

# CENTRAL OKANAGAN REGIONAL HOSPITAL DISTRICT

## 2021-2025 FINANCIAL PLAN

### COMPLETED ROLL Draft #1 Alternative A - 3.5% Increases

	2021	2022	2023	2024	2025
	\$	\$	\$	\$	\$
<b>REVENUE &amp; FINANCING:</b>					
<b>Tax Requisition</b>					
City of Kelowna	13,551,435	14,165,993	14,808,421	15,479,983	16,182,000
District of Peachland	496,388	518,899	542,431	567,030	592,745
District of Lake Country	1,355,555	1,417,030	1,481,292	1,548,469	1,618,692
City of West Kelowna	2,975,088	3,110,008	3,251,047	3,398,482	3,552,603
Electoral Area Central Okanagan West	352,235	355,757	359,315	362,908	366,537
Electoral Area Central Okanagan East	324,299	327,542	330,818	334,126	337,467
<b>Total Tax Requisition</b>	<b>19,055,000</b>	<b>19,895,229</b>	<b>20,773,323</b>	<b>21,690,997</b>	<b>22,650,043</b>
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	2,957,852	1,692,556	0	0	0
Use of Surplus Cash	8,500,000	0	0	0	0
<b>TOTAL REVENUE</b>	<b>32,069,313</b>	<b>23,361,738</b>	<b>22,770,326</b>	<b>23,925,551</b>	<b>25,128,069</b>
<b>EXPENSES &amp; DEBT PAYMENTS:</b>					
<b>Expenses:</b>					
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
<b>Total Expenses &amp; Debt Payments</b>	<b>8,916,174</b>	<b>9,134,416</b>	<b>9,358,241</b>	<b>9,596,567</b>	<b>9,841,664</b>
<b>Expenditure Funding Under Section 20(2)</b>					
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	8,309,353 c	9,144,497 c	10,018,834 c
<b>Total Capital Projects Section 20(2)</b>	<b>23,153,139</b>	<b>14,227,322</b>	<b>13,412,085</b>	<b>14,328,984</b>	<b>15,286,406</b>
<b>TOTAL EXPENDITURE</b>	<b>32,069,313</b>	<b>23,361,738</b>	<b>22,770,326</b>	<b>23,925,551</b>	<b>25,128,070</b>
Year End Reserve Balance (Unrestricted)	(8,680,899) c	(7,075,152) c	(15,455,257) c	(24,754,306) c	(35,020,683) c

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

	3.50%	3.50%	3.50%	3.50%	3.50%
<b>% Increase per house</b>	<b>3.50%</b>	<b>3.50%</b>	<b>3.50%</b>	<b>3.50%</b>	<b>3.50%</b>
<b>Annual Tax</b>	<b>195.54 d</b>	<b>202.39</b>	<b>209.47</b>	<b>216.80</b>	<b>224.39</b>
<b>Residential Tax Rate (cents)</b>	<b>0.2602</b>	<b>0.2693</b>	<b>0.2787</b>	<b>0.2885</b>	<b>0.2986</b>
	d,e	d,e	d,e	d,e	d,e
Increase over prior year for average house	6.61 d	6.84	7.08	7.33	7.59

- 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.