

**Kinsmen Foundation Inc.**  
**Financial Statements**  
*June 30, 2023*

DISCLOSED  
PURSUANT TO  
THE ATIA  
A-2024-180760  
COPY 1

**Kinsmen Foundation Inc.**

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*For the year ended June 30, 2023*

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## Management's Responsibility

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To the Members of Kinsmen Foundation Inc.:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and Executive Committee are composed entirely of Directors who are neither management nor employees of the Foundation. The Executive Committee is responsible for overseeing management in the performance of its financial reporting responsibilities. The Executive Committee fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is responsible for approving the audited financial statements and recommending the appointment of the Foundation's external auditors to the members.

24(1) an independent firm of Chartered Professional Accountants, is appointed by the Members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

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R. Kies - Executive Director

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W. Cowles - Financial Coordinator

## Independent Auditor's Report

To the Members of Kinsmen Foundation Inc.:

### Qualified Opinion

We have audited the financial statements of Kinsmen Foundation Inc. (the "Foundation"), which comprise the statement of financial position as at June 30, 2023, and the statements of operations, changes in net assets and cash flows, and the related schedules for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at June 30, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Qualified Opinion

In common with many charitable organizations, Kinsmen Foundation Inc. derives revenue from bequests and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to bequests or donations revenue, excess (deficiency) of revenue over expenses and cash flows from operations for the years ended June 30, 2023 and 2022, and current assets and net assets as at June 30, 2023 and 2022. Our audit opinion on the financial statements for the year ended June 30, 2022 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

## Independent Auditor's Report (continued from previous page)

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### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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**Kinsmen Foundation Inc.**  
**Statement of Financial Position**  
*As at June 30, 2023*

	2023	2022
<b>Assets</b>		
<b>Current</b>		
Cash	1,264,758	1,418,288
Goods and Services Tax receivable	59,528	48,027
Accounts receivable	55,733	27,400
Prepaid expenses and deposits	20,543	23,840
	<b>1,400,562</b>	<b>1,517,555</b>
<b>Tangible capital assets (Note 3)</b>	<b>34,720</b>	<b>42,078</b>
<b>Mineral rights (Note 4)</b>	<b>1</b>	<b>1</b>
<b>Investments (Note 5)</b>	<b>11,703,190</b>	<b>13,820,312</b>
<b>Intangible assets (Note 6)</b>	<b>24,422</b>	<b>30,528</b>
	<b>13,162,895</b>	<b>15,410,474</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals	23,849	41,734
Deferred revenue (Note 7)	347,412	418,911
Grants approved but not disbursed (Note 8)	6,888,241	3,318,118
	<b>7,259,502</b>	<b>3,778,763</b>
<b>Commitments (Note 9)</b>		
<b>Net Assets</b>		
Invested in tangible capital assets (Note 10)	34,720	42,078
Restricted for scholarships (Note 11)	114,457	113,487
Restricted for endowments (Note 12)	47,000	47,000
Internally restricted (Note 10)	2,292,920	4,620,912
Unrestricted	3,414,296	6,808,234
	<b>5,903,393</b>	<b>11,631,711</b>
	<b>13,162,895</b>	<b>15,410,474</b>
Approved on behalf of the Board of Directors	19(1)	
19(1)		
Director	Director	

The accompanying notes are an integral part of these financial statements

**Kinsmen Foundation Inc.**  
**Statement of Operations**  
For the year ended June 30, 2023

	2023	2022
<b>Revenue</b>		
Telemiracle proceeds (net) (Schedule 1)	3,973,055	7,476,025
Investment income	330,705	162,120
	<b>4,303,760</b>	<b>7,638,145</b>
<b>Expenses</b>		
Advertising	86,790	86,794
Bank charges and interest	2,613	2,335
Board recognition	4,196	5,183
Board registration FLC/Zone/District conventions	1,242	1,705
Board travel, meals and accommodation	46,934	34,128
Goods and Services Tax	5,273	5,134
Grants	9,034,217	4,360,967
Insurance	3,389	2,707
Miscellaneous	-	660
Office supplies	509	1,395
Postage	2,511	1,656
Professional fees	19,738	17,341
Volunteer development	13,000	14,797
Web page	5,939	3,821
	<b>9,226,351</b>	<b>4,538,623</b>
<b>Kinsmen office operations (Schedule 2)</b>	<b>806,697</b>	<b>694,449</b>
<b>Total expenses</b>	<b>10,033,048</b>	<b>5,233,072</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>(5,729,288)</b>	<b>2,405,073</b>

