



**HALIFAX HEALTH**

**Audit & Finance  
Committee**

**Wednesday, March 4, 2020**

**Meeting Location**

Halifax Health

France Tower, Conference Room A

**4:00 p.m.**

# HALIFAX HEALTH AUDIT & FINANCE COMMITTEE

4:00 p.m., Wednesday, March 4, 2020

## AGENDA

### I. CALL TO ORDER

### II. MINUTES

- Investment Committee Minutes, November 11, 2019 portal page 4, **action requested**
- Audit & Finance Committee Minutes, January 8, 2020 portal page 6, **action requested**

### III. AUDIT COMMITTEE

#### Corporate Compliance, *Shelly Shiflet*

- Monthly Compliance Dashboard Reports portal page 9, **information only**

#### Internal Audit, *Bill Rushton*

- IT Security Administrative Controls Audit Presentations presentations, **information only**
  - Fortified Health Security
  - Crowe
- Audit Services Discussion and Analysis portal page 13, **action requested**

**FY 2019 Final Audited Financial Statements, *Lisa Tyler*** separate portal, **information only**

#### New Business

- Proposals, Independent External Auditor, *Lisa Tyler* **action requested**
- RSM (HHMC, Hospice, MCD, HMS, System) portal page 26
- James Moore (Pension) portal page 33

### IV. FINANCE COMMITTEE

#### Financial Report, *Eric Peburn*

- FY 2020 Operating Performance portal page 46, **information only**
- January 2020 portal page 48, **action requested**

#### Acquisitions, Leases and Disposals, *Shawn Remington*

- Capital Investment Strategy, January 2020 portal page 73, **information only**
- Capital Expenditures \$50,000 and over portal page 77, **action requested**
  - *Air Handling Unit for IMC, Pediatrics, PICU and 7-East* \$1,250,000
  - *Server Storage Hardware* \$895,098
  - *Server Core Network* \$412,687
  - *C-Arm for Radiology* \$240,871
  - *Surgical Waste Management Systems* \$145,537
  - *Server and Software Upgrade for GI Lab Travel Carts* \$77,122
  - *Enginuity Service Package* \$60,000
- Disposals, January 2020 portal page 92, **action requested**
- Comparison of Projected and Actual Financial Results for Significant Projects none

#### Old Business

- Meeting Request Tracker/Checklist portal page 93, **information only**

## HALIFAX HEALTH AUDIT & FINANCE COMMITTEE

### New Business

#### Information Only

- |  |   |
|--|---|
| • Discharged Based - Average Length of Stay and Case Mix Index | portal page 94, <a href="#">information only</a>  |
| • Investment Performance Report, January 2020                  | portal page 96, <a href="#">information only</a>  |
| • Capital Expenditures \$25,000 - \$50,000                     | portal page 101, <a href="#">information only</a> |
| • <i>Holter Monitoring System for EKG</i>                      | \$40,610  |
| • <i>Blood Analyzers for CVOR and CVICU</i>                    | \$31,000  |
| • <i>Shower Renovations for Adult Psychiatric Unit</i>         | \$26,900  |
| • Schedule of Uses of Property Taxes, December 2019            | portal page 108, <a href="#">information only</a> |

### V. OPEN DISCUSSION

- VI. NEXT MEETING      **Wednesday, May 6, 2020, 4 p.m. Regular Meeting**  
                                 **Monday, May 11, 2020 4 p.m. Investment Committee**

### VII. PUBLIC PARTICIPATION/EXECUTIVE SESSION/ADJOURN

Halifax Hospital Medical Center  
Investment Committee Meeting, Sub Committee Audit & Finance Committee  
France Tower, Conference Room A, 303 N. Clyde Morris Blvd., Daytona Beach, FL 32114  
Monday, November 11, 2019

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Present: Ted Serbousek, Chairman & Chairman, Audit & Finance Committee  
Dan Francati, Member & Member, Audit & Finance Committee & Vice Chairman, Board of Commissioners  
Susan Schandel, Member & Member, Audit & Finance Committee & Treasurer, Board of Commissioners  
Dave Graffagnino, Member  
Greg Motto, Member, Audit & Finance Committee  
James Wesner, Advisor, Marquette Associates  
Decker Youngman, Member, Audit & Finance Committee

Also Present: Jeff Feasel, President & Chief Executive Officer  
Eric Peburn, Executive Vice President & Chief Financial Officer  
Kent Bailey, Director of Finance  
Lisa Tyler, Corporate Controller  
Ben Eby, Director of Finance, Halifax Health Hospice

Via Phone: Brian Lunney, Vanguard

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The meeting was called to order at 4:05 p.m. by Chairman Serbousek.

**Minutes**

Discussion: Minutes from the August 12, 2019 Investment Committee meeting were reviewed.

Action: Mr. Francati moved to approve the August 12, 2019 Investment Committee minutes as presented. Mr. Youngman seconded the motion and it carried unanimously.

**New Business**

Discussion: Manager Presentation – Vanguard  
Mr. Lunney presented via conference line a portfolio update (board portal). Highlights included references and discussion related to performance returns, treasury yield, federal fund rates and projections.

Action: None required.

Discussion: Manager Assessment - Vanguard  
Mr. Wesner presented the current Vanguard strategies (short-term, growth index, small cap growth index, energy and health care). Brief discussion ensued.

Action: Action deferred to later in the meeting, under Investment Systems Review, Recommendations on the agenda.

Discussion: Advisor Third Quarter Market Tracker and Reviews  
Mr. Wesner presented the quarterly reports for the five plans – Halifax Hospital Medical Center, HH Holdings, Pension, Hospice and Halifax Health Foundation ending September 30, 2019. The quarterly market tracker was also shared.

Action: Action deferred to alter in the meeting, under Old Business on the agenda.

Discussion: Investment Systems Review and Recommendation  
Mr. Wesner presented the portfolio review, asset allocation study and alternative investment options. Discussion ensued, which included the following recommendations:

- Asset Allocation Study: Approve Portfolio D for Pension and Portfolio C for the



#### Hospice and Foundation Plans

- Approve using Vanguard Global Minimum Volatility Fund as the Global Low Volatility manager
- End the single bond issuance strategy in the Pension, Hospice and Foundation plans and utilize Vanguard Short Term Bond Fund for mandate until a Core Fixed Income Manager search has been completed and a Core Fixed Income manager is selected
- Terminate Vanguard Health Care and Energy Funds

Mr. Wesner concluded his presentation by stating that he would bring back an asset allocation study for HH Holdings and Halifax Hospital Medical Center as well as the core fixed income search and core private real estate education for the Pension, Hospice and Foundation accounts. Discussion ensued regarding the asset allocation.

Action: Mr. Francati moved to approve the above referenced recommendations. Mr. Graffagnino seconded the motion and it carried unanimously.

Action: In a separate motion regarding the asset allocation, Ms. Schandel moved to hold the parametric fund with Wells Fargo, thereby approving the Parametric Defensive Equity as the Defensive Equity manager. Mr. Graffagnino seconded the motion and it carried unanimously.

#### **Old Business**

Discussion: Updated Investment Policies Review (Pension, Hospice and Foundation)

Mr. Wesner presented proposed changes to the target asset allocation for the Pension, Hospice and Foundation plans and provided red-lined copies for review.

Action: Mr. Graffagnino moved to approve the proposed changes to the Pension, Hospice and Foundation investment policies as recommended. Mr. Francati seconded the motion and it carried unanimously.

Discussion: Updated Investment Policies Checklist

Action: Mr. Francati moved to approve the updated checklist as presented. Ms. Schandel seconded the motion and it carried unanimously.

Action: As a point of order, Ms. Schandel moved to approve the Third Quarter Marker Tracker and Reviews as presented (under New Business above). Mr. Francati seconded the motion and it carried unanimously.

#### **Informational Only**

Discussion: 2020 Quarterly Timeline, Investment Committee

Action: None required.

Discussion: Investment Performance Report, September 2019

Action: None required.

**Next Meeting:** Monday, February 10, 2020, 4 p.m. – Regular scheduled meeting

#### **Open Discussion**

Discussion: None.

#### **Adjournment**

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Ted Serbousek

**Halifax Hospital Medical Center**  
**Audit and Finance Committee Meeting**  
303 N. Clyde Morris Blvd., France Tower, Conference Room A  
Wednesday, January 8, 2020

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Present: Ted Serbousek, Chairman  
Daniel Francati, Member & Vice Chairman, Board of Commissioners  
Susan Schandel, Member & Treasurer, Board of Commissioners  
Greg Motto, Member  
Ammar Hemaïdan, MD, Member & Member, Medical Staff

Not Present: Decker Youngman, Member

Also Present: Jeff Feasel, President and Chief Executive Officer  
Eric Peburn, Executive VP/Chief Financial Officer  
Bill Rushton, Director, Internal Audit  
Shelly Shiflet, Chief Compliance Officer  
Shawn Remington, Director, Corporate Finance  
Lisa Tyler, Corporate Controller  
Arvin Lewis, SVP & CRO  
Alberto Tineo, SVP and Hospital Chief Operating Officer  
Matt Petkus, VP of Operations  
Kelly Kwiatek, SVP & General Counsel  
Tom Stafford, Vice President and Chief Information Officer  
Mary Jo Allen, VP of Post Acute Services and Ex. Dir  
Ben Eby, Director of Operations, Hospice  
Jon Hillmann, RSM  
Sara Candela, RSM

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The meeting was called to order at 4:05 p.m. by Chairman Serbousek. Attendance was recorded.

## **AUDIT COMMITTEE**

### **EXTERNAL AUDIT**

#### **FY 2019 Draft Audited Financial Statements, Lisa Tyler**

Discussion: Ms. Tyler introduced Mr. Hillmann and Ms. Candela to present the 2019 Summary of Audit Results, highlighting Summary of Status as of January 8, 2020, Required Communications, Risk Areas, Use of Internal Audit, Internal Control Deficiencies and Other Recommendations, and Pending Accounting Standards. The FY 2019 Draft Audited Financial Statements for the following were included in the meeting materials:

- Halifax Hospital Medical Center Financial Report Draft
- Schedule of Uses of Property Taxes Report Draft
- Halifax Hospice, Inc. Financial Report Draft
- Halifax Health Pension Plan Report Draft

The report concluded by stating the final audited financial statements will be available at the next meeting.

Action: Mr. Francati moved to approve the FY 2019 Draft Audited Financial Statements as presented and recommends approval by the Halifax Health Board of Commissioners. Dr. Hemaïdan seconded the motion and it carried unanimously.

## **MINUTES**

Discussion: Minutes from the August 12, 2019 Investment Committee Meeting and October 30, 2019 Audit & Finance Committee Meeting were reviewed.

Action: Mr. Francati moved to approve the minutes as presented and recommends approval by the Halifax Health Board of Commissioners. Ms. Schandel seconded the motion and it carried unanimously.

## AUDIT COMMITTEE

### CORPORATE COMPLIANCE

Discussion: Monthly Compliance Program Update Dashboard  
Ms. Shiflet presented the Compliance Dashboard for the months ended October 31, 2019 and November 30, 2019 referencing no issues. Committee members were briefed on the status of two level cases with no objections to close. Ms. Shiflet concluded her report by sharing proposed revisions to the monthly dashboard report as well as current CIA activities with recommendations to incorporate from this point forward.

Action: None required.

### INTERNAL AUDIT

Discussion: Mr. Rushton led committee members through IADA that included highlights of the FY 2020 Plan Status, Results of FY 20 Audit Projects and Summary of the Charity Care Controls Audit and RSM 2019 Year End Audit Assistance Summary. He concluded by highlighting the status of management action plans, stating detail is available in Board Effect as a reference.

Action: Mr. Francati moved to approve the Summary of Audit Reports. Dr. Hemaidan seconded the motion and it carried unanimously.

Action: Mr. Francati moved to approve the Audit Follow-up Summary Report. Ms. Schandel seconded the motion and it carried unanimously.

## FINANCE COMMITTEE

### FINANCIAL REPORT

Discussion: Mr. Peburn led committee members through the Fiscal Year 2020 Operating Performance presentation and the November 2019 Financial Report. He also shared the S & P Global Ratings Report (in meeting packet), stating that S & P revised its outlook to stable from negative and affirmed it's a- long-term rating on the bonds. These revisions reflect the resolution of legal issues present at time of last review.

Action: Mr. Francati moved to approve the November 2019 Financial Report and recommends approval by the Halifax Health Board of Commissioners. Ms. Schandel seconded the motion and it carried unanimously.

### ACQUISITIONS, LEASES & DISPOSALS

Discussion: Capital Investment Strategy, November 2019

Action: None required.

Discussion: Capital Expenditures \$50,000 and over

- *Beds and Mattresses for Critical Care and Specialty* \$420,054
- *Ultrasound Echocardiogram Machines* \$341,725
- *BiPap Machines for Respiratory Therapy* \$99,577
- *Mako Total Knee Replacement Instrument Set* \$61,818
- *Spinal Surgery Table Tops* \$59,886

Action: Ms. Schandel moved to approve the Capital Expenditures, \$50,000 and over and recommends approval by the Board of Commissioners. Mr. Francati seconded the motion and it carried unanimously.

Discussion: Disposals, November 2019

Action: Ms. Schandel moved to approve the disposals and recommends approval by the Board of Commissioners. Mr. Francati seconded the motion and it carried unanimously.

Discussion: Comparison of Projected and Actual Financial Results for Significant Projects

Action: None; none required

#### **OLD BUSINESS**

Discussion: Meeting Request Tracker/Checklist

Action: None, none required.

#### **NEW BUSINESS**

Discussion: Proposed Investment Policy Changes  
Mr. Peburn shared that the proposed changes relate to the targeted asset allocations for these entities based on an asset allocation study conducted by financial investment advisor, Marquette. The results of the study and the proposed changes are expected to increase returns and lower overall risks of these portfolios. The proposed red-line changes to the Pension, Hospice and Foundation investment policies were provided in the meeting materials and included a new category of Defensive Equity. Discussion included approving Parametric as a new investment manager for investment portfolios of Halifax Health, including custodial services secured by Parametric for the managed investments. No recommended changes were presented for the HH Holdings or Halifax Hospital Medical Center investment policies.

Action: Mr. Francati moved to approve the proposed investment policy changes as recommended, including approving Parametric as a new investment manager, by the Halifax Health Investment Committee for Halifax Health Pension Plan, Halifax Health Foundation and Halifax Health Hospice, recommending approval by the Board of Commissioners. Mr. Motto seconded the motion and it carried unanimously.

#### **INFORMATIONAL REPORTS**

Discussion: The Discharged Based-Average Length of Stay and Case Mix Index, the Investment Performance Report for November 2019, and the Capital Expenditures, \$25,000 - \$50,000 were presented under Information Only:

•	<i>Stretchers for Emergency Department</i>	\$49,925
•	<i>CPU Upgrade for Electrophysiology System</i>	\$45,000
•	<i>Nail Extraction System</i>	\$29,500
•	<i>Hemodialysis Systems Dialysis</i>	\$28,280

Action: None required.

#### **OPEN DISCUSSION**

Discussion: Existing Engagements with RSM and James Moore

Action: Ms. Schandel moved that leadership pursue discussion and efforts to engage in a three-year agreement with RSM and James Moore for each of the firms' respective audits, including the addition of auditing Medical Center of Deltona. Mr. Francati seconded the motion and it carried unanimously.

**NEXT MEETING DATE:** Monday, February 10, 2020 4 p.m. Investment Committee, Conference Room D  
Wednesday, March 4, 2020, 4 p.m. Regular Meeting

#### **ADJOURNMENT**

Action: There being no further business, the meeting was adjourned.

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Ted Serbousek, Chairman



# HALIFAX HEALTH

To: Audit and Finance Committee and Board of Commissioners  
Cc: Jeff Feasel, Chief Executive Officer  
From: Shelly Shiflet, Vice President, and Chief Compliance Officer  
Date: February 24, 2020  
Re: Compliance Dashboard Report for the month ended January 31, 2020

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Attached is our monthly Compliance Program Dashboard report for your review.

The report attached is for month ended January 31, 2020

Feel free to contact me regarding any questions on this report.

I can be reached at: [Shelly.Shiflet@halifax.org](mailto:Shelly.Shiflet@halifax.org)  
Office: 386-425-4970

**Recommended Action:** None. Information Only

On Target



Alert



**I. COMPLIANCE COMMITTEE** – Halifax Health has a Compliance Committee responsible for regulatory compliance matters, which meets monthly. Members of senior leadership across service lines as well as representatives from Hospice and the Medical Staff are represented. During the period:

1.	15	Number of members on <i>Compliance Committee</i>
2.	93%	% of members who attended last Compliance Committee Meeting 1/8/20 (On Target at 70% or Greater)

**II. HELP LINE** [844-251-1880] or **halifaxhealth.ethicspoint.com** or **EMS Occurrence Report**

1.	25	Number of “in process” cases at last Compliance Committee- 1/8/20
2.	10/40%	Number of cases closed at last Compliance Committee-1/8/20 (On Target at 25% or Greater)

3.

Case Issue Type (Rolling 90 days) as of 1/31/20 (11/1/19-1/31/20)

**Case Issue Type**

Case Issue Type	Count
HIPAA	63.33
Misconduct or Inappropriate Behavior	10
Government Audit Reviews	10
Concern	6.67
Billing and Coding Issues	3.33
Disclosure of Confidential Information	3.33
Substance Abuse	3.33

		<p>Total High Cases Open as of 1/31/2020: <b>2 Cases</b></p> <p>Total Cases open greater than 6 months as of 1/31/20: <b>1 Case (#662)</b></p>
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**III. Compliance Audits/Provider Education - Compliance completed chart audits/provider educations on the following specialties for this reporting period**

1.	3	<p>Number of outpatient physician audits completed January 2020</p> <ul style="list-style-type: none"> <li>➤ Ophthalmology- 1</li> <li>➤ Re-Audits Completed-2 (1 Family Medicine, 1 Urology)</li> </ul>
	0	Number of Outpatient New Provider Educations
2.	0	Number of Inpatient/Specialty audits completed January 2020
	4	Number of Inpatient/Specialty New Provider Educations

**IV. Physician Payment Errors - Compliance will investigate and report on the errors found in payments made to physicians**

1.	2	Number of active cases related to Physician Payment Errors (as of last Compliance Committee) 1/8/20
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**V. Billing/Coding Refunds- Compliance cases which after review/investigation resulted in a refund to the payer in this reporting period**

1.	1	Number of cases related to Billing/Coding issues with refunds closed at last Compliance Committee-1/8/20
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**Compliance Special Projects-1st Quarter (Jan, Feb, March)**

- Low Vision template revision/review



# HALIFAX HEALTH

To: Audit and Finance Committee and Board of Commissioners  
Cc: Jeff Feasel, Chief Executive Officer  
From: Shelly Shiflet, Vice President, and Chief Compliance Officer  
Date: January 27, 2020  
Re: Compliance Dashboard Report for the month ended December 31, 2019

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Attached is our monthly Compliance Program Dashboard report for your review.

The report attached is for month ended December 31, 2019

Feel free to contact me regarding any questions on this report.

I can be reached at: [Shelly.Shiflet@halifax.org](mailto:Shelly.Shiflet@halifax.org)  
Office: 386-425-4970

**Recommended Action:** None. Information Only

On Target  Alert

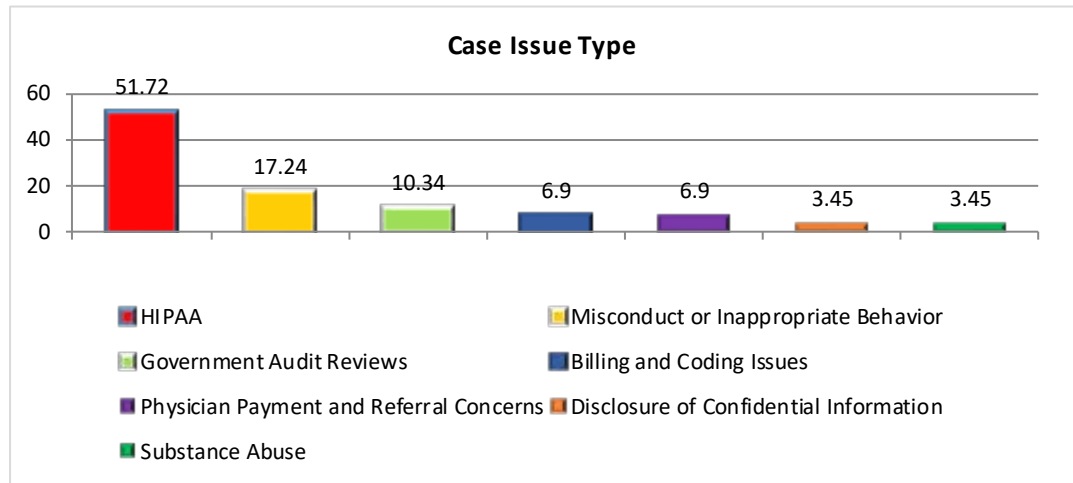
**I. COMPLIANCE COMMITTEE** – Halifax Health has a Compliance Committee responsible for regulatory compliance matters, which meets monthly. Members of senior leadership across service lines as well as representatives from Hospice and the Medical Staff are represented. During the period:

1.	15	Number of members on <i>Compliance Committee</i>
2.	80%	% of members who attended last Compliance Committee Meeting 11/20/19 (On Target at 70% or Greater) No December Meeting

**II. HELP LINE** [844-251-1880] or **halifaxhealth.ethicspoint.com** or **EMS Occurrence Report**

1.	28	Number of “in process” cases at last Compliance Committee- 11/20/19 (No December Meeting)
2.	10/35%	Number of cases closed at last Compliance Committee-11/20/19 (On Target at 25% or Greater) (No December Meeting)

3.		Case Issue Type (Rolling 90 days) as of 12/31/19 (10/1/19-12/31/19)
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		Total High Cases Open as of 12/31/19: <b>2 Cases</b> Total Cases open greater than 6 months as of 12/31/19: <b>1 Case (#662)</b>
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**III. Compliance Audits/Provider Education** - Compliance completed chart audits/provider educations on the following specialties for this reporting period

1.	0	Number of outpatient physician audits completed December 2019
	2	Number of Outpatient New Provider Educations
2.	10	Number of Inpatient/Specialty audits completed December 2019 <ul style="list-style-type: none"> <li>➤ Hospitalist- 5</li> <li>➤ Psychiatry-Adult- 1</li> <li>➤ 45 day re-audits completed- 4</li> </ul>
	1	Number of Inpatient/Specialty New Provider Educations

**IV. Physician Payment Errors** - Compliance will investigate and report on the errors found in payments made to physicians

1.	2	Number of active cases related to Physician Payment Errors (as of last Compliance Committee) 11/20/19
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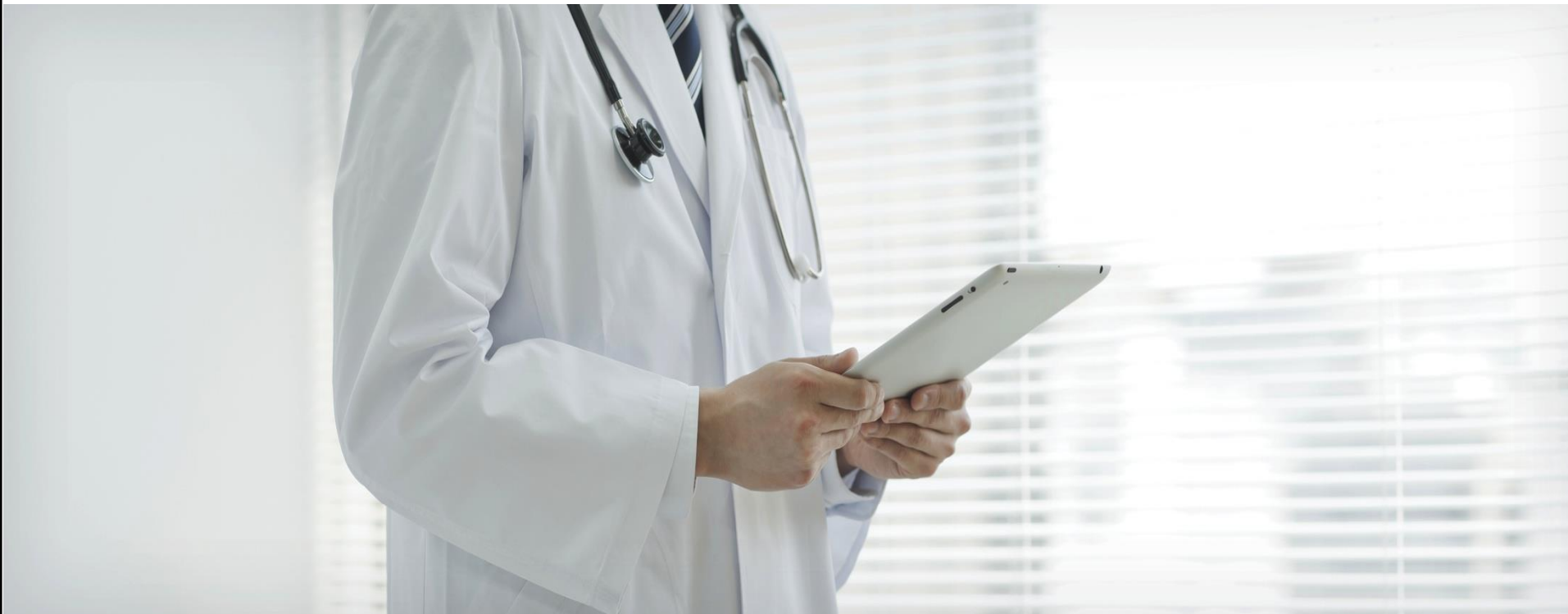
**V. Billing/Coding Refunds**- Compliance cases which after review/investigation resulted in a refund to the payer in this reporting period

1.	1	Number of cases related to Billing/Coding issues with refunds closed at last Compliance Committee-11/20/19
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**Compliance Special Projects- 4<sup>th</sup> Quarter (Oct, Nov, Dec)**

- Hospitalist Education Project (Dr. Hemaidan)
- Palliative Care Template Revision





# Internal Audit Services Discussion & Analysis Halifax Health Audit & Finance Committee

Presented March 4, 2020

For the period covering December 31, 2019 through February 25, 2020

# Audit Discussions

Audit is being added:

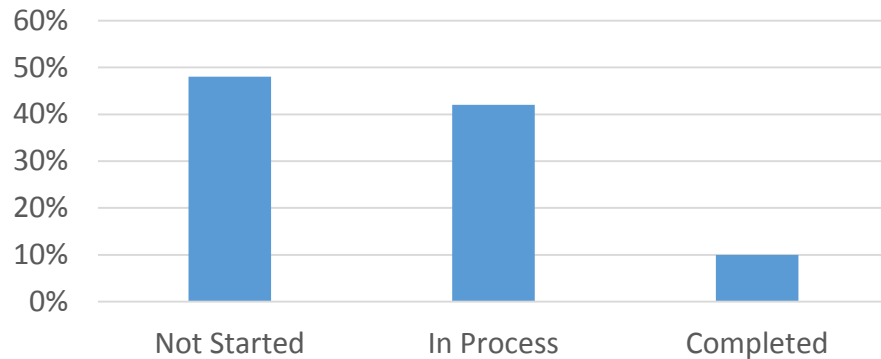
- System Access & User Provisioning Testing
  - Business Objective – Grant change or remove access users based on responsibilities.
  - Risk – Operational and regulatory compliance efforts for systems access and provisioning are ineffective and result in reputational and subsequent financial harm.
  - Audit Objective – Test whether Halifax's provisioning and access processes to applications, networks and websites to their effective control strategies.

