

**MAINSTREAM: AN UNSHELTERED WORKSHOP**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2016**



June 28, 2016

To the Members of  
Mainstream: An Unsheltered Workshop

We have completed the audit of Mainstream: An Unsheltered Workshop for the year ended March 31, 2016 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
Schedule 4 - Bullying Production		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  
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Chartered Professional Accountants  
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## 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, 2016 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 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 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, 2016, 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 28, 2016



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

**MAINSTREAM: AN UNSHELTERED WORKSHOP****STATEMENT OF FINANCIAL POSITION****MARCH 31, 2016**

	<b>Operating Fund</b>	<b>Occupancy/ Fundraising Fund</b>	<b>Residential Joint Venture Fund</b>	<b>Total 2016</b>	<b>Total 2015</b>
			(Note 3)		
<b><u>ASSETS</u></b>					
<b>Current Assets</b>					
Cash	\$ 17,561	\$ 101,752	\$ 11,967	\$ 131,280	\$ 154,167
Cash - Bingo Fund	-	12,242	-	12,242	7,529
- Replacement Reserve Fund	-	-	15,460	15,460	12,285
Accounts receivable	32,695	-	-	32,695	32,157
Sales tax receivable	19,120	-	-	19,120	17,819
Prepaid expenses	8,270	-	1,643	9,913	13,134
Interfund receivable (payable)	(11,174)	-	11,174	-	-
	<u>66,472</u>	<u>113,994</u>	<u>40,244</u>	<u>220,710</u>	<u>237,091</u>
<b>DUE FROM GATEWAY (Note 3)</b>	-	-	59,017	59,017	73,339
<b>LAND AND BUILDINGS (Note 4)</b>	-	269,096	433,078	702,174	732,259
	<u>\$ 66,472</u>	<u>\$ 383,090</u>	<u>\$ 532,339</u>	<u>\$ 981,901</u>	<u>\$ 1,042,689</u>
<b><u>LIABILITIES</u></b>					
<b>Current Liabilities</b>					
Accounts payable and accruals (Note 6)	\$ 47,408	\$ -	\$ 3,395	\$ 50,803	\$ 54,325
Deferred revenue	-	-	-	-	520
Due to St. Catharines Mainstream Non-Profit Housing Project (Note 2)	2,756	-	-	2,756	5,734
Current portion of long-term debt (Note 7)	-	3,736	12,203	15,939	39,269
	<u>50,164</u>	<u>3,736</u>	<u>15,598</u>	<u>69,498</u>	<u>99,848</u>
Long-term debt due within the year or on demand (Note 7)	-	-	127,232	127,232	139,780
	<u>50,164</u>	<u>3,736</u>	<u>142,830</u>	<u>196,730</u>	<u>239,628</u>
<b>LONG-TERM DEBT (Note 7)</b>	-	6,732	-	6,732	81,942
	<u>50,164</u>	<u>10,468</u>	<u>142,830</u>	<u>203,462</u>	<u>321,570</u>
<b><u>NET ASSETS</u></b>					
<b>Restricted</b>					
Contributed equity (Note 8)	-	-	372,168	372,168	372,168
Replacement reserve	-	-	15,460	15,460	12,285
<b>Unrestricted</b>					
Accumulated surplus (deficit)	16,308	360,380	1,881	378,569	329,137
Bingo fund	-	12,242	-	12,242	7,529
	<u>16,308</u>	<u>372,622</u>	<u>389,509</u>	<u>778,439</u>	<u>721,119</u>
	<u>\$ 66,472</u>	<u>\$ 383,090</u>	<u>\$ 532,339</u>	<u>\$ 981,901</u>	<u>\$ 1,042,689</u>

Approved on behalf of the Board:


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


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

 St. Catharines, Ontario  
 June 28, 2016

MAINSTREAM: AN UNSHELTERED WORKSHOPSTATEMENT OF REVENUE AND EXPENDITURESYEAR ENDED MARCH 31, 2016

	Operating Fund	Occupancy/ Fundraising Fund	Residential Joint Venture Fund	Total 2016	Total 2015
			(Note 3)		
<b>REVENUE</b>					
Ministry of Community and Social Services					
- Operating	\$ 908,707	\$ -	\$ -	\$ 908,707	\$ 931,065
- Minor capital	-	-	-	-	28,961
United Way grants	36,448	9,996	-	46,444	47,052
Donations	-	27,686	-	27,686	31,020
Fee for services	15,712	33,733	-	49,445	54,228
Fundraising income	-	36,357	-	36,357	40,594
Grants	5,950	-	-	5,950	4,722
Rental income/Occupancy recovery	13,787	109,126	52,433	175,346	160,025
	<u>980,604</u>	<u>216,898</u>	<u>52,433</u>	<u>1,249,935</u>	<u>1,297,667</u>
<b>EXPENDITURES</b>					
Advertising and promotion	494	625	-	1,119	1,843
Amortization	-	18,034	11,900	29,934	33,667
Building costs	-	20,346	5,197	25,543	23,030
Capital expenditures	8,279	5,017	-	13,296	49,927
Client training allowances	18,659	8,427	-	27,086	28,400
Consulting fees	17,707	-	-	17,707	4,469
Equipment rental	-	3,838	-	3,838	4,722
Fundraising costs	-	16,613	-	16,613	18,426
Insurance	6,723	4,649	2,467	13,839	13,712
Interest and bank charges	2,486	-	100	2,586	2,494
Interest on long-term debt	-	2,618	7,683	10,301	14,590
Minor capital expenditure	-	14,151	-	14,151	13,051
Municipal taxes	-	10,710	-	10,710	10,460
Occupancy	36,500	1,458	-	37,958	33,500
Office and meetings	7,199	5,104	3,001	15,304	12,285
Personal support grants	31,037	-	-	31,037	24,050
Professional fees	3,500	1,500	1,000	6,000	6,000
Purchased services	-	28,590	-	28,590	15,583
Replacement reserve contribution	-	-	3,000	3,000	3,000
Salaries and benefits	845,900	36,453	600	882,953	920,189
Supplies	3,926	18,448	-	22,374	8,076
Training	6,475	-	-	6,475	7,669
Utilities and telephone	-	34,792	12,954	47,746	43,783
Vehicle and travel	432	44,328	-	44,760	14,969
	<u>989,317</u>	<u>275,701</u>	<u>47,902</u>	<u>1,312,920</u>	<u>1,307,895</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES BEFORE OTHER INCOME (EXPENSE)</b>	<u>(8,713)</u>	<u>(58,803)</u>	<u>4,531</u>	<u>(62,985)</u>	<u>(10,228)</u>
<b>OTHER INCOME (EXPENSE)</b>					
Participation fees and other income	15,157	99,536	-	114,693	67,039
Cafe operation	(389)	-	-	(389)	142
Vehicle purchase	(7,000)	-	-	(7,000)	(19,516)
	<u>7,768</u>	<u>99,536</u>	<u>-</u>	<u>107,304</u>	<u>47,665</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES BEFORE FUND TRANSFERS</b>	<u>(945)</u>	<u>40,733</u>	<u>4,531</u>	<u>44,319</u>	<u>37,437</u>
<b>TRANSFER TO GATEWAY</b>	-	-	(2,271)	(2,271)	(1,347)
<b>TRANSFER FROM BINGO FUND</b>	-	7,508	-	7,508	7,628
<b>NET EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<u>\$ (945)</u>	<u>\$ 48,241</u>	<u>\$ 2,260</u>	<u>\$ 49,556</u>	<u>\$ 43,718</u>

MAINSTREAM: AN UNSHELTERED WORKSHOPSTATEMENT OF NET ASSETSYEAR ENDED MARCH 31, 2016OPERATING FUND

	<u>2016</u>	<u>2015</u>
Balance, beginning of year	\$ 17,377	\$ 17,445
Excess (deficiency) of revenue over expenditures Community Participation (Schedule 1)	(945)	57
Subsidy settlement (2015/2016)	<u>(124)</u>	<u>(125)</u>
Balance, end of year	<u>\$ 16,308</u>	<u>\$ 17,377</u>

OCCUPANCY/FUNDRAISING FUND

	<u>2016</u>	<u>2015</u>
Balance, beginning of year	<u>\$ 312,139</u>	<u>\$ 269,824</u>
Excess of revenue over expenditures Occupancy/Fundraising (Schedule 2)	46,633	13,125
Graffiti Project (Schedule 3)	1,608	27,985
Bullying Production (Schedule 4)	-	1,205
	<u>48,241</u>	<u>42,315</u>
Balance, end of year	<u>\$ 360,380</u>	<u>\$ 312,139</u>

