

Financial Statements  
(Expressed in thousands of dollars)

**FORENSIC PSYCHIATRIC  
SERVICES COMMISSION**

Year ended March 31, 2009



**KPMG LLP**  
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## AUDITORS' REPORT

To the Board of Commissioners of Forensic Psychiatric Services Commission

We have audited the statement of financial position of Forensic Psychiatric Services Commission as at March 31, 2009 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 Commission'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 Commission as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. A horizontal line is drawn underneath the signature, extending from the left side of the 'K' towards the right.

Chartered Accountants

Vancouver, Canada

May 1, 2009

# FORENSIC PSYCHIATRIC SERVICES COMMISSION

Statement of Financial Position  
(Expressed in thousands of dollars)

March 31, 2009, with comparative figures for 2008

	2009	2008
<b>Assets</b>		
Current assets:		
Cash	\$ 559	\$ 335
Restricted cash	83	112
Accounts receivable (note 3)	14,002	13,164
Inventories (note 4)	91	102
	<u>14,735</u>	<u>13,713</u>
Capital assets (note 5)	2,835	1,983
	<u>\$ 17,570</u>	<u>\$ 15,696</u>

## Liabilities and Net Assets

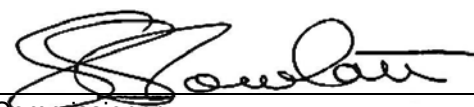
Current liabilities:		
Accounts payable and accrued liabilities (note 6)	\$ 5,647	\$ 5,181
Current portion of obligations under capital leases (note 7)	37	37
Current portion of retirement allowance (note 8(a))	104	127
	<u>5,788</u>	<u>5,345</u>
Long-term obligations under capital leases (note 7)	124	161
Retirement allowance (note 8(a))	1,310	1,350
Asset retirement obligations (note 11(c))	316	392
Deferred capital contributions (note 9)	2,409	1,190
	<u>9,947</u>	<u>8,438</u>
Net assets:		
Invested in capital assets (note 10(a))	265	595
Unrestricted	7,358	6,663
	<u>7,623</u>	<u>7,258</u>
	<u>\$ 17,570</u>	<u>\$ 15,696</u>

Commitments and contingencies (note 11)

See accompanying notes to financial statements.

Approved on behalf of the Board:

  
\_\_\_\_\_  
Commissioner

  
\_\_\_\_\_  
Commissioner

# FORENSIC PSYCHIATRIC SERVICES COMMISSION

Statement of Operations  
(Expressed in thousands of dollars)

Year ended March 31, 2009, with comparative figures for 2008

	2009	2008
<b>Revenues:</b>		
Provincial Health Services Authority contributions	\$ 48,500	\$ 47,595
Medical Services Plan	4,978	5,180
Other contributions (note 12)	78	-
Amortization of deferred capital contributions	251	180
Other (note 13)	127	320
Patients, clients and residents	5	5
	<u>53,939</u>	<u>53,280</u>
<b>Expenses:</b>		
Compensation and benefits	38,803	37,699
Referred-out and contracted services (note 14)	4,906	4,946
Supplies (note 15)	2,214	2,167
Amortization of capital assets	394	341
Equipment and building services	5,735	6,330
Sundry (note 16)	1,501	1,427
Accretion of asset retirement obligations (note 11(c))	21	19
	<u>53,574</u>	<u>52,929</u>
<b>Excess of revenues over expenses</b>	<b>\$ 365</b>	<b>\$ 351</b>

See accompanying notes to financial statements.

# FORENSIC PSYCHIATRIC SERVICES COMMISSION

Statement of Changes in Net Assets  
(Expressed in thousands of dollars)

Year ended March 31, 2009, with comparative figures for 2008

	Invested in capital assets	Unrestricted	Total	
			2009	2008
Balance, beginning of year	\$ 595	\$ 6,663	\$ 7,258	\$ 6,907
Excess (deficiency) of revenues over expenses	(143)	508	365	351
Net change in capital assets (note 10(c))	(187)	187	-	-
Balance, end of year	\$ 265	\$ 7,358	\$ 7,623	\$ 7,258

See accompanying notes to financial statements.

