

KINBRACE COMMUNITY SOCIETY
Financial Statements
Year Ended April 30, 2024

KINBRACE COMMUNITY SOCIETY
Index to Financial Statements
Year Ended April 30, 2024

	Page
INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Revenues and Expenditures and Changes in Net Assets	3
Statement of Cash Flows	4
Notes to Financial Statements	5 - 11

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, 2024, 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, 2024, and the results of its operations and its cash flows for the years then ended in accordance with ASNPO.

New Westminster, BC
September 12, 2024



Chartered Professional Accountants

KINBRACE COMMUNITY SOCIETY
Statement of Financial Position
April 30, 2024

	2024	2023
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 278,753	\$ 378,211
Accounts receivable (Note 3)	44,260	33,963
Interest receivable	12,651	11,364
Goods and services tax recoverable	13,955	4,437
Prepaid expenses	60,716	1,205
	410,335	429,180
CAPITAL ASSETS (Note 4)	31,195	16,044
RESTRICTED CASH AND INVESTMENTS (Note 5)	599,200	536,959
	\$ 1,040,730	\$ 982,183


LIABILITIES AND NET ASSETS


CURRENT		
Accounts payable and accrued liabilities	\$ 52,978	\$ 33,849
Wages payable (Note 6)	63,926	43,550
Payroll deductions payable	17,239	6,733
Deferred contributions (Note 7)	205,186	216,971
	339,329	301,103

NET ASSETS		
Invested in capital assets	31,195	16,044
Internally restricted for contingency fund (Note 5)	416,000	400,000
Restricted for endowment fund (Note 5)	183,200	136,959
Unrestricted	71,006	128,077
	701,401	681,080
	\$ 1,040,730	\$ 982,183

COMMITMENTS (Note 12)

ON BEHALF OF THE BOARD

DocuSigned by:

 Director

DocuSigned by:

 Director

See notes to financial statements

KINBRACE COMMUNITY SOCIETY**Statement of Revenues and Expenditures and Changes in Net Assets****Year Ended April 30, 2024**

	2024	2023
REVENUES		
Contributions from not-for-profit organizations <i>(Note 7)</i>	\$ 888,389	\$ 680,365
Donations from individuals	195,502	198,679
Fundraising - Ride for Refuge	106,980	105,134
Rental income	77,986	79,870
CHIMP and CanadaHelps	34,554	38,200
Donations from businesses	29,277	11,300
Interest income	20,739	12,266
	1,353,427	1,125,814
EXPENSES		
Administration costs	9,929	8,602
Amortization	9,087	8,334
Awareness and promotion	13,970	24,476
Capacity building <i>(Note 9)</i>	35,756	10,146
Community meals	7,377	6,553
Employee benefits	60,926	50,001
Insurance	7,258	7,023
Office	19,177	9,025
Operating costs - housing	39,381	32,414
Professional fees	22,017	13,485
Program costs <i>(Note 10)</i>	318,420	178,536
Rent and utilities	60,592	61,091
Salaries and wages	763,911	660,667
Staff and volunteer development	2,420	3,217
Transportation	9,126	6,201
	1,379,347	1,079,771
NET EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(25,920)	46,043
NET ASSETS - BEGINNING OF YEAR	681,080	498,078
	655,160	544,121
Endowment contributions and net investment income	51,241	136,959
Kinbrace Educational Award paid	(5,000)	-
NET ASSETS - END OF YEAR	\$ 701,401	\$ 681,080

See notes to financial statements

KINBRACE COMMUNITY SOCIETY**Statement of Cash Flows****Year Ended April 30, 2024**

	2024	2023
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ (25,920)	\$ 46,043
Items not affecting cash:		
Amortization of capital assets	9,087	8,334
Net in-kind donation revenue	-	(4,500)
Reclassification for restricted cash	(41,636)	(10,000)
	(58,469)	39,877
Changes in non-cash working capital:		
Accounts receivable	(10,297)	162,377
Interest receivable	(1,287)	(10,240)
Prepaid expenses	(59,511)	(534)
Accounts payable and accrued liabilities	19,130	9,562
Wages payable	20,376	11,653
Payroll deductions payable	10,506	1,193
Goods and services tax payable	(9,518)	1,137
Deferred contributions	(11,785)	(137,913)
	(42,386)	37,235
Cash flow from (used by) operating activities	(100,855)	77,112
INVESTING ACTIVITIES		
Purchase of term deposit	(546,000)	(525,000)
Redemption of term deposit	525,000	232,048
Purchase of capital assets	(24,239)	(1,576)
Cash flow used by investing activities	(45,239)	(294,528)
FINANCING ACTIVITIES		
Receipt of endowment contributions and interest	51,636	135,000
Payment of Educational Award	(5,000)	-
Cash flow from financing activities	46,636	135,000
DECREASE IN CASH FLOW	(99,458)	(82,416)
Cash - beginning of year	378,211	460,627
CASH - END OF YEAR	\$ 278,753	\$ 378,211
CASH CONSISTS OF:		
Cash and cash equivalents	\$ 278,753	\$ 378,211

See notes to financial statements

KINBRACE COMMUNITY SOCIETY

Notes to Financial Statements

Year Ended April 30, 2024

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 Developments Society 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 (ASNPO).

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. Payments of awards from the endowment are recognized as direct decreases in net assets in the current period.

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KINBRACE COMMUNITY SOCIETY

Notes to Financial Statements

Year Ended April 30, 2024

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
Furniture and equipment	10 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 goods and services

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 goods, 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 and collection is reasonably assured.

