

Financial Statements
(Expressed in thousands of dollars)

**FORENSIC PSYCHIATRIC
SERVICES COMMISSION**

Year ended March 31, 2010



KPMG LLP
Chartered Accountants
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada

Telephone (604) 691-3000
Fax (604) 691-3031
Internet www.kpmg.ca

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, 2010 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, 2010 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 period.

Chartered Accountants

Vancouver, Canada

April 30, 2010

FORENSIC PSYCHIATRIC SERVICES COMMISSION

Statement of Financial Position
(Expressed in thousands of dollars)

March 31, 2010, with comparative figures for 2009

	2010	2009
Assets		
Current assets:		
Cash	\$ 168	\$ 559
Restricted cash	83	83
Accounts receivable (note 3)	17,397	14,002
Inventories (note 4)	83	91
	17,731	14,735
Capital assets (note 5)	3,290	2,835
	\$ 21,021	\$ 17,570


Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 6)	\$ 8,005	\$ 5,647
Current portion of obligations under capital leases (note 7)	33	37
Current portion of retirement allowance (note 8(a))	236	104
	8,274	5,788
Long-term obligations under capital leases (note 7)	75	124
Retirement allowance (note 8(a))	1,116	1,310
Asset retirement obligations (note 11(c))	350	316
Deferred capital contributions (note 9)	2,937	2,409
	12,752	9,947
Net assets:		
Invested in capital assets (note 10(a))	245	265
Unrestricted	8,024	7,358
	8,269	7,623
	\$ 21,021	\$ 17,570

Commitments and contingencies (note 11)

See accompanying notes to financial statements.

Approved on behalf of the Commission:


Commissioner


Commissioner

FORENSIC PSYCHIATRIC SERVICES COMMISSION

Statement of Operations

(Expressed in thousands of dollars)

Year ended March 31, 2010, with comparative figures for 2009

	2010	2009
Revenues:		
Provincial Health Services Authority contributions	\$ 49,870	\$ 48,500
Medical Services Plan	4,831	4,978
Other contributions (note 12)	562	78
Amortization of deferred capital contributions	550	251
Other (note 13)	316	127
Patients, clients and residents	-	5
	<u>56,129</u>	<u>53,939</u>
Expenses:		
Compensation and benefits	39,582	38,803
Referred-out and contracted services (note 14)	5,202	4,906
Supplies (note 15)	2,143	2,214
Amortization of capital assets	624	394
Equipment and building services	6,573	5,735
Sundry (note 16)	1,345	1,501
Accretion of asset retirement obligations (note 11(c))	14	21
	<u>55,483</u>	<u>53,574</u>
Excess of revenues over expenses	\$ 646	\$ 365

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, 2010, with comparative figures for 2009

	Invested in capital assets	Unrestricted	Total	
			2010	2009
Balance, beginning of year	\$ 265	\$ 7,358	\$ 7,623	\$ 7,258
Excess (deficiency) of revenues over expenses	(74)	720	646	365
Net change in capital assets (note 10(c))	54	(54)	-	-
Balance, end of year	\$ 245	\$ 8,024	\$ 8,269	\$ 7,623

See accompanying notes to financial statements.

FORENSIC PSYCHIATRIC SERVICES COMMISSION

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended March 31, 2010, with comparative figures for 2009

	2010	2009
Cash flows from operating activities:		
Excess of revenues over expenses	\$ 646	\$ 365
Items not involving cash:		
Amortization of capital assets	624	394
Amortization of deferred capital contributions	(550)	(251)
Accretion of asset retirement obligations	14	21
Retirement allowance expense	77	102
Net change in non-cash operating items (note 17)	(1,029)	(332)
	(218)	299
Cash flows from investing activities:		
Purchase of capital assets	(381)	(1,343)
Proceeds from disposal of capital assets	19	-
	(362)	(1,343)
Cash flows from financing activities:		
Capital contributions	381	1,470
Repayment of capital leases	(53)	(37)
Retirement allowance benefits paid	(139)	(165)
	189	1,268
Increase (decrease) in cash	(391)	224
Cash, beginning of year	559	335
Cash, end of year	\$ 168	\$ 559

See accompanying notes to financial statements.

