

Financial Statements of

**REGINA OPEN DOOR
SOCIETY INC.**

Year ended March 31, 2020

REGINA OPEN DOOR SOCIETY INC.

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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, 2020
- 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, 2020 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



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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.
- 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



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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

Chartered Professional Accountants

Regina, Canada
June 17, 2020

REGINA OPEN DOOR SOCIETY INC.

Statement of Financial Position

March 31, 2020, with comparative information for 2019

	2020	2019
Assets		
Current assets:		
Cash	\$ 2,290,698	\$ 2,262,044
Accounts receivable	754,877	407,191
Prepaid expenses	107,014	147,503
	<u>3,152,589</u>	<u>2,816,738</u>
Capital assets (note 3)	2,969,751	3,108,529
	<u>\$ 6,122,340</u>	<u>\$ 5,925,267</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 4)	\$ 221,643	\$ 162,341
Unearned revenue (note 5)	240,440	179,878
	<u>462,083</u>	<u>342,219</u>
Deferred contributions related to capital assets (note 6)	1,059,070	1,149,338
Net assets:		
Invested in capital assets	1,910,681	1,959,191
Internally restricted - capital improvements (note 7)	459,308	459,308
Internally restricted - contingency reserve (note 7)	2,000,000	2,000,000
Unrestricted net assets	231,198	15,211
	<u>4,601,187</u>	<u>4,433,710</u>
Commitments (note 8)		
	<u>\$ 6,122,340</u>	<u>\$ 5,925,267</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, 2020, with comparative information for 2019

	2020	2019
Revenue (schedule 1):		
Federal Government funding	\$ 7,766,924	\$ 7,833,469
Provincial Government funding	2,276,080	2,156,782
Other funding	554,593	428,809
Licensed childcare	344,477	318,927
Amortization of deferred contributions related to capital assets (note 6)	90,268	77,924
Miscellaneous revenue	83,196	28,988
Donations	38,883	17,701
Interest income	17,242	17,556
Household needs and furniture	6,265	8,377
	<u>11,177,928</u>	<u>10,888,533</u>
Expenses:		
Salaries and benefits	8,013,104	7,728,573
Rent	1,144,496	1,173,239
Childcare vendor fee	249,790	164,924
Office supplies	243,857	276,876
Repairs and maintenance	239,144	251,631
Amortization of capital assets	236,411	236,544
Travel and in-town transportation	144,510	86,135
Staff development and training	107,210	113,641
Telephone	78,779	80,991
Security and cleaning	67,077	74,413
Utilities	65,237	63,782
Honoraria	52,135	54,543
GST and sales tax	49,780	50,963
Insurance	49,637	42,938
Professional fees	49,619	55,959
Taxes, licenses and fees	47,053	38,813
Equipment rental	41,601	45,889
Management fee	39,132	-
Advertising	37,216	59,042
Client start-up allowance	26,142	30,267
Household needs	10,692	7,192
Membership fees	9,415	13,139
Meeting hall rental	3,491	8,008
Bad debts	2,691	4,129
Interest and bank charges	2,232	1,692
	<u>11,010,451</u>	<u>10,663,323</u>
Excess of revenue over expenses	\$ 167,477	\$ 225,210

See accompanying notes to financial statements.

REGINA OPEN DOOR SOCIETY INC.

Statement of Changes in Net Assets

Year ended March 31, 2020, with comparative information for 2019

	Invested in capital assets	Internally restricted - capital improvements (note 7)	Internally restricted - contingency reserve (note 7)	Unrestricted net assets	2020 Total	2019 Total
Balance, beginning of year	\$ 1,959,191	\$ 459,308	\$ 2,000,000	\$ 15,211	\$ 4,433,710	\$ 4,208,500
Excess of revenue over expenses	-	-	-	167,477	167,477	225,210
Purchase of capital assets	97,633	-	-	(97,633)	-	-
Amortization of capital assets	(236,411)	-	-	236,411	-	-
Amortization of deferred contributions related to capital assets (note 6)	90,268	-	-	(90,268)	-	-
Interfund transfers (note 7)	-	-	-	-	-	-
Balance, end of year	\$ 1,910,681	\$ 459,308	\$ 2,000,000	\$ 231,198	\$ 4,601,187	\$ 4,433,710

See accompanying notes to financial statements.

REGINA OPEN DOOR SOCIETY INC.

Statement of Cash Flows

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used for) the following activities		
Operating activities:		
Cash received for programs	\$ 10,783,296	\$ 10,953,816
Cash paid for programs	(2,651,923)	(2,878,605)
Cash paid for salaries and benefits	(8,020,096)	(7,728,573)
Interest and bank charges paid	(2,232)	(1,692)
Interest received	17,242	17,556
	<u>126,287</u>	<u>362,502</u>
Investing activities:		
Purchase of capital assets	(97,633)	(238,695)
Increase in deferred contributions related to capital assets (note 6)	-	(84,925)
	<u>(97,633)</u>	<u>(323,620)</u>
Increase in cash	28,654	38,882
Cash, beginning of year	2,262,044	2,223,162
Cash, end of year	<u>\$ 2,290,698</u>	<u>\$ 2,262,044</u>

See accompanying notes to financial statements.

REGINA OPEN DOOR SOCIETY INC.

Notes to Financial Statements

Year ended March 31, 2020

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, 2020 have been prepared in accordance with Canadian Accounting Standards for Not-For-Profit Organizations outlined in Part III of the CPA Canada Handbook.

