

Financial Statements
(Expressed in thousands of dollars)

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

Years ended March 31, 2005 and 2004



KPMG LLP
Chartered Accountants
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada

Telephone (604) 691-3000
Fax (604) 691-3031
Internet www.kpmg.ca

AUDITORS' REPORT TO THE BOARD OF DIRECTORS 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, 2005 and the statements 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, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Society Act (British Columbia), we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

KPMG LLP

Chartered Accountants

Vancouver, Canada

May 6, 2005

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

Statements of Financial Position
(Expressed in thousands of dollars)

March 31, 2005 and 2004

	2005	2004
Assets		
Current assets:		
Cash	\$ 1,178	\$ 4,826
Short-term investments (note 3)	61	5,966
Account receivable (note 4)	45,352	45,461
Inventories	5,461	4,766
Prepaid expenses	825	984
	<u>52,877</u>	<u>62,003</u>
Capital assets, net (note 5)	361,063	117,437
	<u>\$ 413,940</u>	<u>\$ 179,440</u>

Liabilities and Net Assets (Deficiency)

Current liabilities:		
Accounts payable and accrued liabilities (note 6)	\$ 45,247	\$ 50,261
Deferred contributions for designated purposes (note 7)	12,399	11,048
Current portion of obligations under capital leases (note 8)	461	827
	<u>58,107</u>	<u>62,136</u>
Accrued sick and severance liabilities (note 9(a))	20,464	20,915
Obligations under capital leases (note 8)	247	708
Deferred capital contributions (note 10)	252,503	115,304
	<u>331,321</u>	<u>199,063</u>
Net assets (deficiency):		
Invested in capital assets (note 11(a))	108,264	3,598
Internally restricted	448	448
Unrestricted	(26,093)	(23,669)
	<u>82,619</u>	<u>(19,623)</u>
	<u>\$ 413,940</u>	<u>\$ 179,440</u>

Commitments and contingencies (note 12)

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

Statements of Operations
(Expressed in thousands of dollars)

Years ended March 31, 2005 and 2004

	2005	2004
Revenue:		
Provincial Health Services Authority operating grants	\$ 214,742	\$ 234,406
Ministry of Health Services operating grants	107	1,771
Patient/client revenue (note 13)	23,690	26,045
Medical Services Commission	33,748	42,323
Investment income	1	231
Other	19,684	20,894
Contributions for designated purposes	19,870	19,410
	<u>311,842</u>	<u>345,080</u>
Expenses:		
Compensation and benefits	233,339	259,480
Supplies	37,060	33,043
Sundry	7,313	9,955
Equipment and building services	7,973	11,106
Referred-out/contracted services	8,111	10,528
Expenses for designated purposes	19,870	19,410
	<u>313,666</u>	<u>343,522</u>
Excess (deficiency) of revenue over expenses before amounts related to capital assets	(1,824)	1,558
Amounts related to capital assets:		
Amortization of deferred capital contributions	17,729	17,550
Amortization of capital assets	(19,763)	(20,589)
	<u>(2,034)</u>	<u>(3,039)</u>
Deficiency of revenue over expenses	\$ (3,858)	\$ (1,481)

See accompanying notes to financial statements.

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

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

Years ended March 31, 2005 and 2004

	Invested in capital assets	Internally restricted	Unrestricted	Total	
				2005	2004
Balance, beginning of year	\$ 3,598	\$ 448	\$ (23,669)	\$ (19,623)	\$ (18,142)
Deficiency of revenue over expenses	(2,034)	-	(1,824)	(3,858)	(1,481)
Contribution of land from the Province of British Columbia (note 5)	106,100	-	-	106,100	-
Net change in capital assets (note 11(c))	600	-	(600)	-	-
Balance, end of year	\$ 108,264	\$ 448	\$ (26,093)	\$ 82,619	\$ (19,623)

See accompanying notes to financial statements.

