

Financial Statements
(Expressed in thousands of dollars)

**BRITISH COLUMBIA TRANSPLANT
SOCIETY BRANCH**

Year ended March 31, 2009



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AUDITORS' REPORT

To the Board of British Columbia Transplant Society Branch

We have audited the statement of financial position of the British Columbia Transplant Society Branch as at March 31, 2009 and the statement of operations, changes in net assets (deficiency) 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, 2009 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 1, 2009

BRITISH COLUMBIA TRANSPLANT SOCIETY BRANCH

Statement of Financial Position
(Expressed in thousands of dollars)

March 31, 2009, with comparative figures for 2008

	2009	2008
Assets		
Current assets:		
Cash	\$ 35	\$ 51
Accounts receivable (note 3)	1,043	2,304
Prepays	52	7
	1,130	2,362
Capital assets (note 4)	77	177
	\$ 1,207	\$ 2,539

Liabilities and Net Assets (Deficiency)

Current liabilities:		
Accounts payable and accrued liabilities (note 5)	\$ 4,286	\$ 5,581
Deferred contributions for designated purposes (note 6)	1,231	832
Current portion of retirement allowance (note 7(a))	3	2
	5,520	6,415
Retirement allowance (note 7(a))	153	135
Asset retirement obligations (note 10(c))	120	148
Deferred capital contributions (note 8)	35	71
	5,828	6,769
Net assets (deficiency):		
Invested in capital assets (note 9(a))	42	106
Unrestricted	(4,663)	(4,336)
	(4,621)	(4,230)
	\$ 1,207	\$ 2,539


Commitments and contingencies (note 10)

See accompanying notes to financial statements.

Approved on behalf of the Board:



Director and Chair of the Board



Director

BRITISH COLUMBIA TRANSPLANT SOCIETY BRANCH

Statement of Operations

(Expressed in thousands of dollars)

Year ended March 31, 2009, with comparative figures for 2008

	2009	2008
Revenues:		
Provincial Health Services Authority contributions	\$ 37,361	\$ 34,332
Medical Services Plan	4,170	4,387
Amortization of deferred capital contributions	36	42
Other (note 11)	248	185
Research and designated contributions	349	321
	<u>42,164</u>	<u>39,267</u>
Expenses:		
Compensation and benefits	9,300	9,036
Referred-out and contracted services (note 12)	31,009	29,960
Supplies (note 13)	283	1,194
Amortization of capital assets	65	74
Equipment and building services	598	559
Sundry (note 14)	943	1,186
Accretion of asset retirement obligations (note 10(c))	8	6
Research and designated expenses	349	321
	<u>42,555</u>	<u>42,336</u>
Deficiency of revenues over expenses	\$ (391)	\$ (3,069)

See accompanying notes to financial statements.

BRITISH COLUMBIA TRANSPLANT SOCIETY BRANCH

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

Year ended March 31, 2009, with comparative figures for 2008

	Invested in capital assets	Unrestricted	Total	
			2009	2008
Balance, beginning of year	\$ 106	\$ (4,336)	\$ (4,230)	\$ (1,161)
Deficiency of revenues over expenses	(29)	(362)	(391)	(3,069)
Net change in capital assets (note 9(c))	(35)	35	-	-
Balance, end of year	\$ 42	\$ (4,663)	\$ (4,621)	\$ (4,230)

See accompanying notes to financial statements.

BRITISH COLUMBIA TRANSPLANT SOCIETY BRANCH

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended March 31, 2009, with comparative figures for 2008

	2009	2008
Cash flows from operating activities:		
Deficiency of revenues over expenses	\$ (391)	\$ (3,069)
Items not involving cash:		
Amortization of capital assets	65	74
Amortization of deferred capital contributions	(36)	(42)
Net change in non-cash operating items (note 15)	339	2,816
	(23)	(221)
Cash flows from investing activities:		
Reduction (purchase) of capital assets (note 9(c))	35	(2)
Cash flows from financing activities:		
Additions (reductions) to asset retirement obligations (note 10(c))	(28)	10
Decrease in cash	(16)	(213)
Cash, beginning of year	51	264
Cash, end of year	\$ 35	\$ 51

See accompanying notes to financial statements.

BRITISH COLUMBIA TRANSPLANT SOCIETY BRANCH

Notes to Financial Statements
(Expressed in thousands of dollars)

Year ended March 31, 2009

The British Columbia Transplant Society Branch (the Branch) is a branch society of the Provincial Health Services Authority (PHSA or the Authority) which was created under the *Societies 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;
Children's & Women's Health Centre of British Columbia Branch;
Forensic Psychiatric Services Commission;
Women's Health Research Institute Society;
Mental Health and Addictions Research Institute; and
Cardiac Services British Columbia.

