

**ST. CATHARINES MAINSTREAM  
NON-PROFIT HOUSING PROJECT**

**FINANCIAL STATEMENTS**

**YEAR ENDED MARCH 31, 2019**

# PARTRIDGE IGGULDEN LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

110 Hannover Drive, Suite B201  
St. Catharines, Ontario L2W 1A4  
TEL: 905-685-9400 FAX: 905-685-5991

June 27, 2019

To the Directors of  
St. Catharines Mainstream Non-Profit Housing Project

We have completed the audit of St. Catharines Mainstream Non-Profit Housing Project for the year ended March 31, 2019 and attached the following:

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We shall be pleased to provide any further information you may require.



Lawrence A. Iggulden, Hons. B.A., FCPA, FCA, for  
**PARTRIDGE IGGULDEN LLP**  
Chartered Professional Accountants  
Licensed Public Accountants

# **PARTRIDGE IGGULDEN LLP**

**CHARTERED PROFESSIONAL ACCOUNTANTS**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Members of  
St. Catharines Mainstream Non-Profit Housing Project

### **Qualified Opinion**

We have audited the financial statements of St. Catharines Mainstream Non-Profit Housing Project (the Organization), which comprise the statement of financial position as at March 31, 2019 and the statements of revenue and expenditures, funds 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 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 Organization as at March 31, 2019, 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**

Note 1 describes the fixed assets and amortization accounting policy of St. Catharines Mainstream Non-Profit Housing Project. The original buildings, furniture and equipment were capitalized, and amortization taken in accordance with reporting policies as required with the Ministry of Municipal Affairs and Housing, and the Ministry of Children, Community and Social Services. Subsequent additions to the buildings and equipment are expensed in the year of acquisition. No amortization is taken on the building at 8 Avalon Place. Under Canadian accounting standards for not-for-profit organizations, fixed assets should be capitalized and amortized over their estimated useful life. Furthermore, the policy should be applied on a retroactive basis. The effects of not following Canadian accounting standards for not-for-profit organizations on the statement of financial position and statement of revenue and expenditures have not been determined.

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

Those charged with governance are responsible for overseeing the Organization'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 Organization'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 Organization'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 Organization to cease to continue as a going concern.

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.

The engagement partner on the audit resulting in this independent auditor's report is Lawrence A. Iggulden, Hons. B.A., FCPA, FCA.

St. Catharines, Ontario  
June 27, 2019




PARTRIDGE IGGULDEN LLP  
Chartered Professional Accountants  
Licensed Public Accountants

**ST. CATHARINES MAINSTREAM NON-PROFIT HOUSING PROJECT****STATEMENT OF FINANCIAL POSITION****MARCH 31, 2019**

	<u>2019</u>	<u>2018</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 83,368	\$ 131,187
Accounts receivable	5,811	5,904
Subsidy receivable	12,723	12,723
Sales tax recoverable	21,982	5,807
Prepaid expenses	<u>9,912</u>	<u>10,134</u>
	133,796	165,755
<b>FIXED ASSETS - Project 3000 (Schedule 1)</b>	<b>315,476</b>	<b>370,063</b>
<b>REPLACEMENT RESERVE FUNDS ON DEPOSIT</b>	<b>48,214</b>	<b>44,881</b>
<b>HOMES FOR THE HOMELESS PROJECT (Note 2)</b>	<b>170,804</b>	<b>170,871</b>
<b>BINGO FUND CASH</b>	<u>19,339</u>	<u>10,993</u>
	<u><u>\$ 687,629</u></u>	<u><u>\$ 762,563</u></u>
<b><u>LIABILITIES</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued charges (Note 4)	\$ 66,540	\$ 52,559
Deferred income	4,050	33,356
Due to Homes for the Homeless Project	4,661	3,502
Due to Supported Living Program	47,925	57,910
Due to Mainstream: An Unsheltered Workshop	17,764	12,354
Current portion of mortgages payable - Project 3000 (Note 5)	<u>232,597</u>	<u>54,587</u>
	373,537	214,268
<b>MORTGAGES PAYABLE - PROJECT 3000 (Note 5)</b>	<b>87,563</b>	<b>320,160</b>
<b>SUPPORTED LIVING PROGRAM (Note 6)</b>	<u>6,254</u>	<u>6,267</u>
	<u>467,354</u>	<u>540,695</u>
<b><u>NET ASSETS (LIABILITIES)</u></b>		
<b>OPERATING FUND</b>	<b>(11,828)</b>	<b>1,390</b>
<b>REPLACEMENT RESERVE FUND</b>	<b>48,214</b>	<b>44,881</b>
<b>HOMES FOR THE HOMELESS PROJECT FUND</b>	<b>170,804</b>	<b>170,871</b>
<b>SUPPORTED LIVING PROGRAM FUND</b>	<b>(6,254)</b>	<b>(6,267)</b>
<b>BINGO FUND</b>	<u>19,339</u>	<u>10,993</u>
	<u>220,275</u>	<u>221,868</u>
	<u><u>\$ 687,629</u></u>	<u><u>\$ 762,563</u></u>

