

Federal Economic Development Agency for Southern Ontario

Financial Statements (Unaudited) – As at March 31, 2020

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President

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Federal Economic Development Agency for Southern Ontario

Statement of Management Responsibility Including Internal Control over Financial Reporting

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2020, and all information contained in these statements rests with the management of the Federal Economic Development Agency for Southern Ontario (FedDev Ontario). These financial statements have been prepared by management using the Government's accounting policies, which are based on Canadian public sector accounting standards.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgement, and gives due consideration to materiality. To fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of FedDev Ontario's financial transactions. Financial information submitted in the preparation of the Public Accounts of Canada, and included in FedDev Ontario's Departmental Results Report, is consistent with these statements.

Management is also responsible for maintaining an effective system of internal control over financial reporting (ICFR). This provides reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are properly authorized and recorded in accordance with the Financial Administration Act and other applicable legislation, regulations, authorities and policies.

Management seeks to ensure the objectivity and integrity of data in its financial statements. This is accomplished through careful selection, training and development of qualified staff; through organizational arrangements that provide appropriate divisions of responsibility; through communication programs aimed at ensuring that regulations, policies, standards and managerial authorities are understood throughout the Agency; and through conducting risk-based assessments to ensure the effectiveness of the system of ICFR.

The system of ICFR is designed to mitigate risks to a reasonable level based on an ongoing process to identify key risks, to assess effectiveness of associated key controls and to make any necessary adjustments.

FedDev Ontario is subject to periodic Core Control Audits performed by the Office of the Comptroller General and uses the results of such audits to comply with the Treasury Board Policy on Internal Control.

A Core Control Audit was performed in 2015–16 by the Office of the Comptroller General of Canada (OCG). The Audit Report and related Management Action Plan are posted on the departmental web site at [Core Control Audit of the Federal Economic Development Agency for Southern Ontario](#).

The financial statements of FedDev Ontario have not been audited.

James Meddings

Deputy Head

Signed at Ottawa Canada (October 8, 2020)

Lisa St-Amour, MBA, CPA, CMA

Chief Financial Officer

**Federal Economic Development Agency for Southern Ontario
Statement of Financial Position (Unaudited)
As at March 31, 2020 (in thousands of dollars)**

	2020	2019
Liabilities		
Accounts payable and accrued liabilities (Note 4)	28,638	30,355
Vacation pay and compensatory leave	1,413	1,185
Employee future benefits (Note 5)	916	801
Total liabilities	30,967	32,341
Financial assets		
Due from Consolidated Revenue Fund	28,262	30,309
Accounts receivable and advances (Note 6)	4,748	12,477
Loans (Note 7)	297,136	299,040
Total financial assets	330,146	341,826
Financial assets held on behalf of Government		
Accounts receivable and advances (Note 6)	(4,603)	(12,335)
Loans (Note 7)	(297,136)	(299,040)
Total financial assets held on behalf of Government	(301,739)	(311,375)
Total net financial assets	28,407	30,451
Departmental net debt	2,560	1,891
Non-financial assets		
Prepaid expenses	60	25
Tangible capital assets (Note 10)	5	8
Total non-financial assets	65	33
Departmental net financial position	(2,495)	(1,858)

Contractual obligations ([Note 8](#))

Contingent liabilities ([Note 9](#))

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

**Federal Economic Development Agency for Southern Ontario
Statement of Operations and Departmental Net Financial Position (Unaudited)
For the year ended March 31, 2020 (in thousands of dollars)**

	2020 Planned Results	2020	2019
Expenses			
Economic Development in Southern Ontario	180,297	228,588	140,283
Internal Services	17,003	13,606	18,048

Expenses incurred on behalf of Government	(3,334)	(57,971)	(16,881)
Total expenses	193,966	184,223	141,450
Revenues			
Gains on disposal of assets	0	13	20
Other revenue	0	171	191
Revenues earned on behalf of Government	0	(171)	(191)
Total revenues	0	13	20
Net cost of operations before funding and transfers	193,966	184,210	141,430
Government funding and transfers			
Net cash provided by Government		181,865	165,454
Change in Due from Consolidated Revenue Fund		(2,046)	(27,316)
Services provided without charge by other government departments (Note 11)		3,716	3,214
Transfer of assets from (to) other government departments (Note 12)		37	20
Net cost of operations after government funding and transfers		637	58
Departmental net financial Position – Beginning of year		(1,858)	(1,800)
Departmental net financial position – End of year		(2,495)	(1,858)

