

# **TRAVEL MANITOBA**

## **Financial Statements**

**For the year ended March 31, 2020**

# **TRAVEL MANITOBA**

## **Financial Statements For the year ended March 31, 2020**

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## Management's Responsibility for Financial Reporting

The accompanying financial statements are the responsibility of the management of **Travel Manitoba** 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 judgment regarding all necessary estimates and all other data available to the audit report date.

Management maintains internal controls to properly safeguard the assets 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.

The responsibility of the external audit is to express an independent opinion on whether the financial statements of **Travel Manitoba** are fairly represented 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 behalf of Management:

Original Document Signed

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Director, Corporate Services

Original Document Signed

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President and CEO

June 16, 2020

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Date



Tel: 204-956-7200  
Fax: 204-926-7201  
Toll-free: 866-863-6601  
www.bdo.ca

BDO Canada LLP  
700 - 200 Graham Avenue  
Winnipeg MB R3C 4L5 Canada

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## Independent Auditor's Report

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### To the Members of Travel Manitoba

#### Opinion

We have audited the financial statements of Travel Manitoba (the "Organization"), which comprise the statement of financial position as at March 31, 2020, and the statements of operations and accumulated surplus, change in net financial assets, remeasurement gains 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 Organization as at March 31, 2020, and its results of 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 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.

#### 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 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.

*BDO Canada LLP*

Chartered Professional Accountants

Winnipeg, Manitoba

June 16, 2020

## TRAVEL MANITOBA Statement of Financial Position

As at March 31	2020	2019
<b>Financial Assets</b>		
Cash and cash equivalents (Note 4)	\$ 2,437,263	\$ 1,829,153
Trade accounts receivable	705,526	319,665
Due from the Province of Manitoba (Note 5)	25,718	34,082
	<b>3,168,507</b>	2,182,900
<b>Liabilities</b>		
Accounts payable and accrued liabilities	1,694,701	1,181,973
Employee future benefits (Note 7)	621,320	515,858
Deferred revenue (Note 8)	260,500	247,526
	<b>2,576,521</b>	1,945,357
<b>Net Financial Assets</b>	<b>591,986</b>	237,543
<b>Non-Financial Assets</b>		
Prepaid expenses	15,478	29,752
Tangible capital assets (Note 6)	165,280	254,918
	<b>180,758</b>	284,670
<b>Contingencies and commitments (Note 10)</b>		
<b>Accumulated Surplus</b>	<b>\$ 772,744</b>	\$ 522,213
Accumulated surplus is comprised of:		
Accumulated surplus (Page 6)	\$ 768,878	\$ 512,211
Accumulated remeasurement gains (Page 8)	3,866	10,002
	<b>\$ 772,744</b>	\$ 522,213

Approved on behalf of the Board of Directors:

Original Document Signed \_\_\_\_\_ Director

Original Document Signed \_\_\_\_\_ Director

## TRAVEL MANITOBA Statement of Operations and Accumulated Surplus

For the year ended March 31	2020		2019
	Budget	Total	Total
<b>Revenue</b>			
Province of Manitoba	\$ 12,089,000	\$ 12,089,000	\$ 12,069,000
Partnership and leveraged marketing	1,300,000	1,176,805	1,147,587
Other initiatives - Federal and provincial funding	400,000	430,000	-
Other	30,000	82,304	43,689
	<b>13,819,000</b>	<b>13,778,109</b>	13,260,276
<b>Expenses (Note 13)</b>			
Marketing and industry relations	11,928,383	11,693,351	11,585,210
Corporate services	940,190	935,577	835,583
Visitor services	845,427	784,933	831,289
Amortization	105,000	107,581	107,379
	<b>13,819,000</b>	<b>13,521,442</b>	13,359,461
<b>Annual surplus (deficit)</b>	-	<b>256,667</b>	(99,185)
<b>Accumulated surplus, beginning of the year</b>	<b>512,211</b>	<b>512,211</b>	611,396
<b>Accumulated surplus, end of the year</b>	<b>\$ 512,211</b>	<b>\$ 768,878</b>	<b>\$ 512,211</b>