Approved on behalf of the Board:


 \_\_\_\_\_, Director


 \_\_\_\_\_, Director  
 St. Catharines, Ontario  
 June 27, 2019

The accompanying notes are an integral part of the financial statements

**ST. CATHARINES MAINSTREAM NON-PROFIT HOUSING PROJECT**

**STATEMENT OF REVENUE AND EXPENDITURES**

**YEAR ENDED MARCH 31, 2019**

	<u>2019</u>	<u>2018</u>
<b>REVENUE</b>		
Ministry of Children, Community and Social Services		
Operating	\$ 2,013,380	\$ 1,908,394
Minor capital	19,281	26,083
MCCSS Modernization Grant	157,240	-
Employment and Social Development Canada	10,865	-
Client income	257,010	273,428
Other income	16,978	6,412
Rental income	51,059	56,196
Bingo fundraising	7,685	28,700
	<u>2,533,498</u>	<u>2,299,213</u>
<b>EXPENDITURES</b>		
Advertising/memberships	4,350	2,755
Agency governance costs	134	1,804
Amortization	54,587	53,405
Bank charges	4,273	4,150
Capital expenditures		
Minor	30,210	26,083
Fire renovations	13,039	-
Other	12,759	14,158
Capital reserve allowance	6,369	6,369
Comfort allowances	21,723	22,146
Consulting fees	3,522	15,180
Groceries	40,034	42,326
Insurance	25,278	22,556
Interest on long-term debt	6,998	8,182
Municipal taxes	30,633	30,446
Office, program supplies and stipends	53,743	43,420
Professional fees	6,500	7,100
Purchased services	150,260	3,438
Occupancy and vehicle costs	99,756	100,083
Repairs and maintenance	17,875	20,514
Salaries and benefits	1,899,361	1,795,359
Staff training	10,078	15,313
Travel and communications	22,847	24,659
Utilities	32,441	30,445
	<u>2,546,770</u>	<u>2,289,891</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<u>\$ (13,272)</u>	<u>\$ 9,322</u>

The allocation of the excess (deficiency) of revenue over expenditures in the various funds is as follows:

Operating Fund - Project 3000	\$ (12,999)	\$ (812)
- Supportive Independent Living Program	-	275
- Community Participation Strategic Alliance Program	(219)	-
Homes For The Homeless Project Fund	(67)	9,688
Supported Living Program Fund	13	171
	<u>\$ (13,272)</u>	<u>\$ 9,322</u>

The accompanying notes are an integral part of the financial statements

ST. CATHARINES MAINSTREAM NON-PROFIT HOUSING PROJECTSTATEMENT OF FUNDSYEAR ENDED MARCH 31, 2019OPERATING FUND

	<u>2019</u>	<u>2018</u>
<b>PROJECT 3000</b>		
Balance (deficit), beginning of year	\$ (5,100)	\$ (4,288)
Excess (deficiency) of revenue over expenditures (Schedule 2)	<u>(12,999)</u>	<u>(812)</u>
Balance (deficit), end of year	<u>(18,099)</u>	<u>(5,100)</u>
<b>SUPPORTIVE INDEPENDENT LIVING PROGRAM</b>		
Balance, beginning of year	6,490	8,071
Excess of revenue over expenditures (Schedule 3)	-	275
Community Participation Strategic Alliance Net revenue (deficiency) over expenditures (Schedule 6)	(219)	-
Repayment of prior year's subsidy	<u>-</u>	<u>(1,856)</u>
Balance, end of year	<u>6,271</u>	<u>6,490</u>
<b>OPERATING FUND BALANCE (DEFICIT)</b>	<u>\$ (11,828)</u>	<u>\$ 1,390</u>

