

DATE SUBMITTED: December 1, 2013

CHAIR/DEPARTMENT HEAD: Craig W. Allin, Board President

**LISBON-MOUNT VERNON AMBULANCE SERVICE  
FY 2015 SUPPORT**

1. **The amount requested for FY2013 from the City of Mount Vernon is: \$13,750,** approximately three dollars for each resident of the city. (2012 population estimate = 4,283)  
Note: The amount here requested and the rationale below is based upon recommendations of the ambulance service budget and staffing committees. These recommendations are expected to be approved by the Board of Directors on December 10, 2013.
2. **Did your support request from the City of Mount Vernon increase from the previous year? Yes**
3. **If you answered yes to the above question, please explain what specific purpose those funds will be used for:** As always, support is requested in order to provide emergency medical services to residents of Mount Vernon. In order to continue to provide high-quality emergency medical services to Mount Vernon, the Lisbon-Mount Vernon Ambulance Service needs to hire a Manager/Paramedic at an anticipated additional expense of approximately \$40,000. With this additional expense, and without the ability to further raise fees for service, the ambulance service will need greater contributions from the cities of Lisbon and Mount Vernon than it has previously received.
4. **Please provide a summary of your revenues from last year (please attach as a separate page).** A summary of revenue for 2013 through November 27 is attached.
5. **Please provide a summary of your expenditures from last year (please attach as a separate page).** A summary of expenditures for 2013 through November 27 is attached.
6. **Does your organization plan to raise or solicit funds differently in this next year? No.** We will continue to receive the bulk of our revenue from fees for service. We will continue to pursue grants, etc. However, in anticipation of greater expenses, we have increased fees for service. Next year our fees for service will be comparable to those of the most expensive volunteer and mostly-volunteer ambulance services in Eastern Iowa. These fee increases will increase revenue from a fraction of our users. The increases will not, however, generate any additional revenue from Medicare and Medicaid patients, who constitute a large fraction of our users. For these patients, the federal government determines the payment we receive, and over the years that payment has been a decreasing fraction of the actual cost of providing ambulance service. Going forward, we will not be able to increase revenues significantly by raising fees.
7. **Does your organization have plans to end its request for City assistance? Why or Why Not?** No, the Lisbon-Mount Vernon Ambulance Service is a nonprofit corporation wholly-owned by the City of Lisbon and the City of Mount Vernon. The owner cities should

anticipate increasing requests for financial support in years to come. As noted in previous annual reports, maintaining the service on a purely voluntary basis is increasingly problematic. This is an increasingly common problem with volunteer ambulance services across the state of Iowa. Jerry Ewers, Muscatine fire chief and president of the Iowa EMS Association, recently told state legislators that there is a sizable part of the state that lacks ambulance coverage during daytime hours (*Cedar Rapids Gazette*, 11/6/13, attached). In response to this difficulty, the Lisbon-Mount Vernon Ambulance Service hired an EMT to cover day shifts during the summer in 2012. The EMT hired for the summer of 2013 has remained on the payroll and is expected to continue until we can hire a Manager/Paramedic in the spring of 2014.

8. **Do you agree to provide the City with information or documentation, as requested, in order to verify how allocated funds were spent?** Yes. Our bookkeeping is computerized, and reports of the sort attached to this document are available to the city upon request at any time. The Annual Report of the Lisbon-Mount Vernon Ambulance Service, dated January 14, 2013, is attached. The next edition of our Annual Report, covering calendar year 2013, should be available by the middle of January. It will be forwarded to the city at that time.

## **EMS pushed in Iowa as essential service**

**Though most supportive, lawmakers express concern over funding for such mandate**

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DES MOINES – Representatives of emergency medical services providers urged state legislators Wednesday to make EMS an essential service that local governments would be required to provide like police and fire protection.

Jerry Ewers, Muscatine fire chief who is president of the Iowa EMS Association, included the suggestion to classify EMS as an essential life-saving public function among proposals made to a legislative interim panel looking at ways to improve recruitment, access, training, response time and others concerns related to voluntary and professional EMS providers.

Lawmakers on the Emergency Medical Services Study Committee said the proposal warranted discussion but carried property tax and local income surcharge ramifications for cities and counties that would be required to provide the service or contract with an outsider provider.

“I think that’s something we have to consider very carefully going forward, what does essential service mean and what are the means of funding it?” said Rep. Ralph Watts, R-Adel, a committee co-chairman. “If an essential service means that the local people have to raise their taxes to provide it, I think that’s an issue that we want to hear from those local governments more about before we do anything like that.”

Watts said he was not inclined to look at investing state money into funding emergency medical services but he expected that likely would get thrown into the mix. “That’s one of the hazards of maintaining too robust of an ending balance,” he said. “Everybody wants a piece of it. I’m sure there will be some efforts to try to do something like that.”

Sen. Steve Sodders, D-State Center, a Marshall County deputy sheriff, said he expected that cities and counties would balk at making EMS an essential service unless there was funding to compensate them for the new mandate.

“We’re going to have to figure that funding stream out if that’s where we end up going,” added Sodders, an interim committee member. “I think there’s a way to do it. We do give some money to cities and counties to fund those other services.”

Ewers said making EMS an essential service has overwhelming support among his association's 12,000 providers. He noted that 64 percent of EMS providers in Iowa are volunteers and two-thirds of those responding to emergencies aren't compensated.

Given the high percentage of volunteer EMS providers, Ewers noted that there is a sizable part of the state that lacks ambulance coverage during daytime hours when services lack adequate nearby staffing, especially in rural areas.

To improve a system that faces an aging network of providers, Ewers association supports a volunteer public safety property tax credit and increasing the volunteer income tax credit from \$50 to \$500. Other ideas include a sales tax exemption for emergency equipment purchased by volunteers and other providers, a gas tax exemption for private EMS providers and amnesty for EMS technicians whose certifications have lapsed.

During a separate presentation Wednesday, Rebecca Curtiss, interim chief of the Iowa Department of Public Health's EMS bureau, said funding from state, federal and other sources declined 28 percent during the last five fiscal years.

Comments: (515) 243-7220; [rod.boshart@sourcemedia.net](mailto:rod.boshart@sourcemedia.net)

