

**VITAL STATISTICS AGENCY**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

**VITAL STATISTICS AGENCY  
AN AGENCY OF THE GOVERNMENT OF MANITOBA**

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AS AT MARCH 31, 2020**

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## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The accompanying financial statements and all the information in the annual report are the responsibility of the management of Vital Statistics Agency and have been prepared in accordance with 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 July 9, 2020.

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 the transactions and that established policies and procedures are followed.

The responsibility of Bulat & Poustie is to express an independent opinion on whether the financial statements of Vital Statistics Agency are fairly presented in accordance with 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,  
Vital Statistics Agency

Original Document Signed

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Alena Lukes, Chief Operating Officer and Director of Vital Statistics  
July 9, 2020

**INDEPENDENT AUDITOR'S REPORT****TO THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY  
VITAL STATISTICS AGENCY****Opinion**

We have audited the financial statements of Vital Statistics Agency (the Agency), 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 Agency 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 Agency in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information**

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, in the Annual Report that is posted on their government website.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Annual Report is expected to be made available to us after the date of the auditor's report. If, based on the work we perform on this information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian 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 Agency'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 Agency or to cease operations, or has no realistic alternative but to do so.

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



July 9, 2020  
Winnipeg, Manitoba

**CHARTERED PROFESSIONAL ACCOUNTANTS**

**VITAL STATISTICS AGENCY  
AN AGENCY OF THE GOVERNMENT OF MANITOBA**

**STATEMENT OF FINANCIAL POSITION  
(in thousands)  
AS AT MARCH 31, 2020**

	2020	2019
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents, note 6	\$ 1,264	\$ 1,186
Accounts receivable, note 7	157	95
Portfolio investments	94	94
Inventories for resale	266	154
	<b>1,781</b>	<b>1,529</b>
<b>LIABILITIES</b>		
Accounts payable and accruals	\$ 90	\$ 93
Unearned revenue	470	436
Accrued unused vacation entitlements	181	174
Employee future benefits, note 8	306	292
	<b>1,047</b>	<b>995</b>
<b>NET FINANCIAL ASSETS</b>	<b>734</b>	<b>534</b>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenses	132	153
Tangible capital assets, note 9	412	412
	<b>544</b>	<b>565</b>
<b>ACCUMULATED SURPLUS</b>	<b>\$ 1,278</b>	<b>\$ 1,099</b>
Designated assets, note 10		
Commitments, note 11		
Contingencies, note 12		

The accompanying notes are an integral part of the financial statements

**VITAL STATISTICS AGENCY  
AN AGENCY OF THE GOVERNMENT OF MANITOBA**

**STATEMENT OF OPERATIONS  
(in thousands)  
FOR THE YEAR ENDED MARCH 31, 2020**

	2020 Budget	2020 Actual	2019 Actual
<b>REVENUE</b>			
Net sales	\$ 4,403	\$ 3,811	\$ 3,675
Proceeds from government departments	246	221	291
Interest	1	6	3
	4,650	4,038	3,969
<b>EXPENSES</b>			
Salaries and employee benefits	2,223	2,472	2,262
Operating expenses, Schedule 1	1,320	1,308	1,212
Amortization	164	79	79
	3,707	3,859	3,553
Net income before the transfer of funds to the Province of Manitoba	943	179	416
Transfer of funds to the Province of Manitoba, note 13	-	-	140
<b>NET INCOME</b>	943	179	276
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	1,099	1,099	823
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	\$ 2,042	\$ 1,278	\$ 1,099

The accompanying notes are an integral part of the financial statements

**VITAL STATISTICS AGENCY  
AN AGENCY OF THE GOVERNMENT OF MANITOBA**

**STATEMENT OF CHANGE IN NET FINANCIAL ASSETS  
(in thousands)  
FOR THE YEAR ENDED MARCH 31, 2020**

	2020 Budget	2020 Actual	2019 Actual
<b>NET INCOME</b>	\$ 943	\$ 179	\$ 276
<b>TANGIBLE CAPITAL ASSETS</b>			
Acquisition of tangible capital assets	-	(79)	(50)
Amortization of tangible capital assets	164	79	79
Net acquisition of tangible capital assets	164	-	29
<b>OTHER NON-FINANCIAL ASSETS</b>			
Decrease in prepaid expenses	-	21	13
<b>INCREASE IN NET FINANCIAL ASSETS</b>	1,107	200	318
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	534	534	216
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	\$ 1,641	\$ 734	\$ 534

