

Financial statements of

**Jewish Home for the Aged of  
British Columbia**

(operating as Louis Brier Home and Hospital)

March 31, 2012

# Jewish Home for the Aged of British Columbia

(operating as Louis Brier Home and Hospital)

March 31, 2012

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## **Independent Auditor's Report**

To the Members of Jewish Home for the Aged of British Columbia

We have audited the accompanying financial statements of Jewish Home for the Aged of British Columbia, which comprise the statement of financial position as at March 31, 2012, and the statements of operations, changes in net assets and cash flows for the year then ended, and the notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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.

### **Auditor's Responsibility**

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Jewish Home for the Aged of British Columbia as at March 31, 2012, and the results of its operations, changes in its net assets and its cash flows 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.

## **Comparative Information**

Without modifying our opinion, we draw attention to Note 3 to the financial statements, which indicates that the comparative information presented as at and for the year ended March 31, 2011 has been restated.

The financial statements of Jewish Home for the Aged of British Columbia as at and for the year ended March 31, 2011, excluding the restatement described in Note 3 to the financial statements, were audited by another auditor who expressed an unmodified opinion on those financial statements on May 17, 2011.

As part of our audit of the financial statements as at and for the year ended March 31, 2012, we audited the restatement described in Note 3 to the financial statements that was applied to restate the comparative information as at and for the year ended March 31, 2011. In our opinion, the restatement is appropriate and has been properly applied.

*Deloitte & Touche LLP*

Chartered Accountants  
Vancouver, British Columbia  
May 17, 2012

# Jewish Home for the Aged of British Columbia

(operating as Louis Brier Home and Hospital)

## Statement of operations

year ended March 31, 2012

	2012	2011
	\$	\$
		(Restated - Note 3)
<b>Revenues</b>		
Vancouver Coastal Health Authority grant	10,360,181	10,039,477
Resident charges	4,491,671	4,063,262
Amortization of deferred capital funding (Note 10)	462,965	443,618
Contribution from Louis Brier Jewish Aged Foundation	345,620	345,291
Other revenue (Note 12)	52,714	53,736
Gaming grant	40,090	40,050
Restricted special purpose revenue (Note 11)	425	294
	<b>15,753,666</b>	<b>14,985,728</b>
<b>Expenses</b>		
Salaries	10,020,463	9,380,975
Employee benefits (Note 8)	2,770,202	2,585,963
	<b>12,790,665</b>	<b>11,966,938</b>
Dietary	823,129	836,871
Amortization	518,630	470,309
Nursing and medical	457,123	542,882
Building operation	315,634	339,338
Building maintenance	287,153	202,946
Administration	244,033	245,254
Therapy	106,847	127,619
Housekeeping	52,929	46,739
Mortgage interest	50,760	52,089
Laundry and linen	40,931	55,068
	<b>15,687,834</b>	<b>14,886,053</b>
<b>Excess of revenues over expenses for the year</b>	<b>65,832</b>	<b>99,675</b>

# Jewish Home for the Aged of British Columbia

(operating as Louis Brier Home and Hospital)

## Statement of changes in net assets year ended March 31, 2012

					2012	2011
	Unrestricted	Invested in capital assets	Replacement reserve	Restricted Special purpose	Total	Total
	\$	\$	\$	\$	\$	\$
			(Note 2 (f))			(Restated - Note 3)
Balance, beginning of year	<b>(488,358)</b>	<b>(29,101)</b>	<b>258,055</b>	<b>56,707</b>	<b>(202,697)</b>	<b>(302,372)</b>
Excess of revenues over expenses	65,407	-	-	425	65,832	99,675
Interest earned	(2,212)	-	2,212	-	-	-
Annual appropriation	(73,826)	-	73,826	-	-	-
Amortization of deferred capital funding	(462,965)	462,965	-	-	-	-
Amortization of capital assets	518,630	(518,630)	-	-	-	-
Funding (disbursements)	223,786	65,964	(289,750)	-	-	-
Mortgage principal repaid	(17,502)	17,502	-	-	-	-
Change in year	251,318	27,801	(213,712)	425	65,832	99,675
Balance, end of year	<b>(237,040)</b>	<b>(1,300)</b>	<b>44,343</b>	<b>57,132</b>	<b>(136,865)</b>	<b>(202,697)</b>

