer fire and ambulance companies. The volunteer staffing in these companies is supplemented by paid emergency medical technicians (EMTs). With the exception of the Bel Air, Joppa-Magnolia and Aberdeen Fire Companies, the Harford County Volunteer Fire and EMS Foundation (the Foundation) provides the EMT staffing to the Volunteer Fire Companies (VFC) and bills them for a portion of the actual staffing cost. The Foundation provides supplemental funding to the VFCs that do not utilize its EMTs. The Foundation also provides Chase Truck services which help supplement the VFCs' emergency response units and decrease response times throughout the County.

In addition to EMT Staffing revenue and Chase Truck revenue from the VFCs, the Foundation is funded by an annual appropriation from the Harford County Government. In fiscal year (FY) 2012, the Foundation requested and was approved for a \$400,000 supplemental appropriation bringing their annual County funding to \$2,647,814. The appropriation has remained at that level for FY2013 and FY2014. At the end of FY2013, the Foundation had a projected operating surplus that far exceeded its budgeted surplus. As a result, we have been asked to determine the costs of operations and related revenue for the Foundation.

### **KEY STATISTICS**

In an emergency, Harford County's 911 call center dispatches EMS units based on the location and needs of the event. In some cases, multiple responders are needed, resulting in more EMS responses than events. Additionally, in areas near the County's borders, other jurisdictions (Mutual Aid agencies) may respond to an event in Harford County. Likewise, Harford County responders may be dispatched to areas outside of the County. The table below summarizes the EMS dispatches for fiscal years 2012 and 2013.

	<u>FY2012</u>	<u>FY2013</u>
Foundation Dispatches	4,346	4,251
Harford County VFC Dispatches	23,454	24,815
Mutual Aid EMS Dispatches	129	318
<b>Harford County EMS Dispatches</b>	<b>27,800</b>	<b>29,066</b>
Harford County EMS Incidents	21,579	22,971
Fire and Specialty Team Dispatches	10,080	9,869
Mutual Aid Fire Dispatches	992	719

In total, EMS responses account for 74% of the Fire and EMS Responses by Harford County teams. However, 100% of the responses by the Foundation and Havre de Grace Ambulance Corps are EMS and Susquehanna Hose Company does not provide EMS response. For the remaining companies approximately 68.4% of responses are for EMS calls. Approximately 20% of the Mutual Aid responses are EMS. The above information was provided by Harford County's Department of Emergency Services.

### **REVIEW OBJECTIVE, SCOPE AND METHODOLOGY**

The objective of this task was to analyze the cost of operations and revenue for the County's emergency medical services. The scope of this review was limited to the receipt and expenditure of Harford County funds by the Harford County Volunteer Fire and EMS Foundation (the Foundation) and related services provided by other organizations.

The audit focused on activity during the period of July 1, 2010 through June 30, 2013. Our audit procedures included interviewing personnel, observation and testing. Specifically, we reviewed the accounting records of the Foundation to identify causes for the projected budget variance. We further used this information to confirm which costs were programmatic (directly related to delivery of emergency medical services) and which were administrative (support functions). We reviewed the accounting records of Aberdeen Volunteer Fire Company to determine what its programmatic and administrative EMS costs were. Further, using County-wide incident statistics and the fiscal year 2012 financial statements of all of the volunteer fire companies, we estimated the overall cost of EMS in Harford County.

Financial information in this analysis has been allocated to show the relationship of costs to program services. This basis of presentation is intended for this report's audience and will vary from its presentation in the related financial statements. Throughout this report expenses that have been added, re-allocated or calculated by the Office of the County Auditor (OCA) are shaded in pink.

The audit was performed in accordance with Generally Accepted Government Auditing Standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

### **REVIEW RESULTS**

Harford County Volunteer Fire and EMS Foundation management is responsible for establishing and maintaining effective internal controls. Internal control is a process designed to provide reasonable assurance that objectives pertaining to the reliability of

financial records, effectiveness and efficiency of operations including safeguarding of assets and compliance with applicable laws, rules and regulations are achieved. Because of inherent limitations in internal control, errors or fraud may nevertheless occur and not be detected.

In our opinion, based on the evidence obtained, the Foundation’s actual expenses are significantly lower than budgeted because of its approach to recording transactions and its budget preparation methodology. Specifically, the Foundation relies on its external auditor to make adjusting entries in the accounting records and the annual budget is based on the prior year budget, not necessarily prior year costs. Our analysis of Foundation and County-wide costs and revenues follows in this report. The County’s Administration must determine which of the Foundation’s costs it wants to fund.

Foundation Revenue and Costs

With regard to income in fiscal year 2013, the Foundation’s Chase Car revenue was higher than the prior year, but less than budgeted. We noted that some categories of revenue, such as Rental Income, Grant Income and Cost Reimbursements are not budgeted. Overall, the FY2013 revenue was 0.8% higher than the prior year and 0.7% higher than budgeted.

**Table 1 FY2013 Foundation Revenue**

Account Name	FY2012 Actual	FY2013 Actual	FY2013 Budget	FY2013 Budget Variance	FY2013 Budget Variance	Year to Year Variance	%
<b>Income</b>							
Government Funds	\$ 2,647,814	\$ 2,647,814	\$ 2,647,814	\$ -	0.0%	\$ -	0.0%
Chase Car	175,725	197,675	223,300	(25,625)	-11.5%	21,950	12.5%
Payroll Income From Companies	504,683	497,310	506,840	(9,530)	-1.9%	(7,373)	-1.5%
Interest Income	84	1		1		(83)	-99.3%
Insurance Income	40,489	-		-		(40,489)	-100.0%
Rental Income	14,382	23,422		23,422		9,040	62.9%
Cost Reimbursements	-	18,961		18,961		18,961	
Association Admin Assistant	-	-		-		-	
Other Income	1,908	4,796		4,796		2,888	151.4%
Grant Income - BGE	-	10,000		10,000		10,000	
Gain/Loss on Sale of Equipment	(12,918)	-		-		12,918	-100.0%
<b>Total Income</b>	<b>\$3,372,167</b>	<b>\$ 3,399,978</b>	<b>\$3,377,954</b>	<b>\$ 22,024</b>	<b>0.7%</b>	<b>\$ 27,811</b>	<b>0.8%</b>

With regard to budgeted expenses we found the significant variances noted in Table 2. These variances, with others, totaled approximately \$200,000 less than budgeted. It is important to note that the Foundation does not budget for Depreciation or Vehicle Replacement. These costs are relevant to showing the actual cost of doing business. Depreciation expense for FY2013 was approximately \$70,000.

