

**Main Street Project, Inc.**  
**Financial Statements**  
March 31, 2021

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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, 2021, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2021, 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*

As disclosed in Note 2(e) to the accompanying financial statements, the amortization policy for property and equipment 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, which constitutes a departure from Canadian accounting standards for not-for-profit organizations. This amortization policy is required by the agreement with Manitoba Housing and Renewal Corporation. The effects of this departure have not been determined. Therefore, we were not able to determine the adjustments necessary with respect to amortization expense, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2021 and 2020, property and equipment as at March 31, 2021 and 2020, and fund balances as at March 31, 2021 and 2020 and April 1, 2019. Our audit opinion on the financial statements for the year ended March 31, 2020 was also modified because of the effects of this departure from 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 us 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.

## Independent Auditors' Report - continued

### *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.

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.

The signature is written in a blue, cursive script and reads "Booke & Partners".

Winnipeg, Canada  
June 29, 2021

Chartered Professional Accountants

**Main Street Project, Inc.**  
**Statement of Operations**

Year Ended March 31				2021	2020
	Operating Fund	Restricted Funds (Note 10)	Capital Fund	Total	Total
<b>Revenues</b>					
Grants	\$9,737,747	\$ 1,008	\$ 90,546	\$ 9,829,301	\$6,149,777
Per diem payments	355,431	-	-	355,431	369,855
Miscellaneous and other	128,126	-	-	128,126	56,926
Donations	864,018	-	3,325	867,343	485,707
Loan forgiveness and MHRC subsidy (Note 8)	8,100	-	68,150	76,250	82,250
	<u>11,093,422</u>	<u>1,008</u>	<u>162,021</u>	<u>11,256,451</u>	<u>7,144,515</u>
<b>Expenses</b>					
Advertising	20,771	-	-	20,771	7,646
Amortization (Note 5)	-	-	235,958	235,958	191,421
Board	24,427	-	-	24,427	34,391
Cleaning and staff supplies	238,606	-	-	238,606	55,939
Client and medical supplies	117,292	-	-	117,292	63,781
Development	204,961	-	-	204,961	154,864
Food	348,907	-	-	348,907	262,434
Insurance	22,284	-	-	22,284	21,658
Minor furniture & equipment	108,918	-	-	108,918	14,534
Mortgage interest (Note 8)	-	-	50,847	50,847	35,544
Office	115,859	-	-	115,859	50,486
Professional fees	220,204	-	-	220,204	106,220
Program	49,692	-	-	49,692	2,423
Property tax	28,501	-	-	28,501	20,658
Rent	275,683	-	-	275,683	66,787
Repairs, maintenance, and replacements	472,727	-	-	472,727	107,143
Staff training	25,912	-	-	25,912	16,134
Telephone and internet	105,349	-	-	105,349	61,171
Travel	13,723	-	-	13,723	23,297
Utilities	222,940	-	-	222,940	109,388
Wages and benefits	8,077,800	-	-	8,077,800	5,740,896
	<u>10,694,556</u>	<u>-</u>	<u>286,805</u>	<u>10,981,361</u>	<u>7,146,815</u>
Excess (deficiency) of revenues over expenses before other items	<u>398,866</u>	<u>1,008</u>	<u>(124,784)</u>	<u>275,090</u>	<u>(2,300)</u>
<b>Other items</b>					
Interest income (Note 15)	-	-	-	-	1,396
Parking lot	(3,677)	-	-	(3,677)	2,270
Miscellaneous and other	(227,768)	-	-	(227,768)	253
	<u>(231,445)</u>	<u>-</u>	<u>-</u>	<u>(231,445)</u>	<u>3,919</u>
Excess (deficiency) of revenues over expenses	<u>\$ 167,421</u>	<u>\$ 1,008</u>	<u>\$ (124,784)</u>	<u>\$ 43,645</u>	<u>\$ 1,619</u>

See accompanying notes to the financial statements.

