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

March 31, 2025

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Independent Auditor's Report

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

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, 2025, 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, 2025, 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

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. We also draw attention to Note 15 to the financial statements, which explains that certain comparative information for the year ended March 31, 2024 has been restated. Our opinion is not modified in respect of these matters.

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 16, 2025

Jewish Home for the Aged of British Columbia

(Operating as Louis Brier Home and Hospital)

Statement of operations

Year ended March 31, 2025

	Notes	2025 \$	2024 \$
			(Restated) (Note 15)
Revenue			
Vancouver Coastal Health Authority		24,996,524	23,155,913
Resident charges		5,256,115	5,267,282
Contribution from			
Louis Brier Jewish Aged Foundation		1,116,936	1,021,207
Amortization of deferred capital funding	9	946,694	723,204
Other revenue	11	378,065	428,981
		32,694,334	30,596,587
Expenses			
Salaries	7	20,901,891	19,338,750
Employee benefits	6(b)	5,776,326	5,553,460
		26,678,217	24,892,210
Dietary		1,063,933	1,298,631
Nursing and medical		1,247,320	1,170,659
Administration		1,178,751	1,113,339
Amortization		1,041,500	818,458
Building operation		446,496	410,472
Building maintenance		734,521	450,165
Therapy		195,897	284,793
Housekeeping		110,091	107,736
Laundry and linen		56,429	57,605
Mortgage interest	8	16,219	16,640
Other		13,286	2,355
		32,782,660	30,623,063
Deficiency of revenue over expenses before asset retirement obligations		(88,326)	(26,476)
Asset retirement obligation amortization	4 and 10	(251,040)	(242,843)
Asset retirement obligation accretion	10	(40,987)	(40,014)
Deficiency of revenue over expenses		(380,353)	(309,333)

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, 2025

	Notes	Unrestricted \$	Invested in capital assets \$	Total \$
		(Restated) (Note 15)	(Restated) (Note 15)	
Balance, March 31, 2023		<u>(3,877,617)</u>	<u>2,877,729</u>	<u>(999,888)</u>
Deficiency of revenue over expenses		(309,333)	—	(309,333)
Remeasurements and other items		57,885	—	57,885
Amortization of deferred capital funding	9	(723,204)	723,204	—
Amortization of capital assets		818,458	(818,458)	—
Amortization of asset retirement obligation		242,843	(242,843)	—
(Disbursements) funding of capital assets		(251,089)	251,089	—
Capitalization of redevelopment costs		(526,251)	526,251	—
Mortgage principal repaid		(41,587)	41,587	—
Change in year		<u>(732,278)</u>	<u>480,830</u>	<u>(251,448)</u>
Balance, March 31, 2024		<u>(4,609,895)</u>	<u>3,358,559</u>	<u>(1,251,336)</u>
Deficiency of revenue over expenses		(380,353)	—	(380,353)
Remeasurements and other items		(179,487)	—	(179,487)
Funding for redevelopment costs	8	2,800,000	(2,800,000)	—
Amortization of deferred capital funding	9	(946,694)	946,694	—
Amortization of capital assets		1,041,500	(1,041,500)	—
Amortization of asset retirement obligation		251,040	(251,040)	—
(Disbursements) funding of capital assets		(244,178)	244,178	—
Capitalization of redevelopment costs		(133,120)	133,120	—
Mortgage principal repaid		(43,914)	43,914	—
Change in year		<u>2,164,794</u>	<u>(2,724,634)</u>	<u>(559,840)</u>
Balance, March 31, 2025		<u>(2,445,101)</u>	<u>633,925</u>	<u>(1,811,176)</u>

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, 2025

	Notes	2025 \$	2024 \$
Assets			(Restated) (Note 15)
Current assets			
Cash and cash equivalents		2,638,455	1,126,452
Accounts receivable		627,508	1,011,415
Due from Louis Brier Jewish Aged Foundation		114,561	326,677
Inventory		145,583	135,299
Prepaid expenses		92,269	70,454
		3,618,376	2,670,297
Prepaid expenses		—	9,455
Capital assets	4 and 10	8,781,232	9,414,822
Due from Louis Brier Jewish Residence Society	3	677,545	788,306
		13,077,153	12,882,880
Liabilities			
Current liabilities			
Bank indebtedness	8	100	2,647,545
Accounts payable and accrued liabilities		3,753,417	3,492,483
Government remittances payable		143,125	133,998
Deferred operating revenue	5	865,075	184,397
Current portion of sick and severance payable	6(a)	300,229	259,725
Current portion of mortgage payable	8	47,184	44,775
		5,109,130	6,762,923
Sick and severance payable	6(a)	1,527,520	1,296,857
Mortgage payable	8	196,717	243,040
Deferred capital funding	9	6,327,256	4,144,676
Asset retirement obligation	10	1,727,706	1,686,719
		14,888,329	14,134,215
Net deficit			
Unrestricted		(2,445,101)	(4,609,895)
Invested in capital assets		633,925	3,358,559
		(1,811,176)	(1,251,336)
		13,077,153	12,882,880

