Jewish Home for the Aged of British Columbia
(operating as Louis Brier Home and Hospital)
Financial Statements
March 31, 2026

To the Board of Jewish Home for the Aged of British Columbia and
the Minister of Health, Province 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, 2026, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2026, 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. 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. Our opinion is not modified in respect of this matter.

Other Matter

The financial statements for the year ended March 31, 2025 were audited by another auditor who expressed an unmodified opinion on those statements on May 16, 2025.

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.

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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 generally accepted auditing standards 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 generally accepted auditing standards, 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.

Vancouver, British Columbia

May 25, 2026

MNP LLP

Chartered Professional Accountants

Jewish Home for the Aged of British Columbia
(operating as Louis Brier Home and Hospital)
Statement of Financial Position
As at March 31, 2026

	2026	2025
Assets		
Current		
Cash	**1,260,454**	2,646,323
Accounts receivable	**1,274,052**	627,508
Due from Louis Brier Jewish Aged Foundation	**1,038**	114,561
Inventory	**140,679**	145,583
Prepaid expenses	**81,176**	92,269
	2,757,399	3,626,244
Capital assets *(Note 4), (Note 10)*	**7,595,011**	8,781,232
Due from Louis Brier Jewish Residence Society *(Note 3)*	**828,202**	677,545
	11,180,612	13,085,021
Liabilities		
Current		
Bank indebtedness *(Note 8)*	**-**	100
Accounts payable and accruals	**3,831,514**	3,741,482
Government remittances payable	**149,966**	143,125
Deferred operating revenue *(Note 5)*	**847,502**	865,075
Current portion of sick and severance payable *(Note 6)*	**313,308**	300,229
Current portion of mortgage payable *(Note 8)*	**49,722**	47,184
Current portion of capital lease obligations	**7,597**	6,261
	5,199,609	5,103,456
Sick and severance payable *(Note 6)*	**1,554,796**	1,527,520
Mortgage payable *(Note 8)*	**147,858**	196,717
Deferred capital funding *(Note 9)*	**5,553,869**	6,327,255
Asset retirement obligation *(Note 10)*	**1,769,689**	1,727,706
Capital lease obligations	**5,946**	13,543
	9,032,158	9,792,741
Net deficit		
Unrestricted	**(3,125,028)**	(2,293,546)
Invested in capital assets	**73,873**	482,370
	(3,051,155)	(1,811,176)
	11,180,612	13,085,021

Approved on behalf of the Board of Directors

Director **Director**

The accompanying notes are an integral part of these financial statements

Jewish Home for the Aged of British Columbia
(operating as Louis Brier Home and Hospital)
Statement of Operations
For the year ended March 31, 2026

	2026	*2025*
Revenue		
Vancouver Coastal Health Authority	**23,485,368**	24,996,523
Resident charges	**5,245,784**	5,256,115
Contributions from Louis Brier Jewish Aged Foundation	**1,241,295**	1,116,936
Amortization of deferred capital funding *(Note 9)*	**933,590**	946,694
Other revenue *(Note 11)*	**445,008**	406,157
	31,351,045	32,722,425
Expenses		
Salaries *(Note 7)*	**19,999,389**	20,122,539
Employee benefits *(Note 6)*	**6,178,159**	6,022,891
Dietary	**1,619,555**	1,586,055
Amortization *(Note 4), (Note 10)*	**1,119,173**	1,041,500
Administration	**1,094,880**	1,072,758
Nursing and medical	**944,948**	1,203,078
Building operation	**710,983**	990,282
Building maintenance	**404,707**	363,794
Therapy	**154,552**	207,074
Housekeeping	**82,160**	107,348
Laundry and linen	**57,752**	56,276
Other	**34,736**	20,937
Interest expense *(Note 8)*	**15,603**	16,219
	32,416,597	32,810,751
Deficiency of revenue over expenses before asset retirement obligations	**(1,065,552)**	(88,326)
Asset retirement obligation amortization *(Note 4), (Note 10)*	**(261,536)**	(251,040)
Asset retirement obligation accretion *(Note 10)*	**(41,983)**	(40,987)
Deficiency of revenue over expenses	**(1,369,071)**	(380,353)

