

Financial Statements  
(Expressed in thousands of dollars)

**CHILDREN'S & WOMEN'S  
HEALTH CENTRE OF BRITISH  
COLUMBIA BRANCH**

Year ended March 31, 2008



**KPMG LLP**  
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## AUDITORS' REPORT

To the Board of Children's & Women's Health Centre of British Columbia Branch

We have audited the statement of financial position of Children's & Women's Health Centre of British Columbia Branch as at March 31, 2008 and the statement of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Branch's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Branch as at March 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a long, horizontal, slightly wavy line that underlines the text.

Chartered Accountants

Vancouver, Canada

May 2, 2008

# CHILDREN'S & WOMEN'S HEALTH CENTRE OF BRITISH COLUMBIA BRANCH

Statement of Financial Position  
(Expressed in thousands of dollars)

March 31, 2008, with comparative figures for 2007

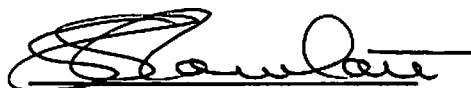
	2008	2007
<b>Assets</b>		
Current assets:		
Cash	\$ 1,051	\$ 2,381
Restricted cash	-	4
Short-term investments (note 2)	64	62
Accounts receivable (note 3)	29,055	38,048
Inventories of materials and supplies	5,217	5,386
Prepays	1,085	873
	<u>36,472</u>	<u>46,754</u>
Long-term investments (note 2)	5	5
Capital assets (note 4)	415,531	400,118
	<u>\$ 452,008</u>	<u>\$ 446,877</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities (note 5)	\$ 49,819	\$ 48,065
Deferred operating contributions (note 6)	50	50
Deferred contributions for designated purposes (note 7)	5,019	4,214
Current portion of retirement allowance (note 8(a))	1,372	1,450
	<u>56,260</u>	<u>53,779</u>
Retirement allowance (note 8(a))	22,782	21,876
Asset retirement obligations (note 11(c))	617	660
Deferred capital contributions (note 9)	296,363	292,937
	<u>376,022</u>	<u>369,252</u>
Net assets:		
Invested in capital assets (note 10(a))	119,168	107,181
Internally restricted	448	448
Unrestricted	(43,630)	(30,004)
	<u>75,986</u>	<u>77,625</u>
Commitments and contingencies (note 11)		
	<u>\$ 452,008</u>	<u>\$ 446,877</u>

See accompanying notes to financial statements.

Approved on behalf of the Board:



Director and Chair of the Board



Director

# CHILDREN'S & WOMEN'S HEALTH CENTRE OF BRITISH COLUMBIA BRANCH

Statement of Operations  
(Expressed in thousands of dollars)

Year ended March 31, 2008, with comparative figures for 2007

	2008	2007
<b>Revenues:</b>		
Provincial Health Services Authority contributions	\$ 238,528	\$ 225,113
Medical Services Plan	67,934	49,750
Other contributions (note 12)	5,626	10,993
Amortization of deferred capital contributions	19,338	18,613
Other (note 13)	18,391	15,556
Patients, clients and residents (note 14)	6,239	5,519
Pharmacare	4,721	4,343
Research and designated contributions	23,562	23,974
	<b>384,339</b>	<b>353,861</b>
<b>Expenses:</b>		
Compensation and benefits	269,902	254,495
Referred-out and contracted services (note 15)	3,147	2,773
Supplies (note 16)	46,150	38,108
Depreciation of capital assets	19,844	19,486
Equipment and building services	12,602	7,225
Sundry (note 17)	10,742	10,729
Accretion of asset retirement obligations (note 11(c))	29	78
Research and designated expenses	23,562	23,974
	<b>385,978</b>	<b>356,868</b>
<b>Deficiency of revenues over expenses</b>	<b>\$ (1,639)</b>	<b>\$ (3,007)</b>

See accompanying notes to financial statements.