Audit vendor consideration for HIPAA Security Risk Assessment:

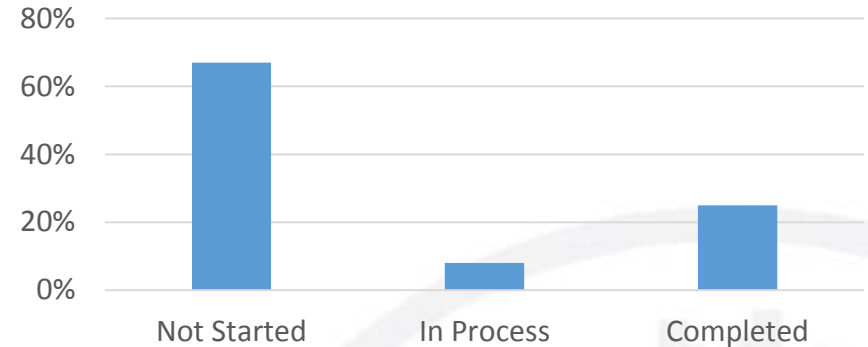
- Fortified Health Security and Crowe LLP
  - Business Objective – Halifax is mandated to implement standard security practices and protections for patient health information. Become or remain compliant with HIPAA mandates and also National Institute of Standards and Technology (NIST) to avoid fines and/or sanctions associated with non-compliance.
  - Risk – Non compliance with HIPAA Administrative Security Regulations and industry framework standards such as NIST.
  - Audit Objective – To determine if administrative controls related to HIPAA and NIST are functioning properly.

# Audit Plan: FY 20 Plan Status

Combined Internal & Co Source Projects



Internal Only Projects



FY Audit Plan	Internal	CoSource	Total Audits
Approved	12	9	21
Added	0	0	0
Removed	0	0	0
Plan Total	12	9	21




# Results: FY 20 Audit Projects

Audit Source	Project Name	Issues by Impact Level		
		High	Moderate	Low
IAS	2019 YE Audit Assistance	Completed		
IAS	Charity Care Controls	0	2	1
IAS	Payroll Adjustments	0	1	3
Co Source	Deltona Construction Expenses FY 19	Project Completion		
Co Source	PBFS Projects (CDM, Billing/Collections, Denials, 837i)	Project Completion		
Co Source	Surgical Services Charge Capture	Project Completion		
IAS	Athena Patient Accounting	Planning		
Co Source	AR Valuation	Planning		

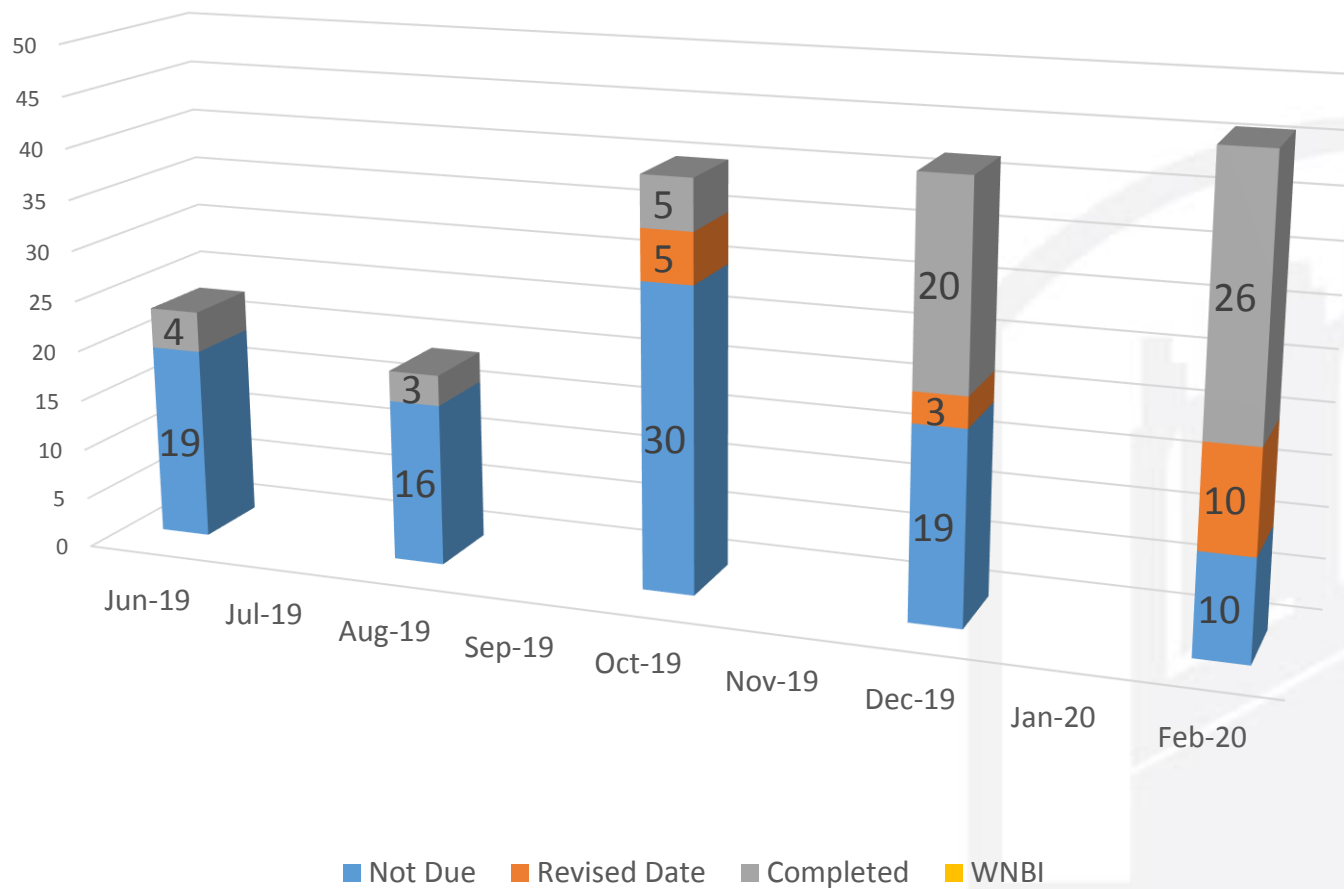
Project Completion - Closing meetings with key Team Members to discuss results of audit, draft report and development of action plans to mitigate risks

Planning - Document Business Objectives, Processes, Fraud Considerations, IT Considerations, SME needs, Audit Objective/Scope & Audit Program Development

# Summary of Halifax Health Audit Report

Local Audit Plan	Payroll Adjustment Audit	Issues by Impact Level		
Audit Objective – Internal Audit Services tested whether the internal controls over pre- and post-payroll adjustment processes were aligned with policies and procedures.		 High	 Moderate	 Low
Key Business Objective at Risk(s) – <ul style="list-style-type: none"> <li>Deliver compensation to Team Members timely and accurately through the payroll cycle.</li> </ul>		0	1	3
Significant Finding(s)	<ul style="list-style-type: none"> <li>Four (100%) post-payroll correction forms were signed by the Timekeeper but not by the Team Member and Manager as required by policy. Post-payroll correction errors totaled \$3 thousand in payroll discrepancies.</li> <li>On nine (75%) of 12 timecards with call-back pay, there were multiple instances in which the Team Member was not called back, the Timekeeper changed regular work hours to call-back, and the Manager approved these pre-payroll adjustments. Inappropriate call-back entries totaled \$1 thousand in overpayments.</li> </ul>			
Audit Conclusion	Review of pre- and post-payroll adjustments identified opportunities for improvement in aligning pre- and post-payroll corrections to their corresponding policy. Payroll errors primarily occurred because of inadequate monitoring and authorizing of adjustments to timecards and directly to payroll. Management will develop a control environment that will include improved oversight and documentation.			

# Audit Issue Follow-Up: Status of Management Action Plans



See BoardEffect for Audit Follow Up Detail.

# Audit Issue Follow Up: Open Action Plans

Audit	Findings	Actions Management Will Take	Action Plan Owner	Action Plan Due Date	Risk Rank
<b>Network Security Testing</b> 4/24/2019	<b>ISSUE 1: Web Application</b> Confidential	Confidential	Tom Stafford, VP & Chief Information Officer	*4/1/20	Low
<b>Network Security Testing</b> 4/24/2019	<b>ISSUE 2: Windows and AD System</b> Confidential	Confidential	Tom Stafford, VP & Chief Information Officer	*4/1/20	High
<b>Network Security Testing</b> 4/24/2019	<b>ISSUE 3: Data Storage and Access Controls</b> Confidential	Confidential	Tom Stafford, VP & Chief Information Officer	*4/1/20	High
<b>Network Security Testing</b> 4/24/2019	<b>ISSUE 4: Network Architecture Infrastructure Management</b> Confidential	Confidential	Tom Stafford, VP & Chief Information Officer	*4/1/20	Moderate
<b>Network Security Testing</b> 4/24/2019	<b>ISSUE 5: Patch Management</b> Confidential	Confidential	Tom Stafford, VP & Chief Information Officer	*4/1/20	Moderate
<b>Network Security Testing</b> 4/24/2019	<b>ISSUE 6: Security Awareness and Physical Security</b> Confidential	Confidential	Tom Stafford, VP & Chief Information Officer	*4/1/20	Moderate
<b>Network Security Testing</b> 4/24/2019	<b>ISSUE 7: Email Architecture Security</b> Confidential	Confidential	Tom Stafford, VP & Chief Information Officer	*4/1/20	Low
<b>Network Security Testing</b> 4/24/2019	<b>ISSUE 8: Wireless Network Security</b> Confidential	Confidential	Tom Stafford, VP & Chief Information Officer	*4/1/20	Low

*\*Follow Up work to be performed by Crowe IT Audit during 2020 Penetration Testing*

# Audit Issue Follow Up: Open Action Plans

Audit	Findings	Actions Management Will Take	Action Plan Owner	Action Plan Due Date*	Risk Rank
<b>Physician Billing &amp; Collection Audit</b> 9/26/2019	<b>ISSUE 1: Bill Holds Are Not Corrected In A Timely Manner</b> IAS analyzed the September 10, 2019 bill hold report to determine if holds are monitored and staff is correcting and resubmitting claims timely. Results of analysis disclosed the following: <ul style="list-style-type: none"> <li>28,491 bill holds totaling \$4.5M, oldest 758 days. Top reason code was credentialing pending. 99% of the holds are "unassigned."</li> <li>Humana bill holds totaling \$633K, oldest 652 days. Top hold reason code was executed take backs.</li> <li>Emergency Department bill holds totaling \$1.3M, oldest 599 days. Top reason code was credentialing pending.</li> <li>1306 bill holds, oldest 758 days, were coded as "fully worked."</li> </ul>	New claim hold processors will be hired by PBFS, which will reduce hold inventory. (SD)  Physician Services leaders, PBFS and Athena are working together to develop and improve hold workflow procedures, this includes efforts to remove duplicate hold codes, assigning holds to Team Members by payor, reassigning clerical work, closing aging claims coded "fully worked" and reducing the volume of aging and uncollectable holds. (JC)	Jeanne Connelly, Service Line Administrator & Executive Director of Physician Services  Suzanne D'Amico, Physician Services Manager PBFS	3/31/2020	High
<b>Physician Billing &amp; Collection Audit</b> 9/26/2019	<b>ISSUE 2: User Access Setup Did Not Segregate Duties</b> Adequately and Terminated Team Members Retained Access to Athena 75 Team Members have access roles and rights to bill the payor and also post the payor's payment. This included 16 with additional superuser access, which would allow them to create payment profiles in Athena. - 75 (6%) of the 1,254 active accounts, have superuser or high level administration roles to Athena. Typically, no more than 1% to 2% of accounts are superuser or administrative. - 126 terminated workers had access to Athena. It should be noted, the users directory access is disabled upon termination and prevents access to Athena.	Going forward business owners will be required to review quarterly and approve user access and job roles.  Physician Services and PBFS will research access and provisioning and remove unnecessary superuser accounts and instances of high risk access. Terminated workers access was disabled.	Jeanne Connelly, Service Line Administrator & Executive Director of Physician Services  Derek Rife, IT Security Risk Manager	3/31/2020	High
<b>Physician Billing &amp; Collection Audit</b> 9/26/2019	<b>ISSUE 3: Adult Psych Charge Capture Process in Athena is Manual</b> Automated charge entry process for Adult Psych professional charges was not developed during Athena implementation. Unlike other areas (e.g. ED and Oncology) where professional charges are recorded in Meditech and upload automatically to Athena, Adult Psych professional fee entry is manually entered from encounter forms.	Physician Services leadership is developing a charge entry interface for Adult Psych Hospital Based Charges.	Jeanne Connelly, Executive Director Physician Services  Suzanne D'Amico, Physician Services Manager PBFS	3/31/2020	Moderate





# Audit Issue Follow Up: Open Action Plans

Audit	Findings	Actions Management Will Take	Action Plan Owner	Action Plan Due Date*	Risk Rank
<b>RVU Physician Reimbursement</b> 10/21/2019	<b>RMA and RVU Payments for the Same Service</b> IAS tested 8,959 (97%) Emergency Department patient services reimbursed via RVU payments in July 2019 to determine if these services were also reimbursed via RMA payments. Results disclosed eleven (65%) Physicians, 252 patient services (3%), were reimbursed via RVU and RMA payments. Inappropriate RVU payments totaled \$4K.	<ul style="list-style-type: none"> <li>• Management will research Athena reporting, current payment models and/or agreements for Physicians in order to identify a solution to RVU and RMA payment issues.</li> </ul>	Dr. Viel, Director of Emergency Medical Services	3/27/2020	Moderate
<b>Charity Care Audit</b> 12/20/2019	<b>ISSUE 1: Charity Care Reporting to CMS Was Inaccurate</b> IAS analyzed the EPSi FY 2018 Worksheet S-10 Report, which supported charity care amounts entered on Worksheet S-10, a document submitted to CMS that partially determined reimbursement. Testing disclosed the following results: <ul style="list-style-type: none"> <li>• The EPSi report included non-charity care adjustments that fed to Worksheet S-10. IAS analysis of the EPSi report indicated that this error caused total charity care to be overstated by an estimated \$300K.</li> <li>• The EPSi report included payments from insurances and expected payments from patients that fed to Worksheet S-10. IAS analysis of the EPSi report indicated that this error caused total charity care to be understated by an estimated \$1.9M.</li> <li>• For one patient account, Team Member entered incorrect codes for account adjustments, which caused total charity care to be understated by \$8K on Worksheet S-10.</li> </ul>	<ul style="list-style-type: none"> <li>• Management will research correcting the EPSi report to feed data to Worksheet S-10 in alignment with CMS guidelines. An amended cost report will be submitted with corrections. (KD)</li> <li>• Patient accounting error was corrected. (BZ)</li> </ul>	Barbara Zdanis, Manager Managed Care & Revenue Integrity  Kern Dowsett, Reimbursement Specialist	3/27/2020	Moderate
<b>Charity Care Audit</b> 12/20/2019	<b>ISSUE 3: The Presumptive Charity Care Eligibility Report Was not Reviewed Effectively</b> IAS testing of 20 patient accounts listed on the monthly presumptive charity care eligibility report to Management's intentions disclosed the following: <ul style="list-style-type: none"> <li>• Four (20%) patient accounts were inappropriately removed from the presumptive charity care eligibility report. All four accounts were ultimately adjusted to charity care at a later date.</li> <li>• Two (10%) patient accounts that did not have a Social Security Number on file were inappropriately retained on the report and received presumptive charity care.</li> </ul>	<ul style="list-style-type: none"> <li>• Collections will research improvements to presumptive charity care eligibility report criteria in order to improve data integrity.</li> <li>• Collections will develop a procedure for scrubbing the presumptive charity care eligibility report. Additionally, Collections will receive training on the new procedure.</li> </ul>	Susan Barbaro, Manager of Customer Service	1/31/2020	Moderate



# Audit Issue Follow Up: Open Action Plans

Audit	Findings	Actions Management Will Take	Action Plan Owner	Action Plan Due Date*	Risk Rank
<p><b>Charity Care Audit</b> 12/20/2019</p>	<p><b>ISSUE 2: Charity Care Determinations Were Not Accurate or Consistent</b></p> <p>IAS tested 35 patients' charity care determinations to Halifax policy and procedures. Testing disclosed the following:</p> <ul style="list-style-type: none"> <li>• In 17 (51%) instances, means test documentation was missing. This included patient bank statements, W-2 forms, and means testing (e.g. calculated household income). (C, PA)</li> <li>• In eight (23%) instances, account documentation regarding Team Member communication with patients was missing. This included documentation that Team Members notified patients of being approved for charity care or being denied for charity care due to incomplete documentation. (C)</li> <li>• Income amounts used for means testing were inconsistent. In five (14%) instances, net amounts were used for means testing whereas gross amounts were used for the other accounts tested. (C, PA)</li> <li>• In four (11%) instances, a code was not entered into patient accounts to prevent them from being transferred to a third party collection agency while the patients were applying for charity care. (C)</li> <li>• In four (11%) instances, patients met eligibility requirements to be considered for a continue care card; however, they were not routed to Patient Access to receive this evaluation. (C)</li> <li>• In three (9%) instances, archival of supporting documents was not properly performed. (C)</li> <li>• In three (9%) instances, out-of-district patients were assigned in-district charity care. (C)</li> <li>• In one (3%) instance, a patient was approved for charity care, but the balance of one of his or her eligible accounts was not adjusted. (C)</li> </ul> <p>Additionally, IAS noted during testing that policies and procedures did not provide guidance on what or if expenses are to be considered, amounts to be used for calculating patient income and adjustment and approval authority levels.</p>	<ul style="list-style-type: none"> <li>• Management evaluated charity care determinations' compliance to state regulations and will update procedures to include additional internal control steps. (SM, AB)</li> <li>Collectors and Patient Access Specialists will receive training on updated charity care procedures. (SB, AB)</li> <li>• Management will evaluate aligning the different Department charity care responsibilities and system processes in order to improve efficiency. (SM, AB)</li> <li>• For the identified accounts, Collections will evaluate correcting the district classification and adjusting the balance of the eligible account. (SB)</li> </ul>	<p>Steve Mach, Director of Patient Business and Financial Services</p> <p>Susan Barbaro, Manager of Customer Service</p> <p>Angela Bolte, Manager of Patient Access</p>		<p>Moderate</p>

# Audit Issue Follow Up: Open Action Plans

Audit	Findings	Actions Management Will Take	Action Plan Owner	Action Plan Due Date*	Risk Rank
<b>Timecard &amp; Payroll Adjustment Audit</b> 2/11/2020	<b>ISSUE 1: Surgical Services Pre- and Post-Payroll Adjustments Were Not Aligned With Procedures</b> Analysis of Surgical Services pre-payroll adjustments for pay period ending September 28, 2019 and post-payroll adjustments for the fourth quarter FY 2019 disclosed the following: <ul style="list-style-type: none"> <li>• Three (100%) post-payroll correction forms were signed by the Timekeeper but not by the Team Member and Manager as required by policy. This included an inaccurate allocation of 14 hours of paid leave earned by a Team Member. Post-payroll correction errors totaled \$2 thousand in payroll discrepancies.</li> <li>• On nine (75%) of 12 timecards with recorded call-back pay, there were 20 instances in which the Team Member had not been called back, yet the Timekeeper changed regular work hours to call-back hours, and the Manager approved these pre-payroll adjustments. Inappropriate call-back entries totaled \$1 thousand in overpayments.</li> <li>• On the 12 (100%) Team Member timecards with recorded on-call pay, there were 34 instances in which entered and approved pay amounts were not aligned with scheduled on-call. Unsupported on-call entries totaled \$160 dollars in payroll discrepancies.</li> <li>• One (33%) of three timecards with recorded preceptor pay was not supported by the Department's preceptor logs. Unsupported preceptor entries totaled \$18 dollars in payroll discrepancies.</li> </ul>	Surgical Services Manager and Timekeeper will attend training with Payroll regarding the proper procedures governing pre- and post-payroll adjustments.	Eric Little, Director of Surgical Services  Nancy Stewart, Payroll Manager	4/10/2020	Moderate
<b>Timecard &amp; Payroll Adjustment Audit</b> 2/11/2020	<b>ISSUE 2: 4 North Pre- and Post-Payroll Adjustments Were Not Aligned With Procedures</b> Analysis of 4 North pre-payroll adjustments for pay period ending September 28, 2019 and post-payroll adjustments for the fourth quarter FY 2019 disclosed the following: <ul style="list-style-type: none"> <li>• One (100%) post-payroll correction form was signed by the Timekeeper but not by the Team Member and Manager as required by policy. Post-payroll correction error totaled \$574 dollars in payroll discrepancy.</li> <li>• One (50%) of two timecards with recorded preceptor pay was not supported by the Department's existing work schedule or other evidence. Unsupported preceptor entries totaled \$18 dollars in payroll discrepancies.</li> </ul>	<ul style="list-style-type: none"> <li>• 4 North Manager and Timekeeper will attend training with Payroll regarding the proper procedures governing pre- and post-payroll adjustments. (DR, NS)</li> <li>• Going forward, documentation will be retained for preceptors. (DR)</li> </ul>	Deborah Reid, Director of Nursing  Nancy Stewart, Payroll Manager	4/10/2020	Moderate

# Audit Issue Follow Up: Open Action Plans

Audit	Findings	Actions Management Will Take	Action Plan Owner	Action Plan Due Date*	Risk Rank
<b>Timecard &amp; Payroll Adjustment Audit</b> 2/11/2020	<b>ISSUE 3: Environmental Services Pre-Payroll Adjustments Were Not Aligned With Procedures</b> • The standard Halifax Health mileage reimbursement form, which documents the business purpose, miles traveled and location, was missing for Team Member's pre-payroll adjustment, totaling \$14 dollars in payroll discrepancy.	Environmental Services Timekeeper(s) will be instructed to use the mileage form.	Allison Brown, Director, Supply Chain Services	4/10/2020	Low
<b>Timecard &amp; Payroll Adjustment Audit</b> 2/11/2020	<b>ISSUE 4: Post-Payroll Correction Form and Procedure Were Misaligned</b> The Payroll Correction Form Policy and the Payroll Correction Form required different levels of authorization. The policy required that the correction be authorized by the Team Member, Timekeeper and the Manager, but the form only required authorization by the Team Member and the Timekeeper and/or Manager. As documented in the Final Audit Report, only the Timekeeper was processing and authorizing post-payroll corrections.	Payroll will update the post-payroll correction form and/or policy to align to each other and to Management's intentions.	Nancy Stewart, Payroll Manager	4/10/2020	Low
<b>Consignment and Trunk Stock Controls Audit</b> 6/17/2019	<b>ISSUE 2: Consignment Item Reconciliations Were Not Performed and/or Documented Appropriately</b> IAS tested 12 consignment reconciliations to determine if item levels are monitored and maintained at the contracted level and if Team Members follow up and correct identified discrepancies. Results of testing disclosed the following:  • Reconciliations were not approved by the vendor and/or Team Member in six instances (50%). • Vendor signed and approved the Bolton Medical reconciliation in place of a Halifax Health Team Member. • Four (33%) reconciliations resulted in variances that remained unreconciled between actual on hand, system amounts and agreement. • IAS was unable to audit three (25%) consignment reconciliations. Reconciliation documentation lacked sufficient detail, was poor quality or was not submitted for auditing.	<ul style="list-style-type: none"> <li>• Materials Management will develop formal guidance to the Departments regarding the steps to perform reconciliations with consignment vendors.</li> <li>• Department Managers will be trained on these new procedures.</li> </ul>	Matthew Petkus, Vice President of Operations  Allison Brown, Manager Supply Chain/BI  Anthony Carillo, SCS Purchasing Manager	12/31/19	Moderate



## Recommended Committee Action

Internal Audit recommends the following for Committee's approval:

- Summary of Audit Reports
- Audit Follow-up Summary Report
- Addition to Audit Plan





## Proposal to provide audit services

### Halifax Health

February 25, 2020



February 25, 2020

RSM US LLP

Mr. Eric Peburn, Chief Financial Officer  
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Dear Eric:

We appreciate the relationship we have built with Halifax Hospital Medical Center (Halifax) over the past seven years and the time you have spent sharing your strategic objectives. The following proposal reflects our understanding of your needs and our understanding of your expectations of a service provider.

Highlights of this approach include the following:

- Halifax will be served by professionals based primarily in Central Florida with team continuity in mind. This continuity within our team will allow us to hit the ground running and focus on providing value-added insights that are important to support your year-round strategic planning and decision-making.
- To promote efficient service for Halifax, your engagement team's experience reflects our firm's long-standing commitment to the health care industry.
- An accessible team with vast experience in the health care industry.
- We will provide a team of specialists focused on adding value to Halifax and sharing perspective about broader health care industry matters.
- Your team members will coordinate all aspects of the services we perform for Halifax. They will actively share information, as appropriate, to streamline efforts and avoid unnecessary distractions for your personnel.

Your RSM US LLP (RSM) engagement team looks forward to building a long-term relationship with Halifax and delivering value for your organization now and well into the future.

Once you have had the opportunity to review this response, we would be pleased to discuss your needs in greater detail or make a presentation to your team. In the meantime, please feel free to contact us with any questions.

Sincerely,

Jon Hillmann, Partner

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Brandon Slauter, Audit Senior Manager

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## EXECUTIVE SUMMARY

In recent conversations, you shared with us the qualities Halifax values in a professional services relationship. Based on our understanding of your expectations, we are confident that RSM has the right capabilities, qualifications and client-service culture to serve as your advisor.

To illustrate this alignment, we would like to highlight the following:

Your priorities	Our response	Outcomes
Confidence that your current and future global professional services needs will be fully supported.	Deploy a health care industry specific delivery model, supported by a team of industry specialists and innovative technology, through which we successfully serve hundreds of health care organizations like yours.	Coordination and efficiency in serving you. A single point of contact, Jon Hillmann, will oversee all services provided and be available throughout the year for questions and updates, transparency into progress across service lines.
Excellent client service based on communication and responsiveness.	Facilitate open and ongoing dialogue to address your questions and concerns, learn about changes in Halifax's business, and support your continual improvement.	Year-round access to a trusted advisor—throughout the engagement and during the year whenever you need us.
Competitive fees and consistently high-quality results.	Leverage highly experienced professionals to plan the engagement and direct and oversee all work phases.	On-time delivery of services, results that fully align with your expectations, and fees that reflect an optimized staffing approach.
Continual process improvement and efficiency gains as you grow into a regional health system.	Assign a team of health care industry experts, including introduction of a senior advisor from our health care industry eminence program, to share perspective in terms of industry leading best practices from benchmark health systems.	A value-added delivery model where your return on investment is measured by perspective gained rather than compliance services completed.



## FEES

Based on our understanding of your needs, our estimated fees are as follows:

Summary of deliverables	Estimated fee		
	2020	2021	2022
<b>Audit services</b>			
Audit of September 30, consolidated financial statements, including issuance of report to board of directors or audit committee of the organization and communications of internal control matters for Halifax Hospital Medical Center**	\$ 170,700	\$ 175,800	\$ 181,100
Audit of September 30, financial statements, including issuance of report to board of directors or audit committee of the organization and communications of internal matters for Halifax Hospice, Inc.**	\$ 38,800	\$ 39,950	\$ 41,150
Audit of September 30, financial statements, including issuance of report to board of directors or audit committee of the organization and communications of internal matters for Medical Center of Deltona, Inc.*	\$ 45,000	\$ 46,350	\$ 47,750
Audit of September 30, financial statements, including issuance of report to the board of directors or audit committee of the organization and communication of internal control matters for Halifax Management System, Inc.*	\$ 30,000	\$ 30,900	\$ 31,800
Single audit as of September 30 for Halifax Hospital Medical Center**	\$ 15,400	\$ 15,850	\$ 16,350
Examination engagement as of September 30 of the Schedule of Uses of Property Taxes for Halifax Hospital Medical Center**	\$ 8,000	\$ 8,200	\$ 8,500
Examination engagement as of September 30 of Halifax Hospital Medical Center's compliance with Section 218.415 F.S.**	\$ 3,000	\$ 3,050	\$ 3,150
Out-of-pocket expenses billed at actual, not to exceed	\$ 15,000	\$ 15,000	\$ 15,000
Preparation for and participation in pre- and post-audit meetings with the audit committee relative to the September 30 audit	Included	Included	Included

\* Fees for these engagements are estimated based on our current understanding of what will be included in these organization's financial statements.

