

---

Fiscal Year 2024

# BUDGET

Live your life well.



HALIFAX  
HEALTH

[halifaxhealth.org](http://halifaxhealth.org)

# Halifax Health Budget Policy FY 2024 Budget

## Premise:

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

## Policy:

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

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

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

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

## Fiscal Year 2024 Budget Objectives:

	<b>Halifax Health Total</b>
Total Margin	4.3%
Operating Margin	3.0%
Operating EBIDA Margin	11.2%
Adjusted Operating EBIDA Margin *	11.0%
EBIDA Margin	12.4%
Days Cash on Hand	285
Unrestricted Cash to Debt	117.0%
Long-term Debt to Capitalization	48.2%
OG MADS coverage ratio	2.34

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

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

	September 30,		Change
	2024	2023	
<b><u>Assets</u></b>			
Cash and cash equivalents	\$43,600	\$44,500	(\$900)
Investments	492,307	516,206	(23,899)
Board designated assets	35,842	35,139	703
Accounts receivable	86,000	85,529	471
Restricted assets whose use is limited	250	250	-
Right to use asset - Leases and Subscriptions	28,798	31,198	(2,400)
Other assets	69,000	68,000	1,000
Other rent receivable	3,250	4,450	(1,200)
Investment in securities lending agreement	130,040	132,065	(2,025)
Deferred outflow - swap	17,105	17,105	-
Deferred outflow - loss on bond refunding	11,068	11,992	(924)
Deferred outflow - pension	20,792	30,957	(10,165)
Property, plant and equipment	488,162	455,308	32,854
<b>Total Assets</b>	<b>\$1,426,213</b>	<b>\$1,432,699</b>	<b>(\$6,486)</b>
<b><u>Liabilities and Net position</u></b>			
Accounts payable	\$58,000	\$60,000	(\$2,000)
Other liabilities	151,724	154,724	(3,000)
Securities lending agreement obligation	130,040	132,065	(2,025)
Net pension liability	49,923	62,663	(12,740)
Long-term debt	446,515	456,150	(9,635)
Discount/Premium on LTD, net	15,237	15,909	(672)
Long-term lease and subscription liability	27,047	35,775	(8,728)
Deferred inflows related to leases	4,760	6,932	(2,172)
Long-term value of swap	17,105	17,105	-
Net position	525,862	491,376	34,486
<b>Total Liabilities and Net position</b>	<b>\$1,426,213</b>	<b>\$1,432,699</b>	<b>(\$6,486)</b>

**Halifax Health**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**FY 2024 Budget**  
(in thousands)

	<b>FY 2024 Budget</b>	<b>FY 2023 Actual &amp; Projected</b>	<b>Change</b>
<b>Operating revenues:</b>			
Net patient service revenue	\$751,013	\$720,606	\$30,407
Ad valorem tax revenue	21,186	20,640	546
Other revenue	27,043	38,362	(11,319)
Total operating revenues <sup>(1)</sup>	<u>799,242</u>	<u>779,608</u>	<u>19,634</u>
<b>Operating expenses:</b>			
Salaries and benefits	373,606	366,131	7,475
Purchased services	139,990	144,249	(4,259)
Supplies	151,088	146,825	4,263
Depreciation and amortization	43,756	41,775	1,981
Ad valorem tax related expenses	6,889	6,918	(29)
Lease/Rentals	4,607	5,395	(788)
Other	33,467	32,652	815
Total operating expenses	<u>753,403</u>	<u>743,945</u>	<u>9,458</u>
<b>Income from operations</b>	<b>45,839</b>	<b>35,663</b>	<b>10,176</b>
Nonoperating revenues, expenses, and gains/(losses)			
Interest expense	(21,832)	(21,966)	134
Investment income <sup>(1)</sup>	8,822	30,806	(21,984)
Interest income <sup>(1)</sup>	479	466	13
Donation revenue <sup>(1)</sup>	878	-	878
Nonoperating revenues, expenses, and gains (losses), net	300	2,631	(2,331)
Total nonoperating revenues, expenses, and gains/(losses)	<u>(11,353)</u>	<u>11,937</u>	<u>(23,290)</u>
<b>Increase in net position</b>	<b><u>\$34,486</u></b>	<b><u>\$47,600</u></b>	<b><u>(\$13,114)</u></b>

