Entity Structure Review
November 2025

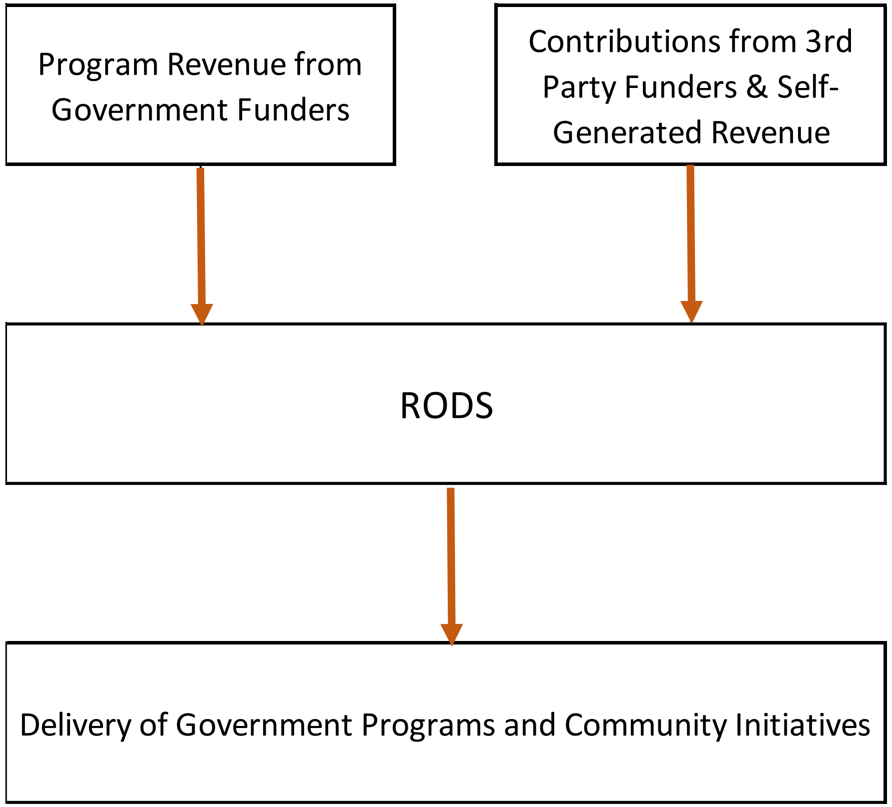
Our world: the view from Regina

Our world: the view from Tokyo

Our world: the view from Bucharest

Our view of the world depends on our perspective

RODS: the view from Regina



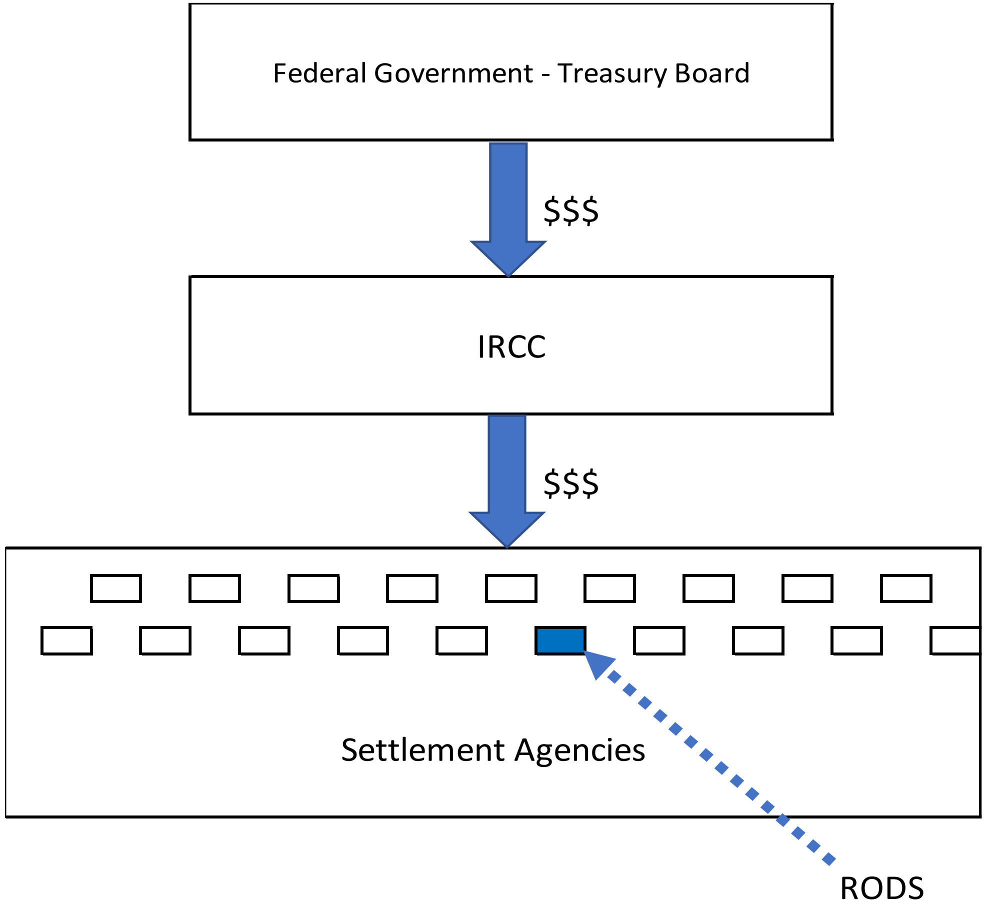
How are we viewed by governments? Let’s walk a mile in their shoes.