Segmented information ([Note 13](#))

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

**Federal Economic Development Agency for Southern Ontario
Statement of Change in Departmental Net Debt (Unaudited)
For the year ended March 31, 2020 (in thousands of dollars)**

	2020	2019
Net cost of operations after government funding	637	58
Change due to tangible capital assets		
Amortization of tangible capital assets	(3)	(17)
Net gain on disposal of tangible capital assets including adjustments	13	20
Proceeds from disposal of tangible capital assets	(13)	(20)
Total change due to tangible capital assets	(3)	(17)
Change due to prepaid expenses	35	14
Departmental increase (decrease) in net debt	669	55
Departmental net debt – Beginning of year	1,891	1,836
Departmental net debt – End of year	2,560	1,891

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

**Federal Economic Development Agency for Southern Ontario
Statement of Cash Flows (Unaudited)
For the year ended March 31, 2020 (in thousands of dollars)**

	2020	2019
Operating activities		
Net cost of operations before government funding and transfers	184,210	141,430
Non cash items:		
Amortization of tangible capital assets (Note 10)	(3)	(17)
Gain (loss) on disposal of capital assets	13	20
Services provided without charge by other government departments (Note 11)	(3,716)	(3,214)
Variations in Statement of Financial Position		
Increase (decrease) in accounts receivable and advances	3	28
Increase (decrease) in prepaid expenses	35	14

Decrease (increase) in accounts payable and accrued liabilities	1,717	27,267
Decrease (increase) in vacation pay and compensatory leave	(228)	(160)
Decrease (increase) in future employee benefits	(115)	76
Decrease (increase) in other liabilities	0	50
Transfer of liabilities to other government departments (Note 12)	(37)	(20)
Cash used in operating activities	181,878	165,474
Capital investing activities		
Proceeds from sale of tangible capital assets	(13)	(20)
Cash used in capital investing activities	(13)	(20)
Net cash provided by the Government of Canada	181,865	165,454

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

Federal Economic Development Agency for Southern Ontario Notes to the Financial Statements As at March 31, 2020

1. Authority and objectives

The Federal Economic Development Agency for Southern Ontario (FedDev Ontario) operates under the authority that was established in 2009 as a separate organization under Schedule I.1 of the *Financial Administration Act* to support economic growth in southern Ontario through the delivery of federal programs and services. The Agency is part of the Innovation, Science and Economic Development (ISED) portfolio.

As a Regional Development Agency (RDA) within the ISED portfolio, FedDev Ontario is a key partner in delivering the Government of Canada's Innovation and Skills Plan (Plan) in southern Ontario. The Plan fosters new partnerships to leverage Canada's innovation strengths to bridge the gaps from science, to commercialization, to investment and scale-up. By delivering this Plan, FedDev Ontario aims to ensure that southern Ontario has regionally tailored support to seize opportunities created by the innovation economy.

In 2019-20, the Agency transitioned from five-year mandates to permanent status and delivered innovation programming through two programming streams: Business Scale-up and Productivity (BSUP) and Regional Innovation Ecosystem (RIE). These program streams foster an environment conducive to starting and growing businesses, and help create the conditions for building strong, dynamic and inclusive regional innovation ecosystem in southern Ontario. The Agency also delivered programming through a third stream: Community Economic Development and Diversification (CEDD) program stream. CEDD aims to develop, diversify and transform local communities by promoting small business development, creating and retaining employment in rural communities and supporting community innovation and strategic collaborations.

In addition to its core programming, FedDev Ontario played an important role as a federal delivery agent for national programs including the Community Futures Program that supports rural communities to develop and sustain their local economies, and the Economic Development Initiative that supports Francophone and bilingual organizations in Official Language Minority Communities (OLMCs). The Agency also delivers targeted and temporary national initiatives including the Women Entrepreneurship Strategy, Canadian Experiences Fund, and Steel and Aluminum Initiative that respond to government priorities and needs within a broader economic context.