<sup>(1)</sup> Represents total revenue of \$809.4 million

**Halifax Health Medical Center**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**FY 2024 Budget**  
(in thousands)

	<b>FY 2024 Budget</b>	<b>FY 2023 Actual &amp; Projected</b>	<b>Change</b>
<b>Operating revenues:</b>			
Net patient service revenue	\$640,733	\$618,826	\$21,907
Ad valorem tax revenue	21,186	20,640	546
Other revenue	17,880	19,936	(2,056)
Total operating revenues	<u>679,799</u>	<u>659,402</u>	<u>20,397</u>
<b>Operating expenses:</b>			
Salaries and benefits	322,024	316,902	5,122
Purchased services	110,475	112,465	(1,990)
Supplies	136,333	133,788	2,545
Depreciation and amortization	33,286	31,448	1,838
Ad valorem tax related expenses	6,889	6,918	(29)
Lease/Rentals	1,956	2,736	(780)
Other	27,305	26,688	617
Total operating expenses	<u>638,268</u>	<u>630,945</u>	<u>7,323</u>
<b>Income from operations</b>	<b>41,531</b>	<b>28,457</b>	<b>13,074</b>
Nonoperating revenues, expenses, and gains/(losses)			
Interest expense	(14,548)	(14,312)	(236)
Investment income	3,500	11,317	(7,817)
Interest income	137	134	3
Donation revenue	342	239	103
Nonoperating revenues, expenses, and gains (losses), net	300	2,629	(2,329)
Total nonoperating revenues, expenses, and gains/(losses)	<u>(10,269)</u>	<u>7</u>	<u>(10,276)</u>
<b>Increase in net position</b>	<b><u>\$31,262</u></b>	<b><u>\$28,464</u></b>	<b><u>\$2,798</u></b>

**Halifax Health Medical Center of Deltona**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**FY 2024 Budget**  
(in thousands)

	<u>FY 2024 Budget</u>	<u>FY 2023 Actual &amp; Projected</u>	<u>Change</u>
<b>Operating revenues:</b>			
Net patient service revenue	\$54,640	\$45,512	\$9,128
Other revenue	166	182	(16)
Total operating revenues	<u>54,806</u>	<u>45,694</u>	<u>9,112</u>
<b>Operating expenses:</b>			
Salaries and benefits	20,188	19,969	219
Purchased services	14,989	15,735	(746)
Supplies	11,779	10,289	1,490
Depreciation and amortization	7,350	7,235	115
Ad valorem tax related expenses	-	-	-
Lease/Rentals	361	401	(40)
Other	2,989	2,905	84
Total operating expenses	<u>57,656</u>	<u>56,534</u>	<u>1,122</u>
<b>Income from operations</b>	<b>(2,850)</b>	<b>(10,840)</b>	<b>7,990</b>
Nonoperating revenues, expenses, and gains/(losses)			
Interest expense	(7,053)	(7,417)	364
Investment income	2,100	2,342	(242)
Interest income	26	26	-
Donation revenue	-	-	-
Nonoperating revenues, expenses, and gains (losses), net	-	2	(2)
Total nonoperating revenues, expenses, and gains/(losses)	<u>(4,927)</u>	<u>(5,047)</u>	<u>120</u>
<b>Decrease in net position</b>	<b><u>(\$7,777)</u></b>	<b><u>(\$15,887)</u></b>	<b><u>\$8,110</u></b>

