Fiscal Year 2026

# BUDGET

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HALIFAX HEALTH

halifaxhealth.org

# Halifax Health
# Budget Policy
# FY 2026 Budget

**Premise:**
Generating fiscally sound policy while improving quality 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 Year 2026 Budget Objectives:**

| | Total |
|---|---|
| Adjusted Operating EBIDA Margin [1] | 9.4% |
| Operating EBIDA Margin | 9.7% |
| EBIDA Margin | 12.3% |
| Total Margin | 3.2% |
| Operating Margin [2] | 1.0% |
| Days Cash on Hand | 247 |
| Unrestricted Cash to Debt | 108.0% |
| Long-term Debt to Capitalization | 46.0% |
| HHMC OG MADS coverage ratio | 2.10 |

[1] Excludes investment income/loss of Foundation recorded as operating income.
[2] Operating income is net of SLA investment income.

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

| | September 30, 2026 | September 30, 2025 | Change |
|---|---|---|---|
| **Assets** | | | |
| Cash and cash equivalents | $150,886 | $150,886 | $0 |
| Investments | 410,890 | 431,670 | (20,780) |
| Board designated assets | 36,991 | 36,991 | - |
| Accounts receivable | 103,666 | 92,559 | 11,107 |
| Restricted assets whose use is limited | 229 | 44,526 | (44,297) |
| SLA interest receivable | 381 | 408 | (27) |
| Right to use asset, net | 20,607 | 20,607 | - |
| Other assets | 62,239 | 62,239 | - |
| Other rent receivable | 8,142 | 8,142 | - |
| Investment in securities lending agreement | 156,800 | 158,250 | (1,450) |
| Deferred outflow - swap | 14,411 | 14,411 | - |
| Deferred outflow - loss on bond refunding | 9,480 | 9,480 | - |
| Deferred outflow - pension | 19,148 | 17,195 | 1,953 |
| Property, plant and equipment | 641,981 | 582,665 | 59,316 |
| Total Assets | $1,635,850 | $1,630,029 | $5,821 |
| **Liabilities and Net position** | | | |
| Accounts payable | $80,116 | $88,931 | ($8,815) |
| Other liabilities | 124,998 | 124,998 | - |
| Securities lending agreement obligation | 156,800 | 158,250 | (1,450) |
| Net pension liability | 30,506 | 30,506 | - |
| Long-term debt | 541,406 | 553,598 | (12,192) |
| Premium on LTD, net | 6,677 | 8,434 | (1,757) |
| Long-term subscription liability | 10,784 | 10,784 | - |
| Long-term lease liability | 6,577 | 6,577 | - |
| Deferred inflows related to leases | 11,571 | 11,571 | - |
| Long-term value of swap | 14,411 | 14,411 | - |
| Net position | 652,004 | 621,969 | 30,035 |
| Total Liabilities and Net position | $1,635,850 | $1,630,029 | $5,821 |

# Halifax Health
## Statements of Revenues, Expenses and Changes in Net Position
## FY 2026 Budget
**(in thousands)**

| | FY 2026 Budget | FY 2025 Actual & Projected | Change |
|---|---|---|---|
| **Operating revenues:** | | | |
| Net patient service revenue | $870,671 | $822,508 | $48,163 |
| Ad valorem tax revenue | 22,214 | 21,634 | 580 |
| Other revenue | 28,194 | 32,181 | (3,987) |
| Total operating revenues [1] | 921,079 | 876,323 | 44,756 |
| **Operating expenses:** | | | |
| Salaries and benefits | 414,475 | 386,004 | 28,471 |
| Supplies | 188,285 | 183,277 | 5,008 |
| Purchased services | 178,643 | 170,623 | 8,020 |
| Depreciation and amortization | 54,748 | 44,659 | 10,089 |
| Ad valorem tax related expenses | 7,732 | 7,223 | 509 |
| Lease/Rentals | 5,324 | 5,357 | (33) |
| Other | 37,299 | 37,838 | (539) |
| Total operating expenses | 886,506 | 834,981 | 51,525 |
| **Income from operations** | **34,573** | **41,342** | **(6,769)** |
| Nonoperating revenues, expenses, and gains/(losses) | | | |
| Interest expense | (31,868) | (30,471) | (1,397) |
| Investment income [1] | 23,938 | 31,521 | (7,583) |
| Interest income [1] | 658 | 612 | 46 |
| Donation revenue [1] | 574 | 679 | (105) |
| Appropriations [1] | 1,750 | 5,000 | (3,250) |
| Nonoperating revenues, expenses, and gains (losses), net | 410 | 623 | (213) |
| Total nonoperating revenues, expenses, and gains/(losses) | (4,538) | 7,964 | (12,502) |
| **Increase in net position** | **$30,035** | **$49,306** | **($19,271)** |

