

Financial Statements of

**REGINA OPEN DOOR  
SOCIETY INC.**

And Independent Auditors' Report thereon

Year ended March 31, 2022

# REGINA OPEN DOOR SOCIETY INC.

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## MANAGEMENT'S RESPONSIBILITY

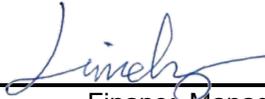
Management has responsibility for preparing the accompanying financial statements and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and making objective judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations.

In discharging its responsibilities for the integrity and fairness of the financial statements and for the accounting systems from which they are derived, management maintains the necessary system of internal controls designed to provide assurance that transactions are authorized, assets are safeguarded and proper records are maintained.

Ultimate responsibility for financial statements to members lies with the Board of Directors. An Audit Committee is appointed by the Board of Directors to review financial statements in detail with management and to report to the Board of Directors prior to their approval of the financial statement for publication.

Independent auditors appointed by the members audit the financial statements and meet separately with both the Board of Directors and management to review their findings. The independent auditors report directly to the members and their report follows. The independent auditors have full and free access to the Board of Directors to discuss their audit and their findings as to the integrity of the Society's financial reporting and the adequacy of the system of internal controls.

  
Executive Director

  
Finance Manager



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## **INDEPENDENT AUDITORS' REPORT**

To the Members of Regina Open Door Society Inc.

### ***Opinion***

We have audited the financial statements of Regina Open Door Society Inc. (the Entity), which comprise:

- the statement of financial position as at March 31, 2022
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2022 and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity 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 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are responsible for overseeing the Entity's financial reporting process.

### ***Auditors' 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 auditors' 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 the 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.



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- 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
- 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.

*KPMG LLP*

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Chartered Professional Accountants

Regina, Canada

June 22, 2022

# REGINA OPEN DOOR SOCIETY INC.

## Statement of Financial Position

March 31, 2022, with comparative information for 2021

	2022	2021
<b>Assets</b>		
Current assets:		
Cash	\$ 3,100,940	\$ 3,496,517
Accounts receivable	1,484,930	970,361
Prepaid expenses	136,904	123,546
	<u>4,722,774</u>	<u>4,590,424</u>
Capital assets (note 3)	2,883,540	2,983,209
	<u>\$ 7,606,314</u>	<u>\$ 7,573,633</u>

## Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 4)	\$ 209,284	\$ 81,469
Unearned revenue (note 5)	1,316,166	1,624,824
	<u>1,525,450</u>	<u>1,706,293</u>
Deferred contributions related to capital assets (note 6)	878,814	968,779
Net assets:		
Invested in capital assets	2,004,726	2,014,430
Internally restricted - capital improvements (note 7)	459,308	459,308
Internally restricted - contingency reserve (note 7)	2,700,000	2,400,000
Unrestricted net assets	38,016	24,823
	<u>5,202,050</u>	<u>4,898,561</u>
Commitments (note 8)		
	<u>\$ 7,606,314</u>	<u>\$ 7,573,633</u>

See accompanying notes to financial statements.

On behalf of the Board:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

# REGINA OPEN DOOR SOCIETY INC.

## Statement of Operations

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Revenue (schedule 1):		
Federal Government funding	\$ 7,764,881	\$ 6,831,065
Provincial Government funding	2,595,599	2,311,940
Other funding	894,281	530,958
Licensed childcare	251,287	279,969
Donations	135,987	51,186
Amortization of deferred contributions related to capital assets (note 6)	89,965	90,291
Miscellaneous revenue	78,728	3,228
Interest income	6,013	8,248
Household needs and furniture	287	2,056
	<u>11,817,028</u>	<u>10,108,941</u>
Expenses:		
Salaries and benefits	8,125,725	7,337,359
Rent	1,029,929	1,008,874
Travel and in-town transportation	483,571	26,664
Office supplies	364,980	232,259
Amortization of capital assets	279,576	230,051
Repairs and maintenance	256,846	234,942
Client start-up allowance	167,622	6,839
Staff development and training	109,326	129,656
Professional fees	106,223	30,503
Telephone	79,947	95,624
Childcare vendor fee	76,911	76,682
Security and cleaning	75,691	65,263
GST and sales tax	56,199	43,426
Insurance	52,747	49,363
Utilities	51,930	43,966
Management fee	44,696	39,132
Taxes, licenses and fees	42,685	44,744
Equipment rental	39,163	45,900
Honoraria	31,086	22,194
Advertising	20,900	28,268
Household needs	8,310	10,406
Membership fees	7,950	7,481
Interest and bank charges	1,315	1,971
Meeting hall rental	323	-
Bad debts (recovered)	(112)	-
	<u>11,513,539</u>	<u>9,811,567</u>
Excess of revenue over expenses	\$ 303,489	\$ 297,374

