

CENTRAL OKANAGAN REGIONAL HOSPITAL DISTRICT

2019-2023 FINANCIAL PLAN

Completed Roll - Draft #1

	2019	2020	2021	2022	2023
	\$	\$	\$	\$	\$
REVENUE & FINANCING:					
Tax Requisition					
City of Kelowna	12,113,312	12,234,445	12,356,789	12,480,357	12,605,161
District of Peachland	452,587	457,113	461,684	466,301	470,964
District of Lake Country	1,150,795	1,162,303	1,173,926	1,185,665	1,197,521
City of West Kelowna	2,659,363	2,685,957	2,712,816	2,739,945	2,767,344
Electoral Area Central Okanagan West	321,779	324,997	328,247	331,529	334,845
Electoral Area Central Okanagan East	292,164	295,086	298,036	301,017	304,027
Total Tax Requisition	16,990,000	17,159,900	17,331,499	17,504,814	17,679,862
Net Cash from New Financing	0 a	0	0	0	0
MFA Actuarial Addition	1,216,643 c	1,426,374 c	1,644,555 c	1,871,129 c	2,107,011 c
Use of Surplus Cash	6,145,057	0	0	0	0
TOTAL REVENUE	24,351,700	18,586,274	18,976,054	19,375,943	19,786,873
EXPENSES & DEBT PAYMENTS:					
Expenses:					
Administration	38,500	39,000	39,500	40,000	40,500
Audit & Contract Services	9,000	9,250	9,500	9,775	10,050
Principal Debt Reduction re: MFA Actuarial Addition	1,216,643 c	1,426,374 c	1,644,555 c	1,871,129 c	2,107,011 c
MFA Debt Repayments Existing	8,553,615	8,553,615	8,553,615	8,553,615	8,553,615
MFA Debt Repayments New Projects	0 a	0 a	0 a	0 a	0 a
Temporary Borrowing Interest	50,000	25,000	25,000	25,000	25,000
Total Expenses & Debt Payments	9,867,758	10,053,239	10,272,170	10,499,519	10,736,176
Expenditure Funding Under Section 20(2)					
IHA Minor Capital Improvements and Equipment Funding:	965,300	979,780	994,476	1,014,366	1,034,653
IHA Capital Projects (Pd with Current Budget Funds)	10,420,608 f	3,220,000 f	3,268,300 f	3,317,325	3,367,084
IHA Capital Projects (Pd with New Financing)	0 a	0	0	0	0
Transfer to Reserves	3,098,034 d	4,333,255 d	4,441,108 d	4,544,734 d	4,648,960 d
Total Capital Projects Section 20(2)	14,483,942	8,533,035	8,703,884	8,876,424	9,050,697
TOTAL EXPENDITURE	24,351,700	18,586,274	18,976,054	19,375,943	19,786,873
Year End Reserve Balance (Unrestricted)	(5,550,387) d	(10,161,161) d	(15,110,327) d	(19,957,268) d	(25,005,373) d

Impact on residential home average assessment \$739,000 in 2019:

% Increase per house	0.00%	0.00%	0.00%	0.00%	0.00%
Annual Tax	183.02	183.02	183.02	183.02	183.02
Residential Tax Rate (cents)	0.2477	0.2477	0.2477	0.2477	0.2477
	b	b	b	b	b,d