The accompanying notes are an integral part of these financial statements

**Kinsmen Foundation Inc.**  
**Statement of Changes in Net Assets**  
*For the year ended June 30, 2023*

	<i>Invested in tangible capital assets</i>	<i>Restricted for scholarships</i>	<i>Restricted for endowments</i>	<i>Internally restricted</i>	<i>Unrestricted</i>	<i>2023</i>	<i>2022</i>
Net assets, beginning of year	42,078	113,487	47,000	4,620,912	6,808,234	11,631,711	9,218,817
Excess (deficiency) of revenue over expenses	(11,917)	-	-	-	(5,717,371)	(5,729,288)	2,405,073
Tangible capital asset additions	4,559	-	-	-	(4,559)	-	-
Increase in restricted net assets	-	970	1,701	-	-	2,671	18
Endowment funds received	-	-	-	-	-	-	8,000
Decrease in endowment assets	-	-	(1,701)	-	-	(1,701)	(197)
Transfers between funds (Note 10)	-	-	-	(2,327,992)	2,327,992	-	-
Net assets, end of year	34,720	114,457	47,000	2,292,920	3,414,296	5,903,393	11,631,711

The accompanying notes are an integral part of these financial statements



**Kinsmen Foundation Inc.**  
**Statement of Cash Flows**  
For the year ended June 30, 2023

	2023	2022
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Excess (deficiency) of revenue over expenses	(5,729,288)	2,405,073
Amortization of tangible capital assets	11,917	13,558
Amortization of intangible assets	6,106	7,632
	(5,711,265)	2,426,263
Changes in working capital accounts		
Goods and Services Tax receivable	(11,501)	(8,882)
Accounts receivable	(28,333)	85,985
Prepaid expenses and deposits	3,297	12,135
Accounts payable and accruals	(17,885)	(12,007)
Deferred revenue	(71,499)	(761,311)
Grants approved but not disbursed	3,570,123	984,702
	(2,267,063)	2,726,885
<b>Financing</b>		
Increase (decrease) in scholarship assets	970	(179)
Endowment funds received	-	8,000
	970	7,821
<b>Investing</b>		
Purchase of tangible capital assets	(4,559)	(9,784)
Purchase of investments	(20,962,321)	(11,429,483)
Proceeds on disposal of investments	23,079,443	7,920,299
	2,112,563	(3,518,968)
<b>Decrease in cash resources</b>	(153,530)	(784,262)
<b>Cash resources, beginning of year</b>	1,418,288	2,202,550
<b>Cash resources, end of year</b>	1,264,758	1,418,288

The accompanying notes are an integral part of these financial statements

**Kinsmen Foundation Inc.**  
**Notes to the Financial Statements**  
*For the year ended June 30, 2023*

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**1. Incorporation and nature of the organization**

Kinsmen Foundation Inc. (the "Foundation") is incorporated under the Non-Profit Corporations Act in the Province of Saskatchewan. The Foundation provides financial resources to residents and organizations in Saskatchewan to assist with medical travel and equipment purchases. Individuals may receive funding to defray the cost of accommodations, meals and transportation related to medical treatments away from their home community. The Foundation also funds individuals for the purchase and/or installation of specialty equipment related to various disabilities. Organizations receive funding to assist with increasing accessibility, equipment needed for persons with disabilities, and medical equipment to be available within institutions such as hospitals.

In the current year, the Foundation ran a 50/50 draw, with the net proceeds from the draw being donated to Telemiracle.