Effective December 31, 2001, the above noted branch societies except for the Women's Health and Research Institute and the Mental Health and Addictions 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 was formed for the purpose of planning, coordinating, managing and publicizing the human organ donor activities in British Columbia. The Branch also acts as the custodian of funds received from various private agencies for research and other related projects.

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.

BRITISH COLUMBIA TRANSPLANT SOCIETY BRANCH

Notes to Financial Statements
(Expressed in thousands of dollars)

Year ended March 31, 2009

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) 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:

Leasehold improvements	Lease term to a maximum of 20 years
Equipment	3 - 20 years

(e) Employee future benefits:

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

BRITISH COLUMBIA TRANSPLANT SOCIETY BRANCH

Notes to Financial Statements
(Expressed in thousands of dollars)

Year ended March 31, 2009

1. Significant accounting policies (continued):

(e) Employee future benefits (continued):

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 (2008 - 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.

(f) 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.

(g) 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.

BRITISH COLUMBIA TRANSPLANT SOCIETY BRANCH

Notes to Financial Statements
(Expressed in thousands of dollars)

Year ended March 31, 2009

1. Significant accounting policies (continued):

(h) Financial instruments:

The Branch has designated all non-derivative financial assets and liabilities as held for trading with the exception of certain obligations designated as other liabilities and receivables which are designated as held to maturity.

- The Branch initially records all non-derivative financial assets and liabilities at fair value.
- Assets and liabilities classified as held for trading are measured at fair value and changes in fair value are recognized in the statement of operations.
- Receivables are measured at amortized cost using the effective interest rate method.
- Other liabilities which include the Branch's accrued retirement allowance liabilities are recorded at amortized cost.
- All transaction costs incurred on receivables and other liabilities are incorporated in the fair value of the instrument and are amortized to operations using the effective interest rate method

Assets and liabilities classified as available for sale are measured at fair value and changes in fair value are recorded in the statement of changes in net assets until the financial instruments are re-recognized or other than temporarily impaired at which time the amounts are recorded in the statement of operations. The Branch has not classified any assets or liabilities as available for sale.

The standards require derivative instruments to be recorded as either assets or liabilities measured at their fair value unless exempted from derivative treatment as normal purchase and sale. Certain derivatives embedded in other contracts must also be measured at fair value. All changes in the fair value of derivatives are recognized as earnings unless specific hedge criteria are met, which require that an entity must formally document, designate and assess the effectiveness of transaction that received hedge accounting.

BRITISH COLUMBIA TRANSPLANT SOCIETY BRANCH

Notes to Financial Statements
(Expressed in thousands of dollars)

Year ended March 31, 2009

1. Significant accounting policies (continued):

(i) New accounting pronouncements:

(i) Assessing going concern:

Effective April 1, 2008, the Branch implemented the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 1400, *General Standards of Financial Statement Presentation*, which includes requirements for management to assess and disclose an entity's ability to continue as a going concern. Management has made its assessment and concluded there is no issue regarding the Branch's ability to continue as a going concern based on the assumption that the current funding levels are maintained and any committed additional future funding is received. If there are significant declines in funding, expenditures will be adjusted to match committed funding.

(ii) Capital disclosures:

Effective April 1, 2008, the Branch adopted Handbook Section 1535, *Capital Disclosures*. Under this new standard, the Branch is required to disclose both qualitative and quantitative information that enables users of the financial statements to evaluate the Branch's objectives, policies, and processes for managing capital. It also includes disclosure regarding what the Branch regards as capital, whether the Branch has complied with any external requirements and in the event of non-compliance, the consequences of not complying with these capital requirements (note 18).

(j) Future accounting pronouncements:

(i) Financial instruments:

During the Branch's 2009 fiscal year, the CICA announced that not-for-profit organizations could elect to continue to apply Handbook Section 3861, *Financial Instruments – Disclosure and Presentation* in place of Handbook Sections 3862, *Financial Instruments – Disclosure* and 3863, *Financial Instruments – Presentation*. Sections 3862 and 3863 place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how an entity manages those risks. The Branch has elected to continue to apply the financial instrument disclosure and presentation standards in accordance with Section 3861.

