

CAMPBELL, SAUNDERS & CO.

JEWISH HOME FOR THE AGED
OF BRITISH COLUMBIA

OPERATING AS
LOUIS BRIER HOME AND HOSPITAL

FINANCIAL STATEMENTS
MARCH 31, 2009

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CAMPBELL, SAUNDERS & CO.

Chartered Accountants

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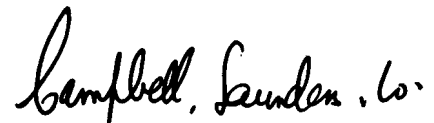
AUDITORS' REPORT

To: The Members of
Jewish Home For The Aged Of British Columbia
Operating as Louis Brier Home and Hospital

We have audited the statement of financial position of **The Jewish Home For The Aged of British Columbia** as at March 31, 2009 and the statements of operations and changes in net assets and cash flow for the year then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2009 and the results of its operations and the changes in its net assets and cash flow for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Society Act of British Columbia, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.




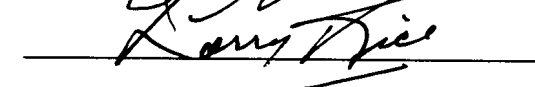
CHARTERED ACCOUNTANTS

Vancouver, B.C.
May 14, 2009

**JEWISH HOME FOR THE AGED OF BRITISH COLUMBIA
OPERATING AS LOUIS BRIER HOME AND HOSPITAL
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2009**

	2009	2008
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,463,854	\$ 1,742,916
Accounts receivable	152,872	142,344
Due from Louis Brier Jewish Aged Foundation	3,277	87,979
Due from Louis Brier Jewish Residence Society (Note 3)	608,679	542,329
Inventory	118,302	123,332
Prepaid expenses	<u>80,943</u>	<u>111,058</u>
	2,427,927	2,749,958
RESTRICTED CASH (Note 4)	109,234	34,065
PROPERTY, PLANT AND EQUIPMENT (Note 5)	<u>6,866,798</u>	<u>6,665,363</u>
	<u>\$ 9,403,959</u>	<u>\$ 9,449,386</u>
TRUST FUNDS (Note 6)		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 1,259,153	\$ 1,498,742
Deferred operating revenue (Note 7)	502,215	788,620
Current portion of sick and severance payable (Note 8)	123,405	136,766
Current portion of mortgage payable (Note 9)	<u>14,961</u>	<u>13,832</u>
	1,899,734	2,437,960
REPLACEMENT RESERVE (Note 4)	109,234	34,065
SICK AND SEVERANCE PAYABLE (Note 8)	1,129,351	1,017,022
MORTGAGE PAYABLE (Note 9)	670,539	685,500
DEFERRED CAPITAL FUNDING (Note 10)	<u>6,162,904</u>	<u>5,843,330</u>
	<u>9,971,762</u>	<u>10,017,877</u>
CONTINGENCIES (Note 11)		
NET ASSETS		
Unrestricted	(1,161,224)	(900,164)
Invested in property, plant and equipment	537,093	275,953
Restricted Special Purpose (Note 12)	<u>56,328</u>	<u>55,720</u>
	<u>(567,803)</u>	<u>(568,491)</u>
	<u>\$ 9,403,959</u>	<u>\$ 9,449,386</u>

APPROVED BY THE DIRECTORS:

