
Financial statements of
Jewish Home for the Aged of
British Columbia
(Operating as Louis Brier Home and Hospital)

March 31, 2023

Independent auditor's report	1-3
Statement of operations	4
Statement of changes in net deficit	5
Statement of financial position	6
Statement of cash flows	7
Notes to the financial statements	8-17

Independent auditor's report

To the Board of Directors of
Jewish Home for the Aged of British Columbia

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Jewish Home for the Aged of British Columbia (the "Society"), which comprise the statement of financial position as at March 31, 2023, and the statements of operations, changes in net deficit and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Society in complying with the financial reporting provisions of the Province of British Columbia. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, these financial statements are presented on a basis consistent with that of the previous year.

Deloitte LLP

Chartered Professional Accountants
May 26, 2023

Jewish Home for the Aged of British Columbia
 (Operating as Louis Brier Home and Hospital)
Statement of operations
 Year ended March 31, 2023

	Notes	2023 \$	2022 \$
Revenue			
Vancouver Coastal Health Authority		18,706,347	16,726,144
Resident charges		5,084,224	4,997,557
Contribution from Louis Brier Jewish Aged Foundation		919,418	985,210
Amortization of deferred capital funding	9	814,198	377,382
Other revenue	12	498,037	287,804
		26,022,224	23,374,097
Expenses			
Salaries	7	16,079,405	15,297,905
Employee benefits	6(b)	4,756,815	4,424,443
		20,836,220	19,722,348
Dietary		1,283,655	1,033,732
Nursing and medical		1,051,111	804,713
Administration		790,221	589,955
Amortization		644,198	578,265
Building operation		449,846	401,461
Building maintenance		311,471	300,936
Therapy		159,223	145,154
Housekeeping		155,557	120,413
Laundry and linen		69,524	86,322
Mortgage interest	8	16,928	13,126
Other		10,928	64,893
		25,778,882	23,861,318
Excess (deficiency) of revenue over expenses before asset retirement obligations		243,342	(487,221)
Asset retirement obligation amortization	4 and 10	(229,663)	—
Asset retirement obligation accretion	10	(39,066)	—
Deficiency of revenue over expenses		(25,386)	(487,221)

The accompanying notes are an integral part of the financial statements.

Jewish Home for the Aged of British Columbia

(Operating as Louis Brier Home and Hospital)

Statement of changes in net deficit

Year ended March 31, 2023

	Notes	Unrestricted \$	Invested in capital assets \$	Total \$
Balance, March 31, 2021		(3,085,088)	2,744,444	(340,644)
Deficiency of revenue over expenses		(487,221)	—	(487,221)
Remeasurements and other items		(471,201)	—	(471,201)
Amortization of deferred capital funding	9	(377,382)	377,382	—
Amortization of capital assets (Disbursements) funding of capital assets		578,265	(578,265)	—
Capitalization of redevelopment costs		(549,431)	549,431	—
Mortgage principal repaid		(689,676)	689,676	—
Change in year		(41,941)	41,941	—
		(2,038,587)	1,080,165	(958,422)
Balance, March 31, 2022		(5,123,675)	3,824,609	(1,299,066)
Deficiency of revenue over expenses		(25,386)	—	(25,386)
Remeasurements and other items		324,564	—	324,564
Amortization of deferred capital funding	9	(814,198)	814,198	—
Amortization of capital assets		644,198	(644,198)	—
Amortization of asset retirement obligation (Disbursements) funding of capital assets		229,663	(229,663)	—
Capitalization of redevelopment costs		(1,471,047)	1,471,047	—
Mortgage principal repaid		(485,688)	485,688	—
Change in year		(40,991)	40,991	—
		(1,638,885)	1,938,063	299,178
Balance, March 31, 2023		(6,762,560)	5,762,672	(999,888)

The accompanying notes are an integral part of the financial statements.

