

**New Directions for
Children, Youth, Adults and
Families Inc.**

Financial Statements
March 31, 2019



Independent auditor's report

To the Board of Directors of New Directions for Children, Youth, Adults and Families Inc.

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of New Directions for Children, Youth, Adults and Families Inc. (New Directions) as at March 31, 2019 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.

What we have audited

New Directions' financial statements comprise:

- the balance sheet as at March 31, 2019;
- the statement of revenues and expenses for the year then ended;
- the statement of changes in net assets for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of New Directions in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



In preparing the financial statements, management is responsible for assessing New Directions' 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 New Directions or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing New Directions' 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 New Directions' 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 New Directions' 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 New Directions 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.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Winnipeg, Manitoba
May 30, 2019

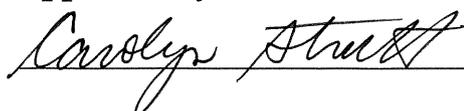
New Directions for Children, Youth, Adults and Families Inc.

Balance Sheet

As at March 31, 2019

| | 2019 \$ | 2018 \$ |
|--|--------------------|--------------------|
| Assets | | |
| Current assets | | |
| Cash | 1,887,342 | 2,156,127 |
| Accounts receivable | 3,354,166 | 3,355,672 |
| Prepaid expenses | 432,223 | 397,837 |
| | <u>5,673,731</u> | <u>5,909,636</u> |
| Capital assets (note 4) | <u>13,500,851</u> | <u>14,054,884</u> |
| | <u>19,174,582</u> | <u>19,964,520</u> |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable | 2,709,943 | 3,243,048 |
| Accrued vacation pay | 1,288,777 | 1,283,062 |
| Deferred contributions (note 5) | 648,076 | 405,569 |
| Deferred tenant inducements | 2,355,095 | 2,331,357 |
| Working capital advances - Province of Manitoba (note 6) | 1,997,991 | 1,997,991 |
| Current portion of obligation under capital lease (note 7) | 7,212 | 68,314 |
| Current portion of long-term debt (note 7) | 857,613 | 317,584 |
| | <u>9,864,707</u> | <u>9,646,925</u> |
| Obligation under capital lease (note 7) | 84,690 | 69,917 |
| Long-term debt (note 7) | 4,047,760 | 4,905,599 |
| Long-term employee benefits | 584,653 | 639,904 |
| Forgivable loans (note 8) | 1,488,594 | 1,212,426 |
| | <u>16,070,404</u> | <u>16,474,771</u> |
| Net Assets | | |
| Net assets invested in capital assets | 7,014,982 | 7,619,275 |
| Net assets internally restricted (note 9) | 433,201 | 484,169 |
| Unrestricted net deficit | <u>(4,344,005)</u> | <u>(4,613,695)</u> |
| | <u>3,104,178</u> | <u>3,489,749</u> |
| | <u>19,174,582</u> | <u>19,964,520</u> |

Approved by the Board of Directors



Director



Director

The accompanying notes are an integral part of these financial statements.

New Directions for Children, Youth, Adults and Families Inc.

Statement of Revenues and Expenses

For the year ended March 31, 2019

| | 2019 \$ | 2018 \$ |
|---|-----------------------|---------------------|
| Revenues | | |
| Government of Canada | 582,035 | 612,075 |
| Province of Manitoba (note 10) | 48,789,982 | 44,780,213 |
| Child and Family Services Authorities/Agencies | 4,641,513 | 8,056,913 |
| United Way of Winnipeg | 108,245 | 107,427 |
| Other | 1,082,362 | 1,105,567 |
| | <hr/> 55,204,137 | <hr/> 54,662,195 |
| Expenses | | |
| Operating expenses (schedule) | <hr/> 55,397,965 | <hr/> 54,431,994 |
| Excess (deficiency) of revenues over expenses before the following | (193,828) | 230,201 |
| Impairment of capital assets | (191,743) | - |
| Gain on sale of capital assets | - | 8,250 |
| | <hr/> (385,571) | <hr/> 238,451 |
| Excess (deficiency) of revenues over expenses | <hr/> <hr/> (385,571) | <hr/> <hr/> 238,451 |

The accompanying notes are an integral part of these financial statements.