**Lisbon-Mt Vernon Ambulance Service**  
**Profit & Loss Budget vs. Actual**  
 January 1 through November 27, 2013

	Jan 1 - Nov 27, 13	Budget	\$ Over Budget	% of Budget
<b>Income</b>				
4000 · Income				
4010 · Trips	147,863.99	209,000.00	-61,136.01	70.7%
4020 · Contributions	14,021.00	5,000.00	9,021.00	280.4%
4030 · Interest	6,749.51	7,200.00	-450.49	93.7%
4040 · Boosters	0.00	0.00	0.00	0.0%
4050 · Miscellaneous	1,500.00	40.00	1,460.00	3,750.0%
4000 · Income - Other	0.00	0.00	0.00	0.0%
<b>Total 4000 · Income</b>	<b>170,134.50</b>	<b>221,240.00</b>	<b>-51,105.50</b>	<b>76.9%</b>
<b>4100 · Municipal Oper &amp; Bldg Maint</b>				
4110 · MT Vernon	6,800.00	6,780.00	20.00	100.3%
4120 · Lisbon	8,750.00	4,300.00	4,450.00	203.5%
4100 · Municipal Oper & Bldg Maint - Other	0.00	0.00	0.00	0.0%
<b>Total 4100 · Municipal Oper &amp; Bldg Maint</b>	<b>15,550.00</b>	<b>11,080.00</b>	<b>4,470.00</b>	<b>140.3%</b>
4999 · Uncategorized Income	0.00	0.00	0.00	0.0%
8000 · Standby Income	3,118.00	0.00	3,118.00	100.0%
<b>Total Income</b>	<b>188,802.50</b>	<b>232,320.00</b>	<b>-43,517.50</b>	<b>81.3%</b>
<b>Expense</b>				
1400 · Capital Expense				
1410 · Vehicles & Equipment	0.00	0.00	0.00	0.0%
1420 · Building	806.58	0.00	806.58	100.0%
1430 · Pagers & Radios	0.00	1,000.00	-1,000.00	0.0%
1440 · Medical Equipment	588.00	3,000.00	-2,412.00	19.6%
1450 · Education & Training Equipment	1,686.28	1,500.00	186.28	112.4%
1460 · Uniforms	406.00	750.00	-344.00	54.1%
1470 · Office Equipment	105.94	2,500.00	-2,394.06	4.2%
1480 · Miscellaneous Equipment	285.77	0.00	285.77	100.0%
1400 · Capital Expense - Other	0.00	0.00	0.00	0.0%
<b>Total 1400 · Capital Expense</b>	<b>3,878.57</b>	<b>8,750.00</b>	<b>-4,871.43</b>	<b>44.3%</b>
1500 · Accumulated Depreciation				
1510 · Accum Depr - Vehicles	0.00	30,000.00	-30,000.00	0.0%
1520 · Accum Depr - Building	0.00	25,000.00	-25,000.00	0.0%
1530 · Accum Depr - Defibrillator	0.00	5,000.00	-5,000.00	0.0%
1500 · Accumulated Depreciation - Other	0.00	0.00	0.00	0.0%
<b>Total 1500 · Accumulated Depreciation</b>	<b>0.00</b>	<b>60,000.00</b>	<b>-60,000.00</b>	<b>0.0%</b>
5000 · Temp Restricted Educ - Equity	0.00	0.00	0.00	0.0%
5100 · Vehicle Expense				
5110 · Gas	3,210.07	0.00	3,210.07	100.0%
5120 · Maintenance	554.74	0.00	554.74	100.0%
5130 · Repair	1,479.10	0.00	1,479.10	100.0%
5100 · Vehicle Expense - Other	0.00	7,500.00	-7,500.00	0.0%
<b>Total 5100 · Vehicle Expense</b>	<b>5,243.91</b>	<b>7,500.00</b>	<b>-2,256.09</b>	<b>69.9%</b>

**Lisbon-Mt Vernon Ambulance Service**  
**Profit & Loss Budget vs. Actual**  
 January 1 through November 27, 2013

	Jan 1 - Nov 27, 13	Budget	\$ Over Budget	% of Budget
<b>5200 - Building Expense</b>				
5210 - Electricity & Heat	3,026.79	0.00	3,026.79	100.0%
5220 - Telephone & Cellular	2,862.42	0.00	2,862.42	100.0%
5230 - Maintenance	456.11	0.00	456.11	100.0%
5240 - Repair	327.16	0.00	327.16	100.0%
5250 - Supplies	268.01	0.00	268.01	100.0%
5260 - Internet	608.30	0.00	608.30	100.0%
5200 - Building Expense - Other	0.00	8,000.00	-8,000.00	0.0%
<b>Total 5200 - Building Expense</b>	<b>7,548.79</b>	<b>8,000.00</b>	<b>-451.21</b>	<b>94.4%</b>
<b>5300 - Pager &amp; Radio Expense</b>				
5310 - Maintenance	64.11	0.00	64.11	100.0%
5320 - Repair	0.00	0.00	0.00	0.0%
5300 - Pager & Radio Expense - Other	0.00	200.00	-200.00	0.0%
<b>Total 5300 - Pager &amp; Radio Expense</b>	<b>64.11</b>	<b>200.00</b>	<b>-135.89</b>	<b>32.1%</b>
<b>5400 - Miscellaneous</b>				
5410 - Maintenance	40.00	0.00	40.00	100.0%
5420 - Repair	743.27	0.00	743.27	100.0%
5400 - Miscellaneous - Other	0.00	500.00	-500.00	0.0%
<b>Total 5400 - Miscellaneous</b>	<b>783.27</b>	<b>500.00</b>	<b>283.27</b>	<b>156.7%</b>
<b>5500 - Patient Supplies</b>				
5550 - Drug Box	10,145.96	14,000.00	-3,854.04	72.5%
5500 - Patient Supplies	551.38	1,000.00	-448.62	55.1%
<b>5600 - Education &amp; Training</b>				
5610 - Continuing Education & Training	4,451.62	0.00	4,451.62	100.0%
5620 - Tuition, Books & Testing	2,994.90	0.00	2,994.90	100.0%
5600 - Education & Training - Other	0.00	7,000.00	-7,000.00	0.0%
<b>Total 5600 - Education &amp; Training</b>	<b>7,446.52</b>	<b>7,000.00</b>	<b>446.52</b>	<b>106.4%</b>
<b>5700 - Run Reimbursement</b>				
5710 - On Call Reimbursement	11,080.00	12,000.00	-920.00	92.3%
5720 - Council Honorarium	19,327.50	18,000.00	1,327.50	107.4%
5800 - Hep B, TB Vac, Flu Shots	3,358.42	0.00	3,358.42	100.0%
5900 - White Lights	217.23	1,500.00	-1,282.77	14.5%
6000 - Laundry	0.00	0.00	0.00	0.0%
6100 - Administrative Asst	0.00	0.00	0.00	0.0%
<b>6110 - Payroll</b>				
6120 - Federal Withholding & FICA	21,591.25	0.00	21,591.25	100.0%
6130 - State Withholding	5,248.42	0.00	5,248.42	100.0%
6140 - Federal Unemployment Tax	500.00	0.00	500.00	100.0%
6150 - Iowa Workforce Development	71.30	0.00	71.30	100.0%
6100 - Administrative Asst - Other	0.00	0.00	0.00	0.0%
<b>Total 6100 - Administrative Asst</b>	<b>27,410.97</b>	<b>35,000.00</b>	<b>-7,589.03</b>	<b>78.3%</b>

