

COUNTY OF



ALLEGHENY

RICH FITZGERALD
COUNTY EXECUTIVE

Hospital Development Authority

2023 Budget

ADOPTED

**ALLEGHENY COUNTY HOSPITAL DEVELOPMENT AUTHORITY
GENERAL FUND
2023 ADOPTED BUDGET**

	2022 Adopted Budget	2022 Projected Revenues/Costs	2023 Adopted Budget	Increase / (Decrease)	Notes
Beginning Operating Reserve	\$ 1,555,971	\$ 1,459,631	\$ 1,959,436	\$ 403,465	1
<u>REVENUES</u>					
Agenda Fees	\$ 500	\$ 0	\$ 500	\$ 0	2
Annual Fees	612,431	1,030,166	646,181	\$ 33,750	3
Closing Fees	25,000	0	25,000	\$ 0	4
Project Fees	5,000	0	5,000	\$ 0	5
Interest Income	134	15,336	47,009	\$ 46,875	6
TOTAL REVENUES	\$ 643,065	\$ 1,045,502	\$ 723,691	\$ 80,626	
<u>EXPENSES</u>					
ACED Administrative Contract	\$ 500,000	\$ 500,000	\$ 500,000	0	7
Audit	2,700	4,149	2,900	200	8
Insurance	2,500	2,410	2,500	0	9
Legal	27,500	23,208	11,810	(15,690)	10
Legal Advertising	1,000	0	1,000	0	11
Office Supplies	1,000	0	1,000	0	12
Miscellaneous	15,928	15,931	1,823	(14,105)	13
Special Projects	279,501	0	0	(279,501)	14
Furniture	0	0	3,000	3,000	15
TOTAL EXPENSES	\$ 830,129	\$ 545,698	\$ 524,033	\$ (306,096)	
Excess (Deficit) Revenues Over Expenses	\$ (187,064)	\$ 499,804	\$ 199,658	\$ 386,722	
Ending Operating Reserve	\$ 1,368,907	\$ 1,959,436	\$ 2,159,094	\$ 790,187	

**ALLEGHENY COUNTY HOSPITAL DEVELOPMENT AUTHORITY
GENERAL FUND
NOTES TO 2023 ADOPTED BUDGET**

1. <u>BEGINNING OPERATING RESERVE</u>	
2022 Beginning Operating Reserve	\$ 1,459,631
Projected 2022 Deficit/ Revenue	499,804
2023 Projected Beginning Operating Reserve	<u>\$ 1,959,436</u>
2. <u>AGENDA FEES</u>	<u>\$ 500</u>
Agenda fees are monies paid by participants who request new financing agreements with the Board of Directors. Projection assumes 1 new project(s) at the cost of \$500 each.	
3. <u>ANNUAL FEES</u>	
See Schedule A (rounded).	
Annual Fees Collected in 2022	<u>\$ 633,005</u>
Less: 2021 Annual Fees Collected in 2022	<u>(393,985)</u>
Annual Fees Expected to be Collected in 2022	<u>397,161</u>
One Estimated Bond/Note in 2023	<u>10,000</u>
2023 Proposed Annual Fees	<u>\$ 646,181</u>
4. <u>CLOSING FEES</u>	<u>\$ 25,000</u>
Using a conservative approach, it is estimated that there will be one (1) new bond issue in 2023 at a total of \$40,000,000 with closing fees totaling \$25,000.	
5. <u>PROJECT FEES</u>	<u>\$ 5,000</u>
Projection is based on a fee of \$5,000.00 for one new deal.	
6. <u>INTEREST INCOME</u>	
2023 projected interest income was calculated below:	
2023 Beginning Operating Reserve	\$ 1,959,436
Less One-Half Administrative Fee	\$ (250,000)
Balance	<u>\$ 1,709,436</u>
Percentage	<u>2.75%</u>
2023 Projected Interest	<u>\$ 47,009</u>

**ALLEGHENY COUNTY HOSPITAL DEVELOPMENT AUTHORITY
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NOTES TO 2023 ADOPTED BUDGET**

