
Fiscal Year 2021

BUDGET

Live your life well.



HALIFAX
HEALTH

halifaxhealth.org

Halifax Health Budget Policy FY 2021 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 2021 Budget Objectives:

	Halifax Health Total
Total Margin	3.1%
Operating Margin	1.5%
Operating EBIDA Margin	9.3%
Adjusted Operating EBIDA Margin *	9.1%
EBIDA Margin	10.8%
Days Cash on Hand	289
Unrestricted Cash to Debt	98.0%
Long-term Debt to Capitalization	54.0%
OG MADS coverage ratio	2.59

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

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

	September 30,		Change
	2021	2020	
<u>Assets</u>			
Cash and cash equivalents	\$43,600	\$44,500	(\$900)
Investments	383,572	402,418	(18,846)
Board designated assets	29,826	29,241	585
Medicare advanced payments	-	47,987	(47,987)
Accounts receivable	60,000	58,500	1,500
Restricted assets whose use is limited	6,243	6,121	122
Other assets	51,678	50,678	1,000
Investment in securities lending agreement	123,055	123,055	-
Deferred outflow - swap	51,466	51,466	-
Deferred outflow - loss on bond refunding	12,852	13,776	(924)
Deferred outflow - pension	60,130	40,355	19,775
Property, plant and equipment	437,956	419,715	18,241
Total Assets	\$1,260,378	\$1,287,812	(\$27,434)
<u>Liabilities and Net position</u>			
Accounts payable	\$52,500	\$52,000	\$500
Other liabilities	109,145	107,145	2,000
Medicare advanced payments	-	47,987	(47,987)
Securities lending agreement obligation	123,055	123,055	-
Net pension liability	80,949	73,766	7,183
Long-term debt	449,880	457,700	(7,820)
Discount/Premium on LTD, net	16,579	17,251	(672)
Long-term value of swap	51,466	51,466	-
Net position	376,804	357,442	19,362
Total Liabilities and Net position	\$1,260,378	\$1,287,812	(\$27,434)

Halifax Health
Statements of Revenues, Expenses and Changes in Net Position
FY 2021 Budgeted and FY 2020 Projected
(in thousands)

	<u>FY 2021 Budget</u>	<u>FY 2020 Actual & Projected</u>	<u>Change</u>
Operating revenues:			
Net patient service revenue	\$566,999	\$518,341	\$48,658
Ad valorem tax revenue	19,658	6,588	13,070
Other revenue	30,990	35,800	(4,810)
Total operating revenues	<u>617,647</u>	<u>560,729</u>	<u>56,918</u>
Operating expenses:			
Salaries and benefits	297,519	285,466	12,053
Purchased services	99,670	95,830	3,840
Supplies	114,137	106,763	7,374
Depreciation and amortization	30,358	28,601	1,757
Ad valorem tax related expenses	7,670	6,214	1,456
Lease/Rentals	11,149	17,331	(6,182)
Other	30,007	29,566	441
Total operating expenses	<u>590,511</u>	<u>569,771</u>	<u>20,740</u>
Income (loss) from operations	27,136	(9,042)	36,178
Nonoperating revenues, expenses, and gains/(losses)			
Interest expense	(17,775)	(20,521)	2,746
Investment income	8,059	10,425	(2,366)
Donation revenue	731	1,696	(965)
Bond Issue costs	-	(826)	826
CARES Act Funding	-	55,877	(55,877)
Nonoperating revenues, expenses, and gains (losses), net	1,211	817	394
Total nonoperating revenues, expenses, and gains/(losses)	<u>(7,774)</u>	<u>47,468</u>	<u>(55,242)</u>
Increase in net position	<u>\$19,362</u>	<u>\$38,426</u>	<u>(\$19,064)</u>

Halifax Health Medical Center
Statements of Revenues, Expenses and Changes in Net Position
FY 2021 Budgeted and FY 2020 Projected

(in thousands)

	<u>FY 2021 Budget</u>	<u>FY 2020 Actual & Projected</u>	<u>Change</u>
Operating revenues:			
Net patient service revenue	\$486,274	\$456,635	\$29,639
Ad valorem tax revenue	19,658	6,588	13,070
Other revenue	20,972	25,513	(4,541)
Total operating revenues	<u>526,904</u>	<u>488,736</u>	<u>38,168</u>
Operating expenses:			
Salaries and benefits	252,581	249,366	3,215
Purchased services	75,816	76,544	(728)
Supplies	107,885	101,612	6,273
Depreciation and amortization	22,425	24,025	(1,600)
Ad valorem tax related expenses	7,670	6,214	1,456
Lease/Rentals	5,596	9,482	(3,886)
Other	24,882	24,076	806
Total operating expenses	<u>496,855</u>	<u>491,319</u>	<u>5,536</u>
Income (loss) from operations	30,049	(2,583)	32,632
Nonoperating revenues, expenses, and gains/(losses)			
Interest expense	(15,375)	(15,650)	275
Investment income	4,837	10,618	(5,781)
Donation revenue	-	802	(802)
CARES Act Funding	-	53,869	(53,869)
Nonoperating revenues, expenses, and gains (losses), net	1,211	817	394
Total nonoperating revenues, expenses, and gains/(losses)	<u>(9,327)</u>	<u>50,456</u>	<u>(59,783)</u>
Increase in net position	<u>\$20,722</u>	<u>\$47,873</u>	<u>(\$27,151)</u>