\*\* Fees for these engagements for fiscal year 2020 are the same as fiscal year 2019.



### **Significant changes in your business**

Significant changes in the nature and scope of your business will result in annual professional fee increases. Significant changes may include the addition of new locations, businesses or lines of business; unpreparedness on the part of Halifax; material changes in financial reporting; an unusual number of adjustments to the financial statements; and changes in the scope of work due to regulations, audit or accounting standards, or income tax laws.

### **Fee assumptions**

Any proposed fees are based on the following assumptions:

- Assistance will be supplied by Halifax personnel, including preparation of requested schedules and analyses of accounts before we commence fieldwork.
- There will be no significant changes in the nature and scope of the audit.

Should it be necessary to extend the scope of our services due to unpreparedness on the part of Halifax, significant accounting revisions requiring multiple adjusting journal entries, or other significant changes in the nature and scope of the engagement, we will bill for these additional services based on our standard hourly rates. We will contact you to discuss these items before proceeding with the out-of-scope work.

Our acceptance of this engagement is subject to completion of our acceptance procedures.



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February 19, 2020

Audit Committee of Halifax Hospital Medical Center  
Halifax Pension Plan  
303 North Clyde Morris Boulevard  
Daytona Beach, FL 32114-2709

You have requested that we audit the financial statements of Halifax Pension Plan a component unit of Halifax Hospital Medical Center (the “Plan”), as of September 30, 2020, 2021, and 2022 for the years then ended, and the related notes to the financial statements, which collectively comprise the statement of fiduciary net position and statement of changes in fiduciary net position as listed in the table of contents. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audit will be conducted with the objective of our expressing an opinion on each opinion unit applicable to those basic financial statements.

Accounting principles generally accepted in the United States of America, (U.S. GAAP,) as promulgated by the Governmental Accounting Standards Board (GASB) require that supplementary information, such as management's discussion and analysis (MD&A) or budgetary comparison information, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

1. Schedule of Changes in Net Pension Liability
2. Schedule of Funding Progress
3. Schedule of Actuarially Determined Contributions
4. Schedule of Annual Money-Weighted Rate of Return

We also understand Halifax Pension Plan will not present MD&A. Therefore, the following paragraph will be added to our independent auditors' report:

1. Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be

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an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### **Auditor Responsibilities**

We will conduct our audit in accordance with U.S. GAAS and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. If appropriate, our procedures will therefore include tests of documentary evidence that support the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of cash, investments, and certain other assets and liabilities by correspondence with creditors and financial institutions. As part of our audit process, we will request written representations from your attorneys, and they may bill you for responding. At the conclusion of our audit, we will also request certain written representations from you about the financial statements and related matters.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance (whether caused by errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations) may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America. Please note that the determination of abuse is subjective and *Government Auditing Standards* does not require auditors to detect abuse.

In making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit. Our responsibility as auditors is, of course, limited to the period covered by our audit and does not extend to any other periods.

We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

### **Compliance with Laws and Regulations**

As previously discussed, as part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Halifax Pension Plan's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

## Management Responsibilities

Our audit will be conducted on the basis that management acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements;
3. To provide us with:
  - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
  - b. Additional information that we may request from management for the purpose of the audit; and
  - c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
4. For including the auditor's report in any document containing financial statements that indicates that such financial statements have been audited by the entity's auditor;
5. For identifying and ensuring that the entity complies with the laws and regulations applicable to its activities;
6. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole; and
7. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
8. For identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants; and
9. Additionally, as required by Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility: (a) for the preparation of the supplementary information in accordance with the applicable criteria; (b) to provide us with the appropriate written representations regarding supplementary information; (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) to present the supplementary information with the audited financial statements, or if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit.

## Reporting

We will issue a written report upon completion of our audit of the Plan. Our report will be addressed to the governing body of Halifax Pension Plan. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

## Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents or support for any other transactions we select for testing.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

Zach Chalifour is the service leader for the audit services specified in this letter. His responsibilities include supervising the services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the reports.

This engagement letter covers the audit for the years ending September 30, 2020, 2021, and 2022. This engagement may be terminated by either party for noncompliance with the terms as noted in this engagement letter. The parties will provide 60 days' notice of their intention to terminate the engagement. This engagement may be renewed for three additional years at the option of both parties. Any renewal will be evidenced by a new engagement letter. The proposed fees for Halifax Pension Plan are as follows:

<b>Year Ended September 30,</b>	<b>Proposed Fee</b>
2020	\$ 16,500
2021	\$ 16,750
2022	\$ 17,000

At the conclusion of our audit engagement, we will communicate to those charged with governance the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;



- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

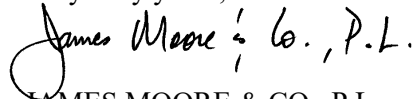
In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm for your consideration and files.

The audit documentation for this engagement is the property of James Moore & Co., P.L. and constitutes confidential information. However, we may be requested to make certain audit documentation available to a grantor or their designee, a federal or state agency providing direct or indirect funding, or the U.S. Government Accountability Office pursuant to authority given to it by laws or regulation, or to peer reviews. If requested, access to such audit documentation will be provided under the supervision of James Moore & Co., P.L. personnel. We will notify you of any such request. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

This engagement letter includes the attached James Moore & Co., P.L. Standard Terms and Conditions as Attachment A which is incorporated and made a part of this engagement letter by reference.

We appreciate the opportunity to be of service to Halifax Pension Plan and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

  
JAMES MOORE & CO., P.L.

RESPONSE:

This letter correctly sets forth the understanding of Halifax Pension Plan.

By \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

## REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

April 11, 2018

To the Members  
James Moore & Co., P.L.  
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of James Moore & Co., P.L. (the firm) in effect for the year ended October 31, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### **Firm's Responsibility**

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### **Peer Reviewer's Responsibility**

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

## Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act, and audits of employee benefit plans and an examination of a service organization (SOC 2 engagement).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

## Opinion

In our opinion, the system of quality control for the accounting and auditing practice of James Moore & Co., P.L. in effect for the year ended October 31, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency (ies)* or *fail*. James Moore & Co., P.L. has received a peer review rating of *pass*.

*Haddox Reid Embank Betts PLLC*

**Attachment A**  
**James Moore and Co., P.L.**  
**Standard Terms and Conditions**

The terms and conditions set forth below are incorporated into the engagement letter agreement pursuant to which James Moore & Co., P.L. (“JMCO”, the “Firm”) will provide services to Halifax Pension Plan (“Client”).

1. **Management’s Responsibilities** – Management of Client is responsible for establishing and maintaining an effective internal control system. JMCO services may include advice and recommendations which management may or may not adopt. Client’s management shall be fully and solely responsible for applying independent business judgment with respect to the services and work product provided by JMCO, to make implementation decisions, if any, and to determine further courses of action with respect to any matters addressed in any advice, recommendations, services, reports, or other work product or deliveries to Client. Management is responsible for the safeguarding of assets, the proper recording of transactions in the books of accounts, the substantial accuracy of the financial records, and the full and accurate disclosure of all relevant facts affecting the engagement to JMCO. Client should retain all the documents, canceled checks, and other data that form the basis of income and deductions. If the engagement also includes tax services, these records may be necessary to prove the accuracy and completeness of tax returns to a taxing authority. Client has final responsibility for the tax return(s) and; therefore should review the return(s) carefully before signing and filing.
2. **Responsible Person** – Client designates the individual signing the engagement letter (“Representative”) as the individual to whom JMCO should look to provide information, communicate, and answer questions. Client understands that JMCO will rely on the Representative designated above and that decisions by the Representative may be beneficial to some and detrimental to others. JMCO is directed to rely on the Representative for all Client decisions including but not limited to tax treatments, allocation of income and expense items, tax elections and accounting treatments. All communication with the Representative is deemed to be communication with Client.
3. **Advice in Writing** – JMCO only provides advice for Client to rely upon in writing. Casual discussions of tax, accounting or other issues and informal communication are not advice upon which Client can rely. Client agrees that the only advice from JMCO upon which Client may rely is written advice received from JMCO on our letterhead or via e-mail.
4. **Unencrypted E-Mail Use Authorized for Communication** – In connection with this engagement, JMCO may communicate with Client or others via e-mail transmission. As e-mails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, JMCO cannot guarantee or warrant that e-mails from JMCO will be properly delivered and read only by the addressee. Therefore, JMCO specifically disclaims and waives any liability or responsibility whatsoever for interception or unintentional disclosure or communication of e-mail transmissions or for the unauthorized use or failed delivery of e-mails transmitted by JMCO in connection with the performance of this engagement. In that regard, Client agrees that JMCO shall have no liability for any loss or damage to any person or entity resulting from the use of e-mail transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information. During the term of this engagement Client may elect by notification in writing to JMCO to suspend or terminate the use of e-mail.

5. **Cooperation** – Client agrees to cooperate with JMCO in the performance of JMCO services for the Client, including providing JMCO with reasonable facilities and timely access to Client’s data, information and personnel. Client shall be responsible for the performance of Client’s employees and agents and for the accuracy and completeness of all data and information provided to JMCO for purposes of this engagement. In the event that JMCO is unable to obtain required information on a timely basis JMCO may revise its estimate of fees, alter the services required and/or terminate the engagement.
6. **Independent Contractor** – Client and JMCO are both independent contractors and neither Client nor JMCO are, or shall be considered to be, an agent, distributor or representative of the other. Neither Client nor JMCO shall act or represent itself, directly or by implication, as an agent of the other or in any manner assume or create any obligation on behalf of, or in the name of, the other.
7. **Payment of Invoices** – JMCO will bill Client for professional services, expenses, and out-of-pocket costs on a monthly basis. Payment is due within 30 days of the date on the billing statement. JMCO reserves the right to suspend work or terminate the engagement in the event that payment is not received within 30 days of the date on the billing statement. JMCO may also suspend work or terminate the engagement if information furnished is not satisfactory for JMCO to perform work on a timely basis. JMCO will notify Client if work is suspended or terminated. If JMCO elects to terminate the engagement for nonpayment or for any other reason provided for in this letter, the engagement will be deemed to have been completed for purposes of payment being due from Client. Upon written notification of termination, even if JMCO has not released work product, Client will be obligated to compensate JMCO for all time expended and to reimburse JMCO for all out-of-pocket costs through the date of termination. Suspension of work or termination of the engagement may result in missed deadlines, penalties/interest along with other consequences and Client agrees that suspended work or termination of the engagement shall not entitle Client to recover damages from JMCO. All fees, charges and other amounts payable to JMCO hereunder do not include any sales, use, value added or other applicable taxes, tariffs or duties, payment of which shall be the sole responsibility of Client, excluding any applicable taxes based on JMCO’s net income or taxes arising from the employment or independent contractor relationship between JMCO and JMCO’s personnel. A late payment charge of 1½% per month will be assessed on any balance that remains unpaid after deduction of current payments, credits, and allowances after 90 days from the date of billing. This is an Annual Percentage Rate of 18%.
8. **Confidential & Proprietary Information** – Client and JMCO both acknowledge and agree that all information communicated by one party (the “Disclosing Party”) to the other (the “Receiving Party”) in connection with this engagement shall be received in confidence, shall be used only for purposes of this engagement, and no such confidential information shall be disclosed by the Receiving Party or its agents or personnel without the prior written consent of the other party. Except to the extent otherwise required by applicable law or professional standards, the obligations under this section do not apply to information that: (a) is or becomes generally available to the public other than as a result of disclosure by the Receiving Party, (b) was known to the Receiving Party or had been previously possessed by the Receiving Party without restriction against disclosure at the time of receipt thereof by the Receiving Party, (c) was independently developed by the Receiving Party without violation of this agreement or (d) Client and JMCO agree from time to time to disclose. Each party shall be deemed to have met its nondisclosure obligations under this paragraph as long as it exercises the same level of care to protect the other’s information, except to the extent that applicable law, regulations or professional standards impose a higher requirement. JMCO may retain, subject to the terms of this Paragraph, one copy of Client’s confidential information required for compliance with applicable professional standards or internal policies. If either Client or JMCO receives a subpoena or other validly issued administrative or judicial demand requiring it to disclose the other party’s confidential information, such party shall (if permitted to do so) provide written notice to the other of such demand in order to permit it to seek a protective order. So long as the notifying party gives notice as provided herein, the notifying party

shall be entitled to comply with such demands to the extent permitted by law, subject to any protective order or the like that may have been entered into in the matter. In the event that Client wishes to assert a privilege or Client fails to respond and JMCO asserts the privilege on Client's behalf, Client agrees to pay for all expenses incurred by JMCO in defending the privilege, including, by way of illustration only, JMCO's attorney's fees, court costs, outside adviser's costs, penalties and fines imposed as a result of Client asserting the privilege or Client's direction to JMCO to assert the privilege. JMCO's techniques, judgments, methodology, and practices relating to its engagement practices are agreed by Client and JMCO to constitute proprietary confidential business information in the nature of trade secrets, security measures, systems and procedures which are in the nature of competitive interests which would impair the competitive business of JMCO should the information be released.

9. **Disclosures** – Certain communications involving advice are privileged and not subject to disclosure. By disclosing the contents of those communications to anyone, or by turning over information about those communications to the government, Client, Client's employees or Client's agents may be waiving this privilege. To protect this right to privileged communication, please consult with JMCO or an attorney prior to disclosing any information about JMCO advice. Should Client determine that it is appropriate for JMCO to disclose any potentially privileged communication; Client agrees to provide JMCO with written, advance authority to make that disclosure.
10. **Force Majeure** – Neither Client nor JMCO shall be liable for any delays resulting from circumstances or causes beyond our reasonable control, including, without limitation, fire or other casualty, act of God, strike or labor dispute, war or other violence, or any law, order or requirement of any government agency or authority.
11. **Indemnification** – Client, its officers and directors hereby agrees to indemnify; agrees to pay for the defense (with counsel of JMCO's choosing) of JMCO, (including JMCO's principals, employees and authorized agents) and agrees to hold JMCO harmless from any and all suits, claims, actions, proceedings, liabilities, judgments, losses and costs whatsoever (including but not limited to attorneys' fees and litigation costs) arising in connection with any services performed or products provided by JMCO pursuant to, or under the cover of this engagement letter (Indemnity) as described in this paragraph. This Indemnity relates only to circumstances in which there is a knowing misrepresentation by Client and/or its management relating to this engagement. The foregoing indemnity is intended to apply to the extent not contrary to applicable law. This provision shall survive the termination of this engagement for a period of five years.
12. **Document Retention and Ownership** – The parties agree that JMCO will endeavor to retain documents and records in accordance with the Firm's Record Retention and Destruction Policy. Client agrees that after the specified period of retention expires (typically seven (7) years), documents and records may not be available. However, the related engagement records will not be destroyed regardless of the retention period, if JMCO has knowledge of potential or pending legal action and/or investigation by a regulatory agency, and it has been determined by the Firm that the records in question are relevant to said legal action and/or investigation. If it is determined that the records in question are relevant to the legal action and/or investigation, the Firm will impose a litigation hold on the records thereby suspending the scheduled destruction of the records. As potential or pending legal action or an investigation may not be public knowledge, we request that you inform us of any such legal action or investigation in a timely manner. Likewise, we request that you inform us when all legal action or investigation has been concluded so that the Firm can release the litigation hold and the records related to our engagement can be destroyed in accordance with our Record Retention and Destruction Policy. JMCO does not retain original client records or documents. Records prepared by us specifically for you as part of this engagement (for example, financial statements and other financial reports, tax returns, general ledgers, depreciation schedules, etc.) and other supporting records prepared by JMCO (for example, adjusting entries and related support, data combining schedules, calculations supporting amounts in tax returns and financial statements, letters, memos and electronic

mail, etc.) will remain part of the engagement records. When any records are returned or provided to you, it is your responsibility to retain and protect them for possible future use, including potential examination by any government or regulatory agencies. JMCO owns and retains the rights to JMCO's internal working papers; any information created by JMCO is not the property of Client. In the event that documents are requested by the Representative or any other individual considered by law or regulation to be our client we will furnish the documents readily available in the Client file (which shall not include any obligation on JMCO's part to undertake a search of JMCO's electronic document and email files) to the requesting party.

13. **Hosting of Client Data** – JMCO does not Host, is not the custodian of, and accepts no responsibility for Client financial and non-financial data. Client acknowledges that it has sole responsibility for the storage and preservation of its financial and non-financial data.
14. **Professional Standards** – JMCO will perform this engagement in accordance with the professional standards applicable to the engagement including those standards promulgated by the American Institute of Certified Public Accountants. In the event that issues arise that present a conflict of interest and/or a potential for breach of professional standards it may become necessary to terminate or suspend services of this engagement.
15. **Use of Third Party Providers** – In the normal course of business, JMCO uses the services of third-parties and individual contractors, which are not employees of JMCO. Those services are performed at various levels and in various aspects of JMCO's engagements including bookkeeping, tax return preparation, consulting, audit and other attest services and clerical and data entry functions. It is possible that during the course of the engagement JMCO may utilize such third-party and individual contractor sources. Additionally, the engagement will, of necessity, require JMCO to handle confidential information and JMCO expects third-party service providers and individual contractors to maintain the confidentiality of such information. To be reasonably assured that unauthorized release of confidential client information does not occur, JMCO requires those individuals and third-party service providers to enter into a written agreement to maintain the confidentiality of such information. Client acceptance of this arrangement acknowledges and accepts our handling of confidential Client information including access by third-party and individual service providers.
16. **Limitation of Liability and Actions** – Neither party may assert against the other party any claim in connection with this engagement unless the asserting party has given the other party written notice of the claim within one (1) year after the asserting party first knew or should have known of the facts giving rise to such claim. Notwithstanding anything to the contrary, JMCO's maximum aggregate liability in this engagement (regardless of the nature of the any claim asserted, including contract, statute, any form of negligence, tort, strict liability or otherwise and whether asserted by Client, JMCO or others) shall be limited to twice the sum of the fees paid to JMCO during the term of this engagement. In no event shall JMCO be liable for consequential, incidental, special or punitive loss, damage or expense (including, without limitation, lost profits, opportunity costs, etc.) even if JMCO had been advised of their possible existence. This provision shall survive the termination of this agreement.
17. **Mediation** – Prior to resorting to arbitration or litigation that may arise regarding the meaning, performance or enforcement of this engagement or any prior engagement the parties agree to attempt resolution of any dispute in mediation administered by and conducted under the rules of the American Arbitration Association (AAA) in mediation session(s) in Alachua County, Florida. Unless the parties agree in writing to the contrary, the parties will engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement. The results of any such mediation shall be binding only upon agreement of each party to be bound. Each party may disclose any facts to the other party or to the mediator that it in good faith considers reasonably necessary to resolve the dispute. However, all such disclosures shall be deemed in furtherance of settlement efforts

and shall not be admissible in any subsequent proceeding against the disclosing party. Except as agreed to in writing by both parties, the mediator shall keep confidential all information disclosed during mediation. The mediator shall not act as a witness for either party in any subsequent proceeding between the parties. The costs of any mediation proceeding shall be shared equally by the participating parties.

- 18. Binding Arbitration** – All disputes not resolved by mediation (as described above) arising out of and/or related to the services and/or relationship with JMCO and Client will be resolved through binding arbitration. The parties agree that they are irrevocably voluntarily waiving the right to a trial by jury by entering into this voluntary binding arbitration agreement. The arbitration proceeding shall take place in Alachua County, Florida. The arbitration shall be governed by the provisions of the laws of Florida (except if there is no applicable state law providing for such arbitration, then the Federal Arbitration Act shall apply) and the substantive law of Florida shall be applied without reference to conflicts of law rules. In any arbitration instituted hereunder, the proceedings shall proceed in accordance with the then current Arbitration Rules for Professional Accounting and Related Disputes of the AAA, except that discovery shall be limited to identification of witnesses, exchange of expert reports, deposition of experts only, exchange of documents in the Client file and interrogatories and shall not include any exchange of e-mail or any requirement to produce or search for e-mail. Any Dispute regarding discovery, or the relevance or scope thereof, shall be determined by the Arbitration Panel (as defined below). For amounts in dispute less than One Million Dollars, the arbitration shall be conducted before a single arbitrator appointed as a neutral by the AAA. The single arbitrator shall be both a licensed attorney and a licensed certified public accountant at the time of appointment as the arbitrator. If the amount in dispute is One Million Dollars or more, the arbitration shall be conducted before a panel of three persons, all panel members must be members of the AAA's panel of neutrals with one arbitrator selected by each party (party selection shall be completed within twenty days of receipt of the panel nominees from the AAA or, failing party selection the panel members shall be appointed by the AAA), and the third member of the panel will be selected by the AAA will be licensed as a certified public accountant at the time of appointment to the panel (the "Arbitration Panel"). The party-selected arbitrators shall be treated as neutrals. The Arbitration Panel shall have no authority to award non-monetary or equitable relief, but nothing herein shall be construed as a prohibition against a party from pursuing non-monetary or equitable relief in a state or federal court. The parties also waive the right to punitive damages and the arbitrators shall have no authority to award such damages or any other damages that are not strictly compensatory in nature. In rendering their award the Arbitration Panel shall issue a reasoned award. The Arbitration Panel is directed to award attorneys' fees and costs along with the costs of the arbitration proceeding to the prevailing party as determined by the Arbitration Panel. The confidentiality provisions applicable to mediation shall also apply to arbitration. The award issued by the Arbitration Panel may be confirmed in a judgment by any federal or state court of competent jurisdiction. In no event shall a demand for arbitration be made after the date on which the initiation of the legal or equitable proceeding on the same dispute would be barred by the applicable statute of limitations or statute of repose or this agreement. For the purposes of applying the statute of limitations or repose or this agreement, receipt of a written demand for arbitration by the AAA shall be deemed the initiation of the legal or equitable proceeding based on such dispute.
- 19. Employees** – Both Client and JMCO agree that they will not employ any employee of the other within one year of the employee's last day of employment with the other, unless mutually agreed upon in writing. Employment of a former employee within one year of the employee leaving the other party may cause significant economic losses and/or breach of professional standards for JMCO and potential economic loss and/or potential conflicts of interest for Client. If this provision is breached, client will pay 3 months' salary of the employee to JMCO.



- 20. Posting and Distribution of Information** – JMCO’s permission is required prior to distribution or posting of JMCO work product. If Client plans to distribute or post online any of JMCO’s work product, a copy of the document, reproduction master or proof will be submitted to JMCO not less than seven days prior to distribution or posting to provide JMCO sufficient time for our reading and approval prior to distribution or posting. If, in our professional judgment, the circumstances require, we may withhold our written consent. Client agrees that prior to posting an electronic copy of any of JMCO’s work product, including but not limited to financial statements and our report(s) thereon, that Client will ensure that there are no differences in content between the electronic version posted and the original signed version provided to management by JMCO. Client agrees to indemnify JMCO, defend using counsel of JMCO’s choosing and hold JMCO harmless from any and all claims that may arise from any differences between electronic and original signed versions of JMCO’s work product.
- 21. Assignment** – Neither party may assign any of its rights or obligations under the terms of this engagement without the prior written consent to the other.
- 22. Additional Work** – From time to time Client may request that JMCO undertake to complete additional work. In the event that such work is undertaken without a separate written engagement understanding then the terms of this engagement letter shall govern the additional work.
- 23. Entire Agreement** – This engagement letter constitutes the entire understanding between the parties regarding the JMCO services and supersedes all prior understandings relating to JMCO services. No amendment, modification, waiver or discharge of the terms of this engagement letter shall be valid unless in writing and signed by authorized representatives of both parties. This understanding has been entered into solely between Client and JMCO, and no third-party beneficiaries are created hereby. In the event any provision(s) of the terms of this document shall be invalidated or otherwise deemed unenforceable, such finding shall not cause the remainder of this document to become unenforceable. The proper venue for all actions involving the relationship between JMCO and Client are the tribunals of principal jurisdiction in Alachua County, Florida. This engagement and the relationship between the parties shall be construed and enforced in accordance with, and governed by Florida law without giving effect to Florida’s choice of law principles. This document may be transmitted in electronic format and shall not be denied legal effect solely because it was formed or transmitted, in whole or in part, by electronic record; however, this document must then remain capable of being retained and accurately reproduced, from time to time, by electronic record by the parties and all other persons or entities required by law. An electronically transmitted signature or acknowledgment will be deemed an acceptable original for purposes of binding the party providing such electronic signature.

# **Halifax Health**

## **Fiscal Year 2020 Operating Performance October - January**

Presentation to Audit and Finance Committee, March 4, 2020



**HALIFAX HEALTH**

Live your life well.

# Halifax Health (System)

## Financial Performance

### FY 2020 October – January

- Accomplishments
  - Actual operating performance exceeded budget by \$2.1 million
  - Operating revenues were greater than budget by \$1.7 million
  - YTD Adjusted Operating EBIDA is greater than the YTD Budget (8.0% compared to 7.8%)
  - Inpatient volume exceeded budget by 6.4%
  - Emergency room visits exceeded budget by 1.6%
  - Oncology visits exceeded budget by 3.4%
  - Interventional Radiology procedures exceeded budget by 12.5%
- Opportunities
  - Surgical patient volumes lower than expected by 8% (Orthopedics, General Surgery and Neurosurgery)
  - Locum costs (physician contract labor) in Psychiatry department - \$452k
  - Elevated Nursing orientation costs - \$500k
  - Observation patient management at Halifax Health Port Orange facility
  - Emergency department patients - Left without being seen 65% increase over prior year (approximately 1,000 patients)

Live your life well.



HALIFAX  
HEALTH

## Halifax Health Summary Financial Narrative For the four months ended January 31, 2020

The performance of Halifax Health (HH) compared to budget and long-range targets (S&P "A" rated medians) for key financial indicators is as follows.

Financial Indicator	YTD Actual FY 20	YTD Budget FY 20	YTD Actual vs. Budget	S&P "A"	YTD Actual FY 20 vs. S&P "A"
Total Margin	3.6%	1.2%	Favorable	4.2%	Unfavorable
Operating Margin	0.8%	-0.3%	Favorable	1.6%	Unfavorable
EBIDA Margin	11.4%	9.4%	Favorable	10.7%	Favorable
Operating EBIDA Margin	8.5%	8.0%	Favorable	8.2%	Favorable
Adjusted Operating EBIDA Margin *	8.0%	7.8%	Favorable	N/A	N/A
Days Cash on Hand	247	264	Unfavorable	237	Favorable
Cash to Debt	79.2%	87.1%	Unfavorable	173.8%	Unfavorable
Debt to Capitalization	58.3%	58.0%	Unfavorable	27.0%	Unfavorable
OG MADS Coverage	2.79	2.16	Favorable	3.90	Unfavorable
OG Debt to Capitalization	50.1%	49.7%	Unfavorable	27.0%	Unfavorable

\* Excludes Halifax Health Foundation revenue and expense activity

### **Halifax Health Medical Center**

#### *Statistical Summary--*

- Admissions for the month and fiscal year-to-date are greater than budget and prior year.
- Patient days for the month and fiscal year-to-date are greater than budget and prior year.
  - Observation patient days for the month and fiscal year-to-date are less than budget and prior year.
- Surgery volumes for the month and fiscal year-to-date are less than budget and prior year.
- Emergency Room visits for the month are less than budget and greater than prior year; for the fiscal year-to-date are greater than budget and prior year.

