

Financial statements of

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

(Operating as Louis Brier Home and Hospital)

March 31, 2014

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

(Operating as Louis Brier Home and Hospital)

March 31, 2014

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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 statement of Jewish Home for the Aged of British Columbia (the "Society"), which comprise the statement of financial position as at March 31, 2014, and the statements of operations, changes in net assets and cash flows for the year 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 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, 2014, and the results of its operations, changes in its net assets and its cash flows for the year 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**

As required by the Society Act (British Columbia), we report that, in our opinion, these financial statements are presented on a basis consistent with that of the preceding year.

*Deloitte LLP*

Chartered Accountants  
May 15, 2014  
Vancouver, British Columbia

# Jewish Home for the Aged of British Columbia

(Operating as Louis Brier Home and Hospital)

Statement of operations  
year ended March 31, 2014

|  | 2014              | 2013              |
|--|-------------------|-------------------|
|  | \$                | \$                |
| <b>Revenue</b>                                       |                   |                   |
| Vancouver Coastal Health Authority grant             | 10,588,569        | 10,333,781        |
| Resident charges                                     | 4,509,706         | 4,566,670         |
| Amortization of deferred capital funding (Note 10)   | 467,316           | 479,907           |
| Contribution from Louis Brier Jewish Aged Foundation | 366,207           | 406,880           |
| Other revenue (Note 12)                              | 80,427            | 48,144            |
| Gaming grant   | 40,152            | 40,228            |
| Restricted special purpose revenue (Note 11)         | -                 | 429               |
|  | <b>16,052,377</b> | <b>15,876,039</b> |
| <b>Expenses (Note 4)</b>                             |                   |                   |
| Salaries   | 10,109,081        | 9,989,406         |
| Employee benefits (Note 8)                           | 3,053,344         | 2,886,265         |
|  | <b>13,162,425</b> | <b>12,875,671</b> |
| Dietary  | 833,577           | 863,979           |
| Amortization   | 522,981           | 535,572           |
| Nursing and medical                                  | 438,070           | 416,406           |
| Building operation                                   | 363,279           | 302,084           |
| Administration                                       | 219,720           | 254,090           |
| Building maintenance                                 | 178,083           | 307,220           |
| Housekeeping   | 71,556            | 74,345            |
| Mortgage interest                                    | 47,767            | 49,322            |
| Therapy  | 44,589            | 85,053            |
| Laundry and linen                                    | 32,371            | 51,922            |
|  | <b>15,914,418</b> | <b>15,815,664</b> |
| <b>Excess of revenues over expenses for the year</b> | <b>137,959</b>    | <b>60,375</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, 2014

|   | Unrestricted     | Invested in<br>capital<br>assets | Replacement<br>reserve<br>(Note 3 (g)) | Restricted<br>Special<br>purpose | Total         |
|---|------------------|----------------------------------|--|----------------------------------|---------------|
|   | \$               | \$                               | \$                                     | \$                               | \$            |
| Balance, April 1, 2012                      | (237,040)        | (1,300)                          | 44,343                                 | 57,132                           | (136,865)     |
| Excess of revenues<br>over expenses         | 59,946           | -                                | -                                      | 429                              | 60,375        |
| Interest earned                             | (200)            | -                                | 200                                    | -                                | -             |
| Annual appropriation                        | (73,826)         | -                                | 73,826                                 | -                                | -             |
| Amortization of deferred<br>capital funding | (479,907)        | 479,907                          | -                                      | -                                | -             |
| Amortization of<br>capital assets           | 535,572          | (535,572)                        | -                                      | -                                | -             |
| (Disbursements) funding                     | (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)      |
| Excess of revenues<br>over expenses         | 137,959          | -                                | -                                      | -                                | 137,959       |
| Interest earned                             | -                | -                                | 622                                    | 485                              | 1,107         |
| Annual appropriation                        | (73,826)         | -                                | 73,826                                 | -                                | -             |
| Amortization of deferred<br>capital funding | (467,316)        | 467,316                          | -                                      | -                                | -             |
| Amortization of<br>capital assets           | 522,981          | (522,981)                        | -                                      | -                                | -             |
| (Disbursements) funding                     | (109,336)        | 109,336                          | -                                      | -                                | -             |
| Restricted special purpose funds            | -                | -                                | -                                      | 15,810                           | 15,810        |
| Mortgage principal repaid                   | (20,475)         | 20,475                           | -                                      | -                                | -             |
| Change in year                              | (10,013)         | 74,146                           | 74,448                                 | 16,295                           | 154,876       |
| <b>Balance, March 31, 2014</b>              | <b>(444,876)</b> | <b>292,067</b>                   | <b>157,339</b>                         | <b>73,856</b>                    | <b>78,386</b> |