New Directions for Children, Youth, Adults and Families Inc.

Statement of Changes in Net Assets

For the year ended March 31, 2019

| | | | | 2019 | 2018 |
|---|--|--|--------------------|------------------|------------------|
| | Invested in capital assets \$ | Internally restricted \$ (note 9) | Unrestricted \$ | Total \$ | Total \$ |
| Balance – Beginning of year | 7,619,275 | 484,169 | (4,613,695) | 3,489,749 | 3,251,298 |
| Excess (deficiency) of revenues over expenses | - | - | (385,571) | (385,571) | 238,451 |
| Amortization | (1,006,342) | - | 1,006,342 | - | - |
| Amortization of forgivable loan (note 8) | 60,621 | - | (60,621) | - | - |
| Internally imposed restrictions transferred to fund operations | - | (16,875) | 16,875 | - | - |
| Investment in capital assets (see below) | 341,428 | (34,093) | (307,335) | - | - |
| Balance – End of year | 7,014,982 | 433,201 | (4,344,005) | 3,104,178 | 3,489,749 |
| Investment in capital assets consists of | | | | | |
| Purchase of capital assets | 601,896 | (34,093) | (567,803) | | |
| Impairment of capital assets | (191,743) | - | 191,743 | | |
| Forgivable loan proceeds (note 8) | (336,789) | - | 336,789 | | |
| Capital leases | (49,746) | - | 49,746 | | |
| Mortgage principal repayments | 233,155 | - | (233,155) | | |
| Loan principal repayments | 84,655 | - | (84,655) | | |
| | 341,428 | (34,093) | (307,335) | - | - |

The accompanying notes are an integral part of these financial statements.

New Directions for Children, Youth, Adults and Families Inc.

Statement of Cash Flows

For the year ended March 31, 2019

| | 2019 \$ | 2018 \$ |
|--|------------|-------------|
| Cash provided by (used in) | | |
| Operating activities | | |
| Excess (deficiency) of revenues over expenses | (385,571) | 238,451 |
| Items not affecting cash | | |
| Amortization | 1,006,342 | 959,279 |
| Amortization of forgivable loan (note 8) | (60,621) | (60,621) |
| Gain on sale of capital assets | - | (8,250) |
| Impairment of capital assets | 191,743 | - |
| Other long-term liabilities | (55,251) | 89,044 |
| | 696,642 | 1,217,903 |
| Changes in non-cash working capital components | (294,025) | 3,446 |
| | 402,617 | 1,221,349 |
| Investing activities | | |
| Purchase of capital assets | (601,896) | (1,031,382) |
| Sale of capital assets | - | 12,000 |
| | (601,896) | (1,019,382) |
| Financing activities | | |
| Mortgage proceeds | - | 270,000 |
| Forgivable loan proceeds | 336,789 | - |
| Mortgage principal payments | (233,155) | (221,123) |
| Loan principal payments | (84,655) | (84,262) |
| Capital lease obligation principal repayments | (88,485) | (38,860) |
| | (69,506) | (74,245) |
| Net increase (decrease) in cash during the year | (268,785) | 127,722 |
| Cash – Beginning of year | 2,156,127 | 2,028,405 |
| Cash – End of year | 1,887,342 | 2,156,127 |

The accompanying notes are an integral part of these financial statements.

New Directions for Children, Youth, Adults and Families Inc.

Notes to Financial Statements

March 31, 2019

1 Organization

New Directions for Children, Youth, Adults and Families Inc. (New Directions) is a private, not-for-profit organization offering services that contribute to the well-being of children, youth, adults, families and their communities.

