

CAMPBELL, SAUNDERS & CO.

JEWISH HOME FOR THE AGED
OF BRITISH COLUMBIA

OPERATING AS
LOUIS BRIER HOME AND HOSPITAL

FINANCIAL STATEMENTS
MARCH 31, 2010

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CAMPBELL, SAUNDERS & CO.

Chartered Accountants

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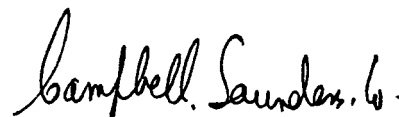
AUDITORS' REPORT

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, 2010 and the statements of earnings 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, 2010 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

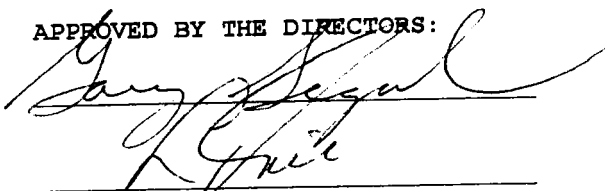
Vancouver, B.C.
May 14, 2010

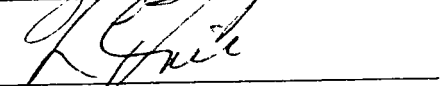
**JEWISH HOME FOR THE AGED OF BRITISH COLUMBIA
OPERATING AS LOUIS BRIER HOME AND HOSPITAL**

**STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2010**

	2010	2009
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,034,779	\$ 1,463,854
Accounts receivable	131,689	152,872
Due from Louis Brier Jewish Aged Foundation	5,734	3,277
Due from Louis Brier Jewish Residence Society (Note 3)	599,286	608,679
Inventory	118,917	118,302
Prepaid expenses	<u>69,875</u>	<u>80,943</u>
	2,960,280	2,427,927
RESTRICTED CASH (Note 4)	183,082	109,234
PROPERTY, PLANT AND EQUIPMENT (Note 5)	<u>6,726,564</u>	<u>6,866,798</u>
	<u>\$ 9,869,926</u>	<u>\$ 9,403,959</u>
 TRUST FUNDS (Note 6)		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 1,664,493	\$ 1,259,153
Deferred operating revenue (Note 7)	521,491	502,215
Current portion of sick and severance payable (Note 8)	225,822	123,405
Current portion of mortgage payable (Note 9)	<u>16,182</u>	<u>14,961</u>
	2,427,988	1,899,734
REPLACEMENT RESERVE (Note 4)	183,082	109,234
SICK AND SEVERANCE PAYABLE (Note 8)	986,395	1,129,351
MORTGAGE PAYABLE (Note 9)	654,357	670,539
DEFERRED CAPITAL FUNDING (Note 10)	<u>6,103,558</u>	<u>6,162,904</u>
	<u>10,355,380</u>	<u>9,971,762</u>
 CONTINGENCIES (Note 11)		
NET ASSETS		
Unrestricted	(1,067,231)	(1,161,224)
Invested in property, plant and equipment	525,364	537,093
Restricted Special Purpose (Note 12)	<u>56,413</u>	<u>56,328</u>
	<u>(485,454)</u>	<u>(567,803)</u>
	<u>\$ 9,869,926</u>	<u>\$ 9,403,959</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, 2010

	Unrestricted	Invested in Property, Plant & Equipment	Restricted Special Purpose	2010	2009
BALANCE - BEGINNING OF YEAR	<u>\$ (1,161,224)</u>	<u>\$ 537,093</u>	<u>\$56,328</u>	<u>\$ (567,803)</u>	<u>\$ (568,491)</u>
Excess of revenue over expenses	82,264	-	85	82,349	688
Purchase of assets internally funded	-	-	-	-	-
Amortization of deferred capital funding	(423,575)	423,575	-	-	-
Amortization of property, plant and equipment	450,265	(450,265)	-	-	-
Mortgage principal repaid	<u>(14,961)</u>	<u>14,961</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in year	<u>93,993</u>	<u>(11,729)</u>	<u>85</u>	<u>82,349</u>	<u>688</u>
BALANCE - END OF YEAR	<u>\$ (1,067,231)</u>	<u>\$ 525,364</u>	<u>\$56,413</u>	<u>\$ (485,454)</u>	<u>\$ (567,803)</u>

