



## **BUDGET LETTER 2020 FISCAL YEAR BUDGET**

The budget is a financial plan for 12-months of operations based on anticipated revenues and expenditures with the services provided Johnson County Ambulance District based on established budgetary policies. Johnson County Ambulance District's (JCAD) fiscal year is January 1<sup>st</sup> to December 31<sup>st</sup>, 2019.

### **BUDGET PREPARATION**

The EMS Chief performs the functions of analyzing and preparing the annual budget the organization. The budget is the result of input received from review of previous and past year's expenses, an inclusive and interactive review process, as well as Board direction. The 2020 budget is consistent with JCAD's Strategic Plan and represents a one-year implementation of the JCAD financial plan.

Revenues are projected as accurately as possible in order to set priorities for proposed expenditures. All anticipate expenses have been included.

The Board of Directors retains final authority on the budget.

### **PUBLIC HEARING AND BUDGET ADOPTION**

A draft budget is presented for review and discussion at the publicly held Board Meeting in November and December. The Final budget was presented to the Board of Directors at the Board Meeting December 19, 2019 to adopt the 2020 Budget beginning January 1, 2020.

### **PROPERTY TAX RATE**

The budget includes revenue from property tax. JCAD's Board of Director's held a Public Tax Rate Hearing at 500 E. Young Ave., Warrensburg, Missouri 64093 on August 16, 2019 beginning at 7:00 P.M. After discussion and the opportunity for public comment, JCAD set and approved by majority vote of the Board of Directors a property tax rate of 0.2934 per \$100 of assessed valuation. The projected tax income from real estate and personal property is \$1,913,346.

## **FEES FOR SERVICE**

The budget includes revenue from fees charged for service provided. This includes patient services and training services. The fees for service rates were set by the Board of Directors on October 17, 2019.

## **INCOME**

Earned income from Patient Services Revenue is budgeted to increase by 7.5% based on increased allowed charges from healthcare payors (Medicare, Medicaid, & insurance) and increased patient transport volume (services provided) resulting in increased billable revenue.

Based on the assessed property valuation income from tax collections is budgeted to increase by 1.3%.

The Training Division Revenue is budgeted to increase by over 300% based on the addition of a Paramedic training program.

Total 2020 income is budgeted to increase by 8.5% over the original 2019 income budget.

## **OPERATING EXPENSES**

EMS Wages and Salaries have been budgeted to increase by 4.4%. This is due to a budgeted increase in EMT & paramedic wage rates for 2020.

EMS Employee Benefits are budgeted to decrease by 7%. This increase is due to increases in employee pension and workers comp. which is directly related to the increase in wages and salaries.

Vehicles & Equipment costs are budgeted to increase by 12%. This budget category includes fuel, maintenance, and repair of vehicles, ambulances, and medical equipment. JCAD's ambulance fleet is aging resulting in increased maintenance and repair costs. JCAD's medical equipment (stretchers, cardiac monitors, ventilators, etc.) is aging resulting in increased maintenance and repair costs.

Communications & Technology is budgeted to decrease by around 1.5%. This budget category includes radio equipment, computer & IT hardware, software, IT services, & telecommunication services (phones, cellular service, and internet). The cost decrease is due to a decrease in comm. equipment purchases planned for 2020.

Supplies costs are budgeted to decrease by 7.3%. This budget category includes medical supply, general supply, cleaning supplies, uniforms, protective gear, and special operations supplies. The cost decreases are a result of cost reduction activities.

Property Expenses are budgeted to increase by around 30%. This cost increase is due to the addition of a full year's expenses for the new headquarters facility and anticipated increase in rates for utilities. Additionally, extra funds have been budgeted due to the anticipated maintenance and repair.

Professional Services are budgeted to increase by less than 7.8%. This increase is primarily the result of recording collection costs (fees charged by collection agency) as an expense. Previous years budgets this amount was deducted from the collection revenue.

Miscellaneous Business Expenses are budgeted to decrease by 4.1%. This budget category includes dues & fees, public relations, debt service payments, patient account refunds, and replacement/ repair of patient property. The decrease in costs is primarily due to decreases costs for patient account refunds.

Total EMS Operating Expense is budgeted to increase by 3.5%.

### **TRAINING CENTER EXPENSES**

The 2020 Training Center expense budget shows substantial increase. This increase is the result of budget additions for full time faculty wages and benefits as well as the addition of a paramedic training program.

This expenses are based on the assumption of one year's cost for:

- Increased public CPR & first aid courses
- Three EMT programs
- One EMT program
- One Paramedic program
- Increased special programs

Because the paramedic program is a new program without any past history for cost estimation, a full-years costs have been included in the expense budget.

### **CAPITAL PURCHASES**

The 2019 Capital Purchase budget includes the plan to purchase two ambulances with new stretchers (medical equipment). The ambulance purchase budget is \$360,000 and the stretcher purchase budget is \$86,000. The 2019 capital purchase plan also includes the purchase of a new copier for the administrative office.

