

**North End Revitalization Inc.**  
**Financial Statements**  
*March 31, 2022*

Draft - For Management Only

# Independent Auditor's Report

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To the Members of North End Revitalization Inc.:

## Opinion

We have audited the financial statements of North End Revitalization Inc. (the "Organization"), which comprise the statement of financial position as at March 31, 2022, and the statements of operations and changes in net assets, cash flows and the related schedules for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2022, 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 Opinion

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

## Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we 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 when it becomes available 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter 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 the 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.

## Auditor's 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 auditor's 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 auditor's 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 auditor's 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, Manitoba

August 25, 2022

Chartered Professional Accountants

**North End Revitalization Inc.**  
**Statement of Financial Position**

*As at March 31, 2022*

	2022	2021
<b>Assets</b>		
<b>Current</b>		
Cash (Note 3)	41,946	4,064
Accounts receivable (Note 4)	87,517	88,289
	129,463	92,353
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals (Note 5)	23,696	17,450
Deferred grant revenue (Note 6)	39,333	22,220
Advances from related party (Note 7)	66,434	52,683
	129,463	92,353
<b>Net Assets</b>	-	-
	129,463	92,353

Approved on behalf of the Board

\_\_\_\_\_  
 Director

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 Director

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The accompanying notes are an integral part of these financial statements

**North End Revitalization Inc.**  
**Statement of Operations and Changes in Net Assets**

*For the year ended March 31, 2022*

	<b>2022</b>	<b>2021</b>
<b>Revenues</b>		
<b>City of Winnipeg- Grants</b>		
Neighbourhood Housing program (Note 6)	36,269	103,359
<b>Province of Manitoba - Grants (Note 6)</b>		
Special Projects	197,560	150,000
Neighbourhood Development Assistance: Core	116,521	158,131
<b>Other revenue</b>		
Administration fees - related party (Note 7)	62,500	62,500
Other revenue	116	221
	<b>412,966</b>	<b>474,211</b>
<b>Expenses</b>		
Administrative fees - related party (Note 7)	43,000	43,000
Bad debts	-	3,019
Bank charges	1,348	1,500
Office	126	443
Professional fees	7,027	6,328
Project costs	220,180	285,081
Salaries and benefits	139,485	133,955
Telephone	1,800	885
	<b>412,966</b>	<b>474,211</b>
<b>Excess of revenues over expenses</b>	-	-
<b>Net assets, beginning of year</b>	-	-
<b>Net assets, end of year</b>	-	-

The accompanying notes are an integral part of these financial statements

**North End Revitalization Inc.**  
**Statement of Cash Flows**  
*For the year ended March 31, 2022*

	<b>2022</b>	<b>2021</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Changes in working capital accounts		
Accounts receivable	772	(1,302)
Accounts payable and accruals	6,246	(2,103)
Deferred grant revenue	17,113	4,550
	<b>24,131</b>	<b>1,145</b>
<b>Financing</b>		
Changes in related parties, net	13,751	(38,872)
	<b>37,882</b>	<b>(37,727)</b>
<b>Increase (decrease) in cash resources</b>	<b>37,882</b>	<b>(37,727)</b>
<b>Cash resources, beginning of year</b>	<b>4,064</b>	<b>41,791</b>
<b>Cash resources, end of year</b>	<b>41,946</b>	<b>4,064</b>

Draft - For Management Only

# North End Revitalization Inc. Notes to the Financial Statements

For the year ended March 31, 2022

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## 1. Nature of the organization

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

## 2. Significant accounting policies

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

### **Cash**

Cash and cash equivalents include balances with banks and short-term investments with original maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

### **Capital assets**

Purchased capital assets in excess of \$5,000 are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

### **Revenue recognition**

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Administration fee income is recognized as revenue when the service is performed and collection is reasonably assured.

### **Contributed services**

Contributions of services from volunteers are not recognized in the financial statements because of the difficulty in determining their value.

### **Measurement uncertainty (use of estimates)**

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable and advances to related party are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Deferred revenue is recorded based on management's analysis of the extent to which eligibility requirements have been met.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the statement of operations in the period in which they become known.

**2. Significant accounting policies** *(Continued from previous page)*

***Financial instruments***

The Organization recognizes financial instruments when the Organization becomes party to the contractual provisions of the financial instrument.

**Arm's length financial instruments**

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Organization may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Organization has not made such an election during the year.

The Organization subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Organization's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenues over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

**Related party financial instruments**

The Organization initially measures the following financial instruments originated/acquired or issued/assumed in a related party transaction ("related party financial instruments") at fair value:

- Investments in equity instruments quoted in an active market
- Debt instruments quoted in an active market
- Debt instruments when the inputs significant to the determination of its fair value are observable (directly or indirectly)
- Derivative contracts.

