

Directors' Report for Fiscal Year 2017-2018
Presented at the Annual General Meeting 15 October 2018

Kinbrace has had an eventful and significant year, celebrating the organization's 20th Anniversary, and preparing a foundation for the next 20. Long-needed sabbaticals were launched for all staff, starting with Executive Director. Preparations were made for a renovation of the main Kinbrace house, meaning that all of our units were out of service as of May 1, 2018.

Briefly, a few highlights.

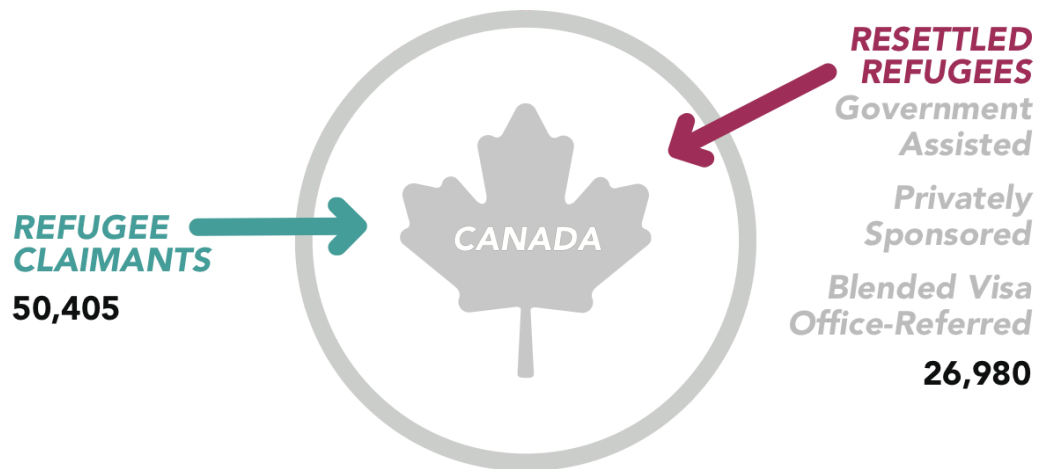
1. Our mandate focuses on a warm and purposeful welcome for refugee claimants. During our 2017-2018 fiscal year
 - a. 20 refugee claimants accessed transitional housing
 - b. 35 received permanent housing placements
 - c. 40 benefitted from wellness counselling
 - d. 442 refugee claimants participated in READY Tours in Vancouver
 - e. 10,000+ refugee claimants benefitted from education and orientation across Canada through Ready for My Refugee Hearing resources www.refugeeclaim.ca.
2. As renovation opportunity with Hawthorne began to become a possibility, a decision was made to not intake further refugee claimants as the end of the fiscal year approached. This impacted overall numbers of refugee claimants assisted with housing directly.
3. Housing is central to our offer for refugee claimants, and the current housing crisis in BC's Lower Mainland - with low vacancy and exceedingly high rental rates - has put intense pressure on refugee claimants, our staff and their roles, and on our budget as we have put increasing resources towards securing permanent housing for refugee claimants. Kinbrace launched and is co-leading a sector- and region-wide creative process with multiple stakeholders to create housing solutions for refugee claimants.
4. 2017 witnessed the most number of refugee claimants ever to arrive in Canada - 50,400 - which added to the severe pressures the small handful of agencies who serve refugee claimants experience. See infographics below. Kinbrace gave significant time, particularly through Loren's Executive Director role, to respond and mobilize at the regional level.
5. The highlight of our financial year was receiving the support of 14 new monthly donors, joining the Companion Circle, adding \$12,000 annual revenue to the \$38,000 already being contributed through the monthly giving community. We want to continue to grow this significant and generous community of welcome.
6. Financial overview for fiscal year May 2017 - April 2018 (see audited financials below):
 - a. Expenses \$601,508
 - b. Revenue \$581,347
 - c. Deficit -\$20,161
 - i. This deficit was offset by our contingency fund which remains at \$146,000 at year end.
 - d. Monthly average Expenses \$50,126
7. We're grateful to our existing supporters and major funders. And we're are delighted to announce a new partnership with Social Venture Partners, who recently committed to a \$75,000 contribution. The SVP relationship holds a great deal of potential because, like Hawthorne Foundation and Dragon Fire Foundation, investment takes the form of both cash and access to talent and a variety of capacity building expertise.
8. Loren and Tama, with Abigail and Oliver, moved from the Kinbrace community in August 2017, after 19 years living on site. Adriana and Paco, with Marcelo and Sofia, also moved into a new home in May 2018 after 14 years living and working in the community. This marks a major transition for the Host Community, for former residents, and neighbours. We are also experiencing it as a significant soul shift moment for the entire organization as we reposition for the future.
9. We're pleased to welcome our new Host Community, composed of Anika Barlow, Emily and Rhys Volkenant, and their kids Max and Otto. Rosemary Toye is the Board liaison to the Host Community.

