

Main Street Project, Inc.
Financial Statements
March 31, 2020

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Independent Auditors' Report

To the Directors of
Main Street Project, Inc.

Qualified Opinion

We have audited the accompanying financial statements of Main Street Project, Inc. (the "organization"), which comprise the statement of financial position as at March 31, 2020, and the statements of operations, changes in fund balances and cash flows for the year then ended, and note to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2020, and the results of its 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

Note 2(e) describes the amortization policy for property and equipment and states that the building at 71 Martha Street is being amortized at a rate equal to the reduction of the mortgage principal for the year. In this respect, the financial statements are not in accordance with Canadian accounting standards for not-for-profit organizations.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' 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.

Other Information

Management is responsible for the other information. The other information comprises the organization's annual report.

Our opinion on the financial statements does not cover the other information and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

The annual report is expected to be made available to use after the date of the auditors' report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance 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.

Independent Auditors' 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.

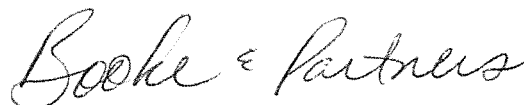
Those charged with governance are responsible for overseeing the organization's financial reporting process.

Auditors' 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 auditors' 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 auditors' 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 auditors' 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.



Winnipeg, Canada
May 25, 2020

Chartered Professional Accountants

Main Street Project, Inc.
Statement of Operations

Year Ended March 31				2020	2019
	Operating Fund	Restricted Funds (Note 10)	Capital Fund	Total	Total
Revenues					
Grants	\$6,088,862	\$ 1,008	\$ 59,907	\$6,149,777	\$5,665,037
Per diem payments	369,855	-	-	369,855	347,102
Miscellaneous and other	56,297	629	-	56,926	-
Donations (Note 16)	393,557	-	92,150	485,707	421,909
Loan forgiveness and MHRC subsidy (Note 8)	14,100	-	68,150	82,250	94,100
	<u>6,922,671</u>	<u>1,637</u>	<u>220,207</u>	<u>7,144,515</u>	<u>6,528,148</u>
Expenses					
Advertising	7,646	-	-	7,646	24,046
Amortization	-	-	191,421	191,421	171,727
Bad debt	-	-	-	-	23,001
Board	34,391	-	-	34,391	15,657
Cleaning and staff supplies	55,939	-	-	55,939	48,506
Client and medical supplies	63,781	-	-	63,781	45,762
Development	154,864	-	-	154,864	109,515
Food	262,434	-	-	262,434	283,577
Fundraising expense	-	-	-	-	93,003
Insurance	21,658	-	-	21,658	21,899
Minor furniture & equipment	14,534	-	-	14,534	45,284
Mortgage interest (Note 8)	-	-	35,544	35,544	37,697
Office	50,486	-	-	50,486	37,022
Professional fees	106,220	-	-	106,220	95,389
Program	2,423	-	-	2,423	33,150
Property tax	20,658	-	-	20,658	31,678
Rent	66,787	-	-	66,787	67,752
Repairs, maintenance, and replacements	107,143	-	-	107,143	152,454
Staff training	16,134	-	-	16,134	18,134
Telephone and internet	61,171	-	-	61,171	53,338
Travel	23,297	-	-	23,297	28,347
Utilities	109,388	-	-	109,388	128,325
Wages and benefits	5,740,896	-	-	5,740,896	5,070,821
	<u>6,919,850</u>	<u>-</u>	<u>226,965</u>	<u>7,146,815</u>	<u>6,636,084</u>
(Deficiency) excess of revenues over expenses before other items	<u>2,821</u>	<u>1,637</u>	<u>(6,758)</u>	<u>(2,300)</u>	<u>(107,936)</u>
Other items					
Interest income (Note 15)	1,396	-	-	1,396	7,477
Parking lot	2,270	-	-	2,270	1,300
Miscellaneous and other	253	-	-	253	8,069
Gain on disposal of asset	-	-	-	-	4,259
	<u>3,919</u>	<u>-</u>	<u>-</u>	<u>3,919</u>	<u>21,105</u>
(Deficiency) excess of revenues over expenses	<u>\$ 6,740</u>	<u>\$ 1,637</u>	<u>\$ (6,758)</u>	<u>\$ 1,619</u>	<u>\$ (86,831)</u>

See accompanying notes to the financial statements.

