

Financial Statements
(Expressed in thousands of dollars)

**BRITISH COLUMBIA CENTRE
FOR DISEASE CONTROL AND
PREVENTION SOCIETY BRANCH**

Year ended March 31, 2008



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AUDITORS' REPORT

To the Board of British Columbia Centre for Disease Control and Prevention Society Branch

We have audited the statement of financial position of the British Columbia Centre for Disease Control and Prevention Society 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.

Chartered Accountants

Vancouver, Canada
May 2, 2008

BRITISH COLUMBIA CENTRE FOR DISEASE CONTROL AND PREVENTION SOCIETY BRANCH

Statement of Financial Position
(Expressed in thousands of dollars)

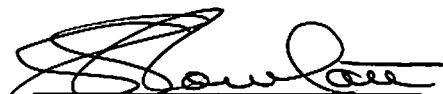
March 31, 2008, with comparative figures for 2007

	2008	2007
Assets		
Current assets:		
Cash	\$ 9	\$ 113
Accounts receivable (note 3)	18,212	5,620
Inventories of materials and supplies	20,132	22,189
	38,353	27,922
Capital assets (note 4)	9,044	8,699
	\$ 47,397	\$ 36,621
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 5)	\$ 6,880	\$ 5,029
Deferred operating contributions (note 6)	10,112	4,084
Deferred contributions for designated purposes (note 7)	2,885	2,154
Current portion of obligations under capital leases (note 8)	207	197
Current portion of retirement allowance (note 9(a))	98	81
	20,182	11,545
Long-term obligations under capital leases (note 8)	628	831
Retirement allowance (note 9(a))	1,569	1,676
Asset retirement obligations (note 12(c))	28	16
Deferred capital contributions (note 10)	8,144	7,661
	30,551	21,729
Net assets:		
Invested in capital assets (note 11(a))	65	10
Unrestricted	16,781	14,882
	16,846	14,892
Commitments and contingencies (note 12)		
	\$ 47,397	\$ 36,621

See accompanying notes to financial statements.

Approved on behalf of the Board:


Director and Chair of the Board


Director

BRITISH COLUMBIA CENTRE FOR DISEASE CONTROL AND PREVENTION SOCIETY BRANCH

Statement of Operations
(Expressed in thousands of dollars)

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

	2008	2007
Revenues:		
Provincial Health Services Authority contributions	\$ 79,780	\$ 81,008
Medical Services Plan	812	632
Other contributions (note 13)	25	67
Amortization of deferred capital contributions	656	744
Other (note 14)	1,808	1,326
Patients, clients and residents (note 15)	320	261
Pharmacare	392	392
<u>Research and designated contributions</u>	<u>4,302</u>	<u>3,626</u>
	88,095	88,056
Expenses:		
Compensation and benefits	26,208	26,104
Referred-out and contracted services (note 16)	4,678	2,992
Supplies (note 17)	41,950	42,841
Depreciation of capital assets	895	794
Equipment and building services	4,451	4,825
Sundry (note 18)	3,656	3,349
Accretion of asset retirement obligations (note 12(c))	1	1
<u>Research and designated expenses</u>	<u>4,302</u>	<u>3,626</u>
	86,141	84,532
Excess of revenues over expenses	\$ 1,954	\$ 3,524

See accompanying notes to financial statements.

BRITISH COLUMBIA CENTRE FOR DISEASE CONTROL AND PREVENTION SOCIETY 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	Unrestricted	Total	
			2008	2007
Balance, beginning of year	\$ 10	\$ 14,882	\$ 14,892	\$ 11,368
Excess (deficiency) of revenues over expenses	(239)	2,193	1,954	3,524
Net change in capital assets (note 11(c))	294	(294)	-	-
Balance, end of year	\$ 65	\$ 16,781	\$ 16,846	\$ 14,892

See accompanying notes to financial statements.

