

Kinbrace Community Society - Annual Report 2018-2019

Presented at the Annual General Meeting on September 23rd, 2019

Message from the Board of Directors:

Even as Kinbrace marked its 20th anniversary in June 2018, the number of people seeking refugee protection in Canada hit a new high, reflecting the record 70 million forcibly displaced people in our world. When Kinbrace launched in 1998 as BC's first dedicated housing and support provider for people seeking refugee protection, Canada received 23,897 refugee claimants. Compare that to 55,040 in 2018. These external pressures, along with internal organizational change (a series of farewells and welcomes to departing and new staff), inspired a transition towards a co-leadership structure and the launch of energetic strategic visioning, with the goal to amplify positive impact with and for those seeking refuge. Along with the Board of Directors, I am grateful to everyone - donors, volunteers, former refugee claimants, staff, neighbours - for your continued support of our shared and vital mission.

- Chris Wiesinger, Chair, Board of Directors

Kinbrace's 2018-2019 fiscal year was filled with lots of transitions and newness. Here are some highlights from the year:

1. **RENOVATIONS** - Major renovations at Kinbrace kicked into high gear right before the beginning of this fiscal year (April 23rd, 2018) and carried through until November 2018. The renovations included:
 - i. A revitalization of our Host Community Apartment in the large house (K1), including changing it from a 2 bedroom apartment into a 3 bedroom apartment.
 - ii. A complete renovation of our 6 apartments for refugee claimants.
 - iii. Newly renovated hallway and bathroom spaces for the studio apartments in K1 (including the addition of a small sink in the toilet room.)
 - iv. A new (and safer) set of back stairs climbing all the way up to the top of K1.
 - v. Some kitchen renovations in the Host Community apartment at the small house (K2).

On October 22nd, 2018, shortly before all the renovations were fully complete, Kinbrace hosted an open-house. This was an opportunity for neighbours and

supporters to come and view the renovated units before new residents moved in. Tours of the spaces were offered by staff and past residents.

It has been so wonderful welcoming new residents into the renovated apartments. People are amazed at the beauty, cleanliness and warmth of their new homes.

2. **HOUSING** - In March 2019, we said farewell to Raúl Gatica who served Kinbrace whole-heartedly for two years as our Community Mobilizer. Raúl brought to Kinbrace a passion for connecting to the wider community, a keen story-telling ability, increased relational connection with Subsidized Housing Providers, and a strong heart for justice. We are so grateful for everything that Raúl offered to Kinbrace during his time here. *(Raúl's position had been partially funded by the United Way. As of March 2018 the funding for this position ended.)*

As Raúl transitioned out, we welcomed onto the team Ryan Reid into the new role of Housing Coordinator. Ryan brings with him a passion for housing, networking, and a strong relational capacity.

Even with a year of renovations, we were able to provide a warm welcome to 27 individuals from May 1st, 2018 - April 31st, 2019.

- i. 27 people accessed transitional housing at Kinbrace
- ii. 20 people* were assisted with either settling into longer-term housing in the BC Lower Mainland or moving to another province (*Due to renovations, some of these people didn't actually live onsite at Kinbrace, but we provided assistance finding them long-term housing).

Our Beyond Refuge program continued through its second and final year of funding *(ending in March 2019. Partially funded through the United Way.)* During the year, we offered a "Welcome the Stranger" event in Coquitlam. This was an evening of learning and discussing how people can support refugee claimants in the lower mainland; it included stories from Canadians who had welcomed individuals who have lived the refugee journey.

Kinbrace played an integral part in a housing forum (held on May 10, 2018 hosted at MOSAIC) which brought together over 60 creative community leaders, decision makers, and refugee claimants to develop strategic actions to address the housing needs of refugee claimants in BC's Lower Mainland.

3. **INTEGRATION** - There were some significant changes to the Immigration Process this year, which has impacted Adriana's day-to-day integration work at Kinbrace.