**JEWISH HOME FOR THE AGED OF BRITISH COLUMBIA
OPERATING AS LOUIS BRIER HOME AND HOSPITAL**

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2009**

	Unrestricted	Invested in Property, Plant & Equipment	Restricted Special Purpose	2009	2008
BALANCE - BEGINNING OF YEAR	<u>\$ (900,164)</u>	<u>\$ 275,953</u>	<u>\$55,720</u>	<u>\$(568,491)</u>	<u>\$(668,198)</u>
Excess of revenue over expenses	80	-	608	688	99,707
Purchase of assets internally funded	(274,713)	274,713	-	-	-
Amortization of deferred capital funding	(408,302)	408,302	-	-	-
Amortization of property, plant and equipment	435,707	(435,707)	-	-	-
Mortgage principal repaid	<u>(13,832)</u>	<u>13,832</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in year	<u>(261,060)</u>	<u>261,140</u>	<u>608</u>	<u>688</u>	<u>99,707</u>
BALANCE - END OF YEAR	<u><u>\$(1,161,224)</u></u>	<u><u>\$ 537,093</u></u>	<u><u>\$ 56,328</u></u>	<u><u>\$(567,803)</u></u>	<u><u>\$(568,491)</u></u>

**JEWISH HOME FOR THE AGED OF BRITISH COLUMBIA
OPERATING AS LOUIS BRIER HOME AND HOSPITAL**

**STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2009**

	2009	2008
REVENUES		
Vancouver Coastal Health grant	\$ 9,590,339	\$ 9,290,308
Resident charges	3,589,061	3,570,869
Donations	81,287	2,635
Foundation contribution	278,779	270,659
Gaming revenue	40,567	40,889
Other revenue (Note 13)	71,897	214,942
Amortization of deferred capital funding (Note 10)	<u>408,302</u>	<u>369,307</u>
	<u>14,060,232</u>	<u>13,759,609</u>
EXPENSES		
Salaries	9,050,745	8,799,597
Employee benefits (Note 8)	<u>2,440,160</u>	<u>2,372,040</u>
	11,490,905	11,171,637
Administration	208,162	212,533
Amortization	435,707	380,272
Dietary	804,120	767,473
Housekeeping	36,965	38,503
Laundry and linen	44,918	44,593
Nursing and medical	393,701	396,599
Plant operation	308,391	316,911
Plant maintenance	207,939	195,361
Therapy	74,890	82,541
Mortgage interest	<u>54,454</u>	<u>55,504</u>
	<u>14,060,152</u>	<u>13,661,927</u>
Net operating surplus	<u>80</u>	<u>97,682</u>
Special Purpose revenue	1,052	2,025
Special Purpose expense	<u>(444)</u>	<u>-</u>
	<u>608</u>	<u>2,025</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	<u>\$ 688</u>	<u>\$ 99,707</u>

**JEWISH HOME FOR THE AGED OF BRITISH COLUMBIA
OPERATING AS LOUIS BRIER HOME AND HOSPITAL**

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2009

	2009	2008
OPERATIONS		
Surplus from operations	\$ 80	\$ 97,682
Surplus from special purpose funds	<u>608</u>	<u>2,025</u>
	688	99,707
Non-cash items		
Amortization of deferred capital funding	(408,302)	(369,307)
Amortization of property, plant and equipment	<u>435,707</u>	<u>380,272</u>
	28,093	110,672
Changes in other operating assets and liabilities	<u>(496,386)</u>	<u>(92,242)</u>
	<u>(468,293)</u>	<u>18,430</u>
FINANCING		
Reduction in mortgage payable	(13,832)	(12,789)
Increase (reduction) in replacement reserve	75,169	(23,608)
Increase in deferred capital funding	727,876	495,551
Increase in sick and severance payable	<u>112,329</u>	<u>101,834</u>
	<u>901,542</u>	<u>560,988</u>
INVESTMENT		
Additions to property, plant and equipment	<u>(637,141)</u>	<u>(862,380)</u>
(DECREASE) IN CASH AND CASH EQUIVALENTS	(203,892)	(282,962)
Cash and cash equivalents - beginning of year	<u>1,776,980</u>	<u>2,059,942</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$1,573,088</u>	<u>\$1,776,980</u>
REPRESENTED BY:		
Unrestricted	\$1,407,526	\$1,687,195
Special purpose	<u>56,328</u>	<u>55,720</u>
	1,463,854	1,742,915
Restricted	<u>109,234</u>	<u>34,065</u>
	<u>\$1,573,088</u>	<u>\$1,776,980</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest received	<u>\$ 44,385</u>	<u>\$ 75,466</u>
Interest paid	<u>\$ 54,454</u>	<u>\$ 55,504</u>