BRITISH COLUMBIA CENTRE FOR DISEASE CONTROL AND PREVENTION SOCIETY BRANCH

Statement of Cash Flows
(Expressed in thousands of dollars)

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

	2008	2007
Cash flows from operating activities:		
Excess of revenues over expenses	\$ 1,954	\$ 3,524
Items not involving cash:		
Depreciation of capital assets	895	794
Amortization of deferred capital contributions	(656)	(744)
<u>Net change in non-cash operating items (note 19(a))</u>	<u>(2,015)</u>	<u>(3,419)</u>
	178	155
Cash flows from investing activities:		
Purchase of capital assets (note 11(c))	(1,240)	(2,068)
Cash flows from financing activities:		
Capital contributions	1,139	965
Additions to capital leases	-	1,076
Repayment of capital leases (note 8)	(193)	(48)
<u>Additions to asset retirement obligations (note 12(c))</u>	<u>12</u>	<u>6</u>
	958	1,999
Increase (decrease) in cash	(104)	86
Cash, beginning of year	113	27
<u>Cash, end of year</u>	<u>\$ 9</u>	<u>\$ 113</u>

See accompanying notes to financial statements.

BRITISH COLUMBIA CENTRE FOR DISEASE CONTROL AND PREVENTION SOCIETY BRANCH

Notes to Financial Statements
(Expressed in thousands of dollars)

Year ended March 31, 2008

The British Columbia Centre for Disease Control and Prevention Society 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 Drug and Poison Information Centre;
- British Columbia Mental Health Society (Riverview) Branch;
- British Columbia Provincial Renal Agency;
- British Columbia Transplant Society Branch;
- Children's & Women's Health Centre of British Columbia 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 was formed for the purpose of detection, prevention and control of disease in the province of British Columbia and the provision of specialty health support services in the province. Activities of the Branch include ongoing surveillance and analysis of communicable diseases within the province; development of immunization programs and distribution of vaccines and pharmaceuticals; operation of clinics for testing of communicable diseases; provision of diagnostic and consultative services to other health care providers in the province; and provision of training and education to healthcare providers and the public.

1. Significant accounting policies:

(a) Basis of presentation:

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

BRITISH COLUMBIA CENTRE FOR DISEASE CONTROL AND PREVENTION SOCIETY BRANCH

Notes to Financial Statements
(Expressed in thousands of dollars)

Year ended March 31, 2008

1. Significant accounting policies (continued):

(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.

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:

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) Inventories of materials and supplies

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

At March 31, 2008, inventories includes \$17,117 (2007 - \$16,883) of anti-viral vaccinations, which expire between fiscal years 2010 and 2011.

(e) 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:

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

BRITISH COLUMBIA CENTRE FOR DISEASE CONTROL AND PREVENTION SOCIETY BRANCH

Notes to Financial Statements
(Expressed in thousands of dollars)

Year ended March 31, 2008

1. Significant accounting policies (continued):

(f) 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.

(g) 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.

(h) 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 CENTRE FOR DISEASE CONTROL AND PREVENTION SOCIETY BRANCH

Notes to Financial Statements
(Expressed in thousands of dollars)

Year ended March 31, 2008

1. Significant accounting policies (continued):

(i) 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.

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.

(j) Accounting policy 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.

BRITISH COLUMBIA CENTRE FOR DISEASE CONTROL AND PREVENTION SOCIETY BRANCH

Notes to Financial Statements
(Expressed in thousands of dollars)

Year ended March 31, 2008

2. Financial instruments:

The Branch's financial instruments include cash, accounts receivable, accounts payable and accrued liabilities, accrued retirement allowance liabilities, asset retirement obligations, and obligations under capital leases. 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 9.

3. Accounts receivable:

	2008	2007
Provincial Health Services Authority	\$ 10,274	\$ 4,458
Patients, clients and agencies	992	626
Ministry of Health	145	169
Federal government	5,785	-
Goods and services tax	100	75
Other	936	313
	18,232	5,641
Less allowance for doubtful debts	(20)	(21)
	\$ 18,212	\$ 5,620

4. Capital assets:

2008	Cost	Accumulated depreciation	Net book value
Buildings	\$ 5,056	\$ 358	\$ 4,698
Building service equipment	67	11	56
Construction in progress	270	-	270
Leasehold improvements	2,899	1,004	1,895
Equipment	5,641	4,310	1,331
Equipment under capital lease	1,076	282	794
	\$ 15,009	\$ 5,965	\$ 9,044

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Notes to Financial Statements
(Expressed in thousands of dollars)

Year ended March 31, 2008

4. Capital assets (continued):

2007	Cost	Accumulated depreciation	Net book value
Buildings	\$ 3,954	\$ 200	\$ 3,754
Building service equipment	67	6	61
Construction in progress	254	-	254
Leasehold improvements	2,888	832	2,056
Equipment	5,554	4,043	1,511
Equipment under capital lease	1,076	49	1,027
Equipment in progress	36	-	36
	\$ 13,829	\$ 5,130	\$ 8,699