In particular, there are three major changes for Kinbrace residents:

1. Residents now have a longer time (12-18 months) to prepare for their refugee hearing, compared to previous years (3-6 months).
2. Residents obtain their work permit within 30 days of making a claim, compared to 2-3 months in 2018.
3. Legal Aid still provides funds for lawyers to take refugee cases. However, the funds are limited, and for this reason a number of experienced lawyers are not taking Legal Aid cases. New lawyers are willing to take refugee cases and have been working with our residents; it is taking longer for them to prepare these cases, sometimes up to 2 months. In these cases, our residents live at Kinbrace without the immigration document IMM 1442, which helps them gain access to government services.

These changes have impacted the primary focus of refugee claimants in their first months of arriving in Canada; now their priority is to find a job(s), permanent housing, and to learn or improve their English.

Residents will have moved out of Kinbrace by the time they have their hearing or submit applications such as Permanent Residency or Canada Child Tax benefit.

4. **COMMUNITY** - In June 2018 we enjoyed another beautiful camping weekend on Anvil Island. The trip was generously funded by a donor couple.

2018-2019 held lots of change and transitions for the Kinbrace Host Community. In August 2018, Kinbrace was blessed with the arrival of the Volkenant family; Emily, Rhys, Max and Otto have sunk their roots deeply into Kinbrace, offering their many gifts and skills to our community. It has been a joy to have small children living at Kinbrace again as part of the Host Community.

Much to our delight, Anika Barlow remained part of the Host Community (K2 Host) through all of the transitions of the year - anchoring the Kinbrace space on her own throughout the months of renovations and providing a warm welcome to the Volkenant family. Anika continues to live fully into the Kinbrace core values and has been an incredible gift to our community and team.

Conversations about the third Host Community space (the apartment on the top floor of K2, previously occupied by the Paco/Zepeda family) picked up in early 2019, and a plan was developed to change the three bedroom apartment into a one bedroom apartment with two new additional office spaces for Kinbrace staff. This would help to alleviate a long-time challenge of limited on-site office space for a growing staff team, while still leaving space for a couple or single person to live in the Host Community.

It was decided that Anika would move upstairs into the newly renovated one bedroom apartment and that we would select a new K2 host. The renovations and selection of a new K2 host did not happen until after the end of the 2018-2019 fiscal year.

5. ACCESSING REFUGEE PROTECTION - The READY Tours and Refugee Hearing Preparation Guides (RHP Guides) continued to grow and adapt. In Vancouver:

- i. 350 Claimants and 127 Service providers participated in READY tours.
- ii. 325 RHP Guides were distributed at READY Tours.
- iii. 84 interpreters were provided.
- iv. 7 different Immigration and Refugee Board Officers presented the READY Tours.
- v. Refugee Appeal Division (RAD) info sessions ran approximately once a month.

Two quotes from the Vancouver READY Tour evaluation forms:

"It's the best and most relevant way to get you ready for your hearing. Thank you."

"Thank you very much for the support offered to those of us who are in a very difficult and traumatic process. Please continue providing this informative event. The information was clear and concrete."

Unfortunately, we do not have data for READY Tours or Guide distribution in any of the other Canadian cities where the Tours take place. But, from May 1st, 2018- April 30th, 2019 there were 4,759 visits to the webpage where you can download the guide (<https://refugeeclaim.ca/en/preparation-guide/>).

6. **20th ANNIVERSARY CELEBRATION** - On June 16th, 2018 we celebrated Kinbrace's 20th anniversary. In true Kinbrace fashion we had a big party to mark the occasion! About 250 people gathered in the Kinbrace backyard for an afternoon of food (deliciously prepared by Kinbrace residents), stories, and live music. Even some of Kinbrace's very first residents, from back in 1998, were in attendance. It was a beautiful gathering of people and a true celebration of the work Kinbrace has done and the community that has been built over the past 20 years.

7. **WELLNESS** - May 2018 marked the end of our Wellness Program. Beginning in 2014, Kinbrace started offering a Wellness Program to our residents and staff. Everyone living through the refugee claim experience is vulnerable to unique mental health stressors. These stressors are exacerbated upon arriving in Canada and encountering: limited medical coverage, language barriers, a lack of culturally-appropriate services, and limited trauma-counselling options.

The Kinbrace Wellness Program offered clinical mental health programming to Kinbrace residents alongside the offer of a supportive community of welcome. The program was pioneered and led by Erin Peace. With her warmth and skill, Erin blessed the Kinbrace community with much-needed wellness support and accompaniment.

