

Capital Regional Hospital District Other Financial Statement Analysis

The 2024 Audited Financial Statement have been prepared by management in accordance with Canadian Public Sector Accounting Standards (PSAS) Standards. Under PSAS, governments are required to present five statement with explanatory notes. The first two statements are summarized in the staff report. This appendix provides a summary of the remaining statements and an overview of the Statement of Change in Net Debt and the Statement of Cash Flows.

3. Statement of Change in Net Debt

As of December 31, 2024, the Capital Regional Hospital District's (CRHD) net debt totalled \$54.8 million, reflecting a decrease of \$10.1 million from 2023. Table 7 outlines the difference between the annual surplus reported in the Statement of Operations and the actual change in net debt.

Table 7 – Change in Net Debt Year-Over-Year

Statement of Change in Net Debt (\$M)	2024	2023
Annual Surplus	17.5	19.1
Acquisition of Tangible Capital Assets	(10.5)	(0.2)
Revaluation of Asset Retirement Obligation	-	(0.1)
Amortization of Tangible Capital Assets	3.1	3.1
Change in Net Debt	10.1	21.9
Net Debt, Beginning of Year	(64.9)	(86.8)
Net Debt, End of Year	(\$54.8)	(\$64.9)

The \$10.1 million reduction in net debt was primarily driven by an annual surplus of \$17.5 million and \$3.1 million in amortization, partially offset by \$10.5 million in capital asset acquisitions, including the \$10 million acquisition of Mt. Tolmie Hospital.

4. Statement of Cash Flows

As of December 31, 2024, CRHD's cash balance was \$11.6 million, reflecting an increase of \$1.4 million from 2023. Table 8 outlines the key activities that contributed to this change.

Table 8 – Change in Cash and Cash Equivalents Year-Over-Year

Statement of Cash Flows (\$M)	2024	2023
Operating Activities	18.0	17.7
Capital Activities	(10.5)	(0.2)
Investing Activities	4.5	(15.0)
Financing Activities	(10.6)	(10.9)
Net Change in Cash and Cash Equivalents	1.4	(8.4)
Cash and Cash Equivalents, Beginning of Year	10.2	18.6
Cash and Cash Equivalents, End of Year	\$11.6	\$10.2

The \$1.4 million increase in cash and cash equivalents was primarily due to \$18.0 million in cash generated from operating activities and \$4.5 million from investing activities. The increase in investing activities reflects the sale of guaranteed investment certificates to ensure sufficient cash for capital expenditures, including the acquisition of Mt. Tolmie Hospital. These inflows were partially offset by \$10.5 million in capital expenditures, including the Mt. Tolmie Hospital purchase, and \$10.6 million in financing activities related to long-term debt repayments to the Municipal Finance Authority.

5. Schedule A - Grants to District Hospitals

Schedule A provides a summary of capital grants paid to district hospitals in accordance with the annual financial plan. These grants support equipment purchases, as well as major and minor capital projects which are budgeted within the 10-year capital plan.

In 2024, capital grant expenses totalled \$9.4 million, while the value of completed projects reached \$10.4 million. The CRHD cost shares 30% of approved costs for major capital projects, and as of December 31, 2024, its share of authorized projects stood at \$108.3 million (2023: \$96.9 million).

Table 9 (page 3) presents a summary of grants paid to district hospitals and funding commitments by bylaw, while Table 10 (page 4) provides the same summary organized by hospital facility.

Table 9 - Summary of Grants Paid to District Hospitals and Funding Commitments by Bylaw

Bylaw	Description	Approved Project Cost (Island Health)	Hospital District Share	Funded to December 31, 2023	Funded in Current Year (Schedule A)	Funded to December 31, 2024	Remaining Commitment	Planned Approved Funding 2025-2029
Sec 20(3)	Capital Equipment Grants	\$ 2,955,000	\$ 2,955,000	\$ -	\$ 2,955,000	\$ 2,955,000	\$ -	\$ -
CBL176	2020 Minor Capital Projects	17,556,299	3,750,000	3,744,864	5,136	3,750,000	-	-
CBL180	2021 Minor Capital Projects	16,172,312	3,750,000	2,003,881	475,955	2,479,836	1,270,164	1,270,164
CBL183	Lady Minto Emergency Dept. Redevelopment	12,800,000	3,738,000	2,998,055	739,945	3,738,000	-	-
CBL184	2022 Minor Capital Projects	17,784,582	3,750,000	715,368	1,887,262	2,602,630	1,147,370	1,147,370
CBL186	Summit Chiller Modifications	200,000	200,000	75,170	148,163	223,333	-	-
CBL187	2023 Minor Capital Projects	31,074,761	3,750,000	1,542,942	978,404	2,521,346	1,228,654	1,228,654
CBL189	MDRD Expansion	4,240,000	1,272,000	17,552	19,579	37,131	1,234,869	1,122,000
CBL190	Mt. Tolmie	10,000,000	10,000,000	-	9,980,681	9,980,681	-	-
CBL191	New Long-Term Care	223,694,000	67,108,200	129,659	529,150	658,809	66,449,391	65,647,200
CBL192	MRI Scanner Replacement	2,000,000	600,000	-	379,029	379,029	220,971	150,000
CBL193	Elevator Refurbishment	2,055,718	616,715	-	135,000	135,000	481,715	481,715
CBL194	The Summit Fire Suppression System Remediation	900,000	900,000	-	391,026	391,026	508,974	150,000
CBL195	2024 Minor Capital Projects	23,047,404	3,750,000	-	1,034,477	1,034,477	2,715,523	2,715,523
CBL196	VGH High Performance Controls Upgrade	3,703,305	1,110,992	-	155,613	155,613	955,379	666,595
CBL197	RJH Diagnostic and Treatment BAS Controls Upgrade	3,594,588	1,078,376	-	84,553	84,553	993,823	647,026
Total Commitments		\$ 371,777,969	\$ 108,329,283	\$ 11,227,491	\$ 19,898,973	\$ 31,126,464	\$ 77,206,833	\$ 75,226,247