**Lisbon-Mt Vernon Ambulance Service**  
**Profit & Loss Budget vs. Actual**  
 January 1 through November 27, 2013

	Jan 1 - Nov 27, 13	Budget	\$ Over Budget	% of Budget
<b>6160 - Payroll</b>				
6170 - Payroll	7,566.47	0.00	7,566.47	100.0%
6180 - Federal Withholding & FICA	2,055.18	0.00	2,055.18	100.0%
6185 - State Withholding	218.00	0.00	218.00	100.0%
6190 - Federal Unemployment Tax	0.00	0.00	0.00	0.0%
6195 - Iowa Workforce Development	0.00	0.00	0.00	0.0%
6160 - Payroll - Other	0.00	25,000.00	-25,000.00	0.0%
<b>Total 6160 - Payroll</b>	<b>9,839.65</b>	<b>25,000.00</b>	<b>-15,160.35</b>	<b>39.4%</b>
<b>6200 - Financial Review</b>				
6300 - Office Expense	2,002.00	1,900.00	102.00	105.4%
6310 - Telephone	1,369.56	0.00	1,369.56	100.0%
6320 - Postage/UPS	764.63	0.00	764.63	100.0%
6330 - Supplies	2,539.00	0.00	2,539.00	100.0%
6340 - Bank Service Fees	59.40	0.00	59.40	100.0%
6350 - Technology Support	1,241.99	0.00	1,241.99	100.0%
6300 - Office Expense - Other	0.00	8,500.00	-8,500.00	0.0%
<b>Total 6300 - Office Expense</b>	<b>5,974.58</b>	<b>8,500.00</b>	<b>-2,525.42</b>	<b>70.3%</b>
<b>6400 - Insurance</b>				
6500 - Miscellaneous Expense	12,107.00	12,600.00	-493.00	96.1%
6510 - Travel Expense	46.10	0.00	46.10	100.0%
6520 - Dues & Fees	100.00	0.00	100.00	100.0%
6530 - Miscellaneous Expense	0.00	0.00	0.00	0.0%
6500 - Miscellaneous Expense - Other	0.00	1,000.00	-1,000.00	0.0%
<b>Total 6500 - Miscellaneous Expense</b>	<b>146.10</b>	<b>1,000.00</b>	<b>-853.90</b>	<b>14.6%</b>
<b>6560 - Payroll Expenses</b>				
6600 - Contingency Fund	0.00	0.00	0.00	0.0%
6700 - Public Relations	315.85	5,000.00	-5,000.00	0.0%
6800 - Standby Reimbursement	3,000.00	1,000.00	-684.15	31.6%
6999 - Uncategorized Expenses	0.00	3,000.00	0.00	100.0%
9000 - Standby Expense	0.00	0.00	0.00	0.0%
9010 - Food & pop	1,631.89	0.00	1,631.89	100.0%
9020 - Flowers	0.00	0.00	0.00	0.0%
9030 - Miscellaneous	1,506.55	0.00	1,506.55	100.0%
9000 - Standby Expense - Other	0.00	0.00	0.00	0.0%
<b>Total 9000 - Standby Expense</b>	<b>3,138.44</b>	<b>0.00</b>	<b>3,138.44</b>	<b>100.0%</b>
<b>Total Expense</b>	<b>133,580.25</b>	<b>231,450.00</b>	<b>-97,869.75</b>	<b>57.7%</b>
<b>Net Income</b>	<b>55,222.25</b>	<b>870.00</b>	<b>54,352.25</b>	<b>6,347.4%</b>



**LISBON-MOUNT VERNON AMBULANCE SERVICE**  
**REPORT TO SHAREHOLDERS**

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**FINAL REPORT FOR CALENDAR YEAR 2012**

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**January 14, 2013**

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## THE BIG PICTURE

The big news of 2012 is that the era of an all-volunteer ambulance crew has come to an end. We were unable to staff the ambulance with an all-volunteer crew this past summer. In order to provide uninterrupted service, we hired one EMT to work weekday shifts full-time for 13 weeks at a cost of about \$6,400.

This news should not be unanticipated. The last several annual reports have discussed the increasing difficulty of finding ambulance volunteers especially for the weekday shifts. Last year's report concluded with these remarks: "Volunteer recruitment, which has always been problematic, is becoming extremely difficult. The work of our volunteer staff has become more difficult, more complex, and more highly regulated. The level of training that each staff member must undertake has increased dramatically over the years. The increased level of commitment required of ambulance volunteers and their changing work responsibilities makes it increasingly difficult to schedule crews during regular working hours. We continue to investigate possible models for a hybrid staffing model involving some paid employees as well as volunteers. Moving to a hybrid system would dramatically increase the cost of providing ambulance service and would require us to explore additional sources of revenue including increased appropriations from our owner municipalities."

Hiring one EMT in the summer of 2012 helped get us through a particularly difficult stretch, but the problem is by no means solved. The Lisbon Mount Vernon Ambulance Service Board of Directors has commissioned an investigation of ambulance service pay practices in the surrounding area, and it will hold a special board meeting January 23, 2013, to review the findings and consider options for shifting the ambulance service from a volunteer footing to one where crewmembers would receive some form of direct compensation for their services. One likely first step would be to pay crewmembers a legal hourly wage for the time they actually spend answering calls. As a fee-for-service agency, we hope to be able to generate sufficient income to fund this transition without asking for large additional contributions from our shareholder cities. As this report is being written, no decisions have been made, and it is impossible to project the level of additional expense or the degree to which it can be recouped through user fees.

For 2013 we have asked our shareholder municipalities to increase their financial commitment to the ambulance service to a level of two dollars per resident: \$6780 from Mount Vernon and \$4300 from Lisbon. Since 2010, the cities of Mount Vernon and Lisbon have authorized \$5000 and \$3500 respectively.

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## ORGANIZATION OF THIS REPORT

This report to the shareholders – City of Lisbon and City of Mount Vernon – was written on behalf of the Board of Directors of the Lisbon Mount Vernon Ambulance Service. The remainder of this report follows the format of the last several years. It includes the final audit

report for calendar year 2011 and final unaudited results for calendar year 2012. For the benefit of new readers as well as those with less than perfect memories, it also includes legal and historical information that has been reported previously.

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## HISTORY

In the early 1970s, several incidents, including at least one death, convinced city leaders in Lisbon and Mount Vernon that effective emergency medical services could not be supplied by a Cedar Rapids based ambulance service. In 1973 Mount Vernon and Lisbon created a corporation (under the Iowa Non-Profit Corporation Act, Chapter 504A of the Code of Iowa) for the purpose of providing ambulance service to the two towns and the surrounding area. In 1974 a successful fund drive raised about \$22,000 to purchase and equip the first ambulance. In 1989, another public fund drive raised about \$75,000 to build the current ambulance building on land owned by the City of Mount Vernon. For more than 20 years an Ambulance Boosters Association headed by Mary Viter actively solicited contributions for ambulance operations and successfully raised more than \$180,000 for the purchase of new ambulances and medical equipment. In 1996, the ambulance service received a \$50,000 bequest from the estate of Julian Verba, and in recent years, it has successfully pursued a number of grants for volunteer training and the purchase of specialized medical equipment. In 2012 the ambulance service was notified of a \$10,000 bequest from the estate of Virgil Crofter, which we expect to receive during 2013. Altogether, since 1974, the ambulance service has received gifts and grants totaling about \$653,000. During that same period of time, ambulance service volunteers have answered about 13,000 calls.

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## ORGANIZATION

The Lisbon Mount Vernon Ambulance Service is incorporated under the Iowa Non-Profit Corporation Act, Chapter 504A of the Code of Iowa.

The Lisbon Mount Vernon Ambulance Service has two equal shareholders: the City of Lisbon and City of Mount Vernon. The Articles of Incorporation created a Board of Directors to run the corporation, and the two member towns reserved no special rights at that time (§504A.10). Thus, the powers of the members (Lisbon and Mount Vernon) are the powers granted to members generally under Chapter 504A of the Code of Iowa.

The Articles of Incorporation establish a Board of Directors consisting of eight individuals who serve without compensation. Four directors are appointed by the City of Lisbon, and four are appointed by the City of Mount Vernon. Directors are appointed for annual terms and serve until their replacements are named. Directors representing the City of Lisbon are: Gina Butteris, Terri Durgin, Julie Light, and Jeff Silver. Directors representing the City of Mount Vernon are Craig Allin, Helen Gray, Charles Halsey, and Richard Hileman. Board officers for 2011 and 2012 were as follows:

Office	2011	2012
Medical Director	Gina Butteris, M.D.	Gina Butteris, M.D.
President	Craig Allin	Craig Allin
Vice President	Helen Gray	Helen Gray
Secretary	Charles Halsey	Charles Halsey
Treasurer	Julie Light	Julie Light

Organization and governance of the Lisbon Mount Vernon Ambulance Service is spelled out in greater detail in the By-Laws of the Lisbon Mount Vernon Ambulance Service, attached as Appendix A.