See accompanying notes to financial statements.

# REGINA OPEN DOOR SOCIETY INC.

## Statement of Changes in Net Assets

Year ended March 31, 2022, with comparative information for 2021

	Invested in capital assets	Internally restricted - capital improvements (note 7)	Internally restricted - contingency reserve (note 7)	Unrestricted net assets	2022 Total	2021 Total
Balance, beginning of year	\$ 2,014,430	\$ 459,308	\$ 2,400,000	\$ 24,823	\$ 4,898,561	\$ 4,601,187
Excess of revenue over expenses	-	-	-	303,489	303,489	297,374
Purchase of capital assets	179,907	-	-	(179,907)	-	-
Amortization of capital assets	(279,576)	-	-	279,576	-	-
Amortization of deferred contributions related to capital assets (note 6)	89,965	-	-	(89,965)	-	-
Interfund transfers (note 7)	-	-	300,000	(300,000)	-	-
<b>Balance, end of year</b>	<b>\$ 2,004,726</b>	<b>\$ 459,308</b>	<b>\$ 2,700,000</b>	<b>\$ 38,016</b>	<b>\$ 5,202,050</b>	<b>\$ 4,898,561</b>

See accompanying notes to financial statements.

# REGINA OPEN DOOR SOCIETY INC.

## Statement of Cash Flows

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used for) the following activities		
Operating activities:		
Cash received for programs	\$ 10,897,823	\$ 11,179,301
Cash paid for programs	(2,992,466)	(2,398,891)
Cash paid for salaries and benefits	(8,125,725)	(7,337,359)
Interest and bank charges paid	(1,315)	(1,971)
Interest received	6,013	8,248
	(215,670)	1,449,328
Investing activities:		
Purchase of capital assets	(179,907)	(243,509)
(Decrease) increase in cash	(395,577)	1,205,819
Cash, beginning of year	3,496,517	2,290,698
Cash, end of year	\$ 3,100,940	\$ 3,496,517

See accompanying notes to financial statements.

# REGINA OPEN DOOR SOCIETY INC.

Notes to Financial Statements

Year ended March 31, 2022

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## **Nature of operations:**

Regina Open Door Society Inc. (the "Society") is a non-profit community based organization established in 1976 by concerned members of the community who desired to see needs based settlement and integration services for refugees and immigrants. The Society was incorporated under the Canada Corporations Act as a Not-For-Profit organization and is a registered charity under the Income Tax Act.

## **1. Basis of preparation:**

The financial statements for the year ended March 31, 2022 have been prepared in accordance with Canadian accounting standards for not-for-profit organizations outlined in Part III of the CPA Canada Handbook.

## **2. Significant accounting policies:**

The Society's significant accounting policies are as follows:

### **(a) Revenue recognition:**

The Society follows the deferral method of accounting for contributions. Grants and other sources of revenue that relate to future fiscal periods, and are received in advance, are recorded as deferred revenue. 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.

### **(b) Deferred contributions related to capital assets:**

Deferred contributions related to capital assets are restricted contributions for the purpose of acquiring capital assets. These contributions are deferred and recognized as revenue on the same basis as related capital assets are amortized.

