

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

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2014



June 25, 2014

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

We have completed the audit of St. Catharines Mainstream Non-Profit Housing Project for the year ended March 31, 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
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Licensed Public Accountants

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of St. Catharines Mainstream Non-Profit Housing Project which comprise the statement of financial position as at March 31, 2014 and the statement of revenue and expenditure, statement of funds, and statement of 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

St. Catharines Mainstream Non-Profit Housing Project 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 St. Catharines Mainstream Non-Profit Housing Project. The original buildings, furniture and equipment were capitalized, and amortization taken in accordance with reporting policies as required with the Ministry of Municipal Affairs and Housing. Subsequent additions to the buildings and equipment are expensed in the year of acquisition. No amortization is taken on the building at 8 Avalon Place. Under Canadian accounting standards for not-for-profit organizations, fixed assets should be capitalized and amortized over their estimated useful life. Furthermore, the policy should be applied on a retroactive basis. The effects of not following Canadian accounting standards for not-for-profit organizations on the statement of financial position and statement of revenue and 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 St. Catharines Mainstream Non-Profit Housing Project as at March 31, 2014 and its financial performance and cash flows for the year then ended, in accordance with Canadian accounting standards for not-for-profit organizations.

St. Catharines, Ontario
June 25, 2014



PARTRIDGE IGGULDEN LLP
Chartered Professional Accountants
Licensed Public Accountants

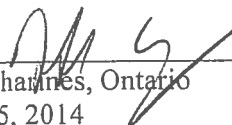
ST. CATHARINES MAINSTREAM NON-PROFIT HOUSING PROJECTSTATEMENT OF FINANCIAL POSITIONMARCH 31, 2014

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 112,795	\$ 35,850
Accounts receivable	5,154	4,125
Subsidy receivable	12,702	12,702
Sales tax recoverable	24,401	17,034
Prepaid expenses	7,757	7,745
Due from Homes for the Homeless Project	911	-
Due from Mainstream: An Unsheltered Workshop	-	670
	<u>163,720</u>	<u>78,126</u>
FIXED ASSETS - Project 3000 (Schedule 1)	574,097	620,491
REPLACEMENT RESERVE FUNDS ON DEPOSIT	23,479	16,739
HOMES FOR THE HOMELESS PROJECT (Note 2)	149,177	145,288
BINGO FUND CASH	12,407	14,026
	<u>\$ 922,880</u>	<u>\$ 874,670</u>
<u>LIABILITIES</u>		
CURRENT LIABILITIES		
Accounts payable and accrued charges (Note 4)	\$ 102,153	\$ 55,532
Deferred income	29,642	438
Due to Homes for the Homeless Project	-	852
Due to Supported Living Program	19,603	10,682
Due to Mainstream: An Unsheltered Workshop	2,356	-
Current portion of mortgages payable - Project 3000 (Note 5)	47,788	46,394
	<u>201,542</u>	<u>113,898</u>
Mortgage payable due within the year - Project 3000 (Note 5)	399,861	-
	<u>601,403</u>	<u>113,898</u>
MORTGAGES PAYABLE - PROJECT 3000 (Note 5)	131,132	578,781
SUPPORTED LIVING PROGRAM (Note 6)	6,032	6,519
	<u>738,567</u>	<u>699,198</u>
<u>NET ASSETS</u>		
OPERATING FUND	5,282	5,938
REPLACEMENT RESERVE FUND	23,479	16,739
HOMES FOR THE HOMELESS PROJECT FUND	149,177	145,288
SUPPORTED LIVING PROGRAM FUND	(6,032)	(6,519)
BINGO FUND	12,407	14,026
	<u>184,313</u>	<u>175,472</u>
	<u>\$ 922,880</u>	<u>\$ 874,670</u>

Approved on behalf of the Board:



Director



Director

St. Catharines, Ontario
June 25, 2014

ST. CATHARINES MAINSTREAM NON-PROFIT HOUSING PROJECT**STATEMENT OF REVENUE AND EXPENDITURE****YEAR ENDED MARCH 31, 2014**