Jewish Home for the Aged of British Columbia
 (Operating as Louis Brier Home and Hospital)
Statement of financial position
 As at March 31, 2023

	Notes	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents		2,044,484	1,293,035
Term deposits		—	705,599
Accounts receivable		842,637	826,368
Due from Louis Brier Jewish Aged Foundation		257,284	279,120
Due from Louis Brier Jewish Residence Society	3	660,802	373,316
Inventory		71,161	41,902
Prepaid expenses		183,917	142,749
		4,060,285	3,662,089
Prepaid expenses		25,607	41,777
Capital assets	4 and 10	8,899,478	6,208,965
		12,985,370	9,912,831
Liabilities			
Current liabilities			
Bank indebtedness	8	2,073,963	1,630,458
Accounts payable and accrued liabilities		3,125,188	3,185,320
Government remittances payable		130,362	338,300
Deferred operating revenue	5	773,545	142,018
Current portion of sick and severance payable	6(a)	184,600	475,749
Current portion of mortgage payable	8	42,449	43,341
		6,330,107	5,815,186
Sick and severance payable	6(a)	1,360,250	1,341,838
Mortgage payable	8	286,952	326,187
Deferred capital funding	9	4,325,508	3,692,948
Asset retirement obligation	10	1,646,703	—
Restricted special purpose funds	11	35,738	35,738
		13,985,258	11,211,897
Net deficit			
Unrestricted		(6,762,560)	(5,123,675)
Invested in capital assets		5,762,672	3,824,609
		(999,888)	(1,299,066)
		12,985,370	9,912,831

The accompanying notes are an integral part of the financial statements.

Approved by the Board

 _____, Director

 _____, Director

Jewish Home for the Aged of British Columbia
(Operating as Louis Brier Home and Hospital)
Statement of cash flows
Year ended March 31, 2023

	2023	2022
	\$	\$
Operating activities		
Excess (deficiency) of revenues over expenses	(25,386)	(487,221)
Non-cash items		
Amortization of deferred capital funding	(814,198)	(377,382)
Amortization of capital assets	644,198	578,265
Amortization of deferred borrowing costs	863	863
Amortization of asset retirement obligation	229,663	—
Asset retirement obligation accretion	39,066	—
	74,205	(285,475)
Changes in non-cash working capital		
Accounts receivable	(16,269)	(311,847)
Due from Louis Brier Jewish Aged Foundation	21,836	58,246
Due from Louis Brier Jewish Residence Society	(287,486)	(240,242)
Inventory	(29,259)	4,401
Prepaid expenses	(24,998)	51,414
Accounts payable and accrued liabilities	(60,132)	273,392
Government remittances payable	(207,938)	16,253
Deferred operating revenue	631,527	133,681
Sick and severance payable	51,827	(81,226)
	153,313	(381,403)
Investing activities		
Change in term deposits	705,599	497,173
Contributions received for investment in capital assets	1,446,758	1,344,428
Purchase of capital assets	(1,956,735)	(1,246,719)
	195,622	678,259
Financing activities		
Repayment of mortgage principal	(40,991)	(41,941)
Change in bank indebtedness	443,505	565,911
	402,514	523,970
Increase in cash	751,449	820,826
Cash and cash equivalents, beginning of year	1,293,035	472,209
Cash and cash equivalents, end of year	2,044,484	1,293,035
Non-cash transactions		
Remeasurement of sick and severance payable	324,564	(471,201)

The accompanying notes are an integral part of the financial statements.

Jewish Home for the Aged of British Columbia

(Operating as Louis Brier Home and Hospital)

Notes to the financial statements

March 31, 2023

1. Purpose of the Society

The Jewish Home for the Aged of British Columbia (the "Society"), operating as Louis Brier Home and Hospital, provides residential health care, social and religious programs as prescribed by the Ministry of Health. It is registered under the Societies Act of British Columbia as a not-for-profit organization and is a registered charity under the Income Tax Act.

2. Basis of accounting and significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook. The basis of accounting used in these financial statements materially differs from Canadian public sector accounting standards, including the not-for-profit accounting standards set out in the Public Sector Accounting Handbook of CPA Canada.

These financial statements reflect the following significant accounting policies:

(a) Basis of presentation

Louis Brier Jewish Residence Society ("Residence Society"), a subsidiary of the Society, is not consolidated in the Society's financial statements. The Society reports the most recent financial information of the Residence Society in Note 15 and receivable information in Note 3.

The Society appoints not less than 50% of the members to the Board of the Residence Society and both societies share common management.

