

MAINSTREAM: AN UNSHELTERED WORKSHOP
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2018



June 25, 2018

To the Members of
Mainstream: An Unsheltered Workshop

We have completed the audit of Mainstream: An Unsheltered Workshop for the year ended March 31, 2018 and attached the following:

- Index -

Independent Auditor's Report	Page	1-2
Statement of Financial Position		3
Statement of Revenue and Expenditures		4
Statement of Net Assets		5-6
Statement of Cash Flows		7
Notes to the Financial Statements		8-11
Independent Auditor's Comments on Supplementary Financial Information		12
Schedule 1 - Community Participation		13
Schedule 2 - Occupancy/Fundraising Fund		14
Schedule 3 - Graffiti Project		15
Supplementary Information		16

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

WALLACE PARTRIDGE, CPA, CA
 LAWRENCE IGGULDEN, Hons. B.A., FCPA, FCA
 ALAN SIMPSON, B.B.A., CPA, CA
 ELISEO SINOPOLI, Hons. B. Admin., CPA, CA
 TIMOTHY NELLES, B. Acc., CPA, CA

INDEPENDENT AUDITOR'S REPORT

To the Members of
 Mainstream: An Unsheltered Workshop

We have audited the accompanying financial statements of Mainstream: An Unsheltered Workshop, which comprise the statement of financial position as at March 31, 2018 and the statements of revenue and expenditures, net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

Mainstream: An Unsheltered Workshop derives a portion of its receipts in the form of donations and incurs cash expenses in the form of client training allowances, which are not susceptible of complete audit verification. Accordingly, our verification of these items was limited to a comparison of bank statements with the amounts recorded in the records of the organization, and we were not able to determine whether any adjustments might be necessary to donations revenue, client training allowances and net assets.

Basis for Qualified Opinion (continued)

Note 1 describes the fixed assets and amortization accounting policy of Mainstream: An Unsheltered Workshop. Land and buildings are capitalized on the statement of financial position and where debt exists on any of the buildings they are amortized to the extent the related mortgage principal is repaid during the year. Renovation and equipment expenditures eligible for Ministry Minor Capital grants have been expensed. All other fixed asset additions are expensed on the statement of revenue and expenditure when purchased. Under Canadian accounting standards for not-for-profit organizations, all fixed assets should be capitalized and amortized over their estimated useful lives. 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.

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraphs, these financial statements present fairly, in all material respects, the financial position of Mainstream: An Unsheltered Workshop as at March 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

St. Catharines, Ontario
June 25, 2018



PARTRIDGE IGGULDEN LLP
Chartered Professional Accountants
Licensed Public Accountants

MAINSTREAM: AN UNSHELTERED WORKSHOP**STATEMENT OF FINANCIAL POSITION****MARCH 31, 2018**

	Operating Fund	Occupancy/ Fundraising Fund	Residential Joint Venture Fund (Note 2)	Total 2018	Total 2017
ASSETS					
Current Assets					
Cash	\$ 58,469	\$ -	\$ 15,108	\$ 73,577	\$ 225,120
Cash - Bingo Fund	-	17,655	-	17,655	17,944
- Replacement Reserve Fund	-	-	19,143	19,143	18,739
Accounts receivable	71,080	-	-	71,080	40,219
Sales tax receivable	11,190	-	-	11,190	7,887
Prepaid expenses	13,082	-	2,192	15,274	10,116
Due from St. Catharines Mainstream Non-Profit Housing Project	12,354	-	-	12,354	-
Interfund receivable (payable)	(83,244)	81,829	1,415	-	-
	82,931	99,484	37,858	220,273	320,025
DUE FROM GATEWAY (Note 2)	-	-	44,529	44,529	52,319
LAND AND BUILDINGS (Note 3)	-	716,715	419,570	1,136,285	695,561
	<u>\$ 82,931</u>	<u>\$ 816,199</u>	<u>\$ 501,957</u>	<u>\$ 1,401,087</u>	<u>\$ 1,067,905</u>
LIABILITIES					
Current Liabilities					
Accounts payable and accruals (Note 5)	\$ 66,673	\$ -	\$ 7,669	\$ 74,342	\$ 63,962
Due to St. Catharines Mainstream Non- Profit Housing Project	-	-	-	-	277
Current portion of long-term debt (Note 6)	-	9,437	14,412	23,849	17,295
	66,673	9,437	22,081	98,191	81,534
Long-term debt due on demand (Note 6)	-	-	85,706	85,706	100,247
	66,673	9,437	107,787	183,897	181,781
LONG-TERM DEBT (Note 6)	-	262,106	-	262,106	3,098
	66,673	271,543	107,787	446,003	184,879
NET ASSETS					
Restricted					
Contributed equity (Note 7)	-	-	372,168	372,168	372,168
Replacement reserve	-	-	19,143	19,143	18,739
Unrestricted					
Accumulated surplus	16,258	527,001	2,859	546,118	474,175
Bingo fund	-	17,655	-	17,655	17,944
	16,258	544,656	394,170	955,084	883,026
	<u>\$ 82,931</u>	<u>\$ 816,199</u>	<u>\$ 501,957</u>	<u>\$ 1,401,087</u>	<u>\$ 1,067,905</u>

