

Financial statements of

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

(Operating as Louis Brier Home and Hospital)

March 31, 2015

Jewish Home for the Aged of British Columbia

(Operating as Louis Brier Home and Hospital)

March 31, 2015

Table of contents

Independent Auditor's Report	1-2
Statement of operations	3
Statement of changes in net assets	4
Statement of financial position	5
Statement of cash flows	6
Notes to the financial statements	7-16



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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, 2015, 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, 2015, 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 3 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 presented on a basis consistent with that of the preceding year. We draw attention to the fact that, effective April 1, 2014, the Society changed its accounting policy for employee future benefits, as described more fully in Note 2 to the financial statements.

Deloitte LLP

Chartered Accountants
May 14, 2015
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, 2015

	2015	2014 (Restated - Note 2)
	\$	\$
Revenue		
Vancouver Coastal Health Authority grant	10,617,918	10,588,569
Resident charges	4,615,454	4,509,706
Amortization of deferred capital funding (Note 10)	459,944	467,316
Contribution from Louis Brier Jewish Aged Foundation	421,552	366,207
Other revenue (Note 12)	122,251	80,427
Gaming grant	40,207	40,152
	16,277,326	16,052,377
Expenses (Note 4)		
Salaries	10,173,431	10,109,081
Employee benefits (Note 8(b))	2,999,942	3,036,879
	13,173,373	13,145,960
Dietary	878,475	833,577
Nursing and medical	546,585	438,070
Amortization	515,609	522,981
Building operation	353,462	363,279
Administration	281,618	219,720
Building maintenance	185,094	178,083
Therapy	92,038	44,589
Housekeeping	75,477	71,556
Mortgage interest	46,085	47,767
Laundry and linen	30,262	32,371
	16,178,078	15,897,953
Excess of revenues over expenses for the year	99,248	154,424

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)

Statement of changes in net assets

year ended March 31, 2015

	Unrestricted (Restated - Note 2)	Invested in capital assets	Replacement reserve (Note 3 (g))	Restricted Special purpose	Total (Restated - Note 2)
	\$	\$	\$	\$	\$
Balance, April 1, 2013, as previously reported	(434,863)	217,921	82,891	57,561	(76,490)
Change in accounting policy (Note 2)	(366,171)	-	-	-	(366,171)
Restated balance, April 1, 2013	(801,034)	217,921	82,891	57,561	(442,661)
Excess of revenues over expenses	154,424	-	-	-	154,424
Remeasurements and other items	301,720	-	-	-	301,720
Interest earned	-	-	622	485	1,107
Annual appropriation	(73,826)	-	73,826	-	-
Amortization of deferred capital funding	(467,316)	467,316	-	-	-
Amortization of capital assets	522,981	(522,981)	-	-	-
(Disbursements) funding of capital assets	(109,336)	109,336	-	-	-
Restricted special purpose funds	-	-	-	15,810	15,810
Mortgage principal repaid	(20,475)	20,475	-	-	-
Change in year	308,172	74,146	74,448	16,295	473,061
Balance, March 31, 2014, as previously reported	(444,876)	292,067	157,339	73,856	78,386
Change in accounting policy (Note 2)	(47,986)	-	-	-	(47,986)
Restated balance, March 31, 2014	(492,862)	292,067	157,339	73,856	30,400
Excess of revenues over expenses	99,248	-	-	-	99,248
Remeasurements and other items	170,360	-	-	-	170,360
Interest earned	-	-	944	442	1,386
Annual appropriation	(73,826)	-	73,826	-	-
Amortization of deferred capital funding	(459,944)	459,944	-	-	-
Amortization of capital assets	515,609	(515,609)	-	-	-
(Disbursements) funding of capital assets	(66,567)	66,567	-	-	-
Restricted special purpose funds	-	-	-	(180)	(180)
Mortgage principal repaid	(22,146)	22,146	-	-	-
Change in year	162,734	33,048	74,770	262	270,814
Balance, March 31, 2015	(330,128)	325,115	232,109	74,118	301,214

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)