# FORENSIC PSYCHIATRIC SERVICES COMMISSION

## Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended March 31, 2009, with comparative figures for 2008

	2009	2008
Cash flows from operating activities:		
Excess of revenues over expenses	\$ 365	\$ 351
Items not involving cash:		
Amortization of capital assets	394	341
Amortization of deferred capital contributions	(251)	(180)
Net change in non-cash operating items (note 17(a))	(395)	(215)
	113	297
Cash flows from investing activities:		
Purchase of capital assets (note 10(c))	(1,246)	(460)
Cash flows from financing activities:		
Capital contributions	1,470	200
Additions to capital leases	-	79
Repayment of capital leases (note 7)	(37)	(36)
Additions (reductions) to asset retirement obligations (note 11(c))	(76)	74
	1,357	317
Increase in cash	224	154
Cash, beginning of year	335	181
Cash, end of year	\$ 559	\$ 335

See accompanying notes to financial statements.

# FORENSIC PSYCHIATRIC SERVICES COMMISSION

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2009

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The Forensic Psychiatric Services Commission (the Commission) was established as a Crown Corporation in November 1998 under the Order of the Lieutenant Governor in Council No. 1424. Pursuant to a transfer agreement, the Commission assumed budget and staff resources from the Ministry of Health Services on April 1, 1999.

The Commission is a member of the Provincial Health Services Authority (PHSA or the Authority) which was created under the *Societies 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 Commission is dependent on the Ministry of Health to provide sufficient funds to continue operations, replace essential equipment and complete its capital projects. The Commission 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 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;
- Children's & Women's Health Centre of British Columbia Branch;
- Women's Health Research Institute Society;
- Mental Health and Addictions Research Institute; and
- Cardiac Services British Columbia.

Effective December 31, 2001, the above noted branch societies except for the Women's Health and Research Institute and the Mental Health and Addictions Research Institute were amalgamated with, and continue the operations of, their respective former societies under bylaws and constitutions consistent with the PHSA. The amalgamated Commission is considered a continuation of the former Commission for financial reporting purposes.

The Commission operates the Forensic Psychiatric Hospital and six community forensic psychiatric services clinics. The Commission conducts fitness assessments of individuals appearing before the courts and provides treatment to those found not guilty by reason of mental disorder.

## 1. Significant accounting policies:

### (a) Basis of presentation:

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

# FORENSIC PSYCHIATRIC SERVICES COMMISSION

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2009

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## 1. Significant accounting policies (continued):

### (b) Revenue recognition:

The Commission follows the deferral method of accounting for contributions which include donations and government contributions.

Under the *Health Insurance Act and Regulations* thereto, the Commission 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:

Volunteers contribute a significant amount of time each year to assist the Commission in carrying out its programs and services. Because of the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

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:

Inventories are recorded at the lower of weighted average cost and replacement cost.

### (e) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. The Commission records depreciation on its assets on a straight-line basis over the useful life of the assets as follows:

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Land improvements	20 years
Leasehold improvements	Lease term to a maximum of 20 years
Equipment	3 - 20 years
Software licence fees	3 - 5 years
Assets under capital lease	5 - 7 years

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# FORENSIC PSYCHIATRIC SERVICES COMMISSION

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2009

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## 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 (2008 - 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 Commission 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.

# FORENSIC PSYCHIATRIC SERVICES COMMISSION

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2009

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## 1. Significant accounting policies (continued):

### (i) Financial instruments:

The Commission has designated all non-derivative financial assets and liabilities as held for trading with the exception of certain obligations designated as other liabilities and receivables which are designated as held to maturity.

- The Commission initially records all non-derivative financial assets and liabilities at fair value.
- Assets and liabilities classified as held for trading are measured at fair value and changes in fair value are recognized in the statement of operations.
- Receivables are measured at amortized cost using the effective interest rate method.
- Other liabilities which include the Commission's accrued retirement allowance liabilities and obligations under capital leases are recorded at amortized cost.
- All transaction costs incurred on receivables and other liabilities are incorporated in the fair value of the instrument and are amortized to operations using the effective interest rate method.

Assets and liabilities classified as available for sale are measured at fair value and changes in fair value are recorded in the statement of changes in net assets until the financial instruments are re-recognized or other than temporarily impaired at which time the amounts are recorded in the statement of operations. The Commission has not classified any assets or liabilities as available for sale.

The standards require derivative instruments to be recorded as either assets or liabilities measured at their fair value unless exempted from derivative treatment as normal purchase and sale. Certain derivatives embedded in other contracts must also be measured at fair value. All changes in the fair value of derivatives are recognized as earnings unless specific hedge criteria are met, which require that an entity must formally document, designate and assess the effectiveness of transaction that received hedge accounting.

