
Fiscal Year 2020

BUDGET

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HEALTH

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Halifax Health Budget Policy FY 2020 Budget

Premise:

Generating fiscally sound policy while maintaining outstanding patient care is our commitment to the future of Halifax and the community we serve.

Policy:

To maintain employee salaries and benefits at competitive levels and allocate financial resources consistent with the standards, guidelines and parameters of nursing care required for patients.

To replace and enhance existing facilities and equipment with new and expanded services and technologies.

To develop a financial operation that is sufficiently flexible to react to the anticipated changes in the health care environment.

To enable the Cornerstone initiative in support of our patients, our employees and our community.

Fiscal 2020 Budget Objectives:

	Halifax Health w/o Deltona	Halifax Health Total
Total Margin	3.5%	1.6%
Operating Margin	2.0%	0.1%
Operating EBIDA Margin	9.3%	8.4%
Adjusted Operating EBIDA Margin *	9.0%	8.1%
EBIDA Margin	10.7%	9.7%
Days Cash on Hand	271	264
Unrestricted Cash to Debt	114.2%	87.1%
Long-term Debt to Capitalization	49.7%	58.0%
OG MADS coverage ratio	2.28	2.28

* -Excludes investment income/loss of Foundation recorded as operating income.

Halifax Health
Projected Condensed Statement of Net Position
(\$ in thousands)

	<u>September 30, 2020</u>	<u>September 30, 2019</u>	<u>Change</u>
	<u>Total</u>	<u>Total</u>	
<u>Assets</u>			
Cash and cash equivalents	\$56,277	\$48,771	\$7,506
Investments	322,477	301,086	21,391
Board designated assets	29,006	28,437	569
Accounts receivable	72,196	68,239	3,957
Restricted assets whose use is limited	6,257	6,134	123
Other assets	44,046	41,546	2,500
Deferred outflow - swap	33,674	33,674	-
Deferred outflow - loss on bond refunding	13,711	14,635	(924)
Deferred outflow - pension	36,346	21,029	15,317
Property, plant and equipment	435,558	429,169	6,389
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$1,049,547</u>	<u>\$992,720</u>	<u>\$56,827</u>
<u>Liabilities and Net position</u>			
Accounts payable	\$39,495	\$45,418	(\$5,923)
Other liabilities	99,466	84,455	15,011
Net pension liability	69,349	61,863	7,486
Long-term debt	451,076	419,642	31,434
Discount/Premium on LTD, net	17,249	17,921	(672)
Long-term value of swap	33,674	33,674	-
Net position	339,238	329,747	9,491
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Net position	<u>\$1,049,547</u>	<u>\$992,720</u>	<u>\$56,827</u>

Halifax Health
Statements of Revenues, Expenses and Changes in Net Position
FY 2020 Budgeted and FY 2019 Projected

(in thousands)

	<u>FY 2020 Budget</u>	<u>FY 2019 Actual & Projected</u>	<u>Change</u>
Operating revenues:			
Net patient service revenue	\$ 560,435	\$ 532,102	\$ 28,333
Ad valorem tax revenue	6,589	6,129	460
Other revenue	<u>27,958</u>	<u>27,194</u>	<u>764</u>
Total operating revenues	594,982	565,425	29,557
Operating expenses:			
Salaries and benefits	299,668	276,657	23,011
Purchased services	89,950	91,403	(1,453)
Supplies	108,081	101,378	6,703
Depreciation and amortization	28,948	26,672	2,276
Interest expense	20,348	19,381	967
Ad valorem tax related expenses	6,352	6,291	61
Lease/Rentals	9,563	9,153	410
Other	<u>31,619</u>	<u>28,599</u>	<u>3,020</u>
Total operating expenses	594,529	559,534	34,995
Income from operations	453	5,891	(5,438)
Nonoperating revenues, expenses, and gains/(losses)			
Investment income	7,659	9,173	(1,514)
Donation revenue	705	505	200
Nonoperating revenues, expenses, and gains (losses), net	<u>674</u>	<u>1,763</u>	<u>(1,089)</u>
Total nonoperating revenues, expenses, and gains/(losses)	9,038	11,441	(2,403)
Increase in net position	\$ 9,491	\$ 17,332	\$ (7,841)

