CONSOLIDATED FINANCIAL STATEMENTS

(Auditor's Report)

Province of Ontario
Consolidated Statement of Operations

($ Millions)	2015–16 Budget[1]	2015–16 Actual	2014–15 Actual (Restated Note 18)
Revenue ***(Schedules 1 and 2)***			
Personal Income Tax	30,377	**31,141**	29,313
Sales Tax	22,982	**23,455**	21,689
Corporations Tax	11,342	**11,428**	9,557
Education Property Tax	5,715	**5,839**	5,561
Employer Health Tax	5,680	**5,649**	5,415
Ontario Health Premium	3,458	**3,453**	3,366
Gasoline and Fuel Taxes	3,209	**3,210**	3,186
Other Taxes *(Note 11)*	4,634	**7,643**	4,188
Total Taxation	87,397	**91,818**	82,275
Transfers from Government of Canada	22,890	**22,857**	21,615
Income from Investment in Government Business Enterprises *(Schedule 9 and Note 11)*	4,812	**4,909**	5,615
Other	9,291	**8,793**	9,041
	124,390	**128,377**	118,546
Expense *(Schedules 3 and 4)*			
Health	50,773	**51,067**	50,039
Education	25,302	**26,588**	26,150
Children's and Social Services	15,431	**15,555**	14,683
Environment, Resources and Economic Development	12,987	**12,612**	11,682
Interest on Debt	11,410	**10,967**	10,635
Post-Secondary Education and Training	7,810	**7,634**	7,660
Justice	4,429	**4,549**	4,351
General Government and Other	3,760	**4,434**	4,614
	131,902	**133,406**	129,814
Reserve	1,000	**–**	–
Annual Deficit	(8,512)	**(5,029)**	(11,268)

[1] Amounts reported as "Plan" in 2015 Budget.

See accompanying Notes and Schedules to the Consolidated Financial Statements.

Province of Ontario
Consolidated Statement of Financial Position

As at March 31 ($ Millions)	2016	2015 (Restated Note 18)
Liabilities		
Accounts Payable and Accrued Liabilities *(Schedule 5)*	**19,361**	20,055
Debt *(Note 2)*	**327,413**	314,960
Other Long-Term Financing *(Note 4)*	**14,145**	13,935
Deferred Revenue and Capital Contributions *(Note 5)*	**10,779**	10,110
Pensions and Other Employee Future Benefits *(Note 6)*	**12,107**	12,305
Other Liabilities *(Note 7)*	**4,905**	4,878
	388,710	376,243
Financial Assets		
Cash and Cash Equivalents	**13,600**	15,193
Investments *(Note 8)*	**21,765**	20,366
Accounts Receivable *(Schedule 6)*	**11,059**	10,306
Loans Receivable *(Schedule 7)*	**11,545**	11,125
Other Assets	**1,936**	2,021
Investment in Government Business Enterprises *(Schedule 9)*	**23,572**	23,502
	83,477	82,513
Net Debt	**(305,233)**	(293,730)
Non-Financial Assets		
Tangible Capital Assets *(Note 9)*	**102,536**	**97,065**
Accumulated Deficit	**(202,697)**	(196,665)

Contingent Liabilities (Note 13) and Contractual Obligations (Note 14).
See accompanying Notes and Schedules to the Consolidated Financial Statements.

Province of Ontario
Consolidated Statement of Change in Net Debt

For the year ended March 31 ($ Millions)		**2016**		2015 (Restated Note 18)
Annual Deficit		**(5,029)**		(11,268)
Acquisition of Tangible Capital Assets *(Note 9)*	**(10,922)**		(11,183)	
Amortization of Tangible Capital Assets *(Note 9)*	**4,913**		4,544	
Proceeds on Sale of Tangible Capital Assets	**175**		140	
Loss/(Gain) on Sale of Tangible Capital Assets	**363**		(10)	
		(5,471)		(6,509)
(Decrease)/Increase in Fair Value of Ontario Nuclear Funds *(Note 10)*		**(1,003)**		1,121
Increase in Net Debt		**(11,503)**		(16,656)
Net Debt at Beginning of Year, as originally reported				(268,873)
Pension Asset Valuation Allowance (Note 18)		–		(8,201)
Restated Net Debt at Beginning of Year		**(293,730)**		(277,074)
Net Debt at End of Year		**(305,233)**		(293,730)

See accompanying Notes and Schedules to the Consolidated Financial Statements.

Province of Ontario
Consolidated Statement of Change in Accumulated Deficit

For the year ended March 31 ($ Millions)	2016	2015 (Restated Note 18)
Accumulated Deficit at Beginning of Year, as originally reported	**(**	(178,317)
Pension Asset Valuation Allowance (Note 18)		(8,201)
Restated Adjustment Deficit at Beginning of Year	**(196,665)**	(186,518)
Annual Deficit	**(5,029)**	(11,268)
(Decrease)/Increase in Fair Value of Ontario Nuclear Funds *(Note 10)*	**(1,003)**	1,121
Accumulated Deficit at End of Year	**(202,697)**	(196,665)

See accompanying Notes and Schedules to the Consolidated Financial Statements.

Province of Ontario
Consolidated Statement of Cash Flow

For the year ended March 31 ($ Millions)	2016	2015 (Restated Note 18)
Operating Transactions		
Annual Deficit	**(5,029)**	(11,268)
Non-Cash Items:		
Amortization of Tangible Capital Assets *(Note 9)*	**4,913**	4,544
Loss/(Gain) on Sale of Tangible Capital Assets	**363**	(10)
Gain on Sale of Shares of Hydro One Limited *(Note 11)*	**(783)**	–
Income from Investment in Government Business Enterprises *(Schedule 9)*	**(4,909)**	(5,615)
PSAB Adjustment for Liabilities for Contaminated Sites	**–**	(1,683)
Cash Items:		
Increase in Accounts Receivable *(Schedule 6)*	**(753)**	(1,793)
(Increase)/Decrease in Loans Receivable *(Schedule 7)*	**(420)**	1
(Decrease)/Increase in Accounts Payable and Accrued Liabilities *(Schedule 5)*	**(694)**	1,460
(Decrease)/Increase in Liability for Pensions and Other Employee Future Benefits *(Note 6)*	**(198)**	201
Increase in Other Liabilities *(Note 7)*	**27**	1,604
Increase in Deferred Revenue and Capital Contributions *(Note 5)*	**669**	629
Remittances from Investment in Government Business Enterprises *(Schedule 9)*	**5,365**	3,964
Decrease/(Increase) in Other Assets	**85**	(280)
Cash Applied to Operating Transactions	**(1,364)**	(8,246)
Capital Transactions		
Acquisition of Tangible Capital Assets *(Note 9)*	**(10,922)**	(11,183)
Proceeds from Sale of Tangible Capital Assets	**175**	140
Cash Applied to Capital Transactions	**(10,747)**	(11,043)
Investing Transactions		
(Increase)/Decrease in Investments *(Note 8)*	**(1,399)**	1,623
Capital Contribution to Hydro One Limited *(Schedule 9)*	**(2,600)**	–
Net Proceeds from Sale of Shares of Hydro One Limited *(Note 11)*	**1,854**	–
Cash (Applied)/Provided by Investing Transactions	**(2,145)**	1,623
Financing Transactions		
Long-Term Debt Issued	**34,362**	41,543
Long-Term Debt Retired	**(21,882)**	(22,322)
Net Change in Short-Term Debt	**(27)**	(19)
Increase in Other Long-Term Financing *(Note 4)*	**210**	913
Cash Provided by Financing Transactions	**12,663**	20,115
Net (Decrease)/Increase in Cash and Cash Equivalents	**(1,593)**	2,449
Cash and Cash Equivalents at Beginning of Year	**15,193**	12,744
Cash and Cash Equivalents at End of Year	**13,600**	15,193

Commented [CV1]: I think the change in the valuation allowance would be non cash that needs to be added to list above

See accompanying Notes and Schedules to the Consolidated Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

(a) Basis of Accounting

The Consolidated Financial Statements are prepared by the Government of Ontario in accordance with the accounting standards for governments recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPA Canada).

(b) Reporting Entity

These financial statements report the activities of the Consolidated Revenue Fund combined with those organizations that are controlled by the Province.

Government business enterprises (GBEs), broader public sector (BPS) organizations (i.e., hospitals, school boards and colleges) and other government organizations controlled by the Province are included in these financial statements. Controlled organizations are consolidated if they meet one of the following criteria: i) their revenues, expenses, assets or liabilities are greater than $50 million, or ii) their outside sources of revenue, deficit or surplus are greater than $10 million. In accordance with PSAB, the Province also applies the “benefit versus cost constraint” in determining which organizations should be consolidated in the Province’s financial statements. A listing of consolidated government organizations is provided in Schedule 8. For those organizations that do not meet the PSAB benefit versus cost constraint standard, such as Children’s Aid Societies and Community Care Access Centres, they are reflected as government transfer payment expense in these financial statements through the accounts of the ministries responsible for them.

Trusts administered by the Province on behalf of other parties are excluded from the reporting entity, but are disclosed in Note 15.

(c) Principles of Consolidation

Government business enterprises are defined as those government organizations that i) are separate legal entities with the power to contract in their own name and that can sue and be sued; ii) have the financial and operating authority to carry on a business; iii) have as their principal activity and source of revenue the selling of goods and services to individuals and non-government organizations; and iv) are able to maintain their operations and meet their obligations from revenues generated outside the government reporting entity. The activities of GBEs are recorded in the financial statements using the modified equity method. Under this method, GBEs are reported in accordance with the accounting principles generally accepted for government business enterprises. Their combined net assets are included in the financial statements as Investment in Government Business Enterprises on the Consolidated Statement of Financial Position, and their net income is shown as a separate item, Income from Investment in Government Business Enterprises (GBEs), on the Consolidated Statement of Operations. Less than wholly owned GBEs (i.e., Hydro One Limited) are reflected using the modified equity method based on the percentage of ownership government held during the fiscal year.

The assets and liabilities of the BPS organizations are consolidated with those of the Province on a line-by-line basis on the Consolidated Statement of Financial Position. As such, the net debt of hospitals, school boards and colleges is included in the consolidated net debt of the Province. The total annual expenses of these BPS organizations, net of third party revenues they receive directly from the public, such as tuition fees, patient fees, donations and other recoveries, are included in the consolidated expenses of the Province. The expenses of hospitals are included in Health expenses, school boards in Education expenses, and colleges in Post-Secondary Education and Training expenses on the Consolidated Statement of Operations. Where appropriate, adjustments are made to present the accounts of these organizations on a basis consistent with the accounting policies of the Province to eliminate significant inter-organizational accounts on the Consolidated Statement of Financial Position and to remove inter-organizational gains/losses from the Consolidated Statement of Operations.

Other government organizations controlled by the Province are consolidated on a line-by-line basis with the assets, liabilities, revenues and expenses of the Province based on the percentage of ownership the government held as at the end of the fiscal year. Where appropriate, adjustments are also made to present the accounts of these organizations on a basis consistent with the accounting policies of the Province, and to eliminate significant inter-organizational accounts and transactions.

(d) Measurement Uncertainty

The preparation of financial statements requires the Province to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses during the reporting period. Uncertainty in the determination of the amounts at which an item is recognized or disclosed in the financial statements is known as measurement uncertainty.

Measurement uncertainty that is material to these financial statements exists in the valuation of pensions and other employee future benefits obligations, the value of tangible capital assets, the estimation of personal income tax, corporations tax and harmonized sales tax revenue accruals, the valuation of the Canada Health Transfer, Canada Social Transfer Equalization Payment entitlements, and the estimation of liabilities for contaminated sites.

Pensions and other employee future benefits liability of $12,107 million (2015, $12,305 million), see Note 6, is subject to measurement uncertainty because actual results may differ significantly from the Province's best long-term estimate of expected results (for example, the difference between actual results and actuarial assumptions regarding return on investment of pension fund assets and health care cost trend rates for retiree benefits, as well as the whether the Province is able to benefit from any accounting surplus in the pension plans it sponsors).

The net book value of tangible capital assets of $102,536 million (2015, $97,065 million), see Note 9, is subject to uncertainty because of differences between estimated useful lives of the assets and their actual useful lives.

Personal income tax revenue estimate of $31,141 million (2015, $29,313 million), see Schedule 1, may be subject to subsequent revisions based on information available in the future related to past-year tax return processing. Corporations tax revenue of $11,428 million (2015, $9,557 million), see Schedule 1, and harmonized sales tax revenues of $23,455 million (2015, $21,689 million), are also subject to uncertainty for similar reasons.

The estimation of the Canada Health Transfer of $13,089 million (2015, $12,408 million) and Canada Social Transfer of $4,984 million (2015, $4,847 million), and Equalization Payments entitlements of $2,363 million (2015, $1,988 million), see Schedule 1, is subject to uncertainty because of variances between the estimated and actual Ontario shares of the Canada-wide personal income and corporations tax base and population.