Approved on behalf of the Board:


 _____, Director


 _____, Director

St. Catharines, Ontario

June 25, 2018

MAINSTREAM: AN UNSHELTERED WORKSHOP**STATEMENT OF REVENUE AND EXPENDITURES****YEAR ENDED MARCH 31, 2018**

	Operating Fund	Occupancy/ Fundraising Fund	Residential Joint Venture Fund (Note 2)	Total 2018	Total 2017
REVENUE					
Ministry of Community and Social Services					
- Operating	\$ 911,888	\$ -	\$ -	\$ 911,888	\$ 908,707
- Minor capital	-	-	-	-	12,700
United Way grants	37,167	9,996	-	47,163	46,272
Donations	-	22,736	-	22,736	21,809
Fee for services	1,710	83,599	-	85,309	63,097
Fundraising income	-	56,908	-	56,908	60,796
Grants	23,276	-	-	23,276	9,299
Rental income/Occupancy recovery	25,289	107,668	52,177	185,134	171,292
Participation fees and other income	-	384,787	-	384,787	190,837
	<u>999,330</u>	<u>665,694</u>	<u>52,177</u>	<u>1,717,201</u>	<u>1,484,809</u>
EXPENDITURES					
Advertising and promotion	1,587	-	-	1,587	3,045
Amortization	-	1,555	13,790	15,345	13,227
Building costs	-	24,422	6,769	31,191	29,469
Capital expenditures	-	21,774	-	21,774	25,875
Client training allowances	3,737	9,170	-	12,907	24,557
Consulting fees	8,635	355	-	8,990	9,220
Equipment rental	-	4,993	-	4,993	3,335
Fundraising costs	-	23,656	-	23,656	25,540
Insurance	5,176	5,850	2,735	13,761	12,230
Interest and bank charges	3,541	-	115	3,656	2,661
Interest on long-term debt	-	2,907	5,959	8,866	6,446
Minor capital expenditure	-	-	-	-	9,786
Municipal taxes	-	11,692	-	11,692	10,939
Occupancy	36,500	3,000	-	39,500	42,167
Office and meetings	6,114	41,819	3,032	50,965	29,494
Personal support grants	28,349	-	-	28,349	28,556
Professional fees	4,000	-	909	4,909	7,600
Purchased services	-	192,989	-	192,989	75,537
Replacement reserve contribution	-	-	-	-	3,000
Salaries and benefits	919,112	138,494	1,611	1,059,217	943,404
Supplies	1,709	4,500	-	6,209	8,678
Training	8,358	475	-	8,833	4,224
Utilities and telephone	-	34,964	15,468	50,432	47,454
Vehicle and travel	1,566	76,713	-	78,279	53,003
	<u>1,028,384</u>	<u>599,328</u>	<u>50,388</u>	<u>1,678,100</u>	<u>1,419,447</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES BEFORE OTHER INCOME					
	<u>(29,054)</u>	<u>66,366</u>	<u>1,789</u>	<u>39,101</u>	<u>65,362</u>
OTHER INCOME					
Participation fees and other income	13,622	-	-	13,622	14,705
Cafe operation	334	-	-	334	974
	<u>13,956</u>	<u>-</u>	<u>-</u>	<u>13,956</u>	<u>15,679</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES BEFORE FUND TRANSFERS					
	<u>(15,098)</u>	<u>66,366</u>	<u>1,789</u>	<u>53,057</u>	<u>81,041</u>
TRANSFER TO GATEWAY					
	<u>-</u>	<u>-</u>	<u>(895)</u>	<u>(895)</u>	<u>(84)</u>
TRANSFER FROM BINGO FUND					
	<u>15,048</u>	<u>7,647</u>	<u>-</u>	<u>22,695</u>	<u>14,649</u>
NET EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES					
	<u>\$ (50)</u>	<u>\$ 74,013</u>	<u>\$ 894</u>	<u>\$ 74,857</u>	<u>\$ 95,606</u>

