

NEWFOUNDLAND AND LABRADOR  
CROP INSURANCE AGENCY

**Annual Performance Report**

April 01, 2016 - March 31, 2017







## Chairperson's Message

The Honourable Gerry Byrne  
Department of Fisheries and Land Resources  
Petten Building  
30 Strawberry Marsh Road  
P.O. Box 8700  
St. John's, NL A1B 4J6

Dear Minister Byrne:

I am pleased to submit the Annual Performance Report for the Newfoundland and Labrador Crop Insurance Agency, a category 3 public body under the **Transparency and Accountability Act**. This report covers the period April 1, 2016 to March 31, 2017.

The Newfoundland and Labrador Crop Insurance Agency (NLCIA) recognizes its legislative role under the **Crop Insurance Act** to establish and carry out a crop insurance plan under the direction, supervision and control of the Minister. The NLCIA has prepared this report to outline its activities during the 2016-17 year in fulfillment of the objective established under the 2014-17 Activity Plan.

Progress towards the achievement of the commitments of Government related to the Department of Fisheries and Land Resources have been described in this plan, as well as Government's commitment to increasing the province's food self-sufficiency, as outlined in **The Way Forward**.

My signature on behalf of the Agency signifies the Agency's accountability for the results reported.

Respectfully submitted,

A handwritten signature in blue ink that reads "C. MacDonald".

Cynthia MacDonald, P. Ag.  
Chairperson

## **Contents**

Chairperson’s Message .....	1
Overview .....	3
Mandate.....	4
Outcome of Activities .....	5
Opportunities and Challenges .....	7
Appendix A: NLCIA 2016-17 Premium Base Rates .....	8
Appendix B: NLCIA 2016-17 Financial Statements .....	9

## **Overview**

The NLCIA is a Crown Corporation of the Province of Newfoundland and Labrador. In March 2013, officials from both the Provincial and Federal Governments signed the Growing Forward 2 Multilateral Framework Agreement. A subsection of this Agreement states the parameters of and allows for the cost-sharing of the AgriInsurance program. The NLCIA provides an affordable and effective AgriInsurance program for vegetable producers and operates within the **Crop Insurance Act**. The membership of the NLCIA shall consist of not less than three and not more than seven members to be appointed by the Lieutenant-Governor in Council to hold office at pleasure.

In 2016-17 the NLCIA consisted of the following Agency members:

<b>Name</b>	<b>Title</b>	<b>Appointment Term</b>	<b>Place of Residence as of March 31, 2017</b>
Cynthia MacDonald	Chairperson – Director of Agriculture Business Development, Department of Fisheries and Land Resources	At Pleasure	Corner Brook, NL
Junior Eveleigh	Producer Representative	August 2015- August 2017	Comfort Cove, NL
Elaine Wells	Producer Representative	August 2015- August 2017	Robinsons, NL
Gerald Wicks	Vice-Chairperson –Agricultural Development Officer, Agriculture Business Development Division, Department of Fisheries and Land Resources	At Pleasure	St. John’s, NL
Dr. Peggy Dixon	Federal Representative	At Pleasure	St. John’s, NL

The headquarters of the NLCIA is in Corner Brook. A branch office for eastern region field work is located at the Provincial Agriculture Building in St. John’s and this office services all locations in eastern and central NL. There is one other Western regional office located in Pynn’s Brook and this office services areas in western NL and Labrador. An Agricultural Development Officer with the Department of Fisheries and Land Resources also assists producers in the Happy Valley-Goose Bay area.

The NLCIA operates under the umbrella of the Department of Fisheries and Land Resources with an annual budget of approximately \$473,804 before accounting for revenue received from the Federal Government of Canada. Annual revenues of \$455,000 include premiums from insured

producers, Provincial Government's share of premiums, and late payment fees; annual expenditures of \$392,000 include administration costs and indemnity payments. Since the NLCIA is part of the national AgriInsurance Program, the administration costs of the program are cost-shared on a 60:40 federal-provincial basis. The annual financial statements of the Crop Insurance Agency (see Appendix B) are audited by the Office of the Auditor General of Newfoundland and Labrador.