The accompanying notes are an integral part of the financial statements



**VITAL STATISTICS AGENCY  
AN AGENCY OF THE GOVERNMENT OF MANITOBA**

**STATEMENT OF CASH FLOWS  
(in thousands)  
FOR THE YEAR ENDED MARCH 31, 2020**

	<b>2020 Actual</b>	<b>2019 Actual</b>
<b>CASH PROVIDED BY (APPLIED TO):</b>		
<b>OPERATING</b>		
Net income	\$ 179	\$ 276
Amortization of tangible capital assets	79	79
	<b>258</b>	<b>355</b>
Changes in the following:		
Accounts receivable	(62)	23
Inventories for resale	(112)	40
Accounts payable and accruals	(3)	8
Unearned revenue	33	247
Accrued unused vacation entitlements	8	(24)
Employee future benefits	14	22
Prepaid expenses	21	13
	<b>157</b>	<b>684</b>
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(79)	(50)
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>78</b>	<b>634</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>1,186</b>	<b>552</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 1,264</b>	<b>\$ 1,186</b>
Supplementary information:		
Interest received	\$ 6	\$ 3

The accompanying notes are an integral part of the financial statements

**VITAL STATISTICS AGENCY  
AN AGENCY OF THE GOVERNMENT OF MANITOBA**

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**NOTES TO FINANCIAL STATEMENTS  
(in thousands)  
MARCH 31, 2020**

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**1. ENTITY DEFINITION**

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Effective April 1, 1994, the Lieutenant Governor in Council designated the Vital Statistics Agency (the "Agency") as a special operating agency under The Special Operating Agencies Financing Authority Act (C.C.S.M. cS185) by Order in Council 232/1994. The Order also gave approval to the Special Operating Agencies Financing Authority (SOAFA) and the Minister of Consumer and Corporate Affairs, being the Minister responsible for the Agency at that time, to enter into a Management Agreement with respect to the Agency.

A Management Agreement between the Financing Authority and the Minister of Consumer and Corporate Affairs assigns responsibility to manage the assets transferred to the Agency in delivering regulated services to clients through administration of three major Acts; The Vital Statistics Act, The Change of Name Act, and The Marriage Act. The Agency also handles disinterments under the Public Health Act. The ownership of the vital events records is excluded from this agreement, as their ownership is considered Crown property and should not be alienated from Government protection in the the public interest.

The Agency is part of the Consumer and Corporate Affairs Division in the Healthy Living, Seniors and Consumer Affairs Department under the general direction of the Minister of Healthy Living, Seniors and Consumer Affairs, the Deputy Minister and Assistant Deputy Minister who is also Chairperson of Vital Statistics Advisory Board.

The Agency remains bound by relevant legislation and regulation. It is also bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

**2. BASIS OF ACCOUNTING**

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

**3. SIGNIFICANT ACCOUNTING POLICIES**

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**Deferred Revenue and Revenue Recognition**

Government transfers

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

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

Government transfer with or without eligibility criteria but with stipulations is 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.

**VITAL STATISTICS AGENCY  
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**NOTES TO FINANCIAL STATEMENTS  
(in thousands)  
MARCH 31, 2020**

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**Significant Accounting Policies - continued**

Exchange transactions

The Agency receives cash payments at the time various certificates are ordered and the cash payments are reflected as deferred revenue. Revenue is recognized at the time the service is completed and the certificate is issued.

Other revenue

All other revenues are recorded on an accrual basis.

**Expenses**

Accrual accounting

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

Government transfers

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

**Financial Assets**

Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank balance, bank indebtedness, and investments with a maturity of three months or less from the date of acquisition.

Portfolio investments

Portfolio investments are short-term deposits with original maturities of more than three months. The investments are recognized at cost.

Inventories for resale

Inventory of certificates and pre-printed forms are valued at the lower of cost and net realizable value. Cost is generally determined on a first-in, first-out method.

**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.

**Non-Financial Assets**

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

Prepaid expenses

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

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**NOTES TO FINANCIAL STATEMENTS  
(in thousands)  
MARCH 31, 2020**

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**Significant Accounting Policies - continued**

Tangible capital assets

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

	<u>Rate</u>	<u>Method</u>
Data conversion	20 %	Declining balance
Furniture and fixtures	20 %	Straight line
Information system	20 %	Declining balance
Leasehold improvements	20 %	Straight line
National Routing System - Computer equipment and software	20 %	Declining balance
Office equipment	20 %	Straight line
Security equipment	20 %	Straight line

**Measurement Uncertainty**

The preparation of the financial statements 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 amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

**4. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT**

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Measurement

Financial instruments are classified into one of the two measurement categories: (a) fair value; or (b) cost or amortized cost.

