

KINBRACE COMMUNITY SOCIETY
Financial Statements
Year Ended April 30, 2021

KINBRACE COMMUNITY SOCIETY
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Year Ended April 30, 2021

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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 (the Society) that comprise the statement of financial position as at April 30, 2021, 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 (ASNPO), 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, 2021, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

New Westminster, BC
September 20, 2021


Chartered Professional Accountants

KINBRACE COMMUNITY SOCIETY
Statement of Financial Position
April 30, 2021

	2021	2020
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 307,528	\$ 160,139
Term deposits	81,676	80,351
Accounts receivable (Note 3)	96,969	26,714
Interest receivable	62	222
Goods and services tax recoverable	1,879	1,792
Prepaid expenses	8,218	645
	496,332	269,863
CAPITAL ASSETS (Note 4)	11,971	13,832
	\$ 508,303	\$ 283,695
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 16,040	\$ 46,288
Wages payable	15,623	12,131
Payroll deductions payable	4,893	3,757
Deferred contributions (Note 5)	120,128	155,648
Deferred rental income	1,300	2,000
	157,984	219,824
NET ASSETS		
Invested in capital assets	11,971	13,832
Unrestricted	338,348	50,039
	350,319	63,871
	\$ 508,303	\$ 283,695

COMMITMENTS (Note 7)

ON BEHALF OF THE BOARD



 Director



 Director

KINBRACE COMMUNITY SOCIETY**Statement of Revenues and Expenditures and Changes in Net Assets****Year Ended April 30, 2021**

	2021	2020
REVENUES		
Contributions from not-for-profit organizations <i>(Notes 5, 10)</i>	\$ 582,035	\$ 313,353
Fundraising - Ride for Refuge <i>(Note 10)</i>	92,155	54,418
Donations from individuals	87,053	78,151
CHIMP and CanadaHelps	83,626	79,444
Rental income <i>(Note 10)</i>	49,245	67,724
Interest income	1,192	1,920
Donations from businesses	-	1,700
	895,306	596,710
EXPENSES		
Administration costs	7,270	11,850
Amortization	8,278	8,243
Camping <i>(Note 10)</i>	-	9,208
Capacity building	230	748
Community meals	2,130	4,951
Employee benefits	50,091	49,253
Insurance	5,743	5,448
Marketing and promotion <i>(Note 9)</i>	24,051	8,285
Office	6,342	6,105
Operating costs - housing <i>(Note 10)</i>	23,596	9,077
Professional fees	10,290	8,354
Program costs	77,301	79,008
Rent and utilities	56,062	55,870
Salaries and wages	460,212	410,886
Small furnishings	5,167	6,122
Staff and volunteer development	1,358	1,744
Transportation	2,708	4,825
	740,829	679,977
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	154,477	(83,267)
OTHER INCOME		
Canada Emergency Wage Subsidy <i>(Note 10)</i>	131,971	20,144
NET EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	286,448	(63,123)
NET ASSETS - BEGINNING OF YEAR	63,871	126,994
NET ASSETS - END OF YEAR	\$ 350,319	\$ 63,871

KINBRACE COMMUNITY SOCIETY**Statement of Cash Flows****Year Ended April 30, 2021**

	2021	2020
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 286,448	\$ (63,123)
Item not affecting cash:		
Amortization of capital assets	8,278	8,243
	294,726	(54,880)
Changes in non-cash working capital:		
Accounts receivable	(70,255)	39,786
Interest receivable	160	106
Prepaid expenses	(7,573)	699
Accounts payable	(30,248)	22,927
Wages payable	3,492	194
Payroll deductions payable	1,136	(173)
Goods and services tax payable	(87)	919
Deferred contributions	(35,520)	50,334
Deferred rental income	(700)	(800)
	(139,595)	113,992
Cash flow from operating activities	155,131	59,112
INVESTING ACTIVITIES		
Purchase of term deposit	(81,676)	(80,351)
Redemption of term deposit	80,351	78,386
Purchase of capital assets	(6,417)	(7,466)
Cash flow used by investing activities	(7,742)	(9,431)
INCREASE IN CASH FLOW	147,389	49,681
Cash - beginning of year	160,139	110,458
CASH - END OF YEAR	\$ 307,528	\$ 160,139
CASH CONSISTS OF:		
Cash and cash equivalents	\$ 307,528	\$ 160,139

KINBRACE COMMUNITY SOCIETY

Notes to Financial Statements

Year Ended April 30, 2021

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 inspire transformative communities where refugee claimants and Canadians flourish together. The Society achieves this mission and vision through its Housing, Wellness, Protection, Employment, Community, and Beyond Refuge programs.

The Society is partnering with Co:Here Foundation to replicate its transitional housing model. The Society hopes to complete planning by mid-2023, with the new building opening to residents by 2029.

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, 2021

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

Financial instruments

Financial assets and financial liabilities are initially recognized at fair value. The Society subsequently measures all its financial assets and financial liabilities at cost or amortized cost less impairment, if applicable, except for investments, which are measured at fair value.