New Directions receives a majority of its revenue from grant funding and per diem payments from Manitoba Family Services and Consumer Affairs, Manitoba Education, Manitoba Healthy Living, Youth and Seniors, and Child and Family Services Authorities/Agencies.

New Directions is a registered charity under the provisions of the Income Tax Act of Canada.

2 Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

3 Summary of significant accounting policies

Basis of accounting

The ongoing operations of New Directions are dependent on continued financial support at adequate levels from the Manitoba Government. These financial statements are prepared on the basis that this support will continue and that New Directions will be able to realize its assets and discharge its liabilities in the ordinary course of business.

Capital assets

Capital assets are initially recorded at cost and are amortized 50% in the year of purchase. Amortization is provided using the straight-line method over estimated useful lives as follows:

| | |
|-------------------------|----------------------------|
| Buildings | 25 years straight-line |
| Computer equipment | 5 years straight-line |
| Furniture and equipment | 10 years straight-line |
| Leasehold improvements | over the life of the lease |
| Vehicles | 5 years straight-line |
| Computer software | 5 years straight-line |

Cash

Cash consists of cash on hand and cash held at banking institutions.

New Directions for Children, Youth, Adults and Families Inc.

Notes to Financial Statements

March 31, 2019

Deferred contributions

Deferred contributions represent operating and other funding received in the current period related to projects to be carried out in subsequent periods or the acquisition of capital assets.

The forgivable loans are treated as a deferred contribution for accounting purposes and are amortized into revenue over the life of the underlying assets.

Deferred tenant inducements

The benefit of tenant inducements is accounted for as a reduction of rental expense over the term of the lease.

Revenue recognition

New Directions 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 revenues when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Government assistance

Funds received from the Government in the form of grants or forgivable loans are recognized in the current period if related to non-capital expenditures or current period expense, or deferred and recognized in the period the related expense is incurred, or amortized over the life of the underlying asset if related to capital expenditures.

Financial instruments

a) Measurement of financial instruments

New Directions initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

New Directions subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable, accrued vacation pay, working capital advances, obligation under capital lease, long-term debt, and forgivable loans.

b) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected

New Directions for Children, Youth, Adults and Families Inc.

Notes to Financial Statements

March 31, 2019

timing or amount of future cash flows from the financial asset or group of assets, a writedown is recognized in the statement of revenues and expenses. When events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in the statement of revenues and expenses up to the amount of the previously recognized impairment.

Use of estimates

The preparation of financial statements in accordance with Canadian ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

4 Capital assets

| | | | 2019 | 2018 |
|-------------------------|-------------------|------------------|-------------------|-------------------|
| | Cost | Accumulated | Net | Net |
| | \$ | amortization | \$ | \$ |
| | | \$ | | |
| Land | 1,861,972 | - | 1,861,972 | 1,861,972 |
| Buildings | 8,852,266 | 2,989,254 | 5,863,012 | 5,933,972 |
| Computer equipment | 587,561 | 422,641 | 164,920 | 180,909 |
| Furniture and equipment | 562,141 | 317,799 | 244,342 | 278,502 |
| Leasehold improvements | 7,430,076 | 2,307,898 | 5,122,178 | 5,357,330 |
| Vehicles | 311,373 | 107,530 | 203,843 | 187,037 |
| Computer software | 252,933 | 212,349 | 40,584 | 255,162 |
| | <u>19,858,322</u> | <u>6,357,471</u> | <u>13,500,851</u> | <u>14,054,884</u> |

The Organization has capital leases under vehicles with a cost of \$219,247 (2018 – \$177,091) and accumulated amortization of \$57,343 (2018 – \$17,709).

