

**GENERAL CHILD AND FAMILY  
SERVICES AUTHORITY**

**FINANCIAL STATEMENTS**

**MARCH 31, 2020**

May 27, 2020

## Management's Responsibility for Financial Reporting

The accompanying financial statements are the responsibility of management of the General Child and Family Services Authority and have been prepared in accordance with Canadian Public Sector Accounting Standards. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgments regarding all necessary estimates and all other data available as at May 27, 2020.

Management maintains internal controls to properly safeguard the assets of the General Child and Family Services Authority and to provide reasonable assurance that the books and records from which the financial statements are derived accurately reflect all transactions and that established policies and procedures are followed.

Philip Goodman  
*Board Chair*

The financial statements of the General Child and Family Services Authority have been audited by Magnus LLP, Chartered Professional Accountants, independent external auditor. The responsibility of the auditor is to express an independent opinion on whether the financial statements of the General Child and Family Services Authority are fairly presented, in all material respects, in accordance with Canadian Public Sector Accounting Standards. The Independent Auditor's Report outlines the scope of the audit examination and provides the audit opinion on the financial statements.

Jay Rodgers  
*Chief Executive Officer*

### On behalf of Management of the General Child and Family Services Authority

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**Jay Rodgers**  
Chief Executive Officer

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**Louis Nault**  
Chief Financial Officer

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the  
General Child and Family Services Authority

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of the General Child and Family Services Authority (the "Authority"), which comprise the statement of financial position as at March 31, 2020, and the statements of operations, change in net financial assets and cash flows 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 Authority as at March 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

#### 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 Authority 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.

#### Emphasis of Matter

Without modifying our opinion, we draw attention to the Supplementary Schedules of Training Revenue and Expenses and Wendy's Wonderful Kids Program Revenue and Expenses included in these financial statements. The supplementary financial information included in these schedules is unaudited.

#### 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 Public Sector Accounting Standards, 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 Authority'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 Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority'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 Authority'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 Authority'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 Authority 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.

May 27, 2020  
Winnipeg, Canada



Chartered Professional Accountants

# GENERAL CHILD AND FAMILY SERVICES AUTHORITY

Statement of Financial Position

March 31, 2020

	2020 Actual	2019 Actual
<b>Financial assets</b>		
Cash and cash equivalents	\$ 1,844,832	\$ 1,167,765
Accounts receivable (Note 4)	201,934	80,721
Advances receivable (Note 5)	116,600	116,600
	<u>2,163,366</u>	<u>1,365,086</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 6)	163,634	245,879
Deferred revenue (Note 7)	97,000	109,912
Working capital advances payable (Note 5)	116,600	116,600
	<u>377,234</u>	<u>472,391</u>
<b>Net financial assets</b>	<u>1,786,132</u>	<u>892,695</u>
<b>Non-financial assets</b>		
Tangible capital assets (Note 8)	36,588	48,394
Prepaid expenses	28,937	54,610
	<u>65,525</u>	<u>103,004</u>
<b>Accumulated surplus</b>	<u>\$ 1,851,657</u>	<u>\$ 995,699</u>

Designated assets (Note 9)

Commitments (Note 13)

See accompanying notes to financial statements.

## APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

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# GENERAL CHILD AND FAMILY SERVICES AUTHORITY

## Statement of Operations

Year ended March 31, 2020

	2020 Budget	2020 Actual	2019 Actual
<b>Revenue:</b>			
Province of Manitoba transfers/grants:			
Agency grants - operating (Note 10)	\$ 12,275,009	\$ 12,275,056	\$ 12,275,009
Agency grants - child maintenance (Note 10)	6,963,200	5,549,691	-
Operating grant (Note 10)	2,491,527	2,491,493	2,491,527
Other - SEF implementation (Note 10)	225,104	225,104	-
Other - Stepping out on Saturdays (Note 10)	57,500	57,500	57,500
Restricted revenue:			
David Thomas Foundation	85,000	85,000	85,000
Children's Aid Foundation	98,280	77,923	119,676
BFT - Until the Last Child	-	-	384,069
Other revenue and recoveries	11,750	246,658	143,688
Investment income	14,000	21,769	15,063
	22,221,370	21,030,194	15,571,532
<b>Expenses:</b>			
Agency allocations - operating (Note 11)	12,257,256	12,257,256	12,275,009
Agency allocations - child maintenance (Note 11)	6,564,000	5,264,102	-
Agency support	85,264	18,755	25,296
Amortization	40,000	26,755	39,104
Board meetings and expenses	30,000	20,826	18,201
Grants and programs (Note 12)	220,740	163,555	221,708
Insurance	5,500	5,685	9,188
Interest and bank charges	1,000	1,030	1,031
Legal and audit	43,663	24,229	32,687
Mileage and parking	22,000	24,096	21,019
Office and supplies	57,528	69,414	46,834
Other - SEF contingency	415,290	-	-
Professional services	40,833	12,900	132,111
Rent	135,188	137,523	133,338
Telephone	14,000	14,038	16,105
Training and development	265,194	186,445	243,553
Travel	10,000	23,556	7,180
Utilities	3,787	4,438	4,349
Wages and benefits	2,010,127	1,919,633	2,132,513
Total expenses	22,221,370	20,174,236	15,359,226
<b>Net operating surplus for the year</b>	-	855,958	212,306
Accumulated surplus, beginning of year	-	995,699	783,393
Accumulated surplus, end of year	\$ -	\$ 1,851,657	\$ 995,699

See accompanying notes to financial statements.

**GENERAL CHILD AND FAMILY SERVICES AUTHORITY**

## Statement of Change in Net Financial Assets

Year ended March 31, 2020

	2020 Budget	2020 Actual	2019 Actual
Net operating surplus for the year	\$ -	\$ 855,958	\$ 212,306
Tangible capital assets:			
Acquisition of tangible capital assets	-	(14,949)	(24,070)
Amortization of tangible capital assets	40,000	26,755	39,104
Net acquisition of tangible capital assets	40,000	11,806	15,034
Other non-financial assets:			
Decrease (increase) in prepaid expenses	-	25,673	(23,467)
Net acquisition of other non-financial assets	-	25,673	(23,467)
Increase in net financial assets	40,000	893,437	203,873
Net financial assets, beginning of year	-	892,695	688,822
Net financial assets, end of year	\$ -	\$ 1,786,132	\$ 892,695

See accompanying notes to financial statements.

# GENERAL CHILD AND FAMILY SERVICES AUTHORITY

## Statement of Cash Flows

Year ended March 31, 2020

	2020 Actual	2019 Actual
Cash provided by (applied to)		
Operating activities:		
Net operating surplus for the year	\$ 855,958	\$ 212,306
Adjustment for:		
Amortization	26,755	39,104
	882,713	251,410
Changes in the following:		
Accounts receivable	(121,213)	19,510
Accounts payable and accrued liabilities	(82,245)	(440,328)
Deferred revenue	(12,913)	(20,644)
Prepaid expenses	25,674	(23,467)
Cash provided by (applied to) operating activities	692,016	(213,519)
Capital activities:		
Acquisition of tangible capital assets	(14,949)	(24,070)
Change in cash and cash equivalents	677,067	(237,589)
Cash and cash equivalents, beginning of year	1,167,765	1,405,354
Cash and cash equivalents, end of year	\$ 1,844,832	\$ 1,167,765

See accompanying notes to financial statements.



# GENERAL CHILD AND FAMILY SERVICES AUTHORITY

Notes to Financial Statements

Year ended March 31, 2020

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## 1. Nature of organization

The General Child and Family Services Authority (the "Authority") was established on November 24, 2003 pursuant to *The Child and Family Services Authorities Act*. The Authority is a Government not-for-profit organization within the Department of Families responsible for the administration and provision of child and family services by the agencies under its jurisdiction, being Child and Family Services of Western Manitoba, Child and Family Services of Central Manitoba, Jewish Child and Family Service, and Winnipeg, Rural and Northern Child and Family Services (Winnipeg Child and Family Services Branch and Rural and Northern Child and Family Services Branch).