(b) Revenue recognition

The Society uses the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Grants or other types of assistance received for the acquisition of capital assets are deferred and amortized to revenue on the same basis as the related capital assets are amortized.

Revenue for resident charges is recognized on an accrual basis when services are provided. Investment income and other income are recognized as they are earned.

(c) Financial instruments

The Society initially measures its financial assets and financial liabilities at fair value when the Society becomes a party to the contractual provisions of the financial instruments. Subsequently all financial instruments are measured at amortized cost.

Transaction costs related to financial instruments carried at amortized cost are added to the carrying value of assets or netted against the carrying value of a liability and are then recognized over the expected life of the instrument using the straight-line method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the straight-line method and recognized in the statement of operations as interest income or expense.

Jewish Home for the Aged of British Columbia

(Operating as Louis Brier Home and Hospital)

Notes to the financial statements

March 31, 2023

2. Basis of accounting and significant accounting policies (continued)

(c) Financial instruments (continued)

The Society recognizes in the statement of operations an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases, and the decrease can be related to an event occurring after the impairment is recognized, the previously recognized impairment loss is reversed in the statement of operations in the period the reversal occurs.

(d) Inventory

Inventory is valued at the lower of cost, determined on a first-in, first-out basis, and current replacement cost.

(e) Capital assets

Capital assets are valued at cost less accumulated amortization. Amortization is provided over the estimated useful lives of the assets on the following basis:

Buildings	Straight-line basis over 10 years
Equipment	Straight-line basis over 10 years
Computer equipment	Straight-line basis over 5 years
Transportation equipment	Straight-line basis over 15 years

The Society commences amortization on projects in progress and property under development when construction of the asset is complete, and the asset has been placed into use. On April 1, 2019, the Society changed its estimate of the useful life of the buildings as it was determined that a likely site re-development timeline would result in the retirement of the current facilities in the 2029 fiscal year.

The Society incurs property re-development costs in connection with the re-development project for the current facility. Costs that are directly attributable to the re-development such as architectural design, legal fees, and borrowing costs are capitalized as property under development, while costs related to market research and consulting are included as period expenses on the statement of operations.

When conditions indicate that a capital asset is impaired, the net carrying amount of the capital asset shall be written down to the asset's fair value or replacement cost. Write-downs of capital assets are accounted for as expenses in the statement of operations. Write-downs are not reversed if there is subsequent evidence that the fair value of the capital asset has increased.

(f) Sick and severance

The Society recognizes its sick and severance liability using the projected benefit method pro-rated on services. The defined benefit liability is determined using the most recent actuarial valuation prepared for accounting purposes which is performed every three years, with a roll-forward technique used to measure the liability in the years between valuations. The measurement date of the defined benefit liability is the Society's statement of financial position date.

The plan's cost for the year consists of current service cost, finance cost, and re-measurements and other items. Current service cost and finance cost are recognized in employee benefits expense in the statement of operations. Re-measurements and other items consist of actuarial gains and losses, past service costs and gains and losses arising from settlements and curtailments and are recognized directly in unrestricted deficit.

Jewish Home for the Aged of British Columbia

(Operating as Louis Brier Home and Hospital)

Notes to the financial statements

March 31, 2023

2. Basis of accounting and significant accounting policies (continued)

(g) Asset retirement obligations

Asset retirement obligations are recognized in accordance with Accounting Standards for Private Enterprises (ASPE) 3100 *Asset Retirement Obligations* ("ARO"). An ARO is recognized when there is a legal obligation associated with the retirement of a tangible long-lived asset that is required as a result of an existing or enacted law, and a reasonable estimate of the timing of the retirement and the amount of the obligation can be made.

To determine the initial liability recognized, the estimated future cash flows related to the obligation are discounted using the current market risk-free rate of interest. The amount added to capital assets is amortized and an accretion expense related to the discounted liability is recognized over the expected term to reflect the passage of time.

After the initial recognition of asset retirement obligations, the carrying amount of the liability is increased by the annual accretion expense and adjusted to reflect changes in the current market-based discount rate or revisions to the timing or the amount of the underlying cash flows needed to settle the obligation.

