

NORTH END REVITALIZATION INC.

Financial Statements

For the year ended March 31, 2009

Contents

Auditors' Report	2
Financial Statements	
Statement of Financial Position	3
Statement of Operations and Changes in Net Assets	4
Summary of Significant Accounting Policies	5
Notes to Financial Statements	7
Supplementary Financial Information	
Schedule 1 - Expenditures	10
Schedule 2 - Small Grants	11
Schedule 3 - Storefront Enhancement Grants	13



BDO Dunwoody LLP/s.r.l.
Chartered Accountants and Advisors
Comptables agréés et conseillers

700 - 200 Graham Avenue
Winnipeg Manitoba Canada R3C 4L5
Telephone/Téléphone: (204) 956-7200
Fax/Télécopieur: (204) 926-7201
Toll Free/Sans frais: 1-800-268-3337
www.bdo.ca

Auditors' Report

To the Members of the
NORTH END REVITALIZATION INC.

We have audited the statement of financial position of the **NORTH END REVITALIZATION INC.** as at March 31, 2009 and the statement of operations and changes in net assets for the year then ended. These financial statements are the responsibility of the organization's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Chartered Accountants

Winnipeg, Manitoba
April 30, 2009

NORTH END REVITALIZATION INC.
Statement of Financial Position

March 31 **2009** **2008**

Assets

Current Assets

Cash and bank (Note 3)	\$	115,459	\$	48,087
Grants and accounts receivable (Note 4)		12,220		30,711
Prepaid expenses		3,012		3,645
		<hr/>		<hr/>
	\$	130,691	\$	82,443

Liabilities and Net Assets

Current Liabilities

Accounts payable and accrued liabilities (Note 5)	\$	127,082	\$	38,792
Deferred grant revenue (Note 6)		3,609		43,651
		<hr/>		<hr/>
		130,691		82,443

Net Assets

Unrestricted		<hr/>		<hr/>
		-		-
	\$	130,691	\$	82,443

Approved on behalf of the Board:

_____ Director

_____ Director

NORTH END REVITALIZATION INC.
Statement of Operations and Changes in Net Assets

For the year ended March 31	2009	2008
Revenue		
Administration fees - related party (Note 7)	\$ 38,604	\$ 39,123
- other	8,523	-
Grants		
City of Winnipeg - WHHI	132,702	100,010
Government of Canada		
Human Resources Development Canada	3,462	-
Province of Manitoba		
Manitoba Housing Authority	-	7,697
NDAP: Core	79,770	117,345
Special Projects	266,032	311,439
WHHI	145,083	153,667
Other		
City of Winnipeg	1,157	-
Winnipeg Partnership Agreement	134,680	106,498
Other	41	9
	810,054	835,788
Expenditures (Schedule 1)	810,054	835,788
Excess of revenue over expenditures for the year	-	-
Balance, beginning of year	-	-
Balance, end of year	\$ -	\$ -

NORTH END REVITALIZATION INC. Summary of Significant Accounting Policies

For the year ended March 31

Revenue Recognition The organization follows the deferral method of accounting for contributions. Grant revenue is recorded in the period the expenditures are incurred if the amount to be received can be reasonably estimated and collection is reasonably assured.

Financial Instruments The organization utilizes various financial instruments. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments and the carrying amounts approximate fair values.

All transactions related to financial instruments are recorded on a settlement date basis.

The organization classifies its financial instruments as follows based on the purpose for which the asset was acquired and follows the disclosed accounting policy for each category.

<u>Assets/Liability</u>	<u>Category</u>	<u>Measurement</u>
Cash and Bank	Held for trading	Fair value
Grants and accounts receivable	Loans and receivables	Amortized cost
Accounts payable	Other financial liabilities	Amortized cost
Related parties	Other financial liabilities	Amortized cost

- Held for trading items are carried at fair value, with changes in their fair value recognized in the statement of operations.
- Other financial liabilities are carried at amortized cost, using the effective interest method.
- Loans and receivables are carried at amortized cost, using the effective interest rate method, less any provision for impairment.