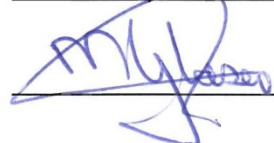
Statement of financial position

as at March 31, 2015

	2015	2014 (Restated - Note 2)
	\$	\$
Assets		
Current assets		
Cash	657,927	368,145
Accounts receivable	136,919	105,796
Due from Louis Brier Jewish Aged Foundation	23,712	89,661
Due from Louis Brier Jewish Residence Society (Note 4)	336,302	332,251
Inventory	109,292	108,352
Prepaid expenses	135,594	126,142
	1,399,746	1,130,347
Term deposits (Note 5)	2,304,266	2,275,119
Capital assets (Note 6)	5,820,871	6,206,306
	9,524,883	9,611,772
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	1,837,603	1,764,305
Government remittances payable	189,949	181,310
Deferred operating revenue (Note 7)	275,524	271,034
Current portion of sick and severance payable (Note 8(a))	164,231	188,590
Current portion of mortgage payable (Note 9)	23,953	22,146
	2,491,260	2,427,385
Sick and severance payable (Note 8(a))	1,260,607	1,261,894
Mortgage payable (Note 9)	551,350	575,303
Deferred capital funding (Note 10)	4,920,452	5,316,790
	9,223,669	9,581,372
Net assets		
Unrestricted	(330,128)	(492,862)
Invested in capital assets	325,115	292,067
Replacement reserve	232,109	157,339
Restricted special purpose (Note 11)	74,118	73,856
	301,214	30,400
	9,524,883	9,611,772

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)

Statement of cash flows

year ended March 31, 2015

	2015	2014 (Restated - Note 2)
	\$	\$
Operating activities		
Excess of revenues over expenses for the year	99,248	154,424
Non-cash items		
Amortization of deferred capital funding	(459,944)	(467,316)
Amortization of capital assets	515,609	522,981
	154,913	210,089
Changes in non-cash working capital		
Accounts receivable	(31,123)	67,675
Due from Louis Brier Jewish Aged Foundation	65,949	64,503
Due from Louis Brier Jewish Residence Society	(4,051)	44,361
Inventory	(940)	14,570
Prepaid expenses	(9,452)	(5,369)
Accounts payable and accrued liabilities	73,298	(68,896)
Government remittances payable	8,639	26,360
Deferred operating revenue	4,490	20,547
Sick and severance payable	144,714	85,533
	406,437	459,373
Investing activities		
Increase in term deposits	(29,147)	(26,349)
Additions to capital assets	(130,174)	(195,869)
	(159,321)	(222,218)
Financing activities		
Repayment of mortgage payable	(22,146)	(20,475)
Restricted Funds	1,206	16,917
Increase in deferred capital funding	63,606	86,533
	42,666	82,975
Increase in cash	289,782	320,130
Cash, beginning of year	368,145	48,015
Cash, end of year	657,927	368,145

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, 2015

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. Change in accounting policy

Section 3462, Employee Future Benefits, and Section 3463, Reporting Employee Future Benefits by Not-for-Profit Organizations

On April 1, 2014, the Society adopted the new Section 3462 of the CPA Canada Handbook – Accounting, "Employee Future Benefits," and the new Section 3463 of the CPA Canada Handbook – Accounting, "Reporting Employee Future Benefits by Not-for-Profit Organizations", issued by the Canadian Accounting Standards Board ("AcSB"). These sections replace Section 3461 of the CPA Canada Handbook – Accounting on the same subject.

Under the new standards, the interest cost and the expected return on plan assets are replaced by an amount of net interest calculated by applying a discount rate used in determining the net defined benefit obligation.

In accordance with Section 3463, the cost of remeasurements and other items are recognized directly in net assets in the statement of financial position, are presented in a separate line in the statement of changes in net assets, and are not reclassified to the statement of operations in a subsequent period.

In accordance with the new standards, the Society is also required to change its measurement date, which will no longer be December 31, but the statement of financial position date, i.e. March 31. To make this change, the Society applied the transitional provisions and set the measurement period to 15 months extending from December 31, 2013 to March 31, 2015. The Society allocated 12/15 of this measurement period to 2015. As a result, an adjustment representing 3/15 of this same period was recognized in opening net liabilities as at April 1, 2013.

Under the new standards, the Society can elect to use the actuarial valuation prepared for funding purposes or the actuarial valuation prepared for accounting purposes. It elected to use the actuarial valuation prepared for accounting purposes.