All other related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received (refer to Note 7).

At initial recognition, the Organization may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value.

The Organization subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Financial instruments that were initially measured at cost and derivatives that are linked to, and must be settled by, delivery of unquoted equity instruments of another entity, are subsequently measured using the cost method less any reduction for impairment.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess of revenues over expenses.

**North End Revitalization Inc.**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2022*

**3. Cash**

The Organization has an operating line of credit of \$5,000 (2021 - \$5,000). The line of credit is due on demand, bears interest at the credit union's prime rate (2.70%) plus 1% (effective rate of 3.70%), calculated and payable monthly, and is secured by a registered general security agreement registered as a first charge over all assets and assignment of All Risks Fire and Theft Insurance on all capital assets together with business interruption insurance. At March 31, 2022 there is no outstanding amount.

**4. Accounts receivable**

	2022	2021
Grants	87,324	87,942
GST receivable	193	347
	87,517	88,289

**5. Accounts payable and accruals**

	2022	2021
Trade payables	-	2,000
Wages payable	1,888	1,224
Benefits payable	1,875	2,103
Professional fees	5,700	5,700
Vacation and sick leave payable	14,233	6,423
	23,696	17,450

**6. Deferred grant revenue**

	2022	2021
<b>City of Winnipeg Grant - Neighbourhood Housing</b>		
Balance, beginning of year	20,174	17,610
Amounts received	10,279	23,981
Amounts receivable	30,603	81,942
Amounts recognized as revenue	(36,269)	(103,359)
Balance, end of year	24,787	20,174
<b>Province of Manitoba Neighbourhoods Alive! Special Project</b>		
Balance, beginning of year	2,046	60
Amounts received	269,860	304,117
Amounts receivable	56,721	6,000
Amount recognized as revenue	(314,081)	(308,131)
Balance, end of year	14,546	2,046
	39,333	22,220

**North End Revitalization Inc.**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2022*

**7. Advances from related party**

The Organization is controlled by North End Community Renewal Corporation ("NECRC") as NECRC appointed members of the Organization's Board of Directors at the inception of the Organization, the majority of members of the Organization are members of NECRC's Board of Directors and the Organization and NECRC have common management. Transactions between the two organizations are measured at the exchange value, which is the amount of consideration established and agreed to by the related parties.

Advances from the related party are non-interest bearing, unsecured and have no repayment terms.

The following summarizes transactions with NECRC for the year:

	<b>2022</b>	2021
<b>Revenues</b>		
Administration fees	<b>62,500</b>	62,500
<b>Expenses</b>		
Administration fees	<b>28,000</b>	28,000
Contribution (Included in Project costs)	<b>4,075</b>	-
Rent	<b>15,000</b>	15,000
	<b>47,075</b>	43,000

**8. Economic dependence**

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

**9. Financial instruments**

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

**10. Significant event**

In March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Organization as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographical spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

**North End Revitalization Inc.**  
**Schedule of Small Grants**  
*For the year ended March 31, 2022*

	<b>2022</b>	<b>2021</b>
Alliance Boxing	2,500	2,500
Alliance Boxing	2,500	-
Community 204 Inc.	2,500	2,368
Community 204 Inc.	2,500	2,368
Community 204 Inc./4F's	2,500	2,368
Community 204 Inc./Mama Bear Clan	2,500	2,368
Community Helpers Unite Inc	2,500	2,368
Community Helpers Unite Inc	2,500	2,368
Community Helpers Unite Inc	2,500	-
Community Helpers Unite Inc	2,500	-
Elizabeth Fry Society of Manitoba Inc	2,495	2,368
Elizabeth Fry Society of Manitoba Inc	2,500	2,368
Fearless R2W	2,500	-
Fearless R2W	2,500	-
Indigenous Family Centre	2,500	2,368
Indigenous Family Centre	2,500	2,500
Indigenous Family Centre	2,441	2,500
Indigenous Family Centre	2,460	-
Indigenous Family Centre Inc/OPK	-	2,500
Inner City Youth Alive Inc.	2,500	2,368
Inner City Youth Alive Inc.	2,500	2,368
Lord Selkirk Park Adult Learning Program	2,500	2,500
Lord Selkirk Park Adult Learning Program	2,500	2,500
Lord Selkirk Park Adult Learning Program	-	2,368
Merchant's Corner Inc.	2,450	2,500
Merchant's Corner Inc.	1,930	2,500
North End Community Helpers Network	-	2,500
North Point Douglas Residents Committee	2,500	1,650
North Point Douglas Residents Committee	-	2,200
North Point Douglas Seniors Association	-	2,500
North Point Douglas Seniors Association	-	2,500
North Point Douglas Women's Centre	2,500	2,500
North Point Douglas Women's Centre	2,500	2,500
Open Doors Adult Literacy Program	2,500	2,500
Open Doors Adult Literacy Program	2,500	2,500
Open Doors Adult Literacy Program	-	2,368
Parent Community David Livingstone	-	2,368
Parent Community David Livingstone	-	2,368
<b>Subtotal (continued on next page)</b>	<b>71,775</b>	<b>76,870</b>