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Notes to Financial Statements
(Expressed in thousands of dollars)

Year ended March 31, 2009

1. Significant accounting policies (continued):

(j) Future accounting pronouncements (continued):

(ii) Revisions to Not-for-Profit accounting standards:

In September 2008, the CICA issued amendments to Handbook Sections 4400, *Financial Statement Presentation by Not-for-Profit Organizations* and 4470, *Disclosure of Allocated Expenses by Not-for-Profit Organizations*. The amendments are effective for the Branch's fiscal year commencing April 1, 2009 and remove the requirement to disclose net assets invested in capital assets, clarify capital asset recognition criteria and amortization, expand interim financial statement requirements to not-for-profit organizations that prepare interim financial statements, require disclosure of allocated fundraising and general support expenses by not-for-profit organizations, and include the requirement to follow Handbook Section 1540, *Cash Flow Statements*. The Branch does not believe it will have a material impact on its financial statements.

(iii) Changes in accounting framework:

The CICA has decided to transition Canadian GAAP for publicly accountable entities to International Financial Reporting Standards (IFRS) effective January 1, 2011. The Branch is classified as a not-for-profit organization and currently is not required to adopt IFRS. The Accounting Standards Board (AcSB) and Public Sector Accounting Board (PSAB) have jointly issued an Invitation to Comment to invite feedback on the future of financial reporting by not-for-profit organizations. In addition, PSAB has issued an Invitation to comment on the future financial reporting of government organizations. The Branch is in the process of reviewing the impact of these documents on its reporting framework and financial statements.

2. Financial instruments:

The Branch's financial instruments include cash, accounts receivable, accounts payable and accrued liabilities, and accrued retirement allowance liabilities. 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 7(a).

BRITISH COLUMBIA TRANSPLANT SOCIETY BRANCH

Notes to Financial Statements
(Expressed in thousands of dollars)

Year ended March 31, 2009

3. Accounts receivable:

	2009	2008
Provincial Health Services Authority	\$ -	\$ 847
Patients, clients and agencies	8	-
Ministry of Health	894	1,154
Goods and services tax	20	17
Other	121	286
	\$ 1,043	\$ 2,304

4. Capital assets:

2009	Cost	Accumulated depreciation	Net book value
Leasehold improvements	\$ 660	\$ 625	\$ 35
Equipment	292	250	42
	\$ 952	\$ 875	\$ 77

2008	Cost	Accumulated depreciation	Net book value
Leasehold improvements	\$ 695	\$ 576	\$ 119
Equipment	292	234	58
	\$ 987	\$ 810	\$ 177

5. Accounts payable and accrued liabilities:

	2009	2008
Trade accounts payable and accrued liabilities	\$ 2,369	\$ 5,100
Provincial Health Services Authority	1,244	-
Salaries and benefits payable	498	303
Accrued vacation pay	175	178
	\$ 4,286	\$ 5,581

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Notes to Financial Statements
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Year ended March 31, 2009

6. 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.

	2009	2008
Deferred contributions for designated purposes, beginning of year	\$ 832	\$ 471
Less amount recognized as revenue in the year	(349)	(321)
Add amount received for future periods	748	682
Deferred contributions for designated purposes, end of year	\$ 1,231	\$ 832

7. Employee benefits:

(a) Retirement allowance:

Certain employees with ten or more 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 Branch'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:

	2009	2008
Accrued benefit obligation:		
Sick leave benefits	\$ -	\$ -
Severance benefits	109	120
Total unfunded obligation	109	120
Balance of unamortized amounts	47	17
Accrued retirement allowance benefits	156	137
Less current portion	3	2
Long-term portion	\$ 153	\$ 135
Retirement allowance expense	\$ 19	\$ 18
Benefits paid	-	-

BRITISH COLUMBIA TRANSPLANT SOCIETY BRANCH

Notes to Financial Statements
(Expressed in thousands of dollars)

Year ended March 31, 2009

7. Employee benefits (continued):

(a) Retirement allowance:

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

	2009	2008
Accrued benefit obligation as at March 31:		
Discount rate	7.25%	5.50%
Rate of compensation increase	2.50%	3.25%
Benefit costs for years ended March 31:		
Discount rate	5.50%	5.50%
Rate of compensation increase	2.50%	3.25%

(b) 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 \$196 (2008 - \$200) 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 valuation as at December 31, 2006 indicated a surplus of \$438,000. The actuary does not attribute portions of the surplus to individual employers. The plan covers approximately 150,000 active members of which approximately 55 are employees of the Branch. The next required valuation will be as at December 31, 2009 with results available in 2010.

8. 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.

