

Rainbow Youth Centre
Financial Statements
March 31, 2026

To the Members of Rainbow Youth Centre:

Qualified Opinion

We have audited the financial statements of Rainbow Youth Centre (the "Centre"), which comprise the statement of financial position as at March 31, 2026, 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Centre as at March 31, 2026, and its financial performance 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 Centre derives part of its revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Centre and we were not able to determine whether any adjustments might be necessary to the revenues mentioned above, surplus of revenues over expenses, assets and net assets.

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 Centre 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 Centre'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 Centre or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Centre'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 Centre'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 Centre'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 Centre 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.

Regina, Saskatchewan

June 22, 2026

MNP LLP

Chartered Professional Accountants



RAINBOW YOUTH CENTRE INC.
Statement of Financial Position
As at March 31, 2026

	March 31 2026	March 31 2025
ASSETS		
CURRENT		
Cash	\$ 308,526	\$ 291,393
Investments (Note 3)	318,493	282,291
Grants receivable	55,610	29,955
Accounts receivable	1,802	6,403
GST receivable	2,008	1,756
Interest receivable	10,154	10,941
Prepaid expenses	38,076	19,298
Inventory (Note 4)	12,539	11,286
	747,208	653,323
TANGIBLE CAPITAL ASSETS (Note 6)	507,838	527,774
LONG TERM INVESTMENTS (Note 3)	125,007	134,567
	\$ 1,380,053	\$ 1,315,664
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 12,118	\$ 11,642
Wages payable	80,971	77,777
Deferred revenue (Note 7)	142,325	66,914
	235,414	156,333
DEFERRED CAPITAL CONTRIBUTIONS (Note 7)	77,180	84,338
	312,594	240,671
NET ASSETS	1,067,459	1,074,993
	\$ 1,380,053	\$ 1,315,664

Director e-Signed by Nathan Sgrazzutti
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Director e-Signed by Rynae Weinmeister
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RAINBOW YOUTH CENTRE INC.
Statement of Operations
Year Ended March 31, 2026

	2026	2025
REVENUE		
Grants <i>(Note 10)</i>	1,736,192	\$ 1,503,997
Donations	33,394	45,891
Amortization of capital contributions	7,158	15,828
Other	18,986	81,843
Interest income	17,724	20,882
Donations in-kind	5,686	8,432
	<u>\$ 1,819,140</u>	<u>\$ 1,676,873</u>
EXPENSES		
Amortization	\$ 43,401	\$ 46,744
Building occupancy	48,591	47,271
Food	27,755	31,357
Fundraising and public relations	9,109	12,492
Miscellaneous <i>(Note 11)</i>	48,147	38,201
Programming <i>(Note 11)</i>	106,706	127,333
Staff salaries and benefits	1,503,710	1,412,373
Telephone	15,637	15,667
Transportation	26,162	29,060
	<u>1,829,218</u>	<u>1,760,498</u>
EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS	(10,078)	(83,625)
OTHER EXPENSES		
Gain (loss) on disposal of capital assets	2,544	5,769
EXCESS OF REVENUE OVER EXPENSES	<u>\$ (7,534)</u>	<u>\$ (77,856)</u>



RAINBOW YOUTH CENTRE INC.
Statement of Changes in Net Assets
Year Ended March 31, 2026

	Operating Fund	Internally Restricted		Externally Restricted		TOTAL 2026	TOTAL 2025
		Equity in Capital Assets	Replacement Reserve	Health Reserve	KidsFirst Reserve		
NET ASSETS -							
BEGINNING OF YEAR	\$ 536,618	\$ 443,436	\$ -	\$ 21,327	\$ 73,612	\$ 1,074,993	\$ 1,152,848
Excess (deficit) of revenue over expenses	(7,534)	-	-	-	-	(7,534)	(77,855)
Purchase of capital assets/capital improvements	-	23,920	(23,920)	-	-	-	-
Amortization of tangible capital assets	43,401	(43,401)	-	-	-	-	-
Amortization of deferred contributions	(7,158)	7,158	-	-	-	-	-
Disposal of capital assets		(455)	455			-	-
Transfers	(23,465)		23,465	-	-	-	-
NET ASSETS -							
END OF YEAR	\$ 541,862	\$ 430,658	\$ -	\$ 21,327	\$ 73,612	\$ 1,067,459	\$ 1,074,993