	<u>2014</u>	<u>2013</u>
REVENUE		
Ministry of Community and Social Services		
Operating	\$ 1,768,595	\$ 1,730,750
Minor capital	26,000	7,000
Human Resources Development Canada	2,707	3,451
Client income	235,900	229,328
Other income	35,497	4,203
Rental income	55,030	55,368
Bingo fundraising	7,639	8,280
	<u>2,131,368</u>	<u>2,038,380</u>
EXPENDITURE		
Advertising/memberships	245	880
Agency governance costs	1,006	441
Amortization	46,394	45,050
Bank charges	3,538	3,508
Capital expenditures		
Minor	25,060	6,917
Major renovations	92,001	-
Other	9,368	12,690
Capital reserve allowance	6,369	6,369
Comfort allowances	19,502	18,994
Consulting fees	4,411	6,221
Groceries	42,029	37,345
Insurance	19,034	19,703
Interest on long-term debt	17,601	18,949
Municipal taxes	28,242	27,467
Office, program supplies and stipends	43,527	43,117
Professional fees	7,313	4,183
Purchased services	39,751	60,686
Occupancy costs	90,104	94,068
Repairs and maintenance	24,189	19,970
Salaries and benefits	1,524,723	1,531,593
Staff training	5,990	6,548
Travel and telephone	12,282	12,778
Utilities	31,708	30,281
Van expenses	32,141	23,720
	<u>2,126,528</u>	<u>2,031,478</u>
EXCESS OF REVENUE OVER EXPENDITURE	<u>\$ 4,840</u>	<u>\$ 6,902</u>

The allocation of the excess of revenue over expenditure in the various funds is as follows:

Operating Fund - Project 3000	\$ 425	\$ 427
- Supportive Independent Living Program	-	1,081
Homes For The Homeless Project Fund	3,889	5,356
Supported Living Program Fund	526	38
	<u>\$ 4,840</u>	<u>\$ 6,902</u>

ST. CATHARINES MAINSTREAM NON-PROFIT HOUSING PROJECTSTATEMENT OF FUNDSYEAR ENDED MARCH 31, 2014OPERATING FUND

	<u>2014</u>	<u>2013</u>
PROJECT 3000		
Balance (deficit), beginning of year	\$ (3,416)	\$ (3,843)
Excess of revenue over expenditure (Schedule 2)	<u>425</u>	<u>427</u>
Balance (deficit), end of year	<u>(2,991)</u>	<u>(3,416)</u>
SUPPORTIVE INDEPENDENT LIVING PROGRAM		
Balance, beginning of year	9,354	8,522
Excess of revenue over expenditure (Schedule 3)	-	1,081
Repayment of prior year's subsidy	<u>(1,081)</u>	<u>(249)</u>
Balance, end of year	<u>8,273</u>	<u>9,354</u>
OPERATING FUND BALANCE	<u>\$ 5,282</u>	<u>\$ 5,938</u>

REPLACEMENT RESERVE FUND

	<u>2014</u>	<u>2013</u>
BALANCE, BEGINNING OF YEAR	\$ 16,739	\$ 15,468
ALLOCATION FROM PROJECT 3000	6,369	6,369
INTEREST EARNED	371	317
EXPENDITURE	<u>-</u>	<u>(5,415)</u>
BALANCE, END OF YEAR	<u>\$ 23,479</u>	<u>\$ 16,739</u>

HOMES FOR THE HOMELESS PROJECT FUND (AVALON)

	<u>2014</u>	<u>2013</u>
BALANCE, BEGINNING OF YEAR	\$ 145,288	\$ 139,932
EXCESS OF REVENUE OVER EXPENDITURE (Schedule 4)	<u>3,889</u>	<u>5,356</u>
BALANCE, END OF YEAR	<u>\$ 149,177</u>	<u>\$ 145,288</u>

ST. CATHARINES MAINSTREAM NON-PROFIT HOUSING PROJECTSTATEMENT OF FUNDS

(continued)

YEAR ENDED MARCH 31, 2014SUPPORTED LIVING PROGRAM FUND

	<u>2014</u>	<u>2013</u>
BALANCE (DEFICIT), BEGINNING OF YEAR	\$ (6,519)	\$ (6,557)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE (Schedule 5)	526	38
REPAYMENT OF PRIOR YEAR'S SUBSIDY	<u>(39)</u>	<u>-</u>
BALANCE (DEFICIT), END OF YEAR	<u>\$ (6,032)</u>	<u>\$ (6,519)</u>