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

Statements of Cash Flows
(Expressed in thousands of dollars)

Years ended March 31, 2005 and 2004

	2005	2004
Cash provided by (used in):		
Operations:		
Deficiency of revenue over expenses	\$ (3,858)	\$ (1,481)
Items not involving cash:		
Amortization of capital assets	19,763	20,589
Amortization of deferred capital contributions	(17,729)	(17,550)
	(1,824)	1,558
Changes in non-cash operating items (note 14)	(4,541)	(20,658)
	(6,365)	(19,100)
Investments:		
Purchase of capital assets	(19,079)	(21,064)
Contribution of buildings (note 11(c))	(139,100)	-
Contribution of land (note 5)	(106,100)	-
Net disposal (purchase) of short-term investments	5,905	(172)
Net book value of capital assets transferred to PHSA	890	-
	(257,484)	(21,236)
Financing:		
Additions to deferred capital contributions	16,750	18,914
Contribution of buildings (note 11(c))	139,100	-
Contribution of land (note 5)	106,100	-
Payment of obligations under capital leases	(827)	(772)
Transfer to research grants	(57)	-
Unamortized deferred capital contributions relating to assets transferred to PHSA	(865)	-
	260,201	18,142
Decrease in cash	(3,648)	(22,194)
Cash, beginning of year	4,826	27,020
Cash, end of year	\$ 1,178	\$ 4,826

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)

Years ended March 31, 2005 and 2004

1. Operations:

Children's & Women's Health Centre of British Columbia Branch (the "Branch") is a member of the Provincial Health Service Authority ("PHSA") which was established on December 12, 2001 to manage the quality, coordination, accessibility, and cost of certain province-wide health care programs and services. PHSA also includes the following members:

- 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
- Red Cross Outpost Hospitals

Effective December 31, 2001, the above noted branch societies 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 is exempt from federal and provincial income and capital taxes.

The Branch is dependent on the Ministry of Health Services, through the Provincial Health Services Authority, to provide sufficient funding to continue operations, replace equipment and complete capital projects.

2. Significant accounting policies:

(a) Basis of presentation:

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. In preparing these financial statements, management has made estimates and assumptions that affect the reported amounts in the financial statements and the disclosure of contingent assets and liabilities. Significant areas requiring the use of management estimates include the determination of useful lives of capital assets and the estimation of amounts which may become payable to retiring employees. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below.

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

Notes to Financial Statements
(Expressed in thousands of dollars)

Years ended March 31, 2005 and 2004

2. Significant accounting policies (continued):

(a) Basis of presentation (continued):

These financial statements do not include the assets, liabilities, revenue and expenses of BC Women's Institute for Research and Evaluation Society (WIRES), Foundations and Auxiliaries of the Branch (see note 15).

From time to time, the Board of Directors may impose certain restrictions on fund balances. These amounts are presented in the statements of financial position and changes in net assets (deficiency) as internally restricted funds. To date, these funds consist of amounts set aside by the Board of Directors for specific programs and capital expenditures. These internally restricted amounts are not available for other purposes without approval by the Board of Directors.

(b) Revenue recognition:

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

Operating grants are recorded as revenue in the year to which they relate. Grants approved but not yet received at the end of the year are accrued. Where a portion of a grant relates to a future year, it is deferred and recognized in the subsequent year.

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 year in which the related expenses are incurred. Contributions externally restricted for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

Other revenue is recognized when the goods are sold or the service is provided.

(c) Short-term investments:

Short-term investments are recorded at the lower of cost and market value.

(d) Inventories:

Inventories, consisting of materials, supplies and pharmaceuticals, are recorded at the lower of weighted average cost and market value.

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

Notes to Financial Statements
(Expressed in thousands of dollars)

Years ended March 31, 2005 and 2004

2. Significant accounting policies (continued):

(e) Capital assets:

Capital assets are recorded at cost. Amortization is calculated on a straight-line basis over the assets' estimated useful lives at the following rates:

Asset	Rate
Buildings	10 - 50 years
Leasehold improvements	Lease term to a maximum of 10 years
Equipment	3 - 15 years

Assets acquired under capital leases are amortized over the lesser of the estimated lives of the assets and the lease terms.

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

(f) Employee future benefits:

Liabilities are recorded for employee sick and severance benefits as employees render services to earn the benefits. The actuarial determination of the accrued benefit obligations for employee sick and severance benefits 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). 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 is 10 years (2004 – 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 multiemployer defined benefit plans and, accordingly, contributions are expensed.

(g) Financial instruments:

The Branch's financial instruments include accounts receivable, accounts payable and accrued liabilities, accrued sick and severance liabilities, and obligations under capital leases. It is management's opinion that the Branch is not exposed to significant interest 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 sick and severance liabilities which is disclosed in note 9(a).