5 Deferred contributions

| | 2019 | 2018 |
|--|--------------------|--------------------|
| | \$ | \$ |
| Balance – beginning of year | 405,569 | 503,078 |
| Add: Amount received in the current year relating to future projects | 3,811,495 | 3,181,408 |
| Less: Amount recognized as revenue in the current year | <u>(3,568,988)</u> | <u>(3,278,917)</u> |
| Balance – end of year | <u>648,076</u> | <u>405,569</u> |

6 Working capital advances – Province of Manitoba

There are no terms of repayment for working capital advances from the Province of Manitoba.

New Directions for Children, Youth, Adults and Families Inc.

Notes to Financial Statements

March 31, 2019

7 Long-term debt

| | 2019 \$ | 2018 \$ |
|---|------------|------------|
| Steinbach Credit Union Limited | | |
| 3.10% fixed rate mortgage, repayable in monthly instalments of \$1,632 including principal and interest, due May 28, 2019; this mortgage is secured by Gilia Drive, Merrill Crescent, Sharp Boulevard, Greendell Avenue, Kings Drive, Kilkenny Drive, Spruce Street, and Cheriton Avenue properties | 239,144 | 251,155 |
| Culross Bay | | |
| 2.95% fixed rate mortgage, repayable in monthly instalments of \$435 including principal and interest, due February 1, 2020 | 48,762 | 52,493 |
| Sanderson Ave | | |
| 2.69% fixed rate mortgage, repayable in monthly instalments of \$409 including principal and interest, due February 1, 2022 | 13,793 | 18,270 |
| Wakopa Street | | |
| 2.95% fixed rate mortgage, repayable in monthly instalments of \$1,410 including principal and interest, due February 1, 2020 | 158,021 | 170,113 |
| Belcourt Bay | | |
| 3.10% fixed rate mortgage, repayable in monthly instalments of \$824 including principal and interest, due June 1, 2019 | 120,216 | 126,293 |
| Aspen Glen | | |
| 2.65% fixed rate mortgage, repayable in monthly instalments of \$2,156 including principal and interest, due May 1, 2020 | 250,097 | 269,100 |
| Bonner | | |
| 2.65% fixed rate mortgage, repayable in monthly instalments of \$1,730 including principal and interest, due December 1, 2020 | 205,925 | 221,036 |
| Carroll | | |
| 2.65% fixed rate mortgage, repayable in monthly instalments of \$1,235 including principal and interest, due February 1, 2021 | 150,580 | 161,278 |
| Costello | | |
| 2.49% fixed rate mortgage, repayable in monthly instalments of \$1,287 including principal and interest, due December 1, 2021 | 168,730 | 179,844 |
| St. Michael | | |
| 2.54% fixed rate mortgage, repayable in monthly instalments of \$688 including principal and interest, due June 1, 2022 | 92,914 | 98,743 |
| Charing Cross | | |
| 2.54% fixed rate mortgage, repayable in monthly instalments of \$1,672 including principal and interest, due June 1, 2022 | 224,565 | 238,756 |

New Directions for Children, Youth, Adults and Families Inc.