	2009	2008
Deferred capital contributions, beginning of year	\$ 71	\$ 113
Less amortization for the year	(36)	(42)
Deferred capital contributions, end of year	\$ 35	\$ 71

BRITISH COLUMBIA TRANSPLANT SOCIETY BRANCH

Notes to Financial Statements
(Expressed in thousands of dollars)

Year ended March 31, 2009

9. Invested in capital assets:

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

	2009	2008
Capital assets	\$ 77	\$ 177
Amounts financed by:		
Deferred capital contributions	(35)	(71)
	\$ 42	\$ 106

(b) Deficiency of revenues over expenses:

	2009	2008
Amortization of deferred capital contributions	\$ 36	\$ 42
Amortization of capital assets	(65)	(74)
	\$ (29)	\$ (32)

(c) Transfer to Invested in capital assets:

	2009	2008
Asset retirement obligation (note 10(c))	\$ (35)	\$ 2
	\$ (35)	\$ 2

10. Commitments and contingencies:

(a) Operating leases:

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

2010	\$	312
2011		313
2012		319
2013		293
2014		250
	\$	1,487

BRITISH COLUMBIA TRANSPLANT SOCIETY BRANCH

Notes to Financial Statements
(Expressed in thousands of dollars)

Year ended March 31, 2009

10. Commitments and contingencies (continued):

(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, 2009, 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.

(c) Asset retirement obligations:

The Branch has accrued asset retirement obligations of \$120 (2008 - \$148) representing the fair value of the legal obligations related to leased premises after charges for accretion and depreciation. The settlement of these obligations will occur at the expiry of the leases. The fair value of the legal obligation was determined by discounting the estimated cash outflows of \$179 (2008 - \$191) over the respective lease terms at a credit-adjusted risk free rate of 5.26% (2008 - 5.26%) for existing obligations and 4.90% for new obligations in 2009 (2008 - 5.26%). The asset retirement obligations have been capitalized as part of capital assets and will be amortized over the respective premise lease terms.

11. Other revenues:

	2009	2008
Recoveries from other Health Authorities and government reporting entities	\$ 33	\$ 33
Recoveries from sales of goods and services	215	58
Other	-	94
	\$ 248	\$ 185

12. Referred out and contracted services:

	2009	2008
Other Health Authorities and government reporting entities	\$ 26,833	\$ 26,126
Private contractors	4,176	3,834
	\$ 31,009	\$ 29,960

BRITISH COLUMBIA TRANSPLANT SOCIETY BRANCH

Notes to Financial Statements
(Expressed in thousands of dollars)

Year ended March 31, 2009

13. Supplies:

	2009	2008
Drugs and medical gases (rebates)	\$ (272)	\$ 459
Medical and surgical	398	551
Printing, stationery and office	153	180
Plant operation	3	3
Other	1	1
	\$ 283	\$ 1,194

14. Sundry:

	2009	2008
Communication and data processing	\$ 44	\$ 39
Travel	513	500
Professional fees	8	43
Other	378	604
	\$ 943	\$ 1,186

15. Statement of cash flows:

Net change in non-cash operating items:

	2009	2008
Changes to non-cash operating items:		
Accounts receivable	\$ 1,261	\$ 2,184
Prepaid expenses	(45)	32
Accounts payable and accrued liabilities	(1,295)	221
Deferred contributions for designated purposes	399	361
Retirement allowance	19	18
	\$ 339	\$ 2,816

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Notes to Financial Statements
(Expressed in thousands of dollars)

Year ended March 31, 2009

16. Related entity:

The Branch has an economic interest in the British Columbia Transplant Foundation (the foundation) which is responsible for fundraising activities of the Branch. The foundation is a separate legal entity incorporated under the Society Act of British Columbia and is a registered charity under the provisions of the Income Tax Act of Canada.

The net assets and results from operations of the foundation are not included in the financial statements of the Branch. At March 31, 2009, the foundation held net assets of \$703 (2008 - \$906)

During the year, the Branch received \$50 (2008 - nil) contributions from the foundation.

17. Related party transactions:

Certain administrative, finance and accounting, and human resource services are provided to the Branch by 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, 2009, expenses include \$1,023 (2008 - \$1,194) resulting from transactions with other PHSA members.

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

18. Capital management:

The Branch receives its principal source of capital through funding received from the Ministry of Health. The Branch defines capital to be net assets.

The Branch's objective when managing capital is to fund its operations and capital asset additions, and to conduct research in the field of health care. The Branch manages the capital structure in conjunction with the Ministry of Health and makes adjustments based on available government funding and economic conditions. Currently, the Branch's strategy is to monitor expenditures to preserve capital in accordance with budgeted funding granted by the Ministry of Health.

The Branch is not subject to debt covenants or any other capital requirements with respect to operating funding. Funding received for designated purposes must be used for the purpose outlined in the funding letter. The Branch has complied with the external restrictions on the funding provided.