

MAINSTREAM: AN UNSHELTERED WORKSHOP

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2014



June 25, 2014

To the Members of
Mainstream: An Unsheltered Workshop

We have completed the audit of Mainstream: An Unsheltered Workshop for the year ended March 31, 2014 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



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

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, 2014 and the statements of revenue and expenditure, 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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 donation revenues, client training allowances and net assets.

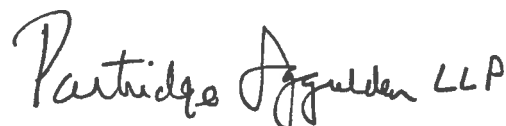
Basis for Qualified Opinion (continued)

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 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 expenditure 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, 2014, 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, 2014

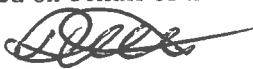


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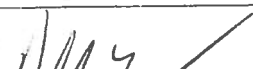
MAINSTREAM: AN UNSHELTERED WORKSHOP**STATEMENT OF FINANCIAL POSITION****MARCH 31, 2014**

	Operating Fund	Occupancy/ Fundraising Fund	Residential Joint Venture Fund (Note 3)	Total 2014	Total 2013
ASSETS					
Current Assets					
Cash	\$ 103,191	\$ -	\$ 4,214	\$ 107,405	\$ 125,710
Cash - Bingo Fund	-	11,636	-	11,636	10,692
- Nevada Fund	-	45	-	45	105
- Replacement Reserve Fund	-	-	9,148	9,148	6,051
Accounts receivable	11,224	-	-	11,224	7,743
Sales tax receivable	13,247	-	-	13,247	24,066
Prepaid expenses	12,539	-	1,621	14,160	24,145
Due from St. Catharines Mainstream Non-Profit Housing Project (Note 2)	2,356	-	-	2,356	-
Interfund receivable (payable)	(80,168)	78,324	1,844	-	-
	<u>62,389</u>	<u>90,005</u>	<u>16,827</u>	<u>169,221</u>	<u>198,512</u>
DUE FROM GATEWAY (Note 3)	-	-	80,004	80,004	83,071
LAND AND BUILDINGS (Note 4)	-	310,158	450,448	760,606	818,498
	<u>\$ 62,389</u>	<u>\$ 400,163</u>	<u>\$ 547,279</u>	<u>\$ 1,009,831</u>	<u>\$ 1,100,081</u>
LIABILITIES					
Current Liabilities					
Accounts payable and accruals (Note 5)	\$ 32,932	\$ -	\$ 5,717	\$ 38,649	\$ 63,305
Deferred revenue	2,320	-	-	2,320	14,417
Subsidy payable	9,692	-	-	9,692	11,370
Due to St. Catharines Mainstream Non- Profit Housing Project (Note 2)	-	-	-	-	670
Current portion of long-term debt (Note 6)	-	23,030	10,606	33,636	42,139
	<u>44,944</u>	<u>23,030</u>	<u>16,323</u>	<u>84,297</u>	<u>131,901</u>
Long-term debt due within the year or on demand (Note 6)	-	95,628	151,365	246,993	161,971
	<u>44,944</u>	<u>118,658</u>	<u>167,688</u>	<u>331,290</u>	<u>293,872</u>
LONG-TERM DEBT (Note 6)	-	-	-	-	139,348
	<u>44,944</u>	<u>118,658</u>	<u>167,688</u>	<u>331,290</u>	<u>433,220</u>
NET ASSETS					
Restricted					
Contributed equity (Note 7)	-	-	372,168	372,168	372,168
Replacement reserve	-	-	9,148	9,148	6,051
Unrestricted					
Accumulated surplus (deficit)	17,445	269,824	(1,725)	285,544	277,845
Bingo fund	-	11,636	-	11,636	10,692
Nevada fund	-	45	-	45	105
	<u>17,445</u>	<u>281,505</u>	<u>379,591</u>	<u>678,541</u>	<u>666,861</u>
	<u>\$ 62,389</u>	<u>\$ 400,163</u>	<u>\$ 547,279</u>	<u>\$ 1,009,831</u>	<u>\$ 1,100,081</u>

Approved on behalf of the Board:



