

REGINA TRANSITION HOUSE INC.

Financial Statements

Year Ended March 31, 2022

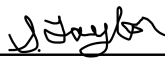
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Regina Transition House Inc. have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Regina Transition House Inc.'s reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board meets periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Board of Directors approve the financial statements and considers the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the members by MWC Chartered Professional Accountants LLP, in accordance with Canadian generally accepted auditing standards.



Executive Director



Chairperson

Regina, SK
June 23, 2022



Chartered Professional
Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Regina Transition House Inc.

Qualified Opinion

We have audited the financial statements of Regina Transition House Inc. (the Corporation), which comprise the statement of financial position as at March 31, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2022, and the results of its operations and 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 charitable organizations, the Corporation is unable to economically implement controls that will offer assurance on the completeness of donations and we were not able to satisfy ourselves on amounts reported using other procedures. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Corporation and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues (expenses), and cash flows from operations for the years ended March 31, 2022, and 2021, current assets and net assets as at March 31, 2022, and 2021.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the corporation in accordance with 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 ASNPO, 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 Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

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An asset to our clients, not an expense

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Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's 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 auditor's 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 these 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 Corporation'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 Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Corporation 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.

We 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.



Chartered Professional Accountants

Regina, Saskatchewan
June 23, 2022

REGINA TRANSITION HOUSE INC.

Statement of Financial Position

March 31, 2022

	Operating	Restricted	2022	2021
ASSETS				
CURRENT				
Cash	\$ 690,908	\$ -	\$ 690,908	\$ 531,716
Accounts receivable	512	-	512	5,000
Prepaid expenses	26,922	-	26,922	22,358
Goods and services tax rebate	1,735	-	1,735	2,547
	720,077	-	720,077	561,621
CAPITAL ASSETS (Note 4)	1,085,346	-	1,085,346	1,170,428
INVESTMENTS (Note 5)	232,115	465,000	697,115	671,972
	\$ 2,037,538	\$ 465,000	\$ 2,502,538	\$ 2,404,021

LIABILITIES AND NET ASSETS

CURRENT

Accounts payable	\$ 16,198	\$ -	\$ 16,198	\$ 17,394
Current portion of long term debt (Note 6)	-	-	-	1,864
Wages payable	41,336	-	41,336	39,361
Deferred revenue (Note 7)	104,372	-	104,372	72,038
Employee education and wellness	5,309	-	5,309	4,919
	167,215	-	167,215	135,576

NET ASSETS

Unrestricted	784,977	-	784,977	634,881
Invested capital assets	1,085,346	-	1,085,346	1,168,564
Future costs	-	300,000	300,000	300,000
Building fund	-	165,000	165,000	165,000
	1,870,323	465,000	2,335,323	2,268,445
	\$ 2,037,538	\$ 465,000	\$ 2,502,538	\$ 2,404,021

CONTINGENT FUNDING (Note 10)


COLLECTIVE BARGAINING AGREEMENT (Note 12)

LEASE COMMITMENTS (Note 14)

ON BEHALF OF THE BOARD



Director



Director

See notes to financial statements

REGINA TRANSITION HOUSE INC.

Statement of Operations Year Ended March 31, 2022

	Budget	2022	2021
REVENUES			
<u>Grant funding</u>			
Ministry of Justice	\$ 853,000	\$ 882,863	\$ 852,937
Other grants	59,000	71,095	79,344
United Way Regina	58,000	53,485	39,836
Women and Gender Equality Canada	33,000	50,166	60,934
Community Initiatives Fund	20,000	36,852	25,340
City of Regina	27,000	27,000	27,000
<u>Other sources</u>			
Donations	100,000	85,306	113,469
Investment income	11,000	25,668	13,239
Fundraising	600	2,102	1,043
Memberships	200	225	240
Federal government pandemic subsidies	-	-	18,875
	<u>1,161,800</u>	<u>1,234,762</u>	<u>1,232,257</u>
EXPENSES			
Administrative (<i>Schedule 1</i>)	39,900	36,109	35,124
Building Occupancy (<i>Schedule 2</i>)	172,800	175,078	159,325
Client Supplies and Services (<i>Schedule 3</i>)	118,000	91,632	109,963
Personnel (<i>Schedule 4</i>)	865,300	865,066	848,401
	<u>1,196,000</u>	<u>1,167,885</u>	<u>1,152,813</u>
EXCESS OF REVENUES (EXPENSES)	<u>\$ (34,200)</u>	<u>\$ 66,877</u>	<u>\$ 79,444</u>