“To catch a wabbit, you have to think like a wabbit.”

Elmer Fudd

RODS: the view from Ottawa

(It's their world, and we're just living in it)



So who are we?

We are DoorDash/Skip the Dishes

- Governments find money to fund programs
- Governments design programs
- Governments establish oversight for the programs

BUT

- Local delivery of the programs is outsourced to individual settlement agencies

GOVERNMENT'S VIEW:

The Regina Open Door Society enables us to deliver a portfolio of programs that we have designed and funded.

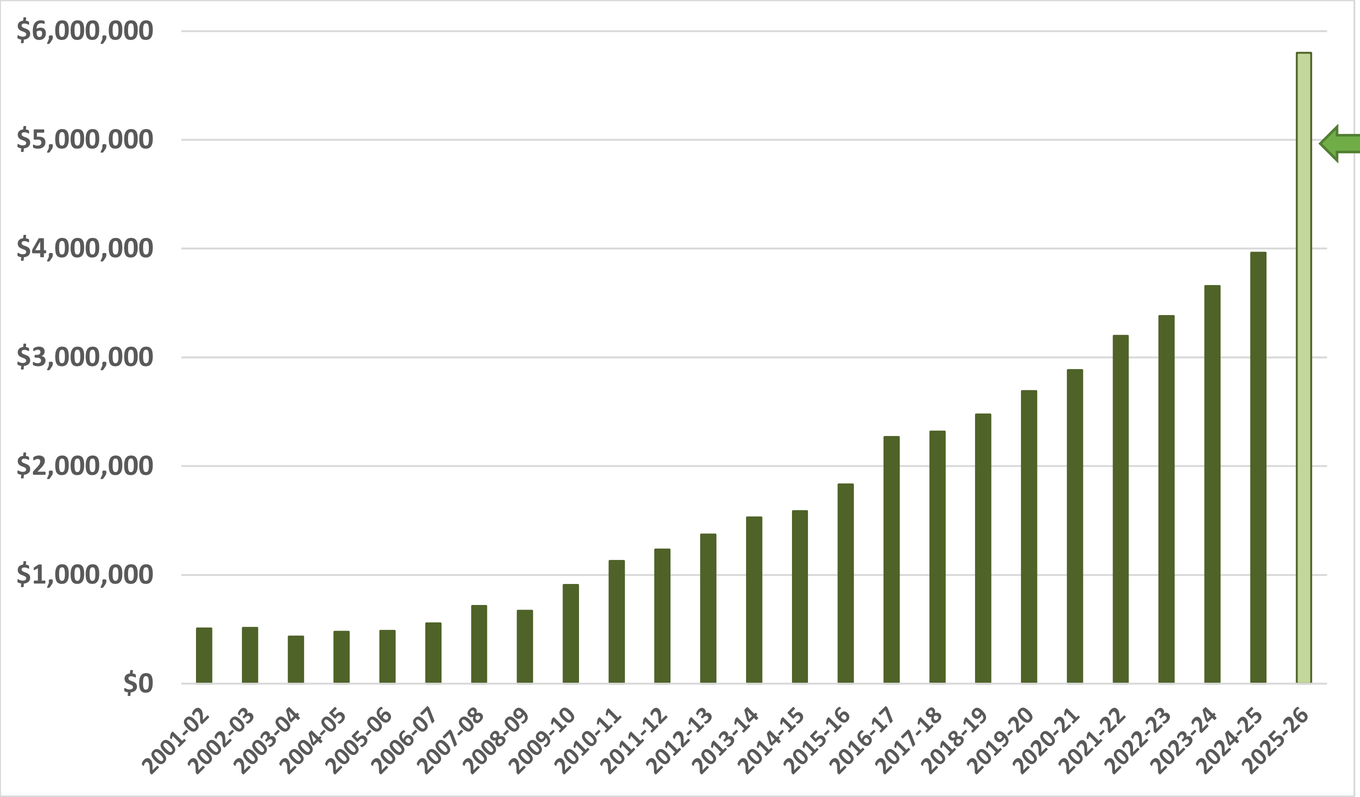
Are these two statements equivalent? Not really.