# CHILDREN'S & WOMEN'S HEALTH CENTRE OF BRITISH COLUMBIA BRANCH

Statement of Changes in Net Assets  
(Expressed in thousands of dollars)

Year ended March 31, 2008, with comparative figures for 2007

	Invested in capital assets	Internally restricted	Unrestricted	Total	
				2008	2007
Balance, beginning of the year	\$ 107,181	\$ 448	\$ (30,004)	\$ 77,625	\$ 80,632
Deficiency of revenues over expenses	(506)	-	(1,133)	(1,639)	(3,007)
Transfer to invested in capital assets (note 10(c))	12,493	-	(12,493)	-	-
<b>Balance, end of year</b>	<b>\$ 119,168</b>	<b>\$ 448</b>	<b>\$ (43,630)</b>	<b>\$ 75,986</b>	<b>\$ 77,625</b>

See accompanying notes to financial statements.

# CHILDREN'S & WOMEN'S HEALTH CENTRE OF BRITISH COLUMBIA BRANCH

Statement of Cash Flows  
(Expressed in thousands of dollars)

Year ended March 31, 2008, with comparative figures for 2007

	2008	2007
<b>Cash flows from operating activities:</b>		
Deficiency of revenues over expenses	\$ (1,639)	\$ (3,007)
Items not involving cash:		
Depreciation of capital assets	19,844	19,486
Amortization of deferred capital contributions	(19,338)	(18,613)
<u>Net change in non-cash operating items (note 18)</u>	<u>12,341</u>	<u>1,383</u>
	11,208	(751)
<b>Cash flows from investing activities:</b>		
Net change in short-term investments	(2)	(1)
Net change in long-term investments	-	(5)
Purchase of capital assets (note 10(c))	(35,257)	(43,833)
Net book value of capital assets transferred to Provincial Health Services Authority	-	1
	(35,259)	(43,838)
<b>Cash flows from financing activities:</b>		
Capital contributions	22,764	43,136
Repayment of capital leases	-	(247)
Additions to asset retirement obligations (note 11(c))	(43)	660
Unamortized deferred capital contributions relating to assets transferred to Provincial Health Services Authority	-	(1)
	22,721	43,548
Decrease in cash	(1,330)	(1,041)
Cash, beginning of year	2,381	3,422
<u>Cash, end of year</u>	<u>\$ 1,051</u>	<u>\$ 2,381</u>

See accompanying notes to financial statements.

# CHILDREN'S & WOMEN'S HEALTH CENTRE OF BRITISH COLUMBIA BRANCH

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2008

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The Children's & Women's Health Centre of British Columbia Branch (the Branch) is a member of the Provincial Health Services Authority (PHSA or the Authority) which was created under the *Health Authorities Act of British Columbia* on December 12, 2001 with a Board of Directors appointed by the Ministry of Health and is one of six Health Authorities in British Columbia. The Branch is dependent on the Ministry of Health to provide sufficient funds to continue operations, replace essential equipment and complete its capital projects. The Branch is a not-for-profit organization under the *Income Tax Act*, and as such is exempt from income and capital taxes.

The following agencies/programs are also included in PHSA:

- British Columbia Cancer Agency Branch;
- British Columbia Centre for Disease Control and Prevention Society Branch;
- British Columbia Drug and Poison Information Centre;
- British Columbia Mental Health Society (Riverview) Branch;
- British Columbia Provincial Renal Agency;
- British Columbia Transplant Society Branch;
- Forensic Psychiatric Services Commission; and
- Women's Health Research Institute Society.

Effective December 31, 2001, the above noted branch societies except for the Women's Health and Research Institute were amalgamated with, and continue the operations of, their respective former societies under bylaws and constitutions consistent with the PHSA. The amalgamated Branch is considered a continuation of the former Branch for financial reporting purposes.

The Branch serves as the major children's and women's health resource centre of the Province, providing leadership in the areas of clinical services, research, education, and health promotion.

The Branch financial statements include the operations of the Child and Family Research Institute, which undertakes research activities spanning a wide range of children's and women's health concerns.

## 1. Significant accounting policies:

### (a) Basis of presentation:

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles.