Table 10 - Summary of Grants Paid to District Hospitals Organized by Hospital Facility

Bylaw	Year Approved	Description	Approved Project Cost (Island Health)	Hospital District Share	Funded to December 31, 2023	Funded in Current Year (Schedule A)	Funded to December 31, 2024	Remaining Commitment	Planned Approved Funding 2025-2029
APPROVED AND ACTIVE CAPITAL PROJECTS									
Designated Health Care Facilities									
CBL191	2023	New Long-Term Care	\$ 223,694,000	\$ 67,108,200	\$ 129,659	\$ 529,150	\$ 658,809	\$ 66,449,391	\$ 65,647,200
CBL186	2024	Summit Chiller Modifications	200,000	200,000	75,170	148,163	223,333	-	-
CBL190	2023	Mt. Tolmie	10,000,000	10,000,000	-	9,980,681	9,980,681	-	-
CBL194	2024	The Summit Fire Suppression System Remediation	900,000	900,000	-	391,026	391,026	508,974	150,000
Island Health									
Multiple	2020-2024	Minor Capital Projects	14,922,970	3,317,269	1,791,461	666,123	2,457,584	859,685	859,685
Sec 20(3)	2024	Capital Equipment Grants	2,925,000	2,925,000	-	2,925,000	2,925,000	-	-
Mount St. Mary Hospital									
Sec 20(3)	2024	Capital Equipment Grants	30,000	30,000	-	30,000	30,000	-	-
Gorge Road Hospital									
Multiple	2020-2024	Minor Capital Projects	7,641,849	1,097,767	616,075	216,167	832,242	265,525	265,525
Juan de Fuca Hospital									
Multiple	2020-2024	Minor Capital Projects	1,957,341	549,375	446,948	45,335	492,283	57,092	57,092
Lady Minto Hospital									
Multiple	2020-2024	Minor Capital Projects	44,268	5,216	5,216	-	5,216	-	-
CBL183	2021	Lady Minto Emergency Dept. Redevelopment	12,800,000	3,738,000	2,998,055	739,945	3,738,000	-	-
Queen Alexandra Hospital									
Multiple	2020-2024	Minor Capital Projects	2,837,004	718,338	333,456	83,651	417,107	301,231	301,231
Royal Jubilee Hospital									
Multiple	2020-2024	Minor Capital Projects	32,306,741	5,507,042	2,544,976	1,052,731	3,597,707	1,909,335	1,909,335
CBL192	2024	MRI Scanner Replacement	1,132,814	339,844	-	339,844	339,844	-	-
CBL197	2024	RJH Diagnostic and Treatment BAS Controls Upgrade	3,594,588	1,078,376	-	84,553	84,553	993,823	647,026
Saanich Peninsula Hospital									
Multiple	2020-2024	Minor Capital Projects	3,961,089	1,254,915	105,522	178,447	283,969	970,946	970,946
Victoria General Hospital									
Multiple	2020-2024	Minor Capital Projects	41,964,096	6,300,078	2,163,401	2,138,780	4,302,181	1,997,897	1,997,897
CBL189	2023	MDRD Expansion	4,240,000	1,272,000	17,552	19,579	37,131	1,234,869	1,122,000
CBL192	2024	MRI Scanner Replacement	867,186	260,156	-	39,185	39,185	220,971	150,000
CBL193	2024	Elevator Refurbishment	2,055,718	616,715	-	135,000	135,000	481,715	481,715
CBL196	2024	VGH High Performance Controls Upgrade	3,703,305	1,110,992	-	155,613	155,613	955,379	666,595
Total Commitments			\$ 371,777,969	\$ 108,329,283	\$ 11,227,491	\$ 19,898,973	\$ 31,126,464	\$ 77,206,833	\$ 75,226,247