There is measurement uncertainty surrounding the estimation of liabilities for contaminated sites of $1,751 million as at March 31, 2016 (2015, $1,792 million), see Note 7. The Province may be responsible for cleanup costs that cannot be reasonably estimated due to several factors, including: insufficient information related to the nature and extent of contamination, timing of costs well into the future (e.g., unknown impacts of future technological advancements), the challenges of remote locations and unique contaminations.

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. By their very nature, estimates are subject to measurement uncertainty. Therefore, actual results may differ materially from the Province's estimates.

(e) Significant Accounting Policies

Revenue

Revenues are recognized in the fiscal year that the events giving rise to the revenues occur and they are earned. Amounts received prior to the end of the year, which relate to revenues that will be earned in a subsequent fiscal year, are deferred and reported as liabilities.

Expense

Expenses are recognized in the fiscal year that the events giving rise to the expenses occur and resources are consumed.

Transfer payments are recognized in the year that the transfer is authorized and all eligibility criteria have been met by the recipient. Any transfers paid in advance are deemed to have met all eligibility criteria.

Interest on debt includes: i) interest on outstanding debt net of interest income on investments and loans; ii) amortization of foreign exchange gains or losses; iii) amortization of debt discounts, premiums and commissions; iv) amortization of deferred hedging gains and losses; and v) debt servicing costs and other costs. Interest income earned on investments and loans is netted with interest expense incurred on debt.

Employee future benefits such as pensions, other retirement benefits and entitlements upon termination are recognized as expenses over the years in which the benefits are earned by employees. These expenses are the government's share of the current year's cost of benefits, interest on the net benefits' liability or asset, amortization of actuarial gains or losses, cost/gain on plan amendments and other adjustments.

Other employee future benefits are recognized in the period when the event that obligates the government occurs or in the period when the benefits are earned by employees.

The costs of buildings, transportation infrastructure, vehicles, aircraft, leased assets, machinery, equipment and information technology infrastructure and systems owned by the Province and its consolidated organizations are amortized and recognized as expenses over their estimated useful lives on a straight-line basis.

Liabilities

Liabilities are recorded to the extent that they represent present obligations of the government to outside parties as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in the sacrifice of economic benefits in the future.

Liabilities include obligations to make transfer payments to organizations and individuals, present obligations for environmental costs, probable losses on loan guarantees issued by the government and contingencies when it is likely that a loss will be realized and the amount can be reasonably determined.

Liabilities also include obligations to GBEs.

Deferred revenue represents unspent externally restricted receipts from the federal government or other third parties. Amounts received prior to year-end that relate to funding for a subsequent fiscal year are reported as deferred revenue. Deferred revenues are recorded into revenue in the period in which the amounts received are used for the purposes specified or all external restrictions are satisfied. Deferred capital contributions represent the unamortized amount of contributions received from the federal government and other third parties to construct or acquire tangible capital assets. These contributions are recognized as deferred capital contributions and recorded into revenue over the useful life of the tangible capital assets based on the relevant stipulations of the contributions taken together with the actions and communications of the Province.

Alternative Financing and Procurement (AFP) refers to the Province using private-sector partners to procure and finance infrastructure assets. Assets procured via AFP are recognized as tangible capital assets and the related obligations are recognized as other long-term financing liabilities in these financial statements as the assets are constructed.

Debt

Debt consists of treasury bills, commercial paper, medium- and long-term notes, savings bonds, debentures and loans.

Debt denominated in foreign currencies that has been hedged is recorded at the Canadian dollar equivalent using the rates of exchange established by the terms of the hedge agreements. Other foreign currency-denominated debt is translated to Canadian dollars at year-end rates of exchange and any exchange gains or losses are amortized over the remaining term to maturity.

Derivatives are financial contracts, the value of which is derived from underlying instruments. The Province uses derivatives for the purpose of managing risk associated with interest cost. The Province does not use derivatives for speculative purposes. Gains or losses arising from derivative transactions are deferred and amortized over the remaining life of the related debt issue.

Pensions and Other Employee Future Benefits

The liabilities for pensions and other employee future benefits are calculated on an actuarial basis using the government's best estimates of future inflation rates, investment returns, employee salary levels and other underlying assumptions, and, where applicable, the government's borrowing rate. When actual plan experience of pensions, other retirement benefits and termination pay differs from that expected, or when assumptions are revised, actuarial gains and losses arise. These gains and losses are amortized over the expected average remaining service life of plan members for each respective plan.

Liabilities for selected employee future benefits (such as pensions, other retirement benefits and termination pay) represent the government's share of the actuarial present values of benefits attributed to services rendered by employees and former employees, less its share of the assets of the plans. In addition, the liability includes the Province's share of the unamortized balance of actuarial gains or losses, and other adjustments primarily for differences between the fiscal year-end of the pension plans and that of the Province.

When a pension plan is in an asset position on the financial statements, the Province evaluates whether it is able to fully benefit from the asset. If the Province determines that it is not able to fully benefit from the asset, a valuation allowance is recorded.

Assets

Assets are resources controlled by the government from which it has reasonable expectation of deriving future benefit. Assets are recognized in the year the transaction or event gives rise to the government's control of the benefit.

Financial Assets

Financial assets are resources that can be used to discharge existing liabilities or finance future operations. They include cash and cash equivalents, investments, accounts receivable, loans receivable, advances and investments in government business enterprises.

Investments include temporary investments and portfolio investments. Temporary investments are recorded at the lower of cost or market value. Portfolio investments are recorded at the lower of cost or their estimated net realizable value.

Accounts receivables are recorded at cost. A valuation allowance is recorded when collection of the receivable is considered doubtful.

Loans receivable include loans to GBEs and loans under the student loans program and advanced manufacturing investment program. Loans receivable with significant concessionary terms are considered in part to be grants and are recorded on the date of issuance at face value discounted by the amount of the grant portion. The grant portion is recognized as an expense at the date of issuance of the loan or when the concession is provided. The amount of the loan discount is amortized to revenue over the term of the loan.

Investment in GBEs represents the net assets of GBEs recorded on the modified equity basis as described under Principles of Consolidation.

Tangible Capital Assets

Tangible capital assets are recorded at historical cost less accumulated amortization. Historical cost includes the costs directly related to the acquisition, design, construction, development, improvement or betterment of tangible capital assets. Cost includes overheads directly attributable to construction and development, as well as interest related to financing during construction. Tangible capital assets, except land, are amortized over the estimated useful lives of the assets on a straight-line basis.

Maintenance and repair costs are recognized as an expense when incurred. Betterments or improvements that significantly increase or prolong the service life or capacity of a tangible capital asset are capitalized. External contributions for acquisition of tangible capital assets are recorded as deferred capital contributions and amortized to revenue consistent with the amortization to expense of the related tangible capital assets, reflecting the intent of the external contributors that the grants be used to construct or acquire assets that will provide public services over the useful lives of the underlying assets.

2. Debt

The Province borrows in both domestic and international markets. Debt of $327.4 billion, as at March 31, 2016 (2015, $315.0 billion), is composed mainly of bonds and debentures issued in the short- and long-term domestic- and international-public capital markets and non-public debt held by certain federal and provincial public-sector pension funds. Debt comprises of Debt Issued for Provincial Purposes of $303.1 billion (2015, $289.6 billion) and Ontario Electricity Financial Corporation (OEFC) Debt of $24.4 billion (2015, $25.3 billion). The following table presents the maturity schedule of the Province’s outstanding debt, by currency of repayment, expressed in Canadian dollars, and reflects the effects of related derivative contracts.

Debt
As at March 31
($ Millions)

Currency	Canadian Dollar	U.S. Dollar	Japanese Yen	Euro	Other Currencies[1]	2016 Total	2015 Total
Maturing in:							
2016	–	–	–	–	–	–	$42,819
2017	25,167	17,086	–	–	499	**$42,752**	21,583
2018	12,227	5,183	–	385	–	**17,795**	17,648
2019	12,144	9,556	76	–	576	**22,352**	17,683
2020	15,312	3,746	–	4,811	532	**24,401**	24,280
2021	14,138	4,662	425	1,651	1,046	**21,922**	–
1–5 years	78,988	40,233	501	6,847	2,653	**129,222**	124,013
6–10 years	71,248	5,160	–	5,326	604	**82,338**	78,886
11–15 years	14,598	–	–	–	–	**14,598**	20,739
16–20 years	17,732	–	–	–	–	**17,732**	10,210
21–25 years	27,879	–	–	–	–	**27,879**	34,648
26–50[2] years	55,564	–	–	80	–	**55,644**	46,464
Total[3, 4]	**266,009**	**45,393**	**501**	**12,253**	**3,257**	**$327,413**	$314,960
Debt Issued for Provincial Purposes[5]	**242,837**	**45,024**	**501**	**12,074**	**2,619**	**303,055**	289,619
OEFC Debt	**23,172**	**369**	**–**	**179**	**638**	**24,358**	25,341
Total	**266,009**	**45,393**	**501**	**12,253**	**3,257**	**$327,413**	$314,960
Effective Interest Rates (Weighted Average)							
2016	**3.92%**	**1.98%**	**2.06%**	**3.37%**	**3.71%**	**3.62%**	**–**
2015	4.03%	2.28%	1.99%	3.48%	3.80%	–	3.73%

1 Other currencies comprise the Australian dollar, Swiss franc, and South African rand.

2 The longest term to maturity is to June 2, 2062.

3 Total foreign currency-denominated debt as at March 31, 2016, was $61.4 billion (2015, $66.0 billion). Of that, $60.4 billion or 98.4 per cent (2015, $65.0 billion or 98.6 per cent) was fully hedged to Canadian dollars. The remaining 1.6 per cent (2015, 1.4 per cent) of foreign debt was unhedged as follows: $425 million (2015, $389 million) Japanese yen-denominated debt, $540 million (2015, $547 million) Swiss franc-denominated debt and $2 million (2015, nil) Euro-denominated debt. Unhedged foreign currency debt as a percentage of total debt was 0.3% (2015, 0.3%).

4 Total debt includes issues totaling $0.5 billion (2015, $0.5 billion), which have embedded options exercisable by either the Province or the bondholder under specific conditions.

5 As at March 31, 2016, debt issued for provincial purposes purchased and held by the Province denominated in Canadian and U.S. dollars at its Canadian dollar equivalent, includes long-term debt of $4.3 billion (2015, $2.2 billion) and $1.3 billion (2015, $0.5 billion), and short-term debt of $2.0 billion (2015, $1.2 billion) and nil (2015, nil).

Debt **As at March 31** **($ Millions)**	**2016**	2015
Debt Payable to/of:		
Public Investors	**$315,443**	$302,644
Canada Pension Plan Investment Board	**10,233**	10,233
Ontario Immigrant Investor Corporation	**709**	959
School Board Trust Debt	**674**	696
Canada Mortgage and Housing Corporation	**354**	428
Total	**$327,413**	$314,960

Fair value of debt outstanding approximates the amounts at which debt instruments could be exchanged in a current transaction between willing parties. In valuing the Province's debt, fair value is estimated using discounted cash flows and other valuation techniques and is compared to public market quotations where available. These estimates are affected by the assumptions made concerning discount rates and the amount and timing of future cash flows.

The estimated fair value of debt as at March 31, 2016, was $375.6 billion (2015, $374.8 billion). This is higher than the book value of $327.4 billion (2015, $315.0 billion) because current interest rates are generally lower than the interest rates at which some of the debt was issued. The fair value of debt does not reflect the effect of related derivative contracts.

School Board Trust Debt

A School Board Trust was created in June 2003 to permanently refinance debt incurred by 55 school boards. The Trust issued 30-year sinking fund debentures amounting to $891 million, and provided $882 million of the proceeds to the 55 school boards in exchange for the irrevocable right to receive future transfer payments from the Province related to this debt. An annual transfer payment is made by the Ministry of Education to the Trust's sinking fund under the School Board Operating Grant program to retire the debt over 30 years. This debt, recorded net of the sinking fund, is reflected in the Province's debt.

3. Risk Management and Derivative Financial Instruments

The Province employs various risk management strategies and operates within strict risk exposure limits to ensure that exposure to financial risk is managed in a prudent and cost-effective manner. A variety of strategies are used, including the use of derivative financial instruments ("derivatives").

Derivatives are financial contracts, the value of which is derived from underlying instruments. The Province uses derivatives to hedge and to minimize interest cost volatility. Hedges are created primarily through swaps, which are legal contracts under which the Province agrees with another party to exchange cash flows based on one or more notional amounts using stipulated reference interest rates for a specified period. Swaps allow the Province to offset its existing obligations and thereby effectively convert them into obligations with more cost-effective characteristics. Other derivative instruments used by the Province include forward foreign exchange contracts, forward rate agreements, futures and options.