**2. Significant accounting policies**

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations using the following significant accounting policies:

***Basis of presentation***

The financial statements of the Foundation include the transactions of the internal office operations, Kinsmen Telemiracle ("Telemiracle") and Kinsmen 50/50 draw ("50/50 draw"). Office operations represent the administration of the Foundation and expenses incurred to facilitate the Foundation's operations. Telemiracle is the primary fundraising event of the Foundation. Net proceeds from Telemiracle are distributed by the Foundation to approved grantees. The 50/50 draw is a raffle held by Kinsmen during the year. Net proceeds of the raffle are donated to Telemiracle.

***Revenue recognition***

The Foundation follows the deferral method of accounting for contributions. Telemiracle donations are recognized as revenue when received. Donations restricted by the donors are recognized as revenue in the year in which the related conditions are met.

Interest revenues are recognized on an accrual basis.

Revenue from the sale of promotional items is recognized at the time of the sale.

Unspent interest revenue relating to investments externally restricted for scholarship purposes is applied directly to externally restricted net assets to conform with the agreements restricting these assets.

Revenue from the 50/50 draw is recognized on a net basis when payment is received for 50/50 tickets that are purchased.

***Contributed materials and services***

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Foundation's operations and would otherwise have been purchased. Volunteers contribute many hours to assist the Foundation, however, because of the difficulty in determining their fair value, volunteer hours are not recognized in the financial statements.

***Financial instruments***

The Foundation recognizes financial instruments when the Foundation becomes party to the contractual provisions of the financial instrument.

***Arm's length financial instruments***

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Foundation may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Foundation has not made such an election during the year.

**2. Significant accounting policies (Continued from previous page)**

**Financial instruments (Continued from previous page)**

The Foundation subsequently measures investments in equity instruments quoted in an active market, at fair value. Fair value is determined by published price quotations. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess (deficiency) of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

**Financial asset impairment**

The Foundation assesses impairment of all its financial assets measured at cost or amortized cost. The Foundation groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group. Management considers whether the issuer is having significant financial difficulty in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Foundation determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

The Foundation reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in current year excess (deficiency) of revenue over expenses.

The Foundation reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess (deficiency) of revenue over expenses in the year the reversal occurs.

**Cash and cash equivalents**

Cash and cash equivalents include balances with banks.

**Tangible capital assets**

Purchased tangible capital assets are recorded at cost. Contributed tangible capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the following methods at rates intended to amortize the cost of assets over their estimated useful lives.

	Method	Rate
Computer equipment	declining balance	30 %
Equipment	declining balance	20 %
Furniture and fixtures	declining balance	20 %
Leasehold improvements	straight-line	5 years

In the year of acquisition, amortization is taken at one-half of the annual rate.

2. **Significant accounting policies** (Continued from previous page)

**Intangible assets**

Specified intangible assets are recognized and reported apart from goodwill.

Intangible assets recognized separately from goodwill and subject to amortization are recorded at cost. Contributed intangible assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the declining balance method at rates intended to amortize the cost of intangible assets over their estimated useful lives. Amortization is not recorded on intangible assets until they are in use.

	<b>Method</b>	<b>Rate</b>
Website development costs	declining balance	20%

In the year of acquisition, amortization is taken at one-half of the annual rate.

When intangible assets no longer contribute to the Foundation's ability to provide goods or services, or the value of future economic benefits or service potential associated with the intangible assets are less than its net carrying amount, its carrying amount is written down to fair value.

**Grants**

All grants are recorded as a liability and expense at the time the grant application is approved by the Board of Directors. Grant funds that are no longer required by the grantee are repaid by the Foundation and the corresponding liability and expense are reduced.

**Employee future benefits**

The Foundation's employee future benefit program consists of a defined contribution pension plan. The Foundation's obligation under the plan is limited to making regular payments to the plan to match contributions made by employees for current services.

Foundation contributions to the defined contribution plan are expensed as incurred. Salaries and employee benefits includes pension contributions of \$19,105 (2022 - \$12,954).

**Measurement uncertainty**

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Amortization is based on the estimated useful lives of tangible capital assets.

Grants approved but not disbursed are based on amounts approved by the Board of Directors, less funds known to no longer be required by the grantee. This amount represents the best estimate of the liability.

Deferred revenue is based on external restrictions imposed by donors and their families.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess (deficiency) of revenue over expenses in the years in which they become known.