The Agency records its financial assets at cost, which include cash and cash equivalents, portfolio investments, accounts receivable, and inventories for resale. The Agency also records its financial liabilities at cost, which includes accounts payable and accruals.

Gains and losses on financial instruments measured at fair value are recorded in accumulated surplus as re-measurement gains and losses until realized. Upon disposition of the financial instruments, the cumulative re-measurement gains and losses are reclassified to the statement of operations. 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.

The Agency did not incur any re-measurement gains and losses during the year (2019 - \$nil).

Financial Risk Management - overview

The Agency 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 Agency to credit risk consist principally of cash, accounts receivable and portfolio investments.

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**NOTES TO FINANCIAL STATEMENTS  
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**Financial Instruments and Financial Risk Management - continued**

The maximum exposure of the Agency to credit risk at year end is:

	2020	2019
Cash on hand and balances in bank, note 6	\$ 1,264	\$ 1,186
Accounts receivable	157	95
Portfolio investments	94	94
	<b>\$ 1,515</b>	<b>\$ 1,375</b>

Cash and cash equivalents, and portfolio investments: The Agency is not exposed to significant credit risk as these instruments are primarily held by the Minister of Finance.

Accounts receivable: The Agency is not exposed to significant credit risk as no one party accounts for a significant balance of trade receivables and payment in full is typically collected when it is due. The majority of the other receivables is due from the federal government. The Agency 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.

The aging of accounts receivable and allowance for doubtful accounts as of March 31, 2020 was:

	Net	Allowance
Current	\$ 79	\$ -
31-60 days past billing date	32	-
Greater than 90 days past the billing date	46	-
Balance, end of the year	<b>\$ 157</b>	<b>\$ -</b>

There was no allowance for doubtful accounts provision made at year end and there were no amounts written off during the year.

**Liquidity Risk**

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

The Agency 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 the obligations.

**Market Risk**

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

**VITAL STATISTICS AGENCY  
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**NOTES TO FINANCIAL STATEMENTS  
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**Financial Instruments and Financial Risk Management - continued**

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 funds on deposit and portfolio investments.

The interest rate risk on funds on deposit is considered to be low because of their short-term nature. The interest rate risk on portfolio investments is considered to be low as the original deposits are reinvested at rates for investments with similar terms and conditions.

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 Agency is not exposed to significant foreign currency risk as it does not have any financial instruments denominated in foreign currency.

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**5. WAIVER OF FEES**

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The Agency charges no fee for services in exchange for services from the following organizations:

- (a) The Manitoba Bureau of Statistics.
- (b) Vital Statistics Offices in other jurisdictions through agreements to exchange information between jurisdictions as it relates to one another's residency or birthplace.

Services provided under the above agreements are valued at \$33 for the year ended March 31, 2020 (2019 - \$33).

The Agency provides services without compensation to victims of crimes as follows:

In March of 1998, the Ministers of Justice, Consumer and Corporate Affairs, and Highways and Transportation agreed that the fees for replacement documents should be waived. Representatives of Vital Statistics and the Division of Driver and Vehicle Licensing met to coordinate the process so the public would receive the same program from both agencies.

Effective January 1, 1999, members of the public who have had their birth certificate stolen during a criminal act can request replacement certificates and have the fee waived. This does not apply to members of the public who have lost their identification or individuals who are non-residents of Manitoba. Clients are asked to indicate that they are requesting a waiver of fees as a result of a criminal act and to provide police incident number.

Service provided under the above arrangement are valued at \$4 for the year ended March 31, 2020 (2019 - \$5).

**VITAL STATISTICS AGENCY  
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**NOTES TO FINANCIAL STATEMENTS  
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MARCH 31, 2020**

<b>6. CASH AND CASH EQUIVALENTS</b>	<b>2020</b>	<b>2019</b>
Cash on hand and balances in bank less outstanding cheques	\$ 559	\$ 984
Short term deposit, interest at 1.71%, maturing April 15, 2020 (2019 - interest at 1.87%, maturing April 14, 2019)	205	202
Short term deposit, interest at 0.98%, maturing June 18, 2020	500	-
	<b>\$ 1,264</b>	<b>\$ 1,186</b>

Working capital advances and long term financing for significant capital purchases are provided to the Agency through the Special Operating Agencies Financing Authority. The Financing Authority did not approve a limit for working capital advances during the year (2019 - \$212) and approved \$300 (2019 - \$250) for capital supply for the Agency. At March 31, 2020 the Agency has not accessed any of these advances.