Up to four Agriculturist IIs employed with the Department of Fisheries and Land Resources assist the NLCIA with field inspections. Also, the Manager of the NLCIA is an employee of the Department of Fisheries and Land Resources. The NLCIA may be contacted at (709) 637-2077.

In years where crop losses occur, through one or more insurable perils, financial compensation is provided to help alleviate the financial strain these losses may cause. The amount of compensation paid to producers is dependent upon the coverage value chosen by the producer at the beginning of the crop season. AgriInsurance premiums are paid on a cost-shared basis with producers paying 40 per cent, the Federal Government paying 36 per cent and the Provincial Government paying 24 per cent. These premiums are deposited into a fund from which indemnities are drawn. Premiums reported in 2016-17 totaled \$109,335.34, which includes the Governments' premiums as well as the producers' premiums. Appendix A shows the base rate premiums for 2016-17.

In 2016-17, there were 21 producers enrolled in the AgriInsurance program with \$44,814.75 incurred in crop losses up to March 31, 2017; approximately \$158,000 less than indemnities realized in 2015-16 (\$203,608). Cool temperatures in the early summer lead to poor germination and ultimately, seedling loss. Flood damage in the fall led to crop losses, as well as disease causing storage breakdown after harvest. Insect and disease pressures have been noticeably increasing, as observed by the Agriculturalists II.

## **Mandate**

The mandate of the NLCIA is to establish and carry out a crop insurance program under the direction, supervision and control of the Minister of Fisheries and Land Resources. The **Crop Insurance Act** can be found on the House of Assembly webpage at <http://www.assembly.nl.ca/legislation/sr/statutes/c39.html>.

## **Outcome of Activities**

In its 2014-17 Activity Plan, the administration of the AgriInsurance Program was identified as the key priority of the NLCIA for the 2014-17 planning period. The NLCIA's work is in line with the Government's commitment to increasing the province's food self-sustainability as outlined in **The Way Forward**.

Through the administration of the AgriInsurance Program, the NLCIA's activities during 2016-17 directly supported primary agriculture production. Activities also contributed to overall agrifoods resource management and provided direct support to industry to help strengthen competitiveness, both factors which support the Government's commitments toward the province's food self-sustainability.

The NLCIA's 2014-17 Activity Plan can be found on the Publications section of the Department of Fisheries and Land Resources website at [www.faa.gov.nl.ca](http://www.faa.gov.nl.ca).

### **Issue 1: Management and Administration of the AgriInsurance Program**

The primary issue of the NLCIA is to deliver the AgriInsurance program to the vegetable producers of Newfoundland and Labrador who choose to participate and to assess the feasibility of offering new insurance plans upon request by industry. The same objective and indicators were used each year within the 2014-17 planning period, as was noted in the 2014-17 Activity Plan.

**Objective:** By March 31, 2017, the Newfoundland and Labrador Crop Insurance Agency will have continued to deliver insurance plans to producers and helped support sustainability/best management practices on farms.

#### **Indicators:**

- **Provided advisory services to producers, as required, regarding sustainability/best management practices on farms**  
NLCIA staff provided agriculture advisory services to producers on a continuous basis as needed or requested by producers, such as proper crop rotation management, general agricultural advice, and scouting for disease and pest issues – testing where necessary.
- **Requested and reviewed crop rotation and/or green manure plans from participating producers**  
Crop rotation and/or green manure plans were requested and reviewed as part of producer application requirements. Plans were requested from all applicants.

- **Registered applications for Crop Insurance**

The NLCIA sent applications to 105 vegetable producers by March 31, 2016. Twenty-one producers returned a completed application by the April 30, 2016 deadline. Upon receipt of these applications, the prospective participants were registered into the Crop Insurance databank.
- **Reviewed applications to ensure they meet requirements**

The applications and related crop rotations submitted by applicants were reviewed by NLCIA staff. All applications were approved.
- **Issued contracts to approved applicants**

A contract with the NLCIA was issued for each of the 21 approved applicants. The signed contract was placed in the participant's file. The contract spelled out, in detail, the terms and conditions of the program, the responsibilities of both the participant and the NLCIA, the crops and perils covered and planting deadlines, harvesting deadlines, price options and coverage levels. The contract also included the methodology for determining the premium to be paid by the participant and the deadline for paying the premium.
- **Measured and inspected insured fields**

