

Financial statements of

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

(Operating as Louis Brier Home and Hospital)

March 31, 2013, March 31, 2012 and April 1, 2011

Jewish Home for the Aged of British Columbia

(Operating as Louis Brier Home and Hospital)

March 31, 2013, March 31, 2012 and April 1, 2011

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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 (the "Society"), which comprise the statements of financial position as at March 31, 2013 and March 31, 2012, and the statements of operations, changes in net assets and cash flows for the years then ended, and the notes to the financial statements. The financial statements have been prepared by management based on Canadian accounting standards for not-for-profit organizations.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations; this includes determining that the basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstance, 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 audits. We conducted our audits 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 in our audits 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, 2013 and March 31, 2012, and the results of its operations, changes in its net assets and its cash flows for the years then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 2 to the financial statements which describes the basis of accounting. The financial statements are prepared to assist Jewish Home for the Aged of British Columbia to meet the requirements of the Province of British Columbia. As a result, the financial statements may not be suitable for another purpose.

Report on other legal and regulatory requirements

The Society Act (British Columbia) requires the auditor to opine on whether the financial statements are prepared on a basis consistent with that on the preceding year. We draw attention to the fact that, effective April 1, 2012, the Society changed its financial reporting framework as described in Note 3 to the financial statements.

Other Matter

The statement of financial position as at April 1, 2011 is unaudited.

Deloitte LLP

Chartered Accountants
May 14, 2013
Vancouver, British Columbia

Jewish Home for the Aged of British Columbia

(Operating as Louis Brier Home and Hospital)

Statements of operations

years ended March 31, 2013 and March 31, 2012

	2013	2012
		(Note 3)
	\$	\$
Revenue		
Vancouver Coastal Health Authority grant	10,333,781	10,360,181
Resident charges	4,566,670	4,491,671
Amortization of deferred capital funding (Note 10)	479,907	462,965
Contribution from Louis Brier Jewish Aged Foundation	406,880	345,620
Other revenue (Note 12)	48,144	52,714
Gaming grant	40,228	40,090
Restricted special purpose revenue (Note 11)	429	425
	15,876,039	15,753,666
Expenses (Note 4)		
Salaries	9,989,406	10,020,463
Employee benefits (Note 8)	2,886,265	2,770,202
	12,875,671	12,790,665
Dietary	863,979	823,129
Amortization	535,572	518,630
Nursing and medical	416,406	457,123
Building maintenance	307,220	287,153
Building operation	302,084	315,634
Administration	254,090	244,033
Therapy	85,053	106,847
Housekeeping	74,345	52,929
Laundry and linen	51,922	40,931
Mortgage interest	49,322	50,760
	15,815,664	15,687,834
Excess of revenues over expenses for the year	60,375	65,832

The accompanying notes to the financial statements are an integral part of this financial statement.

Jewish Home for the Aged of British Columbia

(Operating as Louis Brier Home and Hospital)

Statements of changes in net assets

years ended March 31, 2013 and March 31, 2012

	Unrestricted	Invested in capital assets	Replacement reserve	Restricted Special purpose	Total
	\$	\$	\$	\$	\$
			(Note 3 (f))		
Balance, April 1, 2011 (unaudited - Note 3)	(488,358)	(29,101)	258,055	56,707	(202,697)
Excess of revenues over expenses	65,407	-	-	425	65,832
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
Balance, March 31, 2012 (Note 3)	(237,040)	(1,300)	44,343	57,132	(136,865)
Excess of revenues over expenses	59,946	-	-	429	60,375
Interest earned	(200)	-	200	-	-
Annual appropriation	(73,826)	-	73,826	-	-
Amortization of deferred capital funding	(479,907)	479,907	-	-	-
Amortization of capital assets	535,572	(535,572)	-	-	-
Funding (disbursements)	(220,478)	255,956	(35,478)	-	-
Mortgage principal repaid	(18,930)	18,930	-	-	-
Change in year	(197,823)	219,221	38,548	429	60,375
Balance, March 31, 2013	(434,863)	217,921	82,891	57,561	(76,490)

The accompanying notes to the financial statements are an integral part of this financial statement.

