

Financial Statements of

REGINA OPEN DOOR SOCIETY INC.

And Independent Auditors' Report thereon

Year ended March 31, 2021

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, 2021
- 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, 2021 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

Chartered Professional Accountants

Regina, Canada
June 23, 2021

REGINA OPEN DOOR SOCIETY INC.

Statement of Financial Position

March 31, 2021, with comparative information for 2020

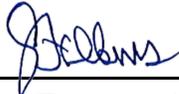
	2021	2020
Assets		
Current assets:		
Cash	\$ 3,496,517	\$ 2,290,698
Accounts receivable	468,134	754,877
Prepaid expenses	123,546	107,014
	<u>4,088,197</u>	<u>3,152,589</u>
Capital assets (note 3)	2,983,209	2,969,751
	<u>\$ 7,071,406</u>	<u>\$ 6,122,340</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 4)	\$ 81,469	\$ 221,643
Unearned revenue (note 5)	1,122,597	240,440
	<u>1,204,066</u>	<u>462,083</u>
Deferred contributions related to capital assets (note 6)	968,779	1,059,070
Net assets:		
Invested in capital assets	2,014,430	1,910,681
Internally restricted - capital improvements (note 7)	459,308	459,308
Internally restricted - contingency reserve (note 7)	2,400,000	2,000,000
Unrestricted net assets	24,823	231,198
	<u>4,898,561</u>	<u>4,601,187</u>
Commitments (note 8)		
	<u>\$ 7,071,406</u>	<u>\$ 6,122,340</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, 2021, with comparative information for 2020

	2021	2020
Revenue (schedule 1):		
Federal Government funding	\$ 6,831,065	\$ 7,766,924
Provincial Government funding	2,311,940	2,276,080
Other funding	530,958	554,593
Licensed childcare	279,969	344,477
Amortization of deferred contributions related to capital assets (note 6)	90,291	90,268
Donations	51,186	38,883
Interest income	8,248	17,242
Miscellaneous revenue	3,228	83,196
Household needs and furniture	2,056	6,265
	10,108,941	11,177,928
Expenses:		
Salaries and benefits	7,337,359	8,013,104
Rent	1,008,874	1,144,496
Repairs and maintenance	234,942	239,144
Office supplies	232,259	243,857
Amortization of capital assets	230,051	236,411
Staff development and training	129,656	107,210
Telephone	95,624	78,779
Childcare vendor fee	76,682	249,790
Security and cleaning	65,263	67,077
Insurance	49,363	49,637
Equipment rental	45,900	41,601
Taxes, licenses and fees	44,744	47,053
Utilities	43,966	65,237
GST and sales tax	43,426	49,780
Management fee	39,132	39,132
Professional fees	30,503	49,619
Advertising	28,268	37,216
Travel and in-town transportation	26,664	144,510
Honoraria	22,194	52,135
Household needs	10,406	10,692
Membership fees	7,481	9,415
Client start-up allowance	6,839	26,142
Interest and bank charges	1,971	2,232
Meeting hall rental	-	3,491
Bad debts	-	2,691
	9,811,567	11,010,451
Excess of revenue over expenses	\$ 297,374	\$ 167,477

See accompanying notes to financial statements.

REGINA OPEN DOOR SOCIETY INC.

Statement of Changes in Net Assets

Year ended March 31, 2021, with comparative information for 2020

	Invested in capital assets	Internally restricted - capital improvements (note 7)	Internally restricted - contingency reserve (note 7)	Unrestricted net assets	2021 Total	2020 Total
Balance, beginning of year	\$ 1,910,681	\$ 459,308	\$ 2,000,000	\$ 231,198	\$ 4,601,187	\$ 4,433,710
Excess of revenue over expenses	-	-	-	297,374	297,374	167,477
Purchase of capital assets	243,509	-	-	(243,509)	-	-
Amortization of capital assets	(230,051)	-	-	230,051	-	-
Amortization of deferred contributions related to capital assets (note 6)	90,291	-	-	(90,291)	-	-
Interfund transfers (note 7)	-	-	400,000	(400,000)	-	-
Balance, end of year	\$ 2,014,430	\$ 459,308	\$ 2,400,000	\$ 24,823	\$ 4,898,561	\$ 4,601,187

See accompanying notes to financial statements.

REGINA OPEN DOOR SOCIETY INC.

Statement of Cash Flows

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used for) the following activities		
Operating activities:		
Cash received for programs	\$ 11,179,301	\$ 10,783,296
Cash paid for programs	(2,398,891)	(2,651,923)
Cash paid for salaries and benefits	(7,337,359)	(8,020,096)
Interest and bank charges paid	(1,971)	(2,232)
Interest received	8,248	17,242
	<u>1,449,328</u>	<u>126,287</u>
Investing activities:		
Purchase of capital assets	<u>(243,509)</u>	<u>(97,633)</u>
Increase in cash	1,205,819	28,654
Cash, beginning of year	2,290,698	2,262,044
Cash, end of year	<u>\$ 3,496,517</u>	<u>\$ 2,290,698</u>

See accompanying notes to financial statements.

