
Fiscal Year 2022

BUDGET

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HALIFAX
HEALTH

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Halifax Health Budget Policy FY 2022 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 2022 Budget Objectives:

	Halifax Health Total
Total Margin	2.4%
Operating Margin	0.7%
Operating EBIDA Margin	8.7%
Adjusted Operating EBIDA Margin *	8.5%
EBIDA Margin	10.3%
Days Cash on Hand	295
Unrestricted Cash to Debt	107.3%
Long-term Debt to Capitalization	52.4%
OG MADS coverage ratio	2.57

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

Halifax Health
FY 2022 Budget
Operational Risk Factors

1. Recruitment and retention of clinical workforce in order to maintain appropriate staffing levels for patient care (eg. Removed Contract Labor in Budget - shift bonus usage for employed staff budgeted at \$5 million).
2. Operational improvements targeted in length of stay and continued clinical documentation improvements.
3. Increased competition in Port Orange market.
4. Medical Center of Deltona volumes and payor mix projected to improve.
5. Realization of new Medicaid enhanced reimbursements programs that have not been fully implemented.
6. Volume forecasts may be at risk due to Covid related disruption in the last two years of trends.

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

	September 30,		Change
	2022	2021	
<u>Assets</u>			
Cash and cash equivalents	\$43,600	\$44,500	(\$900)
Investments	427,322	452,400	(25,077)
Board designated assets	29,842	29,257	585
Accounts receivable	68,000	66,812	1,188
Restricted assets whose use is limited	6,164	6,524	(360)
Other assets	54,368	53,368	1,000
Investment in securities lending agreement	123,055	123,055	-
Deferred outflow - swap	35,239	35,239	-
Deferred outflow - loss on bond refunding	11,992	12,916	(924)
Deferred outflow - pension	8,212	46,208	(37,996)
Property, plant and equipment	464,283	418,064	46,219
Total Assets	\$1,272,079	\$1,288,343	(\$16,265)
<u>Liabilities and Net position</u>			
Accounts payable	\$52,500	\$52,000	\$500
Other liabilities	129,018	131,018	(2,000)
Securities lending agreement obligation	123,055	123,055	-
Net pension liability	40,941	78,104	(37,163)
Long-term debt	450,870	444,085	6,785
Discount/Premium on LTD, net	15,909	16,581	(672)
Long-term value of swap	35,239	35,239	-
Net position	424,546	408,261	16,285
Total Liabilities and Net position	\$1,272,079	\$1,288,343	(\$16,265)

Halifax Health
Statements of Revenues, Expenses and Changes in Net Position
FY 2022 Budgeted and FY 2021 Projected
(in thousands)

	FY 2022 Budget	FY 2021 Actual & Projected	Change
Operating revenues:			
Net patient service revenue	\$607,566	\$603,678	\$3,888
Ad valorem tax revenue	20,055	19,658	397
Other revenue	27,837	38,203	(10,366)
Total operating revenues	<u>655,458</u>	<u>661,539</u>	<u>(6,081)</u>
Operating expenses:			
Salaries and benefits	311,289	301,934	9,355
Purchased services	110,059	128,488	(18,429)
Supplies	128,480	127,619	861
Depreciation and amortization	30,780	30,417	363
Ad valorem tax related expenses	7,091	7,320	(229)
Lease/Rentals	11,184	11,336	(152)
Other	30,401	29,843	558
Total operating expenses	<u>629,284</u>	<u>636,957</u>	<u>(7,673)</u>
Income (loss) from operations	26,174	24,582	1,592
Nonoperating revenues, expenses, and gains/(losses)			
Interest expense	(21,678)	(21,599)	(79)
Investment income	9,351	21,095	(11,744)
Donation revenue	707	478	229
CARES Act Funding	-	32,759	(32,759)
Nonoperating revenues, expenses, and gains (losses), net	1,731	3,631	(1,900)
Total nonoperating revenues, expenses, and gains/(losses)	<u>(9,889)</u>	<u>36,364</u>	<u>(46,253)</u>
Increase in net position	<u>\$16,285</u>	<u>\$60,946</u>	<u>(\$44,661)</u>

Halifax Health Medical Center
Statements of Revenues, Expenses and Changes in Net Position
FY 2022 Budgeted and FY 2021 Projected

(in thousands)