7	<u>ACED ADMINISTRATIVE CONTRACT</u>	<u>\$ 500,000</u>
	Projection assumes the administrative contract between the HDA and the Allegheny County Department of Economic Development will remain at \$500,000 in 2023.	
8	<u>AUDIT</u>	
	Professional audit fees are typically contracted every three (3) years, however HDA extended it's current contract with Maher Duessel for and additional two years. In 2024 the authorities will issue another RFP for years 2024-2027.	
	2023 Audit Fees (for YE 2022 audit)	<u>\$ 2,900</u>
9	<u>INSURANCE</u>	<u>\$ 2,500</u>
	2023 Director & Officer's insurance expense is estimated at \$2,500.00. Based on estimated total ACED authorities aggregate of \$15,000.00. (\$15,000 / 6 authorities) Each ACED authority is invoiced separately.	
10	<u>LEGAL</u>	
	Fees are based on current Clark Hill, PLC contract. Based on estimated total FDC authorities aggregate of \$42,240.00.	
	Contracted Amount (\$42,240 / 4)	\$ 10,560
	Out-of-Pocket Expenses	<u>1,250</u>
	2023 Legal Fees	<u>\$ 11,810</u>
11	<u>LEGAL ADVERTISING</u>	<u>\$ 1,000</u>
	Budget includes cost for the 2023 annual audited financial statements	
12	<u>OFFICE SUPPLIES</u>	<u>\$ 1,000</u>
	Allowance for the purchase of general office supplies such as calculators, vouchers and computer software.	
13	<u>MISCELLANEOUS</u>	<u>\$ 1,823</u>
	\$500 Allowance for postage and bank service charges. \$900 for quickbooks fee split between each authority. \$423 for PNC Pinnacle online banking fees.	
14	<u>SPECIAL PROJECTS</u>	<u>\$ -</u>
	An annual special project expense of \$279,501 will no longer be paid through HDA. This expense was for the county dues for Southwestern Pennsylvania Commission (SPC).	
15	<u>FURNITURE</u>	<u>\$ 3,000</u>
	Allowance for the purchase of items such as furniture, file cabinets, etc.	

**ALLEGHENY COUNTY HOSPITAL DEVELOPMENT AUTHORITY
GENERAL FUND
2023 ANTICIPATED ANNUAL FEE SCHEDULE
SCHEDULE A**

DATE DUE	BUSINESS	PROJECT NO.	SERIES	ORIGINAL AMOUNT	REDEMPTION DATE	ANNUAL FEE 2023	FEE per Hospital	% per Hospital
12/01	ALLEGHENY HEALTH NETWORK		2018	\$943,365,000	12/01/47	\$235,841.25	\$235,841.25	37.07%
02/12	CONCORDIA LUTHERAN GROUP		2016 A	\$40,250,000	05/01/37	\$10,062.50	\$10,062.50	1.58%
09/04	DIALYSIS CLINIC, INC.	034	1997	\$6,750,000	09/04/27	\$1,687.50	\$1,687.50	0.27%
12/12	OHIO VALLEY HOSPITAL		2019 B	\$19,455,000	12/01/49	\$4,863.75	\$4,863.75	0.76%
12/12	HERITAGE VALLEY HOSPITAL		2019 A	\$35,825,000	12/01/49	\$8,956.25	\$8,956.25	1.41%
10/29	UPMC	033	1997 B	\$150,000,000	07/01/27	\$22,500.00		
05/01	UPMC		2007 A	\$225,000,000	03/01/35	\$33,750.00		
12/01	UPMC		2017 D	\$500,000,000	12/01/47	\$125,000.00		
05/30	UPMC		2019 A	\$726,650,000	10/15/39	\$181,662.50		
3/30	UPMC		2021 B	\$47,430,000	10/15/31	\$11,857.50	\$374,770.00	58.91%
Add: One (1) Bond/Note at an annual fee of \$10,000. (Estimated deal of \$40,000,000 x .00025)						<u>10,000.00</u>		
TOTAL						<u>\$646,181.25</u>	<u>\$636,181.25</u>	<u>100.00%</u>

TOTAL RECEIVED FROM 2022 ANNUAL FEES IN 2022	\$ 239,020.00
TOTAL RECEIVED FROM 2021 ANNUAL FEES IN 2022	\$ 393,985.00
TOTAL ANNUAL FEES RECEIVED TO DATE IN 2022	<u>\$ 633,005.00</u>