Main Street Project, Inc.
Statement of Changes in Fund Balances

Year Ended March 31				2020	2019
	Operating Fund	Restricted Funds (Note 10)	Capital Fund	<u>Total</u>	<u>Total</u>
Fund balances, beginning of year	\$ (150,736)	\$ 399,780	\$ 232,728	\$ 481,772	\$ 568,603
(Deficiency) excess of revenues over expenses	6,740	1,637	(6,758)	1,619	(86,831)
Interfund transfers (Note 10)	<u>(142,955)</u>	<u>(157,247)</u>	<u>300,202</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ (286,951)</u>	<u>\$ 244,170</u>	<u>\$ 526,172</u>	<u>\$ 483,391</u>	<u>\$ 481,772</u>

See accompanying notes to the financial statements.

Main Street Project, Inc.
Statement of Financial Position

March 31

2020

2019

Assets

Current

Cash and term deposits	\$ 411,749	\$ 664,264
Receivables, net of allowance (Note 4)	398,363	371,943
Prepays and deposits	23,434	20,729
Funds held in trust (Note 3)	<u>6,953</u>	<u>6,953</u>

840,499 1,063,889

Property and equipment (Note 5)	3,893,464	3,623,070
Restricted funds (Note 10)	<u>244,170</u>	<u>399,780</u>

\$ 4,978,133 \$ 5,086,739

Liabilities

Current

Payables and accruals	\$ 614,400	\$ 642,823
Funds held in trust (Note 3)	6,953	6,953
Deferred contributions (Note 7)	468,303	613,340
Current portion of long-term debt (Note 8)	2,485,666	2,483,262
Current portion of capital lease (Note 9)	<u>20,000</u>	<u>20,000</u>

3,595,322 3,766,378

Deferred contributions for property and equipment (Note 6)	222,672	257,207
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Deferred contributions for property and equipment - capital campaign	208,547	57,668
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Long-term debt (Note 8)	446,534	482,047
Obligation under capital lease (Note 9)	<u>21,667</u>	<u>41,667</u>

4,494,742 4,604,967

Fund Balances

Operating	(286,951)	(150,736)
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Restricted (Note 10)	244,170	399,780
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Capital	<u>526,172</u>	<u>232,728</u>
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483,391 481,772

\$ 4,978,133 \$ 5,086,739

Commitments (Note 11)

Approved on behalf of Directors

Original Document Signed Director

Original Document Signed

Director

See accompanying notes to the financial statements.

Main Street Project, Inc.
Statement of Cash Flows

Year Ended March 31

2020

2019

Cash derived from (applied to)

Operating		
Deficiency of revenues over expenses	\$ 1,619	\$ (86,831)
Amortization of property and equipment	191,421	171,727
Amortization of deferred contributions for property and equipment	(54,535)	(62,056)
Gain on disposal of asset	-	(4,259)
Unrealized gain on investments	-	(1,300)
	<u>138,505</u>	<u>17,281</u>
Change in non-cash operating working capital		
Receivables	(26,420)	73,100
Prepays	(2,705)	5,529
Payables and accruals	(28,423)	96,431
Deferred contributions	(145,037)	328,727
	<u>(64,080)</u>	<u>521,068</u>
Financing		
Proceeds of long-term debt	-	2,450,000
Repayment of long-term debt	(33,109)	(30,970)
Repayment of capital lease obligation	(20,000)	(20,000)
	<u>(53,109)</u>	<u>2,399,030</u>
Investing		
Purchase of property and equipment	(494,059)	(2,966,118)
Decrease (increase) in restricted funds	155,610	70,365
Proceeds on disposal of asset	-	6,359
Contributions received for capital campaign	183,123	-
Grants received towards purchase of property and equipment	20,000	47,762
	<u>(135,326)</u>	<u>(2,841,632)</u>
Net (decrease) increase in cash	(252,515)	78,466
Cash		
Beginning of year	<u>664,264</u>	<u>585,798</u>
End of year	<u>\$ 411,749</u>	<u>\$ 664,264</u>

See accompanying notes to the financial statements.

Main Street Project, Inc.
Notes to the Financial Statements

March 31, 2020

1. Nature of operations

Main Street Project, Inc. (the "organization") exists to provide shelter and access to services that meet the day-to-day needs of all people who are homeless or under-housed including those with chronic addictions and related health issues. The organization is incorporated under the Manitoba Corporations Act as a not-for-profit organization and is a registered charity under the Income Tax Act.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies used are detailed as follows:

a) Fund accounting

The organization follows the deferral method of accounting for grants, allocations and contributions.