**Halifax Health Hospice**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**FY 2024 Budget**  
(in thousands)

	<u>FY 2024 Budget</u>	<u>FY 2023 Actual &amp; Projected</u>	<u>Change</u>
<b>Operating revenues:</b>			
Net patient service revenue	\$55,640	\$56,268	(\$628)
Other revenue	505	294	211
Total operating revenues	<u>56,145</u>	<u>56,562</u>	<u>(417)</u>
<b>Operating expenses:</b>			
Salaries and benefits	31,061	28,916	2,145
Purchased services	13,731	15,237	(1,506)
Supplies	2,976	2,748	228
Depreciation and amortization	1,198	1,170	28
Ad valorem tax related expenses	-	-	\$0
Lease/Rentals	1,446	1,283	163
Other	2,377	2,234	143
Total operating expenses	<u>52,789</u>	<u>51,588</u>	<u>1,201</u>
<b>Income from operations</b>	<b>3,356</b>	<b>4,974</b>	<b>(1,618)</b>
Nonoperating revenues, expenses, and gains/(losses)			
Interest expense	(59)	(68)	9
Investment income	3,222	16,864	(13,642)
Interest income	2	2	-
Donation revenue	536	463	73
Nonoperating revenues, expenses, and gains (losses), net	-	-	-
Total nonoperating revenues, expenses, and gains/(losses)	<u>3,701</u>	<u>17,261</u>	<u>(13,560)</u>
<b>Increase in net position</b>	<b><u>\$7,057</u></b>	<b><u>\$22,235</u></b>	<b><u>(\$15,178)</u></b>

**Volusia Health Network / Halifax Management System**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**FY 2024 Budget**  
(in thousands)

	<u>FY 2024 Budget</u>	<u>FY 2023 Actual &amp; Projected</u>	<u>Change</u>
<b>Operating revenues:</b>			
Net patient service revenue	\$0	\$0	\$0
Other revenue	5,989	6,248	(259)
Total operating revenues	5,989	6,248	(259)
<b>Operating expenses:</b>			
Salaries and benefits	208	223	(15)
Purchased services	782	804	(22)
Supplies	-	-	-
Depreciation and amortization	1,922	1,922	-
Ad valorem tax related expenses	-	-	-
Lease/Rentals	844	975	(131)
Other	1	2	(1)
Total operating expenses	3,757	3,926	(169)
<b>Income from operations</b>	<b>2,232</b>	<b>2,322</b>	<b>(90)</b>
Nonoperating revenues, expenses, and gains/(losses)			
Interest expense	(172)	(169)	(3)
Investment income	-	283	(283)
Interest income	314	304	10
Donation revenue	-	-	-
Nonoperating revenues, expenses, and gains (losses), net	-	-	-
Total nonoperating revenues, expenses, and gains/(losses)	142	418	(276)
<b>Increase in net position</b>	<b>\$2,374</b>	<b>\$2,740</b>	<b>(\$366)</b>



**Halifax Health Foundation**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**FY 2024 Budget**  
(in thousands)

	<b>FY 2024 Budget</b>	<b>FY 2023 Actual &amp; Projected</b>	<b>Change</b>
<b>Operating revenues:</b>			
Net patient service revenue	\$0	\$0	\$0
Other revenue	2,503	11,702	(9,199)
<b>Total operating revenues</b>	<b>2,503</b>	<b>11,702</b>	<b>(9,199)</b>
<b>Operating expenses:</b>			
Salaries and benefits	125	121	4
Purchased services	13	8	5
Supplies	-	-	-
Depreciation and amortization	-	-	-
Ad valorem tax related expenses	-	-	-
Lease/Rentals	-	-	-
Other	795	823	(28)
<b>Total operating expenses</b>	<b>933</b>	<b>952</b>	<b>(19)</b>
<b>Income from operations</b>	<b>1,570</b>	<b>10,750</b>	<b>(9,180)</b>
Nonoperating revenues, expenses, and gains/(losses)			
Interest expense	-	-	-
Investment income	-	-	-
Donation revenue	-	-	-
Nonoperating revenues, expenses, and gains (losses), net	-	-	-
<b>Total Nonoperating revenues, expenses, and gains/(losses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Increase in net position</b>	<b>\$1,570</b>	<b>\$10,750</b>	<b>(\$9,180)</b>

**Halifax Health  
FY 2024 Budget  
Operational Risk Factors**

1. Operational improvements in Care Delivery and Spend Management (Vizient).
2. Reduction of nursing premium costs.
3. Hold/delay hiring 200 open positions.
4. Medical Center of Deltona volumes and payor mix projected to improve.
5. Management assigned department margin improvements.