KINBRACE COMMUNITY SOCIETY
Notes to Financial Statements
Year Ended April 30, 2024

3. ACCOUNTS RECEIVABLE

	2024	2023
Contributions receivable	\$ 44,260	\$ 32,628
Security deposit loans receivable	-	1,335
	\$ 44,260	\$ 33,963

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Computer equipment	\$ 28,287	\$ 20,007	\$ 8,280	\$ 4,297
Furniture and equipment	37,944	15,298	22,646	9,861
Leasehold improvements	14,657	14,388	269	1,886
	\$ 80,888	\$ 49,693	\$ 31,195	\$ 16,044

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.

	2024	2023
Cash restricted for endowment contributions	\$ 51,636	\$ 10,000
Interest receivable on invested endowment fund	1,564	1,959
Term deposits held for endowment contributions	130,000	125,000
	-	-
Cash and term deposits held for endowment fund	183,200	136,959
Term deposits held for contingency fund	416,000	400,000
	\$ 599,200	\$ 536,959

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 personal lived refugee claimant experience or whose parents have 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.

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

KINBRACE COMMUNITY SOCIETY

Notes to Financial Statements

Year Ended April 30, 2024

6. WAGES PAYABLE	2024	2023
Wages payable	\$ 31,769	\$ 17,667
Accrued vacation	32,157	25,883
	\$ 63,926	\$ 43,550

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	\$ -	\$ 78,150	\$ 19,984	\$ 58,166
Al Roadburg Foundation	-	15,000	15,000	-
Central City Foundation	4,783	-	1,400	3,383
Doug and Ruth Norton Foundation	-	10,000	10,000	-
Dragon Fire Charitable Foundation	16,548	31,000	47,548	-
Granville Chapel	-	6,300	6,300	-
Great Big Red Barn Foundation	4,164	40,000	44,164	-
Hawthorne Charitable Foundation	-	45,000	45,000	-
Houssian Foundation	7,691	-	7,691	-
Immigrant Services Society of BC	-	10,576	10,576	-
Kaethe Wright	-	10,000	10,000	-
Law Foundation of BC	25,524	152,000	177,524	-
Law Foundation of Ontario	-	237,000	103,512	133,488
Mogan Family Private Giving Fund	-	10,000	10,000	-
MOSAIC	-	20,249	20,249	-
Reaching Home through a partnership with Journey Home Community Association	-	88,382	88,382	-
Seacliff Foundation	10,000	20,000	30,000	-
Seedlings Foundation	-	25,000	25,000	-
University of British Columbia	19,373	-	19,373	-
Vancity Savings Credit Union	35,402	20,000	55,402	-
Vancouver Foundation	11,575	-	11,575	-
WCPD Foundation	-	10,000	10,000	-
WES Mariam Assefa Fund	81,911	20,015	101,926	-
Other contributors	-	17,783	17,783	-
	216,971	866,455	888,389	195,037
Amazon	-	29,500	19,351	10,149
	\$ 216,971	\$ 895,955	\$ 907,740	\$ 205,186

KINBRACE COMMUNITY SOCIETY

Notes to Financial Statements

Year Ended April 30, 2024

8. NON-MONETARY TRANSACTIONS

The Society received Amazon gift cards for general use or distribution to refugee families. \$29,500 of gift cards were spent and recognized in the the financial statements in the current period. Gift cards were spent on capital assets and various expenses including awareness and promotion, office supplies, operating costs, and program costs.

9. CAPACITY BUILDING

Capacity building costs increased during the year due to consulting services for governance and developing a new building for the Society's Housing program.

10. PROGRAM COSTS

Program costs increased primarily due to the My Refugee Claim project to increase the discoverability and accessibility of resources for refugee claimants. There were also increased costs for the Employment and Beyond Refuge programs, interpretation costs, and the redesign and renovation of the front yard of housing used by refugee claimants.

11. RELATED PARTY TRANSACTIONS

One of the Society's housing units was rented to an employee. During the current year, a total of \$4,500 in rent (August 2023 - April 2024) 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, 2024

12. COMMITMENTS

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 April 1, 2024 to March 31, 2025. Fees in the 2025 year-end will total \$42,158 inclusive of tax.

Denman Digital Inc.

The Society has entered into a contract for Denman Digital Inc. to provide post-launch services supporting Kinbrace's My Refugee Claim website. The term of the agreement is from April 1, 2024 to March 31, 2025. Fees in the 2025 year-end will total \$34,275 inclusive of tax.

The Society has entered into a contract for Denman Digital Inc. to provide implementation and support for 11 additional languages for Kinbrace's My Refugee Claim website. The agreement is effective February 29, 2024. Fees in the 2025 year-end will total \$60,306 inclusive of tax.

The Society has entered into a contract for Denman Digital Inc. to provide text-to-speech implementation and support and accessibility enhancements for Kinbrace's My Refugee Claim website. The agreement is effective February 29, 2024. Fees in the 2025 year-end will total \$26,325 inclusive of tax.

Watson Advisors Inc.

The Society has entered into a contract for Watson Advisors Inc. to conduct a governance diagnostic to review and assess Kinbrace's governance practices and provide recommendations for improvement and evolution. The agreement is effective December 18, 2023. Fees in the 2025 year-end will total \$9,923 inclusive of tax.

13. CREDIT FACILITY

The organization has a credit facility with Vancouver City Savings Credit Union, which includes two credit cards with limits of \$25,000 each.

14. 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, 2024.

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.

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KINBRACE COMMUNITY SOCIETY
Notes to Financial Statements
Year Ended April 30, 2024

14. FINANCIAL INSTRUMENTS (*continued*)

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.

15. 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 \$100,489 and \$93,312.

16. COMPARATIVE FIGURES

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