### (b) Revenue recognition:

The Branch follows the deferral method of accounting for contributions which include donations and government contributions.

Under the *Health Insurance Act and Regulations* thereto, the Branch is funded primarily by the Province of British Columbia in accordance with budget management plans and performance agreements established and approved by the Ministry of Health.

# CHILDREN'S & WOMEN'S HEALTH CENTRE OF BRITISH COLUMBIA BRANCH

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2008

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## 1. Significant accounting policies (continued):

### (b) Revenue recognition (continued):

Approved operating contributions are recorded as revenue in the period to which they relate and the related expenses are incurred. Where a portion of a contribution relates to a future period, it is deferred and recognized in that subsequent period.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the period in which the related expenses are incurred. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on the same basis as the related capital assets are depreciated.

### (c) Asset and service contributions:

Volunteers contribute a significant amount of time each year to assist the Branch in carrying out its programs and services. Because of the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

Contributions of assets, supplies and services that would otherwise have been purchased are recorded at fair value at the date of contribution, provided a fair value can be reasonably determined.

### (d) Short-term investments:

Short-term investments include banker's acceptances, treasury bills and bonds and are recorded at the amortized cost adjusted for any permanent decline in value.

### (e) Inventories of materials and supplies

Inventories, consisting of pharmaceutical and other materials and supplies, are recorded at the lower of weighted average cost and market value. Certain specific inventory items are purchased on consignment and are not included in inventory.

### (f) Long-term investments:

Long-term investments include bonds and bankers' acceptances that are not expected to mature within the next fiscal year and are recorded at cost. Where the market value of long-term investments becomes lower than cost and this decline in value is considered to be other than temporary, the long-term investments are written down to market value.



# CHILDREN'S & WOMEN'S HEALTH CENTRE OF BRITISH COLUMBIA BRANCH

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2008

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## 1. Significant accounting policies (continued):

### (g) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. The Branch records depreciation on its assets on a straight-line basis over the useful life of the assets as follows:

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Land improvements	20 years
Buildings	20 - 50 years
Leasehold improvements	Lease term to a maximum of 20 years
Building service equipment	15 - 20 years
Equipment	3 - 20 years
Software licence fees	3 - 5 years
Assets under capital lease	5 - 7 years

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The Branch operates facilities on Oak Street and Slocan Street in Vancouver, British Columbia. The Branch is the beneficiary of the Slocan Street property, which is held in trust by the Sunny Hill Foundation for Children, the trustee. The branch is subject to certain conditions imposed by the trustee.

### (h) Internally restricted net assets:

The Branch has internally restricted certain funds for capital asset acquisitions. Use of these funds is limited to the related terms of reference as approved by the Board.

### (i) Employee future benefits:

Liabilities, net of plan assets, are recorded for employee retirement allowance benefits as employees render services to earn the benefits.

The actuarial determination of the accrued benefit obligations uses the projected benefit method prorated on service (which incorporates management's best estimate of future salary levels, other cost escalation, retirement ages of employees, and other actuarial factors). For the purpose of calculating the expected return on plan assets, those assets are valued at fair value. Actuarial gains and losses that exceed 10% of the benefit obligation are amortized over the average remaining service period of active covered employees. The average remaining service period of the active covered employees entitled to retirement allowance benefits is 10 years (2007 - 10 years). Past service costs arising from plan amendments are deferred and amortized on a straight-line basis over the average remaining service period of employees active at the date of amendment.

Defined contribution plan accounting is applied to multi-employer defined benefit plans and, accordingly, contributions are expensed.

# CHILDREN'S & WOMEN'S HEALTH CENTRE OF BRITISH COLUMBIA BRANCH

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2008

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## 1. Significant accounting policies (continued):

### (j) Asset retirement obligations:

The Branch recognizes an asset retirement obligation in the period in which it incurs a legal obligation associated with the retirement of a tangible long-lived asset including leased premises resulting from the acquisition, construction, development, and/or normal use of the asset. The fair value of the asset retirement cost is capitalized as part of the carrying value of the related long-lived asset and is depreciated over the life of the asset. The liability may be changed to reflect the passage of time and changes in the fair value assessment of the retirement obligation.