10. We've been renovating, in a variety of ways, preparing for the future. Our apartments in the original Kinbrace house have had a much-needed refresh, and are within days of being able to receive new guests. We've taken advantage of the quiet period associated with the renovations to enable Jenn and Emily to take sabbaticals. We've had an intense year with staff changes, with Andrew Kuipers (Director of Programs) and Erin Pearce (Wellness Counsellor) moving on to new endeavours. And we're experiencing a changing of the guard on the Board of Directors, with Beth Glick and Martha Koehn reaching the end of their second term. We thank and wish them well. Pending membership approval, Rosemary Toye and Tara Bental-King will begin their first term as Directors. And we're preparing to hire staff.
11. Change is by definition unsettling, but we're moving forward in a mood of ambition and adventure, and with a sense that we need to move with the flow of change that's enveloping us. Being in a mood of change means letting go of preconception, welcoming new perspectives, and being prepared to change direction and plans. In June 2018, we conveyed the news that Loren wanted to exercise the process of Executive Director succession, feeling that the organization might need a fresh perspective to move into the next 20 years. The Board began by engaging a Recruiting Specialist, with an initial request to interview Kinbrace stakeholders and gather perspectives on the pending change. We were surprised by what we learned - that the organization was not yet ready for change, consulted with Loren about extending his tenure, and committed to engaging in a high-level organizational strategy process before recruiting new leadership. Having been in conversation with Social Venture Partners for a number of months, we were able to reframe our capacity building needs with a proposal that was accepted by SVP in September. Little has gone according to plan, but we are delighted with where we find ourselves, ambitious about the future, and grateful for the financial and strategic support offered by our major donors.

Chris Wiesinger
Chairperson
Board of Directors
15 Oct 2018



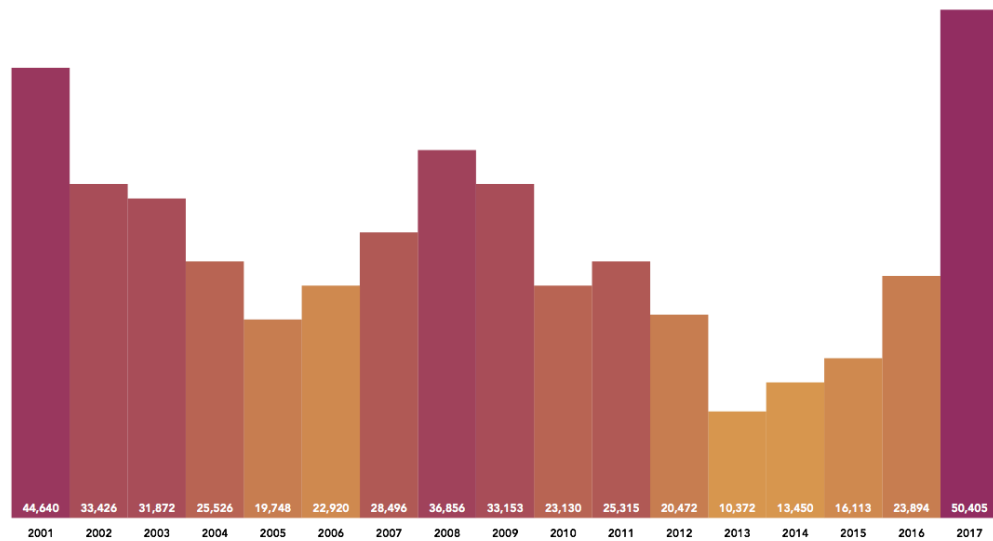
REFUGEE PATHWAYS TO CANADA 2017



Graphic: Kinbrace

Source: <https://www.canada.ca/en/immigration-refugees-citizenship/services/refugees/asylum-claims.html>