Day-to-day medical and mechanical operations of the Lisbon Mount Vernon Ambulance Service are entrusted to a staff of 20 to 30 volunteers, who staff the ambulance service in shifts. Crewmembers receive one dollar per hour during scheduled on-call periods and \$10 per run in lieu of being reimbursed for actual itemized expenses. The Ambulance Service Volunteers also have an elected leadership structure.

OFFICE	2011	2012
Chief	Michelle Smothers	Mette Kelley
Assistant Chief	Terri Durgin	Terri Durgin
Secretary	Mette Kelley	rotating
Education	John Whaley	Jake Briley
Maintenance	Jim Wallace	Jim Wallace
Purchasing	Dennis Hunter	Dennis Hunter
At Large (Building)	Mike McElmeel	Michelle Smothers

Day-to-day office operations of the Lisbon Mount Vernon Ambulance Service are entrusted to Sue Lyon, Office Manager and Administrative Assistant to the Board of Directors.

### AMBULANCE OPERATIONS

The following table (next page) reports ambulance runs by category for the years since 2008. No charge patients include transported patients on the same ambulance trip as a family member who is being charged, patients transported by helicopter, and patients who are deceased. Refused patients are those who are treated locally but declined transportation to the hospital. Canceled calls are those terminated by radio before reaching a patient. The miscellaneous category includes maintenance, education, stand-by services, parades, etc.

Year	Billed	No Charge	Refused	Total Patients	Canceled	Misc.	Total Runs
2008	382	16	103	501	9	46	556
2009	369	24	99	492	10	29	531
2010	334	16	70	420	13	32	465
2011	385	13	88	486	10	42	538
2012	378	15	82	475	15	35	525

## ANNUAL EXPENSES

The expense of providing emergency medical services has increased dramatically since 1974. In 1975, the first full year of ambulance service operations, the Service had annual expenses of approximately \$15,000. Of that the shareholder cities contributed \$1,200, 8.0% of the total. In 2012 annualized expenses were approximately \$177,000, of which the shareholder contribution was \$6750, 3.8% of the total. Estimated annual expenses for 2013 are \$231,450 of which the requested shareholder contribution is \$11,080, 4.8% of the total. Over the years of its operation, the Lisbon-Mount Vernon Ambulance Service has received approximately 5% of its revenue in the form of annual appropriations from the two cities. This figure does not include the value of the building space provided by the City of Mount Vernon from 1972 to 1990 and from the City of Lisbon from 1979 to 1990. Nor does it include the very significant, continuing – and much appreciated – contributions in kind provided by the cities of Mount Vernon and Lisbon. In 2011 the City of Lisbon amended its Employee Practices to allow city employees to answer ambulance calls while on duty without loss of income.

The Lisbon-Mount Vernon Ambulance Service is far less reliant on municipal appropriations than is the norm. A study done for the Federal Office of Rural Health Policy in 2003 reported that, on average, 28% of rural ambulance service revenues were derived from state and local taxes. Current annual income for the Lisbon Mount Vernon Ambulance Service is about \$200,000. Twenty eight percent of that would be \$56,000.

A detailed accounting of actual expenses for calendar years 2009 through 2012 appears on the following pages. Note that actual expenses reported here may differ significantly from the estimates of “annual operating expense” earlier in this report. The difference is in major capital expenditures. In the data below such expenditures are shown in the years they were made. In the estimates of “annual operating expense” those major capital expenditures are distributed over a number of years. Expenses for 2010 in 2011 were extraordinarily high reflecting the cost of the new addition to our building. In fact, the cumulative deficit for these two years (\$163,788) is a pretty good approximation of the price we paid for that addition. We set money aside every year to cover those occasional large capital expenditures. The amounts set aside are reflected in the budget data that appears in Appendix B.)

SYNOPSIS OF INCOME AND EXPENDITURES — 2009-2012				
	2009	2010	2011	2012
<b>INCOME</b>				
4000 - Income				
4010 - Trips	\$160,293	\$156,852	\$161,659	\$178,698
4020 - Contributions	\$7,878	\$5,554	\$9,343	\$2,354
4030 - Interest	\$16,055	\$13,088	\$10,911	\$8,462
4050 - Miscellaneous	\$2,332	\$3,815	\$2,844	\$3,811
4100 - Municipalities				
4110 - Mt Vernon	\$5,000	\$5,000	\$5,000	\$5,000
4120 - Lisbon	\$3,500	\$3,500	\$1,750	\$1,750
<b>TOTAL INCOME</b>	<b>\$195,058</b>	<b>\$187,809</b>	<b>\$191,507</b>	<b>\$200,073</b>
<b>EXPENSE</b>				
1400 - Capital Expense				
1410 - Vehicle & Equipment	\$2,065			
1420 - Building	\$8,249	\$55,258	\$100,892	\$171
1440 - Medical Equipment	\$1,834		\$44,677	\$4,102

1450 - Educ & Training Equipment	\$269	\$275	\$65	
1460 - Uniforms	\$610	\$80	\$734	\$307
1470 - Office Equipment	\$995	\$233	\$600	\$4,126
1500 - Depreciation	\$33,000	\$40,000	\$40,000	\$40,000
<b>TOTAL CAPITAL &amp; DEPRECIATION</b>	<b>\$47,022</b>	<b>\$95,846</b>	<b>\$186,968</b>	<b>\$48,707</b>
5000 - Temporarily Restricted Education	\$1,768	\$1,261		
5100 - Vehicle Expense				
5110 - Gas	\$3,300	\$3,367	\$5,062	\$4,183
5120 - Maintenance	\$980	\$754	\$2,017	\$1,715
5130 - Repair	\$3	\$333	\$954	\$923
5200 - Building Expense				
5210 - Electricity & Heat	\$2,817	\$3,033	\$3,113	\$2,877
5220 - Telephone & Cellular	\$1,362	\$1,387	\$2,450	\$2,519
5230 - Maintenance	\$718	\$866	\$592	\$781
5240 - Repair	\$106	\$1,220		\$125
5250 - Supplies	\$367	\$71	\$577	\$277
5260 - Internet	\$974	\$575	\$602	\$633
5300 - Pager & Radio Expense				
5310 - Maintenance	\$29	\$107	\$80	\$49
5320 - Repair	\$75	\$15	\$60	
5400 - Misc Maintenance & Repair				
5410 - Maintenance	\$308	\$388	\$268	\$2,037
5420 - Repair	\$256			
5500 - Patient Supplies	\$9,870	\$15,972	\$16,451	\$11,278
5550 - Drug Box	\$478	\$507	\$699	\$735
5600 - Education & Training	\$18,184			
5610 - Continuing Ed & Training		\$3,168	\$4,096	\$2,471
5620 - Tuition, Books, & Testing		\$3,227	\$10,862	\$3,704
5700 - Run Reimbursement	\$14,200	\$12,190	\$12,440	\$11,390
5710 - On Call Reimbursement	\$23,659	\$20,293	\$20,953	\$17,989
5800 - Hep B, TB Vac, Flu Shots	\$646	\$355	\$1,256	\$1,391
6100 - Administrative Assistant				
6110 - Payroll	\$22,141	\$20,665	\$27,226	\$24,023
6120 - Fed Withholding & FICA	\$5,525	\$5,421	\$5,042	\$6,455
6130 - State Withholding	\$650	\$800	\$550	\$850
6140 - Fed Unemployment Tax				\$56
6150 - IA Workforce Development				
6160 - Payroll (EMT)				
6170 - Payroll				\$5,230
6180 - Fed Withholding & FICA				\$941
6185 - State Withholding				\$170
6200 - Financial Review	\$1,692	\$1,780	\$1,832	\$1,857
6300 - Office Expense				
6310 - Telephone	\$1,267	\$1,354	\$1,470	\$1,549
6320 - Postage/UPS	\$899	\$738	\$713	\$720
6330 - Supplies	\$2,785	\$2,747	\$1,619	\$2,306
6340 - Bank Service Fees	\$37	\$223	\$186	\$156
6350 - Technology Support	\$1,211	\$1,243	\$2,103	\$3,873
6400 - Insurance	\$11,646	\$11,474	\$11,924	\$11,779
6500 - Miscellaneous Expense				
6510 - Travel Expense	\$206	\$54	\$436	\$169
6520 - Dues & Fees	\$238	\$290	\$130	\$100
6530 - Miscellaneous Expense			\$136	\$7
6500 - Misc Exp - Other				\$137
6600 - Contingency Fund				
6700 - Public Relations	\$660	\$996	\$1,517	\$229
6800 - Standby Reimbursement	\$3,000	\$3,000	\$3,000	\$3,000
<b>TOTAL OPERATING EXPENSE</b>	<b>\$132,054</b>	<b>\$119,875</b>	<b>\$140,416</b>	<b>\$128,683</b>
<b>TOTAL EXPENSE</b>	<b>\$179,076</b>	<b>\$215,721</b>	<b>\$327,383</b>	<b>\$177,390</b>
<b>TOTAL INCOME</b>	<b>\$195,058</b>	<b>\$187,809</b>	<b>\$191,507</b>	<b>\$200,073</b>
<b>SURPLUS/(DEFICIT)</b>	<b>\$15,982</b>	<b>(\$27,912)</b>	<b>(\$135,876)</b>	<b>\$22,684</b>

