

Capital Regional Hospital District Other Financial Statement Analysis

The 2025 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, 2025, the Capital Regional Hospital District's (CRHD) net debt totalled \$35.7 million, reflecting a decrease of \$19.1 million from 2024. 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)	2025	2024
Annual Surplus	15.9	17.5
Acquisition of Tangible Capital Assets	(0.2)	(10.5)
Revaluation of Asset Retirement Obligation	0.2	-
Amortization of Tangible Capital Assets	3.2	3.1
Change in Net Debt	19.1	10.1
Net Debt, Beginning of Year	(54.8)	(64.9)
Net Debt, End of Year	(\$35.7)	(\$54.8)

The \$19.1 million reduction in net debt was primarily driven by an annual surplus of \$15.9 million and \$3.2 million in amortization.

4. Statement of Cash Flows

As of December 31, 2025, CRHD's cash balance was \$33.6 million, reflecting an increase of \$22 million from 2024. 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)	2025	2024
Operating Activities	19.6	18.0
Capital Activities	(0.2)	(10.5)
Investing Activities	12.5	4.5
Financing Activities	(9.9)	(10.6)
Net Change in Cash and Cash Equivalents	22.0	1.4
Cash and Cash Equivalents, Beginning of Year	11.6	10.2
Cash and Cash Equivalents, End of Year	\$33.6	\$11.6

The \$22 million increase in cash and cash equivalents was primarily due to \$19.6 million in cash generated from operating activities and \$12.5 million from investing activities. The increase in

investing activities reflects the sale of guaranteed investment certificates to ensure sufficient cash for capital expenditures. These inflows were partially offset by \$9.9 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 2025, capital grant expenses totalled \$10.8 million, while the value of completed projects reached \$6.7 million. The CRHD cost shares 30% of approved costs for major capital projects, and as of December 31, 2025, its share of authorized projects stood at \$200.5 million (2024: \$108.3 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, 2024	Funded in Current Year (Schedule A)	Funded to December 31, 2025	Remaining Commitment	Planned Approved Funding 2026-2030
Sec 20(3)	Capital Equipment Grants	\$ 2,955,000	\$ 2,955,000	\$ -	\$ 2,955,000	\$ 2,955,000	\$ -	\$ -
CBL180	2021 Minor Capital Projects	16,172,312	3,750,000	2,479,836	1,270,162	3,750,000	-	-
CBL184	2022 Minor Capital Projects	17,784,582	3,750,000	2,602,630	446,452	3,049,082	700,918	700,918
CBL187	2023 Minor Capital Projects	31,074,761	3,750,000	2,521,346	351,953	2,873,299	876,701	876,701
CBL189	MDRD Expansion	4,240,000	1,272,000	37,131	69,479	106,610	1,165,390	-
CBL191	New Long-Term Care	223,694,000	67,108,200	658,809	628,535	1,287,344	65,820,856	52,282,350
CBL192	MRI Scanner Replacement	2,000,000	600,000	379,029	150,001	529,030	-	-
CBL193	Elevator Refurbishment	2,055,718	616,715	135,000	69,378	204,378	412,337	71,205
CBL195	2024 Minor Capital Projects	23,047,404	3,750,000	1,034,477	1,193,920	2,228,397	1,521,603	1,521,603
CBL196	VGH High Performance Controls Upgrade	3,703,305	1,110,992	155,613	451,049	606,662	504,330	166,649
CBL197	RJH Diagnostic and Treatment BAS Controls Upgrade	3,594,588	1,078,376	84,553	572,026	656,579	421,797	75,000
CBL198	2025 Minor Capital Projects	9,374,999	3,750,000	-	2,469,250	2,469,250	1,503,997	1,503,997
CBL199	VGH Electrical Energy Center	74,604,830	22,381,449	-	196,396	196,396	22,185,053	10,437,750
Total Commitments		\$ 414,301,499	\$ 115,872,732	\$ 10,088,424	\$ 10,823,601	\$ 20,912,027	\$ 95,112,982	\$ 67,636,173

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, 2024	Funded in Current Year (Schedule A)	Funded to December 31, 2025	Remaining Commitment	Planned Approved Funding 2026-2030
APPROVED AND ACTIVE CAPITAL PROJECTS									
Designated Health Care Facilities									
CBL 191	2023	New Long-Term Care	\$ 223,694,000	\$ 67,108,200	\$ 658,809	\$ 628,535	\$ 1,287,344	\$ 65,820,856	\$ 52,282,350
Island Health									
Multiple	2021-2025	Minor Capital Projects	11,935,470	2,282,269	1,350,128	310,796	1,660,925	606,689	606,689
Sec 20(3)	2025	Capital Equipment Grants	2,925,000	2,925,000	-	2,925,000	2,925,000	-	-
Mount St. Mary Hospital									
Sec 20(3)	2025	Capital Equipment Grants	30,000	30,000	-	30,000	30,000	-	-
Gorge Road Hospital									
Multiple	2021-2025	Minor Capital Projects	6,767,917	868,553	314,879	608,365	923,245	-	-
Juan de Fuca Hospital									
Multiple	2021-2025	Minor Capital Projects	889,991	236,287	224,108	148,361	372,468	-	-
Lady Minto Hospital									
Multiple	2021-2025	Minor Capital Projects	200,000	80,000	-	83,724	83,724	-	-
Queen Alexandra Hospital									
Multiple	2021-2025	Minor Capital Projects	2,937,004	758,338	417,106	38,912	456,019	314,816	314,816
Royal Jubilee Hospital									
Multiple	2021-2025	Minor Capital Projects	30,287,861	5,905,209	2,936,024	1,353,878	4,289,902	1,684,812	1,684,812
CBL192	2024	MRI Scanner Replacement	1,000,000	300,000	339,844	12,796	352,640	-	-
CBL197	2024	RJH Diagnostic and Treatment BAS Controls Upgrade	3,594,588	1,078,376	84,553	572,026	656,579	421,797	75,000
Saanich Peninsula Hospital									
Multiple	2021-2025	Minor Capital Projects	3,851,214	1,298,403	247,456	623,208	870,664	633,150	633,150
Victoria General Hospital									
Multiple	2021-2025	Minor Capital Projects	40,584,601	7,320,941	3,148,587	2,564,493	5,713,081	1,363,752	1,363,752
CBL189	2023	MDRD Expansion	4,240,000	1,272,000	37,131	69,479	106,610	1,165,390	-
CBL192	2024	MRI Scanner Replacement	1,000,000	300,000	39,185	137,205	266,643	-	-
CBL193	2024	Elevator Refurbishment	2,055,718	616,715	135,000	69,378	204,378	412,337	71,205
CBL196	2024	VGH High Performance Controls Upgrade	3,703,305	1,110,992	155,613	451,049	606,662	504,330	166,649
CBL199	2025	VGH Electrical Energy Center	74,604,830	22,381,449	-	196,396	196,396	22,185,053	10,437,750
Total Commitments			\$ 414,301,499	\$ 115,872,732	\$ 10,088,424	\$ 10,823,601	\$ 21,002,280	\$ 95,112,982	\$ 67,636,173