

CENTRAL OKANAGAN REGIONAL HOSPITAL DISTRICT

2020-2024 FINANCIAL PLAN

REVISED ROLL Mar 23

Oct 8, 2020 Amendment

	2020	2021	2022	2023	2024
	\$	\$	\$	\$	\$
REVENUE & FINANCING:					
Tax Requisition					
City of Kelowna	13,118,976	13,647,015	14,196,307	14,767,709	15,362,109
District of Peachland	474,515	493,615	513,483	534,150	555,650
District of Lake Country	1,246,397	1,296,564	1,348,751	1,403,038	1,459,510
City of West Kelowna	2,814,496	2,927,780	3,045,623	3,168,209	3,295,729
Electoral Area Central Okanagan West	340,966	344,376	347,820	351,298	354,811
Electoral Area Central Okanagan East	313,650	316,786	319,954	323,154	326,385
Total Tax Requisition	18,309,000	19,026,135	19,771,937	20,547,557	21,354,194
Net Cash from New Financing	0	0 a	0	0	0
MFA Actuarial Addition	1,426,374 c	1,644,555 c	1,871,129 c	2,107,011 c	2,352,192 c
Transfer From Reserves	0	8,286,180 a,h	0	0	0
Use of Surplus Cash	7,000,000	0	0	0	0
TOTAL REVENUE	26,735,374	28,956,870	21,643,066	22,654,568	23,706,386
EXPENSES & DEBT PAYMENTS:					
Expenses:					
Administration	39,500	40,000	40,500	41,000	41,500
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	1,426,374 c	1,644,555 c	1,871,129 c	2,107,011 c	2,352,192 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	0 a	0 a	0 a	0 a
Temporary Borrowing Interest	25,000	25,000	25,000	25,000	25,000
Total Expenses & Debt Payments	10,053,739	10,272,670	10,500,019	10,736,676	10,983,482
Expenditure Funding Under Section 20(2)					
IHA Minor Capital Improvements and Equipment Funding:	1,030,300	1,045,755	1,061,441	1,082,670	1,104,323
IHA Capital Projects (Pd with Current Budget Funds)	9,065,364 f,h	17,638,446 a,f,h	3,938,559 f	3,997,638	4,057,602
IHA Capital Projects (Pd with New Financing)	0	0 a	0	0	0
Transfer to Reserves	6,585,971 d,h	0	6,143,047 d	6,837,585 d	7,560,979 d
Total Capital Projects Section 20(2)	16,681,635	18,684,200	11,143,047	11,917,892	12,722,904
TOTAL EXPENDITURE	26,735,374	28,956,870	21,643,066	22,654,568	23,706,386
Year End Reserve Balance (Unrestricted)	(11,571,858) d,h	(3,401,397) d,h	(9,578,458) dh	(16,511,827) dh	(24,237,924) dh

Impact on residential home average assessment \$734,500 in 2020:

% Increase per house	3.10%	3.00%	3.00%	3.00%	3.00%
Annual Tax	189.03	194.69	200.52	206.53	212.72
Residential Tax Rate (cents)	0.2574	0.2651	0.2730	0.2812	0.2896
	b,d,e	b,d	b,d	b,d	b,d

a. No additional debt required to fund anticipated 2021 projects. Use reserves. IHA has indicated that there are potential large project requests coming in the next 10 years.

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.

e. In 2019, the average equivalent house valued at \$741,000 would have paid \$183.35 at a tax rate of \$0.2481/\$1000 of assessment.

f. Includes IHSC Project: In 2017 IHA advised that construction uncertainties had been removed and contingencies were 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 was not reduced. The remaining costs in 2020 are expected to be less than \$100k as the project wraps up.

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 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.

h. October 2020 Mid - Cycle Request Amendment: Three projects added for 2020 and cash flow requirements for five approved projects with capital bylaws have been moved to 2021. Affects how reserves are used.