REGINA OPEN DOOR SOCIETY INC.

Notes to Financial Statements

Year ended March 31, 2021

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, 2021 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 has been declared as a pandemic by the World Health Organization, resulting in an economic slowdown. 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 position 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 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, 2021

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, 2021

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.

REGINA OPEN DOOR SOCIETY INC.

Notes to Financial Statements (continued)

Year ended March 31, 2021

3. Capital assets:

			2021	2020
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 1,072,000	\$ -	\$ 1,072,000	\$ 1,072,000
Buildings	2,499,664	977,721	1,521,943	1,643,226
Vehicles	267,346	195,136	72,210	87,286
Computer	1,057,431	847,751	209,680	66,903
Machinery and equipment	461,007	408,931	52,076	68,715
Furniture and fixtures	495,466	440,166	55,300	31,621
Leasehold improvements	9,103	9,103	-	-
	\$ 5,862,017	\$ 2,878,808	\$ 2,983,209	\$ 2,969,751

4. Accounts payable:

Included in accounts payable and accrued liabilities are government remittances payable of \$95,333 (2020 - \$65,304), which includes amounts payable for PST, worker's compensation, and payroll taxes.

5. Unearned revenue:

Unearned revenue is comprised of the following:

	2021	2020
KidsFirst	\$ 109,875	\$ 81,285
Other advances received	1,012,722	159,155
	\$ 1,122,597	\$ 240,440

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, 2021

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:

	2021	2020
Balance, beginning of year	\$ 1,059,070	\$ 1,149,338
Less: amounts recognized as revenue during the year	(90,291)	(90,268)
Balance, end of year	\$ 968,779	\$ 1,059,070

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 \$400,000 (2020 - \$nil) 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:

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, 2021

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, 2021, with comparative information for 2020

	2021	2020
Orientation Services for Newcomers	\$ 3,181,528	\$ 1,362,515
Language Instruction for Newcomers to Canada	2,805,206	3,734,349
Employment Readiness	1,144,542	1,142,542
Daycare	567,495	625,982
Resettlement Assistance Program	399,444	488,143
KidsFirst	387,794	418,490
Settlement Online Pre-Arrival	300,012	300,012
Regional Newcomer Gateway	238,838	260,758
Youth Employment and Skills Strategy (YESS) Program	221,643	-
Regina Region Local Immigration Partnership	220,642	230,839
Career Bridging	162,912	91,712
Sundry projects	146,148	213,048
Families in Transition	111,831	117,157
Amortization of deferred contributions related to capital assets	90,291	90,268
Stage 1 & 2 English	56,570	54,251
English for Employment	46,833	44,548
Administration	27,212	56,374
Settlement Support Workers in Schools	-	1,117,635
Welcoming Communities for Newcomers	-	559,309
Newcomer Welcome Centre	-	269,996
Total revenue	\$ 10,108,941	\$ 11,177,928

REGINA OPEN DOOR SOCIETY INC.

Schedule 2 - KidsFirst

(unaudited)

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Revenue	\$ 387,794	\$ 418,490
Expenses:		
Salaries and benefits	309,879	337,357
Rent	30,292	32,243
Office	11,263	10,499
Insurance	8,960	11,162
Equipment rental	6,744	6,387
Repairs and maintenance	6,694	3,444
Goods and Services Tax (Input Tax Credit)	1,290	1,478
Travel and in town transportation	670	2,430
Staff Development and Training	553	906
Honoraria	510	4,329
Security and cleaning	40	95
	376,895	410,330
Excess of revenue over expenses	\$ 10,899	\$ 8,160

Administration overhead is not included in the above expenses. However an administration expense of \$10,899 (2020 - \$8,160) relates to KidsFirst.

REGINA OPEN DOOR SOCIETY INC.

Schedule 3 - Daycare

(unaudited)

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Revenue:		
Provincial Government funding	\$ 287,115	\$ 281,408
Daycare fee	279,968	344,477
Federal Government funding	192,835	184,194
Miscellaneous revenue	412	97
	760,330	810,176
Expenses:		
Salaries	594,215	655,175
Rent	65,499	63,387
Miscellaneous supplies	35,541	34,118
Office	12,699	13,001
Equipment rental	4,833	5,074
Repairs and maintenance	2,624	1,845
Staff development and training	2,270	2,589
Insurance	1,925	1,009
Telephone	1,579	1,757
Goods and Services Tax (Input tax credit)	977	825
Security and cleaning	734	1,171
Bad debt	-	2,691
Travel and in town transportation	-	82
	722,896	782,724
Excess of revenue over expenses	\$ 37,434	\$ 27,452