
Fiscal Year 2025

BUDGET

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HEALTH

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Halifax Health Budget Policy FY 2025 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 2025 Budget Objectives:

	Total
Adjusted Operating EBIDA Margin *	9.9%
Operating EBIDA Margin	10.2%
EBIDA Margin	11.8%
Total Margin	3.7%
Operating Margin	2.0%
Days Cash on Hand	253
Unrestricted Cash to Debt	96.0%
Long-term Debt to Capitalization	49.5%
HHMC OG MADS coverage ratio	2.47

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

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

	September 30,		Change
	2025	2024	
<u>Assets</u>			
Cash and cash equivalents	\$43,600	\$44,500	(\$900)
Investments	477,718	520,475	(42,757)
Board designated assets	36,643	35,924	718
Accounts receivable	86,000	90,311	(4,311)
Restricted assets whose use is limited	30,223	223	30,000
Right to use asset - Leases and Subscriptions	41,125	41,125	-
Other assets	74,819	73,319	1,500
Other rent receivable	33,098	33,098	-
Investment in securities lending agreement	160,040	160,040	-
Deferred outflow - swap	10,170	10,170	-
Deferred outflow - loss on bond refunding	9,701	10,625	(924)
Deferred outflow - pension	20,792	41,749	(20,957)
Property, plant and equipment	582,158	516,797	65,360
Total Assets	\$1,606,085	\$1,578,355	\$27,730
<u>Liabilities and Net position</u>			
Accounts payable	\$48,347	\$46,847	\$1,500
Other liabilities	167,309	169,953	(2,644)
Securities lending agreement obligation	160,040	130,040	30,000
Net pension liability	6,383	28,867	(22,484)
Long-term debt	543,880	551,860	(7,980)
Discount/Premium on LTD, net	6,592	7,513	(921)
Long-term subscription liability	30,862	30,862	-
Long-term lease liability	11,338	11,338	-
Deferred inflows related to leases	28,969	31,141	(2,172)
Long-term value of swap	10,170	10,170	-
Net position	592,195	559,765	32,430
Total Liabilities and Net position	\$1,606,085	\$1,578,355	\$27,730

Halifax Health
Statements of Revenues, Expenses and Changes in Net Position
FY 2025 Budget
(in thousands)

	FY 2025 Budget	FY 2024 Actual & Projected	Change
Operating revenues:			
Net patient service revenue	\$817,082	\$808,983	\$8,099
Ad valorem tax revenue	21,634	21,186	448
Other revenue	26,610	38,303	(11,693)
Total operating revenues ⁽¹⁾	<u>\$865,326</u>	<u>868,472</u>	<u>(3,146)</u>
Operating expenses:			
Salaries and benefits	391,561	387,630	3,931
Supplies	176,244	168,494	7,750
Purchased services	160,702	162,929	(2,227)
Depreciation and amortization	44,477	41,703	2,774
Ad valorem tax related expenses	7,250	6,832	418
Lease/Rentals	4,850	5,464	(614)
Other	36,328	34,730	1,598
Total operating expenses	<u>821,412</u>	<u>807,782</u>	<u>13,630</u>
Income from operations	43,914	60,690	(16,776)
Nonoperating revenues, expenses, and gains/(losses)			
Interest expense	(26,813)	(21,993)	(4,820)
Investment income ⁽¹⁾	9,474	35,633	(26,159)
Interest income ⁽¹⁾	288	513	(225)
Donation revenue ⁽¹⁾	567	-	567
Appropriations ⁽¹⁾	5,000	10,000	(5,000)
Nonoperating revenues, expenses, and gains (losses), net	<u>-</u>	<u>9,719</u>	<u>(9,719)</u>
Total nonoperating revenues, expenses, and gains/(losses)	<u>(11,484)</u>	<u>33,872</u>	<u>(45,356)</u>
Increase in net position	<u>\$32,430</u>	<u>\$94,562</u>	<u>(\$62,132)</u>

⁽¹⁾ Represents total revenue of \$880.6 million

Halifax Health Medical Center
Statements of Revenues, Expenses and Changes in Net Position
FY 2025 Budget
(in thousands)

	FY 2025 Budget	FY 2024 Actual & Projected	Change
Operating revenues:			
Net patient service revenue	\$688,306	\$685,256	\$3,050
Ad valorem tax revenue	21,634	21,186	\$448
Other revenue	17,463	20,654	(\$3,191)
Total operating revenues	<u>727,403</u>	<u>727,096</u>	<u>\$307</u>
Operating expenses:			
Salaries and benefits	333,788	333,404	384
Supplies	158,921	152,966	5,955
Purchased services	125,538	127,973	(2,435)
Depreciation and amortization	36,039	31,969	4,070
Ad valorem tax related expenses	7,250	6,832	418
Lease/Rentals	1,931	2,238	(307)
Other	30,006	28,584	1,422
Total operating expenses	<u>693,473</u>	<u>683,966</u>	<u>9,507</u>
Income from operations	33,930	43,130	(9,200)
Nonoperating revenues, expenses, and gains/(losses)			
Interest expense	(18,284)	(14,179)	(4,105)
Investment income	3,722	14,638	(10,916)
Interest income	-	207	(207)
Donation revenue	50	366	(316)
Appropriations	5,000	10,000	(5,000)
Nonoperating revenues, expenses, and gains (losses), net	-	9,719	(9,719)
Total nonoperating revenues, expenses, and gains/(losses)	<u>(9,512)</u>	<u>20,751</u>	<u>(30,263)</u>
Increase in net position	<u>\$24,418</u>	<u>\$63,881</u>	<u>\$ (39,463)</u>