Foreign exchange or currency risk is the risk that foreign currency debt principal and interest payments and foreign currency transactions will vary in Canadian dollar terms due to fluctuations in foreign exchange rates. To manage currency risk, the Province uses derivative contracts including forward foreign exchange contracts, futures, options and swaps to convert foreign currency cash flows into Canadian dollar cash flows. Most of the derivative contracts hedge the underlying debt by matching all the critical terms to achieve effectiveness. In instances where the term of forward foreign exchange contracts used for hedging is shorter than the term of the underlying debt, hedge effectiveness is maintained by continuously rolling the forward foreign exchange contract over the remaining term of the underlying debt, or until replaced with a long-term derivative contract.

The current market risk policy allows the amount of unhedged foreign currency debt principal net of foreign currency holdings to reach a maximum of 5 per cent of Total Debt Issued for Provincial Purposes and OEFC. At March 31, 2016, the respective unhedged levels were 0.3 and nil per cent (2015, 0.3 and nil per cent). As of March 31, 2016, unhedged debt was limited to debt issued in Japanese yen, Swiss francs and Euros. A one-Japanese yen appreciation of the Japanese currency, relative to the Canadian dollar, would result in unhedged debt denominated in Japanese yen increasing by $5.0 million (2015, $4.2 million) and a corresponding increase in interest on debt of $1.3 million (2015, $1.0 million). A one-Swiss rappen appreciation of the Swiss currency, relative to the Canadian dollar, would result in unhedged debt denominated in Swiss francs increasing by $7.4 million (2015, $7.2 million) and a corresponding increase in interest on debt of $2.1 million (2015, $1.8 million). Total foreign exchange gains/losses recognized in the Statement of Operations for 2015–16 were losses of $5.1 million (2014–15, gains of $63.9 million).

Interest on debt expense may also vary as a result of changes in interest rates. In respect of Debt Issued for Provincial Purposes and OEFC debt, the risk is measured as interest rate resetting risk, which is the floating rate exposure plus fixed rate debt maturing within the next 12-month period net of liquid reserves as a percentage of Debt Issued for Provincial Purposes and OEFC debt, respectively.

The current market risk policy limits net interest rate resetting risk for Debt Issued for Provincial Purposes and OEFC debt to a maximum of 35 per cent. At March 31, 2016, the net interest rate resetting risk for Debt Issued for Provincial Purposes and OEFC debt was 10.9 per cent and 7.6 per cent, respectively (2015, 11.0 per cent and 20.4 per cent). Based on net floating rate exposure at March 31, 2016, plus planned refinancing of maturing fixed rate debt to March 31, 2017, a one-per-cent (100 basis point) increase in interest rates would result in an increase in interest on debt of approximately $350 million (2015, $377 million).

Liquidity risk is the risk that the Province will not be able to meet its current short-term financial obligations. To reduce liquidity risk, the Province maintains liquid reserves: that is, cash and temporary investments (Note 8), adjusted for collateral (Note 13), at levels that are expected to meet future cash requirements and give the Province flexibility in the timing of issuing debt. Pledged assets are considered encumbered for liquidity purposes while collateral held that can be sold or repledged is a source of liquidity. In addition, the Province has short-term note programs as alternative sources of liquidity.

The table below presents a maturity schedule of the Province's derivatives, by type, outstanding as at March 31, 2016, based on the notional amounts of the contracts. Notional amounts represent the volume of outstanding derivative contracts and are not indicative of credit risk, market risk or actual cash flows.

Derivative Portfolio Notional Value and Fair Value of Derivatives
As at March 31

($ Millions)								Notional Value		Fair Value	
								2016	2015	**2016**	2015
Maturity in Fiscal Year	**2017**	**2018**	**2019**	**2020**	**2021**	**6–10 Years**	**Over 10 Years**	**Total**	Total	**Total**	Total
Swaps:											
Interest Rate[1]	27,955	12,131	16,311	13,482	8,958	14,380	7,582	**100,799**	112,466	**(2,589)**	(2,747)
Cross Currency	10,036	4,567	4,528	11,998	8,096	8,320	80	**47,625**	53,214	**6,366**	6,196
Forward Foreign Exchange Contracts	31,027	–	–	–	–	–	–	**31,027**	31,958	**(1,776)**	362
Swaptions[2]	500	–	–	–	–	–	–	**500**	500	–	2
Total	$69,518	$16,698	$20,839	$25,480	$17,054	$22,700	$7,662	**$179,951**	$198,138	$**2,001**	$3,813

1 Includes $4.0 billion (2015, $4.3 billion) of interest rate swaps related to loans receivable held by a consolidated entity and $4.9 billion (2015, $2.0 billion) related to short-term investments held by the Province.

2 See glossary for definition.

The use of derivatives introduces credit risk, which is the risk of a counterparty defaulting on contractual derivative obligations in which the Province has an unrealized gain. The table below presents the credit risk associated with the derivative financial instrument portfolio, measured through the replacement value of derivative contracts, at March 31, 2016.

Credit Risk Exposure **As at March 31** **($ Millions)**	**2016**	2015
Gross Credit Risk Exposure	**$9,774**	$10,861
Less: Netting	**(7,252)**	(6,739)
Net Credit Risk Exposure	**2,522**	4,122
Less: Collateral Received *(Note 13)*	**(1,712)**	(3,277)
Net Credit Risk Exposure (Net of Collateral)	**$810**	$845

The Province manages its credit risk exposure from derivatives by, among other things, dealing only with high-credit-quality counterparties and regularly monitoring compliance to credit limits. In addition, the Province enters into contractual agreements ("master agreements") that provide for termination netting and, if applicable, payment netting with most of its counterparties. Gross Credit Risk Exposure represents the loss that the Province would incur if every counterparty to which the Province had credit risk exposure were to default at the same time, and the contracted netting provisions were not exercised or could not be enforced. Net Credit Risk Exposure is the loss including the mitigating impact of these netting provisions. Net Credit Risk Exposure (Net of Collateral) is the potential loss to the Province further mitigated by the collateral received from counterparties.

4. Other Long-Term Financing

Other long-term financing comprises the total debt of the BPS organizations and obligations under AFP arrangements.

Other Long-Term Financing of $14.1 billion, as at March 31, 2016 (2015, $13.9 billion) includes BPS debt of $5.0 billion (2015, $5.5 billion), BPS AFP obligations of $5.4 billion (2015, $5.5 billion) and direct provincial AFP obligations of $3.7 billion (2015, $2.9 billion).

5. Deferred Revenue and Capital Contributions

In 2010–11, the Province renewed its long-standing business partnership with Teranet Inc. by extending Teranet's exclusive licenses to provide electronic land registration and writs services in Ontario for an additional 50 years. The Province received approximately a $1.0 billion upfront payment for the transaction, which is amortized into revenue over the life of the contract.

The Province provides a two-year vehicle license plate renewal option and multi-year driver license renewals (two years for seniors and five years for all others). Amounts received under these multi-year renewals are recognized as revenue over the periods covered by the licenses.

Deferred capital contributions represent the unamortized portion of tangible capital assets or liabilities to construct or acquire tangible capital assets from specific-purpose funding received from the Government of Canada, municipalities or third parties. Deferred capital contributions are recorded in revenue over the estimated useful life of the underlying tangible capital asset when the tangible capital asset is placed in service.

Deferred Revenue and Capital Contributions **As at March 31** **($ Millions)**	**2016**	2015
Deferred Revenue:		
Teranet	**$923**	$956
Vehicle and Driver Licenses	**972**	908
Other	**1,973**	1,917
Total Deferred Revenue	**3,868**	3,781
Deferred Capital Contributions[1]	**6,911**	6,329
Total	**$10,779**	$10,110

[1] Federal transfers have been reclassified to deferred capital contributions.

6. Pensions and Other Employee Future Benefits

Pensions and Other Employee Future Benefits Liability

As at March 31 ($ Millions)	2016	2016	2016	2015 (Restated Note 18)
	Pensions	**Other Employee Future Benefits**	**Total**	Total
Obligation for benefits	$117,542	$10,999	**$128,541**	$124,726
Less: plan fund assets	(141,749)	(562)	**(142,311)**	(129,880)
Unamortized actuarial gains	12,649	305	**12,954**	6,084
Adjustments[1]	2,246	9	**2,255**	2,221
Accrued liability (asset)	(9,312)	10,751	**1,439**	3,151
Valuation Allowance[2]	10,668	–	**10,668**	9,154
Total	**$1,356**	**$10,751**	**$12,107**	$12,305

1 Adjustments for pensions consist of:
i) differences for amounts reported by the pension plans at December 31, instead of the Province's year-end of March 31;
ii) unamortized difference between employer and employee contributions for jointly sponsored pension plans; and
iii) amounts payable by the Province that are reflected as contributions in the pension plan assets.

2 Valuation allowances are related to the pension assets for the Ontario Teachers' Pension Plan and for the OPSEU Pension Plan.

Pensions and Other Employee Future Benefits Expense

For the year ended March 31 ($ Millions)	2016	2016	2016	2015 (Restated Note 18)
	Pensions	**Other Employee Future Benefits**	**Total**	Total
Cost of benefits	$2,265	$240	**$2,505**	$2,542
Amortization of actuarial (gains) losses	(145)	(2)	**(147)**	106
Employee contributions	(318)	–	**(318)**	(310)
Gain on plan amendment or curtailment	–	(98)	**(98)**	(39)
Recognition of unamortized experience gains	–	(22)	**(22)**	(5)
Interest (income) expense	(870)	238	**(632)**	(333)
Adjustments[1]	(126)	–	**(126)**	(126)
Valuation allowance	1,514	–	**1,514**	953
Total[2,3]	**$2,320**	**$356**	**$2,676**	$2,788

1 Adjustments for pensions consist of amortization of:
i) the difference between employer and employee contributions for jointly sponsored pension plans; and
ii) employee contribution reductions for solely sponsored plans.

2 Total Pensions and Other Employee Future Benefits Expense is reported in Schedule 3. The Teachers' Pension expense of $1,590 million (2014–15, $1,520 million) is included in the Education expense in the Consolidated Statement of Operations and is disclosed separately in Schedule 4. The Public Service and OPSEU Pension expense of $730 million (2014–15, $784 million) and Other Employee Future Benefits — Retirement Benefits expense of $393 million (2014–15, $319 million) are included in the General Government and Other expense in the Consolidated Statement of Operations, and is under Employee and Pensioner Benefits in Schedule 4.The remainder of Other Employee Future Benefits expense is included in the relevant ministries' expenses in Schedule 4.

3 The Pensions and Other Employee Future Benefits Expenses for the hospitals, school boards and colleges sectors (except for the Ontario Teachers' Pension Plan [OTPP]) are not included in the table above. The expenses for HOOPP of $747 million (2014–15, $843 million) and CAATPP of $190 million (2014–15, $199 million) are included in the Salaries, Wages and Benefits expenses of the hospitals and colleges sectors, respectively (Schedule 10) and in the expenses of the

BPS ministries (Education, Health and Long-Term Care, and Training, Colleges and Universities) in Schedule 4.

Pensions

The Province sponsors several pension plans. It is the sole sponsor of the Public Service Pension Plan (PSPP) and joint sponsor of the Ontario Public Service Employees Union (OPSEU) Pension Plan and the Ontario Teachers' Pension Plan (OTPP).

These three plans are contributory defined benefit plans that provide Ontario government employees and elementary and secondary school teachers and administrators with a guaranteed amount of retirement income. Benefits are based primarily on the best five-year average salary of members and their length of service, and are indexed to changes in the Consumer Price Index to provide protection against inflation. Plan members normally contribute 7 to 11 per cent of their salaries to these plans. The Province matches these contributions.

The Province is also responsible for sponsoring the Public Service Supplementary Benefits Plan and the Ontario Teachers' Retirement Compensation Arrangement. Expenses and liabilities of these plans are included in the Pensions Expense and Pensions Liability reported in the above tables.

In addition to the Provincial sponsored plans, pension benefits for employees in the hospital and colleges sectors are provided by the Healthcare of Ontario Pension Plan (HOOPP) and the Colleges of Applied Arts and Technology Pension Plan (CAATPP) respectively, and are included in these financial statements.

HOOPP is a multi-employer pension plan covering employees of Ontario's health care community. CAATPP is a multi-employer pension plan covering employees of the Colleges of Applied Arts and Technology in Ontario, the Board of Trustees, the Ontario College Application Services and the Ontario College Library Services. Both of these plans are accounted for as joint contributory defined benefit plans that provide eligible members with a retirement income based on a formula that takes into account a member's earnings history and length of service in the plan. The plans are financed by contributions from participating members and employers, and by investment earnings. Because organizations covered under these plans are in the government's reporting entity, the Province includes 56 per cent of BPS organizations' portion[1] of the net obligation of HOOPP and includes 50 per cent of the net obligation of CAATPP.