MAINSTREAM: AN UNSHELTERED WORKSHOP**STATEMENT OF NET ASSETS****YEAR ENDED MARCH 31, 2018****OPERATING FUND**

	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 19,222	\$ 16,308
Excess (deficiency) of revenue over expenditures Community Participation (Schedule 1)	(50)	2,914
TPAR subsidy settlement (2016/2017)	<u>(2,914)</u>	<u>-</u>
Balance, end of year	<u>\$ 16,258</u>	<u>\$ 19,222</u>

OCCUPANCY/FUNDRAISING FUND

	<u>2018</u>	<u>2017</u>
Balance, beginning of year	<u>\$ 452,988</u>	<u>\$ 360,380</u>
Excess (deficiency) of revenue over expenditures Occupancy/Fundraising (Schedule 2) Graffiti Project (Schedule 3)	75,498 <u>(1,485)</u>	84,100 <u>8,508</u>
	<u>74,013</u>	<u>92,608</u>
Balance, end of year	<u>\$ 527,001</u>	<u>\$ 452,988</u>

RESIDENTIAL JOINT VENTURE FUND

	<u>2018</u>	<u>2017</u>
<u>Unrestricted Accumulated Surplus</u>		
Balance, beginning of year	\$ 1,965	\$ 1,881
Excess of revenue over expenditures	<u>894</u>	<u>84</u>
Balance, end of year	<u>\$ 2,859</u>	<u>\$ 1,965</u>
<u>Replacement Reserve</u>		
Balance, beginning of year	\$ 18,739	\$ 15,460
Transfer from operations	-	3,000
Interest income	<u>404</u>	<u>279</u>
Balance, end of year	<u>\$ 19,143</u>	<u>\$ 18,739</u>

MAINSTREAM: AN UNSHELTERED WORKSHOPSTATEMENT OF NET ASSETS

(continued)

YEAR ENDED MARCH 31, 2018BINGO FUND

	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 17,944	\$ 12,242
Receipts for the year	22,406	20,351
Transfer to Operating Fund	(15,048)	(11,372)
Transfer to Occupancy/Fundraising Fund	<u>(7,647)</u>	<u>(3,277)</u>
Balance, end of year	<u>\$ 17,655</u>	<u>\$ 17,944</u>

