



Financial Statements

Mainstream: An Unsheltered Workshop

March 31, 2021

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Independent Auditor's Report

To the Members of
Mainstream: An Unsheltered Workshop

Qualified opinion

We have audited the financial statements of Mainstream: An Unsheltered Workshop, which comprise the statement of financial position as at March 31, 2021, 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 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, 2021, 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 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 for the years ended March 31, 2021 and March 31, 2020.

Note 1 describes the land, buildings 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 equipment additions are expensed on the statement of operations when purchased. Under Canadian accounting standards for not-for-profit organizations, all property and equipment 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 have not been determined on the statement of financial position as at March 31, 2021 and March 31, 2020 and on the statement of operations for the years ended March 31, 2021 and March 31, 2020.

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.

Independent Auditor's Report (continued)

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.
- 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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script.

St. Catharines, Canada
July 26, 2021

Chartered Professional Accountants
Licensed Public Accountants

Mainstream: An Unsheltered Workshop

Statement of Financial Position

March 31

2021

2020

	Occupancy/ Fundraising Fund	Residential Joint Venture Fund (Note 2)	Total	Total
Assets				
Current				
Cash	\$ 86,019	\$ 19,698	\$ 105,717	\$ 155,977
Cash - Bingo Fund	31,511	-	31,511	33,493
Cash - Replacement Reserve Fund	-	29,768	29,768	26,037
Accounts receivable	169,436	-	169,436	74,324
Sales tax receivable	60,508	-	60,508	39,205
Prepaid expenses	9,764	2,348	12,112	15,645
Due from St. Catharines Mainstream Non-Profit Housing Project	47,802	-	47,802	46,778
Interfund receivable (payable)	(2,250)	2,250	-	-
	<u>402,790</u>	<u>54,064</u>	<u>456,854</u>	<u>391,459</u>
Due from Gateway (Note 2)	-	26,043	26,043	32,550
Land and buildings (Note 3)	<u>697,229</u>	<u>396,688</u>	<u>1,093,917</u>	<u>1,109,067</u>
	<u>\$ 1,100,019</u>	<u>\$ 476,795</u>	<u>\$ 1,576,814</u>	<u>\$ 1,533,076</u>
Liabilities				
Current				
Accounts payable and accrued liabilities (Note 5)	\$ 34,667	\$ 13,593	\$ 48,260	\$ 94,796
Deferred revenue	4,295	6,447	10,742	4,295
Current portion of long-term debt (Note 6)	7,200	17,218	24,418	23,127
Long-term debt due on demand (Note 6)	-	37,138	37,138	54,857
	<u>46,162</u>	<u>74,396</u>	<u>120,558</u>	<u>177,075</u>
Long-term debt (Note 6)	<u>241,759</u>	<u>-</u>	<u>241,759</u>	<u>248,845</u>
	<u>287,921</u>	<u>74,396</u>	<u>362,317</u>	<u>425,920</u>
Net assets				
Restricted				
Contributed equity (Note 7)	-	372,168	372,168	372,168
Replacement reserve	-	29,768	29,768	26,037
Unrestricted				
Accumulated surplus	780,587	463	781,050	675,458
Bingo fund	31,511	-	31,511	33,493
	<u>812,098</u>	<u>402,399</u>	<u>1,214,497</u>	<u>1,107,156</u>
	<u>\$ 1,100,019</u>	<u>\$ 476,795</u>	<u>\$ 1,576,814</u>	<u>\$ 1,533,076</u>

Contingency (Note 10)