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

**TRAVEL MANITOBA**  
**Statement of Change in Net Financial Assets**

<b>For the year ended March 31</b>	<b>2020</b>		<b>2019</b>
	<b>Budget</b>	<b>Total</b>	<b>Total</b>
<b>Annual surplus (deficit)</b>	<b>\$ -</b>	<b>\$ 256,667</b>	<b>\$ (99,185)</b>
<b>Acquisition of tangible capital assets</b>	<b>-</b>	<b>(19,225)</b>	<b>(18,393)</b>
<b>Amortization of tangible capital assets</b>	<b>105,000</b>	<b>107,581</b>	<b>107,379</b>
<b>Loss on sale of tangible capital assets</b>	<b>-</b>	<b>282</b>	<b>-</b>
<b>Proceeds on sale of tangible capital assets</b>	<b>-</b>	<b>1,000</b>	<b>-</b>
<b>Decrease in prepaid expenses</b>	<b>-</b>	<b>14,274</b>	<b>103,916</b>
<b>Decrease in remeasurement gains</b>	<b>-</b>	<b>(6,136)</b>	<b>(961)</b>
	<b>-</b>	<b>97,776</b>	<b>191,941</b>
<b>Change in net financial assets</b>	<b>105,000</b>	<b>354,443</b>	<b>92,756</b>
<b>Net financial assets, beginning of year</b>		<b>237,543</b>	<b>144,787</b>
<b>Net financial assets, end of year</b>		<b>\$ 591,986</b>	<b>\$ 237,543</b>

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



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**TRAVEL MANITOBA**  
**Statement of Remeasurement Gains**

<b>For the year ended March 31</b>	<b>2020</b>	<b>2019</b>
<b>Accumulated remeasurement gains, beginning of year</b>	<b>\$ 10,002</b>	<b>\$ 10,963</b>
<b>Unrealized loss attributable to foreign exchange</b>	<b>(6,136)</b>	<b>(961)</b>
<b>Accumulated remeasurement gains, end of year</b>	<b>\$ 3,866</b>	<b>\$ 10,002</b>

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

## TRAVEL MANITOBA Statement of Cash Flows

For the year ended March 31	2020	2019
<b>Cash Flows from Operating Activities</b>		
Annual surplus (deficit)	\$ 256,667	\$ (99,185)
Changes in non-cash items		
Amortization of capital assets	107,581	107,379
Loss on disposal of capital assets	282	-
Unrealized remeasurement loss	(6,136)	(961)
Due from the Province of Manitoba	8,364	40,757
Trade accounts receivable	(385,861)	71,348
Prepaid expenses	14,274	103,916
Accounts payable and accrued liabilities	512,728	58,935
Deferred revenue	12,974	(1,310)
Employee future benefits	105,462	(33,303)
	626,335	247,576
Cash provided by operating transactions		
	-	-
<b>Cash Flows from Financing and Investing Activities</b>		
	-	-
<b>Cash Flows from Capital Activities</b>		
Acquisition of tangible capital assets	(19,225)	(18,393)
Proceeds on sale of tangible capital assets	1,000	-
	(18,225)	(18,393)
<b>Net increase in cash and cash equivalents</b>	<b>608,110</b>	<b>229,183</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>1,829,153</b>	<b>1,599,970</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 2,437,263</b>	<b>\$ 1,829,153</b>

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

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# TRAVEL MANITOBA

## Notes to Financial Statements

**For the year ended March 31, 2020**

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### 1. Nature of the Organization

Travel Manitoba was created as a Crown Corporation on April 1, 2005 under The Travel Manitoba Act as the culmination of extensive consultation and leadership from both the tourism industry and the provincial government. Travel Manitoba's mission is to increase tourism's contribution to the provincial economy by leading the marketing of Manitoba as a tourism destination by fostering a competitive and sustainable tourism industry. Travel Manitoba collaborates closely and in partnership with the tourism industry and governments to attract visitors to Manitoba, sustaining and creating jobs and businesses in the tourism sector in the province.

Travel Manitoba receives core funding from the Province of Manitoba to facilitate operations and to mobilize public and private resources to further foster the growth and professionalism of the tourism industry in Manitoba. Travel Manitoba is economically dependent on the Province of Manitoba because it derives a significant portion of its revenue from the Province of Manitoba.

### 2. Summary of Significant Accounting Policies

The financial statements are prepared in accordance with Canadian public sector accounting standards ("PSAS") as recommended by the Public Sector Accounting Board, and reflect the following significant accounting policies:

#### a. Financial Assets

Cash and cash equivalents consist of cash and short-term deposits with a duration of less than ninety days from the date of acquisition.

Accounts receivable and amounts due from the Province of Manitoba 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.