- a. No additional debt required.
- b. Assumes assessment growth of 1.0%
- c. MFA Actuarial Amounts: Actuarial Interest Revenue is offset by an equal reduction to debt.
- d. IHA has indicated that they have ongoing equipment and infrastructure replacement needs. Any additional funds are placed in reserves to assist in avoiding additional debt in the future, or to pay down debt on refinancing. First financing renewal/paydown opportunities begin in 2020.
- e. In 2018, the average equivalent house valued at \$693,000 would have paid \$183.02 at a tax rate of \$0.2641/\$1000 of assessment.
- f. IHSC Project: In 2017 IHA advised that construction uncertainties have been removed and contingencies have been reduced. Projected reduction was \$9.187 million. This amount was removed from the budget estimates for future project costs and debt financing. The approved project bylaw has not been reduced. Should there be future adjustments due to unforeseen circumstances, the budget would be amended at that time.
- g. The Public Sector Accounting Standards require reporting of Accumulated Deficit/Surplus, which will be available in the Year End CORHD Financial Statements. One of the primary purposes of the budget is to calculate required requisitions and ensure adequate cash flow. For example, CORHD must have enough cash to pay both principal and interest on debt, but PSAS only allows for the expensing of interest. A comparison of budget to actual for 2018 is provided to reflect differences in funding and expenditures. Revenues and Financing balance to Expenses and Debt Payments. As a result, there is no prior year surplus or deficit shown for budget purposes.

CENTRAL OKANAGAN REGIONAL HOSPITAL DISTRICT

Approved and Planned Capital Expenditures for 2019-2023

		<i>40 % RHD Share</i>	<i>Outstanding Projects Funding in Prior Years</i>	2019 Funding	2020 Funding	2021 Funding	2022 Funding	2023 Funding
Approved Capital Projects								
Bylaw								
a	113	Heart and Surgical Centre (2010 - 2019) Bylaw is \$91.347m, plus 100% funding of IHSC 4th Floor Perinatal						
	150	84,690,000	73,210,000	2,293,000	0	0	0	0
		128,000	64,501	63,499				
b	172	KGH - Laboratory Equipment \$1.5m - Cancelled						
	175	240,000	163,256	76,744				
	184	61,600		61,600				
	185	55,600	54,906	694				
	188	90,000	81,329	8,671				
	190	72,000	68,580	3,420				
	195	430,500	284,771	145,729				
	196	80,000	74,083	5,917				
	197	217,900	187,924	29,976				
	198	12,000	6,835	5,165				
	199	11,000	6,576	4,424				
	200	1,688,400	1,565,143	123,257				
	201	717,600	674,044	43,556				
	202	387,600	314,594	73,006				
	204	224,400	58,001	166,399				
	205	182,000	107,002	74,998				
	207	36,000		36,000				
	208	34,800	20,841	13,959				
	209	22,000		22,000				
	211	540,000		540,000				
	212	360,000	321,340	38,660				
	213	300,000		300,000				
	214	100,000		100,000				
	215	39,600	31,242	8,358				
	216	24,000		24,000				
	217	2,039,600	682,628	1,356,972				
	218	72,000	49,579	22,421				
	220	20,000		20,000				
	221	10,000		10,000				
	222	92,800	86,237	6,563				
	223	69,200		69,200				
Annual Capital Costs for Current Year Projects		93,048,600	78,113,412	5,748,188	0	0	0	0
New Projects Planned for 2019								
		1,812,000		1,812,000				
		252,000		252,000				
		31,620		31,620				
		991,600		991,600				
		38,000		38,000				
		729,200		729,200				
		312,000		312,000				
		180,000		180,000				
		148,000		148,000				
		127,000		127,000				
		51,000		51,000				
				965,300	979,780	994,476	1,014,366	1,034,653
					3,220,000	3,268,300	3,317,325	3,367,084
b	Annual Capital Costs for Planned Projects	4,672,420	0	5,637,720	4,199,780	4,262,776	4,331,690	4,401,737
TOTAL ANNUAL CAPITAL COSTS		97,721,020	78,113,412	11,385,908	4,199,780	4,262,776	4,331,690	4,401,737

- a. Includes IHA's Project Reserve. Bylaw is for \$91.347m and IHA revised project total to \$84.69 million. Currently with reduced contingencies, total estimated funding requirement is \$75.503 million vs \$76.265 million in 2016 (Revised variance from \$8.425 million to \$9.187 million in 2017). Budget reflects \$75.503m.
- b. For 2019, IHA has cancelled previously approved project request for \$1.5m for Laboratory Automation System, Bylaw 172. Other projects added. Net new project ask in 2019 is \$4.14m.