5. Accounts payable and accrued liabilities:

	2008	2007
Trade accounts payable and accrued liabilities	\$ 5,244	\$ 3,560
Salaries and benefits payable	964	801
Accrued vacation pay	672	668
	\$ 6,880	\$ 5,029

6. Deferred operating contributions:

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

	2008	2007
Deferred operating contributions, beginning of year	\$ 4,084	\$ 3,128
Add amount received for future periods	6,028	956
	\$ 10,112	\$ 4,084

BRITISH COLUMBIA CENTRE FOR DISEASE CONTROL AND PREVENTION SOCIETY BRANCH

Notes to Financial Statements
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Year ended March 31, 2008

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	\$ 2,154	\$ 2,112
Less amount recognized as revenue in the year	(4,302)	(3,626)
Add amount received for future periods	5,033	3,668
Deferred contributions for designated purposes, end of year	\$ 2,885	\$ 2,154

8. Obligations under capital leases:

Certain agencies lease equipment over terms which expire fiscal year 2012. The following is a schedule of minimum lease payments under fixed rate capital leases, together with the balance of the obligations.

2009	\$ 246
2010	246
2011	246
2012	184
Total minimum lease payments	922
Amount representing interest at a weighted average rate of 5.26%	(87)
Present value of capital lease payments	835
Current portion of obligations under capital leases	207
Long-term portion of obligations under capital leases	\$ 628

BRITISH COLUMBIA CENTRE FOR DISEASE CONTROL AND PREVENTION SOCIETY BRANCH

Notes to Financial Statements
(Expressed in thousands of dollars)

Year ended March 31, 2008

9. 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 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:

	2008	2007
Accrued benefit obligation:		
Sick leave benefits	\$ 250	\$ 244
Severance benefits	425	441
Total unfunded obligation	675	685
Balance of unamortized amounts	992	1,072
Accrued retirement allowance benefits	1,667	1,757
Less current portion	98	81
Long-term portion	\$ 1,569	\$ 1,676
Retirement allowance expense	\$ (5)	\$ 4,615
Benefits paid	84	2,840

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%

BRITISH COLUMBIA CENTRE FOR DISEASE CONTROL AND PREVENTION SOCIETY BRANCH

Notes to Financial Statements
(Expressed in thousands of dollars)

Year ended March 31, 2008

9. 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 \$142 (2007 - \$99) were expensed during the year. The PHSA plan covers approximately 4,173 active employees of which approximately 109 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 \$272 (2007 - \$263) 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 100 (2007 - 120) 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 and the Public Service Pension Plan, multi-employer defined benefit pension plans governed by the *BC Public Sector Pension Plans Act*.

Employer contributions to the Municipal Pension Plan of \$720 (2007 - \$657) 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. The actuary does not attribute portions of the surplus to individual employers. The plan covers approximately 145,000 active employees of which approximately 121 are employees of the Branch. The next required valuation will be as of December 31, 2009 with results available in 2010.

BRITISH COLUMBIA CENTRE FOR DISEASE CONTROL AND PREVENTION SOCIETY BRANCH

Notes to Financial Statements
(Expressed in thousands of dollars)

Year ended March 31, 2008

9. Employee benefits (continued):

(c) Employee pension benefits (continued):

Employer contributions to the Public Service Pension Plan of \$734 (2007 - \$771) 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 March 31, 2005 indicated an unfunded liability of \$767,000. The actuary does not attribute portions of the deficit to individual employers. The plan covers approximately 52,000 active employees of which approximately 42 are employees of the Branch. The next required valuation will be as of March 31, 2008, with results available in 2009.