, Director



, Director

St. Catharines, Ontario
June 25, 2014

MAINSTREAM: AN UNSHELTERED WORKSHOPSTATEMENT OF REVENUE AND EXPENDITUREYEAR ENDED MARCH 31, 2014

	Operating Fund	Occupancy/ Fundraising Fund	Residential Joint Venture Fund	Total 2014	Total 2013
			(Note 3)		
REVENUE					
Ministry of Community and Social Services					
- Operating	\$ 886,888	\$ 3,840	\$ -	\$ 890,728	\$ 928,590
- Minor capital	-	-	-	-	27,000
United Way grants	34,590	14,004	-	48,594	51,362
Donations	-	19,552	-	19,552	5,270
Fee for services	18,041	40,590	-	58,631	49,661
Fundraising income	-	36,832	-	36,832	28,051
Grants	31,544	7,716	-	39,260	33,233
Rental income/Occupancy recovery	20,215	93,748	50,304	164,267	160,903
	<u>991,278</u>	<u>216,282</u>	<u>50,304</u>	<u>1,257,864</u>	<u>1,284,070</u>
EXPENDITURE					
Advertising and promotion	1,054	3,353	-	4,407	9,174
Amortization	-	52,955	9,874	62,829	43,720
Building costs	-	18,069	8,273	26,342	24,933
Capital expenditures	682	9,432	-	10,114	63,581
Client training allowances	21,101	9,375	-	30,476	25,390
Consulting fees	5,005	-	-	5,005	4,643
Equipment rental	-	5,166	-	5,166	3,887
Fundraising costs	-	17,028	-	17,028	12,513
Insurance	7,486	2,578	2,425	12,489	12,187
Interest and bank charges	2,466	-	123	2,589	2,386
Interest on long-term debt	-	7,356	10,045	17,401	20,049
Minor capital expenditure	-	-	-	-	27,000
Municipal taxes	-	10,341	-	10,341	10,168
Occupancy	33,500	-	-	33,500	33,500
Office and meetings	5,379	4,838	3,000	13,217	12,426
Personal support grants	42,691	-	-	42,691	30,137
Professional fees	6,339	1,200	800	8,339	10,670
Purchased services	-	3,274	-	3,274	3,974
Replacement reserve contribution	-	-	3,000	3,000	-
Salaries and benefits	868,073	35,123	439	903,635	863,158
Supplies	3,139	10,870	-	14,009	12,389
Training	4,095	70	-	4,165	4,397
Utilities and telephone	1,080	30,644	16,066	47,790	44,382
Vehicle and travel	11,479	6,321	-	17,800	15,299
	<u>1,013,569</u>	<u>227,993</u>	<u>54,045</u>	<u>1,295,607</u>	<u>1,289,963</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE BEFORE OTHER INCOME (EXPENSE)	<u>(22,291)</u>	<u>(11,711)</u>	<u>(3,741)</u>	<u>(37,743)</u>	<u>(5,893)</u>
OTHER INCOME (EXPENSE)					
Participation fees and other income	32,395	14,212	-	46,607	41,668
Cafe operation	(969)	-	-	(969)	(789)
	<u>31,426</u>	<u>14,212</u>	<u>-</u>	<u>45,638</u>	<u>40,879</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE BEFORE SUBSIDY SETTLEMENT AND FUND TRANSFERS	9,135	2,501	(3,741)	7,895	34,986
SUBSIDY SETTLEMENT	(9,692)	-	-	(9,692)	(11,370)
RECOVERY FROM GATEWAY	-	-	1,870	1,870	1,140
TRANSFER FROM BINGO AND NEVADA FUNDS	682	6,853	-	7,535	6,070
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	<u>\$ 125</u>	<u>\$ 9,354</u>	<u>\$ (1,871)</u>	<u>\$ 7,608</u>	<u>\$ 30,826</u>

MAINSTREAM: AN UNSHELTERED WORKSHOPSTATEMENT OF NET ASSETSYEAR ENDED MARCH 31, 2014OPERATING FUND

	<u>2014</u>	<u>2013</u>
Balance, beginning of year	\$ 17,229	\$ 17,320
Excess (deficiency) of revenue over expenditure		
Community Participation (Schedule 1)	125	(91)
Passport (Schedule 2)	-	-
Trillium Fund (Schedule 3)	-	-
	<u>125</u>	<u>(91)</u>
Subsidy settlement (2013/2012)	<u>91</u>	<u>-</u>
Balance, end of year	<u>\$ 17,445</u>	<u>\$ 17,229</u>