Notes to Financial Statements

March 31, 2019

| | 2019 \$ | 2018 \$ |
|---|------------|------------|
| Peters | | |
| 2.54% fixed rate mortgage, repayable in monthly instalments of \$1,361 including principal and interest, due June 1, 2022 | 183,827 | 195,360 |
| Astbury | | |
| 2.54% fixed rate mortgage, repayable in monthly instalments of \$1,437 including principal and interest, due June 1, 2022 | 194,033 | 206,205 |
| Burns | | |
| 3.19% fixed rate mortgage, repayable in monthly instalments of \$1,546 including principal and interest, due November 1, 2022 | 201,955 | 213,895 |
| Brookside | | |
| 3.19% fixed rate mortgage, repayable in monthly instalments of \$1,631 including principal and interest, due November 1, 2022 | 214,224 | 226,793 |
| Beaverbrook | | |
| 3.19% fixed rate mortgage, repayable in monthly instalments of \$2,076 including principal and interest, due November 1, 2022 | 273,911 | 289,860 |
| Driftwood | | |
| 2.65% fixed rate mortgage, repayable in monthly instalments of \$2,082 including principal and interest, due July 1, 2020 | 330,576 | 346,615 |
| Hamilton Meadows | | |
| 2.65% fixed rate mortgage, repayable in monthly instalments of \$2,122 including principal and interest, due August 1, 2020 | 338,468 | 354,773 |
| Chalmers | | |
| 2.65% fixed rate mortgage, repayable in monthly instalments of \$1,608 including principal and interest, due March 1, 2021 | 265,433 | 277,557 |
| Fuga | | |
| 2.99% fixed rate mortgage, repayable in monthly instalments of \$1,494 including principal and interest, due September 30, 2022 | 254,930 | 265,120 |
| Steinbach Credit Union Open Term Loan | | |
| 3.70% floating rate, repayable in monthly instalments of \$7,150 including principal and interest, due October 1, 2035 | 512,699 | 572,896 |
| Glencoe Limited Term Loan | | |
| 7.25% fixed rate, repayable in monthly instalments of \$4,914 including principal and interest, due November 1, 2030 | 462,570 | 487,028 |
| | <hr/> | <hr/> |
| | 4,905,373 | 5,223,183 |
| Less: Current portion | (857,613) | (317,584) |
| | <hr/> | <hr/> |
| | 4,047,760 | 4,905,599 |

The long-term debt is secured by registered charges against each of the respective properties.

New Directions for Children, Youth, Adults and Families Inc.

Notes to Financial Statements

March 31, 2019

The principal payments required in each of the next five years and thereafter are as follows:

| | \$ |
|----------------------------|------------------|
| Year ending March 31, 2020 | 857,613 |
| 2021 | 1,657,997 |
| 2022 | 350,496 |
| 2023 | 1,448,258 |
| 2024 | 110,421 |
| Thereafter | 480,588 |
| | <u>4,905,373</u> |

New Directions has capitalized equipment under a capital lease which matures in 2021. The amount of accrued interest related to the capital lease obligation during the year was \$7,817, representing 5.95%.

The following is a schedule of the future minimum lease payments of the capital lease together with the balance of the obligation:

| | \$ |
|----------------------------|----------------|
| Year ending March 31, 2020 | 87,677 |
| 2021 | <u>7,271</u> |
| | 94,948 |
| Less: Interest portion | <u>(3,046)</u> |
| | 91,902 |
| Less: Current portion | <u>(7,212)</u> |
| | <u>84,690</u> |

New Directions has a \$2,000,000 operating line of credit with the Steinbach Credit Union which was not utilized at March 31, 2019, bearing interest at the Steinbach Credit Union standard rate plus 1.0%.

8 Forgivable loan

During the year ended March 31, 2019, New Directions entered into an agreement with the City of Winnipeg – Homelessness Partnering Strategy (City of Winnipeg) to fund the acquisition of land, building and renovation for a shelter for the homeless. Terms of the agreement state that a forgivable loan would be provided to New Directions to fund the acquisition and renovation, and that the loan will be forgiven over 5 years on an annual basis for every year that the shelter operates as its intended purpose. The forgivable loan bears no interest and is secured by the land the shelter is based on. Prior to expiration of the term, if the land or shelter is leased, sold, conveyed or transferred in whole or in part, to anyone without obtaining prior written approval from City of Winnipeg, the full amount of the City of Winnipeg loan then outstanding and unpaid becomes immediately payable. As at March 31, 2019 the outstanding deferred contribution was as \$336,789. There were no amounts recognized as forgiven in the year. As at March 31, 2019, \$67,358 of the original loan balance of \$336,789 has been forgiven.

New Directions for Children, Youth, Adults and Families Inc.