- ***The top statement is narrow and operational.***
- ***The mission is broad and aspirational.***

RODS' MISSION STATEMENT:

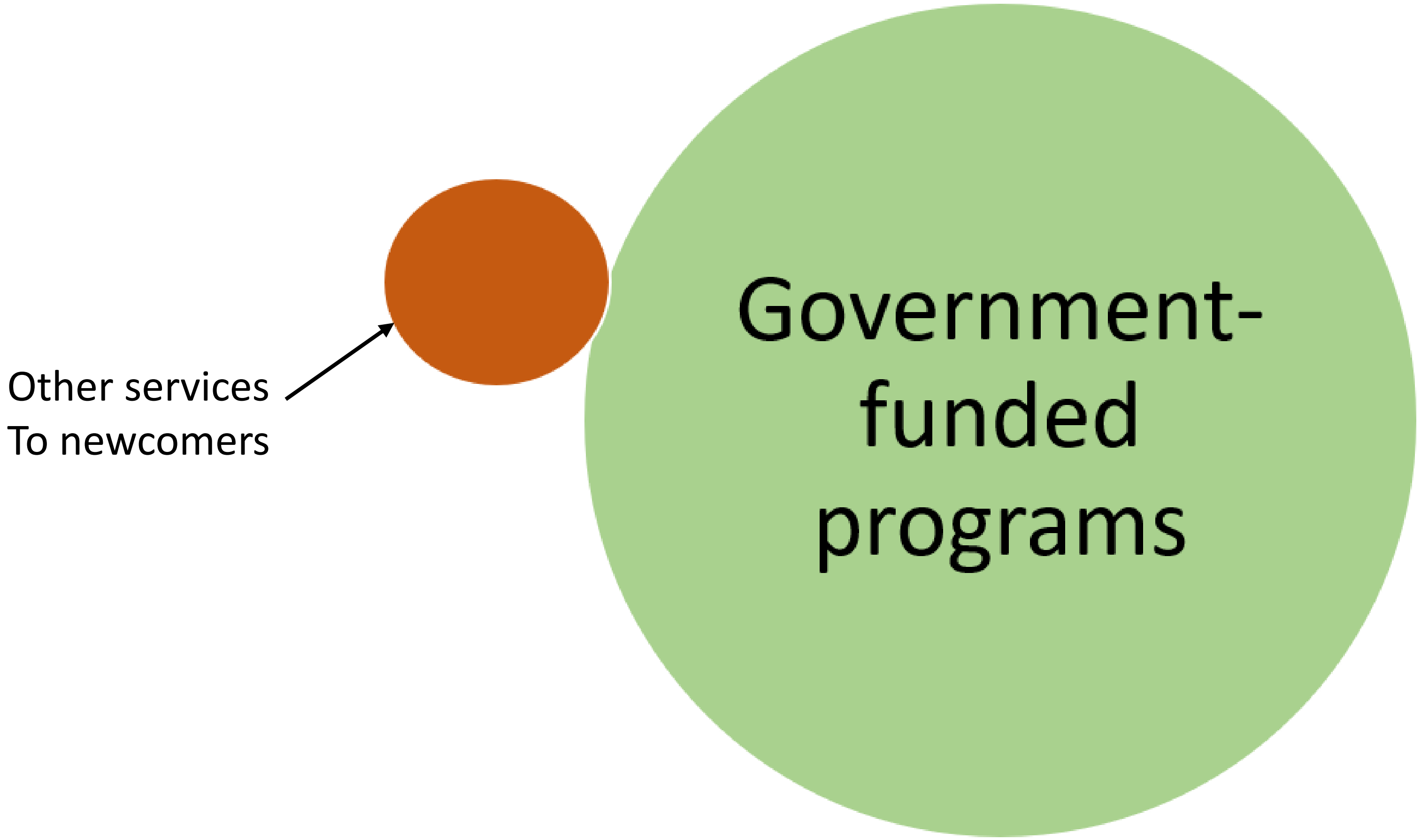
Regina Open Door Society is a non-profit organization that provides settlement and immigration services to refugees and immigrants in Regina. Regina Open Door Society is committed to meeting the needs of newcomers by offering programs and services that enable them to achieve their goals and participate fully in the larger community.

RODS’ Financial Reserves



Includes estimated proceeds from property sales

So what can we become?



Problems with the current structure and finances of RODS

1. IRCC delays funding to RODS because of RODS’ large cash balances. This reduces RODS’ opportunity to earn interest income on its internally generated assets.