Halifax Health Medical Center
Statements of Revenues, Expenses and Changes in Net Position
FY 2020 Budgeted and FY 2019 Projected

(in thousands)

	<u>FY 2020 Budget</u>	<u>FY 2019 Actual & Projected</u>	<u>Change</u>
Operating revenues:			
Net patient service revenue	\$ 490,177	\$ 486,491	\$ 3,686
Ad valorem tax revenue	6,589	6,129	460
Other revenue	<u>18,935</u>	<u>18,873</u>	<u>62</u>
Total operating revenues	515,701	511,493	4,208
Operating expenses:			
Salaries and benefits	258,376	252,905	5,471
Purchased services	71,640	76,404	(4,764)
Supplies	102,810	98,904	3,906
Depreciation and amortization	23,613	25,077	(1,464)
Interest expense	16,243	19,318	(3,075)
Ad valorem tax related expenses	6,352	6,291	61
Lease/Rentals	5,688	6,965	(1,277)
Other	<u>24,568</u>	<u>25,763</u>	<u>(1,195)</u>
Total operating expenses	<u>509,290</u>	<u>511,627</u>	<u>(2,337)</u>
Income from operations	6,411	(134)	6,545
Nonoperating revenues, expenses, and gains/(losses)			
Investment income	4,437	7,732	(3,295)
Donation revenue	-	56	(56)
Nonoperating revenues, expenses, and gains (losses), net	<u>674</u>	<u>1,763</u>	<u>(1,089)</u>
Total nonoperating revenues, expenses, and gains/(losses)	<u>5,111</u>	<u>9,551</u>	<u>(4,440)</u>
Increase in net position	<u>\$ 11,522</u>	<u>\$ 9,417</u>	<u>\$ 2,105</u>

Halifax Health Medical Center of Deltona
Statements of Revenues, Expenses and Changes in Net Position
FY 2020 Budgeted and FY 2019 Projected

(in thousands)

	<u>FY 2020 Budget</u>	<u>FY 2019 Actual & Projected</u>	<u>Change</u>
Operating revenues:			
Net patient service revenue	\$ 24,084	\$ -	\$ 24,084
Ad valorem tax revenue	-	-	-
Other revenue	<u>42</u>	<u>-</u>	<u>42</u>
Total operating revenues	24,126	-	24,126
Operating expenses:			
Salaries and benefits	15,743	-	15,743
Purchased services	3,606	-	3,606
Supplies	2,775	-	2,775
Depreciation and amortization	3,722	-	3,722
Interest expense	4,105	-	4,105
Ad valorem tax related expenses	-	-	-
Lease/Rentals	1,122	-	1,122
Other	<u>4,098</u>	<u>-</u>	<u>4,098</u>
Total operating expenses	<u>35,171</u>	<u>-</u>	<u>35,171</u>
Income from operations	(11,045)	-	(11,045)
Nonoperating revenues, expenses, and gains/(losses)			
Investment income	-	-	-
Donation revenue	-	-	-
Nonoperating revenues, expenses, and gains (losses), net	<u>-</u>	<u>-</u>	<u>-</u>
Total nonoperating revenues, expenses, and gains/(losses)	<u>-</u>	<u>-</u>	<u>-</u>
Increase in net position	<u>\$ (11,045)</u>	<u>\$ -</u>	<u>\$ (11,045)</u>

Halifax Health Hospice
Statements of Revenues, Expenses and Changes in Net Position
FY 2020 Budgeted and FY 2019 Projected

(in thousands)