See notes to financial statements

REGINA TRANSITION HOUSE INC.

Statement of Changes in Net Assets

Year Ended March 31, 2022

	2021 Balance	Excess of revenues (expenses)	Interfund transfers (Note 8)	2022 Balance
Operating				
Unrestricted	\$ 634,881	\$ 158,786	\$ (8,691)	\$ 784,976
Invested in capital assets	1,168,564	(91,909)	8,691	1,085,346
	<u>1,803,445</u>	<u>66,877</u>	<u>-</u>	<u>1,870,322</u>
Restricted				
Future costs	300,000	-	-	300,000
Building fund	165,000	-	-	165,000
	<u>465,000</u>	<u>-</u>	<u>-</u>	<u>465,000</u>
	<u>\$ 2,268,445</u>	<u>\$ 66,877</u>	<u>\$ -</u>	<u>\$ 2,335,322</u>
	2020 Balance	Excess of revenues (expenses)	Interfund transfers	2021 Balance
Operating				
Unrestricted	\$ 478,948	\$ 170,150	\$ (14,217)	\$ 634,881
Invested in capital assets	1,245,053	(90,706)	14,217	1,168,564
	<u>1,724,001</u>	<u>79,444</u>	<u>-</u>	<u>1,803,445</u>
Restricted				
Future costs	300,000	-	-	300,000
Building fund	165,000	-	-	165,000
	<u>465,000</u>	<u>-</u>	<u>-</u>	<u>465,000</u>
	<u>\$ 2,189,001</u>	<u>\$ 79,444</u>	<u>\$ -</u>	<u>\$ 2,268,445</u>

See notes to financial statements

REGINA TRANSITION HOUSE INC.

Statement of Cash Flows Year Ended March 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Excess of revenues (expenses)	\$ 66,877	\$ 79,444
Item not affecting cash:		
Amortization	91,909	90,706
	<u>158,786</u>	<u>170,150</u>
Changes in non-cash working capital:		
Accounts receivable	4,488	(4,455)
Accounts payable	(1,195)	1,182
Deferred revenue	32,334	54,021
Prepaid expenses	(4,564)	(5,916)
Goods and services tax rebate	812	(643)
Wages payable	1,975	(12,599)
Employee education and wellness	390	1,073
	<u>34,240</u>	<u>32,663</u>
Cash flow from operating activities	<u>193,026</u>	<u>202,813</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(6,827)	(3,098)
Reinvested earnings and purchase of investments	(25,143)	(12,618)
Cash flow used by investing activities	<u>(31,970)</u>	<u>(15,716)</u>
FINANCING ACTIVITY		
Repayment of long term debt	(1,864)	(11,119)
Cash flow used by financing activity	<u>(1,864)</u>	<u>(11,119)</u>
INCREASE IN CASH FLOW	159,192	175,978
CASH - BEGINNING OF YEAR	531,716	355,738
CASH - END OF YEAR	\$ 690,908	\$ 531,716

See notes to financial statements

REGINA TRANSITION HOUSE INC.

Notes to Financial Statements

Year Ended March 31, 2022

1. NATURE OF THE ORGANIZATION

The Regina Transition House Inc. (the "Corporation" or "RTH") was created under the provisions of the Non-Profit Corporation Act and is a registered charity and as such, is exempt from income taxes.