CENTRAL OKANAGAN REGIONAL HOSPITAL DISTRICT

Approved and Planned Capital Expenditures for 2020-2024

REVISED ROLL Mar 23

Oct 8, 2020 Amendment

		<i>Outstanding Projects</i>		2020	2021	2022	2023	2024	
		<i>40 % RHD Share</i>	<i>Funding in Prior Years</i>	<i>Funding</i>	<i>Funding</i>	<i>Funding</i>	<i>Funding</i>	<i>Funding</i>	
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	73,780,729	100,000					
	195	128,000	64,501	63,499					
	197	430,500	371,040	59,460					
	200	217,900	211,490	6,410					
	204	1,688,400	1,576,109	112,291					
	207	224,400	140,812	83,588					
	208	36,000		36,000					
	209	34,800	31,537	3,263					
	211	22,000	21,527	473					
	212	540,000	15,782	524,218					
		360,000	332,250	27,750					
e	213	West Kelowna Health Centre - Leasehold Improvements							
	214	300,000		300,000					
	216	100,000		100,000					
	217	24,000	23,203	797					
	218	2,039,600	1,072,494	967,106					
	219	72,000	49,579	22,421					
	220	39,600	30,520	9,080					
	221	20,000	9,070	10,930					
	222	10,000	3,815	6,185					
	225	1,812,000	1,011,087	800,913					
d	226	KGH - Boiler Room Upgrade							
	227	252,000		-	252,000				
	228	31,620		31,620					
	229	991,600	407,368	584,232					
	230	38,000		38,000					
	231	729,200		729,200					
d	231	KGH - Monitoring System Physiological							
	232	312,200		-	312,200				
	233	180,000		180,000					
	234	148,000	142,964	5,036					
	235	127,000		127,000					
	237	51,000	50,905	95					
b	237	789,600	473,603	315,997					
Annual Capital Costs for Current Year Projects		96,439,420	79,820,385	5,245,564	564,200	0	0	0	
New Projects Planned for 2020									
	238	200,000		200,000					
	239	1,004,800		1,004,800					
	240	582,400		582,400					
	241	60,000		60,000					
d	242	KGH - Cath Lab							
	243	621,600		-	621,600				
d	243	KGH - Meal Delivery System							
	244	598,400		-	598,400				
	245	180,000		180,000					
	246	130,000		130,000					
	247	119,000		119,000					
	248	123,600		123,600					
	249			1,030,300	1,045,755	1,061,441	1,082,670	1,104,323	
d	250	Long-term Care Business Plan (Replacement of Cottonwoods)							
d	251	Kelowna Community Health & Services Centre 5th Floor Completion							
d	-	West Kelowna Urgent Primary Care Centre							
c		Future Projects estimated							
		100,000		100,000					
		120,000		120,000					
		1,200,000		1,200,000					
				11,254,246	3,938,559	3,997,638	4,057,602		
Annual Capital Costs for New Planned Projects		3,619,800	0	4,850,100	18,120,000	5,000,000	5,080,307	5,161,925	
TOTAL ANNUAL CAPITAL COSTS		100,059,220	79,820,385	10,095,664	18,684,200	5,000,000	5,080,307	5,161,925	

- a. Includes IHA's Project Reserve. Bylaw is for \$91.347m and with reduced contingencies, total estimated funding requirement is \$73.88m.
- b. 2019 Mid-cycle request received from IHA to fund Urgent Primary Care Centre. Actual project funding provision subject to the facility being named a Designated Hospital Facility as is required under the Regional Hospital District Act.
- c. 2021 includes staff estimates for possible \$6m MRI purchase.
- d. October 2020 Mid - Cycle Request Amendment: Three projects added for 2020 and cash flow requirements for five approved projects with capital bylaws have been moved to 2021.
- e. Previously approved \$300k for West Kelowna Health Centre Leasehold Improvements. Awaiting clarification from IHA if this is still required in light of WKUPCC Project.