**Table 2 FY2013 Significant Variances between Budgeted and Actual Costs**

Account Name	FY2012	FY2013	FY2013	FY2013	FY2013	Year to	
	Actual	Actual	Budget	Budget	Budget	Year	%
			Variance	Variance	Variance		
<b>Program Services Costs</b>							
Turnout Gear	13,504	14,702	4,000	10,702	267.5%	1,198	8.9%
Protocols	3,200	3,697		3,697		496	15.5%
Liability Insurance	48,169	49,470	40,000	9,470	23.7%	1,301	2.7%
Self Insurance	-	628	1,500	(872)	-58.1%	628	
Phone Service	9,288	3,201	10,000	(6,799)	-68.0%	(6,088)	-65.5%
Uniforms & Supplies.	5,792	9,614	7,500	2,114	28.2%	3,822	66.0%
Fuel	33,322	27,496	37,800	(10,304)	-27.3%	(5,826)	-17.5%
Repair	2,600	1,871	6,000	(4,129)	-68.8%	(729)	-28.0%
DEPRECIATION EXPENSE- PRGM	75,905	60,588	-	60,588		(15,317)	-20.2%
Gross Payroll	1,727,008	1,628,760	1,702,001	(73,241)	-4.3%	(98,248)	-5.7%
Worker's Comp.	123,660	151,949	200,000	(48,051)	-24.0%	28,289	22.9%
<b>General and Management Costs</b>							
Accounting	6,066	5,371	8,000	(2,629)	-32.9%	(695)	-11.5%
Office Supplies	5,195	2,908	5,500	(2,592)	-47.1%	(2,287)	-44.0%
Office Equipment	503	2,136	4,000	(1,864)	-46.6%	1,632	324.3%
Computer Equipment	-	11,435	8,000	3,435	42.9%	11,435	
Maintenance	957	202	5,000	(4,798)	-96.0%	(754)	-78.9%
Equipment Installation	-	2,419	5,000	(2,581)	-51.6%	2,419	
Rent / Lease	43,771	29,385	33,000	(3,615)	-11.0%	(14,385)	-32.9%
Equipment	-	38	1,600	(1,562)	-97.6%	38	
Payroll Taxes Expenses	28,508	149,867	175,000	(25,133)	-14.4%	121,359	425.7%
Disability Insurance/ AFLAC	34,202	34,673	40,000	(5,327)	-13.3%	471	1.4%
Insurance (Health)	119,858	123,139	150,000	(26,861)			
HSA Account, Foundation Paid	23,820	16,511	25,000	(8,489)	-34.0%	(7,309)	-30.7%
DEPRECIATION EXPENSE-MGMT	11,798	10,347		10,347		(1,451)	-12.3%



We also noted that some expenses are related to both Program and Administrative employees, these expenses required allocation to show the actual costs of EMS. Our full estimate of the Foundation's costs is displayed in Table 9 and Table 10 of Appendix A. To summarize those tables, we estimate the following revenue and costs for FY2013. (Table 3)

**Table 3 FY2013 Foundation Expenses - Summary**

Account Name	FY2012	FY2013	FY2013	FY2013	FY2013	Year to	
	Actual	Actual	Budget	Variance	Budget	Year	%
<b>Total Income</b>	<b>\$3,372,167</b>	<b>\$ 3,399,978</b>	<b>\$3,377,954</b>	<b>\$ 22,024</b>	<b>0.7%</b>	<b>\$ 27,811</b>	<b>0.8%</b>
less:							
<b>Cost of Goods Sold</b>	<b>-</b>	<b>38,421</b>		<b>38,421</b>		<b>38,421</b>	
<b>Gross Profit</b>	<b>\$ 3,372,167</b>	<b>\$ 3,361,557</b>	<b>\$ 3,377,954</b>	<b>\$ (16,397)</b>	<b>-0.5%</b>	<b>\$ (10,610)</b>	<b>-0.3%</b>
<b>Expenses</b>							
<b>Total - Program Services</b>	<b>\$ 2,764,672</b>	<b>\$ 2,302,141</b>	<b>\$ 2,359,296</b>	<b>\$ (57,155)</b>		<b>\$ (462,531)</b>	
<b>Total - Management and General</b>	<b>\$ 803,854</b>	<b>\$ 923,576</b>	<b>\$ 995,050</b>	<b>\$ (71,474)</b>	<b>-7.2%</b>	<b>\$ 119,722</b>	<b>14.9%</b>
<b>Total Expense</b>	<b>3,568,526</b>	<b>3,225,717</b>	<b>3,354,346</b>	<b>(128,629)</b>	<b>-3.8%</b>	<b>(342,809)</b>	<b>-9.6%</b>
<b>Net Income</b>	<b>\$ (196,359)</b>	<b>\$ 135,840</b>	<b>\$ 23,608</b>	<b>\$112,232</b>	<b>475.4%</b>	<b>\$ 332,199</b>	<b>-169.2%</b>

Using the information gathered, we prepared a projection of the Foundation's FY2014 revenue and costs. The projection, summarized below (Table 4), indicates a surplus of approximately \$220,000 at the end of FY2014. The detailed analysis, including explanations, is Appendix B of this report.

**Table 4 FY2014 Projected Foundation Revenue and Expenses - Summary**

Account Name	FY2013	FY2014	FY2014 OCA
	Actual	HCVFEMSF Budget	Projected Budget
<b>Total Income</b>	<b>\$ 3,399,978</b>	<b>\$ 3,849,124</b>	<b>\$ 3,587,626</b>
less:			
<b>Cost of Goods Sold</b>	<b>38,421</b>	<b>-</b>	<b>23,868</b>
<b>Gross Profit</b>	<b>\$ 3,361,557</b>	<b>\$ 3,849,124</b>	<b>\$ 3,563,758</b>
<b>Expenses</b>			
<b>Total - Program Services</b>	<b>\$ 2,302,141</b>	<b>\$ 2,870,096</b>	<b>\$ 3,026,745</b>
<b>Total - Management and General</b>	<b>\$ 923,576</b>	<b>\$ 977,900</b>	<b>\$ 316,403</b>
<b>Total Expense</b>	<b>3,225,717</b>	<b>3,847,996</b>	<b>3,343,148</b>
<b>Net Income</b>	<b>\$ 135,840</b>	<b>\$ 1,128</b>	<b>\$ 220,610</b>

The most significant factors in the difference between our projection and the Foundation’s budget are wages and related payroll taxes and allocation of insurance costs. While it appears that the Management Costs are over budgeted, this is a result of re-allocating Insurance costs of approximately \$236,000 and approximately \$224,000 of Salaries to Program Services. We also noted that in FY2014 the Foundation’s Health Insurance premiums increased approximately 21% and the Health Savings Account contribution increased by 8%. These changes coupled with position allowances for compliance with the Patient Protection and Affordable Care Act significantly impacted the Foundation’s operating costs. Our projections for the categories in Table 5 were significantly different from the Foundation’s budget.