8. **RIDE FOR REFUGE** - On September 29, 2018, Kinbrace participated in the annual Ride for Refuge family friendly fundraiser in Richmond. We had 21 teams and 172 participants riding, walking, and raising a grand total of \$59,162.32 for refugee claimants. We are so grateful for each team, rider, and donor.

9. **FINANCIAL** - Overview of fiscal year May 1, 2018 - April 30, 2019 (see reviewed financials below):

- a. Revenues: \$584,793
- b. Expenses: \$661,323
- c. Deficit: (\$76,530)

This deficit was offset by our contingency fund which remains at \$78,386.

We are deeply grateful for each and every one of our donors and funders; without them, we would not be able to provide refugee claimants with a warm welcome, a wonderful apartment to live in, integration support, help finding a permanent home, and a community where they belong.

10. BOARD OF DIRECTORS - Throughout all of the transitions of the past year, our Board of Directors stepped up and became increasingly engaged with Kinbrace operations. We are immensely grateful for the time, energy and care that they offered to Kinbrace staff and the organization as a whole throughout a time of significant transition. Board members for the 2018-2019 fiscal year were:

- i. Chris Wiesenger (President)
- ii. Rosemary Toye (Treasurer)
- iii. Lesley Stalker (Secretary) (stepped off in August 2019 after taking a position at the IRB)
- iv. Luke Evanow (stepping off at the 2019 AGM)
- v. Tara Bentall-King

11. STAFFING CHANGES - The 2018-2019 fiscal year included a lot of staff transitions.

In May 2018, Jenn Crolow, our Director of Finance and Administration, began a sabbatical leave. After briefly returning to work at the end of her sabbatical, Jenn decided to go on an extended leave of absence, which has continued beyond the fiscal year end.

After holding Jenn's Administration role for the required amount of time, Kinbrace hired Ebenezer Joshua at the end of April, 2019 into the role of Administrator. Ebenezer brings with him a combination of experience and care. His warm smile and attentive organizing are a wonderful addition to the Kinbrace team.

Prior to hiring Ebenezer, we were blessed with the interim Administrative support of Zoe Ozirney and Yolanda Liman. Both of these amazing women brought much needed skill, capacity, clarity and care into this role as we worked our way through a challenging transitional time.

In May 2018, Erin Pearce, our Wellness program coordinator, transitioned off of the Kinbrace staff team into other counselling work.

In June 2018, Emily Parsons Dickau went on a 5 month sabbatical leave (3 months paid, 2 months unpaid). Upon returning in November 2018, Emily transitioned into the role of Program Manager and then Director of Programs.

At the end of 2018, Emily Volkenant transitioned into our Hospitality Coordinator role (previously held by Anika Barlow). Emily also became our Community Dinner Coordinator from Jan - June 2019. To both of these roles, Emily brought an eye for beauty, a joy in celebrating, and an incredible attention to detail.

In January 2019, Derek Chu joined the Kinbrace team as the Director of Operations. Derek brings with him a deep passion and care for assisting people in the refugee claim process, experience on the board of Journey Home (a sister organization to Kinbrace), and an abundance of financial and operational skills. Derek was hired to help cover for Loren's upcoming sabbatical leave.

In March 2019, Raúl Gatica ended his role as Kinbrace's Community Mobilizer, transitioning his focus full-time to the incredible work he does assisting Temporary Foreign Workers in BC.

In March 2019, we hired Ryan Reid into a new role of Housing Coordinator. Ryan spent a few weeks shadowing Raúl prior to Raúl's departure. Ryan brings with him a passion for housing and networking, alongside a thoughtful, caring presence.

At the beginning of April 2019, Loren Balisky began a 9-month sabbatical leave - a time of rest, reflection, learning, and creating. During his time away, leadership of the organization was transitioned over to Derek Chu and Emily Parsons Dickau.

Throughout the 2018-2019 fiscal year, the following staff members remained in their roles (while graciously taking on new, additional or evolving tasks in the midst of staff sabbaticals or absences). We are so grateful for all of them!