MAINSTREAM: AN UNSHELTERED WORKSHOPSTATEMENT OF CASH FLOWSYEAR ENDED MARCH 31, 2018

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenditures:		
Operating Fund	\$ (50)	\$ 2,914
Occupancy/Fundraising Fund	74,013	92,608
Ontario Street Joint Venture	894	84
Bingo Fund	<u>22,406</u>	<u>20,351</u>
	97,263	115,957
Prior year subsidy settlement	(2,914)	-
Add (deduct) items not effecting cash:		
Amortization	15,345	13,227
Transfer from Bingo Fund	(22,695)	(14,649)
Gateway portion of Joint Venture amortization	<u>(6,895)</u>	<u>(6,613)</u>
	80,104	107,922
Effects on cash from changes in operating assets and liabilities		
Accounts receivable	(30,861)	(7,524)
Sales tax receivable	(3,303)	11,233
Prepaid expenses	(5,158)	(203)
Accounts payable and accruals	10,380	13,159
Due (to) from St. Catharines Mainstream Non-Profit Housing Project	<u>(12,631)</u>	<u>(2,479)</u>
	<u>38,531</u>	<u>122,108</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Issuance of long-term debt	270,000	-
Repayment of long-term debt	<u>(18,979)</u>	<u>(29,264)</u>
	<u>251,021</u>	<u>(29,264)</u>
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Decrease in due from Gateway	7,790	6,698
Purchase of land and building	<u>(449,174)</u>	<u>-</u>
	<u>(441,384)</u>	<u>6,698</u>
INCREASE (DECREASE) IN CASH FOR YEAR	(151,832)	99,542
CASH, BEGINNING OF YEAR	<u>243,064</u>	<u>143,522</u>
CASH, END OF YEAR	<u>\$ 91,232</u>	<u>\$ 243,064</u>
Cash consists of the following:		
Cash	\$ 73,577	\$ 225,120
Cash - Bingo Fund	<u>17,655</u>	<u>17,944</u>
	<u>\$ 91,232</u>	<u>\$ 243,064</u>

MAINSTREAM: AN UNSHELTERED WORKSHOP**NOTES TO THE FINANCIAL STATEMENTS****MARCH 31, 2018****1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES**

Mainstream: An Unsheltered Workshop is a registered charitable organization which received its Letters Patent from the Ministry of Consumer and Commercial Relations on May 29, 1985. The non-profit Organization provides vocational and life skills for adults with developmental disability.

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

Funding Accounting

Mainstream: An Unsheltered Workshop follows the restricted fund method of accounting.

The Operating Fund records all funding related to the Ministry of Community and Social Services and other revenues related to funding the Organization's regular operations.

The Occupancy/Fundraising Fund records all revenue from donations, fundraising activities, fee for services, participation fees and occupancy recoveries and related expenses that are not included in the Operating Fund.

The Residential Joint Venture Fund jointly operates a nine unit residential complex as disclosed in note 2.

Revenue and Expenditure

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

Fixed Assets and Amortization

The land and buildings are capitalized on the statement of financial position at cost. Where debt exists on the buildings they are amortized to the extent the related long-term debt is repaid monthly during the year or approval has been granted to apply any current year subsidy surplus against the mortgage payable after the year end date. No amortization is taken for the payment of long term debt at maturity.

Operating Fund equipment additions are expensed on the statement of revenue and expenditure when purchased. Capital expenditure in the amount of \$22,502 (2017: \$35,661) were expensed in the current year.

Financial Instruments

Financial instruments included in the statement of financial position consist of cash, accounts receivable, due from/to St. Catharines Mainstream Non-Profit Housing Project, due from Gateway, accounts payable and accruals, and long-term debt.

The carrying value of all financial instruments approximate their fair market values.

Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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. Actual results could differ from those estimates.

MAINSTREAM: AN UNSHELTERED WORKSHOPNOTES TO THE FINANCIAL STATEMENTSMARCH 31, 2018**2. RESIDENTIAL JOINT VENTURE - 160 ONTARIO STREET**

Mainstream: An Unsheltered Workshop and Gateway Residential & Community Support Services of Niagara Inc. ("Gateway") entered into a joint venture agreement to construct and operate a nine unit residential complex at 160 Ontario Street, St. Catharines.

The assets, liabilities and net assets reported on the statement of financial position reflect Mainstream: An Unsheltered Workshop's 50% share of the joint venture assets, liabilities and net assets.

Mainstream: An Unsheltered Workshop is reporting 100% of the revenue and expenditure of the 160 Ontario Street residential joint venture. Fifty percent of any excess (deficiency) of revenue over expenditure will be payable to/(recovered from) Gateway.