The Corporation serves the needs of women and children through the provision of safe temporary shelter and support services. They also provide education and offer a voice to address family violence.

2. ECONOMIC DEPENDENCE

The Corporation is dependent on continued grant funding from its core funding agent, the Minister of Justice (the Ministry). In the absence of this funding, the Corporation would be required to replace the funding with other sources or generate other revenues to continue operations in the current manner.

The Corporation has a three year funding agreement with the Ministry that commenced April 1, 2021 and expires March 31, 2024.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Fund accounting

The Corporation uses fund accounting to report its operations and restrictions on net assets as set out by the Board of Directors. Temporary payments between funds are recorded as inter-fund balances and permanent transfers are reported in the statement of net assets.

- a) Unrestricted Operating Fund - reports the primary operations of the Corporation including revenues received for the provision of services from the Ministry of Justice and Attorney General. Other revenue consists of grants, donations and fundraising revenue. Expenses are for the delivery of service.
- b) Invested in Capital Assets - reports the net value of capital assets less related debt.
- c) Future Costs Fund - internally restricted fund which reports the future costs fund has been earmarked as an emergency fund to contain up to three months operating costs.
- d) Building Fund - internally restricted fund for the acquisition of new property and maintenance of the existing property.

Revenue recognition

The Corporation follows the restricted fund method of accounting for contributions. Contributions include donations, grants, subsidies and sponsorships, and are recognized when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted contributions are recognized in the Operating Fund in the period earned and restricted contributions in the designated restricted fund in the year received, or receivable.

Fundraising revenue and investment income are recognized in the period earned. Membership revenue is recognized when received.

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REGINA TRANSITION HOUSE INC.

Notes to Financial Statements

Year Ended March 31, 2022

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized on a straight-line basis over their estimated useful lives. A full year of amortization is taken in the year of addition. Donated capital assets are recorded at their fair value at the date of contribution (if fair value can be reasonably determined).

Land		non-depreciable
Buildings	25 years	straight-line method
Household equipment & security system	10 years	straight-line method
Playground equipment	10 years	straight-line method
Automotive	3 years	straight-line method
Computer equipment	3 years	straight-line method

Financial instruments policy

Financial instruments are classified at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale or issue of financial instruments are expensed when incurred.

Financial assets including cash and accounts receivable are reported at amortized cost. Investments are reported at fair value.

Financial liabilities including accounts payable, accrued liabilities and long term debt are measured at amortized cost.

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Land	\$ 31,737	\$ -	\$ 31,737	\$ 31,737
Buildings	1,708,675	676,053	1,032,622	1,100,969
Household equipment & security system	110,687	94,740	15,947	26,679
Playground equipment	9,587	9,587	-	959
Automotive	33,621	33,621	-	-
Computer equipment	25,489	20,449	5,040	10,084
	<u>\$ 1,919,796</u>	<u>\$ 834,450</u>	<u>\$ 1,085,346</u>	<u>\$ 1,170,428</u>

REGINA TRANSITION HOUSE INC.

Notes to Financial Statements

Year Ended March 31, 2022

5. INVESTMENTS

	2022	2021
Guaranteed investment certificates	\$ 684,961	\$ 559,479
Market linked guaranteed investment certificates	-	102,029
Bank of Montreal shares	4,419	3,361
Cash surrender value of life insurance	7,735	7,103
	\$ 697,115	\$ 671,972
 <u>Invested on behalf of the following funds:</u>		
Operating fund investments	\$ 232,115	\$ 206,972
Restricted fund investments	465,000	465,000
	\$ 697,115	\$ 671,972

Guaranteed investment certificates bear interest between 0.50% and 2.60% and mature between July 2022 and February 2023 (2021 - bear interest between 0.50% and 2.60 and mature between July 2021 and February 2023).

6. LONG TERM DEBT

The Corporation's CMHC loan of \$1,864 matured on May 1, 2021 and was fully paid in the year.