With its headquarters in Waterloo and offices in Toronto, Peterborough and Ottawa, FedDev Ontario has a presence across southern Ontario and facilitates collaboration with a broad range of stakeholders, including post-secondary institutions, not-for-profit organizations, municipal and provincial governments, Indigenous communities and private sector firms. FedDev Ontario works closely with the Government of Ontario and key federal departments and agencies to support the southern Ontario economy. Through ongoing partnerships with other federal departments and agencies, FedDev Ontario ensures that the perspectives of southern Ontario are reflected in decision-making at the federal level.

2. Summary of significant accounting policies

These financial statements have been prepared using the Government's accounting policies stated below, which are based on Canadian public sector accounting standards. The presentation and results using the stated accounting policies do not result in any significant differences from the Canadian public sector account standards.

Significant accounting policies are as follows:

- a. Parliamentary authorities — FedDev Ontario is financed by the Government of Canada through Parliamentary authorities. Financial reporting of authorities provided to FedDev Ontario do not parallel financial reporting according to generally accepted accounting principles since authorities are primarily based on cash flow requirements. Consequently, items recognized in the Statement of Operations and Departmental Net Financial Position and in the Statement of Financial Position are not necessarily the same as those provided through authorities from Parliament. Note 3 provides a reconciliation between the bases of reporting. The planned results amounts in the "Expenses" and "Revenues" sections of the Statement of Operations and Departmental Net Financial Position are the amounts reported in the Future-oriented Statement of Operations included in the [2019–20 Departmental Plan](#). Planned results are not presented in the "Government funding and transfers" section of the Statement of Operations and Departmental Net Financial Position and in the Statement of Change in Departmental Net Debt because these amounts were not included in the *2019–20 Departmental Plan*.
- b. Net Cash Provided by Government — FedDev Ontario operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by FedDev Ontario is deposited to the CRF, and all cash disbursements made by FedDev Ontario are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements, including transactions between departments of the Government.
- c. Amounts due from or to the CRF are the result of timing differences at year-end between when a transaction affects authorities and when it is processed through the CRF. Amounts due from the CRF represent the net amount of cash that FedDev Ontario is entitled to draw from the CRF without further appropriations to discharge its liabilities.
- d. Revenues — Revenues that are non-respendable are not available to discharge FedDev Ontario's liabilities. While the Deputy Head is expected to maintain accounting control, they have no authority regarding the disposition of non-respendable revenues. As a result, non-respendable revenues are considered to be earned on behalf of the Government of Canada and are therefore presented in reduction of the entity's gross revenues.

Other revenues are accounted for in the period in which the underlying transaction or event that gave rise to the revenue takes place.

Effective 2017–18, in accordance with Government of Canada accounting policies, FedDev Ontario records unconditionally repayable loans at face value since loans have been determined to not have significant concessionary terms. As a result, FedDev Ontario no longer records revenues on the unconditionally repayable loan.

- e. Expenses — Expenses are recorded on the accrual basis:

Transfer payments are recorded as expenses when authorization for the payment exists and the recipient has met the eligibility criteria or the entitlements established for the transfer payment program. In situations where payments do not form part of an existing program, transfer payments are recorded as expenses when the Government announces a decision to make a non-recurring transfer, provided the enabling legislation or authorization for payment receives parliamentary approval prior to the completion of the financial statements. Transfer payments that become repayable as a result of conditions specified in the contribution agreement that have come into being are recorded as a reduction to transfer payment expense and as a receivable.

Vacation pay and compensatory leave are accrued as the benefits are earned by employees under their respective terms of employment.

Services provided without charge by other government departments for accommodation, and employer contributions to the health and dental insurance plans are recorded as operating expenses at their estimated cost.

- f. Employee future benefits:

- I. Pension benefits: Eligible employees participate in the Public Service Pension Plan (*Public Service Superannuation Act*), a multi-employer plan administered by the Government. FedDev Ontario's contributions to the Plan are charged to expenses in the year incurred and represent the total departmental obligation to the Plan. FedDev Ontario's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.
- II. Severance benefits: Employees entitled to severance benefits under labour contracts or conditions of employment earn these benefits as services necessary to earn them are rendered. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

- g. Accounts and loans receivable are initially recorded at cost and where necessary, are discounted to reflect their concessionary terms. Concessionary terms of loans include cases

where loans are made on a long-term, low interest or interest-free basis. Transfer payments that are unconditionally repayable are recognized as loans receivable. When necessary, an allowance for valuation is recorded to reduce the carrying value of accounts and loans receivable to amounts that approximate their net recoverable value.