Halifax Health Medical Center of Deltona
Statements of Revenues, Expenses and Changes in Net Position
FY 2025 Budget

(in thousands)

	<u>FY 2025 Budget</u>	<u>FY 2024 Actual & Projected</u>	<u>Change</u>
Operating revenues:			
Net patient service revenue	\$62,988	\$63,368	(\$380)
Other revenue	137	152	(15)
Total operating revenues	<u>63,125</u>	<u>63,520</u>	<u>(395)</u>
Operating expenses:			
Salaries and benefits	22,106	21,471	635
Supplies	14,327	12,782	1,545
Purchased services	15,782	16,227	(445)
Depreciation and amortization	5,440	6,591	(1,151)
Ad valorem tax related expenses	-	-	-
Lease/Rentals	390	392	(2)
Other	3,054	2,947	107
Total operating expenses	<u>61,099</u>	<u>60,410</u>	<u>689</u>
Income from operations	2,026	3,111	(1,085)
Nonoperating revenues, expenses, and gains/(losses)			
Interest expense	(8,283)	(7,577)	(706)
Investment income	2,028	1,965	63
Interest income	-	25	(25)
Donation revenue	-	-	-
Nonoperating revenues, expenses, and gains (losses), net	-	-	-
Total nonoperating revenues, expenses, and gains/(losses)	<u>(6,255)</u>	<u>(5,587)</u>	<u>(668)</u>
Decrease in net position	<u>(\$4,229)</u>	<u>(\$2,476)</u>	<u>(\$1,753)</u>

Halifax Health Hospice
Statements of Revenues, Expenses and Changes in Net Position
FY 2025 Budget
(in thousands)

	<u>FY 2025 Budget</u>	<u>FY 2024 Actual & Projected</u>	<u>Change</u>
Operating revenues:			
Net patient service revenue	\$65,788	\$60,359	\$5,429
Other revenue	93	336	(243)
Total operating revenues	<u>65,881</u>	<u>60,695</u>	<u>5,186</u>
Operating expenses:			
Salaries and benefits	35,369	32,405	2,964
Supplies	2,996	2,746	250
Purchased services	18,454	17,820	634
Depreciation and amortization	1,054	1,183	(129)
Ad valorem tax related expenses	-	-	-
Lease/Rentals	1,521	1,657	(136)
Other	2,637	2,380	257
Total operating expenses	<u>62,031</u>	<u>58,191</u>	<u>3,840</u>
Income from operations	3,850	2,504	1,346
Nonoperating revenues, expenses, and gains/(losses)			
Interest expense	(94)	(68)	(26)
Investment income	3,224	18,323	(15,099)
Interest income	-	-	-
Donation revenue	517	523	(6)
Nonoperating revenues, expenses, and gains (losses), net	-	-	-
Total nonoperating revenues, expenses, and gains/(losses)	<u>3,647</u>	<u>18,778</u>	<u>(15,131)</u>
Increase in net position	<u>\$7,497</u>	<u>\$21,282</u>	<u>(\$13,785)</u>

Volusia Health Network / Halifax Management System
Statements of Revenues, Expenses and Changes in Net Position
FY 2025 Budget
(in thousands)

	<u>FY 2025 Budget</u>	<u>FY 2024 Actual & Projected</u>	<u>Change</u>
Operating revenues:			
Net patient service revenue	\$0	\$0	\$0
Other revenue	6,291	6,475	(184)
Total operating revenues	<u>6,291</u>	<u>6,475</u>	<u>(184)</u>
Operating expenses:			
Salaries and benefits	173	230	(57)
Supplies	-	-	-
Purchased services	915	901	14
Depreciation and amortization	1,945	1,960	(15)
Ad valorem tax related expenses	-	-	-
Lease/Rentals	1,008	1,176	(168)
Other	-	1	(1)
Total operating expenses	<u>4,041</u>	<u>4,268</u>	<u>(227)</u>
Income from operations	2,250	2,207	43
Nonoperating revenues, expenses, and gains/(losses)			
Interest expense	(152)	(169)	17
Investment income	500	707	(207)
Interest income	288	281	7
Donation revenue	-	-	-
Nonoperating revenues, expenses, and gains (losses), net	-	-	-
Total nonoperating revenues, expenses, and gains/(losses)	<u>636</u>	<u>819</u>	<u>(183)</u>
Increase in net position	<u>\$2,886</u>	<u>\$3,026</u>	<u>(\$140)</u>

