

KINBRACE COMMUNITY SOCIETY
Financial Statements
Year Ended April 30, 2025

KINBRACE COMMUNITY SOCIETY
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Year Ended April 30, 2025

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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, 2025, 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, 2025, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 14 to the financial statements, which describes that certain comparative information presented for the year ended April 30, 2024 has been restated.



New Westminster, BC
September 15, 2025

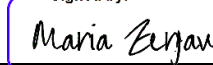
Chartered Professional Accountants

KINBRACE COMMUNITY SOCIETY
Statement of Financial Position
April 30, 2025

	2025	2024 <i>(Restated)</i>
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 523,238	\$ 278,753
Accounts receivable <i>(Note 3)</i>	46,822	44,260
Interest receivable	10,316	12,651
Goods and services tax recoverable	22,065	13,955
Prepaid expenses	21,833	60,716
	624,274	410,335
CAPITAL ASSETS <i>(Note 4)</i>	22,077	31,195
RESTRICTED CASH AND INVESTMENTS <i>(Note 5)</i>	436,857	599,200
	\$ 1,083,208	\$ 1,040,730
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 51,435	\$ 52,977
Wages payable <i>(Note 6)</i>	105,817	96,265
Payroll deductions payable	12,699	17,239
Deferred rental income	1,000	-
Deferred contributions <i>(Note 7)</i>	508,559	205,186
	679,510	371,667
NET ASSETS		
Invested in capital assets	22,077	31,195
Internally restricted for contingency fund <i>(Note 5)</i>	381,621	416,000
Restricted for endowment fund <i>(Note 5)</i>	-	183,200
Unrestricted	-	38,668
	403,698	669,063
	\$ 1,083,208	\$ 1,040,730

COMMITMENTS *(Note 10)*

ON BEHALF OF THE BOARD

Signed by:


5445800AE9F34AE...
 Director

Signed by:


65C3AE774E194FB...
 Director

See notes to financial statements

KINBRACE COMMUNITY SOCIETY**Statement of Revenues and Expenditures and Changes in Net Assets****Year Ended April 30, 2025**

	2025	2024 <i>(Restated)</i>
REVENUES		
Contributions from not-for-profit organizations <i>(Note 7)</i>	\$ 1,452,381	\$ 888,389
Donations from individuals	281,834	230,056
Fundraising events	109,247	106,980
Rental income	52,189	77,986
Interest income	18,522	20,739
Donations from businesses	14,553	29,277
	1,928,726	1,353,427
EXPENSES		
National access to justice and refugee protection <i>(Schedule 1)</i>	751,236	350,190
Regional housing, community, and settlement <i>(Schedule 1)</i>	645,222	702,588
Operations <i>(Schedule 1)</i>	611,514	338,594
	2,007,972	1,391,372
DEFICIENCY OF REVENUES OVER EXPENSES FROM OPERATIONS	(79,246)	(37,945)
OTHER EXPENSES		
Loss on disposal of capital assets	2,919	-
NET DEFICIENCY OF REVENUES OVER EXPENSES	(82,165)	(37,945)
NET ASSETS - BEGINNING OF YEAR	669,063	660,767
	586,898	622,822
Endowment contributions and net investment income	37,435	51,241
Kinbrace Educational Award paid	(5,000)	(5,000)
Transfer of Kinbrace Educational Award to Vancouver Foundation <i>(Note 5)</i>	(215,635)	-
NET ASSETS - END OF YEAR	\$ 403,698	\$ 669,063

See notes to financial statements

KINBRACE COMMUNITY SOCIETY**Statement of Cash Flows****Year Ended April 30, 2025**

	2025	2024 <i>(Restated)</i>
OPERATING ACTIVITIES		
Deficiency of revenues over expenses	\$ (82,165)	\$ (37,945)
Items not affecting cash:		
Amortization of capital assets	8,610	9,087
Reclassification for restricted cash	51,636	(41,636)
Loss on disposal of capital assets	2,919	-
	(19,000)	(70,494)
Changes in non-cash working capital:		
Accounts receivable	(2,562)	(10,297)
Interest receivable	2,335	(1,287)
Prepaid expenses	38,883	(59,511)
Accounts payable and accrued liabilities	(1,542)	19,128
Wages payable	9,552	32,403
Payroll deductions payable	(4,540)	10,506
Goods and services tax payable	(8,110)	(9,518)
Deferred rental income	1,000	-
Deferred contributions	303,373	(11,785)
	338,389	(30,361)
Cash flow from (used by) operating activities	319,389	(100,855)
INVESTING ACTIVITIES		
Purchase of term deposit	(436,857)	(546,000)
Redemption of term deposit	546,000	525,000
Purchase of capital assets	(2,912)	(24,239)
Proceeds on disposal of capital assets	500	-
Cash flow from (used by) investing activities	106,731	(45,239)
FINANCING ACTIVITIES		
Receipt of endowment contributions and interest	39,000	51,636
Payment of Educational Award	(5,000)	(5,000)
Transfer of endowment funds to Vancouver Foundation	(215,635)	-
	-	-
Cash flow from (used by) financing activities	(181,635)	46,636
INCREASE (DECREASE) IN CASH FLOW	244,485	(99,458)
Cash - beginning of year	278,753	378,211
CASH - END OF YEAR	\$ 523,238	\$ 278,753
CASH CONSISTS OF:		
Cash and cash equivalents	\$ 523,238	\$ 278,753

See notes to financial statements

KINBRACE COMMUNITY SOCIETY

Notes to Financial Statements

Year Ended April 30, 2025

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, Community, Settlement, and Refugee Protection programs.