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

Notes to Financial Statements
(Expressed in thousands of dollars)

Years ended March 31, 2005 and 2004

2. Significant accounting policies (continued):

(h) Asset retirement obligations:

Effective April 1, 2004, the Branch adopted Section 3110 of the CICA Handbook, "Asset Retirement Obligations." This section requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The associated retirement costs are capitalized as part of the carrying amount of the long-lived assets and depreciated over the life of the asset. At this time, the Branch has determined that there are no significant asset retirement obligations with its assets.

(i) Certain comparative figures have been reclassified to conform with classifications adopted in the current year.

3. Short-term investments:

The carrying value of the short term investments is \$61 (2004 - \$5,966), which approximates the market value.

4. Accounts receivable:

	2005	2004
Provincial Health Services Authority	\$ 4,302	\$ 11,016
BC Health Authorities	-	26
Ministry of Health Services	-	1,182
Medical Services Commission	24,634	20,008
Medical Services Plan	1,305	1,424
Foundations (note 15(a))	6,201	3,138
Other	10,219	11,662
	46,661	48,456
Allowance for doubtful accounts	(1,309)	(2,995)
	\$ 45,352	\$ 45,461

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

Notes to Financial Statements
(Expressed in thousands of dollars)

Years ended March 31, 2005 and 2004

5. Capital assets:

2005	Cost	Accumulated amortization	Net book value
Land	\$ 106,100	\$ -	\$ 106,100
Buildings	221,181	17,456	203,725
Leasehold improvements	48,830	35,865	12,965
Equipment	119,943	86,943	33,000
Equipment under capital leases	3,631	3,443	188
Construction-in-progress	5,085	-	5,085
	\$ 504,770	\$ 143,707	\$ 361,063

2004	Cost	Accumulated amortization	Net book value
Buildings	\$ 62,259	\$ 9,596	\$ 52,663
Leasehold improvements	54,185	31,285	22,900
Equipment	108,139	81,955	26,184
Equipment under capital leases	3,829	2,887	942
Construction-in-progress	14,748	-	14,748
	\$ 243,160	\$ 125,723	\$ 117,437

On April 22, 2004, the Province of British Columbia granted to the Branch the land and premises situated on the Oak Street site. The grant is subject to section 48 of the Hospital Act which includes restrictions on certain structural alterations and on any lease or transfer of the granted assets. The grant for land is recorded in capital assets and net assets invested in capital assets at the estimated fair value of the land. The grant for premises that were not purchased by the Branch have been included in these financial statements in capital assets and deferred capital contributions at the estimated fair value of the premises.

During the year the Branch began construction of the Child, Adolescent & Women's Mental Health Building with a total estimated construction cost of \$19,000 of which \$3,492 (2004 - \$1,121) is included in capital assets as construction in progress. Funding for this project has been committed by the Provincial Health Services Authority and the British Columbia's Children's Hospital Foundation.

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

Notes to Financial Statements
(Expressed in thousands of dollars)

Years ended March 31, 2005 and 2004

6. Accounts payable and accrued liabilities:

	2005	2004
Trade accounts payable and accrued liabilities	\$ 17,001	\$ 18,095
Accrued salaries and benefits payable	16,438	20,139
Accrued vacation payable	10,592	10,958
Current portion of accrued sick and severance liabilities	1,216	1,069
	\$ 45,247	\$ 50,261

7. Deferred contributions for designated purposes:

Deferred contributions for designated purposes represent unspent grants and donations for research and other specified purposes. These deferred contributions will be recorded as revenue in the statement of operations when they are spent.

	2005	2004
Balance, beginning of year	\$ 11,048	\$ 9,271
Amount received for designated purposes	21,221	21,187
Amount recognized as revenue	(19,870)	(19,410)
Deferred contributions for designated purposes	\$ 12,399	\$ 11,048

8. Obligations under capital leases:

The Branch leases equipment over terms which expire between fiscal years 2006 and 2007. The following is a schedule of minimum lease payments under fixed rate capital leases, together with the balance of the obligation.

