

**LAKE SHORE HOSPITAL AUTHORITY  
BUDGETARY FUNDS  
PROPOSED BUDGET  
Fiscal Year 2010-11  
AUGUST 9, 2010**

		Patient Care Funds		Operating	Capital	
	Reference	Hospital Services	Clinical Services	Fund	Improvement	Total
					Fund	
<b>ESTIMATED REVENUES</b>						
Ad valorem taxes - 1.500 mills	A	\$ 2,928,332	\$ 610,000	\$ -	\$ -	\$ 3,538,332
		-	-	-	-	-
		-	-	-	-	-
1.500 mills		-	-	-	-	-
	A	2,928,332	610,000	-	-	3,538,332
Lease Income	B	-	-	479,070	-	479,070
Interest	C	35,000	10,000	50,000	50,000	145,000
Total revenues		2,963,332	620,000	529,070	50,000	4,162,402
<b>ESTIMATED BEGINNING CASH</b>						
Cash and investments		680,000	875,000	3,100,000	3,800,000	8,455,000
Total revenues and balances		\$ 3,643,332	\$ 1,495,000	\$3,629,070	\$3,850,000	\$ 12,617,402
<b>APPROPRIATIONS</b>						
<b>Administration</b>						
<b>Personal services:</b>						
Salaries - 4	D	-	-	141,475	-	141,475
FICA		-	-	10,823	-	10,823
Retirement		-	-	15,237	-	15,237
Health insurance		-	-	21,112	-	21,112
Workers Compensation		-	-	1,456	-	1,456
		-	-	190,103	-	190,103
<b>Operating expenses:</b>						
Property Appraiser fees	E	135,000	-	-	-	135,000
Tax Collector fees	E	110,000	-	-	-	110,000
Legal services	F	-	-	24,000	-	24,000
Accounting and auditing	F	-	-	22,000	-	22,000
Office cleaning and supplies	G	-	-	7,000	-	7,000
Telephone	G	-	-	7,000	-	7,000
Security service	G	-	-	1,200	-	1,200
IT consulting	G	-	-	3,000	-	3,000
Office supplies and expenses	G	-	-	12,000	-	12,000
Lawn maintenance	G	-	-	6,500	-	6,500
Board training	-	-	-	5,000	-	5,000
Utilities	G	-	-	10,000	-	10,000
Insurance	G	-	-	28,000	-	28,000
		245,000	-	125,700	-	370,700
Total administration		245,000	-	315,803	-	560,803
<b>Health care services</b>						
<b>Current expenses:</b>						
<b>Indigent patients care</b>						
<b>Shands at Lake Shore</b>						
Emergency indigent patient services	H	2,600,000	-	-	-	2,600,000
On-call physician pay	I	120,000	-	-	-	120,000
		2,720,000	-	-	-	2,720,000
<b>Indigent patient care at clinics</b>						
Indigent patients services	J	-	600,000	-	-	600,000
Pharmacy	K	-	20,000	-	-	20,000
Public education	L	-	-	20,000	-	20,000
		-	620,000	20,000	-	640,000
Total health care services		2,720,000	620,000	20,000	-	3,360,000
<b>Capital outlay:</b>						
Land purchases		-	-	-	-	-
Total capital outlay		-	-	-	-	-
Total appropriations		2,965,000	620,000	335,803	-	3,920,803
<b>ESTIMATED ENDING CASH</b>						
Total appropriations and balances		\$ 3,643,335	\$ 1,495,000	\$3,629,070	\$3,850,000	\$ 12,617,402

LAKE SHORE HOSPITAL AUTHORITY  
FINANCIAL REALIGNMENT  
2010-2011

Over the past twenty years, the Lake Shore Hospital Authority (Authority) has operated under various lease and indigent care agreements, which included the issuance of bonds to finance hospital improvements. These agreements required the Authority to maintain various funds and accounts to fully comply with the various terms of the agreements and bond covenants.

With the recent assignment and modification of the lease to HMA Lake Shore, Inc., many of these requirements and need for special funds went away. To better reflect the new operating environment of the Authority as well as to simplify and make more transparent its *financial records* and accounts, the Authority Manager proposes the following realignment of Authority funds:

CURRENT FUND	PROPOSED FUNDS
Patient Care Operating	Hospital Services Clinical Services
Patient Care Capital Capital Improvements	Consolidated to Capital Improvements
Leasehold	Operating
Debt Service	Discontinued

As shown in the Proposed Budget for 2010-11, these new funds will be utilized as follows:

1. Hospital Services Fund - This fund will receive a substantial portion of the 1.5 mills of ad valorem taxes and will pay for Authority contracted hospital-based indigent care, as well as the existing payments to on-call physicians at Shands at Lake Shore.
2. Clinical Services Fund - This fund will receive an allocation of the proceeds of the 1.5 mill tax levy and will fund indigent primary care services at contracted clinical facilities. The following unexpended clinic appropriations will be transferred from the Patient Care Fund to establish this new fund:

2007-08	\$ 375,000
2008-09	250,000
2009-10	<u>250,000</u>
	<u>\$ 875,000</u>

3. Operating Fund - This fund will replace the Leasehold Fund and will account for the future lease payments received from HMA Lake Shore, as well as any other types of non-tax revenues received. The Authority's operating administrative budget will be administered in this fund. This fund will maintain the prior its accumulated reserves of the Leasehold Fund of approximately \$3,100,000, which are under the Authority's direction.
4. Capital Improvement Fund - This fund will account for the accumulated unexpended proceeds of the Authority special tax levies over the past several years and unexpended fund balance of the current Capital Improvements Fund associated with the Authority's prior bond issue as follows:

Unexpended tax funds 2006-2010	\$ 3,198,556
Capital Improvements Fund balance	634,641
	<u>\$ 3,833,197</u>

It is anticipated that these funds will be substantially invested until appropriated by the Authority for specific future projects.

LAKE SHORE HOSPITAL AUTHORITY  
 BUDGETARY FUNDS  
 PROPOSED BUDGET EXPLANATIONS  
 Fiscal Year 2010-11  
 August 9, 2010

Reference

**A** Ad valorem Taxes - Value of 1.5 mills required to be levied under lease. Approximately \$131,000 less revenue than current year. ,5468 mills additional tax revenue for capital projects is not being recommended for next year. This will reduce taxes from the current year as follows:

Patient Care	15 mills	\$ (130,938)
Capital	-	<u>(1,337,571)</u>
		<u><u>\$(1,468,509)</u></u>
Percent reduced		<u>29,3%</u>

**B** Lease income - Regular: 12 monthly payments of \$39,923 from Hospital tenant

**C** Interest - Estimated interest to be earned on funds based upon anticipated rates.

**D** Personal Services - Continuation of present salaries with no increases as follows:

	Authority Manager	Administrative Director	Administrative Assistant	Receptionist/ Secretary	Total
Salary	\$ 45,675	\$ 43,800	\$ 31,200	\$ 20,800	\$ 141,475
Health insurance	\$ 5,278	\$ 5,278	\$ 5,278	\$ 5,278	\$ 21,112
PICA	\$ 3,494	\$ 3,351	\$ 2,387	\$ 1,591	\$ 10,823
Retirement	\$ 4,919	\$ 4,718	\$ 3,360	\$ 2,240	\$ 15,237
Bond	\$ 313	\$ 313	\$ 313	\$ 313	\$ 1,252
Workers' Comp.	\$ 51	\$ 51	\$ 51	\$ 51	\$ 204
	<u>\$ 59,730</u>	<u>\$ 57,511</u>	<u>\$ 42,589</u>	<u>\$ 30,273</u>	<u>\$ 190,103</u>

E	Property Appraiser & Tax Collector fees -	Pursuant to <i>Florida Statutes</i> for ad valorem tax services.
F	Legal, Accounting and auditing services	Budgeted at current usage levels. Paid in accordance with existing contracts (no rate increases)
G	Administrative Complex expenses	<ol style="list-style-type: none"> <li>1. Office cleaning- - based on current usage</li> <li>2. Telephone - based on current and anticipated usage.</li> <li>3. Security - current monitoring cost of system.</li> <li>4. IT consulting - maintenance of computer network,</li> <li>5. Office supplies expense - based on current and projected usage.</li> <li>6. Lawn maintenance - based on current contract</li> <li>7. Utilities - based on current contract</li> <li>8. Insurance - based upon current rates with 5% increase.</li> </ol>
H	indigent care, hospital -	Obligation under Indigent Care Agreement at Lake Shore Hospital, at current reimbursement rates. Reduction for current year of \$100,000 (3.7%) to reflect tax revenue reduction of 3.6%.
I	On-call physician pay -	Authority administered on-call compensation for physicians at Shands at Lake Shore.
J	Indigent care; primary care facilities	Funding for three clinical sites based upon current usage rates for two present clinics. (\$225,000 each) and new clinic (\$150,000). Funds to be reserved for next year if not paid.
K	Pharmacy -	Funding for limited pharmacy program, based upon current and anticipated usage for three clinics.
L	Public education -	Authority sponsored public education program in support of healthcare services sponsored by LSHA.