RESIDENTIAL JOINT VENTURE FUND

	<u>2016</u>	<u>2015</u>
<u>Unrestricted Accumulated Surplus (Deficit)</u>		
Balance (deficit), beginning of year	\$ (379)	\$ (1,725)
Excess of revenue over expenditures	<u>2,260</u>	<u>1,346</u>
Balance (deficit), end of year	<u>\$ 1,881</u>	<u>\$ (379)</u>
<u>Replacement Reserve</u>		
Balance, beginning of year	\$ 12,285	\$ 9,148
Transfer from operations	3,000	3,000
Interest income	<u>175</u>	<u>137</u>
Balance, end of year	<u>\$ 15,460</u>	<u>\$ 12,285</u>

MAINSTREAM: AN UNSHELTERED WORKSHOPSTATEMENT OF NET ASSETS

(continued)

YEAR ENDED MARCH 31, 2016BINGO FUND

	<u>2016</u>	<u>2015</u>
Receipts for the year	\$ <u>12,271</u>	\$ <u>3,886</u>
Expenses for year		
Bank charges	50	65
Administration fees	<u>-</u>	<u>300</u>
	<u>50</u>	<u>365</u>
Excess of receipts over expenses	12,221	3,521
Balance, beginning of year	7,529	11,636
Transfer to Occupancy/Fundraising Fund	<u>(7,508)</u>	<u>(7,628)</u>
Balance, end of year	<u>\$ 12,242</u>	<u>\$ 7,529</u>



MAINSTREAM: AN UNSHELTERED WORKSHOPSTATEMENT OF CASH FLOWSYEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenditures:		
Operating Fund	\$ (945)	\$ 57
Occupancy/Fundraising Fund	48,241	42,315
Ontario Street Joint Venture	2,260	1,346
Bingo Fund	12,221	3,521
Nevada Fund	-	(45)
	<u>61,777</u>	<u>47,194</u>
Prior year subsidy settlement	(124)	(125)
Add (deduct) items not effecting cash:		
Amortization	29,934	33,667
Transfer from Bingo Fund	(7,508)	(7,628)
Gateway portion of Joint Venture amortization	(5,950)	(5,319)
	<u>78,129</u>	<u>67,789</u>
Effects on cash from changes in operating assets and liabilities		
Accounts receivable	(538)	(20,933)
Sales tax receivable	(1,301)	(4,572)
Prepaid expenses	3,221	1,026
Accounts payable and accruals	(3,522)	15,676
Deferred revenue	(520)	(1,800)
Subsidy settlement payable	-	(9,692)
Due (to) from St. Catharines Mainstream Non-Profit Housing Project	(2,978)	8,090
	<u>72,491</u>	<u>55,584</u>
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b>		
Issuance of long-term debt	-	16,204
Repayment of long-term debt	(111,088)	(35,843)
	<u>(111,088)</u>	<u>(19,639)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Decrease in due from Gateway	14,322	6,665
Expenditure recovery on building	6,101	-
	<u>20,423</u>	<u>6,665</u>
<b>INCREASE (DECREASE) IN CASH FOR YEAR</b>	<b>(18,174)</b>	<b>42,610</b>
<b>CASH, BEGINNING OF YEAR</b>	<u>161,696</u>	<u>119,086</u>
<b>CASH, END OF YEAR</b>	<u>\$ 143,522</u>	<u>\$ 161,696</u>
Cash consists of the following:		
Cash	\$ 131,280	\$ 154,167
Cash - Bingo Fund	12,242	7,529
	<u>\$ 143,522</u>	<u>\$ 161,696</u>

**MAINSTREAM: AN UNSHELTERED WORKSHOP****NOTES TO THE FINANCIAL STATEMENTS****MARCH 31, 2016****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 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 \$34,477 (2015: \$82,494) 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 TO 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, 2016