	<u>FY 2022 Budget</u>	<u>FY 2021 Actual & Projected</u>	<u>Change</u>
Operating revenues:			
Net patient service revenue	\$524,042	\$525,799	(\$1,757)
Ad valorem tax revenue	20,055	19,658	397
Other revenue	<u>18,675</u>	<u>19,184</u>	<u>(509)</u>
Total operating revenues	562,772	564,641	(1,869)
Operating expenses:			
Salaries and benefits	269,373	261,278	8,095
Purchased services	83,960	102,777	(18,817)
Supplies	120,217	119,589	628
Depreciation and amortization	23,100	22,752	348
Ad valorem tax related expenses	7,091	7,320	(229)
Lease/Rentals	5,427	5,610	(183)
Other	<u>25,193</u>	<u>24,893</u>	<u>300</u>
Total operating expenses	<u>534,361</u>	<u>544,219</u>	<u>(9,858)</u>
Income (loss) from operations	28,411	20,422	7,989
Nonoperating revenues, expenses, and gains/(losses)			
Interest expense	(15,216)	(15,197)	(19)
Investment income	2,067	621	1,446
Donation revenue	24	203	(179)
CARES Act Funding	-	22,270	(22,270)
Nonoperating revenues, expenses, and gains (losses), net	<u>1,731</u>	<u>3,470</u>	<u>(1,739)</u>
Total nonoperating revenues, expenses, and gains/(losses)	<u>(11,394)</u>	<u>11,367</u>	<u>(22,761)</u>
Increase in net position	<u>\$17,017</u>	<u>\$31,789</u>	<u>(\$14,772)</u>

Halifax Health Medical Center of Deltona
Statements of Revenues, Expenses and Changes in Net Position
FY 2022 Budgeted and FY 2021 Projected

(in thousands)

	<u>FY 2022 Budget</u>	<u>FY 2021 Actual & Projected</u>	<u>Change</u>
Operating revenues:			
Net patient service revenue	\$36,250	\$30,675	\$5,575
Other revenue	109	119	(10)
Total operating revenues	<u>36,359</u>	<u>30,794</u>	<u>5,565</u>
Operating expenses:			
Salaries and benefits	16,083	14,618	1,465
Purchased services	11,723	12,251	(528)
Supplies	5,555	5,420	135
Depreciation and amortization	6,162	6,117	45
Lease/Rentals	1,917	1,931	(14)
Other	2,094	2,093	1
Total operating expenses	<u>43,534</u>	<u>42,430</u>	<u>1,104</u>
Income (loss) from operations	(7,175)	(11,636)	4,461
Nonoperating revenues, expenses, and gains/(losses)			
Interest expense	(6,462)	(6,402)	(60)
Investment income	4,062	5,379	(1,317)
Donation revenue	-	-	-
CARES Act Funding	-	8,910	(8,910)
Nonoperating revenues, expenses, and gains (losses), net	-	-	-
Total nonoperating revenues, expenses, and gains/(losses)	<u>(2,400)</u>	<u>7,887</u>	<u>(10,287)</u>
Increase in net position	<u>(\$9,575)</u>	<u>(\$3,749)</u>	<u>(\$5,826)</u>

Halifax Health Hospice
Statements of Revenues, Expenses and Changes in Net Position
FY 2022 Budgeted and FY 2021 Projected

(in thousands)

	<u>FY 2022 Budget</u>	<u>FY 2021 Actual & Projected</u>	<u>Change</u>
Operating revenues:			
Net patient service revenue	\$47,274	\$47,204	\$70
Other revenue	1,101	996	105
Total operating revenues	<u>48,375</u>	<u>48,200</u>	<u>175</u>
Operating expenses:			
Salaries and benefits	25,437	25,595	(158)
Purchased services	13,585	12,686	899
Supplies	2,708	2,610	98
Depreciation and amortization	719	749	(30)
Lease/Rentals	1,802	1,878	(76)
Other	2,306	2,280	26
Total operating expenses	<u>46,557</u>	<u>45,798</u>	<u>759</u>
Income (loss) from operations	1,818	2,402	(584)
Nonoperating revenues, expenses, and gains/(losses)			
Interest expense	-	-	-
Investment income	3,222	15,095	(11,873)
Donation revenue	683	275	408
CARES Act Funding	-	1,579	(1,579)
Nonoperating revenues, expenses, and gains (losses), net	-	161	(161)
Total nonoperating revenues, expenses, and gains/(losses)	<u>3,905</u>	<u>17,110</u>	<u>(13,205)</u>
Increase in net position	<u>\$5,723</u>	<u>\$19,512</u>	<u>(\$13,789)</u>

Volusia Health Network / Halifax Management System
Statements of Revenues, Expenses and Changes in Net Position
FY 2022 Budgeted and FY 2021 Projected

(in thousands)