OCCUPANCY/FUNDRAISING FUND

	<u>2014</u>	<u>2013</u>
Balance, beginning of year	\$ 260,470	\$ 228,413
Excess (deficiency) of revenue over expenditure		
Occupancy/Fundraising (Schedule 4)	3,581	22,152
Graffiti Project (Schedule 5)	266	9,931
Bullying Production (Schedule 6)	5,507	(26)
	<u>9,354</u>	<u>32,057</u>
Balance, end of year	<u>\$ 269,824</u>	<u>\$ 260,470</u>

RESIDENTIAL JOINT VENTURE FUND

	<u>2014</u>	<u>2013</u>
<u>Unrestricted Accumulated Surplus (Deficit)</u>		
Balance, beginning of year	\$ 146	\$ 1,286
Excess (deficiency) of revenue over expenditure	<u>(1,871)</u>	<u>(1,140)</u>
Balance (deficit), end of year	<u>\$ (1,725)</u>	<u>\$ 146</u>
<u>Replacement Reserve</u>		
Balance, beginning of year	\$ 6,051	\$ 6,000
Transfer from operations	3,000	-
Interest income	<u>97</u>	<u>51</u>
Balance, end of year	<u>\$ 9,148</u>	<u>\$ 6,051</u>

MAINSTREAM: AN UNSHELTERED WORKSHOPSTATEMENT OF NET ASSETS

(continued)

YEAR ENDED MARCH 31, 2014BINGO FUND

	<u>2014</u>	<u>2013</u>
Receipts for the year	\$ 10,429	\$ 7,190
Expenses for year		
Bank charges	60	60
Administration fees	1,890	1,200
	<u>1,950</u>	<u>1,260</u>
Excess of receipts over expenses	8,479	5,930
Balance, beginning of year	10,692	9,632
Transfer to Operating Fund	(682)	(3,560)
Transfer to Occupancy/Fundraising Fund	<u>(6,853)</u>	<u>(1,310)</u>
Balance, end of year	<u>\$ 11,636</u>	<u>\$ 10,692</u>

NEVADA FUND

	<u>2014</u>	<u>2013</u>
Balance, beginning of year	\$ 105	\$ 1,365
Bank charges	(60)	(60)
Transfer to Occupancy/Fundraising Fund	<u>-</u>	<u>(1,200)</u>
Balance, end of year	<u>\$ 45</u>	<u>\$ 105</u>

MAINSTREAM: AN UNSHELTERED WORKSHOPSTATEMENT OF CASH FLOWSYEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenditure:		
Operating Fund	\$ 125	\$ (91)
Occupancy/Fundraising Fund	9,354	32,057
Ontario Street Joint Venture	(1,871)	(1,140)
Bingo Fund	8,479	5,930
Nevada Fund	(60)	(60)
	<u>16,027</u>	<u>36,696</u>
Prior year subsidy settlement	91	-
Add (deduct) items not effecting cash:		
Amortization	62,829	43,720
Transfers from Bingo and Nevada funds	(7,535)	(6,070)
Gateway portion of Joint Venture amortization	(4,937)	(4,650)
	<u>66,475</u>	<u>69,696</u>
Effects on cash from changes in operating assets and liabilities		
Accounts receivable	(3,481)	(26,643)
Sales tax receivable	10,819	14,552
Prepaid expenses	9,985	(15,442)
Accounts payable and accruals	(24,656)	20,196
Deferred revenue	(12,097)	9,017
Subsidy settlement payable	(1,678)	11,370
Due from St. Catharines Mainstream Non-Profit Housing Project	(3,026)	(14,136)
	<u>42,341</u>	<u>68,610</u>
CASH FLOWS USED IN FINANCING ACTIVITIES		
Repayment of long-term debt	<u>(62,829)</u>	<u>(43,720)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in due from Gateway	<u>3,067</u>	<u>3,511</u>
INCREASE (DECREASE) IN CASH FOR YEAR	(17,421)	28,401
CASH, BEGINNING OF YEAR	<u>136,507</u>	<u>108,106</u>
CASH, END OF YEAR	<u>\$ 119,086</u>	<u>\$ 136,507</u>
 Cash consists of the following:		
Cash	\$ 107,405	\$ 125,710
Cash - Bingo Fund	11,636	10,692
Cash - Nevada Fund	45	105
	<u>\$ 119,086</u>	<u>\$ 136,507</u>