#### *Financial Summary --*

- Net patient service revenue for the fiscal year-to-date is 1.0% greater than budget.
- Total operating expenses for the fiscal year-to-date are 0.7% greater than budget.
- Income from operations for the fiscal year-to-date of \$2.1 million compares favorably to budget by \$1.1 million.
- Nonoperating gains/losses for the fiscal year-to-date of \$3.2 million compares favorably to budget by \$1.5 million.
- The increase in net position for the fiscal year-to-date of \$3.2 million compares favorably to budget by \$2.5 million.

### **Halifax Health Hospice**

#### *Statistical Summary --*

- Patient days for the month and fiscal year-to-date are less than budget and prior year.

#### *Financial Summary --*

- Net patient service revenue for the fiscal year-to-date is 2.7% less than budget.
- Income from operations for the fiscal year-to-date of \$277,000 compares unfavorably to budget by \$288,000.
- Nonoperating gains/losses for the fiscal year-to-date of \$3.2 million compares favorably to budget by \$1.9 million.
- The increase in net position for the fiscal year-to-date of \$3.5 million compares favorably to budget by \$1.6 million.

## Halifax Health Statistical Summary

Month Ended January 31					Four Months Ended January 31			
<u>2019</u>	<u>2020</u>	<u>Budget</u>	<u>Var.</u>		<u>2019</u>	<u>2020</u>	<u>Budget</u>	<u>Var.</u>
				<b><u>Inpatient Activity</u></b>				
1,647	1,660	1,681	-1.2%	HHMC Adult/Ped Admissions	6,159	6,615	6,323	4.6%
189	242	204	18.6%	HHMCPO Adult/Ped Admissions	645	886	762	16.3%
207	210	197	6.6%	Adult Psych Admissions	686	799	737	8.4%
76	78	72	8.3%	Rehabilitative Admissions	276	286	271	5.5%
<b>2,119</b>	<b>2,190</b>	<b>2,154</b>	<b>1.7%</b>	<b>Total Adult/Ped Admissions</b>	<b>7,766</b>	<b>8,586</b>	<b>8,093</b>	<b>6.1%</b>
8,663	8,878	8,511	4.3%	HHMC Adult/Ped Patient Days	32,832	34,354	32,147	6.9%
593	785	561	39.9%	HHMCPO Adult/Ped Patient Days	1,944	2,889	2,099	37.6%
1,347	1,264	1,388	-8.9%	Adult Psych Patient Days	5,280	4,800	5,194	-7.6%
1,084	1,187	1,137	4.4%	Rehabilitative Patient Days	4,171	4,312	4,103	5.1%
<b>11,687</b>	<b>12,114</b>	<b>11,597</b>	<b>4.5%</b>	<b>Total Adult/Ped Patient Days</b>	<b>44,227</b>	<b>46,355</b>	<b>43,543</b>	<b>6.5%</b>
5.3	5.3	5.1	5.6%	HHMC Average Length of Stay	5.3	5.2	5.1	2.1%
3.1	3.2	2.8	18.0%	HHMCPO Average Length of Stay	3.0	3.3	2.8	18.4%
<b>5.0</b>	<b>5.1</b>	<b>4.8</b>	<b>5.6%</b>	<b>HHMC/ HHMCPO Average Length of Stay</b>	<b>5.1</b>	<b>5.0</b>	<b>4.8</b>	<b>2.7%</b>
6.5	6.0	7.0	-14.6%	Adult Psych Average Length of Stay	7.7	6.0	7.0	-14.8%
14.3	15.2	15.8	-3.6%	Rehabilitative Length of Stay	15.1	15.1	15.1	-0.4%
<b>5.5</b>	<b>5.5</b>	<b>5.4</b>	<b>2.7%</b>	<b>Total Average Length of Stay</b>	<b>5.7</b>	<b>5.4</b>	<b>5.4</b>	<b>0.3%</b>
<b>377</b>	<b>391</b>	<b>374</b>	<b>4.5%</b>	<b>Total Average Daily Census</b>	<b>360</b>	<b>377</b>	<b>354</b>	<b>6.5%</b>
1,012	718	880	-18.4%	HHMC Observation Patient Day Equivalents	3,896	2,799	3,292	-15.0%
304	214	181	18.2%	HHMCPO Observation Patient Day Equivalents	983	870	676	28.7%
<b>1,316</b>	<b>932</b>	<b>1,061</b>	<b>-12.2%</b>	<b>Total Observation Patient Day Equivalents</b>	<b>4,879</b>	<b>3,669</b>	<b>3,968</b>	<b>-7.5%</b>
<b>42</b>	<b>30</b>	<b>34</b>	<b>-11.8%</b>	<b>Observation Average Daily Census</b>	<b>40</b>	<b>30</b>	<b>32</b>	<b>-6.3%</b>
160	138	154	-10.4%	HHMC Newborn Births	600	602	612	-1.6%
397	285	293	-2.7%	HHMC Nursery Patient Days	1,274	1,213	1,152	5.3%
621	559	635	-12.0%	HHMC Inpatient Surgeries	2,384	2,285	2,377	-3.9%
25	16	19	-15.8%	HHMCPO Inpatient Surgeries	79	51	72	-29.2%
<b>646</b>	<b>575</b>	<b>654</b>	<b>-12.1%</b>	<b>Total Inpatient Surgeries</b>	<b>2,463</b>	<b>2,336</b>	<b>2,449</b>	<b>-4.6%</b>
				<b><u>Inpatient Surgeries</u></b>				
227	185			Orthopedics	825	743		
119	106			Gastroenterology	491	441		
85	85			General Surgery	358	351		
29	35			Vascular Surgery	114	139		
42	27			Podiatry	95	128		
144	137			All Other	580	534		
<b>646</b>	<b>575</b>	<b>654</b>	<b>-12.1%</b>	<b>Total Inpatient Surgeries</b>	<b>2,463</b>	<b>2,336</b>	<b>2,449</b>	<b>-4.6%</b>

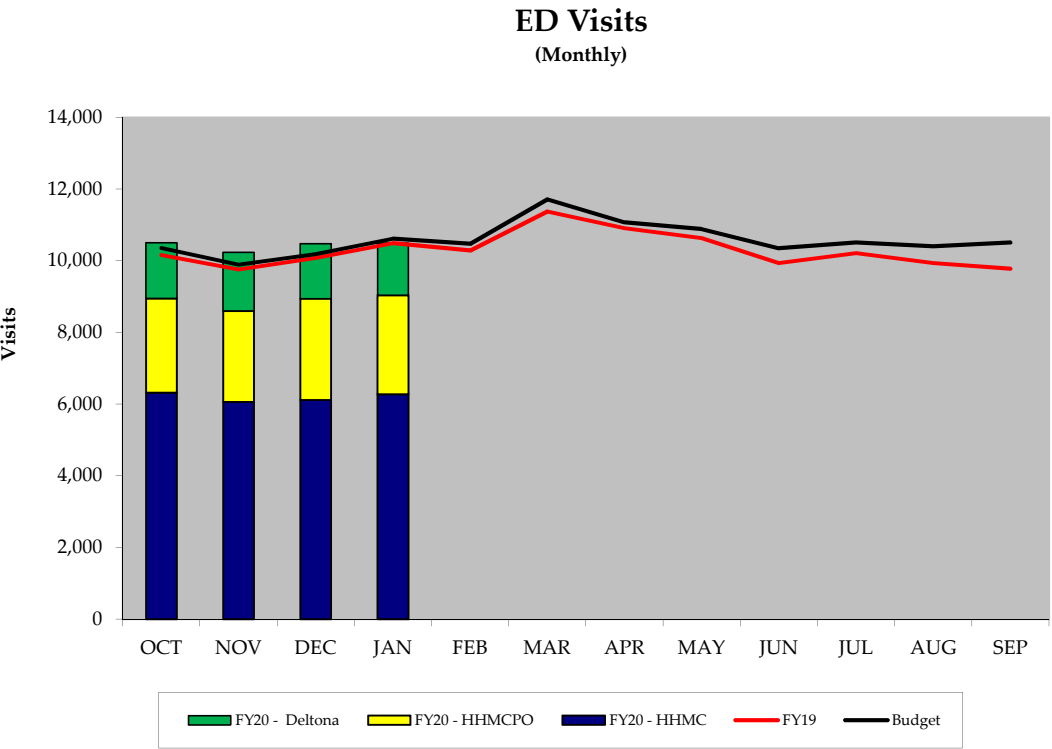
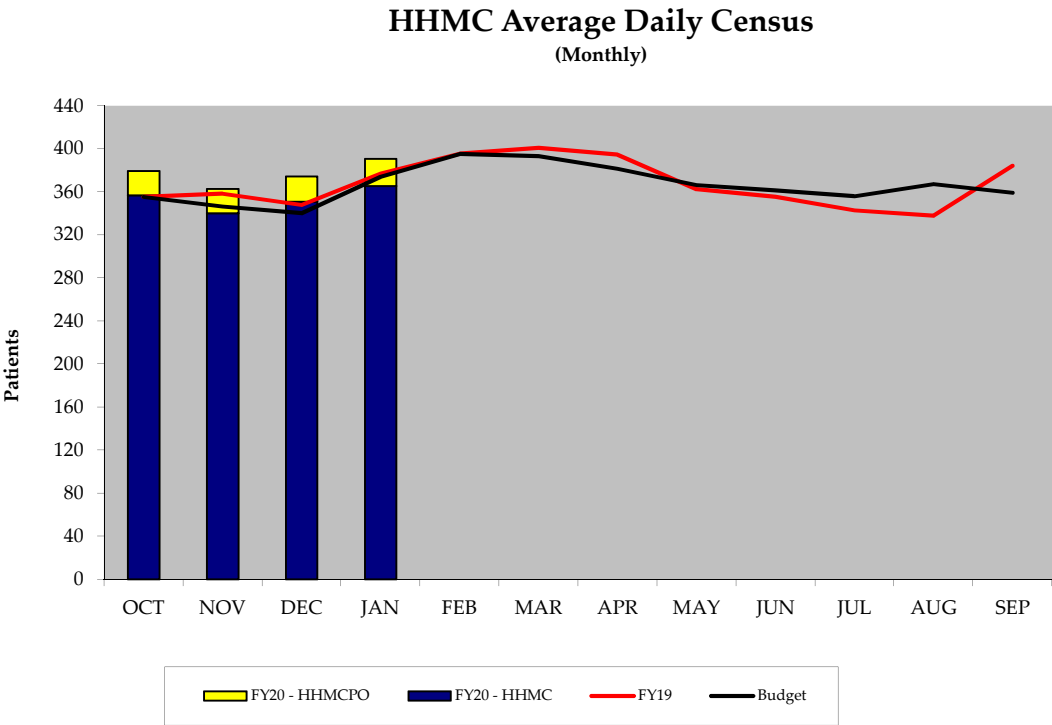
## Halifax Health Statistical Summary

Month Ended January 31					Four Months Ended January 31			
<u>2019</u>	<u>2020</u>	<u>Budget</u>	<u>Var.</u>		<u>2019</u>	<u>2020</u>	<u>Budget</u>	<u>Var.</u>
				<u>Outpatient Activity</u>				
6,388	6,271	6,533	-4.0%	HHMC ED Registrations	24,888	24,763	25,215	-1.8%
2,608	2,765	2,595	6.6%	HHMCPO ED Registrations	10,001	10,763	9,930	8.4%
1,491	1,458	1,488	-2.0%	Deltona ED Registrations	5,583	6,176	5,904	4.6%
<b>10,487</b>	<b>10,494</b>	<b>10,616</b>	<b>-1.1%</b>	<b>Total ED</b>	<b>40,472</b>	<b>41,702</b>	<b>41,049</b>	<b>1.6%</b>
348	338	368	-8.2%	HHMC Outpatient Surgeries	1,534	1,423	1,617	-12.0%
122	112	134	-16.4%	HHMCPO Outpatient Surgeries	472	438	515	-15.0%
254	269	254	5.9%	Twin Lakes Surgeries	1,073	1,002	1,076	-6.9%
<b>724</b>	<b>719</b>	<b>756</b>	<b>-4.9%</b>	<b>Total Outpatient Surgeries</b>	<b>3,079</b>	<b>2,863</b>	<b>3,208</b>	<b>-10.8%</b>
				<u>Outpatient Surgeries</u>				
170	151			General Surgery	671	593		
77	103			Gastroenterology	442	460		
65	68			Orthopedics	301	259		
75	61			OB/GYN	330	235		
67	65			Ophthalmology	215	230		
270	271			All Other	1,120	1,086		
<b>724</b>	<b>719</b>	<b>756</b>	<b>-4.9%</b>	<b>Total Outpatient Surgeries</b>	<b>3,079</b>	<b>2,863</b>	<b>3,208</b>	<b>-10.8%</b>
				<u>Cardiology Procedures</u>				
22	20			Open Heart Cases	78	92		
119	134			Cardiac Caths	473	517		
26	33			CRM Devices	103	108		
36	24			EP Studies	162	127		
<b>203</b>	<b>211</b>	<b>231</b>	<b>-8.7%</b>	<b>Total Cardiology Procedures</b>	<b>816</b>	<b>844</b>	<b>913</b>	<b>-7.6%</b>
				<u>Interventional Radiology Procedures</u>				
76	91	76	19.7%	Vascular	338	348	338	3.0%
90	104	86	20.9%	Nonvascular	324	381	310	22.9%
<b>166</b>	<b>195</b>	<b>162</b>	<b>20.4%</b>	<b>Total Interventional Radiology Procedures</b>	<b>662</b>	<b>729</b>	<b>648</b>	<b>12.5%</b>
				<u>HH Hospice Activity</u>				
				<u>Patient Days</u>				
16,670	15,562	16,120	-3.5%	Volusia/ Flagler	65,373	62,618	63,960	-2.1%
1,689	1,481	1,766	-16.1%	Orange/ Osceola	6,634	6,211	6,822	-9.0%
<b>18,359</b>	<b>17,043</b>	<b>17,886</b>	<b>-4.7%</b>	<b>HH Hospice Patient Days</b>	<b>72,007</b>	<b>68,829</b>	<b>70,782</b>	<b>-2.8%</b>
				<u>Average Daily Census</u>				
538	502	520	-3.5%	Volusia/ Flagler	531	509	520	-2.1%
54	48	57	-16.1%	Orange/ Osceola	54	50	55	-9.0%
<b>592</b>	<b>550</b>	<b>577</b>	<b>-4.7%</b>	<b>HH Hospice Average Daily Census</b>	<b>585</b>	<b>560</b>	<b>575</b>	<b>-2.8%</b>

# Halifax Health Statistical Summary

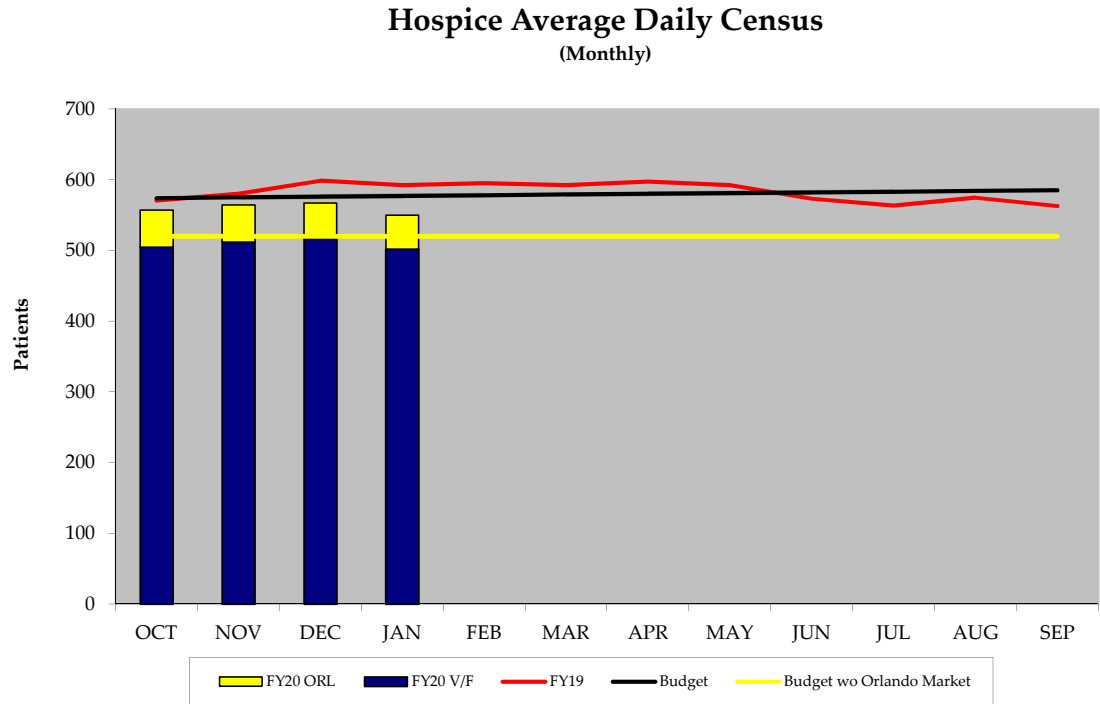
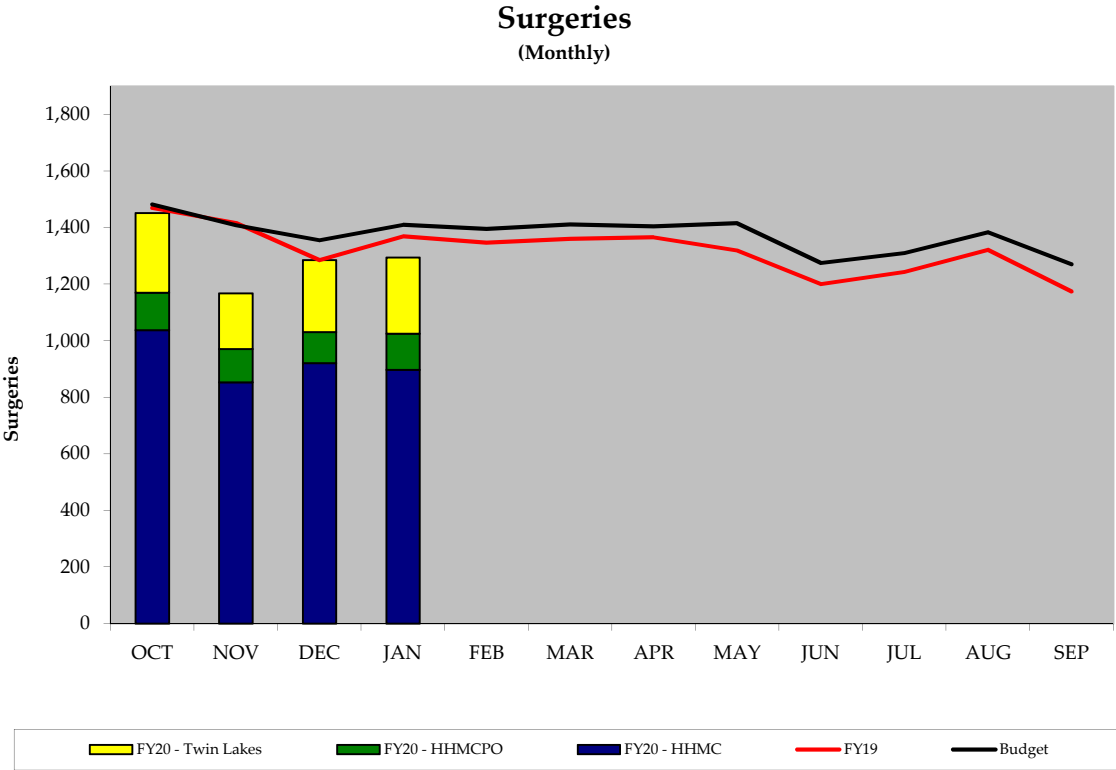
Month Ended January 31					Four Months Ended January 31			
<u>2019</u>	<u>2020</u>	<u>Budget</u>	<u>Var.</u>		<u>2019</u>	<u>2020</u>	<u>Budget</u>	<u>Var.</u>
<u>Physician Practice Activity</u>								
<u>Primary Care Visits</u>								
548	574	691	-16.9%	Ormond Beach	1,921	2,022	2,423	-16.5%
1,230	1,309	1,271	3.0%	Daytona Beach	4,533	4,526	4,683	-3.4%
551	784	735	6.7%	Port Orange	2,543	2,762	3,391	-18.5%
228	225	474	-52.5%	Deltona	735	1,082	1,881	-42.5%
856	726	816	-11.0%	New Smyrna	3,043	3,323	2,902	14.5%
2,416	2,167	2,544	-14.8%	Daytona Beach - Family Practice Center	9,463	8,775	9,409	-6.7%
377	492	426	15.5%	Ormond Beach - Urgent Care	1,374	1,727	1,553	11.2%
<b>6,206</b>	<b>6,277</b>	<b>6,957</b>	<b>-9.8%</b>	<b>Primary Care Visits</b>	<b>23,612</b>	<b>24,217</b>	<b>26,242</b>	<b>-7.7%</b>
<u>Pediatric Visits</u>								
850	697	768	-9.2%	Ormond Beach-CMC	3,251	3,165	2,937	7.8%
270	339	322	5.4%	Ormond Beach-Primary Care	1,007	1,389	1,200	15.7%
508	518	527	-1.7%	Daytona Beach - Keech Street	1,811	1,815	1,877	-3.3%
517	537	528	1.8%	Palm Coast-CMC	1,902	1,861	1,941	-4.1%
515	635	475	33.6%	Port Orange-CMC	2,060	2,203	1,901	15.9%
<b>2,660</b>	<b>2,726</b>	<b>2,620</b>	<b>4.1%</b>	<b>Pediatric Visits</b>	<b>10,031</b>	<b>10,433</b>	<b>9,856</b>	<b>5.8%</b>
<u>Oncology Visits</u>								
994	1,222	1,029	18.7%	Daytona	3,714	4,584	3,847	19.2%
578	455	599	-24.1%	Ormond	2,080	1,737	2,156	-19.4%
880	1,001	883	13.3%	New Smyrna	3,286	3,574	3,299	8.3%
912	836	922	-9.4%	Port Orange	3,293	3,313	3,331	-0.5%
<b>3,364</b>	<b>3,514</b>	<b>3,435</b>	<b>2.3%</b>	<b>Total Medical Oncology Visits</b>	<b>12,373</b>	<b>13,208</b>	<b>12,632</b>	<b>4.6%</b>
1,860	1,820	1,835	-0.8%	Daytona	6,572	6,671	6,485	2.9%
524	524	499	4.9%	New Smyrna	1,987	1,855	1,894	-2.1%
<b>2,384</b>	<b>2,344</b>	<b>2,334</b>	<b>0.4%</b>	<b>Total Radiation Oncology Visits</b>	<b>8,559</b>	<b>8,526</b>	<b>8,379</b>	<b>1.8%</b>
<b>5,748</b>	<b>5,858</b>	<b>5,769</b>	<b>1.5%</b>	<b>Total Oncology Visits</b>	<b>20,932</b>	<b>21,734</b>	<b>21,011</b>	<b>3.4%</b>

Halifax Health  
Statistical Summary - Graphic





# Halifax Health Statistical Summary - Graphic



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

	January 31		
	2020	2019	Change
<b><u>Assets</u></b>			
Cash and cash equivalents	\$55,253	\$34,808	\$20,445
Investments	292,089	313,062	(20,973)
Board designated assets	29,230	30,913	(1,683)
Accounts receivable	66,272	74,297	(8,025)
Restricted assets whose use is limited	28,156	6,158	21,998
Other assets	61,614	49,572	12,042
Investment in securities lending agreement	123,055	-	123,055
Deferred outflow - swap	40,409	26,580	13,829
Deferred outflow - loss on bond refunding	14,348	15,238	(890)
Deferred outflow - pension	25,290	21,889	3,401
Property, plant and equipment	432,659	390,945	41,714
Total Assets	<u>\$1,168,375</u>	<u>\$963,462</u>	<u>\$204,913</u>
<b><u>Liabilities and Net position</u></b>			
Accounts payable	\$45,142	\$36,370	\$8,772
Other liabilities	96,099	88,255	7,844
Securities lending agreement obligation	123,055	-	123,055
Deferred inflow - pension	164	1,972	(1,808)
Net pension liability	47,912	53,147	(5,235)
Long-term debt	457,703	425,165	32,538
Premium on LTD, net	17,699	18,369	(670)
Long-term value of swap	40,409	26,580	13,829
Net position	340,192	313,604	26,588
Total Liabilities and Net position	<u>\$1,168,375</u>	<u>\$963,462</u>	<u>\$204,913</u>

**Halifax Health**  
**Statement of Cash Flows**  
(\$ in thousands)

Month ended January 31, 2020	Month ended January 31, 2019	Variance		Four Months ended January 31, 2020	Four Months ended January 31, 2019	Variance
			<b>Cash flows from operating activities:</b>			
\$44,463	\$41,960	\$2,503	Receipts from third party payors and patients	\$178,668	\$174,546	\$4,122
(22,185)	(22,212)	27	Payments to employees	(97,656)	(97,642)	(14)
-	-	-	Payments to pension	(23,472)	(19,500)	(3,972)
(19,707)	(22,225)	2,518	Payments to suppliers	(73,488)	(87,020)	13,532
380	291	89	Receipt of ad valorem taxes	5,475	5,146	329
(6,384)	-	(6,384)	Receipt (payment) of State UPL funds, net	(6,907)	764	(7,671)
4,247	3,635	612	Other receipts	16,483	14,030	2,453
(4,570)	(3,597)	(973)	Other payments	(16,785)	(14,757)	(2,028)
(3,756)	(2,148)	(1,608)	Net cash used in operating activities	(17,682)	(24,433)	6,751
			<b>Cash flows from noncapital financing activities:</b>			
79	95	(16)	Proceeds from donations received	1,285	219	1,066
49	90	(41)	Other nonoperating revenues, expenses and gains/(losses)	486	676	(190)
128	185	(57)	Net cash provided by noncapital financing activities	1,771	895	876
			<b>Cash flows from capital and related financing activities:</b>			
(1,033)	(1,153)	120	Acquisition of capital assets	(3,338)	(3,391)	53
(2,920)	(6,171)	3,251	Acquisition of capital assets- Deltona	(23,372)	(18,786)	(4,586)
-	-	-	Payment of long-term debt	(85,000)	-	(85,000)
-	-	-	Proceeds from issuance of long-term debt	123,055	-	123,055
-	-	-	Transfers to trustee held funds	(22,012)	-	(22,012)
(323)	(570)	247	Payment of interest on long-term debt	(8,147)	(8,473)	326
-	-	-	Payment of bond issue costs	(826)	-	(826)
(4,276)	(7,894)	3,618	Net cash used in capital financing activities	(19,640)	(30,650)	11,010
			<b>Cash flows from investing activities:</b>			
420	724	(304)	Realized investment income (loss)	3,873	3,924	(51)
(311)	(3,341)	3,030	Purchases of investments/limited use assets	(104,686)	(18,675)	(86,011)
5	10,196	(10,191)	Sales/Maturities of investments/limited use assets	104,383	54,976	49,407
114	7,579	(7,465)	Net cash provided by investing activities	3,570	40,225	(36,655)
(7,790)	(2,278)	(5,512)	<b>Net decrease in cash and cash equivalents</b>	(31,981)	(13,963)	(18,018)
63,043	37,086	25,957	<b>Cash and cash equivalents at beginning of period</b>	87,234	48,771	38,463
\$55,253	\$34,808	\$20,445	<b>Cash and cash equivalents at end of period</b>	\$55,253	\$34,808	\$20,445