#### b. Liabilities

Liabilities are present obligations as a result of transactions and events occurring prior to the end of the fiscal year. The settlement of the liabilities will result in the future transfer or use of assets or other form of settlement. Liabilities are recorded at the estimated amount ultimately payable.

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# TRAVEL MANITOBA

## Notes to Financial Statements

**For the year ended March 31, 2020**

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### 2. Summary of Significant Accounting Policies (continued)

#### c. Employee Future Benefits

The Organization provides retirement allowance and pension benefits to its employees.

Retirement allowances are provided to certain qualifying employees. The benefits are provided under a final pay plan. The costs of benefits earned by employees are charged to expenses as services are rendered. The costs are actuarially determined using the projected benefit method and reflect management's best estimates of the length of service, salary increases and ages at which employees will retire. Actuarial gains and losses are recognized in income immediately.

Employees of the Organization are provided pension benefits by the Civil Service Superannuation Fund ("the Fund"). Under paragraph 6 of the Civil Service Superannuation Act, the Organization is described as a "matching employer" and its contribution toward the pension benefits is limited to matching the employees' contributions to the Fund.

In addition, an individual has entitlement to enhanced pension benefits. The plan is based on final pay and is indexed. The cost of the benefits earned by the employee is charged to expenses as services are rendered. The cost is actuarially determined using the projected benefit method and reflects management's best estimate of salary increases and the age at which the employee will retire.

Sick leave benefits that accumulate but do not vest, are determined using present value techniques and reflect management's best estimate of future cost trends associated with such benefits and interest rates. Adjustment to these costs arising from changes in estimates and experience gains and losses are amortized to income over the estimated average remaining service life of the employee groups on a straight line basis.

#### d. Non-financial Assets

Non-financial assets are used to provide the Organization's services in future periods. These assets do not normally provide resources to discharge the liabilities of the organization unless they are sold. The Organization's non-financial assets include prepaid expenses and tangible capital assets.

#### e. Tangible capital Assets

Tangible capital assets are recorded at cost less accumulated amortization and are amortized over the estimated useful lives of the assets at the following rates:

Computer hardware	30%, declining balance
Computer software	30%, declining balance
Furniture and equipment	5%, declining balance
Leasehold improvements	5%, declining balance
VIC technology	5 years, straight line
Vehicles	5 years, straight line

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# TRAVEL MANITOBA

## Notes to Financial Statements

**For the year ended March 31, 2020**

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### **2. Summary of Significant Accounting Policies (continued)**

#### **f. Revenue Recognition**

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 to the extent that the transfer gives rise to a liability.

Partnership and marketing revenue are recognized when services are rendered if the amount to be received can be reasonably estimated and collection is reasonably assured.

The Organization recognizes revenue arising from non-monetary transactions in the period when services have been rendered if the amount to be received can be reasonably estimated and collection is reasonably assured.

#### **g. Expenses**

All expenses incurred for goods and services are recorded on an accrual basis.

#### **h. Contributed Materials and Services**

Contributed materials and services which are used in the normal course of the Organization's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if fair value can be reasonably estimated.

#### **i. Measurement Uncertainty**

The preparation of financial statements in accordance with Canadian public sector accounting standards for government not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

### **3. Change in Accounting Policy**

The Organization changed their basis of accounting from Canadian Public Sector Accounting Standards for Government Not-for-Profit Organizations ("PSAS for GNFPOs"), which includes Sections PSAS 4200 - PSAS 4270 to PSAS without Sections PSAS 4200 - PSAS 4270 for the fiscal year beginning April 1, 2019.

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# TRAVEL MANITOBA

## Notes to Financial Statements

**For the year ended March 31, 2020**

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### **3. Change in Accounting Policy (continued)**

Amounts related to March 31, 2019 and April 1, 2018 were previously presented in accordance with PSAS for GNFPO. These amounts have been restated as required to be compliant with the accounting policies of the Organization under PSAS.

The most significant changes are a result of adopting this basis of accounting include changes to the financial statements presentation as follows:

- The Organization's budget is now presented on the statement of operations and accumulated surplus along with current year and comparative year actual amounts.
- The statement of financial position now presents financial assets and liabilities to determine a net financial asset position; non-financial assets are shown separately and the accumulated surplus or deficit is the sum of the above-noted items.
- There is now a statement of changes in net financial assets, which presents the activity during the year that contributed to the change in the net financial asset position on the statement of financial position.

### **4. Cash and Cash Equivalents**

The Organization invests all surplus cash into short-term deposits with the Province's Treasury Division. These deposits are made up of 30, 60 and 90 day callable term deposits.