**Table 5 FY2014 Significant Variances between Budgeted and Projected Costs**

Account Name	FY2013 Actual	FY2014 HCVFEMSF Budget	FY2014 OCA Projected Budget	Projected Variance from Budget
<b>Income</b>				
Payroll Income From Companies	497,310	978,367	690,583	-29.4%
Rental Income	23,422	-	14,694	
Cost Reimbursements	18,961	-	9,122	
Association Admin Assistant	-	-	14,907	
<b>Expenses</b>				
<b>Program Services Costs</b>				
Equipment	383	30,000	752	-97.5%
Turnout Gear	14,702	2,000	10,923	446.2%
Air Card Service	2,853	3,500	1,440	-58.8%
Uniforms & Supplies.	9,614	7,500	3,908	-47.9%
Purchase	-	45,000	35,537	-21.0%
Maintenance	5,830	9,000	6,393	-29.0%
Repair	1,871	6,000	3,450	-42.5%
Salaries - Dept 00 Admin	-	-	223,958	
Gross Pavroll	1,628,760	2,185,701	1,780,956	-18.5%
EMS Payroll Taxes Expense	-	-	153,376	
Worker's Comp.	151,949	170,000	140,963	-17.1%
Disability Insurance/ AFLAC	-	-	27,200	
Insurance (Health)	-	-	147,452	
HSA Account, Foundation Paid	-	-	36,400	
Simple IRA	-	-	25,457	
<b>General and Management Costs</b>				
Office Supplies	2,908	3,000	4,414	47.1%
Rent / Lease	29,385	35,000	44,082	25.9%
Gas and Electric	5,927	7,000	8,406	20.1%
Payroll Taxes Expenses	149,867	200,000	9,745	-95.1%
DEPRECIATION EXPENSE-MGMT	10,347	-	7,222	

For FY2015, the Foundation Board has approved additional staffing requests from the VFCs and for the Chase Trucks. We considered the additional staffing and projected the fiscal year 2015 revenues and costs as indicated in Table 6 below. Within this calculation, we

increased revenue to reflect the new VFC staffing and 10% more Chase Truck billings, but did not increase the County’s appropriation. We noted that the allocation of insurance costs changed slightly because of the higher ratio of Program salaries. Further details for this calculation are in Table 14, Table 15 and Table 16 of Appendix B.

**Table 6 FY2015 Projected Foundation Revenue and Expenses - Summary**

Account Name	FY2013 Actual	FY2014 HCVFEMSF Budget	FY2015 OCA Projected Budget
<b>Total Income</b>	\$ 3,399,978	\$ 3,849,124	\$ 3,608,626
<b>less:</b>			
<b>Cost of Goods Sold</b>	38,421	-	23,868
<b>Gross Profit</b>	\$ 3,361,557	\$ 3,849,124	\$ 3,584,758
<b>Expenses</b>			
<b>Total - Program Services</b>	\$ 2,302,141	\$ 2,870,096	\$ 4,983,972
<b>Total - Management and General</b>	\$ 923,576	\$ 977,900	\$ 310,925
<b>Total Expense</b>	<b>3,225,717</b>	<b>3,847,996</b>	<b>5,294,897</b>
<b>Net Income</b>	<b>\$ 135,840</b>	<b>\$ 1,128</b>	<b>\$ (1,710,140)</b>

County-wide EMS Costs

Given the information that we reviewed and compiled for the Foundation’s costs, we sought to determine the County-wide cost of EMS. We were assisted in this endeavor by the Aberdeen Volunteer Fire Company and Abingdon Fire Company, who generously opened their accounting records to us. Those companies’ records were used to validate the information we obtained from the other VFC’s Financial Statements and Department of Emergency Services records. We estimate the County-wide cost to provide EMS is \$12.2 million annually, as summarized in Table 7A below. A more detailed total is in Appendix C.

**Table 7A Estimate of County-wide EMS Costs - Summary**

	Total	% of Total
<b>Program Services</b>		
Personnel Total	\$ 6,680,528	54.9%
Vehicle Total	\$ 1,990,450	21.6%
Supplies & Equipment Total	\$ 578,116	5.5%
Facility Total	\$ 865,547	8.0%
Insurance Total	\$ 379,191	3.9%
<b>Total Program Services Costs</b>	<b><u>\$10,493,832</u></b>	<b>85.4%</b>
<b>Total General and Management Costs</b>	<b><u>\$ 1,664,821</u></b>	<b>14.6%</b>
<b>TOTAL COSTS</b>	<b><u>\$12,158,653</u></b>	

As indicated above, Harford County averaged 22,275 EMS incidents (resulting in 28,433 dispatches) annually. We assumed that the volume of emergency events generally remains stable over time; however, our estimate includes a 10% buffer in salaries for uncertainties such as a decrease in volunteer service. We estimate that volunteers contribute 80,000 hours of service to EMS annually; this equates to a \$2,200,000 benefit for the County annually (at \$27.50/hour).

We have also made significant assumptions related to the following:

- Facility and Administrative Costs<sup>i</sup>
- Gasoline Costs<sup>ii</sup>
- Economies of scale<sup>iii</sup>
- Vehicle Replacement costs<sup>iv</sup>
- Vehicle Maintenance Costs<sup>v</sup>
- Patterson Mill Sub-station<sup>vi</sup>
- Stability of Costs from Year to Year<sup>vii</sup>

The Facility and Administrative cost assumption is key to this analysis. Most EMS teams are housed within Fire Houses, so they don't have their own easily distinguished overhead costs. Thus, there may be significantly less facility and administrative costs than noted in our estimate, which is based on call volumes. We have calculated an additional scenario using a different overhead allocation. Costs in this scenario total \$10,598,637 annually or \$1.56 million (12.8%) less than the above.

Additional details about the allocations are contained in the Endnotes to this report.

### EMS Revenue

In total, the VFCs collected \$5,647,492 in ambulance billings in FY2012; fees to the various billing companies were \$281,300 or 5.0%. FY2013 ambulance billings were \$5,567,675, with 5.3% (\$296,004) paid in billing fees. "Organizations that outsource billing and collection can expect to pay between 6 and 10 percent of the net collections to the billing and collection company. Often, the expertise available from these companies increases collection rates, more than offsetting the cost of their services." (Fitch, Ph.D. & Griffiths, 2005) We noted that none of the VFCs had ambulance billings that were more than our projected cost of EMS.

The revenue is approximately \$228.80 for each of the 23,454 VFC EMS dispatches (FY2012). We were advised that the VFCs have various policies regarding collection. Additionally, many insurance companies will only pay for an EMS response resulting in transport to a hospital. Consequently, a significant amount of ambulance billings cannot be collected.

For the sake of comparison, in a 2012 Controller's report, the City of Philadelphia collected 18.9% of its emergency medical services provided in FY2011; however only about 45.9% had the potential to be collected. (Butkovitz, 2012) The report continued "The PFD [Philadelphia Fire Department] either wrote off or was unable to bill \$97 million worth of services. While the reasons for the write-offs or unbilled accounts were numerous, our work focused on the three principal causes. These included: 1) low Medicaid and Medicare reimbursement rates for ambulance services; 2) inaccurate or incomplete billing information on file about transported patients; and 3) an existing agreement with IBC [Independence Blue Cross] that reimburses the city for ambulance services at amounts equal only to Medicare rates."