### (k) Measurement uncertainty:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Management reviews all significant estimates affecting its financial statements on a recurring basis and records the effect of any necessary adjustments. Significant areas requiring the use of estimates include determination of rates of depreciation of capital assets, recognition of asset retirement obligations, contingencies and, in particular, assumptions with respect to accrued retirement allowance benefits. Actual results could differ from the estimates.

### (l) Financial instruments:

During the year, the Branch adopted the Canadian Institute of Chartered Accountants (CICA) Handbook Section 3855, *Financial Instruments – Recognition and Measurement* and Section 3861, *Financial Instruments - Disclosure and Presentation* to account for its financial assets and financial liabilities. These sections require that all non-derivative financial assets and liabilities be measured at fair value with the exception of (i) loans and receivables and held-to-maturity investments, which should be measured at amortized cost; and (ii) investments in equity instruments that do not have a quoted market price in an active market, which should be measured at cost, other than such instruments that are classified as held-for-trading.

Subsequent measurement and changes in fair value will depend on initial classification. Held for trading assets and liabilities are measured at fair value and changes in fair value are recognized in net earnings. Available for sale investments are measured at fair value with changes in fair value recorded in the statement of changes in net assets until the investment is re-recognized or other than temporarily impaired at which time the amounts would be recorded in net earnings.

# CHILDREN'S & WOMEN'S HEALTH CENTRE OF BRITISH COLUMBIA BRANCH

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2008

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## 1. Significant accounting policies (continued):

### (l) Financial instruments (continued):

These sections also require that gains and losses on financial instruments measured at fair value be recognized in net income in the periods in which they arise, with the exception of (i) unrealized gains and losses on financial assets classified as available-for-sale, which are recognized directly in net assets until the financial asset is derecognized or becomes impaired; and (ii) certain financial instruments that are part of a designated hedging relationship.

The adoption of these sections did not result in an adjustment to opening net assets.

### (m) Future accounting changes:

On December 1, 2006, the CICA issued two new accounting standards: Handbook Section 3862, *Financial Instruments – Disclosures* (Section 3862), and Handbook Section 3863, *Financial Instruments – Presentation* (Section 3863). These new standards become effective for the Branch on April 1, 2008.

Sections 3862 and 3863 replace Handbook Section 3861, *Financial Instruments – Disclosure and Presentation*, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

The Branch is currently evaluating the impact of these accounting standards for fiscal year 2009.

## 2. Financial instruments:

The Branch's financial instruments include cash, restricted cash, short-term investments, accounts receivable, long-term investments, accounts payable and accrued liabilities, accrued retirement allowance liabilities, and asset retirement obligations. It is management's opinion that the Branch is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these instruments approximate their carrying values, except for the fair value of accrued retirement allowance liabilities which are disclosed in note 8, and short-term and long-term investments which are recorded at amortized cost.

# CHILDREN'S & WOMEN'S HEALTH CENTRE OF BRITISH COLUMBIA BRANCH

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2008

### 3. Accounts receivable:

	2008	2007
Provincial Health Services Authority	\$ -	\$ 9,667
Patients, clients and agencies	4,933	5,489
Ministry of Health	13,304	8,428
Hospital foundations	9,932	14,084
Goods and services tax	775	707
Other	1,854	1,398
	30,798	39,773
Less allowance for doubtful debts	(1,743)	(1,725)
	\$ 29,055	\$ 38,048

### 4. Capital assets:

2008	Cost	Accumulated depreciation	Net book value
Land	\$ 106,100	\$ -	\$ 106,100
Land improvements	2,040	1,803	237
Buildings	254,608	39,382	215,226
Building service equipment	10,226	3,805	6,421
Construction in progress	51,501	-	51,501
Leasehold improvements	47,300	42,836	4,464
Equipment	120,553	89,006	31,547
Equipment under capital lease	-	-	-
Software licence fees	12,495	12,460	35
	\$ 604,823	\$ 189,292	\$ 415,531