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

Year Ended March 31				2021	2020
	Operating Fund	Restricted Funds (Note 10)	Capital Fund	<u>Total</u>	<u>Total</u>
Fund balances, beginning of year	\$ (286,951)	\$ 244,170	\$ 526,172	<b>\$ 483,391</b>	\$ 481,772
Excess (deficiency) of revenues over expenses	<u>167,421</u>	<u>1,008</u>	<u>(124,784)</u>	<u><b>43,645</b></u>	<u>1,619</u>
Fund balances, end of year	<u><b>\$ (119,530)</b></u>	<u><b>\$ 245,178</b></u>	<u><b>\$ 401,388</b></u>	<u><b>\$ 527,036</b></u>	<u><b>\$ 483,391</b></u>

See accompanying notes to the financial statements.

**Main Street Project, Inc.**  
**Statement of Financial Position**

March 31 2021 2020

**Assets**

Current		
Cash and term deposits	\$ 1,672,152	\$ 411,749
Receivables, net of allowance (Note 4)	492,935	398,363
Prepays and deposits	59,726	23,434
Funds held in trust (Note 3)	<u>6,953</u>	<u>6,953</u>
	2,231,766	840,499
Property and equipment (Note 5)	7,195,110	3,893,464
Restricted funds (Note 10)	<u>245,178</u>	<u>244,170</u>
	<u>\$ 9,672,054</u>	<u>\$ 4,978,133</u>

**Liabilities**

Current		
Payables and accruals	\$ 1,258,641	\$ 614,400
Funds held in trust (Note 3)	6,953	6,953
Deferred contributions (Note 7)	1,373,445	468,303
Current portion of long-term debt (Note 8)	2,482,912	2,485,666
Current portion of capital lease (Note 9)	<u>20,000</u>	<u>20,000</u>
	5,141,951	3,595,322
Deferred contributions for property and equipment (Note 6)	3,587,708	222,672
Deferred contributions for property and equipment - capital campaign	-	208,547
Long-term debt (Note 8)	413,692	446,534
Obligation under capital lease (Note 9)	<u>1,667</u>	<u>21,667</u>
	<u>9,145,018</u>	<u>4,494,742</u>

**Fund Balances**

Operating	(119,530)	(286,951)
Restricted (Note 10)	245,178	244,170
Capital	<u>401,388</u>	<u>526,172</u>
	527,036	483,391
	<u>\$ 9,672,054</u>	<u>\$ 4,978,133</u>

Commitments (Note 11)

Approved by the Board

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Original Document Signed Director

See accompanying notes to the financial statements.

**Main Street Project, Inc.**  
**Statement of Cash Flows**

Year Ended March 31

2021

2020

Cash derived from (applied to)

Operating		
Excess of revenues over expenses	\$ 43,645	\$ 1,619
Amortization of property and equipment	235,958	191,421
Amortization of deferred contributions for property and equipment	<u>(90,546)</u>	<u>(54,535)</u>
	189,057	138,505
Change in non-cash operating working capital		
Receivables	(94,571)	(26,420)
Prepays	(36,292)	(2,705)
Payables and accruals	644,241	(28,423)
Deferred contributions	<u>787,141</u>	<u>(145,037)</u>
	<u>1,489,576</u>	<u>(64,080)</u>
Financing		
Repayment of long-term debt	(35,596)	(33,109)
Repayment of capital lease obligation	<u>(20,000)</u>	<u>(20,000)</u>
	<u>(55,596)</u>	<u>(53,109)</u>
Investing		
Purchase of property and equipment	(3,537,605)	(494,059)
(Increase) decrease in restricted funds	(1,008)	155,610
Contributions received for capital campaign	-	183,123
Grants received towards purchase of property and equipment	<u>3,365,036</u>	<u>20,000</u>
	<u>(173,577)</u>	<u>(135,326)</u>
Net increase (decrease) in cash	1,260,403	(252,515)
Cash		
Beginning of year	<u>411,749</u>	<u>664,264</u>
End of year	<u>\$ 1,672,152</u>	<u>\$ 411,749</u>

See accompanying notes to the financial statements.