BINGO FUND

	<u>2014</u>	<u>2013</u>
RECEIPTS FOR YEAR	<u>\$ 7,761</u>	<u>\$ 4,932</u>
DISBURSEMENTS FOR YEAR		
Bank charges	60	60
Administration fees	<u>1,680</u>	<u>1,260</u>
	<u>1,740</u>	<u>1,320</u>
EXCESS OF RECEIPTS OVER DISBURSEMENTS	6,021	3,612
TRANSFER TO SUPPORTED LIVING PROGRAM	(1,129)	-
TRANSFER TO SUPPORTIVE INDEPENDENT LIVING PROGRAM	<u>(6,511)</u>	<u>(8,280)</u>
NET EXCESS (DEFICIENCY)	(1,619)	(4,668)
BALANCE, BEGINNING OF YEAR	<u>14,026</u>	<u>18,694</u>
BALANCE, END OF YEAR	<u>\$ 12,407</u>	<u>\$ 14,026</u>

ST. CATHARINES MAINSTREAM NON-PROFIT HOUSING PROJECTSTATEMENT OF CASH FLOWSYEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess revenue over expenditure - Operating Fund	\$ 425	\$ 1,508
Add amortization not affecting cash	46,394	45,050
Less prior year subsidy repayment	<u>(1,081)</u>	<u>(249)</u>
	45,738	46,309
Effects on cash from changes in operating assets and liabilities		
Accounts receivable	(1,029)	(5,433)
Sales tax recoverable	(7,367)	(3,049)
Prepaid expenses	(12)	359
Due from Mainstream: An Unsheltered Workshop	3,026	14,136
Accounts payable and accrued charges	46,621	(5,749)
Deferred income	29,204	259
Due to Homes for the Homeless Project	(1,763)	434
Due to Supported Living Program	<u>8,921</u>	<u>(11,703)</u>
	<u>123,339</u>	<u>35,563</u>
CASH FLOWS USED IN FINANCING ACTIVITY		
Repayment of mortgages payable	<u>(46,394)</u>	<u>(45,050)</u>
INCREASE (DECREASE) IN CASH FOR YEAR	76,945	(9,487)
CASH, BEGINNING OF YEAR	<u>35,850</u>	<u>45,337</u>
CASH, END OF YEAR	<u>\$ 112,795</u>	<u>\$ 35,850</u>

ST. CATHARINES MAINSTREAM NON-PROFIT HOUSING PROJECT

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2014

GENERAL

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

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

The Operating Fund consists of the Project 3000 housing project which commenced operations on October 1, 1988, and the Supportive Independent Living Program which offers affordable housing to borderline or mildly developmentally challenged individuals and assists them in acquiring the skills necessary to develop their potential as individuals in the community. The program consumers include, but are not restricted to, borderline or mildly developmentally challenged adults.

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES

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

Fixed Assets and Amortization

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

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

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

Revenue and Expenditures

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

Start-up Costs

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

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.

ST. CATHARINES MAINSTREAM NON-PROFIT HOUSING PROJECT**NOTES TO THE FINANCIAL STATEMENTS****MARCH 31, 2014****2. HOMES FOR THE HOMELESS PROJECT**

St. Catharines Mainstream Non-Profit Housing Project received funding in 1989 in the form of a forgivable interest-free loan from the Ontario Ministry of Municipal Affairs and Housing under their Permanent Housing for the Homeless Program.

The loan was used to purchase the land and building at 8 Avalon Place, St. Catharines, and pay for additional renovation, furniture and equipment. The net assets of this project are as follows:

	<u>2014</u>	<u>2013</u>
Cash	\$ 17,407	\$ 22,142
Prepaid expense	393	393
Land and building - 8 Avalon Place, St. Catharines	123,719	123,719
Replacement reserve cash	10,000	-
Accounts payable	(1,431)	(1,818)
Due from (to) Operating Fund	<u>(911)</u>	<u>852</u>
Net assets	<u>\$ 149,177</u>	<u>\$ 145,288</u>

3. BANK INDEBTEDNESS

St. Catharines Mainstream Non-Profit Housing Project has an authorized line of credit in the amount of \$25,000. Interest is charged at prime plus 2.0% and is secured by a general security agreement over all personal property of the Organization.