# Jewish Home for the Aged of British Columbia

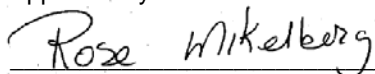
(Operating as Louis Brier Home and Hospital)

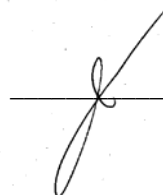
Statement of financial position

as at March 31, 2014

|  | 2014             | 2013             |
|--|------------------|------------------|
|  | \$               | \$               |
| <b>Assets</b>  |                  |                  |
| Current assets   |                  |                  |
| Cash   | 368,145          | 48,015           |
| Accounts receivable                                    | 105,796          | 173,471          |
| Due from Louis Brier Jewish Aged Foundation            | 89,661           | 154,164          |
| Due from Louis Brier Jewish Residence Society (Note 4) | 332,251          | 376,612          |
| Inventory  | 108,352          | 122,922          |
| Prepaid expenses                                       | 126,142          | 120,773          |
|  | <b>1,130,347</b> | <b>995,957</b>   |
| Term deposits (Note 5)                                 | 2,275,119        | 2,248,770        |
| Capital assets (Note 6)                                | 6,206,306        | 6,533,418        |
|  | <b>9,611,772</b> | <b>9,778,145</b> |
| <b>Liabilities</b>                                     |                  |                  |
| Current liabilities                                    |                  |                  |
| Accounts payable and accrued liabilities               | 1,673,114        | 1,742,010        |
| Government remittances payable                         | 272,501          | 246,141          |
| Deferred operating revenue (Note 7)                    | 271,034          | 250,487          |
| Current portion of sick and severance payable (Note 8) | 188,590          | 315,533          |
| Current portion of mortgage payable (Note 9)           | 22,146           | 20,475           |
|  | <b>2,427,385</b> | <b>2,574,646</b> |
| Sick and severance payable (Note 8)                    | 1,213,908        | 984,967          |
| Mortgage payable (Note 9)                              | 575,303          | 597,449          |
| Deferred capital funding (Note 10)                     | 5,316,790        | 5,697,573        |
|  | <b>9,533,386</b> | <b>9,854,635</b> |
| <b>Net assets</b>                                      |                  |                  |
| Unrestricted   | (444,876)        | (434,863)        |
| Invested in capital assets                             | 292,067          | 217,921          |
| Replacement reserve                                    | 157,339          | 82,891           |
| Restricted special purpose (Note 11)                   | 73,856           | 57,561           |
|  | <b>78,386</b>    | <b>(76,490)</b>  |
|  | <b>9,611,772</b> | <b>9,778,145</b> |