Transaction costs are expensed as incurred.

Use of Estimates In preparing the organization's financial statements, in accordance with Canadian generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenditures during the period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

NORTH END REVITALIZATION INC. Summary of Significant Accounting Policies

For the year ended March 31

New Accounting Pronouncements

Recent accounting pronouncements that have been issued but are not yet effective, and have a potential implication for the organization, are as follows:

Financial Statement Concepts - CICA Handbook Section 1000, Financial Statement Concepts has been amended to focus on the capitalization of costs that truly meet the definition of an asset and de-emphasizes the matching principle.

The revised requirements are effective for annual and interim financial statements relating to fiscal years beginning on or after October 1, 2008. The organization is currently evaluating the impact of the adoption of this change on the disclosure within its financial statements.

Financial Instruments - Disclosure and Presentation - On October 15, 2008 the CICA deferred indefinitely the requirement of not-for-profit organizations to implement new standards dealing with certain financial instrument, disclosures and presentation. The organization has elected to defer application of these standards.

Financial Statements by Not-for-Profit Organizations - In September 2008, a number of standards applicable to not-for-profit organizations were amended and issued. The changes are intended to improve financial reporting by not-for-profit organizations and make not-for-profit standards consistent with those of profit-oriented enterprises when they address the same issues. These amendments which are effective for fiscal years beginning on or after January 1, 2009 will not have a significant impact on the results of operations or financial position.

The organization continues to monitor the developments in this area and evaluate the implications of the potential changes in financial reporting standards.

NORTH END REVITALIZATION INC. Notes to Financial Statements

March 31, 2009

1. Nature of Operations

North End Revitalization Inc. was incorporated on January 8, 2007 as a non-profit organization without share capital under the laws of the Province of Manitoba. The objects of the organization are further social, economic and cultural development of the North End of Winnipeg. The corporation qualifies for tax-exempt status under paragraph 149(1) of the Income Tax Act.

2. Significant Accounting Policies

Capital Disclosures - On April 1, 2008 the organization adopted a requirement of the CICA to provide disclosure about how it manages its unrestricted net assets (See Note 9).

3. Bank Indebtedness

The organization has at its disposition an operating line of credit of \$5,000 for use by the Community Financial Services project only. The line of credit is due on demand, bears interest at credit union's prime rate plus 1%, calculated and payable monthly, and is secured by a line of credit agreement. At March 31, 2009, there is no outstanding amount.

4. Grants and Accounts Receivable

	<u>2009</u>		<u>2008</u>
Grants	\$ 10,475	\$	27,802
Other	903		2,550
GST rebate	842		359
	<u>\$ 12,220</u>	\$	<u>30,711</u>

5. Accounts Payable and Accrued Liabilities

	<u>2009</u>		<u>2008</u>
Trade	\$ 4,160	\$	-
Due to North End Community Renewal Corporation	107,243		25,827
Professional fees	3,000		3,924
Salaries	5,726		4,737
Vacation pay	6,953		4,304
	<u>\$ 127,082</u>	\$	<u>38,792</u>

NORTH END REVITALIZATION INC. Notes to Financial Statements

March 31, 2009

6. Deferred Grant Revenue

	2009	2008
Business Development - CFSC		
Winnipeg Foundation	\$ -	\$ 10,065
Winnipeg Partnership Agreement	-	4,226
Storefront Grants	662	-
Community Capacity Building		
Province of Manitoba - Small Grants	2,947	29,360
	\$ 3,609	\$ 43,651

7. Related Party Transactions

NERI is controlled by NECRC as NECRC appointed members to NERI's Board of Directors at inception of the corporation, the majority of members of NERI are members of NECRC's Board of Directors and NERI and NECRC have common management. Transactions between the two organizations and are measured at the exchange value (the amount of consideration established and agreed to by the related parties), which approximates the arm's length equivalent value for services rendered.