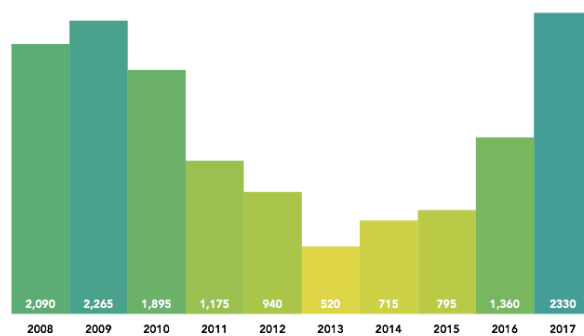
ANNUAL ARRIVAL OF REFUGEE CLAIMANTS IN CANADA 2001 – 2017



Graphic: Kinbrace

Source: <https://www.canada.ca/en/immigration-refugees-citizenship/services/refugees/asylum-claims.html>

ANNUAL ARRIVAL OF REFUGEE CLAIMANTS IN BC 2008 – 2017



Graphic: Kinbrace

Source: <https://www.canada.ca/en/immigration-refugees-citizenship/services/refugees/asylum-claims.html>

KINBRACE COMMUNITY SOCIETY

FINANCIAL STATEMENTS

APRIL 30, 2018

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Kinbrace Community Society:

We have reviewed the accompanying financial statements of Kinbrace Community Society that comprise the statement of financial position as at April 30, 2018, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.

Practitioner's Responsibility

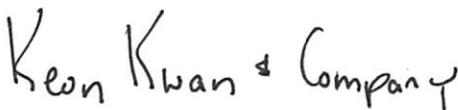
Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Kinbrace Community Society as at April 30, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Chartered Professional Accountants

October 3, 2018


Burnaby, B.C.

**KINBRACE COMMUNITY SOCIETY
UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT APRIL 30, 2018**


	2018	2017
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 146,338	\$ 196,494
Term deposit	77,105	76,183
Accounts receivable	4,067	1,028
Sales tax recoverable	1,613	1,356
Prepaid expenses	579	525
	229,702	275,586
TANGIBLE CAPITAL ASSETS (Note 3)	10,084	13,031
	\$ 239,786	\$ 288,617
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 19,505	\$ 27,191
Payroll deductions payable	2,966	3,575
Deferred contributions (Note 4)	13,792	34,167
	36,263	64,933
NET ASSETS		
Invested in capital assets	10,084	13,031
Unrestricted	193,439	210,653
	203,523	223,684
	\$ 239,786	\$ 288,617

Commitments (Note 7)

APPROVED ON BEHALF OF THE BOARD



DIRECTOR
LUKE EVANDOW
TREASURER



DIRECTOR
CHRIS WIESINGER
CHAIR

The accompanying notes are an integral part of these financial statements

KINBRACE COMMUNITY SOCIETY
UNAUDITED STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED APRIL 30, 2018

	2018	2017
REVENUES		
Donations and grants from charities	\$ 246,546	\$ 139,045
Donations from individuals	87,577	68,323
Chimp: Charitable Impact Foundation (Canada) (Note 8)	86,843	185,053
Rental income	53,002	60,505
Journey Home Community Association (United Way of the Lower Mainland)	43,717	37,500
Fundraising - Ride for Refuge	40,502	50,067
United Way of the Lower Mainland	10,000	10,000
Other revenues (Note 5)	5,582	7,117
City of Vancouver grant	5,000	-
Donations and grants from corporations and businesses	1,500	122,718
Interest income	1,078	1,426
World Vision Canada	-	17,000
	581,347	698,754
EXPENSES		
Administration costs	3,774	3,748
Amortization of tangible capital assets	5,586	4,896
Camping	6,099	4,070
Capacity building	1,346	6,040
Insurance	4,876	4,573
Marketing and promotion	10,348	19,101
Meals and food	6,538	4,612
Office	17,049	17,725
Operating costs - housing	9,328	9,764
Professional fees	6,995	10,830
Program costs	54,331	73,488
Rent and utilities	41,972	46,169
Salaries and benefits	417,030	331,096
Small furnishings	6,196	9,503
Staff and volunteer development	6,753	3,319
Transportation	3,287	3,271
Workers compensation board	-	2,134
	601,508	554,339
EXCESS OF REVENUES OVER EXPENSES BEFORE OTHER ITEMS	(20,161)	144,415
OTHER ITEMS		
Donations to other charities	-	(6,600)
Donations to Chimp: Charitable Impact Foundation (Canada) (Note 8)	-	(150,000)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(20,161)	(12,185)
NET ASSETS, beginning of year	223,684	235,869
NET ASSETS, end of year	\$ 203,523	\$ 223,684