FORENSIC PSYCHIATRIC SERVICES COMMISSION

Notes to Financial Statements
(Expressed in thousands of dollars)

Year ended March 31, 2010

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 *Society Act of British Columbia* on December 12, 2001 with a Board of Directors appointed by the Ministry of Health Services and is one of six Health Authorities in British Columbia. The Commission is dependent on the Ministry of Health Services 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* of Canada, 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, 2010

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 Services.

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. If there is any subsequent increase in the value of inventories following a write-down, a reversal of the previous write-down will be recorded.

(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:

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

FORENSIC PSYCHIATRIC SERVICES COMMISSION

Notes to Financial Statements
(Expressed in thousands of dollars)

Year ended March 31, 2010

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 (2009 - 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, 2010

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 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.

Derivative instruments are 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 the transaction that received hedge accounting.

The Commission has elected to defer applying Canadian Institute of Chartered Accountants (CICA) 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.

FORENSIC PSYCHIATRIC SERVICES COMMISSION

Notes to Financial Statements
(Expressed in thousands of dollars)

Year ended March 31, 2010

1. Significant accounting policies (continued):

(j) Changes in accounting standards:

(i) Revisions to Not-for-Profit accounting standards:

Effective April 1, 2009, the Commission adopted the amendments to CICA Handbook Sections 4400, *Financial Statement Presentation by Not-for-Profit Organizations*, and 4470, *Disclosure of Allocated Expenses by Not-for-Profit Organizations*. The amendments remove the requirement to disclose net assets invested in capital assets, clarify capital asset recognition criteria and amortization, and add a requirement for disclosure of allocated fundraising and general support expenses by not-for-profit organizations, and a requirement to follow Section 1540, *Cash Flow Statements*. The implementation of these amendments did not have any significant impact on the Commission's financial statements.

(ii) Amendments to Section 1000, Financial Statement Concepts:

Effective April 1, 2009, the Commission adopted the amendments in CICA Handbook Section 1000, *Financial Statement Concepts*. The amendments clarify the relationship between incurring expenditures and creating assets, and clarifies that items which do not meet the definition of assets or liabilities are not eligible for recognition. The implementation of the amendments did not have any impact on the Commission's financial statements.

(k) Future accounting framework:

The Commission is currently classified as a government not-for-profit (NPO) organization. Under the direction of the Public Sector Accounting Standards Board (PSAB), the Commission adheres to the standards for NPO organizations in the CICA Handbook.

PSAB proposes to incorporate into the PSAB Handbook, the current NPO Sections (4400 standards) of the CICA Handbook to deal with areas not currently addressed by the PSAB framework. PSAB has decided not to make any further substantive changes to the Sections at this time. The exposure draft proposes to amend the Introduction so that the PSAB standards will be applicable to all government NPO organizations, for fiscal periods beginning on or after January 1, 2012.

The Commission intends to continue applying the existing NPO standards and is awaiting the finalization of the new standards. Once the new standards are finalized, the Commission will determine the impact on the financial statements.

FORENSIC PSYCHIATRIC SERVICES COMMISSION

Notes to Financial Statements
(Expressed in thousands of dollars)

Year ended March 31, 2010

2. Financial instruments:

The Commission's financial instruments include cash, restricted cash, accounts receivable, and accounts payable and accrued liabilities. 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.

3. Accounts receivable:

	2010	2009
Provincial Health Services Authority	\$ 16,818	\$ 13,221
Patients, clients and agencies	133	-
Ministry of Health Services	429	722
Other	17	59
	\$ 17,397	\$ 14,002

4. Inventories:

The Commission's inventories of \$83 (2009 - \$91) are recorded at the lower of weighted average cost and replacement cost and consist of medical and surgical supplies. During the year, \$154 (2009 - \$158) of inventories were expensed by the Commission.