The following summarizes transactions with the North End Community Renewal Corporation for the year:

	2009	2008
Revenue		
Administration fees	\$ 38,604	\$ 39,123
Expenditures		
Administration fees	\$ 37,072	\$ 35,817
Rent	10,500	10,500
	\$ 47,572	\$ 46,317

8. Economic Dependence

The organization is economically dependent upon the Province of Manitoba and the City of Winnipeg for financing its operations.

**NORTH END REVITALIZATION INC.
Notes to Financial Statements**

March 31, 2009

9. Capital Disclosures

The organization considers its capital to comprise its Unrestricted Net Assets. There have been no changes to what the organization considers to be its capital since the previous period.

As a not-for-profit entity, the organization's operations are reliant on revenues generated annually.

**NORTH END REVITALIZATION INC.
Schedule 1 - Expenditures**

For the year ended March 31	2009	2008
Administration fees (Note 7)	\$ 37,072	\$ 35,817
Advertising and promotion	289	435
Bank charges and interest	950	1,787
Insurance	4,876	6,130
Office	14,359	4,291
Professional fees	14,887	11,097
Project		
Small grants (Schedule 2)	150,000	150,000
Storefront enhancement grants (Schedule 3)	84,434	117,757
Other	263,279	257,787
Rent (Note 7)	10,500	10,500
Salaries and benefits	226,334	236,693
Staff and Board development	-	177
Telephone	2,142	2,460
Travel	932	857
	\$ 810,054	\$ 835,788

NORTH END REVITALIZATION INC. Schedule 2 - Small Grants

For the year ended March 31	2009	2008
Aboriginal Seniors Resource	\$ -	\$ 2,200
Aboriginal Seniors Resource	-	2,200
Aboriginal Visioning/Ma mawi wi chi itata Centre	-	1,350
Aboriginal Visioning/RB Russell High School	-	2,000
Adult Education Centre	1,651	1,210
Alliance Boxing	2,500	-
Alliance Boxing	2,500	-
Argyle Alternative High School	2,500	2,500
Argyle Alternative High School	-	2,500
Arrows Hockey Team	2,300	2,400
Audit fees	500	500
Baha'is of Winnipeg	-	2,500
Bethlehem Aboriginal Fellowship	2,500	2,500
Bethlehem Aboriginal Fellowship	-	2,500
CEDA	2,500	2,500
CEDA	2,500	-
CEDA - Aboriginal visioning-partner	1,429	1,500
Canadian Centre Policy Alt	-	1,500
Champlain School	2,200	2,100
Champlain School	426	-
Children of the Earth High School	-	942
Community Education Development Association	-	1,250
David Livingstone School	-	2,500
Day Nursery	-	2,500
Dufferin Residents Association	2,500	2,500
Dufferin Residents Association	2,150	-
Elizabeth Fry Society	-	1,420
Eaglewing Education Centre	1,299	-
Eaglewing Education Centre	1,878	-
Faraday Family Resource Centre	-	1,750
Graffiti Art	-	2,491
Graffiti Art	-	2,500
Indian Family Centre	-	1,975
Inkster Residents Association	900	2,500
Inkster Residents Association	2,500	900
Inner City Youth Alive	2,500	2,500
KEEP Child Care	-	2,500
King Edward School	-	2,500
LSP Adult Learning	-	2,500
Lord Selkirk Aboriginal Women's	-	2,500
Ma mawi wi chi itata Centre	2,500	2,000
Mama wi	2,460	2,500
Manitoba Historical Society	2,500	-
Marymound School	2,500	-
Marymound School	2,500	-
Mount Carmel Clinic	2,500	2,500
Mount Carmel Clinic	-	2,200
Mozaic Market BIZ	2,500	-
Mozaic Market BIZ	2,500	-
National Aboriginal Day Com	2,250	2,000
Native Women's Transition	2,280	2,500
Native Women's Transition	2,500	-
Ndinawe	2,490	2,500
Ndinawe	2,060	-
Niji Mahkwa	2,500	2,500
Niji Mahkwa	1,775	-