On behalf of the board

 Director  Director

Mainstream: An Unsheltered Workshop

Statement of Operations

Year ended March 31

2021

2020

	Occupancy/ Fundraising Fund	Residential Joint Venture Fund (Note 2)	Total	Total
Revenue				
Ministry of Children, Community and Social Services	\$ -	\$ -	\$ -	\$ 935,541
United Way	10,954	-	10,954	48,096
Donations	11,277	-	11,277	26,970
Fee for services (Graffiti Project)	-	-	-	19,220
Fundraising income	801	-	801	59,679
Youth summer jobs and other grants	23,971	-	23,971	16,562
Rental income/Occupancy recovery	143,594	53,845	197,439	171,360
Participation fees and other income	867,618	-	867,618	704,295
	<u>1,058,215</u>	<u>53,845</u>	<u>1,112,060</u>	<u>1,981,723</u>
Expenditures				
Advertising and promotion	156	-	156	4,705
Amortization	6,786	16,728	23,514	21,346
Building costs	32,394	6,491	38,885	31,995
Capital expenditures	11,824	-	11,824	43,333
Client training allowances	112	-	112	5,992
Consulting fees	9,666	-	9,666	15,874
Equipment rental	5,493	-	5,493	5,994
Fundraising costs	-	-	-	24,979
Insurance	12,700	3,416	16,116	17,510
Interest and bank charges	1,875	114	1,989	3,396
Interest on long-term debt	10,866	3,252	14,118	16,286
Minor capital expenditure	379	-	379	4,631
Municipal taxes	11,863	-	11,863	15,131
Occupancy	-	-	-	38,500
Office and meetings	73,781	3,000	76,781	73,328
Personal support grants	-	-	-	21,728
Purchased services	622,718	1,000	623,718	434,022
Replacement reserve contribution	-	3,000	3,000	3,000
Salaries and benefits	53,139	-	53,139	988,285
Supplies	3,880	-	3,880	5,630
Training	-	-	-	7,224
Utilities and telephone	49,947	20,498	70,445	60,529
Vehicle and travel	52,327	-	52,327	54,899
	<u>959,906</u>	<u>57,499</u>	<u>1,017,405</u>	<u>1,898,317</u>
Excess (deficiency) of revenue over expenditures before fund transfers	98,309	(3,654)	94,655	83,406
Transfer from (to) Gateway	-	1,827	1,827	960
Transfer from Bingo Fund	9,110	-	9,110	15,600
Net excess (deficiency) of revenue over expenditures	<u>\$ 107,419</u>	<u>\$ (1,827)</u>	<u>\$ 105,592</u>	<u>\$ 99,966</u>

Mainstream: An Unsheltered Workshop

Statement of Net Assets

March 31

2021

2020

Operating Fund

Balance, beginning of year	\$ 16,312	\$ 16,266
Excess of revenue over expenditures		
Community Participation	-	46
Transfer to Occupancy/Fundraising Fund	<u>(16,312)</u>	<u>-</u>
Balance, end of year	<u>\$ -</u>	<u>\$ 16,312</u>

Occupancy/Fundraising Fund

Balance, beginning of year	<u>\$ 656,856</u>	<u>\$ 555,987</u>
Excess of revenue over expenditures		
Occupancy/Fundraising	102,042	94,335
Graffiti Project	<u>5,377</u>	<u>6,534</u>
	<u>107,419</u>	<u>100,869</u>
Transfer from Operating Fund	<u>16,312</u>	<u>-</u>
Balance, end of year	<u>\$ 780,587</u>	<u>\$ 656,856</u>

Bingo Fund

Balance, beginning of year	\$ 33,493	\$ 29,190
Receipts for the year	7,128	19,903
Transfer to Operating Fund	-	-
Transfer to Occupancy/Fundraising Fund	<u>(9,110)</u>	<u>(15,600)</u>
Balance, end of year	<u>\$ 31,511</u>	<u>\$ 33,493</u>

Residential Joint Venture Fund

Contributed Equity (Note 7)		
Federal/Provincial government forgivable loans	<u>\$ 372,168</u>	<u>\$ 372,168</u>
Replacement reserve		
Balance, beginning of year	\$ 26,037	\$ 22,519
Transfer from operations	3,000	3,000
Interest income	<u>731</u>	<u>518</u>
Balance, end of year	<u>\$ 29,768</u>	<u>\$ 26,037</u>
Unrestricted accumulated surplus		
Balance, beginning of year	\$ 2,290	\$ 3,239
Excess (deficiency) of revenue over expenditures	<u>(1,827)</u>	<u>(949)</u>
Balance, end of year	<u>\$ 463</u>	<u>\$ 2,290</u>

Mainstream: An Unsheltered Workshop

Statement of Cash Flows

Year ended March 31

2021

2020

Increase (decrease) in cash

Operating

Excess (deficiency) of revenue over expenditures:

Operating Fund	\$ -	\$ 46
Occupancy/Fundraising Fund	107,419	100,869
Ontario Street Joint Venture	(1,827)	(949)
Bingo Fund	7,128	19,903
	<u>112,720</u>	<u>119,869</u>

Add (deduct) items not effecting cash:

Amortization	23,514	21,346
Transfer from Bingo Fund	(9,110)	(15,600)
Gateway portion of Joint Venture amortization	(8,364)	(7,437)
	<u>118,760</u>	<u>118,178</u>

Effects on cash from changes in operating assets and liabilities

Accounts receivable	(95,112)	80,558
Sales tax receivable	(21,303)	(1,952)
Prepaid expenses	3,533	1,319
Accounts payable and accrued liabilities	(46,536)	(79,040)
Deferred revenue	6,447	4,295
Due (to) from St. Catharines Mainstream Non-Profit Housing Project	(1,024)	(29,014)
	<u>(35,235)</u>	<u>94,344</u>

Financing

Repayment of long-term debt	<u>(23,514)</u>	<u>(21,344)</u>
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Investing