**Halifax Health**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**(\$ in thousands)**

Actual Month Ended January 31, 2020	Actual Month Ended January 31, 2019	Favorable (Unfavorable) Variance		Actual Four Months Ended January 31, 2020	Actual Four Months Ended January 31, 2019	Favorable (Unfavorable) Variance
			Operating revenues:			
\$56,496	\$55,780	\$716	Net patient service revenue, before provision for bad debts	\$221,280	\$220,431	\$849
(9,235)	(10,437)	1,202	Provision for bad debts	(38,824)	(44,888)	6,064
47,261	45,343	1,918	Net patient service revenue	182,456	175,543	6,913
549	511	38	Ad valorem taxes	2,196	2,043	153
2,403	4,575	(2,172)	Other revenue, including investment income/(losses), net	13,158	7,275	5,883
50,213	50,429	(216)	Total operating revenues	197,810	184,861	12,949
			Operating expenses:			
24,811	23,934	(877)	Salaries and benefits	95,410	94,851	(559)
8,048	7,923	(125)	Purchased services	31,024	30,238	(786)
9,411	9,089	(322)	Supplies	36,703	34,396	(2,307)
2,156	2,227	71	Depreciation and amortization	8,621	9,042	421
1,865	1,609	(256)	Interest	6,712	6,472	(240)
530	532	2	Ad valorem tax related expenses	2,076	2,099	23
1,541	789	(752)	Leases and rentals	4,879	3,012	(1,867)
2,551	2,303	(248)	Other	10,877	9,392	(1,485)
50,913	48,406	(2,507)	Total operating expenses	196,302	189,502	(6,800)
(700)	2,023	(2,723)	Excess (deficiency) of operating revenues over expenses	1,508	(4,641)	6,149
			Nonoperating revenues, expenses, and gains/(losses):			
420	724	(304)	Realized investment income/(losses)	3,876	3,923	(47)
(848)	8,241	(9,089)	Unrealized investment income/(losses)	998	1,015	(17)
79	94	(15)	Donation revenue	1,284	219	1,065
-	-	-	Interest - bond issue costs	(826)	-	(826)
58	89	(31)	Nonoperating gains/(losses), net	499	676	(177)
(291)	9,148	(9,439)	Total nonoperating revenues, expenses, and gains/(losses)	5,831	5,833	(2)
(\$991)	\$11,171	(\$12,162)	Increase (decrease) in net position	\$7,339	\$1,192	\$6,147

**Halifax Health**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**(\$ in thousands)**

Actual Month Ended January 31, 2020	Static Budget Month Ended January 31, 2020	Favorable (Unfavorable) Variance		Actual Four Months Ended January 31, 2020	Static Budget Four Months Ended January 31, 2020	Favorable (Unfavorable) Variance
			Operating revenues:			
\$56,496	\$53,511	\$2,985	Net patient service revenue, before provision for bad debts	\$221,280	\$204,056	\$17,224
(9,235)	(5,024)	(4,211)	Provision for bad debts	(38,824)	(19,524)	(19,300)
47,261	48,487	(1,226)	Net patient service revenue	182,456	184,532	(2,076)
549	549	-	Ad valorem taxes	2,196	2,196	-
2,403	2,353	50	Other revenue, including investment income/(losses), net	13,158	9,379	3,779
50,213	51,389	(1,176)	Total operating revenues	197,810	196,107	1,703
			Operating expenses:			
24,811	26,112	1,301	Salaries and benefits	95,410	98,865	3,455
8,048	7,920	(128)	Purchased services	31,024	30,915	(109)
9,411	9,320	(91)	Supplies	36,703	36,045	(658)
2,156	2,500	344	Depreciation and amortization	8,621	9,341	720
1,865	1,682	(183)	Interest	6,712	6,896	184
530	530	-	Ad valorem tax related expenses	2,076	2,110	34
1,541	747	(794)	Leases and rentals	4,879	3,081	(1,798)
2,551	2,424	(127)	Other	10,877	9,416	(1,461)
50,913	51,235	322	Total operating expenses	196,302	196,669	367
(700)	154	(854)	Excess (deficiency) of operating revenues over expenses	1,508	(562)	2,070
			Nonoperating revenues, expenses, and gains/(losses):			
420	-	420	Realized investment income/(losses)	3,876	-	3,876
(848)	639	(1,487)	Unrealized investment income/(losses)	998	2,553	(1,555)
79	59	20	Donation revenue	1,284	235	1,049
-	-	-	Interest - bond issue costs	(826)	-	(826)
58	56	2	Nonoperating gains/(losses), net	499	225	274
(291)	754	(1,045)	Total nonoperating revenues, expenses, and gains/(losses)	5,831	3,013	2,818
(\$991)	\$908	(\$1,899)	Increase (decrease) in net position	\$7,339	\$2,451	\$4,888

**Halifax Health Medical Center**  
**Statements of Revenues, Expenses and Changes in Net Position**  
(\$ in thousands)

Actual Month Ended January 31, 2020	Static Budget Month Ended January 31, 2020	Favorable (Unfavorable) Variance		Actual Four Months Ended January 31, 2020	Static Budget Four Months Ended January 31, 2020	Favorable (Unfavorable) Variance
			Operating revenues:			
\$52,757	\$47,936	\$4,821	Net patient service revenue, before provision for bad debts	\$205,997	\$185,102	\$20,895
(9,232)	(4,967)	(4,265)	Provision for bad debts	(38,538)	(19,233)	(19,305)
43,525	42,969	556	Net patient service revenue	167,459	165,869	1,590
549	549	-	Ad valorem taxes	2,196	2,196	-
1,771	1,581	190	Other revenue	7,027	6,318	709
45,845	45,099	746	Total operating revenues	176,682	174,383	2,299
			Operating expenses:			
22,449	22,568	119	Salaries and benefits	86,349	87,237	888
6,789	6,369	(420)	Purchased services	26,079	25,511	(568)
9,107	8,891	(216)	Supplies	35,562	34,555	(1,007)
2,023	2,031	8	Depreciation and amortization	8,091	8,134	43
1,327	1,354	27	Interest	5,922	5,414	(508)
530	530	-	Ad valorem tax related expenses	2,076	2,110	34
544	543	(1)	Leases and rentals	2,207	2,167	(40)
2,042	2,063	21	Other	8,317	8,240	(77)
44,811	44,349	(462)	Total operating expenses	174,603	173,368	(1,235)
1,034	750	284	Excess of operating revenues over expenses	2,079	1,015	1,064
			Nonoperating revenues, expenses, and gains/(losses):			
220	-	220	Realized investment income/(losses)	1,899	-	1,899
408	370	38	Unrealized investment income/(losses)	(35)	1,479	(1,514)
4	-	4	Donation revenue	795	-	795
58	56	2	Nonoperating gains/(losses), net	499	225	274
690	426	264	Total nonoperating revenues, expenses, and gains/(losses)	3,158	1,704	1,454
\$1,724	\$1,176	\$548	Increase in net position	\$5,237	\$2,719	\$2,518

**Halifax Health Medical Center**  
**Net Patient Service Revenue**  
**(\$ in thousands)**

Actual Month Ended January 31, 2019		Actual Month Ended January 31, 2020		Static Budget Month Ended January 31, 2020			Actual Four Months Ended January 31, 2019		Actual Four Months Ended January 31, 2020		Static Budget Four Months Ended January 31, 2020	
\$175,732	100.00%	\$187,091	100.00%	\$185,563	100.00%	Gross charges	\$676,750	100.00%	\$729,863	100.00%	\$716,270	100.00%
(13,637)	-7.76%	(13,869)	-7.41%	(16,149)	-8.70%	Charity	(49,145)	-7.26%	(55,696)	-7.63%	(62,316)	-8.70%
(110,380)	-62.81%	(120,465)	-64.39%	(121,478)	-65.46%	Contractual adjustments	(422,699)	-62.46%	(468,170)	-64.14%	(468,852)	-65.46%
51,715	29.43%	52,757	28.20%	47,936	25.83%	Gross charges, before provision for bad debts	204,906	30.28%	205,997	28.22%	185,102	25.84%
(10,365)	-5.90%	(9,232)	-4.93%	(4,967)	-2.68%	Provision for bad debts	(44,707)	-6.61%	(38,538)	-5.28%	(19,233)	-2.69%
<b>\$41,350</b>	<b>23.53%</b>	<b>\$43,525</b>	<b>23.26%</b>	<b>\$42,969</b>	<b>23.16%</b>	<b>Net patient service revenue</b>	<b>\$160,199</b>	<b>23.67%</b>	<b>\$167,459</b>	<b>22.94%</b>	<b>\$165,869</b>	<b>23.16%</b>

**Medical Center of Deltona**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**(\$ in thousands)**

Actual Month Ended January 31, 2020	Static Budget Month Ended January 31, 2020	Favorable (Unfavorable) Variance		Actual Four Months Ended January 31, 2020	Static Budget Four Months Ended January 31, 2020	Favorable (Unfavorable) Variance
			Operating revenues:			
\$0	\$1,590	(\$1,590)	Net patient service revenue, before provision for bad debts	\$0	\$3,180	(\$3,180)
-	32	(32)	Provision for bad debts	-	64	(64)
-	1,622	(1,622)	Net patient service revenue	-	3,244	(3,244)
-	-	-	Ad valorem taxes	-	-	-
-	4	(4)	Other revenue	-	8	(8)
-	1,626	(1,626)	Total operating revenues	-	3,252	(3,252)
			Operating expenses:			
326	1,300	974	Salaries and benefits	892	2,978	2,086
28	314	286	Purchased services	132	501	369
97	219	122	Supplies	302	657	355
-	334	334	Depreciation and amortization	-	667	667
-	328	328	Interest	-	1,482	1,482
-	-	-	Ad valorem tax related expenses	-	-	-
762	23	(739)	Leases and rentals	1,850	46	(1,804)
40	115	75	Other	569	191	(378)
1,253	2,633	1,380	Total operating expenses	3,745	6,522	2,777
(1,253)	(1,007)	(246)	Deficiency of operating revenues over expenses	(3,745)	(3,270)	(475)
			Nonoperating revenues, expenses, and gains/(losses):			
130	-	130	Realized investment income/(losses)	279	-	279
-	-	-	Unrealized investment income/(losses)	-	-	-
-	-	-	Donation revenue	-	-	-
-	-	-	Nonoperating gains/(losses), net	-	-	-
130	-	130	Total nonoperating revenues, expenses, and gains/(losses)	279	-	279
(\$1,123)	(\$1,007)	(\$116)	Decrease in net position	(\$3,466)	(\$3,270)	(\$196)



**Halifax Health Hospice**  
**Statements of Revenues, Expenses and Changes in Net Position**  
(\$ in thousands)

Actual Month Ended January 31, 2020	Static Budget Month Ended January 31, 2020	Favorable (Unfavorable) Variance		Actual Four Months Ended January 31, 2020	Static Budget Four Months Ended January 31, 2020	Favorable (Unfavorable) Variance
			Operating revenues:			
\$3,739	\$3,985	(\$246)	Net patient service revenue, before provision for bad debts	\$15,283	\$15,774	(\$491)
(3)	(89)	86	Provision for bad debts	(286)	(355)	69
3,736	3,896	(160)	Net patient service revenue	14,997	15,419	(422)
186	210	(24)	Other revenue	674	818	(144)
3,922	4,106	(184)	Total operating revenues	15,671	16,237	(566)
			Operating expenses:			
1,986	2,182	196	Salaries and benefits	7,946	8,402	456
1,167	1,202	35	Purchased services	4,674	4,765	91
207	210	3	Supplies	839	832	(7)
64	66	2	Depreciation and amortization	255	265	10
182	176	(6)	Leases and rentals	706	698	(8)
418	178	(240)	Other	974	710	(264)
4,024	4,014	(10)	Total operating expenses	15,394	15,672	278
(102)	92	(194)	Excess (deficiency) of operating revenues over expenses	277	565	(288)
			Nonoperating revenues, expenses, and gains/(losses):			
45	-	45	Realized investment income/(losses)	1,671	-	1,671
(1,256)	269	(1,525)	Unrealized investment income/(losses)	1,024	1,074	(50)
75	59	16	Donation revenue	489	235	254
(1,136)	328	(1,464)	Total nonoperating revenues, expenses, and gains/(losses)	3,184	1,309	1,875
(1,238)	\$420	(\$1,658)	Increase (decrease) in net position	\$3,461	\$1,874	\$1,587

**Volusia Health Network / Halifax Management Systems**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**(\$ in thousands)**

<b>Actual Month Ended January 31, 2020</b>	<b>Static Budget Month Ended January 31, 2020</b>	<b>Favorable (Unfavorable) Variance</b>		<b>Actual Four Months Ended January 31, 2020</b>	<b>Static Budget Four Months Ended January 31, 2020</b>	<b>Favorable (Unfavorable) Variance</b>
			Operating revenues:			
\$0	\$0	\$0	Net patient service revenue, before provision for bad debts	\$0	\$0	\$0
-	-	-	Provision for bad debts	-	-	-
-	-	-	Net patient service revenue	-	-	-
1,146	350	796	Other revenue	3,241	1,400	1,841
1,146	350	796	Total operating revenues	3,241	1,400	1,841
			Operating expenses:			
40	52	12	Salaries and benefits	181	206	25
63	34	(29)	Purchased services	136	135	(1)
-	-	-	Supplies	-	1	1
69	69	-	Depreciation and amortization	275	275	-
538	-	(538)	Interest	790	-	(790)
53	5	(48)	Leases and rentals	116	170	54
1	1	-	Other	3	6	3
764	161	(603)	Total operating expenses	1,501	793	(708)
382	189	193	Excess of operating revenues over expenses	1,740	607	1,133
			Nonoperating revenues, expenses, and gains/(losses):			
25	-	25	Realized investment income/(losses)	27	-	27
-	-	-	Unrealized investment income/(losses)	9	-	9
-	-	-	Donation revenue	-	-	-
-	-	-	Interest - bond issue costs	(826)	-	(826)
-	-	-	Nonoperating gains/(losses), net	-	-	-
25	-	25	Total nonoperating revenues, expenses, and gains/(losses)	(790)	-	(790)
407	\$189	\$218	Increase in net position	\$950	\$607	\$343

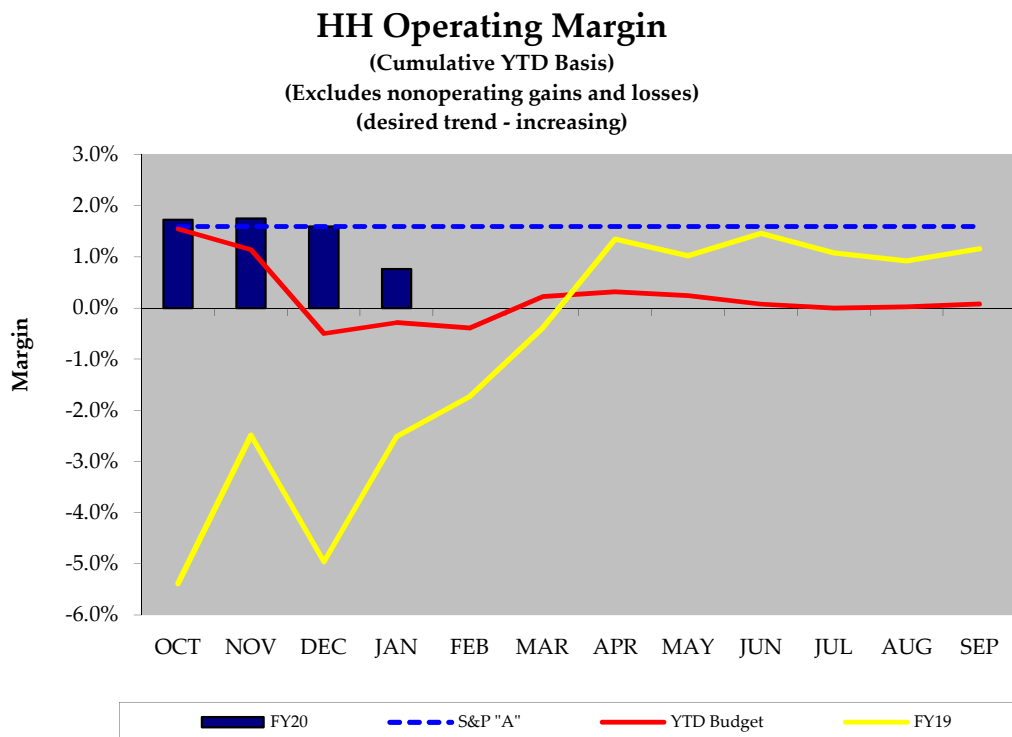
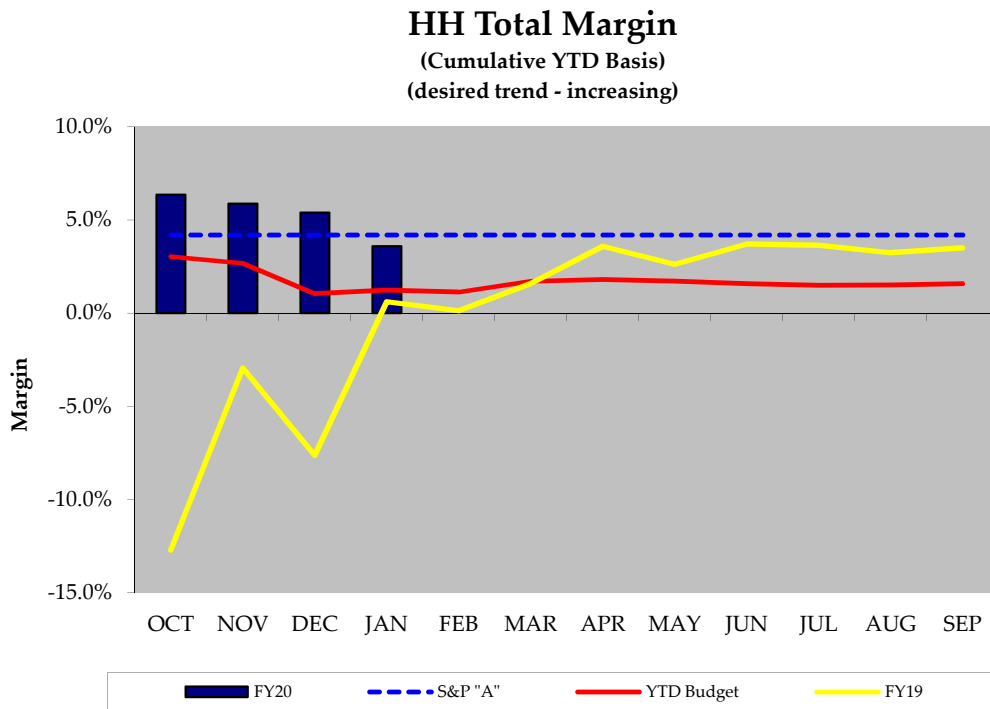
**Halifax Health Foundation**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**(\$ in thousands)**

Actual Month Ended January 31, 2020	Static Budget Month Ended January 31, 2020	Favorable (Unfavorable) Variance		Actual Four Months Ended January 31, 2020	Static Budget Four Months Ended January 31, 2020	Favorable (Unfavorable) Variance
			Operating revenues:			
\$0	\$0	\$0	Net patient service revenue, before provision for bad debts	\$0	\$0	\$0
-	-	-	Provision for bad debts	-	-	-
-	-	-	Net patient service revenue	-	-	-
20	-	20	Realized investment income/(losses)	1,010	-	1,010
(886)	134	(1,020)	Unrealized investment income/(losses)	589	537	52
-	-	-	Donation revenue	-	-	-
166	74	92	Other revenue	617	298	319
(700)	208	(908)	Total operating revenues	2,216	835	1,381
			Operating expenses:			
10	10	-	Salaries and benefits	42	42	-
1	1	-	Purchased services	3	3	-
-	-	-	Supplies	-	-	-
-	-	-	Depreciation and amortization	-	-	-
-	-	-	Interest	-	-	-
-	-	-	Leases and rentals	-	-	-
50	67	17	Other	1,014	269	(745)
61	78	17	Total operating expenses	1,059	314	(745)
<b>(\$761)</b>	<b>\$130</b>	<b>(\$891)</b>	<b>Increase (decrease) in net position</b>	<b>\$1,157</b>	<b>\$521</b>	<b>\$636</b>

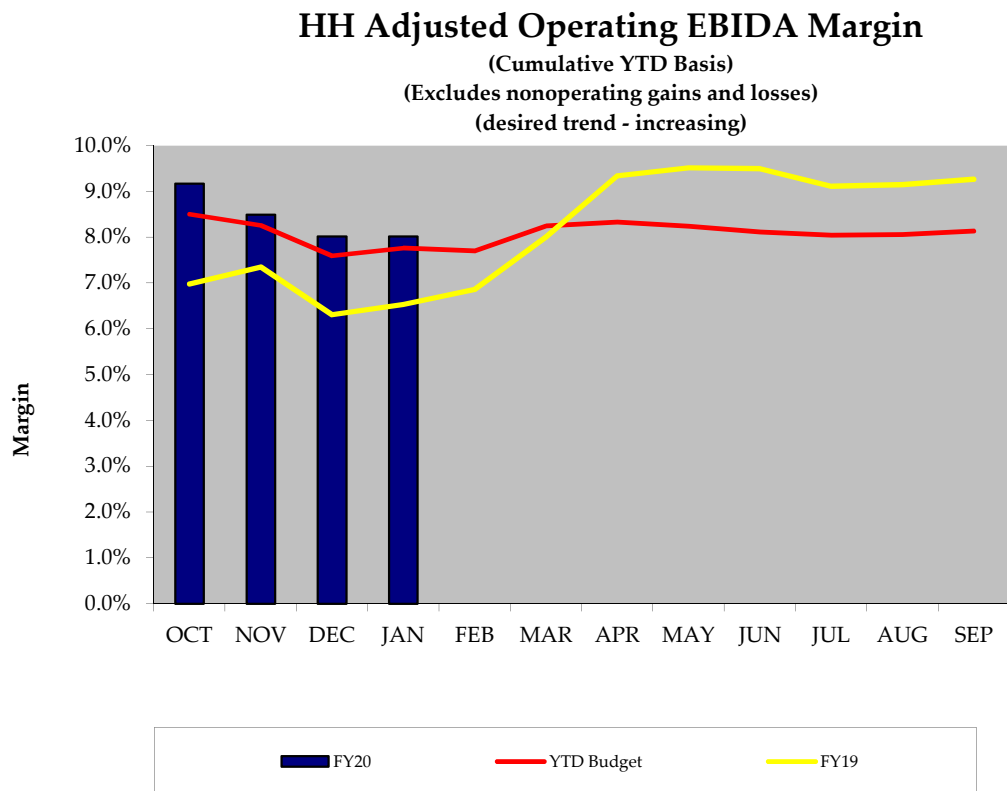
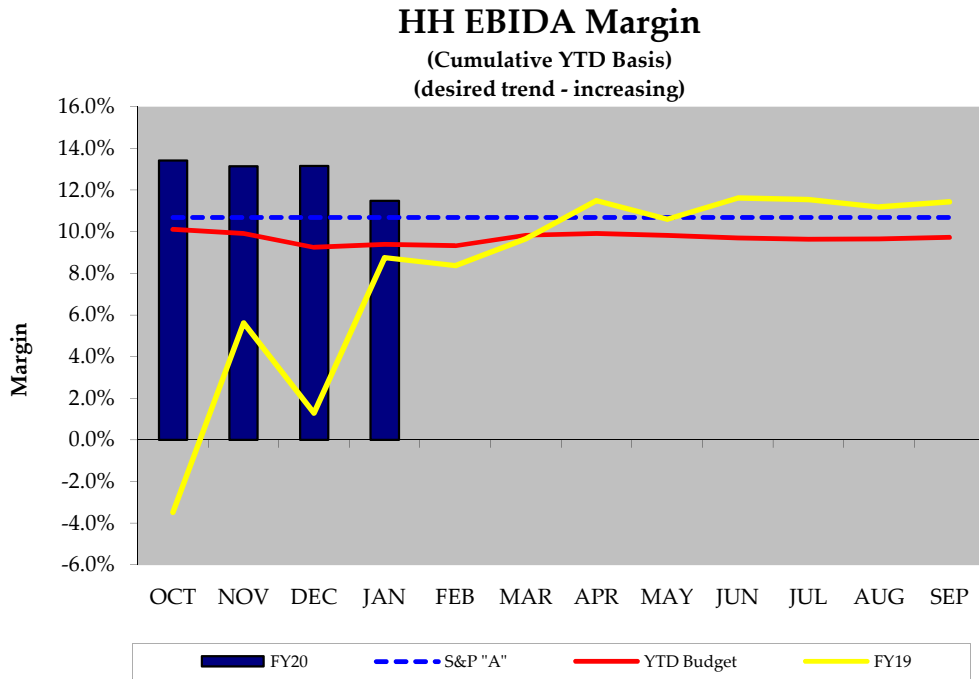
**Halifax Health Medical Center (Obligated Group)**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**(\$ in thousands)**

Actual Month Ended January 31, 2020	Static Budget Month Ended January 31, 2020	Favorable (Unfavorable) Variance		Actual Four Months Ended January 31, 2020	Static Budget Four Months Ended January 31, 2020	Favorable (Unfavorable) Variance
			Operating revenues:			
\$52,757	\$47,936	\$4,821	Net patient service revenue, before provision for bad debts	\$205,997	\$185,102	\$20,895
(9,232)	(4,967)	(4,265)	Provision for bad debts	(38,538)	(19,233)	(19,305)
43,525	42,969	556	Net patient service revenue	167,459	165,869	1,590
549	549	-	Ad valorem taxes	2,196	2,196	-
1,771	1,581	190	Other revenue	7,027	6,318	709
45,845	45,099	746	Total operating revenues	176,682	174,383	2,299
			Operating expenses:			
22,449	22,568	119	Salaries and benefits	86,349	87,237	888
6,789	6,369	(420)	Purchased services	26,079	25,511	(568)
9,107	8,891	(216)	Supplies	35,562	34,555	(1,007)
2,023	2,031	8	Depreciation and amortization	8,091	8,134	43
1,327	1,354	27	Interest	5,922	5,414	(508)
530	530	-	Ad valorem tax related expenses	2,076	2,110	34
544	543	(1)	Leases and rentals	2,207	2,167	(40)
2,042	2,063	21	Other	8,317	8,240	(77)
44,811	44,349	(462)	Total operating expenses	174,603	173,368	(1,235)
1,034	750	284	Excess of operating revenues over expenses	2,079	1,015	1,064
			Nonoperating revenues, expenses, and gains/(losses):			
220	-	220	Realized investment income/(losses)	1,899	-	1,899
408	370	38	Unrealized investment income/(losses)	(35)	1,479	(1,514)
4	-	4	Donation revenue	795	-	795
(2,715)	(268)	(2,447)	Income (loss) from affiliates	2,102	(268)	2,370
58	56	2	Nonoperating gains/(losses), net	499	225	274
(2,025)	158	(2,183)	Total nonoperating revenues, expenses, and gains/(losses)	5,260	1,436	3,824
(\$991)	\$908	(\$1,899)	Increase (decrease) in net position	\$7,339	\$2,451	\$4,888