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**Main Street Project, Inc.**  
**Notes to the Financial Statements**  
March 31, 2021

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**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.

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**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.

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**Main Street Project, Inc.**  
**Notes to the Financial Statements**  
March 31, 2021

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**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
Building - Mitchell	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.

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**Main Street Project, Inc.**  
**Notes to the Financial Statements**  
March 31, 2021

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**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, 2021 was \$2,418 (2020 - \$2,418).

Funds held in trust of \$4,535 (2020 - \$4,535) relate the the organization's social club.

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**4. Receivables**

	<u>2021</u>	<u>2020</u>
Winnipeg Regional Health Authority	\$ 10,396	\$ 70,170
Public Health Agency of Canada	126,714	36,797
Province of Manitoba	264,256	253,779
Funds recoverable	19,580	10,000
City of Winnipeg	27,200	24,000
Goods and Services Tax recoverable	74,788	16,598
Employee loans	23,678	33,116
Fundraising income	-	1,025
Other	<u>12,274</u>	<u>18,829</u>
	558,886	464,314
Less: allowance for doubtful accounts	<u>(65,951)</u>	<u>(65,951)</u>
	<u>\$ 492,935</u>	<u>\$ 398,363</u>

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**5. Property and equipment**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2021 Net Book Value</u>	<u>2020 Net Book Value</u>
Land	\$ 391,410	\$ -	\$ 391,410	\$ 391,410
Building - 71 Martha Street	554,295	436,330	117,965	152,861
Buildings - 75 and 77 Martha Street	535,974	302,587	233,387	246,787
Building - Mitchell	5,968,767	49,740	5,919,027	2,451,647
Furniture and equipment	908,849	803,064	105,785	139,633
Parking lot	446,805	89,361	357,444	393,188
Vehicles	107,067	82,112	24,955	41,591
Equipment under capital lease	<u>137,067</u>	<u>91,930</u>	<u>45,137</u>	<u>76,347</u>
	<u>\$ 9,050,234</u>	<u>\$ 1,855,124</u>	<u>\$ 7,195,110</u>	<u>\$ 3,893,464</u>

Amortization expense of \$235,958 (2020 - \$191,421) is included in expenses of the Capital Fund.

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**Main Street Project, Inc.**  
**Notes to the Financial Statements**  
 March 31, 2021

**6. Deferred contributions for property and equipment**

Deferred contributions for the purchase of property and equipment of \$3,587,708 (2020 - \$222,672) 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>2021</u>	<u>2020</u>
Deferred contributions, beginning of year	\$ 468,303	\$ 613,340
Add: amount received in current year	7,716,474	1,487,178
Less: amount recognized as revenue in the current year	<u>(6,811,332)</u>	<u>(1,632,215)</u>
Deferred contributions, end of year	<u>\$ 1,373,445</u>	<u>\$ 468,303</u>

**8. Long-term debt**

	<u>2021</u>	<u>2020</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.	\$ 446,254	\$ 481,150
TD bridge loan, interest only payments at a rate of prime plus 0.5% per annum, due June 30, 2021.	1,450,000	1,450,000
Vendor take back mortgage, monthly interest payments at a rate of 2.0% per annum, repayable June 30, 2021 with the option to extend until June 30, 2022, at that time monthly interest payments increase to 4.5% per annum.	1,000,000	1,000,000
Manitoba Housing, economic stimulus forgivable loan, maturing November 1, 2021.	<u>350</u>	<u>1,050</u>
	<b>2,896,604</b>	2,932,200
Less: current portion	<u>(2,482,912)</u>	<u>(2,485,666)</u>
	<u>\$ 413,692</u>	<u>\$ 446,534</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 2021, a subsidy of \$7,400 (2020 - \$7,400) has been recognized as revenue of the Operating Fund and \$68,150 (2020 - \$68,150) has been recognized as revenue of the Capital Fund.

MHRC mortgage interest of \$33,451 (2020 - \$37,697) is included in expenses of the Capital Fund for Mainstay - Residential Component and the mortgage interest of \$17,396 is included in expenses of the Capital Fund for Shelter program.