The obligation for benefits and plan fund assets of the above plans is based on actuarial accounting valuations that are performed annually. Funding of these plans is based on statutory actuarial funding valuations undertaken at least once every three years.

[1] BPS organizations are represented in HOOPP at 85 per cent in 2015–16 (2014–15, 84 per cent).

Information on contributory defined benefit plans is as follows:

	OTPP	PSPP	OPSEU	HOOPP[1]	CAATPP
Government's Best Estimates as of December 31, 2015					
Inflation rate	2.00%	2.00%	2.00%	2.00%	2.00%
Salary escalation rate	3.00%	3.00%	3.00%	4.25%	3.00%
Discount rate and expected rate of return on pension assets	6.25%	6.00%	6.25%	5.75%	6.00%
Actual return on pension assets	13.00%	6.14%	8.00%	5.12%	8.10%
Accounting Actuarial Valuation as of December 31, 2015					
Market value of pension fund assets ($ millions)	171,440	23,075	18,399	63,924	8,592
Employer contributions[2] ($ millions)	1,600	361	214	930	202
Employee contributions[3] ($ millions)	1,615	318	241	911	206
Benefit payments (including transfers to other plans) ($ millions)	5,548	1,176	897	1,924	410
Number of active members (approximately)	183,000	42,000	44,000	196,000	26,000
Average age of active members	42.5	45.6	46.1	44.8	48.0
Expected remaining service life of the employees (years)	15.3	10.8	12.2	12.8	13.7
Number of pensioners including survivors (approximately)	133,000	36,000	34,000	87,000	14,000
Government's Best Estimates as of December 31, 2014					
Inflation rate	2.25%	2.25%	2.25%	2.25%	2.25%
Salary escalation rate	3.25%	3.25%	3.25%	4.50%	3.25%
Discount rate and expected rate of return on pension assets	6.50%	6.25%	6.50%	6.00%	6.25%
Accounting Actuarial Valuation as of December 31, 2014					
Market value of pension fund assets ($ millions)	154,476	22,231	17,481	60,848	7,965
Employer contributions[2] ($ millions)	1,531	355	218	899	196
Employee contributions[3] ($ millions)	1,578	310	248	889	202
Benefit payments (including transfers to other plans) ($ millions)	5,315	1,083	798	1,702	372

1 HOOPP employer contributions only include the BPS organizations. The market value of pension fund assets, benefit payments (including transfers to other plans), employee contributions, number of active members, average age of active members, and number of pensioners including survivors, represent the entire HOOPP plan, including non-BPS organizations.
2 Employer contributions paid during the Province's fiscal year. Employer contributions excludes other employers' contributions made by agencies participating in PSPP and OPSEU, and excludes other employers' contributions to OTPP. PSPP employer contributions include special payments of $99 million (2014–15, $99 million).
3 Employee contributions paid during the calendar year.

Other Employee Future Benefits

Other Employee Future Benefits are non-pension retirement benefits, post-employment benefits, compensated absences and termination benefits.

Non-Pension Retirement Benefits

The Province provides dental, basic life insurance, supplementary health and hospital benefits to retired employees through a self-insured, unfunded defined benefit plan. Changes to eligibility criteria and premium cost-sharing terms announced in 2014 will take effect as of January 1, 2017. Certain Public Service Pension Plan members, and OPSEU Pension Plan members who do not meet the current 10-year eligibility criteria by January 1, 2017, would be required to have 20 years of pension service and retire to an immediate unreduced pension to be eligible to receive the post-retirement insured benefits. Further, any eligible members who commence receipt of a pension on or after January 1, 2017, would be required to pay 50 per cent of the premium costs in order to participate in the post-retirement insured benefits plan.

Notwithstanding the changes described in the previous paragraph, an arbitration decision resulting from the Association of Law Officers of the Crown/Ontario Crown Attorneys Associations (ALOC/OCAA) policy grievance precluded the application of these announced changes to associations' members for the balance of the term of the current collective agreement. In addition, in 2015-16, the Province updated the OPSEU retiree's supplementary health benefits to align with changes negotiated for active OPSEU members. These two amendments resulted in a $30 million past service cost that is included in the results for the 2015-16 fiscal year.

The liability for non-pension retirement benefits of $8.3 billion as at March 31, 2016 (2015, $8.1 billion), is included in the Other Employee Future Benefits Liability. The expense for 2015–16 of $393 million (2014–15, $319 million) (excluding the expense for BPS organizations) is included in the Other Employee Future Benefits Expense. The BPS expense of $29 million in 2015–16 (2014–15, $41 million) is included in the Salaries, Wages and Benefits expense of BPS organizations (Schedule 10) and in the expenses of the related ministries (Schedule 4).

The discount rate used in the non-pension retirement benefits calculation for 2015–16 is 3.40 per cent (2014–15, 3.70 per cent). The discount rate used by BPS organizations in the non-pension retirement benefits calculation for 2015–16 ranges from 2.35 per cent to 5.75 per cent (2014–15, 2.80 per cent to 5.75 per cent).

Post-Employment Benefits, Compensated Absences and Termination Benefits

The Province provides, on a self-insured basis, workers' compensation benefits, long-term disability benefits and regular benefits to employees who are on long-term disability.

In 2015, the Province eliminated termination pay entitlement upon retirement for the Ontario Public Service Employee Union (OPSEU) employees hired on or after January 1, 2013. For current OPSEU employees who retire after December 31, 2016, service accrued will be capped up to December 31, 2016, and any termination payments on retirement after January 1, 2016, will be paid based on salary in effect on December 31, 2016. A plan curtailment gain of $128 million and recognition of net unamortized gains of $22 million are included in the fiscal year 2015-16 Other Employee Future Benefits.

During the previous year, the Province eliminated severance entitlement upon retirement for the Association of Management, Administrative and Professional Crown Employees of Ontario (AMAPCEO) employees hired on or after April 1, 2014. For current AMAPCEO employees who retire after January 1, 2016, service accrued will be capped up to December 31, 2015, and any termination payments on retirement after January 1, 2016, will be paid based on salary in effect on December 31, 2015. A plan curtailment gain of $39 million and recognition of net unamortized gains of $5 million is included in fiscal year 2014–15 Other Employee Future Benefits.

For all other employees subject to terms set out in collective agreements, with the exception of management-excluded staff who have completed five years of service, the Province provides termination pay equal to one week's salary for each year of service up to a maximum of 50 per cent of their annual salary. Employees who have completed one year of service but less than five years are also entitled to termination pay in the event of death, retirement or release from employment. All employees who resign are not eligible for any severance pay in respect to service after December 2011.

The total post-employment benefits liability of $2.5 billion as at March 31, 2016 (2015, $2.7 billion), is included in the Other Employee Future Benefits Liability. The total post-employment benefits recovery of $37 million in 2015–16 (2014–15, $165 million post-employment benefit expense; excluding the expense for BPS organizations) is included in the Other Employee Future Benefits Expense. The BPS post-employment benefits expense of $471 million in 2015–16 (2014–15, $527 million) is included in the Salaries, Wages and Benefits expense of BPS organizations (Schedule 10) and in the expenses of the related ministries (Schedule 4).

The discount rate used in the post-employment benefits, compensated absences and termination benefits calculations for 2015–16 is 2.70 per cent (2014–15, 3.15 per cent). The discount rate used by BPS organizations in the post-employment benefits for 2015–16 ranges from 2.35 per cent to 6.75 per cent (2014–15, 2.75 per cent to 8.00 per cent).

7. Other Liabilities

Other Liabilities **As at March 31** **($ Millions)**	**2016**	2015
Power Purchase Contracts	**$307**	$479
Liabilities for Contaminated Sites	**1,751**	1,792
Other Funds and Liabilities	**2,847**	2,607
Total	**$4,905**	$4,878

Power Purchase Contracts

Power supply contracts include both power purchase contracts and power supply support agreements. Power purchase contracts and related loan agreements were entered into by the former Ontario Hydro with non-utility generators (NUGs) located in Ontario. As the legal continuation of Ontario Hydro, Ontario Electricity Financial Corporation (OEFC), a consolidated government organization, is the counterparty to these contracts. The contracts, expiring on various dates to 2048, provided for the purchase of power at prices that were expected to be in excess of the future market price. Accordingly, a liability was recorded at $4.3 billion on a discounted cash-flow basis when Ontario Hydro was continued as OEFC on April 1, 1999.

Under legislated reforms to the electricity market, OEFC began receiving actual contract prices for power from ratepayers effective January 1, 2005, and no longer incurs losses on these contracts. At that time, the Ministry of Finance estimated the bulk of the liability would be eliminated over 12 years as existing electricity contracts expire. As a result, the OEFC is amortizing the bulk of the liability to revenue over that period. The decrease in the liability for power purchase contracts was $172 million (2014–15, $217 million), resulting in a liability of $307 million as at March 31, 2016 (2015, $479 million).

In addition, effective January 1, 2009, OEFC entered into a support contract, the Contingency Support Agreement (CSA), with Ontario Power Generation Inc. (OPG), whereby OPG agreed to maintain the reliability and availability of Lambton and Nanticoke coal-fired stations following implementation of a greenhouse gas emissions-reduction strategy. Under the contract, OEFC agreed to ensure OPG would recover the actual costs of operating the stations after implementing this strategy. Any costs to OEFC under this agreement are fully recovered from electricity ratepayers. As at December 31, 2013, OEFC triggered an early termination clause in the CSA to reflect the advanced closure of these plants by one year to the end of 2013. OPG is allowed to recover actual costs that cannot reasonably be avoided or mitigated, during the period from the early shutdown date until December 31, 2014, consistent with the original end date of the CSA.

During the year ended March 31, 2016, OEFC's cost under power supply contracts totalled $875 million (2014–15, $950 million), including purchases of power from NUGs of $865 million (2014–15, $902 million) and OPG support contract costs of $10 million (2014–15, $48 million). These costs were recovered from electricity ratepayers (as shown in Schedules 1, 3 and 4).

Liabilities for Contaminated Sites

The Province reports environmental liabilities related to the management and remediation of contaminated sites where the Province is obligated or likely obligated to incur such costs. A contaminated sites liability of $1,751 million (2015, $1,792 million) has been recorded based on environmental assessments or estimations for those sites where an assessment has not been conducted.

The Province's ongoing efforts to assess contaminated sites may result in additional environmental remediation liabilities related to newly identified sites, or changes in the assessments or intended use of existing sites, including mine sites. Any changes to the Province's liabilities for contaminated sites will be accrued in the year in which they are assessed as likely and reasonably estimable.

Other Funds and Liabilities

Other funds and liabilities include pension and benefit funds related to the Provincial Judges' Pension Fund, the Public Service and the Deputy Ministers' Supplementary Benefit Accounts, externally restricted funds and other long-term liabilities.

8. Investments

Investments **As at March 31** **($ Millions)**	**2016**	2015
Temporary Investments	**$16,112**	$14,743
Add: Assets Purchased under Resale Agreements	**4,657**	5,942
Less: Assets Sold under Repurchase Agreements	**(1,008)**	(1,994)
Total Temporary Investments	**$19,761**	$18,691
Other Investments	**2,004**	1,675
Total Investments	**$21,765**	$20,366

Temporary Investments

Temporary investments primarily consist of investments in government bonds. The fair value of temporary investments, including assets purchased and sold under resale and repurchase agreements at March 31, 2016, is $19.8 billion (2015, $18.7 billion). Fair value is determined using quoted market prices.

A resale agreement is an agreement between two parties where the Province purchases and subsequently resells a security at a specified price on a specified date. A repurchase agreement is an agreement between two parties where the Province sells and subsequently repurchases a security at a specified price on a specified date.

Other Investments

Other investments represent the investments held by BPS organizations. These investments primarily consist of fixed-income securities. The fair value of these investments approximates book value.

9. Tangible Capital Assets

Tangible Capital Assets
As at March 31
($ Millions)

	Land	Buildings	Transportation Infrastructure	Machinery and Equipment	Information Technology	Other	2016	2015
Cost								
Opening Balance	13,801	73,621	30,740	11,630	5,483	5,781	**141,056**	131,299
Additions	896	3,965	3,439	874	763	985	**10,922**	11,183
Disposals	46	672	1,410	340	149	19	**2,636**	1,426
Closing Balance	**14,651**	**76,914**	**32,769**	**12,164**	**6,097**	**6,747**	**149,342**	141,056
Accumulated Amortization								
Opening Balance	–	21,496	9,100	8,771	2,992	1,632	**43,991**	40,743
Additions	–	2,189	1,217	721	547	239	**4,913**	4,544
Disposals	–	201	1,410	321	147	19	**2,098**	1,296
Closing Balance	**–**	**23,484**	**8,907**	**9,171**	**3,392**	**1,852**	**46,806**	43,991
Net Book Value								
2016	**14,651**	**53,430**	**23,862**	**2,993**	**2,705**	**4,895**	**102,536**	**–**
2015	13,801	52,125	21,640	2,859	2,491	4,149	–	97,065

Land includes land acquired for transportation infrastructure, parks, buildings and other program use, and land improvements that have an indefinite life and are not being amortized. Land excludes Crown lands acquired by right.