Agriculturist IIs measured all insured fields with Global Positioning System units to determine the precise size of each insured field and test dig markers were placed. At the same time, each field was inspected to ensure the participant was following generally accepted practices of seedbed preparation and seeding/planting techniques. A total of 210.27 acres was insured in 2016-17.
- **Completed test digs and yield calculations**

During the harvest season, the Agriculturists II harvested the test digs in each field. By weighing the test dig results and using these results staff were able to calculate the marketable yield for each crop insured. These yield calculations were completed for each crop and each participant. The yield calculations were then compared to the guaranteed yield calculated for each participant to determine whether or not the insured producer was in a claim position.
- **Reviewed all claims**

By the end of the fiscal year the Board of Directors of the NLCIA reviewed and decided on the validity of 12 claims made by producers for crop losses incurred in 2016-17.
- **Decisions communicated to applicants and indemnities paid, where applicable**

In 2016, 10 participants submitted 12 claims, nine of which were approved, resulting in indemnity payments in the amount of \$44,814.75 for 2016-17. Three claims were



denied by the Board due to various reasons such as poor weed control and/or field management. The Manager of the NLCIA communicated the decisions of the NLCIA to the respective participants.

- **Commenced appeal process when requested by producers**  
Producers who participate in the program and do not agree with the decisions of the NLCIA with respect to their claims have the right to appeal. The participants are given two weeks to file a notice of intent to appeal followed by appointing an arbitrator agreeable to both parties. No appeals were submitted related to the 2016 crop year.
- **Assessed feasibility of covering new crop products, upon request, and carried out development work on insurance plans for new crops approved**  
At the 2016-17 annual board meeting, direction was given to the program manager to work on developing a basket-of-crops insurance product for fresh market vegetables. Work on this project has been started and it is anticipated that the NLCIA will be able to offer this insurance product subject to obtaining all relevant authorities.
- **Conducted information sessions and workshops**  
Workshops were not conducted in 2016-17 because it was felt that adequate work was completed during sessions conducted in previous years. There were seven sessions conducted in 2014-15 and five sessions conducted in 2015-16. During 2016-17 staff placed focus on preparation of factsheets as well as one-on-one consultation with producers to develop crop rotation plans. The Agency will continue to provide program information and one-on-one consultation sessions with clients as necessary.
- **Publish fact sheets**  
As of March 31, 2017, two factsheets have been completed.

## **Opportunities and Challenges**

The challenges that continue to affect the AgriInsurance program include communicating the yield assessment methodology which is often questioned by producers, increasing producer participation, and covering large geographical regions within the province where producers are widely spread out.

Also, the ongoing research and development of programs to cover important but previously uninsurable crops is a key opportunity for future development of the AgriInsurance program.

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**Appendix A: NLCIA 2016-17 Premium Base Rates**

	<b>Beet</b>	<b>Cabbage</b>	<b>Carrot (M)</b>	<b>Carrot (P)</b>	<b>Parsnip</b>	<b>Potato</b>	<b>Rutabaga</b>
<b>60%</b>	0.2760	0.1508	0.1680	0.3477	0.1956	0.0875	0.1593
<b>70%</b>	0.2953	0.1792	0.2023	0.3822	0.2590	0.1297	0.2039
<b>80%</b>	0.3121	0.2089	0.2325	0.4258	0.3065	0.1705	0.2484

## Appendix B: NLCIA 2016-17 Financial Statements



## Management's Report

### *Management's Responsibility for the Newfoundland and Labrador Crop Insurance Agency, Newfoundland and Labrador Crop Insurance Fund Financial Statements*

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that transactions are properly authorized, assets are safeguarded and liabilities are recognized.

Management is also responsible for ensuring that transactions comply with relevant policies and authorities and are properly recorded to produce timely and reliable financial information.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial information periodically and external audited financial statements yearly.

The Auditor General conducts an independent audit of the annual financial statements of the Newfoundland and Labrador Crop Insurance Agency, Newfoundland and Labrador Crop Insurance Fund, in accordance with Canadian generally accepted auditing standards, in order to express an opinion thereon. The Auditor General has full and free access to financial management of the Newfoundland and Labrador Crop Insurance Agency.