REPLACEMENT RESERVE FUND

	<u>2019</u>	<u>2018</u>
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 44,881	\$ 40,993
<b>ALLOCATION FROM PROJECT 3000</b>	6,369	6,369
<b>INTEREST EARNED</b>	1,002	698
<b>EXPENDITURE</b>	<u>(4,038)</u>	<u>(3,179)</u>
<b>BALANCE, END OF YEAR</b>	<u>\$ 48,214</u>	<u>\$ 44,881</u>

HOMES FOR THE HOMELESS PROJECT FUND (AVALON)

	<u>2019</u>	<u>2018</u>
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 170,871	\$ 161,183
<b>EXCESS OF REVENUE OVER EXPENDITURES (Schedule 4)</b>	<u>(67)</u>	<u>9,688</u>
<b>BALANCE, END OF YEAR</b>	<u>\$ 170,804</u>	<u>\$ 170,871</u>

The accompanying notes are an integral part of the financial statements

ST. CATHARINES MAINSTREAM NON-PROFIT HOUSING PROJECTSTATEMENT OF FUNDS

(continued)

YEAR ENDED MARCH 31, 2019SUPPORTED LIVING PROGRAM FUND

	<u>2019</u>	<u>2018</u>
BALANCE (DEFICIT), BEGINNING OF YEAR	\$ (6,267)	\$ (6,418)
EXCESS OF REVENUE OVER EXPENDITURES (Schedule 5)	13	171
REPAYMENT OF PRIOR YEAR'S SUBSIDY	<u>-</u>	<u>(20)</u>
BALANCE (DEFICIT), END OF YEAR	<u>\$ (6,254)</u>	<u>\$ (6,267)</u>

BINGO FUND

	<u>2019</u>	<u>2018</u>
RECEIPTS FOR YEAR	\$ 16,031	\$ 21,316
DISBURSEMENTS FOR YEAR		
Professional fees	<u>-</u>	<u>537</u>
EXCESS OF RECEIPTS OVER DISBURSEMENTS	16,031	20,779
TRANSFER TO SUPPORTIVE INDEPENDENT LIVING PROGRAM	(2,058)	(15,285)
TRANSFER TO SUPPORTED LIVING PROGRAM	<u>(5,627)</u>	<u>(13,415)</u>
NET EXCESS (DEFICIENCY)	8,346	(7,921)
BALANCE, BEGINNING OF YEAR	<u>10,993</u>	<u>18,914</u>
BALANCE, END OF YEAR	<u>\$ 19,339</u>	<u>\$ 10,993</u>

The accompanying notes are an integral part of the financial statements



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**ST. CATHARINES MAINSTREAM NON-PROFIT HOUSING PROJECT**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED MARCH 31, 2019**

	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>		
Excess (deficiency) of expenditures over revenue - Operating Fund	\$ (13,218)	\$ (537)
Add amortization not affecting cash	54,587	53,405
Less prior year subsidy repayment	<u>-</u>	<u>(1,856)</u>
	41,369	51,012
Effects on cash from changes in operating assets and liabilities		
Accounts receivable	93	(2,489)
Sales tax recoverable	(16,175)	3,494
Prepaid expenses	222	(2,381)
Accounts payable and accrued charges	13,981	353
Deferred income	(29,306)	13,607
Due to Supported Living Program	(9,985)	22,799
Due to Mainstream: An Unsheltered Workshop	5,410	12,631
Due to/from Homes for the Homeless Project	<u>1,159</u>	<u>170</u>
	<u>6,768</u>	<u>99,196</u>
<b>CASH FLOWS USED IN FINANCING ACTIVITY</b>		
Repayment of mortgages payable	<u>(54,587)</u>	<u>(53,405)</u>
<b>INCREASE (DECREASE) IN CASH FOR YEAR</b>	(47,819)	45,791
<b>CASH, BEGINNING OF YEAR</b>	<u>131,187</u>	<u>85,396</u>
<b>CASH, END OF YEAR</b>	<u>\$ 83,368</u>	<u>\$ 131,187</u>