**North End Revitalization Inc.**  
**Schedule of Small Grants**  
*For the year ended March 31, 2022*

	2022	2021
<b>Subtotal (continued from previous page)</b>	<b>71,775</b>	<b>76,870</b>
Point Powerline Inc.	1,150	2,500
Point Douglas Residents Committee	2,500	-
Point Douglas Residents Committee	2,500	-
Ralph Brown Community Centre	2,500	2,500
Ralph Brown Community Centre	-	2,368
Ralph Brown School	2,500	2,500
Ralph Brown School	2,500	1,350
SISTARS Community Economic Development	2,500	1,661
SISTARS Community Economic Development	2,500	2,368
SPLASH Child Care	2,500	2,368
SPLASH Child Care	-	2,368
SPLASH Child Enrichment Centre	2,500	-
SSCOPE Inc	2,500	2,368
SSCOPE Inc	2,500	2,368
SSCOPE Inc	-	2,368
SSCOPE Inc	-	2,368
The Point Community News	2,500	2,500
The Point Community News	2,500	2,500
The Point Community News	-	2,368
The Welcome Home	-	1,812
Wahbung Abinoonjiag	2,500	2,500
Wahbung Abinoonjiag	2,500	2,500
Wahbung Abinoonjiag	-	2,500
We Got This Canada	2,500	2,368
We Got This Canada	2,500	-
William Whyte Residents Association	2,500	2,500
William Whyte Residents Association	2,500	2,500
Women Healing for Change	2,500	2,368
Women Healing for Change	2,500	2,368
Women Healing for Change/Bear Clan	2,500	-
Youth for Christ	2,500	2,368
Youth for Christ	2,500	2,368
Youth for Christ Workforce	2,500	2,368
Youth for Christ Workforce	2,500	2,368
Zion Church	2,500	2,500
<b>Total Small Grant Expenses</b>	<b>140,425</b>	<b>147,081</b>

**North End Revitalization Inc.**  
**Schedule of Storefront Enhancement Grants**

*For the year ended March 31, 2022*

	<b>2022</b>	<b>2021</b>
10042210 Manitoba Inc	-	3,000
3603431 Manitoba Ltd	-	1,177
Bargains Galore & Tobacco	<b>2,570</b>	-
Antonella Vieira	-	3,000
AUUC	-	3,000
Binh An Restaurant	-	470
Community Education Development Association	-	642
Cosmopolitan Florists	-	2,081
Covenant of Glory Church	<b>3,000</b>	-
Economy Furniture	-	3,000
Elvis Pawn Shop	-	3,000
Empire Drugs	-	3,000
Frazer Appliance	-	832
Golden Comb Salon	<b>3,000</b>	-
Golden Hand Jewellery	-	3,555
Hood Hop'rz Inc.	<b>2,584</b>	-
Kobi's Auto	-	3,000
Last Call to Clean it All Ltd	-	2,841
Lloyd's Quick Printing	-	2,996
Lord Selkirk Furniture	-	3,000
Manitoba Ozone Protection Industry Assoc.	<b>3,000</b>	-
MCD Granites	-	1,095
Median Credit Union	-	3,000
Minute Muffler and Break	<b>3,000</b>	-
North End Stop	-	2,912
Oyate Tipi Cumini Yape	<b>3,000</b>	-
Selkirk Book Exchange	<b>3,000</b>	-
Shell & Shell Chartered Professional Acct	-	2,871
Sonya's Flowers	<b>3,000</b>	-
St. Mary the Protectress	<b>3,000</b>	-
The Church of Pentecost-Winnipeg	<b>3,000</b>	-
The Parlor Tattoo	<b>2,822</b>	-
Ukrainian National Federation Winnipeg	-	3,000
Urban Circle Training Centre Inc.	<b>6,000</b>	-
Wanda Trading	-	3,000
West End MCC Community Assistance	-	1,703
Winnipeg Trading Post	-	1,824
Wojcik's Funeral Chapel & Crematorium	<b>1,394</b>	-
<b>Total Storefront Grant Expenses</b>	<b>42,370</b>	<b>58,000</b>