## **Ad Valorem Tax Schedules**

**Halifax Hospital Medical Center  
Schedule of Uses of Property Taxes  
FY 2024 Preliminary Budget \***

	<b>FY 2024 Budget 0.7878 Mill</b>	<b>FY 2023 Actual/Projected 0.8606 Mill</b>
Gross property tax levy	\$21,185,630	\$20,639,610
Tax discounts and uncollectible taxes	<u>(369,000)</u>	<u>(359,004)</u>
Net property taxes collected	20,816,630	20,280,606
Amounts paid to Volusia County and Cities:		
Tax collector and appraiser commissions	(692,000)	(673,992)
Volusia County Medicaid matching assessment	(2,696,854)	(2,790,388)
Redevelopment taxes paid to Cities	<u>(1,145,000)</u>	<u>(1,115,962)</u>
Subtotal	<u>(4,533,854)</u>	<u>(4,580,342)</u>
<b>Net taxes available for community health, wellness and readiness</b>	<b>16,282,776</b>	<b>15,700,264</b>
Amounts paid for community health and wellness services:		
Preventive health services (clinics, Healthy Kids, etc.)	(250,000)	(177,076)
Physician services	(12,000,000)	(11,900,532)
Trauma services	(6,500,000)	(6,348,758)
Pediatric and neonatal intensive care services	(500,000)	(450,366)
Child and adolescent behavioral services	<u>(500,000)</u>	<u>(347,212)</u>
Subtotal	<u>(19,750,000)</u>	<u>(19,223,944)</u>
Deficiency of net taxes available to fund hospital operating expenses	(3,467,224)	(3,523,680)
Uncompensated care provided by Halifax Health, <b>at cost</b>		
Halifax Health patients at facilities inside of the Halifax Health tax district	(26,635,728)	(25,367,360)
Non-Halifax Health taxing district patients and other write-offs	<u>(14,743,453)</u>	<u>(14,041,384)</u>
Subtotal	<u>(41,379,181)</u>	<u>(39,408,744)</u>
<b>Total deficiency of net taxes available to fund hospital operating expenses and uncompensated care provided by Halifax Health, at cost</b>	<b><u>(\$44,846,405)</u></b>	<b><u>(\$42,932,424)</u></b>

\* Based on Preliminary assessed total taxable value.

**Halifax Health Medical Center  
Impact of Millage Rate  
Non-Homesteaded Homeowner or Commercial/Investment Property  
FY 2024 Preliminary Budget <sup>1</sup>**

	<u>FY 2024 Rolled Back Rate</u>	<u>Prior Year</u>	<u>Percent Change</u>
Millage rate, per 1,000	0.7878	0.8606	-9.7%
Property value <sup>2</sup>	\$319,485	\$285,000	12.1%
Exemptions	\$0	\$0	
Property taxes	\$251.69	\$245.27	
<b>Tax Levy impact to homeowner</b>	<b>\$6.42</b>		<b>2.6%</b>

1 FY 2024 Millage rate is estimated based on the information provided from the Preliminary tax value.

2 FY 2024 Property Value increased 12% based on the average increase within the Halifax Taxing District excluding new construction.

**Halifax Health Medical Center  
Impact of Millage Rate  
Homesteaded Homeowner  
FY 2024 Preliminary Budget <sup>1</sup>**

---

	<u>FY 2024 Rolled Back Rate</u>	<u>Prior Year</u>	<u>Percent Change</u>
Millage rate, per 1,000	0.7878	0.8606	-8.5%
Homestead Property value <sup>2</sup>	\$288,990	\$285,000	1.4%
Exemptions	(\$50,000)	(\$50,000)	
Property taxes	\$188.28	\$202.24	
<b>Tax Levy impact to homeowner</b>	<b>(\$13.96)</b>		<b>-6.9%</b>

1 FY 2024 Millage rate is estimated based on the information provided from the Preliminary tax value.

2 FY 2024 Property Value (Assessed value) increase is estimated at 1.4%.