The accompanying notes are an integral part of the financial statements

**ST. CATHARINES MAINSTREAM NON-PROFIT HOUSING PROJECT**

**NOTES TO THE FINANCIAL STATEMENTS**

**MARCH 31, 2019**

**GENERAL**

St. Catharines Mainstream Non-Profit Housing Project was incorporated to provide residential accommodation and incidental facilities for persons who are developmentally challenged and of low income.

The Organization was granted charitable status on June 26, 2009.

The Operating Fund consists of the Project 3000 housing project which commenced operations on October 1, 1988, and the Supportive Independent Living Program which offers affordable housing to borderline or mildly developmentally challenged individuals and assists them in acquiring the skills necessary to develop their potential as individuals in the community.

Homes For The Homeless Project provides permanent affordable housing for individuals with a primary concern of a borderline or mildly developmental disability and a secondary concern of substance abuse. It provides assistance in acquiring the skills necessary to develop their potential in the community. The Homes for the Homeless Project Fund represents the initial forgivable interest-free loan received from the Ontario Ministry of Municipal Affairs and Housing and net revenue or expenses from operations under the Homes For The Homeless Project.

Geneva, Shoreline, and Rykert residences provide Supported Living Programs for adults with a developmental disability with an emphasis on life enhancement and leisure activities. This program is designed for developmentally challenged individuals over the age of forty-five.

The Replacement Reserve Fund is to be used for the replacement of equipment, fixtures and renovations of homes owned by the corporation.

**1. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, and reflect the following policies:

**Revenue Recognition**

Government funding is recognized in the year to which the approved budget relates. Subsequent adjustment by the government, if any, based on their review of actual expenses versus the approved budget will be reflected by the Organization in the year of adjustment to the statement of operations.

Other income is reported in the period it relates to.

The Organization uses the deferral method of accounting for its revenue contributions, in which restricted contributions related to expenditures of future periods are deferred and recognized as revenue in the period in which the related expenditures are incurred. Funding received to operate specific projects is recognized in the period the project expenses are incurred.

Contributions related to the purchase of fixed assets are recognized as revenue in the period in which the fixed asset is expensed or amortized.

Revenue and expenditures are recorded based on the accrual method of accounting.

**Fixed Assets and Amortization**

Fixed assets are stated at cost. The original buildings, furniture and equipment were acquired and financed in accordance with an agreement with the Ontario Ministry of Municipal Affairs and Housing which dictates that amortization is taken only to the extent of principal repaid on the financing.

Subsequent additions to the buildings and equipment are expensed in the year of acquisition.

No amortization is taken on the building at 8 Avalon Place, St. Catharines, since the property was acquired from funds provided by a forgivable loan issued by the Ontario Ministry of Municipal Affairs and Housing.

**ST. CATHARINES MAINSTREAM NON-PROFIT HOUSING PROJECT**

**NOTES TO THE FINANCIAL STATEMENTS**

**MARCH 31, 2019**

**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Start-up Costs**

All costs associated with the start-up of a new program are funded through operating grants from the Ministry of Community and Social Services and are expensed in the year incurred.

**Financial Instruments**

The Organization's financial instruments consist of cash, subsidy and other receivables, funds on deposit, accounts payable and accrued charges, deferred income, due to related parties, due to other programs, and mortgages payable.

The fair value of these instruments approximate their carrying value.

Cash includes balances with banks. Bank borrowings are considered to be financing activities.

**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 reporting period. The main estimates include the fair value of assets acquired, liabilities assumed, collectability of accounts receivable, and the useful life of fixed assets. Actual results could differ from those estimates.