## REVENUE

From 1974 through 2008 the primary sources of revenue were fees for service (65%), gifts and grants (22%), interest earnings on investments (8%), and shareholder appropriations (5%). In recent years, the balance of revenue sources has shifted dramatically. The income and expense report above reveals that in 2012 89% of revenue came from fees for service, 4% from interest on investments, and 3% from funds appropriated by the shareholders cities of Lisbon and Mount Vernon. In the present environment of extremely low interest rates, the percentage of revenue derived from interest income continues to fall. (Revenue as budgeted appears in Appendix B.)

Annual revenue increasingly comes from fees for service. In 1974 and 1975, the service collected an average of \$30 per patient. In 2012 the average was \$474 (trip income divided by patients billed). Since 1974, the ambulance service has collected about \$2,712,000 in user fees. The Ambulance Board endeavors to set those fees consistent with similar rural ambulance services and sufficient to cover most of the annual operating expenses. Many ambulance trips are paid for by Medicare or Medicaid at artificially low rates established by the government. Many others are not paid for at all. To encourage potential ambulance users to err on the side of their own safety, the Lisbon Mount Vernon Ambulance Service responds to emergency calls without charge unless a patient is transported or drugs are administered.

For the most part, the capital investment that has been required to establish an ambulance service, build a building, purchase and replace ambulances and medical equipment, and train volunteers has come from private contributions. In 1974 a successful fund drive raised about \$22,000 to purchase and equip the first ambulance. In 1989, when there was no longer space for ambulance operations in the Lisbon and Mount Vernon fire stations, another public fund drive raised about \$75,000 to build the current ambulance building on land owned by the City of Mount Vernon. For more than 20 years an Ambulance Boosters Association headed by Mary Viter actively solicited contributions for ambulance operations and successfully raised more than \$180,000 for the purchase of new ambulances and medical equipment. In 1996, the ambulance service received a \$50,000 bequest from the estate of Julian Verba, and in recent years, it has successfully pursued a number of grants for volunteer training and the purchase of specialized medical equipment. Altogether, since 1974, the ambulance service has received gifts and grants totaling about \$672,000.

## RESTRICTED RESERVE FUNDS & MULTIYEAR BUDGETING

Large capital expenditures, such as the replacement of ambulances, occur relatively infrequently, and must be budgeted years in advance. To that end of the Board of Directors has created four reserve funds to which annual contributions are made and from which major capital expenses are paid. The vehicle fund is for ambulance replacement. The building fund is for major repairs and capital improvements to the building. The equipment fund was established for replacement of high-value medical equipment, namely defibrillators. Finally the education account was established to cover the escalating but very unevenly distributed expenses associated with training paramedics. These funds are not physically segregated, and money may be shifted from one to another at the direction of the board. In 2008 \$50,000 was transferred from the equipment to the education fund because the service life of defibrillators has proven to be longer than originally anticipated and replacement costs were falling. At the same time, a major reorganization of Emergency Medical Services in the State of Iowa is increasing expenses for medical training and retraining. The status of each fund as of December 2012 is summarized in the table below.

Fund	Vehicles	Building	Equipment	Education	All
Year Established	1981	1996	1997	2006	
Budgeted for 2010	\$15,000	\$20,000	\$5,000	\$10,000	\$50,000
Budgeted for 2011	\$15,000	\$25,000	\$5,000	\$10,000	\$55,000
Budgeted for 2012	\$15,000	\$25,000	\$5,000		\$45,000
Budgeted Since Inception	\$364,068	\$161,000	\$166,000	\$70,000	\$761,068
Fund Transfer (12/2008)			-\$50,000	\$50,000	
Available Total	\$94,366	\$15,432	\$17,389	\$102,448	\$229,635

## ENDOWMENT & UNRESTRICTED RESERVES

Recognizing that gifts and grants are an unpredictable source of income, the Ambulance Board has over the years used gift money where possible to build an endowment. Today endowment funds total approximately \$260,000, about 39% of the \$672,000 in gifts and grants received since the inception of the Service.

By Board policy both restricted reserve funds and unrestricted endowment are invested in federally insured certificates of deposit at local banks. As a result, the Lisbon Mount Vernon Ambulance Service has never suffered a capital loss. Interest from invested funds has become a major source of revenue for ambulance operations, contributing \$288,500 through 2012. However, in the present environment of extremely low interest rates, interest income is insufficient to keep pace with inflation.

Current investments are described in the following table. Restricted reserve funds account for about \$230,000. The remaining \$260,000 is unrestricted endowment.

Number	Value	Certificates of Deposit Term	Rate	Maturity
		<b>Mt Vernon Bank &amp; Trust</b>		
32854	\$22,816.96	39 month	2.68	3/28/2014
33046	\$81,807.83	39 month	2.04	10/15/2014
33129	\$31,728.72	39 month	2.04	2/2/2015
33158	\$82,601.86	39 month	2.04	1/28/2015
33300	\$43,326.51	39 month	2.00	6/1/2015
<b>TOTAL</b>	<b>\$262,281.88</b>			
		<b>Hills Bank &amp; Trust</b>		
65049967	\$37,959.75	36 month	1.19	5/28/2015
65080269	\$80,435.92	36 month	2.33	8/28/2015
<b>TOTAL</b>	<b>\$118,395.67</b>			
		<b>Bridge Community Bank</b>		
14617	\$35,253.51	18 month	1.08	06/20/2014
<b>TOTAL</b>	<b>\$35,253.51</b>			
<b>TOTAL CDs</b>	<b>\$415,931.06</b>			
		<b>Money Market Fund — Bridge Community Bank</b>		
	\$74,323.10		0.40	
<b>GRAND TOTAL</b>	<b>\$490,254.16</b>			

(The audited “Statement of Revenues, Expenses and Cash Balance – Cash Basis, December 31, 2011” is attached as Appendix C.)

