



Halifax Health
Fiscal Year 2015
Budget

Halifax Health Budget Policy FY 2015 Budget

Premise:

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

Policy:

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

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

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

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

Fiscal Year 2015 Budget Objectives:

	<u>Halifax Health</u>	<u>S&P "A" Rated</u>
Total Margin	4.8%	5.1%
Operating Margin	3.3%	3.0%
EBIDA Margin	13.3%	10.0%
Days Cash on Hand	266	236
Long-Term Debt to Capitalization	58.0%	29.0%
Unrestricted Cash to Long Term Debt	96.6%	176.5%
HMC Obligated Group - Maximum Annual Debt Service Coverage Ratio	2.25x	4.30x
HMC Obligated Group - Long-Term Debt to Capitalization	57.9%	29.0%

Note: S&P ratios reflect the most recent report dated August 2014.

Halifax Health
Condensed Statements of Net Assets
FY 2015 Budgeted and FY 2014 Projected
(\$ in thousands)

	September 30,		Change	%
	2015	2014		
<u>Assets</u>				
Cash and cash equivalents	\$37,030	\$37,030	\$0	0.0%
Investments	258,044	252,329	5,715	2.3%
Board Designated Assets	36,824	39,941	(3,117)	-7.8%
Accounts receivable	56,884	54,473	2,411	4.4%
Restricted assets whose use is limited	26,905	26,905	-	0.0%
Other assets	40,108	42,045	(1,937)	-4.6%
Deferred outflow - swap	20,355	20,355	-	0.0%
Deferred outflow - pension	13,512	20,000	(6,488)	-32.4%
Property, plant and equipment	367,935	373,554	(5,619)	-1.5%
Total Assets	\$857,597	\$866,632	(\$9,035)	-1.0%
<u>Liabilities and Net Assets</u>				
Accounts payable	\$30,810	\$30,469	\$341	1.1%
Other liabilities	82,889	80,635	2,254	2.8%
Deferred inflow - pension	26,970	42,357	(15,387)	-36.3%
Net pension liability	104,442	119,818	(15,376)	-12.8%
Long-term debt	343,577	348,583	(5,006)	-1.4%
Long-term value of swap	20,355	20,355	-	0.0%
Net position	248,554	224,415	24,139	10.8%
Total Liabilities and Net Position	\$857,597	\$866,632	(\$9,035)	-1.0%

Halifax Health
Statements of Revenues, Expenses and Changes in Net Position
FY 2015 Budgeted and FY FY 2014 Projected
(in thousands)

	FY 2015 Budget	FY 2014 Actual & Projected	Change
Operating revenues:			
Net patient service revenue	\$453,191	\$440,462	\$12,729
Ad valorem tax revenue	13,149	12,465	684
Other revenue	28,921	27,800	1,121
Total operating revenues	<u>495,261</u>	<u>480,727</u>	<u>14,534</u>
Operating expenses:			
Salaries and benefits	231,935	226,658	5,277
Supplies	89,466	87,178	2,288
Purchased services	68,716	65,827	2,889
Depreciation and amortization	24,063	22,312	1,751
Ad valorem tax related	7,101	7,011	90
Interest	18,686	18,770	(84)
Leases and rentals	9,294	9,672	(378)
Other	29,713	28,298	1,415
Total operating expenses	<u>478,974</u>	<u>465,726</u>	<u>13,248</u>
Income from operations before Settlements and related costs	16,287	15,001	1,286
Settlements and related costs	<u>-</u>	<u>(108,735)</u>	<u>108,735</u>
Income (loss) from operations	16,287	(93,734)	110,021
Nonoperating revenues, expenses, and gains/(losses)			
Donation revenue	2,058	1,992	66
Investment income	5,794	10,563	(4,769)
Nonoperating gains (losses), net	-	28	(28)
Total Nonoperating revenues, expenses, and gains/(losses)	<u>7,852</u>	<u>12,583</u>	<u>(4,731)</u>
Increase (decrease) in net position before other changes in net position	24,139	(81,151)	105,290
Other changes in net position:			
Change in accounting - pension	-	(166,487)	166,487
Change in accounting - bond issue costs	-	(9,395)	9,395
Total other changes in net position	<u>-</u>	<u>(175,882)</u>	<u>175,882</u>
Increase (decrease) in net position	<u>\$24,139</u>	<u>(\$257,033)</u>	<u>\$281,172</u>