# FORENSIC PSYCHIATRIC SERVICES COMMISSION

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2009

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## 1. Significant accounting policies (continued):

### (j) New accounting pronouncements:

#### (i) Inventories:

Effective April 1, 2008, the Commission adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3031, *Inventories*. Under this new standard, inventories are required to be measured at the lower of cost and current replacement cost. The standard also provides more extensive guidance on the measurement and disclosure requirements for inventories; significantly, the new standard allows the reversals of previous write-downs to the net realizable value when there is a subsequent increase in the value of inventories.

The adoption of this new standard resulted in no impact to opening balances at April 1, 2008.

#### (ii) Assessing going concern:

Effective April 1, 2008, the Commission implemented Handbook Section 1400, *General Standards of Financial Statement Presentation*, which includes requirements for management to assess and disclose an entity's ability to continue as a going concern. Management has made its assessment and concluded there is no issue regarding the Commission's ability to continue as a going concern based on the assumption that the current funding levels are maintained and any committed additional future funding is received. If there are significant declines in funding, expenditures will be adjusted to match committed funding.

#### (iii) Capital disclosures:

Effective April 1, 2008, the Commission adopted Handbook Section 1535, *Capital Disclosures*. Under this new standard, the Commission is required to disclose both qualitative and quantitative information that enables users of the financial statements to evaluate the Commission's objectives, policies, and processes for managing capital. It also includes disclosure regarding what the Commission regards as capital, whether the Commission has complied with any external requirements and in the event of non-compliance, the consequences of not complying with these capital requirements (note 19).

# FORENSIC PSYCHIATRIC SERVICES COMMISSION

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2009

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## 1. Significant accounting policies (continued):

### (k) Future accounting pronouncements:

#### (i) Financial instruments:

During the Commission's 2009 fiscal year, the CICA announced that not-for-profit organizations could elect to continue to apply Handbook Section 3861, *Financial Instruments – Disclosure and Presentation* in place of Handbook Sections 3862, *Financial Instruments – Disclosure* and 3863, *Financial Instruments – Presentation*. Sections 3862 and 3863 place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how an entity manages those risks. The Commission has elected to continue to apply the financial instrument disclosure and presentation standards in accordance with Section 3861.

#### (ii) Revisions to Not-for-Profit accounting standards:

In September 2008, the CICA issued amendments to Handbook Sections 4400, *Financial Statement Presentation by Not-for-Profit Organizations* and 4470, *Disclosure of Allocated Expenses by Not-for-Profit Organizations*. The amendments are effective for the Commission's fiscal year commencing April 1, 2009 and remove the requirement to disclose net assets invested in capital assets, clarify capital asset recognition criteria and amortization, expand interim financial statement requirements to not-for-profit organizations that prepare interim financial statements, require disclosure of allocated fundraising and general support expenses by not-for-profit organizations, and include the requirement to follow Handbook Section 1540, *Cash Flow Statements*. The Commission does not believe it will have a material impact on its financial statements.

#### (iii) Changes in accounting framework:

The CICA has decided to transition Canadian GAAP for publicly accountable entities to International Financial Reporting Standards (IFRS) effective January 1, 2011. The Commission is classified as a not-for-profit organization and currently is not required to adopt IFRS. The Accounting Standards Board (AcSB) and Public Sector Accounting Board (PSAB) have jointly issued an Invitation to Comment to invite feedback on the future of financial reporting by not-for-profit organizations. In addition, PSAB has issued an Invitation to comment on the future financial reporting of government organizations. The Commission is in the process of reviewing the impact of these documents on its reporting framework and financial statements.

# FORENSIC PSYCHIATRIC SERVICES COMMISSION

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2009

## 2. Financial instruments:

The Commission's financial instruments include cash, restricted cash, accounts receivable, accounts payable and accrued liabilities, accrued retirement allowance liabilities, and obligations under capital leases. It is management's opinion that the Commission 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 8(a).

## 3. Accounts receivable:

	2009	2008
Provincial Health Services Authority	\$ 13,221	\$ 12,512
Ministry of Health	722	624
Other	59	28
	<u>\$ 14,002</u>	<u>\$ 13,164</u>

## 4. Inventories:

The Commission's inventories of \$91 (2008 - \$102) are recorded at the lower of weighted average cost and replacement cost and consist of medical and surgical supplies. During the year, \$1,507 (2008 - \$1,041) of inventories were expensed by the Commission.