Respectfully Submitted,



Craig W. Allin, President  
Board of Directors  
Lisbon-Mount Vernon Ambulance Service

## APPENDIX A

### BY-LAWS OF LISBON-MOUNT VERNON AMBULANCE SERVICE

#### ARTICLE I OFFICES

The principal office of the corporation shall be located at City Hall, Mount Vernon, Iowa. The corporation shall have such other offices within Linn County, Iowa, as the Board of Directors may determine from time to time.

#### ARTICLE II MEMBERS

SECTION 1. CLASSES OF MEMBERS: There shall be one class of members. The members shall be the incorporated Town of Lisbon, Iowa, and the incorporated Town of Mount Vernon, Iowa.

SECTION 2. VOTING RIGHTS: Each member shall have the full and sole and unrestricted authority to appoint an equal number of directors to the Board of Directors of the corporation. Upon the resignation or expiration of the term of a director, the member who appointed said director shall have the sole, exclusive, and unrestricted authority to appoint a replacement director and fill the vacancy on the Board of Directors of the corporation. The action of the members in appointing directors shall be accomplished by and through the appropriate action of their respective Town Councils.

#### ARTICLE III MEETINGS OF MEMBERS

SECTION 1. ANNUAL MEETING: An annual meeting of the members shall be held at the principal office of the corporation, or at any other appropriate place designated by the Board of Directors and located within the boundaries of either of the two members, at a date and time to be established by the President of the Board of Directors, for the purpose of appointing directors, and for the transaction of any other business as may come before the meeting. If the appointment of directors is not accomplished at the annual meeting, or at any adjournment thereof, the President of the Board of Directors shall convene a special meeting of the members to accomplish said appointments.

SECTION 2. SPECIAL MEETING: Special meetings of the members may be called by the President, the Board of Directors, or either of the members at a place designated by the Board of Directors. If no designation is made, the place of the meeting shall be the principal office of the corporation, but if all of the members shall meet at any time and place, either within or without Linn County, and consent to the holding of a meeting, such meeting shall be valid without call or notice, and at such meeting any corporate action may be taken.

SECTION 3. NOTICE OF MEETING: Written or printed notice stating the place, day and hour of any meeting of members shall be delivered to the city administrator or the mayor of each member, not less than two days before the date of such meeting. In the case of a special meeting or when required by statute or by these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. If mailed, the notice of meeting shall be deemed to be delivered when deposited in the United States mail addressed to the particular city administrator or mayor, with postage thereon prepaid.

#### ARTICLE IV BOARD OF DIRECTORS

SECTION 1. GENERAL POWERS: The affairs of the corporation shall be managed by its Board of Directors.

Directors need not be residents of the incorporated towns of Lisbon or Mount Vernon, Iowa.

SECTION 2. NUMBER, TENURE, AND QUALIFICATIONS: The number of directors shall be eight. Directors shall be appointed at the annual meeting of members, and the term of office of each director shall be until the next annual meeting of members and the appointment and qualification of his successor.

SECTION 3. REGULAR MEETINGS: A regular meeting of the Board of Directors shall be held without any other notice than this By-Law, immediately after, and at the same place as the annual meeting of members. The Board of Directors may provide, by resolution, the time and place for holding additional regular meetings without other notice than such resolution. Additional regular meetings shall be held at the principal office of the corporation, or at any other appropriate place designated by the Board of Directors and located within the boundaries of either of the two members.

SECTION 4. SPECIAL MEETINGS: Special meetings of the Board of Directors may be called by or at the request of the President or any two directors, and shall be held at the principal office of the corporation, or at such other place as the directors may determine.

SECTION 5. NOTICE: Notice of any special meeting of the Board of Directors shall be given at least two days previously thereto by written notice delivered personally or sent by mail to each director at his address as shown by the records of the corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of notice at such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. The business to be transacted at the meeting need not be specified in the notice or waiver of notice of such meeting.

SECTION 6. QUORUM: A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board, but if less than a majority of the directors are present at any meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

SECTION 7. BOARD DECISIONS: The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these By-Laws. Decisions meant to establish permanent policies may be incorporated into subsequent revisions of these By-Laws or appended thereto.

SECTION 8. VACANCIES: Any vacancy occurring in the Board of Directors shall be filled as provided heretofore in these By-Laws. The member which appointed the director wherein the vacancy exists, shall have the sole, exclusive, and unrestricted authority to appoint a successor director and fill the vacancy.

SECTION 9. COMPENSATION: Directors shall not receive any compensation or salary for their services. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

## **ARTICLE V OFFICERS**

SECTION 1. OFFICERS: The officers of the corporation shall be the President, Vice-President, Secretary, Treasurer, and such other officers as may be elected in accordance with the provisions of this Article. The Board of Directors may elect or appoint such other officers, including one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary.

SECTION 2. ELECTION AND TERM OF OFFICE: The officers of the corporation shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of its officers is not held at such meeting, such election shall be held as soon thereafter as is convenient. New offices may be created

and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor has been duly elected and qualified.

SECTION 3. REMOVAL: Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the corporation would be served thereby.

SECTION 4. VACANCIES: A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

SECTION 5. POWERS AND DUTIES: The several officers shall have such powers and shall perform such duties as may from time to time be specified in resolutions or other directives of the Board of Directors. In the absence of such specifications, each officer shall have the power and authority, and shall perform and discharge the duties of officers of the same title serving in nonprofit corporations having the same or similar general purposes and objectives as this corporation.

#### **ARTICLE VI MEDICAL DIRECTOR**

SECTION 1. APPOINTMENT AND TERM OF OFFICE: The Medical Director shall be appointed by the Board of Directors and shall serve at the pleasure of the Board.

SECTION 2. QUALIFICATIONS: The Medical Director shall have those qualifications required by applicable laws and regulations.

SECTION 3. POWERS AND DUTIES: The Medical Director shall supervise the medical operations of the Lisbon Mount Vernon Ambulance Service consistent with all applicable laws and regulations.

#### **ARTICLE VII VOLUNTEERS**

SECTION 1. APPOINTMENT AND TERM OF OFFICE: Individuals shall be appointed provisionally by the Board of Directors upon the recommendation of the Lisbon-Mount Vernon Ambulance Volunteers and after a period of satisfactory service shall be appointed permanently. The term of permanent members shall expire with their resignation or any other event that precludes their service for a period greater than one year.

SECTION 2. OFFICERS AND COMMITTEES: The Lisbon-Mount Vernon Ambulance Volunteers shall organize their affairs, create committees, select officers, and exercise the powers delegated to them in accordance with their own constitution and by-laws.

SECTION 3. POWERS AND DUTIES: The Lisbon-Mount Vernon Ambulance Volunteers shall exercise general responsibility for the day-to-day operations of the Lisbon-Mount Vernon Ambulance Service consistent with all applicable laws and regulations, the decisions of the Medical Director, and the policies of the Board.

#### **ARTICLE VIII [reserved]**

#### **ARTICLE IX COMMITTEES**

SECTION 1. COMMITTEES OF DIRECTORS: The Board of Directors, by resolution adopted by a majority of the directors in office, may designate one or more committees, each of which shall consist of two or more directors, which committees, to the extent provided in such resolution, shall have and exercise the authority of the Board of Directors in the management of the corporation; but the designation of such committees and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual director, of any responsibility imposed upon it or him by law.