MAINSTREAM: AN UNSHELTERED WORKSHOP**NOTES TO THE FINANCIAL STATEMENTS****MARCH 31, 2014****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:

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. The buildings are amortized to the extent the related long-term debt is repaid during the year or approval has been granted to apply any current year subsidy surplus against the mortgage payable after the year end date.

Operating Fund equipment additions are expensed on the statement of revenue and expenditure when purchased. Capital expenditure in the amount of \$10,114 (2013:- \$90,581) were expensed in the current year.

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.

2. DUE FROM ST. CATHARINES MAINSTREAM NON-PROFIT HOUSING PROJECT

Mainstream: An Unsheltered Workshop is related to St. Catharines Mainstream Non-Profit Housing Project by virtue of common control. The amount due is non-interest bearing, and payable on demand.

3. 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.

MAINSTREAM: AN UNSHELTERED WORKSHOPNOTES TO THE FINANCIAL STATEMENTSMARCH 31, 2014

4. LAND AND BUILDINGS

	Net Book Value Apr. 1/13	Amort. Charged For Year	March 31, 2014		Net Book Value
			Cost	Accum. Amort.	
263 Pelham Rd.					
Land	\$ 156,000	\$ -	\$ 156,000	\$ -	\$ 156,000
Building	<u>171,616</u>	<u>52,955</u>	<u>392,505</u>	<u>273,844</u>	<u>118,661</u>
	<u>327,616</u>	<u>52,955</u>	<u>548,505</u>	<u>273,844</u>	<u>274,661</u>
91 Pelham Rd.					
Land	25,650	-	25,650	-	25,650
Building	<u>9,847</u>	<u>-</u>	<u>59,847</u>	<u>50,000</u>	<u>9,847</u>
	<u>35,497</u>	<u>-</u>	<u>85,497</u>	<u>50,000</u>	<u>35,497</u>
Sub-total	<u>363,113</u>	<u>52,955</u>	<u>634,002</u>	<u>323,844</u>	<u>310,158</u>
160 Ontario Street (50%)					
Land	109,675	-	109,675	-	109,675
Building	<u>333,323</u>	<u>4,937</u>	<u>347,400</u>	<u>19,014</u>	<u>328,386</u>
Fixtures	<u>12,387</u>	<u>-</u>	<u>12,387</u>	<u>-</u>	<u>12,387</u>
Sub-total	<u>455,385</u>	<u>4,937</u>	<u>469,462</u>	<u>19,014</u>	<u>450,448</u>
Total	<u>\$ 818,498</u>	<u>\$ 57,892</u>	<u>\$ 1,103,464</u>	<u>\$ 342,858</u>	<u>\$ 760,606</u>

5. ACCOUNTS PAYABLE AND ACCRUALS

	Operating Fund	Residential Joint Venture Fund	Total 2014	Total 2013
Trade payables	\$ 5,637	\$ 4,243	\$ 9,880	\$ 41,653
Accrued payroll	18,894	-	18,894	13,462
Accrued charges	7,696	1,000	8,696	7,345
Other	<u>705</u>	<u>474</u>	<u>1,179</u>	<u>845</u>
	<u>\$ 32,932</u>	<u>\$ 5,717</u>	<u>\$ 38,649</u>	<u>\$ 63,305</u>

