Financial Statements of

REGINA OPEN DOOR SOCIETY INC.

Year ended March 31, 2019

REGINA OPEN DOOR SOCIETY INC.

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INDEPENDENT AUDITORS' REPORT

To the Members of Regina Open Door Society Inc.

Qualified 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, 2019
- 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, except for the possible effects of the matter described in the "Basis for Qualified Opinion" section of our auditors' report, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2019 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 Qualified Opinion

In common with many not-for-profit organizations, the Entity derives revenue from donations and miscellaneous revenue, 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 Entity.

Therefore, we were not able to determine whether any adjustments might be necessary to:

- the current assets reported in the statements of finacial position as at March 31, 2019 and March 31, 2018
- the donations and miscellaneous revenue and excess of revenues over expenses reported in the statements of operations for the years ended March 31, 2019 and March 31, 2018
- the unrestricted net assets, at the beginning and end of the year, reported in the statements of changes in net assets for the years ended March 31, 2019 and March 31, 2018
- the excess of revenue over expenses reported in the statements of cash flows for the years ended March 31, 2019 and March 31, 2018

Our opinion on the financial statements for the year ended March 31, 2018 was qualified 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 "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 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 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.

KPMG

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 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 19, 2019

REGINA OPEN DOOR SOCIETY INC.

Statement of Financial Position

March 31, 2019, with comparative information for 2018

	2019	2018
Assets		
Current assets:		
Cash	$ 2,262,044	$ 2,223,162
Accounts receivable	407,191	491,970
Prepaid expenses	147,503	128,156
	2,816,738	2,843,288
Capital assets (note 3)	3,108,529	3,021,453
	$ 5,925,267	$ 5,864,741
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 4)	$ 162,341	$ 324,957
Unearned revenue (note 5)	179,878	188,947
	342,219	513,904
Deferred contributions related to capital assets (note 6)	1,149,338	1,142,337
Net assets:		
Invested in capital assets	1,959,191	1,879,116
Internally restricted - capital improvements (note 7)	459,308	459,308
Internally restricted - contingency reserve (note 7)	2,000,000	1,850,000
Unrestricted net assets	15,211	20,076
	4,433,710	4,208,500
Commitments (note 8)		
	$ 5,925,267	$ 5,864,741

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, 2019, with comparative information for 2018

		2019		2018
Revenue (schedule 1):				
Federal Government funding	$	7,833,469	$	7,873,682
Provincial Government funding		2,156,782		2,121,881
Other funding		428,809		478,003
Licensed childcare		318,927		354,358
Amortization of deferred contributions related to capital assets (note 6)		77,924		74,636
Miscellaneous revenue		28,988		33,851
Donations		17,701		41,950
Interest income		17,556		7,949
Household needs and furniture		8,377		5,501
		10,888,533		10,991,811
Expenses:				
Salaries and benefits		7,728,573		7,768,586
Rent		1,173,239		1,154,214
Office supplies		276,876		337,201
Repairs and maintenance		251,631		191,875
Amortization of capital assets		236,544		232,274
Childcare vendor fee		164,924		145,751
Staff development and training		113,641		105,940
Travel and in-town transportation		86,135		150,908
Telephone		80,991		76,966
Security and cleaning		74,413		67,020
Utilities		63,782		65,246
Advertising		59,042		51,328
Professional fees		55,959		84,596
Honoraria		54,543		70,909
GST and sales tax		50,963		49,737
Equipment rental		45,889		55,685
Insurance		42,938		39,503
Taxes, licenses and fees		38,813		37,851
Client start-up allowance		30,267		20,629
Membership fees		13,139		9,237
Meeting hall rental		8,008		61,007
Household needs		7,192		5,771
Bad debts		4,129		3,985
Interest and bank charges		1,692		1,640
		10,663,323		10,787,859
Excess of revenue over expenses	$	225,210	$	203,952

See accompanying notes to financial statements.

REGINA OPEN DOOR SOCIETY INC.

Statement of Changes in Net Assets

Year ended March 31, 2019, with comparative information for 2018

	Invested in capital assets	Internally restricted - capital improvements (note 6)	Internally restricted - contingency reserve (note 6)	Unrestricted net assets	2019 Total	2018 Total
Balance, beginning of year	$ 1,879,116	$ 459,308	$ 1,850,000	$ 20,076	$ 4,208,500	$ 4,004,548
Excess of revenue over expenses	-	-	-	225,210	225,210	203,952
Purchase of capital assets	238,695	-	-	(238,695)	-	-
Amortization of capital assets	(236,544)	-	-	236,544	-	-
Amortization of deferred contributions related to capital assets (note 6)	77,924	-	-	(77,924)	-	-
Interfund transfers (note 7)	-	-	150,000	(150,000)	-	-
Balance, end of year	$ 1,959,191	$ 459,308	$ 2,000,000	$ 15,211	$ 4,433,710	$ 4,208,500

See accompanying notes to financial statements.

REGINA OPEN DOOR SOCIETY INC.