Approved by the Board

 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, 2014

|   | 2014             | 2013             |
|---|------------------|------------------|
|   | \$               | \$               |
| <b>Operating activities</b>                   |                  |                  |
| Excess of revenues over expenses for the year | 137,959          | 60,375           |
| Non-cash items                                |                  |                  |
| Amortization of deferred capital funding      | (467,316)        | (479,907)        |
| Amortization of capital assets                | 522,981          | 535,572          |
|   | <b>193,624</b>   | <b>116,040</b>   |
| Changes in non-cash working capital           |                  |                  |
| Accounts receivable                           | 67,675           | 89,456           |
| Due from Louis Brier Jewish Aged Foundation   | 64,503           | (135,038)        |
| Due from Louis Brier Jewish Residence Society | 44,361           | (114,820)        |
| Inventory                                     | 14,570           | (13,232)         |
| Prepaid expenses                              | (5,369)          | (44,706)         |
| Accounts payable and accrued liabilities      | (68,896)         | 241,962          |
| Government remittances payable                | 26,360           | 37,711           |
| Deferred operating revenue                    | 20,547           | (22,975)         |
| Sick and severance payable                    | 101,998          | (35,513)         |
|   | <b>459,373</b>   | <b>118,885</b>   |
| <b>Investing activities</b>                   |                  |                  |
| Increase in term deposits                     | (26,349)         | (208,582)        |
| Decrease in restricted cash                   | -                | 44,343           |
| Additions to capital assets                   | (195,869)        | (344,335)        |
|   | <b>(222,218)</b> | <b>(508,574)</b> |
| <b>Financing activities</b>                   |                  |                  |
| Repayment of mortgage payable                 | (20,475)         | (18,930)         |
| Restricted Special Purpose Funds              | 16,917           | -                |
| Increase in deferred capital funding          | 86,533           | 88,379           |
|   | <b>82,975</b>    | <b>69,449</b>    |
| Increase (decrease) in cash                   | <b>320,130</b>   | <b>(320,240)</b> |
| Cash, beginning of year                       | <b>48,015</b>    | <b>368,255</b>   |
| <b>Cash, end of year</b>                      | <b>368,145</b>   | <b>48,015</b>    |
| <b>Supplemental cash flow information</b>     |                  |                  |
| Interest received                             | 28,611           | 29,566           |
| Interest paid                                 | 47,767           | 49,322           |



# Jewish Home for the Aged of British Columbia

(Operating as Louis Brier Home and Hospital)

Notes to the financial statements

March 31, 2014

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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. 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 CPA Canada Handbook. The basis of accounting used in these financial statements materially differs from Canadian public sector accounting standards, including the not-for-profit accounting standards set out in the Public Sector Accounting Handbook of CPA Canada. 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. Significant accounting policies

These financial statements have been prepared in accordance with Canadian 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.

### (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.

### (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.

# Jewish Home for the Aged of British Columbia

(Operating as Louis Brier Home and Hospital)

Notes to the financial statements

March 31, 2014

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### 3. Significant accounting policies (continued)

#### (c) *Financial instruments (continued)*

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 less accumulated amortization. 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 commences amortization on projects in progress when construction of the asset is complete and the asset has been placed into use.

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, 2014 and March 31, 2013.

#### (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.

# Jewish Home for the Aged of British Columbia

(Operating as Louis Brier Home and Hospital)

Notes to the financial statements

March 31, 2014

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### 3. Significant accounting policies (continued)

(i) *Use of estimates*

The preparation of financial statements in accordance with Canadian 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.

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

|                             | 2014               | 2013               |
|-----------------------------|--------------------|--------------------|
|                             | \$                 | \$                 |
| Services provided           |                    |                    |
| Salaries and benefits       | 3,129,432          | 2,942,178          |
| Other expenses              | 539,180            | 524,495            |
|                             | <b>3,668,612</b>   | 3,466,673          |
| Assets purchased            | -                  | 66,101             |
| Payments received           | <b>(3,712,973)</b> | <b>(3,417,954)</b> |
|                             | <b>(3,712,973)</b> | <b>(3,351,853)</b> |
| (Decrease) increase in year | <b>(44,361)</b>    | 114,820            |
| Balance, beginning of year  | <b>376,612</b>     | 261,792            |
| Balance, end of year        | <b>332,251</b>     | 376,612            |

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, 2014, the term deposit up to an amount of \$157,339 (2013 - term deposit of \$82,891) 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, 2014

## 6. Capital assets

Capital assets comprise the following:

|   | 2014              |                             |                   |
|---|-------------------|-----------------------------|-------------------|
|   | Cost              | Accumulated<br>amortization | Net book<br>value |
|   | \$                | \$                          | \$                |
| Land                                      | 316,475           | -                           | 316,475           |
| Buildings                                 | 15,588,834        | 11,044,101                  | 4,544,733         |
| Equipment and computer equipment          | 6,019,689         | 4,761,156                   | 1,258,533         |
| Transportation equipment                  | 134,364           | 80,619                      | 53,745            |
| Projects in progress - computer equipment | 32,820            | -                           | 32,820            |
|   | <b>22,092,182</b> | <b>15,885,876</b>           | <b>6,206,306</b>  |

|                                  | 2013              |                             |                   |
|----------------------------------|-------------------|-----------------------------|-------------------|
|                                  | Cost              | Accumulated<br>amortization | Net book<br>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            |
|                                  | <b>21,896,313</b> | <b>15,362,895</b>           | <b>6,533,418</b>  |

