

Financial Statements  
(Expressed in thousands of dollars)

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

Years ended March 31, 2004 and 2003



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## 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, 2004 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, 2004 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 10, 2004



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

Statements of Financial Position  
(Expressed in thousands of dollars)

March 31, 2004 and 2003

	2004	2003
<b>Assets</b>		
Current assets:		
Cash	\$ 4,826	\$ 27,020
Short-term investments (note 3)	5,966	5,794
Accounts receivable (note 4)	45,461	22,815
Inventories	4,766	4,495
Prepaid expenses	984	1,217
	62,003	61,341
Capital assets, net (note 5)	117,437	116,962
	\$ 179,440	\$ 178,303

## Liabilities and Net Assets (Deficiency)

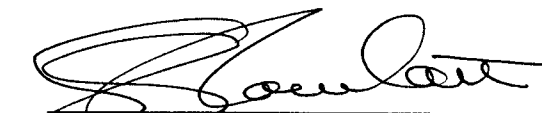
Current liabilities:		
Accounts payable and accrued liabilities (note 6)	\$ 50,261	\$ 51,117
Deferred contributions for designated purposes (note 7)	11,048	9,271
Current portion of obligations under capital leases (note 8)	827	772
	62,136	61,160
Accrued sick and severance liabilities (note 9(a))	20,915	19,810
Obligations under capital leases (note 8)	708	1,535
Deferred capital contributions (note 10)	115,304	113,940
	199,063	196,445
Net assets (deficiency):		
Invested in capital assets (note 11(a))	3,598	6,325
Internally restricted	448	760
Unrestricted	(23,669)	(25,227)
	(19,623)	(18,142)
	\$ 179,440	\$ 178,303

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, 2004 and 2003

	2004	2003
Revenues:		
Contributions:		
Provincial Health Services Authority operating grants	\$ 234,406	\$ 238,572
Ministry of Health Services operating grants	1,771	5,333
Patient/client revenues (note 13)	26,045	26,202
Medical Services Commission	42,323	22,236
Investment income	231	596
Other revenues	20,894	24,115
Contributions for designated purposes	19,410	18,262
	<u>345,080</u>	<u>335,316</u>
Expenses:		
Compensation and benefits	259,480	255,385
Supplies	33,043	32,515
Sundry	9,955	10,198
Equipment and building services	11,106	12,955
Referred-out / contracted services	10,528	7,960
Expenses for designated purposes	19,410	18,262
	<u>343,522</u>	<u>337,275</u>
Excess (deficiency) of revenues over expenses before amounts related to capital assets	1,558	(1,959)
Amounts related to capital assets:		
Amortization of deferred capital contributions	17,550	12,063
Amortization of capital assets	(20,589)	(14,196)
	<u>(3,039)</u>	<u>(2,133)</u>
Excess (deficiency) of revenues over expenses	<u>\$ (1,481)</u>	<u>\$ (4,092)</u>

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, 2004 and 2003

	Invested in capital assets	Internally restricted	Unrestricted	Total	
				2004	2003
Balance, beginning of year	\$ 6,325	\$ 760	\$ (25,227)	\$ (18,142)	\$ (14,050)
Excess (deficiency) of revenues over expenses	(3,039)	–	1,558	(1,481)	(4,092)
Net change in capital assets (note 11(c))	312	(312)	–	–	–
Balance, end of year	\$ 3,598	\$ 448	\$ (23,669)	\$ (19,623)	\$ (18,142)

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, 2004 and 2003

	2004	2003
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenues over expenses	\$ (1,481)	\$ (4,092)
Items not involving cash:		
Amortization of capital assets	20,589	14,196
Amortization of deferred capital contributions	(17,550)	(12,063)
	1,558	(1,959)
Changes in non-cash operating items (note 14)	(20,658)	18,819
	(19,100)	16,860
Investments:		
Purchase of capital assets	(21,064)	(16,380)
Net disposal (purchase) of short-term investments	(172)	287
	(21,236)	(16,093)
Financing:		
Additions to deferred capital contributions	18,914	17,297
Payment of obligations under capital leases	(772)	(749)
	18,142	16,548
Increase (decrease) in cash	(22,194)	17,315
Cash, beginning of year	27,020	9,705
Cash, end of year	\$ 4,826	\$ 27,020

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, 2004 and 2003

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## 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, 2004 and 2003

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## 2. Significant accounting policies (continued):

### (a) Basis of presentation (continued):

These financial statements do not include the assets, liabilities, revenues and expenses of 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 revenues are 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.