**2. HOMES FOR THE HOMELESS PROJECT**

	<u>2019</u>	<u>2018</u>
Cash	\$ 31,666	\$ 32,235
Replacement reserve cash	11,052	10,862
Accounts receivable	-	1,457
Due from Operating Fund	4,661	3,502
Prepaid expense	531	531
Land and building - 8 Avalon Place, St. Catharines	123,719	123,719
Accounts payable	<u>(825)</u>	<u>(1,435)</u>
Net assets	<u>\$ 170,804</u>	<u>\$ 170,871</u>

**3. BANK INDEBTEDNESS**

St. Catharines Mainstream Non-Profit Housing Project has an authorized line of credit in the amount of \$100,000. Interest is charged at prime plus 2.0% and is secured by a general security agreement over all personal property of the Organization.

**4. ACCOUNTS PAYABLE AND ACCRUED CHARGES**

	<u>2019</u>	<u>2018</u>
Trade payables	\$ 15,978	\$ 19,605
Accrued audit	1,132	2,122
Accrued interest	539	736
Accrued utilities	5,754	5,089
Accrued wages	<u>43,137</u>	<u>25,007</u>
	<u>\$ 66,540</u>	<u>\$ 52,559</u>

ST. CATHARINES MAINSTREAM NON-PROFIT HOUSING PROJECTNOTES TO THE FINANCIAL STATEMENTSMARCH 31, 2019**5. MORTGAGES PAYABLE - PROJECT 3000**

	<u>2019</u>	<u>2018</u>
Royal Bank of Canada, mortgage payable, repayable in monthly installments of \$ 4,296 including interest calculated at 2.418%, due October 1, 2019, secured by rental properties	\$ 223,484	\$ 269,058
Canada Mortgage and Housing Corporation, mortgage payable, repayable in monthly installments of \$ 845 including interest calculated at 1.11%, due April 1, 2021, secured by rental properties	<u>96,676</u>	<u>105,689</u>
	<u>320,160</u>	<u>374,747</u>
Less : current portion of mortgages payable	<u>232,597</u>	<u>54,587</u>
	<u>\$ 87,563</u>	<u>\$ 320,160</u>

Year ending March 31, 2020	\$ 232,597
2021	9,215
2022	9,317
2023	9,421
2024	9,526
Thereafter	<u>50,084</u>
	<u>\$ 320,160</u>

**6. SUPPORTED LIVING PROGRAM**

The Supported Living Program is funded by the Ministry of Community and Social Services. The net assets (liabilities) of the program are as follows:

	<u>2019</u>	<u>2018</u>
Accounts receivable	\$ 9,941	\$ 3,017
Prepaid expenses	5,436	6,742
Due from Operating Fund	47,925	57,910
Accounts payable and accrued charges	<u>(69,556)</u>	<u>(73,936)</u>
Net assets (liabilities)	<u>\$ (6,254)</u>	<u>\$ (6,267)</u>

**ST. CATHARINES MAINSTREAM NON-PROFIT HOUSING PROJECT****NOTES TO THE FINANCIAL STATEMENTS****MARCH 31, 2019****7. FINANCIAL RISKS**

The significant financial risks to which the Organization is exposed are credit risk, interest rate risk and liquidity risk. There have been no changes to risk exposures from prior year.

**Credit Risk Exposure**

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge the obligation. The Organization is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable. These accounts are generally rent and program fees settled monthly and the Organization does not anticipate any significant loss for non-performance.

**Interest Rate Risk Exposure**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization currently holds long-term debt that accrues interest at fixed rates and are renewable in 2019 and 2021.

**Liquidity Risk Exposure**

Liquidity risk is the risk that the Organization will not be able to meet its obligations associated with financial liabilities. Operating funding from the Ministry provides funding for the Organization's various programs. Management believes that annual budgeted cash flows are sufficient to meet its current operating liabilities.