	<u>FY 2020 Budget</u>	<u>FY 2019 Actual & Projected</u>	<u>Change</u>
Operating revenues:			
Net patient service revenue	\$ 46,174	\$ 45,611	\$ 563
Other revenue	<u>2,277</u>	<u>2,092</u>	<u>185</u>
Total operating revenues	48,451	47,703	748
Operating expenses:			
Salaries and benefits	24,809	22,967	1,842
Purchased services	14,290	14,488	(198)
Supplies	2,492	2,470	22
Depreciation and amortization	787	775	12
Interest expense	-	-	-
Ad valorem tax related expenses	-	-	-
Lease/Rentals	2,092	2,127	(35)
Other	<u>2,130</u>	<u>2,135</u>	<u>(5)</u>
Total operating expenses	<u>46,600</u>	<u>44,962</u>	<u>1,638</u>
Income (loss) from operations	1,851	2,741	(890)
Nonoperating revenues, expenses, and gains/(losses)			
Investment income	3,222	1,441	1,781
Donation revenue	705	449	256
Nonoperating revenues, expenses, and gains (losses), net	<u>-</u>	<u>-</u>	<u>-</u>
Total nonoperating revenues, expenses, and gains/(losses)	<u>3,927</u>	<u>1,890</u>	<u>2,037</u>
Increase in net position	<u>\$ 5,778</u>	<u>\$ 4,631</u>	<u>\$ 1,147</u>

Volusia Health Network / Halifax Management System
Statements of Revenues, Expenses and Changes in Net Position
FY 2020 Budgeted and FY 2019 Projected

(in thousands)

	<u>FY 2020 Budget</u>	<u>FY 2019 Actual & Projected</u>	<u>Change</u>
Operating revenues:			
Net patient service revenue	\$ -	\$ -	\$ -
Other revenue	<u>4,201</u>	<u>4,456</u>	<u>(255)</u>
Total operating revenues	4,201	4,456	(255)
Operating expenses:			
Salaries and benefits	615	657	(42)
Purchased services	405	492	(87)
Supplies	4	4	-
Depreciation and amortization	826	820	6
Interest expense	-	63	(63)
Ad valorem tax related expenses	-	-	-
Lease/Rentals	661	61	600
Other	<u>17</u>	<u>13</u>	<u>4</u>
Total operating expenses	<u>2,528</u>	<u>2,110</u>	<u>418</u>
Income from operations	1,673	2,346	(673)
Nonoperating revenues, expenses, and gains/(losses)			
Investment income	-	-	-
Donation revenue	-	-	-
Nonoperating revenues, expenses, and gains (losses), net	<u>-</u>	<u>-</u>	<u>-</u>
Total nonoperating revenues, expenses, and gains/(losses)	<u>-</u>	<u>-</u>	<u>-</u>
Increase in net position	<u>\$ 1,673</u>	<u>\$ 2,346</u>	<u>\$ (673)</u>

Halifax Health Foundation
Statements of Revenues, Expenses and Changes in Net Position
FY 2020 Budgeted and FY 2019 Projected

(in thousands)

	FY 2020 Budget	FY 2019 Actual & Projected	Change
Operating revenues:			
Net patient service revenue	\$ -	\$ -	\$ -
Other revenue	2,503	1,773	730
Total operating revenues	<u>2,503</u>	<u>1,773</u>	<u>730</u>
Operating expenses:			
Salaries and benefits	125	128	(3)
Purchased services	9	19	(10)
Supplies	-	-	-
Depreciation and amortization	-	-	-
Interest expense	-	-	-
Ad valorem tax related expenses	-	-	-
Lease/Rentals	-	-	-
Other	806	688	118
Total operating expenses	<u>940</u>	<u>835</u>	<u>105</u>
Income from operations	1,563	938	625
Nonoperating revenues, expenses, and gains/(losses)			
Investment income	-	-	-
Donation revenue	-	-	-
Nonoperating revenues, expenses, and gains (losses), net	-	-	-
Total Nonoperating revenues, expenses, and gains/(losses)	<u>-</u>	<u>-</u>	<u>-</u>
Increase in net position	<u>\$ 1,563</u>	<u>\$ 938</u>	<u>\$ 625</u>

