

**KINBRACE COMMUNITY SOCIETY**  
**Financial Statements**  
**Year Ended April 30, 2023**

**KINBRACE COMMUNITY SOCIETY**  
**Index to Financial Statements**  
**Year Ended April 30, 2023**

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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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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, 2023, 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, 2023, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

*McLaren Trefanenکو Inc.*

New Westminster, BC  
September 11, 2023

Chartered Professional Accountants




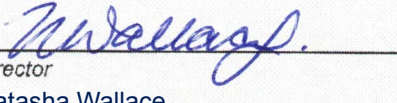
**KINBRACE COMMUNITY SOCIETY**  
**Statement of Financial Position**  
**April 30, 2023**

	2023	2022
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents	\$ 378,211	\$ 460,627
Accounts receivable (Note 3)	33,963	196,340
Interest receivable	11,364	1,124
Goods and services tax recoverable	4,437	5,574
Prepaid expenses	1,205	671
	429,180	664,336
CAPITAL ASSETS (Note 4)	16,044	18,302
RESTRICTED CASH AND INVESTMENTS (Note 5)	536,959	232,048
	\$ 982,183	\$ 914,686
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 33,849	\$ 24,287
Wages payable (Note 6)	43,550	31,897
Payroll deductions payable	6,733	5,540
Deferred contributions (Note 7)	216,971	354,864
	301,103	416,608
<b>NET ASSETS</b>		
Invested in capital assets	16,044	18,302
Internally restricted for contingency fund (Note 5)	400,000	232,048
Restricted for endowment fund (Note 5)	136,959	-
Unrestricted	128,077	247,728
	681,080	498,078
	\$ 982,183	\$ 914,686

COMMITMENTS (Note 10)

ON BEHALF OF THE BOARD

  
 Director  
 Maria Zerjav  
 Chair

  
 Director  
 Natasha Wallace  
 Treasurer

**KINBRACE COMMUNITY SOCIETY****Statement of Revenues and Expenditures and Changes in Net Assets****Year Ended April 30, 2023**

	2023	2022
<b>REVENUES</b>		
Contributions from not-for-profit organizations <i>(Note 7)</i>	\$ 680,365	\$ 532,785
Donations from individuals	198,679	230,581
Fundraising - Ride for Refuge	105,134	103,413
Rental income	79,870	51,180
CHIMP and CanadaHelps	38,200	36,590
Interest income	12,266	1,435
Donations from businesses	11,300	10,000
	<b>1,125,814</b>	<b>965,984</b>
<b>EXPENSES</b>		
Administration costs	8,603	7,473
Amortization	8,334	7,729
Awareness and promotion	24,476	20,876
Capacity building	10,146	5,159
Community meals	6,553	4,722
Employee benefits	50,001	45,924
Insurance	7,023	6,505
Office	7,785	6,464
Operating costs - housing	32,414	25,744
Professional fees	13,485	12,802
Program costs <i>(Note 8)</i>	177,962	107,393
Rent and utilities	61,091	58,656
Salaries and wages	660,667	568,163
Small furnishings	1,813	2,970
Staff and volunteer development	3,217	4,714
Transportation	6,201	4,117
	<b>1,079,771</b>	<b>889,411</b>
<b>EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	<b>46,043</b>	<b>76,573</b>
<b>OTHER INCOME</b>		
Canada Emergency Wage Subsidy	-	71,186
<b>NET EXCESS OF REVENUES OVER EXPENSES</b>	<b>46,043</b>	<b>147,759</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>498,078</b>	<b>350,319</b>
	<b>544,121</b>	<b>498,078</b>
Endowment contributions and net investment income <i>(Note 5)</i>	136,959	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 681,080</b>	<b>\$ 498,078</b>