3. LAND AND BUILDINGS

	Net Book Value		Amort. Charged For Year	March 31, 2018		
	Apr. 1/17	Additions		Cost	Accum. Amort.	Net Book Value
263 Pelham Rd.						
Land	\$ 156,000	\$ -	\$ -	\$ 156,000	\$ -	\$ 156,000
Building	77,599	-	-	392,505	314,906	77,599
	<u>233,599</u>	<u>-</u>	<u>-</u>	<u>548,505</u>	<u>314,906</u>	<u>233,599</u>
91 Pelham Rd.						
Land	25,650	-	-	25,650	-	25,650
Building	9,847	-	-	59,847	50,000	9,847
	<u>35,497</u>	<u>-</u>	<u>-</u>	<u>85,497</u>	<u>50,000</u>	<u>35,497</u>
35 Fawell Ave						
Land	-	112,000	-	112,000	-	112,000
Building	-	337,174	1,555	337,174	1,555	335,619
	<u>-</u>	<u>449,174</u>	<u>1,555</u>	<u>449,174</u>	<u>1,555</u>	<u>447,619</u>
Sub-total	<u>269,096</u>	<u>449,174</u>	<u>1,555</u>	<u>1,083,176</u>	<u>366,461</u>	<u>716,715</u>
160 Ontario Street (50%)						
Land	109,675	-	-	109,675	-	109,675
Building	304,403	-	6,895	341,299	43,791	297,508
Fixtures	12,387	-	-	12,387	-	12,387
	<u>426,465</u>	<u>-</u>	<u>6,895</u>	<u>463,361</u>	<u>43,791</u>	<u>419,570</u>
Sub-total	<u>426,465</u>	<u>-</u>	<u>6,895</u>	<u>463,361</u>	<u>43,791</u>	<u>419,570</u>
Total	<u>\$ 695,561</u>	<u>\$ 449,174</u>	<u>\$ 8,450</u>	<u>\$ 1,546,537</u>	<u>\$ 410,252</u>	<u>\$ 1,136,285</u>

MAINSTREAM: AN UNSHELTERED WORKSHOP**NOTES TO THE FINANCIAL STATEMENTS****MARCH 31, 2018****4. LINE OF CREDIT**

The Organization has an authorized line of credit in the amount of \$25,000 with the Meridian Credit Union. It is payable on demand, bears interest at prime plus 2% and is secured by a general security agreement. There are no amounts outstanding on this line of credit at March 31, 2018.

5. ACCOUNTS PAYABLE AND ACCRUALS

	<u>Operating Fund</u>	<u>Residential Joint Venture Fund</u>	<u>Total 2018</u>	<u>Total 2017</u>
Trade payables	\$ 7,083	\$ 6,219	\$ 13,302	\$ 17,784
Accrued payroll	35,110	-	35,110	32,225
Accrued charges	23,939	976	24,915	12,906
Other	541	474	1,015	1,047
	<u>\$ 66,673</u>	<u>\$ 7,669</u>	<u>\$ 74,342</u>	<u>\$ 63,962</u>

6. LONG-TERM DEBT

	<u>2018</u>			<u>2017</u>
	<u>Occupancy/ Fundraising Fund</u>	<u>Residential Joint Venture Fund</u>	<u>Total</u>	<u>Total</u>
Meridian Credit Union				
Mortgage repayable in monthly instalments of \$1,471 consisting of principal and interest calculated at 4.3%, secured by land and building at 35 Fawell Avenue and due October 1, 2023.	\$ 268,445	\$ -	\$ 268,445	\$ -
Bank of Nova Scotia				
Loan repayable in bi-weekly instalments of \$142 consisting of principal and interest calculated at 0.99% per annum, due February 22, 2019.	3,098	-	3,098	6,732
Meridian Credit Union				
Open term loan due on demand and repayable in monthly instalments of \$1,632 consisting of principal and interest calculated at prime plus 2.5%, secured by a collateral mortgage on land and buildings owned by Mainstream and Gateway.	-	100,118	100,118	113,908
	271,543	100,118	371,661	120,640
Less : current portion	9,437	14,412	23,849	17,295
: balance of term loan due on demand	-	85,706	85,706	100,247
	<u>\$ 262,106</u>	<u>\$ -</u>	<u>\$ 262,106</u>	<u>\$ 3,098</u>