10. 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	\$ 7,661	\$ 7,440
Provincial Health Services Authority Foundations	1,119 20	965 -
Less amortization for the year	1,139 (656)	965 (744)
Deferred capital contributions, end of year	\$ 8,144	\$ 7,661

11. Invested in capital assets:

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

	2008	2007
Capital assets	\$ 9,044	\$ 8,699
Amounts financed by:		
Deferred capital contributions	(8,144)	(7,661)
Obligations under capital leases	(835)	(1,028)
	\$ 65	\$ 10

BRITISH COLUMBIA CENTRE FOR DISEASE CONTROL AND PREVENTION SOCIETY BRANCH

Notes to Financial Statements
(Expressed in thousands of dollars)

Year ended March 31, 2008

11. Invested in capital assets (continued):

(b) Deficiency of revenue over expenses:

	2008	2007
Amortization of deferred capital contributions	\$ 656	\$ 744
Depreciation of capital assets	(895)	(794)
	\$ (239)	\$ (50)

(c) Transfer to invested in capital assets:

	2008	2007
Purchase of capital assets	\$ 1,230	\$ 2,063
Asset retirement obligation (note 12(d))	10	5
Amounts funded by:		
Deferred capital contributions	(1,139)	(986)
Capital Leases	-	(1,076)
Principal payments of obligations under capital leases	193	48
	\$ 294	\$ 54

12. Commitments and contingencies:

(a) Operating leases:

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

2009	\$ 928
2010	21
2011	2
	\$ 951

The Branch leases land and buildings through an operating lease with the Accommodation of Real Estate Services (ARES) of the Ministry of Labour and Citizens' Services of British Columbia. Lease payments shown are for base rent. The terms and conditions are negotiated annually. Included in the above is \$916 for lease payments to ARES for the year ending March 31, 2009.

BRITISH COLUMBIA CENTRE FOR DISEASE CONTROL AND PREVENTION SOCIETY BRANCH

Notes to Financial Statements
(Expressed in thousands of dollars)

Year ended March 31, 2008

12. 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, 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.

(c) Asset retirement obligations:

The Branch has accrued asset retirement obligations of \$28 (2007 - \$16) 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 \$37 (2007 - \$36) over the respective lease terms 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.

13. Other contributions:

	2008	2007
Other ministries	\$ 6	\$ 5
Other	19	62
	\$ 25	\$ 67

14. Other revenue:

	2008	2007
Recoveries from other Health Authorities and government reporting entities	\$ 650	\$ 63
Recoveries from sales of goods and services	1,000	611
Parking	154	171
Other	4	481
	\$ 1,808	\$ 1,326

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15. Patients, clients and residents revenue:

	2008	2007
Federal government	\$ 312	\$ 252
Other	8	9
	\$ 320	\$ 261

16. Referred out and contracted services:

	2008	2007
Other Health Authorities and government reporting entities	\$ 1,017	\$ 882
Private contractors	3,661	2,110
	\$ 4,678	\$ 2,992

17. Supplies:

	2008	2007
Drugs and medical gases	\$ 33,212	\$ 33,826
Food and dietary	28	40
Medical and surgical	1,772	1,850
Diagnostic	6,208	6,176
Printing, stationery and office	355	331
Housekeeping	22	19
Laundry and linen	31	33
Plant operation	5	5
Other	317	561
	\$ 41,950	\$ 42,841

18. Sundry:

	2008	2007
Communication and data processing	\$ 176	\$ 454
Travel	472	435
Professional fees	821	1,127
Other	2,187	1,333
	\$ 3,656	\$ 3,349

BRITISH COLUMBIA CENTRE FOR DISEASE CONTROL AND PREVENTION SOCIETY BRANCH

Notes to Financial Statements
(Expressed in thousands of dollars)

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19. Statement of cash flows:

(a) Net change in non-cash operating items:

	2008	2007
Changes to non-cash operating items:		
Accounts receivable	\$ (12,592)	\$ 2,727
Inventories of materials and supplies	2,057	(5,600)
Prepays	-	59
Accounts payable and accrued liabilities	1,851	(1,721)
Deferred operating contributions	6,028	956
Deferred contributions for designated purposes	731	42
Retirement allowance	(90)	118
	\$ (2,015)	\$ (3,419)

(b) Interest:

Cash paid for interest on capital leases	\$ 46	\$ 14
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20. Related entity:

The Branch has an economic interest in the BCCDC Foundation for Population and Public Health (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, 2008, the foundation held net assets of \$500 (2007 - nil) to be used for activities relating to the prevention, detection and control of infectious diseases and environmental hazards.

During the year, the foundation received an infrastructure contribution of \$500 from the Branch.

BRITISH COLUMBIA CENTRE FOR DISEASE CONTROL AND PREVENTION SOCIETY BRANCH

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Year ended March 31, 2008

21. 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, 2008, revenue includes \$127 (2007 - \$227) resulting from transactions with other PHSA members.

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

22. Comparative figures:

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