2007	Cost	Accumulated depreciation	Net book value
Land	\$ 106,100	\$ -	\$ 106,100
Land improvements	2,040	1,612	428
Buildings	250,940	30,596	220,344
Building service equipment	4,940	3,415	1,525
Construction in progress	33,472	-	33,472
Leasehold improvements	47,371	41,297	6,074
Equipment	115,895	84,152	31,743
Equipment under capital lease	1,187	1,187	-
Software licence fees	12,489	12,057	432
	\$ 574,434	\$ 174,316	\$ 400,118

# CHILDREN'S & WOMEN'S HEALTH CENTRE OF BRITISH COLUMBIA BRANCH

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2008

#### 4. Capital assets (continued):

The Branch began construction of the Child and Family Research Institute Building during 2006 with a budgeted construction cost of \$44,100 of which \$42,900 (2007 - \$22,383) is included in capital assets as construction in progress. Funding for this project has been committed by the PHSA and the British Columbia's Children's Hospital Foundation.

#### 5. Accounts payable and accrued liabilities:

	2008	2007
Trade accounts payable and accrued liabilities	\$ 21,414	\$ 24,757
Provincial Health Services Authority	3,468	-
Salaries and benefits payable	12,046	11,942
Accrued vacation pay	12,891	11,362
Patient trust funds	-	4
	<b>\$ 49,819</b>	<b>\$ 48,065</b>

#### 6. Deferred operating contributions:

Deferred operating contributions represent externally restricted operating funding received for specific purposes.

	2008	2007
Deferred operating contributions, beginning and end of year	\$ 50	\$ 50

#### 7. Deferred contributions for designated purposes:

Deferred contributions for designated purposes represent unspent contributions for research and other specified purposes. These deferred contributions will be recorded as revenue in the statement of operations when the related expenses are incurred.

	2008	2007
Deferred contributions for designated purposes, beginning of year	\$ 4,214	\$ 9,274
Less amount recognized as revenue in the year	(23,562)	(23,974)
Add amount received for future periods	24,367	18,914
Deferred contributions for designated purposes, end of year	<b>\$ 5,019</b>	<b>\$ 4,214</b>

# CHILDREN'S & WOMEN'S HEALTH CENTRE OF BRITISH COLUMBIA BRANCH

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2008

## 8. Employee benefits:

### (a) Retirement allowance:

Certain employees with ten or twenty years of service and having reached a certain age are entitled to receive special payments upon retirement or as specified by the collective agreements. These payments are based upon accumulated sick leave credits and entitlements for each year of service.

The Authority's liabilities are based on an actuarial valuation as at December 31, 2006. The next required valuation will be as of December 31, 2009.

Information about retirement allowance benefits is as follows:

	2008	2007
Accrued benefit obligation:		
Sick leave benefits	\$ 5,803	\$ 5,824
Severance benefits	10,785	10,890
Total unfunded obligation	16,588	16,714
Balance of unamortized amounts	7,566	6,612
Accrued retirement allowance benefits	24,154	23,326
Less current portion	1,372	1,450
Long-term portion	\$ 22,782	\$ 21,876
Retirement allowance expense	\$ 1,492	\$ 2,072
Benefits paid	664	1,031

The significant actuarial assumptions adopted in measuring the Branch's retirement allowance liabilities are as follows:

	2008	2007
Accrued benefit obligation as at March 31:		
Discount rate	5.50%	5.00%
Rate of compensation increase	3.25%	3.25%
Benefit costs for years ended March 31:		
Discount rate	5.50%	5.00%
Rate of compensation increase	3.25%	3.25%

# CHILDREN'S & WOMEN'S HEALTH CENTRE OF BRITISH COLUMBIA BRANCH

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2008

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## 8. Employee benefits (continued):

### (b) Long-term disability benefits:

The Healthcare Benefit Trust (the Trust) administers long-term disability, group life insurance, accidental death and dismemberment, extended health, and dental claims for certain employee groups of the Branch and other provincially-funded organizations.

