
Auditors' Report

To the Shareholder and Board of Directors of the
British Columbia Health Research Foundation

We have audited the Statement of Financial Position of the British Columbia Health Research Foundation as at March 31, 2000 and the Statements of Operations, Changes in Net Assets, and Cash Flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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 Foundation as at March 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles.


Chartered Accountants

Vancouver, British Columbia
May 3, 2000

British Columbia Health Research Foundation
Statement of Financial Position

March 31	2000	1999
Assets		
Current		
Cash	\$ 33,909	\$ 28,099
Short-term investments	5,881,322	8,946,068
Accounts receivable	1,509,101	45,965
Prepaid expenses	4,344	-
	<u>7,428,676</u>	<u>9,020,132</u>
Capital (Note 1)	38,829	41,210
	<u>\$ 7,467,505</u>	<u>\$ 9,061,342</u>

Liabilities and Net Assets

Liabilities

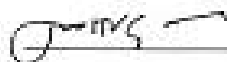
Current

Accounts payable	\$ 27,662	\$ 20,469
Grants payable	2,900,034	4,517,651
Deferred contributions (Note 2)	19,920	150,000
	<u>2,947,616</u>	<u>4,688,120</u>

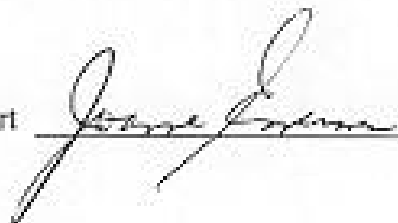
Net assets

Share capital		
Authorized and issued 1 share with a par value of \$100	100	100
Net assets invested in capital assets	38,829	41,210
Net assets restricted for endowment purposes (Note 3)	3,029,493	2,619,730
Net assets internally restricted for health technology assessment purposes (Note 4)	260,345	260,345
Unrestricted net assets	<u>1,191,122</u>	<u>1,451,837</u>
	<u>4,519,889</u>	<u>4,373,222</u>
	<u>\$ 7,467,505</u>	<u>\$ 9,061,342</u>

Approved on behalf of the Board:



John Gilbert



Joanne Emerman

British Columbia Health Research Foundation
Statement of Operations

For the year ended March 31

2000

1999

Revenue

Contributions:

Ministry of Health and Ministry Responsible for Seniors \$ 3,000,000 \$ 1,000,000

Other Contributions 161,181 60,000

Investment earnings 216,185 429,952

3,377,366 1,489,952

Expenditures

Institutional Program

Operating and equipment grants 807,665 2,580,441

Scholarships 644,880 273,600

Studentships 432,084 414,631

Honourariums for external reviewers 10,700 36,700

Operations 146,382 140,432

Community Program

Operating grants 780,408 289,347

Workshop/Training 15,309 23,755

Other grants - 25,000

Operations 141,895 137,731

Planned Giving/Communications

Operations 169,173 187,746

Receptions 3,268 4,601

CIHR grant

831 -

Development grant

7,500 -

Emergency Fund

3,025 8,745

Special projects

129,878 15,959

Ministry of Health - Self Care Projects

155,081 -

Administration

182,676 116,018

Amortization of capital assets

9,707 10,301

Loss on disposal of capital assets - 3,993

3,640,462 4,269,000

Revenue under expenditures for the year

\$ (263,096) \$ (2,779,048)

British Columbia Health Research Foundation
Statement of Changes in Net Assets

For the year ended March 31	Invested in Capital Assets	Restricted for Endowment Purposes	Restricted for Health Technology Assessment Purposes	Unrestricted	2000	1999
Beginning of year (Note)	\$ 41,210	\$ 2,619,730	\$ 260,345	\$ 1,451,837	\$ 4,373,122	\$ 5,841,213
Revenue under expenses	(9,707)	-	-	(253,389)	(263,096)	(2,779,048)
Net additions to capital assets	7,326	-	-	(7,326)	-	-
Endowment contributions	-	293,052	-	-	293,052	1,151,877
Endowment distributions	-	(110,000)	-	-	(110,000)	-
Endowment earnings	-	226,711	-	-	226,711	159,080
End of year	\$ 38,829	\$ 3,029,493	\$ 260,345	\$ 1,191,122	\$ 4,519,789	\$ 4,373,122