Statement of Cash Flows

Year ended March 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used for) the following activities		
Operating activities:		
Cash received for programs	$ 10,953,816	$ 11,835,655
Cash paid for programs	(2,878,605)	(2,708,602)
Cash paid for salaries and benefits	(7,728,573)	(7,768,586)
Interest and bank charges paid	(1,692)	(1,640)
Interest received	17,556	7,949
	362,502	1,364,776
Investing activities:		
Purchase of capital assets	(238,695)	(300,603)
Increase in deferred contributions related to capital assets (note 6)	(84,925)	(24,173)
	(323,620)	(324,776)
Increase in cash	38,882	1,040,000
Cash, beginning of year	2,223,162	1,183,162
Cash, end of year	$ 2,262,044	$ 2,223,162

See accompanying notes to financial statements.

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, 2019 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.

(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.

2. Significant accounting policies (continued):

(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.

(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.

2. Significant accounting policies (continued):

(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. Actual results could differ from those estimates.

3. Capital assets:

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Land	$ 1,072,000	$ -	$ 1,072,000	$ 1,072,000
Buildings	2,499,664	735,207	1,764,457	1,718,102
Vehicles	265,552	164,348	101,204	29,264
Computer	837,251	712,954	124,297	136,995
Machinery and equipment	394,548	371,969	22,579	34,838
Furniture and fixtures	442,757	418,765	23,992	30,254
Leasehold improvements	9,103	9,103	-	-
	$ 5,520,875	$ 2,412,346	$ 3,108,529	$ 3,021,453

4. Accounts payable:

Included in accounts payable and accrued liabilities are government remittances payable of $160 (2018 - $10,408), which includes amounts payable for GST, PST and payroll taxes.

5. Unearned revenue:

Unearned revenue is comprised of the following:

		2019		2018
KidsFirst	$	66,970	$	124,101
Other advances received		112,908		64,846
	$	179,878	$	188,947

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.

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:

		2019		2018
Balance, beginning of year	$	1,142,337	$	1,192,800
Add: current year contribution from KidsFirst		84,925		24,173
Less: amounts recognized as revenue during the year		(77,924)		(74,636)
Balance, end of year	$	1,149,338	$	1,142,337

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 $150,000 (2018 - $50,000) 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:

2020	$	1,274,475
2021		1,102,173
2022		1,003,719
2023		1,009,054
2024		1,021,054

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

Year ended March 31, 2019, with comparative information for 2018

	2019	2018
Language Instruction for Newcomers to Canada Orientation	$ 3,968,520	$ 3,859,896
Services for Newcomers	1,302,375	1,348,106
Employment Readiness	1,138,008	1,121,921
Settlement Support Workers in Schools	1,055,983	895,121
Daycare	585,241	762,031
Welcoming Communities for Newcomers	569,062	505,864
Resettlement Assistance Program	462,266	440,684
KidsFirst	398,716	337,655
Regional Newcomer Gateway	266,395	257,459
Newcomer Welcome Centre	252,790	254,287
Settlement Online Pre-Arrival Program	225,009	225,009
Regina Region Local Immigration Partnership	218,707	233,357
Sundry projects	147,131	228,744
Families in Transition	106,506	101,942
Amortization of deferred contributions related to capital assets	77,924	74,636
Stage 1 & 2 English	58,508	95,650
Advanced Language Training	41,210	49,827
Administration	14,182	7,955
Saskatchewan Settlement Workers In Schools Coordination	-	191,667
Total revenue	$ 10,888,533	$ 10,991,811

REGINA OPEN DOOR SOCIETY INC.
Schedule 2 - KidsFirst
(unaudited)
Year ended March 31, 2019, with comparative information for 2018

		2019		2018
Revenue	$	398,716	$	337,655
Expenses				
Salaries and benefits		310,149		261,479
Rent		34,648		34,494
Office		16,335		13,941
Insurance		7,803		5,986
Equipment rental		6,633		3,590
Honoraria		4,203		3,033
Repairs and maintenance		3,644		5,714
Travel and in town transportation		3,288		2,972
Goods and Services Tax (Input Tax Credit)		1,556		1,434
Staff Development and Training		403		-
Security and cleaning		156		119
Professional fees		50		40
		388,868		332,802
Excess of revenue over expenses	$	9,848	$	4,853

Administration overhead is not included in the above expenses. However an administration expense of $6,570 (2018 - $4,853) relates to KidsFirst. During the year, $84,925 of surplus that had been recorded as unearned revenue related to the KidsFirst Program ("the Program") was used to purchase three vehicles and a computer for the Program's use (note 6). An amount of $84,925 was transferred out of the Program's allocated surplus and was recorded as deferred contributions related to capital assets and will be amortized to revenue over the life of the asset.

REGINA OPEN DOOR SOCIETY INC.

Schedule 3 - Daycare

(unaudited)

Year ended March 31, 2019, with comparative information for 2018

		2019		2018
Revenue				
Daycare fee	$	318,927	$	354,358
Provincial Government funding		265,960		268,523
Federal Government funding		177,538		135,926
Miscellaneous revenue		353		3,224
		762,778		762,031
Expenses:				
Salaries		606,763		612,729
Rent		63,387		63,387
Miscellaneous supplies		43,184		40,609
Office		13,651		12,264
Equipment rental		5,033		3,259
Bad debts		4,129		3,985
Staff development and training		3,599		10,743
Security and cleaning		2,253		320
Telephone		2,163		2,023
Repairs and maintenance		1,812		1,733
Insurance		965		1,202
Good and Services Tax (Input tax credit)		959		(1,195)
Travel and in town transportation		55		525
		747,953		751,584
Excess of revenue over expenses	$	14,825	$	10,447