**KINBRACE COMMUNITY SOCIETY****Statement of Cash Flows****Year Ended April 30, 2023**

	2023	2022
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 46,043	\$ 147,759
Items not affecting cash:		
Amortization of capital assets	8,334	7,729
Net in-kind donation revenue	(4,500)	-
Reclassification for restricted cash	(10,000)	-
	39,877	155,488
Changes in non-cash working capital:		
Accounts receivable	162,377	(99,371)
Interest receivable	(10,240)	(1,062)
Prepaid expenses	(534)	7,547
Accounts payable and accrued liabilities	9,562	8,245
Wages payable	11,653	16,274
Payroll deductions payable	1,193	647
Goods and services tax payable	1,137	(3,695)
Deferred contributions	(137,913)	234,756
Deferred rental income	-	(1,300)
	37,235	162,041
Cash flow from operating activities	77,112	317,529
<b>INVESTING ACTIVITIES</b>		
Purchase of term deposit	(525,000)	(232,048)
Redemption of term deposit	232,048	81,676
Purchase of capital assets	(1,576)	(14,058)
Cash flow used by investing activities	(294,528)	(164,430)
<b>FINANCING ACTIVITY</b>		
Receipt of endowment contributions	135,000	-
Cash flow from financing activity	135,000	-
<b>INCREASE (DECREASE) IN CASH FLOW</b>	(82,416)	153,099
Cash - beginning of year	460,627	307,528
<b>CASH - END OF YEAR</b>	\$ 378,211	\$ 460,627
<b>CASH CONSISTS OF:</b>		
Cash and cash equivalents	\$ 378,211	\$ 460,627

## KINBRACE COMMUNITY SOCIETY

### Notes to Financial Statements

Year Ended April 30, 2023

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#### 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 develop a new building for its Housing program.

#### 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 (ASNFPO).

##### Cash and cash equivalents

Cash and cash equivalents include bank balances and short-term redeemable deposits with a maturity period of seven months or less from the date of acquisition. Term deposits that the Society cannot use for current transactions because they are restricted are excluded from cash and cash equivalents.

##### 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.

Endowment contributions are recognized as direct increases in net assets in the current period; restricted net investment income that must be added to the principal amount of resources held for endowment is recognized as a direct increase in net assets.

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## KINBRACE COMMUNITY SOCIETY

### Notes to Financial Statements

Year Ended April 30, 2023

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#### 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 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:

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.



**KINBRACE COMMUNITY SOCIETY**  
**Notes to Financial Statements**  
**Year Ended April 30, 2023**

3. ACCOUNTS RECEIVABLE

	2023	2022
Contributions receivable	\$ 32,628	\$ 195,625
Security deposit loans receivable	1,335	-
Rent receivable	-	715
	<b>\$ 33,963</b>	<b>\$ 196,340</b>

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Computer equipment	\$ 31,949	\$ 27,652	\$ 4,297	\$ 6,990
Furniture and equipment	21,526	11,665	9,861	7,810
Leasehold improvements	14,657	12,771	1,886	3,502
	<b>\$ 68,132</b>	<b>\$ 52,088</b>	<b>\$ 16,044</b>	<b>\$ 18,302</b>

5. RESTRICTED CASH AND INVESTMENTS

Restricted cash and investments are subject to restrictions that prevent their use for current purposes. They include cash, term deposits with a maturity period of at least 12 months from the date of acquisition, and interest receivable on investments held for endowment.

	2023	2022
Cash restricted for endowment contributions	\$ 10,000	\$ -
Interest receivable on invested endowment fund	1,959	-
Term deposits held for endowment contributions	125,000	-
	-	-
Cash and term deposits held for endowment fund	<b>136,959</b>	-
Term deposits held for contingency fund	<b>400,000</b>	232,048
	<b>\$ 536,959</b>	<b>\$ 232,048</b>

The Board has internally restricted a contingency fund for operational costs in case of an emergency or a revenue downturn.

The Society has established a Kinbrace Educational Award Endowment Fund. The net assets restricted for this endowment purpose are subject to externally imposed restrictions that the resources be maintained in perpetuity to create awards each year. This Fund will grant annual post-secondary educational awards to BC-based students with lived refugee claimant experience or those born in Canada to parents with lived refugee claimant experience. The return on investment of this Endowment Fund will be used for the annual awards; therefore, interest income earned is accounted for as a direct increase in the net assets restricted for endowment.

# KINBRACE COMMUNITY SOCIETY

## Notes to Financial Statements

Year Ended April 30, 2023

### 6. WAGES PAYABLE

	2023	2022
Wages payable	\$ 17,667	\$ 15,157
Accrued vacation	25,883	16,740
	<b>\$ 43,550</b>	<b>\$ 31,897</b>

Staff are allowed to carry over their unused vacation days for up to one year.

