

Financial Statements of

**FAMILY SERVICE REGINA**

Year ended March 31, 2020

# FAMILY SERVICE REGINA

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March 31, 2020

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## **INDEPENDENT AUDITORS' REPORT**

To the Members of Family Service Regina

### ***Opinion***

We have audited the financial statements of Family Service Regina (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 qualified opinion.

### ***Other Information***

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditors' report thereon, included in the annual report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditors' report thereon, included in the annual report as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

### ***Responsibilities of Management for the Financial Statements 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.
- 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 18, 2020

# FAMILY SERVICE REGINA

## Statement of Financial Position

As at March 31, 2020 with comparative information for 2019

	2020	2019
<b>Assets</b>		
Current assets:		
Cash	\$ 694,890	\$ 847,969
Accounts receivable	197,059	179,110
Prepaid expenses	21,559	24,875
	<u>913,508</u>	<u>1,051,954</u>
Investments (note 4)	506,125	249,652
Assets held in trust (note 5)	27,894	31,391
Property, plant and equipment (note 6)	37,141	44,841
	<u>\$1,484,668</u>	<u>\$ 1,377,838</u>

## Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 7)	\$ 138,943	\$ 192,762
Grants received in advance	479,309	454,355
Deferred revenue – Employee and Family Assistance Plan	74,098	35,888
	<u>692,350</u>	<u>683,005</u>
Due to Saskatchewan Nonprofit Partnership (note 5)	27,894	31,391
Net assets:		
Unrestricted	438,444	338,390
Internally restricted (note 3(e))	300,731	294,958
Internally restricted – staff training (note 3(f))	-	4,845
Internally restricted – leasehold improvement (note 3(g))	25,249	25,249
	<u>764,424</u>	<u>663,442</u>
Commitments (note 10)		
	<u>\$ 1,484,668</u>	<u>\$ 1,377,838</u>

See accompanying notes to financial statements.

On behalf of the Board:

  
Director

  
Director

# FAMILY SERVICE REGINA

## Statement of Operations

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

	2020	2019
<b>Revenue</b>		
Province of Saskatchewan grants	\$ 1,000,643	\$ 1,021,970
Fees for service	794,414	659,602
Non-government grants	207,497	68,895
United Way grant	155,655	155,653
Fundraising (note 9)	80,750	80,932
City of Regina grant	51,598	41,250
Donations	48,725	52,404
Foundation contributions	21,293	68,890
Government of Canada grants	-	7,000
Interest	11,853	6,047
Other income	4,067	200
<b>Total revenue</b>	<b>2,376,495</b>	<b>2,162,843</b>
<b>Expenses</b>		
Salaries and wages	1,373,121	1,257,506
Contracted services	336,786	280,037
Staff benefits	240,032	212,127
Rent	154,433	162,347
Memberships and subscriptions	34,149	35,430
Office supplies and equipment	23,767	33,635
Program supplies	20,166	11,356
Telephone	20,021	18,815
Transportation and sustenance	17,853	20,880
Amortization	17,448	20,171
Professional fees	10,265	9,571
Insurance	8,231	7,631
Training and development	5,553	24,548
Postage and courier	5,475	4,429
Bank charges	3,567	3,008
Equipment rental	3,354	3,480
Advertising	1,207	1,779
Repairs and maintenance	85	536
<b>Total expenses</b>	<b>2,275,513</b>	<b>2,107,286</b>
<b>Excess of revenue over expenses</b>	<b>\$ 100,982</b>	<b>\$ 55,557</b>

See accompanying notes to financial statements.

## FAMILY SERVICE REGINA

### Statement of Changes in Net Assets

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

	Unrestricted	Internally restricted	Internally restricted - staff training	Internally restricted - leasehold improvements	Total 2020	Total 2019
Net assets, beginning of year	\$ 338,390	\$294,958	\$ 4,845	\$ 25,249	\$ 663,442	\$ 607,885
Excess of revenue over expenses	100,982	-	-	-	100,982	55,557
Transfers – restricted interest and other transfers	(5,773)	5,773	-	-	-	-
Transfers – staff training	4,845	-	(4,845)	-	-	-
Net assets, end of year	\$ 438,444	\$300,731	\$ -	\$ 25,249	\$764,424	\$663,442

	Unrestricted	Internally restricted	Internally restricted - staff training	Internally restricted - leasehold improvements	Total 2019	Total 2018
Net assets, beginning of year	\$ 290,579	\$287,212	\$ 4,845	\$ 25,249	\$ 607,885	\$ 603,243
Excess of revenue over expenses	55,557	-	-	-	55,557	4,642
Transfers – restricted interest and other transfers	(7,746)	7,746	-	-	-	-
Net assets, end of year	\$ 338,390	\$294,958	\$ 4,845	\$ 25,249	\$ 663,442	\$607,885

See accompanying notes to financial statements.