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**Main Street Project, Inc.**  
**Notes to the Financial Statements**  
 March 31, 2021

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**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.

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 \$3,116 (2020 - \$60,306) 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:

2022	\$ 2,487,897
2023	40,318
2024	43,294
2025	46,490
2026	46,490

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**9. Obligation under capital lease**

	<u>2021</u>	<u>2020</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	\$ 21,667	\$ 41,667
Less: current portion	<u>(20,000)</u>	<u>(20,000)</u>
	<u>\$ 1,667</u>	<u>\$ 21,667</u>

Estimated minimum lease payments are as follows:

2022	\$ 20,000
2023	<u>1,667</u>
Total	<u>\$ 21,667</u>

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**Main Street Project, Inc.**  
**Notes to the Financial Statements**  
 March 31, 2021

**10. Restricted funds**

Externally Restricted Funds

	<u>Insurance Reserve</u>	<u>Replacement Reserve</u>	<b><u>2021 Total</u></b>	2020 <u>Total</u>
Balance, beginning of year	\$ 19,205	\$ 106,685	<b>\$ 125,890</b>	\$ 156,355
Excess of revenues over expenses	1,008	9,800	<b>10,808</b>	1,008
Transfer to Operating Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>(31,473)</u>
Balance, end of year	<b><u>\$ 20,213</u></b>	<b><u>\$ 116,485</u></b>	<b><u>\$ 136,698</u></b>	<b><u>\$ 125,890</u></b>

Internally Restricted Funds

	<u>Donations Reserve</u>	<u>Capital Asset Reserve</u>	<b><u>2021 Total</u></b>	2020 <u>Total</u>
Balance, beginning of year	\$ 70,957	\$ 47,323	<b>\$ 118,280</b>	\$ 243,425
Excess of revenues over expenses	(9,800)	-	<b>(9,800)</b>	629
Transfer from Operating Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>(125,774)</u>
Balance, end of year	<b><u>\$ 61,157</u></b>	<b><u>\$ 47,323</u></b>	<b><u>\$ 108,480</u></b>	<b><u>\$ 118,280</u></b>

Externally and internally restricted funds balance, end of year **\$ 245,178** **\$ 244,170**

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

During the year, the board approved a transfer from the Donations Reserve to the Operating Fund of \$Nil (2020 - \$125,774). Additionally, the board approved a transfer from the Operating Fund to the Replacement Reserve of \$9,800 (2020 - \$31,473).

Restricted funds are comprised of the following:

	<b><u>2021</u></b>	<b><u>2020</u></b>
Cash and high interest savings	<b>\$ 73,987</b>	\$ 93,012
Term deposits	<b>50,338</b>	50,338
Investment in equities	<b><u>120,853</u></b>	<u>100,820</u>
	<b><u>\$ 245,178</u></b>	<b><u>\$ 244,170</u></b>

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**Main Street Project, Inc.**  
**Notes to the Financial Statements**  
March 31, 2021

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**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.

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**11. Commitments**

The organization is committed to monthly lease payments of \$4,113 for office space at 661 Main Street expiring May 31, 2022.

Additionally, the organization is committed to monthly lease payments related to certain vehicles and equipment. The lease repayments for the next 2 years are as follows:

2022	\$	8,973
2023		4,455

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**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.

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**Main Street Project, Inc.**  
**Notes to the Financial Statements**  
March 31, 2021

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**13. Pension Plan**

The organization 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, \$263,942 (2020 - \$228,564) was expensed for the purpose of the Plan.

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**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.

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**15. Endowment fund**

An endowment fund has been established at the Winnipeg Foundation in the name of the organization. At March 31, 2021, the value of the fund is \$41,714 (2020 - \$33,158). Only the interest earned from the fund is distributed to the organization with no restrictions as to the usage.

