

**BRITISH COLUMBIA HEALTH RESEARCH
FOUNDATION**
FINANCIAL STATEMENTS - UNAUDITED
For the period ended October 17, 2002

British Columbia Health Research Foundation
Financial Statements
For the period ended October 17, 2002
(Unaudited – Prepared by Management)

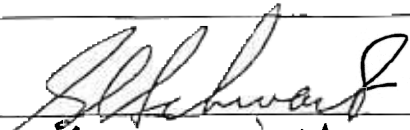
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British Columbia Health Research Foundation
Statement of Financial Position

(Unaudited – Prepared by management)

| | Period Ended October 17 2002 | Year Ended March 31 2002 |
|---|------------------------------------|--------------------------------|
| ASSETS | | |
| Current | | |
| Cash | \$ | \$ 297,500 |
| Short term investments | | 3,989,974 |
| | <u>\$</u> | <u>- \$ 4,287,474</u> |
| LIABILITIES AND NET ASSETS | | |
| Liabilities | | |
| Current | | |
| Accounts payable | \$ | \$ 16,000 |
| Grants payable | | 58,389 |
| Deferred contributions | | 172,967 |
| | | <u>- 247,356</u> |
| Net assets | | |
| Share capital | | |
| Authorized and issued 1 share with a par value of \$100 | | 100 |
| Net assets restricted for Endowment purposes | | 3,775,740 |
| Net assets internally restricted for health technology assessment purpose | | 260,345 |
| Unrestricted net assets | | <u>- 3,933</u> |
| | | <u>- 4,040,118</u> |
| | <u>\$</u> | <u>- \$ 4,287,474</u> |

Approved on behalf of the Board:


 V.P. Finance & Administration
 Michael Smith Foundation for Health Research

The accompanying notes form an integral part of these financial statements

British Columbia Health Research Foundation
Statement of Operations

(Unaudited – Prepared by Management)

| | Period Ended October 17 2002 | Year Ended March 31 2002 |
|--|------------------------------------|--------------------------------|
| Revenue | | |
| Contributions: | | |
| Ministry of Health and Ministry Responsible for Seniors | \$ - | \$ - |
| Other Contributions | - | 20 |
| Investment earnings | 6,188 | 35,181 |
| | 6,188 | 35,201 |
| Expenditures | | |
| Institutional Program | | |
| Operating and equipment grants / (recovery) | (15,746) | (65,273) |
| Scholarships | - | 65,000 |
| Studentships / (recovery) | (415) | (15,645) |
| Operations | - | 28,767 |
| CHSRF Open Grants Partnership | - | 93,556 |
| Administration | 11,540 | 24,647 |
| Loss on sale and disposal of capital assets | - | 19,862 |
| Contribution to Michael Smith Foundation for Health Research | 14,742 | 19,862 |
| | 10,121 | 150,914 |
| Revenue over (under) expenditures for the year | \$ (3,933) | \$ (115,713) |

The accompanying notes form an integral part of these financial statements

British Columbia Health Research Foundation
Statement of Changes in Net Assets
For the period ended October 17, 2002

(Unaudited – Prepared by Management)

| | Restricted for Endowment Purposes | Restricted for Health Technology Assessment Purposes | Unrestricted | Period Ended October 17, 2002 | Year Ended March 31, 2002 |
|---|---|--|--------------|-------------------------------------|---------------------------------|
| Beginning of year | \$ 3,775,740 | \$ 260,345 | \$ 3,933 | \$ 4,040,018 | \$ 4,107,434 |
| Revenue over (under) expenses | | | (3,933) | (3,933) | (115,713) |
| Endowment contributions | | | | | 171 |
| Endowment distributions | (55,000) | | | (55,000) | (55,000) |
| Endowment earnings (net of fees) | 32,112 | | | 32,112 | 103,126 |
| Loss on sale of investments | (337,890) | | | (337,890) | |
| Transfer to Michael Smith Foundation for Health Research | (3,414,962) | (260,345) | - | (3,675,307) | - |
| Balance, end of year | \$ - | \$ - | \$ - | \$ - | \$ 4,040,018 |

The accompanying notes form an integral part of these financial statements

British Columbia Health Research Foundation
Statement of Cash Flows

(Unaudited – Prepared by Management)

| | Period Ended October 17 2002 | Year Ended March 31 2002 |
|--|------------------------------------|--------------------------------|
| Cash provided by (used in) | | |
| Operating activities | | |
| Revenue under expenses for the year | \$ (3,933) | \$ (115,713) |
| Items not utilizing cash: | | |
| Loss on disposal of capital assets | | 19,862 |
| | <u>(3,933)</u> | <u>(95,851)</u> |
| Changes in non-cash working capital balance | | |
| Accounts receivable | | 7,731 |
| Prepaid expenses | - | 93,556 |
| Accounts payable | (16,000) | 147 |
| Grants payable | (58,389) | (1,170,519) |
| Deferred contributions | (172,967) | - |
| Funds held for the Coalition for Health Research | - | (59,168) |
| | <u>(251,289)</u> | <u>(1,224,104)</u> |
| Investing activity | | |
| Write off of share capital | (100) | - |
| Proceeds on sale of capital assets | - | 11,201 |
| Decrease in investments | 3,989,974 | 1,427,996 |
| Loss on sale of investments | (337,890) | - |
| Transfer of endowment funds | (3,675,307) | 171 |
| Endowment grants | (55,000) | (55,000) |
| Investment earnings in endowment fund | 32,112 | 103,126 |
| | <u>(46,211)</u> | <u>1,487,494</u> |
| (Decrease) Increase in cash during the year | (297,500) | 263,390 |
| Cash, beginning of year | <u>297,500</u> | <u>34,110</u> |
| Cash, end of year | \$ - | \$ 297,500 |

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British Columbia Health Research Foundation
Notes to Financial Statements
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Nature of Business 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.

Repeal of the Health Research Foundation Act By a British Columbia Order in Council – Deregulation Statutes Amendment Act (No. 2) 2002 which was approved on July 11, 2002, the Health Research Foundation Act was repealed and “the Foundation” was dissolved. All of the rights, property and assets were transferred to the Michael Smith Foundation for Health Research and the obligations and liabilities were also assumed by them.

Transfer of Assets and liabilities On October 17, 2002, all of the assets and liabilities of “the Foundation” were transferred to the Michael Smith Foundation for Health Research. A listing of those assets and liabilities is as follows:

ASSETS

| | |
|------------------------|------------|
| Cash | \$ 614,646 |
| Short term investments | 3,309,989 |

\$ 3,924,635

LIABILITIES AND NET ASSETS

| | |
|-------------------------------|-----------|
| Accrued liabilities | \$ 17,987 |
| Grants payable | 58,374 |
| Deferred contributions | 172,967 |
| Endowment funds – (see below) | 3,675,307 |

\$ 3,924,635

Endowment Funds comprise of

| | |
|--------------------------------------|---------------------|
| Moore Endowment | \$ 1,402,685 |
| Lenox Endowment | 1,907,304 |
| Biomedical Research Endowment | 9,962 |
| Rix Family Endowment | 11,304 |
| BC Health Technology Assessment Fund | 260,345 |
| Riverview Hospital Endowment | 83,707 |
| | <hr/> |
| | \$ 3,675,307 |