RAINBOW YOUTH CENTRE INC.
Statement of Cash Flows
Year Ended March 31, 2026

	2026	2025
CASH FLOWS FROM (FOR) OPERATING ACTIVITIES		
Cash received from grants	\$ 1,785,948	\$ 1,497,011
Cash received from self generated sources	56,981	130,429
Cash paid to suppliers and employees	(1,796,745)	(1,710,457)
Interest received	18,511	28,478
Cash Flows From Operating Activities	64,695	(54,539)
CASH FLOWS FROM (FOR) INVESTING ACTIVITIES		
Purchase of capital assets	(23,920)	(21,442)
Proceeds on disposal of capital assets	3,000	6,850
Redemption (purchase) of investments	(12,132)	277,840
Income reinvested	(14,510)	(14,510)
Cash Flows For Investing Activities	(47,562)	248,738
INCREASE (DECREASE) IN CASH	17,133	194,199
CASH - BEGINNING OF YEAR	291,393	97,194
CASH - END OF YEAR	\$ 308,526	\$ 291,393



RAINBOW YOUTH CENTRE INC.
Notes to Financial Statements
Year Ended March 31, 2026

1. NATURE OF OPERATIONS

Rainbow Youth Centre Inc. (the “centre”) is incorporated under the Non-Profit Corporations Act of Saskatchewan. It is a program-based organization that provides a comprehensive array of services and activities aimed at helping young people move from adolescence to a healthy and productive independent adult lifestyle.

The centre is a registered charity, as described in Section 149 of the *Income Tax Act*, and therefore is not subject to either federal or provincial income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook – Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies.

Revenue recognition

- a) Grants – Revenues from grants and other sources that relate to specific projects are recognized as revenue when the related expenses are incurred and as the amounts are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.
- b) Donations and fundraising – Revenue is recognized when received.
- c) Other – This revenue represents revenue that is not grants, donations, or interest. It does not include administrative overhead that is allowed in certain program budgets. This administrative overhead revenue and the corresponding expense has been netted upon consolidation of the programs.
- d) Interest – Interest on fixed income investments is recognized over the terms of these investments using the effective interest method.

Fund accounting

The centre follows the restricted fund method of accounting for contributions.

The Operating Fund accounts for the organization’s program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

RAINBOW YOUTH CENTRE INC.
Notes to Financial Statements
Year Ended March 31, 2026

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

The KidsFirst Reserve is comprised of KidsFirst Regina funding intended for future capital or unusual operating expenses. Any allocations to or from this fund must be approved by KidsFirst Regina.

The Health Reserve was set up based on guidelines provided by the Saskatchewan Health Authority (previously the Regina Qu'Appelle Health Region). It is intended to fund future capital or unusual operating expenses. It is comprised of the Health Region's Child & Youth Services funding not utilized in the year. Any allocations to or from this fund must be approved by Child & Youth Services.

Equity in Capital Assets represents the net book value of the centre's capital assets, less any liabilities attributed to those assets.

Replacement Reserve fund is intended to provide for future capital replacement and improvements projects.

Financial instruments

- a) Measurement of financial instruments – The centre initially measures its financial assets and financial liabilities at fair value and subsequently measures them at amortized cost. Financial assets measured at amortized cost include cash, accounts receivable and investments. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.
- b) Impairment – At the end of each reporting period, the centre assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. When there is an indication of impairment, the centre determines whether a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset. If identified, the centre reduces the carrying amount of the asset to the present value of cash flows expected to be received. The carrying amount of the asset is reduced directly or through the use of an allowance account. The amount of the reduction is recognized as a bad debt in the statement of operations. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent of the improvement, directly or by adjusting the allowance account. The amount of the reversal is recognized in the statement of operations in the period the reversal occurs.



RAINBOW YOUTH CENTRE INC.
Notes to Financial Statements
Year Ended March 31, 2026

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Capital assets

The costs of capital assets are capitalized upon meeting the criteria for recognition as a capital asset, otherwise, costs are expensed as incurred. The cost of a capital asset comprises its purchase price and any directly attributable cost of preparing the asset for its intended use.

A capital asset is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized in the statement of operations when the carrying amount of the capital asset exceeds its fair value.

An impairment loss is not reversed if the fair value of the capital asset subsequently increases.

Tangible capital assets, consisting of land, building, vehicles, and office furnishing and equipment, are measured at cost less accumulated amortization.

Amortization is provided for on a declining balance basis over their estimated useful lives.

Amortization commences in the year following the year the capital asset is placed into use.

Land	n/a
Building	4%
Vehicles	20%
Furniture and fixtures	20%
Computers and equipment	30%

Management estimates

The preparation of these financial statements is in conformity with Canadian accounting standards for not-for-profit organizations which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current period. Significant estimates include those used when accounting for amortization and the impairment of financial assets. All estimates are reviewed periodically and adjustments are made to the statement of operations as appropriate in the year they become known.