British Columbia Health Research Foundation
Statement of Cash Flows

For the year ended March 31	2000	1999
Cash provided by (used in)		
Operating activities		
Revenue under expenses for the year	\$ (263,096)	\$ (2,779,048)
Items not utilizing cash:		
Loss on disposal of capital assets	-	3,993
Amortization of capital assets	9,707	10,301
	<u>(253,389)</u>	<u>(2,764,754)</u>
Changes in non-cash working capital balances		
Accounts receivable	(1,463,135)	3,800
Prepaid expenses	(4,344)	-
Accounts payable	7,192	(6,002)
Grants payable	(1,617,617)	(1,182,770)
Deferred contributions	(130,080)	120,000
	<u>(3,461,373)</u>	<u>(3,829,726)</u>
Investing activity		
Purchase of capital assets	(7,326)	(14,957)
Proceeds from disposal of capital assets	-	1,448
Endowment contributions	293,052	1,151,877
Endowment distributions	(110,000)	-
Investment earnings in endowment fund	226,711	159,080
	<u>402,437</u>	<u>1,297,448</u>
Increase (decrease) in cash during the year	(3,058,936)	(2,532,278)
Cash, beginning of year	8,974,167	11,506,445
Cash, end of year	\$ 5,915,231	\$ 8,974,167
Represented by		
Cash	\$ 33,909	\$ 28,099
Short-term deposits	5,881,322	8,946,068
	<u>\$ 5,915,231</u>	<u>\$ 8,974,167</u>

British Columbia Health Research Foundation

Summary of Significant Accounting Policies

March 31, 2000

Nature of Business	<p>The British Columbia Health Research Foundation ("the Foundation") was incorporated pursuant to the British Columbia Health Research Foundation Act on March 12, 1991, and is an agent of the Crown. The Foundation is not subject to income taxation.</p> <p>The objects of the Foundation are to assist and collaborate with organizations conducting research in the field of health, including policy, promotion, and care in the Province of British Columbia; to cooperate with community facilities or organizations concerned with the general health of communities in the Province; and to accept and receive grants, donations, and other funds for use in carrying out its objects. It awards grants for operating funds to conduct health research projects, to purchase equipment, to develop research proposals, to facilitate research activities, and to fund scholarships for new researchers starting their professional careers and studentships for students pursuing graduate degrees.</p> <p>One share with a par value of \$100 in the capital of the Foundation was issued on June 28, 1991, and is held by the Minister of Finance and Corporate Relations.</p>
Basis of Accounting	<p>These financial statements have been prepared in accordance with generally accepted accounting principles for non-profit organizations. The Foundation follows the deferral method of accounting for contributions and presents its funds on a combined basis except that the Statement of Operations excludes endowment transactions which are instead reported in the Statement of Changes in Net Assets. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue as received or receivable, if the amount to be received can be reasonably assured.</p>
Expenditures	<p>Grants, scholarships and studentships are recognized as expenditures in the year they are awarded. Amounts are usually paid in four quarterly instalments. Amounts previously awarded but declined during the year were \$418,514 (1999 - \$460,330) and are recorded as a reduction of the current year's expenditures.</p>
Capital Assets	<p>Capital assets are recorded at cost and are amortized on the declining balance basis at 20% per annum.</p>

British Columbia Health Research Foundation
Summary of Significant Accounting Policies - Continued