## FAMILY SERVICE REGINA

### Statement of Cash Flows

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

	2020	2019
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 100,982	\$ 55,557
Items not involving cash:		
Amortization	17,448	20,171
Amortization of deferred revenue	-	(3,333)
Net change in non-cash operating working capital:		
Accounts receivable	(17,949)	8,184
Prepaid expenses	3,316	10,529
Accounts payable and accrued liabilities	(53,819)	31,938
Grants received in advance	24,954	388,598
Deferred revenue - Employee and Family Assistance Plan	38,210	15,206
	113,142	526,850
Investing activities:		
Purchase of property, plant and equipment	(9,748)	(8,653)
Net purchase of investments	(256,473)	(3,246)
(Decrease) increase in due to Saskatchewan Nonprofit Partnership	(3,497)	2,395
	(269,718)	(9,504)
(Decrease) increase in cash	(156,576)	517,346
Balance, beginning of year	879,360	362,014
Balance, end of year	\$ 722,784	\$ 879,360
Balance, end of year, consists of:		
Cash	\$ 694,890	\$ 847,969
Assets held in trust	27,894	31,391
	\$ 722,784	\$ 879,360

See accompanying notes to financial statements.

# FAMILY SERVICE REGINA

Notes to Financial Statements

Year ended March 31, 2020

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**1. Nature of operations:**

Family Service Regina (the "Organization") is incorporated under the *Non-Profit Corporations Act of Saskatchewan* and is a community based organization serving families in Regina and surrounding area. The Organization's mission is to help families and individuals successfully meet changing needs to achieve their potential. Services include individual, couple and family counseling; programs for teenage parents; lifeskills training; family and workplace education; victims of domestic violence programming; employee and family assistance programs; and community support, consultation and development.

**2. 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 Handbook.

COVID-19 impact assessment

The COVID-19 outbreak was declared a pandemic by the World Health Organization during the fiscal year, 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 Organization's operating results and financial position 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 Organization is not known at this time.

**3. Significant accounting policies:**

(a) *Revenue recognition:*

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue of the appropriate funds 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. Separate revenue and expense accounts are maintained for the various programs the Organization offers (see note 8).

The Organization enters into contracts to provide employee assistance services. The revenue is recorded in the period in which the service is provided. Funds received in advance of the service being provided for full service contracts are deferred until the service is provided or until the contract term has expired.

(b) *Income taxes:*

The Organization is a registered charity, and as such, no income taxes are payable on reported income under paragraph 149(1)(f) of the *Income Tax Act*.

# FAMILY SERVICE REGINA

Notes to Financial Statements

Year ended March 31, 2020

### 3. Significant accounting policies (continued):

*(c) Property, plant and equipment:*

Property, plant and equipment are initially recorded at cost. Donated assets are recorded at fair value at the time of the donation. Amortization is provided for using the straight-line method over the useful life of the asset as follows:

Asset	Useful life
Computer equipment	4 years
Data management software	5 years
Office equipment	4 years
Furniture and fixtures	5 years
Vehicles	6 years
Leasehold Improvements	5 years

*(d) 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. The Organization has elected to carry its investments 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 Organization 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 of the Organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

*(e) Internally restricted net assets:*

Certain specified amounts have been restricted by the Board of Directors for unforeseen extraordinary expenses that would adversely affect the Organization or to offset reductions in other sources of funding. Any interest earned on these funds is also allocated to the restricted balance, until such time that the total value of the restricted balance exceeds the policy terms for this fund.

# FAMILY SERVICE REGINA

Notes to Financial Statements

Year ended March 31, 2020

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### 3. Significant accounting policies (continued):

(f) *Internally restricted net assets – staff training:*

Certain specified amounts have been restricted by the Board of Directors to use for staff training opportunities. Any interest earned on these funds is not allocated to the restricted balance.

(g) *Internally restricted net assets – leasehold improvement:*

Certain specified amounts have been restricted by the Board of Directors to use for future leasehold improvements. Any interest earned on these funds is not allocated to the restricted balance.