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**Main Street Project, Inc.**  
**Schedule of Detoxification Centre Program**

Year Ended March 31 2021 2020

Revenues		
Grant		
Winnipeg Regional Health Authority (Note 12)	<b>\$ 963,884</b>	\$ 1,033,817
Miscellaneous	<b>5,665</b>	4,343
Province of Manitoba - PPE funding	<b>6,725</b>	-
	<b><u>976,274</u></b>	<u>1,038,160</u>
Expenses		
Advertising	<b>2,308</b>	1,218
Board	<b>4,321</b>	6,401
Cleaning and staff supplies	<b>13,277</b>	14,132
Client and medical supplies	<b>10,201</b>	5,224
Food	<b>27,454</b>	36,133
Insurance	<b>3,954</b>	4,007
Minor furniture and equipment	<b>3,709</b>	1,789
Office	<b>16,936</b>	7,849
Professional fees	<b>27,001</b>	17,982
Program	<b>1,509</b>	32
Property taxes	<b>5,891</b>	4,427
Rent	<b>18,850</b>	12,711
Repairs, maintenance and replacements	<b>41,788</b>	24,746
Staff training	<b>300</b>	1,806
Telephone and internet	<b>5,932</b>	5,998
Travel	<b>903</b>	1,905
Utilities	<b>21,355</b>	19,791
Wages and benefits	<b>804,497</b>	872,009
	<b><u>1,010,186</u></b>	<u>1,038,160</u>
Deficiency of revenues over expenses (Note 12)	<b><u>\$ (33,912)</u></b>	<u>\$ -</u>

See accompanying notes to the financial statements.

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**Main Street Project, Inc.****Schedule of Intoxicated Persons Detention Area (I.P.D.A.) Program**

Year Ended March 31

**2021**2020

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## Revenues

## Grants

City of Winnipeg Police Services

**\$ 728,000**      \$ 714,000

Miscellaneous

83                      -**728,083**                      714,000

## Expenses

Advertising

**1,637**                      893

Board

**3,048**                      4,401

Cleaning and staff supplies

**22,459**                      15,455

Client and medical supplies

**9,155**                      4,211

Food

**2,019**                      4,609

Insurance

**2,263**                      1,754

Minor furniture and equipment

**1,989**                      1,602

Office

**13,635**                      6,147

Professional fees

**20,479**                      13,282

Property taxes

**3,520**                      2,645

Rent

**12,075**                      7,414

Repairs, maintenance and replacements

**31,989**                      21,513

Staff training

**211**                      975

Telephone and internet

**3,705**                      5,212

Travel

**1,237**                      2,525

Utilities

**15,391**                      12,431

Wages and benefits

**703,749**                      706,191**848,561**                      811,260

Deficiency of revenues over expenses

**\$ (120,478)**                      **\$ (97,260)**

See accompanying notes to the financial statements.

**Main Street Project, Inc.**  
**Schedule of Mainstay Program**

Year Ended March 31

2021

2020

Revenues		
Grants		
City of Winnipeg	\$ 86,400	\$ 96,000
Winnipeg Regional Health Authority	374,011	344,884
Per diems		
Province of Manitoba	331,380	351,555
Other	24,051	18,300
Manitoba Housing and Renewal Corporation		
Loan forgiveness (Note 8)	700	700
Property taxes subsidy	7,400	7,400
Subsidy	-	6,000
Province of Manitoba - PPE funding	3,363	-
	<u>827,305</u>	<u>824,839</u>
Expenses		
Advertising	2,861	948
Board	2,036	2,023
Cleaning and staff supplies	10,397	6,564
Client and medical supplies	7,034	8,206
Food	57,489	37,201
Insurance	1,739	2,921
Minor furniture and equipment	3,105	1,306
Office	8,228	3,992
Professional fees	14,883	10,977
Property tax	8,041	8,041
Program	-	19
Rent	10,228	9,411
Repairs, maintenance and replacements	11,774	15,410
Staff training	736	1,673
Telephone and internet	2,390	8,708
Travel	120	2,590
Utilities	43,145	43,536
Wages and benefits	611,264	659,924
	<u>795,470</u>	<u>823,450</u>
Excess of revenues over expenses	<u>\$ 31,835</u>	<u>\$ 1,389</u>

See accompanying notes to the financial statements.

