

2022-23 Departmental Results Report – Financial Statements

For the Year ended March 31, 2023 (unaudited)



Federal Economic Development
Agency for Northern Ontario

Agence fédérale de développement
économique pour le Nord de l'Ontario

Canada

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1. 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, 2023, and all information contained in these statements rests with the management of the Federal Economic Development Agency for Northern Ontario (Agency). These financial statements have been prepared by management using the Government of Canada'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 judgment and gives due consideration to materiality. To fulfil its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the Agency's financial transactions. Financial information submitted in the preparation of the Public Accounts of Canada, and included in the Agency's Departmental Results Report, is consistent with these financial statements.

Management is also responsible for maintaining an effective system of internal control over financial reporting (ICFR) designed to provide reasonable assurance that the 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 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 an annual risk-based assessment of 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 the effectiveness of associated key controls, and to make necessary adjustments.

The Agency is subject to periodic Core Control Audits performed by the Office of the Comptroller General of Canada (OCG) and uses the results of such audits to comply with the Treasury Board Policy on Financial Management.

The Audit Report and related Management Action Plan are posted on the departmental website.

The financial statements of the Agency have not been audited.



2022-23 Departmental Results Report – Financial Statements

Valerie Gideon, President

Sudbury, Canada

October 2, 2023

Lisa Furtado, Chief Financial Officer

September 29, 2023



2. Statement of Financial Position

	<u>2023</u>	<u>2022</u>
Liabilities		
Accounts payable and accrued liabilities (note 4)	\$ 31,029,655	\$ 6,584,094
Vacation pay and compensatory leave	847,839	637,467
Employee future benefits (note 5)	224,908	251,293
Total liabilities	<u>32,102,402</u>	<u>7,472,854</u>
Financial Assets		
Due from Consolidated Revenue Fund	30,779,665	6,583,571
Accounts receivable and advances (note 6)	450,278	143,375
Loans receivable (note 7)	69,777,989	55,164,883
Total gross financial assets	<u>101,007,932</u>	<u>61,891,829</u>
Financial assets held on behalf of Government		
Accounts receivable and advances (note 6)	(200,623)	(143,375)
Loans receivable (note 7)	(69,777,989)	(55,164,883)
Total financial assets held on behalf of Government	<u>(69,978,612)</u>	<u>(55,308,258)</u>
Total net financial assets	31,029,320	6,583,571
Departmental net debt	<u>1,073,082</u>	<u>889,283</u>
Non-financial assets		
Tangible capital assets (note 8)	4,045,672	2,800,098
Total non-financial assets	<u>4,045,672</u>	<u>2,800,098</u>
Departmental net financial position	<u>\$ 2,972,590</u>	<u>\$ 1,910,815</u>

Contractual obligations (note 9)

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



3. Statement of Operations and Departmental Net Financial Position

	<u>2023</u>	<u>2023</u>	<u>2022</u>
	Planned Results		
Expenses			
Economic Development in Northern Ontario (note 13)	\$ 110,215,235	\$ 106,981,860	\$ 76,282,479
Internal Services	1,233,522	7,858,049	2,000,344
Expenses incurred on behalf of government (note 13)	-	(6,292,627)	(8,128,557)
Total expenses	<u>111,448,757</u>	<u>108,547,282</u>	<u>70,154,266</u>
Revenues			
Interest on accounts receivable	-	64,893	-
Gain on disposal of non-capital assets	-	1,260	-
Revenues earned on behalf of government	-	(64,893)	-
Total revenues	<u>-</u>	<u>1,260</u>	<u>-</u>
Net cost from continuing operations	111,448,757	108,546,022	70,154,266
Net cost of operations before government funding and transfers	111,448,757	108,546,022	70,154,266
Government funding and transfers			
Net cash provided by Government		83,799,256	63,641,735
Change in due from the Consolidated Revenue Fund		24,196,094	6,583,571
Services provided without charge by other government departments (note 10)		1,612,447	1,020,104
Transfer of assets/liabilities from Innovation, Science and Innovation Canada (note 12)		-	819,671
Net cost of operations after government funding and transfers		<u>(1,061,775)</u>	<u>(1,910,815)</u>
Departmental net financial position - Beginning of year		1,910,815	-
Departmental net financial position - End of year		<u>\$ 2,972,590</u>	<u>\$ 1,910,815</u>

Segmented information (note 11)