<b>7. ACCOUNTS RECEIVABLE</b>	<b>2020</b>	<b>2019</b>
Trade	\$ 156	\$ 95
Interest	1	-
	<b>\$ 157</b>	<b>\$ 95</b>

<b>8. EMPLOYEE FUTURE BENEFITS</b>	<b>2020</b>	<b>2019</b>
Severance benefits	\$ 269	\$ 255
Sick pay benefits	37	37
	<b>\$ 306</b>	<b>\$ 292</b>

**Pension benefits**

Employees of the Vital Statistics Agency are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act (CSSA) administered by the Civil Service Superannuation Board (CSSB). The CSSA established a defined benefit plan to provide benefits to employees of the Manitoba Civil Service and to participating agencies of the Government, including the Vital Statistics Agency, through the Civil Service Superannuation Fund (CSSF).

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, the Vital Statistics Agency transferred to the Province the pension liability for its employees.

Commencing April 1, 2001, the Agency was required to pay to the Province an amount equal to its employees' current pension contributions. The amount paid for 2020 was \$134 (2019 - \$148). Under this agreement, the Agency has no further pension liability.

**VITAL STATISTICS AGENCY  
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**NOTES TO FINANCIAL STATEMENTS  
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**Employee Future Benefits - continued**

**Severance benefits**

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The amount of severance pay obligations is based on actuarial calculations. The periodic actuarial valuations of these liabilities may determine that adjustments are needed to the actuarial calculations when actual experience is different from that expected and/or because of changes in actuarial assumptions used. The resulting actuarial gains or losses are amortized over the expected average remaining service life of the related employee group.

An actuarial report was completed for the severance pay liability as of March 31, 2017. The report provides a formula to update the liability on an annual basis. The Vital Statistics Agency's actuarially determined net liability for accounting purposes as at March 31, 2020 was \$269 (2019 - \$255). The actuarial loss of \$182 (2019 - \$182) based on actuarial reports is being amortized over the 15 year expected average remaining service life (EARSL) of the employee group.

Significant long-term actuarial assumptions used in the March 31, 2017 valuation, and in the determination of the March 31, 2020 present value of the accrued severance benefit obligation were:

Annual rate of return	<u>3.80 %</u>
Assumed salary increase rates	
Annual productivity increase	1.00 %
Annual general salary increase	<u>2.75 %</u>
	<u>3.75 %</u>

The severance benefit liability at March 31 includes the following components:

	2020	2019
Balance, beginning of year	\$ 255	\$ 233
Actuarial loss	110	122
Benefits accrued	14	13
Interest on accrued benefits	13	13
Severance paid	(26)	(17)
Accrued benefit liability	366	364
Less: unamortized actuarial losses	(97)	(109)
<b>Severance benefit liability</b>	<b>\$ 269</b>	<b>\$ 255</b>

The total expenses related to severance benefits at March 31 includes the following components:

	2020	2019
Interest on obligation	\$ 13	\$ 13
Current period benefit cost	14	13
Amortization of actuarial gain over EARSL	13	13
<b>Total expense related to severance benefits</b>	<b>\$ 40</b>	<b>\$ 39</b>



**VITAL STATISTICS AGENCY  
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**NOTES TO FINANCIAL STATEMENTS  
(in thousands)  
MARCH 31, 2020**

**Employee Future Benefits - continued**

**Sick pay benefits**

Vital Statistics Agency provides sick leave benefits for employees that accumulate but do not vest. The accrued benefit obligation related to sick leave entitlement earned by employees is determined using a valuation model developed by an actuary. The valuation is based on employee demographics, sick leave usage and actuarial assumptions. These assumptions include a 6.00% annual return and a 3.75% annual salary increase.