**Kinsmen Foundation Inc.**  
**Notes to the Financial Statements**  
For the year ended June 30, 2023

3. Tangible capital assets

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Computer equipment	183,515	156,924	26,591	31,917
Equipment	94,627	87,865	6,762	8,453
Furniture and fixtures	47,764	46,397	1,367	1,708
Leasehold improvements	117,472	117,472	-	-
	<b>443,378</b>	<b>408,658</b>	<b>34,720</b>	<b>42,078</b>

4. Mineral rights

The Foundation was bequeathed unrestricted mineral rights for a total of five (2022 - five) pieces of land. A nominal amount has been recorded on the statement of financial position as their fair values are not readily determinable due to uncertainty about the timing of future cash flows associated with these rights. Income earned through royalties and lease payments are recorded through Telemiracle donations.

5. Investments

	2023	2022
Measured at cost:		
Fixed income investments	11,703,190	13,820,312

Included in investments are restricted investments in the amount of \$114,457 (2022 - \$113,487) for scholarships, \$47,000 (2022 - \$47,000) for endowments and \$2,292,920 (2022 - \$4,620,912) for internally restricted net assets.

Investments are classified as long-term as its management's intention to hold investments to maturity and reinvest any matured funds.

6. Intangible assets

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Website development costs	42,400	(17,978)	24,422	30,528

**Kinsmen Foundation Inc.**  
**Notes to the Financial Statements**  
*For the year ended June 30, 2023*

**7. Deferred revenue**

Deferred revenue represents funds received by the Foundation prior to June 30, 2023, the amounts of which were designated by the donors to be recognized at the 2024 Telemiracle event. Changes in the deferred contribution balance are as follows:

	Balance, beginning of year	Restricted contributions received	Recognized	Balance, end of year
Bequests	418,911	245,967	(317,466)	347,412

**8. Grants approved but not disbursed**

Grants approved but not disbursed represents grants approved by the Foundation prior to June 30, 2023, but not yet disbursed to applicants.

	Balance, beginning of year	Grants approved	Grants disbursed	Balance, end of year
Grants approved but not disbursed	3,318,118	9,034,217	(5,464,094)	6,888,241

**9. Commitments**

The Foundation has entered into lease agreements for office space expiring June 2033 and equipment expiring May 2025. The Foundation has also entered into contracts for a grantmaking system. Estimated minimum annual payments are as follows:

2024	80,943
2025	75,390
2026	72,000
2027	78,852
2028	78,852
Thereafter, to 2033	407,975

**10. Internal restrictions on net assets**

a) To ensure that the Foundation is able to meet its financial commitments in the event of a failure to raise funds, the Board of Directors restricts certain net assets. The Board of Directors may draw on these internally restricted net assets for grants or other special purposes. Annually the Board of Directors can internally restrict up to 15% of the current year's net Telemiracle proceeds. The specific amount set aside is ratified by the Board towards the end of the fiscal year and depends upon the current financial situation. The minimum amount maintained in the internally restricted net assets must be \$3,000,000. As at June 30, 2023, \$2,292,920 (2022 - \$4,620,912) has been restricted for this purpose, which is below the minimum amount required. The Board will work to increase this amount back up to the required level over time by reducing expenses where feasible and will monitor this balance closely going forward to ensure this amount stays above \$3,000,000 in the future.

During the year, the Board approved transfers totaling \$2,327,992 from the internally restricted fund to the unrestricted fund (2022 - \$71,010 from the unrestricted fund to the internally restricted fund).

b) The Board of Directors restricts certain net assets to be available for the future acquisition of tangible capital assets for the District III Office. The amount internally restricted for this purpose cannot exceed \$40,000. As at June 30, 2023 \$nil (2022 - \$nil) has been restricted for this purpose.

c) The Board of Directors has restricted net assets equal to the Foundation's equity in its tangible capital assets.



**11. Net assets restricted for scholarships**

Net assets externally restricted for scholarships consists of two separate bequests used to establish the Effie Close Handicap Scholarship and the Andrew Jamault Handicap Scholarship. For each bequest, the interest earned is used to provide an annual scholarship to a person with a disability attending university or technical school. Interest earned in excess of the scholarships granted for the year is added to net assets as additional capital.