## 5. Capital assets:

<b>2009</b>	Cost	Accumulated depreciation	Net book value
Land improvements	\$ 43	\$ 17	\$ 26
Buildings	16	-	16
Building service equipment	938	30	908
Construction in progress	37	-	37
Leasehold improvements	2,124	1,217	907
Equipment	3,053	2,271	782
Equipment under capital lease	235	76	159
Software licence fees	30	30	-
	<u>\$ 6,476</u>	<u>\$ 3,641</u>	<u>\$ 2,835</u>

# FORENSIC PSYCHIATRIC SERVICES COMMISSION

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2009

## 5. Capital assets (continued):

2008	Cost	Accumulated depreciation	Net book value
Land improvements	\$ 43	\$ 9	\$ 34
Building service equipment	25	1	24
Construction in progress	130	-	130
Leasehold improvements	2,221	1,027	1,194
Equipment	2,546	2,141	405
Equipment under capital lease	235	39	196
Software licence fees	30	30	-
	<u>\$ 5,230</u>	<u>\$ 3,247</u>	<u>\$ 1,983</u>

## 6. Accounts payable and accrued liabilities:

	2009	2008
Trade accounts payable and accrued liabilities	\$ 2,100	\$ 1,696
Salaries and benefits payable	1,985	2,029
Accrued vacation pay	1,479	1,344
Patient trust funds	83	112
	<u>\$ 5,647</u>	<u>\$ 5,181</u>

## 7. Obligations under capital leases:

The Commission leases equipment over terms which expire between fiscal years 2013 and 2014. The following is a schedule of minimum lease payments under fixed rate capital leases, together with the balance of the obligations.

2010	\$ 40
2011	40
2012	39
2013	38
2014	15
Total minimum lease payments	172
Amount representing interest at a weighted average rate of 3.33%	(11)
Present value of capital lease payments	161
Current portion of obligations under capital leases	37
Long-term portion of obligations under capital leases	<u>\$ 124</u>

# FORENSIC PSYCHIATRIC SERVICES COMMISSION

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2009

## 8. Employee benefits:

### (a) Retirement allowance:

Certain employees with ten or more 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 Commission'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:

	2009	2008
Accrued benefit obligation:		
Sick leave benefits	\$ 5	\$ 9
Severance benefits	923	1,128
Total unfunded obligation	928	1,137
Balance of unamortized amounts	486	340
Accrued retirement allowance benefits	1,414	1,477
Less current portion	104	127
Long-term portion	\$ 1,310	\$ 1,350
Retirement allowance expense	\$ 102	\$ 105
Benefits paid	165	153

The significant actuarial assumptions adopted in measuring the Commission's retirement allowance liabilities are as follows:

	2009	2008
Accrued benefit obligation as at March 31:		
Discount rate	7.25%	5.50%
Rate of compensation increase	2.50%	3.25%
Benefit costs for years ended March 31:		
Discount rate	5.50%	5.50%
Rate of compensation increase	2.50%	3.25%

# FORENSIC PSYCHIATRIC SERVICES COMMISSION

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2009

## 8. Employee benefits (continued):

### (b) Employee pension benefits:

The Commission and its employees contribute to the Public Service Pension Plan, a multi-employer defined benefit pension plan governed by the *BC Public Sector Pension Plans Act*.

Employer contributions to the Public Service Pension Plan of \$2,143 (2008 - \$2,013) 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, 2008 indicated an actuarial surplus of \$487,000. The actuary does not attribute portions of the surplus to individual employers. The plan covers approximately 55,000 active members of which approximately 488 are employees of the Commission. The next valuation will be as at March 31, 2011 with results available in early 2012.