The accompanying notes are an integral part of these financial statements

Jewish Home for the Aged of British Columbia
(operating as Louis Brier Home and Hospital)
Statement of Changes in Net Deficit
For the year ended March 31, 2026

	Unrestricted	*Invested in capital assets*	*Total*
Balance, March 31, 2024	**(4,546,948)**	**3,295,612**	**(1,251,336)**
Deficiency of revenues over expenses	**(380,353)**	**-**	**(380,353)**
Remeasurements and other items	**(179,487)**	**-**	**(179,487)**
Funding for redevelopment costs *(Note 8)*	**2,800,000**	**(2,800,000)**	**-**
Amortization of deferred capital funding *(Note 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	**(525,830)**	**525,830**	**-**
Capitalization of redevelopment costs	**(133,120)**	**133,120**	**-**
Mortgage principal repaid	**(43,914)**	**43,914**	**-**
Transfer of deferred capital funding	**329,273**	**(329,273)**	**-**
Asset retirement obligation accretion	**40,987**	**(40,987)**	**-**
Balance, March 31, 2025	**(2,293,546)**	**482,370**	**(1,811,176)**
Deficiency of revenue over expenses	**(1,369,071)**	**-**	**(1,369,071)**
Remeasurements and other items	**129,092**	**-**	**129,092**
Amortization of deferred capital funding *(Note 9)*	**(933,590)**	**933,590**	**-**
Amortization of capital assets	**1,119,173**	**(1,119,173)**	**-**
Amortization of asset retirement obligation	**261,536**	**(261,536)**	**-**
(Disbursements) funding of capital assets	**(174,543)**	**174,543**	**-**
Capitalization of redevelopment costs	**(19,945)**	**19,945**	**-**
Mortgage principal repaid	**(46,321)**	**46,321**	**-**
Transfers to deferred capital funding	**160,204**	**(160,204)**	**-**
Asset retirement obligation accretion	**41,983**	**(41,983)**	**-**
Balance, March 31, 2026	**(3,125,028)**	**73,873**	**(3,051,155)**

The accompanying notes are an integral part of these financial statements

Jewish Home for the Aged of British Columbia
(operating as Louis Brier Home and Hospital)
Statement of Cash Flows
For the year ended March 31, 2026

	2026	2025
Cash provided by (used for) the following activities		
Operating		
Deficiency of revenue over expenses	**(1,369,071)**	(380,353)
Non-cash items:		
Amortization of deferred capital funding	**(933,590)**	(946,694)
Amortization of capital assets	**1,119,173**	1,041,500
Amortization of asset retirement obligation	**261,536**	251,040
Asset retirement obligation accretion	**41,983**	40,987
	(879,969)	6,480
Changes in working capital accounts		
Accounts receivable	**(646,544)**	383,907
Due from Louis Brier Jewish Residence Society	**(150,657)**	110,761
Due from Louis Brier Jewish Aged Foundation	**113,523**	212,116
Inventory	**4,904**	(10,285)
Prepaid expenses	**11,093**	(12,360)
Accounts payable and accruals	**90,032**	248,999
Government remittances payable	**6,841**	9,127
Deferred operating revenue	**(17,573)**	680,678
Sick and severance payable	**169,447**	91,680
	(1,298,903)	1,721,103
Financing		
Repayment of mortgage principal	**(46,321)**	(43,914)
Change in bank indebtedness	**(100)**	(2,647,445)
Repayment of lease liabilities	**(6,261)**	-
	(52,682)	(2,691,359)
Investing		
Contributions received for investment in capital assets	**160,204**	3,129,274
Purchase of capital assets	**(194,488)**	(639,147)
	(34,284)	2,490,127
Increase (decrease) in cash	**(1,385,869)**	1,519,871
Cash, beginning of year	**2,646,323**	1,126,452
Cash, end of year	**1,260,454**	2,646,323
Non-cash transactions:		
Remeasurement of sick and severance payable	**129,092**	(179,487)
Non-cash addition of property and equipment through capital lease obligations	**-**	19,803

The accompanying notes are an integral part of these financial statements

1. Purpose of the Society

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

The 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, and include the following significant accounting policies:

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 Canadian accounting standards for not-for-profit organizations. 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.

