

Financial Statements  
(Expressed in thousands of dollars)

**BRITISH COLUMBIA MENTAL HEALTH  
SOCIETY (RIVERVIEW) BRANCH**

Year ended March 31, 2010



**KPMG LLP**  
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## AUDITORS' REPORT

To the Board of British Columbia Mental Health Society (Riverview) Branch

We have audited the statement of financial position of British Columbia Mental Health Society (Riverview) Branch 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 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, 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

# BRITISH COLUMBIA MENTAL HEALTH SOCIETY (RIVERVIEW) BRANCH

Statement of Financial Position  
(Expressed in thousands of dollars)

March 31, 2010, with comparative figures for 2009

	2010	2009
<b>Assets</b>		
Current assets:		
Cash	\$ 313	\$ 1,672
Restricted cash	84	96
Accounts receivable (note 3)	60,721	73,495
Inventories (note 4)	316	405
Prepaid expenses (note 20)	3,578	2,025
	<u>65,012</u>	<u>77,693</u>
Capital assets (note 5)	1,694	2,921
	<u>\$ 66,706</u>	<u>\$ 80,614</u>

## Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 6)	\$ 35,063	\$ 47,940
Deferred contributions for designated purposes (note 7)	475	512
Current portion of retirement allowance (note 8(a))	746	422
	<u>36,284</u>	<u>48,874</u>
Retirement allowance (note 8(a))	2,410	2,601
Deferred capital contributions (note 9)	1,683	2,907
	<u>40,377</u>	<u>54,382</u>
Net assets:		
Invested in capital assets (note 10(a))	11	14
Unrestricted	26,318	26,218
	<u>26,329</u>	<u>26,232</u>
	<u>\$ 66,706</u>	<u>\$ 80,614</u>

Commitments and contingencies (note 11)

See accompanying notes to financial statements.

Approved on behalf of the Board:



Director and Chair of the Board



Director

# BRITISH COLUMBIA MENTAL HEALTH SOCIETY (RIVERVIEW) BRANCH

Statement of Operations  
(Expressed in thousands of dollars)

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

	2010	2009
<b>Revenues:</b>		
Provincial Health Services Authority contributions	\$ 55,646	\$ 72,564
Medical Services Plan	4,661	4,634
Other contributions (note 12)	127	61
Amortization of deferred capital contributions	589	616
Other (note 13)	257	320
Research and designated contributions	950	927
	<u>62,230</u>	<u>79,122</u>
<b>Expenses:</b>		
Compensation and benefits (note 14)	42,107	55,629
Referred-out and contracted services (note 15)	2,981	2,573
Supplies (note 16)	3,181	3,585
Amortization of capital assets	592	618
Equipment and building services	9,350	9,794
Sundry (note 17)	2,972	4,650
Research and designated expenses	950	927
	<u>62,133</u>	<u>77,776</u>
<b>Excess of revenues over expenses</b>	<b>\$ 97</b>	<b>\$ 1,346</b>

See accompanying notes to financial statements.

# BRITISH COLUMBIA MENTAL HEALTH SOCIETY (RIVERVIEW) BRANCH

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	\$ 14	\$ 26,218	\$ 26,232	\$ 24,886
Excess (deficiency) of revenues over expenses	(3)	100	97	1,346
Balance, end of year	\$ 11	\$ 26,318	\$ 26,329	\$ 26,232

See accompanying notes to financial statements.

# BRITISH COLUMBIA MENTAL HEALTH SOCIETY (RIVERVIEW) BRANCH

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	\$ 97	\$ 1,346
Items not involving cash:		
Amortization of capital assets	592	618
Amortization of deferred capital contributions	(589)	(616)
Retirement allowance expense	305	330
<u>Net change in non-cash operating items (note 18)</u>	<u>(1,592)</u>	<u>(2,881)</u>
	(1,187)	(1,203)
Cash flows from investing activities:		
Purchase of capital assets	(62)	(769)
Cash flows from financing activities:		
Capital contributions	62	983
Retirement allowance benefits paid	(172)	(241)
	<u>(110)</u>	<u>742</u>
Decrease in cash	(1,359)	(1,230)
Cash, beginning of year	1,672	2,902
<u>Cash, end of year</u>	<u>\$ 313</u>	<u>\$ 1,672</u>

See accompanying notes to financial statements.