Notes to Financial Statements

March 31, 2019

During the year ended March 31, 2012, New Directions entered into an agreement with the Manitoba Housing and Renewal Corporation (MHRC) to fund the construction of a shelter for sexually exploited youth. Terms of the agreement state that a forgivable loan would be provided to New Directions to fund the construction, and that the loan will be forgiven over 15 years on a monthly basis for every month that the shelter operates as its intended purpose. The forgivable loan bears no interest and is secured by the land the shelter is based on. Prior to expiration of the term, if the land or shelter is leased, sold, conveyed or transferred in whole or in part, to anyone without obtaining prior written approval from MHRC, the full amount of the MHRC loan then outstanding and unpaid becomes immediately payable. As at March 31, 2019 the deferred contributions was \$1,151,805 (2018 – \$1,212,426). The amounts recognized as forgiven in the year was \$60, 621 (2018 – \$60,621). As at March 31, 2019, \$606,215 of the original loan balance of \$1,515,531 has been forgiven.

As disclosed in note 3, the forgivable loans are treated as deferred contributions and are being amortized over 25 years, which is the expected life of the underlying assets.

| | 2019 \$ | 2018 \$ |
|---|------------------|------------------|
| Balance – Beginning of year | 1,212,426 | 1,273,047 |
| Add: Amount received in the current year | 336,789 | - |
| | <u>1,549,215</u> | <u>1,273,047</u> |
| Less: Amount recognized as forgiven in the current year | (60,621) | (60,621) |
| Balance – End of year | <u>1,488,594</u> | <u>1,212,426</u> |

9 Net assets internally restricted

| | \$ | \$ |
|---|----------|----------------|
| Balance – Beginning of year | | 484,169 |
| Expenditure of prior internally imposed restricted net assets | | |
| Through general operations | (16,875) | |
| Through purchase of capital assets | (34,093) | (50,968) |
| | | <u>433,201</u> |
| Internally imposed restrictions – current year | | |
| Operations | | |
| Operational requirements | 354,646 | |
| Program materials, staffing and participant support | 30,000 | |
| Renovations of community facilities and furnishings | 4,616 | |
| Staff training | 4,500 | 393,762 |
| Capital additions | | |
| Renovations of community facilities and furnishings | | <u>39,437</u> |
| Balance – End of year | | <u>433,199</u> |

New Directions for Children, Youth, Adults and Families Inc.

Notes to Financial Statements

March 31, 2019

10 Province of Manitoba revenues

The major provincial government funding sources are as follows:

| | 2019 \$ | 2018 \$ |
|---|------------------|------------------|
| Manitoba Family Services – Child and Family Services | 10,817,676 | 9,720,587 |
| Manitoba Family Services – Community Living disABILITY Services | 31,125,238 | 28,273,836 |
| Manitoba Family Services – Special Needs | 545,508 | 483,468 |
| Children and Youth Opportunities – MB4Youth | 1,424,838 | 1,310,881 |
| Manitoba Education – Youth NOW | 50,000 | 50,000 |
| Winnipeg Regional Health Authority | 2,104,164 | 2,139,960 |
| Children and Youth Opportunities – Crime Prevention | 232,039 | 452,682 |
| Children and Youth Opportunities – Healthy Child Manitoba | 165,199 | 173,639 |
| General | 2,325,320 | 2,175,160 |
| | <hr/> 48,789,982 | <hr/> 44,780,213 |

11 Commitments

The future minimum lease payments under the operating leases for office space, office equipment, and vehicles are as follows:

| | \$ |
|----------------------------|-----------|
| Year ending March 31, 2020 | 1,416,113 |
| 2021 | 1,413,520 |
| 2022 | 1,369,358 |
| 2023 | 1,225,035 |
| 2024 | 1,180,417 |
| Thereafter | 5,320,861 |

12 Employee pension plans

New Directions has a defined contribution plan providing pension benefits to most of its employees. The expense for the year is \$924,067 (2018 – \$892,198).