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, 2025

	2025	2024
	\$	\$
Operating activities		
Deficiency of revenues over expenses	(380,353)	(309,333)
Non-cash items		
Amortization of deferred capital funding	(946,694)	(723,204)
Amortization of capital assets	1,041,500	818,458
Amortization of asset retirement obligation	251,040	242,843
Asset retirement obligation accretion	40,987	40,014
Due from Louis Brier Jewish Residence Society	110,761	(127,504)
	117,241	(58,726)
Changes in non-cash working capital		
Accounts receivable	383,907	(168,778)
Due from Louis Brier Jewish Aged Foundation	212,116	(69,393)
Inventory	(10,284)	(64,138)
Prepaid expenses	(12,360)	129,615
Accounts payable and accrued liabilities	260,934	367,295
Government remittances payable	9,126	3,636
Deferred operating revenue	680,678	(589,148)
Sick and severance payable	91,680	69,618
	1,733,038	(380,019)
Investing activities		
Contributions received for investment in capital assets	3,129,274	542,374
Purchase of capital assets	(658,950)	(1,576,644)
	2,470,324	(1,034,270)
Financing activities		
Repayment of mortgage principal	(43,914)	(41,587)
Change in bank indebtedness	(2,647,445)	573,582
Restricted special purpose funds	—	(35,738)
	(2,691,359)	496,257
Increase (decrease) in cash	1,512,003	(918,032)
Cash and cash equivalents, beginning of year	1,126,452	2,044,484
Cash and cash equivalents, end of year	2,638,455	1,126,452
Non-cash transactions		
Remeasurement of sick and severance payable	(179,487)	57,886

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, 2025

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

The Society has elected to disclose the key financial information of Louis Brier Jewish Residence Society ("Residence Society"), a subsidiary of the Society, in accordance with ASNPO. The Society reports the most recent financial information of the Residence Society in Note 14 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

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Notes to the financial statements

March 31, 2025

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, 2025

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, 2025

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:

	2025	2024
	\$	\$
Services provided		
Salaries and benefits	4,568,601	4,646,066
Other expenses	20,638	351,438
	4,589,239	4,997,504
Payments received	(4,700,000)	(4,870,000)
Increase in year	(110,761)	127,504
Balance, beginning of year	788,306	660,802
Balance, end of year	677,545	788,306

The amount receivable from the Residence Society as at March 31, 2024 and March 31, 2025 has been classified as non-current in the statement of financial position, as the Society has agreed not to call the balance due within 12 months of the year-end.

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.

4. Capital assets

Capital assets comprise the following:

	Cost	Accumulated amortization	2025 Net book value
	\$	\$	\$
Land	316,475	—	316,475
Buildings	19,535,693	15,783,000	3,752,693
Equipment and computer equipment	7,366,427	6,737,661	628,766
Asset retirement obligation (Note 10)	1,607,638	723,546	884,092
Property under development	3,199,207	—	3,199,207
	32,025,439	23,244,207	8,781,232

Jewish Home for the Aged of British Columbia

(Operating as Louis Brier Home and Hospital)

Notes to the financial statements

March 31, 2025

4. Capital assets (continued)

	Cost	Accumulated amortization	2024 Net book value
	\$	\$	\$
Land	316,475	—	316,475
Buildings	19,302,573	14,887,583	4,414,990
Equipment and computer equipment	7,159,455	6,591,578	567,877
Asset retirement obligation (Note 10)	1,607,638	472,506	1,135,132
Property under development	2,980,348	—	2,980,348
	<u>31,366,489</u>	<u>21,951,667</u>	<u>9,414,822</u>

5. Deferred operating revenue

	External grants	Coastal Health grants	Resident charges	2025 Total
	\$	\$	\$	\$
Receipts	11,315	767,000	—	778,315
Reallocated to Deferred Capital	(32,500)	—	—	(32,500)
Amortization to revenue	(30,152)	(30,680)	(4,305)	(65,137)
Increase (decrease) in year	(51,337)	736,320	(4,305)	680,678
Balance, April 1, 2024	149,412	30,680	4,305	184,397
Balance, March 31, 2025	98,075	767,000	—	865,075

	External grants	Coastal Health grants	Resident charges	2024 Total
	\$	\$	\$	\$
Receipts	32,152	30,680	1,437,338	1,500,170
Amortization to revenue	(30,000)	(623,245)	(1,436,073)	(2,089,318)
Increase (decrease) in year	2,152	(592,565)	1,265	(589,148)
Balance, April 1, 2023	147,260	623,245	3,040	773,545
Balance, March 31, 2024	149,412	30,680	4,305	184,397

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Notes to the financial statements

March 31, 2025

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, 2025.

(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 \$1.71 million (\$1.63 million in 2024) 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.