	2005	2004
Year ending March 31,		
2005	\$ -	\$ 900
2006	487	487
2007	251	251
Total minimum lease payments	738	1,638
Amount representing interest at an average rate of 6.89% (2004 - 6.89%)	(30)	(103)
Present value of capital lease payments	708	1,535
Current portion of obligations under capital leases	461	827
Long-term portion of obligations under capital leases	\$ 247	\$ 708

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

Notes to Financial Statements
(Expressed in thousands of dollars)

Years ended March 31, 2005 and 2004

9. Employee benefits:

(a) Employee sick and severance benefits:

Certain employees with ten years of service and having reached a certain age are entitled to receive special payments upon retirement or as specified by 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, 2003, updated to March 31, 2005. The next required valuation will be as of December 31, 2006.

Information about employee sick and severance benefits is as follows:

	2005	2004
Accrued benefit obligation:		
Sick leave benefits	\$ 6,714	\$ 6,233
Severance benefits	10,558	9,943
Total unfunded obligation	17,272	16,176
Balance of unamortized amounts	4,408	5,808
Accrued sick and severance liabilities	\$ 21,680	\$ 21,984
Sick and severance plan expense	\$ 1,679	\$ 2,551
Benefits paid	1,983	1,873

The current portion of accrued sick and severance liabilities of \$1,216 (2004 - \$1,069) is included in accounts payable and accrued liabilities.

The significant actuarial assumptions adopted in measuring the Branch's accrued sick and severance liabilities are as follows:

	2005	2004
Accrued benefit obligation as at March 31:		
Discount rate	5.50%	5.75%
Rate of compensation increase	3.25%	3.25%
Benefit costs for the year ended March 31:		
Discount rate	5.75%	6.25%
Rate of compensation increase	3.25%	5.20%

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

Notes to Financial Statements
(Expressed in thousands of dollars)

Years ended March 31, 2005 and 2004

9. Employee benefits (continued):

(b) Employee healthcare 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. Contributions to the Trust of \$6,868 (2004 - \$6,424) were expensed during the year.

Effective March 31, 2004, the Trust was restructured at the health authority level from a multiemployer to a multiple-employer plan only with respect to long-term disability benefits initiated after September 30, 1997. Assets and liabilities for these long-term disability benefits have been segregated for the PHSA, but not for individual branches of the PHSA. Accordingly, the Branch participates in a multiemployer defined benefit plan for long-term disability benefits that is now restricted to members of the PHSA. The most recent actuarial valuation for the PHSA plan at December 31, 2004 indicated an unfunded actuarial obligation of \$913. The PHSA plan covers approximately 4,160 active employees of which approximately 2,100 are employees of the Branch. The next required valuation will be as of December 31, 2005.

The group life insurance and accidental death and dismemberment, extended health, dental and pre-October 1, 1997 long-term disability claims administered by the Trust continue to be structured as a multiemployer plan. The most recent actuarial valuation for the plan at December 31, 2004 indicated a deficit of \$6,415. The plan covers 76,108 active employees of which approximately 2,200 are employees of the Branch. The next required valuation will be as of December 31, 2005.

(c) Employee pension benefits:

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

Employer contributions to the Municipal Pension Plan of \$8,809 (2004 - \$8,891) were expensed during the year. The most recent actuarial valuation for the plan at December 31, 2003 indicated an unfunded liability of \$789,000. The plan covers approximately 128,000 active employees of which approximately 2,982 are employees of the Branch. The next required valuation will be as of December 31, 2006.

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

Notes to Financial Statements
(Expressed in thousands of dollars)

Years ended March 31, 2005 and 2004

10. Deferred capital contributions:

Deferred capital contributions represent the unamortized amounts and unspent amounts of grants and donations received for the purchase of capital assets. Amortization of deferred capital contributions is recorded as revenue in the statement of operations.

	2005	2004
Deferred capital contributions, beginning of year	\$ 115,304	\$ 113,940
Additional contributions received:		
Provincial Health Services Authority	8,028	10,389
Contribution of buildings from the Province of British Columbia	139,100	-
Foundations	4,207	5,020
Special purpose	3,368	-
Other	1,147	3,505
	155,850	18,914
Less:		
Transfer to research grants	57	-
Amount relating to transfer of assets	865	-
Amount amortized to revenue	17,729	17,550
	18,651	17,550
Deferred capital contributions, end of year	\$ 252,503	\$ 115,304

The balance of deferred capital contributions related to capital assets consists of the following:

	2005	2004
Unamortized deferred capital contributions used to purchase capital assets	\$ 252,091	\$ 112,304
Unspent contributions	412	3,000
	\$ 252,503	\$ 115,304