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 to be received 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 is recognized as revenue when earned.

Financial instruments

The Society recognizes its financial instruments when the Society becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with Section 3840 *Related Party Transactions*.

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.

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.

2. Basis of accounting and significant accounting policies *(Continued from previous page)*

Inventory

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

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:

	Method	Rate
Buildings	straight-line	24-27 years
Building improvements	straight-line	4-10 years
Equipment	straight-line	4-15 years
Computer equipment	straight-line	5 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.

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.

Asset retirement obligation

An asset retirement obligation is recognized at the best estimate of the expenditure required to settle the present obligation at the statement of financial position date when the liability for an asset retirement obligation is incurred and a reasonable estimate of the obligation is determinable. The best estimate of the asset retirement obligation is the present value of the amount the Society would rationally pay to settle the obligation, or transfer it to a third party, at the statement of financial position date.

When a liability is recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related asset. The asset retirement cost is amortized over the estimated useful life of the related asset.

The Society recognizes changes to the liability due to the passage of time in operating expenses, as accretion. Changes due to passage of time are calculated by applying an interest method of allocation using the discount rate used in the original calculation of the asset retirement obligation. The Society recognizes changes to the liability arising from revisions to the timing amount of expected undiscounted cash flows or discount rate as an increase or decrease to the carrying amounts of the asset retirement obligation and the related asset retirement capitalized cost.

2. Basis of accounting and significant accounting policies *(Continued from previous page)*

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.

Measurement uncertainty and use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. 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.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in deficiency of revenues over expenses in the years in which they become known.

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 multilevel 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:

	2026	*2025*
Balance, beginning of year	**677,545**	788,306
Services provided:		
Salaries and benefits	**4,515,527**	4,568,601
Other expenses	**437,154**	369,901
	5,630,226	5,726,808
Less: payments received	**(4,802,024)**	(5,049,263)
	828,202	677,545

The amount receivable from the Residence Society as at March 31, 2026 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

	Cost	*Accumulated amortization*	*2026 Net book value*	*2025 Net book value*
Land	**316,475**	**-**	**316,475**	316,475
Buildings and building improvements	**19,571,741**	**16,726,268**	**2,845,473**	3,752,193
Equipment and computer equipment	**7,661,929**	**6,913,566**	**748,363**	629,265
Asset retirement obligation (Note 10)	**1,607,638**	**985,082**	**622,556**	884,092
Property under development	**3,062,144**	**-**	**3,062,144**	3,199,207
	32,219,927	**24,624,916**	**7,595,011**	8,781,232

5. Deferred operating revenue

	External grants	*Vancouver Coastal Health Authority grants*	*2026*	*2025*
Balance, beginning of year	**98,075**	**767,000**	**865,075**	184,397
Receipts	**12,677**	**-**	**12,677**	778,315
Reallocation to deferred capital funding	**-**	**-**	**-**	(32,500)
Amortization to revenue	**(30,250)**	**-**	**(30,250)**	(65,137)
	80,502	**767,000**	**847,502**	865,075

6. Employee future benefits

(a) Sick and severance payable

Under the terms of the employer’s union contracts, employees with ten years of service and having reached a certain age are entitled to receive special payments upon retirement (or other circumstances specified in the collective agreement).

These payments are based upon accumulated sick leave credits and entitlements for each year of service. The liability for amounts which may become payable to retiring employees is based on an actuarial valuation report completed as at March 31, 2026 using a discount rate of 5.00% (2025 - 4.90%). The plan is unfunded as at March 31, 2026.