13 Government remittances

Government remittances consist of amounts (such as payroll withholding taxes) required to be paid to government authorities and are recognized when the amounts become due. In respect of government remittances, \$322,000 (2018 – \$321,000) is included within accounts payable.

New Directions for Children, Youth, Adults and Families Inc.

Notes to Financial Statements

March 31, 2019

14 The New Directions Endowment Fund and Opikihawin Fund

The New Directions Endowment Fund and Opikihawin Fund (Funds) are endowment funds held by The Winnipeg Foundation. The Funds were established with contributions from donors under the agreement that the Funds remain with The Winnipeg Foundation in perpetuity with New Directions receiving annual income distributions. For the year ended March 31, 2019, the Funds distributed \$8,317 (2018 – \$5,251) which is presented in other revenues in the Statement of Revenues and Expenses. As at March 31, 2019 the fair value of each fund is:

| | 2019 | 2018 |
|-------------------------------|---------|---------|
| | \$ | \$ |
| New Directions Endowment Fund | 220,270 | 207,370 |
| Opikihawin Fund | 8,711 | 8,667 |

15 Financial instruments

Interest rate risk

Interest rate risk refers to the adverse consequences of interest rate changes in New Directions' cash flows, financial position and expenses. This risk arises from differences in the timing and amount of cash flows related to New Directions' liabilities. This risk is not significant to New Directions as all of the debt is at fixed rate terms.

Credit risk

Credit risk is the risk that a financial loss could arise from a counterparty not being able to meet its obligations. New Directions' financial assets that are exposed to credit risk consist of accounts receivable. New Directions performs regular assessments on the collectability of its accounts receivable. This risk is not significant to New Directions as substantially all of the receivables are from the government.

New Directions for Children, Youth, Adults and Families Inc.

Schedule of Operating Expenses

For the year ended March 31, 2019

| | 2019 \$ | 2018 \$ |
|---|-------------------|-------------------|
| Advertising | 9,311 | 12,242 |
| Amortization | 1,006,342 | 959,279 |
| Bad debt | 17,072 | 23,071 |
| Clothing | 42,529 | 44,099 |
| Data processing | 41,052 | 34,281 |
| Endowment fund | 8,317 | 5,251 |
| Evaluation | 3,698 | 1,564 |
| Food | 536,372 | 481,537 |
| Grooming | 8,388 | 72,071 |
| Household | 49,270 | 31,135 |
| Insurance | 136,489 | 123,204 |
| Internal and external relations | 63,213 | 54,203 |
| Interest and service charges | | |
| Bank | 8,425 | 9,420 |
| Long-term debt | 181,095 | 184,358 |
| Internet | 62,296 | 58,846 |
| Interpreting services | 37,283 | 20,122 |
| Janitorial | 161,817 | 158,474 |
| Laundry | 527 | 8,181 |
| Lease | 1,711,916 | 1,526,077 |
| Medical, dental and optical | 18,886 | 16,568 |
| Memberships and subscriptions | 12,649 | 18,865 |
| Miscellaneous expense | 1,141 | 1,401 |
| Office supplies, postage and printing | 280,124 | 254,171 |
| Participant activities and program material | 769,475 | 703,432 |
| Participant accommodation | 3,386 | 6,047 |
| Participant living expenses | 1,119,125 | 1,110,927 |
| Professional fees | 55,901 | 63,586 |
| Repairs and maintenance | 628,083 | 861,924 |
| Salaries and service fees | 41,274,879 | 40,407,822 |
| Salary benefits | 5,284,989 | 5,408,774 |
| School supplies | 4,662 | 4,773 |
| Special programs | 92,939 | 84,231 |
| Staff education | 148,165 | 134,686 |
| Taxes | 121,941 | 112,088 |
| Telephone | 230,755 | 230,786 |
| Transportation | 915,984 | 891,141 |
| Travel | 102,460 | 96,580 |
| Utilities | 247,009 | 216,777 |
| Total operating expenses | 55,397,965 | 54,431,994 |