The accompanying notes are an integral part of these financial statements

KINBRACE COMMUNITY SOCIETY
UNAUDITED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED APRIL 30, 2018

	2018	2017
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ (20,161)	\$ (12,185)
Items not involving cash:		
Amortization	5,586	4,896
Accrued interest income	(123)	(133)
	(14,698)	(7,422)
Non-cash working capital items affecting operations:		
Accounts receivable	(3,039)	24,720
Sales tax recoverable	(257)	3,281
Prepaid expenses	(54)	3,460
Accounts payable and accrued liabilities	(7,686)	9,919
Payroll deductions payable	(609)	1,231
Deferred contributions	(20,375)	6,167
	(46,718)	41,356
INVESTING ACTIVITIES		
Purchase of term deposit	(76,849)	(76,050)
Redemption of term deposit	76,050	75,175
Purchase of tangible capital assets	(2,639)	(1,953)
	(3,438)	(2,828)
INCREASE (DECREASE) IN CASH	(50,156)	38,528
Cash and cash equivalents, beginning of year	196,494	157,966
Cash and cash equivalents, end of year	\$ 146,338	\$ 196,494

The accompanying notes are an integral part of these financial statements

**KINBRACE COMMUNITY SOCIETY
NOTES TO UNAUDITED FINANCIAL STATEMENTS
APRIL 30, 2018**

1 GENERAL

Kinbrace Community Society ("Society") is an organization whose mission is to welcome people in Canada's refugee protection system by providing housing, education, and support. The Society is incorporated on May 31, 2011 under the B.C. Society Act as a not-for-profit organization and is exempt from income tax as a registered charity under the Income Tax Act.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The Society prepares its financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Cash and cash equivalents

Cash and cash equivalents include bank balances, redeemable term deposits and short-term investments having a maturity period of three months or less from the date of acquisition.

Revenue recognition

The Society follows 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 to be received can be reasonably estimated and collection is reasonably assured.

Rental income is recognized based on the terms of the tenancy agreement. Interest and other revenue are recognized when earned. All revenues are recognized when the amount can be reasonably estimated and collection is reasonably assured.

Financial instruments

The Society initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The Society subsequently measures all its financial assets and liabilities at amortized cost. Financial assets measured at amortized cost include cash and cash equivalents, term deposit, and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

The Society recognizes its transaction costs in the statement of operations in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

KINBRACE COMMUNITY SOCIETY
NOTES TO UNAUDITED FINANCIAL STATEMENTS
APRIL 30, 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tangible capital assets and amortization

Purchased tangible capital assets are stated at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is provided on a straight-line basis over the asset's estimated useful lives, which for computers is three years and for equipment and leasehold improvements is five years. Estimates of useful lives of the assets are reviewed every year and adjusted on a prospective basis, if needed.

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of receipts and disbursements for the reporting period. Actual results could differ from these estimates. Significant financial statement items that require the use of estimates are as follows: useful lives of tangible capital assets. These estimates are reviewed periodically and adjustments are made, as appropriate, in the statement of operations and changes in net assets in the year they become known.

Contributed services and materials

Volunteers contribute numerous hours per year to assist the Society in carrying out its service delivery activities. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements. Contributed materials which are used in the normal course of the Society's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if the fair value can be reasonably estimated.