- h. Contingent liabilities – Contingent liabilities are potential liabilities that may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or if an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.
- i. Tangible capital assets — All tangible capital assets having an initial cost of \$10,000 or more are recorded at their acquisition cost. FedDev Ontario does not capitalize intangibles, works of art, and historical treasures that have cultural, aesthetic, or historical value, assets located on Indian Reserves and museum collections.

Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset as follows:

Asset class	Amortization period
Computer hardware	10 years
Machinery and equipment	10 years
Vehicles	3 to 7 years

- j. Measurement uncertainty — The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are the allowances for doubtful accounts, the liability for employee future benefits and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.
- k. Subsequent events — The outbreak of the Coronavirus disease ("COVID-19") has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. The duration and impact of the COVID-19 outbreak is unknown at this time. As a result, it is not possible to reliably estimate the length and severity of the impact on FedDev Ontario's financial position and financial results in future periods.

During the first quarter of fiscal year 2020-21, FedDev Ontario received approval and funding for the programs and initiatives in support of Canada's COVID-19 pandemic response. For more information, please see the [Quarterly Financial Statements](#) for quarter ended June 30, 2020.

3. Parliamentary authorities

FedDev Ontario receives most of its funding through annual parliamentary authorities. Items recognized in the Statement of Operations and Departmental Net Financial Position and the Statement of Financial Position in one year may be funded through parliamentary authorities in prior, current, or future years. Accordingly, FedDev Ontario has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

a) Reconciliation of net cost of operations to current year authorities used (in thousands of dollars)

	2020	2019
Net cost of operations before government funding and transfers	184,210	141,430
Adjustments for items affecting net cost of operations but not affecting authorities:		
Amortization of tangible capital assets	(3)	(17)
Gain (loss) on disposal of tangible capital assets	13	20
Services provided without charge by other government departments	(3,716)	(3,214)
Decrease (increase) in vacation pay and compensatory leave	(228)	(160)
Decrease (increase) in employee future benefits	(115)	76

Refunds of prior years' expenditures	19	2
Refunds of previous years' accounts payable	566	1,664
Total items affecting net cost of operations but not affecting authorities	(3,464)	(1,629)
Adjustments for items not affecting net cost of operations but affecting authorities:		
Increase (decrease) in prepaid expenses	35	14
Increase (decrease) in advances	0	19
Loans issued on behalf of Government	84,495	96,701
Increase in other receivables	228	171
Total items not affecting net cost of operations but affecting authorities	85,758	96,905
Current year authorities used	267,504	236,706

b) Authorities provided and used (in thousands of dollars)

	2020	2019
Authorities provided:		
Vote 1 - Operating Expenditures	31,312	27,666
Vote 5 - Contributions	233,000	212,009
Vote 10 - Launching a Federal Strategy on Jobs & Tourism	54	0
Statutory amounts	3,464	2,928
Less:		
Authorities available for future years	(14)	(20)
Lapsed: Operating	(238)	(1,071)
Lapsed: Contributions	0	(4,805)
Lapsed: Launching a Federal Strategy on Jobs & Tourism	(54)	0
Lapsed: Proceeds from the disposal of crown assets	(20)	(1)
Current year authorities used	267,504	236,706

4. Accounts payable and accrued liabilities

The following table presents details of FedDev Ontario's accounts payable and accrued liabilities:

FedDev Ontario's accounts payable and accrued liabilities (in thousands of dollars)

	2020	2019
Accounts payable – Other government departments and agencies	542	333
Accounts payable – External parties	25,936	28,287
Other External Payables	28	2
Total accounts payable	26,506	28,622
Accrued liabilities	2,132	1,733
Total accounts payable and accrued liabilities	28,638	30,355

5. Employee future benefits

a) Pension benefits

FedDev Ontario's employees participate in the Public Service Pension Plan (the "Plan"), which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plans benefits and they are indexed to inflation.