Decrease in due from Gateway	<u>6,507</u>	<u>5,007</u>
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Increase (decrease) in cash

	(52,242)	78,007
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Cash

Beginning of year	<u>189,470</u>	<u>111,463</u>
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End of year	<u>\$ 137,228</u>	<u>\$ 189,470</u>
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Cash is represented by the following:

Cash	\$ 105,717	\$ 155,977
Cash - Bingo Fund	<u>31,511</u>	<u>33,493</u>
	<u>\$ 137,228</u>	<u>\$ 189,470</u>

Mainstream: An Unsheltered Workshop

Notes to the Financial Statements

March 31, 2021

1. Nature of business and significant accounting policies

Mainstream: An Unsheltered Workshop is a registered charitable organization which received its Letters Patent on May 29, 1985. The non-profit Organization provides vocational and life skills for adults with a developmental difference.

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

Fund accounting

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

Prior to March 31, 2020 the Operating Fund received funds from the Ministry of Community and Social Services and other revenues related to funding the Organization's community participation projects or other regular programs. The related funding and expenses of the community participation and other programs are now being handled and reported by St. Catharines Mainstream Non-Profit Housing Project.

The Occupancy/Fundraising Fund records revenue from its housing and building program such as participation fees, occupancy recoveries, fee for services, and all related expenses. It also reports revenue from donations and income and expenses from other fundraising activities.

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

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 revenue is reported in the year 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.

Land, buildings and amortization

The land and buildings are recorded on the statement of financial position at cost less the accumulated amortization where applicable. 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.

Equipment additions are expensed on the statement of operations when purchased. Capital expenditure in the amount of \$11,824 (2020: \$43,333) 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.

Financial instruments are recorded at fair value when acquired or issued. Financial instruments are reported at cost or amortized cost less impairment, if applicable. Transaction costs on the acquisition, sale or issue of financial instruments are charged to the financial instrument for those measured at amortized cost. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired.

When there is an indication of impairment, and the Organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Mainstream: An Unsheltered Workshop

Notes to the Financial Statements

March 31, 2021

1. Significant accounting policies (continued)

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 buildings. Actual results could differ from those estimates.

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

	Cost	Accumulated Amortization	2021 Net Book Value	2020 Net Book Value
263 Pelham Road				
Land	\$ 156,000	\$ -	\$ 156,000	\$ 156,000
Building	392,505	314,906	77,599	77,599
	<u>548,505</u>	<u>314,906</u>	<u>233,599</u>	<u>233,599</u>
91 Pelham Road				
Land	25,650	-	25,650	25,650
Building	59,847	50,000	9,847	9,847
	<u>85,497</u>	<u>50,000</u>	<u>35,497</u>	<u>35,497</u>
35 Fawell Ave				
Land	112,000	-	112,000	112,000
Building	337,174	21,041	316,133	322,918
	<u>449,174</u>	<u>21,041</u>	<u>428,133</u>	<u>434,918</u>
Sub-total	<u>1,083,176</u>	<u>385,947</u>	<u>697,229</u>	<u>704,014</u>
160 Ontario Street (50%)				
Land	109,675	-	109,675	109,675
Building	341,299	66,673	274,626	282,991
Fixtures	12,387	-	12,387	12,387
	<u>463,361</u>	<u>66,673</u>	<u>396,688</u>	<u>405,053</u>
Sub-total	<u>463,361</u>	<u>66,673</u>	<u>396,688</u>	<u>405,053</u>
Total	<u>\$ 1,546,537</u>	<u>\$ 452,620</u>	<u>\$ 1,093,917</u>	<u>\$ 1,109,067</u>

Mainstream: An Unsheltered Workshop

Notes to the Financial Statements

March 31, 2021

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, 2021.

5. Accounts payable and accrued liabilities

	Occupancy/ Fundraising Fund	Residential Joint Venture Fund	Total 2021	Total 2020
Trade payables	\$ 17,357	\$ 12,593	\$ 29,950	\$ 26,729
Accrued payroll	9,884	-	9,884	48,540
Accrued liabilities	7,388	1,000	8,388	18,697
Other	38	-	38	830
	<u>\$ 34,667</u>	<u>\$ 13,593</u>	<u>\$ 48,260</u>	<u>\$ 94,796</u>

6. Long-term debt

	2021		2020	
	Occupancy/ Fundraising Fund	Residential Joint Venture Fund	Total	Total
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 Ave., due October 1, 2023.	\$ 248,959	\$ -	\$ 248,959	\$ 255,745
Meridian Credit Union Open term loan due on demand and repayable in monthly instalments of \$1,665 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.	-	54,356	54,356	71,084
	248,959	54,356	303,315	326,829
Less : Current portion of long-term debt	7,200	17,218	24,418	23,127
: Long-term debt due on demand	-	37,138	37,138	54,857
	<u>\$ 241,759</u>	<u>\$ -</u>	<u>\$ 241,759</u>	<u>\$ 248,845</u>

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,	2022	\$ 24,418
	2023	25,783
	2024	27,182
	2025	8,179
	2026	8,534
	Thereafter	209,219
		<u>\$ 303,315</u>

Mainstream: An Unsheltered Workshop

Notes to the Financial Statements

March 31, 2021

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 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.