While the VFCs have discretion regarding whom they bill and how aggressively to collect from citizens, a government does not have as much discretion to write-off debts. Consequently, in our assumption, we estimated a collectability rate of 75%, which is higher than the historical results. We used this rate assuming that VFCs will consider billing at least the Medicare rates. Further, we encourage the VFCs to reconsider their pricing strategies in coordination with detailed Cost Studies.

Medicare/Medicaid payment rates for BLS, ALS1 and ALS2 level transports are \$376.78, \$447.42 and \$647.59, respectively plus \$7.09 per mile. Using the Harford Waste Disposal Center as a location that is a moderate distance from Upper Chesapeake Medical Center, we assumed an average transport mileage of 12 miles.

Our estimates for potential EMS revenue range from \$5.9 million to \$6.6 million, annually. On average, they are approximately 11% higher than the actual FY2012 results and 13% higher than the FY2013 results. The estimates are summarized below.

**Table 8 Estimate of Potential County-wide EMS Revenue**

<b>Approach/ Assumption</b>	<b>Model 0</b>	<b>Model 1</b>	<b>Model 2</b>	<b>Model 3</b>	<b>Model 4</b>
	Billing Company Actual Results	Extrapolation of Billing Company Results for FY2012	ALS (37%) and BLS (20%) are a consistent proportion of all dispatches	Assumes 30% of VFC dispatches are not billable	Assumes 45% of all EMS Calls are not billable
All Calls		27,929	28,664	27,929	28,664
VFC EMS Responses	21,455	23,454		24,135	
% of all calls	76.82%	84.0%			55%
% of VFC calls	91.48%	100%		70.0%	
Billable: ALS1	8,404	9,187	10,380	8,875	8,282
ALS2	206	225	254	218	203
BLS	7,388	8,076	5,756	7,802	7,280
<b>Total Billable Calls</b>	<b>15,998</b>	<b>17,489</b>	<b>16,391</b>	<b>16,894</b>	<b>15,765</b>
Projected Transport Revenue	\$ 6,677,201	\$ 7,299,328	\$ 6,977,905	\$ 7,051,234	\$ 6,580,013
Projected Mileage Revenue	1,360,918	1,487,717	1,394,327	1,437,152	1,341,109
<b>Total Projected Revenue</b>	<b>\$ 8,038,119</b>	<b>\$ 8,787,045</b>	<b>\$ 8,372,232</b>	<b>\$ 8,488,386</b>	<b>\$ 7,921,122</b>
Apply 75% Collectability Rate		(2,196,761)	(2,093,058)	(2,122,096)	(1,980,280)
<b>Projected Net Revenue</b>		<b>\$ 6,590,284</b>	<b>\$ 6,279,174</b>	<b>\$ 6,366,289</b>	<b>\$ 5,940,841</b>
Actual Revenue	\$ 5,252,164	\$ 5,647,492			
% Collected	65.3%	64.3%			

HCVFEMS Foundation management has been advised of our results and has been provided an opportunity to respond to this report. Management’s response is below.

### **MANAGEMENT RESPONSE**

The Department of Emergency Services has reviewed this audit. First, we offer our sincere thanks for your efforts and especially your consideration of working around all of the various schedules and availabilities of the different partners. Second, this audit has accomplished a desire of the Public Safety Commission in that it has identified “just what it costs, or what should be considered in identifying the costs” for a county emergency medical system. This document, coupled with the Foundation’s efforts and budget request for FY15, that provides additional and necessary staffing in our companies, plus the soon to be released Association’s baseline staffing study, sets the stage for the requirements of today and the future. The greatest challenge is the fiscal impact and how that might be addressed. This audit offers “food for thought.”

Additionally, the Foundation offers the following, which the Department supports:

*The Foundation was in full support of the audit. We viewed the process as an opportunity to gain some guidance and direction. We appreciated the fact that the auditor rather than just looking at Foundation finances took the time to learn what the Foundation does and how we do it. The fact that the project was expanded to include estimated costs County- wide for EMS services added value to the document.*

*The findings validate the Foundation's position that EMS costs are increasing and our need for additional funding. The financial picture for the County's EMS companies is not likely to get any better. As the training, documentation and quality assurance requirements are raised at both state and national levels, volunteer participation will decrease requiring more paid EMS providers. In addition new equipment, medication and safety requirements will make ambulances more expensive to purchase and operate. Finally, there is a high probability that income will decrease as the Affordable Care Act takes effect and continued decreases in Medicare reimbursement.*

We are pleased with the audit and look forward to utilizing the document as we move Harford County's EMS forward in an effort to provide the highest quality of service to our citizens, while at the same time focusing on support of our volunteer system.

## ENDNOTES AND BIBLIOGRAPHY

<sup>i</sup> The Facility and Administrative Costs for each VFC are allocated to Fire Suppression and EMS based on the percentage of calls for each type of service. On average, this division was 68% EMS and 32% Fire Suppression.

However, this assumption may not be correct, in a 2012 Philadelphia Comptroller’s report, it was noted: “There remains an inverse correlation between funding and workload. Although EMS incidents account for 82 percent of the PFD’s workload, dollars dedicated to EMS represent just 16 percent of the department’s total budget, while firefighting accounts for 84 percent.” (Butkovitz, 2012)

Harford County’s experience may be similar, but we cannot determine that without a detailed cost accounting analysis for each Fire Company. Such a study is beyond the scope of this project. Assuming only 20% of the facility and administrative costs are EMS related, the County-wide EMS Costs would be \$10,598,637 annually or \$1.56 million (12.8%) less than the above calculation.

**Table 7B Estimate of County-wide EMS Costs – Scenario 2**

	Total
<b>Program Services</b>	
Personnel Total	\$ 6,649,435
Vehicle Total	\$ 1,890,733
Supplies & Equipment Total	\$ 519,071
Facility Total	\$ 299,346
Insurance Total	\$ 149,891
<b>Total Program Services Costs</b>	<b><u>\$ 9,508,476</u></b>
<b>Total General and Management Costs</b>	<b><u>\$ 1,090,161</u></b>
<b>TOTAL COSTS</b>	<b><u>\$10,598,637</u></b>

<sup>ii</sup> The County’s bulk gasoline contract (which the VFCs may utilize) costs about 21.3% less than retail unleaded and diesel prices for the last two years. Accordingly, we have reduced historic fuel consumption by 15% to offset reduced fuel costs coupled with longer commutes to refuel.