RAINBOW YOUTH CENTRE INC.
Notes to Financial Statements
Year Ended March 31, 2026

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Donated goods

Donated goods, except for used clothing, are recorded at their fair market value at the time of the donation. During the year \$5,686 in goods were donated (2025 - \$8,432). The donation and corresponding expense are shown on the statement of operations.

3. INVESTMENTS

	<u>2026</u>	<u>2025</u>
CURRENT		
Guaranteed investment certificates	\$ 318,493	\$ 282,291
LONG TERM		
Guaranteed investment certificates	114,358	134,567
SSCF Pooled fund	10,649	-
	125,007	134,567
TOTAL INVESTMENTS	<u>\$ 443,500</u>	<u>\$ 416,858</u>

Long-term investments consist of fixed income investments measured at amortized cost with maturity dates of 12 months or greater from date of acquisition. Those maturing within 12 months from the year-end date are classified as current. Pooled funds are also classified as long-term investments.

Investments have effective interest rates ranging from 3.05% to 4.05% (2025 – 3.20% to 4.20%) with maturity dates ranging from August 5, 2026 to August 8, 2027 (2025 – August 5, 2025 to August 7, 2026).

4. INVENTORY

Inventory consists of seasonal project items to be distributed at no charge.



RAINBOW YOUTH CENTRE INC.
Notes to Financial Statements
Year Ended March 31, 2026

5. FINANCIAL INSTRUMENTS

The centre is exposed to various risks through its financial instruments and has a risk management framework to monitor, evaluate and manage these risks on an annual basis. The following analysis provides information about the centre's risk exposure and concentration as of March 31, 2026.

Credit risk

Credit risk arises from the possibility that parties may default on their financial obligations, or if there is a concentration of transactions carried out with the same party, or if there is a concentration of financial obligations which have similar economic characteristics that could be similarly affected by changes in economic conditions, such that the centre could incur a financial loss. The centre is exposed to credit risk from its customers. In order to reduce its credit risk, the centre reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The centre has a significant number of customers which minimizes concentration of credit risk.

The maximum exposure of the centre to credit risk is represented by the balance as shown on the statement of financial position for cash, investments and accounts receivable.

Grants receivable: At March 31, 2026, one funding agency accounted for 75% and two other funding agencies accounted for 25% (2025 – one agency accounted for 80% and two other funding agencies accounted for 20%) of the total grants receivable.

Liquidity risk

Liquidity risk is the risk that the centre will not be able to meet a demand for cash or fund its obligations as they come due. The centre is exposed to this risk on accounts payable.

The centre meets its liquidity requirements by monitoring cash flows from operations and holding assets that can be readily converted into cash.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.



RAINBOW YOUTH CENTRE INC.
Notes to Financial Statements
Year Ended March 31, 2026

5. FINANCIAL INSTRUMENTS *(continued)*

The centre is exposed to market risk on its investments.

Interest rate risk

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates. In seeking to minimize the risks from interest rate fluctuations, the centre manages exposure through its normal operating and financing activities.

The exposure of the centre to interest rate risk arises from its interest bearing assets. As a result, the centre holds investments with varying terms to maturity. Fluctuations in market rates of interest on investments do not have a significant impact on the centre's results of operations.

Changes in risk

There have been no changes in the centre's risk exposures from the prior year.

6. CAPITAL ASSETS

			2026	2025
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 7,519	\$ -	\$ 7,519	\$ 7,519
Building	687,107	306,959	380,148	395,987
Vehicles	169,786	91,405	78,381	74,458
Furniture and fixtures	60,778	41,619	19,159	22,729
Computers and equipment	89,523	66,892	22,631	27,081
	\$ 1,014,713	\$ 506,875	\$ 507,838	\$ 527,774

Building includes additions of \$0 (2025 - \$2,846); furniture and fixtures include additions of \$976 (2025 - \$1,584); computers and electronic equipment include additions of \$3,673 (2025 - \$6,836); and vehicles include additions of \$19,271 (2025 - \$10,176) for which no amortization



RAINBOW YOUTH CENTRE INC.
Notes to Financial Statements
Year Ended March 31, 2026

6. CAPITAL ASSETS (*continued*)

has been recorded as these assets were not ready for use at March 31, 2026. These assets are expected to be completed and in use in fiscal 2027. During the year, capital assets were purchased for \$23,920 (2025 - \$21,442).