9. Comparative figures

Comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

10. Contingency

The Organization has guaranteed the indebtedness of St. Catharines Mainstream Non-Profit Housing Project for amounts owing to Meridian Credit Union under its credit facility up to \$142,000. There was no amount owing by St. Catharines Mainstream Non-Profit Housing Project under its credit facility at March 31, 2021.

11. COVID-19

The spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The Organization continues to receive government funding, special grants as well as regular occupancy and participation fees to carry out its various programs. Accordingly there has been minimum impact of the pandemic on the financial position and operating results of the Organization.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Organization for future periods.

Report of the Independent Auditor on the Supplementary Financial Information

To the Members of
Mainstream: An Unsheltered Workshop

Opinion

The supplemental financial information, which comprise the statement of revenue and expenditures by program, are derived from the audited financial statements of Mainstream: An Unsheltered Workshop for the year ended March 31, 2021.

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 July 26, 2021. 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. In addition, the organization derives of portion of its receipts in form of donations and incurs expenses in the form of client training allowances, which are not susceptible of complete audit verification.

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.

St. Catharines, Canada
July 26, 2021

GRANT THORNTON LLP
Chartered Professional Accountants
Licensed Public Accountants

Mainstream: An Unsheltered Workshop Community Participation

Year ended March 31

2021

2020

	(Unaudited)	(Unaudited)
Revenue		
Ministry of Children, Community and Social Services	\$ -	\$ 935,541
United Way grants	-	38,097
Youth-Canada Summer Jobs	-	11,857
Rental income	-	6,330
Participation fees	-	12,095
	<u>-</u>	<u>1,003,920</u>
Expenditures		
Capital expenditures	-	35,386
Client training allowances	-	5,992
Consulting fees	-	12,280
Insurance	-	8,357
Interest and bank charges	-	3,285
Occupancy	-	38,500
Office and meetings	-	12,444
Personal support grants	-	21,728
Purchased services	-	4,000
Salaries and benefits	-	849,660
Supplies	-	2,411
Training	-	7,224
Vehicle and travel	-	2,607
	<u>-</u>	<u>1,003,874</u>
Net excess of revenue over expenditures	\$ -	\$ 46

Mainstream: An Unsheltered Workshop Occupancy/Fundraising Fund

Year ended March 31

2021

2020

	(Unaudited)	(Unaudited)
Revenue		
Donations	\$ 11,277	\$ 26,970
United Way grants	5,454	-
Grants - other	23,971	4,705
Fundraising income	801	59,679
Occupancy recovery	143,594	112,168
User fees, Passport and other income	867,618	692,200
	<u>1,052,715</u>	<u>895,722</u>
Expenditures		
Advertising and promotion	156	4,705
Amortization	6,786	6,472
Building costs	32,394	24,609
Capital expenditures	11,824	7,947
Client training allowances	112	-
Consulting fees	9,666	3,594
Equipment rental	5,493	5,994
Fundraising costs	-	24,979
Insurance	12,700	5,835
Interest and bank charges	1,875	-
Interest on long-term debt	10,866	11,180
Minor capital expenditure	379	4,631
Municipal taxes	11,863	15,131
Office and meetings	73,781	57,884
Purchased services	622,718	429,122
Salaries and benefits	53,016	114,213
Supplies	3,880	2,341
Utilities and telephone	49,947	46,178
Vehicle and travel	52,327	52,172
	<u>959,783</u>	<u>816,987</u>
Excess of revenue over expenditures before fund transfer	92,932	78,735
Transfer from Bingo Fund	<u>9,110</u>	<u>15,600</u>
Net excess of revenue over expenditures	<u>\$ 102,042</u>	<u>\$ 94,335</u>

Mainstream: An Unsheltered Workshop Graffiti Project

Year ended March 31

2021

2020

(Unaudited)

(Unaudited)

Revenue

United Way grants

\$ 5,500 \$ 9,999

Fee for services - Graffiti removal income

- 19,220

5,500 29,219**Expenditures**

Salaries and benefits

123 21,687

Supplies

- 878

Vehicle and travel

- 120

123 22,685**Net excess of revenue over expenditures**\$ 5,377 \$ 6,534