NORTH END REVITALIZATION INC.
Schedule 2 - Small Grants (continued)

For the year ended March 31	2009	2008
Norquay Community School	-	2,500
North Centennial Seniors	2,400	750
North End Stella Ministry	2,000	2,000
North End Stella Ministry	2,500	-
North End Women's Centre	2,500	1,300
North Point Douglas Women's Centre	2,500	2,500
North Point Douglas Women's Centre	2,500	2,500
North Point Douglas Women's Centre	2,500	-
North Winnipeg Nomads	2,500	-
Open Doors Literacy Program	2,500	-
Point Douglas Residents Association	2,500	2,500
Point Douglas Residents Association	2,500	2,500
R.B. Russell High School	984	892
RB Russell High School/Ma mawi wi chi itata Centre	2,500	2,500
RB Russell Infant Centre	2,500	-
Ralph Brown Community Centre	2,500	2,500
ROZMAI Dancers	2,500	-
SISTARS	2,500	2,000
SISTARS	2,000	2,000
SPLASH Child Care	-	1,000
SPLASH Daycare	2,500	2,500
SPLASH Daycare	2,338	-
Sage House	2,500	1,560
Sage House	2,500	-
St. John's High School	2,400	2,500
St. John's High School	1,100	2,250
St. John's High School	1,500	250
St. John's Parent Council	-	2,500
St. John's Parent Council	-	500
St. John's Residents Association	750	2,175
St. John's Residents Association	2,200	-
St. John's Residents Association	220	-
St. John's High School	-	2,500
The Point	2,500	-
The Point	500	-
Victor Linux	-	1,100
Wahbung Abinoonjiig	2,500	2,500
Wahbung Abinoonjiig	-	2,000
William Whyte Community School	-	2,500
William Whyte Community School	-	2,500
William Whyte Residents Association	1,910	2,140
William Whyte Residents Association	2,160	1,000
William Whyte Residents Association	1,640	745
William Whyte Residents Association	1,200	450
Winnipeg Boys and Girls Club	2,150	-
Winnipeg Métis Association	-	2,500
Winnipeg Housing Rehabilitation Corporation	2,000	2,000
	\$ 150,000	\$ 150,000

NORTH END REVITALIZATION INC.
Schedule 3 - Storefront Enhancement Grants

For the year ended March 31	2009
Aboriginal Funeral Chapel	\$ 717
Aboriginal Visioning	1,578
All Metal Supply	3,000
All Native Circle Conference	3,000
Baltona Meats & Deli	3,000
Boogies Diner & Sports Lounge	1,132
Carpathia Credit Union	3,000
Dynamo Boxing Club	2,352
Empire Drugs Ltd.	3,000
Essenza Hair Spa	3,000
Filipino Seniors Group of Winnipeg Inc.	3,000
Hair 2 Envy	2,386
Holy Ghost Fraternal Aid Society	3,000
Holy Ghost School	3,000
Ideal Electric MFG. Co. Ltd.	3,000
Joy Beauty Shop	860
Karen's Home Cooking	3,000
KEEP Child Care Inc.	3,000
Kung Po Restaurant	3,000
Luda's Deli	2,730
Ma Mawi Wi Chi Itata Centre Inc.	2,505
Petland	3,000
Pawndora's Box	3,000
Provincial Locksmith	3,000
Royal Canadian Ukrainian Legion Branch #141	3,000
Salter Esso	2,261
SEED Winnipeg Inc.	2,008
Songideewin Program	288
Spanish Club of Winnipeg Inc.	955
The Welcome Home	3,000
Uni-City Masters Locksmiths	1,662
Urban Youth Adventures	3,000
White Top Drive-In	3,000
Wojcik's Funeral Chapel and Crematorium	3,000
	<u>\$ 84,434</u>

The total storefront grants given last year was \$117,757. None of the entities who have received a storefront grant in the current fiscal year have received a storefront grant in the prior year.