Jewish Home for the Aged of British Columbia

(Operating as Louis Brier Home and Hospital)

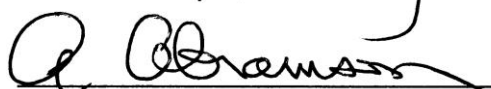
Statements of financial position

as at March 31, 2013, March 31, 2012 and April 1, 2011

	March 31, 2013	March 31, 2012 (Note 3)	April 1, 2011 (Unaudited - Note 3)
	\$	\$	\$
Assets			
Current assets			
Cash	48,015	368,255	426,031
Accounts receivable	173,471	262,927	283,672
Term deposit	-	511,313	-
Due from Louis Brier Jewish Aged Foundation	154,164	19,126	1,843
Due from Louis Brier Jewish Residence Society (Note 4)	376,612	261,792	467,725
Inventory	122,922	109,690	112,846
Prepaid expenses	120,773	76,067	86,083
	995,957	1,609,170	1,378,200
Term deposit (Note 5)	2,248,770	1,528,875	2,015,000
Restricted cash (Note 5)	-	44,343	258,055
Capital assets (Note 6)	6,533,418	6,724,655	6,546,502
	9,778,145	9,907,043	10,197,757
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	1,742,010	1,500,048	1,872,891
Government remittances payable	246,141	208,430	140,572
Deferred operating revenue (Note 7)	250,487	273,462	510,968
Current portion of sick and severance payable (Note 8)	315,533	166,240	181,989
Current portion of mortgage payable (Note 9)	20,475	18,930	17,502
	2,574,646	2,167,110	2,723,922
Sick and severance payable (Note 8)	984,967	1,169,773	1,118,431
Mortgage payable (Note 9)	597,449	617,924	636,854
Deferred capital funding (Note 10)	5,697,573	6,089,101	5,921,247
	9,854,635	10,043,908	10,400,454
Net assets			
Unrestricted	(434,863)	(237,040)	(488,358)
Invested in capital assets	217,921	(1,300)	(29,101)
Replacement reserve	82,891	44,343	258,055
Restricted special purpose (Note 11)	57,561	57,132	56,707
	(76,490)	(136,865)	(202,697)
	9,778,145	9,907,043	10,197,757

Approved by the Board

 Director

 Director

The accompanying notes to the financial statements are an integral part of this financial statement.

Jewish Home for the Aged of British Columbia

(Operating as Louis Brier Home and Hospital)

Statements of cash flows

years ended March 31, 2013 and March 31, 2012

	2013	2012
		(Note 3)
	\$	\$
Operating activities		
Excess of revenues over expenses for the year	60,375	65,832
Non-cash items		
Amortization of deferred capital funding	(479,907)	(462,965)
Amortization of capital assets	535,572	518,630
	116,040	121,497
Changes in non-cash working capital		
Accounts receivable	89,456	20,745
Due from Louis Brier Jewish Aged Foundation	(135,038)	(17,283)
Due from Louis Brier Jewish Residence Society	(114,820)	205,933
Inventory	(13,232)	3,156
Prepaid expenses	(44,706)	10,016
Accounts payable and accrued liabilities	241,962	(372,843)
Government remittances payable	37,711	67,858
Deferred operating revenue	(22,975)	(237,506)
Sick and severance payable	(35,513)	35,593
	118,885	(162,834)
Investing activities		
Increase in term deposit	(208,582)	(25,188)
Decrease in restricted cash	44,343	213,712
Additions to capital assets	(344,335)	(696,783)
	(508,574)	(508,259)
Financing activities		
Repayment of mortgage payable	(18,930)	(17,502)
Increase in deferred capital funding	88,379	630,819
	69,449	613,317
Decrease in cash	(320,240)	(57,776)
Cash, beginning of year	368,255	426,031
Cash, end of year	48,015	368,255
Supplemental cash flow information		
Interest received	29,366	29,143
Interest paid	49,322	50,760

The accompanying notes to the financial statements are an integral part of this financial statement.

Jewish Home for the Aged of British Columbia

(Operating as Louis Brier Home and Hospital)

Notes to the financial statements

March 31, 2013, March 31, 2012 and April 1, 2011

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. Basis of accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the Canadian Institute of Chartered Accountants ("CICA") 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 the CICA. The differences are in respect of the measurement of the sick and severance liability as of the dates of the statements of financial position and the related expenses for the periods presented.