Ad Valorem Tax Schedules

**Halifax Hospital Medical Center
Schedule of Uses of Property Taxes
FY 2020 Preliminary Budget ***

	FY 2020 Budget 0.3546 Mill	FY 2019 Actual/Projected 0.3546 Mill
Gross property tax levy	\$ 6,588,854	\$ 6,129,468
Tax discounts and uncollectible taxes	<u>(117,000)</u>	<u>(108,996)</u>
Net property taxes collected	6,471,854	6,020,472
Amounts paid to Volusia County and Cities:		
Tax collector and appraiser commissions	(220,000)	(204,996)
Volusia County Medicaid matching assessment	(3,150,000)	(3,118,788)
Redevelopment taxes paid to Cities	<u>(345,329)</u>	<u>(321,252)</u>
Subtotal	<u>(3,715,329)</u>	<u>(3,645,036)</u>
Net taxes available for community health, wellness and readiness	2,756,525	2,375,436
Amounts paid for community health and wellness services:		
Preventive health services (clinics, Healthy Kids, etc.)	(700,000)	(687,056)
Physician services	(8,950,000)	(8,820,874)
Trauma services	(6,500,000)	(6,355,646)
Pediatric and neonatal intensive care services	(450,000)	(429,962)
Child and adolescent behavioral services	<u>(950,000)</u>	<u>(905,612)</u>
Subtotal	<u>(17,550,000)</u>	<u>(17,199,150)</u>
Deficiency of net taxes available to fund hospital operating expenses	(14,793,475)	(14,823,714)
Uncompensated care provided by Halifax Health, <i>at cost</i>		
Halifax Health patients at facilities inside of the Halifax Health tax district	(31,967,000)	(30,885,761)
Non-Halifax Health taxing district patients and other write-offs	<u>(22,379,000)</u>	<u>(21,622,695)</u>
Subtotal	<u>(54,346,000)</u>	<u>(52,508,456)</u>
Total deficiency of net taxes available to fund hospital operating expenses and uncompensated care provided by Halifax Health, <i>at cost</i>	\$ (69,139,475)	\$ (67,332,170)

* Based on Preliminary assessed total taxable value.

**Halifax Health Medical Center
Impact of Millage Rate
Non-Homesteaded Homeowner or Commercial/Investment Property
FY 2020 Preliminary Budget ¹**

	<u>FY 2020 Budget</u>	<u>Prior Year</u>	<u>Percent Change</u>
Millage rate, per 1,000	0.3546	0.3546	0.0%
Property value ²	\$ 185,610	\$ 175,000	6.1%
Exemptions	\$0	\$0	0.0%
Property taxes	\$ 65.82	\$ 62.06	6.1%
Tax Levy impact to homeowner	\$ 3.76		

¹ FY 2020 Millage rate is estimated based on the information provided from the preliminary tax value.

² FY 2020 Property Value increased 6.1% based on the average increase within the Halifax Taxing District excluding new construction.

**Halifax Health Medical Center
Impact of Millage Rate
Homesteaded Homeowner
FY 2020 Preliminary Budget ¹**

	<u>FY 2020 Budget</u>	<u>Prior Year</u>	<u>Percent Change</u>
Millage rate, per 1,000	0.3546	0.3546	0.0%
Homestead Property value ²	\$ 178,325	\$ 175,000	1.9%
Exemptions	\$ (50,000)	\$ (50,000)	0.0%
Property taxes	\$ 45.50	\$ 44.33	2.6%
Tax Levy impact to homeowner	\$ 1.17		

¹ FY 2020 Millage rate is estimated based on the information provided from the preliminary tax value.

² FY 2020 Property Value (Assessed value) increased 1.9% due to the Consumer Price Index being lower than the Save Our Homes max cap of 3%.