(h) *Fundraising revenue:*

The net proceeds for any fundraising/special event are recorded in the statement of operations and net assets in the fiscal year in which the event is held.

(i) *Inter-program charges:*

The revenue and expenses of the Organization reflect interprogram charges for these services which in turn, are eliminated from total revenue and expenses.

(j) *Use of estimates:*

The preparation of 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 value of accounts receivable, the estimated fair values of investments and the value of deferred revenue that relates to the delivery of future services prior to revenue recognition. Actual results could differ from those estimates.

# FAMILY SERVICE REGINA

Notes to Financial Statements

Year ended March 31, 2020

## 4. Investments:

	2020	2019
IG WQB Series A #310	\$ 253,119	\$ -
Canadian money market fund	122,660	121,148
Investors Premium Money Market Fund A	73,101	72,120
Investors Premium Money Market Fund C	48,114	47,469
Investors Cdn Bond Fund A	9,131	8,915
	<u>\$ 506,125</u>	<u>\$ 249,652</u>

For bond funds, the fair values are based on quoted market values. For the money market funds, fair value approximates cost due to their immediate or short-term nature.

## 5. Assets held in trust:

The Organization is a founding partner of the Saskatchewan Nonprofit Partnership (SNP) and is acting as the financial host of the partnership. SNP is an informal partnership of founding organizations that collaborate with one another and other organizations towards the betterment of the nonprofit sector. This is achieved through the engagement of experienced leaders, creating opportunities for sector involvement, and initiating and providing oversight of targeted projects. Five of the founding partners have made a financial contribution along with a commitment to contribute time and resources necessary to facilitate the planned work of the partnership. The Organization, as the financial host, reports to the partnership at every meeting the financial status of the partnership. A Partnership Charter has been signed by the founding partners with a term of 24 months beginning April 1, 2019.

Amounts recorded as assets held in trust in the statement of financial position represent the balance of contributions made by the founding partners that are included in the bank accounts of the Organization.

## 6. Property, plant and equipment:

	2020		2019	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 51,282	\$ 41,286	\$ 9,996	\$ 9,385
Data management software	72,943	62,327	10,616	15,744
Office equipment	25,157	21,892	3,265	4,664
Furniture and fixtures	128,571	121,575	6,996	5,684
Vehicles	22,477	22,477	-	312
Leasehold improvements	13,920	7,652	6,268	9,052
	<u>\$ 314,350</u>	<u>\$ 277,209</u>	<u>\$ 37,141</u>	<u>\$ 44,841</u>

# FAMILY SERVICE REGINA

Notes to Financial Statements

Year ended March 31, 2020

## 7. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities is insurance premiums payable to Saskatchewan Workers' Compensation Board of \$10,124 (2019 - \$6,749).

## 8. Program revenue and expenses:

	2020		2019	
	Revenue	Expenses	Revenue	Expenses
<b>Program:</b>				
Counselling (Schedule 1)	\$ 375,262	\$ 377,333	\$ 406,408	\$ 410,436
Community Outreach	39,200	9,645	-	-
Thrive Walk in Counselling	116,214	103,904	92,035	88,791
Walk in Counselling –				
Provincial Coordination	92,576	103,962	25,750	26,236
Prostitution Offender Program	12,500	6,923	9,800	4,735
Domestic Violence Victims				
Services Program	169,944	198,978	169,550	202,488
Domestic Violence				
Outreach Program	115,402	118,237	115,324	129,449
Employee and Family Assistance	703,339	602,477	585,359	527,337
Art for the Heart	24,598	48,453	14,600	51,028
Family Violence Support Services	77,279	79,114	76,700	82,221
Resource Development	129,475	80,505	133,336	72,371
Teen Parent (Schedule 2)	157,332	157,780	150,566	160,209
Domestic Violence Court				
Case Worker Program	164,799	176,100	163,348	178,271
Older Adult Response Services	27,000	22,321	27,000	22,376
	2,204,920	2,085,732	1,969,776	1,955,948
<b>Administration:</b>				
Administration	171,575	395,469	193,067	362,535
Less: Overhead recovery				
allocated to programs	-	(205,688)	-	(211,197)
	171,575	189,781	193,067	151,338
	\$ 2,376,495	\$ 2,275,513	\$ 2,162,843	\$ 2,107,286