Buildings include administrative and service structures, and dams and engineering structures.

Transportation Infrastructure includes provincial highways, railways, bridges and related structures and facilities, but excludes land and buildings.

Machinery and Equipment consists mainly of hospital equipment.

Information Technology consists of computer hardware and software.

Other includes leased assets, vehicles, aircraft and other miscellaneous tangible capital assets owned by the government and its consolidated organizations.

Works of art and historical treasures are excluded from tangible capital assets.

Assets under construction have been included within the various asset categories presented above. The total value of assets under construction as at March 31, 2016, is $11.8 billion (2015, $14.2 billion).

All tangible capital assets, except assets under construction, land and land improvements with an indefinite life, are being amortized on a straight-line basis over their estimated useful lives. Amortization expense for the fiscal year 2015–16 totalled $4.9 billion, (2014-15, $4.5 billion) of which $2.0 billion (2014–15, $1.8 billion) relates to the Province and $2.9 billion (2014–15, $2.7 billion) relates to the BPS. The latter expense is included under the BPS expense reported on Schedule 10. The useful lives of the Province's tangible capital assets have been estimated as:

Buildings	20 to 40 years
Dams and Engineering Structures	20 to 80 years
Transportation Infrastructure	10 to 75 years
Machinery and Equipment	3 to 20 years
Information Technology	3 to 15 years
Other	3 to 30 years

10. Changes in the Fair Value of Ontario Nuclear Funds

The Ontario Nuclear Funds Agreement (ONFA) Funds were established by Ontario Power Generation Inc. (OPG) and the Province to ensure that sufficient funds will be available to pay for the costs of nuclear station decommissioning and nuclear used fuel waste management.

Since April 1, 2007, the fair value of ONFA Funds has been reflected in the Province's Consolidated Financial Statements. Unrealized gains and losses of ONFA Funds are included in Investment in Government Business Enterprises and recorded as an Increase (Decrease) in Fair Value of Ontario Nuclear Funds in the Consolidated Statement of Change in Net Debt and the Consolidated Statement of Change in Accumulated Deficit. Realized gains and losses of ONFA Funds are included in Income from Investment in Government Business Enterprises. Inter-organizational balances related to ONFA Funds are eliminated.

ONFA Funds incurred unrealized losses in 2015–16 of $1,003 million (2014–15, unrealized gain of $1,121 million) that resulted in a decrease in Investment in Government Business Enterprises and a corresponding increase in Net Debt and Accumulated Deficit.

11. Sale of Hydro One Common Shares

In November 2015, the Province sold approximately 16 per cent of Hydro One's common shares at a price of $20.50 per common share, through a public offering and through related share sales. As of March 31, 2016, the Province owned approximately 84 per cent of Hydro One's common shares.

In August 2015, prior to the sale of Hydro One common shares, Hydro One transferred all of the issued and outstanding shares of Hydro One Brampton to the Province as a dividend-in-kind. Hydro One also transferred all of the long-term intercompany debt plus accrued interest owed by Hydro One Brampton to Hydro One as a return of stated capital. The transfers were made to the newly formed Brampton Distribution Holdco Inc., creating a new Government Business Enterprise. Also, prior to the sale of the Hydro One Shares, Hydro One declared and paid a special dividend to the Province of $800 million. This amount is reported in the Remittances to Consolidated Fund in Schedule 9 and was considered in the book value calculation of the shares sold.

An accounting gain of $783 million was recognized in the 2015-16 financial results in connection with the sale of Hydro One shares. An additional gain of $48 million was deferred in connection with a sale of shares to electricity sector union trusts during the year and will be recognized as revenue as the loans provided to the trusts to purchase the shares are repaid.

In conjunction with the disposition of Hydro One shares, Hydro One exited the Province's payments in lieu of corporate income tax regime (corporate PILs regime) and is now subject to federal and provincial corporate income taxes. Immediately before exiting the corporate PILs regime, Hydro One was deemed to have disposed of its assets for proceeds equal to the assets' fair market value. As a result of this deemed disposition, before exiting the corporate PILs regime Hydro One had to make a payment under the Electricity Act, 1998 related to the income and capital gains arising from the difference between the assets' fair value and tax value. This one-time payment to the Province, referred to as the "departure tax", was $2.6 billion. Hydro One also paid the Province $191 million in additional corporate PILs in connection with leaving the corporate PILs regime. These one-time payments did not affect the Province's annual deficit as the additional revenue recognized by the Province was offset by an equal reduction in Hydro One's net income, which is consolidated in the Province's financial statements.

The transition into the federal and provincial corporate income tax regime also resulted in Hydro One eliminating a deferred tax liability and recognizing a deferred tax asset in 2015-16 which reflects reduced cash taxes payable by Hydro One for some period in the future. The Province's proportionate share of the deferred tax benefit increased the Province's revenues by $2.4 billion, and is reflected in Income from Government Business Enterprises.

A summary of key direct components of the Hydro One transactions include:

($ Millions)	
Total proceeds from the sale of shares	$1,945
Deferred gain on sale of shares to electricity union trusts	($48)
Transaction costs	($43)
Net Proceeds from sale of Hydro One shares (Net of transaction cost and gain on sale of shares to electricity union trusts)	**$1,854**
Book value of shares sold (Schedule 9)	($1,071)
Gain on sale of shares recognized in 2015-16	**$783**
Electricity PILs Revenue (Schedule 1)	$2,791
Hydro One departure tax expense and one-time PILs payment (offset to PILs Revenue) reflected in Income from GBEs	($2,791)
Portion of Hydro One deferred tax benefit recorded by the Province through HOL consolidation, reflected in Income from GBEs	$2,392
Net impact on annual deficit	**$3,175**

12. Hydro One and Ontario Power Generation use of US GAAP

Hydro One Limited and Ontario Power Generation Inc. prepare their stand-alone financial statements on a US GAAP basis as permitted under current securities legislation. The entities are consolidated on the Province's books, using the modified equity method, on the same basis on which they report their stand-alone financial reports. As government business enterprises, in the Introduction to the Public Sector Accounting Standards, for purposes of consolidation, Hydro One Limited and Ontario Power Generation Inc. are directed to prepare their financial statements in accordance with accounting standards used by publicly accountable enterprises, which under Part I of the Accounting Standards Handbook would be International Financial Reporting Standards (IFRS). If the results for Hydro One Limited and Ontario Power Generation Inc. were consolidated with those of the Province using IFRS, Financial Assets would be $473 million lower, Income from Investment in Government Business Enterprises would be $34 million lower, and Opening Accumulated Deficit would be $439 million higher.

13. Contingent Liabilities

Obligations Guaranteed by the Province

The authorized limit for loans guaranteed by the Province as at March 31, 2016, was $1.4 billion (2015, $2.0 billion). The outstanding loans guaranteed and other contingencies amounted to $1.0 billion as at March 31, 2016 (2015, $1.4 billion).
A provision of $3.4 million (2015, $4.0 million), based on an estimate of the likely loss arising from guarantees under the Student Support Programs, has been reflected in these financial statements.

Ontario Nuclear Funds Agreement

Under ONFA, the Province is liable to make payments should the cost estimate for nuclear used fuel waste management rise above specified thresholds, for a fixed volume of used fuel. The likelihood and amount by which the cost estimate could rise above these thresholds cannot be determined at this time. The cost estimate will be updated periodically to reflect new developments in the management of nuclear used fuel waste.

As well, under ONFA, the Province guarantees a return of 3.25 per cent over the Ontario Consumer Price Index for the portion of the nuclear used fuel waste management segregated fund related to the fixed volume of used fuel. If the earnings on assets in that fund related to the fixed volume exceed the guaranteed rate, the Province is entitled to the excess.

Two agreements are in place to satisfy the Canadian Nuclear Safety Commission (CNSC) licensing requirements for financial guarantees in respect of OPG's nuclear station decommissioning and nuclear waste management obligations. One agreement gives the CNSC access (in prescribed circumstances) to the segregated funds established under ONFA. The other agreement between the Province and the CNSC provides a direct provincial guarantee to the CNSC on behalf of OPG. This guarantee relates to the portion of the decommissioning and waste management obligations not funded by the estimated value of ONFA funds as at January 1, 2013. In return, the Province receives from OPG an annual fee equal to 0.5 per cent of the value of the guarantee. The provincial guarantee, for up to $1,551 million, is in effect from January 1, 2013, through the end of 2017, when the next reference plan for the CNSC is planned to be approved. In each of January 2015 and 2016, OPG paid a guarantee fee of $8 million to the Province based on the guarantee amount of $1,551 million.

Social Housing — Loan Insurance Agreements

For all non-profit housing projects in the provincial portfolio, the Province is liable to indemnify and reimburse the Canada Mortgage and Housing Corporation (CMHC) for any net costs, including any environmental liabilities, incurred as a result of project defaults through the Ministry of Municipal Affairs and Housing or the Ontario Mortgage and Housing Corporation.

At March 31, 2016, there were $5.0 billion (2015, $5.4 billion) of mortgage loans outstanding. As operating subsidies provided by the Province are sufficient to ensure that all mortgage payments can be made when due, default is unlikely. To date, there have been no claims for defaults on insured mortgage loans.

Claims Against the Crown

There are claims outstanding against the Crown, of which 70 (2015, 58) are for amounts over $50 million. These claims arise from legal action, either in progress or threatened, in respect of Aboriginal land claims, breach of contract, damages to persons and property, and like items. The cost to the Province, if any, cannot be determined because the financial outcome of these actions is uncertain. For a detailed listing of claims against the ministries, refer to Public Accounts Volume 1, "Claims Against the Crown."

Subsequent to year end, on April 20, 2016 the Ontario Superior Court determined that Bill 115 *Putting Students First Act, 2012* was in contravention of the unions' right to collective bargaining under the Charter of Rights and Freedoms. The Court did not impose a penalty on the Province, and directed that the parties attempt to negotiate a remedy. The impact on the March 31, 2016 consolidated financial statements of the related accrual is based on the Province's best estimation of the remedy amount on information available, the extent of which is not disclosed given that an agreement has not been reached.

Canadian Blood Services

The provincial and territorial governments of Canada have entered into a Canadian Blood Services Excess Insurance Captive Support Agreement (the "Captive Support Agreement") with Canadian Blood Services (CBS) and Canadian Blood Services Captive Insurance Company Limited (CBSI), a wholly owned subsidiary of CBS. Under the Captive Support Agreement, each government indemnifies CBSI for its pro-rata share of any payments that CBSI becomes obliged to make under a comprehensive blood risks insurance policy it provides to CBS. The policy has an overall limit of $750 million, which may cover settlements, judgments and defence costs. The policy is in excess of, and secondary to, a $250-million comprehensive insurance policy underwritten by CBS Insurance Company Limited, a subsidiary of CBS. Given current populations, Ontario's maximum potential liability under the Captive Support Agreement is approximately $376 million. The Province is not aware of any proceedings that could lead to a claim against it under the Captive Support Agreement.

Legal Aid Ontario — Certificates

Legal Aid Ontario (LAO) issues certificates to individuals seeking legal aid assistance. Each certificate issued authorizes legal services to be performed within the tariff guidelines. At March 31, 2016, a potential $51.9 million (2015, $55.6 million) could still be incurred on certificates issued on or before March 31, 2016, over and above the billings received to date.

Contaminated Sites

The Province has identified contingent liabilities related to 125 sites (2015, 76 sites) that may have potential liabilities of $365 million (2015, $383 million). A liability has not been recorded for these sites because either the likelihood of the government becoming responsible for the site is not determinable, the amount of the liability cannot be estimated, or both.

General Real Estate Portfolio — Lease Obligation

Prior to the amalgamation of Stadium Corporation of Ontario Limited (STADCO) with Infrastructure Ontario and the Ontario Realty Corporation on June 6, 2011, all assets, liabilities and operations of STADCO were transferred to the General Real Estate Portfolio (GREP), including ground leases dated June 3, 1989, with Canada Lands Company (CLC) for the SkyDome Lands and the sublease to Rogers Stadium Limited Partnership (sub-tenant). Under the terms of the ground lease, GREP is responsible for base rent, realty taxes, utilities and certain operating costs, which are assumed by the sub-tenant under the terms of the sub-lease. In the event of a default by the sub-tenant, the potential financial impact to GREP is estimated to be the base rent, in the range of $300 million to $400 million annually, plus realty taxes, utilities and certain operating costs.