3 TANGIBLE CAPITAL ASSETS

	2018			2017
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>	<u>Net</u>
Computer equipment	\$ 9,519	\$ 5,999	\$ 3,520	\$ 3,596
Equipment	7,781	4,943	2,838	4,394
Leasehold improvements	6,575	2,849	3,726	5,041
	<u>\$ 23,875</u>	<u>\$ 13,791</u>	<u>\$ 10,084</u>	<u>\$ 13,031</u>

KINBRACE COMMUNITY SOCIETY
NOTES TO UNAUDITED FINANCIAL STATEMENTS
APRIL 30, 2018

4 DEFERRED CONTRIBUTIONS

Changes to deferred contributions are as follows:

	2018	2017
Balance, beginning of year	\$ 34,167	\$ 28,000
Amount recognized as revenue	(34,167)	(28,000)
Add deferred contributions:		
Journey Home Community Association (United Way of the Lower Mainland)	3,750	7,500
Anonymous Donor	10,042	20,000
Dragon Fire Foundation	-	6,667
Balance, end of year	<u>\$ 13,792</u>	<u>\$ 34,167</u>

5 OTHER REVENUES

	2018	2017
Alma Mater Society of BC	\$ 2,700	\$ -
Sales, service or fees	1,010	-
Speaker fees and related donations	871	1,650
Masters Thesis Crowd funding	530	-
Prairie Centre of Christian Education	250	-
VanCity Community Foundation	221	-
Government of Canada - summer student grant	-	3,568
Government of Canada - payroll deductions credit	-	912
Other revenue	-	572
Camp fees	-	415
	<u>\$ 5,582</u>	<u>\$ 7,117</u>

6 RELATED PARTY TRANSACTIONS

Three of the Society's housing units are rented to employees. During the current year, one employee paid \$5,560 in rent (May-Aug 2017); the second employee paid \$14,832 in rent (May 2017 - Apr 2017); the third paid \$5,500 in rent Jun 2017 - Apr 2018) for a total of \$25,892 in rent being paid by the employees to the Society. The transactions occurred during the normal course of operations and are measured at the exchange amount, which is the amount of consideration agreed by the related parties.

7 COMMITMENTS

Two apartment buildings

The Society leases two apartment buildings from the Hawthorne Charitable Foundation (the "landlord" and legal owner) in accordance with the Residential Tenancy Act of British Columbia. The lease agreements are on a month-to-month basis. The total monthly rental rate for both leases is \$3,900 plus applicable taxes.

KINBRACE COMMUNITY SOCIETY
NOTES TO UNAUDITED FINANCIAL STATEMENTS
APRIL 30, 2018

7 COMMITMENTS (Continued)

Photocopier

The Society leases a photocopier under an arrangement expiring on October 2020. The monthly lease payments total \$299.50 plus applicable taxes. The aggregate lease payments resulting from the photocopier obligation to the end of the lease is as follows:

2018	\$	4,025
2019		4,025
2020		4,025
2021		1,677
		<hr/>
	\$	13,753

8 DONATIONS TO CHIMP: CHARITABLE IMPACT FOUNDATION (CANADA)

During the prior year and in accordance with Chimp: Charitable Impact Foundation (Canada)'s Matching Funds Program, the Society made qualified donations to the Chimp: Charitable Impact Foundation (Canada) ("Chimp"). The funds donated to Chimp are to be returned to the Society as individual donations are made and matched, or at the conclusion of the matching campaign whereby any remaining matched amount held by Chimp will be disbursed to the Society.

9 FINANCIAL INSTRUMENTS

The Society's financial instruments are cash, term deposits, receivables and payables. Unless otherwise noted, it is management's opinion that the Society is not exposed to significant interest, currency, or credit risks arising from these financial instruments. The fair value of the instruments approximates their carrying values, unless otherwise noted.

Credit risk

Credit risks arise from three sources: Cash, cash equivalents, term deposits, and receivables. Cash, cash equivalents and term deposits are deposited in reputable major Canadian financial institution to limit credit risk. The credit risk associated with the non-receipt of receivables is not considered significant.

Interest rate risk

The Society is exposed to interest rate risk with respect to its cash equivalents and term deposits. Changes in interest rates can affect the cash flows from interest income. The interest rate risk associated to cash is not considered significant.

10 REMUNERATION OF DIRECTORS, EMPLOYEES AND CONTRACTORS

The B.C. Societies Act requires a note disclosing the amount of remuneration paid to its directors and its highest paid (\$75,000 plus) employees/contractors. In this regard, management reports that its directors did not receive any remuneration and only one employee earned more than \$75,000. That employee earned \$75,474.