A dedicated account has been established to safeguard the Organization's retirement allowance obligation and enhanced pension benefit costs. Interest earned will be retained in the account. The balance at March 31, 2020 is \$126,789 (\$124,190 at March 31, 2019).

The Organization has a credit facility to a maximum of \$500,000 with interest at prime plus 1% (effective rate of 3.45% as at March 31, 2020) which is secured by a general security agreement. As at March 31, 2020, the facility remains unused.

### **5. Due from the Province of Manitoba**

Upon inception on April 1, 2005, the Organization recorded accumulated severance pay benefits receivable and payable of \$368,937 transferred from the Province of Manitoba for its employees. This receivable, or portion thereof, for the Organization, will be collected by the Organization as severance benefits are paid to employees on record as at April 1, 2005. The receivable from the Province of Manitoba at March 31, 2020 is \$25,718 (\$34,082 at March 31, 2019).

## TRAVEL MANITOBA Notes to Financial Statements

**For the year ended March 31, 2020**

### 6. Tangible Capital Assets

	2020			
	Opening Balance	Additions	Disposals	Closing Balance
Cost				
Vehicles	\$ 25,785	\$ -	-	\$ 25,785
Computer hardware	79,870	14,547	(14,935)	79,482
Computer software	61,213	-	-	61,213
Furniture and equipment	28,866	4,678	-	33,544
Leasehold improvements	46,691	-	-	46,691
VIC Technology	439,650	-	-	439,650
	682,075	19,225	(14,935)	686,365
Accumulated Amortization				
Vehicles	7,736	5,157	-	12,893
Computer hardware	48,980	8,744	(13,653)	44,071
Computer software	51,246	2,990	-	54,236
Furniture and equipment	5,033	1,308	-	6,341
Leasehold improvements	17,645	1,452	-	19,097
VIC Technology	296,517	87,930	-	384,447
	427,157	107,581	(13,653)	521,085
Net book value	\$ 254,918	\$ (88,356)	\$ (1,282)	\$ 165,280

## TRAVEL MANITOBA Notes to Financial Statements

**For the year ended March 31, 2020**

### 6. Tangible Capital Assets (continued)

				2019
	Opening Balance	Additions	Disposals	Closing Balance
Cost				
Vehicles	\$ 25,785	\$ -	\$ -	\$ 25,785
Computer hardware	62,665	17,205	-	79,870
Computer software	61,213	-	-	61,213
Furniture and equipment	28,866	-	-	28,866
Leasehold improvements	46,691	-	-	46,691
VIC Technology	438,462	1,188	-	439,650
	663,682	18,393	-	682,075
Accumulated Amortization				
Vehicles	2,579	5,157	-	7,736
Computer hardware	41,596	7,384	-	48,980
Computer software	46,511	4,735	-	51,246
Furniture and equipment	3,778	1,255	-	5,033
Leasehold improvements	16,116	1,529	-	17,645
VIC Technology	209,198	87,319	-	296,517
	319,778	107,379	-	427,157
Net book value	\$ 343,904	\$ (88,986)	\$ -	\$ 254,918

### 7. Employee Future Benefits

#### Retirement Allowances

The Organization measures its accrued benefit obligation for each of the retirement allowance and enhanced pension benefits as at March 31 of each year. The most recent actuarial valuation report for the retirement allowance was at April 1, 2020 and the most recent finalized and approved actuarial valuation report for the enhanced pension benefits was at December 31, 2018.

The significant actuarial assumptions adopted in measuring the Organization's retirement allowance obligation and costs are as follows:

	2020	2019
Benefit costs for the year ended March 31		
Discount rate	5.75%	6.00%
Rate of compensation increase	3.50%	3.75%
Employer contributions	\$ 280,136	\$ 213,855



## TRAVEL MANITOBA Notes to Financial Statements

### For the year ended March 31, 2020

#### 7. Employee Future Benefits (continued)

The significant actuarial assumptions adopted in measuring the Organization's enhanced pension benefit and costs are as follows:

	2020	2019
Benefit costs for the year ended March 31		
Discount rate	5.75%	6.00%
Rate of compensation increase	3.50%	3.75%
Employer contributions	\$ 17,038	\$ 16,803

#### Sick Leave

Sick leave benefits that accumulate but do not vest, are determined using present value techniques and are estimated to be a liability as at March 31, 2020 of \$46,000 (\$42,000 in 2019). The amount is not considered to be significant by management, and as such has not been recorded as a liability in the financial statements of the Organization.