*[1] Represents total revenue of $947.9 million*

# Halifax Health Medical Center
## Statements of Revenues, Expenses and Changes in Net Position
## FY 2026 Budget
**(in thousands)**

| | FY 2026 Budget | FY 2025 Actual & Projected | Change |
|---|---|---|---|
| **Operating revenues:** | | | |
| Net patient service revenue | $730,815 | $690,727 | $40,088 |
| Ad valorem tax revenue | 22,214 | 21,634 | 580 |
| Other revenue | 18,011 | 18,018 | (7) |
| Total operating revenues | 771,040 | 730,379 | 40,661 |
| **Operating expenses:** | | | |
| Salaries and benefits | 351,568 | 332,236 | 19,332 |
| Supplies | 170,995 | 166,775 | 4,220 |
| Purchased services | 142,054 | 133,883 | 8,171 |
| Depreciation and amortization | 46,470 | 36,010 | 10,460 |
| Ad valorem tax related expenses | 7,732 | 7,223 | 509 |
| Lease/Rentals | 2,132 | 2,270 | (138) |
| Other | 30,768 | 31,653 | (885) |
| Total operating expenses | 751,719 | 710,050 | 41,669 |
| **Income from operations** | **19,321** | **20,329** | **(1,008)** |
| Nonoperating revenues, expenses, and gains/(losses) | | | |
| Interest expense | (17,563) | (17,760) | 197 |
| Investment income | 9,456 | 13,750 | (4,294) |
| Interest income | 190 | 177 | 13 |
| Donation revenue | 84 | 295 | (211) |
| Appropriations | 1,750 | 5,000 | (3,250) |
| Nonoperating revenues, expenses, and gains (losses), net | - | 104 | (104) |
| Total nonoperating revenues, expenses, and gains/(losses) | (6,083) | 1,566 | (7,649) |
| **Increase in net position** | **$13,238** | **$21,895** | **($8,657)** |

# Halifax Health Medical Center of Deltona
## Statements of Revenues, Expenses and Changes in Net Position
## FY 2026 Budget

**(in thousands)**

| | FY 2026 Budget | FY 2025 Actual & Projected | Change |
|---|---|---|---|
| **Operating revenues:** | | | |
| Net patient service revenue | $70,135 | $65,661 | $4,474 |
| Other revenue | 156 | 136 | 20 |
| Total operating revenues | 70,291 | 65,797 | 4,494 |
| **Operating expenses:** | | | |
| Salaries and benefits | 25,244 | 22,856 | 2,388 |
| Supplies | 14,126 | 13,435 | 691 |
| Purchased services | 16,848 | 16,657 | 191 |
| Depreciation and amortization | 5,077 | 5,495 | (418) |
| Ad valorem tax related expenses | - | - | - |
| Lease/Rentals | 501 | 437 | 64 |
| Other | 3,338 | 2,986 | 352 |
| Total operating expenses | 65,134 | 61,866 | 3,268 |
| **Income from operations** | **5,157** | **3,931** | **1,226** |
| Nonoperating revenues, expenses, and gains/(losses) | | | |
| Interest expense | (14,077) | (12,491) | (1,586) |
| Investment income | 7,182 | 7,188 | (6) |
| Interest income | 25 | 25 | - |
| Donation revenue | - | - | - |
| Nonoperating revenues, expenses, and gains (losses), net | - | - | - |
| Total nonoperating revenues, expenses, and gains/(losses) | (6,870) | (5,278) | (1,592) |
| **Decrease in net position** | **($1,713)** | **($1,347)** | **($366)** |