4. ACCOUNTS PAYABLE AND ACCRUED CHARGES

	<u>2014</u>	<u>2013</u>
Trade payables	\$ 72,855	\$ 26,099
Accrued audit	7,474	6,835
Accrued interest	1,420	1,535
Accrued utilities	6,100	5,223
Accrued wages	<u>14,304</u>	<u>15,840</u>
	<u>\$ 102,153</u>	<u>\$ 55,532</u>

5. MORTGAGES PAYABLE - PROJECT 3000

	<u>2014</u>	<u>2013</u>
Royal Bank of Canada, mortgage payable, repayable in monthly installments of \$ 4,413 including interest calculated at 3.044%, due October 1, 2014, secured by rental properties	\$ 440,058	\$ 479,058
Canada Mortgage and Housing Corporation, mortgage payable, repayable in monthly installments of \$ 930 including interest calculated at 2.65%, due April 1, 2016, secured by rental properties	<u>138,723</u>	<u>146,117</u>
	578,781	625,175
Less: current portion of mortgages payable	47,788	46,394
Less: mortgage payable due within the year	<u>399,861</u>	<u>-</u>
	<u>\$ 131,132</u>	<u>\$ 578,781</u>

ST. CATHARINES MAINSTREAM NON-PROFIT HOUSING PROJECT**NOTES TO THE FINANCIAL STATEMENTS****MARCH 31, 2014****5. MORTGAGES PAYABLE - PROJECT 3000 (continued)**

Principal payments due in each of the next five years, based on the assumption that the mortgages will be renewed at similar terms, are as follows:

Year ending March 31, 2015	\$ 47,788
2016	49,223
2017	50,702
2018	52,225
2019	53,794
Thereafter	<u>325,049</u>
	<u>\$ 578,781</u>

6. SUPPORTED LIVING PROGRAM

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

	<u>2014</u>	<u>2013</u>
Accounts receivable	\$ 950	\$ 3,603
Prepaid expenses	3,947	4,019
Due from Operating Fund	19,603	10,682
Accounts payable and accrued charges	<u>(30,532)</u>	<u>(24,823)</u>
Net assets (liabilities)	<u>\$ (6,032)</u>	<u>\$ (6,519)</u>

7. FORGIVABLE LOAN

St. Catharines Mainstream Non-Profit Housing Project received funding in the form of a forgivable interest-free first mortgage loan from the Ontario Ministry of Housing under their Permanent Housing for the Homeless program.

A mortgage of \$ 126,000 was issued by the Ontario Mortgage Corporation for a term of 25 years, commencing June 1, 1988. Forgiveness of the loan was earned at the rate of 1/15 of the original loan amount on each anniversary date commencing June 1, 1998 until June 2, 2014. Due to the forgiveness provisions, the mortgage was recorded as an equity contribution. The mortgage is repayable on the resale of the property located at 8 Avalon Place, St. Catharines.

8. FINANCIAL INSTRUMENTS AND RISKS

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

The fair value of these instruments approximate their carrying value.

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

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.

ST. CATHARINES MAINSTREAM NON-PROFIT HOUSING PROJECT**NOTES TO THE FINANCIAL STATEMENTS****MARCH 31, 2014****8. FINANCIAL INSTRUMENTS AND RISKS (continued)****Credit Risk Exposure**

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

Interest Rate Risk Exposure

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization currently holds long-term debt that accrues interest at fixed rates and are renewable in 2014 and 2016.

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.