Collateral

The Province has entered into securities repurchase agreements and collateralized swap agreements with certain counterparties. Under the terms of those agreements, the Province may be required to pledge and/or receive assets relating to obligations to the counterparties. In the normal course of business, these pledged securities will be returned to the pledgor when there are no longer any outstanding obligations.

As at March 31, 2016, the Province pledged assets in the carrying amount of $33 million (2015, $35 million), which are included in Investments and/or Cash and Cash Equivalents.

14. Contractual Obligations

Contractual Obligations as at March 31 ($ Millions)	2016	2015	Minimum Payments to be made in: 2017	2018	2019	2020	2021	2022 and thereafter
Transfer Payments	**$10,965**	$7,872	$6,701	$2,777	$732	$364	$139	$252
Alternative Financing Contracts	**27,528**	24,210	11,715	773	849	651	548	12,992
Ontario Power Generation	**6,499**	5,286	1,982	538	504	505	293	2,677
Leases	**4,391**	4,139	670	557	491	421	358	1,894
Construction Contracts	**4,980**	4,654	1,800	848	453	302	256	1,321
Other	**8,987**	7,204	1,573	1,179	983	823	664	3,765
Total Contractual Obligations	**$63,350**	$53,365	$24,441	$6,672	$4,012	$3,066	$2,258	$22,901

Ontario Power Generation Inc.'s contractual obligations include future contributions under ONFA of $3.2 billion and fuel-supply agreements of $783 million.

The Province has entered into a number of multiple-year alternative financing contracts for the construction of assets and delivery of services. The contractual obligations represent the unperformed capital and operating portion of the contracts and will become liabilities in the future when the terms of the contracts are met.

15. Trust Funds Under Administration

Summary financial information from the most recent financial statements of trust funds under administration is provided below.

Workplace Safety and Insurance Board (WSIB)[1] **As at December 31** **($ Millions)**	**2015**	2014[2]
Assets	**$28,305**	$25,779
Liabilities	**32,102**	31,025
Deficiency of Assets	**(3,797)**	(5,246)
Unfunded Liability attributable to WSIB stakeholders	**($6,599)**	($7,890)

1 The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).
2 The 2014 results were restated by WSIB in March 2016.

Other Trust Funds **As at March 31** **($ Millions)**			**2016**	2015
	Assets	**Liabilities**	**Fund Balance (Unfunded Liability)**	Fund Balance (Unfunded Liability)
The Public Guardian and Trustee for Province of Ontario	**$1,734**	**$54**	**$1,680**	$1,623
Motor Vehicle Accident Claims Fund	**64**	**230**	**(166)**	(161)
Pension Benefits Guarantee Fund	**600**	**159**	**441**	372
As at December 31	**Assets**	**Liabilities**	**2015 Fund Balance**	2014 Fund Balance
Deposit Insurance Corporation of Ontario	**$219**	**$13**	**$206**	$185

Unfunded liabilities of trusts under administration are not included in the Province's consolidated financial statements as it is intended that they will be discharged by external parties. The most recent financial statements of these trusts are reproduced in Volume 2 of the Public Accounts of Ontario.

16. Future Changes in Accounting Standards

PSAB 3450 — Financial Instruments and PSAB 2601 — Foreign Currency Translation

PSAB has introduced new sections on Financial Instruments and Foreign Currency Translation that categorize items to be accounted for at either fair value, cost or amortized cost. Fair value measurement applies to derivatives and portfolio investments in equity instruments that are quoted in an active market. Other financial assets and financial liabilities will generally be measured at cost or amortized cost. Until an item is derecognized (for example, through disposition), any gains and losses arising due to changes in fair value (remeasurements) will be reported in the Statement of Remeasurement Gains and Losses. PSAB has agreed to further explore the views of the stakeholders in the areas of hedge accounting and linkage to the Concepts Underlying Financial Performance project. PSAB has extended the effective date of these standards until fiscal year 2019–20.

PSAB 2200 — Related Party Disclosures

PSAB has issued a new standard on Related Party Disclosures. This standard requires disclosure of related-party transactions if they have a material financial effect on the Consolidated Financial Statements and only if those transactions occur at a value different from what would have been arrived at if the parties were unrelated. Transactions involving key management personnel and their close family members may be required to be disclosed if they meet certain criteria. The standard is effective in fiscal year 2017–18 or earlier. The Province is currently assessing the impact of this standard on its Consolidated Financial Statements.

PSAB 3420 — Inter-Entity Transactions

PSAB has issued a new standard on Inter-Entity Transactions. It establishes standards 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. This standard covers recognition and measurement and references disclosure of information about Inter-Entity Transactions, in accordance with the Related Party Disclosure, Section PS 2200. The standard is effective in fiscal year 2017–18 or earlier. The Province is currently assessing the impact of this standard on its Consolidated Financial Statements.

Concepts Underlying Financial Performance

PSAB is currently in the process of revisiting its conceptual framework, which establishes principles for the development of standards used for financial reporting by the public–sector entities in Canada. The conceptual framework is important to ensure public–sector standards appropriately reflect the economic substance of government transactions and to support transparency and accountability in public-sector reporting. PSAB continues with stakeholder communication activities and is currently deliberating on comments received on their latest consultation paper.

Asset Retirement Obligations

PSAB is currently developing an exposure draft for a new accounting standard that addresses the reporting of legal obligations associated with the retirement of long-lived tangible capital assets currently in productive use. The Province will be responding to the exposure draft, which is expected in the first quarter of 2017.

Revenue

PSAB is currently developing an exposure draft for revenue recognition principles that apply to revenues of governments and government organizations other than government transfers and tax revenue. The Province will be responding to the exposure draft, which is expected in the first quarter of 2017.

17. Subsequent Event

Subsequent to the Province's fiscal year end, on April 14, 2016, the Province sold 72,434,800 common shares of Hydro One Limited at $23.65 per share through a secondary share offering, generating approximately $1.7 billion in gross proceeds.

The Province also granted an over-allotment option to the underwriters to purchase up to an additional 10,865,200 common shares, under the same terms and conditions as the base offering. The underwriters exercised this over-allotment option in full on April 29, 2016. Including the over-allotment option, the Province generated approximately $2 billion in gross proceeds from the offering.

Subsequent to this sale, the Province owns approximately 70 per cent of the outstanding, common shares of Hydro One Limited.

18. Restatement

During fiscal 2015-16, the Province determined that it should have recorded a valuation allowance against the pension assets related to the Ontario Teachers' Pension Plan (OTPP) and the Ontario Public Service Employees' Union Pension Plan (OPSEUPP). Both of these plans are joint defined benefit plans. The Province accounts for its portion of each plan in accordance with the standards for defined benefit pension plans. These plans are the only for which pension asset was recorded. A pension asset has been recorded for both of these plans for the past 15 years, since fiscal 2001-2002.

A pension asset arises when the total of the Province's contributions to the plan as well as the interest earned on the assets in the plan is greater than the retirement benefit expense recognized from since the start of the plan.

Public Sector Accounting Standards require that when a pension asset arises, additional analysis is required to determine whether the government is entitled to fully benefit from this accounting surplus. Generally a sponsor would be able to benefit from an accounting surplus over time by reducing contributions.

Historically, the Province had estimated that it could fully benefit from the accounting surplus. In the current year, the Province determined that because these plans are jointly sponsored, its inability to reduce contributions without agreement from its joint sponsors creates too much uncertainty in its ability to fully benefit from the accounting surplus and therefore, a full valuation allowance should be recorded.

The effect of the retroactive change in accounting is as follows as at March 31, 2015 and for the year then ended:

($ Millions)	**Balance as reported**	**Adjustment**	**Balance as restated**
Consolidated statement of Operations -Expense			
Education	25,194	956	26,150
General Government and Other	4,617	(3)	4,614
Total Expenses	128,861	953	129,814
Annual Deficit	(10,315)	(953)	(11,268)
Consolidated Statement of Financial Position			
Liabilities Pensions and Other Employee Future Benefits	3,151	9,154	12,305
Total Liabilities	367,089	9,154	376,243
Net Debt	(284,576)	(9,154)	(293,730)
Accumulated Deficit	(187,511)	(9,154)	(196,665)

19. Comparative Figures

The comparative figures have been reclassified as necessary to conform to the 2016 presentation.

SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Province of Ontario
Schedule 1: Revenue by Source

($ Millions)	2015–16 Budget[1]	2015–16 Actual	2014–15 Actual
Taxation			
Personal Income Tax	30,377	**31,141**	29,313
Sales Tax	22,982	**23,455**	21,689
Corporations Tax	11,342	**11,428**	9,557
Education Property Tax	5,715	**5,839**	5,561
Employer Health Tax	5,680	**5,649**	5,415
Ontario Health Premium	3,458	**3,453**	3,366
Electricity Payments-In-Lieu of Taxes (Note 11)	524	**3,247**	180
Gasoline Tax	2,457	**2,459**	2,447
Land Transfer Tax	1,782	**2,118**	1,765
Tobacco Tax	1,262	**1,226**	1,163
Fuel Tax	752	**751**	739
Beer and Wine Tax	575	**582**	560
Other Taxes	491	**470**	520
	87,397	**91,818**	82,275
Transfers from Government of Canada			
Canada Health Transfer	13,065	**13,089**	12,408
Canada Social Transfer	4,976	**4,984**	4,847
Equalization Payments	2,363	**2,363**	1,988
Labour Market Development Agreement	632	**632**	628
Social Housing	448	**455**	465
Indian Welfare Services Agreement	243	**259**	246
Job Fund Agreement	192	**205**	179
Infrastructure Programs	308	**146**	137
Bilingualism Development	83	**85**	86
Labour Market Agreement for Persons with Disabilities	76	**76**	76
Youth Criminal Justice	52	**52**	52
Legal Aid Criminal	51	**51**	53
Other	401	**460**	450
	22,890	**22,857**	21,615

Province of Ontario
Schedule 1: Revenue by Source (cont'd)

($ Millions)	2015–16 Budget[1]	2015–16 Actual	2014–15 Actual
Income from Investment in Government Business Enterprises *(Schedule 9)*	4,812	**4,909**	5,615
Other			
Sales and Rentals	2,803	**2,102**	2,336
Vehicle and Driver Registration Fees	1,592	**1,565**	1,433
Electricity Debt Retirement Charge	865	**859**	956
Power Supply Contract Recoveries (Note 7)	793	**875**	950
Other Fees and Licenses	745	**743**	693
Royalties	262	**274**	275
Independent Electricity System Operation Revenue	234	**221**	240
Net Reduction of Power Purchase Contracts (Note 7)	172	**172**	217
Local Services Realignment	117	**125**	106
Miscellaneous	1,708	**1,857**	1,835
	9,291	**8,793**	9,041
Total Revenue	124,390	**128,377**	118,546

[1] Amounts reported as "Plan" in 2015 Budget.

Province of Ontario
Schedule 2: Revenue by Sector

Sectors	Health[1]		Education[2]		Children's and Social Services[3]		Environment, Resources and Economic Development[4]	
For the year ended March 31 ($ Millions)	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
Revenue								
Taxation *(Schedule 1)*	**–**	–	**–**	–	**–**	–	**1**	2
Transfers from Government of Canada *(Schedule 1)*	**49**	55	**79**	80	**360**	346	**883**	913
Income from Investment in Government Business Enterprises	**–**	–	**–**	–	**–**	–	**719**	1,963
Other *(Schedule 1)*	**232**	229	**32**	26	**88**	64	**4,020**	3,748
Total	**281**	284	**111**	106	**448**	410	**5,623**	6,626

1 Includes the activities of the Ministry of Health and Long-Term Care.
2 Includes the activities of the Ministry of Education.
3 Includes the activities of the Ministries of Children and Youth Services, and Community and Social Services.
4 Includes the activities of the Ministries of Aboriginal Affairs; Agriculture, Food and Rural Affairs; Citizenship, Immigration and International Trade; Economic Development, Employment and Infrastructure/Research and Innovation; Energy; Environment and Climate Change; Labour; Municipal Affairs and Housing; Natural Resources and Forestry; Northern Development and Mines; Tourism, Culture and Sport; and Transportation.

Post-Secondary Education and Training[5]		Justice[6]		General Government and Other[7]		Total	
2016	2015	**2016**	2015	**2016**	2015	**2016**	2015
–	–	**–**	–	**91,817**	82,273	**91,818**	82,275
909	868	**103**	100	**20,474**	19,253	**22,857**	21,615
–	–	**–**	–	**4,190**	3,652	**4,909**	5,615
55	54	**735**	727	**3,631**	4,193	**8,793**	9,041
964	922	**838**	827	**120,112**	109,371	**128,377**	118,546

[5] Includes the activities of the Ministry of Training, Colleges and Universities.
[6] Includes the activities of the Ministries of Attorney General, and Community Safety and Correctional Services.
[7] Includes the activities of the Ministries of Government and Consumer Services, Finance, the Board of Internal Economy, Executive Offices, the Office of Francophone Affairs and Treasury Board Secretariat.