COVID-19 impact assessment:

The COVID-19 outbreak was declared a pandemic by the World Health Organization during the fiscal year. The current challenging economic climate may lead to adverse changes in cash flows and working capital levels, which may also have a direct impact on the Society's operating results and financial positions both in the current year and in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Society's is not known at this time.

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, 2020

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, 2020

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:

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

(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.

(i) Adoption of new accounting standards:

Effective April 1, 2019, the Society adopted Section 4433, Tangible Capital Assets held by Not-for-Profit Organizations of the Accounting Standards for Not-for-Profit Organizations. The adoption of the standard requires the Society to amortize each component of an asset based on each separate components useful life. The adoption did not have a significant impact on the financial statements.

REGINA OPEN DOOR SOCIETY INC.

Notes to Financial Statements (continued)

Year ended March 31, 2020

3. Capital assets:

			2020	2019
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 1,072,000	\$ -	\$ 1,072,000	\$ 1,072,000
Buildings	2,499,664	856,438	1,643,226	1,764,457
Vehicles	267,346	180,060	87,286	101,204
Computer	852,341	785,438	66,903	124,297
Machinery and equipment	459,881	391,166	68,715	22,579
Furniture and fixtures	458,173	426,552	31,621	23,992
Leasehold improvements	9,103	9,103	-	-
	\$ 5,618,508	\$ 2,648,757	\$ 2,969,751	\$ 3,108,529

4. Accounts payable:

Included in accounts payable and accrued liabilities are government remittances payable of \$149 (2019 - \$160), which includes amounts payable for GST, PST and payroll taxes.

5. Unearned revenue:

Unearned revenue is comprised of the following:

	2020	2019
KidsFirst	\$ 81,285	\$ 66,970
Other advances received	159,155	112,908
	\$ 240,440	\$ 179,878

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, 2020

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:

	2020	2019
Balance, beginning of year	\$ 1,149,338	\$ 1,142,337
Add: current year contribution from KidsFirst	-	84,925
Less: amounts recognized as revenue during the year	(90,268)	(77,924)
Balance, end of year	\$ 1,059,070	\$ 1,149,338

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 \$nil (2019 - \$150,000) 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 as well as an agreement with their IT service provider. The estimated minimum annual payments as follows:

2021	\$ 1,110,144
2022	1,011,983
2023	1,018,247
2024	1,029,319
2025	433,675

REGINA OPEN DOOR SOCIETY INC.

Notes to Financial Statements (continued)

Year ended March 31, 2020

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.

REGINA OPEN DOOR SOCIETY INC.

Schedule 1 - Schedule of Revenue by Program

(unaudited)

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Language Instruction for Newcomers to Canada	\$ 3,734,349	\$ 3,968,520
Orientation Services for Newcomers	1,362,515	1,302,375
Employment Readiness	1,142,542	1,138,008
Settlement Support Workers in Schools	1,117,635	1,055,983
Daycare	625,982	585,241
Welcoming Communities for Newcomers	559,309	569,062
Resettlement Assistance Program	488,143	462,266
KidsFirst	418,490	398,716
Settlement Online Pre-Arrival	300,012	225,009
Newcomer Welcome Centre	269,996	252,790
Regional Newcomer Gateway	260,758	266,395
Regina Region Local Immigration Partnership	230,839	218,707
Sundry projects	213,048	147,131
Families in Transition	117,157	106,506
Career Bridging	91,712	-
Amortization of deferred contributions related to capital assets	90,268	77,924
Administration	56,374	14,182
Stage 1 & 2 English	54,251	58,508
English for Employment	44,548	41,210
Total revenue	\$ 11,177,928	\$ 10,888,533

REGINA OPEN DOOR SOCIETY INC.

Schedule 2 - KidsFirst

(unaudited)

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Revenue	\$ 418,490	\$ 398,716
Expenses:		
Salaries and benefits	337,357	310,149
Rent	32,243	34,648
Office	10,499	16,335
Insurance	11,162	7,803
Equipment rental	6,387	6,633
Honoraria	4,329	4,203
Repairs and maintenance	3,444	3,644
Travel and in town transportation	2,430	3,288
Goods and Services Tax (Input Tax Credit)	1,478	1,556
Staff Development and Training	906	403
Security and cleaning	95	156
Professional fees	-	50
	410,330	388,868
Excess of revenue over expenses	\$ 8,160	\$ 9,848

Administration overhead is not included in the above expenses. However an administration expense of \$8,160 (2019 - \$6,570) relates to KidsFirst.

REGINA OPEN DOOR SOCIETY INC.

Schedule 3 - Daycare

(unaudited)

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Revenue:		
Daycare fee	\$ 344,477	\$ 318,927
Provincial Government funding	281,408	265,960
Federal Government funding	184,194	177,538
Miscellaneous revenue	97	353
	810,176	762,778
Expenses:		
Salaries	655,175	606,763
Rent	63,387	63,387
Miscellaneous supplies	34,118	43,184
Office	13,001	13,651
Equipment rental	5,074	5,033
Bad debts	2,691	4,129
Staff development and training	2,589	3,599
Repairs and maintenance	1,845	1,812
Telephone	1,757	2,163
Security and cleaning	1,171	2,253
Insurance	1,009	965
Goods and Services Tax (Input tax credit)	825	959
Travel and in town transportation	82	55
	782,724	747,953
Excess of revenue over expenses	\$ 27,452	\$ 14,825