The Operating Fund accounts for revenues and expenses related to program delivery and administrative activities.

The Restricted Fund accounts for assets, liabilities, revenues and expenses segregated for specialized purposes.

The Capital Fund reports the assets, liabilities, revenues and expenses related to the organization's property and equipment.

b) Revenue recognition

Restricted amounts are recognized as revenue in the year in which the related expenses are incurred.

Unrestricted amounts are recognized as revenue when earned and collection is reasonably assured.

c) Investments

Investments are initially and subsequently measured at fair value. Changes in fair values are recognized in the statement of operations in the period incurred. Transaction costs that are directly attributable to the acquisition of these investments are recognized in net income in the period incurred.

d) Contributed goods and services

In the normal course of business, the organization receives food supplies in carrying out its support services. Neither the value nor cost of these contributed goods and services are recognized in these financial statements.

Main Street Project, Inc.
Notes to the Financial Statements
March 31, 2020

2. Significant accounting policies (continued)

e) Property and equipment

Purchased property and equipment are recorded in the Capital Fund at cost. Contributed property and equipment are recorded in the Capital Fund at fair value at the date of contribution. Amortization is provided on a basis designed to write off the assets over their estimated useful lives, except for the 71 Martha Street building (as required by Manitoba Housing and Renewal Corporation) as follows:

Building - 71 Martha Street		annual mortgage principal reduction
Buildings - 75 and 77 Martha Street	40 years	straight-line
Furniture and equipment	5 years	straight-line
Parking lot	12.5 years	straight-line
Vehicles	10 years	straight-line

Contributions towards the purchase of property and equipment are deferred and amortized over the same basis as the underlying asset.

f) Financial instruments

The organization recognizes its financial instruments when the organization becomes party to the contractual provisions of the financial instrument. Financial instruments are initially recorded at fair value with subsequent reporting at amortized cost.

It is management's opinion that the organization is not exposed to significant credit, currency, interest rate, price, or market risks arising from its financial instruments.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to liquidity risk as current liabilities are greater than current assets.

g) Allocation of expenses

The organization classifies its expenses by program and allocates its salaries and benefits expense and other general support costs to a number of programs to which the expenses relate. Salaries and benefits expense has been allocated based on the number of hours incurred directly in the undertaking of the programs. The organization also allocates certain general support costs by identifying the appropriate basis of allocating each component expense and applies that basis each year.

h) Accounting estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Main Street Project, Inc.
Notes to the Financial Statements
 March 31, 2020

3. Funds held in trust

In September 2000, the Board of Directors agreed that in appropriate cases, the organization may agree to administer funds on behalf of clients. The service is only provided to clients whose life, health or well-being may be compromised if the service is refused. Funds held on behalf of clients as at March 31, 2020 was \$2,418 (2019 - \$2,418).

Funds held in trust of \$4,535 (2019 - \$4,535) relate the the organization's social club.

4. Receivables

	<u>2020</u>	<u>2019</u>
Winnipeg Regional Health Authority	\$ 70,170	\$ -
Public Health Agency of Canada	36,797	-
Province of Manitoba	253,779	213,453
Manitoba Housing and Renewal Corporation	-	30,320
Homelessness Partnership Strategy	-	33,549
Funds recoverable	10,000	10,000
City of Winnipeg	24,000	24,000
Goods and Services Tax recoverable	16,598	83,117
Employee loans	33,116	23,534
Fundraising income	1,025	13,831
Other	<u>18,829</u>	<u>6,147</u>
	464,314	437,951
Less: allowance for doubtful accounts	<u>(65,951)</u>	<u>(66,008)</u>
	<u>\$ 398,363</u>	<u>\$ 371,943</u>

5. Property and equipment

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2020 Net Book Value</u>	<u>2019 Net Book Value</u>
Land	\$ 391,410	\$ -	\$ 391,410	\$ 391,410
Building - 71 Martha Street	554,295	401,434	152,861	185,270
Buildings - 75 and 77 Martha Street	535,974	289,187	246,787	247,513
Building - Mitchell	2,451,647	-	2,451,647	2,025,998
Furniture and equipment	888,366	748,733	139,633	182,258
Parking lot	446,805	53,617	393,188	428,933
Vehicles	107,067	65,476	41,591	58,228
Equipment under capital lease	<u>137,067</u>	<u>60,720</u>	<u>76,347</u>	<u>103,460</u>
	<u>\$ 5,512,631</u>	<u>\$ 1,619,167</u>	<u>\$ 3,893,464</u>	<u>\$ 3,623,070</u>

Amortization expense of \$191,421 (2019 - \$171,727) is included in expenses of the Capital Fund. No amortization was taken on the Mitchell Building as it was not available for use.