<sup>iii</sup> The whole exactly equals the sum of its parts. Since each of the VFCs are independent organizations, except for Fuel, we did not attempt to estimate any economies of scale in the County-wide total.



iv The Vehicle Replacement costs are based on the age and size of the current Ambulance and Support Vehicle Fleet and the following:

<u>Type</u>	<u>Expected Life</u>	<u>Cost</u>
Ambulance	5 years	\$ 200,000
Utility Trucks and Chase Vehicles	6 years	40,000
Passenger Vehicles	15 years	28,000

v Vehicle Maintenance Costs, if not explicitly stated in the related financial statements, have been allocated based on the ratio of EMS to Fire vehicles in each company.

vi Since we did not have historical data for the Patterson Mill sub-station, we added 10-20% to the Bel Air VFC historical costs in some categories.

vi Stability of Costs from Year to Year – While costs generally increase over time as a result of inflation, we noted that costs stayed relatively stable during our review period. In some cases, the category of expenses fluctuated, but the total costs remained the same. Our estimate of County-wide costs uses the FY2012 results of the VFC's. When calculated using the FY2013 results, the costs were \$70,677 or 0.58% higher.

Butkovitz, A. (2012). *Analysis of Collectibility of Ambulance Fees*. Philadelphia, PA: City of Philadelphia Controller's Office.

Fitch, Ph.D., J., & Griffiths, K. (2005). *EMS in Critical Condition: Meeting the Challenge*. Washington, DC: ICMA (International City/County Management Association).

## APPENDIX A – FOUNDATION FY2013 COSTS

**Table 9 FY2013 Foundation Program Costs - Detailed**

Account Name	FY2012 Actual	FY2013 Actual	FY2013 Budget	FY2013 Budget Variance	FY2013 Budget Variance	Year to Year Variance	%
<b>Expenses</b>							
<b>Program Services Costs</b>							
Supplies	\$ 6,733	\$ 5,030	\$ 5,000	\$ 30	0.6%	\$ (1,703)	-25.3%
Equipment	1,170	383		383		(786)	-67.2%
Maintainance	1,295	802	2,000	(1,198)	-59.9%	(493)	-38.1%
Turnout Gear	13,504	14,702	4,000	10,702	267.5%	1,198	8.9%
EMS Supplies & Equip. - Other	1,706	-		-		(1,706)	-100.0%
Medical (Professional Fees)	12,500	15,000	12,500	2,500	20.0%	2,500	20.0%
Medical	250	(250)		(250)		(500)	-200.0%
Misc.	740	132	1,200	(1,068)	-89.0%	(608)	-82.2%
Training	218	952	2,500	(1,548)	-61.9%	735	337.7%
Recruitment	49	-		-		(49)	-100.0%
Retention	1,980	2,027	1,500	527	35.2%	47	2.4%
Protocols	3,200	3,697		3,697		496	15.5%
Background	-	123	1,000	(877)	-87.7%	123	
Liability Insurance	48,169	49,470	40,000	9,470	23.7%	1,301	2.7%
Self Insurance	-	628	1,500	(872)	-58.1%	628	
Telephone	1,747	1,954	2,000	(46)	-2.3%	207	11.8%
Phone Service	9,288	3,201	10,000	(6,799)	-68.0%	(6,088)	-65.5%
Air Card Service	3,303	2,853	3,500	(647)	-18.5%	(451)	-13.6%
Uniforms & Supplies.	5,792	9,614	7,500	2,114	28.2%	3,822	66.0%
Purchase	1,811	-	-	-		(1,811)	-100.0%
Maintenance	9,039	5,830	6,000	(170)	-2.8%	(3,209)	-35.5%
Fuel	33,322	27,496	37,800	(10,304)	-27.3%	(5,826)	-17.5%
Equipment	355	16	4,100	(4,084)	-99.6%	(339)	-95.4%
Repair	2,600	1,871	6,000	(4,129)	-68.8%	(729)	-28.0%
Vehicle Expense - Other	370	-		-		(370)	-100.0%
DEPRECIATION EXPENSE- PRGM	75,905	60,588	-	60,588		(15,317)	-20.2%
Gross Payroll	1,727,008	1,628,760	1,702,001	(73,241)	-4.3%	(98,248)	-5.7%
Co. 2 Reimbursement	229,172	111,109	103,065	8,044	7.8%	(118,063)	-51.5%
Co. 3 Reimbursement	297,931	99,960	103,065	(3,105)	-3.0%	(197,971)	-66.4%
Co 8 Reimbursement	-	104,244	103,065	1,179	1.1%	104,244	
EMS Payroll Taxes Expense	151,854	-		-		(151,854)	-100.0%
Worker's Comp.	123,660	151,949	200,000	(48,051)	-24.0%	28,289	22.9%
<b>Total - Program Services</b>	<b>\$ 2,764,672</b>	<b>\$ 2,302,141</b>	<b>\$ 2,359,296</b>	<b>\$ (57,155)</b>		<b>\$ (462,531)</b>	

Table 10 FY2013 Foundation Administrative Costs - Detailed

Account Name	FY2012	FY2013	FY2013	FY2013	FY2013	Year to	
	Actual	Actual	Budget	Budget	Budget	Year	%
				Variance	Variance	Variance	
<b>General and Management Costs</b>							
Legal Fees	\$ 97,653	\$ 71,856	\$ 70,000	\$ 1,856	2.7%	\$ (25,798)	-26.4%
Accounting	6,066	5,371	8,000	(2,629)	-32.9%	(695)	-11.5%
Office Supplies	5,195	2,908	5,500	(2,592)	-47.1%	(2,287)	-44.0%
Office Equipment	503	2,136	4,000	(1,864)	-46.6%	1,632	324.3%
Dues and Subscriptions	365	120	250	(130)	-52.0%	(245)	-67.2%
Postage and Delivery	2,063	1,496	1,600	(104)	-6.5%	(567)	-27.5%
Bank Fees	335	395	300	95	31.8%	60	18.1%
Miscellaneous	(2,672)	952	2,500	(1,548)	-61.9%	3,624	-135.6%
Vending Machine	775	-	-	-		(775)	-100.0%
Computer Equipment	-	11,435	8,000	3,435	42.9%	11,435	
Computer Software	-	1,493	1,000	493	49.3%	1,493	
Maintenance	957	202	5,000	(4,798)	-96.0%	(754)	-78.9%
Equipment Installation	-	2,419	5,000	(2,581)	-51.6%	2,419	
Website Hosting	2,944	1,234	1,500	(266)	-17.7%	(1,710)	-58.1%
ADP fees	10,328	10,532	10,000	532	5.3%	204	2.0%
Scheduling	4,959	5,880	6,000	(120)	-2.0%	921	18.6%
Rent / Lease	43,771	29,385	33,000	(3,615)	-11.0%	(14,385)	-32.9%
Maint./Repair/Misc.	2,614	1,437	1,500	(63)	-4.2%	(1,178)	-45.0%
Cleaning & Trash	1,546	1,423	4,000	(2,577)	-64.4%	(123)	-8.0%
Gas and Electric	3,642	5,927	7,000	(1,073)	-15.3%	2,284	62.7%
Cable/Network	1,423	1,504	1,300	204	15.7%	80	5.6%
Equipment	-	38	1,600	(1,562)	-97.6%	38	
Mobile Phones - Other	10	15		15		5	46.2%
Salaries - Dept 00 Admin	372,648	398,116	400,000	(1,884)	-0.5%	25,468	6.8%
Payroll Taxes Expenses	28,508	149,867	175,000	(25,133)	-14.4%	121,359	425.7%
Disability Insurance/ AFLAC	34,202	34,673	40,000	(5,327)	-13.3%	471	1.4%
Insurance (Health)	119,858	123,139	150,000	(26,861)			
Life Insurance-Foundation Paid	2,659	2,431	3,000	(569)	-19.0%	(228)	-8.6%
Medical - Other	615	2,330		2,330		1,715	278.9%
HSA Account, Foundation Paid	23,820	16,511	25,000	(8,489)	-34.0%	(7,309)	-30.7%
Simple IRA	27,268	27,444	25,000	2,444	9.8%	176	0.6%
DEPRECIATION EXPENSE-MGMT	11,798	10,347		10,347		(1,451)	-12.3%
Other Expenses	0	560	-	560			
<b>Total - Management and General</b>	<b>\$ 803,854</b>	<b>\$ 923,576</b>	<b>\$ 995,050</b>	<b>\$(71,474)</b>	<b>-7.2%</b>	<b>\$ 119,722</b>	<b>14.9%</b>
<b>Total Expense</b>	<b>3,568,526</b>	<b>3,225,717</b>	<b>3,354,346</b>	<b>(128,629)</b>	<b>-3.8%</b>	<b>(342,809)</b>	<b>-9.6%</b>