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



4. Statement of Change in Departmental Net Debt

	<u>2023</u>	<u>2022</u>
Net cost of operations after government funding and transfers	\$ (1,061,775)	\$ (1,910,815)
Change due to tangible capital assets		
Acquisition of tangible capital assets	1,286,086	947,880
Amortization of tangible capital assets	(40,512)	(17,263)
Transfer of assets from Innovation, Science and Innovation Canada (note 12)	-	1,869,481
Total change due to tangible capital assets	<u>1,245,574</u>	<u>2,800,098</u>
Net increase in departmental net debt	183,799	889,283
Departmental net debt - Beginning of year	889,283	-
Departmental net debt - End of year	<u>\$ 1,073,082</u>	<u>\$ 889,283</u>

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



5. Statement of Cash Flows

	<u>2023</u>	<u>2022</u>
Operating activities		
Net cost of operations before government funding and transfers	\$ 108,546,022	\$ 70,154,266
Non-cash items:		
Amortization of tangible capital assets	(40,512)	(17,263)
Services provided without charge by other government departments (note 10)	(1,612,447)	(1,020,104)
Variations in Statement of Financial Position:		
Increase in accounts payable and accrued liabilities	(24,445,561)	(6,584,094)
Increase in accounts receivable	249,655	-
Decrease (increase) in vacation pay and compensatory leave	(210,372)	135,047
Decrease in employee future benefits	26,385	26,003
Cash used in operating activities	<u>82,513,170</u>	<u>62,693,855</u>
Capital investing activities:		
Acquisitions of tangible capital assets	1,286,086	947,880
Cash used in capital investing activities	<u>1,286,086</u>	<u>947,880</u>
Net cash provided by Government of Canada	<u><u>\$ 83,799,256</u></u>	<u><u>\$ 63,641,735</u></u>

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



6. Notes to the Financial Statements

1). Authority and objectives

First created as a federal initiative within the Department of Industry in 1987 with a mandate to assist in the expansion and diversification of the economy of Northern Ontario, the Federal Economic Development Agency for Northern Ontario (FedNor) was established as a standalone Regional Development Agency on August 12, 2021 via an Order-in-Council pursuant to the Public Service Rearrangement and Transfer of Duties Act.

FedNor works to create opportunities for economic growth by helping businesses become more competitive, innovative and productive, by working with diverse communities to develop and diversify local economies, and by championing the strengths of the region.

To achieve this strategic outcome, FedNor has a core responsibility and internal services:

- Economic Development in Northern Ontario: This core responsibility is designed to support Northern Ontario economic growth, job creation and prosperity.
- Internal Services: Internal services are groups of related activities and resources that are administered to support the need of programs and other corporate obligations of an organization. Internal services include only those activities and resources across an organization and not those provided specifically for a program.

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 accounting standards.

Significant accounting policies are as follows:

- a) Parliamentary authorities – FedNor is financed by the Government of Canada through Parliamentary authorities. Financial reporting of authorities provided to FedNor 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 the 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 Statement of Operations are the amounts reported in the future-oriented financial statements included in the 2022-2023 Departmental Plan.



- b) Net cash provided by Government – FedNor operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by FedNor is deposited to the CRF and all cash disbursements made by FedNor 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/to the CRF – These amounts 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 represents the net amount of cash that FedNor is entitled to draw from the CRF without further authorities to discharge its liabilities.
- d) Revenues – Revenues are accounted for in the period in which the underlying transaction or event occurred that gave rise to the revenues.

With the exception of gain on disposal of non-capital assets, revenues are earned on behalf of Government and are not available to discharge FedNor's liabilities. While the Deputy Head (DP) is expected to maintain accounting control, there is no authority regarding the disposition of these revenues. Therefore, they are presented in reduction of the entity's gross revenues.

- e) Expenses – Expenses are recorded on an accrual basis.

Transfer payments such as conditionally repayable contributions and non-repayable contributions are recorded as expenses when authorization for the payment is approved as a legitimate expense under the applicable transfer payment program. Transfer payments that become repayable as a result of conditions specified in the contribution agreement are recorded as a reduction in transfer payment expense and are reclassified 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 the 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, a multi-employer pension plan administered by the Government. FedNor's contributions to the plan are charged to expenses in the year incurred and represent the total departmental obligation to the plan. FedNor'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: The accumulation of severance benefits for voluntary departures ceased for applicable employee groups. The remaining obligation for employees who did not withdraw benefits 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 – These are stated at the lower of cost and net recoverable value. A valuation allowance is recorded for accounts and loans receivable where recovery is considered appropriate and uncertain.

Transfer payments that are unconditionally repayable are recognized as loans receivable.