Halifax Health Medical Center
Statements of Revenues, Expenses and Changes in Net Position
FY 2015 Budgeted and FY FY 2014 Projected
(in thousands)

	FY 2015 Budget	FY 2014 Actual & Projected	Change
Operating revenues:			
Net patient service revenue	\$403,129	\$397,658	\$5,471
Ad valorem tax revenue	13,149	12,465	684
Other revenue	19,001	17,473	1,528
Total operating revenues	<u>435,279</u>	<u>427,596</u>	<u>7,683</u>
Operating expenses:			
Salaries and benefits	206,098	203,964	2,134
Supplies	85,464	84,003	1,461
Purchased services	52,875	51,595	1,280
Depreciation and amortization	22,371	20,910	1,461
Ad valorem tax related	7,101	7,011	90
Interest	18,370	18,370	-
Leases and rentals	7,008	7,636	(628)
Other	25,481	25,121	360
Total operating expenses	<u>424,768</u>	<u>418,610</u>	<u>6,158</u>
Income from operations before Settlements and related costs	10,511	8,986	1,525
Settlements and related costs	<u>-</u>	<u>(108,735)</u>	<u>108,735</u>
Income (loss) from operations	10,511	(99,749)	110,260
Nonoperating revenues, expenses, and gains/(losses)			
Donation revenue	132	143	(11)
Investment income	3,044	5,063	(2,019)
Nonoperating gains (losses), net	<u>-</u>	<u>28</u>	<u>(28)</u>
Total Nonoperating revenues, expenses, and gains/(losses)	<u>3,176</u>	<u>5,234</u>	<u>(2,058)</u>
Increase (decrease) in net position before other changes in net position	13,687	(94,515)	108,202
Other changes in net position:			
Change in accounting - pension	-	(157,548)	157,548
Change in accounting - bond issue costs	<u>-</u>	<u>(9,282)</u>	<u>9,282</u>
Total other changes in net position	<u>-</u>	<u>(166,830)</u>	<u>166,830</u>
Increase (decrease) in net position	<u>\$13,687</u>	<u>(\$261,345)</u>	<u>\$275,032</u>

Halifax Health Hospice
Statements of Revenues, Expenses and Changes in Net Position
FY 2015 Budgeted and FY FY 2014 Projected
(in thousands)

	FY 2015 Budget	FY 2014 Actual & Projected	Change
Operating revenues:			
Net patient service revenue	\$50,062	\$42,804	\$7,258
Other revenue	2,578	2,512	66
Total operating revenues	<u>52,640</u>	<u>45,316</u>	<u>7,324</u>
Operating expenses:			
Salaries and benefits	24,981	21,895	3,086
Supplies	3,975	3,157	818
Purchased services	15,394	13,809	1,585
Depreciation and amortization	893	603	290
Leases and rentals	2,225	1,975	250
Other	3,368	2,315	1,053
Total operating expenses	<u>50,836</u>	<u>43,754</u>	<u>7,082</u>
Income from operations	1,804	1,562	242
Nonoperating revenues, expenses, and gains/(losses)			
Donation revenue	1,926	1,849	77
Investment income	2,750	5,500	(2,750)
Total Nonoperating revenues, expenses, and gains/(losses)	<u>4,676</u>	<u>7,349</u>	<u>(2,673)</u>
Increase in net position before other changes in net position	6,480	8,911	(2,431)
Other changes in net position:			
Change in accounting - pension	-	(8,939)	8,939
Change in accounting - bond issue costs	-	-	-
Total other changes in net position	<u>-</u>	<u>(8,939)</u>	<u>8,939</u>
Increase (decrease) in net position	<u>\$6,480</u>	<u>(\$28)</u>	<u>\$6,508</u>

Volusia Health Network / Halifax Management System
Statements of Revenues, Expenses and Changes in Net Position
FY 2015 Budgeted and FY FY 2014 Projected
(in thousands)