# Jewish Home for the Aged of British Columbia

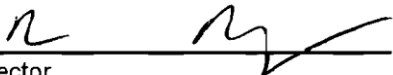
(operating as Louis Brier Home and Hospital)

## Statement of financial position

as at March 31, 2012

	2012	2011
	\$	\$
		(Restated - Note 3)
<b>Assets</b>		
Current assets		
Cash	368,255	426,031
Accounts receivable	262,927	283,672
Term deposit	511,313	-
Due from Louis Brier Jewish Aged Foundation	19,126	1,843
Due from Louis Brier Jewish Residence Society (Note 4)	261,792	467,725
Inventory	109,690	112,846
Prepaid expenses	76,067	86,083
	<b>1,609,170</b>	<b>1,378,200</b>
Term deposit	1,528,875	2,015,000
Restricted cash (Note 5)	44,343	258,055
Capital assets (Note 6)	6,724,655	6,546,502
	<b>9,907,043</b>	<b>10,197,757</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	1,708,478	2,013,463
Deferred operating revenue (Note 7)	273,462	510,968
Current portion of sick and severance payable (Note 8)	166,240	181,989
Current portion of mortgage payable (Note 9)	18,930	17,502
	<b>2,167,110</b>	<b>2,723,922</b>
Sick and severance payable (Note 8)	1,169,773	1,118,431
Mortgage payable (Note 9)	617,924	636,854
Deferred capital funding (Note 10)	6,089,101	5,921,247
	<b>10,043,908</b>	<b>10,400,454</b>
<b>Net assets</b>		
Unrestricted	(237,040)	(488,358)
Invested in capital assets	(1,300)	(29,101)
Replacement reserve	44,343	258,055
Restricted special purpose (Note 11)	57,132	56,707
	<b>(136,865)</b>	<b>(202,697)</b>
	<b>9,907,043</b>	<b>10,197,757</b>

Approved by the Directors

  
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, 2012

	2012	2011
	\$	\$
		(Restated - Note 3)
<b>Operating activities</b>		
Excess of revenues over expenses for the year	65,832	99,675
Non-cash items		
Amortization of deferred capital funding	(462,965)	(443,618)
Amortization of capital assets	518,630	470,309
	121,497	126,366
Changes in non-cash working capital		
Accounts receivable	20,745	(151,983)
Due from Louis Brier Jewish Aged Foundation	(17,283)	3,891
Due from Louis Brier Jewish Residence Society	205,933	131,561
Inventory	3,156	6,071
Prepaid expenses	10,016	(16,208)
Accounts payable and accrued liabilities	(304,985)	348,970
Deferred operating revenue	(237,506)	(10,523)
Sick and severance payable	35,593	88,203
	(162,834)	526,348
<b>Investing activities</b>		
Additions to capital assets	(696,783)	(290,247)
Increase in term deposit	(25,188)	(515,000)
Decrease (increase) in restricted cash	213,712	(74,973)
	(508,259)	(880,220)
<b>Financing activities</b>		
Repayment of mortgage payable	(17,502)	(16,182)
Increase in deferred capital funding	630,819	261,306
	613,317	245,124
Decrease in cash	(57,776)	(108,748)
Cash, beginning of year	426,031	534,779
<b>Cash, end of year</b>	<b>368,255</b>	<b>426,031</b>
<b>Supplemental cash flow information</b>		
Interest received	29,143	23,180
Interest paid	50,760	52,089



# Jewish Home for the Aged of British Columbia

(operating as Louis Brier Home and Hospital)

## Notes to the financial statements

March 31, 2012

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### 1. Purpose of the organization

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

### 2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles and reflect the following significant accounting policies:

#### (a) Basis of presentation

Louis Brier Jewish Residence Society, which is controlled by the Society through a majority of members on the Board of Directors, is not consolidated in the Society's financial statements. The Society reports the most recent financial information of Louis Brier Jewish Residence Society ("Residence Society") in Note 17 and receivable information in Note 4.