5. Capital assets:

2010	Cost	Accumulated depreciation	Net book value
Land improvements	\$ 43	\$ 26	\$ 17
Building service equipment	926	96	830
Leasehold improvements	2,538	1,406	1,132
Equipment	3,799	2,593	1,206
Equipment under capital lease	206	101	105
Software licence fees	30	30	-
	\$ 7,542	\$ 4,252	\$ 3,290

FORENSIC PSYCHIATRIC SERVICES COMMISSION

Notes to Financial Statements
(Expressed in thousands of dollars)

Year ended March 31, 2010

5. Capital assets (continued):

2009	Cost	Accumulated depreciation	Net book value
Land improvements	\$ 43	\$ 17	\$ 26
Building service equipment	938	30	908
Construction in progress	37	-	37
Leasehold improvements	2,140	1,217	923
Equipment	3,053	2,271	782
Equipment under capital lease	235	76	159
Software licence fees	30	30	-
	\$ 6,476	\$ 3,641	\$ 2,835

6. Accounts payable and accrued liabilities:

	2010	2009
Trade accounts payable and accrued liabilities	\$ 4,644	\$ 2,100
Salaries and benefits payable	1,641	1,985
Accrued vacation pay	1,637	1,479
Patient trust funds	83	83
	\$ 8,005	\$ 5,647

FORENSIC PSYCHIATRIC SERVICES COMMISSION

Notes to Financial Statements
(Expressed in thousands of dollars)

Year ended March 31, 2010

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	2009
2010	\$ -	\$ 40
2011	35	40
2012	35	39
2013	33	38
2014	10	15
Total minimum lease payments	113	172
Amount representing interest at a weighted average rate of 2.5% (2009 - 3.33%)	(5)	(11)
Present value of capital lease payments	108	161
Current portion of obligations under capital leases	33	37
Long-term portion of obligations under capital leases	\$ 75	\$ 124

FORENSIC PSYCHIATRIC SERVICES COMMISSION

Notes to Financial Statements
(Expressed in thousands of dollars)

Year ended March 31, 2010

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, 2009. The next required valuation will be as of December 31, 2012.

Information about retirement allowance benefits is as follows:

	2010	2009
Accrued benefit obligation:		
Sick leave benefits	\$ 13	\$ 5
Severance benefits	1,360	923
Total unfunded obligation	1,373	928
Balance of unamortized amounts	(21)	486
Accrued retirement allowance benefits	1,352	1,414
Less current portion	236	104
Long-term portion	\$ 1,116	\$ 1,310
Retirement allowance expense	\$ 77	\$ 102
Benefits paid	139	165

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

	2010	2009
Accrued benefit obligation as at March 31:		
Discount rate	6.25%	7.25%
Rate of compensation increase	2.50%	2.50%
Benefit costs for years ended March 31:		
Discount rate	7.25%	5.50%
Rate of compensation increase	2.50%	2.50%

FORENSIC PSYCHIATRIC SERVICES COMMISSION

Notes to Financial Statements
(Expressed in thousands of dollars)

Year ended March 31, 2010

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 \$2,258 (2009 - \$2,143) 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 58,000 active members of which 504 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.

	2010	2009
Deferred capital contributions, beginning of year	\$ 2,409	\$ 1,190
Provincial Health Services Authority	381	1,470
Unamortized deferred capital contribution relating to assets transferred from British Columbia Mental Health Society (Riverview) Branch	697	-
	3,487	2,660
Less amortization for the year	(550)	(251)
Deferred capital contributions, end of year	\$ 2,937	\$ 2,409

10. Invested in capital assets:

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

	2010	2009
Capital assets	\$ 3,290	\$ 2,835
Amounts financed by:		
Deferred capital contributions	(2,937)	(2,409)
Obligations under capital leases	(108)	(161)
	(3,045)	(2,570)
	\$ 245	\$ 265