## APPENDIX B – FOUNDATION REVENUE AND COST PROJECTIONS

**Table 11 FY2014 Projected Foundation Revenue - Detailed**

Account Name	FY2013 Actual	FY2014 HCVFEMSF Budget	FY2014 OCA Projected Budget	Explanation
<b>Income</b>				
<b>Government Funds</b>	\$ 2,647,814	\$ 2,647,814	\$ 2,647,814	County Budget
<b>Chase Car</b>	197,675	222,943	210,000	@\$350, Assumes 50 chargeable calls per month, 3 more than FY2013
<b>Payroll Income From Companies</b>	497,310	978,367	690,583	Based on current schedules
<b>Interest Income</b>	1	-	506	3 Year Average
<b>Insurance Income</b>	-	-		
<b>Rental Income</b>	23,422	-	14,694	@\$3,673.54 Quarterly
<b>Cost Reimbursements</b>	18,961	-	9,122	Aircard Services @ \$560.13 monthly Mobile Phone Services @\$150 quarterly Fuel @ \$450 quarterly
<b>Association Admin Assistant</b>	-	-	14,907	@ \$3726.79 quarterly
<b>Other Income</b>	4,796	-	-	
<b>Grant Income - BGE</b>	10,000	-	-	
<b>Gain/Loss on Sale of Equipment</b>	-	-	-	
<b>Total Income</b>	<b>\$ 3,399,978</b>	<b>\$ 3,849,124</b>	<b>\$ 3,587,626</b>	
<b>less:</b>				
<b>Cost of Goods Sold</b>	38,421	-	23,868	Association Assistant @ \$567.18 biweekly Aircard Services @ \$560.13 monthly Mobile Phone Services @ \$150 quarterly Fuel @\$450 quarterly
<b>Gross Profit</b>	<b>\$ 3,361,557</b>	<b>\$ 3,849,124</b>	<b>\$ 3,563,758</b>	

**Table 12 FY2014 Projected Foundation Program Costs - Detailed**

Account Name	FY2013 Actual	FY2014 HCVFEMSF Budget	FY2014 OCA Projected Budget	Explanation
<b>Expenses</b>				
<b>Program Services Costs</b>				
Supplies	\$ 5,030	\$ 5,000	\$ 5,744	3 Year Average
Equipment	383	30,000	752	3 Year Average
Maintainance	802	2,000	729	3 Year Average
Turnout Gear	14,702	2,000	10,923	3 Year Average
EMS Supplies & Equip. - Other	-	-	617	3 Year Average
Medical (Professional Fees)	15,000	12,500	12,900	3 Year Average
Medical	(250)	-	-	
Misc.	132	500	548	3 Year Average
Training	952	2,500	2,500	Assumed HCVFEMSF Budget
Recruitment	-	-	1,730	Combined with Backgrounds and New Hire Fitness Tests
Retention	2,027	1,500	2,800	3 Year Average combined with Drug Testing
Protocols	3,697	-	3,400	2 Year Average
Background	123	300	-	Moved to Recruitment
Liability Insurance	49,470	40,000	44,949	Based on last bills
Self Insurance	628	1,500	-	Unless this is intended to fund a sinking fund, it should be in 'Miscellaneous'.
Telephone	1,954	2,000	2,500	@ \$208 per month
Phone Service	3,201	5,000	4,200	@ \$350 per month (Reimbursed portion is in COGS)
Air Card Service	2,853	3,500	1,440	@ \$120 per month (Reimbursed portion is in COGS)
Uniforms & Supplies.	9,614	7,500	3,908	3 Year Average
Purchase	-	45,000	35,537	Sinking Fund For Vehicle Replacement, assuming replacing vehicles at the rate of depreciation from the FY2012 depreciation schedule.
Maintenance	5,830	9,000	6,393	3 Year Average
Fuel	27,496	27,300	30,402	2 Year Average
Equipment	16	2,100	1,400	Based on FY11 Spending and FY2014 budget
Repair	1,871	6,000	3,450	3 Year Average dispersed evenly for all vehicles, Should be kept as a Sinking Fund
DEPRECIATION EXPENSE- PRGM	60,588	-		
Salaries - Dept 00 Admin	-	-	223,958	Based on current pay rates for shift supervisors
Gross Payroll	1,628,760	2,185,701	1,780,956	Based on standard schedule plus a 10% buffer for holiday, OT, staffing changes
Co. 2 Reimbursement	111,109	103,065	103,958	@ \$3,998.40 bi-weekly plus 2nd requested crew
Co. 3 Reimburement	99,960	103,065	103,958	@ \$3,998.40 bi-weekly, plus additional 2 crews requested
Co 8 Reimbursement	104,244	103,065	106,243	@ \$8,853.60 monthly, plus 2nd requested crew
Payroll Reimbursement - Other	-	-		
EMS Payroll Taxes Expense	-	-	153,376	7.65% of Salaries
Worker's Comp.	151,949	170,000	140,963	Based on prior billings, allocated by salaries
Disability Insurance/ AFLAC	-	-	27,200	@ \$2,266.66 monthly, allocated by salaries
Insurance (Health)	-	-	147,452	Based on FY2014 enrollment and rates, plus 4 potential employees
HSA Account, Foundation Paid	-	-	36,400	Assuming 24 enrolled employees and 4 potential employees, FY2014 rates
Simple IRA	-	-	25,457	2 Year Average, allocated by salaries
<b>Total - Program Services</b>	<b>\$ 2,302,141</b>	<b>\$ 2,870,096</b>	<b>\$ 3,026,745</b>	