On behalf of the Newfoundland and Labrador Crop Insurance Agency.



Ms. Cynthia MacDonald, P.Ag.  
Director of Agriculture Business Development



**AUDITOR  
GENERAL**  
of Newfoundland and Labrador

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Newfoundland and Labrador Crop Insurance Agency, Newfoundland and Labrador Crop Insurance Fund  
Corner Brook, Newfoundland and Labrador

### **Report on the Financial Statements**

I have audited the accompanying financial statements of the Newfoundland and Labrador Crop Insurance Agency, Newfoundland and Labrador Crop Insurance Fund, which comprise the statement of financial position as at March 31, 2017, the statement of operations for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these 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.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Independent Auditor's Report (cont.)**

*Opinion*

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Newfoundland and Labrador Crop Insurance Agency, Newfoundland and Labrador Crop Insurance Fund as at March 31, 2017, and its financial performance for the year then ended in accordance with Canadian public sector accounting standards.



**TERRY PADDON, CPA, CA**  
**Auditor General**

July 14, 2017  
St. John's, Newfoundland and Labrador

NEWFOUNDLAND AND LABRADOR CROP INSURANCE AGENCY  
 NEWFOUNDLAND AND LABRADOR CROP INSURANCE FUND  
 STATEMENT OF FINANCIAL POSITION  
 As at March 31

	2017	2016
<b>FINANCIAL ASSETS</b>		
Cash	\$ 140,363	\$ 5,822
Accounts receivable (Note 6)	12	107,193
	<u>140,375</u>	<u>113,015</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 7)	-	34,901
	-	34,901
<b>Net financial assets</b>	<u>140,375</u>	<u>78,114</u>
<b>NON-FINANCIAL ASSETS</b>		
Accumulated surplus	\$ 140,375	\$ 78,114

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

Signed on behalf of the Board:

C. MacDonald

Chairperson

Gerald Wickes

Member

Office of the Auditor General

**NEWFOUNDLAND AND LABRADOR CROP INSURANCE AGENCY**  
**NEWFOUNDLAND AND LABRADOR CROP INSURANCE FUND**  
**STATEMENT OF OPERATIONS**  
For the Year Ended March 31

	2017 Budget	2017 Actual	2016 Actual
<b>(Note 10)</b>			
<b>REVENUES</b>			
Government of Canada (Note 8)	\$ 260,000	\$ 245,889	\$ 220,097
Province of Newfoundland and Labrador (Note 8)	171,833	163,926	246,730
Premiums from insured persons	50,000	43,734	52,236
Late payment fees	-	1,200	500
Bad debt recovery	-	-	1,017
	<u>481,833</u>	<u>454,749</u>	<u>520,580</u>
<b>EXPENSES (Note 9)</b>			
Production Insurance Program	130,000	44,814	203,608
Administration	343,804	347,674	290,469
	<u>473,804</u>	<u>392,488</u>	<u>494,077</u>
<b>Annual surplus</b>	<b>8,029</b>	<b>62,261</b>	<b>26,503</b>
<b>Accumulated surplus, beginning of year</b>	<b>78,114</b>	<b>78,114</b>	<b>51,611</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 86,143</b>	<b>\$ 140,375</b>	<b>\$ 78,114</b>

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

Office of the Auditor General



**NEWFOUNDLAND AND LABRADOR CROP INSURANCE AGENCY**  
**NEWFOUNDLAND AND LABRADOR CROP INSURANCE FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2017**

**1. Nature of operations**

The Newfoundland and Labrador Crop Insurance Agency (the Agency) operates under the authority of the *Crop Insurance Act*. The purpose of the Agency is to operate the Newfoundland and Labrador Crop Insurance Fund to provide insurance to farmers of the Province to restrict the amount of financial loss due to crop failure. Its affairs are managed by a Board of Directors appointed by the Lieutenant-Governor in Council. These statements are a representation of the activities of the Newfoundland and Labrador Crop Insurance Fund.

The Agency is a Crown entity of the Province of Newfoundland and Labrador and as such is not subject to Provincial or Federal income taxes.