# BRITISH COLUMBIA MENTAL HEALTH SOCIETY (RIVERVIEW) BRANCH

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2010

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The British Columbia Mental Health Society (Riverview) Branch (the Branch) is a branch society 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 Branch provides mental health care services to British Columbians and is dependent on the Ministry of Health Services to provide sufficient funds to continue operations, replace essential equipment and complete its capital projects. The Branch 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 Provincial Renal Agency;  
British Columbia Transplant Society Branch;  
Children's & Women's Health Centre of British Columbia Branch;  
Forensic Psychiatric Services Commission;  
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 Branch is considered a continuation of the former Branch for financial reporting purposes.

## 1. Significant accounting policies:

### (a) Basis of presentation:

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

### (b) Revenue recognition:

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

Under the *Health Insurance Act and Regulations* thereto, the Branch 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.

# BRITISH COLUMBIA MENTAL HEALTH SOCIETY (RIVERVIEW) BRANCH

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2010

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## 1. Significant accounting policies (continued):

### (b) Revenue recognition (continued):

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 Branch 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, consisting of pharmaceutical and other materials and supplies, 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 Branch records depreciation on its assets on a straight-line basis over the useful life of the assets as follows:

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Leasehold improvements	Lease term to a maximum of 20 years
Equipment	3 - 20 years
Software licence fees	3 - 5 years

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# BRITISH COLUMBIA MENTAL HEALTH SOCIETY (RIVERVIEW) BRANCH

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2010

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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 (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 Branch 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. At this time, the Branch has determined that there are no significant asset retirement obligations with its assets or leases.

### (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, and accrued liabilities resulting from implementing the Mental Health Plan. Actual results could differ from the estimates.

# BRITISH COLUMBIA MENTAL HEALTH SOCIETY (RIVERVIEW) BRANCH

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2010

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## 1. Significant accounting policies (continued):

### (i) Financial instruments:

The Branch 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 Branch 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 Branch'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 Branch 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 Branch 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 Branch has elected to continue to apply the financial instrument disclosure and presentation standards in accordance with Section 3861.

# BRITISH COLUMBIA MENTAL HEALTH SOCIETY (RIVERVIEW) BRANCH

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2010

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## 1. Significant accounting policies (continued):

### (j) Changes in accounting standards:

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

Effective April 1, 2009, the Branch 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 CICA Handbook Section 1540, *Cash Flow Statements*. The implementation of these amendments did not have any significant impact on the Branch's financial statements.

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

Effective April 1, 2009, the Branch 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 Branch's financial statements.

### (k) Future accounting framework:

The Branch is currently classified as a government not-for-profit (NPO) organization. Under the direction of the Public Sector Accounting Standards Board (PSAB), the Branch 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 Branch intends to continue applying the existing NPO standards and is awaiting the finalization of the new standards. Once the new standards are finalized, the Branch will determine the impact on the financial statements.

# BRITISH COLUMBIA MENTAL HEALTH SOCIETY (RIVERVIEW) BRANCH

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2010

## 2. Financial instruments:

The Branch's financial instruments include cash, restricted cash, accounts receivable and accounts payable and accrued liabilities. It is management's opinion that the Branch 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	\$ 60,102	\$ 72,541
Patients, clients and agencies	3	14
Ministry of Health Services	471	732
Hospital foundations	-	70
Goods and services tax	39	22
Other	106	116
	<b>\$ 60,721</b>	<b>\$ 73,495</b>

## 4. Inventories:

The Branch's inventories of \$316 (2009 - \$405) are recorded at the lower of weighted average cost and replacement cost and consist of pharmaceutical and other materials and supplies. During the year, \$2,322 (2009 - \$3,678) of inventories were expensed by the Branch.

## 5. Capital assets:

2010	Cost	Accumulated depreciation	Net book value
Leasehold improvements	\$ 1,872	\$ 1,694	\$ 178
Equipment	15,366	13,863	1,503
Software licences	34	21	13
	<b>\$ 17,272</b>	<b>\$ 15,578</b>	<b>\$ 1,694</b>

# BRITISH COLUMBIA MENTAL HEALTH SOCIETY (RIVERVIEW) BRANCH

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
Leasehold improvements	\$ 1,872	\$ 1,635	\$ 237
Equipment	15,352	13,404	1,948
Equipment in progress	712	-	712
Software licences	34	10	24
	\$ 17,970	\$ 15,049	\$ 2,921

## 6. Accounts payable and accrued liabilities:

	2010	2009
Trade accounts payable and accrued liabilities	\$ 11,063	\$ 9,879
Salaries and benefits payable	2,855	3,677
Accrued vacation pay	2,809	2,872
Accrued Mental Health Plan costs (note 14)	18,252	31,416
Patient trust funds	84	96
	\$ 35,063	\$ 47,940

## 7. Deferred contributions for designated purposes:

Deferred contributions for designated purposes represent unspent contributions for research and other specified purposes. These deferred contributions will be recorded as revenue in the statement of operations when the related expenses are incurred.