**12. Net assets restricted for endowments**

Net assets externally restricted for endowments consists of a donation to establish the 24(1) Endowment Fund. In accordance with the terms of the endowment fund, the interest earned is transferred annually to Telemiracle as a donation to be used for any purpose. In the current year, the endowment fund was increased by \$nil (2022 - \$8,000).

**13. Financial instruments**

The Foundation, as part of its operations, carries a number of financial instruments. It is management's opinion that the Foundation is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

**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. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. In seeking to minimize the risks from interest rate fluctuations, the Foundation manages exposure through investing in low-risk investments with varying maturity dates.

The Foundation is exposed to interest rate risk on the fixed income investments, which have interest rates ranging from 1.00% to 5.03% (2022 - 0.55% to 4.60%) and maturity dates ranging from July 2023 - March 2028 (2022 - July 2022 - June 2027).

**Liquidity risk**

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation's exposure to liquidity risk is dependent on the collection of accounts receivable, availability of funds held in long-term investments, purchasing commitments and obligations or raising funds to meet commitments and sustain operations.

**Credit risk**

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations. Financial instruments that potentially subject the Foundation to credit risk consist principally of cash, accounts receivable, and investments.

The Foundation's cash and investments are maintained at major financial institutions, therefore the Foundation considers the risk of non-performance of these instruments to be remote.

**14. Income taxes**

The Foundation is registered as a charitable organization under the *Income Tax Act* (the "Act") and as such is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, the Foundation must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

**Kinsmen Foundation Inc.**  
**Schedule 1 - Schedule of Kinsmen Telemiracle Revenue and Expenses**  
For the year ended June 30, 2023

	2023	2022
<b>Revenue</b>		
Bequests	1,429,136	4,532,416
Donations	4,020,427	3,980,679
Interest	36,717	11,956
Net 50/50 ticket sales	69,613	181,443
SLGA grant revenue	-	32,380
Souvenir sales	17,172	10,476
	<b>5,573,065</b>	<b>8,749,350</b>
<b>Expenses</b>		
<b>Administration</b>		
Bank charges	15,969	15,448
Committee	21,710	19,797
Goods and Services Tax	34,478	27,292
Office supplies	1,834	1,795
Postage	102,784	109,537
Supplies	4,679	8,224
<b>Entertainment</b>		
Entertainers' accommodations	10,112	6,582
Entertainers' travel	8,946	7,331
National cast	63,944	53,200
Reception and gratuities	4,241	5,423
<b>Production</b>		
Amortization	2,110	2,492
Auditorium rental	62,758	67,613
Mobile broadcast unit/audio	86,300	78,039
Production fee	228,000	60,000
Production, stage, transmission and moving	338,345	297,752
Telephone	21,081	3,204
Television and airtime	171,664	170,884
Travel and accommodations	22,230	27,998
<b>Publicity</b>		
Advertising	168,693	112,811
Promotion	170,285	126,148
<b>50/50 draw</b>		
Advertising	50,016	46,517
Audit	-	3,191
Management fee	8,877	19,826
Miscellaneous	974	2,221
	<b>1,600,010</b>	<b>1,273,325</b>
<b>Telemiracle proceeds (net)</b>	<b>3,973,055</b>	<b>7,476,025</b>



**Kinsmen Foundation Inc.**  
**Schedule 2 - Schedule of Kinsmen Office Operations**  
*For the year ended June 30, 2023*

	2023	2022
<b>Expenses</b>		
Amortization	15,912	18,698
Courier	238	26
Enterprise contracts	9,025	26,226
Equipment maintenance and lease	6,445	6,196
Good and Services Tax	4,515	4,704
Insurance	3,644	3,491
Janitorial and supplies	2,934	3,116
Membership dues	2,103	938
Miscellaneous	711	10,394
Office maintenance	336	288
Office supplies	6,690	3,450
Postage	1,216	1,749
Rent	71,178	68,400
Salaries and employee benefits	651,775	518,424
Service contracts	16,709	18,769
Telephone	5,730	3,016
Utilities	7,536	6,564
	<b>806,697</b>	<b>694,449</b>