**2. Summary of significant accounting policies**

**(a) Basis of accounting**

The Agency is classified as an Other Government Organization as defined by the Canadian public sector accounting standards (CPSAS). These financial statements are prepared by management in accordance with CPSAS for provincial reporting entities established by the Canadian Public Sector Accounting Board (PSAB). The Agency does not prepare a statement of change in net financial assets and a statement of cash flows as this information is readily apparent from the other statements. In addition, the Agency does not prepare a statement of re-measurement gains and losses as the Agency does not enter into relevant transactions or circumstances that are being addressed by the statement.

**(b) Financial instruments**

The Agency's financial instruments recognized in the statement of financial position consist of cash, accounts receivable and accounts payable and accrued liabilities. The Agency generally recognizes a financial instrument when it enters into a contract which creates a financial asset or financial liability. Financial assets and financial liabilities are initially measured at cost, which is the fair value at the time of acquisition.

The Agency subsequently measures all of its financial assets and financial liabilities at cost or amortized cost. Financial assets measured at cost include cash. Financial assets measured at amortized cost include accounts receivable. Financial liabilities measured at cost include accounts payable and accrued liabilities.

The carrying values of cash, accounts receivable and accounts payable and accrued liabilities approximate current fair value due to their nature and/or the short-term maturity associated with these instruments.

**(c) Cash**

Cash includes cash in bank.

Office of the Auditor General

**NEWFOUNDLAND AND LABRADOR CROP INSURANCE AGENCY**  
**NEWFOUNDLAND AND LABRADOR CROP INSURANCE FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2017**

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**2. Significant accounting policies (cont.)**

**(d) Revenue recognition**

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers (Province of Newfoundland and Labrador premium and equity contributions and Government of Canada premium contributions) are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except when and to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulations giving rise to the liabilities are settled.

**(e) Expenses**

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

Indemnity claims are reported on an accrual basis. Indemnity claims are paid to insured persons upon approval by the Board of Directors of submitted insurance claims.

The Agency is administered as a division of the Department of Fisheries and Land Resources. Expenses related to salaries and administration costs are paid directly by the Department of Fisheries and Land Resources and are reflected in these financial statements as expenses of the Agency and as revenue from the Province.

The Province and the Government of Canada have entered into a cost-shared agreement in which administration expenses are funded 60% by the Federal Government and 40% by the Province.

**(f) Measurement uncertainty**

The preparation of financial statements in conformity with CPSAS requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include the collectability of accounts receivable.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

Office of the Auditor General

**NEWFOUNDLAND AND LABRADOR CROP INSURANCE AGENCY**  
**NEWFOUNDLAND AND LABRADOR CROP INSURANCE FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2017**

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**3. Accounting pronouncements**

There are several new standards issued by the PSAB that are not yet effective and have not been applied in these financial statements. These standards and corresponding effective dates are as follows:

Effective April 1, 2017:

*PS 2200 Related Party Disclosures* – a new standard defining related parties and establishing disclosure requirements for related party transactions.

*PS 3210 Assets* – a new standard providing guidance for applying the definition of assets and establishing general disclosure requirements for assets but does not provide guidance for the recognition and disclosure of specific types of assets.

*PS 3320 Contingent Assets* – a new standard defining and establishing disclosure requirements for contingent assets but does not include disclosure standards for specific types of contingent assets.

*PS 3380 Contractual Rights* – a new standard defining and establishing disclosure requirements for contractual rights but does not include disclosure standards for specific types of contractual rights.

*PS 3420 Inter-entity Transactions* – a new standard on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

Effective April 1, 2018:

*PS 3430 Restructuring Transactions* – a new standard on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities.

The Agency plans to adopt these standards by the effective dates and is currently analyzing the impact these standards will have on the financial statements.

**4. Financial risk management**

The Agency recognizes the importance of managing risks and this includes policies, procedures and oversight designed to reduce risks identified to an appropriate threshold. The Agency is exposed to credit risk and liquidity risk through its financial instruments. The Agency is not exposed to market risk. There was no significant change in the Agency's exposure to these risks or its processes for managing these risks from the prior year.