	2010	2009
Deferred contributions for designated purposes, beginning of year	\$ 512	\$ 398
Less amount recognized as revenue in the year	(950)	(927)
Add amount received for future periods	913	1,041
Deferred contributions for designated purposes, end of year	\$ 475	\$ 512

# BRITISH COLUMBIA MENTAL HEALTH SOCIETY (RIVERVIEW) BRANCH

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 Branch'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	\$ 44	\$ 35
Severance benefits	3,125	2,641
Total unfunded obligation	3,169	2,676
Balance of unamortized amounts	(13)	347
Accrued retirement allowance benefits	3,156	3,023
Less current portion	746	422
Long-term portion	\$ 2,410	\$ 2,601
Retirement allowance expense	\$ 305	\$ 330
Benefits paid	172	241

The significant actuarial assumptions adopted in measuring the Branch'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%

# BRITISH COLUMBIA MENTAL HEALTH SOCIETY (RIVERVIEW) BRANCH

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2010

## 8. Employee benefits (continued):

### (b) Employee pension benefits:

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

Employer contributions to the Municipal Pension Plan of \$31 (2009 - \$142) 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 valuation as at December 31, 2006 indicated a surplus of \$438,000. The actuary does not attribute portions of the surplus to individual employers. The plan covers approximately 157,000 active members of which there are currently no employees of the Branch. The next required valuation will be as at December 31, 2009. The results are not yet available.

Employer contributions to the Public Service Pension Plan of \$3,048 (2009 - \$2,855) 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 704 are employees of the Branch. 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	\$ 2,907	\$ 2,540
Provincial Health Services Authority	62	983
	2,969	3,523
Less unamortized deferred capital contribution relating to assets transferred to Forensic Psychiatric Services Commission	(697)	-
Less amortization for the year	(589)	(616)
Deferred capital contributions, end of year	\$ 1,683	\$ 2,907

# BRITISH COLUMBIA MENTAL HEALTH SOCIETY (RIVERVIEW) BRANCH

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2010

## 10. Invested in capital assets:

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

	2010	2009
Capital assets	\$ 1,694	\$ 2,921
Amounts financed by:		
Deferred capital contributions	(1,683)	(2,907)
	\$ 11	\$ 14

(b) Deficiency of revenues over expenses:

	2010	2009
Amortization of deferred capital contributions	\$ 589	\$ 616
Amortization of capital assets	(592)	(618)
	\$ (3)	\$ (2)

(c) Transfer to invested in capital assets:

	2010	2009
Purchase of capital assets	\$ 62	\$ 769
Net book value of capital assets transferred to Forensic Psychiatric Services Commission	(697)	-
Amounts funded by:		
Deferred capital contributions	(62)	(1,137)
Unamortized deferred capital contribution relating to assets transferred to Forensic Psychiatric Services Commission	697	-
	635	(1,137)
	\$ -	\$ (368)



# BRITISH COLUMBIA MENTAL HEALTH SOCIETY (RIVERVIEW) BRANCH

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2010

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## 11. Commitments and contingencies:

(a) Operating leases:

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

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2011	\$	119
2012		44
2013		23
2014		2
		2
	\$	188

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(b) Litigation and claims:

The nature of the Branch'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 Branch'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.

## 12. Other contributions:

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	2010	2009
Other Ministries	\$ 77	\$ 61
Foundations	50	-
	\$ 127	\$ 61

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# BRITISH COLUMBIA MENTAL HEALTH SOCIETY (RIVERVIEW) BRANCH

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2010

## 13. Other revenues:

	2010	2009
Recoveries from other Health Authorities and government reporting entities	\$ 3	\$ 81
Recoveries within Provincial Health Services Authority	5	3
Recoveries from sales of goods and services	247	228
Drug sales	2	5
Other	-	3
	\$ 257	\$ 320

## 14. Compensation and benefits:

The Branch is in the process of implementing the Mental Health Plan approved by the Ministry of Health Services. The purpose of the plan is to decentralize mental health care services throughout British Columbia. The plan will be substantially completed in the coming years and will culminate in significant downsizing of the operations of the Branch. The anticipated costs of the plan consist of severance, benefits and related expenses.

