

**NORTH END REVITALIZATION
INC.**

Financial Statements
For the year ended March 31, 2010

NORTH END REVITALIZATION INC.

Financial Statements

For the year ended March 31, 2010

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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, 2010 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, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Canada LLP

Chartered Accountants

Winnipeg, Manitoba
April 30, 2010

NORTH END REVITALIZATION INC.
Statement of Financial Position

March 31 **2010** **2009**

Assets

Current Assets

Cash and bank (Note 2)	\$	66,270	\$	115,459
Grants and accounts receivable (Note 3)		40,989		12,220
Prepaid expenses		3,563		3,012
		<hr/>		<hr/>
	\$	110,822	\$	130,691

Liabilities and Net Assets

Current Liabilities

Accounts payable and accrued liabilities (Note 4)	\$	89,596	\$	127,082
Deferred grant revenue (Note 5)		21,226		3,609
		<hr/>		<hr/>
		110,822		130,691

Net Assets

Unrestricted		<hr/>		<hr/>
		-		-
	\$	110,822	\$	130,691

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	2010	2009
Revenue		
Administration fees - related party (Note 6)	\$ 40,000	\$ 38,604
- other	13,251	8,523
Grants		
City of Winnipeg - WHHI	114,674	132,702
Government of Canada		
Human Resources Development Canada	-	3,462
Province of Manitoba		
NDAP: Core	72,223	79,770
Special Projects	267,312	266,032
Education & Training	19,634	-
WHHI	129,223	145,083
Other		
City of Winnipeg	-	1,157
Winnipeg Partnership Agreement	180,932	134,680
Other Projects	32,822	41
	870,071	810,054
Expenditures (Schedule 1)	870,071	810,054
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, 2010

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/Liabilities</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

- 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, 2010

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 Statements by Not-for-Profit Organizations - In October 2009, the Accounting Standards Board (AcSB) tentatively decided that it will propose a choice between the accounting standards for private enterprises plus the current NPO accounting standards appropriately modified to fit with those standards, International Financial Reporting Standards or Public Sector Accounting Board standards (PSAB) with NPO standards added. The PSAB agreed that there was sufficient support to develop an NPO series of standards to add onto the PSAB standards similar to the current NPO standards, but appropriately modified to fit with PSAB standards. The two boards are working together and intend to issue an Exposure Draft for comment in the first half of 2010. Until the Boards make a final decision, all NPOs will continue to follow the current Canadian Institute of Chartered Accountants Handbook - Accounting

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

For the year ended March 31, 2010

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 to 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. 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, 2010, there is no outstanding amount.

3. Grants and Accounts Receivable

	2010	2009
Grants	\$ 33,700	\$ 10,475
Other	5,271	903
GST rebate	2,018	842
	\$ 40,989	\$ 12,220

4. Accounts Payable and Accrued Liabilities

	2010	2009
Trade	\$ -	\$ 4,160
Due to North End Community Renewal Corporation	69,854	107,243
Professional fees	3,000	3,000
Salaries	(2,135)	5,726
Vacation pay	18,877	6,953
	\$ 89,596	\$ 127,082

NORTH END REVITALIZATION INC. Notes to Financial Statements

For the year ended March 31, 2010

5. Deferred Grant Revenue

	2010	2009
Business Development - CFSC		
Assiniboine Credit Union	\$ 5,600	\$ -
Winnipeg Partnership Agreement	952	-
Storefront Grants	-	662
Community Capacity Building		
Province of Manitoba - Small Grants	11,750	2,947
Core Funding		
Province of Manitoba - NDAP	127	-
WHII		
Province of Manitoba	2,080	-
City of Winnipeg	717	-
	\$ 21,226	\$ 3,609

6. Related Party Transactions

NERI is controlled by NECRC as NECRC appointed members to NERI's Board of Directors at the 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 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:

	2010	2009
Revenue		
Administration fees	\$ 40,000	\$ 38,604
Expenditures		
Administration fees	\$ 36,780	\$ 37,072
Rent	10,500	10,500
	\$ 47,280	\$ 47,572

NORTH END REVITALIZATION INC. Notes to Financial Statements

For the year ended March 31, 2010

7. Economic Dependence

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

8. 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.

9. Statement of Cash Flows

A separate statement of cash flows has not been provided since the sources and uses of cash from (to) operating, investing, and financing activities are readily apparent from the information included in the financial statements.

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

For the year ended March 31	2010	2009
Administration fees (Note 6)	\$ 36,780	\$ 37,072
Advertising and promotion	92	289
Bank charges and interest	1,113	950
Insurance	5,150	4,876
Office	21,050	14,359
Professional fees	16,713	14,887
Project		
Small grants (Schedule 2)	150,000	150,000
Storefront enhancement grants (Schedule 3)	102,384	84,434
Other	249,794	263,279
Rent (Note 6)	10,500	10,500
Salaries and benefits	273,359	226,334
Staff and Board development	225	-
Telephone	2,456	2,142
Travel	455	932
	\$ 870,071	\$ 810,054