**Main Street Project, Inc.**  
**Schedule of Van Patrol Program**

Year Ended March 31

**2021**

**2020**

Revenues

Grant

Homelessness Partnering Strategy

**\$ 251,118**      \$ 120,612

Miscellaneous

-                      85,205

**251,118**                      205,817

Expenses

Advertising

**10**                      412

Board

**491**                      174

Cleaning and staff supplies

**472**                      126

Client and medical supplies

**630**                      -

Food

**1,720**                      5,483

Insurance

-                      1,369

Minor furniture and equipment

**184**                      490

Office

**1,455**                      2,866

Professional fees

**467**                      8,437

Rent

**62**                      523

Repairs, maintenance and replacements

**35**                      4,543

Staff training

**188**                      725

Telephone and internet

**1,160**                      3,820

Travel

**4,016**                      2,992

Utilities

**20**                      5,857

Wages and benefits

**294,621**                      168,000

**305,531**                      205,817

Deficiency of revenues over expenses

**\$ (54,413)**                      \$ -

See accompanying notes to the financial statements.

**Main Street Project, Inc.**  
**Schedule of Shelter Program**

Year Ended March 31

2021

2020

Revenues		
Grants		
Manitoba Housing and Renewal Corporation	\$ 1,236,780	\$ 356,800
Winnipeg Regional Health Authority	698,694	530,833
HRDC Summer Student	250,000	-
End Homelessness Winnipeg	323,978	-
Miscellaneous	122,378	10,161
Donations	26,217	30,019
Province of Manitoba - PPE funding	<u>10,088</u>	<u>-</u>
	<u>2,668,135</u>	<u>927,813</u>
Expenses		
Advertising	8,346	995
Board	3,450	5,076
Cleaning and staff supplies	122,487	6,522
Client and medical supplies	27,544	33,284
Food	39,797	18,631
Insurance	2,690	2,831
Minor furniture and equipment	20,764	4,169
Office	8,545	7,570
Professional fees	74,414	13,909
Program	17,552	960
Property taxes	8,083	2,985
Rent	203,867	8,312
Repairs, maintenance and replacements	275,451	26,171
Staff training	19,280	3,350
Telephone and internet	15,136	5,197
Travel	783	1,202
Utilities	103,725	15,900
Wages and benefits	1,645,271	770,749
Miscellaneous	<u>70,950</u>	<u>-</u>
	<u>2,668,135</u>	<u>927,813</u>
Excess of revenues over expenses	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

**Main Street Project, Inc.**  
**Schedule of Case Work Program**

Year Ended March 31

2021

2020

Revenues		
Grants		
United Way	\$ 153,408	\$ 150,804
Winnipeg Regional Health Authority	571,148	312,683
Manitoba Housing and Renewal Corporation	140,467	278,000
Manitoba Health, Seniors and Active Living	78,624	78,626
End Homelessness Winnipeg	52,617	-
Province of Manitoba - PPE funding	3,363	-
Miscellaneous	-	9,774
	<u>999,627</u>	<u>829,887</u>
Expenses		
Advertising	2,131	979
Board	4,263	6,187
Cleaning and staff supplies	15,431	1,200
Client and medical services	3,363	-
Food	261	-
Insurance	4,951	2,149
Minor furniture and equipment	2,715	1,509
Office	29,333	5,198
Professional fees	24,668	12,541
Property tax	1,634	1,228
Rent	10,583	8,948
Repairs, maintenance and replacements	31,488	1,967
Staff training	338	1,598
Telephone and internet	10,997	9,621
Travel	5,314	7,805
Utilities	31,174	6,653
Wages and benefits	817,986	728,626
	<u>996,630</u>	<u>796,209</u>
Excess of revenues over expenses	<u>\$ 2,997</u>	<u>\$ 33,678</u>

See accompanying notes to the financial statements.