**Table 13 FY 2014 Projected Foundation Administration Costs - Detailed**

Account Name	FY2014		FY2014 OCA	
	FY2013 Actual	HCVFEMSFBudget	Projected Budget	Explanation
<b>General and Management Costs</b>				
Legal Fees	\$ 71,856	\$ 50,000	\$ 50,000	Assumed HCVFMS Budget
Accounting	5,371	6,000	6,134	3 Year Average
Office Supplies	2,908	3,000	4,414	3 Year Average
Office Equipment	2,136	3,000	1,982	3 Year Average
Dues and Subscriptions	120	250	120	Includes BJs, MSFA, Notary
Postage and Delivery	1,496	1,500	1,730	3 Year Average
Bank Fees	395	350	336	@ \$28 monthly
Miscellaneous	952	1,500	2,075	3 Year Average, combined with Self-Insurance
Computer Equipment	11,435	2,500	3,500	Copier Lease and Use - \$2,860.85
Computer Software	1,493	500	498	3 Year Average
Maintenance	202	1,000	386	3 Year Average
Equipment Installation	2,419	500	500	Assumed HCVFMS Budget
Website Hosting	1,234	1,500	1,804	3 Year Average
ADP fees	10,532	10,000	10,600	Based on Prior Year
Scheduling	5,880	6,000	5,880	@ \$1,470 quarterly
Rent / Lease	29,385	35,000	44,082	@ \$11,020.62 quarterly
Maint./Repair/Misc.	1,437	1,500	1,748	3 Year Average
Cleaning & Trash	1,423	2,000	1,921	3 Year Average
Gas and Electric	5,927	7,000	8,406	2 Year Average
Cable/Network	1,504	1,300	1,397	@ \$116.41 per month
Equipment	38	500	-	Equipment should come with new phone contracts
Mobile Phones - Other	15	-	-	
Salaries - Dept 00 Admin	398,116	400,000	127,392	Based on current pay rates
Payroll Taxes Expenses	149,867	200,000	9,745	7.65% of Salaries
Worker's Comp.	-	-	9,565	Based on prior billings, allocated by salaries
Disability Insurance/ AFLAC	34,673	40,000	1,728	@ \$2,266.66 monthly, allocated by salaries
Insurance (Health)	123,139	150,000	8,748	Based on FY2014 enrollment and rates, plus 1 potential employee
Life Insurance-Foundation Paid	2,431	3,000	162	2 Year Average, allocated by salaries
Medical - Other	2,330	-	-	Should be budgeted in Recruitment and Retention
HSA Account, Foundation Paid	16,511	25,000	2,600	Assuming 1 enrolled employee and 1 potential employee, FY2014 rates
Simple IRA	27,444	25,000	1,727	2 Year Average, allocated by salaries
DEPRECIATION EXPENSE-MGMT	10,347	-	7,222	Based on FY2012 Depreciation Schedule
Other Expenses	560	-	-	
<b>Total - Management and General</b>	<b>\$ 923,576</b>	<b>\$ 977,900</b>	<b>\$ 316,403</b>	
<b>Total Expense</b>	<b>3,225,717</b>	<b>3,847,996</b>	<b>3,343,148</b>	
<b>Net Income</b>	<b>\$ 135,840</b>	<b>\$ 1,128</b>	<b>\$ 220,610</b>	

**Table 14 FY2015 Projected Foundation Revenue - Detailed**

Account Name	FY2013 Actual	FY2014 HCVFEMSF Budget	FY2015 OCA Projected Budget	Explanation
<b>Income</b>				
Government Funds	\$ 2,647,814	\$ 2,647,814	\$ 2,647,814	County Budget
Chase Car	197,675	222,943	231,000	@\$350, Assumes 55 chargeable calls per month
Payroll Income From Companies	497,310	978,367	690,583	Based on current schedules
Interest Income	1	-	506	3 Year Average
Insurance Income	-	-		
Rental Income	23,422	-	14,694	@ \$3,673.54 Quarterly
Cost Reimbursements	18,961	-	9,122	Aircard Services @ \$560.13 monthly Mobile Phone Services @\$150 quarterly Fuel @ \$450 quarterly
Association Admin Assistant	-	-	14,907	@ \$3726.79 quarterly
Other Income	4,796	-	-	
Grant Income - BGE	10,000	-	-	
Gain/Loss on Sale of Equipment	-	-	-	
<b>Total Income</b>	<b>\$ 3,399,978</b>	<b>\$ 3,849,124</b>	<b>\$ 3,608,626</b>	
less:				
Cost of Goods Sold	38,421	-	23,868	Association Assistant @ \$567.18 biweekly Aircard Services @ \$560.13 monthly Mobile Phone Services @ \$150 quarterly Fuel @\$450 quarterly
<b>Gross Profit</b>	<b>\$ 3,361,557</b>	<b>\$ 3,849,124</b>	<b>\$ 3,584,758</b>	

**Table 15 FY2015 Projected Foundation Program Costs - Detailed**

Account Name	FY2014		FY2015 OCA	
	FY2013 Actual	HCVFEMSF Budget	Projected Budget	Explanation
<b>Expenses</b>				
<b>Program Services Costs</b>				
Supplies	\$ 5,030	\$ 5,000	\$ 5,744	3 Year Average
Equipment	383	30,000	752	3 Year Average
Maintainance	802	2,000	729	3 Year Average
Turnout Gear	14,702	2,000	10,923	3 Year Average
EMS Supplies & Equip. - Other	-	-	617	3 Year Average
Medical (Professional Fees)	15,000	12,500	12,900	3 Year Average
Medical	(250)	-	-	
Misc.	132	500	548	3 Year Average
Training	952	2,500	2,500	Assumed HCVFEMSF Budget
Recruitment	-	-	1,730	Combined with Backgrounds and New Hire Fitness Tests
Retention	2,027	1,500	2,800	3 Year Average combined with Drug Testing
Protocols	3,697	-	3,400	2 Year Average
Background	123	300	-	Moved to Recruitment
Liability Insurance	49,470	40,000	44,949	Based on last bills
Self Insurance	628	1,500	-	Unless this is intended to fund a sinking fund, it should be in 'Miscellaneous'.
Telephone	1,954	2,000	2,500	@ \$208 per month
Phone Service	3,201	5,000	4,200	@ \$350 per month (Reimbursed portion is in COGS)
Air Card Service	2,853	3,500	1,440	@ \$120 per month (Reimbursed portion is in COGS)
Uniforms & Supplies.	9,614	7,500	3,908	3 Year Average
Purchase	-	45,000	35,537	Sinking Fund For Vehicle Replacement, assuming replacing vehicles at the rate of depreciation from the FY2012 depreciation schedule.
Maintenance	5,830	9,000	6,393	3 Year Average
Fuel	27,496	27,300	30,402	2 Year Average
Equipment	16	2,100	1,400	Based on FY11 Spending and FY2014 budget
Repair	1,871	6,000	3,450	3 Year Average dispersed evenly for all vehicles, Should be kept as a Sinking Fund
DEPRECIATION EXPENSE- PRGM	60,588	-		
Salaries - Dept 00 Admin	-	-	223,958	Based on current pay rates for shift supervisors
Gross Payroll	1,628,760	2,185,701	3,206,332	Based on standard schedule plus a 10% buffer for holiday, OT, staffing changes
Co. 2 Reimbursement	111,109	103,065	207,917	@ \$3,998.40 bi-weekly plus 2nd crew requested
Co. 3 Reimbursement	99,960	103,065	311,875	@ \$3,998.40 bi-weekly, plus additional 2 crews requested
Co 8 Reimbursement	104,244	103,065	212,486	@ \$8,853.60 monthly, plus 2nd requested crew
EMS Payroll Taxes Expense	-	-	262,417	7.65% of Salaries
Worker's Comp.	151,949	170,000	144,938	Based on prior billings, allocated by salaries
Disability Insurance/ AFLAC	-	-	27,200	@ \$2,266.66 monthly, allocated by salaries
Insurance (Health)	-	-	147,452	Based on FY2014 enrollment and rates, plus 4 potential employees
HSA Account, Foundation Paid	-	-	36,400	Assuming 24 enrolled employees and 4 potential employees, FY2014 rates
Simple IRA	-	-	26,174	2 Year Average, allocated by salaries
<b>Total - Program Services</b>	<b>\$ 2,302,141</b>	<b>\$ 2,870,096</b>	<b>\$ 4,983,972</b>	