SECTION 2. BUDGET COMMITTEE:

- a. *Membership.* There is hereby established a permanent Budget Committee consisting of (1) the Chief of the Service, (2) the Assistant Chief of the Service, (3) the Administrative Assistant to the Board of Directors, and (4) the Treasurer of the Board of Directors, each serving *ex officio*; and (5) two additional members of the Board of Directors to be appointed by the President of the Board so as to include at least one Lisbon Director and one Mount Vernon Director. From among the membership of the Budget Committee the President of the Board shall appoint (1) a Director to serve as Chair, (2) a Lisbon Director to serve as financial liaison to the Lisbon municipal government, and (3) a Mount Vernon Director to be financial liaison to the Mount Vernon municipal government. Directors appointed by the President, under any provision of this paragraph, serve at the pleasure of the President.
- b. *Purpose.* The purpose of the Budget Committee is to formulate and propose to the Board of Directors a unified annual budget for the Lisbon-Mount Vernon Ambulance Service.
- c. *Responsibilities of Members.*
  - i. *The Chair.* The Chair shall first convene the Budget Committee prior to the last regular Board meeting of the calendar year. The Chair shall convene such additional meetings as are necessary to complete the Committee's purpose prior to the last regularly scheduled Board meeting of the calendar year.
  - ii. *The Chief.* Prior to the first meeting of the Budget Committee, the Chief shall convene the Council for the purposes of making recommendations to the Budget Committee. The Chief shall present the recommendations of the Council at the first meeting of the Budget Committee. Council recommendations to the Budget Committee shall be made by majority vote and forwarded to the Budget Committee in writing. The Council's recommendations shall include a complete survey of the capital needs of the Service for the subsequent budget year and any additional proposals the Council shall see fit to submit.
  - iii. *The Administrative Assistant.* Prior to the first meeting of the Budget Committee, the Administrative Assistant shall prepare estimates of revenues and operating expenses for the subsequent budget year. An estimate of revenue shall be made assuming no increase in fees for service. When so directed by the Council, the President, or the Budget Committee, the Administrative Assistant shall prepare additional estimates of revenue using alternative assumptions regarding fees for service. Additional estimates using alternative assumptions may also be made at the discretion of the Administrative Assistant.
  - iv. *The Directors charged with Municipal Liaison.* Throughout their terms of office, these Directors shall endeavor to maintain effective liaison with their respective municipal governments. As needs dictate, and accompanied by the Administrative Assistant to the Board, they shall appear in person to promote the needs of the Lisbon-Mount Vernon Ambulance Service before municipal institutions and officers.
- d. *Rules of Procedure.* The Budget Committee shall conduct its business under the same rules of procedure that apply to the Board of Directors.
- e. *Report.* The Budget Committee shall adopt a budget proposal by majority vote and report the same in writing, as a recommendation, to the Board of Directors at the last regularly scheduled Board meeting of the calendar year. The recommendations of the Council shall be forwarded to the Board as an appendix to the Committee's recommendation.

**ARTICLE X  
BUDGET**

SECTION 1. RULES OF PROCEDURE: The Report of the Budget Committee shall be privileged. Its receipt, and subsequent discussion and action germane thereto, shall be scheduled for the last regular Board meeting of the calendar year and placed on the Agenda immediately after consideration of the minutes and any other business that is prerequisite to acting on the budget. The Report of the Budget Committee is advisory only, and the Board of Directors retains the authority to adopt any budget by majority vote.

SECTION 2. BUDGET AUTHORITY: Once adopted by the Board of Directors, the budget creates the authority for the Administrative Assistant or the Council to expend funds consistent with the budget during the fiscal year.

SECTION 3. CONTINGENCY FUNDS: The Board may budget one or more contingency funds. Unless specified otherwise, contingency funds shall be reprogrammed to regular budget categories as necessary by the Administrative Assistant, who shall in a timely fashion notify the President of the Board.

SECTION 4. AMENDMENTS: At any time, by majority vote, the Board of Directors may amend the budget or authorize expenditures outside the budget.

**ARTICLE XI  
CONTRACTS, CHECKS, DEPOSITS AND FUNDS**

SECTION 1. CONTRACTS:

A. *Procurement Contracts*. Contracts shall be executed for the procurement of goods and/or services, other than routine supplies. Said contracts shall include descriptions in appropriate detail of the goods and/or services to be procured and a firm, fixed price for those goods and/or services. Catalog descriptions, catalog prices, and orders made pursuant thereto shall be deemed to satisfy this requirement.

B. *Multiple Proposals*. When the dollar value of a procurement contract is expected to exceed five hundred dollars and there are multiple suppliers for the goods and/or services to be procured, multiple contract proposals shall be solicited consistent with the provisions of paragraph A. Nothing in this section shall be construed to require that contracts be awarded to the lowest bidder.

C. *General Authority*. Nothing in this section shall be construed to limit the authority of the Board of Directors to authorize any person or persons, in addition to the officers authorized by these By-Laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or it may be confined to specific instances.

SECTION 2. CERTIFICATION OF EXPENDITURES: Prior to payment, the Chief of the Service shall examine every bill and, by his/her signature, approve payment of those found to be appropriate and consistent with the budgetary decisions of the Board of Directors.

SECTION 3. CHECKS, DRAFTS OR ORDERS: All checks, drafts or orders for the payment of money, notes, or other evidence of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer, and countersigned by the President of the corporation.

SECTION 4. DEPOSITS: All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the Board of Directors may select. Officers of the Board of Directors are authorized to enter into agreements on behalf of the corporation with banks, trust companies, and other depository institutions, and those agreements currently in force shall be appended to these By-Laws.

SECTION 5. GIFTS: The Board of Directors may accept on behalf of the corporation, any contribution, gift, bequest or devise for any purpose of the corporation.

**ARTICLE XII  
BOOKS AND RECORDS**

The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors, committees having and exercising any of the authority of the Board of Directors, and all such books and records shall be kept at the principal office of the corporation. All books and records of the corporation may be inspected by any member, or his agent or attorney, for any proper purpose at any reasonable time.

**ARTICLE XIII  
FISCAL YEAR**

The fiscal year of the corporation shall run concurrent with the calendar year.

**ARTICLE XIV  
SEAL**

The corporation shall have no seal.

**ARTICLE XV  
WAIVER OF NOTICE**

Whenever any notice is required to be given under the provisions of Chapter 504A of the Code of Iowa, or under the provisions of the Articles of Incorporation or the By-Laws of the corporation, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

**ARTICLE XVI  
AMENDMENT OF BY-LAWS**

These By-Laws may be altered, amended, or repealed, and new By-Laws may be adopted by a majority of the directors present at any regular meeting or at any special meeting.