The Society appoints the majority of the members to the Board of the Residence Society and both societies share common management.

#### (b) Financial instruments

Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. Their classification depends on the purpose for which the financial instruments were acquired, their characteristics and the Society's designation of such instruments. Settlement date accounting is used.

##### (i) Held-for-trading

Cash, term deposit and restricted cash have been designated as held-for-trading and are measured at fair value.

##### (ii) Loans and receivables

Accounts receivable, due from Louis Brier Jewish Aged Foundation and due from Louis Brier Jewish Residence Society have been designated as loans and receivables and are accounted for at amortized cost using the effective interest method.

##### (iii) Other liabilities

Accounts payable and accrued liabilities and mortgage payable are classified as other liabilities and are measured at amortized cost using the effective interest method.

The Society has elected to use the exemption provided by the Canadian Institute of Chartered Accountants ("CICA") permitting not-for-profit organizations not to apply the following sections of the CICA Handbook: 3862, *Financial Instruments - Disclosures*, 3863, *Financial Instruments - Presentation*, and 3865, *Hedges*, which would otherwise have applied to the financial statements of the Society for the year ended March 31, 2012. The Society applies the requirements of Section 3861, *Financial Instruments - Disclosure and Presentation*, of the CICA Handbook.

# Jewish Home for the Aged of British Columbia

(operating as Louis Brier Home and Hospital)

## Notes to the financial statements

March 31, 2012

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### 2. Significant accounting policies (continued)

(c) *Inventory*

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

(d) *Capital assets*

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

Buildings	Straight-line basis over 25 to 40 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 reviews for the impairment of capital assets whenever events or changes in circumstances indicate that the asset no longer has any long-term service potential to the Society or no longer contributes to the Society's ability to provide services. The amount of the impairment, if any, is determined as the excess of the carrying value of the asset over its estimated residual value. No impairment losses have been identified by the Society for the year ended March 31, 2012.

(e) *Sick and severance*

The Society provides banked sick and severance pay allowances for certain employees with ten years of service and having reached a certain age, that are entitled to receive payment upon retirement (or other circumstances specified) pursuant to the terms of the employer's collective agreements.

The Society accrues its obligations and related costs under the agreements. The liability is actuarially determined using the projected benefit method prorated on service based on employee data provided, key assumptions and using management's best estimates of salary escalation, termination and retirement rates and mortality. The discount rate used to measure obligations is based on market rates at the measurement date.

(f) *Replacement reserve*

In accordance with the terms of the mortgage referred to in Note 9, 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 appropriation from unrestricted net assets as agreed with the mortgagor and any expenditures must also be approved by the mortgagor.

(g) *Revenue recognition*

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.

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.

# Jewish Home for the Aged of British Columbia

(operating as Louis Brier Home and Hospital)

## Notes to the financial statements

March 31, 2012

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### 2. Significant accounting policies (continued)

(g) *Revenue recognition (continued)*

Government and gaming grants received for current operating expenses or revenues are recognized in revenues for the year. 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. Investment income earned in a restricted fund is recorded as an increase in the fund balance.

(h) *Donated 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.

(i) *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. Significant estimates include recoverability of accounts receivable, useful lives of capital assets, accrued liabilities and sick and severance payable.