Main Street Project, Inc.
Notes to the Financial Statements
 March 31, 2020

6. Deferred contributions for property and equipment

Deferred contributions for the purchase of property and equipment of \$222,672 (2019 - \$257,207) represent grants received for furniture and equipment, vehicles and building renovations. These grants are amortized over the life of the respective asset in the Capital Fund within the statement of operations of the Capital Fund.

7. Deferred contributions

Deferred contributions represent restricted funding and unspent resources externally restricted for the Operating Fund which relate to the subsequent year.

	<u>2020</u>	<u>2019</u>
Deferred contributions, beginning of year	\$ 613,340	\$ 342,281
Add: amount received in current year	1,487,178	386,983
Less: amount recognized as revenue in the current year	<u>(1,632,215)</u>	<u>(115,924)</u>
Deferred contributions, end of year	<u>\$ 468,303</u>	<u>\$ 613,340</u>

8. Long-term debt

	<u>2020</u>	<u>2019</u>
MHRC first mortgage, repayable in monthly blended payments of \$5,679, with interest at a rate of 7.25% per annum, due April 1, 2028.	\$ 481,150	\$ 513,559
TD bridge loan, interest only payments at a rate of prime plus 0.5% per annum, due June 30, 2020.	1,450,000	1,450,000
Vendor take back mortgage, non-interest bearing, fully repayable October 1, 2020.	1,000,000	1,000,000
Manitoba Housing, economic stimulus forgivable loan, maturing November 1, 2021.	<u>1,050</u>	<u>1,750</u>
	<u>2,932,200</u>	2,965,309
Less: current portion	<u>(2,485,666)</u>	<u>(2,483,262)</u>
	<u>\$ 446,534</u>	<u>\$ 482,047</u>

The Manitoba Housing and Renewal Corporation (MHRC) mortgage is secured by a general security agreement over the building.

The organization receives an annual subsidy from MHRC to fund property taxes and mortgage principal and interest payments related to 71 Martha Street. In 2020, a subsidy of \$7,400 (2019 - \$7,400) has been recognized as revenue of the Operating Fund and \$68,150 (2019 - \$68,150) has been recognized as revenue of the Capital Fund.

MHRC mortgage interest of \$35,544 (2019 - \$37,697) is included in expenses of the Capital Fund for Mainstay - Residential Component.

Main Street Project, Inc.
Notes to the Financial Statements

March 31, 2020

8. Long-term debt (continued)

In a prior year, under the terms of the Financial Assistance Agreement, MHRC provided economic stimulus funding to Main Street Project, Inc. in the amount of \$7,000 as a forgivable loan. The loan is to be amortized over 10 years from the date of the final advance. In the event the organization discontinues providing affordable housing prior to the maturity date, the unearned portion of the loan will become immediately due and payable.

The vendor take back mortgage is secured by a second mortgage against 637 and 643 Main Street in the amount of up to \$1,000,000. No interest has been expensed in the current year.

The TD bridge loan is secured by:

- Assignment of Term Deposits and Credit Balances registered in the organization's name in the amount of CAD \$50,000;
- General Security Agreement representing a first charge on all the organization's present and after acquired personal property;
- Continuing collateral mortgage, representing a first charge on real property located at 637 Main Street, Winnipeg, Manitoba in the principal amount of CAD \$1,500,000, beneficially owned by and registered in the organization's name; and
- Assignment of fire insurance.

Loan interest of \$60,306 (2019 - \$30,492) has been capitalized to the Mitchell Building as it was not available for use during the year.

Principal repayments of the long-term debt obligation estimated to be required in each of the next five years are as follows:

2021	\$ 2,485,666
2022	37,897
2023	40,318
2024	43,294
2025	46,490

9. Obligation under capital lease

	<u>2020</u>	<u>2019</u>
Capital lease contract with equipment pledged as security, repayable in monthly installments of \$1,667 plus GST with no imputed interest with a maturity date of April 1, 2022	\$ 41,667	\$ 61,667
Less: current portion	<u>(20,000)</u>	<u>(20,000)</u>
	<u>\$ 21,667</u>	<u>\$ 41,667</u>

Estimated minimum lease payments are as follows:

2021	\$ 20,000
2022	20,000
2023	<u>1,667</u>
Total	<u>\$ 41,667</u>

Main Street Project, Inc.
Notes to the Financial Statements
 March 31, 2020

10. Restricted funds

Externally Restricted Funds

	<u>Insurance Reserve</u>	<u>Replacement Reserve</u>	<u>2020 Total</u>	<u>2019 Total</u>
Balance, beginning of year	\$ 18,197	\$ 138,158	\$ 156,355	\$ 154,169
Excess of revenues over expenses	1,008	-	1,008	10,918
Transfer to Operating Fund	-	(31,473)	(31,473)	(8,732)
Balance, end of year	<u>\$ 19,205</u>	<u>\$ 106,685</u>	<u>\$ 125,890</u>	<u>\$ 156,355</u>

Internally Restricted Funds

	<u>Donations Reserve</u>	<u>Capital Asset Reserve</u>	<u>2020 Total</u>	<u>2019 Total</u>
Balance, beginning of year	\$ 196,102	\$ 47,323	\$ 243,425	\$ 314,676
Excess of revenues over expenses	629	-	629	7,665
Transfer to Operating Fund	(125,774)	-	(125,774)	(78,916)
Balance, end of year	<u>\$ 70,957</u>	<u>\$ 47,323</u>	<u>\$ 118,280</u>	<u>\$ 243,425</u>

Externally and internally restricted funds balance, end of year \$ 244,170 \$ 399,780

Restricted funds consist of cash, investments, and amounts due to/from the Operating Fund.

During the year, the board approved a transfer from the Operating Fund to the Capital Fund to fund the purchases of capital assets net of grants received of \$300,202 (2019 - \$371,121).

During the year, the board approved a transfer from the Donations Reserve to the Operating Fund of \$125,774 (2019 - \$78,916). Additionally, the board approved a transfer from the Replacement Reserve to the Operating Fund of \$31,473 (2019 - \$8,732).

Restricted funds are comprised of the following:

	<u>2020</u>	<u>2019</u>
Cash and high interest savings	\$ 93,012	\$ 248,690
Term deposits	50,338	50,270
Investment in equities	<u>100,820</u>	<u>100,820</u>
	<u>\$ 244,170</u>	<u>\$ 399,780</u>

Main Street Project, Inc.
Notes to the Financial Statements
March 31, 2020

10. Restricted funds (continued)

Insurance Reserve

The Insurance Reserve comprises externally restricted funds designated to cover costs relating to insurance deductibles.

Replacement Reserve

The Replacement Reserve has been externally restricted for the purpose of funding future major repairs to the building.

Donations Reserve

The Donations Reserve comprises donations and related interest internally restricted by the Board of Directors. The funds in the reserve are designated for the needs of clients which are not budgeted.

Capital Asset Reserve

The Capital Asset Reserve comprises funds that have been internally restricted by the Board of Directors to cover potential future property and equipment expenditures not including major repairs to the building.

11. Commitments

The organization is committed to monthly lease payments of \$4,113 for office space at 661 Main Street expiring May 31, 2021.

Additionally, the organization is committed to monthly lease payments related to certain vehicles and equipment. The lease repayments for the next 3 years are as follows:

2021	\$	8,973
2022		8,973
2023		4,455

12. Contingency

The organization receives funding from the Winnipeg Regional Health Authority (WRHA). Pursuant to the terms of the funding agreement, WRHA is entitled to recover a portion of the global surplus realized in funded programs.

Any amount repayable or recoverable from WRHA is subject to analysis and negotiations. As the amount cannot be reasonably estimated, no liability or receivable has been recorded. Any amount repayable or recoverable will be accounted for when the amount is determined by WRHA.

Main Street Project, Inc.
Notes to the Financial Statements
March 31, 2020

13. Pension Plan

The Agency contributes to the Community Agencies Benefit Plans (the "Plan"), which is a multi-employer defined benefit pension plan. As part of the agreement, the organization's liability for pension benefits during the term of its participation in the Plan is limited to the contributions made to the Plan as required from time to time. As a result, contributions to the Plan are expensed as incurred and no liability or asset is recognized for any potential Plan funding shortfall or excess. During the year, \$228,564 (2019 - \$210,789) was expensed for the purpose of the Plan.

14. Economic dependence

The volume of financial activity undertaken by Main Street Project, Inc. with its main funding bodies is of sufficient magnitude that discontinuance of their funding would endanger the ability of the organization to continue as a going concern.