The Society adopted the new Sections 3462 and 3463 retrospectively, which affected the financial statements as at and for the year ended March 31, 2014 as follows:

	Reported amount	Restatement	Restated amount
	\$	\$	\$
Net liabilities as at April 1, 2013	(76,490)	(366,171)	(442,661)
Sick and severance payable	1,402,498	47,986	1,450,484
Employee benefits expense	3,053,344	(16,465)	3,036,879
Change in net assets	154,876	318,185	473,061

The restated employee benefits expense amount excludes remeasurements and other items totaling \$301,720 for the year, which have been recorded directly in net assets.

Jewish Home for the Aged of British Columbia

(Operating as Louis Brier Home and Hospital)

Notes to the financial statements

March 31, 2015

3. Basis of accounting and significant accounting policies

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.

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.

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, determined on a first-in, first-out basis, and current replacement cost.

Jewish Home for the Aged of British Columbia

(Operating as Louis Brier Home and Hospital)

Notes to the financial statements

March 31, 2015

3. Basis of accounting and significant accounting policies (continued)

(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, 2015 and March 31, 2014.

(f) Sick and severance

The Society recognizes its sick and severance liability using the projected benefit method pro-rated on services. The defined benefit liability is determined using the most recent actuarial valuation prepared for accounting purposes which is performed every three years, with a roll-forward technique used to measure the liability in the years between valuations. The measurement date of the defined benefit liability is the Society's statement of financial position date.

The plan's cost for the year consists of current service cost, finance cost, and remeasurements and other items. Current service cost and finance cost are recognized in employee benefits expense in the statement of operations. Remeasurements and other items consist of actuarial gains and losses, past service costs and gains and losses arising from settlements and curtailments, and is recognized directly in net assets.

(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. Donated materials and services are not recognized in these financial statements.

(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 the sick and severance payable.

Jewish Home for the Aged of British Columbia

(Operating as Louis Brier Home and Hospital)

Notes to the financial statements

March 31, 2015

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:

	2015	2014
	\$	\$
Services provided		
Salaries and benefits	3,099,410	3,129,432
Other expenses	591,653	539,180
	3,691,063	3,668,612
Payments received	(3,687,012)	(3,712,973)
Increase (decrease) in year	4,051	(44,361)
Balance, beginning of year	332,251	376,612
Balance, end of year	336,302	332,251

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 recorded at their exchange amounts which are the amounts agreed to by the related parties.

5. Restricted cash and term deposit

As at March 31, 2015, the term deposit up to an amount of \$232,109 (2014 - \$157,339) 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, 2015

6. Capital assets

Capital assets comprise the following:

	2015		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Land	316,475	-	316,475
Buildings	15,588,834	11,305,185	4,283,649
Equipment and computer equipment	6,150,529	5,006,724	1,143,805
Transportation equipment	134,364	89,576	44,788
Projects in progress - plumbing system upgrade	32,154	-	32,154
	22,222,356	16,401,485	5,820,871

	2014		
	Cost	Accumulated amortization	Net book 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
	22,092,182	15,885,876	6,206,306

7. Deferred operating revenue

	2015					
	Seniors Initiative	Vancouver Coastal Health Grant education	Gaming grant	Resident charges	Targeted donations	Total
	\$	\$	\$	\$	\$	\$
Receipts	-	64,500	40,000	22,913	-	127,413
Amortization to revenues	-	(67,099)	(40,000)	(15,824)	-	(122,923)
(Decrease) increase in year	-	(2,599)	-	7,089	-	4,490
Balance, April 1, 2014	108,156	107,054	40,000	15,824	-	271,034
Balance, March 31, 2015	108,156	104,455	40,000	22,913	-	275,524

Jewish Home for the Aged of British Columbia

(Operating as Louis Brier Home and Hospital)

Notes to the financial statements

March 31, 2015

7. Deferred operating revenue (continued)

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

8. Employee future benefits

(a) Sick and severance payable

The sick and severance payable is based upon accumulated sick leave credits and entitlements for each year of service. The plan is unfunded as at March 31, 2015.