2. Large cash balances may be seen by prospective donors as evidence that RODS is not in need of financial support.

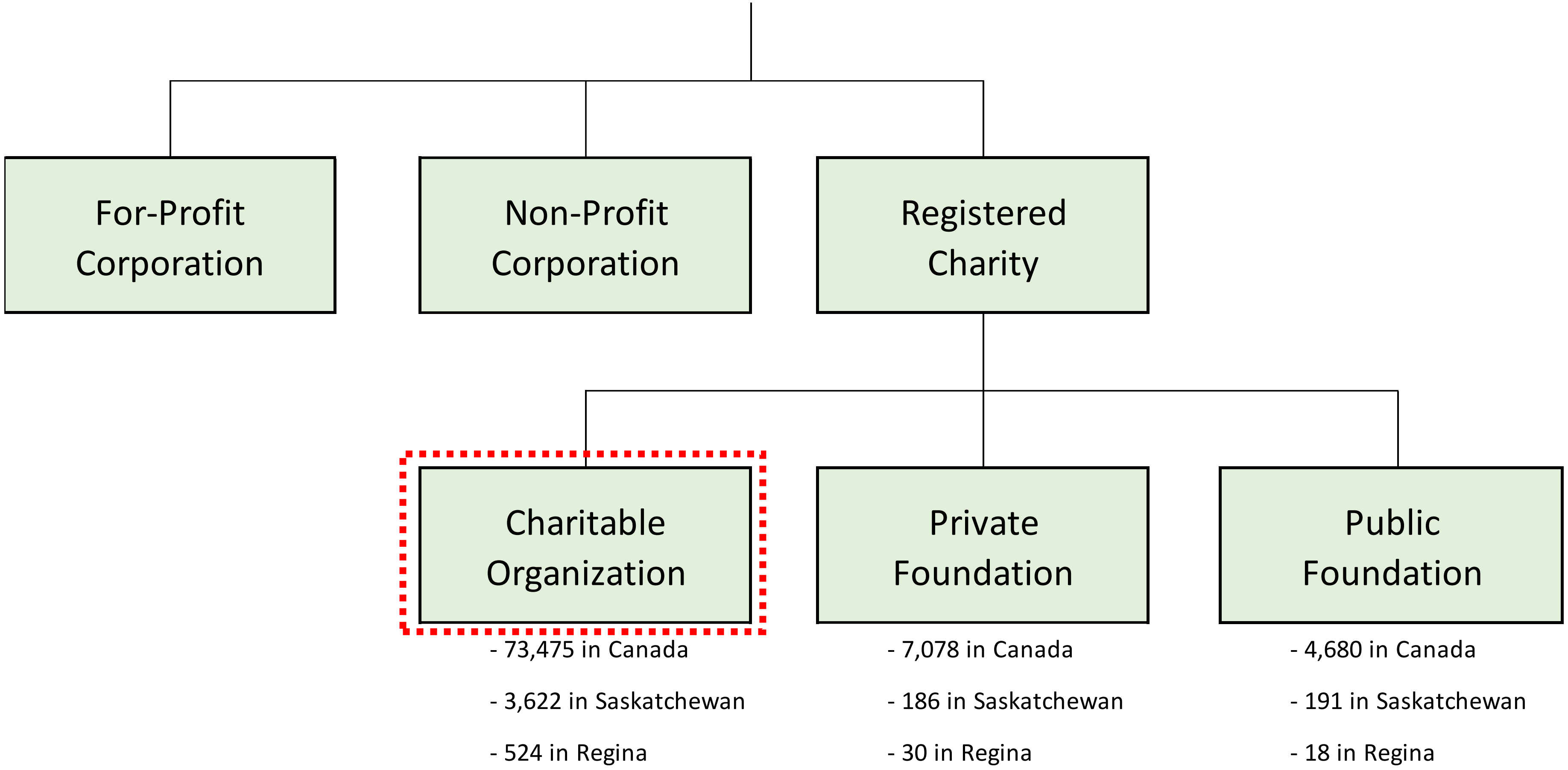
3. The IRCC limits the ability of its funded agencies to do fundraising.

4. Pending changes to the investment policy will result in financial statements that are more confusing for stakeholders; RODS’ results for the year (i.e. surplus or deficit) will be materially influenced by investment activities.

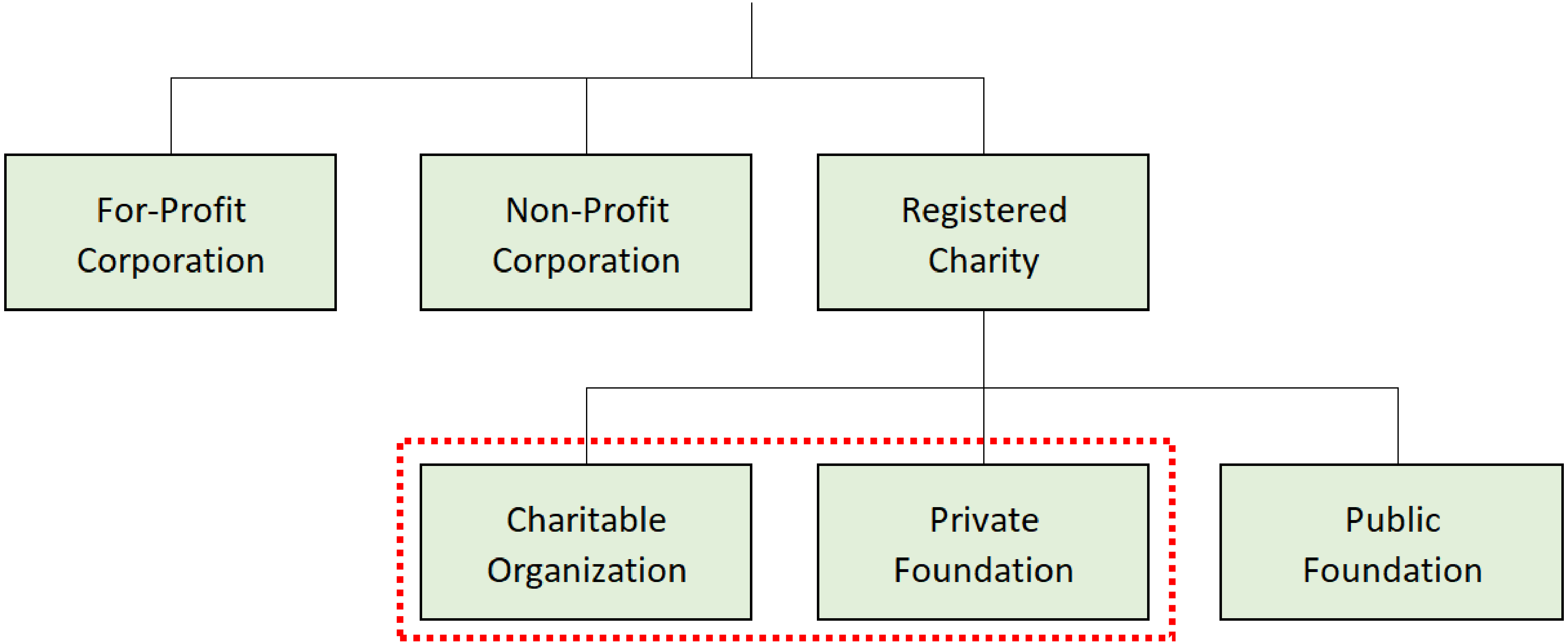
5. Combining all of RODS’ revenue and assets into a single set of financial statements makes it difficult for stakeholders to differentiate the impact of government funding from other RODS activities.