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

STATEMENT OF EARNINGS
FOR THE YEAR ENDED MARCH 31, 2010

	2010	2009
REVENUES		
Vancouver Coastal Health grant	\$10,004,495	\$ 9,590,339
Resident charges	3,734,888	3,589,061
Donations	3,634	81,287
Foundation contribution	279,320	278,779
Gaming revenue	-	40,567
Other revenue (Note 13)	51,197	71,897
Amortization of deferred capital funding (Note 10)	<u>423,575</u>	<u>408,302</u>
	<u>14,497,109</u>	<u>14,060,232</u>
EXPENSES		
Salaries	9,155,282	9,050,745
Employee benefits (Note 8)	<u>2,594,540</u>	<u>2,440,160</u>
	11,749,822	11,490,905
Administration	228,184	208,162
Amortization	450,265	435,707
Dietary	820,488	804,120
Housekeeping	41,357	36,965
Laundry and linen	45,555	44,918
Nursing and medical	414,115	393,701
Plant operation	286,058	308,391
Plant maintenance	243,512	207,939
Therapy	82,171	74,890
Mortgage interest	<u>53,318</u>	<u>54,454</u>
	<u>14,414,845</u>	<u>14,060,152</u>
Net operating surplus	<u>82,264</u>	<u>80</u>
Special Purpose revenue	85	1,052
Special Purpose expense	<u>-</u>	<u>(444)</u>
	<u>85</u>	<u>608</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	<u>\$ 82,349</u>	<u>\$ 688</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, 2010

	2010	2009
OPERATIONS		
Surplus from operations	\$ 82,264	\$ 80
Surplus from special purpose funds	<u>85</u>	<u>608</u>
	82,349	688
 Non-cash items		
Amortization of deferred capital funding	(423,575)	(408,302)
Amortization of property, plant and equipment	<u>450,265</u>	<u>435,707</u>
	109,039	28,093
Changes in other operating assets and liabilities	<u>565,605</u>	<u>(496,386)</u>
	<u>674,644</u>	<u>(468,293)</u>
 FINANCING		
Reduction in mortgage payable	(14,961)	(13,832)
Increase (reduction) in replacement reserve	73,848	75,169
Increase in deferred capital funding	364,230	727,876
Increase in sick and severance payable	<u>(142,956)</u>	<u>112,329</u>
	<u>280,161</u>	<u>901,542</u>
 INVESTMENT		
Additions to property, plant and equipment	<u>(310,032)</u>	<u>(637,141)</u>
 (DECREASE) IN CASH AND CASH EQUIVALENTS	644,773	(203,892)
 Cash and cash equivalents - beginning of year	<u>1,573,088</u>	<u>1,776,980</u>
 CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$2,217,861</u>	<u>\$1,573,088</u>
 REPRESENTED BY:		
Unrestricted	\$1,978,366	\$1,407,526
Special purpose	<u>56,413</u>	<u>56,328</u>
	2,034,779	1,463,854
Restricted	<u>183,082</u>	<u>109,234</u>
	<u>\$2,217,861</u>	<u>\$1,573,088</u>
 SUPPLEMENTAL CASH FLOW INFORMATION		
Interest received	<u>\$ 22,511</u>	<u>\$ 44,385</u>
Interest paid	<u>\$ 53,318</u>	<u>\$ 54,454</u>

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

NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2010

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 received for current operating expenses or revenues are included in the determination of net income for the year.

Grants or other types of assistance received for 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, 2010**

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

Cash and cash equivalents:

Cash and cash equivalents are comprised 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, 2010**

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

The amount receivable at year end is as follows:

	Services Provided	2010 Loan Receivable	Total	Services Provided	2009 Loan Receivable	Total
Balance - beginning of year	\$ 183,679	\$425,000	\$ 608,679	\$ 117,329	\$425,000	\$ 542,329
Services provided	3,047,527	-	3,047,527	2,965,185	-	2,965,185
Interest charged	2,574	-	2,574	10,799	-	10,799
Loan repayment	19,924	(42,773)	(22,849)	-	-	-
	<u>3,070,025</u>	<u>(42,773)</u>	<u>3,027,252</u>	<u>2,975,984</u>	<u>-</u>	<u>2,975,984</u>
Payments received	2,840,603	-	2,840,603	2,697,329	-	2,697,329
Vancouver Coastal Health Subsidy	196,042	-	196,042	212,305	-	212,305
	<u>3,036,645</u>	<u>-</u>	<u>3,036,645</u>	<u>2,909,634</u>	<u>-</u>	<u>2,909,634</u>
Balance - end of year	<u>\$ 217,059</u>	<u>\$382,227</u>	<u>\$ 599,286</u>	<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:

	2010	2009
BALANCE - BEGINNING OF YEAR	\$109,234	\$ 34,065
Annual charge to operations	73,826	73,826
Interest earned	<u>22</u>	<u>1,343</u>
BALANCE - END OF YEAR	<u>\$183,082</u>	<u>\$109,234</u>