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

Notes to Financial Statements  
(Expressed in thousands of dollars)

Years ended March 31, 2004 and 2003

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## 2. Significant accounting policies (continued):

### (d) Inventories:

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

### (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	50 years
Leasehold improvements	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 Branch leases facilities on Oak Street from the Province of British Columbia for \$1. The lease, which was renewed February 12, 1999, is for a period of twenty years. 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. Actuarial gains and losses that exceed 10% of the benefit obligation are amortized over the average remaining service period of active covered employees.

Required contributions to multiemployer defined benefit plans 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, 2004 and 2003

### 3. Short-term investments:

The carrying value of the short term investments is \$5,966 (2003 - \$5,794), which approximates the market value.

### 4. Accounts receivable:

	2004	2003
Provincial Health Services Authority	\$ 11,016	\$ 7,100
BC Health Authorities	26	395
Ministry of Health Services	1,183	439
Medical Services Commission	20,008	3,730
Medical Services Plan	1,424	1,761
Foundations (note 15(a))	3,137	2,307
Other PHSA branches	-	404
Other	11,662	10,348
	48,456	26,484
Allowance for doubtful accounts	(2,995)	(3,669)
	\$ 45,461	\$ 22,815

### 5. Capital assets:

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

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

Notes to Financial Statements  
(Expressed in thousands of dollars)

Years ended March 31, 2004 and 2003

## 5. Capital assets (continued):

2003	Cost	Accumulated amortization	Net book value
Land	\$ 1,278	\$ -	\$ 1,278
Buildings	61,880	7,936	53,944
Leasehold improvements	47,202	25,806	21,396
Equipment	107,909	77,125	30,784
Equipment under capital leases	3,829	1,915	1,914
Construction-in-progress	7,646	-	7,646
	<b>\$ 229,744</b>	<b>\$ 112,782</b>	<b>\$ 116,962</b>

## 6. Accounts payable and accrued liabilities:

	2004	2003
Trade accounts payable and accrued liabilities	\$ 18,095	\$ 14,812
Accrued salaries and benefits payable	20,139	22,219
Accrued vacation payable	10,958	12,590
Current portion of accrued sick and severance liabilities	1,069	1,496
	<b>\$ 50,261</b>	<b>\$ 51,117</b>

## 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.

	2004	2003
Balance, beginning of year	\$ 9,271	\$ 7,765
Amount received for designated purposes	21,187	17,530
Transfer from deferred capital contributions	-	2,238
Amount recognized as revenue	(19,410)	(18,262)
Balance, end of year	<b>\$ 11,048</b>	<b>\$ 9,271</b>

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

Notes to Financial Statements  
(Expressed in thousands of dollars)

Years ended March 31, 2004 and 2003

## 8. Obligations under capital leases:

The Branch leases equipment over terms which expire between fiscal years 2005 and 2007. The following is a schedule of minimum lease payments under fixed rate capital leases, together with the balance of the obligations.

Year ending March 31,		
2004	\$ -	\$ 895
2005	900	900
2006	487	487
2007	251	251
Total minimum lease payments	1,638	2,533
Amount representing interest at an average rate of 6.9% (2003-6.9%)	(103)	(226)
Present value of capital lease payments	1,535	2,307
Current portion of obligations under capital leases	827	772
Long-term portion of obligations under capital leases	\$ 708	\$ 1,535

## 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.

Information about employee sick and severance benefits is as follows:

	2004	2003
Accrued benefit obligation:		
Sick leave benefits	\$ 6,233	\$ 7,559
Severance benefits	9,943	12,290
Total unfunded obligation	\$ 16,176	\$ 19,849
Accrued sick and severance liabilities	\$ 21,984	\$ 21,306
Sick and severance plan expense	\$ 2,551	\$ 2,466
Benefits paid	1,873	1,046

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

Notes to Financial Statements  
(Expressed in thousands of dollars)

Years ended March 31, 2004 and 2003

## 9. Employee benefits (continued):

### (a) Employee sick and severance benefits (continued):

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

	2004	2003
Discount rate	5.75%	6.25%
Rate of compensation increase	3.9%	5.2%

Compensation levels are assumed to increase by 0.7% per year for the next three years and by 3.9% per year thereafter.

### (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 \$6,424 (2003 - \$6,259) 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 September 30, 2003 indicated an unfunded actuarial liability of \$5,649. The PHSA plan covers approximately 3,000 active employees of which approximately 1,700 are employees of the Branch.