Halifax Health Medical Center of Deltona
Statements of Revenues, Expenses and Changes in Net Position
FY 2021 Budgeted and FY 2020 Projected

(in thousands)

	<u>FY 2021 Budget</u>	<u>FY 2020 Actual & Projected</u>	<u>Change</u>
Operating revenues:			
Net patient service revenue	\$34,835	\$16,140	\$18,695
Ad valorem tax revenue	-	-	-
Other revenue	49	36	13
Total operating revenues	<u>34,884</u>	<u>16,176</u>	<u>18,708</u>
Operating expenses:			
Salaries and benefits	19,403	11,592	7,811
Purchased services	9,451	4,701	4,750
Supplies	3,790	2,641	1,149
Depreciation and amortization	6,365	1,861	4,504
Ad valorem tax related expenses	-	-	-
Lease/Rentals	1,866	5,226	(3,360)
Other	2,107	1,569	538
Total operating expenses	<u>42,982</u>	<u>27,590</u>	<u>15,392</u>
Income (loss) from operations	(8,098)	(11,414)	3,316
Nonoperating revenues, expenses, and gains/(losses)			
Interest expense	(2,400)	(1,640)	(761)
Investment income	-	1,399	(1,399)
Donation revenue	-	-	-
CARES Act Funding	-	-	-
Nonoperating revenues, expenses, and gains (losses), net	-	-	-
Total nonoperating revenues, expenses, and gains/(losses)	<u>(2,400)</u>	<u>(241)</u>	<u>(2,160)</u>
Increase in net position	<u>(\$10,498)</u>	<u>(\$11,655)</u>	<u>\$1,156</u>

Halifax Health Hospice
Statements of Revenues, Expenses and Changes in Net Position
FY 2021 Budgeted and FY 2020 Projected

(in thousands)

	FY 2021 Budget	FY 2020 Actual & Projected	Change
Operating revenues:			
Net patient service revenue	\$45,890	\$45,566	\$324
Other revenue	1,613	2,157	(544)
Total operating revenues	<u>47,503</u>	<u>47,723</u>	<u>(220)</u>
Operating expenses:			
Salaries and benefits	24,996	23,867	1,129
Purchased services	13,537	14,042	(505)
Supplies	2,462	2,509	(47)
Depreciation and amortization	742	771	(29)
Ad valorem tax related expenses	-	-	-
Lease/Rentals	1,900	2,112	(212)
Other	2,207	2,472	(265)
Total operating expenses	<u>45,844</u>	<u>45,773</u>	<u>71</u>
Income (loss) from operations	1,659	1,950	(291)
Nonoperating revenues, expenses, and gains/(losses)			
Interest expense	-	-	-
Investment income	3,222	(1,592)	4,814
Donation revenue	731	894	(163)
CARES Act Funding	-	2,008	(2,008)
Nonoperating revenues, expenses, and gains (losses), net	-	-	-
Total nonoperating revenues, expenses, and gains/(losses)	<u>3,953</u>	<u>1,310</u>	<u>2,643</u>
Increase in net position	<u>\$5,612</u>	<u>\$3,260</u>	<u>\$2,352</u>

Volusia Health Network / Halifax Management System
Statements of Revenues, Expenses and Changes in Net Position
FY 2021 Budgeted and FY 2020 Projected

(in thousands)

	<u>FY 2021 Budget</u>	<u>FY 2020 Actual & Projected</u>	<u>Change</u>
Operating revenues:			
Net patient service revenue	\$0	\$0	\$0
Other revenue	5,853	8,645	(2,792)
Total operating revenues	<u>5,853</u>	<u>8,645</u>	<u>(2,792)</u>
Operating expenses:			
Salaries and benefits	414	523	(109)
Purchased services	857	535	322
Supplies	-	1	(1)
Depreciation and amortization	826	1,944	(1,118)
Ad valorem tax related expenses	-	-	-
Lease/Rentals	1,787	511	1,276
Other	5	11	(6)
Total operating expenses	<u>3,889</u>	<u>3,525</u>	<u>364</u>
Income (loss) from operations	1,964	5,120	(3,156)
Nonoperating revenues, expenses, and gains/(losses)			
Interest expense	-	(3,231)	3,231
Investment income	-	-	-
Donation revenue	-	-	-
Bond Issue costs	-	(826)	826
CARES Act Funding	-	-	-
Nonoperating revenues, expenses, and gains (losses), net	<u>-</u>	<u>-</u>	<u>-</u>
Total nonoperating revenues, expenses, and gains/(losses)	<u>-</u>	<u>(4,057)</u>	<u>4,057</u>
Increase in net position	<u>\$1,964</u>	<u>\$1,063</u>	<u>\$901</u>