# REGINA OPEN DOOR SOCIETY INC.

Notes to Financial Statements (continued)

Year ended March 31, 2022

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## 2. Significant accounting policies (continued):

(c) Internally restricted - contingency reserve:

Certain specified amounts have been restricted by the Board of Directors for unforeseen extraordinary expenses that would adversely affect the Society or to offset reductions in other sources of funding.

(d) Internally restricted - capital improvements:

Certain specified amounts have been restricted by the Board of Directors for use as funding for significant future capital improvements.

(e) Financial instruments:

Financial instruments are recorded at fair value on initial recognition and subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Society determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Society expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

# REGINA OPEN DOOR SOCIETY INC.

Notes to Financial Statements (continued)

Year ended March 31, 2022

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## 2. Significant accounting policies (continued):

(f) Capital assets:

Capital assets are recorded at cost, less accumulated amortization. Amortization is provided using the following methods and annual rates:

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Asset	Basis	Rate
Buildings	Straight-line	20 years
Vehicles	Straight-line	7 years
Computer	Straight-line	3 years
Machinery and equipment	Straight-line	5 years
Furniture and fixtures	Straight-line	4 years
Leasehold improvements	Straight-line	Over the lease term

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(g) Income taxes:

The Society 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 Society must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

(h) Use of estimates:

The preparation of the financial statements 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 revenue and expenses during the period. Significant items subject to such estimates and assumptions include the carrying amounts of accounts receivable and capital assets and the underlying estimations of useful lives of capital assets as well as the value of deferred revenue that relates to the delivery of future services prior to revenue recognition. Actual results could differ from those estimates.

# REGINA OPEN DOOR SOCIETY INC.

Notes to Financial Statements (continued)

Year ended March 31, 2022

### 3. Capital assets:

			2022	2021
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 1,072,000	\$ -	\$ 1,072,000	\$ 1,072,000
Buildings	2,499,664	1,099,004	1,400,660	1,521,943
Vehicles	267,346	210,213	57,133	72,210
Computer	1,215,057	953,733	261,324	209,680
Machinery and equipment	473,478	428,043	45,435	52,076
Furniture and fixtures	505,277	458,289	46,988	55,300
Leasehold improvements	9,103	9,103	-	-
	\$ 6,041,925	\$ 3,158,385	\$ 2,883,540	\$ 2,983,209

### 4. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$112,575 (2021 - \$95,333), which includes amounts payable for PST, worker's compensation, and payroll taxes.

### 5. Unearned revenue:

Unearned revenue is comprised of the following:

	2022	2021
KidsFirst	\$ 109,615	\$ 109,875
Other advances received for various projects	1,206,551	1,514,949
	\$ 1,316,166	\$ 1,624,824

For unearned revenue relating to KidsFirst, the Society has adopted a surplus utilization plan initiated by KidsFirst which includes setting aside a portion of funds as a sustaining reserve, as well as spending approved amounts to purchase vehicles, office supplies, teaching materials and teaching aids, upgrade of an interpretation database, creation of a new home visitor position which includes the purchase of a computer system and office.

# REGINA OPEN DOOR SOCIETY INC.

Notes to Financial Statements (continued)

Year ended March 31, 2022

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## 6. Deferred contributions related to capital assets:

Deferred contributions related to capital assets represent funding from third parties for renovations and capital asset additions. The changes in the deferred contributions balance for the year are:

	2022	2021
Balance, beginning of year	\$ 968,779	\$ 1,059,070
Less: amounts recognized as revenue during the year	(89,965)	(90,291)
Balance, end of year	\$ 878,814	\$ 968,779

## 7. Inter-fund transfers and internally restricted fund balances:

The Society's Board of Directors internally restricts resources as illustrated in the statement of changes in net assets and described in note 2(c) and note 2(d). During the year, the Board of Directors transferred \$300,000 (2021 - \$400,000) from unrestricted net assets to internally restricted net assets. Internally restricted amounts are not available for other purposes without approval of the Board of Directors.

## 8. Commitments:

The Society has entered into various lease agreements for building occupancy and office equipment. The estimated minimum annual payments as follows:

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2023	\$ 1,018,247
2024	1,029,319
2025	433,675

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# REGINA OPEN DOOR SOCIETY INC.