- i. Adriana Zepeda - Integration Coordinator
- ii. Anika Barlow - Community Coordinator
- iii. Fran Gallo - Program Coordinator, Accessing Refugee Protection

12. STRATEGIC VISIONING - Our fiscal year ended with a strategic visioning gathering. In April 2019, a group of staff, volunteers, past Kinbrace residents, board members, donors, and Host Community members gathered for the weekend to reflect on Kinbrace's Strengths, Weaknesses, and Opportunities for the future. The weekend was generously facilitated by Tom Ligocki, part of Social Venture Partners Vancouver. The conversations of the weekend were captured

by Yolanda Liman, a Kinbrace volunteer and owner of “Drawing it out”. (See *attached illustrations*)

After the visioning weekend Loren, Adriana, Derek and Emily PD met together to draft a short-term vision statement:

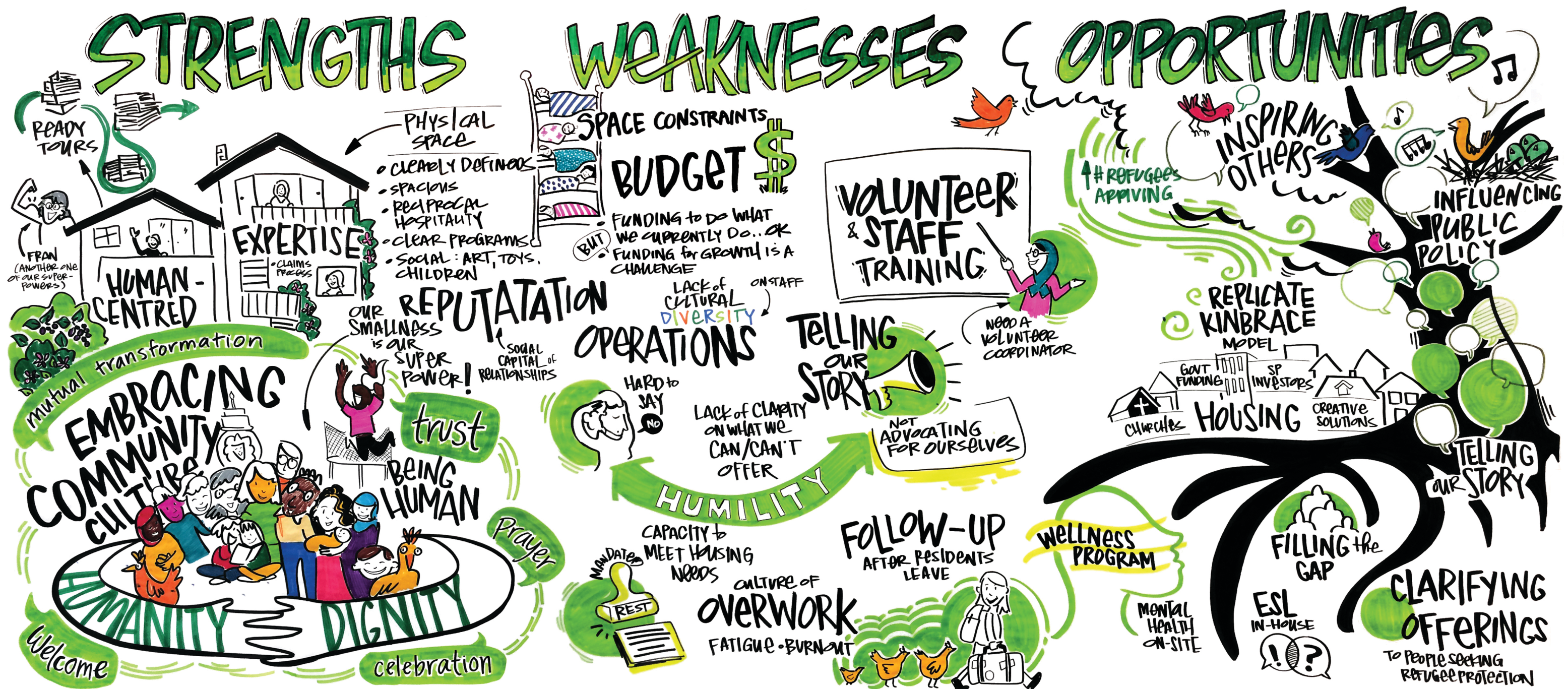
An enhanced and refined holistic offer of housing and support to refugee claimants.