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**Main Street Project, Inc.**  
**Schedule of Essentials Market**

Year Ended March 31

**2021****2020**

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Revenues		
Donations	\$ 68,498	\$ 88,496
Donations in kind	<u>-</u>	<u>8,228</u>
	<u>68,498</u>	<u>96,724</u>
Expenses		
Advertising	-	97
Board	310	3
Cleaning and staff supplies	629	209
Food	1,055	10,094
Insurance	18	-
Minor furniture and equipment	3,331	1,705
Office	686	549
Programs	3,926	1,206
Professional fees	96	1,285
Rent	36	43
Repairs, maintenance and replacements	4,680	1,586
Staff training	234	18
Telephone and internet	609	936
Travel	-	617
Utilities	7,973	21
Wages and benefits	<u>44,915</u>	<u>78,355</u>
	<u>68,498</u>	<u>96,724</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

**2021**

**2020**

Revenues

Grants

Winnipeg Regional Health Authority	<b>\$ 756,425</b>	\$ 650,321
Province of Manitoba - PPE funding	<b>3,363</b>	-
Donations	<b>81</b>	2,200

**759,869**

**652,521**

Expenses

Advertising	<b>1,599</b>	931
Board	<b>2,990</b>	4,398
Cleaning and staff supplies	<b>9,933</b>	3,238
Client and medical supplies	<b>4,521</b>	3,702
Food	<b>457</b>	5,406
Insurance	<b>2,801</b>	3,450
Minor furniture and equipment	<b>1,906</b>	852
Office	<b>5,884</b>	5,710
Professional fees	<b>19,118</b>	12,321
Program	-	185
Property taxes	<b>652</b>	652
Rent	<b>9,031</b>	9,422
Repairs, maintenance and replacements	<b>3,267</b>	4,373
Staff training	<b>4,381</b>	4,386
Telephone and internet	<b>17,501</b>	13,532
Travel	<b>617</b>	2,258
Utilities	<b>77</b>	1,738
Wages and benefits	<b>672,327</b>	575,967

**757,062**

**652,521**

Excess of revenues over expenses

**\$ 2,807**

**\$ -**

See accompanying notes to the financial statements.

**Main Street Project, Inc.**  
**Schedule of River Point Program**

Year Ended March 31

2021

2020

Revenues		
Grants		
Province of Manitoba	\$ 847,097	\$ 840,374
Donations	<u>5,690</u>	<u>30,745</u>
	<u>852,787</u>	<u>871,119</u>
Expenses		
Advertising	1,879	1,173
Board	3,518	5,728
Cleaning and staff supplies	4,865	4,284
Client and medical supplies	10,637	6,080
Food	62,458	112,868
Insurance	2,978	3,177
Minor furniture and equipment	4,735	1,056
Office	11,239	7,863
Professional fees	22,432	15,486
Programs	91	21
Property taxes	680	680
Rent	9,509	10,003
Repairs, maintenance and replacements	6,851	2,151
Staff training	244	1,603
Telephone and internet	6,551	8,147
Travel	735	1,373
Utilities	77	2,229
Wages and benefits	<u>779,967</u>	<u>690,004</u>
	<u>929,446</u>	<u>873,926</u>
Deficiency of revenues over expenses	<u>\$ (76,659)</u>	<u>\$ (2,807)</u>

See accompanying notes to the financial statements.

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**Main Street Project, Inc.**  
**Schedule of Rapid Access to Addictions Medicine (R.A.A.M.) Program**  
Year Ended March 31 2021 2020

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Revenues		
Grants		
Winnipeg Regional Health Authority	\$ 395,196	\$ 98,850
Deferred revenue recognized	-	142,878
Donations		
	-	-
	<b>395,196</b>	<b>241,728</b>
Expenses		
Cleaning and staff supplies	9,006	4,008
Client and medical supplies	3,694	2,551
Food	43,081	32,009
Office	1,979	356
Programs	49	-
Repairs, maintenance and replacements	16	-
Telephone and internet	277	-
Travel	-	30
Utilities	-	656
Wages and benefits	451,364	326,258
	<b>509,466</b>	<b>365,868</b>
Deficiency of revenues over expenses	<b>\$ (114,270)</b>	<b>\$ (124,140)</b>

See accompanying notes to the financial statements.