(h) Restricted special purpose funds

Restricted special purpose funds comprise contributions received from private donors that have external restrictions imposed on them and are to be utilized by the Society for specific purposes which vary based on the nature of the fund. As such, the contributions have been recognized as liabilities, and are recognized in income in the same period the related expenditure is incurred.

(i) Donated materials and services

The work of the Society is dependent on the efforts of many volunteers. Donated materials and services are not recognized in these financial statements.

(j) Use of estimates and measurement uncertainty

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the year. Actual results could differ from these estimates. Significant estimates include the sick and severance payable, the estimated useful lives of capital assets and the estimated asset retirement obligation.

The value of the liability for the asset retirement obligations related to asbestos and other potential hazardous materials to be removed upon retirement of the building may vary based on the estimated future dismantling costs, the discount rate used and the period at which redevelopment will occur. Management believes that it can measure the future costs, the discount rate to be used and the expected term with reasonable accuracy. However, actual results may differ significantly as a result of the uncertainties related to these estimates.

Jewish Home for the Aged of British Columbia

(Operating as Louis Brier Home and Hospital)

Notes to the financial statements

March 31, 2023

3. Due from Louis Brier Jewish Residence Society

The Society has leased a portion of the land to the Residence Society for a term of 99 years at an Annual Basic Rent of \$10.00 per annum. The lease period ends on January 30, 2102 and includes an option of renewal for an additional 20 years. The permitted use of the premises is the operation of a charitable non-profit seniors' congregate care (assisted living) and multi-level facility as a complementary facility to the Society.

In 2003, the Residence Society completed the construction of its facilities and commenced operations in line with the permitted use of the premises under the lease referred to above.

The amounts receivable from the Residence Society at year end are as follows:

	2023	2022
	\$	\$
Services provided		
Salaries and benefits	4,255,304	4,079,504
Other expenses	522,182	424,720
	4,777,486	4,504,224
Payments received	(4,490,000)	(4,263,982)
Increase in year	287,486	240,242
Balance, beginning of year	373,316	133,074
Balance, end of year	660,802	373,316

The financial statements include related party transactions for services provided to the Residence Society for salaries and other expenses, which arise in the normal course of operations and are recorded at their exchange amounts which are the amounts agreed to by the related parties.

Jewish Home for the Aged of British Columbia

(Operating as Louis Brier Home and Hospital)

Notes to the financial statements

March 31, 2023

4. Capital assets

Capital assets comprise the following:

	Cost \$	Accumulated amortization \$	2023 Net book value \$
Land	316,475	—	316,475
Buildings	17,710,542	14,191,383	3,519,159
Equipment and computer equipment	6,962,552	6,469,321	493,231
Asset retirement obligation (note 10)	1,607,638	229,663	1,377,975
Property under development	3,192,639	—	3,192,639
	29,789,845	20,890,368	8,899,478

	Cost \$	Accumulated amortization \$	2022 Net book value \$
Land	316,475	—	316,475
Buildings	17,044,038	13,648,800	3,395,238
Equipment and computer equipment	6,802,621	6,367,705	434,916
Property under development	2,062,336	—	2,062,336
	26,225,470	20,016,505	6,208,965

5. Deferred operating revenue

	External grants \$	Coastal Health grants \$	Resident charges \$	2023 Total \$
Receipts	137 260	623 245	1 307 382	2 067 887
Amortization to revenue	(18 147)	(106 173)	(1 312 040)	(1 436 360)
Increase (decrease) in year	119 113	517 072	(4 658)	631 527
Balance, April 1, 2022	28 147	106 173	7 698	142 018
Balance, March 31, 2023	147 260	623 245	3 040	773 545

	External grants \$	Coastal Health grants \$	Resident charges \$	2022 Total \$
Receipts	28 147	123 625	2 264 777	2 416 549
Amortization to revenue	—	(17 452)	(2 265 416)	(2 282 868)
Increase (decrease) in year	28 147	106 173	(639)	133 681
Balance, April 1, 2021	—	—	8 337	8 337
Balance, March 31, 2022	28 147	106 173	7 698	142 018

Jewish Home for the Aged of British Columbia

(Operating as Louis Brier Home and Hospital)

Notes to the financial statements

March 31, 2023

6. Employee future benefits

(a) Sick and severance payable

The sick and severance payable is based upon accumulated sick leave credits and entitlements for each year of service. The plan is unfunded as at March 31, 2023.