ST. CATHARINES MAINSTREAM NON-PROFIT HOUSING PROJECT

SCHEDULE 1 - FIXED ASSETS - PROJECT 3000

YEAR ENDED MARCH 31, 2014

	4 Mildred Avenue	174 Lake Street	15 Verdun Avenue	626 Geneva Street	71 Lafayette Drive	12 Shoreline Drive	33 Fawell Avenue	212 Rykert Street	2014 Total	2013 Total
PROPERTY ACQUISITION										
Purchase price	\$ 75,500	\$ 71,000	\$ 83,500	\$ 130,000	\$ 109,000	\$ 130,000	\$ 120,500	\$ 64,586	\$ 784,086	\$ 784,086
Legal fees	725	620	648	920	738	898	801	1,384	6,734	6,734
Other	1,470	1,495	1,537	3,718	1,722	2,729	2,130	2,043	16,844	16,844
	<u>77,695</u>	<u>73,115</u>	<u>85,685</u>	<u>134,638</u>	<u>111,460</u>	<u>133,627</u>	<u>123,431</u>	<u>68,013</u>	<u>807,664</u>	<u>807,664</u>
BUILDING ADDITIONS										
Renovation	15,494	18,474	4,577	1,494	4,447	5,940	24,749	127,932	203,107	203,107
Stove and fridges	1,312	1,327	1,327	1,342	1,342	1,754	3,158	1,597	13,159	13,159
Laundry equipment	1,263	1,264	1,264	1,264	1,264	1,264	1,264	1,004	9,851	9,851
Furnishing and equipment	3,856	3,634	4,574	5,530	3,910	4,072	6,307	13,435	45,318	45,318
	<u>21,925</u>	<u>24,699</u>	<u>11,742</u>	<u>9,630</u>	<u>10,963</u>	<u>13,030</u>	<u>35,478</u>	<u>143,968</u>	<u>271,435</u>	<u>271,435</u>
TOTAL ALLOCATED COSTS	<u>99,620</u>	<u>97,814</u>	<u>97,427</u>	<u>144,268</u>	<u>122,423</u>	<u>146,657</u>	<u>158,909</u>	<u>211,981</u>	<u>1,079,099</u>	<u>1,079,099</u>
OTHER CAPITALIZED COSTS										
Professional fees	221	222	222	221	222	221	221	1,200	2,750	2,750
Organization fees	2,571	2,572	2,571	2,572	2,571	2,572	2,571	9,120	27,120	27,120
Mortgage insurance	160	159	160	160	160	160	159	-	1,118	1,118
Miscellaneous	-	-	-	-	-	-	98	856	954	954
	<u>2,952</u>	<u>2,953</u>	<u>2,953</u>	<u>2,953</u>	<u>2,953</u>	<u>2,953</u>	<u>3,049</u>	<u>11,176</u>	<u>31,942</u>	<u>31,942</u>
TOTAL CAPITAL COSTS	<u>102,572</u>	<u>100,767</u>	<u>100,380</u>	<u>147,221</u>	<u>125,376</u>	<u>149,610</u>	<u>161,958</u>	<u>223,157</u>	<u>1,111,041</u>	<u>1,111,041</u>
LESS: ACCUMULATED AMORTIZATION	<u>52,024</u>	<u>51,108</u>	<u>50,912</u>	<u>74,669</u>	<u>63,590</u>	<u>75,881</u>	<u>82,144</u>	<u>86,616</u>	<u>490,550</u>	<u>490,550</u>
NET BOOK VALUE	<u>\$ 50,548</u>	<u>\$ 49,659</u>	<u>\$ 49,468</u>	<u>\$ 72,552</u>	<u>\$ 61,786</u>	<u>\$ 73,729</u>	<u>\$ 79,814</u>	<u>\$ 136,541</u>	<u>\$ 574,097</u>	<u>\$ 620,491</u>

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INDEPENDENT AUDITOR'S COMMENTS ON
SUPPLEMENTARY FINANCIAL INFORMATION

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

The audited financial statements of St. Catharines Mainstream Non-Profit Housing Project 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

ST. CATHARINES MAINSTREAM NON-PROFIT HOUSING PROJECTSCHEDULE 2 - PROJECT 3000YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
REVENUE		
Ministry of Community and Social Services	\$ 156,306	\$ 152,310
Rental income	40,326	41,041
	<u>196,632</u>	<u>193,351</u>
EXPENDITURE		
Amortization	46,394	45,050
Capital expenditures	2,066	-
Capital reserve allowance	6,369	6,369
Insurance	6,719	6,719
Interest on long-term debt	17,601	18,949
Municipal taxes	25,293	24,518
Office, program supplies and stipends	1,859	1,393
Professional fees	3,000	3,000
Occupancy costs	6,500	6,500
Repairs and maintenance	20,850	17,416
Salaries and benefits	30,399	35,549
Travel and telephone	1,301	1,774
Utilities	27,856	25,687
	<u>196,207</u>	<u>192,924</u>
EXCESS OF REVENUE OVER EXPENDITURE	<u>\$ 425</u>	<u>\$ 427</u>

ST. CATHARINES MAINSTREAM NON-PROFIT HOUSING PROJECT**SCHEDULE 3 - SUPPORTIVE INDEPENDENT LIVING PROGRAM****YEAR ENDED MARCH 31, 2014**

	<u>2014</u>	<u>2013</u>
REVENUE		
Ministry of Community and Social Services		
Operating	\$ 445,873	\$ 434,473
Minor capital	-	7,000
Human Resources Development Canada	2,707	3,451
Client income	23,698	23,688
Other income	1,907	4,203
Bingo fundraising	6,511	8,280
	<u>480,696</u>	<u>481,095</u>
EXPENDITURE		
Advertising/memberships	-	262
Agency governance costs	750	171
Bank charges	1,909	1,659
Capital expenditures		
Minor	-	6,917
Other	4,284	5,747
Consulting fees	1,496	2,682
Insurance	4,873	5,226
Office, program supplies and stipends	6,311	7,009
Professional fees	2,113	250
Purchased services	8,162	3,274
Occupancy costs	22,632	26,596
Repairs and maintenance	-	1,923
Salaries and benefits	409,258	405,294
Staff training	1,532	2,499
Travel and telephone	5,283	5,239
Van expenses	12,093	5,995
	<u>480,696</u>	<u>480,743</u>
EXCESS OF REVENUE OVER EXPENDITURE BEFORE OTHER PROGRAMS	-	352
MCSS INNOVATION FUNDING, net (Schedule 6)	-	553
MCSS PERSON CENTRED THINKING, net (Schedule 7)	<u>-</u>	<u>176</u>
EXCESS OF REVENUE OVER EXPENDITURE	<u>\$ -</u>	<u>\$ 1,081</u>