Province of Ontario
Schedule 3: Expense by Sector[1]

Sectors	Health[2]		Education[3]		Children's and Social Services[4]		Environment, Resources and Economic Development[5]	
For the year ended March 31 ($ Millions)	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
Expense								
Transfer Payments	**48,299[10]**	47,912[10]	**24,974**	24,909	**14,692**	13,899[11]	**6,045**	5,436
Interest on Debt	**–**	–	**–**	–	**–**	–	**–**	–
Salaries and Wages	**654**	639	**212**	204	**444**	429	**1,820**	1,802
Services	**1,877**	1,740	**153**	138	**230**	186	**1,499**	1,238
Pensions and Employee Future Benefits *(Note 6)*	**5**	6	**1,590**	1,521	**6**	7	**9**	11
Power Supply Contract Costs	**–**	–	**–**	–	**–**	–	**–**	–
Amortization of Tangible Capital Assets	**63**	54	**9**	9	**36**	23	**1,868**	1,678
Employee Benefits	**124**	120	**34**	33	**69**	69	**346**	349
Supplies and Equipment	**422**	396	**7**	8	**9**	9	**228**	231
Transportation and Communication	**61**	60	**14**	15	**19**	20	**130**	116
Net Impact of Broader Public Sector Organizations on Provincial Expenses *(Schedule 10)*	**(495)**	(1,042)	**(436)**	(717)	**–**	–	**–**	–
Other	**57**	154	**31**	30	**50**	41	**667**	821
Total[12]	**51,067**	50,039	**26,588**	26,150	**15,555**	14,683	**12,612**	11,682

[1] The information in the sectors' columns represents activities of ministries and consolidated agencies after adjustments to eliminate transactions between sectors.

[2] Includes the activities of the Ministry of Health and Long-Term Care.

[3] Includes the activities of the Ministry of Education.

[4] Includes the activities of the Ministries of Children and Youth Services, and Community and Social Services.

[5] Includes the activities of the Ministries of Aboriginal Affairs; Agriculture, Food and Rural Affairs; Citizenship, Immigration and International Trade; Economic Development, Employment and Infrastructure/Research and Innovation; Energy; Environment and Climate Change; Labour; Municipal Affairs and Housing; Natural Resources and Forestry; Northern Development and Mines; Tourism, Culture and Sport; and Transportation.

Commented [CV2]: Can you add a footnote to this 2015 column and the 2015 column for General and Other Government stating:

"Pensions and employee future benefits have been restated. See Note 18."

Post-Secondary Education and Training[6]		Justice[7]		General Government and Other[8]		Interest on Debt[9]		Total	
2016	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
7,515	7,521	**446**	391	**720**	789	**–**	–	**102,691**	100,857
–	–	**–**	–	**–**	–	**10,967**	10,635	**10,967**	10,635
93	91	**2,321**	2,246	**948**	917	**–**	–	**6,492**	6,328
62	65	**978**	962	**380**	366	**–**	–	**5,179**	4,695
–	–	**20**	18	**1,046**	1,225	**–**	–	**2,676**	2,788
–	–	**–**	–	**875**	950	**–**	–	**875**	950
5	2	**15**	12	**61**	63	**–**	–	**2,057**	1,841
15	14	**306**	299	**122**	101	**–**	–	**1,016**	985
1	1	**165**	171	**38**	37	**–**	–	**870**	853
4	4	**96**	93	**43**	44	**–**	–	**367**	352
(120)	(102)	**–**	–	**–**	–	**–**	–	**(1,051)**	(1,861)
59	64	**202**	159	**201**	122	**–**	–	**1,267**	1,391
7,634	7,660	**4,549**	4,351	**4,434**	4,614	**10,967**	10,635	**133,406**	129,814

6 Includes the activities of the Ministry of Training, Colleges and Universities.
7 Includes the activities of the Ministries of Attorney General, and Community Safety and Correctional Services.
8 Includes the activities of the Ministries of Government Services and Consumer Services, Finance, the Board of Internal Economy, Executive Offices, the Office of Francophone Affairs and Treasury Board Secretariat.
9 Includes the activities related to the management of the debt of the Province.
10 Includes transfers of $2,587 million (2014-15, $2,495 million) to Community Care Access Centres.
11 Includes transfers of $1,504 million (2014-15, $1,490 million) to Children's Aid Societies.
12 The comparative figures have been reclassified to conform to the 2015–2016 presentation.

Commented [CV3]: See previous comment

Province of Ontario
Schedule 4: Expense by Ministry

($ Millions)	2015–16 Budget[1]	2015–16 Actual	2014–15 Actual Restated Note 18)
Aboriginal Affairs	74	**79**	71
Agriculture, Food and Rural Affairs	1,041	**1,026**	943
Attorney General	1,780	**1,860**	1,783
Board of Internal Economy	210	**205**	264
Children and Youth Services	4,316	**4,260**	4,132
Citizenship, Immigration and International Trade	159	**169**	157
Community and Social Services	11,115	**11,295**	10,551
Community Safety and Correctional Services	2,649	**2,689**	2,568
Economic Development, Employment and Infrastructure/Research and Innovation	1,453	**1,134**	1,076
Education	25,231	**24,998**	24,630
Teachers' Pension *(Note 6)*	71	**1,590**	1,520
Energy	1,183	**1,232**	1,404
Environment and Climate Change	503	**503**	486
Executive Offices	34	**37**	43
Finance	860	**951**	827
Interest on Debt	11,410	**10,967**	10,635
Municipal Partnership Fund	513	**513**	542
Power Supply Contract Costs	793	**875**	950
Government Services and Consumer Services	602	**608**	573
Health and Long-Term Care	50,773	**51,067**	50,039
Labour	311	**304**	305
Municipal Affairs and Housing	1,080	**1,088**	1,050
Natural Resources and Forestry	790	**819**	792
Northern Development and Mines	757	**701**	804
Office of Francophone Affairs	8	**8**	5
Tourism, Culture and Sport	2,179	**2,270**	1,650
Training, Colleges and Universities	7,810	**7,634**	7,660
Transportation	3,457	**3,287**	2,944
Treasury Board Secretariat	291	**216**	227
Contingency Fund[2]	650	–	–
Employee and Pensioner Benefits	1,289	**1,021**	1,183
Program Review Savings Target[3]	(490)	–	–
Year-End Savings[3]	(1,000)	–	–
Total Expense	131,902	**133,406**	129,814

[1] Amounts reported as "Plan" in 2015 Budget.
[2] See glossary for definition.
[3] For Budget purposes, these items were not allocated to individual ministries.

Province of Ontario
Schedule 5: Accounts Payable and Accrued Liabilities

As at March 31 ($ Millions)	2016	2015
Transfer Payments	**4,825**	4,094
Interest on Debt	**3,610**	3,874
Salaries, Wages and Benefits	**2,917**	2,788
Other	**8,009**	9,299
Total Accounts Payable and Accrued Liabilities	**19,361**	20,055

Province of Ontario
Schedule 6: Accounts Receivable

As at March 31 ($ Millions)	2016	2015
Taxes	**6,579**	5,552
Transfer Payments[1]	**597**	573
Other Accounts Receivable[2]	**4,337**	4,335
	11,513	10,460
Less: Allowance for Doubtful Accounts[3]	**(1,226)**	(1,298)
	10,287	9,162
Government of Canada	**772**	1,144
Total Accounts Receivable	**11,059**	10,306

[1] The Transfer Payment receivable consists primarily of recoverables of $573 million (2015, $612 million) for the Ontario Disability Support Program — Financial Assistance.

[2] Other Accounts Receivable includes trade receivables.

[3] The Allowance for Doubtful Accounts includes a provision of $493 million (2015, $532 million) for the Ontario Disability Support Program — Financial Assistance.

Province of Ontario
Schedule 7: Loans Receivable

As at March 31 ($ Millions)	2016	2015
Government Business Enterprises[1]	**3,499**	3,695
Municipalities[2]	**5,407**	5,067
Students[3]	**2,655**	2,521
Industrial and Commercial[4]	**554**	492
Pension Benefit Guarantee Fund[5]	**198**	209
Universities[6]	**14**	22
Other[7]	**508**	402
	12,835	12,408
Unamortized Concession Discounts[8]	**(262)**	(277)
Allowance for Doubtful Accounts[9]	**(1,028)**	(1,006)
Total Loans Receivable	**11,545**	11,125

1 Loans to government business enterprises bear interest at rates of 2.32 per cent to 6.33 per cent (2015, 2.32 per cent to 6.33 per cent).
2 Loans to municipalities bear interest at rates of up to 10.00 per cent (2015, 10.52 per cent).
3 Loans to students bear interest at rates of 0.99 per cent to 3.85 per cent (2015, 1.23 per cent to 4.00 per cent).
4 Loans to industrial and commercial enterprises bear interest at rates of up to 6.30 per cent (2015, 6.56 per cent).
5 The loan to the Pension Benefit Guarantee Fund is interest-free.
6 Loans to universities are mortgages bearing interest at rates of 2.77 per cent to 7.00 per cent (2015, 2.77 per cent to 7.00 per cent).
7 Loans to other include loan for MaRS Phase 2 of $290 million (2015, $294 million) and loans to electricity sector union trusts of $111 million (2015, nil).
8 Unamortized concession discounts related to loans made to municipalities of $75 million (2015, $71 million), loans to the Pension Benefit Guarantee Fund of $97 million (2015, $102 million) and loans to industrial and commercial enterprises and other of $90 million (2015, $104 million).
9 Allowance for doubtful accounts related to loans made to students of $616 million (2015, $604 million), municipalities of $69 million (2015, $158 million), industrial and commercial enterprises and other of $242 million (2015, $137 million) and the Pension Benefit Guarantee Fund of $101 million (2015, $107 million).

Repayment Terms **As at March 31** **($ Millions)**	**Principal Repayment**	
Years to Maturity	**2016**	2015
1 year	**1,511**	1,284
2 years	**1,639**	799
3 years	**820**	1,601
4 years	**1,211**	761
5 years	**915**	1,164
1–5 years	**6,096**	5,609
6–10 years	**2,542**	2,831
11–15 years	**1,512**	1,305
16–20 years	**585**	513
21–25 years	**352**	282
Over 25 years	**1,591**	1,618
Subtotal	**12,678**	12,158
No fixed maturity	**157**	250
Total	**12,835**	12,408

Province of Ontario
Schedule 8: Government Organizations[1]

Government Business Enterprises[2]	Responsible Ministry
Brampton Distribution Holdco Inc.	Energy
Hydro One Limited	Energy
Liquor Control Board of Ontario	Finance
Ontario Lottery and Gaming Corporation	Finance
Ontario Power Generation Inc.	Energy
Other Government Organizations[2]	**Responsible Ministry**
Agricorp	Agriculture, Food and Rural Affairs
Agricultural Research Institute of Ontario	Agriculture, Food and Rural Affairs
Algonquin Forestry Authority	Natural Resources and Forestry
Cancer Care Ontario	Health and Long-Term Care
Education Quality and Accountability Office	Education
eHealth Ontario	Health and Long-Term Care
Forest Renewal Trust	Natural Resources and Forestry
General Real Estate Portfolio	Economic Development, Employment and Infrastructure/Research and Innovation
Independent Electricity System Operator	Energy
Legal Aid Ontario	Attorney General
Local Health Integration Networks	
Central East Local Health Integration Network	Health and Long-Term Care
Central Local Health Integration Network	Health and Long-Term Care
Central West Local Health Integration Network	Health and Long-Term Care
Champlain Local Health Integration Network	Health and Long-Term Care
Erie St. Clair Local Health Integration Network	Health and Long-Term Care
Hamilton Niagara Haldimand Brant Local Health Integration Network	Health and Long-Term Care
Mississauga Halton Local Health Integration Network	Health and Long-Term Care
North East Local Health Integration Network	Health and Long-Term Care
North Simcoe Muskoka Local Health Integration Network	Health and Long-Term Care
North West Local Health Integration Network	Health and Long-Term Care
South East Local Health Integration Network	Health and Long-Term Care
South West Local Health Integration Network	Health and Long-Term Care
Toronto Central Local Health Integration Network	Health and Long-Term Care
Waterloo Wellington Local Health Integration Network	Health and Long-Term Care
Metrolinx	Transportation
Metropolitan Toronto Convention Centre Corporation	Tourism, Culture and Sport
Niagara Parks Commission	Tourism, Culture and Sport
Northern Ontario Heritage Fund Corporation	Northern Development and Mines
Ontario Agency for Health Protection and Promotion (Public Health Ontario)	Health and Long-Term Care
Ontario Capital Growth Corporation	Economic Development, Employment and Infrastructure/Research and Innovation
Ontario Clean Water Agency	Environment and Climate Change
Ontario Educational Communications Authority (TVO)	Education
Ontario Electricity Financial Corporation	Finance
Ontario Energy Board	Energy
Ontario Financing Authority	Finance
Ontario French-Language Educational Communications Authority (TFO)	Education
Ontario Immigrant Investor Corporation	Economic Development, Employment and Infrastructure/Research and Innovation

1 The schedule of government organizations is updated on an annual basis to reflect any amalgamations or dissolutions of consolidated organizations in the year. This listing represents all consolidated organizations included in the Province's financial statements as at March 31, 2016. Other controlled organizations that do not meet the consolidation threshold of materiality and cost-benefit (per PSAB standards), such as Children's Aid Societies and Community Care Access Centres, are instead reflected as government transfer payment expense in these financial statements through the accounts of the ministries responsible for them.