15. Endowment fund

An endowment fund has been established at the Winnipeg Foundation in the name of the organization. At March 31, 2020, the value of the fund is \$33,158 (2019 - \$35,989). Only the interest earned from the fund is distributed to the organization with no restrictions as to the usage.

16. Related party transaction

During the year, the organization received a donation of \$100,000 from a member of the board of directors, of which \$92,150 has been recognized as revenue.

17. Comparative figures

Certain balances of the preceding year have been reclassified to conform with the current year's financial statement presentation. The changes do not affect prior year earnings.

Main Street Project, Inc.
Schedule of Detoxification Centre Program

Year Ended March 31

2020

2019

Revenues		
Grant		
Winnipeg Regional Health Authority (Note 12)	\$ 1,033,817	\$ 1,188,957
Miscellaneous	<u>4,343</u>	<u>-</u>
	<u>1,038,160</u>	<u>1,188,957</u>
Expenses		
Advertising	1,218	4,831
Board	6,401	3,151
Cleaning and staff supplies	14,132	12,805
Client and medical supplies	5,224	7,902
Food	36,133	40,748
Insurance	4,007	4,261
Minor furniture and equipment	1,789	10,949
Office	7,849	9,143
Professional fees	17,982	18,863
Program	32	1,692
Property taxes	4,427	5,607
Rent	12,711	12,762
Repairs, maintenance and replacements	24,746	46,160
Staff training	1,806	3,638
Telephone and internet	5,998	7,848
Travel	1,905	2,793
Utilities	19,791	32,171
Wages and benefits	<u>872,009</u>	<u>963,633</u>
	<u>1,038,160</u>	<u>1,188,957</u>
Excess of revenues over expenses (Note 12)	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

Main Street Project, Inc.
Schedule of Intoxicated Persons Detention Area (I.P.D.A.) Program
Year Ended March 31 2020 2019

Revenues		
Grants		
City of Winnipeg Police Services	<u>\$ 714,000</u>	<u>\$ 700,000</u>
Expenses		
Advertising	893	2,620
Board	4,401	1,874
Cleaning and staff supplies	15,455	13,016
Client and medical supplies	4,211	3,465
Food	4,609	14,300
Insurance	1,754	1,820
Minor furniture and equipment	1,602	2,481
Office	6,147	4,320
Professional fees	13,282	11,604
Programs	-	541
Property taxes	2,645	3,350
Rent	7,414	7,756
Repairs, maintenance and replacements	21,513	23,259
Staff training	975	1,791
Telephone and internet	5,212	3,853
Travel	2,525	3,837
Utilities	12,431	18,324
Wages and benefits	<u>706,191</u>	<u>641,414</u>
	<u>811,260</u>	<u>759,625</u>
Deficiency of revenues over expenses	<u>\$ (97,260)</u>	<u>\$ (59,625)</u>

See accompanying notes to the financial statements.

Main Street Project, Inc.
Schedule of Mainstay Program

Year Ended March 31

2020

2019
(Note 17)

Revenues		
Grants		
City of Winnipeg	\$ 96,000	\$ 96,000
Winnipeg Regional Health Authority	344,884	318,186
Per diems		
Province of Manitoba	351,555	325,756
Other	18,300	21,346
Manitoba Housing and Renewal Corporation		
Loan forgiveness (Note 8)	700	700
Property taxes subsidy	7,400	7,400
Subsidy	<u>6,000</u>	<u>17,850</u>
	<u>824,839</u>	<u>787,238</u>
Expenses		
Advertising	948	2,727
Bad debt expense	-	23,001
Board	2,023	2,267
Cleaning and staff supplies	6,564	5,578
Client and medical supplies	8,206	3,801
Food	37,201	38,100
Insurance	2,921	2,672
Minor furniture and equipment	1,306	7,643
Office	3,992	3,716
Professional fees	10,977	12,466
Property tax	8,041	8,108
Program	19	644
Rent	9,411	9,309
Repairs, maintenance and replacements	15,410	37,786
Staff training	1,673	1,691
Telephone and internet	8,708	5,054
Travel	2,590	2,305
Utilities	43,536	50,813
Wages and benefits	<u>659,924</u>	<u>629,443</u>
	<u>823,450</u>	<u>847,124</u>
Excess (deficiency) of revenues over expenses	<u>\$ 1,389</u>	<u>\$ (59,886)</u>

See accompanying notes to the financial statements.