In light of the above issues, does it make sense for RODS to establish a second entity?

Commonly Used Entity Types



Commonly Used Entity Types



The most suitable structure for a second entity would be a private foundation.

Using a Foundation to Fill the Gaps

"Calgary Public Library Foundation connects and inspires donors to support Calgary Public Library's innovative and enhanced programs and services beyond their core funding."

During 2023 and 2024, the Foundation provided 3.2% of the Calgary Public Library Board's revenue, through a combination of investment income and donations received by the Foundation.

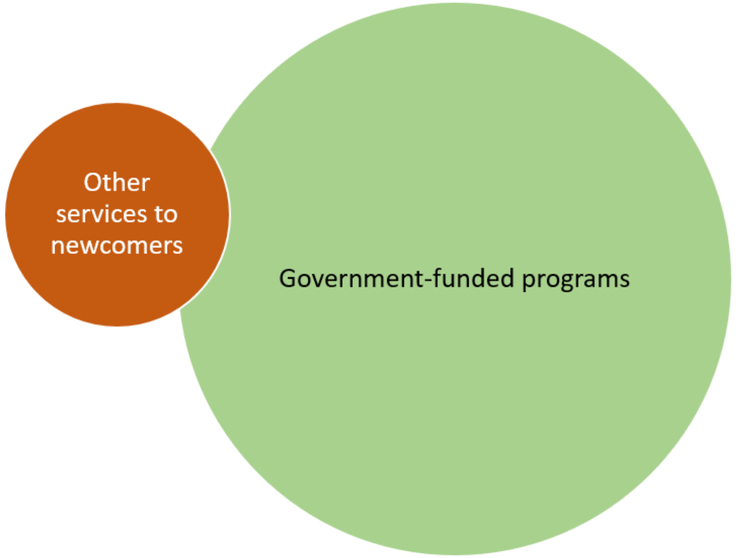
Using a Foundation to Fill the Gaps (cont.)

"The mission of the Catholic Immigration Centre Foundation is to provide funds for the promotion, development, operation, maintenance and other benefit of the Catholic Centre for Immgrants – Ottawa/Centre"

Established in 1996, the CCI Foundation provided 2.0% of the revenue of the Catholic Centre for Immigrants – Ottawa Centre during the six year period ending 2024. This was achieved through a combination of investment income and donations received by the Foundation.

At March 31, 2024, the Foundation had assets under management of $1.7 million.