	<u>FY 2015 Budget</u>	<u>FY 2014 Actual & Projected</u>	<u>Change</u>
Operating revenues:			
Net patient service revenue	\$0	\$0	\$0
Other revenue	3,810	3,676	134
Total operating revenues	<u>3,810</u>	<u>3,676</u>	<u>134</u>
Operating expenses:			
Salaries and benefits	731	674	57
Supplies	27	18	9
Purchased services	432	408	24
Depreciation and amortization	799	799	-
Interest	316	400	(84)
Leases and rentals	61	61	-
Other	29	27	2
Total operating expenses	<u>2,395</u>	<u>2,387</u>	<u>8</u>
Income from operations	1,415	1,289	126
Other changes in net position:			
Change in accounting - pension	-	-	-
Change in accounting - bond issue costs	-	(113)	113
Total other changes in net position	<u>-</u>	<u>(113)</u>	<u>113</u>
Increase in net position	<u>\$1,415</u>	<u>\$1,176</u>	<u>\$239</u>

Halifax Health Foundation
Statements of Revenues, Expenses and Changes in Net Position
FY 2015 Budgeted and FY FY 2014 Projected
(in thousands)

	FY 2015 Budget	FY 2014 Actual & Projected	Change
Operating revenues:			
Net patient service revenue	\$0	\$0	\$0
Other revenue	3,532	4,139	(607)
Total operating revenues	3,532	4,139	(607)
Operating expenses:			
Salaries and benefits	125	125	-
Supplies	-	-	-
Purchased services	15	15	-
Depreciation and amortization	-	-	-
Ad valorem tax related	-	-	-
Interest	-	-	-
Leases and rentals	-	-	-
Other	835	835	-
Total operating expenses	975	975	-
Income from operations	2,557	3,164	(607)
Nonoperating revenues, expenses, and gains/(losses)			
Donation revenue	-	-	-
Investment income	-	-	-
Nonoperating gains (losses), net	-	-	-
Total Nonoperating revenues, expenses, and gains/(losses)	-	-	-
Increase in net position	\$2,557	\$3,164	(\$607)

Ad Valorem Tax Schedules

**Halifax Hospital Medical Center
Schedule of Uses of Property Taxes
FY 2015 Preliminary Budget ***

	FY 2015 Budget 1.00 Mill	FY 2014 Actual/Projected 1.00 Mill
Gross property tax levy	\$13,149,276	\$12,464,856
Tax discounts and uncollectible taxes	(408,000)	(386,400)
Net property taxes collected	<u>12,741,276</u>	<u>12,078,456</u>
Amounts paid to Volusia County and Cities:		
Tax collector and appraiser commissions	(739,000)	(700,200)
Volusia County Medicaid matching assessment	(2,538,000)	(2,537,640)
Redevelopment taxes paid to Cities	(674,000)	(639,032)
Subtotal	<u>(3,951,000)</u>	<u>(3,876,872)</u>
Net taxes available for community health, wellness and readiness	8,790,276	8,201,584
Amounts paid for community health and wellness services:		
Preventive health services (clinics, etc.)	(650,000)	(638,122)
Physician services	(7,875,000)	(7,874,932)
Trauma services	(7,450,000)	(7,414,189)
Pediatric and neonatal intensive care physician services	(775,000)	(769,669)
Child and adolescent behavioral physician services	(725,000)	(714,968)
Subtotal	<u>(17,475,000)</u>	<u>(17,411,880)</u>
Deficiency of net taxes available to fund hospital operating expenses	(8,684,724)	(9,210,296)
Uncompensated care provided by Halifax Health, <i>at cost</i>	<u>(40,586,000)</u>	<u>(39,403,855)</u>
Total deficiency of net taxes available to fund hospital operating expenses and uncompensated care provided by Halifax Health, at cost	<u>(\$49,270,724)</u>	<u>(\$48,614,151)</u>