(j) *Future accounting changes*

New accounting framework

The CICA has issued a new accounting framework applicable to Canadian not-for-profit organizations. Effective for fiscal years beginning on or after December 21, 2011, not-for-profit organizations will have to choose between International Financial Reporting Standards and generally accepted accounting principles for not-for-profit organizations, with Accounting Standards for Private Enterprises as the underlying framework. The Society currently plans to adopt the new accounting standards for not-for-profit organizations for its fiscal year beginning on April 1, 2012, and is evaluating the impact of adoption.

### 3. Restatement of prior period

During 2012, the Society corrected its accounting for its replacement reserve. The Society modified earlier reporting to reflect the replacement reserve as net assets, as opposed to the current liability that was previously reflected. Revenues and expenses relating to the replacement reserve were also incorrectly recorded in the statement of operations and have been removed. These changes have been made retrospectively with restatement of the comparative periods.

# Jewish Home for the Aged of British Columbia

(operating as Louis Brier Home and Hospital)

## Notes to the financial statements

March 31, 2012

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### 3. Restatement of prior period (continued)

The following table outlines the impact of the change for the year ended March 31, 2011:

	As previously reported	Increase (decrease)	Restated
	\$	\$	\$
Revenues and expenses			
Revenues	14,984,581	1,147	14,985,728
Expenses	(14,959,879)	73,826	(14,886,053)
Excess of revenues over expenses	24,702	74,973	99,675
Liabilities and net assets			
Replacement reserve liability	258,055	(258,055)	-
Replacement reserve net assets	-	258,055	258,055
Invested in capital assets	514,885	(543,986)	(29,101)

The Society has also corrected the classification of the following items in its statement of financial position as at March 31, 2011:

	As previously reported	Increase (decrease)	Restated
	\$	\$	\$
Term deposits - current	2,015,000	(2,015,000)	-
Term deposits - long-term	-	2,015,000	2,015,000

The statement of cash flows has also been amended to reflect a change in classification of items previously reported as representing cash, now presented as an investing activity for the year ended March 31, 2011:

	As previously reported	Decrease	Restated
	\$	\$	\$
Cash - term deposits	2,015,000	(2,015,000)	-
Cash restricted	258,055	(258,055)	-
Increase in term deposit	-	(515,000)	(515,000)
Decrease in restricted cash	-	(74,973)	(74,973)

### 4. Due from Louis Brier Jewish Residence Society

The Society has leased a portion of the land referred to in Note 17 to the Residence Society for a term of 99 years at an Annual Basic Rent of \$10.00 per annum. The permitted use of the premises is the operation of a charitable non-profit seniors' congregational 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.

# Jewish Home for the Aged of British Columbia

(operating as Louis Brier Home and Hospital)

## Notes to the financial statements

March 31, 2012

#### 4. Due from Louis Brier Jewish Residence Society (continued)

The amount receivable from the Residence Society at year end is as follows:

			2012	2011
	Services provided	Loan payable	Total	Total
	\$	\$	\$	\$
Services provided				
Salaries	2,825,473	-	2,825,473	2,678,096
Other expenses	466,989	-	466,989	511,904
Loan interest charged	1,064	-	1,064	2,790
Loan repaid	-	(202,301)	(202,301)	(179,926)
	<b>3,293,526</b>	<b>(202,301)</b>	<b>3,091,225</b>	<b>3,012,864</b>
Assets purchased	35,500	-	35,500	-
Payments received	(3,274,000)	-	(3,274,000)	(2,902,059)
Vancouver Coastal Health subsidy	(58,658)	-	(58,658)	(242,366)
	<b>(3,297,158)</b>	<b>-</b>	<b>(3,297,158)</b>	<b>(3,144,425)</b>
Decrease in year	(3,632)	(202,301)	(205,933)	(131,561)
Balance, beginning of year	265,424	202,301	467,725	599,286
Balance, end of year	261,792	-	261,792	467,725

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

#### 5. Restricted cash

As at March 31, 2012 cash of \$44,343 (2011 - \$258,055) is restricted for the replacement reserve.