The Trust is a multiple-employer plan with respect to long-term disability benefits initiated after September 30, 1997. The assets and liabilities for these long-term disability benefits have been segregated for PHSA, but not for the individual branches of PHSA. Accordingly, the Branch participates in a multi-employer defined benefit plan for long-term disability benefits that is now restricted to members of PHSA.

The most recent actuarial valuation for the PHSA plan at December 31, 2007 indicated a net liability of \$765. Contributions of \$2,827 (2007 - \$2,622) were expensed during the year. The PHSA plan covers approximately 4,173 active employees of which approximately 2,037 are employees of the Branch. The next required valuation will be as of December 31, 2008.

The group life insurance, accidental death and dismemberment, extended health, dental, and pre-October 1, 1997 long-term disability claims administered by the Trust are structured as a multi-employer plan. Contributions to the Trust of \$4,867 (2007 - \$4,748) were expensed during the year. The most recent actuarial valuation for the plan at December 31, 2007 indicated a surplus of \$41,089 (December 31, 2007 - \$25,564). The plan covers approximately 77,289 active employees of which 1,967 (2007 - 1,930) are employees of the Branch. The next required valuation will be as of December 31, 2008.

### (c) Employee pension benefits:

The Branch and its employees contribute to the Municipal Pension Plan, a multi-employer defined benefit pension plan governed by the *BC Public Sector Pension Plans Act*.

Employer contributions to the Municipal Pension Plan of \$12,154 (2007 - \$11,341) were expensed during the year. Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent actuarial valuation for the plan at December 31, 2006 indicated a surplus of \$438,000 for basic pension benefits. The actuary does not attribute portions of the surplus to individual employers. The plan covers approximately 145,000 active employees of which approximately 3,071 are employees of the Branch. The next required valuation will be as of December 31, 2009 with results available in 2010.

# CHILDREN'S & WOMEN'S HEALTH CENTRE OF BRITISH COLUMBIA BRANCH

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2008

## 9. Deferred capital contributions:

Deferred capital contributions represent externally restricted contributions and other funding received for the purchase of capital assets. The amortization of deferred capital contributions is recorded as revenue in the Statement of Operations.

	2008	2007
Deferred capital contributions, beginning of year	\$ 292,937	\$ 268,415
Provincial Health Services Authority	8,882	16,741
Foundations	13,441	15,950
Other	441	10,445
	22,764	43,136
Unamortized deferred capital contributions relating to assets transferred to PHSA	-	(1)
Less amortization for the year	(19,338)	(18,613)
Deferred capital contributions, end of year	\$ 296,363	\$ 292,937

## 10. Invested in capital assets:

(a) Invested in capital assets is calculated as follows:

	2008	2007
Capital assets	\$ 415,531	\$ 400,118
Amounts financed by:		
Deferred capital contributions	(296,363)	(292,937)
	\$ 119,168	\$ 107,181

(b) Deficiency of revenues over expenses:

	2008	2007
Amortization of deferred capital contributions	\$ 19,338	\$ 18,613
Depreciation of capital assets	(19,844)	(19,486)
	\$ (506)	\$ (873)



# CHILDREN'S & WOMEN'S HEALTH CENTRE OF BRITISH COLUMBIA BRANCH

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2008

## 10. Invested in capital assets (continued):

### (c) Transfer to invested in capital assets:

	2008	2007
Purchase of capital assets	\$ 35,328	\$ 43,251
Net book value of capital assets transferred to PHSA	-	(1)
Asset retirement obligation (note 11(c))	(71)	582
Amounts funded by:		
Deferred capital contributions	(22,764)	(43,251)
Unamortized deferred capital contributions relating to capital assets transferred to PHSA	-	1
Principal payments of obligations under capital leases	-	247
	\$ 12,493	\$ 829

## 11. Commitments and contingencies:

### (a) Operating leases:

The aggregate minimum future annual rentals under operating leases are as follows:

2009	\$ 62
2010	18
2011	3
Thereafter	-
	\$ 83

### (b) Litigation and claims:

The nature of the Branch's activities is such that there will be litigation pending or in progress at any time. With respect to claims at March 31, 2008, management is of the opinion that it has valid defenses and appropriate insurance coverage in place, or if there is unfunded risk, such claims are not expected to have a material effect on the Branch's financial position. Outstanding contingencies are reviewed on an ongoing basis and are provided for based on management's best estimate of the ultimate settlement. Risk management and insurance services for all Health Authorities in British Columbia are provided by the Risk Management Branch of the Ministry of Finance.