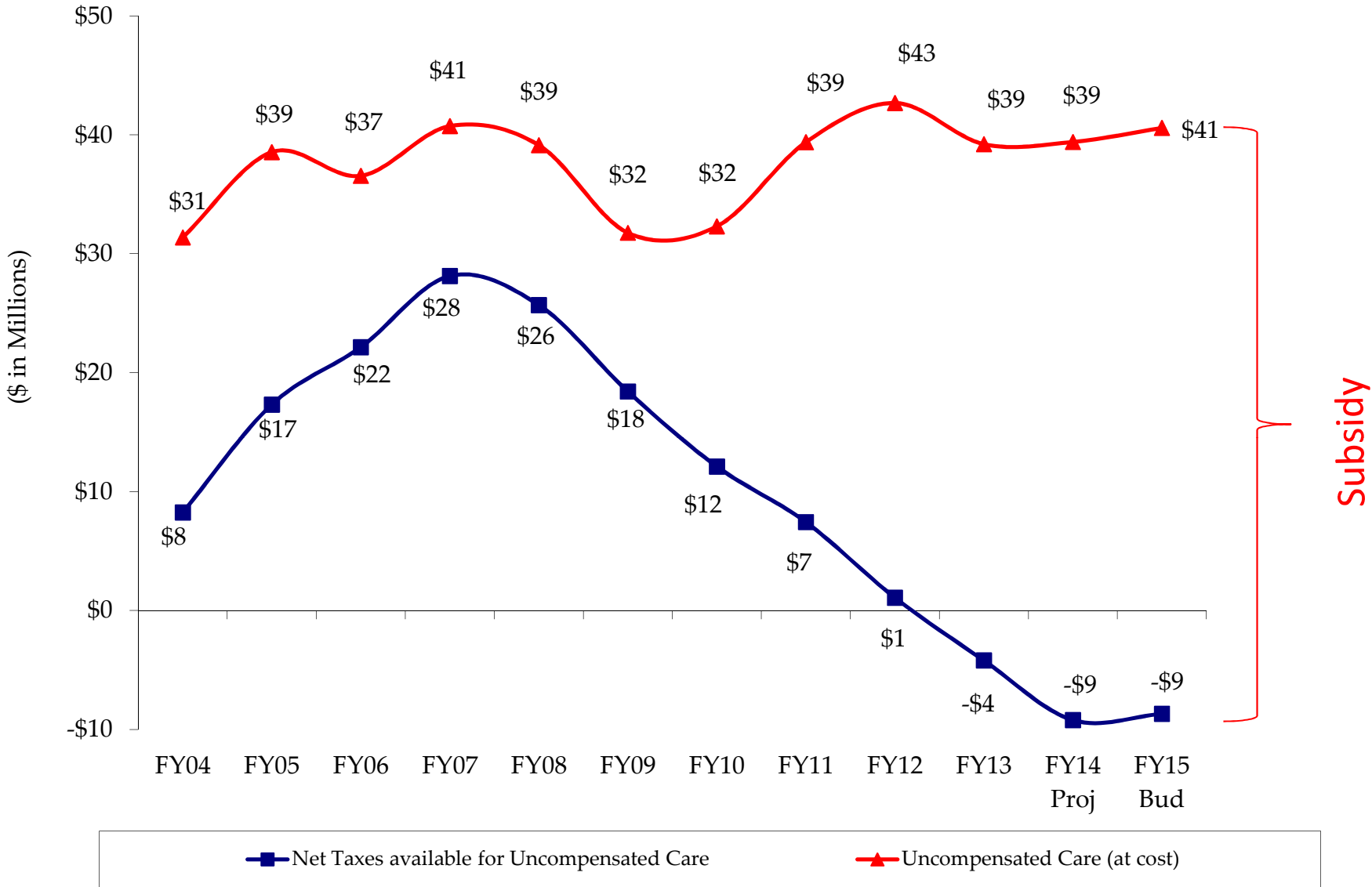
* Based on Preliminary assessed total taxable value

**Halifax Hospital Medical Center
 Millage Rate Comparison
 Homesteaded and Non-Homesteaded Homeowners
 FY 2015 Preliminary Budget ***

	Homesteaded	Non-Homesteaded
Millage rate, per 1,000	1.0000	1.0000
Homestead Property value	\$150,000	\$150,000
Exemptions	(\$50,000)	\$0
Property taxes	\$100	\$150

* Based on Preliminary assessed total taxable value

Halifax Health Medical Center
 Uses of Tax Dollars FY04 - FY15
 FY15 Preliminary Budget @ 1.00 Mill



Halifax Health Medical Center
 Uses of Tax Dollars FY04 - FY15
 FY15 Preliminary Budget @ 1.00 Mill