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**NEWFOUNDLAND AND LABRADOR CROP INSURANCE AGENCY**  
**NEWFOUNDLAND AND LABRADOR CROP INSURANCE FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
March 31, 2017

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**4. Financial risk management (cont.)**

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Agency's main credit risk relates to cash and accounts receivable. The Agency's maximum exposure to credit risk is the carrying amounts of these financial instruments. The Agency is not exposed to significant credit risk with its cash because these financial instruments are held with a Chartered Bank. The Agency is not exposed to significant credit risk related to its accounts receivable as it has policies and procedures for the monitoring and collection of its accounts receivable so as to mitigate potential credit losses. Any estimated impairment of these accounts receivable has been provided for through a provision for doubtful accounts as disclosed in Note 6.

Liquidity risk

Liquidity risk is the risk that the Agency will be unable to meet its contractual obligations and financial liabilities as they come due. The liquidity risk related to accounts payable and accrued liabilities is considered to be low. The Agency manages liquidity risk by monitoring its cash flows and ensuring that it has sufficient resources available to meet its contractual obligations and financial liabilities.

**5. Related party transactions**

The Agency is administered by employees of the Department of Fisheries and Land Resources. Salaries and other costs of \$344,213 (2016 - \$288,473) applicable to the operation of the Agency have been paid or are payable by the Department of Fisheries and Land Resources and are reflected in these financial statements as expenses of the Agency and as revenue in the form of payments made by the Province. The Province recovered \$206,528 (2016 - \$173,084) of these administration expenses from the Government of Canada under the Canada-Newfoundland and Labrador AgriInsurance Program funded under the Growing Forward 2 Framework Agreement.

**NEWFOUNDLAND AND LABRADOR CROP INSURANCE AGENCY**  
**NEWFOUNDLAND AND LABRADOR CROP INSURANCE FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2017**

**6. Accounts receivable**

	<u>2017</u>	<u>2016</u>
Government of Canada	\$ -	\$ 2,587
Province of Newfoundland and Labrador	-	101,732
Premiums from insured persons	<u>6,592</u>	<u>5,993</u>
	6,592	110,312
Less: provision for doubtful accounts	<u>6,580</u>	<u>3,119</u>
	<u>\$ 12</u>	<u>\$ 107,193</u>

**7. Accounts payable and accrued liabilities**

	<u>2017</u>	<u>2016</u>
Indemnity claims owed to insured persons	\$ -	\$ 34,901
	<u>\$ -</u>	<u>\$ 34,901</u>

**8. Premium contributions and administrative expenses**

	<u>2017</u>	<u>2016</u>
Government of Canada		
Premium contributions	\$ 39,361	\$ 47,013
Payments for administration	<u>206,528</u>	<u>173,084</u>
	<u>\$ 245,889</u>	<u>\$ 220,097</u>
Province of Newfoundland and Labrador		
Premium contributions	\$ 26,241	\$ 31,341
Payments for administration	137,685	115,389
Working capital contributions	-	100,000
	<u>\$ 163,926</u>	<u>\$ 246,730</u>

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NEWFOUNDLAND AND LABRADOR CROP INSURANCE AGENCY  
 NEWFOUNDLAND AND LABRADOR CROP INSURANCE FUND  
 NOTES TO FINANCIAL STATEMENTS  
 March 31, 2017

9. Expenses by object

The following is a summary of expenses by object:

	2017 <u>Budget</u> (Note 10)	2017 <u>Actual</u>	2016 <u>Actual</u>
Bad debt expense	\$ -	\$ 3,461	\$ 1,996
Bank charges	20	12	8
Board expenses	4,000	1,005	2,902
Equipment supplies	4,000	264	164
Indemnity claims	130,000	44,814	203,608
Professional services	3,000	-	-
Purchased services	5,594	8,185	6,461
Salaries and employee benefits	292,090	303,098	248,176
Supplies	13,400	6,927	10,529
Transportation and Communication	21,700	24,722	20,233
	<u>\$ 473,804</u>	<u>\$ 392,488</u>	<u>\$ 494,077</u>

10. Budgeted figures

Budgeted figures, which have been prepared on a cash basis, are provided for comparison purposes and have been approved by the Board of Directors.