## APPENDIX B

AMBULANCE BUDGET					
	2009	2010	2011	2012	2013
<b>INCOME</b>					
4000 - Income					
4010 - Trips	\$170,000	\$175,000	\$175,000	\$190,000	\$209,000
4020 - Contributions	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
4030 - Interest	\$22,000	\$11,000	\$11,000	\$10,000	\$7,200
4050 - Miscellaneous	\$500	\$500	\$500	\$3,200	\$40
4100 - Municipalities					
4110 - Mt Vernon	\$5,000	\$5,000	\$5,000	\$5,000	\$6,780
4120 - Lisbon	\$3,000	\$3,500	\$3,500	\$3,500	\$4,300
<b>TOTAL INCOME</b>	<b>\$205,500</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$216,700</b>	<b>\$232,320</b>
<b>EXPENSE</b>					
1400 - Capital Expense					
1410 - Vehicle & Equipment					
1420 - Building					
1430 - Pagers & Radios	\$1,500	\$3,500	\$3,500	\$3,500	\$1,000
1440 - Medical Equipment	\$7,000	\$7,000	\$3,000	\$7,000	\$3,000
1450 - Educ & Training Equipment	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
1460 - Uniforms	\$5,000	\$1,000	\$500	\$500	\$750
1470 - Office Equipment	\$3,000	\$3,000	\$1,000	\$1,000	\$2,500
1480 - Miscellaneous	\$100	\$100			
1500 - Depreciation					
1510 - Vehicles	\$20,000	\$15,000	\$15,000	\$15,000	\$30,000
1520 - Building	\$8,000	\$20,000	\$25,000	\$25,000	\$25,000
1530 - Defibrillator	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
<b>TOTAL CAPITAL &amp; DEPRECIATION EXPENSE</b>	<b>\$51,100</b>	<b>\$56,100</b>	<b>\$54,500</b>	<b>\$58,500</b>	<b>\$68,750</b>
<b>Non-Capital Expense</b>					
5000 - Temporarily Restricted	\$10,000	\$10,000	\$10,000		
Education - Equity					
5100 - Vehicle Expense	\$9,500	\$3,500	\$5,000	\$7,000	\$7,500
5200 - Building Expense	\$7,000	\$7,000	\$10,000	\$10,000	\$8,000
5300 - Pager & Radio Expense	\$500	\$500	\$500	\$200	\$200
5400 - Misc Maintenance & Repair	\$500	\$500	\$1,800	\$500	\$500
5600 - Education & Training	\$15,000	\$10,000	\$3,500	\$20,000	\$7,000
5700 - Run Reimbursement	\$14,000	\$17,000	\$16,000	\$13,000	\$12,000
5710 - On Call Reimbursement	\$20,000	\$23,000	\$23,000	\$21,000	\$18,000
5800 - Hep B, TB Vac, Flu Shots	\$2,000	\$1,000	\$750	\$1,500	\$1,500
5900 - White Lights	\$200	\$100	\$100	\$0	
6100 - Administrative Asst	\$27,000	\$28,000	\$29,000	\$34,000	\$35,000
6160 - Payroll (EMT)					\$25,000
6200 - Financial Review	\$1,600	\$1,700	\$2,000	\$2,000	\$1,900
6300 - Office Expense	\$5,500	\$6,000	\$6,500	\$7,500	\$8,500
6600 - Contingency Fund	\$5,000	\$5,000	\$5,000	\$7,000	\$5,000
6700 - Public Relations	\$2,000	\$2,000	\$2,000	\$500	\$1,000
6800 - Standby Reimbursement	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
<b>TOTAL OPERATING EXPENSE</b>	<b>\$122,800</b>	<b>\$118,300</b>	<b>\$118,150</b>	<b>\$127,200</b>	<b>\$134,100</b>
<b>TOTAL EXPENSE</b>	<b>\$173,900</b>	<b>\$174,400</b>	<b>\$172,650</b>	<b>\$185,700</b>	<b>\$202,850</b>
<b>TOTAL INCOME</b>	<b>\$205,500</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$216,700</b>	<b>\$232,320</b>
<b>SURPLUS</b>	<b>\$31,600</b>	<b>\$25,600</b>	<b>\$27,350</b>	<b>\$31,000</b>	<b>\$29,470</b>

## APPENDIX C — 2011 AUDIT REPORT

See the following four pages.

LISBON-MOUNT VERNON AMBULANCE SERVICE  
Statement of Revenues, Expenses and Cash Balance-Cash Basis  
December 31, 2011

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**CPA** PEARSON & ASSOCIATES, PC  
CERTIFIED PUBLIC ACCOUNTANTS

504 First Avenue SE Mount Vernon, Iowa 52314-1612  
Phone: (319) 895-6224 | Fax: (319) 895-8829  
www.pearsoncpas.com

ACCOUNTANT'S REVIEW REPORT

To the Board of Directors  
Lisbon-Mount Vernon Ambulance Service

We have reviewed the accompanying statement of revenues, expenses and cash balance-cash basis of Lisbon-Mount Vernon Ambulance Service for the year ended December 31, 2011. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statement as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statement.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statement. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statement in order for it to be in conformity with the cash basis of accounting, as described in Note 1.

*Pearson & Associates, PC*

Mount Vernon, Iowa  
April 30, 2012

**LISBON-MOUNT VERNON AMBULANCE SERVICE**  
 Statement of Revenue, Expenses and Cash Balance-Cash Basis  
 Year Ended December 31, 2011

<b>REVENUE</b>	
Trips	\$ 157,602
Contributions-unrestricted	12,797
Contributions-building maintenance funds	6,750
Miscellaneous	2,844
Gain on sale of equipment	10,000
Interest	10,911
	<u>\$ 200,904</u>
 <b>EXPENSES PAID</b>	
Public Relations	\$ 1,517
Professional services	1,832
Patient supplies	17,150
Education and training	14,958
Truck operation	8,033
Expense reimbursement	12,440
On call reimbursement	20,953
Repairs and maintenance	408
Building maintenance	7,334
Office supplies	3,988
Safety	1,256
Insurance	11,924
Wages and payroll taxes	32,818
Miscellaneous	7,739
Technology support	2,103
Capital additions	56,076
	<u>\$ 200,529</u>
INCREASE in cash before building costs	375
New building costs	<u>100,892</u>
DECREASE in cash	\$ (100,517)
 <b>CASH BALANCE, beginning</b>	
including savings deposits of \$597,231	<u>600,366</u>
 <b>CASH BALANCE, ending</b>	
including savings deposits of \$497,297	<u>\$ 499,849</u>

See accompanying notes and accountant's report.

## NOTES TO FINANCIAL STATEMENT

### Note 1. Nature of Business and Significant Accounting Policies

#### Nature of Business

Lisbon-Mount Vernon Ambulance Service is a non-profit corporation organized to provide ambulance service for the Lisbon and Mount Vernon communities. Revenues are generated from transportation fees and also contributions received from the general public. There are no donor restrictions on contributions received at this time.

#### Significant Accounting Policies

##### Basis of Accounting

The books are maintained, and the financial statement is presented, on the cash basis of accounting; consequently, revenue is recognized when received rather than when earned, and expenses and purchase of assets are recognized when cash is disbursed rather than when the obligation is incurred.

##### Cash and Equivalents

For purposes of reporting, all cash accounts and certificates of deposits are considered to be cash or cash equivalents.

### Note 2. Concentrations of Credit Risk

The Lisbon-Mount Vernon Ambulance Service maintains cash balances at several financial institutions located in the Mount Vernon and Lisbon communities. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2011, the uninsured cash balances total \$59,820. It is the opinion of the Board that the solvency of the referenced financial institutions is of no particular concern at this time.

### Note 3. Capital Addition

The Board of Directors accepted a bid in 2009 for up to \$150,000 for an addition to the current ambulance building. The work was completed in 2011. Expenditures for the building for the year ended December 31, 2011 and 2010 were \$100,892 and \$55,258, respectively. The total building project was completed within budget with the addition of an additional \$7,200 in approved expenditures.

### Note 4. Income Taxes

Lisbon-Mount Vernon Ambulance Service qualifies as an exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is not subject to federal or state income taxes. This code section enables the Organization to accept donations which qualify as charitable contributions to the donor.