# CHILDREN'S & WOMEN'S HEALTH CENTRE OF BRITISH COLUMBIA BRANCH

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2008

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## 11. Commitments and contingencies (continued):

### (c) Asset retirement obligations:

The Branch has previously acquired certain buildings, some of which contain asbestos. At the acquisition dates, environmental regulations were in place, which required special procedures to be undertaken in the handling and disposal of the asbestos if the buildings underwent a major renovation or were demolished.

The Branch has accrued asset retirement obligations of \$617 (2007 - \$660) representing the fair value of the legal obligations related to owned premises after charges for accretion and depreciation. The settlement of these obligations will occur at the expiry of the leases and as owned premises undergo renovations. The fair value of the legal obligation was determined by discounting the estimated cash outflows of \$671 (2007 - \$713) over the respective lease terms and until renovations are undertaken at a credit-adjusted risk free rate of 5.26% (2007 - 5.26%). The asset retirement obligations have been capitalized as part of capital assets and will be amortized over the respective premise lease terms and over the time period until renovations are completed.

The Branch has not accrued asset retirement obligations for buildings that were previously acquired and may contain asbestos that require special handling procedures where there is no current plan for significant renovation, as the fair value of the retirement obligations cannot be reasonably estimated until there is a reasonably determinate settlement date for the major renovation or demolition of the buildings. These asset retirement obligations will be recognized as a liability in the period when the fair value can be reasonably estimated.

## 12. Other contributions:

	2008	2007
Other ministries	\$ 2,881	\$ 2,323
Foundations	1,253	1,465
Other	1,492	7,205
	<u>\$ 5,626</u>	<u>\$ 10,993</u>

# CHILDREN'S & WOMEN'S HEALTH CENTRE OF BRITISH COLUMBIA BRANCH

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2008

## 13. Other revenue:

	2008	2007
Recoveries from other Health Authorities and government reporting entities	\$ 6,203	\$ 5,397
Recoveries within PHSA	42	3,270
Recoveries from sales of goods and services	4,382	2,069
Parking	2,631	2,560
Drug sales	1,658	1,648
Other	3,475	612
	<b>\$ 18,391</b>	<b>\$ 15,556</b>

## 14. Patients, clients and residents revenue:

	2008	2007
Federal government	\$ 99	\$ 94
Non-residents of British Columbia	2,978	2,368
Non-residents of Canada	585	420
Residents of British Columbia – self pay	873	1,058
Preferred accommodation	1,116	957
Other	588	622
	<b>\$ 6,239</b>	<b>\$ 5,519</b>

## 15. Referred out and contracted services:

	2008	2007
Other Health Authorities and government reporting entities	\$ 933	\$ 983
Private contractors	2,214	1,790
	<b>\$ 3,147</b>	<b>\$ 2,773</b>

# CHILDREN'S & WOMEN'S HEALTH CENTRE OF BRITISH COLUMBIA BRANCH

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2008

## 16. Supplies:

	2008	2007
Drugs and medical gases	\$ 18,368	\$ 13,071
Food and dietary	2,559	2,811
Medical and surgical	8,818	8,733
Diagnostic	7,240	5,128
Printing, stationery and office	2,176	2,116
Housekeeping	467	454
Laundry and linen	247	235
Plant operation	4,231	3,866
Other	2,044	1,694
	<b>\$ 46,150</b>	<b>\$ 38,108</b>

## 17. Sundry:

	2008	2007
Communication and data processing	\$ 172	\$ 26
Travel	1,687	1,591
Professional fees	4,285	5,374
Other	4,598	3,738
	<b>\$ 10,742</b>	<b>\$ 10,729</b>