(b) Employee pension benefits

The Society and its employees contribute to the Municipal Pension Plan (the "Plan"), a multi-employer defined benefit pension plan governed by the BC Public Sector Pension Plans Act.

The Society contributed \$1.37 million (\$1.35 million in 2022) to the Plan 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 latest available actuarial valuation was completed as at December 31, 2021 and indicated a funding surplus of \$3.76 billion for basic pension benefits.

Employers participating in the Plan record their pension expense as the amount of employer contributions made during the year. This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate, with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

7. Remuneration to directors, employees and contractors

The Directors of the Society provide their services on a volunteer basis and receive no remuneration.

56 employees and contractors (45 in 2022) received remuneration equal to or in excess of \$75,000 during the year ended March 31, 2023 and their aggregate remuneration was \$5,513,119 (\$4,520,011 in 2022).

8. Mortgage payable and bank indebtedness

On May 17, 2017, the Society entered into a credit facility agreement with a large Canadian chartered bank for the purposes of re-financing the balance of the mortgage held with the Canadian Mortgage and Housing Corporation (CMHC), and to finance the property re-development project for the Society.

Mortgage payable comprises the following:

	2023	2022
	\$	\$
Mortgage loan, bearing interest at 5.25% (3.31% for 2022) per annum payable \$4,924 (\$4,589 for 2022) monthly, principal and interest, due December 2029, secured by a first mortgage on land and buildings, in the principal amount of \$4,000,000	335 205	376 196
Less: unamortized deferred financing costs	(5 804)	(6 668)
Less: principal amount due within one year	(42 449)	(43 341)
	286 952	326 187

Mortgage interest for the year ended March 31, 2023 was \$16,928 (\$13,126 in 2022).

The credit agreement includes a revolving operating line with a credit limit of \$3,300,000, and floating interest rate of prime + 0.75% per annum. There is no fixed term on the facility, and the balance is due the earlier of on demand or three years from the date of the first advance.

As at March 31, 2023, there was \$2,073,963 drawn on the facility (\$1,630,458 in 2022). The facility is secured by a first mortgage on land and buildings in the principal amount of \$4,000,000, and a general assignment of rents from the facility.

Principal repayments are due on the mortgage in the following fiscal year:

	\$
2024	42,449
2025	44,775
2026	47,184
2027	49,722
2028	51,563
2029 and thereafter	99,512

On June 29, 2022, the credit agreement was amended to revise the interest rate to 5.25% (3.31% for 2022) for a fixed period until June 20, 2027 and extend the maturity of the operating line to June 20, 2023.

Jewish Home for the Aged of British Columbia
 (Operating as Louis Brier Home and Hospital)
Notes to the financial statements
 March 31, 2023

9. Deferred capital funding

Deferred capital funding comprises the following:

	2023	2022
	\$	\$
Additions to deferred capital	1,646,758	1,344,428
Amortization to revenue	(814,198)	(377,382)
Transfer to operating funding	(200,000)	—
Increase in year	632,560	967,046
Balance, beginning of year	3,692,948	2,725,902
Balance, end of year	4,325,508	3,692,948

Deferred capital funding represents grants and donations received towards the acquisition of capital assets. Such amounts are deferred and amortized to income on the same basis as the related capital assets are amortized.

10. Asset retirement obligation

A portion of the building (Note 4) was initially constructed in 1967 and has presumed elements of asbestos and potentially other hazardous materials that will require remediation upon redevelopment, or retirement, which is planned to occur in 2029, subject to funding and other approvals. Should the redevelopment not occur as planned, the building will continue to be used with no current estimation on when the remediation or removal costs may be incurred.

During the year, the Society was able to obtain approximate benchmarked rates for hazardous materials removal based on square footage, and as such, determined that a reasonable estimate of the ARO could be made. The initial recorded amount, representing the present value of management's estimate, was recorded as an increase to the carrying value of the building and a corresponding long-term liability. The asset will be amortized over the estimated remaining life of the building and the liability will be accreted to adjust for changes in time, estimates and discount rates.