During the year ended March 31, 2020, the Authority transitioned to a new funding model implemented by the Government of Manitoba referred to as single envelope funding (SEF) resulting in the Authority having control over the distribution of child maintenance funding as well as a requirement to maintain a contingency fund - see additional disclosures in (Note 9).

## 2. Basis of accounting and change in accounting policies

These financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards which are Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board.

During the year ended March 31, 2020, the Authority changed its accounting policies to follow Canadian Public Sector Accounting Standards without the 4200 series of standards applicable to government not-for-profit organizations in order to align its accounting policies with the Province of Manitoba. These changes were applied retrospectively to the comparative information included in these financial statements and resulted in no changes to the Authority's previously reported assets, liabilities, revenue, expenses and fund balances/accumulated surplus.

## 3. Summary of significant accounting policies

### (a) Revenue

#### Government transfers

Government transfers without eligibility criteria or stipulations are recognized as revenue when the transfer is authorized.

Government transfers with eligibility criteria but without stipulations are recognized as revenue when the transfer is authorized and all eligibility criteria have been met.

Government transfers with or without eligibility criteria but with stipulations are recognized as revenue in the period the transfer is authorized and all eligibility criteria have been met, except when and to the extent that the transfer gives rise to a liability.

#### Restricted revenue

Externally restricted revenue is recognized in the period in which the resources are used for the purpose or purposes specified. Externally restricted amounts received prior to being used are recorded as a liability until the resources are used for the purpose or purposes specified.

#### Other revenue

Other revenue and recoveries are recognized on the accrual basis.

#### Investment income

Investment income is recognized on the accrual basis.

# GENERAL CHILD AND FAMILY SERVICES AUTHORITY

Notes to Financial Statements

Year ended March 31, 2020

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## 3. Summary of significant accounting policies (continued)

### (b) Expenses

All expenses incurred for goods and services are recorded on the accrual basis when the related goods or services are received.

### (c) Financial assets

#### Cash and cash equivalents

Cash and cash equivalents include cash on hand and short term deposits and investments with original maturities of three months or less.

#### Accounts receivable

Accounts receivable are recorded at the lower of cost and net realizable value. An allowance for doubtful accounts is recorded when there is uncertainty whether the amounts will be collected.

### (d) Liabilities

Liabilities are present obligations as a result of transactions and events occurring at or prior to the end of the fiscal year the settlement of which will result in the future transfer or use of assets or other form of settlement. Liabilities are recognized when there is an appropriate basis of measurement and a reasonable estimate can be made of the amount involved.

### (e) Non-financial assets

Non-financial assets do not normally provide resources to discharge existing liabilities of the Authority. These assets are normally employed to provide future services.

#### Tangible capital assets

Tangible capital assets are recognized at cost. Cost includes the purchase price as well as other acquisition costs. The costs of tangible capital assets, less any residual value, are amortized over their estimated useful lives as follows:

	<u>Method</u>	<u>Rate</u>
Computer equipment	Straight-line	3 years
Furniture and fixtures	Straight-line	5 years
Leasehold improvements	Straight-line	5 years

#### Prepaid expenses

Prepaid expenses are payments for goods or services which will provide economic benefits in future periods. The prepaid amount is recognized as an expense in the period the goods or services are consumed.

### (f) Financial instruments - measurement

Financial instruments are classified into one of two measurement categories: (a) fair value; or (b) cost or amortized cost. The Authority records its financial assets at cost, which include cash and cash equivalents, accounts receivable and advances receivable. The Authority also records its financial liabilities at cost, which include accounts payable and accrued liabilities, working capital advances payable and due to agencies.

Gains and losses on financial instruments measured at cost or amortized cost are recognized in the statement of operations in the period the gain or loss occurs. Gains and losses on financial instruments measured at fair value, if any, are recorded in accumulated surplus as remeasurement gains and losses until realized; upon disposition of the financial instruments, the cumulative remeasurement gains and losses are reclassified to the statement of operations.