MAINSTREAM: AN UNSHELTERED WORKSHOPNOTES TO THE FINANCIAL STATEMENTSMARCH 31, 2014

6. LONG-TERM DEBT

	<u>2014</u>			<u>2013</u>
	<u>Occupancy/ Fundraising Fund</u>	<u>Residential Joint Venture Fund</u>	<u>Total</u>	<u>Total</u>
Niagara Presbytery United Church Extension Council Mortgage payable, monthly instalments of \$2,365, consisting of principal and interest, calculated at 5.0%, secured by land and building and due June 15, 2014.	\$ 118,658	\$ -	\$ 118,658	\$ 140,578
Meridian Credit Union Loan payable, monthly instalments of \$960, consisting of principal and interest, calculated at 5.0%, secured by land and building, due June 30, 2016.	-	-	-	31,035
Meridian Credit Union Open term note payable, monthly instalments of \$1,660, consisting of principal and interest, calculated at prime plus 3.0%, secured by a collateral mortgage on land and buildings owned by Mainstream and Gateway.	-	161,971	161,971	171,845
	<u>118,658</u>	<u>161,971</u>	<u>280,629</u>	<u>343,458</u>
Less: amount due within one year	23,030	10,606	33,636	42,139
Less: long-term debt due within one year or on demand	<u>95,628</u>	<u>151,365</u>	<u>246,993</u>	<u>161,971</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 139,348</u>

Based on the assumption that the mortgages and notes 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, 2015	\$ 33,636
2016	35,448
2017	37,358
2018	39,372
2019	32,739
Thereafter	<u>102,076</u>
	<u>\$ 280,629</u>

MAINSTREAM: AN UNSHELTERED WORKSHOP**NOTES TO THE FINANCIAL STATEMENTS****MARCH 31, 2014****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 INSTRUMENTS AND 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.

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

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

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.

9. PRIOR YEAR COMPARATIVE FIGURES

For comparative purposes, the prior year figures and ending balances have been adjusted to agree with the current year's presentation.

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 SINOPLI, Hons. B. Admin., 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, 2014 and our report thereon dated June 25, 2014 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, 2014

Partridge Iggulden LLP
PARTRIDGE IGGULDEN LLP
Chartered Professional Accountants
Licensed Public Accountants

MAINSTREAM: AN UNSHELTERED WORKSHOP**SCHEDULE 1 - COMMUNITY PARTICIPATION****YEAR ENDED MARCH 31, 2014**

	<u>2014</u>	<u>2013</u>
REVENUE		
Ministry of Community and Social Services		
- Operating	\$ 862,073	\$ 891,573
- Minor capital	-	27,000
United Way grants	34,590	35,358
Fee for services - Cleaning services	18,041	11,738
Grants	4,628	4,365
Rental income	20,215	18,498
	<u>939,547</u>	<u>988,532</u>
EXPENDITURE		
Advertising and promotion	1,054	832
Capital expenditures	682	51,087
Client training allowances	21,101	17,133
Consulting fees	5,005	4,643
Insurance	7,486	9,146
Interest and bank charges	2,466	2,286
Minor capital expenditure	-	27,000
Occupancy	33,500	33,500
Office and meetings	2,897	3,667
Personal support grants	34,716	24,860
Professional fees	6,339	7,474
Salaries and benefits	837,127	806,315
Supplies	3,139	3,476
Telephone	1,080	1,548
Training	4,095	4,277
Vehicle and travel	10,843	12,512
	<u>971,530</u>	<u>1,009,756</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE BEFORE OTHER INCOME (EXPENSE)	<u>(31,983)</u>	<u>(21,224)</u>
OTHER INCOME (EXPENSE)		
Participation fees	32,395	18,362
Cafe operation	(969)	(789)
	<u>31,426</u>	<u>17,573</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE BEFORE FUND TRANSFERS	(557)	(3,651)
TRANSFER FROM BINGO AND NEVADA FUNDS	<u>682</u>	<u>3,560</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	<u>\$ 125</u>	<u>\$ (91)</u>

See Auditor's Comments on Supplementary Financial Information

MAINSTREAM: AN UNSHELTERED WORKSHOPSCHEDULE 2 - PASSPORTYEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
REVENUE		
Ministry of Community and Social Services	\$ 24,815	\$ 24,657
EXPENDITURE		
Office and meetings	2,482	2,457
Personal support grants	7,975	5,277
Salaries and benefits	4,030	5,218
Travel	636	335
	<u>15,123</u>	<u>13,287</u>
EXCESS OF REVENUE OVER EXPENDITURE BEFORE SUBSIDY SETTLEMENT	9,692	11,370
SUBSIDY SETTLEMENT	<u>(9,692)</u>	<u>(11,370)</u>
EXCESS OF REVENUE OVER EXPENDITURE	<u>\$ -</u>	<u>\$ -</u>