No amounts were paid to settle the asset retirement obligations during 2023. None of the assets are legally restricted for purposes of settling the obligations.

11. Restricted special purpose funds

Restricted special purpose funds comprise the following:

	Albert O. Kaplan Perpetual Scholarship	Abrasha Wosk Project Fund	Bernstone Fund	Snider Fund	Total
	\$	\$	\$	\$	\$
Additions	—	—	—	—	—
Uses during the year	—	—	—	—	—
Changes in the year	—	—	—	—	—
Balance, April 1, 2021 and 2022	7,400	5,703	15,277	7,358	35,738
Balance, March 31, 2022 and 2023	7,400	5,703	15,277	7,358	35,738

Jewish Home for the Aged of British Columbia

(Operating as Louis Brier Home and Hospital)

Notes to the financial statements

March 31, 2023

12. Other revenue

Other revenue comprises the following:

	2023	2022
	\$	\$
Compass contract exit fees	164,553	—
Companion program	86,341	87,673
Miscellaneous revenue	83,580	56,047
Phone, cable and AC rental recoveries	81,307	96,971
BC Care Providers Donation	81,295	43,403
Investment income	961	3,710
	498,037	287,804

13. Economic dependence

The Society's main source of revenue is derived from provincial funding provided by the Vancouver Coastal Health Authority. Therefore, its ability to continue viable operations is dependent upon maintaining its right to act as an authorized care facility.

14. Financial instruments and financial risk

(a) *Interest rate risk*

The Society is exposed to interest rate risk on its bank indebtedness. The Society does not use derivative financial instruments to manage this risk. As the mortgage payable bears interest at a fixed rate, the Society is not exposed to cash flow interest rate risk on this balance until the next renewal date.

(b) *Credit risk*

The Society has limited exposure to credit risk associated with its accounts receivable, and amounts due from Louis Brier Jewish Aged Foundation and Louis Brier Jewish Residence Society. Accounts receivables are due primarily from residents, with no significant balance due from any individual resident. The Society's cash and term deposits are held with a Canadian chartered bank and, as a result, management believes credit risk is not significant.

The Society's maximum exposure to credit risk is \$1,760,722 (\$1,478,804 in 2022).

(c) *Liquidity risk*

The Society's objective is to have sufficient liquidity to meet its liabilities when due. The Society monitors its cash balances and cash flows generated from operations to meet its requirements. As at March 31, 2023, the most significant financial liabilities are bank indebtedness, accounts payable, accrued liabilities, mortgage payable, and sick and severance payable.

14. Financial instruments and financial risk (continued)

(d) COVID-19 related risks

COVID-19 has had a significant impact on health care facilities due to the enhanced outbreak prevention and containment protocols required, which increase the need for operational resources. During the year ended March 31, 2023, the Society received several shipments of personal protective equipment (PPE) from the Provincial Health Services Authority on an in-kind basis to assist in outbreak prevention. The value of the PPE received is not known and has not been recorded in these financial statements. During the year ended March 31, 2023, the Society received \$1,024,122 (\$390,111 in 2022) from Vancouver Coastal Health to offset increased costs incurred as a result of COVID-19.

15. Louis Brier Jewish Residence Society

The Residence Society is incorporated under the Societies Act of British Columbia and is exempt from income taxes. Its purpose is to establish and maintain as a non-profit institution a Jewish home or homes for the aged and infirm, including assisted living and supportive housing, all for the care, maintenance, assistance and recreation of persons of advanced age and the infirm in accordance with traditional Jewish ritual and dietary laws, customs and traditions and to undertake activities and programs which foster the health and well-being of Jewish aged and infirm in British Columbia.

The following is a summary of the financial statements of the Residence Society:

	2023	2022
	\$	\$
Financial position		
Assets	4,057,894	4,645,767
Liabilities	788,277	579,955
Net assets	3,269,617	4,065,812
	4,057,894	4,645,767
Revenue and expenses		
Revenue	5,294,565	4,999,748
Expenses	6,090,760	5,832,293
Deficiency of revenue over expenses	(796,195)	(832,545)
Cash flows		
Cash (used in) generated by operations	(15,511)	83,384
Cash used in investing activities	(31,983)	(42,605)
(Decrease) increase in cash	(47,494)	40,779