# GENERAL CHILD AND FAMILY SERVICES AUTHORITY

Notes to Financial Statements

Year ended March 31, 2020

## 3. Summary of significant accounting policies (continued)

### (g) Measurement uncertainty

The preparation of financial statements in accordance with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingencies at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically and adjustments are recognized in the period they become known. Actual results may differ from these estimates.

## 4. Accounts receivable

	2020	2019
Province of Manitoba - expense recoveries	\$ 199,361	\$ 61,226
Other receivables	2,573	19,495
	<u>\$ 201,934</u>	<u>\$ 80,721</u>

## 5. Advances receivable and working capital advances payable

Working capital advances are provided to the Authority's agencies via the Province of Manitoba. These advances are non-interest bearing and are repayable at the time the agency is no longer providing services on behalf of the Department. Total working capital advances to agencies as at March 31, 2020 are \$116,600 (2019 - \$116,600). These amounts are receivable from the agencies and repayable to the Province of Manitoba.

## 6. Accounts payable and accrued liabilities

	2020	2019
Trade payables and accrued liabilities	\$ 43,903	\$ 29,058
Due to the Province of Manitoba	119,731	216,821
	<u>\$ 163,634</u>	<u>\$ 245,879</u>

Amounts due to the Province of Manitoba are non-interest bearing with no specified terms of repayment.

## 7. Deferred revenue

As at March 31, 2020, deferred revenue relates primarily to externally restricted amounts received from the Children's Aid Foundation. Changes in deferred revenue during the year are due to additional restricted amounts received during the year of \$108,399 less amounts recognized as revenue of \$77,923. In addition, during the year ended March 31, 2020, \$43,388 included in deferred revenue as at March 31, 2019 relating to the BFT - Until the Last Child program was returned to the funder due to this program ending in the prior year.

# GENERAL CHILD AND FAMILY SERVICES AUTHORITY

Notes to Financial Statements

Year ended March 31, 2020

## 8. Tangible capital assets

	2020			
	Opening Balance	Additions	Disposals	Closing Balance
<b>Cost</b>				
Computer equipment	\$ 107,912	\$ -	\$ -	\$ 107,912
Furniture and fixtures	116,546	14,949	-	131,495
Leasehold improvements	286,305	-	-	286,305
	<b>\$ 510,763</b>	<b>\$ 14,949</b>	<b>\$ -</b>	<b>\$ 525,712</b>
<b>Accumulated Amortization</b>				
Computer equipment	\$ (76,174)	\$ (16,368)	\$ -	\$ (92,542)
Furniture and fixtures	(113,268)	(3,727)	-	(116,995)
Leasehold improvements	(272,927)	(6,660)	-	(279,587)
	<b>\$ (462,369)</b>	<b>\$ (26,755)</b>	<b>\$ -</b>	<b>\$ (489,124)</b>
<b>Net book value</b>	<b>\$ 48,394</b>	<b>\$ (11,806)</b>	<b>\$ -</b>	<b>\$ 36,588</b>

	2019			
	Opening Balance	Additions	Disposals	Closing Balance
<b>Cost</b>				
Computer equipment	\$ 83,842	\$ 24,070	\$ -	\$ 107,912
Furniture and fixtures	116,546	-	-	116,546
Leasehold improvements	286,305	-	-	286,305
	<b>\$ 486,693</b>	<b>\$ 24,070</b>	<b>\$ -</b>	<b>\$ 510,763</b>
<b>Accumulated Amortization</b>				
Computer equipment	\$ (62,054)	\$ (14,120)	\$ -	\$ (76,174)
Furniture and fixtures	(107,273)	(5,995)	-	(113,268)
Leasehold improvements	(253,938)	(18,989)	-	(272,927)
	<b>\$ (423,265)</b>	<b>\$ (39,104)</b>	<b>\$ -</b>	<b>\$ (462,369)</b>
<b>Net book value</b>	<b>\$ 63,428</b>	<b>\$ (15,034)</b>	<b>\$ -</b>	<b>\$ 48,394</b>

## 9. Designated assets

As at March 31, 2020, included in cash and cash equivalents is a total of \$339,877 (2019 - \$nil) which is designated by the Authority to be used as a contingency fund as required by the new SEF funding model implemented during the year. The intent of the contingency fund is to provide financial stabilization in the face of variable and uncontrollable factors and ensure the most efficient use of government resources under SEF. This balance represents a minimum of 1.5% (or a greater amount at the Authority's discretion) of total Province of Manitoba operating and child maintenance funding provided to the Authority during the year.