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 three 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 and disbursement of funds 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, 2025

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 - 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.

Employee future benefits

The Society has a defined benefit plan for its employees consisting of a compensated, unrestricted sabbatical leave of up to two months after five years of continuous service. Liabilities and costs are recognized as employees render services to the Society over the five-year service period required for eligibility and based on the employee's projected salary at the time the leave will be taken. The cost of annual benefits is based on an actuarial valuation for accounting purposes using management's best estimates. Remeasurements are recognized directly in net assets. The accrued obligation reported represents the sabbatical leave earned to date.

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. A significant area requiring the use of management estimates is the valuation of the sabbatical leave obligation.

(continues)

KINBRACE COMMUNITY SOCIETY

Notes to Financial Statements

Year Ended April 30, 2025

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

Allocation of expenses

The Society reports its expenses by function between program activities, including national access to justice and refugee protection, and regional housing, community, and settlement, and support activities, which are general costs for the operations and administration of the Society.

The expenses of each activity include employee salaries and benefits, contractor fees, administration, and other expenses. Expenses are allocated between programs and support based on the proportion of staff time dedicated between the activities, though expenditures that have a clear and specific activity are directly attributed to the appropriate activity. Management continuously monitors the level of support applicable to each program in the allocation of expenses.

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.

3. ACCOUNTS RECEIVABLE

	2025	2024
Contributions receivable	\$ 45,172	\$ 44,260
Rent receivable	1,650	-
	\$ 46,822	\$ 44,260

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Computer equipment	\$ 29,995	\$ 23,643	\$ 6,352	\$ 8,280
Furniture and equipment	32,185	16,460	15,725	22,646
Leasehold improvements	14,657	14,657	-	269
	\$ 76,837	\$ 54,760	\$ 22,077	\$ 31,195

KINBRACE COMMUNITY SOCIETY

Notes to Financial Statements

Year Ended April 30, 2025

5. RESTRICTED CASH AND INVESTMENTS

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

	2025	2024
Term deposits held	\$ 436,857	\$ 416,000
Term deposits held for endowment	-	130,000
Cash restricted for endowment investment	-	51,636
Interest receivable on endowment fund	-	1,564
	\$ 436,857	\$ 599,200

The Board has internally restricted a contingency fund for operational costs in case of an emergency or a revenue downturn. At year-end, \$381,621 of the term deposits were restricted for the contingency fund. There was a transfer of \$55,236 from the internally restricted for contingency fund to unrestricted net assets to account for the net deficiency of revenues over expenses for the year.

The Society previously established a Kinbrace Educational Award Endowment Fund to 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 net assets restricted for this endowment purpose were subject to externally imposed restrictions that the resources be maintained in perpetuity to create awards each year. The Society transferred all endowment funds and the control and responsibility of the Kinbrace Educational Award Endowment Fund to the Vancouver Foundation during the year.

6. WAGES PAYABLE

	2025	2024 (Restated)
Wages payable	\$ 30,265	\$ 31,769
Accrued vacation	27,694	32,157
Sabbatical leave obligation	47,858	32,338
	\$ 105,817	\$ 96,264

Half-time to full-time staff are eligible for paid sabbatical leave at the end of five years of employment. Paid sabbatical leaves are a maximum of two months, regardless of whether the employee's service period extends beyond five years. Eligibility for a subsequent sabbatical leave is re-established only after the employee returns from a sabbatical and completes a further five years of continuous service. The recorded obligation represents the estimated sabbatical leave earned to date. Expenses recognized in the Statement of Revenues and Expenditures for the year was \$15,520 (2024 - \$12,025). No funds have been set aside to meet this obligation.