March 31, 2000

Investments	<p>Short-term investments consist of units in Province of British Columbia Pooled Investment Portfolios (\$2,870,755, 1998 - \$6,334,360) and amounts invested in various corporate bonds and equities and held by trustee Canada Trust (\$3,010,567, 1998 - \$2,611,708).</p> <p>The Pooled Investment Portfolio Units are carried at the lower of cost, adjusted by income attributed to the units, or market value. Market value of the units is \$2,872,691 (1999 - \$6,342,000).</p> <p>The Canada Trust investments have a market value of \$3,040,565 (1998 - \$2,704,646).</p>
Financial Instruments	<p>The Foundation's financial instruments consist of cash, short-term investments, accounts receivable, accounts payable and grants payable. Unless otherwise noted, it is management's opinion that the Foundation is not exposed to significant interest, currency or credit risks arising from these financial instruments. Fair value of these financial instruments are approximated by their carrying values.</p>
Volunteer Services	<p>The Foundation gratefully acknowledges the significant contribution it receives from volunteer services. Such services, although valuable and important, are not recorded in these financial statements because of the difficulty of assigning a particular value to them.</p>

British Columbia Health Research Foundation
Notes to Financial Statements

March 31, 2000

1. Capital Assets

	2000		1999	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture and equipment \$	84,905	\$ 46,076	\$ 38,829	\$ 41,210

2. Deferred Contributions

	2000		1999	
Balance, beginning of year	\$ 150,000	\$ 30,000	-	(30,000)
British Columbia Transplant Society recognized as revenue	-	-	-	-
Ministry of Health contribution conditional on funding Provincial Selfcare/Telecare Project	25,000	-	-	150,000
Ministry of Health recognized as revenue	(155,080)	-	-	-
	\$ 19,920	\$ 150,000		

Deferred contributions are recognized as revenue as conditional expenditures are incurred.

British Columbia Health Research Foundation
Notes to Financial Statements

March 31, 2000

3. Net Assets Restricted for Endowment Purposes

	2000	1999
Moore Endowment	\$ 926,087	\$ 675,602
Lennox Endowment	2,084,479	1,936,106
Biomedical Research Endowment	8,927	\$ 8,022
Rix Family Endowment	10,000	-
	<u>\$ 3,029,493</u>	<u>\$ 2,619,730</u>

Externally restricted endowments are subject to externally imposed restrictions stipulating that these resources be retained and invested and the interest earned be expended for designated research purposes. Contributions and interest earnings are reported on the Statement of Changes in Net Assets.

4. Net Assets Internally Restricted

The British Columbia Health Technology Assessment Endowment was created by the Foundation to fund health technology assessment training and facilitation activities. Expenditures from the fund can not be made without the approval of the Board. Investment earnings are not allocated to this fund.

5. Commitments

(a) Scholarship awards

Scholarship awards are renewable for three additional years, subject to satisfactory annual progress reports and applications for renewal. If all existing scholarships are renewed for their remaining terms, the commitment required to fund them would be \$547,200 (1999 - \$984,960). This funding would be payable from future revenues. Payment of these grants are conditional on the recipients meeting certain criteria and providing required supporting information.

British Columbia Health Research Foundation
Notes to Financial Statements

March 31, 2000

5. Commitments (continued)

(b) Office Space

The Foundation rents office space under a long-term lease, which expires March 31, 2001, the annual rent for which is \$75,363.

(c) Employment Contracts

The Foundation also has employment contracts with terms running to February 2005. Annual expenditure pursuant to these contracts approximates \$85,600.

(d) Canadian Health Services Research Foundation

The Foundation has committed up to \$500,000 per year for three years to fund partnership projects with the Canadian Health Services Research Foundation.

(e) Canadian Institutes of Health Research (CIHR) Facilitation

The Foundation has committed up to \$100,000 to facilitate research-related activities associated with British Columbia's integration into CIHR activities.

6. Comparative Amounts

Certain comparative amounts presented in the financial statements have been restated to conform to the current year's presentation.