

KINBRACE COMMUNITY SOCIETY
Financial Statements
Year Ended April 30, 2022

KINBRACE COMMUNITY SOCIETY
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Year Ended April 30, 2022

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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 organization) that comprise the statement of financial position as at April 30, 2022, 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, 2022, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.


New Westminster, BC
September 14, 2022

McLaren Trefanenko Inc.
Chartered Professional Accountants

KINBRACE COMMUNITY SOCIETY
Statement of Financial Position
April 30, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 460,627	\$ 307,528
Accounts receivable (Note 3)	196,340	96,969
Interest receivable	1,124	62
Goods and services tax recoverable	5,574	1,879
Prepaid expenses	671	8,218
	664,336	414,656
CAPITAL ASSETS (Note 4)	18,302	11,971
TERM DEPOSITS	232,048	81,676
	\$ 914,686	\$ 508,303
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 24,287	\$ 16,040
Wages payable (Note 5)	31,897	15,623
Payroll deductions payable	5,540	4,893
Deferred contributions (Note 6)	354,884	120,128
Deferred rental income	-	1,300
	416,608	157,984
NET ASSETS		
Invested in capital assets	18,302	11,971
Internally restricted for contingency fund	232,048	81,676
Unrestricted	247,728	256,672
	498,078	350,319
	\$ 914,686	\$ 508,303

ON BEHALF OF THE BOARD



 Director



 Director

KINBRACE COMMUNITY SOCIETY**Statement of Revenues and Expenditures and Changes in Net Assets****Year Ended April 30, 2022**

	2022	2021
REVENUES		
Contributions from not-for-profit organizations <i>(Note 6)</i>	\$ 532,785	\$ 582,035
Donations from individuals	230,581	87,053
Fundraising - Ride for Refuge	103,413	92,155
Rental income	51,180	49,245
CHIMP and CanadaHelps	36,590	83,626
Donations from businesses	10,000	-
Interest income	1,435	1,192
	965,984	895,306
EXPENSES		
Administration costs	7,472	7,270
Amortization	7,729	8,278
Capacity building	5,159	230
Community meals	4,722	2,130
Employee benefits	45,924	50,091
Insurance	6,505	5,743
Marketing and promotion	20,876	24,051
Office	6,464	6,342
Operating costs - housing	25,744	23,596
Professional fees	12,802	10,290
Program costs <i>(Note 7)</i>	107,484	77,301
Rent and utilities	58,656	56,062
Salaries and wages	568,163	460,212
Small furnishings	2,970	5,167
Staff and volunteer development	4,743	1,358
Transportation	3,998	2,708
	889,411	740,829
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	76,573	154,477
OTHER INCOME		
Canada Emergency Wage Subsidy <i>(Note 9)</i>	71,186	131,971
NET EXCESS OF REVENUES OVER EXPENSES	147,759	286,448
NET ASSETS - BEGINNING OF YEAR	350,319	63,871
NET ASSETS - END OF YEAR	\$ 498,078	\$ 350,319

KINBRACE COMMUNITY SOCIETY**Statement of Cash Flows****Year Ended April 30, 2022**

	2022	2021
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 147,759	\$ 286,448
Item not affecting cash:		
Amortization of capital assets	7,729	8,278
	155,488	294,726
Changes in non-cash working capital:		
Accounts receivable	(99,371)	(70,255)
Interest receivable	(1,062)	160
Prepaid expenses	7,547	(7,573)
Accounts payable and accrued liabilities	8,245	(30,248)
Wages payable	16,274	3,492
Payroll deductions payable	647	1,136
Goods and services tax payable	(3,695)	(87)
Deferred contributions	234,756	(35,520)
Deferred rental income	(1,300)	(700)
	162,041	(139,595)
Cash flow from operating activities	317,529	155,131
INVESTING ACTIVITIES		
Purchase of term deposit	(232,048)	(81,676)
Redemption of term deposit	81,676	80,351
Purchase of capital assets	(14,058)	(6,417)
Cash flow used by investing activities	(164,430)	(7,742)
INCREASE IN CASH FLOW	153,099	147,389
Cash - beginning of year	307,528	160,139
CASH - END OF YEAR	\$ 460,627	\$ 307,528
CASH CONSISTS OF:		
Cash	\$ 460,627	\$ 307,528

KINBRACE COMMUNITY SOCIETY

Notes to Financial Statements

Year Ended April 30, 2022

1. GENERAL

Kinbrace Community Society (the "Society") is a not-for-profit organization incorporated provincially under the Society Act of British Columbia. The organization 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 be development ready 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 (ASNFPPO).

