

CENTRAL OKANAGAN REGIONAL HOSPITAL DISTRICT

2021-2025 FINANCIAL PLAN

COMPLETED ROLL Draft #1

Planned 3% Increases

| | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| | \$ | \$ | \$ | \$ | \$ |
| REVENUE & FINANCING: | | | | | |
| Tax Requisition | | | | | |
| City of Kelowna | 13,485,296 | 14,028,753 | 14,594,112 | 15,182,255 | 15,794,100 |
| District of Peachland | 493,965 | 513,872 | 534,581 | 556,125 | 578,536 |
| District of Lake Country | 1,348,940 | 1,403,302 | 1,459,855 | 1,518,687 | 1,579,890 |
| City of West Kelowna | 2,960,567 | 3,079,878 | 3,203,997 | 3,333,118 | 3,467,443 |
| Electoral Area Central Okanagan West | 350,515 | 354,021 | 357,561 | 361,136 | 364,748 |
| Electoral Area Central Okanagan East | 322,717 | 325,944 | 329,203 | 332,495 | 335,820 |
| Total Tax Requisition | 18,962,000 | 19,705,770 | 20,479,309 | 21,283,816 | 22,120,537 |
| Net Cash from New Financing | 0 | 0 | 0 | 0 | 0 |
| MFA Actuarial Addition | 1,556,461 a | 1,773,953 a | 1,997,003 a | 2,234,554 a | 2,478,026 a |
| Transfer From Reserves | 3,050,852 | 1,882,015 | 0 | 0 | 0 |
| Use of Surplus Cash | 8,500,000 | 0 | 0 | 0 | 0 |
| TOTAL REVENUE | 32,069,313 | 23,361,738 | 22,476,312 | 23,518,370 | 24,598,563 |
| EXPENSES & DEBT PAYMENTS: | | | | | |
| Expenses: | | | | | |
| Administration | 40,000 | 40,500 | 41,000 | 41,500 | 42,000 |
| Audit & Contract Services | 9,250 | 9,500 | 9,775 | 10,050 | 11,175 |
| Debt Issue Expense | 0 | 0 | 0 | 0 | 0 |
| Principal Debt Reduction re: MFA Actuarial Addition | 1,556,461 a | 1,773,953 a | 1,997,003 a | 2,234,554 a | 2,478,026 a |
| MFA Debt Repayments Existing | 7,285,463 b | 7,285,463 c | 7,285,463 c | 7,285,463 c | 7,285,463 c |
| MFA Debt Repayments New Projects | 0 | 0 | 0 | 0 | 0 |
| Temporary Borrowing Interest | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 |
| Total Expenses & Debt Payments | 8,916,174 | 9,134,416 | 9,358,241 | 9,596,567 | 9,841,664 |
| Expenditure Funding Under Section 20(2) | | | | | |
| IHA Minor Capital Improvements and Equipment Funding: | 1,012,140 | 1,027,322 | 1,042,732 | 1,063,587 | 1,084,858 |
| IHA Capital Projects (Pd with Current Budget Funds) | 22,140,999 | 13,200,000 c | 4,060,000 c | 4,120,900 c | 4,182,714 c |
| IHA Capital Projects (Pd with New Financing) | 0 | 0 | 0 | 0 | 0 |
| Transfer to Reserves | 0 | 0 | 8,015,339 c | 8,737,317 c | 9,489,327 c |
| Total Capital Projects Section 20(2) | 23,153,139 | 14,227,322 | 13,118,071 | 13,921,804 | 14,756,899 |
| TOTAL EXPENDITURE | 32,069,313 | 23,361,738 | 22,476,312 | 23,518,371 | 24,598,563 |
| Year End Reserve Balance (Unrestricted) | (8,587,899) c | (6,791,763) c | (14,875,020) c | (23,761,087) c | (33,488,025) c |

Impact on residential home average assessment \$752,500 in 2021:

| | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
|--|---------------|---------------|---------------|---------------|---------------|
| | 194.59 d | 200.43 | 206.44 | 212.63 | 219.01 |
| % Increase per house Annual Tax | | | | | |
| Residential Tax Rate (cents) | 0.2589 | 0.2667 | 0.2747 | 0.2829 | 0.2914 |
| | d,e | d,e | d,e | d,e | d,e |
| Increase over prior year for average house | 5.66 d | 5.84 | 6.01 | 6.19 | 6.38 |

- a. MFA Actuarial Amounts: Actuarial Interest Revenue is offset by an equal reduction to debt.
- b. In 2020 MFA Issue #110 was refinanced resulting in \$1.2m of annual savings. In 2021, this is put toward projects and in the future into reserves.
- c. IHA has indicated that they have ongoing equipment and significant infrastructure replacement needs. Any additional funds are placed in reserves to assist in avoiding additional long term debt in the future.
- d. In 2020, the average equivalent house valued at \$734,000 would have paid \$188.93 at a tax rate of \$0.2574/\$1000 of assessment.
- e. Assumes assessment growth of 1.0%
- f. 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 2019 is provided during budget discussions 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.