In 2017 new construction on a headquarters facility was started. The project budget is \$3,371,096 with \$126,220 paid in 2017 and \$2,546,778 budgeted for payment in 2018. The remaining \$665,718 has been budgeted as capital expense for 2019.

The total Capital Expense budget for 2019 is \$1,121,718. This amount will may be revised by the Board after actual costs are determined by bid.

### **CAPITAL RESERVE FUNDS**

The total 2020 income is \$5,409,450 and total 2020 expenses is \$5,559,024. The \$149,574 shortfall will be paid from capital service funds (Ambulance Purchase Fund, Medical Equipment Fund, and GEMT Fund).

Accnt #	Revenue/ Income Description	Budget 2020	Budget 2019
<b>INCOME &amp; REVENUE</b>			
10	Patient Services Revenue	\$ 2,894,550	\$2,743,700
30	Training Center Revenue	\$ 216,100	\$ 34,600
50	Administrative Revenue	\$ 800	\$ 1,200
60	Legal & Contractual Revenue		
61	Property Taxes	\$ 1,900,000	\$1,860,000
63	Collections	\$ 30,000	\$ 18,000
64	Economic Development Agreement	\$ -	\$ -
70	Contributions	\$ -	\$ -
80	Earnings on Investments	\$ 50,000	\$ 20,000
90	Other Income		
91	Rebates and Refunds	\$ -	\$ -
92	Recovery of Prior Year Expenditure	\$ -	\$ -
93	Financing - Debt Service Income	\$ -	\$ -
94	Sale of Equipment & Assets	\$ 10,000	\$ 10,000
95	Services Provided - Other Funds	\$ 220,000	\$ -
96	Workers Compensation Dividends	\$ 5,000	\$ -
99	Miscellaneous - Other Income	\$ -	\$ -
<b>TOTAL INCOME</b>		<b>\$ 5,409,450</b>	<b>\$4,687,500</b>

Accnt #	Expense Description	Budget 2020	Budget 2019
<b>EMS OPERATING EXPENSES</b>			
1000	EMS Wages & Salaries	\$ 2,880,340	\$2,758,115
2000	EMS Employee Benefits	\$ 624,655	\$ 635,580
3000	Vehicles & Equipment Costs	\$ 247,940	\$ 209,840
4000	Communications & Technology	\$ 149,500	\$ 151,829
5000	Supplies	\$ 238,350	\$ 257,080
6000	Property Expenses	\$ 133,334	\$ 102,150
7000	Professional Services	\$ 170,400	\$ 158,050
9000	Miscellaneous Business Expenses	\$ 271,335	\$ 282,990
<b>Total EMS Operating Expense</b>		<b>\$ 4,715,854</b>	<b>\$4,555,634</b>

Accnt #	Expense Description	Budget 2020	Budget 2019
<b>TRAINING CENTER EXPENSES</b>			
100	Instructors Wages & Benefits	\$ 214,850	\$ 20,398
200	Employee Benefits	\$ 42,975	\$ -
300	Training Vehicle Costs	\$ 7,445	\$ -
400	Communications & Technology	\$ 9,150	\$ 1,500
500	Training Equipment & Supplies	\$ 41,200	\$ 19,100
700	Professional Services	\$ 7,750	\$ 1,800
900	Miscellaneous Business Expenses	\$ 9,800	\$ 900
<b>Total Training Center Expenses</b>		<b>\$ 333,170</b>	<b>\$ 43,698</b>
<b>Capital Purchase Expenditures</b>			
		-	
10100	Vehicles	\$ 243,000	\$ 360,000
10200	Land & Facilities	\$ -	\$ 665,718
10300	Facility Equipment	\$ -	\$ -
10400	Capital Medical Equipment	\$ 198,000	\$ 86,000
10500	Computer & IT Equipment	\$ -	\$ -
10600	Communications Equipment	\$ 24,000	\$ -
10700	Office & Business Equipment	\$ -	\$ 10,000
10800	Training Equipment	\$ 45,000	\$ -
10900	Other Capital Projects	\$ -	\$ -
<b>Total Capital Purchase Expenditures</b>		<b>\$ 510,000</b>	<b>\$1,121,718</b>
<b>Total All Expenses</b>		<b>\$5,560,524</b>	<b>\$5,721,050</b>
<b>INCOME &amp; EXPENSE SUMMARY</b>			
Expense Description	Budget 2020	Budget 2019	
All Income	\$ 5,409,450	\$4,687,500	
Financing - Income	\$ -	\$ -	
Capital Reserve Funds to be Used	\$ 149,574	\$1,033,550	
Total Budgeted Funds	\$ 5,559,024	\$5,721,050	
EMS Operating Expenses	\$ 4,715,854	\$4,555,634	
Training Center Expenses	\$ 333,170	\$ 43,698	
Capital Purchase Expenses	\$ 510,000	\$1,121,718	
Total Budgeted Expenses	\$ 5,559,024	\$5,721,050	
Carry Over Funds	\$ -	\$ -	