## 9. 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.

	2009	2008
Deferred capital contributions, beginning of year	\$ 1,190	\$ 1,170
Provincial Health Services Authority	1,470	200
	2,660	1,370
Less amortization for the year	(251)	(180)
Deferred capital contributions, end of year	\$ 2,409	\$ 1,190

## 10. Invested in capital assets:

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

	2009	2008
Capital assets	\$ 2,835	\$ 1,983
Amounts financed by:		
Deferred capital contributions	(2,409)	(1,190)
Obligations under capital leases	(161)	(198)
	\$ 265	\$ 595



# FORENSIC PSYCHIATRIC SERVICES COMMISSION

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2009

## 10. Invested in capital assets (continued):

(b) Deficiency of revenues over expenses:

	2009	2008
Amortization of deferred capital contributions	\$ 251	\$ 180
Amortization of capital assets	(394)	(341)
	\$ (143)	\$ (161)

(c) Transfer to invested in capital assets:

	2009	2008
Purchase of capital assets	\$ 1,343	\$ 404
Asset retirement obligation (note 11(c))	(97)	56
Amounts funded by:		
Deferred capital contributions	(1,470)	(200)
Capital leases	-	(79)
Principal payments of obligations under capital leases	37	36
	\$ (187)	\$ 217

## 11. Commitments and contingencies:

(a) Operating leases:

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

2010	\$ 1,851
2011	424
2012	379
2013	257
2014	117
	\$ 3,028

The Commission 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 \$1,823 for lease payments to ARES for the year ending March 31, 2010.

# FORENSIC PSYCHIATRIC SERVICES COMMISSION

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2009

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## 11. Commitments and contingencies (continued):

(b) Litigation and claims:

The nature of the Commission's activities is such that there will be litigation pending or in progress at any time. With respect to claims at March 31, 2009, 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 Commission'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 Commission has accrued asset retirement obligations of \$316 (2008 - \$392) 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 \$451 (2008 - \$516) over the respective lease terms at a credit-adjusted risk free rate of 5.26% (2008 - 5.26%) for existing obligations and 4.90% for new obligations in 2009 (2008 - 5.26%). The asset retirement obligations have been capitalized as part of capital assets and will be amortized over the respective premise lease terms.

## 12. Other contributions:

	2009	2008
Other Ministries	\$ 78	\$ -

## 13. Other revenues:

	2009	2008
Recoveries from other Health Authorities and government reporting entities	\$ 10	\$ 36
Recoveries from sales of goods and services	117	133
Other	-	151
	\$ 127	\$ 320

# FORENSIC PSYCHIATRIC SERVICES COMMISSION

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2009

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## 14. Referred out and contracted services:

	2009	2008
Private contractors	\$ 4,906	\$ 4,946

## 15. Supplies:

	2009	2008
Drugs and medical gases	\$ 1,091	\$ 905
Food and dietary	665	758
Medical and surgical	34	53
Diagnostic	32	46
Printing, stationery and office	134	158
Housekeeping	11	9
Laundry and linen	37	33
Other	210	205
	\$ 2,214	\$ 2,167

## 16. Sundry:

	2009	2008
Communication and data processing	\$ 7	\$ 32
Travel	571	524
Professional fees	479	471
Other	444	400
	\$ 1,501	\$ 1,427

# FORENSIC PSYCHIATRIC SERVICES COMMISSION

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2009

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## 17. Statement of cash flows:

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

	2009	2008
Changes to non-cash operating items:		
Restricted cash	\$ 29	\$ (18)
Accounts receivable	(838)	(1,058)
Inventories	11	(19)
Accounts payable and accrued liabilities	466	928
Retirement allowance	(63)	(48)
	\$ (395)	\$ (215)

(b) Interest:

	2009	2008
Cash paid for interest on capital leases	\$ 6	\$ 12

## 18. Related party transactions:

Certain administrative, finance and accounting, and human resource services are provided to the Commission by PHSA without charge. The costs of these services have not been recorded in the financial statements of the Commission.

During the year, the Commission was involved in the following related party transactions with other PHSA members:

For the year ended March 31, 2009, expenses include \$191 (2008 - \$457) resulting from transactions with other PHSA members.

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

# FORENSIC PSYCHIATRIC SERVICES COMMISSION

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2009

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## **19. Capital management:**

The Commission receives its principal source of capital through funding received from the Ministry of Health. The Commission defines capital to be net assets.

The Commission's objective when managing capital is to fund its operations and capital asset additions, and to conduct research in the field of health care. The Commission manages the capital structure in conjunction with the Ministry of Health and makes adjustments based on available government funding and economic conditions. Currently, the Commission's strategy is to monitor expenditures to preserve capital in accordance with budgeted funding granted by the Ministry of Health.

The Commission is not subject to debt covenants or any other capital requirements with respect to operating funding. Funding received for designated purposes must be used for the purpose outlined in the funding letter. The Commission has complied with the external restrictions on the funding provided.