(b) Employee pension benefits

The Society and its employees contribute to the Municipal Pension Plan (the "Plan"), a multi employer defined benefit pension plan governed by the BC Public Sector Pension Plans Act.

The Society contributed \$1.08 million (2014 - \$1.05 million) to the Plan during the year. Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of plan funding. The latest actuarial valuation as at March 31, 2014 indicated a funding surplus of \$392 million for basic pension benefits. The next valuation will be as at March 31, 2017 with results available in early 2018.

Employers participating in the Plan record their pension expense as the amount of employer contributions made during the year. This is because the plan records accrued liabilities and accrued assets for the Plan in aggregate, with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan. The Plan covers approximately 182,000 active members.

Jewish Home for the Aged of British Columbia

(Operating as Louis Brier Home and Hospital)

Notes to the financial statements

March 31, 2015

9. Mortgage payable

Mortgage payable comprises the following:

	2015	2014
	\$	\$
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	575,303	597,449
Less: principal amount due within one year	23,953	22,146
	551,350	575,303

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

	\$
2016	23,953
2017	25,908
2018	28,022
2019	30,308
2020	32,781
Thereafter	434,331
	575,303

10. Deferred capital funding

Deferred capital funding comprises the following:

	2015	2014
	\$	\$
Other amounts	63,606	41,533
Amortization to revenues	(459,944)	(467,316)
Reallocated from deferred operating revenue (Note 7)	-	45,000
Decrease in year	(396,338)	(380,783)
Balance, beginning of year	5,316,790	5,697,573
Balance, end of year	4,920,452	5,316,790

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, 2015, included in deferred capital funding was \$319,531 (2014 - \$320,677) of amounts received that have not been spent on the acquisition of capital assets.

Jewish Home for the Aged of British Columbia

(Operating as Louis Brier Home and Hospital)

Notes to the financial statements

March 31, 2015

11. Restricted special purpose net assets

Restricted special purpose net assets comprise the following:

							2015
	Albert O. Kaplan Perpetual Scholarship	Abrasha Wosk Project Fund	Bernstone Fund	Comfort Fund	Snider Fund	Companion Fund	Total
	\$	\$	\$	\$	\$		\$
(Uses) additions during the year	-	-	-	-	(180)	-	(180)
Revenues	44	33	90	124	46	105	442
Changes in the year	44	33	90	124	(134)	105	262
Balance, April 1, 2014	7,254	5,591	14,976	20,583	8,007	17,445	73,856
Balance, March 31, 2015	7,298	5,624	15,066	20,707	7,873	17,550	74,118

							2014
	Albert O. Kaplan Perpetual Scholarship	Abrasha Wosk Project Fund	Bernstone Fund	Comfort Fund	Snider Fund	Companion 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

12. Other revenue

Other revenue comprises the following:

	2015	2014
	\$	\$
Companion Program	80,743	37,614
Investment income	31,394	28,611
Miscellaneous revenue	10,114	14,202
	122,251	80,427

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.

Jewish Home for the Aged of British Columbia

(Operating as Louis Brier Home and Hospital)

Notes to the financial statements

March 31, 2015

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:

	2015	2014
	\$	\$
Residents' Trust Fund	17,095	15,426
Residents' Trust liabilities	17,095	15,426

15. Financial instruments and financial risk

(a) Fair value

The carrying amounts of cash, accounts receivable, 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. The Society is also exposed to interest rate risk on its term deposit which has a variable interest rate.

(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 \$3,459,126 (2014 - \$3,170,972).

(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, 2015, the most significant financial liabilities are accounts payable, accrued liabilities and mortgage payable.

Jewish Home for the Aged of British Columbia

(Operating as Louis Brier Home and Hospital)

Notes to the financial statements

March 31, 2015

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:

	2015	2014
	\$	\$
Financial position		
Assets	8,187,143	8,510,103
Liabilities	447,341	473,230
Net assets	7,739,802	8,036,873
	8,187,143	8,510,103
Revenues and expenses		
Revenues	3,952,154	3,976,785
Expenses	4,249,225	4,263,444
Deficiency of revenues over expenses	(297,071)	(286,659)
Cash flows		
Cash from operations	(50,336)	(30,709)
Cash used in investing activities	(3,794)	(32,597)
Decrease in cash	(54,130)	(63,306)