(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 $1,721,000 (2025 - $1,710,000) 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 most recent actuarial valuation was completed as at December 31, 2024, and indicated a funding surplus of $3.74 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.

(c) Health Benefit Trust

The Society and its employees contribute to the Health Benefits Trust (the "HBT"), a multi-employer defined benefit plan that provides long term disability, dental and other health-related benefits to employees. The Society contributed $2,210,000 (2025 - $2,092,000) to the Plan during the year.

Every three years an actuarial valuation is performed to assess the financial position of the HBT and the adequacy of plan funding. The most recent actuarial valuation was completed as at December 31, 2024, which indicated that the HBT remains fully funded. Employers participating in the HBT record their expense as the amount of employer contributions made during the year. This is because the HBT records accrued liabilities and accrued assets for the HBT 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 HBT. These payments include all benefits paid to HBT such as life, AD&D, extended health and dental in addition to long term disability, as a combined percentage rate is applied to wages rather then separable rates for each benefit.

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 (2025 - 60) received remuneration equal to or in excess of $75,000 during the year ended March 31, 2026 and their aggregate remuneration was $6,297,022 (2025 - $6,346,044).

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:

	2026	*2025*
Mortgage loan, bearing interest at 5.25% (2025 - 5.25%) per annum payable $4,924 (2025 - $4,924) monthly, principal and interest due December 2029, secured by a first mortgage on land and buildings, in the principal amount of $4,000,000	**200,798**	247,981
Less: unamortized deferred financing costs	**(3,218)**	(4,080)
Less: principal amount due within one year	**(49,722)**	(47,184)
	-	-
	147,858	196,717

Mortgage interest for the year ended March 31, 2026 was $11,905 (2025 - $16,219).

A revolving operating line with a credit limit of $2,000,000 was initiated on January 16, 2025. For the year-ended March 31, 2026 $nil was drawn (2025 - $100) 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:

2027	49,722
2028	52,365
2029	55,219
2030	43,492
Total	200,798

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

9. Deferred capital funding

	2026	2025
Additions to deferred capital	**160,204**	3,096,774
Reallocated from deferred operating revenue	**-**	32,500
Amortization to revenue	**(933,590)**	(946,694)
Increase (decrease) in year	**(773,386)**	2,182,580
Balance, beginning of year	**6,327,255**	4,144,675
Balance, end of year	**5,553,869**	6,327,255

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.

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 asset retirement obligation ("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 2026. None of the assets are legally restricted for purposes of settling the obligations.

11. Other revenue

Other revenue comprises the following:

	2026	2025
Companion program	**116,286**	127,917
Miscellaneous revenue	**131,305**	102,265
Phone, cable and AC rental recoveries	**61,342**	73,403
BC Care Providers Donation	**68,654**	49,261
Rehab Recoveries	**51,256**	53,311
Interest	**16,165**	-
	445,008	406,157

12. Economic dependence

The Society's primary 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

The Society, as part of its operations, carries a number of financial instruments. It is management's opinion that the Society is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

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 $2,103,293 (2025 - $1,419,614).

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.

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, 2026, the most significant financial liabilities are accounts payable, accrued liabilities, mortgage payable, asset retirement obligation, and sick and severance payable.

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, 2026, 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, 2026, the Society received $504,326 (2025 - $1,007,954) from Vancouver Coastal Health to offset increased costs incurred as a result of COVID-19.

14. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.

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:

	2026	*2025*
Financial position		
Assets	**2,141,897**	2,883,569
Liabilities	**(1,033,888)**	(913,331)
Net assets	**(1,108,009)**	(1,970,238)
	-	-
Revenues and expenses		
Revenues	**5,693,590**	5,934,876
Expenses	**(6,555,819)**	(6,453,929)
Deficiency of revenues over expenses	**(862,229)**	(519,053)
Cash flows		
Cash (used in) generated by operations	**(21,742)**	72,005
Cash used in investing activities	**(7,788)**	(43,152)
Increase (decrease) in cash	**(29,530)**	28,853