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

Notes to Financial Statements
(Expressed in thousands of dollars)

Years ended March 31, 2005 and 2004

11. Invested in capital assets:

(a) The amount invested in capital assets is calculated as follows:

	2005	2004
Capital assets	\$ 361,063	\$ 117,437
Amounts financed by:		
Deferred capital contributions	(252,091)	(112,304)
Obligations under capital leases	(708)	(1,535)
	\$ 108,264	\$ 3,598

(b) The deficiency of revenue over expenses related to capital assets is calculated as follows:

	2005	2004
Amortization of deferred capital contributions	\$ 17,729	\$ 17,550
Amortization of capital assets	(19,763)	(20,589)
	\$ (2,034)	\$ (3,039)

(c) The net change in the amount invested in capital assets for the year is calculated as follows:

	2005	2004
Purchase of capital assets	\$ 19,079	\$ 21,064
Contribution of buildings from the Province of British Columbia	139,100	-
Net book value of capital assets transferred to PHSA	(890)	-
	157,289	21,064
Amount funded by deferred capital contributions	(19,281)	(21,524)
Contribution of buildings from the Province of British Columbia	(139,100)	-
Unamortized deferred capital contribution relating to assets transferred to PHSA	865	-
	(157,516)	(21,524)
Payment of obligations under capital leases	827	772
	\$ 600	\$ 312

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

Notes to Financial Statements
(Expressed in thousands of dollars)

Years ended March 31, 2005 and 2004

12. Commitments and contingencies:

(a) Operating lease commitments:

The branches lease premises and equipment under operating leases. Minimum lease payments for each of the next five years and in total are as follows:

Year ending March 31,	
2006	\$ 173
2007	143
2008	84
2009	37
2010	3
	\$ 440

(b) Legal contingencies:

The nature of the Branch's activities is such that there is litigation pending or in prospect at any time. With respect to unsettled claims at March 31, 2005, management believes the Branch has valid defenses and appropriate insurance coverage in place. In the event any claims are successful, management believes that such claims are not expected to have a material effect on the Branch's financial position.

Risk management and insurance services are provided by the BC Health Care Risk Management Society under the Health Care Protection Program.

13. Patient/client revenue:

	2005	2004
Patient/client revenue consists of:		
Medical Services Plan	\$ 17,023	\$ 18,101
Other Provincial Government	1,934	2,002
Non-residents of British Columbia	1,662	3,502
Non-residents of Canada	1,316	706
Residents of British Columbia - Self Pays	1,068	1,264
Other	687	470
	\$ 23,690	\$ 26,045

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

Notes to Financial Statements
(Expressed in thousands of dollars)

Years ended March 31, 2005 and 2004

14. Supplementary information:

	2005	2004
Changes in non-cash operating items:		
Accounts receivable	\$ 109	\$ (22,646)
Inventories	(695)	(271)
Prepaid expenses	159	233
Accounts payable and accrued liabilities	(5,014)	(856)
Sick and severance allowances	(451)	1,105
Deferred contributions for designated purposes	1,351	1,777
	\$ (4,541)	\$ (20,658)

15. Related entities:

The Branch has an economic interest in the following Foundations and Auxiliaries:

(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.

As at March 31, 2005, the Foundations held net assets of \$88,009 (2004 - \$80,798) to be used for research, patient care, education and capital expenditures at the Branch. During the year, the Foundations granted \$23,040 (2004 - \$21,572) to the Branch to fund such expenditures.

In addition to the net assets held by the Foundations at March 31, 2005 were \$22,768 (2004 - \$20,130) of funds which the Foundations have reflected as donations to the Branch for the year ended March 31, 2005, but which the Foundations 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. As at March 31, 2005, the Auxiliaries held net assets of approximately \$670 (2004 - \$542) 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)

Years ended March 31, 2005 and 2004

15. Related entities (continued):

- (c) B.C. Women's Institute for Research and Evaluation Society was established on September 13, 2004 to provide coordination and leadership for women's health research in B.C. and Canada. As at March 31, 2005, the Society held cash and deferred contributions of approximately \$2,400 to be used for research activities.

16. 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 the other PHSA members listed in note 1:

For the year ended March 31, 2005, revenues include \$1,713 (2004 - \$1,737) resulting from transactions with other PHSA members.

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