JEWISH HOME FOR THE AGED OF BRITISH COLUMBIA
OPERATING AS LOUIS BRIER HOME AND HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2009

NOTE 1 - PURPOSE OF THE ORGANIZATION

The Jewish Home for the Aged of British Columbia (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 Society Act of British Columbia as a not-for-profit organization and is a registered charity under the Income Tax Act.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial statements:

The Society prepares its financial statements based on 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. Investment income is recognized as it accrues. Investment income earned in a restricted fund is recorded as an increase in the fund balance. Revenue for resident charges is recognized on an accrual basis when services are provided.

Inventory:

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

Property, plant and equipment:

Property, plant and equipment are valued at cost.

Amortization of Property, Plant and Equipment:

Buildings are amortized on a straight-line basis over 40 years.

Equipment is amortized on a straight-line basis over 10 years.

Transportation equipment is amortized on a straight-line basis over 15 years.

Computer equipment is amortized on a straight-line basis over 5 years.

Grants received:

Government grants toward current expenses or revenues are included in the determination of net income for the year.

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

**JEWISH HOME FOR THE AGED OF BRITISH COLUMBIA
OPERATING AS LOUIS BRIER HOME AND HOSPITAL**

**NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2009**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Cash and cash equivalents:

Cash and cash equivalents are composed of operating cash and a guaranteed investment certificate with a maturity of less than one year.

Replacement reserve:

In accordance with the terms of the mortgage referred to in Note 10, the Society has set up a replacement reserve to cover the replacement of certain types of capital assets. The replacement reserve is funded by an annual charge against earnings and any expenditures must be approved by the mortgagor.

Contributed services:

The work of the Society is dependent on the efforts of many volunteers. Because these services are not normally purchased by the Society and because of the difficulty in determining their fair value, donated services are not recognized in these financial statements.

Use of estimates:

The preparation of financial statements 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.

NOTE 3 - DUE FROM LOUIS BRIER JEWISH RESIDENCE SOCIETY

The Society has leased a portion of the land referred to in Note 6 to the Louis Brier Jewish Residence Society (Residence Society) for a term of 99 years at an Annual Basic Rent of \$10.00 per annum. The permitted use of the premises are the operation of a charitable non-profit senior's congregate care (assisted living) and multi level facility as a complementary facility to the Jewish Home For The Aged.

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 Society has the right to appoint a majority of the members to the Board of the Residence Society and both Societies share common management.

**JEWISH HOME FOR THE AGED OF BRITISH COLUMBIA
OPERATING AS LOUIS BRIER HOME AND HOSPITAL**

**NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2009**

NOTE 3 - DUE FROM LOUIS BRIER JEWISH RESIDENCE SOCIETY (Cont'd)

The amount receivable at year end is as follows:

	Services Provided	Loan Receivable	Total
Balance - beginning of year	\$ 117,329	\$425,000	\$ 542,329
Services provided	2,965,185	-	2,965,185
Interest charged	10,799	-	10,799
	<u>2,975,984</u>	<u>-</u>	<u>2,975,984</u>
Payments received	2,697,329	-	2,697,329
Vancouver Coastal Health Subsidy	212,305	-	212,305
	<u>2,909,634</u>	<u>-</u>	<u>2,909,634</u>
Balance - end of year	<u>\$ 183,679</u>	<u>\$425,000</u>	<u>\$ 608,679</u>

The services provided to the Residence Society are of an administrative, operational and managerial nature and are provided on a cost recovery basis.

The loan receivable is at prime rate less 1.6% with no fixed terms of repayment.