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**Main Street Project, Inc.**  
**Schedule of Extreme Weather Response Program**

Year Ended March 31

**2021**

**2020**

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Revenues

Grants

End Homelessness Winnipeg  
United Way

\$ - \$ 30,226  
- 5,664

- 35,890

Expenses

Cleaning and staff supplies  
Client and medical supplies  
Minor furniture and equipment  
Repairs, maintenance and replacements  
Wages and benefits

- 201  
- 523  
- 56  
- 4,683  
- 39,568

- 45,031

Excess (deficiency) of revenues over expenses

\$ - \$ (9,141)

See accompanying notes to the financial statements.

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**Main Street Project, Inc.**  
**Schedule of Peer Outreach Program**

Year Ended March 31

**2021**

**2020**

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Revenues

Grants

Public Health Agency of Canada

**\$ 127,000**

\$ 125,000

Miscellaneous

-

3,207

Donations

-

-

**127,000**

128,207

Expenses

Insurance

**890**

-

Office

-

2,386

Repairs, maintenance and replacements

**16,071**

-

Utilities

**722**

576

Wages and benefits

**110,396**

125,245

**128,079**

128,207

(Deficiency) excess of revenues over expenses

**\$ (1,079)**

\$ -

See accompanying notes to the financial statements.

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**Main Street Project, Inc.**  
**Schedule of Development**

Year Ended March 31

**2021****2020**

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Revenues		
Donations	<b><u>\$ 739,232</u></b>	<b><u>\$ 361,338</u></b>
Expenses		
Advertising	<b>4,722</b>	674
Board	<b>2,394</b>	181
Insurance	<b>230</b>	200
Office	<b>32,970</b>	11,835
Professional fees	<b>362</b>	-
Telephone and internet	<b>2,528</b>	1,541
Travel	<b>-</b>	595
Utilities	<b>750</b>	37
Wages and benefits	<b><u>161,005</u></b>	<b><u>139,801</u></b>
	<b><u>204,961</u></b>	<b><u>154,864</u></b>
Excess of revenues over expenses	<b><u>\$ 534,271</u></b>	<b><u>\$ 206,474</u></b>

See accompanying notes to the financial statements.

**Main Street Project, Inc.**  
**Schedule of Sargent Program**

Year Ended March 31

2021

2020

Revenues		
Grants		
Province of Manitoba (MHRC)	\$ 1,303,002	\$ -
Province of Manitoba - PPE funding	2,446	-
Miscellaneous income	31,311	-
Donations	<u>24,300</u>	<u>-</u>
	<u>1,361,059</u>	<u>-</u>
Expenses		
Cleaning and staff supplies	29,650	-
Client and medical supplies	30,006	-
Food	111,032	-
Minor furniture and equipment	51,927	-
Miscellaneous	156,574	-
Office	10,834	-
Professional fees	12,070	-
Program	25,379	-
Rent	269	-
Repairs, maintenance and replacements	49,317	-
Telephone and internet	38,654	-
Wages and benefits	<u>845,347</u>	<u>-</u>
	<u>1,361,059</u>	<u>-</u>
Excess of revenues over expenses	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

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**Main Street Project, Inc.**  
**Schedule of Hotel Isolation**

Year Ended March 31

**2021**

**2020**

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Revenues		
End Homelessness Winnipeg	<u>\$ 339,240</u>	<u>\$ -</u>
Expenses		
Client and medical supplies	10,507	-
Food	2,084	-
Minor furniture and equipment	14,553	-
Miscellaneous	244	-
Office	7,105	-
Professional fees	4,576	-
Program	1,186	-
Rent	1,173	-
Telephone and internet	1,716	-
Wages and benefits	<u>296,096</u>	<u>-</u>
	<u>339,240</u>	<u>-</u>
Excess of revenues over expenses	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the financial statements.