Changes in fair value are recognized in the statement of revenues and expenditures and changes in net assets. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transactions costs on the acquisition, sale, or issue of financial instruments are expensed for those items remeasured at fair value and added to the financial instrument's cost for those measured at amortized cost. Financial assets measured at amortized cost include cash and cash equivalents, term deposits, and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Capital assets

Capital assets are stated at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Computer equipment	3 years	straight-line method
Furniture and equipment	5 years	straight-line method
Leasehold improvements	5 years	straight-line method

The Society regularly reviews its capital assets to eliminate obsolete items. Estimates of useful lives of the assets are reviewed every year and adjusted on a prospective basis, if needed.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

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, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Such estimates are reviewed periodically and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates

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, 2021****3. ACCOUNTS RECEIVABLE**

	2021	2020
Contributions receivable	\$ 72,044	\$ 6,000
Canada Emergency Wage Subsidy receivable	24,925	20,144
Rent receivable	-	570
	\$ 96,969	\$ 26,714

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Computer equipment	\$ 24,300	\$ 18,454	\$ 5,846	\$ 5,946
Furniture and equipment	9,040	8,033	1,007	56
Leasehold improvements	14,657	9,539	5,118	7,830
	\$ 47,997	\$ 36,026	\$ 11,971	\$ 13,832

KINBRACE COMMUNITY SOCIETY

Notes to Financial Statements

Year Ended April 30, 2021

5. 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	\$ 2,212	\$ -	\$ 2,212	\$ -
Dragon Fire Charitable Foundation	38,793	-	38,793	-
Giustra Foundation	-	5,000	5,000	-
Hawthorne Charitable Foundation	40,000	40,000	40,607	39,393
Houssian Foundation	-	49,993	42,302	7,691
Law Foundation of BC	6,667	40,000	31,896	14,771
Law Foundation of Ontario	-	14,995	14,995	-
Manitoba Law Foundation	-	6,000	6,000	-
MOSAIC	13,846	-	13,846	-
Reaching Home through a partnership with Journey Home Community Association	2,299	143,658	145,957	-
Raymond James Canada Foundation	-	10,000	10,000	-
Seacliff Foundation	-	15,000	15,000	-
Second Harvest	5,200	-	5,200	-
Social Planning and Research Council of BC	-	37,500	26,079	11,421
Social Venture Partners Vancouver	35,167	25,000	35,167	25,000
Tenth Church Alliance	-	3,500	1,648	1,852
Vancouver Foundation	11,464	114,993	106,457	20,000
Vancouver Fraser Port Authority	-	10,000	10,000	-
Other contributors	-	30,876	30,876	-
	\$ 155,648	\$ 546,515	\$ 582,035	\$ 120,128

6. RELATED PARTY TRANSACTIONS

One of the Society's housing units was rented to an employee. During the current year, a total of \$2,250 (May - August 2020) in rent was paid by the employee 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, 2021

7. COMMITMENTS

Homeless to Housed: A Wrap-Around Welcome for Refugee Families Project

The Society and the Journey Home Community Association have an agreement for the project funded through Reaching Home: Canada's Homelessness Strategy Employment and Social Development Canada. As part of its agreement with the Journey Home Community Association, the Society commits to providing a minimum of \$110,800 in matching funds (\$90,000 to cover operating costs of housing and support programming and \$20,800 of in-kind contributions for volunteers) towards the success of the Reaching Home project from April 1, 2021 to March 31, 2022.

Changing the Way We Welcome Refugee Claimants

The Society has entered into an agreement for Alexandra Dawley Consulting to conduct a research study that will seek to determine what a values-based, human-centred, and transformational welcome for and with people seeking refuge and protection in Canada should look like. The agreement is effective from June 1, 2021 to December 31, 2021. The maximum fee for the project is \$20,000, including applicable taxes and expenses.

8. CREDIT FACILITY

The Society has a credit facility with Vancouver City Savings Credit Union, which includes two credit cards with limits of \$10,000 each.

9. AWARENESS EFFORT

The Society is funding and publishing a book written by a former host about their experience living at Kinbrace. The book, "Becoming Neighbours", will articulate Kinbrace's core values of Welcome, Trust, Mutual Transformation, Celebration and Prayer, and make them accessible to a wider audience.

KINBRACE COMMUNITY SOCIETY

Notes to Financial Statements

Year Ended April 30, 2021

10. IMPACT OF COVID-19

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place have had multiple impacts on local, provincial, national, and global economies.

The COVID-19 pandemic continued to impact the Society's operations during the year.

The Society obtained \$146,310 of contributions from other not-for-profit organizations to respond to COVID-19. This funding was used to offset the increased costs of the pandemic, including but not limited to deep cleaning, personal protective equipment, gift cards for residents' basic needs, emergency housing and moving funds. It also allowed Kinbrace to create safe outdoor spaces for refugee claimants and staff.

Kinbrace's rental income decreased as fewer refugee claimants were able to enter Canada due to COVID-19 border closures. However, overall revenue increased as a result of additional grant opportunities and increased participation in the Ride for Refuge.

Due to COVID-19 restrictions on gatherings and events, there were decreases in costs such as meals and food and transportation. Kinbrace was also not able to hold its annual camping trip.

The Society received the Canada Emergency Wage Subsidy for May - August 2020, November 2020, and April 2021. The total received was \$131,971. This amount has been credited to income and disclosed separately on the Statement of Revenues and Expenditures and Changes in Net Assets.

11. 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, 2021.

Credit risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. The Society is exposed to credit risk on its cash and cash equivalents, term deposits and receivables. Cash equivalents and term deposits are deposited in reputable major Canadian financial institutions to limit credit risk. The credit risk associated with the non-receipt of receivables is not considered significant, as the Society's receivables are primarily from grantors.

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 primarily through its cash equivalents and term deposits. In seeking to minimize the risks from interest rate fluctuations, the Society manages exposure through its normal operating and financing activities. Although interest rates have decreased due to economic conditions arising from COVID-19, the Society is not subject to significant variations in interest rates as it invests for terms of at least one year.

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, 2021

12. 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 \$80,850.

13. COMPARATIVE FIGURES

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