# GENERAL CHILD AND FAMILY SERVICES AUTHORITY

Notes to Financial Statements

Year ended March 31, 2020

## 10. Province of Manitoba - funding reconciliation

A reconciliation of the funding received and/or receivable from the Province of Manitoba during the year to the amounts recognized as revenue is as follows:

		Funding Withheld for Salaries	Current Year Revenue
<b>Funding received/receivable:</b>			
Total 2019/20 amounts per Province of Manitoba confirmation	\$19,080,422		
Less: Salary and other expense recoveries	(81,578)		
Total current year funding	<u>\$18,998,844</u>		
<b>Funding applied to:</b>			
Agency grants - operating	\$12,275,056	\$ -	\$12,275,056
Agency grants - child maintenance	5,549,691	-	5,549,691
Operating grant	891,493	1,600,000	2,491,493
Other - SEF implementation	225,104	-	225,104
Other - Stepping out on Saturdays	57,500	-	57,500
	<u>\$18,998,844</u>	<u>\$ 1,600,000</u>	<u>\$20,598,844</u>

## 11. Agency grants and payments/allocations

During the year ended March 31, 2020 the Authority received operating funding from the Province of Manitoba in the amount of \$12,275,056 (2019 - \$12,275,009) and child maintenance funding from the Province of Manitoba in the amount of \$5,549,691 (2019 - \$nil) to be allocated to the agencies under its jurisdiction. Agency grants were allocated as follows:

Agency	Operating	Child Maintenance	Total 2020	Total 2019
Child and Family Services of Central Manitoba	\$ 4,286,209	\$ 2,430,660	\$ 6,716,869	\$ 4,286,209
Child and Family Services of Western Manitoba	7,446,047	2,565,142	10,011,189	7,446,047
Jewish Child and Family Service	525,000	268,300	793,300	542,753
<b>Total</b>	<b>\$12,257,256</b>	<b>\$ 5,264,102</b>	<b>\$17,521,358</b>	<b>\$12,275,009</b>

Child maintenance was paid directly to the above agencies from the Province of Manitoba for April and May of 2019 with funding for child maintenance being received by the Authority and provided to the agencies commencing in June of 2019. A minimum of 1.5% of this funding was withheld during the year as part of maintaining a contingency fund for the Authority's privately mandated agencies (see also Note 9).

# GENERAL CHILD AND FAMILY SERVICES AUTHORITY

Notes to Financial Statements

Year ended March 31, 2020

## 12. Grants and program expenses

	2020	2019
Children's Aid Foundation - CIBC Miracle Fund	\$ 16,574	\$ 22,737
Children's Aid Foundation - FC Transition & Comfort Kits	36,370	59,468
Children's Aid Foundation - Scotia Capital Stay in School Fund	19,233	37,471
Children's Aid Foundation - Ignite the Spark	5,746	-
New Canadian Awareness Education Initiative	-	15,174
Stepping out on Saturdays program	57,500	57,500
Vision Catchers	28,132	29,358
	\$ 163,555	\$ 221,708

## 13. Commitments

The Authority has signed a lease renewal agreement for space on the third and sixth floors at 180 King Street. The agreement pertaining to the space on the third floor is for a ten year term expiring on November 30, 2022. The agreement pertaining to the space on the sixth floor is for a five year term expiring on November 30, 2022 with a five year renewal option. Occupancy charges for the year ending March 31, 2021 are estimated to be \$150,768 (2020 actual - \$137,523).