## 4. LAND AND BUILDINGS

	Net Book Value Apr. 1/15	Expenditure Refund	Amort. Charged For Year	March 31, 2016		
				Cost	Accum. Amort.	Net Book Value
263 Pelham Rd.						
Land	\$ 156,000	\$ -	\$ -	\$ 156,000	\$ -	\$ 156,000
Building	95,633	-	18,034	392,505	314,906	77,599
	<u>251,633</u>	<u>-</u>	<u>18,034</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>
Sub-total	<u>287,130</u>	<u>-</u>	<u>18,034</u>	<u>634,002</u>	<u>364,906</u>	<u>269,096</u>
160 Ontario Street (50%)						
Land	109,675	-	-	109,675	-	109,675
Building	323,067	(6,101)	5,950	341,299	30,283	311,016
Fixtures	12,387	-	-	12,387	-	12,387
Sub-total	<u>445,129</u>	<u>(6,101)</u>	<u>5,950</u>	<u>463,361</u>	<u>30,283</u>	<u>433,078</u>
Total	<u>\$ 732,259</u>	<u>\$ (6,101)</u>	<u>\$ 23,984</u>	<u>\$ 1,097,363</u>	<u>\$ 395,189</u>	<u>\$ 702,174</u>

## 5. 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, 2016.

## 6. ACCOUNTS PAYABLE AND ACCRUALS

	Operating Fund	Residential	Total 2016	Total 2015
		Joint Venture Fund		
Trade payables	\$ 7,249	\$ 1,662	\$ 8,911	\$ 24,026
Accrued payroll	32,225	-	32,225	18,894
Accrued charges	7,402	1,259	8,661	10,205
Other	532	474	1,006	1,200
	<u>\$ 47,408</u>	<u>\$ 3,395</u>	<u>\$ 50,803</u>	<u>\$ 54,325</u>

MAINSTREAM: AN UNSHELTERED WORKSHOPNOTES TO THE FINANCIAL STATEMENTSMARCH 31, 2016

## 7. LONG-TERM DEBT

	<u>2016</u>			<u>2015</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 December 15, 2018. The mortgage was paid off in the current year before maturity.	\$ -	\$ -	\$ -	\$ 95,628
Bank of Nova Scotia				
Loan payable, bi-weekly instalments of \$142, consisting of principal and interest, calculated at 0.99% per annum, due February 22, 2019.	10,468	-	10,468	14,029
Meridian Credit Union				
Open term loan 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.	-	139,435	139,435	151,334
	10,468	139,435	149,903	260,991
Less : amount due within one year	3,736	12,203	15,939	39,269
: long-term debt due within one year	-	127,232	127,232	139,780
	<u>\$ 6,732</u>	<u>\$ -</u>	<u>\$ 6,732</u>	<u>\$ 81,942</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,	2017	\$ 15,939
	2018	16,524
	2019	16,715
	2020	14,371
	2021	15,195
	Thereafter	<u>71,159</u>
		<u>\$ 149,903</u>

**MAINSTREAM: AN UNSHELTERED WORKSHOP****NOTES TO THE FINANCIAL STATEMENTS****MARCH 31, 2016****8. 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.

**9. 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 statement 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.

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**PARTRIDGE IGGULDEN**

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**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, 2016 and our report thereon dated June 28, 2016 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 28, 2016

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

**MAINSTREAM: AN UNSHELTERED WORKSHOP****SCHEDULE 1 - COMMUNITY PARTICIPATION****YEAR ENDED MARCH 31, 2016**

	<u>2016</u>	<u>2015</u>
<b>REVENUE</b>		
Ministry of Community and Social Services		
- Operating	\$ 908,707	\$ 899,551
- Minor capital	-	13,051
United Way grants	36,448	35,441
Fee for services - Cleaning services	15,712	16,935
Grants	5,950	4,722
Rental income	13,787	16,247
	<u>980,604</u>	<u>985,947</u>
<b>EXPENDITURES</b>		
Advertising and promotion	494	1,010
Capital expenditures	15,279	15,751
Client training allowances	18,659	20,099
Consulting fees	17,707	2,766
Insurance	6,723	6,504
Interest and bank charges	2,486	2,379
Minor capital expenditure	-	13,051
Occupancy	36,500	33,500
Office and meetings	7,199	3,615
Personal support grants	31,037	24,050
Professional fees	3,500	4,791
Salaries and benefits	845,900	860,637
Supplies	3,926	1,826
Telephone	-	860
Training	6,475	7,539
Vehicle and travel	432	9,248
	<u>996,317</u>	<u>1,007,626</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES BEFORE OTHER INCOME (EXPENSE)</b>	<u>(15,713)</u>	<u>(21,679)</u>
<b>OTHER INCOME (EXPENSE)</b>		
Participation fees	15,157	21,594
Cafe operation	(389)	142
	<u>14,768</u>	<u>21,736</u>
<b>NET EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<u>\$ (945)</u>	<u>\$ 57</u>