NORTH END REVITALIZATION INC.
Schedule 2 - Small Grants

For the year ended March 31	2010	2009
Aboriginal Arrows Hockey Team	\$ 1,300	\$ -
Aboriginal Seniors Resource Centre	2,500	-
Aboriginal Seniors Resource Centre	2,500	-
Adult Education Centre	1,400	1,651
Age & Opportunity	1,600	-
Alliance Boxing	2,500	2,500
Alliance Boxing	2,500	2,500
Argyle Alternative High School	-	2,500
Arrows Hockey Team	-	2,300
Audit fees	500	500
Bethlehem Aboriginal Fellowship	-	2,500
CEDA	-	2,500
CEDA	-	2,500
CEDA - Aboriginal visioning-partner	-	1,429
Champlain School	1,200	2,200
Champlain School	-	426
Day Nursery Centre	1,795	-
Day Nursery Centre	2,205	-
Dufferin Residents Association	2,500	2,500
Dufferin Residents Association	2,194	2,150
Dufferin Residents Association	2,120	-
Eaglewing Education Centre	2,500	1,299
Eaglewing Education Centre	2,500	1,878
Elohim Adonai Charity Centre	2,500	-
Graffiti Art Programming	2,500	-
Inkster Residents Association	1,000	900
Inkster Residents Association	2,500	2,500
Inner City Youth Alive	-	2,500
King Edward Community School	2,500	-
Ma mawi wi chi itata Centre	2,500	2,500
Ma mawi wi chi itata Centre	1,750	2,460
Manitoba Adolescent Treatment Centre	1,500	-
Manitoba Food Charter	2,500	-
Manitoba Historical Society	2,500	2,500
Manitoba Historical Society	-	-
Manitoba Immigrant Refugee Association	500	-
Marymound School	2,500	2,500
Mennonite Central Committee	2,500	2,500
Mount Carmel Clinic Foundation	2,500	2,500
Mount Carmel Clinic	2,500	-
Mount Carmel Clinic	1,598	-
Mozaic Market BIZ	-	2,500
Mozaic Market BIZ	-	2,500
National Aboriginal Day Committee	2,500	2,250
Native Women's Transition Centre	2,500	2,280
Native Women's Transition Centre	2,500	2,500
Ndinawe	1,666	2,490
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	2010	2009
Norquay Community School	2,500	-
North Centennial Seniors	1,700	2,400
North End Helpers Network	2,500	-
North End Helpers Network	2,500	-
North End Stella Ministry	2,500	2,000
North End Stella Ministry	-	2,500
North End 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	2,500
North Point Douglas Women's Centre	-	2,500
North Winnipeg Nomads Football	2,500	2,500
Open Doors Literacy Program	1,600	2,500
Point Douglas Residents Association	2,500	2,500
Point Douglas Residents Association	-	2,500
R.B. Russell High School	2,500	984
R.B. Russell High School	780	-
RB Russell High School/Ma mawi wi chi itata Centre	-	2,500
RB Russell Infant Centre	2,500	2,500
Ralph Brown Community Centre	2,500	2,500
ROZMAI Dancers	-	2,500
SISTARS	-	2,500
SISTARS	-	2,000
SPLASH Daycare	2,500	2,500
SPLASH Daycare	-	2,338
SPLASH Enrichment Centre	560	-
SPLASH Enrichment Centre	1,940	-
SPLASH Enrichment Centre	2,500	-
Sage House	2,500	2,500
Sage House	-	2,500
St. John's High School	960	2,400
St. John's High School	2,500	1,100
St. John's High School	-	1,500
St. John's Residents Association	1,210	750
St. John's Residents Association	-	2,200
St. John's Residents Association	-	220
The Point Community News	2,500	2,500
The Point Community News	2,500	500
Urban Circle Training Program	2,500	-
Urban Youth Adventures	2,500	-
Wahbung Abinoonjiig	-	2,500
William Whyte Residents Association	1,200	1,910
William Whyte Residents Association	1,137	2,160
William Whyte Residents Association	915	1,640
William Whyte Residents Association	1,670	1,200
William Whyte Residents Association	2,500	-
William Whyte Residents Association	2,000	-
Winnipeg Boys and Girls Club	-	2,150
Winnipeg Housing Rehabilitation Corporation	-	2,000
Youth for Christ	2,000	-
	\$ 150,000	\$ 150,000

NORTH END REVITALIZATION INC.
Schedule 3 - Storefront Enhancement Grants

For the year ended March 31	2010
Accufab Metal Works	\$ 3,000
Action Centre Day Nursery	2,049
Adult Education Centre	925
Animal Hospital of Manitoba	3,000
Bethlehem United Church of Jesus Christ Apostolic	2,302
Bread of Life Ministry Inc.	3,000
Canadian Polish Manor	3,000
Chochy's Pawn Shop	3,000
Cosmopolitan Florists	2,970
Customer Care Building	3,000
Economy Furniture Co. Ltd.	1,742
Enconair Technologies	2,690
Gills New & Used Furniture & Appliances Ltd.	1,568
Golden Comb Salon	3,000
Greenwood's Dental Centre	3,000
Hansen Holdings	3,000
Hnatiuk & Associates CMA's Ltd.	3,000
Holy Ghost School	3,000
Johlene Properties	3,000
Karen's Flowers	1,371
Koster Denture Clinic	494
Leo's Autobody Service & Sales	2,570
Machray Day Nursery	1,724
Manitoba Indigenous Cultural Education Centre Inc.	3,000
Mariner Neptune Fish & Seafood	3,000
McDelandes Monuments & Memorial's Inc.	3,000
McGregor Chiropractic Centre	549
MIG / Keith Insurance	1,309
MIG / Keith Insurance	473
Minute Muffler	2,527
Mount Carmel Clinic Foundation	3,000
N.E.W. Splash Child Enrichment Centre	3,000
Noel Food Store	2,909
Oyate Tipi Cumini Yape	1,788
R.C.L. Ukrainian Canadian Veterans Br #141	1,218
Selkirk Book Exchange	2,999
Studio 727	1,162
Surplus Direct	3,000
The Acme Computer Company	3,000
Ventair Industries	3,000
Video 1001	3,000
Vital Dental Centre	603
Winnipeg Old Country Sausage Ltd.	3,000
Yorkdale Imports	442
	\$ 102,384

The total storefront grants given last year was \$84,434. None of the entities who have received a storefront grant in the current fiscal year have received a storefront grant in the prior year.