Halifax Health Foundation
Statements of Revenues, Expenses and Changes in Net Position
FY 2021 Budgeted and FY 2020 Projected

(in thousands)

	<u>FY 2021 Budget</u>	<u>FY 2020 Actual & Projected</u>	<u>Change</u>
Operating revenues:			
Net patient service revenue	\$0	\$0	\$0
Other revenue	2,503	(551)	3,054
Total operating revenues	<u>2,503</u>	<u>(551)</u>	<u>3,054</u>
Operating expenses:			
Salaries and benefits	125	118	7
Purchased services	9	8	1
Supplies	-	-	-
Depreciation and amortization	-	-	-
Ad valorem tax related expenses	-	-	-
Lease/Rentals	-	-	-
Other	806	1,438	(632)
Total operating expenses	<u>940</u>	<u>1,564</u>	<u>(624)</u>
Income (loss) from operations	1,563	(2,115)	3,678
Nonoperating revenues, expenses, and gains/(losses)			
Interest expense	-	-	-
Investment income	-	-	-
Donation revenue	-	-	-
CARES Act Funding	-	-	-
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>\$1,563</u>	<u>(\$2,115)</u>	<u>\$3,678</u>

Ad Valorem Tax Schedules

**Halifax Hospital Medical Center
Schedule of Uses of Property Taxes
FY 2021 Preliminary Budget ***

	FY 2021 Budget 0.9879 Mill	FY 2020 Actual/Projected 0.3546 Mill
Gross property tax levy	\$19,657,787	\$6,588,852
Tax discounts and uncollectible taxes	(349,000)	(117,000)
Net property taxes collected	19,308,787	6,471,852
Amounts paid to Volusia County and Cities:		
Tax collector and appraiser commissions	(656,000)	(219,996)
Volusia County Medicaid matching assessment	(3,366,540)	(3,252,696)
Redevelopment taxes paid to Cities	(1,006,000)	(337,300)
Subtotal	(5,028,540)	(3,809,992)
Net taxes available for community health, wellness and readiness	14,280,247	2,661,860
Amounts paid for community health and wellness services:		
Preventive health services (clinics, Healthy Kids, etc.)	(550,000)	(510,136)
Physician services	(8,750,000)	(8,314,108)
Trauma services	(6,500,000)	(6,088,216)
Pediatric and neonatal intensive care services	(450,000)	(454,636)
Child and adolescent behavioral services	(1,400,000)	(1,333,880)
Subtotal	(17,650,000)	(16,700,976)
Deficiency of net taxes available to fund hospital operating expenses	(3,369,753)	(14,039,116)
Uncompensated care provided by Halifax Health, <i>at cost</i>		
Halifax Health patients at facilities inside of the Halifax Health tax district	(32,430,049)	(30,885,761)
Non-Halifax Health taxing district patients and other write-offs	(22,703,829)	(21,622,695)
Subtotal	(55,133,879)	(52,508,456)
Total deficiency of net taxes available to fund hospital operating expenses and uncompensated care provided by Halifax Health, <i>at cost</i>	(\$58,503,632)	(\$66,547,572)

* Based on Preliminary assessed total taxable value.

**Halifax Health Medical Center
Impact of Millage Rate
Non-Homesteaded Homeowner or Commercial/Investment Property
FY 2021 Preliminary Budget ¹**

	<u>FY 2021 Budget</u>	<u>Prior Year</u>	<u>Percent Change</u>
Millage rate, per 1,000	0.9879	0.3546	178.6%
Property value ²	\$ 187,408	\$ 175,000	7.1%
Exemptions	\$0	\$0	0.0%
Property taxes	\$ 185.14	\$ 62.06	198.3%
Tax Levy impact to homeowner	\$ 123.09		

¹ FY 2021 Millage rate is estimated based on the information provided from the Preliminary tax value.

² FY 2021 Property Value increased 7.1% based on the average increase within the Halifax Taxing District excluding new construction.

**Halifax Health Medical Center
Impact of Millage Rate
Homesteaded Homeowner
FY 2021 Preliminary Budget ¹**

	<u>FY 2021 Budget</u>	<u>Prior Year</u>	<u>Percent Change</u>
Millage rate, per 1,000	0.9879	0.3546	178.6%
Homestead Property value ²	\$ 178,325	\$ 175,000	1.9%
Exemptions	\$ (50,000)	\$ (50,000)	0.0%
Property taxes	\$ 126.77	\$ 44.33	186.0%
Tax Levy impact to homeowner	\$ 82.44		

¹ FY 2021 Millage rate is estimated based on the information provided from the Preliminary tax value.

² FY 2021 Property Value (Assessed value) increase is estimated at 1.9%.