Both the employees and FedDev Ontario contribute to the cost of the Plan. Due to the amendment of the *Public Service Superannuation Act* following the implementation of provisions related to Canada's Economic Action Plan 2012, employee contributors have been divided into two groups – Group 1 relates to existing plan members as of December 31, 2012 and Group 2 relates to members joining the Plan as of January 1, 2013. Each group has a distinct contribution rate.

The 2019-20 expense amounts to \$3,116,928 (\$2,639,562 in 2018-19). For Group 1 members, the expense represents approximately 1.01 times (1.01 times in 2018-19) the employee contributions

and, for Group 2 members, approximately 1.00 times (1.00 times in 2018-19) the employee contributions.

FedDev Ontario's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

b) Severance benefits

Severance benefits provided to FedDev Ontario's employees were previously based on an employee's eligibility, years of service and salary at termination of employment. However, since 2011 the accumulation of severance benefits for voluntary departures progressively ceased for substantially all employees. Employees subject to these changes were given the option to be paid the full or partial value of benefits earned to date or collect the full or remaining value of benefits upon departure from the public service. By March 31, 2020, substantially all settlements for immediate cash out were completed. Severance benefits are unfunded and, consequently, the outstanding obligation will be paid from future authorities.

The changes in the obligations during the year were as follows:

Changes in the obligations (in thousands of dollars)

	2020	2019
Accrued benefit obligation - Beginning of year	801	877
Expense for the year	161	(48)
Benefits paid during the year	(47)	(28)
Accrued benefit obligation - End of year	916	801

6. Accounts receivable and advances

The following table presents details of FedDev Ontario's accounts receivable and advances balances:

FedDev Ontario's accounts receivable and advances balances (in thousands of dollars)

	2020	2019
Receivables – Other government departments and agencies	348	44
Receivables – External parties	4,255	12,291
Employee advances	145	142
Gross accounts receivable and advances	4,748	12,477
Accounts receivable held on behalf of government	(4,603)	(12,335)
Net accounts receivable and advances	145	142

7. Loans receivable

The following table presents details of FedDev Ontario's unconditional repayable contribution balances:

FedDev Ontario's unconditional repayable contribution balances (in thousands of dollars)

	2020	2019
Loans receivable:		
Unconditionally repayable contributions	398,139	351,243
Less: Unamortized discount	0	0
Subtotal	398,139	351,243
Less: Allowance for uncollectability	(101,003)	(52,203)
Gross loans receivable	297,136	299,040
Loans held on behalf of Government	(297,136)	(299,040)
Net loans receivable	0	0

Unconditionally repayable contributions

Unconditionally repayable contributions relate to contributions made to outside parties that must be repaid without qualification. The repayable contributions portfolio consists of 215 non-interest bearing loans issued in the years from 2009 to 2020 with prescribed annual repayment terms. The loans are recorded at face value since loans have been determined to not have significant concessionary terms. An allowance of \$101,003,156 (\$52,203,382 in 2018-19) has been recorded.

Loans receivable are considered a financial asset held on behalf of the Government and are not available to discharge the department's liabilities; as such, the loans receivable are presented as a reduction to the entity's gross loans receivable.

8. Contractual obligations

The nature of FedDev Ontario's activities can result in some large multi-year contracts and obligations whereby FedDev Ontario will be obligated to make future payments in order to carry out its transfer payment programs or when the services/goods are received. Significant contractual obligations that can be reasonably estimated are summarized as follows:

Contractual obligations (in thousands of dollars)

	2021	2022	2023	2024	2025	Total
Transfer payments	159,901	100,908	81,412	29,166	-	371,387
Total	159,901	100,908	81,412	29,166	-	371,387

The contractual obligations for transfer payments for 2021 and beyond are related to projects under the Southern Ontario Prosperity Program, Brantford Remediation Project, and the Regional Economic Growth through Innovation Program.

9. Contingent liabilities

In the normal course of its operations, FedDev Ontario becomes involved in various legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability has been identified. As at March 31, 2020, FedDev Ontario has no contingent liabilities based on the legal assessment carried out by Department of Justice of potential liability.