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

KINBRACE COMMUNITY SOCIETY

Notes to Financial Statements

Year Ended April 30, 2025

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	\$ 58,166	\$ 632,783	\$ 379,770	\$ 311,179
Archevell Foundation	-	39,064	9,216	29,848
Central City Foundation	3,383	-	1,400	1,983
Doug and Ruth Norton Foundation	-	10,000	10,000	-
Dragon Fire Fund, held at Vancouver Foundation	-	37,000	37,000	-
Granville Chapel	-	6,600	6,600	-
Great Big Red Barn Foundation	-	40,000	40,000	-
Hawthorne Charitable Foundation	-	110,723	53,373	57,350
Immigrant Services Society of BC	-	107,553	107,553	-
Kaethe Wright	-	15,000	15,000	-
Law Foundation of BC	-	190,266	190,266	-
Law Foundation of Ontario	133,488	13,000	146,488	-
Mogan Family Private Giving Fund	-	10,000	10,000	-
The Notary Foundation	-	150,025	150,025	-
Reaching Home through a partnership with Journey Home Community Association	-	71,098	71,098	-
Rockridge Secondary School	-	5,000	5,000	-
Seacliff Foundation	-	20,000	20,000	-
Seedlings Foundation	-	25,000	25,000	-
Vancity Credit Union	-	5,115	5,115	-
Vancouver Foundation	-	50,000	-	50,000
WCPD Foundation	-	5,000	5,000	-
WES Mariam Assefa Fund	-	200,015	150,925	49,090
Other contributors	-	13,552	13,552	-
	195,037	1,756,794	1,452,381	499,450
Amazon	10,149	7,000	8,040	9,109
	\$ 205,186	\$ 1,763,794	\$ 1,460,421	\$ 508,559

8. NON-MONETARY TRANSACTIONS

The Society received Amazon gift cards for general use or distribution to refugee families. \$7,000 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 supplies.

9. RELATED PARTY TRANSACTIONS

One of the Society's housing units was rented to an employee. During the current year, a total of \$5,000 in rent (April 2024 - February 2025) 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, 2025

10. COMMITMENTS

Recess Labs

The Society has entered into a contract for Recess Labs to provide strategic operations management and marketing services for the My Refugee Claim project. The term of the agreement is from April 1, 2025 to March 31, 2028. Monthly payments will be \$2,813 plus taxes for the first year, \$2,897 plus tax for the second year, and \$2,984 plus tax for the third year. Unless cancelled, the contract automatically renews with 3% inflation added to additional years.

Contractual obligation payment schedule:

2026	\$	33,750
2027		34,763
2028		35,805
		<u>104,318</u>
	\$	<u>104,318</u>

11. CREDIT FACILITY

The organization has a credit facility with Vancouver City Savings Credit Union, which includes three credit cards with a total limit of \$60,000.

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, 2025.

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.

KINBRACE COMMUNITY SOCIETY

Notes to Financial Statements

Year Ended April 30, 2025

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 three employees earned more than \$75,000. Those employees earned \$109,970, \$104,503, and \$77,878.

14. CORRECTION OF ERRORS

During the 2025 review engagement, it was discovered that sabbatical leave obligation was not accounted for in prior years.

As a result, wages payable were understated by \$32,338 and salaries and wages were understated by \$12,025 in the 2024 fiscal year. This resulted in a net effect of \$32,338 on unrestricted net assets in the prior period.

The error has been corrected by restating each of the affected financial statement line items for the prior period. The following tables summarizes the impact on the financial statements for April 30, 2024.

	As previously reported	Adjustments	As restated
LIABILITIES			
Wages payable	\$ 63,927	\$ 32,338	\$ 96,265
Others	275,402	-	275,402
TOTAL LIABILITIES	\$ 339,329	\$ 32,338	\$ 371,667
NET ASSETS			
Unrestricted	\$ 71,006	\$ (32,338)	\$ 38,668
Others	630,395	-	630,395
TOTAL NET ASSETS	\$ 701,401	\$ (32,338)	\$ 669,063
Salaries and wages	\$ (763,911)	\$ (12,025)	\$ (775,936)
Other revenues and expenses	737,991	-	737,991
DEFICIENCY OF REVENUES OVER EXPENSES	\$ (25,920)	\$ (12,025)	\$ (37,945)

15. COMPARATIVE FIGURES

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

KINBRACE COMMUNITY SOCIETY
Allocation of Expenses (Schedule 1)
Year Ended April 30, 2025

	National access to justice and refugee protection	Regional housing, community, and settlement	Operations	2025	2024
EXPENSES					
Administration	\$ 3,162	\$ 4,263	\$ 19,191	\$ 26,616	\$ 9,041
Amortization	-	-	8,610	8,610	9,087
Awareness and promotion	-	-	20,062	20,062	17,769
Contractor fees	443,164	63,467	28,991	535,622	208,160
Employee benefits	11,029	36,486	17,295	64,810	60,926
Hospitality	-	40,662	604	41,266	37,009
Insurance	-	-	7,965	7,965	7,258
Interpretation and translation	10,853	4,171	-	15,024	12,518
Maintenance and repairs	-	46,836	1,362	48,198	39,381
Office	-	-	13,923	13,923	22,116
Organizational development	-	-	37,603	37,603	54,011
Printing and distribution	91,861	-	-	91,861	5,282
Professional fees	-	-	33,859	33,859	22,017
Rent and utilities	-	60,818	-	60,818	60,592
Salaries and wages	155,256	367,643	409,193	932,092	775,936
Staff and volunteer development	3,415	2,058	9,380	14,853	9,501
Subsidies	-	15,757	-	15,757	8,837
Technology	28,094	-	834	28,928	20,441
Travel	4,402	3,061	2,642	10,105	11,490
	\$ 751,236	\$ 645,222	\$ 611,514	\$ 2,007,972	\$ 1,391,372