**ST. CATHARINES MAINSTREAM NON-PROFIT HOUSING PROJECT**

**SCHEDULE 1 - FIXED ASSETS - PROJECT 3000**

**YEAR ENDED MARCH 31, 2019**

	4 Mildred Avenue	174 Lake Street	15 Verdun Avenue	626 Geneva Street	71 Lafayette Drive	12 Shoreline Drive	33 Fawell Avenue	212 Rykert Street	2019 Total	2018 Total
<b>PROPERTY ACQUISITION</b>										
Purchase price	\$ 75,500	\$ 71,000	\$ 83,500	\$ 130,000	\$ 109,000	\$ 130,000	\$ 120,500	\$ 64,586	\$ 784,086	\$ 784,086
Legal fees	725	620	648	920	738	898	801	1,384	6,734	6,734
Other	1,470	1,495	1,537	3,718	1,722	2,729	2,130	2,043	16,844	16,844
	<u>77,695</u>	<u>73,115</u>	<u>85,685</u>	<u>134,638</u>	<u>111,460</u>	<u>133,627</u>	<u>123,431</u>	<u>68,013</u>	<u>807,664</u>	<u>807,664</u>
<b>BUILDING ADDITIONS</b>										
Renovation	15,494	18,474	4,577	1,494	4,447	5,940	24,749	127,932	203,107	203,107
Stove and fridges	1,312	1,327	1,327	1,342	1,342	1,754	3,158	1,597	13,159	13,159
Laundry equipment	1,263	1,264	1,264	1,264	1,264	1,264	1,264	1,004	9,851	9,851
Furnishing and equipment	3,856	3,634	4,574	5,530	3,910	4,072	6,307	13,435	45,318	45,318
	<u>21,925</u>	<u>24,699</u>	<u>11,742</u>	<u>9,630</u>	<u>10,963</u>	<u>13,030</u>	<u>35,478</u>	<u>143,968</u>	<u>271,435</u>	<u>271,435</u>
<b>TOTAL ALLOCATED COSTS</b>	<u>99,620</u>	<u>97,814</u>	<u>97,427</u>	<u>144,268</u>	<u>122,423</u>	<u>146,657</u>	<u>158,909</u>	<u>211,981</u>	<u>1,079,099</u>	<u>1,079,099</u>
<b>OTHER CAPITALIZED COSTS</b>										
Professional fees	221	222	222	221	222	221	221	1,200	2,750	2,750
Organization fees	2,571	2,572	2,571	2,572	2,571	2,572	2,571	9,120	27,120	27,120
Mortgage insurance	160	159	160	160	160	160	159	-	1,118	1,118
Miscellaneous	-	-	-	-	-	-	98	856	954	954
	<u>2,952</u>	<u>2,953</u>	<u>2,953</u>	<u>2,953</u>	<u>2,953</u>	<u>2,953</u>	<u>3,049</u>	<u>11,176</u>	<u>31,942</u>	<u>31,942</u>
<b>TOTAL CAPITAL COSTS</b>	102,572	100,767	100,380	147,221	125,376	149,610	161,958	223,157	1,111,041	1,111,041
<b>LESS:</b>										
<b>ACCUMULATED AMORTIZATION</b>	76,901	75,548	75,257	110,375	93,998	112,167	121,424	129,895	795,565	740,978
<b>NET BOOK VALUE</b>	<u>\$ 25,671</u>	<u>\$ 25,219</u>	<u>\$ 25,123</u>	<u>\$ 36,846</u>	<u>\$ 31,378</u>	<u>\$ 37,443</u>	<u>\$ 40,534</u>	<u>\$ 93,262</u>	<u>\$ 315,476</u>	<u>\$ 370,063</u>

# **PARTRIDGE IGGULDEN LLP**

CHARTERED PROFESSIONAL ACCOUNTANTS

110 Hannover Drive, Suite B201  
St. Catharines, Ontario L2W 1A4  
TEL: 905-685-9400 FAX: 905-685-5991

## **REPORT OF THE INDEPENDENT AUDITOR ON THE SUPPLEMENTARY FINANCIAL INFORMATION**

To the Members of  
St. Catharines Mainstream Non-Profit Housing Project

### **Opinion**

The supplemental financial information, which comprise the statement of revenue and expenditures by program, are derived from the audited financial statements of St. Catharines Mainstream Non-Profit Housing Project (the Organization) for the year ended March 31, 2019.