The Kinbrace board later drafted a tentative long-term vision which will be reevaluated in early 2020:

Rooted in the practical lived experience of welcoming refugee claimants and creating community with them, Kinbrace will amplify its impact by orders of magnitude while retaining and protecting the intimacy and human scale of our 20 year history.

13. LOOKING TOWARDS THE NEXT YEAR - Our 2019-2020 fiscal year began on May 1st, 2019 with a staff retreat on Bowen island. It was a wonderful time to grow in relationships as a staff team and to talk about some short term goals that came out of our strategic visioning weekend.

We look towards the year ahead knowing it will hold more transitions and change, but with gratitude for the new foundations that have been laid, the grace and resilience of our community throughout the past year, and with an active hope for what is to come!





KINBRACE COMMUNITY SOCIETY
Financial Statements
Year Ended April 30, 2019

KINBRACE COMMUNITY SOCIETY
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Year Ended April 30, 2019

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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, which comprise the statement of financial position as at April 30, 2019, and the statements of revenues and expenditures and 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 Responsibility 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, 2019, 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.

Other Matter

The financial statements of Kinbrace Community Society for the year ended April 30, 2018 were reviewed by another practitioner who expressed an unmodified conclusion on those financial statements on October 3, 2018.


KINBRACE COMMUNITY SOCIETY
Statement of Financial Position
April 30, 2019

| | 2019 | 2018 |
|---|-------------------|-------------------|
| ASSETS | | |
| CURRENT | | |
| Cash and cash equivalents | \$ 110,458 | \$ 146,338 |
| Term deposits | 78,386 | 76,849 |
| Accounts receivable | 66,500 | 4,068 |
| Interest receivable | 328 | 256 |
| Goods and services tax recoverable | 2,711 | 1,613 |
| Prepaid expenses | 1,344 | 579 |
| | 259,727 | 229,703 |
| TANGIBLE CAPITAL ASSETS (Note 3) | 14,609 | 10,085 |
| | \$ 274,336 | \$ 239,788 |
| LIABILITIES AND NET ASSETS | | |
| CURRENT | | |
| Accounts payable | \$ 23,361 | \$ 10,165 |
| Wages payable | 11,937 | 9,341 |
| Payroll deductions payable | 3,930 | 2,966 |
| Deferred contributions (Note 4) | 105,314 | 13,792 |
| Deferred rental income | 2,800 | - |
| | 147,342 | 36,264 |
| NET ASSETS | | |
| Invested in capital assets | 14,610 | 10,084 |
| Unrestricted | 112,384 | 193,440 |
| | 126,994 | 203,524 |
| | \$ 274,336 | \$ 239,788 |

COMMITMENTS (Note 8)

ON BEHALF OF THE BOARD

Director



Director

KINBRACE COMMUNITY SOCIETY**Statement of Revenues and Expenditures and Changes in Net Assets****Year Ended April 30, 2019**

| | 2019 | 2018 |
|---|-------------------|-------------------|
| REVENUES | | |
| Donations from not-for-profit organizations <i>(Note 4)</i> | \$ 345,526 | \$ 309,834 |
| CHIMP and CanadaHelps | 83,131 | 86,843 |
| Donations from individuals | 59,273 | 87,578 |
| Fundraising - Ride for Refuge | 44,547 | 40,502 |
| Rental income <i>(Note 5)</i> | 25,330 | 53,002 |
| Donations from businesses | 25,000 | 1,500 |
| Interest income | 1,720 | 1,078 |
| Other Revenues | 266 | 1,010 |
| | 584,793 | 581,347 |
| EXPENSES | | |
| Administration costs | 6,653 | 3,774 |
| Amortization | 5,713 | 5,586 |
| Camping | 7,397 | 6,099 |
| Capacity building | 10,591 | 1,346 |
| Employee benefits | 35,042 | 37,555 |
| Insurance | 5,077 | 4,876 |
| Marketing and promotion | 13,883 | 10,348 |
| Meals and food | 4,306 | 6,539 |
| Office | 3,951 | 5,048 |
| Operating costs - housing | 8,600 | 9,328 |
| Professional fees | 7,837 | 6,995 |
| Program costs <i>(Note 6)</i> | 123,806 | 56,674 |
| Rent and utilities | 51,797 | 53,972 |
| Salaries and wages | 350,749 | 377,132 |
| Small furnishings <i>(Note 5)</i> | 17,905 | 6,196 |
| Staff and volunteer development | 2,674 | 6,753 |
| Transportation | 5,342 | 3,287 |
| | 661,323 | 601,508 |
| NET DEFICIENCY OF REVENUES OVER EXPENSES | (76,530) | (20,161) |
| NET ASSETS - BEGINNING OF YEAR | 203,523 | 223,684 |
| NET ASSETS - END OF YEAR | \$ 126,993 | \$ 203,523 |