#### 8. Deferred Revenue

Deferred revenue represents payments received for partnership initiatives that pertain to a future period and will be recognized in the period in which the service is performed.

	2020	2019
Balance, beginning of year	\$ 247,526	\$ 248,836
Add amount received during the year	260,500	247,526
Less amount recognized as revenue during the year	(247,526)	(248,836)
Balance, end of year	\$ 260,500	\$ 247,526

#### 9. Financial Instrument Risk

The Organization is exposed to different types of risk in the normal course of operations, including credit risk and liquidity risk. The Organization's objective in risk management is to optimize the risk return trade-off, within set limits, by applying integrated risk management and control strategies, policies and procedures throughout the Organization's activities.

## TRAVEL MANITOBA Notes to Financial Statements

**For the year ended March 31, 2020**

### 9. Financial Instrument Risk (continued)

#### 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 Organization to credit risk consist principally of trade accounts receivable, due from the Province of Manitoba, and short-term deposits.

The Organization's maximum exposure to credit risk is as follows:

	0-30 Days	31-60 Days	Over 60 Days
Trade accounts receivables (net of allowance of \$15,000)	\$ 190,882	\$ 28,478	\$ 486,166
Due from the Province of Manitoba	-	-	25,718
	<u>\$ 190,882</u>	<u>\$ 28,478</u>	<u>\$ 511,884</u>

Trade Accounts Receivables - The Organization is not exposed to significant credit risk as the accounts receivable are spread among a broad client base and payment in full is typically collected when it is due. The Organization establishes an allowance for doubtful accounts that represents its estimate of potential credit losses. The allowance for doubtful accounts is based on management's estimates and assumptions regarding current market conditions, customer analysis and historical payment trends. These factors are considered when determining whether past due accounts are allowed for or written off.

Due from the Province of Manitoba - The Organization is not exposed to significant credit risk related to these balances as there are underlying agreements to support their collection.

#### Liquidity Risk

Liquidity risk is the risk that the Organization will not be able to meet its financial obligations as they fall due. The Organization has a planning and budgeting process in place to help determine the funds required to support the Organization's normal operating requirements on an ongoing basis. The Organization ensures that there are sufficient funds to meet its short-term requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents. To achieve this aim, it seeks to maintain cash balances to meet, at a minimum, expected requirements for a period of at least 90 days. The following table sets out the contractual maturities representing undiscounted contractual cash-flows of financial liabilities:

	0-30 Days	31-60 Days	Over 60 Days
Trade accounts payable	\$ 1,664,062	\$ 20,010	\$ 10,629

# TRAVEL MANITOBA

## Notes to Financial Statements

**For the year ended March 31, 2020**

### 10. Contingencies and Commitments

The Organization has entered into lease agreements for rental of facilities at various locations expiring in June 2035 with total annual payments of \$474,876. In addition, the Organization has entered into lease agreements for computer equipment expiring in December 2024, for total annual payments of \$19,813.

### 11. Non-monetary Transactions

During the current year, the Organization entered into contracts with exchanges of non-monetary services for other non-monetary services with little or no monetary consideration involved. These transactions are within normal business activities and were done in order to carry out the mandate of the Organization.

The aggregate amount of all non-monetary transactions in the current year total \$62,918 (\$76,804 in 2019).

The Organization has not incurred any gains or losses in the current year with respect to these non-monetary transactions.

### 12. Uncertainty due to COVID-19

Subsequent to year end, the impact of COVID-19 in Canada and on the global economy increased significantly. For the Organization, there has been a decrease in revenue due to a reduction of advertising and uncertainties regarding future advertising. As the impacts of COVID-19 continue, there could be further impact on the Organization. Management is actively monitoring the affect on its financial condition, liquidity, operations, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Organization is not able to fully estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity at this time.

### 13. Expenses by Function

	Budget	2020	2019
Communication	\$ 8,737,200	\$ 8,266,558	\$ 8,281,392
Personnel services	3,195,000	3,216,548	3,075,216
Supplies and services	943,500	1,053,587	1,085,796
Other operating	668,600	686,600	640,226
Transportation	151,000	172,521	144,246
Minor capital	18,700	18,047	25,207
Amortizaiton	105,000	107,581	107,378
	<b>\$ 13,819,000</b>	<b>\$ 13,521,442</b>	<b>\$ 13,359,461</b>