3. Change in financial reporting framework and significant accounting policies

During the year ended March 31, 2013, the Society adopted the Canadian accounting standards for not-for-profit organizations, (the "new standards") issued by the Accounting Standards Board of the CICA and set out in Part III of the CICA Handbook. In accordance with Section 1501 of Part III of the CICA Handbook, *First-time Adoption*, ("Section 1501"), the date of transition to the new standards is April 1, 2011 and the Society has prepared and presented an opening statement of financial position at the date of transition. This opening statement of financial position is the starting point for the Society's accounting under the new standards. In its opening statement of financial position under the recommendations of Section 1501, the Society:

- (a) recognized all assets and liabilities whose recognition is required by the new standards;
- (b) did not recognize items as assets or liabilities if the new standards do not permit such recognition;
- (c) reclassified items that it recognized previously as one type of asset, liability or component of net assets, but are recognized as a different type of asset, liability or component of net assets under the new standards; and
- (d) applied the new standards in measuring all recognized assets and liabilities.

In accordance with the requirements of Section 1501, the accounting policies set out below have been consistently applied to all years presented. The adoption of Part III did not impact the Society's previously reported financial statements under Canadian generally accepting accounting principles.

These financial statements have been prepared in accordance with accounting standards for not-for-profit organizations and reflect the following significant accounting policies:

(a) Basis of presentation

Louis Brier Jewish Residence Society ("Residence Society"), a subsidiary of the Society, is not consolidated in the Society's financial statements. The Society reports the most recent financial information of the Residence Society in Note 16 and receivable information in Note 4.

The Society appoints not less than 50% 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, 2013, March 31, 2012 and April 1, 2011

3. Change in financial reporting framework and significant accounting policies (continued)

(b) Revenue recognition

The Society uses the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

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

Revenue for resident charges is recognized on an accrual basis when services are provided. Investment income and other income are recognized as they are earned. Investment income earned in a restricted fund is recorded as an increase in net assets.

(c) Financial instruments

The Society initially measures its financial assets and financial liabilities at fair value when the Society becomes a party to the contractual provisions of the financial instruments. Subsequently all financial instruments are measured at amortized cost.

Transaction costs related to financial instruments carried at amortized cost are added to the carrying value of assets or netted against the carrying value of a liability and are then recognized over the expected life of the instrument using the straight-line method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the straight-line method and recognized in the statement of operations as interest income or expense.

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 was recognized, the previously recognized impairment loss shall be reversed in the statement of operations in the period the reversal occurs.

(d) Inventory

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

(e) 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 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 years ended March 31, 2013 and March 31, 2012.

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Notes to the financial statements

March 31, 2013, March 31, 2012 and April 1, 2011

3. Significant accounting policies (continued)

(f) *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.

(g) *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 and specific approved maintenance costs. 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.

(h) *Donated services*

The work of the Society is dependent on the efforts of many volunteers. These services are not recognized in these financial statements.

(i) *Use of estimates*

The preparation of financial statements in accordance with accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the year. Actual results could differ from these estimates. Significant estimates include recoverability of accounts receivable, useful lives of capital assets, accrued liabilities and sick and severance payable.

4. Due from Louis Brier Jewish Residence Society

The Society has leased a portion of the land referred to in Note 6 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' congregate care (assisted living) and multi-level facility as a complementary facility to the Society.

In 2003, the Residence Society completed the construction of its facilities and commenced operations in line with the permitted use of the premises under the lease referred to above.

Jewish Home for the Aged of British Columbia

(Operating as Louis Brier Home and Hospital)

Notes to the financial statements

March 31, 2013, March 31, 2012 and April 1, 2011

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

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

	March 31, 2013	
	Services provided	Total
	\$	\$
Services provided		
Salaries and benefits	2,942,178	2,942,178
Other expenses	524,495	524,495
	3,466,673	3,466,673
Assets purchased	66,101	66,101
Payments received	(3,417,954)	(3,417,954)
	(3,351,853)	(3,351,853)
Increase in year	114,820	114,820
Balance, beginning of year	261,792	261,792
Balance, end of year	376,612	376,612

	March 31, 2012		
	Services provided	Loan payable	Total
	\$	\$	\$
Services provided			
Salaries	2,825,473	-	2,825,473
Other expenses	466,989	-	466,989
Loan interest charged	1,064	-	1,064
Loan repaid	-	(202,301)	(202,301)
	3,293,526	(202,301)	3,091,225
Assets purchased	35,500	-	35,500
Payments received	(3,274,000)	-	(3,274,000)
Vancouver Coastal Health Subsidy	(58,658)	-	(58,658)
	(3,297,158)	-	(3,297,158)
Decrease in year	(3,632)	(202,301)	(205,933)
Balance, beginning of year (Unaudited - Note 2)	265,424	202,301	467,725
Balance, end of year	261,792	-	261,792