	<u>FY 2022 Budget</u>	<u>FY 2021 Actual & Projected</u>	<u>Change</u>
Operating revenues:			
Net patient service revenue	\$0	\$0	\$0
Other revenue	5,449	5,440	9
Total operating revenues	<u>5,449</u>	<u>5,440</u>	<u>9</u>
Operating expenses:			
Salaries and benefits	271	327	(56)
Purchased services	782	765	17
Supplies	-	-	-
Depreciation and amortization	799	799	-
Lease/Rentals	2,038	1,917	121
Other	2	2	-
Total operating expenses	<u>3,892</u>	<u>3,810</u>	<u>82</u>
Income (loss) from operations	1,557	1,630	(73)
Nonoperating revenues, expenses, and gains/(losses)			
Interest expense	-	-	-
Investment income	-	-	-
Donation revenue	-	-	-
CARES Act Funding	-	-	-
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>\$1,557</u>	<u>\$1,630</u>	<u>(\$73)</u>

Halifax Health Foundation
Statements of Revenues, Expenses and Changes in Net Position
FY 2022 Budgeted and FY 2021 Projected

(in thousands)

	<u>FY 2022 Budget</u>	<u>FY 2021 Actual & Projected</u>	<u>Change</u>
Operating revenues:			
Net patient service revenue	\$0	\$0	\$0
Other revenue	2,503	12,464	(9,961)
Total operating revenues	<u>2,503</u>	<u>12,464</u>	<u>(9,961)</u>
Operating expenses:			
Salaries and benefits	125	116	9
Purchased services	9	9	-
Supplies	-	-	-
Depreciation and amortization	-	-	-
Lease/Rentals	-	-	-
Other	806	575	231
Total operating expenses	<u>940</u>	<u>700</u>	<u>240</u>
	-	-	-
Income (loss) from operations	1,563	11,764	(10,201)
Nonoperating revenues, expenses, and gains/(losses)			
Interest expense	-	-	-
Investment income	-	-	-
Donation revenue	-	-	-
CARES Act Funding	-	-	-
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>\$11,764</u>	<u>(\$10,201)</u>

Ad Valorem Tax Schedules

**Halifax Hospital Medical Center
Schedule of Uses of Property Taxes
FY 2022 Preliminary Budget ***

	FY 2022 Budget 0.9529 Mill	FY 2021 Actual/Projected 0.9879 Mill
Gross property tax levy	\$20,054,657	\$19,657,787
Tax discounts and uncollectible taxes	(356,000)	(348,996)
Net property taxes collected	19,698,657	19,308,791
Amounts paid to Volusia County and Cities:		
Tax collector and appraiser commissions	(669,000)	(655,992)
Volusia County Medicaid matching assessment	(2,831,822)	(3,331,822)
Redevelopment taxes paid to Cities	(718,000)	(703,360)
Subtotal	(4,218,822)	(4,691,174)
Net taxes available for community health, wellness and readiness	15,479,835	14,617,617
Amounts paid for community health and wellness services:		
Preventive health services (clinics, Healthy Kids, etc.)	(550,000)	(404,958)
Physician services	(9,135,000)	(8,826,552)
Trauma services	(6,500,000)	(5,882,236)
Pediatric and neonatal intensive care services	(900,000)	(883,754)
Child and adolescent behavioral services	(1,400,000)	(1,350,924)
Subtotal	(18,485,000)	(17,348,424)
Deficiency of net taxes available to fund hospital operating expenses	(3,005,165)	(2,730,807)
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>	(\$58,139,044)	(\$55,239,263)

* Based on Preliminary assessed total taxable value.

**Halifax Health Medical Center
Impact of Millage Rate
Non-Homesteaded Homeowner or Commercial/Investment Property
FY 2022 Preliminary Budget ¹**

	<u>FY 2022 Budget</u>	<u>Prior Year</u>	<u>Percent Change</u>
Millage rate, per 1,000	0.9529	0.9879	-3.5%
Property value ²	\$ 185,308	\$ 175,000	5.9%
Exemptions	\$0	\$0	
Property taxes	\$ 176.58	\$ 172.88	2.1%
Tax Levy impact to homeowner	\$ 3.70		

¹ FY 2022 Millage rate is estimated based on the information provided from the Preliminary tax value.

² FY 2022 Property Value increased 5.9% based on the average increase within the Halifax Taxing District excluding new construction.

**Halifax Health Medical Center
Impact of Millage Rate
Homesteaded Homeowner
FY 2022 Preliminary Budget ¹**

	<u>FY 2022 Budget</u>	<u>Prior Year</u>	<u>Percent Change</u>
Millage rate, per 1,000	0.9529	0.9879	-3.5%
Homestead Property value ²	\$ 180,822	\$ 178,325	1.4%
Exemptions	(\$50,000)	(\$50,000)	
Property taxes	\$ 124.66	\$ 126.77	-1.7%
Tax Levy impact to homeowner	\$ (2.11)		

¹ FY 2022 Millage rate is estimated based on the information provided from the Preliminary tax value.

² FY 2022 Property Value (Assessed value) increase is estimated at 1.4%.