MAINSTREAM: AN UNSHELTERED WORKSHOP**NOTES TO THE FINANCIAL STATEMENTS****MARCH 31, 2018****6. LONG-TERM DEBT (continued)**

Based on the assumption that the mortgage and loans will be renewed under similar terms when they come due, the principal payments due in each of the next five years are as follows:

Years ending March 31,	2019	\$	23,849
	2020		21,866
	2021		23,127
	2022		24,418
	2023		25,783
	Thereafter		<u>252,618</u>
		\$	<u>371,661</u>

7. CONTRIBUTED EQUITY

The Residential Joint Venture received Federal and Provincial government forgivable loans, a grant from the Regional Municipality of Niagara and completed various fundraising activities to assist in the capital costs related to the Joint Venture. The Federal and Provincial government loans are forgivable over 20 years as long as the Joint Venture maintains ownership of 160 Ontario Street and there is no change in use of the property during this time frame.

The Board of Directors determined that a fair presentation would be to report these sources of funding as contributed equity rather than to apply the amounts against the construction cost of the assets or to record them as deferred revenue.

If the Residential Joint Venture disposes of the real estate, the Federal and Provincial forgivable loans are required to be repaid.

8. 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 incurs interest at variable rates.

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 Organizations various programs. Management believes that annual budgeted cash flows are sufficient to meet its current operating liabilities.

PARTRIDGE IGGULDEN



 PARTRIDGE IGGULDEN LLP
 CHARTERED PROFESSIONAL ACCOUNTANTS

 WALLACE PARTRIDGE, CPA, CA
 LAWRENCE IGGULDEN, Hons. B.A., FCPA, FCA
 ALAN SIMPSON, B.B.A., CPA, CA
 ELISEO SINOPOLI, Hons. B. Admin., CPA, CA
 TIMOTHY NELLES, B.Acc., CPA, CA

INDEPENDENT AUDITOR'S COMMENTS ON
SUPPLEMENTARY FINANCIAL INFORMATION

To the Members of
 Mainstream: An Unsheltered Workshop

The audited financial statements of Mainstream: An Unsheltered Workshop as at March 31, 2018 and our report thereon dated June 25, 2018 are presented in the preceding section of this report. The financial information presented hereinafter was derived from the accounting records tested by us as part of the auditing procedures followed in our examination of the financial statements and, in our opinion, it is fairly presented in all material respects in relation to the financial statements taken as a whole.

St. Catharines, Ontario
 June 25, 2018

PARTRIDGE IGGULDEN LLP
 Chartered Professional Accountants
 Licensed Public Accountants

MAINSTREAM: AN UNSHELTERED WORKSHOP**SCHEDULE 1 - COMMUNITY PARTICIPATION****YEAR ENDED MARCH 31, 2018**

	<u>2018</u>	<u>2017</u>
REVENUE		
Ministry of Community and Social Services		
- Operating	\$ 911,888	\$ 908,707
- Minor capital	-	12,700
United Way grants	37,167	36,276
Fee for services - Cleaning services	1,710	11,280
Grants	23,276	9,299
Rental income	25,289	12,930
	<u>999,330</u>	<u>991,192</u>
EXPENDITURES		
Advertising and promotion	1,587	1,205
Capital expenditures	-	3,324
Client training allowances	3,737	15,176
Consulting fees	8,635	9,220
Insurance	5,176	6,620
Interest and bank charges	3,541	2,561
Minor capital expenditure	-	9,786
Occupancy	36,500	36,500
Office and meetings	6,114	5,768
Personal support grants	28,349	28,556
Professional fees	4,000	7,000
Salaries and benefits	919,112	882,680
Supplies	1,709	2,160
Training	8,358	4,189
Vehicle and travel	1,566	584
	<u>1,028,384</u>	<u>1,015,329</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES BEFORE OTHER INCOME	<u>(29,054)</u>	<u>(24,137)</u>
OTHER INCOME		
Participation fees	13,622	14,705
Cafe operation	334	974
	<u>13,956</u>	<u>15,679</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES BEFORE FUND TRANSFER	<u>(15,098)</u>	<u>(8,458)</u>
TRANSFER FROM BINGO FUND	<u>15,048</u>	<u>11,372</u>
NET EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>\$ (50)</u>	<u>\$ 2,914</u>