#### 6. Capital assets

Capital assets comprise the following:

			2012	2011
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Land	316,475	-	316,475	316,475
Buildings	15,272,149	10,527,484	4,744,665	4,990,139
Equipment and computer equipment	5,826,747	4,237,135	1,589,612	1,131,246
Transportation equipment	134,364	62,703	71,661	80,618
Projects in progress	2,242	-	2,242	28,024
	<b>21,551,977</b>	<b>14,827,322</b>	<b>6,724,655</b>	<b>6,546,502</b>

# Jewish Home for the Aged of British Columbia

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## Notes to the financial statements

March 31, 2012

### 7. Deferred operating revenue

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

						2012	2011
	Seniors Initiative	Vancouver Coastal Health Grant education	Gaming grant	Resident charges	Targeted donations	Total	Total
	\$	\$	\$	\$	\$	\$	\$
Receipts	-	-	40,000	27,536	15,000	82,536	71,538
Amortization to revenues	-	-	(40,000)	(12,538)	(140)	(52,678)	(82,061)
Reallocated to deferred capital fund (Note 10)	(267,364)	-	-	-	-	(267,364)	-
(Decrease) increase in year	(267,364)	-	-	14,998	14,860	(237,506)	(10,523)
Balance, beginning of year	403,335	39,955	40,000	12,538	15,140	510,968	521,491
Balance, end of year	135,971	39,955	40,000	27,536	30,000	273,462	510,968

### 8. Sick and severance payable

The sick and severance payable is 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, 2012, using an early measurement date of December 31, 2011.

The accrued benefit liability for sick leave and severance benefits as at March 31, 2012 is as follows:

	2012	2011
	\$	\$
Service cost	78,814	71,990
Interest cost	58,762	69,925
Benefit payments	(97,407)	(53,798)
Actuarial gain/loss	(48,384)	(116,307)
Increase in year	(8,215)	(28,190)
Accrued benefit obligation, beginning of year	1,131,449	1,159,725
Accrued benefit obligation, end of year	1,123,234	1,131,535
Unamortized net actuarial gain	212,779	168,885
Accrued benefit liability	1,336,013	1,300,420
Less: Current portion	(166,240)	(181,989)
	1,169,773	1,118,431

# Jewish Home for the Aged of British Columbia

(operating as Louis Brier Home and Hospital)

## Notes to the financial statements

March 31, 2012

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### 8. Sick and severance (continued)

Components of the charge to the statement of operations in employee benefits expense consists of the following:

	2012	2011
	\$	\$
Service cost	78,814	71,990
Interest cost	58,762	69,925
Amortization of net actuarial gain/loss	(4,576)	-
	<b>133,000</b>	<b>141,915</b>

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

	2012	2011
Interest discount rate	4.30%	5.25%
Salary increases	2.50%	2.50%

### 9. Mortgage payable

Mortgage payable comprises the following:

	2012	2011
	\$	\$
CMHC bearing interest at 8%, payable \$5,698 monthly, principal and interest, due January 2030, secured by a first mortgage on land and buildings, costing \$946,270	636,854	654,356
Less: Principal amount due within one year	(18,930)	(17,502)
	<b>617,924</b>	<b>636,854</b>

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

	\$
2013	18,930
2014	20,475
2015	22,146
2016	23,953
2017	25,908
Thereafter	525,442
	<b>636,854</b>

# Jewish Home for the Aged of British Columbia

(operating as Louis Brier Home and Hospital)

## Notes to the financial statements

March 31, 2012

### 10. Deferred capital funding

Deferred capital funding comprises the following:

	2012	2011
	\$	\$
Vancouver Coastal Health contribution	323,590	132,748
Louis Brier Jewish Aged Foundation contribution	-	9,596
Other amounts	39,865	118,962
Amortization to revenues	(462,965)	(443,618)
Reallocated from deferred operating revenue (Note 7)	267,364	-
Increase (decrease) in year	167,854	(182,312)
Balance, beginning of year	5,921,247	6,103,559
Balance, end of year	6,089,101	5,921,247

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.