In the prior year, the financial statements included accruals for the compensation, benefits and employment security expenses of \$31,416. As at March 31, 2010, management has revised the estimated accrual due to timing changes in implementing the Mental Health Plan and revision related to associated employment assumptions. This has resulted in a decrease in the accrual of \$12,879. During the year, costs of \$285 related to the provision were incurred. The total remaining accrual of \$18,252 is recorded in Accrued Mental Health Plan costs. These amounts represent management's best estimate of the expenses required to implement the plan. However, other expenses may be incurred and recorded in future years as the plan is implemented.

## 15. Referred out and contracted services:

	2010	2009
Other Health Authorities and government reporting entities	\$ 238	\$ 420
Private contractors	2,743	2,153
	\$ 2,981	\$ 2,573

# BRITISH COLUMBIA MENTAL HEALTH SOCIETY (RIVERVIEW) BRANCH

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2010

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## 16. Supplies:

	2010	2009
Drugs and medical gases	\$ 938	\$ 1,033
Food and dietary	1,172	1,301
Medical and surgical	180	164
Diagnostic	155	164
Printing, stationery and office	122	217
Housekeeping	33	33
Laundry and linen	29	22
Other	552	651
	<hr/>	<hr/>
	\$ 3,181	\$ 3,585

## 17. Sundry:

	2010	2009
Communication and data processing	\$ 29	\$ 30
Travel	104	174
Professional fees	817	1,377
Other	2,022	3,069
	<hr/>	<hr/>
	\$ 2,972	\$ 4,650

# BRITISH COLUMBIA MENTAL HEALTH SOCIETY (RIVERVIEW) BRANCH

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2010

## 18. Statement of cash flows:

Net change in non-cash operating items:

	2010	2009
Changes to non-cash operating items:		
Restricted cash	\$ 12	\$ (14)
Accounts receivable	12,774	(7,403)
Inventories	89	(46)
Prepaid expenses	(1,553)	(2,025)
Accounts payable and accrued liabilities	(12,877)	6,493
Deferred contributions for designated purposes	(37)	114
	<b>\$ (1,592)</b>	<b>\$ (2,881)</b>
Non-cash transactions:		
Net book value of capital assets transferred to Forensic Psychiatric Services Commission	\$ 697	\$ -
Unamortized deferred capital contribution relating to assets transferred to Forensic Psychiatric Services Commission	(697)	-

## 19. Related entity:

The Branch has an economic interest in the British Columbia Mental Health Foundation (the foundation) which is responsible for fundraising activities of the Branch. The foundation is a separate legal entity incorporated under the *Society Act of British Columbia* and is a registered charity under the provisions of the *Income Tax Act* of Canada. The net assets and results from operations of the foundation are not included in the financial statements of the Branch.

During fiscal year 2010, the foundation received an infrastructure contribution of nil (2009 - \$210) from the Branch. At March 31, 2010, the foundation held net assets of \$1,037 (2009 - \$1,160) to be used for patient care, education, and capital expenditures at the Branch.

During the year, the Branch received \$278 (2009 - \$17) contributions from the foundation.

# BRITISH COLUMBIA MENTAL HEALTH SOCIETY (RIVERVIEW) BRANCH

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2010

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## 20. 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:

For the year ended March 31, 2010, expenses include \$1,044 (2009 - \$1,751) resulting from transactions with other PHSA members.

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

During fiscal year 2009, the Branch commenced occupying space within the Child and Family Research Institute Building, which is owned by a related party, the Children's & Women's Health Centre of British Columbia Branch. The Branch has committed to lease payments of \$4,500 over a period of 10 years. As at March 31, 2010, \$4,500 (2009 - \$2,225) of the total committed lease payments has been prepaid, with \$444 (2009 - \$500) expensed during the year, and a remaining prepayment to be expensed in future years of \$3,556 (2009 - \$2,025).

## 21. Capital management:

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

The Branch'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 Branch 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 Branch's strategy is to monitor expenditures to preserve capital in accordance with budgeted funding granted by the Ministry of Health Services.

The Branch 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 Branch has complied with the external restrictions on funding provided.

## 22. Comparative figures:

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