FORENSIC PSYCHIATRIC SERVICES COMMISSION

Notes to Financial Statements
(Expressed in thousands of dollars)

Year ended March 31, 2010

10. Invested in capital assets (continued):

(b) Deficiency of revenues over expenses:

	2010	2009
Amortization of deferred capital contributions	\$ 550	\$ 251
Amortization of capital assets	(624)	(394)
	\$ (74)	\$ (143)

(c) Transfer to invested in capital assets:

	2010	2009
Purchase of capital assets	\$ 381	\$ 1,343
Net book value of capital assets transferred from British Columbia Mental Health Society (Riverview) Branch	697	-
Asset retirement obligation	20	(97)
Amounts funded by:		
Deferred capital contributions	(381)	(1,470)
Net book value of assets retired	(19)	-
Unamortized deferred capital contribution relating to assets transferred from British Columbia Mental Health Society (Riverview) Branch	(697)	-
Principal payments of obligations under capital leases	53	37
	\$ 54	\$ (187)

11. Commitments and contingencies:

(a) Operating leases:

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

2011	\$ 1,688
2012	308
2013	286
2014	161
2015	56
	\$ 2,499

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 \$1,593 for lease payments to ARES for the year ending March 31, 2011

FORENSIC PSYCHIATRIC SERVICES COMMISSION

Notes to Financial Statements
(Expressed in thousands of dollars)

Year ended March 31, 2010

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, 2010, 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 \$350 (2009 - \$316) 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 (2009 - \$451) over the respective lease terms at a credit-adjusted risk free rate of 5.26% for existing obligations and 4.02% for new obligations in 2010 (2009 - 4.90%). 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:

	2010	2009
Other Ministries	\$ 562	\$ 78

13. Other revenues:

	2010	2009
Recoveries from other Health Authorities and government reporting entities	\$ 136	\$ 10
Recoveries from sales of goods and services	135	117
Other	45	-
	\$ 316	\$ 127

FORENSIC PSYCHIATRIC SERVICES COMMISSION

Notes to Financial Statements
(Expressed in thousands of dollars)

Year ended March 31, 2010

14. Referred out and contracted services:

	2010	2009
Private contractors	\$ 5,202	\$ 4,906

15. Supplies:

	2010	2009
Drugs and medical gases	\$ 973	\$ 1,091
Food and dietary	690	665
Medical and surgical	48	34
Diagnostic	37	32
Printing, stationery and office	119	134
Housekeeping	10	11
Laundry and linen	34	37
Other	232	210
	\$ 2,143	\$ 2,214

16. Sundry:

	2010	2009
Communication and data processing	\$ 10	\$ 7
Travel	353	571
Professional fees	447	479
Other	535	444
	\$ 1,345	\$ 1,501

FORENSIC PSYCHIATRIC SERVICES COMMISSION

Notes to Financial Statements
(Expressed in thousands of dollars)

Year ended March 31, 2010

17. Statement of cash flows:

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

	2010	2009
Changes to non-cash operating items:		
Restricted cash	\$ -	\$ 29
Accounts receivable	(3,395)	(838)
Inventories	8	11
Accounts payable and accrued liabilities	2,358	466
	<hr/>	<hr/>
	\$ (1,029)	\$ (332)
Supplementary information:		
Cash paid for interest on capital leases	\$ 2	\$ 6
Non-cash transactions:		
Additions (reductions) to asset retirement obligations	20	(97)
Net book value of capital assets transferred from British Columbia Mental Health Society (Riverview) Branch	(697)	-
Unamortized deferred capital contribution relating to assets transferred from British Columbia Mental Health Society (Riverview) Branch	697	-

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, 2010, expenses include \$249 (2009 - \$191) 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, 2010

19. Capital management:

The Commission receives its principal source of capital through funding received from the Ministry of Health Services. 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 Services 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 Services.

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.

20. Comparative figures:

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