Re: Accum deficit vs total debt

From: "Thompson, Scott (MOF)" <"/o=govon/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=thompson, scott (mof)5d1">
To: "Mayman, Gadi (OFA)" <gadi.mayman@ofina.on.ca>
Cc: "McLean, David (MOF)" <david.mclean@ontario.ca>
Date: Sat, 01 Oct 2016 18:01:29 -0400

Thanks

Sent from my BlackBerry 10 smartphone on the Rogers network.
Original Message
From: Gadi Mayman
Sent: Saturday, October 1, 2016 5:53 PM
To: Thompson, Scott (MOF)
Cc: McLean, David (MOF)
Subject: Re: Accum deficit vs total debt

For a more detailed explanation, you can look at table 3.29 in the 2016 Budget which shows how you get from total debt to net debt by taking out cash and temporary investments, and other net assets (which includes the pension asset) and then add in BPS net debt. To then get from net debt to accumulated deficit, you take out non-financial assets, which are our tangible capital assets (or more simply, basically our unamortized capital).

It sounds confusing when I write it, but if you look at the table in the Budget and its footnotes, it's simpler to understand.

Original Message
From: Gadi Mayman
Sent: Saturday, October 1, 2016 5:34 PM
To: Scott Thompson (CAB)
Cc: David McLean (MOF)
Subject: Re: Accum deficit vs total debt

The simple answer is total debt is cash based - it's how much money we've borrowed and is owed to our creditors. Net debt takes into account the difference between our financial assets and liabilities, whether they are cash or not. We've changed the valuation of a financial asset by reducing the pension asset by 10.7 billion, but because there's no cash involved in that valuation, the total debt doesn't change.

> On Oct 1, 2016, at 5:14 PM, Thompson, Scott (MOF) <Scott.Thompson@ontario.ca> wrote:
>
> Hi Gadi - can you give me a simple one-liner that explains how Accum deficit and net debt goes up by 10.7 bn without there being a change to total debt?
> Thanks
> Scott
>
> Sent from my BlackBerry 10 smartphone on the Rogers network.