- i. Unconditional repayable contributions – Transfer payments that are unconditionally repayable are recognized as loans receivable. These contributions must be repaid without condition, and the loans have significant concessionary terms as they include a no-interest clause. Furthermore, they have various repayment terms.
 - ii. Conditionally repayable contributions – Transfer payments that are conditionally repayable are reclassified as accounts receivable when conditions specified in the contribution agreement come into effect or in the event of default.
- h) Allowance for impaired loans and accounts receivable – Loans and accounts receivable are classified as impaired when, in the opinion of management, there is reasonable doubt as to the timely collection of the full amount of principal and, where applicable, interest. A specific allowance is established to reduce the recorded value of the loan to its estimated net realizable value.
- i) Contingent liabilities – Contingent liabilities are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, a provision is accrued and an expense recorded to other expenses. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.
- j) Tangible capital assets – All tangible capital assets having an initial cost of \$10,000 or more are recorded at their acquisition cost. FedNor does not capitalize intangibles; works of art and historical treasures that have cultural, aesthetic or historical value; assets located on Indigenous reserves; and museum collections.

Asset Class	Amortization Period
Vehicles	5 years
Computer hardware	3 years

- k) 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 allowance for doubtful accounts, the liability for employee future benefits and the useful life of tangible capital assets. Actual results could differ significantly 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.

- l) Related party transactions – Related party transactions, other than inter-entity transactions, are recorded at the exchange amount.

Inter-entity transactions are transactions between commonly controlled entities. Inter-entity transactions, other than restructuring transactions, are recorded on a gross basis and are measured at the carrying amount, except for the following:

- i. Services provided on a recovery basis are recognized as revenues and expenses on a gross basis and measured at the exchange amount.
- ii. Certain services received on a without charge basis are recorded for departmental financial statement purposes at the carrying amount.

3). Parliamentary authorities

FedNor 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, FedNor has different net results of operations for the year on a government-funding basis rather than on an accrual-accounting basis. The differences are reconciled in the following tables:



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

	2023	2022
	<i>(in dollars)</i>	
Net cost of operations before government funding and transfers	\$ 108,546,022	\$ 70,154,266
Adjustments for items affecting net cost of operations but not affecting authorities:		
Repayment of conditionally repayable contributions	-	271,833
Services provided without charge by other government departments	(1,612,447)	(1,020,104)
Amortization of tangible capital assets	(40,512)	(17,263)
Decrease in employee future benefits	26,385	26,004
Adjustment of previous year's Accounts Payable	22,187	-
Refund of prior year's expenditures	259,743	-
Decrease (increase) in vacation pay and compensatory leave	(210,372)	135,047
Net gain on non-capital assets	1,260	-
Other	-	(5,065)
Total items affecting net cost of operations but not affecting authorities	<u>(1,553,756)</u>	<u>(609,548)</u>
Adjustments for items not affecting net cost of operations but affecting authorities:		
Increase in loans and advances	23,797,827	18,726,939
Acquisitions of tangible capital assets	1,286,086	947,880
Salary Overpayments	1,688	1,414
Total items not affecting net cost of operations but affecting authorities	<u>25,085,601</u>	<u>19,676,233</u>
Current year authorities used	<u>\$ 132,077,867</u>	<u>\$ 89,220,951</u>

(b) Authorities provided and used

	2023	2022
	<i>(in dollars)</i>	
Authorities Provided:		
Vote 1 – Operating expenditures	\$ 14,560,768	\$ 9,174,081
Vote 5 – Grants and contributions	119,218,074	91,327,751
Statutory amounts	1,385,466	848,382
	<u>135,164,308</u>	<u>101,350,214</u>
Less:		
Authorities available for future years	1,260	-
Lapsed authorities: Operating expenditures	1,605,034	1,102,393
Grants and contributions	1,480,147	11,026,870
Current year authorities used	<u>\$ 132,077,867</u>	<u>\$ 89,220,951</u>

4). Accounts payable and accrued liabilities

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



	<u>2023</u>	<u>2022</u>
	<i>(in dollars)</i>	
Accounts payable to external parties	\$ 29,477,045	\$ 6,068,746
Accounts payable to other government departments and agencies	1,039,523	533
Accrued salaries and wages	512,753	514,815
Other external payables	334	-
Total accounts payable and accrued liabilities	<u>\$ 31,029,655</u>	<u>\$ 6,584,094</u>

5). Employee future benefits

a) Pension benefits

FedNor 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/Quebec Pension Plan benefits and they are indexed to inflation.

Both the employees and FedNor 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 2022–2023 expense amounts to \$1,254,920 (\$773,810 in 2021-2022). For Group 1 members, the expense represents approximately 1.02 times (1.01 in 2021-2022) and, for Group 2 members, approximately 1.00 times (1.00 in 2021-2022) the employee contributions.