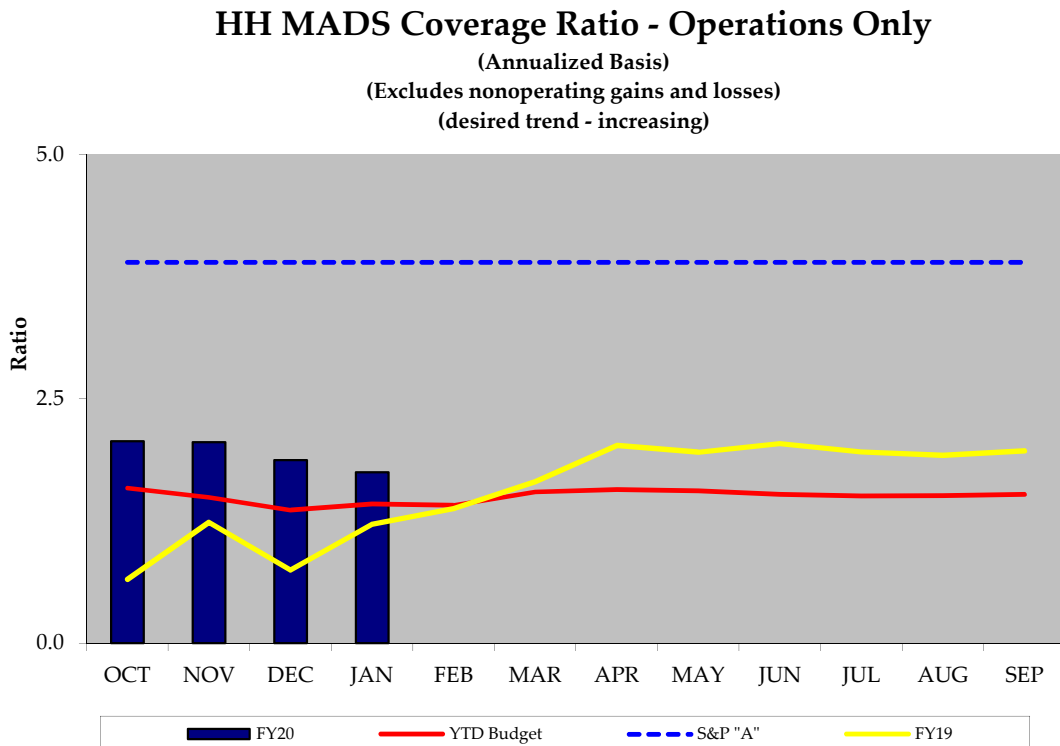
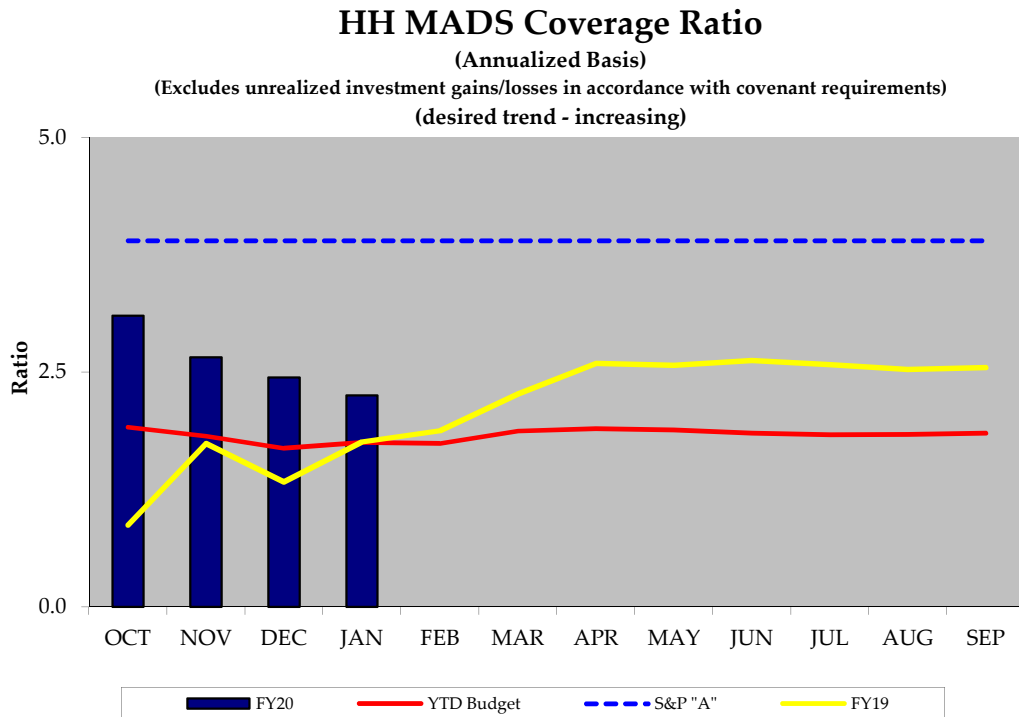
# Halifax Health Financial Summary - Graphic



# Halifax Health Financial Summary - Graphic

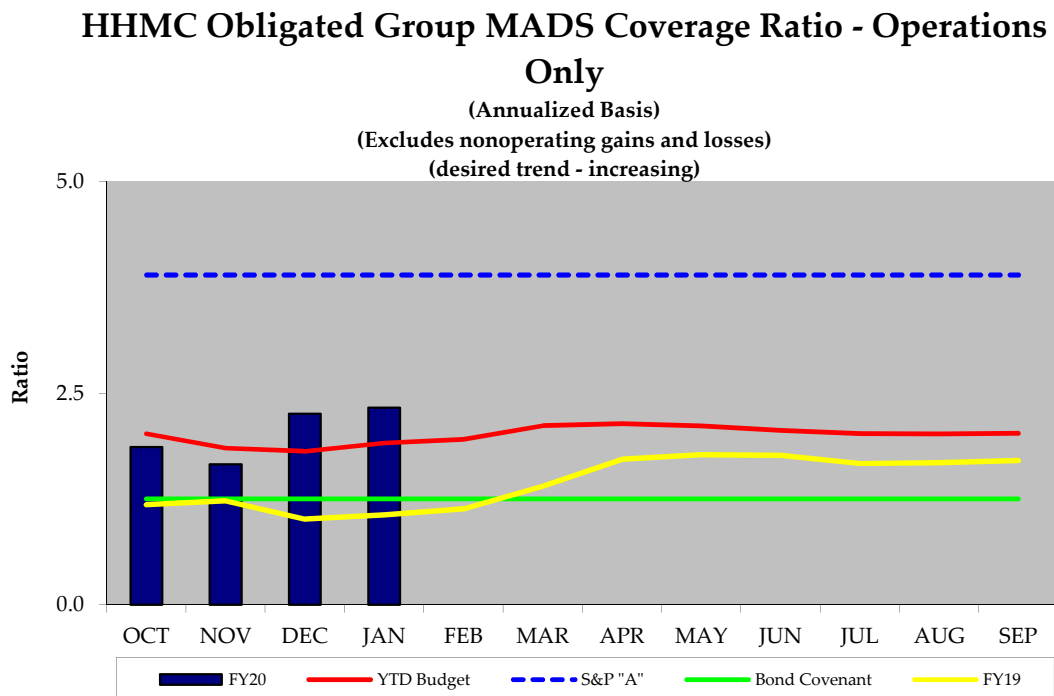
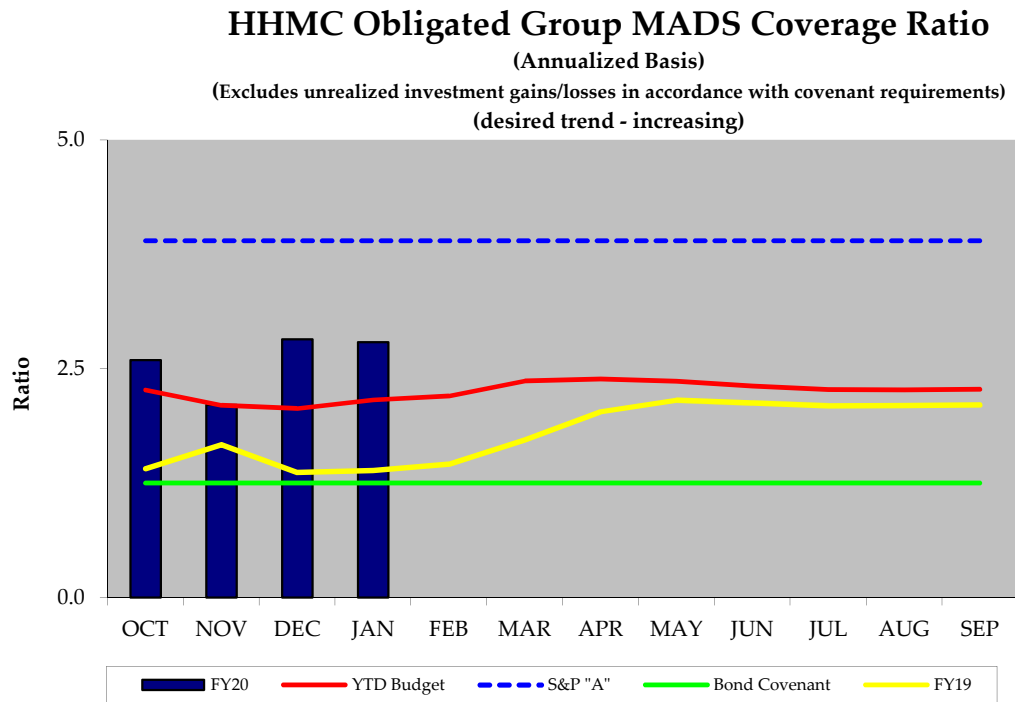


# Halifax Health Financial Summary - Graphic



# Halifax Health

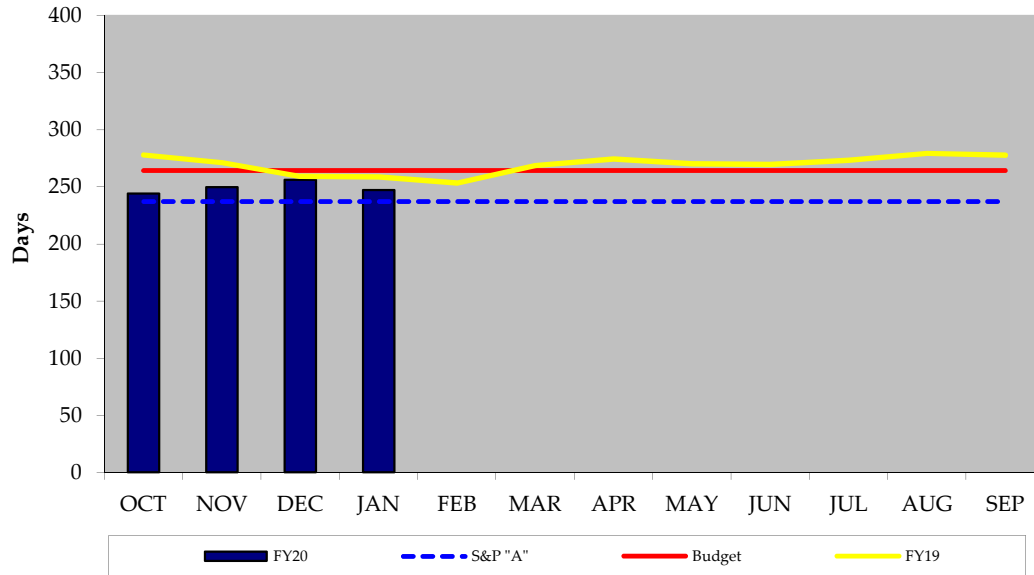
## Financial Summary - Graphic



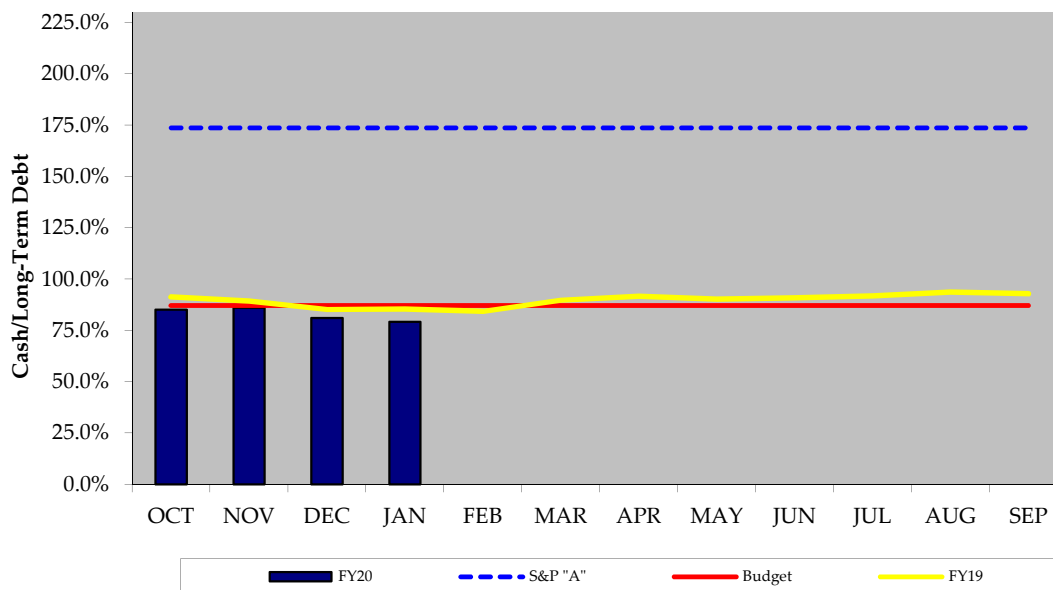


# Halifax Health Financial Summary - Graphic

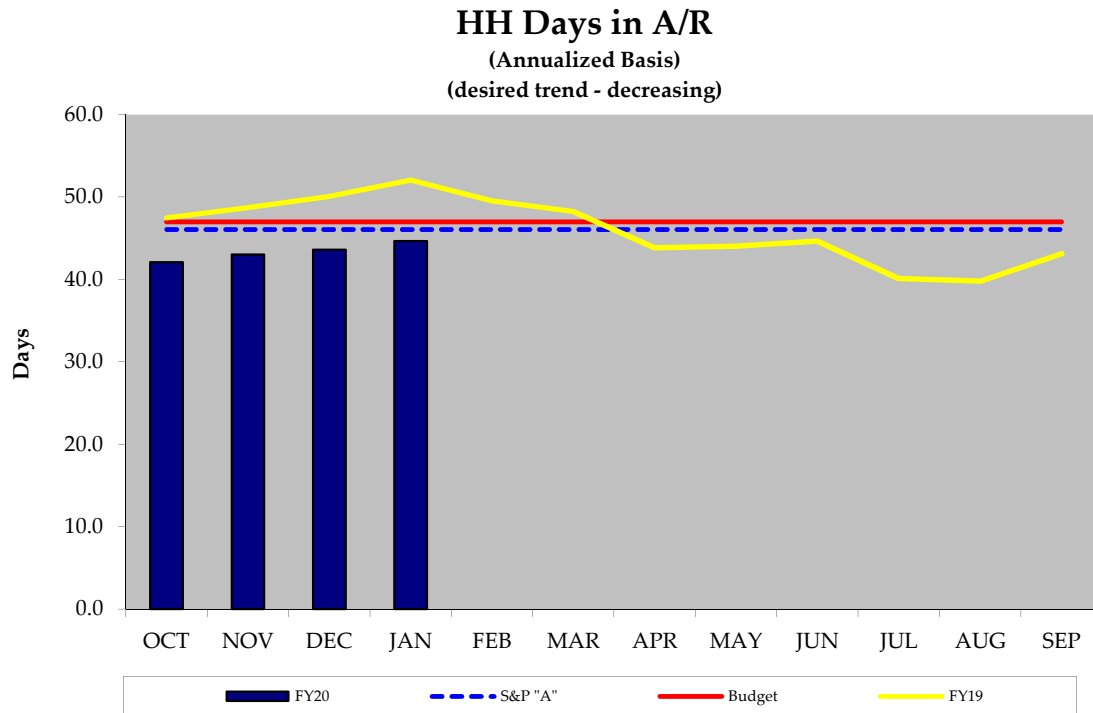
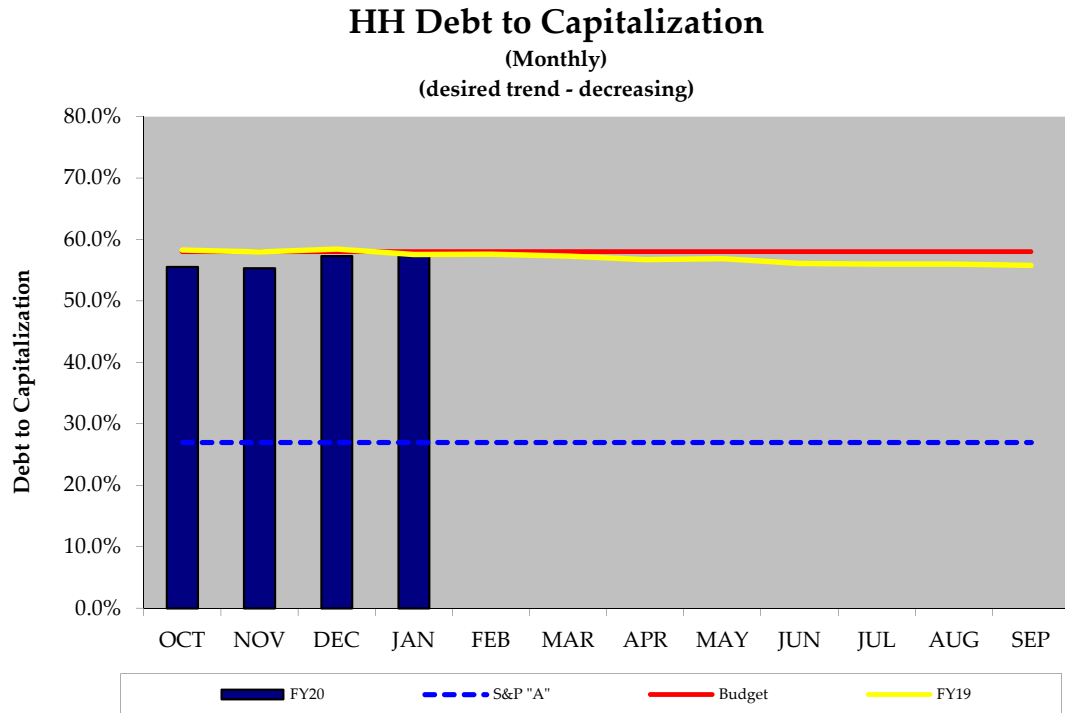
## HH Days Cash on Hand (Annualized Basis) (desired trend - increasing)



## HH Cash/Debt (Monthly) (desired trend - increasing)

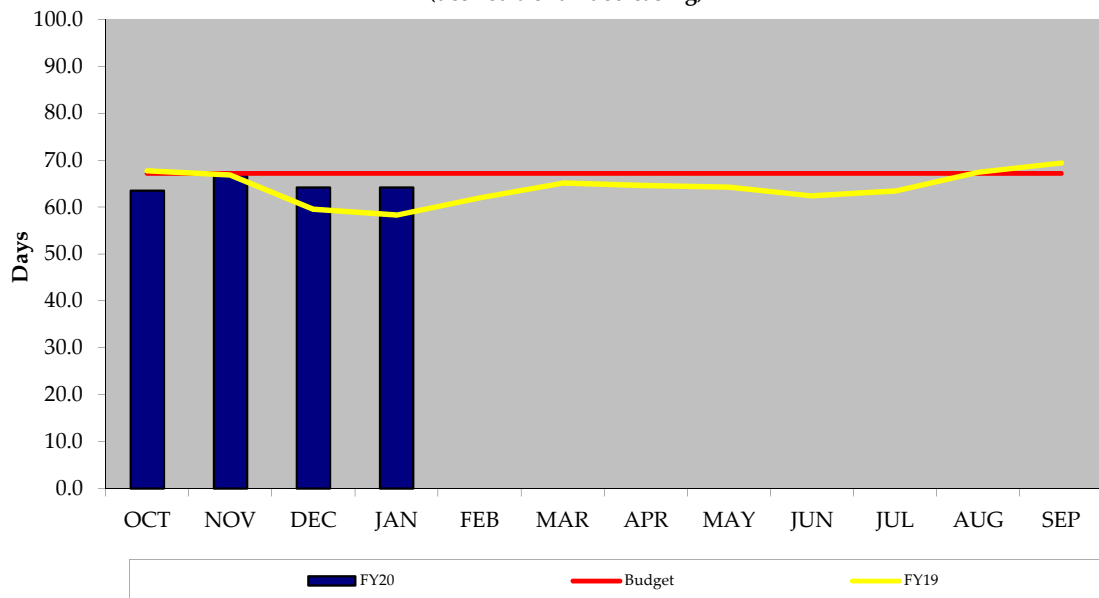


# Halifax Health Financial Summary - Graphic

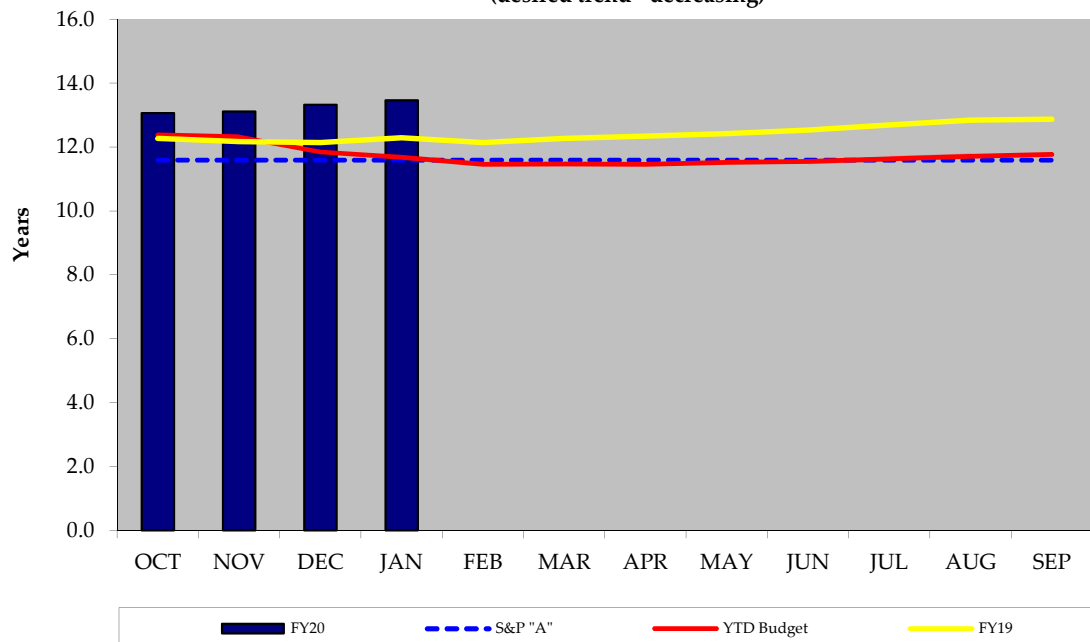


# Halifax Health Financial Summary - Graphic

## HH Average Payment Period (Annualized Basis) (desired trend - decreasing)



## HH Average Age of Plant (Annualized Basis) (desired trend - decreasing)



**Halifax Health**  
**Financial Ratios and Operating Indicators**  
**Definitions and Calculations**

Indicator	Definition	Calculation
Total Margin *	Gauges the relative efficiency with which the System produces its output.	$\frac{\text{Net Income}}{\text{Total Revenues}}$
EBIDA Margin *	Gauges the relative efficiency excluding capital costs with which the System produces its output.	$\frac{\text{Net income} + \text{Int} + \text{Depr} + \text{Amort}}{\text{Total Revenues}}$
MADS Coverage Ratio *	Measures profitability relative to the Maximum Principal and Interest Payment of Debt	$\frac{\text{Net Income} + \text{Depr} + \text{Amort} + \text{Int}}{\text{Maximum Annual Debt Service}}$
Days Cash on Hand	Measures the number of days of average cash expenses that the System maintains in cash and cash equivalents and unrestricted investments.	$\frac{\text{Unrestricted Cash and Investments}}{(\text{Total Expenses} - \text{Depr}) / \text{Days in Period}}$
Cash to Long-term Debt	Measures the percentage of unrestricted cash and investments to long-term debt.	$\frac{\text{Unrestricted Cash and Investments}}{\text{Long-term Debt}}$
Long-term Debt to Capitalization	Measures the reliance on long-term debt financing and ability to issue new debt.	$\frac{\text{Long-term Debt}}{\text{Long-term Debt} + \text{Net Position}}$
Days in Accounts Receivable	Measures the average time that receivables are outstanding, or the average collection period.	$\frac{\text{Accounts Receivable}}{\text{Net Patient Service Revenue} / \text{Days in Period}}$
Average Payment Period	Provides a measure of the average time that elapses before current liabilities are paid.	$\frac{\text{Current Liabilities}}{(\text{Total Expenses} - \text{Depr}) / \text{Days in Period}}$
Average Age of Plant	Provides a measure of the average age in years of the System's fixed assets.	$\frac{\text{Accumulated Depreciation}}{\text{Depreciation Expense}}$
Operating Margin	Gauges the relative operating efficiency with which the System produces its output.	$\frac{\text{Excess of Operating Revenues}}{\text{Total Operating Revenues} + \text{Bad Debt}}$
* Operations Only Indicators	Excludes realized and unrealized investment income, donations, and nonoperating gains and losses	

**Halifax Health**  
**FY 2020 Capital Investment Strategy**  
**Executive Summary**  
**As of January 31, 2020**  
**(\$ in thousands)**

**Summary of Capital Approvals**

FY 2020 Capital Budget	\$ 20,000
Projected funds available in excess of FY 2020 Capital Investment	1,757
FY 2020 Adjusted Capital Budget	<u>21,757</u>
 FY 2020 Board of Commissioners approved projects	 \$ 4,540
FY 2020 CIC approved projects, net of those subsequently approved by the Board	349
Approved capital projects	<u>4,889</u>
 Available for new projects	 <u><u>\$ 16,868</u></u>

Project(s) proposed for Board of Commissioners approval:

Air Handling Unit for IMC, Pediatrics PICU and 7-East	\$ 1,250
Server Storage Hardware	895
Server Core Network	413
C-Arm for Radiology	241
Surgical Waste Management Systems (x8)	146
Server & Software Upgrade for GI Lab Travel Carts	77
Engenuity Service Package	60
Holter Monitoring System for EKG	41
Blood Analyzers (x2) for CVOR and CVICU	31
Shower Remodel (x3) for Adult Psychiatric Unit	27
	<u>3,180</u>

Available Capital if Proposed Projects are Approved	<u><u>\$ 13,688</u></u>
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**Halifax Health**  
**FY 2020 Capital Investment Strategy**  
**As of January 31, 2020**  
**(\$ in thousands)**