## 18. Statement of cash flows:

Net change in non-cash operating items:

	2008	2007
Changes to non-cash operating items:		
Restricted cash	\$ 4	\$ (1)
Accounts receivable	8,993	4,237
Inventories of materials and supplies	169	(461)
Prepays	(212)	(122)
Accounts payable and accrued liabilities	1,754	1,844
Deferred contributions for designated purposes	805	(5,060)
Retirement allowance	828	946
	<b>\$ 12,341</b>	<b>\$ 1,383</b>

# CHILDREN'S & WOMEN'S HEALTH CENTRE OF BRITISH COLUMBIA BRANCH

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2008

## 19. Related entities:

The Branch has an economic interest in the following foundations, auxiliaries and societies whose net assets and results from operations are not included in the financial statements of the Branch:

### (a) Foundations:

The British Columbia's Children's Hospital Foundation and the Sunny Hill Foundation for Children were established to promote child development and health care at the Branch. The British Columbia's Women's Hospital and Health Centre Foundation was established to further the mission of health care for women, newborns and families.

The foundations are separate legal entities incorporated under the Society Act of British Columbia and are registered charities under the provisions of the Income Tax Act of Canada. During the year, the British Columbia's Women's Hospital and Health Centre Foundation received an infrastructure contribution of \$200 (2007 - \$200) from the Branch.

During the year, the Branch received the following contributions from the foundations:

	2008	2007
Operations	\$ 2,188	\$ 2,022
Research	9,868	9,313
Other designated purposes	25,609	23,354
Capital	2,341	2,970
	<b>\$ 40,006</b>	<b>\$ 37,659</b>

At March 31, 2008, the foundations held net assets of \$111,665 (2007 - \$121,224) to be used for research, patient care, education, and capital expenditures at the Branch.

In addition to the net assets held by the foundations, at March 31, 2008 \$10,694 (2007 - \$24,152) of funds which the foundations have reflected as donations to the Branch for the year ended March 31, 2007 have not yet transferred to the Branch. These funds are externally restricted, and as the Branch has not yet received the funds or met the external restrictions, they have not been reflected in these financial statements.

### (b) Auxiliaries:

The Auxiliary to British Columbia's Children's Hospital, the British Columbia's Women's Hospital and Health Centre Auxiliary, and the Auxiliary to Sunny Hill Centre for Children were established to provide additional comfort and welfare to patients of the Branch. At March 31, 2008, the auxiliaries held net assets of approximately \$418 (2007 - \$515) to be used for patient care and capital expenditures at the Branch.

# CHILDREN'S & WOMEN'S HEALTH CENTRE OF BRITISH COLUMBIA BRANCH

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2008

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## 19. Related entities (continued):

- (c) The Women's Health and Research Institute (WHRI) was established on September 13, 2004 to provide coordination and leadership for women's health research in British Columbia and Canada. At March 31, 2008, WHRI held cash and deferred contributions of approximately \$1,689 (2007 - \$1,689) to be used for research activities.
- (d) The Women's Health Research and Policy of C.E.W.H Society (WHRS) was incorporated on March 27, 2006 to facilitate and engage in research, evaluation and knowledge exchange for the purpose of improving women's health in British Columbia and Canada. At March 31, 2008, WHRS held deferred contributions of approximately \$1,299 (2007 - \$748) to be used for these activities.

## 20. Related party transactions:

Certain administrative, finance and accounting, and human resource services are provided to the Branch by the PHSA without charge. The costs of these services have not been recorded in the financial statements of the Branch.

During the year, the Branch was involved in the following related party transactions with other PHSA members:

For the year ended March 31, 2008, revenue includes \$4,424 (2007 - \$9,874) resulting from transactions with other PHSA members.

The above amounts exclude transactions with PHSA which are disclosed elsewhere in these financial statements.

## 21. Comparative figures:

Certain comparative figures have been reclassified to conform to the current year's financial statement presentation.