KINBRACE COMMUNITY SOCIETY**Statement of Cash Flows****Year Ended April 30, 2019**

| | 2019 | 2018 |
|---|-------------|-------------|
| OPERATING ACTIVITIES | | |
| Deficiency of revenues over expenses | \$ (76,530) | \$ (20,161) |
| Item not affecting cash: | | |
| Amortization of tangible capital assets | 5,713 | 5,586 |
| | (70,817) | (14,575) |
| Changes in non-cash working capital: | | |
| Accounts receivable | (62,432) | (3,040) |
| Interest receivable | (72) | (123) |
| Prepaid expenses | (765) | (54) |
| Accounts payable | 13,198 | (17,026) |
| Wages payable | 2,596 | 9,341 |
| Payroll deductions payable | 964 | (609) |
| Goods and services tax payable | (1,098) | (257) |
| Deferred contributions | 91,522 | (20,375) |
| Deferred rental income | 2,800 | - |
| | 46,713 | (32,143) |
| Cash flow used by operating activities | (24,104) | (46,718) |
| INVESTING ACTIVITIES | | |
| Purchase of term deposit | (78,386) | (76,849) |
| Redemption of term deposit | 76,849 | 76,050 |
| Purchase of tangible capital assets | (10,239) | (2,639) |
| Cash flow used by investing activities | (11,776) | (3,438) |
| DECREASE IN CASH FLOW | (35,880) | (50,156) |
| Cash - beginning of year | 146,338 | 196,494 |
| CASH - END OF YEAR | \$ 110,458 | \$ 146,338 |

KINBRACE COMMUNITY SOCIETY

Notes to Financial Statements

Year Ended April 30, 2019

(Unaudited)

1. GENERAL

Kinbrace Community Society (the "Society") is a not-for-profit organization incorporated provincially under the Society Act of British Columbia. The Society is a registered charity and is exempt from the payment of income taxes under the Income Tax Act.

The Society strives to provide for each refugee claimant, a world of welcome, a community of belonging and a life of opportunity. The Society achieves this mission and vision through its housing and integration support, community and resources for accessing refugee protection.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared 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

Kinbrace Community 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.

(continues)

KINBRACE COMMUNITY SOCIETY

Notes to Financial Statements

Year Ended April 30, 2019

(Unaudited)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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.

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.

KINBRACE COMMUNITY SOCIETY**Notes to Financial Statements****Year Ended April 30, 2019***(Unaudited)***3. TANGIBLE CAPITAL ASSETS**

| | Cost | Accumulated amortization | 2019 Net book value | 2018 Net book value |
|------------------------|------------------|-----------------------------|---------------------------|---------------------------|
| Computer equipment | \$ 14,891 | \$ 8,841 | \$ 6,050 | \$ 3,520 |
| Equipment | 7,781 | 6,500 | 1,281 | 2,838 |
| Leasehold improvements | 11,443 | 4,165 | 7,278 | 3,727 |
| | \$ 34,115 | \$ 19,506 | \$ 14,609 | \$ 10,085 |