In our opinion, the accompanying supplementary financial information is a fair summary of the audited financial statements.

### **Supplementary Financial Information**

The supplementary financial information does not contain all the disclosures required by Canadian accounting standards for not-for-profit organizations. Reading the supplemental financial information is not a substitute for reading the audited financial statements and the auditor's report thereon.

### **The Audited Financial Statements and Our Report Thereon**

We expressed a qualified audit opinion on the audited financial statements in our report dated June 27, 2019. The basis for our qualified opinion was the Organization follows the accounting policies of expensing fixed assets in the year acquired and recognizing funding designated for fixed assets as income in the year received. Canadian accounting standards for not-for-profit organizations require that fixed assets should be capitalized and amortized over their estimated useful lives, and the funding designated for fixed assets be deferred and recognized as income over the estimated useful lives of the related assets.

### **Management's Responsibility for the Supplementary Financial Information**

Management is responsible for the preparation of the supplementary financial information.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on whether the supplementary financial statements are a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with Canadian generally accepted auditing standards.



**PARTRIDGE IGGULDEN LLP**  
Chartered Professional Accountants  
Licensed Public Accountants

St. Catharines, Ontario  
June 27, 2019

**ST. CATHARINES MAINSTREAM NON-PROFIT HOUSING PROJECT****SCHEDULE 2 - PROJECT 3000****YEAR ENDED MARCH 31, 2019**

	<u>2019</u>	<u>2018</u>
<b>REVENUE</b>		
Ministry of Children, Community and Social Services	\$ 151,891	\$ 151,809
Rental income	<u>37,752</u>	<u>38,896</u>
	<u>189,643</u>	<u>190,705</u>
<b>EXPENDITURES</b>		
Amortization	54,587	53,405
Capital reserve allowance	6,369	6,369
Insurance	8,713	7,001
Interest on long-term debt	6,998	8,182
Municipal taxes	27,561	27,389
Office, program supplies and stipends	1,399	890
Professional fees	3,000	3,000
Occupancy costs	4,200	4,200
Repairs and maintenance	16,458	14,272
Salaries and benefits	39,115	35,167
Travel and telephone	4,585	4,047
Utilities	<u>29,657</u>	<u>27,595</u>
	<u>202,642</u>	<u>191,517</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<u>\$ (12,999)</u>	<u>\$ (812)</u>

See Report of the Independent Auditor on the Supplementary Financial Information



**ST. CATHARINES MAINSTREAM NON-PROFIT HOUSING PROJECT****SCHEDULE 3 - SUPPORTIVE INDEPENDENT LIVING PROGRAM****YEAR ENDED MARCH 31, 2019**

	<u>2019</u>	<u>2018</u>
<b>REVENUE</b>		
Ministry of Children, Community and Social Services	\$ 583,341	\$ 544,629
Employment and Social Development Canada	10,865	-
Client income	25,294	24,084
Donations	200	-
Other income	3,379	1,372
Bingo fundraising	<u>2,058</u>	<u>15,285</u>
	<u>625,137</u>	<u>585,370</u>
<b>EXPENDITURES</b>		
Advertising/memberships	4,023	2,755
Agency governance costs	91	1,381
Bank charges	1,874	1,925
Capital expenditures	4,380	4,500
Consulting fees	1,893	11,443
Insurance	6,333	4,807
Office, program supplies and stipends	6,756	6,464
Professional fees	1,500	1,500
Purchased services	-	3,438
Occupancy and vehicle costs	24,948	25,275
Salaries and benefits	558,339	502,085
Staff training	4,530	7,124
Travel and telephone	<u>10,470</u>	<u>12,398</u>
	<u>625,137</u>	<u>585,095</u>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 275</u>

See Report of the Independent Auditor on the Supplementary Financial Information

**ST. CATHARINES MAINSTREAM NON-PROFIT HOUSING PROJECT****SCHEDULE 4 - HOMES FOR THE HOMELESS PROJECT****YEAR ENDED MARCH 31, 2019**