At March 31, 2012, included in the deferred capital funding was \$699,888 (2011 - \$501,883) of amounts received that have not been spent on the acquisition of capital assets.

### 11. Restricted special purpose net assets

Restricted special purpose net assets comprise the following:

						2012	2011
	Albert O. Kaplan Perpetual Scholarship	Abrasha Wosk Project Fund	Bernstone Fund	Comfort Fund	Snider Fund	Total	Total
	\$	\$	\$	\$	\$	\$	\$
Revenues	53	42	109	151	70	425	294
Expenses	-	-	-	-	-	-	-
Increase in year	53	42	109	151	70	425	294
Balance, beginning of year	7,093	5,466	14,645	20,127	9,376	56,707	56,413
Balance, end of year	7,146	5,508	14,754	20,278	9,446	57,132	56,707

### 12. Other revenue

Other revenue comprises the following:

	2012	2011
	\$	\$
Investment income	31,355	24,327
Membership fees	1,076	2,782
Miscellaneous revenue	20,283	26,627
	52,714	53,736



# Jewish Home for the Aged of British Columbia

(operating as Louis Brier Home and Hospital)

## Notes to the financial statements

March 31, 2012

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### 13. Economic dependence

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

### 14. 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:

	2012	2011
	\$	\$
Residents' Trust Fund	20,466	21,555
Residents' Trust liabilities	20,466	21,555

### 15. Financial instruments and financial risk

#### (a) Fair value

The carrying amounts of cash, term deposits, accounts receivable, restricted cash, due from Louis Brier Jewish Aged Foundation, due from Louis Brier Jewish Residence Society and accounts payable and accrued liabilities approximate their fair values due to the short term to maturity of these financial instruments.

Mortgage payable is measured at its carrying amount which is estimated to approximate fair value due to the terms approximating current market rates for debts with similar terms.

#### (b) Interest rate risk

The Society is exposed to interest rate risk on its mortgage payable as its fair value will vary as market interest rates change. The Society does not use derivative financial instruments to manage this risk.

#### (c) Credit risk

The Society has limited exposure to credit risk associated with its cash, accounts receivable, term deposits and restricted cash. The Society is not exposed to significant credit risk as the accounts receivable are due from a number of sources, with no significant balance due from any individual resident. Cash, restricted cash and term deposit and are held with Canadian Chartered Banks. The Society's maximum exposure to credit risk is \$2,996,631 (2011 - \$3,194,271).

### 16. Capital management

The Society's objectives when managing capital are to preserve capital for working capital purposes. The Society's investment policy is to hold cash in interest bearing term deposits and bank accounts.

# Jewish Home for the Aged of British Columbia

(operating as Louis Brier Home and Hospital)

## Notes to the financial statements

March 31, 2012

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### 17. Louis Brier Jewish Residence Society

The Residence Society was incorporated under the Society 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 audited financial statements of the Residence Society as at and for the years ended March 31, 2012 and 2011:

	<b>2012</b>	2011
	\$	\$
<i>Financial position</i>		
Assets	<b>8,865,764</b>	9,324,083
Liabilities	<b>417,359</b>	657,612
Net assets	<b>8,448,405</b>	8,666,471
	<b>8,865,764</b>	9,324,083
<i>Revenues and expenses</i>		
Revenues	<b>3,890,440</b>	3,829,041
Expenses	<b>4,108,506</b>	3,967,120
Deficiency of revenues over expenses	<b>(218,066)</b>	(138,079)
<i>Cash flows</i>		
Cash from operations	<b>60,065</b>	306,606
Cash used in investing activities	<b>42,443</b>	(91,000)
Cash used in financing activities	<b>(202,301)</b>	(179,926)
(Decrease) increase in cash	<b>(99,793)</b>	35,680