## 7. Deferred operating revenue

|   | 2014                  |  |                 |                     |                       |          |
|---|-----------------------|--|-----------------|---------------------|-----------------------|----------|
|   | Seniors<br>Initiative | Vancouver<br>Coastal<br>Health<br>Grant<br>education | Gaming<br>grant | Resident<br>charges | Targeted<br>donations | Total    |
|   | \$                    | \$   | \$              | \$                  | \$                    | \$       |
| Receipts  | -                     | 67,099   | 40,000          | 15,824              | -                     | 122,923  |
| Amortization to<br>revenues                       | -                     | -  | (40,000)        | (17,376)            | -                     | (57,376) |
| Reallocated to deferred<br>capital fund (Note 10) | -                     | -  | -               | -                   | (45,000)              | (45,000) |
| Increase (decrease)<br>in year                    | -                     | 67,099   | -               | (1,552)             | (45,000)              | 20,547   |
| Balance,<br>April 1, 2013                         | 108,156               | 39,955   | 40,000          | 17,376              | 45,000                | 250,487  |
| Balance,<br>March 31, 2014                        | 108,156               | 107,054  | 40,000          | 15,824              | -                     | 271,034  |

# Jewish Home for the Aged of British Columbia

(Operating as Louis Brier Home and Hospital)

Notes to the financial statements

March 31, 2014

## 7. Deferred operating revenue (continued)

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

## 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, 2014, using an early measurement date of December 31, 2013.

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

|   | 2014      | 2013      |
|---|-----------|-----------|
|   | \$        | \$        |
| Service cost                                  | 106,551   | 84,295    |
| Interest cost                                 | 54,811    | 48,306    |
| Benefit payments                              | (81,193)  | (157,957) |
| Actuarial (loss) gain                         | (296,306) | 565,362   |
| (Decrease) increase in year                   | (216,137) | 540,006   |
| Accrued benefit obligation, beginning of year | 1,663,240 | 1,123,234 |
| Accrued benefit obligation, end of year       | 1,447,103 | 1,663,240 |
| Unamortized net actuarial loss                | (44,605)  | (362,740) |
| Accrued benefit liability, end of year        | 1,402,498 | 1,300,500 |
| Less: current portion                         | 188,590   | 315,533   |
|   | 1,213,908 | 984,967   |

# Jewish Home for the Aged of British Columbia

(Operating as Louis Brier Home and Hospital)

Notes to the financial statements

March 31, 2014

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## 8. Sick and severance payable (continued)

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

|   | 2014           | 2013           |
|---|----------------|----------------|
|   | \$             | \$             |
| Service cost                              | 106,551        | 84,295         |
| Interest cost                             | 54,811         | 48,306         |
| Amortization of net actuarial loss (gain) | 21,829         | (10,156)       |
|   | <b>183,191</b> | <b>122,445</b> |

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

|                        | 2014 | 2013 |
|------------------------|------|------|
|                        | %    | %    |
| Interest discount rate | 4.10 | 3.40 |
| Salary increases       | 2.50 | 2.50 |

## 9. Mortgage payable

Mortgage payable comprises the following:

|   | 2014           | 2013           |
|---|----------------|----------------|
|   | \$             | \$             |
| CMHC mortgage 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 | 597,449        | 617,924        |
| Less: principal amount due within one year  | 22,146         | 20,475         |
|   | <b>575,303</b> | <b>597,449</b> |

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

|            | \$             |
|------------|----------------|
| 2015       | 22,146         |
| 2016       | 23,953         |
| 2017       | 25,908         |
| 2018       | 28,022         |
| 2019       | 30,308         |
| Thereafter | 467,112        |
|            | <b>597,449</b> |

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## 10. Deferred capital funding

Deferred capital funding comprises the following:

|  | 2014      | 2013      |
|--|-----------|-----------|
|  | \$        | \$        |
| Vancouver Coastal Health contribution                | -         | 46,648    |
| Louis Brier Jewish Aged Foundation contribution      | -         | 8,199     |
| Other amounts  | 41,533    | 5,717     |
| Amortization to revenues                             | (467,316) | (479,907) |
| Reallocated from deferred operating revenue (Note 7) | 45,000    | 27,815    |
| Decrease in year                                     | (380,783) | (391,528) |
| Balance, beginning of year                           | 5,697,573 | 6,089,101 |
| Balance, end of year                                 | 5,316,790 | 5,697,573 |