Main Street Project, Inc.
Schedule of Van Patrol Program

Year Ended March 31

2020

2019

Revenues		
Grant		
Homelessness Partnering Strategy	\$ 120,612	\$ 126,470
Miscellaneous	<u>85,205</u>	<u>90,000</u>
	<u>205,817</u>	<u>216,470</u>
Expenses		
Advertising	412	1,645
Board	174	536
Cleaning and staff supplies	126	108
Food	5,483	12,825
Insurance	1,369	1,736
Minor furniture and equipment	490	838
Office	2,866	1,544
Professional fees	8,437	2,271
Program	-	23
Rent	523	312
Repairs, maintenance and replacements	4,543	1,857
Staff training	725	614
Telephone and internet	3,820	1,581
Travel	2,992	8,916
Utilities	5,857	-
Wages and benefits	<u>168,000</u>	<u>181,664</u>
	<u>205,817</u>	<u>216,470</u>
Excess of revenues over expenses	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

Main Street Project, Inc.
Schedule of Shelter Program

Year Ended March 31	2020	2019
Revenues		
Grants		
Manitoba Housing and Renewal Corporation	\$ 356,800	\$ 356,800
Winnipeg Regional Health Authority	530,833	439,698
Miscellaneous	10,161	10,000
Donations	<u>30,019</u>	<u>-</u>
	927,813	806,498
Expenses		
Advertising	995	2,967
Board	5,076	2,114
Cleaning and staff supplies	6,522	8,286
Client and medical supplies	33,284	7,822
Food	18,631	28,586
Insurance	2,831	2,043
Minor furniture and equipment	4,169	5,447
Office	7,570	4,126
Professional fees	13,909	13,074
Program	960	27,983
Property taxes	2,985	3,781
Rent	8,312	8,649
Repairs, maintenance and replacements	26,171	32,248
Staff training	3,350	2,267
Telephone and internet	5,197	4,400
Travel	1,202	1,386
Utilities	15,900	20,826
Wages and benefits	<u>770,749</u>	<u>669,231</u>
	927,813	845,236
Deficiency of revenues over expenses	<u>\$ -</u>	<u>\$ (38,738)</u>

See accompanying notes to the financial statements.

Main Street Project, Inc.
Schedule of Case Work

Year Ended March 31

2020

2019

Revenues		
Grants		
United Way	\$ 150,804	\$ 148,940
Winnipeg Regional Health Authority	312,683	-
Manitoba Housing and Renewal Corporation	278,000	176,000
Manitoba Health, Seniors and Active Living	78,626	-
Miscellaneous	9,774	-
	<u>829,887</u>	<u>324,940</u>
Expenses		
Advertising	979	2,065
Board	6,187	874
Cleaning and staff supplies	1,200	571
Food	-	57
Insurance	2,149	2,663
Minor furniture and equipment	1,509	5,164
Office	5,198	2,175
Professional fees	12,541	5,066
Program	-	144
Property tax	1,228	1,555
Rent	8,948	9,342
Repairs, maintenance and replacements	1,967	2,657
Staff training	1,598	2,329
Telephone and internet	9,621	3,849
Travel	7,805	3,011
Utilities	6,653	370
Wages and benefits	728,626	283,048
	<u>796,209</u>	<u>324,940</u>
Excess of revenues over expenses	<u>\$ 33,678</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

Main Street Project, Inc.
Schedule of Essentials Market

Year Ended March 31

2020

2019

Revenues		
Grants		
Manitoba Housing and Renewal Corporation	\$ -	\$ 102,000
Downtown BIZ	-	35,000
Donations	88,496	-
Donations in kind	<u>8,228</u>	<u>-</u>
	<u>96,724</u>	<u>137,000</u>
Expenses		
Advertising	97	-
Board	3	-
Cleaning and staff supplies	209	-
Food	10,094	-
Minor furniture and equipment	1,705	1,394
Office	549	155
Programs	1,206	-
Professional fees	1,285	-
Rent	43	-
Repairs, maintenance and replacements	1,586	-
Staff training	18	-
Telephone and internet	936	1,599
Travel	617	148
Utilities	21	-
Wages and benefits	<u>78,355</u>	<u>133,704</u>
	<u>96,724</u>	<u>137,000</u>
Excess of revenues over expenses	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