10. Tangible capital assets (in thousands of dollars)

Capital Asset Class	Cost				Accumulated Amortization					Net Book Value	
	Opening Balance	Acquisitions, Transfers and Adjustments	Disposals and Write-Offs	Closing Balance	Opening Balance	Amortization	Acquisitions, Transfers and Adjustments	Disposals and Write-Offs	Closing Balance	2019	2018
Computer hardware	10	0	0	10	7	1	0	0	8	2	3
Machinery and equipment	25	0	0	25	20	2	0	0	22	3	5
Vehicles	269	0	114	155	269	0	0	114	155	0	0
Total	304	0	114	190	296	3	0	114	185	5	8

Numbers rounded to the nearest \$1,000.

11. Related party transactions

FedDev Ontario is related as a result of common ownership to all government departments, agencies, and Crown corporations. FedDev Ontario enters into transactions with these entities in the normal course of business and on normal trade terms. In addition, FedDev Ontario has an agreement with the Department of Innovation, Science and Economic Development related to the provision of information technology, finance and administration services. During the year, FedDev Ontario received common services that were obtained without charge from other government departments as disclosed below.

(a) Common services provided without charge by other government departments

In 2019-20, FedDev Ontario received services without charge from certain common service organizations, related to accommodation services and the employer's contribution to the health and dental insurance plans. These services provided without charge have been recorded in FedDev Ontario's Statement of Operations and Departmental Net Financial Position as follows:

**FedDev Ontario's Statement of Operations and Departmental Net Financial Position
(in thousands of dollars)**

	2020	2019
Employer's contributions to the health and dental insurance plan	2,133	1,594
Accommodation	1,583	1,620
Total	3,716	3,214

The Government has centralized some of its administrative activities for efficiency, cost-effectiveness purposes and economic delivery of programs to the public. As a result, the Government uses central agencies and common service organizations so that one department performs services for all other departments and agencies without charge. The costs of these services, such as payroll and cheque issuance services provided by Public Services and Procurement Canada and audit services provided by the Office of the Auditor General are not included in FedDev Ontario's Statement of Operations and Departmental Net Financial Position.

(b) Other transactions with related parties (in thousands of dollars)

	2020	2019
Expenses – Other government departments and agencies	7,332	6,273

Expenses and revenues disclosed in (b) exclude common services provided without charge, which are already disclosed in (a).

12. Transfer from/to other government departments (in thousands of dollars)

Assets	Current Year
Accounts Receivable and Employee Advances	(37)
Adjustment to the departmental net financial position	(37)

13. Segmented information (in thousands of dollars)

Presentation by segment is based on FedDev Ontario's Departmental Results Framework. The presentation by segment is based on the same accounting policies as described in the summary of significant accounting policies in note 2. The following table presents the expenses incurred and revenues generated for the core responsibility, by major object of expense and by major type of revenue. The segment results for the period are as follows:

Expenses	Economic Development in Southern Ontario	Internal Services	2020 Total	2019 Total
Transfer payments				
Transfers to non-profit organizations	97,646	0	97,646	109,648
Transfers to Industry	46,660	0	46,660	0
Transfer to other levels of government	1,733	0	1,733	(588)
Total transfer payments	146,039	0	146,039	109,060
Operating expenses				
Salaries and employee benefits	20,207	10,089	30,296	24,588
Professional and special services	2,289	1,813	4,102	4,064
Accommodation	1,058	52	15,844	1,620
Travel	476	330	806	744
Amortization	0	3	3	17
Communication (and postage)	328	160	488	560

Furniture and equipment	131	290	421	514
Equipment repair and maintenance	1	32	33	20
Rental	31	317	348	154
Utilities, materials and supplies	56	49	105	90
Bad debt expense	57,971	0	57,971	16,881
Other operating expenses	1	(3)	(2)	19
Expenses incurred on behalf of Government	(57,971)	0	(57,971)	(16,881)
Total operating expenses	24,579	13,606	38,184	32,390
Total expenses	170,617	13,606	184,223	141,450
Revenues				
Amortization of discounts	0	0	0	0
Other revenue	0	184	184	211
Revenues earned on behalf of Government	0	(171)	(171)	(191)
Total revenues	0	13	13	20
Net cost from continuing operations	170,617	13,592	184,210	141,430

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