### 7. 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	\$ 20,458	\$ -	\$ 20,458	\$ -
Al Roadburg Foundation	-	25,000	25,000	-
Cental City Foundation	6,183	-	1,400	4,783
Doug and Ruth Norton Foundation	-	10,000	10,000	-
Dragon Fire Charitable Foundation	-	25,000	8,452	16,548
Great Big Red Barn Foundation	17,298	30,000	43,134	4,164
Hawthorne Charitable Foundation	-	40,000	40,000	-
Houssian Foundation	7,691	49,992	49,992	7,691
Law Foundation of BC	26,132	61,500	62,108	25,524
Law Foundation of Ontario	48,234	9,890	58,124	-
MOSAIC	-	16,586	16,586	-
The Notary Foundation	5,622	11,136	16,758	-
Reaching Home through a partnership with Journey Home Community Association	-	85,403	85,403	-
RBC Foundation BC	10,000	-	10,000	-
Seacliff Foundation	-	20,000	10,000	10,000
Social Planning and Research Council of BC	37,500	-	37,500	-
Social Venture Partners Vancouver	-	5,400	5,400	-
UNHCR Canada	504	-	504	-
University of British Columbia	1,500	29,453	11,580	19,373
Vancity Savings Credit Union	20,000	50,000	34,598	35,402
Vancouver Foundation	-	30,000	18,425	11,575
WES Mariam Assefa Fund	153,762	20,015	91,866	81,911
Other contributors	-	23,077	23,077	-
	<b>\$ 354,884</b>	<b>\$ 542,452</b>	<b>\$ 680,365</b>	<b>\$ 216,971</b>

## KINBRACE COMMUNITY SOCIETY

### Notes to Financial Statements

Year Ended April 30, 2023

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#### 8. PROGRAM COSTS

Program costs increased primarily due to the new Employment program to help refugee claimants access financial resources and pursue careers in Canada, the Beyond Refuge "Becoming Neighbours" project, a series of community dialogues to create culture change in refugee support communities, and the creation of a new therapeutic garden at housing used by refugee claimants. This year also marked the return of the first Kinbrace Camp since the 2020 fiscal year.

#### 9. RELATED PARTY TRANSACTIONS

One of the Society's housing units was rented to an employee. During the current year, a total of \$4,125 in rent (May 2022 - March 2023) 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.

#### 10. COMMITMENTS

##### **Homeless to Housed: Welcoming Refugee Claimants 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 \$147,640 in matching funds (\$115,000 to cover operating costs of housing and support programming and \$32,640 of in-kind contributions for volunteers and furniture) towards the success of the Reaching Home project from April 1, 2023 to March 31, 2024.

##### **Apples & Oranges Analytics and Marketing**

The Society has entered into a contract for Apples & Oranges Analytics and Marketing to increase the discoverability of MyRefugeeClaim.ca through digital marketing services. The term of the agreement is from January 23, 2023 to January 23, 2024. Fees in the 2024 year-end will total \$34,493 inclusive of tax.

##### **Transforming Employment Narratives**

The Society has entered into a contract with Camille Dumond and Jorge Salazar to design and deliver training sessions for the Transforming Employment Narratives project. The agreement is effective February 16, 2023. Fees in the 2024 year-end will total \$17,000 inclusive of tax.

##### **Denman Digital Inc.**

The Society has entered into a contract for Denman Digital Inc. to develop a visual identity and website to support the Transforming Employment Narratives project. The agreement is effective April 18, 2023. Fees in the 2024 year-end will total \$10,500 inclusive of tax.

#### 11. 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.

## KINBRACE COMMUNITY SOCIETY

### Notes to Financial Statements

Year Ended April 30, 2023

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#### 12. 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, 2023.

##### ***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 interest rates. The Society is exposed to interest rate risk primarily through its cash equivalents and term deposits. The Society manages exposure through normal operating and financing activities to minimize the risks from interest rate fluctuations. The Society is not subject to significant variations in interest rates as most of its investments are in 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.

#### 13. 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 \$91,801 and \$88,029.

#### 14. COMPARATIVE FIGURES

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