7. DEFERRED ITEMS

DEFERRED REVENUE

Deferred revenue represents funding received for various programs, for which the related expenses have not yet been incurred. At the funding agencies' discretion, amounts may be carried forward to cover future expenditures, or alternatively, the agencies may request the excess funding be returned the following year.

	<u>2026</u>	<u>2025</u>
Balance, beginning of year	\$ 66,914	\$ 104,098
Less: Amounts matched to expenses during the year	(66,914)	(104,098)
Add: New amounts received in excess of expenses incurred	142,325	66,914
Balance, end of year	<u>\$ 142,325</u>	<u>\$ 66,914</u>

Deferred capital contributions represent the unamortized amount of contributions received for the purchase or development of capital assets. Deferred capital contributions are amortized on the same basis as the related capital assets.

	<u>2026</u>	<u>2025</u>
Balance, beginning of year	\$ 84,338	\$ 100,166
Add: Amounts contributed during the year	-	-
Less: Amounts recognized as revenue during the year	(7,158)	(15,828)
Balance, end of year	<u>\$ 77,180</u>	<u>\$ 84,338</u>



RAINBOW YOUTH CENTRE INC.
Notes to Financial Statements
Year Ended March 31, 2026

8. RESTRICTED FUNDS

The centre has two kinds of restricted funds, internal and external. Internally restricted funds are restricted by the Board of Directors and are not available for other purposes without Board of Director approval. Externally restricted funds are restricted by external funding agencies and prior approval must be obtained before any expenditure is made.

	Internally Restricted	Externally Restricted	Total
Balance, beginning of year	\$ 443,436	\$ 94,939	\$ 538,375
Net increase (decrease) from operating activity	(12,778)	-	(12,778)
Less: transfer out to Operating Fund	-	-	-
Add: transfer in from Operating Fund	-	-	-
Balance, end of year	<u>\$ 430,658</u>	<u>\$ 94,939</u>	<u>\$ 525,597</u>

9. ECONOMIC DEPENDENCE

The centre receives the majority of its funding from various grants and is therefore economically dependent on those funding agencies outlined in Note 10.



RAINBOW YOUTH CENTRE INC.
Notes to Financial Statements
Year Ended March 31, 2026

10. GRANT REVENUE

	2026	2025
Canadian Red Cross Society	\$ -	\$ 11,655
City of Regina - Harm Reduction Program1	-	37,302
City of Regina - Harm Reduction Program2	52,331	74,000
City of Regina - Harm Reduction Program3	94,520	
City of Regina - Sport and Recreation Program	10,000	10,000
City of Regina - YOLO Program	13,370	16,713
Home Depot Canada Foundation	75,000	-
KidsFirst Regina - current year grants	605,708	511,442
Other	500	383
Monat Gratitude Inc.	-	9,143
Public Health Agency of Canada	106,846	106,846
Reaching Home Canada Program	218,356	136,879
Regina Education and Action on Child Hunger	16,300	16,300
Sask Community Initiative Fund	7,500	11,207
Sask Energy	750	
Sask Health Authority - Child & Youth	251,088	243,770
Sask Ministry of Economy Labour Market	163,421	154,420
Sask Ministry of Justice and Attorney General - current	97,437	94,598
Sask Ministry of Justice Corrections and Policing - current	93,991	91,253
Sask Ministry of Justice Corrections and Policing - prior	-	-
South Saskatchewan Community Foundation	-	25,000
Telus Communications	-	10,000
United Way of Regina	-	10,000
Less amounts potentially refundable to grant providers	(70,926)	(66,914)
	\$ 1,736,192	\$ 1,503,997

RAINBOW YOUTH CENTRE INC.
Notes to Financial Statements
Year Ended March 31, 2026

11. EXPENSES

	2026	2025
PROGRAMMING		
Insurance	\$ 17,282	\$ 17,278
Materials and supplies	54,400	45,055
Office	8,583	7,968
Professional fees	11,363	10,794
Programs	14,692	45,852
Shipping and postage	386	386
	\$ 106,706	\$ 127,333
MISCELLANEOUS		
Bank charges	\$ 979	\$ 1,746
Computer support	7,951	8,927
Honoraria and volunteer gratuities	1,790	2,200
Staff development and recruitment	27,427	25,078
Advertising and promotion	-	250
SSCF legacy fund establishment	10,000	-
	\$ 48,147	\$ 38,201

12. EMPLOYEE BENEFITS

The centre participates in a defined contribution pension to which employee and employer contributions are remitted. The current contribution rate is 4% of pensionable salary for both the employee and employer. Contributions in the fiscal year totalling \$45,116 (2025 - \$40,729) were made.