Notes to Financial Statements (continued)

Year ended March 31, 2022

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## 9. Financial risks and concentration of risk:

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

### (a) Liquidity risk:

Liquidity risk is the risk that the Society will not be able to meet a demand for cash or fund its obligations as they come due. Liquidity risk also includes the risk of the Society not being able to liquidate assets in a timely manner at a reasonable price.

The Society monitors its cash flow throughout the year to ensure its billing practices take into account the timing and level of its cash obligations. The Society has sufficient funds from which to operate and this risk is considered to be low.

### (b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Society is exposed to credit risk from clients and granting agencies. The largest share of the Society's revenues come from governments where risk of collection is considered to be low.

The Society is also exposed to credit risk related to its cash balances. The maximum exposure is the carrying amount of cash on the statement of financial position. The credit risk associated with cash is limited as the counterparty is a chartered bank with a high credit rating assigned by national credit rating agencies.

## 10. Comparative information:

Certain comparative information has been reclassified to conform with the current year's presentation.

# REGINA OPEN DOOR SOCIETY INC.

## Schedule 1 - Schedule of Revenue by Program

(unaudited)

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Orientation Services for Newcomers	\$ 3,358,964	\$ 3,181,528
Language Instruction for Newcomers to Canada	2,659,480	2,805,206
Resettlement Assistance Program	1,158,713	399,444
Employment Readiness	1,071,896	1,144,542
Sundry projects	717,800	146,148
Daycare	680,467	567,495
KidsFirst	408,870	387,794
Youth Employment and Skills Strategy (YESS) Program	356,477	221,643
Settlement Online Pre-Arrival	305,868	300,012
Regional Newcomer Gateway	240,156	238,838
Regina Region Local Immigration Partnership	225,686	220,642
Career Bridging	168,254	162,912
Families in Transition	91,097	111,831
Amortization of deferred contributions related to capital assets	89,965	90,291
Administration	86,846	27,212
Enhanced Career Bridging	57,942	-
Stage 1 & 2 English	51,727	56,570
English for Employment	48,759	46,833
Digital Literacy Skills	38,061	-
<b>Total revenue</b>	<b>\$ 11,817,028</b>	<b>\$ 10,108,941</b>

# REGINA OPEN DOOR SOCIETY INC.

## Schedule 2 - KidsFirst

(unaudited)

Year ended March 31, 2022, with comparative information for 2021

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	2022	2021
Revenue	\$ 408,870	\$ 387,794
Expenses:		
Salaries and benefits	327,206	309,879
Rent	36,474	30,292
Office	10,332	11,263
Insurance	7,440	8,960
Equipment rental	6,567	6,744
Repairs and maintenance	5,260	6,694
Goods and Services Tax (Input tax credit)	1,500	1,290
Honoraria	1,348	510
Security and cleaning	485	40
Travel and in town transportation	473	670
Staff development and training	370	553
	397,455	376,895
Excess of revenue over expenses	\$ 11,415	\$ 10,899

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Administration overhead is not included in the above expenses. However an administration expense of \$11,415 (2021 - \$10,899) relates to KidsFirst.

# REGINA OPEN DOOR SOCIETY INC.

## Schedule 3 - Daycare

(unaudited)

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Revenue:		
Provincial Government funding	\$ 428,625	\$ 287,115
Daycare fee	251,287	279,968
Federal Government funding	135,475	192,835
Miscellaneous revenue	555	412
	815,942	760,330
Expenses:		
Salaries	680,285	594,215
Rent	63,387	65,499
Miscellaneous supplies	43,326	35,541
Office	12,984	12,699
Equipment rental	4,663	4,833
Repairs and maintenance	2,986	2,624
Insurance	2,460	1,925
Telephone	1,677	1,579
Goods and Services Tax (Input tax credit)	1,098	977
Staff development and training	809	2,270
Security and cleaning	376	734
Travel and in town transportation	164	-
Bad debts (recovered)	(112)	-
	814,103	722,896
Excess of revenue over expenses	\$ 1,839	\$ 37,434