The group life insurance, 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 September 30, 2003 indicated a surplus of \$32. The plan covers approximately 79,000 active employees of which approximately 2,300 are employees of 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, 2004 and 2003

## 9. Employee benefits (continued):

### (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 \$8,891 (2003 - \$9,927) were expensed during the year. The most recent actuarial valuation for the plan at December 31, 2000 indicated a surplus of \$436,000. The plan covers approximately 127,000 active employees of which approximately 3,400 are employees of the Branch.

## 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.

	2004	2003
Deferred capital contributions, beginning of year	\$ 113,940	\$ 110,944
Additional contributions received:		
Provincial Health Services Authority	10,389	6,260
Foundations (note 15(a))	5,020	8,351
Other	3,505	2,686
Transfer to deferred contributions for designated purposes	-	(2,238)
Amount amortized to revenue	(17,550)	(12,063)
Deferred capital contributions, end of year	\$ 115,304	\$ 113,940

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

	2004	2003
Unamortized deferred capital contributions used to purchase capital assets	\$ 112,304	\$ 108,330
Unspent contributions	3,000	5,610
	\$ 115,304	\$ 113,940

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

Notes to Financial Statements  
(Expressed in thousands of dollars)

Years ended March 31, 2004 and 2003

## 11. Invested in capital assets:

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

	2004	2003
Capital assets	\$ 117,437	\$ 116,962
Amounts financed by:		
Deferred capital contributions	(112,304)	(108,330)
Obligations under capital leases	(1,535)	(2,307)
	\$ 3,598	\$ 6,325

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

	2004	2003
Amortization of deferred capital contributions	\$ 17,550	\$ 12,063
Amortization of capital assets	(20,589)	(14,196)
	\$ (3,039)	\$ (2,133)

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

	2004	2003
Purchase of capital assets	\$ 21,064	\$ 16,380
Amount funded by deferred capital contributions	(21,524)	(14,092)
Payment of obligations under capital leases	772	749
	\$ 312	\$ 3,037

## 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:

2005	\$	199
2006		179
2007		135
2008		38
2009		6
	\$	557

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

Notes to Financial Statements  
(Expressed in thousands of dollars)

Years ended March 31, 2004 and 2003

## 12. Commitments and contingencies (continued):

### (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, 2004, 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 revenues:

	2004	2003
Patient / client revenues consist of:		
Medical Services Plan	\$ 18,101	\$ 18,668
Other Provincial Government	2,002	2,098
Non-residents of British Columbia	3,502	2,061
Non-residents of Canada	706	1,251
Residents of British Columbia - Self Pays	1,264	1,187
Other	470	937
	<b>\$ 26,045</b>	<b>\$ 26,202</b>

## 14. Supplementary information:

	2004	2003
Changes in non-cash operating items:		
Accounts receivable	\$ (22,646)	\$ 21,549
Inventories and prepaid expenses	(38)	(308)
Accounts payable and accrued liabilities	(856)	(2,987)
Deferred contributions for designated purposes	1,777	(732)
Accrued sick and severance liabilities	1,105	1,297
	<b>\$ (20,658)</b>	<b>\$ 18,819</b>



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

Notes to Financial Statements  
(Expressed in thousands of dollars)

Years ended March 31, 2004 and 2003

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## 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, 2004, the Foundations held net assets of \$80,324 (2003 - \$75,597) to be used for research, patient care, education and capital expenditures at the Branch. During the year, the Foundations granted \$27,047 (2003 - \$22,996) to the Branch to fund such expenditures.

In addition to the net assets held by the Foundations at March 31, 2004 were \$20,130 (2003 - \$17,912) of funds which the Foundations have reflected as donations to the Branch for the year ended March 31, 2004, 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, 2004, the Auxiliaries held net assets of approximately \$542 (2003 - \$573) 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, 2004 and 2003

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## **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:

- (a) For the year ended March 31, 2004, revenues include \$1,737 (2003 - \$1,685) resulting from transactions with other PHSA members.
- (b) At March 31, 2004, accounts receivable include nil (2003 - \$404) resulting from transactions with other PHSA members.

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

## **17. Subsequent event:**

The Branch operates facilities on Oak Street in Vancouver, B.C. On April 22, 2004, the Province of British Columbia granted to the Branch the land and premises situated at this location. 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 will be 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 and have not been included in these financial statements will be recorded in capital assets and deferred capital contributions at the estimated fair value of such premises.