MAINSTREAM: AN UNSHELTERED WORKSHOP
SCHEDULE 2 - OCCUPANCY/FUNDRAISING FUND
YEAR ENDED MARCH 31, 2018

	<u>2018</u>	<u>2017</u>
REVENUE		
Donations	\$ 22,736	\$ 21,809
Fee for services	60,639	23,415
Fundraising income	56,908	60,796
Occupancy recovery	107,668	109,334
Passport and other income	<u>384,787</u>	<u>190,837</u>
	<u>632,738</u>	<u>406,191</u>
EXPENDITURES		
Advertising and promotion	-	1,840
Amortization	1,555	-
Building costs	24,422	23,892
Capital expenditures	21,774	22,551
Client training allowances	9,170	-
Consulting fees	355	-
Equipment rental	4,993	3,335
Fundraising costs	23,656	25,540
Insurance	5,850	3,151
Interest on long-term debt	2,907	89
Municipal taxes	11,692	10,939
Office and meetings	41,727	20,412
Purchased services	192,989	75,537
Rent	3,000	4,000
Salaries and benefits	105,686	43,195
Supplies	3,514	4,239
Utilities and telephone	34,964	34,249
Vehicle and travel	<u>76,633</u>	<u>52,399</u>
	<u>564,887</u>	<u>325,368</u>
EXCESS OF REVENUE OVER EXPENDITURES BEFORE FUND TRANSFER	67,851	80,823
TRANSFER FROM BINGO FUND	<u>7,647</u>	<u>3,277</u>
NET EXCESS OF REVENUE OVER EXPENDITURES	<u>\$ 75,498</u>	<u>\$ 84,100</u>

MAINSTREAM: AN UNSHELTERED WORKSHOP**SCHEDULE 3 - GRAFFITI PROJECT****YEAR ENDED MARCH 31, 2018**

	<u>2018</u>	<u>2017</u>
REVENUE		
United Way grants	\$ 9,996	\$ 9,996
Fee for services - Graffiti removal income	<u>22,960</u>	<u>28,402</u>
	<u>32,956</u>	<u>38,398</u>
EXPENDITURES		
Client training allowances	-	9,381
Office and meetings	92	61
Occupancy	-	1,667
Salaries and benefits	32,808	17,204
Supplies	986	1,522
Training	475	35
Vehicle and travel	80	20
	<u>34,441</u>	<u>29,890</u>
NET EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>\$ (1,485)</u>	<u>\$ 8,508</u>

MAINSTREAM: AN UNSHELTERED WORKSHOP**SUPPLEMENTARY INFORMATION****MARCH 31, 2018**

Mainstream: An Unsheltered Workshop is a registered charitable organization which received its Letters Patent from the Ministry of Consumer and Commercial Relations on May 29, 1985.

NATURE OF BUSINESS: A non-profit organization providing vocational and life skills for adults with a developmental disability.

HEAD OFFICE: 263 Pelham Road
St. Catharines, Ontario
L2S 1X7

DIRECTORS AND OFFICERS: Robert Stinson - President
Michael Robertson - Vice-President
Jeff Kelly - Treasurer
Janet Rylett - Secretary
Josh Bond
Adam Bosak
Dennis Cheredar
Kim Demoel

EXECUTIVE DIRECTOR: Kevin Berswick

AUDITORS: Partridge Iggulden LLP
Chartered Professional Accountants
Licensed Public Accountants
110 Hannover Drive, Suite B201
St. Catharines, Ontario
L2W 1A4

BANKER: Meridian Credit Union
210 Glendale Avenue
St. Catharines, Ontario
L2T 3Y6

LAWYERS: Martens Lingard
43 Church Street, Suite 700
St. Catharines, Ontario
L2R 7E1