Halifax Health Foundation
Statements of Revenues, Expenses and Changes in Net Position
FY 2025 Budget
(in thousands)

	FY 2025 Budget	FY 2024 Actual & Projected	Change
Operating revenues:			
Net patient service revenue	\$0	\$0	\$0
Other revenue	2,627	10,686	(8,059)
Total operating revenues	2,627	10,686	(8,059)
Operating expenses:			
Salaries and benefits	125	121	4
Supplies	-	-	-
Purchased services	13	8	5
Depreciation and amortization	-	-	-
Ad valorem tax related expenses	-	-	-
Lease/Rentals	-	-	-
Other	630	818	(188)
Total operating expenses	768	947	(179)
Income from operations	1,859	9,739	(7,880)
Nonoperating revenues, expenses, and gains/(losses)			
Interest expense	-	-	-
Investment income	-	-	-
Donation revenue	-	-	-
Nonoperating revenues, expenses, and gains (losses), net	-	-	-
Total Nonoperating revenues, expenses, and gains/(losses)	-	-	-
Increase in net position	\$1,859	\$9,739	(\$7,880)

**Halifax Health
FY 2025 Budget
Operational Risk Factors**

1. Maintain reduction in clinical position premium payments (\$9.5 million)
2. Additional Revenue: Clinical Documentation/LOS management/Payor denials (\$6 million)
3. Reduction in supply expense (\$2 million)
4. Maintain and Continue to Improve profitability at Medical Center of Deltona (\$4 million)
5. Achieve cash flow targets for new programs and services (\$3.5 million)
6. Elimination/reduction of contract labor in ancillary areas (\$2 million)
7. Hold/delay hiring 150 open positions (\$3 million)

Ad Valorem Tax Schedules

**Haliux Health Medical Center
Schedule of Uses of Property Taxes
FY 2025 Budget ***

	FY 2024 Projected	FY 2025 Budget
	0.7878 Mill	Rolled Back Rate
Gross property tax levy	\$ 21,185,631	\$21,634,455
Tax discounts and uncollectible taxes	(374,400)	(382,000)
Net property taxes collected	20,811,231	21,252,455
Amounts paid to Volusia County and Cities:		
Tax collector and appraiser commissions	(703,347)	(718,000)
Volusia County Medicaid matching assessment	(2,803,743)	(3,124,219)
Redevelopment taxes paid to Cities	(1,247,403)	(1,274,000)
Subtotal	(4,754,492)	(5,116,219)
Net taxes available for community health, wellness and readiness	16,056,739	16,136,236
Amounts paid for community health and wellness services:		
Preventive health services (clinics, Healthy Kids, etc.)	(266,757)	(350,000)
Physician services	(10,281,425)	(12,000,000)
Trauma services	(7,027,355)	(7,750,000)
Pediatric and neonatal intensive care services	(1,855,483)	(1,900,000)
Child and adolescent behavioral services	(825,964)	(825,000)
Subtotal	(20,256,984)	(22,825,000)
Deficiency of net taxes available to fund hospital operating expenses	(4,200,245)	(6,688,764)
Uncompensated care, at cost:		
Halifax Health patients at facilities inside of the Halifax Health tax district	(32,306,949)	(33,437,692)
Non-Halifax Health taxing district patients and other write-offs	(26,356,645)	(27,279,127)
Subtotal	(58,663,593)	(60,716,819)
Total deficiency of net taxes available to fund hospital operating expenses and uncompensated care provided by Halifax Health, at cost	(\$62,863,839)	(\$67,405,583)

* Based on Preliminary assessed total taxable value.

**Halifax Health Medical Center
Impact of Millage Rate
Non-Homesteaded Homeowner or Commercial/Investment Property
FY 2025 Preliminary Budget ¹**

	<u>Prior Year</u>	<u>FY 2025 Rolled Back Rate</u>	<u>Percent Change</u>
Millage rate, per 1,000	0.7878	0.7309	-7.2%
Property value ²	\$350,000	\$385,350	10.1%
Exemptions	\$0	\$0	
Property taxes	\$275.73	\$281.65	
Tax Levy impact to homeowner		\$5.92	2.1%

¹ FY 2025 Millage rate is estimated based on the information provided from the Preliminary tax value.

² FY 2025 Property Value increased 10% based on the average increase within the Halifax Taxing District excluding new construction.

**Halifax Health Medical Center
Impact of Millage Rate
Homesteaded Homeowner
FY 2025 Preliminary Budget ¹**

	<u>Prior Year</u>	<u>FY 2025 Rolled Back Rate</u>	<u>Percent Change</u>
Millage rate, per 1,000	0.7878	0.7309	-7.2%
Homestead Property value ²	\$350,000	\$360,500	3.0%
Exemptions	(\$50,000)	(\$50,000)	
Property taxes	\$236.34	\$226.94	
Tax Levy impact to homeowner		(\$9.40)	-4.0%

¹ FY 2025 Millage rate is estimated based on the information provided from the Preliminary tax value.

² FY 2025 Property Value (Assessed value) increase is estimated at 3.0%.