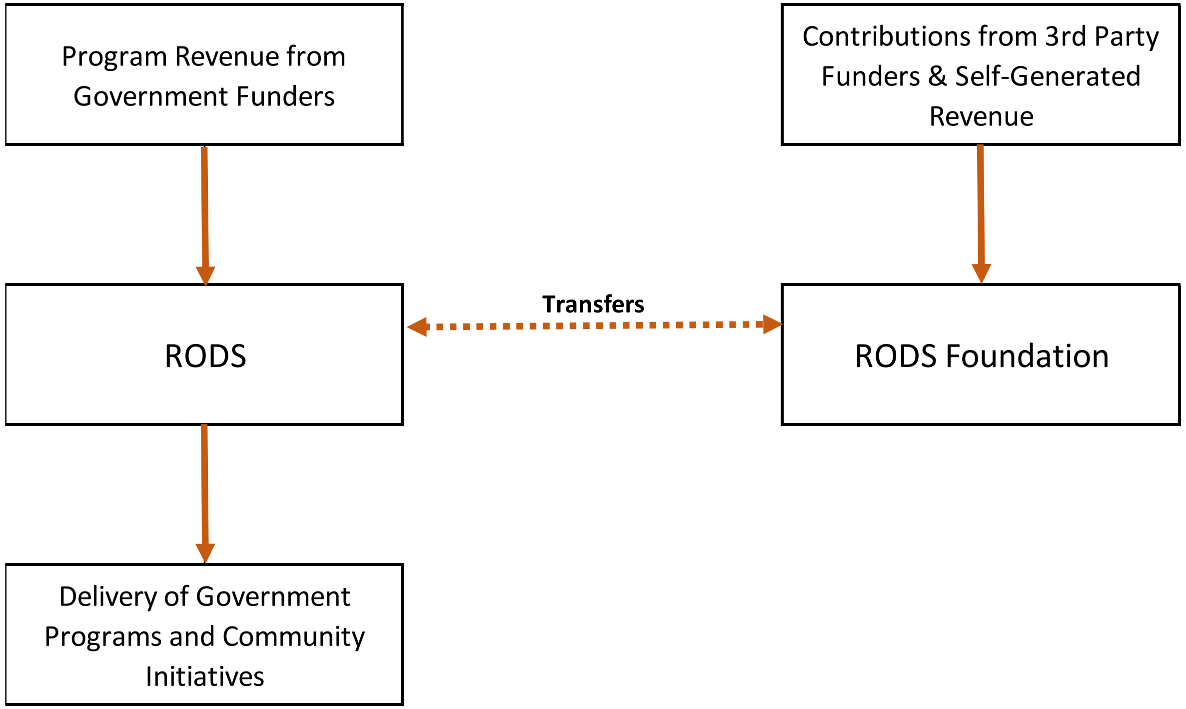
Reimagining the Structure of RODS



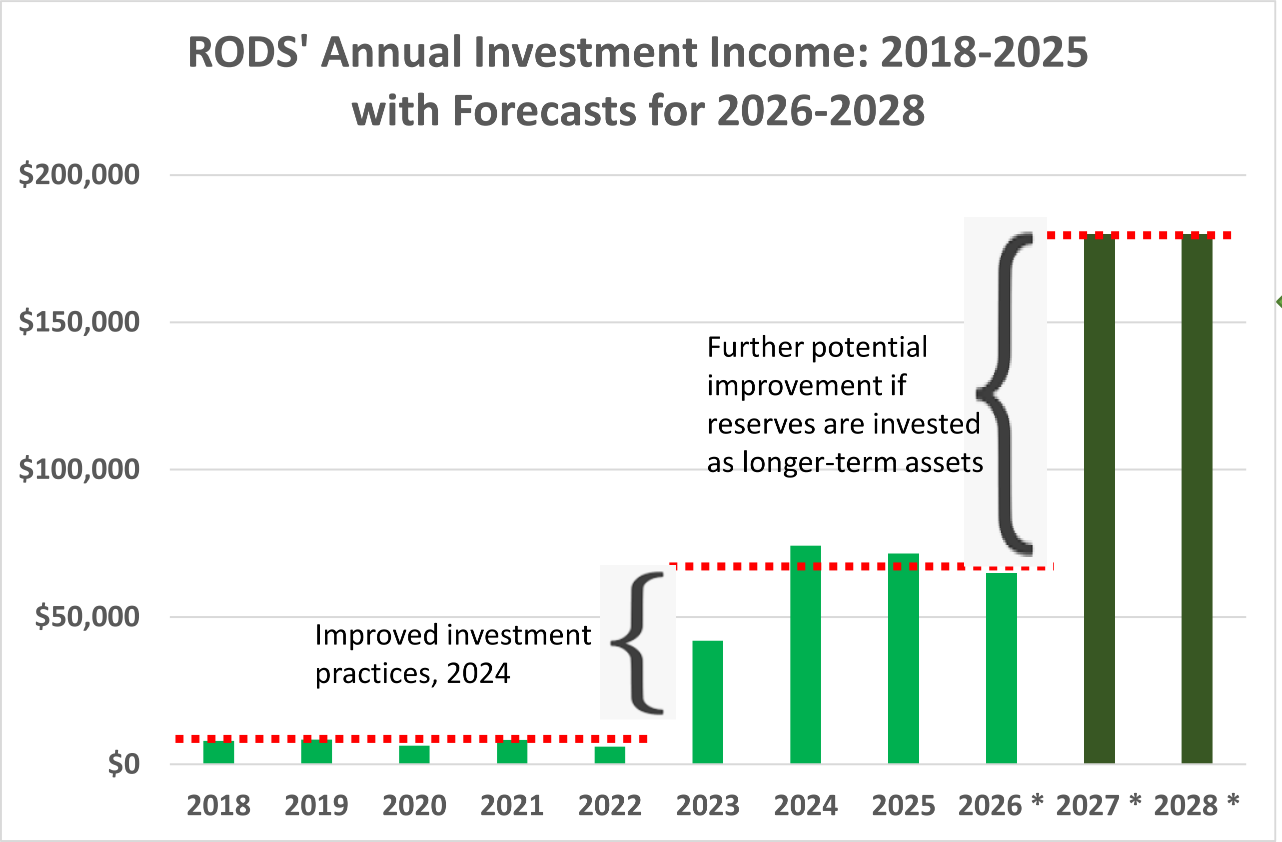
Dual Roles with Segregation

Role #1 - Delivery of Government Programs

Role #2 - Internally Funded Initiatives and Community Partnerships



What is possible?