Main Street Project, Inc.
Schedule of The Bell Hotel

Year Ended March 31

2020

2019

Revenues		
Grants		
Winnipeg Regional Health Authority	\$ 650,321	\$ 894,922
Donations	<u>2,200</u>	<u>1,140</u>
	<u>652,521</u>	<u>896,062</u>
Expenses		
Advertising	931	3,525
Board	4,398	2,374
Cleaning and staff supplies	3,238	3,084
Client and medical supplies	3,702	16,613
Food	5,406	17,246
Insurance	3,450	3,236
Minor furniture and equipment	852	6,746
Office	5,710	5,682
Professional fees	12,321	16,738
Program	185	1,561
Property taxes	652	720
Rent	9,422	9,608
Repairs, maintenance and replacements	4,373	4,355
Staff training	4,386	2,905
Telephone and internet	13,532	16,514
Travel	2,258	1,988
Utilities	1,738	2,056
Wages and benefits	<u>575,967</u>	<u>781,111</u>
	<u>652,521</u>	<u>896,062</u>
Excess of revenues over expenses	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

Main Street Project, Inc.
Schedule of River Point Program

Year Ended March 31

2020

2019

Revenues		
Grants		
Province of Manitoba	\$ 840,374	\$ 919,000
Donations	<u>30,745</u>	<u>-</u>
	<u>871,119</u>	<u>919,000</u>
Expenses		
Advertising	1,173	3,666
Board	5,728	2,467
Cleaning and staff supplies	4,284	5,058
Client and medical supplies	6,080	6,159
Food	112,868	131,715
Insurance	3,177	3,468
Minor furniture and equipment	1,056	4,622
Office	7,863	6,161
Professional fees	15,486	15,307
Programs	21	562
Property taxes	680	751
Rent	10,003	10,014
Repairs, maintenance and replacements	2,151	4,132
Staff training	1,603	2,899
Telephone and internet	8,147	8,640
Travel	1,373	2,027
Utilities	2,229	2,098
Wages and benefits	<u>690,004</u>	<u>709,254</u>
	<u>873,926</u>	<u>919,000</u>
Deficiency of revenues over expenses	<u>\$ (2,807)</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

Main Street Project, Inc.
Schedule of Rapid Access to Addictions Medicine (R.A.A.M.)
Year Ended March 31 2020 2019

Revenues		
Grants		
Winnipeg Regional Health Authority	\$ 98,850	\$ -
Deferred revenue recognized	<u>142,878</u>	<u>-</u>
	<u>241,728</u>	<u>-</u>
Expenses		
Cleaning and staff supplies	4,008	-
Client and medical supplies	2,551	-
Food	32,009	-
Minor furniture and equipment	-	-
Office	356	-
Travel	30	-
Utilities	656	-
Wages and benefits	<u>326,258</u>	<u>-</u>
	<u>365,868</u>	<u>-</u>
Deficiency of revenues over expenses	<u>\$ (124,140)</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

Main Street Project, Inc.
Schedule of Extreme Weather Response

Year Ended March 31	2020	2019
Revenues		
Grants		
End Homelessness Winnipeg	\$ 30,226	\$ -
United Way	<u>5,664</u>	<u>-</u>
	<u>35,890</u>	<u>-</u>
Expenses		
Cleaning and staff supplies	201	-
Client and medical supplies	523	-
Minor furniture and equipment	56	-
Repairs, maintenance and replacements	4,683	-
Wages and benefits	<u>39,568</u>	<u>-</u>
	<u>45,031</u>	<u>-</u>
Deficiency of revenues over expenses	<u>\$ (9,141)</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

Main Street Project, Inc.
Schedule of Peer Outreach Program

Year Ended March 31

2020

2019

Revenues

Grants

Public Health Agency of Canada

\$ 125,000 \$ -

Miscellaneous

3,207 -

128,207 -

Expenses

Office

2,386 -

Utilities

576 -

Wages and benefits

125,245 -

128,207 -

Excess of revenues over expenses

\$ - \$ -

See accompanying notes to the financial statements.

Main Street Project, Inc.
Schedule of Development

Year Ended March 31

2020

2019
(Note 17)

Revenues		
Donations	<u>\$ 361,338</u>	<u>\$ 238,037</u>
Expenses		
Advertising	674	2,243
Board	181	523
Insurance	200	279
Office	11,835	42,586
Telephone and internet	1,541	676
Travel	595	700
Utilities	37	-
Wages and benefits	<u>139,801</u>	<u>62,508</u>
	<u>154,864</u>	<u>109,515</u>
Excess of revenues over expenses	<u>\$ 206,474</u>	<u>\$ 128,522</u>

See accompanying notes to the financial statements.