NOTE 4 - REPLACEMENT RESERVE

Replacement Reserve comprises the following:

	2009	2008
BALANCE - BEGINNING OF YEAR	\$ 34,065	\$ 57,673
Annual charge to operations	73,826	73,826
Interest earned	1,343	3,566
Disbursements	-	(101,000)
BALANCE - END OF YEAR	<u>\$109,234</u>	<u>\$ 34,065</u>

Cash of \$109,243 (2008-\$34,065) is earmarked for the Replacement Reserve.

**JEWISH HOME FOR THE AGED OF BRITISH COLUMBIA
OPERATING AS LOUIS BRIER HOME AND HOSPITAL**

**NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2009**

NOTE 5 - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment comprise the following:

	Cost	Accumulated Amortization	2009 Net Book Value	2008 Net Book Value
General Fund				
Cost				
Land (Note 4)	\$ 316,475	\$ -	\$ 316,475	\$ 316,475
Buildings	15,157,577	9,791,061	5,366,516	5,234,462
Equipment	4,646,501	3,561,228	1,085,273	756,251
Bus	134,364	35,830	98,534	107,491
Projects in progress	-	-	-	250,684
	<u>\$20,254,917</u>	<u>\$13,388,119</u>	<u>\$6,866,798</u>	<u>\$6,665,363</u>

NOTE 6 - TRUST FUNDS

The Society administers certain funds on behalf of the residents. These amounts are not reflected in the financial statements and are comprised as follows:

	2009	2008
Residents' Trust Fund	<u>\$27,584</u>	<u>\$26,652</u>
Residents' Trust Liabilities	<u>\$27,584</u>	<u>\$26,652</u>

NOTE 7 - DEFERRED OPERATING REVENUE

Deferred operating revenue represents revenue received in advance and comprises the follows:

	Seniors Initiative	Vancouver Coastal Health Grant Education	Gaming Contribution	Resident Charges	Targeted Donations	Staff Appreciation Fund	Total 2009	Total 2008
Balance- beginning of the year	\$ 588,600	\$40,480	\$ 40,000	\$16,521	\$ 101,874	\$ 1,145	\$ 788,620	\$763,679
Revenue	-	-	567	4,144	56,396	2,952	64,059	32,821
Expenses	<u>(185,265)</u>	<u>(525)</u>	<u>(40,567)</u>	<u>(3,082)</u>	<u>(118,963)</u>	<u>(2,062)</u>	<u>(350,464)</u>	<u>(7,880)</u>
Balance- end of year	<u>\$ 403,335</u>	<u>\$39,955</u>	<u>\$ -</u>	<u>\$17,583</u>	<u>\$ 39,307</u>	<u>\$ 2,035</u>	<u>\$ 502,215</u>	<u>\$788,620</u>

**JEWISH HOME FOR THE AGED OF BRITISH COLUMBIA
OPERATING AS LOUIS BRIER HOME AND HOSPITAL**

**NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2009**

NOTE 8 - SICK AND SEVERANCE

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 have been estimated by actuarial valuation as at March 31, 2007, extrapolated to March 31, 2009, using an early measurement date of December 31, 2008.

The accumulation benefit obligation for sick leave and severance benefits as at March 31, 2009 is as follows:

	2009	2008
Per actuarial valuation		
Sick leave benefits	\$ 336,848	\$ 381,000
Severance benefits	627,681	719,631
Total	<u>\$ 964,529</u>	<u>\$1,100,631</u>
Per financial statements	<u>\$1,252,756</u>	<u>\$1,153,788</u>
Differential	<u>\$ 288,227</u>	<u>\$ 53,157</u>

In 2009 a charge of \$114,187 (2008 - \$111,727) was included in Employee Benefits.