# Halifax Health Hospice
## Statements of Revenues, Expenses and Changes in Net Position
## FY 2026 Budget
**(in thousands)**

| | FY 2026 Budget | FY 2025 Actual & Projected | Change |
|---|---|---|---|
| **Operating revenues:** | | | |
| Net patient service revenue | $69,721 | $66,120 | $3,601 |
| Other revenue | 27 | 53 | (26) |
| Total operating revenues | 69,748 | 66,173 | 3,575 |
| | | | |
| **Operating expenses:** | | | |
| Salaries and benefits | 37,315 | 30,569 | 6,746 |
| Supplies | 3,164 | 3,067 | 97 |
| Purchased services | 18,758 | 19,109 | (351) |
| Depreciation and amortization | 1,225 | 1,178 | 47 |
| Ad valorem tax related expenses | - | - | - |
| Lease/Rentals | 1,612 | 1,553 | 59 |
| Other | 2,554 | 2,533 | 21 |
| Total operating expenses | 64,628 | 58,009 | 6,619 |
| | | | |
| **Income from operations** | **5,120** | **8,164** | **(3,044)** |
| | | | |
| Nonoperating revenues, expenses, and gains/(losses) | | | |
| Interest expense | (89) | (86) | (3) |
| Investment income | 6,658 | 9,763 | (3,105) |
| Interest income | - | 1 | (1) |
| Donation revenue | 490 | 384 | 106 |
| Nonoperating revenues, expenses, and gains (losses), net | 410 | 519 | (109) |
| Total nonoperating revenues, expenses, and gains/(losses) | 7,469 | 10,581 | (3,112) |
| | | | |
| **Increase in net position** | **$12,589** | **$18,745** | **($6,156)** |

# Volusia Health Network / Halifax Management System
# Statements of Revenues, Expenses and Changes in Net Position
# FY 2026 Budget

**(in thousands)**

| | FY 2026 Budget | FY 2025 Actual & Projected | Change |
|---|---|---|---|
| **Operating revenues:** | | | |
| Net patient service revenue | $0 | $0 | $0 |
| Other revenue | 6,259 | 6,270 | (11) |
| Total operating revenues | 6,259 | 6,270 | (11) |
| | | | |
| **Operating expenses:** | | | |
| Salaries and benefits | 223 | 270 | (47) |
| Supplies | - | - | - |
| Purchased services | 939 | 935 | 4 |
| Depreciation and amortization | 1,976 | 1,976 | - |
| Ad valorem tax related expenses | - | - | - |
| Lease/Rentals | 1,079 | 1,097 | (18) |
| Other | 1 | 1 | - |
| Total operating expenses | 4,218 | 4,279 | (61) |
| | | | |
| **Income from operations** | **2,041** | **1,991** | **50** |
| | | | |
| Nonoperating revenues, expenses, and gains/(losses) | | | |
| Interest expense | (139) | (134) | (5) |
| Investment income | 642 | 820 | (178) |
| Interest income | 443 | 409 | 34 |
| Donation revenue | - | - | - |
| Nonoperating revenues, expenses, and gains (losses), net | - | - | - |
| Total nonoperating revenues, expenses, and gains/(losses) | 946 | 1,095 | (149) |
| | | | |
| **Increase in net position** | **$2,987** | **$3,086** | **($99)** |

# Halifax Health Foundation
## Statements of Revenues, Expenses and Changes in Net Position
## FY 2026 Budget
**(in thousands)**

| | FY 2026 Budget | FY 2025 Actual & Projected | Change |
|---|---|---|---|
| **Operating revenues:** | | | |
| Net patient service revenue | $0 | $0 | $0 |
| Other revenue | 3,742 | 7,704 | (3,962) |
| Total operating revenues | 3,742 | 7,704 | (3,962) |
| | | | |
| **Operating expenses:** | | | |
| Salaries and benefits | 125 | 73 | 52 |
| Supplies | - | - | - |
| Purchased services | 44 | 39 | 5 |
| Depreciation and amortization | - | - | - |
| Ad valorem tax related expenses | - | - | - |
| Lease/Rentals | - | - | - |
| Other | 638 | 665 | (27) |
| Total operating expenses | 807 | 777 | 30 |
| | | - | |
| **Income from operations** | **2,935** | **6,927** | **(3,992)** |
| | | | |
| Nonoperating revenues, expenses, and gains/(losses) | | | |
| Interest expense | - | - | - |
| Investment income | - | - | - |
| Donation revenue | - | - | - |
| Nonoperating revenues, expenses, and gains (losses), net | - | - | - |
| Total Nonoperating revenues, expenses, and gains/(losses) | - | - | - |
| | | | |
| **Increase in net position** | **$2,935** | **$6,927** | **($3,992)** |