SCHEDULE 3 - TRILLIUM FUNDYEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
REVENUE		
Grants	\$ 26,916	\$ 23,684
EXPENDITURE		
Salaries and benefits	<u>26,916</u>	<u>23,684</u>
EXCESS OF REVENUE OVER EXPENDITURE	<u>\$ -</u>	<u>\$ -</u>

MAINSTREAM: AN UNSHELTERED WORKSHOP**SCHEDULE 4 - OCCUPANCY/FUNDRAISING FUND****YEAR ENDED MARCH 31, 2014**

	<u>2014</u>	<u>2013</u>
REVENUE		
Donations	\$ 19,552	\$ 5,270
Fundraising income	36,832	28,051
Occupancy recovery	93,748	93,748
	<u>150,132</u>	<u>127,069</u>
EXPENDITURE		
Advertising and promotion	-	385
Amortization	52,955	34,420
Building costs	18,069	13,626
Capital expenditures	8,485	1,840
Equipment rental	5,166	3,887
Fundraising costs	17,028	12,513
Interest on long-term debt	7,356	9,430
Municipal taxes	10,341	10,168
Office and meetings	4,764	3,170
Purchased services	4,474	6,670
Salaries and benefits	1,212	-
Supplies	7,122	4,862
Utilities and telephone	30,644	29,763
	<u>167,616</u>	<u>130,734</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE BEFORE OTHER INCOME	(17,484)	(3,665)
OTHER INCOME	<u>14,212</u>	<u>23,306</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE BEFORE FUND TRANSFERS	(3,272)	19,641
TRANSFER FROM BINGO AND NEVADA FUNDS	<u>6,853</u>	<u>2,511</u>
EXCESS OF REVENUE OVER EXPENDITURE	<u>\$ 3,581</u>	<u>\$ 22,152</u>

MAINSTREAM: AN UNSHELTERED WORKSHOP**SCHEDULE 5 - GRAFFITI PROJECT****YEAR ENDED MARCH 31, 2014**

	<u>2014</u>	<u>2013</u>
REVENUE		
Ministry of Community and Social Services	\$ 3,840	\$ -
United Way grants	14,004	14,004
Fee for services - Graffiti removal income	<u>26,410</u>	<u>35,913</u>
	<u>44,254</u>	<u>49,917</u>
EXPENDITURE		
Capital expenditures	947	8,428
Client training allowances	6,735	6,786
Insurance	2,578	-
Office and meetings	74	133
Salaries and benefits	27,971	18,661
Supplies	2,863	3,934
Training	70	120
Vehicle and travel	<u>2,750</u>	<u>1,924</u>
	<u>43,988</u>	<u>39,986</u>
EXCESS OF REVENUE OVER EXPENDITURE	<u>\$ 266</u>	<u>\$ 9,931</u>

SCHEDULE 6 - BULLYING PRODUCTION**YEAR ENDED MARCH 31, 2014**

	<u>2014</u>	<u>2013</u>
REVENUE		
Ministry of Community and Social Services	\$ -	\$ 12,360
United Way grants	-	2,000
Fee for services - Performance fees	14,180	2,010
Grants	<u>7,716</u>	<u>5,184</u>
	<u>21,896</u>	<u>21,554</u>
EXPENDITURE		
Advertising and promotion	3,353	7,957
Capital expenditures	-	2,225
Client training allowances	2,640	1,471
Salaries and benefits	5,939	9,282
Supplies	886	117
Vehicle and travel	<u>3,571</u>	<u>528</u>
	<u>16,389</u>	<u>21,580</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	<u>\$ 5,507</u>	<u>\$ (26)</u>

See Auditor's Comments on Supplementary Financial Information

MAINSTREAM: AN UNSHELTERED WORKSHOP**SUPPLEMENTARY INFORMATION****MARCH 31, 2014**

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
Adam Bosak
Dennis Cheredar
Kim Demoel
Gary Enskat

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