FedNor’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

FedNor provides severance benefits to its employees based on eligibility, years of service and salary at termination of employment. These severance benefits are not pre-funded. Benefits will be paid from future authorities. Information about the severance benefits, measured at March 31, is as follows:



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As part of collective agreement negotiations with certain employee groups, and changes to conditions of employment for executives and certain non-represented employees, the accumulation of severance benefits under the employee severance pay program ceased for these employees commencing in 2012. Employees subject to these changes have been given the option to be immediately paid the full or partial value of benefits earned to date or collect the full or remaining value of benefits on termination from the public service. These changes have been reflected in the calculation of the outstanding severance benefit obligation.

	<u>2023</u>	<u>2022</u>
	<i>(in dollars)</i>	
Accrued benefit obligation - beginning of year	\$ 251,293	\$ -
Transferred from Innovation, Science and Economic Development	-	277,296
Expense for the year	(72,616)	(26,417)
Benefits paid during the year	46,231	414
Accrued benefit obligation - End of year	<u>\$ 224,908</u>	<u>\$ 251,293</u>

6). Accounts receivable and advances

The following table presents details of FedNor's accounts receivable and advances balances.

	<u>2023</u>	<u>2022</u>
	<i>(in dollars)</i>	
Accounts receivable from external parties	\$ 1,406,206	\$ 1,016,308
Receivables from other government departments and agencies	249,655	-
Overpayments and Advances	43,161	48,894
Subtotal	<u>1,699,022</u>	<u>1,065,202</u>
Allowance for doubtful accounts on receivables from external parties	(1,248,744)	(921,827)
Gross accounts receivables and advances	<u>450,278</u>	<u>143,375</u>
Accounts receivable held on behalf of Government	(200,623)	(143,375)
Net accounts receivable	<u>\$ 249,655</u>	<u>\$ -</u>



7). Loans receivable

The following table presents details of FedNor’s loans balances:

	2023	2022
	<i>(in dollars)</i>	
Unconditionally repayable contributions	\$ 98,219,768	\$ 77,640,952
Less: Allowance for doubtful loans and advances	<u>28,441,779</u>	<u>22,476,069</u>
Net unconditionally repayable contributions	69,777,989	55,164,883
Gross loans receivable	<u>69,777,989</u>	<u>55,164,883</u>
Loans held on behalf of Government	(69,777,989)	(55,164,883)
Net loans receivable	<u>\$ -</u>	<u>\$ -</u>

Unconditionally repayable contributions – These loans relate to unconditionally repayable contributions made to outside parties that must be repaid without qualification. An allowance for non collectability of \$28,441,779 (\$22,479,069 in 2021-2022) relating to these loans was recorded.

The loans receivable portfolio consists of approximately 230 non-interest-bearing unconditionally repayable contributions issued, for the most part, from 2014 to 2022 with prescribed annual repayment terms.

During the accounting period, management has assessed the potential for defaulted loans in the pandemic environment and have recorded an estimated allowance for doubtful loans. The estimation will be reviewed and adjusted annually.



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8). Tangible capital assets

Assets under construction are recorded in the applicable capital asset class and are amortized in the year that they become available for use.

<i>(in dollars)</i>	Cost				Accumulated Amortization			Net Book Value	
	Opening balance	Acquisitions	Adjustments and Transfers *	Closing balance	Opening balance	Amortization	Closing balance	2023	2022
Capital asset class									
Vehicles	\$ 447,483	\$ -	\$ -	\$ 447,483	\$ 339,438	\$ 36,122	\$ 375,560	\$ 71,923	\$ 108,045
Computer hardware	21,950	-	-	21,950	8,780	4,390	13,170	8,780	13,170
Assets under construction	2,678,883	938,470	347,616	3,964,969	-	-	-	3,964,969	2,678,883
Total	\$ 3,148,316	\$ 938,470	\$ 347,616	\$ 4,434,402	\$ 348,218	\$ 40,512	\$ 388,730	\$ 4,045,672	\$ 2,800,098

9). Contractual obligations

The nature of FedNor's activities results in multi-year contracts whereby FedNor is committed 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:

<i>(in dollars)</i>	2024	2025	2026	2027	2028 and thereafter	Total
Transfer payments	\$ 50,499,925	\$ 26,334,340	\$ 9,622,870	\$ 3,006,644	\$ 1,208,942	\$ 90,672,721
Other goods and services	110,000	3,000	3,000	2,000	-	118,000
Total	\$ 50,609,925	\$ 26,337,340	\$ 9,625,870	\$ 3,008,644	1,208,942	\$ 90,790,721