60 employees and contractors (64 in 2024) received remuneration equal to or in excess of \$75,000 during the year ended March 31, 2025 and their aggregate remuneration was \$6,346,044 (\$6,651,639 in 2024).

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:

	2025	2024
	\$	\$
Mortgage loan, bearing interest at 5.25% (5.25% for 2024) per annum payable \$4,924 (\$4,924 in 2024) monthly, principal and interest, due December 2029, secured by a first mortgage on land and buildings, in the principal amount of \$4,000,000	247,981	292,756
Less: unamortized deferred financing costs	(4,080)	(4,941)
Less: principal amount due within one year	(47,184)	(44,775)
	196,717	243,040

Mortgage interest for the year ended March 31, 2025 was \$16,219 (\$16,640 in 2024).

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Notes to the financial statements

March 31, 2025

8. Mortgage payable and bank indebtedness (continued)

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, 2025, there was \$nil drawn on the facility (\$2,647,545 in 2024). The line of credit was paid off on August 15, 2024 through the funding provided by Vancouver Coastal Health.

A new revolving operating line with a credit limit of \$2,000,000 was initiated on Jan 16, 2025, with \$100 drawn on the facility. 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:

	\$
2026	47,184
2027	49,722
2028	51,563
2029	53,000
2030	46,512
2031 and thereafter	—

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

9. Deferred capital funding

Deferred capital funding comprises the following:

	2025 \$	2024 \$
Additions to deferred capital	3,096,774	542,372
Reallocated from deferred operating revenue	32,500	—
Amortization to revenue	(946,694)	(723,204)
Increase in year	2,182,580	(180,832)
Balance, beginning of year	4,144,676	4,325,508
Balance, end of year	6,327,256	4,144,676

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.

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Notes to the financial statements

March 31, 2025

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.

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 2025. None of the assets are legally restricted for purposes of settling the obligations.

11. Other revenue

Other revenue comprises the following:

	2025	2024
	\$	\$
Diamond Foundation Grant	—	100,000
Companion program	127,917	74,590
Miscellaneous revenue	74,173	73,717
Phone, cable and AC rental recoveries	73,403	73,487
BC Care Providers Donation	49,261	68,700
Rehab Recoveries	53,311	38,487
	378,065	428,981

12. 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.

13. 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.

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13. Financial instruments and financial risk(continued)

(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 \$1,419,614 (\$2,126,398 in 2024).

(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, 2025, the most significant financial liabilities are bank indebtedness, accounts payable, accrued liabilities, mortgage payable, asset retirement obligation, and sick and severance payable.

(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, 2025, 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, 2025, the Society received \$1,085,000 (\$1,520,702 in 2024) from Vancouver Coastal Health to offset increased costs incurred as a result of COVID-19.

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14. 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:

	2025	2024
	\$	\$
Financial position		
Assets	2,883,569	3,516,648
Liabilities	913,331	1,027,357
Net assets	1,970,238	2,489,291
	2,883,569	3,516,648
Revenue and expenses		
Revenue	5,978,617	5,720,153
Expenses	6,497,670	6,500,480
Deficiency of revenue over expenses	(519,053)	(780,326)
Cash flows		
Cash (used in) generated by operations	72,005	167,013
Cash used in investing activities	(43,152)	(70,276)
Increase in cash	28,853	96,737

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15. Restatement of Comparative Information

During the year ended March 31, 2025, the Society identified a reclassification error in the revenue and salaries balances on the statement of operations, a short- and long-term classification error on the balance sheet and a misclassification between the Invested in capital assets and Unrestricted balances in the Statement of changes in net deficit. The Foundation has restated the 2024 financial statements as follows:

	As previously reported \$	Adjustment \$	As restated \$
Statement of Operations			
Revenue – Vancouver Coastal Health Authority	21,981,841	1,174,072	23,155,913
Salaries	18,164,678	1,174,072	19,338,750
Statement of Financial Position			
Current Assets (Due from LB Jewish Residence Society)	3,458,603	(788,306)	2,670,297
Due from Louis Brier Jewish Residence Society	-	788,306	788,306
Statement of changes in net deficit			
Invested in capital assets – balance at March 31, 2023	5,762,672	(2,884,943)	2,877,729
Unrestricted – balance at March 31, 2023	(6,762,560)	2,884,943	(3,877,617)
(Disbursements) funding of capital assets	261,662	(10,573)	251,089
Capitalization of redevelopment costs	1,314,982	(788,731)	526,251
Change in year – capital asset	1,280,134	(799,304)	480,830
Change in year – unrestricted	(1,531,582)	799,304	(732,278)
Invested in capital assets – balance at March 31, 2024	7,042,806	(3,684,247)	3,358,559
Unrestricted – balance at March 31, 2024	(8,294,142)	3,684,247	(4,609,895)

The correction of the balances had no impact on net deficit, the statement of cash flows or the overall assets and liabilities on the balance sheet for the year ended March 31, 2024.