See Auditor's Comments on Supplementary Financial Information

ST. CATHARINES MAINSTREAM NON-PROFIT HOUSING PROJECTSCHEDULE 4 - HOMES FOR THE HOMELESS PROJECTYEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
REVENUE		
Rental income	\$ 14,704	\$ 14,327
EXPENDITURE		
Bank charges	60	60
Insurance	588	718
Municipal taxes	2,950	2,949
Professional fees	200	600
Repairs and maintenance	3,339	630
Utilities	3,678	4,014
	<u>10,815</u>	<u>8,971</u>
EXCESS OF REVENUE OVER EXPENDITURE	<u>\$ 3,889</u>	<u>\$ 5,356</u>

ST. CATHARINES MAINSTREAM NON-PROFIT HOUSING PROJECT**SCHEDULE 5 - SUPPORTED LIVING PROGRAM****YEAR ENDED MARCH 31, 2014**

	<u>2014</u>	<u>2013</u>
REVENUE		
Ministry of Community and Social Services		
Operating	\$ 1,166,416	\$ 1,083,750
Minor capital	26,000	-
Client income	212,202	205,640
Other income	1,320	-
Bingo fundraising	1,129	-
	<u>1,407,067</u>	<u>1,289,390</u>
EXPENDITURE		
Advertising/memberships	245	618
Agency governance costs	256	270
Bank charges	1,569	1,789
Capital expenditures		
Minor	25,060	-
Major renovations	92,001	-
Other	3,018	6,943
Comfort allowances	19,502	18,994
Consulting fees	2,914	3,539
Groceries	42,029	37,345
Insurance	6,855	7,040
Office, program supplies and stipends	32,258	30,926
Professional fees	2,000	333
Purchased services	2,419	1,710
Occupancy costs	60,972	60,972
Salaries and benefits	1,085,065	1,090,751
Staff training	4,459	4,049
Travel and telephone	5,697	5,766
Utilities	174	581
Van expenses	20,048	17,726
	<u>1,406,541</u>	<u>1,289,352</u>
EXCESS OF REVENUE OVER EXPENDITURE	<u>\$ 526</u>	<u>\$ 38</u>

ST. CATHARINES MAINSTREAM NON-PROFIT HOUSING PROJECTSCHEDULE 6 - MCSS INNOVATION FUNDINGYEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
REVENUE		
Ministry of Community and Social Services	\$ -	\$ 31,317
EXPENDITURE		
Office, program supplies and stipends	-	3,786
Purchased services	-	26,978
	<u>-</u>	<u>30,764</u>
EXCESS OF REVENUE OVER EXPENDITURE	<u>\$ -</u>	<u>\$ 553</u>

SCHEDULE 7 - MCSS PERSON CENTRED THINKINGYEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
REVENUE		
Ministry of Community and Social Services	\$ -	\$ 28,900
EXPENDITURE		
Purchased services	-	28,724
	<u>-</u>	<u>28,724</u>
EXCESS OF REVENUE OVER EXPENDITURE	<u>\$ -</u>	<u>\$ 176</u>

ST. CATHARINES MAINSTREAM NON-PROFIT HOUSING PROJECT**SUPPLEMENTARY INFORMATION****MARCH 31, 2014**

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

NATURE OF BUSINESS: A non-profit Organization providing residential support and services to individuals with a developmental disability.

HEAD OFFICE: 263 Pelham Road
St. Catharines, Ontario
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DIRECTORS AND OFFICERS: Rob Stinson - President
Michael Robertson - Vice President
Jeff Kelly - Treasurer
Janet Rylett - Secretary
Adam Bosak
Dennis Cheredar
Kim Demoel
Gary Enskat

EXECUTIVE DIRECTOR: Kevin Berswick

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