4. DEFERRED CONTRIBUTIONS

The Society received funding from the following organizations for the delivery of various programs and general operations. Contributions are deferred when corresponding expenditures have not yet been incurred. Changes in the deferred contributions are as follows:

| | Opening Balance | Contributions | Recognized as Revenue | Ending Balance |
|---------------------------------------|--------------------|-------------------|--------------------------|-------------------|
| City of Vancouver | \$ - | \$ 10,000 | \$ 5,000 | \$ 5,000 |
| Dragon Fire Charitable Foundation | - | 24,000 | 24,000 | - |
| First Baptist Church | - | 5,250 | 5,250 | - |
| Granville Chapel | - | 5,300 | 5,300 | - |
| Hawthorne Charitable Foundation | - | 80,000 | 40,000 | 40,000 |
| Journey Home Community Association | 3,750 | 27,133 | 30,883 | - |
| Law Foundation of BC | - | 10,000 | 3,333 | 6,667 |
| Legal Services Society | - | 7,000 | 1,400 | 5,600 |
| MOSAIC | - | 26,250 | 12,500 | 13,750 |
| Province of BC | - | 70,000 | 70,000 | - |
| Raymond James Canada Foundation | - | 20,000 | 20,000 | - |
| Seacliff Foundation | - | 20,000 | 20,000 | - |
| Social Venture Partners Vancouver | - | 75,000 | 43,750 | 31,250 |
| Tenth Avenue Church | - | 11,200 | 11,200 | - |
| Vancity Community Foundation | - | 25,700 | 22,652 | 3,048 |
| Anonymous donor | 10,042 | - | 10,042 | - |
| Other contributors | - | 20,215 | 20,215 | - |
| | \$ 13,792 | \$ 437,048 | \$ 345,525 | \$ 105,315 |

KINBRACE COMMUNITY SOCIETY

Notes to Financial Statements

Year Ended April 30, 2019

(Unaudited)

5. RENOVATION

A renovation opportunity with the Hawthorne Charitable Foundation was carried out for one of the two Kinbrace houses (K1) during April to November 2018. The Transitional Housing units were not available and there was no rental income from residents during the renovation period. The Society incurred furnishing expenditures for the renovated units.

6. PROGRAM COSTS

The Society executed two new projects that are unique for the year and related expenditures are not expected for future years. These projects further the Society's mission and vision in housing and integration support.

- MAP (Multi-Agency Partnership BC) project with BC's Ministry of Jobs, Trade and Technology. This project resulted in a report titled: Towards a Housing Solution for Refugee Claimants in BC: A Plan for Action.
- A pilot project with Flavours of Hope for a Summer Food Market to celebrate traditional food, culture and stories of refugee newcomer women in the Kinbrace community. Through this project, newcomer women are empowered to earn a living wage, build social connections and learn about food entrepreneurship in the hospitality industry.

7. RELATED PARTY TRANSACTIONS

Two of the Society's housing units are rented to employees. During the current year, one employee paid \$5,500 in rent (Jun 2018 - Apr 2019); the second employee paid \$12,800 in rent (Sep 2018 - Apr 2019) for a total of \$18,300 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.

KINBRACE COMMUNITY SOCIETY

Notes to Financial Statements

Year Ended April 30, 2019

(Unaudited)

8. COMMITMENTS

Two buildings

The Society leases two homes 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.

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, including sales taxes, resulting from the photocopier obligation to the end of the lease is as follows:

Contractual obligation repayment schedule:

| | |
|------|-----------------|
| 2020 | \$ 4,025 |
| 2021 | 2,013 |
| | <hr/> |
| | <u>\$ 6,038</u> |

9. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Society's risk exposure and concentration as of April 30, 2019.

(a) Credit risk

Credit risk arises from cash and cash equivalents, term deposits and receivables. 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.

(b) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The Society is exposed to interest rate risk with respect to its cash equivalents and term deposit. Change in interest rates can affect the cash flow from interest income.

Unless otherwise noted, it is management's opinion that the Society is not exposed to significant other price risks arising from these financial instruments.

KINBRACE COMMUNITY SOCIETY**Notes to Financial Statements****Year Ended April 30, 2019***(Unaudited)*

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 \$78,479.

11. COMPARATIVE FIGURES

The prior year comparative figures were reviewed by another practitioner.

Some of the comparative figures have been reclassified to conform to the current year's presentation.