Assumes 5% annual return on $3.6M

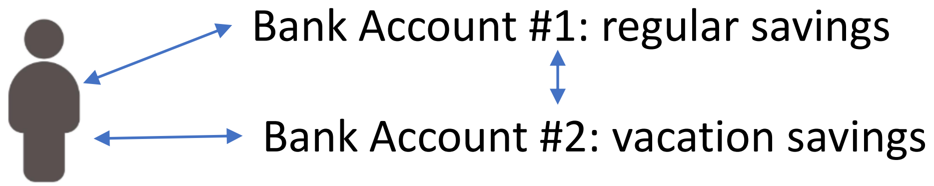
* assumption/forecast

This sounds complicated. Is it?

Not really.

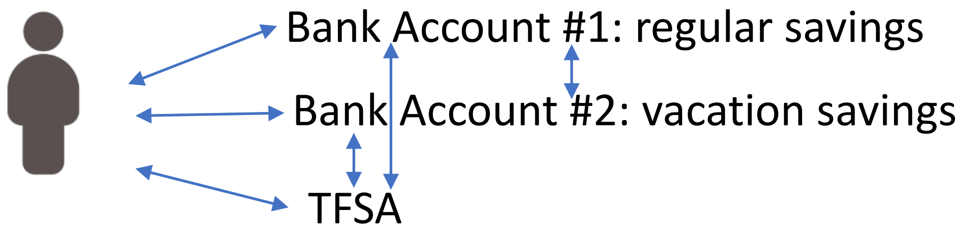
It is a bit like an individual opening a tax free savings account (TFSA) or a registered retirement savings plan (RRSP).

Before:



The individual has unlimited ability to move funds between their two bank accounts, subject to the potential for incurring bank fees

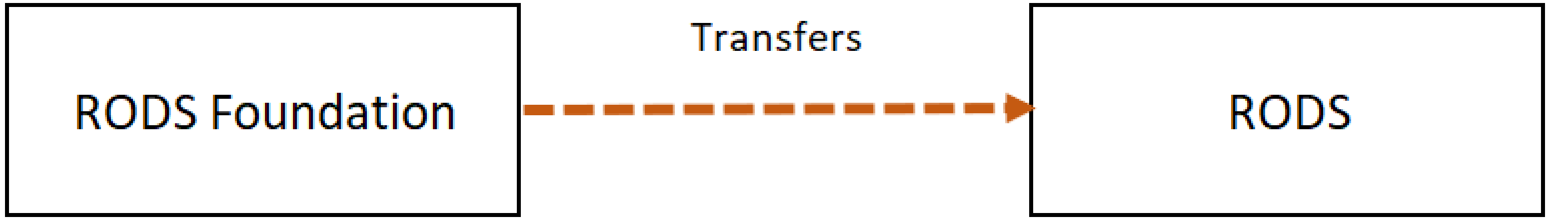
After:



- The individual still has unlimited ability to move funds between their two bank accounts
- The individual can also move money in and out of their TFSA account, however there are special rules involved. For example:
  - There is a lifetime contribution limit that caps the amount that can be contributed; AND
  - Amounts withdrawn cannot be recontributed until the following year unless sufficient contribution room exists

Key specific applicable rules

The CRA's largest concern is the transfer of money between the RODS Foundation and RODS.



Examples of prohibited transfers/transfers of concern to the CRA:

- Transfers to offshore recipients
- Transfers to support political activity
- Transfers involving personal benefit to a non-arms' length individual
- Transfers to qualified recipients that are not intended for use in a charitable purpose.

Documentation of the purpose of the transfer is critical!

The Scope of the Commitment

- Nothing here is irreversible. Just like contributing to a TFSA, you can contribute money one day and withdraw any or all of it the next day. You can even close the plan if you wish.

- The only real commitment to establishing a private foundation is the professional fees associated with establishing it ($15,000-20,000?) and winding it up.

Incremental Risks

- There will be an ongoing communication challenge to explain the purpose of the structure to stakeholders
  - *This is likely mostly a one-time issue*

- There is a possibility that government funders may see it as poor transparency or a form of financial manipulation
  - *The long-time existence of a foundation associated with an Ottawa settlement agency establishes a precedent and demonstrates that the foundation has a legitimate purpose and is not just a financial gimmick*

- There is no guarantee that the IRCC will change the way in which it funds RODS (i.e. by moving from advances to recoveries)
  - *A change in the funding pattern could take multiple years to emerge, but there is reason to expect that it will occur eventually. Even if it never happens, the other benefits of establishing a foundation are of sufficient magnitude to justify with proceeding down this path.*

Summary of Key Advantages of a Foundation

1. Provides greater flexibility when implementing a reserves management strategy (i.e. it alleviates pressure to spend the money)

2. Clearly expresses RODS' intent to internal AND external stakeholders to be more than a provider of government programs (RODS > DoorDash)

3. Places RODS on equal footing with other settlement agencies re: terms and conditions of federal funding

4. Improves RODS' ability to participate in fundraising activities

5. Instills greater confidence in donors because internally generated funds are clearly segregated from government revenues

Any questions?