## 9. Fundraising:

	2020	2019
<b>Juke Box Mania:</b>		
Revenue	\$ 57,742	\$ 47,960
Expenses	(14,407)	(10,719)
Shoppers Drug Mart Run for Women	36,630	38,652
Miscellaneous fundraising	785	5,039
Net proceeds	\$ 80,750	\$ 80,932

# FAMILY SERVICE REGINA

Notes to Financial Statements

Year ended March 31, 2020

## 10. Commitments:

The organization is committed under operating lease agreements for occupancy with the following minimum payment in future periods:

2021	\$ 64,364
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The Organization has entered into certain employee assistance full service contracts that extend beyond March 31, 2020. The Organization is committed to providing those services set out in the contract for the remaining fee recorded as Deferred Revenue – Employee and Family Assistance Plan.

## 11. Risk management

The Organization, through its financial assets and liabilities, has exposure to the following risks from its use of financial instruments: credit risk and liquidity risk.

### Credit risk

The Organization's principal financial assets are cash, accounts receivable, assets held in trust, and investments in bond funds and money market funds, which are subject to credit risk. The carrying amounts of financial assets on the statement of financial position represent the Organization's maximum credit exposure at the year-end date.

The amounts disclosed in the statement of financial position are net of allowance for doubtful accounts, estimated by management of the Organization based on previous experience and its assessment of the current economic environment. The Organization does not have significant exposure to any individual customer and has not incurred any significant bad debts during the year. Dealing with institutions that have strong credit ratings minimizes credit risk related to cash and investments in bond funds and money market funds.

### Liquidity risk

Liquidity risk is the risk that the Organization 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 Organization not being able to liquidate assets in a timely manner at a reasonable price.

The Organization monitors its cash flow throughout the year to ensure its billing practices take into account the timing and level of its cash obligations. The Organization has sufficient funds from which to operate and this risk is considered to be low.

## 12. Economic dependence:

The Organization receives a substantial amount of its revenue (2020 - 60%, 2019 – 60%) in the form of grants from governments, the United Way of Regina, and other non-government organizations. These grants must be applied for on an annual basis.

## FAMILY SERVICE REGINA

Schedule 1 – Statement of Revenues and Expenditures for Counselling, Education and Support

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

	2020	2019
<b>Revenue</b>		
Saskatchewan Ministry of Social Services	\$ 316,079	\$ 345,035
Saskatchewan Ministry of Economy – Training Grant	583	-
Fee for service	58,600	61,373
<b>Total revenue</b>	<b>375,262</b>	<b>406,408</b>
<b>Expenses</b>		
Salaries, wages and administration	218,779	231,073
Administrative/overhead	42,492	57,294
Staff benefits	45,030	47,351
Rent	35,520	35,781
Contracted services	16,140	17,691
Office supplies and equipment	4,036	5,384
Training and development	2,113	5,012
Memberships and subscriptions	3,905	3,832
Program supplies	4,816	1,889
Telephone	2,172	1,796
Transportation and sustenance	-	1,283
Insurance	1,442	1,194
Professional fees	865	847
Freight charges	23	9
<b>Total expenses</b>	<b>377,333</b>	<b>410,436</b>
<b>Deficiency of revenue over expenses</b>	<b>\$ (2,071)</b>	<b>\$ (4,028)</b>

See accompanying notes to financial statements.



## FAMILY SERVICE REGINA

Schedule 2 – Statement of Revenues and Expenditures for Teen Parent Program

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

	2020	2019
<b>Revenue</b>		
Saskatchewan Ministry of Social Services	\$ 157,332	\$ 150,566
<b>Total revenue</b>	<b>157,332</b>	<b>150,566</b>
<b>Expenses</b>		
Salaries, wages and administration	114,543	108,873
Staff benefits	14,130	18,348
Administrative/overhead	7,869	11,459
Rent	6,177	6,773
Program supplies	2,682	3,453
Office supplies and equipment	907	2,939
Transportation and sustenance	5,849	2,653
Contracted services	2,397	1,927
Telephone	1,338	1,499
Memberships and subscriptions	613	870
Training and development	555	780
Professional fees	496	471
Insurance	208	134
Freight charges	16	30
<b>Total expenses</b>	<b>157,780</b>	<b>160,209</b>
<b>Deficiency of revenue over expenses</b>	<b>\$ (448)</b>	<b>\$ (9,643)</b>

See accompanying notes to financial statements.