7. DEFERRED REVENUE

	2022	2021
<u>Grants</u>		
Women's Shelter Canada	\$ 67,576	\$ -
Community Initiative Fund	16,914	9,766
Lorne and Evelyn Johnson Foundation	8,610	8,973
FCC Spirit Fund	3,244	-
South Saskatchewan Community Foundation	4,773	8,519
United Way	1,384	20,000
Women and Gender Equality Canada	-	22,743
Saskatchewan Government Insurance	-	79
	102,501	70,080
<u>Other</u>		
City of Regina - bus passes	1,871	1,553
Flow Community Projects	-	405
	\$ 104,372	\$ 72,038

8. INTERFUND TRANSFERS

Transfers from the Unrestricted fund to the Invested in capital asset fund of \$8,691 include \$1,864 for the scheduled repayment of the mortgage and \$6,827 for the acquisition of capital assets.

REGINA TRANSITION HOUSE INC.

Notes to Financial Statements

Year Ended March 31, 2022

9. PENSION

Employees participate in the Public Employee Pension Plan (PEPP), which is a multi-employer defined contribution plan. The Board's financial obligation to the plan is limited to making required payments to match amounts contributed by employees for current services. Pension expense for the year amounted to \$29,237 (2021 - \$27,019).

10. CONTINGENT FUNDING

The Corporation receives funding from various agencies which have agreements that require the Corporation to submit annual financial reports for review by the funder. Subsequent to the funder's review, the Corporation may be required to settle any disallowed amounts either through repayment or alteration of subsequent funding. No provision is made in the financial statements and any settlement required by the funding agency is recorded in the year it is made known to Corporation.

In addition, the Corporation has contingent funding received from Saskatchewan Housing Corporation (SHC) in 2015. The funding is forgiven at \$12,491 per year commencing September 1, 2015 and if the Corporation ceases to provide the services for which the funding was provided the unforgiven balance becomes a demand loan, payable at the remaining balance plus interest at 6.75%.

	<u>2022</u>	<u>2021</u>
SHC forgivable funding	<u>\$ 80,148</u>	<u>\$ 92,639</u>

11. FINANCIAL INSTRUMENTS

The Corporation is exposed to various risks through its financial instruments and management is responsible to monitor, evaluate and manage these risks. The following analysis provides information about the Corporation's risk exposure and concentration as of March 31, 2022.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation is exposed to this risk mainly in respect of its receipt of funds from its funders and other related sources, contributions to the pension plan, and accounts payable.

12. COLLECTIVE BARGAINING AGREEMENT

The Corporation employs members of the Saskatchewan Government and General Employees Union (SGEU) under a Collective Bargaining Agreement that expired on March 31, 2021. A wage re-opener, effective to April 1, 2021, was signed on June 18, 2021 and was presented to the membership during the year. Subsequent to the yearend, the agreement was not approved by the employees and the parties have returned to bargaining. No provision for settlement, or retroactive pay, has been accrued in the financial statements as the amount cannot be reasonably estimated. The settlement of the agreement will be recorded in the year it is made known to the Corporation.

13. BUDGET

Budgeted figures are presented for information purposes and are not subject to audit.

REGINA TRANSITION HOUSE INC.

Notes to Financial Statements

Year Ended March 31, 2022

14. LEASE COMMITMENTS

The Corporation has a long term lease with respect to equipment which expires in December 2024 and a lease for premises rented which expires in June 2022. Future minimum lease payments as at year end are as follows:

2023	\$	5,757
2024		657
2025		329

15. UNCERTAINTY OF IMPACT OF COVID-19

The Corporation has incurred increased operating costs as a result of the various means and measures which have been implemented for the safety of its staff and program recipients in response to the Covid-19 pandemic. Through careful cost monitoring, and additional funding, the Corporation has not experienced any significant financial loss, nor has any occurred as of the Audit Report Date. However, as the pandemic is not ended the future impact on the Corporation remains uncertain but no significant financial loss is anticipated in the foreseeable future.