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 and term deposit

As at March 31, 2013, term deposit of \$82,891 (March 31, 2012 - cash of \$44,343; April 1, 2011 - cash of \$258,055) is restricted 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, 2013, March 31, 2012 and April 1, 2011

6. Capital assets

Capital assets comprise the following:

	March 31, 2013		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Land	316,475	-	316,475
Buildings	15,483,385	10,783,018	4,700,367
Equipment and computer equipment	5,962,089	4,508,216	1,453,873
Transportation equipment	134,364	71,661	62,703
	21,896,313	15,362,895	6,533,418

	March 31, 2012 (Note 3)		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Land	316,475	-	316,475
Buildings	15,272,149	10,527,484	4,744,665
Equipment and computer equipment	5,826,747	427,135	1,589,612
Transportation equipment	134,364	62,703	71,661
Projects in progress	2,242	-	2,242
	21,551,977	14,827,322	6,724,655

	April 1, 2011 (Unaudited - Note 3)		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Land	316,475	-	316,475
Buildings	15,272,149	10,282,010	4,990,139
Equipment and computer equipment	5,104,183	3,972,937	1,131,246
Transportation equipment	134,364	53,746	80,618
Projects in progress	28,024	-	28,024
	20,855,195	14,308,693	6,546,502

Jewish Home for the Aged of British Columbia

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Notes to the financial statements

March 31, 2013, March 31, 2012 and April 1, 2011

7. Deferred operating revenue

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

						2013
	Seniors Initiative	Vancouver Coastal Health Grant education	Gaming grant	Resident charges	Targeted donations	Total
	\$	\$	\$	\$	\$	\$
Receipts	-	-	40,000	17,376	15,000	72,376
Amortization to revenues	-	-	(40,000)	(27,536)	-	(67,536)
Reallocated to deferred capital fund (Note 11)	(27,815)	-	-	-	-	(27,815)
(Decrease) increase in year	(27,815)	-	-	(10,160)	15,000	(22,975)
Balance, April 1, 2012	135,971	39,955	40,000	27,536	30,000	273,462
Balance, March 31, 2013	108,156	39,955	40,000	17,376	45,000	250,487

2012
(Note 3)

						2012 (Note 3)
	Seniors Initiative	Vancouver Coastal Health Grant education	Gaming grant	Resident charges	Targeted donations	Total
	\$	\$	\$	\$	\$	\$
Receipts	-	-	40,000	27,536	15,000	82,536
Amortization to revenues	-	-	(40,000)	(12,538)	(140)	(52,678)
Reallocated to deferred capital fund (Note 11)	(267,364)	-	-	-	-	(267,364)
(Decrease) increase in year	(267,364)	-	-	14,998	14,860	(237,506)
Balance, April 1, 2011	403,335	39,955	40,000	12,538	15,140	510,968
Balance, March 31, 2012	135,971	39,955	40,000	27,536	30,000	273,462

Jewish Home for the Aged of British Columbia

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Notes to the financial statements

March 31, 2013, March 31, 2012 and April 1, 2011

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, 2013, using an early measurement date of December 31, 2012.

The accrued benefit liability for sick leave and severance benefits is as follows:

	March 31, 2013	March 31, 2012 (Note 3)
	\$	\$
Service cost	84,295	78,814
Interest cost	48,306	58,762
Benefit payments	(157,957)	(97,407)
Actuarial gain (loss)	565,362	(48,384)
(Decrease) increase in year	540,006	(8,215)
Accrued benefit obligation, beginning of year	1,123,234	1,131,449
Accrued benefit obligation, end of year	1,663,240	1,123,234
Unamortized net actuarial (loss) gain	(362,740)	212,779
Accrued benefit liability	1,300,500	1,336,013
Less: current portion	(315,533)	(166,240)
	984,967	1,169,773

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

	March 31, 2013	March 31, 2012 (Note 3)
	\$	\$
Service cost	84,295	78,814
Interest cost	48,306	58,762
Amortization of net actuarial gain/loss	(10,156)	(4,576)
	122,445	133,000

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

	March 31, 2013	March 31, 2012 (Note 3)	April 1, 2011 (Unaudited - Note 3)
	%	%	%
Interest discount rate	3.40	4.30	5.25
Salary increases	2.50	2.50	2.50

Jewish Home for the Aged of British Columbia

(Operating as Louis Brier Home and Hospital)

Notes to the financial statements

March 31, 2013, March 31, 2012 and April 1, 2011

9. Mortgage payable

Mortgage payable comprises the following:

	March 31, 2013	March 31, 2012 (Note 3)	April 1, 2011 (Unaudited - Note 3)
	\$	\$	\$
CMHC bearing interest at 8% per annum, payable \$5,698 monthly, principal and interest, due January 2030, secured by a first mortgage on land and buildings, costing \$946,270	617,924	636,854	654,356
Less: principal amount due within one year	(20,475)	(18,930)	(17,502)
	597,449	617,924	636,854

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

	\$
2014	20,475
2015	22,146
2016	23,953
2017	25,908
2018	28,022
Thereafter	497,420
	617,924

10. Deferred capital funding

Deferred capital funding comprises the following:

	March 31, 2013	March 31, 2012 (Note 3)	April 1, 2011 (Unaudited - Note 3)
	\$	\$	\$
Vancouver Coastal Health contribution	46,648	323,590	132,748
Louis Brier Jewish Aged Foundation contribution	8,199	-	9,596
Other amounts	5,717	39,865	118,962
Amortization to revenues	(479,907)	(462,965)	(443,618)
Reallocated from deferred operating revenue (Note 7)	27,815	267,364	-
Increase (decrease) in year	(391,528)	167,854	(182,312)
Balance, beginning of year	6,089,101	5,921,247	6,103,559
Balance, end of year	5,697,573	6,089,101	5,921,247

Jewish Home for the Aged of British Columbia

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Notes to the financial statements

March 31, 2013, March 31, 2012 and April 1, 2011

10. Deferred capital funding (continued)

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, 2013, included in the deferred capital funding was \$430,015 (March 31, 2012 - \$699,888; April 1, 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:

	March 31, 2013					
	Albert O. Kaplan Perpetual Scholarship	Abrasha Wosk Project Fund	Bernstone Fund	Comfort Fund	Snider Fund	Total
	\$	\$	\$	\$	\$	\$
Revenues	54	41	111	152	71	429
Increase in year	54	41	111	152	71	429
Balance, April 1, 2012	7,146	5,508	14,754	20,278	9,446	57,132
Balance, March 31, 2013	7,200	5,549	14,865	20,430	9,517	57,561

	March 31, 2012 (Note 3)					
	Albert O. Kaplan Perpetual Scholarship	Abrasha Wosk Project Fund	Bernstone Fund	Comfort Fund	Snider Fund	Total
	\$	\$	\$	\$	\$	\$
Revenues	53	42	109	151	70	425
Increase in year	53	42	109	151	70	425
Balance, April 1, 2011						
(Unaudited - Note 3)	7,093	5,466	14,645	20,127	9,376	56,707
Balance, March 31, 2012	7,146	5,508	14,754	20,278	9,446	57,132

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12. Other revenue

Other revenue comprises the following:

	March 31, 2013	March 31, 2012 (Note 3)
	\$	\$
Investment income	29,566	31,355
Membership fees	886	1,076
Miscellaneous revenue	17,692	20,283
	48,144	52,714

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:

	March 31, 2013	March 31, 2012 (Note 3)	April 1, 2011 (Unaudited - Note 3)
	\$	\$	\$
Residents' Trust Fund	15,944	20,466	21,555
Residents' Trust liabilities	15,944	20,466	21,555

15. Financial instruments and financial risk

(a) Fair value

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

The carrying amount of the mortgage payable is estimated to approximate fair value as the interest rate approximates current market interest rates for debt instruments 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.

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15. Financial instruments and financial risk (continued)

(c) Credit risk

The Society has limited exposure to credit risk associated with its cash, accounts receivable, term deposits and restricted cash. 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 \$3,001,032 (March 31, 2012 - \$2,996,631; April 1, 2011 - \$3,452,326).

(d) 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, 2013, the most significant financial liabilities are accounts payable, accrued liabilities and mortgage payable.

16. 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:

	March 31, 2013	March 31, 2012 (Note 3)	April 1, 2011 (Unaudited - Note 3)
	\$	\$	\$
Financial position			
Assets	8,857,412	8,865,764	9,324,083
Liabilities	533,880	417,359	657,612
Net assets	8,323,532	8,448,405	8,666,471
	8,857,412	8,865,764	9,324,083
Revenues and expenses			
Revenues	3,995,564	3,890,440	
Expenses	4,120,437	4,108,506	
Deficiency of revenues over expenses	(124,873)	(218,066)	
Cash flows			
Cash from operations	333,175	60,065	
Cash (used in) from investing activities	(161,576)	42,443	
Cash used in financing activities	-	(202,301)	
Increase (decrease) in cash	171,599	(99,793)	