Table 16 FY2015 Projected Foundation Administration Costs - Detailed

Account Name	FY2014		FY2015 OCA	
	FY2013 Actual	HCVFEMSF Budget	Projected Budget	Explanation
<b>General and Management Costs</b>				
Legal Fees	\$ 71,856	\$ 50,000	\$ 50,000	Assumed HCVFMS Budget
Accounting	5,371	6,000	6,134	3 Year Average
Office Supplies	2,908	3,000	4,414	3 Year Average
Office Equipment	2,136	3,000	1,982	3 Year Average
Dues and Subscriptions	120	250	120	Includes BJs, MSFA, Notary
Postage and Delivery	1,496	1,500	1,730	3 Year Average
Bank Fees	395	350	336	@ \$28 monthly
Miscellaneous	952	1,500	2,075	3 Year Average, combined with Self-Insurance
Computer Equipment	11,435	2,500	3,500	Copier Lease and Use - \$2,860.85
Computer Software	1,493	500	498	3 Year Average
Maintenance	202	1,000	386	3 Year Average
Equipment Installation	2,419	500	500	Assumed HCVFMS Budget
Website Hosting	1,234	1,500	1,804	3 Year Average
ADP fees	10,532	10,000	10,600	Based on Prior Year
Scheduling	5,880	6,000	5,880	@ \$1,470 quarterly
Rent / Lease	29,385	35,000	44,082	@ \$11,020.62 quarterly
Maint./Repair/Misc.	1,437	1,500	1,748	3 Year Average
Cleaning & Trash	1,423	2,000	1,921	3 Year Average
Gas and Electric	5,927	7,000	8,406	2 Year Average
Cable/Network	1,504	1,300	1,397	@ \$116.41 per month
Equipment	38	500	-	Equipment should come with new phone contracts
Mobile Phones - Other	15	-	-	
Salaries - Dept 00 Admin	398,116	400,000	127,392	Based on current pay rates
Payroll Taxes Expenses	149,867	200,000	9,745	7.65% of Salaries
Worker's Comp.	-	-	5,590	Based on prior billings, allocated by salaries
Disability Insurance/ AFLAC	34,673	40,000	1,010	@ \$2,266.66 monthly, allocated by salaries
Insurance (Health)	123,139	150,000	8,748	Based on FY2014 enrollment and rates, plus 1 potential employee
Life Insurance-Foundation Paid	2,431	3,000	95	2 Year Average, allocated by salaries
Medical - Other	2,330	-	-	Should be budgeted in Recruitment and Retention
HSA Account, Foundation Paid	16,511	25,000	2,600	Assuming 1 enrolled employee and 1 potential employee, FY2014 rates
Simple IRA	27,444	25,000	1,010	2 Year Average, allocated by salaries
DEPRECIATION EXPENSE-MGMT	10,347	-	7,222	Based on FY2012 Depreciation Schedule
Other Expenses	560	-	-	
<b>Total - Management and General</b>	<b>\$ 923,576</b>	<b>\$ 977,900</b>	<b>\$ 310,925</b>	
<b>Total Expense</b>	<b>3,225,717</b>	<b>3,847,996</b>	<b>5,294,897</b>	
<b>Net Income</b>	<b>\$ 135,840</b>	<b>\$ 1,128</b>	<b>\$ (1,710,140)</b>	

## APPENDIX C – COUNTY-WIDE EMS COSTS

Table 17 Estimate of County-wide EMS Costs - Detailed

	Total	% of Total
<b>Program Services</b>		
<u>Personnel Costs</u>		
Foundation Salaries	\$ 3,762,554	
Other Salaries	\$ 2,019,693	
Benefits	\$ 400,892	
Payroll Taxes	\$ 217,523	
Incentive Program/ Member Benefits	\$ 324,839	
Training, Uniforms and Other	\$ 101,156	
Worker's Comp Insurance	\$ 175,561	
Payroll Reimbursement (Net)	\$ -	
Personnel Total	\$ 6,680,528	54.9%
<u>Vehicles (General)</u>		
Fuel	\$ 68,126	
Maintenance	\$ 246,657	
Vehicle Replacement	\$ 361,740	
Vehicle Replacement	\$ 1,270,400	
Depreciation - Actual	\$ 961,782	
Vehicle Replacement - Actual	\$ 169,564	
Vehicle Total	\$ 1,990,450	21.6%
<u>Supplies &amp; Equipment (General)</u>		
Cell Phones	\$ 266,734	
Depreciation	\$ 899	
Supplies	\$ 28,688	
Repairs and Maintenance	\$ 260,123	
Supplies & Equipment Total	\$ 21,672	5.5%
<u>Facility Costs (General)</u>		
Utilities	\$ 187,190	
Supplies	\$ 418,937	
Maintenance	\$ 27,807	
Facility Total	\$ 231,613	8.0%
<u>Other</u>		
Insurance	\$ 379,191	
Insurance Total	\$ 379,191	3.9%
<b>Total Program Services Costs</b>	<b><u>\$10,493,832</u></b>	<b>85.4%</b>
 <b><u>General and Management Costs</u></b>		
Ambulance Billing Expense	\$ 281,300	
General and Management	\$ 1,063,455	
Administration Salaries	\$ 283,064	
Administration Payroll Taxes and Benefits	\$ 37,002	
<b>Total General and Management Costs</b>	<b><u>\$ 1,664,821</u></b>	<b>14.6%</b>
<b>TOTAL COSTS</b>	<b><u>\$12,158,653</u></b>	