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, 2014, included in the deferred capital funding was \$473,933 (2013 - \$430,015) 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:

|                                  | 2014  |                                    |                   |                 |                |                   |        |
|----------------------------------|---|------------------------------------|-------------------|-----------------|----------------|-------------------|--------|
|                                  | Albert O.<br>Kaplan<br>Perpetual<br>Scholarship | Abrasha<br>Wosk<br>Project<br>Fund | Bernstone<br>Fund | Comfort<br>Fund | Snider<br>Fund | Companion<br>Fund | Total  |
|                                  | \$  | \$                                 | \$                | \$              | \$             |                   | \$     |
| (Uses) additions during the year | -   | -                                  | -                 | -               | (1,570)        | 17,380            | 15,810 |
| Revenues                         | 54  | 42                                 | 111               | 153             | 60             | 65                | 485    |
| Changes in the year              | 54  | 42                                 | 111               | 153             | (1,510)        | 17,445            | 16,295 |
| Balance, April 1, 2013           | 7,200   | 5,549                              | 14,865            | 20,430          | 9,517          | -                 | 57,561 |
| Balance, March 31, 2014          | 7,254   | 5,591                              | 14,976            | 20,583          | 8,007          | 17,445            | 73,856 |

|                         | 2013  |                                    |                   |                 |                |  |        |
|-------------------------|---|------------------------------------|-------------------|-----------------|----------------|--|--------|
|                         | Albert O.<br>Kaplan<br>Perpetual<br>Scholarship | Abrasha<br>Wosk<br>Project<br>Fund | Bernstone<br>Fund | Comfort<br>Fund | Snider<br>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 |

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## 12. Other revenue

Other revenue comprises the following:

|                       | 2014          | 2013          |
|-----------------------|---------------|---------------|
|                       | \$            | \$            |
| Investment income     | 28,611        | 29,566        |
| Membership fees       | 1,062         | 886           |
| Companion Program     | 37,614        | -             |
| Miscellaneous revenue | 13,140        | 17,692        |
|                       | <b>80,427</b> | <b>48,144</b> |

## 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:

|                              | 2014   | 2013   |
|------------------------------|--------|--------|
|                              | \$     | \$     |
| Residents' Trust Fund        | 15,426 | 15,944 |
| Residents' Trust liabilities | 15,426 | 15,944 |

## 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 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 term deposits and mortgage payable is estimated to approximate fair value as the interest rates approximate current market interest rates for investment and 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.

### (c) Credit risk

The Society has limited exposure to credit risk associated with its cash, accounts receivable, term deposits and amounts due from Louis Brier Jewish Aged Foundation and Louis Brier Jewish Residence Society. Accounts receivable are due from a number of sources, with no significant balance due from any individual resident. Cash and term deposit and are held with Canadian chartered banks. The Society's maximum exposure to credit risk is \$3,170,972 (2013 - \$3,001,032).



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## 15. Financial instruments and financial risk (continued)

### (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, 2014, 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:

|                                      | 2014             | 2013      |
|--------------------------------------|------------------|-----------|
|                                      | \$               | \$        |
| Financial position                   |                  |           |
| Assets                               | <b>8,510,103</b> | 8,857,412 |
| Liabilities                          | <b>473,230</b>   | 533,880   |
| Net assets                           | <b>8,036,873</b> | 8,323,532 |
|                                      | <b>8,510,103</b> | 8,857,412 |
| Revenues and expenses                |                  |           |
| Revenues                             | <b>3,976,785</b> | 3,995,564 |
| Expenses                             | <b>4,263,444</b> | 4,120,437 |
| Deficiency of revenues over expenses | <b>(286,659)</b> | (124,873) |
| Cash flows                           |                  |           |
| Cash from operations                 | <b>(30,709)</b>  | 333,175   |
| Cash used in investing activities    | <b>(32,597)</b>  | (161,576) |
| (Decrease) increase in cash          | <b>(63,306)</b>  | 171,599   |