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.

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

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KINBRACE COMMUNITY SOCIETY

Notes to Financial Statements

Year Ended April 30, 2022

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

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

The organization 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.

3. ACCOUNTS RECEIVABLE

	2022	2021
Contributions receivable	\$ 195,625	\$ 72,044
Rent receivable	715	-
Canada Emergency Wage Subsidy receivable	-	24,925
	\$ 196,340	\$ 96,969

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Computer equipment	\$ 30,373	\$ 23,383	\$ 6,990	\$ 5,846
Furniture and equipment	17,026	9,216	7,810	1,007
Leasehold improvements	14,657	11,155	3,502	5,118
	\$ 62,056	\$ 43,754	\$ 18,302	\$ 11,971

KINBRACE COMMUNITY SOCIETY

Notes to Financial Statements

Year Ended April 30, 2022

5. WAGES PAYABLE

	2022	2021
Wages payable	\$ 15,157	\$ 15,623
Accrued vacation	16,740	-
	\$ 31,897	\$ 15,623

As of the current fiscal year, staff are allowed to carry over their unused vacation days for up to one year. Previously, staff were to use their vacation time by the end of the fiscal year.

6. 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
Alberta Law Foundation	\$ -	\$ 25,000	\$ 4,542	\$ 20,458
Al Roadburg Foundation	-	5,000	5,000	-
Cental City Foundation	-	7,000	817	6,183
Dragon Fire Charitable Foundation	-	25,000	25,000	-
Great Big Red Barn Foundation	-	25,000	7,702	17,298
Hawthorne Charitable Foundation	39,393	-	39,393	-
Houssian Foundation	7,691	49,992	49,992	7,691
Law Foundation of BC	14,771	50,000	38,639	26,132
Law Foundation of Ontario	-	90,000	41,766	48,234
MOSAIC	-	17,767	17,767	-
The Notary Foundation	-	50,000	44,378	5,622
Reaching Home through a partnership with Journey Home Community Association	-	130,908	130,908	-
Raymond James Canada Foundation	-	10,000	10,000	-
RBC Foundation BC	-	10,000	-	10,000
Seacliff Foundation	-	17,500	17,500	-
Social Planning and Research Council of BC	11,421	50,000	23,921	37,500
Social Venture Partners Vancouver	25,000	-	25,000	-
Tenth Church Alliance	1,852	5,600	7,452	-
UNHCR Canada	-	4,466	3,962	504
University of British Columbia	-	1,500	-	1,500
Vancity Savings Credit Union	-	20,000	-	20,000
Vancouver Foundation	20,000	-	20,000	-
WES Mariam Assefa Fund	-	153,762	-	153,762
Other contributors	-	19,046	19,046	-
	\$ 120,128	\$ 767,541	\$ 532,785	\$ 354,884

KINBRACE COMMUNITY SOCIETY

Notes to Financial Statements

Year Ended April 30, 2022

7. PROGRAM COSTS

Program costs increased primarily due to the creation of the new online Refugee Hearing Preparation Guide to educate, guide, and support refugee claimants who are preparing for their refugee hearings.

8. CREDIT FACILITY

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

9. 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 \$40,101 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, and emergency housing and moving funds.

Kinbrace's rental income was still lower than normal as fewer refugee claimants were able to enter Canada due to COVID-19 border closures. However, overall revenue increased as a result of additional funding from donations.

The Society received the Canada Emergency Wage Subsidy for May - September 2021. The total received was \$71,186. This amount has been credited to income and disclosed separately on the Statement of Revenues and Expenditures and Changes in Net Assets.

10. FINANCIAL INSTRUMENTS

The organization 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 organization's risk exposure and concentration as of April 30, 2022.

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

(continues)

KINBRACE COMMUNITY SOCIETY
Notes to Financial Statements
Year Ended April 30, 2022

10. FINANCIAL INSTRUMENTS *(continued)*

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 organization is not exposed to significant other price risks arising from these financial instruments.

11. 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 two employees earned more than \$75,000. Those employees earned \$80,395 and \$82,454.

12. COMPARATIVE FIGURES

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