	Hospital Only	HH Holdings	HH Obligated Group	VHS/HMS	Foundation	Hospice	Medical Center Deltona	Total Halifax Health
Unrestricted Cash and Investments and days cash on hand								
Actual unrestricted Cash and Investments as of January 31, 2020	\$ 81,289	\$ 167,400	\$ 248,688	\$ 2,443	\$ 41,291	\$ 84,153	\$ (3)	\$ 376,571
Days cash on hand [S&P Calculation]	66.1		201.1			683.7	(0.0)	247.0
Days cash on hand including bad debt [Bond Compliance Calculation]	52.6		160.4			671.0	(0.0)	204.6
Projection of Cash Available for Capital Investment - FY 2020								
Actual unrestricted Cash and Investments as of January 31, 2020	\$ 81,289	\$ 167,400	\$ 248,688	\$ 2,443	\$ 41,291	\$ 84,153	\$ (3)	\$ 376,571
Budgeted Cash and Investments at September 30, 2020	93,341	175,337	268,677	4,078	40,776	81,552	12,677	407,760
Difference	(12,052)	(7,937)	(19,989)	(1,635)	515	2,601	(12,680)	(31,189)
Calculation of Cash from Operations Available for Capital Investment								
Gain from operations - budgeted FY 2020- Remaining	\$ 4,701	\$ 422	\$ 5,123	\$ 1,066	\$ 1,042	\$ 1,286	\$ (7,503)	\$ 1,015
GASB 68 pension accounting - budgeted FY 2020- Remaining	9,256	-	9,256	-	-	496	-	9,752
Depreciation expense - budgeted FY 2020- Remaining	15,052	504	15,556	551	-	522	2,978	19,607
Expected cash from operations- budgeted FY 2020- Remaining	29,009	926	29,935	1,618	1,042	2,304	(4,525)	30,374
Donations and nonoperating gains, net- budgeted FY 2020- Remaining	449	-	449	-	-	470	-	919
Investment gains- budgeted FY 2020- Remaining	\$ 1,631.12	\$ 1,327	\$ 2,958	\$ -	\$ -	\$ 2,148	\$ -	\$ 5,106
Portion being made available for capital expenditures	100%	1,631	100%	1,327	100%	2,958	100%	5,106
Expected changes in working capital through September 30, 2020	3,454	-	3,454	-	-	-	-	3,454
Reimbursements in Trustee held funds related to Medical Center of Deltona bond proceeds	-	-	-	9,212	-	-	-	9,212
Working capital contribution from UF Health for MCD	-	-	-	-	-	-	12,000	12,000
FEMA reimbursement for capital projects	426	-	426	-	-	-	-	426
Principal payments on debt	(5,795)	-	(5,795)	-	-	-	-	(5,795)
Total expected cash and investments available for capital expenditures	(A) \$ 17,122	(A) \$ (5,684)	(A) \$ 11,438	(A) \$ 9,194	(A) \$ 1,557	(A) \$ 7,522	(A) \$ (5,205)	(A) \$ 24,507
Projected Capital Investments FY 2020								
Capital projects approved in FY 2019 and prior	\$ 11,359	\$ -	\$ 11,359	\$ -	\$ -	\$ -	\$ -	\$ 11,359
FY2020 capital budget	19,700	-	19,700	-	-	300	-	20,000
FY2019 capital budget carry over	3,391	-	3,391	-	-	-	-	3,391
Estimated carryover of approved projects to FY 2020	(12,000)	-	(12,000)	-	-	-	-	(12,000)
Projected capital expenditures	(B) 22,450	(B) -	(B) 22,450	(B) -	(B) -	(B) 300	(B) -	(B) 22,750
Projected funds available in excess of capital expenditures	(A)-(B) \$ (5,328)	(A)-(B) \$ (5,684)	(A)-(B) \$ (11,012)	(A)-(B) \$ 9,194	(A)-(B) \$ 1,557	(A)-(B) \$ 7,222	(A)-(B) \$ (5,205)	(A)-(B) \$ 1,757
Summary of Capital Approvals								
FY 2020 Capital Budget	\$ 19,700	\$ -	\$ 19,700	\$ -	\$ -	\$ 300	\$ -	\$ 20,000
Projected funds available in excess of FY 2020 Capital Investment	(5,328)	(5,684)	(11,012)	9,194	1,557	7,222	(5,205)	1,757
FY 2020 Adjusted Capital Budget	(C) 14,372	(C) (5,684)	(C) 8,688	(C) 9,194	(C) 1,557	(C) 7,522	(C) (5,205)	(C) 21,757
FY 2020 Board of Commissioners approved projects	4,540	-	4,540	-	-	-	-	4,540
FY 2020 CIC approved projects, net of those subsequently approved by the Board	349	-	349	-	-	-	-	349
Approved capital projects	(D) 4,889	(D) -	(D) 4,889	(D) -	(D) -	(D) -	(D) -	(D) 4,889
Available for new projects	(C)-(D) \$ 9,483	(C)-(D) \$ (5,684)	(C)-(D) \$ 3,799	(C)-(D) \$ 9,194	(C)-(D) \$ 1,557	(C)-(D) \$ 7,522	(C)-(D) \$ (5,205)	(C)-(D) \$ 16,868
Project(s) proposed for Board of Commissioners approval:								
Air Handling Unit for IMC, Pediatrics PICU and 7-East	\$ 1,250	\$ -	\$ 1,250	\$ -	\$ -	\$ -	\$ -	\$ 1,250
Server Storage Hardware	895	-	895	-	-	-	-	895
Server Core Network	413	-	413	-	-	-	-	413
C-Arm for Radiology	241	-	241	-	-	-	-	241
Surgical Waste Management Systems (x8)	146	-	146	-	-	-	-	146
Server & Software Upgrade for GI Lab Travel Carts	77	-	77	-	-	-	-	77
Engenuity Service Package	60	-	60	-	-	-	-	60
Holter Monitoring System for EKG	41	-	41	-	-	-	-	41
Blood Analyzers (x2) for CVOR and CVICU	31	-	31	-	-	-	-	31
Shower Remodel (x3) for Adult Psychiatric Unit	27	-	27	-	-	-	-	27
Total	3,180	-	3,180	-	-	-	-	3,180
Available Capital if Proposed Projects are Approved	\$ 6,303	\$ (5,684)	\$ 620	\$ 9,194	\$ 1,557	\$ 7,522	\$ (5,205)	\$ 13,688

**Halifax Health**  
**FY 2020 Capital Budget**  
(in Thousands)

		(A)	(B)	(A) + (B)
		FY 20 Capital Budget	FY 20 Approvals	Remaining Balance
<b>Item</b>	<b>Information Technology</b>			
1	IT Enterprise Projects	\$ 1,000	\$ (199)	\$ 801
2	SAN Replacement	900	(895)	5
3	Core Network Upgrade	550	(413)	137
4	IT Internal Resource Capitalization	500	-	500
5	Laptop/Desktop Refresh	300	-	300
6	Wireless Upgrade	150	-	150
7	Firewall/NAC Hardware Replacement	125	-	125
8	WOW Replacements	100	-	100
9	Enterprise Infrastructure	100	-	100
	<b>Total Information Technology</b>	<b>\$ 3,725</b>	<b>\$ (1,507)</b>	<b>\$ 2,218</b>
<b>Item</b>	<b>Medical Equipment</b>			
10	HHPO MRI Scanner	\$ 3,000	\$ -	\$ 3,000
11	EMR for Advent Health NSB	500	-	500
12	Patient Monitors (15)	461	-	461
13	Echo Cart Replacement (2)	333	-	333
14	Excess for Siemens Nexaris Angio/CT Oncology Suite Project	277	-	277
15	Diagnostic Ultrasound (1)	160	-	160
16	Medical Equipment Emergency Purchases over \$100,000	2,000	(241)	1,759
17	Medical Equipment Projects under \$100,000	1,269	(638)	631
	<b>Total Medical Equipment</b>	<b>\$ 8,000</b>	<b>\$ (879)</b>	<b>\$ 7,122</b>
<b>Item</b>	<b>Infrastructure/Facilities</b>			
18	Air Handling Unit for IMC, Pediatrics PICU and 7-East	\$ 1,250	\$ (1,250)	\$ -
19	Central and 63 Building (68 building)	600	(725)	(125)
20	AHU Replacement #9	400	-	400
21	Service Building Roof Replacement	310	-	310
22	Infrastructure Emergency Purchases over \$100,000	1,000	(585)	415
23	Infrastructure Projects under \$100,000	1,090	(115)	975
	<b>Total Infrastructure/Facilities</b>	<b>\$ 4,650</b>	<b>\$ (2,675)</b>	<b>\$ 1,975</b>
<b>Item</b>	<b>Hospice Capital Expenditures</b>			
24	Hospice Capital	\$ 300	\$ -	\$ 300
	<b>Total Hospice Capital Expenditures</b>	<b>\$ 300</b>	<b>\$ -</b>	<b>\$ 300</b>
25	Service Expansion	\$ 3,325	\$ (2,247)	\$ 1,078
	<b>Total Other</b>	<b>\$ 3,325</b>	<b>\$ (2,247)</b>	<b>\$ 1,078</b>
	<b>Total HH Capital Expenditures</b>	<b>\$ 20,000</b>	<b>\$ (7,307)</b>	<b>\$ 12,693</b>

**Halifax Health**  
**FY 2020 and Prior Approved Capital Projects and Expenditures**  
**As of January 31, 2020**  
**(\$ in thousands)**

		<b>Total Carryover and</b>	<b>Spent During</b>	<b>HMC</b>
<b>Capital funds required for projects approved in FY 2019 and prior</b>	<b>CIC Number</b>	<b>Approved</b>	<b>FY 2020</b>	<b>Remaining to be Spent</b>
Mako System with Total Knee Application	19-0515-023	\$ 790	\$ 790	\$ -
Vendor Neutral Archive (VNA) for Enterprise Imaging	16-0720-002	584	11	573
West Clyde Morris Infrastructure (Spine Road)	18-1115-007	571	529	42
CT Scanner - Radiation Oncology	18-0418-001	517		517
Roof Replacement, Building B	18-0718-001	505		505
Laptops (x90) and PCs (x800)	19-0515-003	500	500	0
Subtotal of approved items less than \$500k		5,566	1,392	4,173
<b>Total Capital funds required for projects approved in FY 2019 and prior</b>		<b>\$ 9,032</b>	<b>\$ 3,222</b>	<b>\$ 5,810</b>
<b>FY2020 Board Approved 2019 Capital Projects</b>				
BrainLab Neurosurgical Navigation System	19-0821-002	\$ 489	\$ -	\$ 489
Epiphany ECG Data Management System	19-0918-002	403		403
C-Arm	19-0821-003	401		401
SQL Licenses (x23)	19-0918-003	336	330	6
Surgical Microscope	19-0821-004	286	-	286
Wireless Access Points (Qty 180)	19-0918-004	149		149
Ultrasound for OB Diagnostics	19-0918-005	140		140
EKG Carts (x8)	19-0918-006	66		66
Televisions (Qty 180) for France Tower	19-0918-007	58	60	(2)
<b>Total FY 2020 Board Approved 2019 Capital Projects</b>		<b>\$ 2,327</b>	<b>\$ 390</b>	<b>\$ 1,937</b>
<b>FY2020 Board Approved 2020 Capital Projects</b>				
Pulmonary Practice (Dr. White) Acquisition	20-1120-001	\$ 1,137	\$ 1,040	\$ 97
Retail Pharmacy	20-1120-002	1,109		1,109
Roof Replacement for 1963 Building & Central	20-1218-002	725	-	725
Elevator Upgrade for HPC	20-1218-003	585		585
Beds & Mattresses for Critical Care and Med/Surg Units	20-1016-001	420		420
Ultrasound Echo Carts (x2)	20-1120-005	342		342
BiPap Machines (x8)	20-1016-002	100		100
Mako Total Knee Replacement Instrument Set	20-1120-006	62		62
Spinal Surgery Tops (x2)	20-1016-003	60		60
<b>Total FY 2020 Board Approved 2020 Capital Projects</b>		<b>\$ 4,540</b>	<b>\$ 1,040</b>	<b>\$ 3,500</b>
<b>FY 2020 Other Approved Capital Projects</b>				
Stretchers (x6)	20-1120-007	\$ 49	\$ -	\$ 49
CPU for EP Lab 6	20-1120-008	45		45
Security Vehicle	20-1120-009	39		39
Nail Extraction System	20-1120-010	30		30
Hemodialysis Systems (x2)	20-1120-011	28		28
Reverse Osmosis Water Filtration System	20-1120-003	25		25
Cardio Coach (x2) Machines*	20-0117-006	22		22
Server & Software Upgrade to EEG Carts (x4)	20-0117-007	22		22
AHUs (x2) for HBS	20-0117-008	19		19
Subtotal of approved items less than \$15k		71	10	60
<b>Total FY 2020 Other Approved Capital Projects</b>		<b>\$ 349</b>	<b>\$ 10</b>	<b>\$ 339</b>
<b>Projects proposed for Board of Commissioners approval</b>				
Air Handling Unit for IMC, Pediatrics PICU and 7-East	20-1120-004	\$ 1,250	\$ -	\$ 1,250
Server Storage Hardware	20-0117-001	895		895
Server Core Network	20-0117-002	413		413
C-Arm for Radiology	20-1218-004	241		241
Surgical Waste Management Systems (x8)	20-1218-013/20-1218-014	146		146
Server & Software Upgrade for GI Lab Travel Carts	20-0117-003	77		77
Engenuity Service Package	20-1218-005	60		60
Holter Monitoring System for EKG	20-0117-005	41		41
Blood Analyzers (x2) for CVOR and CVICU	20-0117-004	31		31
Shower Remodel (x3) for Adult Psychiatric Unit	20-1218-001	27	14	13
<b>Total Project(s) proposed for Board approval</b>		<b>3,180</b>	<b>14</b>	<b>3,166</b>



**CAPITAL EXPENDITURES & OPERATING LEASES**  
March 2020

**Capital Expenditures \$50,000 and over**

DESCRIPTION	DEPARTMENT	SOURCE OF FUNDS	TOTAL
Air Handling Unit for IMC, Pediatrics, PICU and 7-East	Facilities Operations	Working Capital	\$1,250,000
Server Storage Hardware	Information Technology	Working Capital	\$895,098
Server Core Network	Information Technology	Working Capital	\$412,687
C-Arm for Radiology	Radiology Department	Working Capital	\$240,871
Surgical Waste Management Systems	Surgical Services	Working Capital	\$145,537
Server and Software Upgrade for GI Lab Travel Carts	Information Technology	Working Capital	\$77,122
Enginuity Service Package	Information Technology	Working Capital	\$60,000

**Operating Leases \$250,000 and over**

DESCRIPTION	DEPARTMENT	REPLACEMENT Y/N	LEASE TERMS	INTEREST RATE	MONTHLY PAYMENT



# HALIFAX HEALTH

TO: Jeff Feasel, President and Chief Executive Officer  
FROM: Eric Peburn, Executive Vice President and Chief Financial Officer  
CC: Jacob Nagib, Director, Engineering, Design and Construction  
DATE: February 18, 2020  
RE: Air Handling Unit for IMC, Pediatrics, PICU and 7-East

---

Halifax Health Facilities Operations is requesting funding to purchase an air handling unit (AHU) that will provide heating and air-conditioning to IMC, Pediatrics, PICU, and 7 East. The AHU is located on the fifth floor of the Fountain Building.

The current AHU system is 47 years old. It has received multiple rebuilds over the years and the facilities planning department recommends replacing this system as part of a multi-year system wide plan. The plan is updated annually based on the status of each AHU and the risk of failure.

The project was approved at the Capital Investment Committee meeting on November 20, 2019.

**TOTAL CAPITAL COSTS    \$1,250,000**



## Halifax Health Project Evaluation

<b>T-Zone AHU</b>
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Chief Financial Officer: Director Engineering and Construction: Manager Facilities Operations: Finance Analysis by:	Eric Peburn Jacob Nagib Chad Hutchinson Roxanne Edmonds
--	--

<b>Summary</b>
----------------

**Purpose:**

This project is for the purchase of a new AHU for the T-Zone area to replace the current unit which is 47 years old and unable to keep up with the demands of the critical care patient areas.

**Strategic Plan Core Competency Achievement:**

Physician Integration	
Care Coordination	X
Cost Management	
Information Technology	
Service Distribution	X
Financial Position	
Scale	
Managed Care Contracting	
Competitive Position	

**Cornerstone:**

Safety	X
Compassion	X
Image	
Efficiency	

**Investment Request for Approval**    **\$1,250,000**

Recommendation for approval of the project is not based upon incremental return on investment.



# HALIFAX HEALTH

TO: Jeff Feasel, President and Chief Executive Officer  
FROM: Arvin Lewis, Sr. Vice President and Chief Revenue Officer  
CC: Tom Stafford, Vice President and Chief Information Officer  
DATE: February 14, 2020  
RE: Server Storage Hardware

---

Halifax Health Information Technology is requesting funding to purchase a server storage system to replace our existing storage platform. The new storage system will provide significant technology improvements including resilience to protect data and applications, performance, and future scalability.

The project was approved at the Capital Investment Committee meeting on January 17, 2020.

**TOTAL CAPITAL COST      \$895,098**



## Halifax Health Project Evaluation

### Server Storage Hardware

Chief Revenue Officer:	Arvin Lewis
Chief Information Officer:	Tom Stafford
Director, IT Technical Services:	Michael Marques
Finance Analysis by:	Roxanne Edmonds

### Summary

#### Purpose:

This project is for the purchase of a new server storage system to replace the existing storage platform which will provide significant technology advancements and improve resilience, performance and future scalability.

#### Strategic Plan Core Competency Achievement:

Physician Integration	
Care Coordination	
Cost Management	
Information Technology	X
Service Distribution	
Financial Position	
Scale	
Managed Care Contracting	
Competitive Position	

#### Cornerstone:

Safety	
Compassion	
Image	
Efficiency	X

**Investment Request for Approval**    **\$895,098**

Recommendation for approval of the project is not based upon incremental return on investment.



# HALIFAX HEALTH

TO: Jeff Feasel, President and Chief Executive Officer  
FROM: Arvin Lewis, Senior Vice President and Chief Revenue Officer  
CC: Tom Stafford, Vice President and Chief Information Officer  
DATE: February 14, 2020  
RE: Server Core Network

---

Halifax Health Information Technology is requesting funding to purchase a server core network to replace our current network. The existing core is more than 7 years old and has been operating continuously for nearly as long.

The server core network provides network connectivity to all of the server infrastructure. The new core will help to ensure stability and continual network operation.

The project was approved at the Capital Investment Committee meeting on January 17, 2020.

**TOTAL CAPITAL COST    \$412,687**



## Halifax Health Project Evaluation

### Server Core System

Chief Revenue Officer:	Arvin Lewis
Chief Information Officer:	Tom Stafford
Director, IT Technical Services:	Michael Marques
Finance Analysis by:	Roxanne Edmonds

### Summary

**Purpose:**

This project is for the purchase of a new Server Core Switch Hardware System to replace the existing storage platform which is beyond its useful life.

**Strategic Plan Core Competency Achievement:**

Physician Integration	
Care Coordination	
Cost Management	
Information Technology	<b>X</b>
Service Distribution	
Financial Position	
Scale	
Managed Care Contracting	
Competitive Position	

**Cornerstone:**

Safety	
Compassion	
Image	
Efficiency	<b>X</b>

**Investment Request for Approval**    **\$412,687**

Recommendation for approval of the project is not based upon incremental return on investment.



# HALIFAX HEALTH

TO: Jeff Feasel, President and Chief Executive Officer  
FROM: Alberto Tineo, Senior Vice President and Chief Operating Officer, Hospitals  
CC: Matt Petkus, Vice President Operations  
DATE: January 16, 2020  
RE: C-Arm for Radiology

---

Halifax Health Radiology Department is requesting funding to purchase a digital, mobile C-arm for the Operating Rooms at the Halifax Health main campus. The existing C-Arm is no longer in service and cannot be repaired.

Due to the high demand for a larger field of view, the new 12-inch C-Arm will provide radiology services for orthopedic, neurology, GI and urology procedures. This larger field of view is required to perform anterior hips and multiple cases which are frequently scheduled at the same time.

The project was approved at the Capital Investment Committee meeting on December 18, 2019.

**TOTAL CAPITAL COSTS    \$240,871**





## Halifax Health Project Evaluation

### C-Arm for Radiology

Chief Operating Officer:  
VP of Operations:  
Manager Radiology:  
Finance Analysis by:

Alberto Tineo  
Matt Petkus  
Andrea Huffman  
Roxanne Edmonds

### Summary

#### Purpose:

This project is for the purchase of a digital, mobile C-Arm for the operating rooms at Halifax Health to replace the existing C-Arm that is no longer in service and cannot be repaired.

#### Strategic Plan Core Competency Achievement:

Physician Integration	
Care Coordination	X
Cost Management	
Information Technology	
Service Distribution	X
Financial Position	
Scale	
Managed Care Contracting	
Competitive Position	

#### Cornerstone:

Safety	
Compassion	
Image	X
Efficiency	X

**Investment Request for Approval**    **\$240,871**

Recommendation for approval of the project is not based upon incremental return on investment.



# HALIFAX HEALTH

TO: Jeff Feasel, President and Chief Executive Officer  
FROM: Alberto Tineo, Senior Vice President and Chief Operating Officer, Hospitals  
CC: Matt Petkus, Vice President Operations  
DATE: January 16, 2020  
RE: Surgical Waste Management Systems

---

Halifax Health Surgical Services is requesting funding for the purchase of eight (8) surgical waste management systems for the Halifax Health main campus and Twin Lakes Surgical Center operating rooms. The current waste management systems are no longer serviceable and nearing end of life.

The waste management systems will be used to dispose fluids and biohazard materials. The system includes integrated smoke evacuators, floor fluid disposables, multiple suction range indicators with high suction audio alerts, interactive touch screens and power washers to clean the mechanisms. The systems will protect against potential operating room hazards.

The project was approved at the Capital Investment Committee meeting on December 18, 2019.

**TOTAL CAPITAL COSTS    \$145,537**



## Halifax Health Project Evaluation

Surgical Waste Management System		
Chief Operating Officer:		Alberto Tineo
VP of Operations:		Matt Petkus
Director, Surgical Services		Eric Little
Finance Analysis by:		Todd Aldrich
<b>Summary</b>		

### Purpose:

This project is for eight (8) surgical waste management systems between the HHMC main campus and Twin Lakes. The current systems are no longer serviceable and nearing end of life.

### Strategic Plan Core Competency Achievement:

Physician Integration	
Care Coordination	X
Cost Management	X
Information Technology	
Service Distribution	
Financial Position	
Scale	
Managed Care Contracting	
Competitive Position	

### Cornerstone:

Safety	X
Compassion	
Image	
Efficiency	X

**Investment Request for Approval** **\$145,537**

Recommendation for approval of the project is not based upon incremental return on investment.



# HALIFAX HEALTH

TO: Jeff Feasel, President and Chief Executive Officer  
FROM: Alberto Tineo, Senior Vice President and Chief Operating Officer, Hospitals  
CC: Matt Petkus, Vice President Operations  
DATE: February 14, 2020  
RE: Server and Software Upgrade for GI Lab Travel Carts

---

Halifax Health Surgical Services is requesting funding to upgrade the server and software for the GI Lab travel carts. The current server and software are no longer supported by Microsoft.

The new software will upgrade the carts from Windows 7 to Windows 10. The upgrade includes travel carts for the main campus, Twin Lakes Surgical Center and Halifax Port Orange. The travel carts are used to perform endoscopy procedures at the patient's bedside.

The project was approved at the Capital Investment Committee meeting on January 17, 2020.

**TOTAL CAPITAL COSTS    \$77,122**



## Halifax Health

### Project Evaluation

#### Pentax Server and Software Upgrade

Chief Operating Officer:	Alberto Tineo
VP of Operations:	Matt Petkus
Director, Surgical Services	Eric Little
Finance Analysis by:	Todd Aldrich

#### Summary

#### Purpose:

Halifax Health Surgical Services is requesting funding to upgrade the server and software for the GI Lab travel carts. The current server and software are no longer supported by Microsoft. The new software will upgrade the carts from Windows 7 to Windows 10. The upgrade includes travel carts for the main campus, Twin Lakes Surgical Center and Halifax Port Orange. The travel carts are used to perform endoscopy procedures at the patient's bedside.

#### Strategic Plan Core Competency Achievement:

Physician Integration	X
Care Coordination	X
Cost Management	
Information Technology	X
Service Distribution	
Financial Position	
Scale	
Managed Care Contracting	
Competitive Position	

#### Cornerstone:

Safety	X
Compassion	
Image	
Efficiency	X

Investment Request for Approval **\$77,122**

Recommendation for approval of the project is not based upon incremental return on investment.



# HALIFAX HEALTH

TO: Jeff Feasel, President and Chief Executive Officer  
FROM: Arvin Lewis, Senior Vice President and Chief Revenue Officer  
CC: Tom Stafford, Vice President and Chief Information Officer  
DATE: January 16, 2020  
RE: Enginuity Service Package

---

Halifax Health Information Technology is requesting funding for the purchase of an Enginuity service package. The package includes software that will streamline clinical workflow.

The Enginuity product will introduce rules into Meditech that will allow our clinicians to experience a more streamlined approach to documentation. Some of the rules will include early warning scores for sepsis, chronic opioid analgesic treatment, Total Parenteral Nutrition (TPN), high cost drug alerts and lab test alerts. The rules will be revised and maintained through a contract with Galen Healthcare to coincide with future upgrades to Meditech.

This project was approved at the Capital Investment Committee meeting on December 18, 2019.

**TOTAL CAPITAL COST      \$60,000**



## Halifax Health

### Project Evaluation

#### Engenuity Framework

Chief Information Officer:

Tom Stafford

Finance Analysis by:

Roxanne Edmonds

#### Summary

#### Purpose:

This project is for the purchase of a clinical content package that will harvest the power of our Meditech Rules Engine to streamline clinical workflow and documentation.

#### Strategic Plan Core Competency Achievement:

Physician Integration	
Care Coordination	X
Cost Management	
Information Technology	X
Service Distribution	X
Financial Position	
Scale	
Managed Care Contracting	
Competitive Position	

#### Cornerstone:

Safety	
Compassion	
Image	X
Efficiency	X

Investment Request for Approval **\$60,000**

Recommendation for approval of the project is not based upon incremental return on investment.

**Halifax Health  
Capital Disposals  
DECEMBER/JANUARY 2020**

The Board hereby deems the following property to be surplus in that: the items are obsolete, their continued use would be uneconomical or inefficient, or they serve no useful function. Disposition of said property is therefore authorized pursuant to Florida Statutes, Chapter 274.