See Auditor's Comments on Supplementary Financial Information

MAINSTREAM: AN UNSHELTERED WORKSHOPSCHEDULE 2 - OCCUPANCY/FUNDRAISING FUNDYEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
<b>REVENUE</b>		
Donations	\$ 27,686	\$ 31,020
Fee for services	7,748	-
Fundraising income	36,357	40,594
Occupancy recovery	<u>109,126</u>	<u>93,748</u>
	<u>180,917</u>	<u>165,362</u>
<b>EXPENDITURES</b>		
Advertising and promotion	625	-
Amortization	18,034	23,030
Building costs	20,346	17,298
Capital expenditures	5,017	34,176
Consulting fees	-	1,703
Equipment rental	3,838	4,722
Fundraising costs	16,613	18,426
Insurance	4,649	2,554
Interest on long-term debt	2,620	5,447
Minor capital expenditure	14,151	-
Municipal taxes	10,710	10,460
Office and meetings	5,104	5,655
Purchased services	30,090	15,793
Salaries and benefits	13,037	9,312
Supplies	17,824	4,488
Utilities and telephone	34,792	31,263
Vehicle and travel	<u>43,878</u>	<u>1,467</u>
	<u>241,328</u>	<u>185,794</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE BEFORE OTHER INCOME (EXPENSE)</b>	<u>(60,411)</u>	<u>(20,432)</u>
<b>OTHER INCOME (EXPENSE)</b>		
Vehicle purchase	-	(19,516)
Participation fees and other income	<u>99,536</u>	<u>45,445</u>
	<u>99,536</u>	<u>25,929</u>
<b>EXCESS OF REVENUE OVER EXPENDITURES BEFORE FUND TRANSFERS</b>	39,125	5,497
<b>TRANSFER FROM BINGO FUND</b>	<u>7,508</u>	<u>7,628</u>
<b>NET EXCESS OF REVENUE OVER EXPENDITURES</b>	<u>\$ 46,633</u>	<u>\$ 13,125</u>



**MAINSTREAM: AN UNSHELTERED WORKSHOP****SCHEDULE 3 - GRAFFITI PROJECT****YEAR ENDED MARCH 31, 2016**

	<u>2016</u>	<u>2015</u>
<b>REVENUE</b>		
Ministry of Community and Social Services	\$ -	\$ 47,424
United Way grants	9,996	11,611
Fee for services - Graffiti removal income	<u>25,985</u>	<u>35,043</u>
	<u>35,981</u>	<u>94,078</u>
<b>EXPENDITURES</b>		
Client training allowances	8,427	8,301
Insurance	-	2,218
Office and meetings	-	15
Occupancy	1,458	-
Salaries and benefits	23,415	49,623
Supplies	623	1,551
Training	-	130
Vehicle and travel	<u>450</u>	<u>4,255</u>
	<u>34,373</u>	<u>66,093</u>
<b>NET EXCESS OF REVENUE OVER EXPENDITURES</b>	<u>\$ 1,608</u>	<u>\$ 27,985</u>

**SCHEDULE 4 - BULLYING PRODUCTION****YEAR ENDED MARCH 31, 2016**

	<u>2016</u>	<u>2015</u>
<b>REVENUE</b>		
Fee for services - Performance fees	\$ -	\$ 2,250
<b>EXPENDITURES</b>		
Advertising and promotion	-	833
Supplies	<u>-</u>	<u>212</u>
	<u>-</u>	<u>1,045</u>
<b>NET EXCESS OF REVENUE OVER EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 1,205</u>

**MAINSTREAM: AN UNSHELTERED WORKSHOP****SUPPLEMENTARY INFORMATION****MARCH 31, 2016**

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  
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**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  
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**LAWYERS:** Martens Lingard  
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