The significant actuarial assumptions adopted in measuring the Society's sick and severance liabilities are as follows:

	2009	2008
Interest discount rate	7.25%	5.50%
Salary increases	2.50%	3.25%

NOTE 9 - MORTGAGE PAYABLE

Mortgage payable comprises the following:

	2009	2008
CMHC 8%, payable \$5,698 monthly, principal and interest, due January 2030, secured by a first mortgage on land and buildings, costing \$946,270.	\$685,500	\$699,332
Less: Principal amount due within one year	<u>(14,961)</u>	<u>(13,832)</u>
	<u>\$670,539</u>	<u>\$685,500</u>

**JEWISH HOME FOR THE AGED OF BRITISH COLUMBIA
OPERATING AS LOUIS BRIER HOME AND HOSPITAL**

**NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2009**

NOTE 9 - MORTGAGE PAYABLE (Cont'd)

Principal repayments due within the next five fiscal years are as follows:

March 31, 2010	\$14,961
2011	16,182
2012	17,502
2013	18,930
2014	20,475

NOTE 10 - DEFERRED CAPITAL FUNDING

Deferred capital funding comprises the following:

	2009	2008
BALANCE - BEGINNING OF YEAR	\$5,843,330	\$5,717,086
Seniors initiative funding	185,265	-
Foundation contribution	-	38,358
Vancouver Coastal Health contribution	97,852	98,000
Other amounts	444,759	359,193
Amortization	<u>(408,302)</u>	<u>(369,307)</u>
BALANCE - END OF YEAR	<u>\$6,162,904</u>	<u>\$5,843,330</u>

Deferred capital funding represents grants and donations received towards the acquisition of Property, Plant and Equipment. Such amounts are deferred and amortized to income on the same basis as the related property, plant and equipment are amortized.

At March 31, 2009, \$448,601 (2008 - \$333,837) of amounts received were unspent.

NOTE 11 - CONTINGENCIES

The Jewish Home for the Aged of B.C. has guaranteed the bank indebtedness of the Louis Brier Jewish Residence Society to a maximum of \$500,000, secured by a Mortgage and Assignment of Rents in the amount of \$2,000,000.

NOTE 12 - RESTRICTED SPECIAL PURPOSE NET ASSETS

Restricted Special Purpose Net Assets comprises the following:

	Albert O. Kaplan Perpetual Scholarship	Abrasha Wosk Project Fund	Bernstone Fund	Comfort Fund	Snider Fund	2009	2008
Balance- Beginning of year	\$ 6,915	\$5,329	\$14,277	\$19,622	\$9,577	\$55,720	\$53,695
Revenue	130	101	270	371	180	1,052	2,025
Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(444)</u>	<u>(444)</u>	<u>-</u>
Balance - end of year	<u>\$ 7,045</u>	<u>\$5,430</u>	<u>\$14,547</u>	<u>\$19,993</u>	<u>\$9,313</u>	<u>\$56,328</u>	<u>\$55,720</u>

**JEWISH HOME FOR THE AGED OF BRITISH COLUMBIA
OPERATING AS LOUIS BRIER HOME AND HOSPITAL**

**NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2009**

NOTE 13 - OTHER REVENUE

	2009	2008
Other revenue comprises the following:		
Investment income	\$ 44,385	\$ 75,466
Membership fees	2,250	1,762
Miscellaneous revenue	25,262	27,861
WCB rebate	<u>-</u>	<u>109,853</u>
	<u>\$ 71,897</u>	<u>\$214,942</u>

NOTE 14 - ECONOMIC DEPENDENCE

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

NOTE 15 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK

The Society classifies its cash and cash equivalents as held for trading. Accounts receivable including due from Louis Brier Jewish Aged Foundation and due from Louis Brier Jewish Residence Society are classified as loans and receivables and accounts payable and accrued liabilities and mortgage payable have been classified as other financial liabilities.

a) Fair Value

Cash and cash equivalents, accounts receivable including due from Louis Brier Jewish Aged Foundation and due from Louis Brier Jewish Residence Society and accounts payable and accrued liabilities are measured at their carrying amount since it is comparable to their fair value due to the approaching maturity of these financial instruments.

Mortgage payable is measured at its carrying amounts. The fair value of this financial instrument is not readily determinable.

b) Financial Risk

The Society is not exposed to interest rate risk on its mortgage payable due to the fixed rate, long term nature of the debt instrument.