Asset #	Description	Department	Date Purchased	Disposition Status	Original Cost	Book Value
300288	PATIENT BED W/HEAD AND FOOT BOARDS	HOSPICE POCC	06/12/06	BED WAS TAKEN OUT OF SERVICE AND REPLACED WITH BARIATRIC BED	1,870.58	-
300355	PATIENT BED	HOSPICE WVCC	12/20/07	BED WAS TAKEN OUT OF SERVICE AND REPLACED WITH BARIATRIC BED	1,919.86	-
55594	IV PUMP A+	ONCOLOGY	11/26/06	HOSPITAL UPGRADED TO SIGMA PUMP	2,452.40	-
573758	IV PUMP A+	ONCOLOGY	06/30/09	HOSPITAL UPGRADED TO SIGMA PUMP	1,900.00	-
57386	IV PUMP A+	ONCOLOGY	06/30/09	HOSPITAL UPGRADED TO SIGMA PUMP	1,900.00	-
57408	IV PUMP A+	ONCOLOGY	06/30/09	HOSPITAL UPGRADED TO SIGMA PUMP	1,900.00	-
57422	IV PUMP A+	ONCOLOGY	06/30/09	HOSPITAL UPGRADED TO SIGMA PUMP	1,900.00	-
57922	IV PUMP A+	ONCOLOGY	06/30/09	HOSPITAL UPGRADED TO SIGMA PUMP	1,900.00	-
						-
						-
						-

**Total to be Disposed: \$ 15,742.84 \$ -**



## Halifax Health Audit & Finance Committee

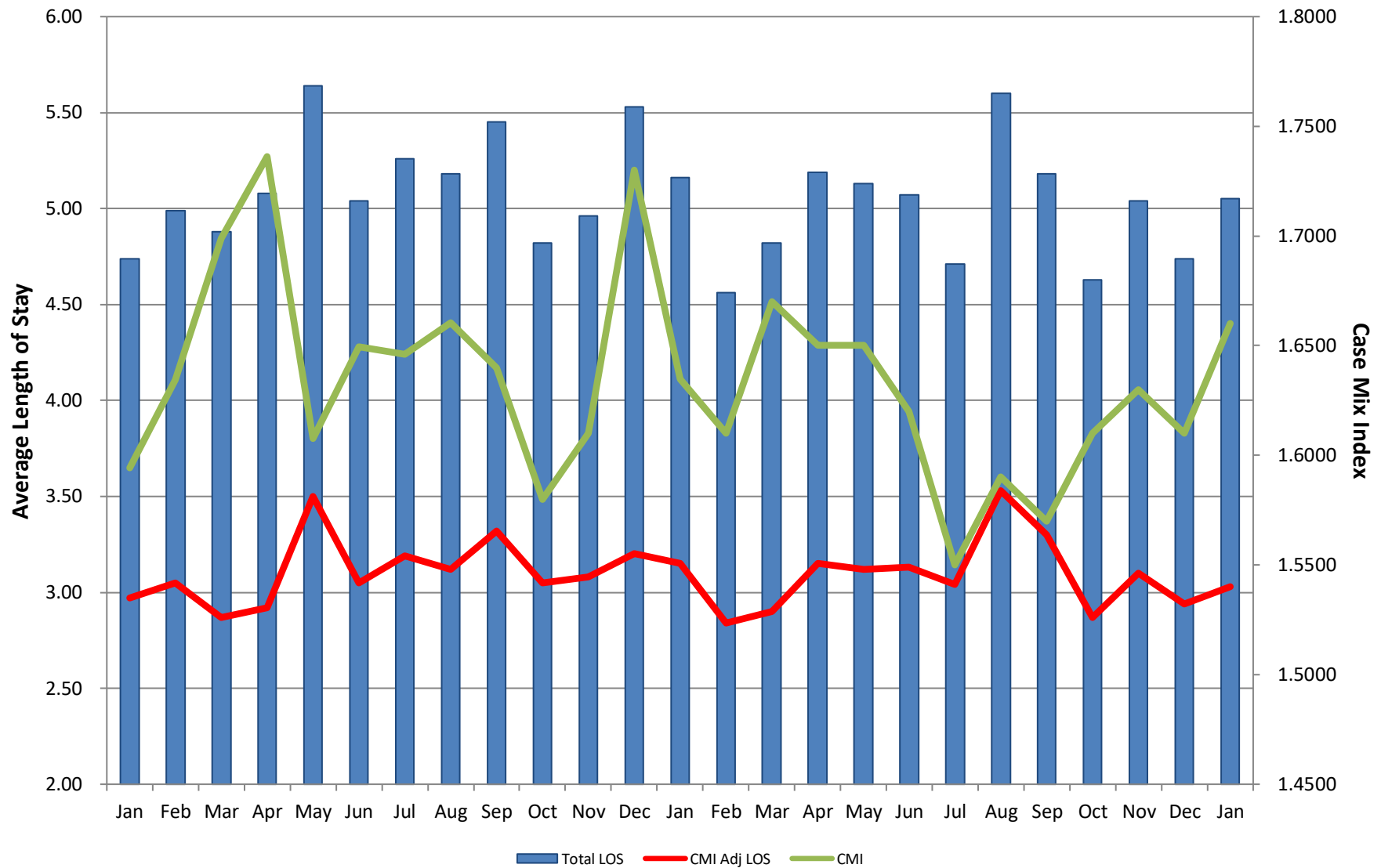
*Request Tracker/Checklist*

Meeting Date	Request	Projected Timeline	Frequency of Future Updates/Reports	Completed (Y/N)	Other
1/8/2020	Discussion/engagement in a three-year agreement with RSM and James Moore for each of the firms' respective audits, including the addition of auditing Medical Center of Deltona	March 4, 2020	One Time Request	Y	

# Discharged Based - Average Length of Stay and Case Mix Index

## 24 Months Ended January 31st, 2020

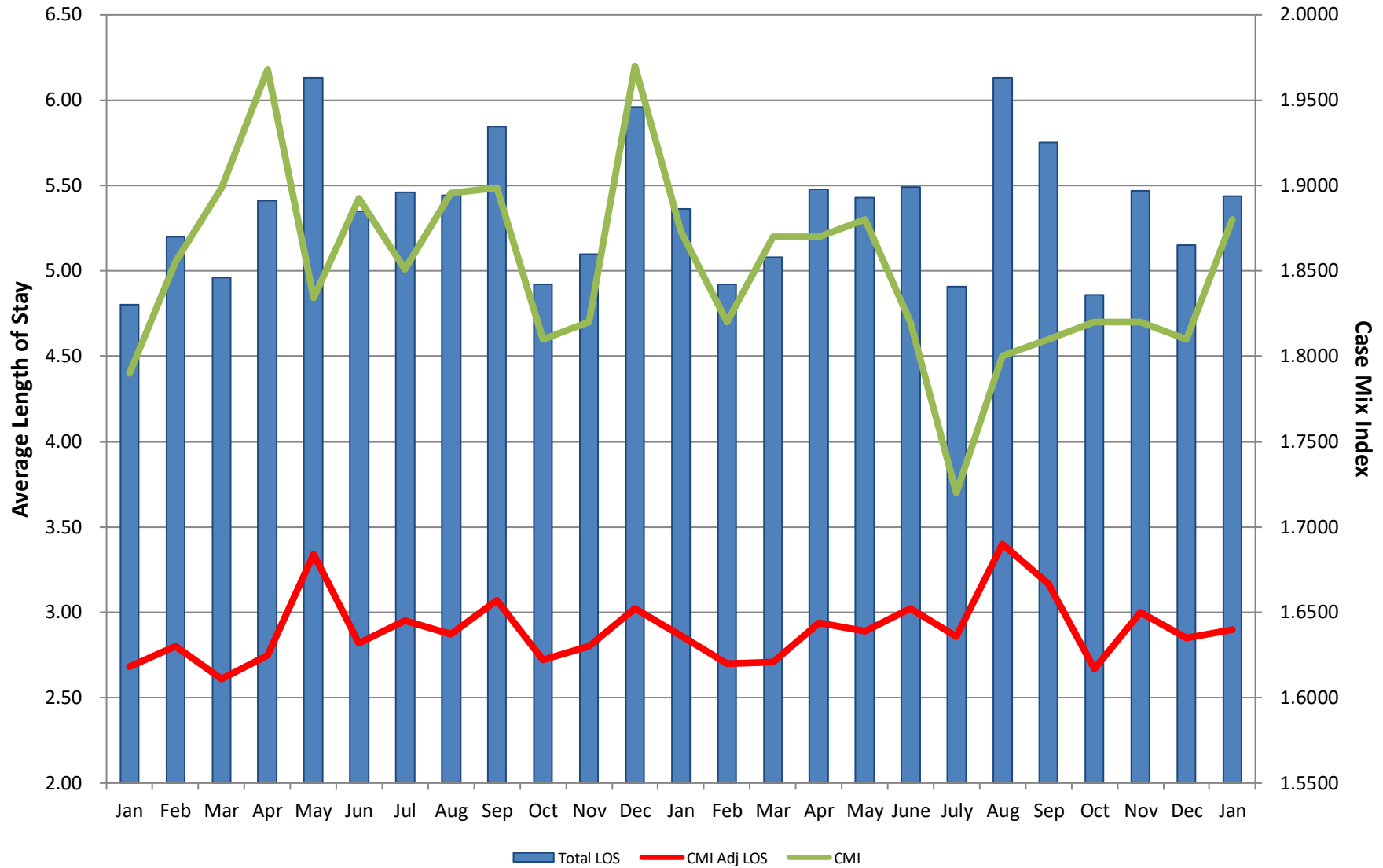
Excludes Newborns and Inpatient Rehabilitation



## Discharged Based - Average Length of Stay and Case Mix Index

24 Months Ended January 31st, 2020

Excludes Newborns, OB, Psych, and Inpatient Rehabilitation



# Halifax Health Pension Plan

## Monthly Update

Market Value: \$301.0 M

Ending January 31, 2020

Asset Class		Market Value 12/31/19	1 Mo Net Cash Flows	Market Value 1/31/20	% of Portfolio	Policy %	1 Mo	Fiscal YTD
<b>Total Fund Composite</b>		<b>\$309,255,762</b>	<b>-\$2,186,173</b>	<b>\$301,034,167</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-2.0%</b>	<b>3.2%</b>
<b>Fixed Income Composite</b>		<b>\$132,127,807</b>	<b>-\$2,186,173</b>	<b>\$130,924,185</b>	<b>43.5%</b>	<b>40.0%</b>	<b>0.8%</b>	<b>1.3%</b>
BBgBarc US Govt/Credit 1-5 Yr. TR							0.9%	1.4%
Money Market	Cash & Equivalents	\$110,513,266	-\$107,186,173	\$3,386,844	1.1%		0.2%	0.6%
91 Day T-Bills							0.1%	0.5%
Vanguard Short-Term Investment Grade	Short-Term Fixed Income	\$21,614,541	\$105,000,000	\$127,537,341	42.4%		0.9%	1.5%
BBgBarc US Govt/Credit 1-5 Yr. TR							0.9%	1.4%
<b>U.S. Equity Composite</b>		<b>\$125,701,047</b>	<b>\$0</b>	<b>\$121,618,731</b>	<b>40.4%</b>	<b>40.0%</b>	<b>-3.2%</b>	<b>6.1%</b>
Wilshire 5000 Total Market							0.0%	9.1%
DFA Large Cap Value	Large-Cap Value	\$35,874,875	\$0	\$34,400,184	11.4%	10.0%	-4.1%	4.6%
Russell 1000 Value							-2.2%	5.1%
Vanguard Growth Index	Large-Cap Growth	\$19,563,904	\$0	\$20,168,436	6.7%	6.0%	3.1%	13.3%
CRSP US Large Cap Growth TR USD							3.1%	13.3%
DFA US Small Cap Value	Small-Cap Value	\$31,494,065	\$0	\$29,326,790	9.7%	10.0%	-6.9%	1.7%
Russell 2000 Value							-5.4%	2.6%
Vanguard Small Cap Growth Index	Small-Cap Growth	\$19,766,988	\$0	\$19,696,328	6.5%	6.0%	-0.4%	9.0%
CRSP US Small Cap Growth TR USD							-0.4%	9.0%
Vanguard Energy Fund	Large-Cap Value	\$9,209,294	\$0	\$8,406,820	2.8%	4.0%	-8.7%	-3.2%
S&P 500 Energy							-11.1%	-6.2%
Vanguard Health Care Fund	Large-Cap Growth	\$9,791,922	\$0	\$9,620,173	3.2%	4.0%	-1.8%	14.8%
S&P 500 Health Care							-2.7%	11.3%
<b>Non-U.S. Composite</b>		<b>\$51,426,908</b>	<b>\$0</b>	<b>\$48,491,251</b>	<b>16.1%</b>	<b>20.0%</b>	<b>-5.7%</b>	<b>2.0%</b>
MSCI ACWI ex USA							-2.7%	6.0%
DFA International Value	Non-U.S. Large-Cap Value	\$43,134,093	\$0	\$40,701,262	13.5%	15.0%	-5.6%	1.7%
MSCI EAFE Value							-3.6%	3.9%
DFA Emerging Markets Core Equity	Emerging Markets	\$8,292,815	\$0	\$7,789,989	2.6%	5.0%	-6.1%	--
MSCI Emerging Markets							-4.7%	6.6%

Market Value: \$78.8 M

## Ending January 31, 2020

Asset Class		Market Value 12/31/19	1 Mo Net Cash Flows	Market Value 1/31/20	% of Portfolio	Policy %	1 Mo	Fiscal YTD
<b>Total Fund Composite</b>		<b>\$79,992,186</b>	<b>\$0</b>	<b>\$78,782,025</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-1.5%</b>	<b>3.5%</b>
<b>Fixed Income Composite</b>		<b>\$34,484,924</b>	<b>\$0</b>	<b>\$34,582,053</b>	<b>43.9%</b>	<b>40.0%</b>	<b>0.3%</b>	<b>0.8%</b>
BBgBarc US Govt/Credit 1-5 Yr. TR							0.9%	1.4%
Money Market	Cash & Equivalents	\$26,648,354	\$0	\$26,676,468	33.9%		0.1%	0.5%
91 Day T-Bills							0.1%	0.5%
Vanguard Short-Term Investment Grade	Short-Term Fixed Income	\$7,836,569	\$0	\$7,905,585	10.0%		0.9%	1.5%
BBgBarc US Govt/Credit 1-5 Yr. TR							0.9%	1.4%
<b>U.S. Equity Composite</b>		<b>\$39,425,581</b>	<b>\$0</b>	<b>\$38,469,876</b>	<b>48.8%</b>	<b>53.0%</b>	<b>-2.4%</b>	<b>6.7%</b>
Wilshire 5000 Total Market							0.0%	9.1%
DFA Large Cap Value	Large-Cap Value	\$16,249,642	\$0	\$15,581,676	19.8%	20.0%	-4.1%	4.6%
Russell 1000 Value							-2.2%	5.1%
Vanguard Growth Index	Large-Cap Growth	\$8,030,780	\$0	\$8,278,934	10.5%	10.0%	3.1%	13.3%
CRSP US Large Cap Growth TR USD							3.1%	13.3%
DFA US Small Cap Value	Small-Cap Value	\$5,748,509	\$0	\$5,352,923	6.8%	10.0%	-6.9%	1.7%
Russell 2000 Value							-5.4%	2.6%
Vanguard Small Cap Growth Index	Small-Cap Growth	\$7,387,546	\$0	\$7,361,138	9.3%	10.0%	-0.4%	9.0%
CRSP US Small Cap Growth TR USD							-0.4%	9.0%
Vanguard Energy Fund	Large-Cap Value	\$1,130,221	\$0	\$1,031,736	1.3%	1.5%	-8.7%	-3.2%
S&P 500 Energy							-11.1%	-6.2%
Vanguard Health Care Fund	Large-Cap Growth	\$878,884	\$0	\$863,468	1.1%	1.5%	-1.8%	14.8%
S&P 500 Health Care							-2.7%	11.3%
<b>Non-U.S. Composite</b>		<b>\$6,081,681</b>	<b>\$0</b>	<b>\$5,730,096</b>	<b>7.3%</b>	<b>7.0%</b>	<b>-5.8%</b>	<b>2.2%</b>
MSCI ACWI ex USA							-2.7%	6.0%
DFA International Value	Non-U.S. Large- Cap Value	\$4,057,106	\$0	\$3,828,279	4.9%	5.0%	-5.6%	1.7%
MSCI EAFE Value							-3.6%	3.9%
DFA Emerging Markets Core Equity	Emerging Markets	\$2,024,575	\$0	\$1,901,817	2.4%	2.0%	-6.1%	--
MSCI Emerging Markets							-4.7%	6.6%

## Ending January 31, 2020

Asset Class	Market Value 12/31/19	1 Mo Net Cash Flows	Market Value 1/31/20	% of Portfolio	Policy %	1 Mo	Fiscal YTD
<b>Total Fund Composite</b>	<b>\$52,338,762</b>	<b>\$0</b>	<b>\$51,479,936</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-1.6%</b>	<b>3.5%</b>
<b>Fixed Income Composite</b>	<b>\$24,012,757</b>	<b>\$0</b>	<b>\$24,048,459</b>	<b>46.7%</b>	<b>40.0%</b>	<b>0.1%</b>	<b>1.0%</b>
<i>BBgBarc US Govt/Credit 1-5 Yr. TR</i>						0.9%	1.4%
Money Market      Cash & Equivalents	\$22,675,141	\$0	\$22,699,063	44.1%		0.1%	0.4%
<i>91 Day T-Bills</i>						0.1%	0.5%
Vanguard Short-Term Investment      Short-Term Fixed Grade      Income	\$1,337,616	\$0	\$1,349,396	2.6%		0.9%	1.5%
<i>BBgBarc US Govt/Credit 1-5 Yr. TR</i>						0.9%	1.4%
<b>U.S. Equity Composite</b>	<b>\$24,675,425</b>	<b>\$0</b>	<b>\$23,990,266</b>	<b>46.6%</b>	<b>53.0%</b>	<b>-2.8%</b>	<b>6.4%</b>
<i>Wilshire 5000 Total Market</i>						0.0%	9.1%
DFA Large Cap Value      Large-Cap Value	\$10,128,224	\$0	\$9,711,888	18.9%	20.0%	-4.1%	4.6%
<i>Russell 1000 Value</i>						-2.2%	5.1%
Vanguard Growth Index      Large-Cap Growth	\$4,663,043	\$0	\$4,807,133	9.3%	10.0%	3.1%	13.3%
<i>CRSP US Large Cap Growth TR USD</i>						3.1%	13.3%
DFA US Small Cap Value      Small-Cap Value	\$4,486,517	\$0	\$4,177,776	8.1%	10.0%	-6.9%	1.7%
<i>Russell 2000 Value</i>						-5.4%	2.6%
Vanguard Small Cap Growth      Small-Cap Growth Index	\$3,743,992	\$0	\$3,730,608	7.2%	10.0%	-0.4%	9.0%
<i>CRSP US Small Cap Growth TR USD</i>						-0.4%	9.0%
Vanguard Energy Fund      Large-Cap Value	\$887,717	\$0	\$810,364	1.6%	1.5%	-8.7%	-3.2%
<i>S&amp;P 500 Energy</i>						-11.1%	-6.2%
Vanguard Health Care Fund      Large-Cap Growth	\$765,931	\$0	\$752,497	1.5%	1.5%	-1.8%	14.8%
<i>S&amp;P 500 Health Care</i>						-2.7%	11.3%
<b>Non-U.S. Composite</b>	<b>\$3,650,580</b>	<b>\$0</b>	<b>\$3,441,211</b>	<b>6.7%</b>	<b>7.0%</b>	<b>-5.7%</b>	<b>2.1%</b>
<i>MSCI ACWI ex USA</i>						-2.7%	6.0%
DFA International Value      Non-U.S. Large- Cap Value	\$2,830,527	\$0	\$2,670,881	5.2%	5.0%	-5.6%	1.7%
<i>MSCI EAFE Value</i>						-3.6%	3.9%
DFA Emerging Markets Core      Emerging Markets Equity	\$820,054	\$0	\$770,331	1.5%	2.0%	-6.1%	--
<i>MSCI Emerging Markets</i>						-4.7%	6.6%

Market Value: \$166.5 M

## Ending January 31, 2020

Asset Class	Market Value 12/31/19	1 Mo Net Cash Flows	Market Value 1/31/20	% of Portfolio	Policy %	1 Mo	Fiscal YTD
<b>Total Fund Composite</b>	<b>\$166,008,032</b>	<b>\$0</b>	<b>\$166,517,984</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.3%</b>	<b>1.0%</b>
<b>Fixed Income Composite</b>	<b>\$166,008,032</b>	<b>\$0</b>	<b>\$166,517,984</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.3%</b>	<b>1.0%</b>
<i>BBgBarc US Govt/Credit 1-5 Yr. TR</i>						0.9%	1.4%
Ponder Short Term Gov't/Credit Short-Term Fixed Income	\$140,170,931	\$0	\$140,453,339	84.3%		0.2%	1.1%
<i>BBgBarc US Govt/Credit 1-3 Yr. TR</i>						0.6%	1.1%
Vanguard Short-Term Investment Grade Short-Term Fixed Income	\$25,837,101	\$0	\$26,064,645	15.7%		0.9%	1.5%
<i>BBgBarc US Govt/Credit 1-5 Yr. TR</i>						0.9%	1.4%

## Ending January 31, 2020

	Asset Class	Market Value 12/31/19	1 Mo Net Cash Flows	Market Value 1/31/20	% of Portfolio	Policy %	1 Mo	Fiscal YTD
<b>Total Fund Composite</b>		<b>\$28,938,278</b>	<b>\$0</b>	<b>\$29,084,417</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.5%</b>	<b>1.2%</b>
<b>Fixed Income Composite</b>		<b>\$27,450,892</b>	<b>\$0</b>	<b>\$29,084,417</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.5%</b>	<b>0.9%</b>
<i>BBgBarc US Govt/Credit 1-5 Yr. TR</i>							0.9%	1.4%
Money Market	Cash & Equivalents	\$1,487,386	\$0	\$1,488,954	5.1%		0.1%	--
<i>91 Day T-Bills</i>							0.1%	0.5%
Ponder Short Term Gov't/Credit	Short-Term Fixed Income	\$25,981,495	\$0	\$26,113,126	89.8%		0.5%	0.9%
<i>BBgBarc US Govt/Credit 1-3 Yr. TR</i>							0.6%	1.1%
Vanguard Short-Term Investment Grade	Short-Term Fixed Income	\$1,469,397	\$0	\$1,482,338	5.1%		0.9%	1.5%
<i>BBgBarc US Govt/Credit 1-5 Yr. TR</i>							0.9%	1.4%



# INFORMATIONAL REPORT

March 2020

## **Capital Expenditures \$25,000 -- \$50,000**

DESCRIPTION	DEPARTMENT	SOURCE OF FUNDS	TOTAL
Holter Monitoring System for EKG	EKG Department	Working Capital	\$40,610
Blood Analyzers for CVOR and CVICU	Cardiac Vascular Operating Room and Cardiac Vascular Intensive Care Departments	Working Capital	\$31,000
Shower Renovations for Adult Psychiatric Unit	Facilities and Engineering Department	Working Capital	\$26,900

## **Operating Leases \$50,000 -- \$250,000**

DESCRIPTION	DEPARTMENT	REPLACEMENT Y/N	LEASE TERMS	INTEREST RATE	MONTHLY PAYMENT



# HALIFAX HEALTH

TO: Jeff Feasel, President and Chief Executive Officer  
FROM: Alberto Tineo, Senior Vice President and Chief Operating Officer, Hospitals  
CC: Matt Petkus, Vice President Operations  
DATE: February 14, 2020  
RE: Holter Monitoring System for EKG

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Halifax Health EKG Department is requesting funding to purchase a Holter monitoring system. The current system is no longer supported and is not compatible with our monitoring system at Medical Center Deltona.

The new device will monitor patients' heart rhythms for twenty-four hour periods. The tests will then be uploaded to one central device allowing the cardiologist to promptly interpret the study, either remotely or in-house. The device will be used for inpatients and outpatients at all locations.

The project was approved at the Capital Investment Committee meeting on January 17, 2020.

**TOTAL CAPITAL COSTS    \$40,610**



## Halifax Health

### Project Evaluation

#### Holter Monitoring System

Chief Operating Officer:

Alberto Tineo

VP of Operations:

Matt Petkus

Finance Analysis by:

Roxanne Edmonds

#### Summary

##### Purpose:

This project is for the purchase of a Holter monitoring system to replace the current system that is no longer supported and is not compatible with the monitoring system at Deltona Medical Center.

##### Strategic Plan Core Competency Achievement:

Physician Integration	X
Care Coordination	X
Cost Management	
Information Technology	
Service Distribution	X
Financial Position	
Scale	
Managed Care Contracting	
Competitive Position	

##### Cornerstone:

Safety	
Compassion	
Image	X
Efficiency	X

Investment Request for Approval **\$40,610**

Recommendation for approval of the project is not based upon incremental return on investment.



# HALIFAX HEALTH

TO: Jeff Feasel, President and Chief Executive Officer  
FROM: Alberto Tineo, Senior Vice President and Chief Operating Officer, Hospitals  
CC: Tonja Williams, RN, Chief Nursing Officer  
DATE: February 14, 2020  
RE: Blood Analyzers for CVOR and CVICU

---

Halifax Health Cardiac Vascular Operating Room and Cardiac Vascular Intensive Care Departments are requesting funding to purchase two (2) blood analyzers. The purchase includes a UPS system to provide power in the event of a power surge or outage.

The purchase will replace two analyzers that are greater than 10 years old. The equipment is necessary for expedient results in a critical setting to provide safe patient care.

The project was approved at the Capital Investment Committee meeting on January 17, 2020.

**TOTAL CAPITAL COSTS    \$31,000**



## Halifax Health

### Project Evaluation

#### Blood Analyzers (x2) Main Campus

Chief Operating Officer: Alberto Tineo  
 VP of Operations: Matt Petkus  
 Finance Analysis by: Roxanne Edmonds

#### Summary

#### Purpose:

This project is for the purchase of 2 blood analyzers for CVICU and CVOR to replace the current units which are at the end of life and no longer repairable.

#### Strategic Plan Core Competency Achievement:

Physician Integration	
Care Coordination	X
Cost Management	X
Information Technology	
Service Distribution	X
Financial Position	
Scale	
Managed Care Contracting	
Competitive Position	

#### Cornerstone:

Safety	
Compassion	
Image	
Efficiency	X

Investment Request for Approval **\$31,000**

Recommendation for approval of the project is not based upon incremental return on investment.



# HALIFAX HEALTH

TO: Jeff Feasel, President and Chief Executive Officer  
FROM: Eric Peburn, Executive Vice President and Chief Financial Officer  
CC: Jacob Nagib, Director, Engineering, Design and Construction  
DATE: January 16, 2020  
RE: Shower Renovations for Adult Psychiatric Unit

---

Halifax Health Facilities and Engineering Department is requesting funding to renovate three (3) showers in the Adult Psychiatric Unit. The existing showers are causing water intrusion into adjacent areas of the unit.

The renovation of the showers will circumvent damage to walls, doors and floors. The showers are used daily by patients and are an essential part of the unit's operations.

**TOTAL CAPITAL COSTS    \$26,900**



## Halifax Health Project Evaluation

### Adult Psychiatric Unit Shower Renovation

Chief Operating Officer:	Alberto Tineo
Director Psychiatric Services:	James Terry
Manager Adult Psychiatric Services:	Isabella Chrostowski
Finance Analysis by:	Roxanne Edmonds

### Summary

#### Purpose:

This project is for the renovation of the three showers in the Adult Psychiatric Unit to replace the existing showers that are causing water intrusion into the adjacent areas.

#### Strategic Plan Core Competency Achievement:

Physician Integration	
Care Coordination	X
Cost Management	
Information Technology	
Service Distribution	X
Financial Position	
Scale	
Managed Care Contracting	
Competitive Position	

#### Cornerstone:

Safety	X
Compassion	
Image	X
Efficiency	

**Investment Request for Approval** **\$26,900**

Recommendation for approval of the project is not based upon incremental return on investment.

**HALIFAX HEALTH MEDICAL CENTER  
SCHEDULE OF USES OF PROPERTY TAXES  
FOR THE THREE MONTHS ENDED DECEMBER 31, 2019**

		in mills
Gross property tax levy	1,647,213	0.3546
Tax discounts and uncollectible taxes	(29,250)	(0.0063)
Net property taxes collected	1,617,963	0.3483
Amounts paid to Volusia County and Cities:		
Tax collector and appraiser commissions	(54,999)	(0.0118)
Volusia County Medicaid matching assessment	(813,174)	(0.1751)
Redevelopment taxes paid to Cities	(81,361)	(0.0175)
Subtotal	(949,534)	(0.2044)
Net taxes available for community health, wellness and readiness	668,429	0.1439
Amounts paid for community health and wellness services:		
Preventive health services (clinics, Healthy Kids, etc.)	(125,099)	(0.0269)
Physician services	(2,054,074)	(0.4422)
Trauma services	(1,445,278)	(0.3111)
Pediatric and neonatal intensive care services	(136,407)	(0.0294)
Child and adolescent behavioral services	(242,730)	(0.0523)
Subtotal	(4,003,588)	(0.8619)
Deficiency of net taxes available to fund hospital operating expenses	(3,335,159)	(0.7180)
Uncompensated care, <i>at cost</i> :		
Halifax Health patients at facilities inside of the Halifax Health tax district	(8,393,057)	(1.8068)
Non-Halifax Health taxing district patients and other write-offs	(6,919,295)	(1.4895)
Subtotal	(15,312,352)	(3.2963)
Total deficiency of net taxes available to fund hospital operating expenses and uncompensated care provided by Halifax Health, <i>at cost</i>	\$ (18,647,511)	(4.0143)
Proforma tax levy to cover uncompensated care, at cost:		
Gross property tax levy		0.3546
Subsidized uncompensated care costs by operations		4.0143
Equivalent property tax levy expended *		4.3689

\* This is an equivalent levy for demonstration purposes only and is not intended to represent a proposed millage rate.