**9. TANGIBLE CAPITAL ASSETS**

**2020**

	<b>Opening Balance</b>	<b>Additions/ Transfers</b>	<b>Disposals</b>	<b>Closing Balance</b>
<b>Cost</b>				
Data conversion	\$ 2,555	\$ -	\$ -	\$ 2,555
Furniture and fixtures	134	-	-	134
Information system	1,700	79	-	1,779
Leasehold improvements	122	-	-	122
National Routing System	471	-	-	471
Office equipment	218	-	-	218
Security equipment	75	-	-	75
	<b>5,275</b>	<b>79</b>	<b>-</b>	<b>5,354</b>
<b>Accumulated amortization</b>				
Data conversion	2,391	33	-	2,424
Furniture and fixtures	131	2	-	133
Information system	1,535	32	-	1,567
Leasehold improvements	99	-	-	99
National Routing System	414	12	-	426
Office equipment	218	-	-	218
Security equipment	75	-	-	75
	<b>4,863</b>	<b>79</b>	<b>-</b>	<b>4,942</b>
<b>Net book value</b>	<b>\$ 412</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 412</b>

**VITAL STATISTICS AGENCY  
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**NOTES TO FINANCIAL STATEMENTS  
(in thousands)  
MARCH 31, 2020**

**Tangible Capital Assets - continued**

	2019			Closing Balance
	Opening Balance	Additions/ Transfers	Disposals	
<b>Cost</b>				
Data conversion	\$ 2,589	\$ (34)	\$ -	\$ 2,555
Furniture and fixtures	134	-	-	134
Information system	1,619	81	-	1,700
Leasehold improvements	99	23	-	122
National Routing System	468	3	-	471
Office equipment	218	-	-	218
Security equipment	98	(23)	-	75
	5,225	50	-	5,275
<b>Accumulated amortization</b>				
Data conversion	2,350	41	-	2,391
Furniture and fixtures	129	2	-	131
Information system	1,514	21	-	1,535
Leasehold improvements	99	-	-	99
National Routing System	400	14	-	414
Office equipment	217	1	-	218
Security equipment	75	-	-	75
	4,784	79	-	4,863
<b>Net book value</b>	\$ 441	\$ (29)	\$ -	\$ 412

**10. DESIGNATED ASSETS**

The Agency has allocated \$94 (2019 - \$94) of its portfolio investments as designated assets for cash received from the Province of Manitoba for vacation entitlements earned by employees of the Agency prior to its designation as an SOA and the severance pay benefits accumulated to March 31, 1998 for certain of their employees. This amount is held by an interest bearing account until the cash is required to discharge the related liabilities. Any unused balance is re-invested annually.

**11. COMMITMENTS**

The Agency has not entered into a lease agreement with the Province of Manitoba for rental of facilities at 254 Portage Avenue. Occupancy charges for the year ending March 31, 2021 are estimated to be \$190 (2020 - \$190).

**VITAL STATISTICS AGENCY  
AN AGENCY OF THE GOVERNMENT OF MANITOBA**

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**NOTES TO FINANCIAL STATEMENTS  
(in thousands)  
MARCH 31, 2020**

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**12. CONTINGENCIES AND LEGAL SETTLEMENTS**

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During the year, the Agency paid out \$52 in legal settlements related to claims against them. There are no other amounts accrued in the financial statements as management has determined that any litigation pending is either unlikely or not determinable.

**13. TRANSFER OF FUNDS TO THE PROVINCE OF MANITOBA**

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During the year, with Lieutenant-Governor-in-Council approval by Order in Council, the Agency transferred \$nil (2019 - \$140) of its surplus funds to the Province of Manitoba.

**14. SUBSEQUENT EVENTS**

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Before the year end there was a global outbreak of a novel coronavirus identified as "COVID-19". On March 11, 2020, the World Health Organization declared a global pandemic. In order to combat the spread of COVID-19, governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing, and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets.

Central banks and governments, including Canadian federal, provincial and territorial governments have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as the efficacy of any interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Agency and its operations in future periods.

**VITAL STATISTICS AGENCY  
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**Schedule 1**

**SCHEDULE OF OPERATING EXPENSES  
(in thousands)  
FOR THE YEAR ENDED MARCH 31, 2020**

	2020 Budget	2020 Actual	2019 Actual
Accommodation	\$ 190	\$ 190	\$ 190
Bank and credit card fees	41	45	39
Central government charges	93	41	45
Computer information system	336	321	287
Digital imaging	35	16	75
Legal settlements, note 12	-	52	-
Manitoba Gazette charges	17	20	24
Office equipment support	16	7	8
Office supplies	21	25	19
Other operating expenses	10	19	10
Printed material supplies	162	165	157
Professional fees	74	75	42
Security	45	48	41
Telecommunications	42	53	49
Training	4	1	3
Transportation and freight	234	230	223
	<b>\$ 1,320</b>	<b>\$ 1,308</b>	<b>\$ 1,212</b>