Cash of \$183,082 (2009-\$109,234) 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, 2010**

NOTE 5 - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment comprise the following:

	2010		2009	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
General Fund				
Cost				
Land (Note 4)	\$ 316,475	\$ -	\$ 316,475	\$ -
Buildings	15,272,149	10,036,535	15,157,577	9,791,061
Equipment	4,826,057	3,757,061	4,646,501	3,561,228
Bus	134,364	44,788	134,364	35,830
Projects in progress	<u>15,903</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$20,564,948</u>	<u>\$13,838,384</u>	<u>\$20,254,917</u>	<u>\$13,388,119</u>
Net Book Value	<u>\$ 6,726,564</u>		<u>\$ 6,866,798</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:

	2010	2009
Residents' Trust Fund	<u>\$30,641</u>	<u>\$27,584</u>
Residents' Trust Liabilities	<u>\$30,641</u>	<u>\$27,584</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 2010	Total 2009
Balance- beginning of the year	\$403,335	\$39,955	\$ -	\$ 17,583	\$ 39,307	\$ 2,035	\$502,215	\$ 788,620
Revenue	-	-	40,000	17,509	8,140	1,910	67,559	64,059
Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,583)</u>	<u>(26,755)</u>	<u>(3,945)</u>	<u>(48,283)</u>	<u>(350,464)</u>
Balance- end of year	<u>\$403,335</u>	<u>\$39,955</u>	<u>\$40,000</u>	<u>\$ 17,509</u>	<u>\$ 20,692</u>	<u>\$ -</u>	<u>\$521,491</u>	<u>\$ 502,215</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2010**

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, 2010, using an early measurement date of December 31, 2009.

The accumulation benefit obligation for sick leave and severance benefits as at March 31, 2010 is as follows:

	2010	2009
Per actuarial valuation		
Sick leave benefits	\$ 377,050	\$ 336,848
Severance benefits	<u>782,674</u>	<u>627,681</u>
Total	<u>\$1,159,724</u>	<u>\$ 964,529</u>
Per financial statements		
Current	\$ 225,822	\$ 123,405
Long term	<u>986,395</u>	<u>1,129,351</u>
	<u>\$1,212,217</u>	<u>\$1,252,756</u>
Excess of recorded amount over actuarial valuation	<u>\$ 52,493</u>	<u>\$ 288,227</u>

In 2010 a charge of \$112,738 (2009 - \$114,189) was included in Employee Benefits.

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

	2010	2009
Interest discount rate	6.25%	7.25%
Salary increases	2.50%	2.50%

NOTE 9 - MORTGAGE PAYABLE

Mortgage payable comprises the following:

	2010	2009
CMHC 8%, payable \$5,698 monthly, principal and interest, due January 2030, secured by a first mortgage on land and buildings, costing \$946,270.	\$670,539	\$685,500
Less: Principal amount due within one year	<u>(16,182)</u>	<u>(14,961)</u>
	<u>\$654,357</u>	<u>\$670,539</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2010**

NOTE 9 - MORTGAGE PAYABLE (Cont'd)

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

March 31, 2011	\$16,182
2012	17,502
2013	18,930
2014	20,475
2015	22,146

NOTE 10 - DEFERRED CAPITAL FUNDING

Deferred capital funding comprises the following:

	2010	2009
BALANCE - BEGINNING OF YEAR	\$6,162,904	\$5,843,330
Seniors initiative funding	-	185,265
Foundation contribution	41,148	-
Vancouver Coastal Health contribution	80,000	97,852
Other amounts	243,082	444,759
Amortization	<u>(423,575)</u>	<u>(408,302)</u>
BALANCE - END OF YEAR	<u>\$6,103,559</u>	<u>\$6,162,904</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, 2010, \$518,702 (2009 - \$448,601) 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 second position 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	2010	2009
Balance- Beginning of year	\$ 7,045	\$5,430	\$14,547	\$19,993	\$9,313	\$56,328	\$55,720
Revenue	11	8	22	30	14	85	1,052
Expenses	-	-	-	-	-	-	<u>(444)</u>
Balance - end of year	<u>\$ 7,056</u>	<u>\$5,438</u>	<u>\$14,569</u>	<u>\$20,023</u>	<u>\$9,327</u>	<u>\$56,413</u>	<u>\$56,328</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2010**

NOTE 13 - OTHER REVENUE

	2010	2009
Other revenue comprises the following:		
Investment income	\$22,511	\$ 44,385
Membership fees	2,532	2,250
Miscellaneous revenue	<u>26,155</u>	<u>25,262</u>
	<u>\$51,198</u>	<u>\$ 71,897</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.