REGINA TRANSITION HOUSE INC.

Administrative

(Schedule 1)

Year Ended March 31, 2022

	Budget	2022	2021
AGM and Board	\$ 200	\$ 1,961	\$ 2,329
Audit and legal fees	7,300	7,053	7,053
Bank service charges	300	393	343
Fundraising	500	276	83
Promotion and publicity	3,100	4,227	1,698
Service contracts	12,500	10,044	10,853
Staff expense	1,000	381	583
Supplies	6,500	3,604	4,550
Telephone and fax	8,500	8,170	7,632
	<u>\$ 39,900</u>	<u>\$ 36,109</u>	<u>\$ 35,124</u>

Building Occupancy

(Schedule 2)

Year Ended March 31, 2022

	Budget	2022	2021
Amortization	\$ 92,000	\$ 91,909	\$ 90,706
Insurance	13,800	13,021	10,486
Interest expense	-	1	73
Maintenance	47,000	43,919	41,248
Rental	-	6,684	-
Utilities	20,000	19,544	16,812
	<u>\$ 172,800</u>	<u>\$ 175,078</u>	<u>\$ 159,325</u>

Client Supplies and Services

(Schedule 3)

Year Ended March 31, 2022

	Budget	2022	2021
Food and household supplies	\$ 42,000	\$ 45,256	\$ 30,645
Transportation	20,000	19,642	12,580
Programming	54,000	16,000	63,873
Personal protective equipment	-	7,465	-
Client personal/medical supplies	2,000	3,269	2,865
	<u>\$ 118,000</u>	<u>\$ 91,632</u>	<u>\$ 109,963</u>

See notes to financial statements

REGINA TRANSITION HOUSE INC.

Personnel

(Schedule 4)

Year Ended March 31, 2022

	Budget	2022	2021
Salaries	\$ 741,600	\$ 743,013	\$ 733,021
Employee benefits	116,700	114,580	106,024
Training and professional development	7,000	7,473	9,356
	<u>\$ 865,300</u>	<u>\$ 865,066</u>	<u>\$ 848,401</u>

See notes to financial statements

REGINA TRANSITION HOUSE INC.

Ministry of Justice Schedule
Year Ended March 31, 2022

(Schedule 5)

	Budget 2022	Total 2022	Total 2021
REVENUES			
Ministry of Justice	\$ 882,863	\$ 882,863	\$ 852,937
EXPENSES			
<u>Administrative</u>			
Supplies	9,051	3,603	4,522
Telephone	5,050	7,246	7,632
Computer service costs	3,762	9,803	10,374
Bank charges	505	393	343
Audit and accounting	7,681	7,053	7,053
AGM and board expenses	-	1,961	2,328
	26,049	30,059	32,252
<u>Building Occupancy</u>			
Utilities	8,121	19,545	16,812
Interest	9,368	1	73
Insurance and property taxes	6,706	12,787	10,486
Repairs and maintenance	5,050	30,901	33,338
	29,245	63,234	60,709
<u>Client Supplies and Services</u>			
Promotion/publicity	505	4,227	1,698
Transportation	5,585	16,742	9,420
Medical supplies	2,020	2,306	736
Program costs	1,010	556	2,432
Food and household supplies	52,255	41,552	27,492
	61,375	65,383	41,778
<u>Personnel</u>			
Salaries	664,179	663,011	655,598
Employee benefits	95,955	109,333	105,859
Recruitment/education/training	6,060	4,725	6,128
	766,194	777,069	767,585
	882,863	935,745	902,324
EXCESS OF REVENUES (EXPENSES) FROM MINISTRY OF JUSTICE FUNDING	\$ -	\$ (52,882)	\$ (49,387)

The Budget for the Ministry of Justice funding was amended on April 1, 2021 for additional funding for the Interpersonal Violence and Abuse Program. No amendments were made to the Corporation's overall budget.