10). Related party transactions

FedNor is related as a result of common ownership to all government departments, agencies and Crown Corporations. FedNor enters into transactions with these entities in normal course of business and on normal trade terms. During the year, FedNor received common services, which were obtained without charge, from other government departments, as disclosed below.

a) Common services provided without charge by other government departments

During the year, FedNor received services without charge from certain common service organizations, related to accommodations and the employer's contribution to the health and dental insurance plans. These services provided without charge have been recorded in FedNor's Statement of Operations and Departmental Net Financial Position as follows:

	<u>2023</u>		<u>2022</u>
	<i>(in dollars)</i>		
Accommodation	\$ 915,636	\$	496,949
Employer's contribution to the health and dental insurance plans	696,811		523,155
Total	\$ 1,612,447	\$	1,020,104

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 the payroll and cheque issuance services provided by Public Services and Procurement Canada, audit services provided by the Office of the Auditor General are not included as an expense in FedNor Statement of Operations and Departmental Net Financial Position.

b) Other transactions with related parties

	<u>2023</u>		<u>2022</u>
	<i>(in dollars)</i>		
Expenses – Other government departments and agencies	\$ 4,444,196	\$	2,014,496

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



11). Segmented information

Presentation by segment is based on FedNor's core responsibilities. The presentation by segment is based on the same policies as described in Note 2, Summary of Significant Accounting Policies. The following table presents the expenses incurred and revenues generated for the main core responsibilities and by major object of expenses. The segment results for the period are as follows:

<i>(in dollars)</i>	Economic Development in Northern Ontario	Internal Services	2023 Total	2022 Total
Expenses				
Transfer payments				
Transfers to non-profit organizations	\$ 92,771,075	\$ -	\$ 92,771,075	\$ 60,697,357
Transfers to Industry	900,640	-	900,640	604,752
Total transfer payments	93,671,715	-	93,671,715	61,302,109
Operating expenses				
Salaries and employee benefits	6,217,283	4,661,647	10,878,930	6,994,758
Bad debt expense (note 13)	6,292,627	-	6,292,627	8,128,557
Professional and special services	151,572	1,447,254	1,598,826	1,144,123
Equipment repair and maintenance	2,553	952,714	955,267	7,387
Accommodation	523,284	392,352	915,636	496,949
Travel	120,513	113,133	233,646	59,099
Communication	-	121,412	121,412	68,146
Furniture and equipment	-	78,882	78,882	45,847
Amortization	-	40,512	40,512	17,263
Rental	1,495	23,862	25,357	4,007
Utilities, materials and supplies	818	23,065	23,883	13,266
Postage	-	3,216	3,216	837
Other operating expenses	-	-	-	475
Expenses incurred on behalf of Government (note 13)	(6,292,627)	-	(6,292,627)	(8,128,557)
Total operating expenses	7,017,518	7,858,049	14,875,567	8,852,157
Total expenses	100,689,233	7,858,049	108,547,282	70,154,266
Revenues				
Interest on accounts receivable	64,893	-	64,893	-
Gain on disposal of non-capital assets	-	1,260	1,260	-
Revenues earned on behalf of government	(64,893)	-	(64,893)	-
Total revenues	-	1,260	1,260	-
Net cost from continuing operations	\$ 100,689,233	\$ 7,856,789	\$ 108,546,022	\$ 70,154,266

12). Transfers from Another Government Departments

Effective August 12, 2021, the Federal Economic Development Agency for Northern Ontario was transferred the responsibility for the Federal Economic Development Initiative for Northern Ontario from the Department of Industry (Innovation, Science and Economic Development Canada) in accordance with Order-in-Council P.A. 2021-0840, including the stewardship responsibility for the assets and liabilities related to the program. Accordingly, FedNor received the following assets and liabilities related to the Federal Economic Development Initiative for Northern Ontario from the Department of Industry (Innovation, Science and Economic Development Canada) on August 12, 2021:



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	2022
	<i>(in dollars)</i>
Financial Assets	
Accounts receivable and advances	\$ 77,564
Loans receivable	46,369,974
Financial assets held on behalf of government	
Accounts receivable and advances	(77,564)
Loans receivable	(46,369,974)
Non-financial assets	
Tangible capital assets	1,869,481
Total assets transferred	<u>1,869,481</u>
Liabilities	
Vacation pay and compensatory leave	772,514
Employee Future Benefits	277,296
Total liabilities transferred	<u>1,049,810</u>
Adjustment to department net financial position	<u>\$ 819,671</u>

13). Comparative information

Certain comparative figures have been reclassified to conform to the current year's presentation.