	<u>2019</u>	<u>2018</u>
<b>REVENUE</b>		
Rental income	\$ 13,307	\$ 17,300
Other income	190	161
	<u>13,497</u>	<u>17,461</u>
<b>EXPENDITURES</b>		
Bank charges	60	60
Capital expenditures	5,353	-
Insurance	795	663
Municipal taxes	3,072	3,057
Professional fees	-	600
Repairs and maintenance	1,417	291
Salaries and benefits	225	-
Utilities	2,642	3,102
	<u>13,564</u>	<u>7,773</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<u>\$ (67)</u>	<u>\$ 9,688</u>

See Report of the Independent Auditor on the Supplementary Financial Information

**ST. CATHARINES MAINSTREAM NON-PROFIT HOUSING PROJECT****SCHEDULE 5 - SUPPORTED LIVING PROGRAM****YEAR ENDED MARCH 31, 2019**

	<u>2019</u>	<u>2018</u>
<b>REVENUE</b>		
Ministry of Children, Community and Social Services		
Operating	\$ 1,278,148	\$ 1,211,956
Social Housing Infrastructure Funding - Minor capital	19,281	26,083
Client income	231,716	249,344
Other income	13,209	-
Bingo fundraising	5,626	13,415
	<u>1,547,980</u>	<u>1,500,798</u>
<b>EXPENDITURES</b>		
Advertising/memberships	327	-
Agency governance costs	43	423
Bank charges	2,338	2,165
Capital expenditures		
Social Infrastructure Expenditures	19,254	26,083
Renovations	5,603	-
Fire renovations	13,039	-
Other	8,379	4,520
Comfort allowances	21,723	22,146
Consulting fees	1,629	3,737
Groceries	40,034	42,326
Insurance	9,438	10,085
Office, program supplies and stipends	44,699	36,066
Professional fees	2,000	2,000
Purchased services	6,437	-
Occupancy and vehicle costs	70,608	70,608
Repairs and maintenance	-	6,210
Salaries and benefits	1,289,135	1,258,107
Staff training	5,548	8,189
Travel and communications	7,733	7,962
	<u>1,547,967</u>	<u>1,500,627</u>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<u>\$ 13</u>	<u>\$ 171</u>

See Report of the Independent Auditor on the Supplementary Financial Information

**ST. CATHARINES MAINSTREAM NON-PROFIT HOUSING PROJECT**  
**SCHEDULE 6 - COMMUNITY PARTICIPATION STRATEGIC ALLIANCE**  
**YEAR ENDED MARCH 31, 2019**

	<u>2019</u>	<u>2018</u>
<b>REVENUE</b>		
Ministry of Children, Community and Social Services	\$ 157,240	\$ -
<b>EXPENDITURES</b>		
Office, program supplies and stipends	1,027	-
Purchased services	143,823	-
Salaries and benefits	12,549	-
Travel and telephone	60	-
	<u>157,459</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<u>\$ (219)</u>	<u>\$ -</u>

See Report of the Independent Auditor on the Supplementary Financial Information

ST. CATHARINES MAINSTREAM NON-PROFIT HOUSING PROJECTSUPPLEMENTARY INFORMATIONMARCH 31, 2019

St. Catharines Mainstream Non-Profit Housing Project was incorporated as a company without share capital on July 22, 1988. Operations began October 1, 1988. The Organization was granted charitable status on June 26, 2009.

**NATURE OF BUSINESS:**

A non-profit organization providing residential support and services to individuals with a developmental disability.

**HEAD OFFICE:**

263 Pelham Road  
St. Catharines, Ontario  
L2S 1X7

**DIRECTORS AND OFFICERS:**

Rob Stinson	- President
Michael Robertson	- Vice President
Jeff Kelly	- Treasurer
Janet Rylett	- Secretary
Dale Boyd	
Dennis Cheredar	
Kim Demoel	
Gary Enskat	

**EXECUTIVE DIRECTOR:**

Kevin Berswick

**AUDITORS:**

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Chartered Professional Accountants  
Licensed Public Accountants  
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210 Glendale Avenue  
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**LAWYER:**

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