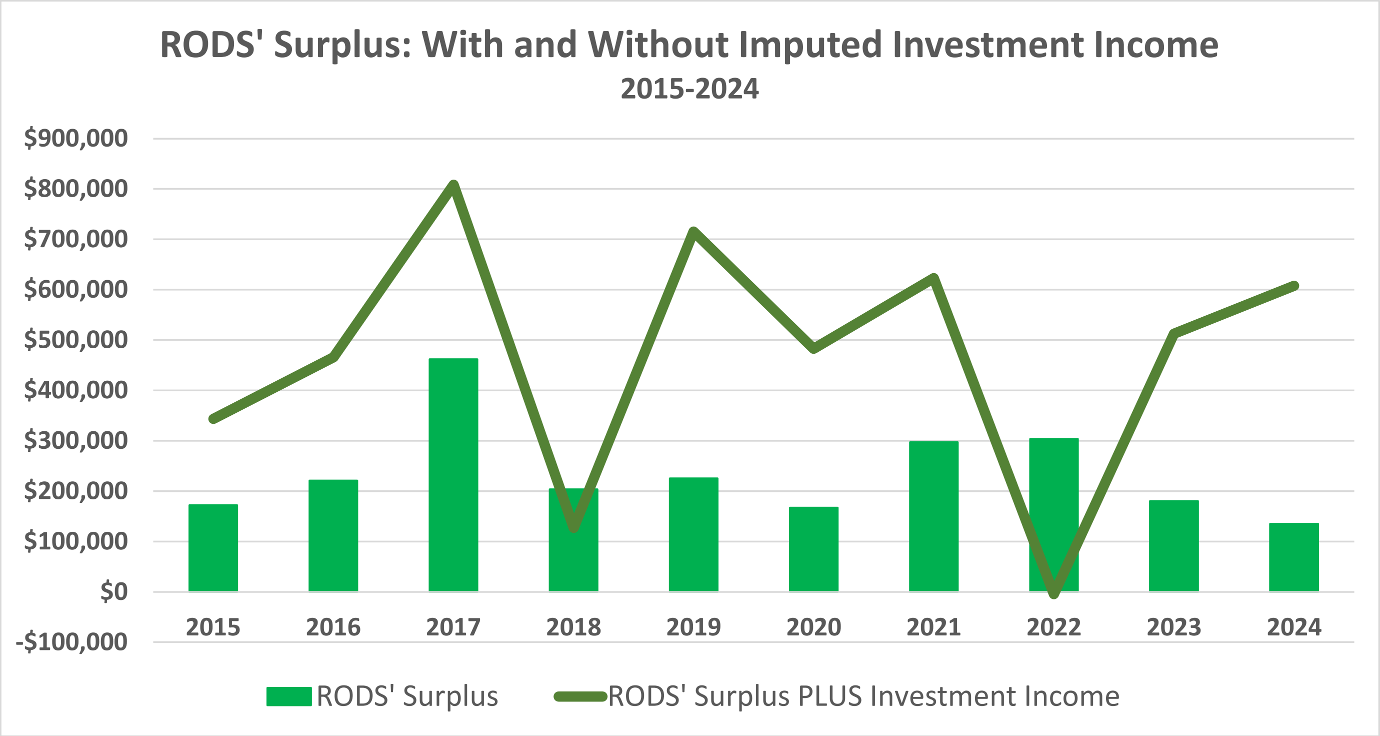
RODS Foundation Project: Project Plan

Nov. to Dec.	Finance Committee works with advisors to conduct detailed analysis
Nov. to Dec.	Finance Committee determines whether to proceed with recommendation to Board
Dec. to Jan.	Finance Committee drafts recommendation to Board
Jan/26	Finance Committee presents decision item to Board (either at retreat or at monthly meeting)
Feb. - Mar.	Details of application process confirmed with advisers, application process commences
July to Sept.	Application approved, entity created
Oct. to Dec.	Staff and Board training, detailed documentation
Jan/27	New entity operational

Next Steps

- Establishing a foundation is a two step process:
  - The first step is to create a non-profit corporation
  - The second step is to file form T2050 with the Canada Revenue Agency (“Application to Register a Charity Under the Income Tax Act”)

RODS’ Financial Results: 2015-2024



In the 10 years ending in 2024, RODS’ surpluses reported in the financial statements ranged from $135k to $462k .

If investment income is imputed on a portfolio of $3.5 million, and the return of a typical balanced fund are assumed, the range of surpluses is far more volatile, with a high of $808k and a low of a loss of $5k.