**Halifax Health**
**FY 2026 Budget**
**Operational Risk Factors**

1. Successful implementation of Epic

2. Additional Revenue: Clinical Documentation/LOS management/Payor denials ($2 million)

3. Reduction in supply expense ($4 million)

4. Maintain and Continue to Improve profitability at Medical Center of Deltona ($1.7 million)

5. Achieve cash flow targets for new programs and services

6. Elimination/reduction of contract labor in ancillary areas ($1 million)

7. Hold/delay hiring 150 open positions ($3.2 million)

# Ad Valorem Tax Schedules

**Haliax Health Medical Center**
**Schedule of Uses of Property Taxes**
**FY 2026 Budget ***

| | FY 2025 Projected | FY 2026 Budget |
|---|---|---|
| | 0.7309 Mill | 0.7019 Mill |
| Gross property tax levy | $21,634,456 | $22,214,086 |
| Tax discounts and uncollectible taxes | (374,400) | (384,000) |
| Net property taxes collected | 21,260,056 | 21,830,086 |
| Amounts paid to Volusia County and Cities: | | |
| Tax collector and appraiser commissions | (703,344) | (722,000) |
| Volusia County Medicaid matching assessment | (3,124,224) | (3,524,742) |
| Redevelopment taxes paid to Cities | (1,307,060) | (1,342,000) |
| Subtotal | (5,134,628) | (5,588,742) |
| Net taxes available for community health, wellness and readiness | 16,125,428 | 16,241,344 |
| Amounts paid for community health and wellness services: | | |
| Preventive health services (clinics, Healthy Kids, etc.) | (397,972) | (400,000) |
| Physician services | (12,872,440) | (13,500,000) |
| Trauma services | (7,779,206) | (7,750,000) |
| Pediatric and neonatal intensive care services | (2,058,974) | (2,200,000) |
| Child and adolescent behavioral services | (772,432) | (825,000) |
| Subtotal | (23,881,024) | (24,675,000) |
| Deficiency of net taxes available to fund hospital operating expenses | (7,755,596) | (8,433,656) |
| Uncompensated care, at cost: | | |
| Halifax Health patients at facilities inside of the Halifax Health tax district | (30,497,014) | (31,564,409) |
| Non-Halifax Health taxing district patients and other write-offs | (11,720,218) | (12,130,426) |
| Subtotal | (42,217,232) | (43,694,835) |
| Total deficiency of net taxes available to fund hospital operating expenses and uncompensated care provided by Halifax Health, at cost | ($49,972,828) | ($52,128,491) |

* Based on Preliminary assessed total taxable value.

# Halifax Health Medical Center
# Impact of Millage Rate
# Non-Homesteaded Homeowner or Commercial/Investment Property
# FY 2026 Preliminary Budget [1]

| | Prior Year | FY 2026 Rolled Back Rate | Percent Change |
|---|---|---|---|
| Millage rate, per 1,000 | 0.7309 | 0.7019 | -4.0% |
| Property value [2] | $350,000 | $373,765 | 6.8% |
| Exemptions | $0 | $0 | |
| Property taxes | $255.82 | $262.35 | |
| **Tax Levy impact to homeowner** | | **$6.53** | **2.6%** |

[1] FY 2026 Millage rate is estimated based on the information provided from the Preliminary tax value.

[2] FY 2026 Property Value increased 6.8% based on the average increase within the Halifax Taxing District excluding new construction.

# Halifax Health Medical Center
# Impact of Millage Rate
# Homesteaded Homeowner
# FY 2026 Preliminary Budget [1]

| | Prior Year | FY 2026 Rolled Back Rate | Percent Change |
|---|---|---|---|
| Millage rate, per 1,000 | 0.7309 | 0.7019 | -4.0% |
| Homestead Property value [2] | $350,000 | $360,500 | 3.0% |
| Exemptions | ($50,000) | ($50,000) | |
| Property taxes | $219.27 | $217.94 | |
| **Tax Levy impact to homeowner** | | **($1.33)** | **-0.6%** |

[1] FY 2026 Millage rate is estimated based on the information provided from the Preliminary tax value.

[2] FY 2026 Property Value (Assessed value) increase is estimated at 3.0%.