## 14. Financial instruments and financial risk management

The Authority does not have any significant financial instruments subsequently measured at fair value or denominated in a foreign currency therefore the Authority did not incur any remeasurement gains or losses during the year (2019 - \$nil).

### Financial risk management – overview

The Authority has exposure to the following risks from its use of financial instruments: credit risk; liquidity risk; market risk; interest risk; and foreign currency risk.

### Credit risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. Financial instruments which potentially subject the Authority to credit risk are cash and cash equivalents, accounts receivable and advances receivable.

The maximum exposure of the Authority to credit risk at March 31 is:

	2020	2019
Cash and cash equivalents	\$ 1,844,832	\$ 1,167,765
Accounts receivable	201,934	80,721
Advances receivable	116,600	116,600
	\$ 2,163,366	\$ 1,365,086

Cash and cash equivalents: The Authority is not exposed to significant credit risk as these amounts are held by a reputable Canadian financial institution.

Accounts receivable: The Authority is not exposed to significant credit risk as the balance is primarily due from the Province of Manitoba resulting in minimal exposure to credit risk. The Authority manages this credit risk through close monitoring of any overdue accounts.

# GENERAL CHILD AND FAMILY SERVICES AUTHORITY

Notes to Financial Statements

Year ended March 31, 2020

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## 14. Financial instruments and financial risk management (continued)

The Authority establishes an allowance for doubtful accounts that represents its estimate of potential credit losses. The allowance for doubtful accounts is based on management's best estimates and assumptions regarding current market conditions and historical payment trends. These factors are considered when determining whether past due accounts are allowed for or written off.

The balance in the allowance for doubtful accounts as at March 31, 2020 is \$nil (2019 - \$nil).

As at March 31, 2020, the aging of accounts receivable is \$167,963 current, \$25,339 aged 30-60 days, \$1,712 aged 60-90 days and \$6,920 greater than 90 days. As at March 31, 2019, the aging of accounts receivable was \$62,188 current and \$18,533 aged 30-60 days.

### Liquidity risk

Liquidity risk is the risk that the Authority will not be able to meet its financial obligations as they come due.

The Authority manages liquidity risk by maintaining adequate cash balances and by review from the Province of Manitoba to ensure adequate funding will be received to meet its obligations.

### Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Authority's net income (loss) or the fair values of its financial instruments.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate exposure relates to cash and cash equivalents.

The interest rate risk on cash and cash equivalents is considered to be low because of the short-term nature.

#### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Authority is not exposed to significant foreign currency risk as it does not have any significant financial instruments denominated in a foreign currency.

## 15. Comparative information

Certain of the amounts from the year ended March 31, 2019 have been reclassified to conform to the financial statement presentation adopted for the current year.

## 16. COVID-19 implications

During March of 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Authority's business is not known at this time. Management is of the opinion that implications, if any, will be temporary and will not have a significant long-term impact on the Authority's operations as at the date of approval of these financial statements.

**GENERAL CHILD AND FAMILY SERVICES AUTHORITY**

Supplementary Schedule of Training Revenue and Expenses

**Schedule 1**

Year ended March 31, 2020

(Unaudited)

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Revenue:		
Province of Manitoba - operating grant allocation	\$	347,106
Other revenue		4,565
		<hr/> 351,671
Expenses:		
Trainer fees		3,883
Training materials and supplies		12,778
Training program registration fees		154,028
Training program support		18,575
Training support - salaries and benefits		33,060
Training venues		38,554
Travel		10,982
		<hr/> 271,860
Surplus for the year	\$	<hr/> 79,811

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**GENERAL CHILD AND FAMILY SERVICES AUTHORITY**

Supplementary Schedule of Wendy's Wonderful Kids Program Revenue and Expenses

**Schedule 2**

Year ended March 31, 2020

(Unaudited)

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Revenue:		
David Thomas Foundation	\$	85,000
Expenses:		
Meeting costs		1,571
Miscellaneous		100
Telephone		260
Travel		12,163
Wendy's Wonderful Kids Recruiter - salary and benefits		83,366
		<hr/>
		97,460
		<hr/>
(Deficit) for the year	\$	(12,460)

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