2 The most recent audited financial statements of these organizations are included in Public Accounts of Ontario, Volume 2.

Province of Ontario
Schedule 8: Government Organizations[1]

Other Government Organizations[2] (cont'd)	Responsible Ministry (cont'd)
Ontario Infrastructure and Lands Corporation (Infrastructure Ontario)	Economic Development, Employment and Infrastructure/Research and Innovation
Ontario Mortgage and Housing Corporation	Municipal Affairs and Housing
Ontario Northland Transportation Commission	Northern Development and Mines
Ontario Place Corporation	Tourism, Culture and Sport
Ontario Racing Commission	Agriculture, Food and Rural Affairs
Ontario Securities Commission	Finance
Ontario Tourism Marketing Partnership Corporation	Tourism, Culture and Sport
Ontario Trillium Foundation	Tourism, Culture and Sport
Ornge	Health and Long-Term Care
Ottawa Convention Centre Corporation	Tourism, Culture and Sport
Province of Ontario Council for the Arts (Ontario Arts Council)	Tourism, Culture and Sport
The Centennial Centre of Science and Technology (Ontario Science Centre)	Tourism, Culture and Sport
The Royal Ontario Museum	Tourism, Culture and Sport
Toronto Organizing Committee for the 2015 Pan American and Parapan American Games (Toronto 2015)	Tourism, Culture and Sport
Toronto Waterfront Revitalization Corporation (Waterfront Toronto)[3]	Economic Development, Employment and Infrastructure/Research and Innovation
Transmission Corridor Program	Economic Development, Employment and Infrastructure/Research and Innovation

Broader Public Sector Organizations

Public Hospitals — Ministry of Health and Long-Term Care

Alexandra Hospital Ingersoll	Groves Memorial Community Hospital
Alexandra Marine & General Hospital	Guelph General Hospital
Almonte General Hospital	Haldimand War Memorial Hospital
Anson General Hospital	Haliburton Highlands Health Services Corporation
Arnprior Regional Health	Halton Healthcare Services Corporation
Atikokan General Hospital	Hamilton Health Sciences Corporation
Baycrest Centre for Geriatric Care	Hanover & District Hospital
Bingham Memorial Hospital	Headwaters Health Care Centre
Blind River District Health Centre	Health Sciences North
Bluewater Health	Holland Bloorview Kids Rehabilitation Hospital
Brant Community Healthcare System	Hôpital Général de Hawkesbury and District General Hospital Inc.
Brockville General Hospital	Hôpital Glengarry Memorial Hospital
Bruyère Continuing Care Inc.	Hôpital Montfort
Cambridge Memorial Hospital	Hôpital Notre Dame Hospital (Hearst)
Campbellford Memorial Hospital	Hornepayne Community Hospital
Carleton Place and District Memorial Hospital	Hospital for Sick Children
Casey House Hospice	Hôtel-Dieu Grace Healthcare
Chatham-Kent Health Alliance	Hôtel-Dieu Hospital, Cornwall
Children's Hospital of Eastern Ontario	Humber River Regional Hospital
Clinton Public Hospital	Joseph Brant Hospital
Collingwood General and Marine Hospital	Kemptville District Hospital
Cornwall Community Hospital	Kingston General Hospital
Deep River and District Hospital Corporation	Kirkland and District Hospital
Dryden Regional Health Centre	Lady Dunn Health Centre
Englehart and District Hospital Inc.	Lady Minto Hospital at Cochrane
Espanola General Hospital	Lake of the Woods District Hospital
Four Counties Health Services	Lakeridge Health
Georgian Bay General Hospital	Leamington District Memorial Hospital
Geraldton District Hospital	Lennox and Addington County General Hospital

[3] Toronto Waterfront Revitalization Corporation (Waterfront Toronto) is a government partnership with the Province having one-third interest.

Province of Ontario
Schedule 8: Government Organizations[1]

Public Hospitals — Ministry of Health and Long-Term Care (cont'd)

Grand River Hospital
Grey Bruce Health Services
Listowel Memorial Hospital
London Health Sciences Centre
Mackenzie Health
Manitoulin Health Centre
Manitouwadge General Hospital
Markham Stouffville Hospital
Mattawa General Hospital
McCausland Hospital
Muskoka Algonquin Healthcare
Niagara Health System
Nipigon District Memorial Hospital
Norfolk General Hospital
North Bay Regional Health Centre
North Wellington Health Care Corporation
North York General Hospital
Northumberland Hills Hospital
Orillia Soldiers' Memorial Hospital
Ottawa Hospital
Pembroke Regional Hospital Inc.
Perth and Smiths Falls District Hospital
Peterborough Regional Health Centre
Providence Care Centre (Kingston)
Providence Healthcare
Queensway-Carleton Hospital
Quinte Healthcare Corporation
Red Lake Margaret Cochenour Memorial Hospital Corporation
Religious Hospitallers of St. Joseph of the Hôtel Dieu of Kingston
Religious Hospitallers of St. Joseph of the Hotel Dieu of St. Catharines
Renfrew Victoria Hospital
Riverside Health Care Facilities Inc.
Ross Memorial Hospital
Rouge Valley Health System
Royal Victoria Regional Health Centre
Runnymede Healthcare Centre
Salvation Army Toronto Grace Health Centre
Sault Area Hospital
Scarborough Hospital
Seaforth Community Hospital
Sensenbrenner Hospital
Services de santé de Chapleau Health Services
Sinai Health System
Sioux Lookout Meno-Ya-Win Health Centre
Smooth Rock Falls Hospital
South Bruce Grey Health Centre
South Huron Hospital Association
Southlake Regional Health Centre
St. Francis Memorial Hospital
St. Joseph's Care Group
St. Joseph's Continuing Care Centre of Sudbury
St. Joseph's General Hospital, Elliot Lake
St. Joseph's Health Care, London
St. Joseph's Health Centre (Guelph)
St. Joseph's Health Centre (Toronto)
St. Joseph's Healthcare Hamilton
St. Mary's General Hospital
St. Mary's Memorial Hospital
St. Michael's Hospital
St. Thomas - Elgin General Hospital
Stevenson Memorial Hospital
Stratford General Hospital
Strathroy Middlesex General Hospital
Sunnybrook Health Sciences Centre
Temiskaming Hospital
Thunder Bay Regional Health Sciences Centre
Tillsonburg District Memorial Hospital
Timmins and District Hospital
Toronto East General Hospital
Trillium Health Partners
University Health Network
University of Ottawa Heart Institute
Weeneebayko Area Health Authority
West Haldimand General Hospital
West Nipissing General Hospital
West Park Healthcare Centre
West Parry Sound Health Centre
William Osler Health System
Wilson Memorial General Hospital
Winchester District Memorial Hospital
Windsor Regional Hospital
Wingham and District Hospital
Women's College Hospital
Woodstock General Hospital Trust

Specialty Psychiatric Hospitals — Ministry of Health and Long-Term Care

Centre for Addiction and Mental Health
Ontario Shores Centre for Mental Health Sciences
Royal Ottawa Health Care Group
Waypoint Centre for Mental Health Care

Province of Ontario
Schedule 8: Government Organizations[1]

School Boards — Ministry of Education

Algoma District School Board
Algonquin and Lakeshore Catholic District School Board
Avon Maitland District School Board
Bloorview MacMillan School Authority
Bluewater District School Board
Brant Haldimand Norfolk Catholic District School Board
Bruce-Grey Catholic District School Board
Campbell Children's School Authority
Catholic District School Board of Eastern Ontario
Conseil des écoles publiques de l'Est de l'Ontario
Conseil scolaire catholique Providence
Conseil scolaire de district catholique Centre-Sud
Conseil scolaire de district catholique de l'Est ontarien
Conseil scolaire de district catholique des Aurores boréales
Conseil scolaire de district catholique des Grandes Rivières
Conseil scolaire de district catholique du Centre-Est de l'Ontario
Conseil scolaire de district catholique du Nouvel-Ontario
Conseil scolaire de district catholique Franco-Nord
Conseil scolaire de district du Grand Nord de l'Ontario
Conseil scolaire de district du Nord-Est de l'Ontario
Conseil scolaire Viamonde
District School Board of Niagara
District School Board Ontario North East
Dufferin-Peel Catholic District School Board
Durham Catholic District School Board
Durham District School Board
Grand Erie District School Board
Greater Essex County District School Board
Halton Catholic District School Board
Halton District School Board
Hamilton-Wentworth Catholic District School Board
Hamilton-Wentworth District School Board
Hastings and Prince Edward District School Board
Huron-Perth Catholic District School Board
Huron-Superior Catholic District School Board
James Bay Lowlands Secondary School Board
John McGivney Children's Centre School Authority
Kawartha Pine Ridge District School Board
Keewatin-Patricia District School Board
Kenora Catholic District School Board
KidsAbility School Authority
Lakehead District School Board
Lambton Kent District School Board
Limestone District School Board
London District Catholic School Board
Moose Factory Island District School Area Board
Moosonee District School Area Board
Near North District School Board
Niagara Catholic District School Board
Niagara Peninsula Children's Centre School Authority
Nipissing-Parry Sound Catholic District School Board
Northeastern Catholic District School Board
Northwest Catholic District School Board
Ottawa Catholic District School Board
Ottawa Children's Treatment Centre School Authority
Ottawa-Carleton District School Board
Peel District School Board
Penetanguishene Protestant Separate School Board
Peterborough Victoria Northumberland and
Clarington Catholic District School Board
Rainbow District School Board
Rainy River District School Board
Renfrew County Catholic District School Board
Renfrew County District School Board
Simcoe County District School Board
Simcoe Muskoka Catholic District School Board
St. Clair Catholic District School Board
Sudbury Catholic District School Board
Superior North Catholic District School Board
Superior-Greenstone District School Board
Thames Valley District School Board
Thunder Bay Catholic District School Board
Toronto Catholic District School Board
Toronto District School Board
Trillium Lakelands District School Board
Upper Canada District School Board
Upper Grand District School Board
Waterloo Catholic District School Board
Waterloo Region District School Board
Wellington Catholic District School Board
Windsor-Essex Catholic District School Board
York Catholic District School Board
York Region District School Board

Province of Ontario
Schedule 8: Government Organizations[1]

Colleges — Ministry of Training, Colleges and Universities

Algonquin College of Applied Arts and Technology
Cambrian College of Applied Arts and Technology
Canadore College of Applied Arts and Technology
Centennial College of Applied Arts and Technology
Collège Boréal d'arts appliqués et de technologie
Collège d'arts appliqués et de technologie La Cité collégiale
Conestoga College Institute of Technology and Advanced Learning
Confederation College of Applied Arts and Technology
Durham College of Applied Arts and Technology
Fanshawe College of Applied Arts and Technology
George Brown College of Applied Arts and Technology
Georgian College of Applied Arts and Technology
Humber College Institute of Technology and Advanced Learning
Lambton College of Applied Arts and Technology
Loyalist College of Applied Arts and Technology
Mohawk College of Applied Arts and Technology
Niagara College of Applied Arts and Technology
Northern College of Applied Arts and Technology
Sault College of Applied Arts and Technology
Seneca College of Applied Arts and Technology
Sheridan College Institute of Technology and Advanced Learning
Sir Sandford Fleming College of Applied Arts and Technology
St. Clair College of Applied Arts and Technology
St. Lawrence College of Applied Arts and Technology

Province of Ontario
Schedule 9: Government Business Enterprises
Summary financial information of Government Business Enterprises is provided below.

For the year ended March 31, 2016 ($ Millions)	Brampton Distribution Holdco Inc.[1]	Hydro One Limited[2, 3]	Liquor Control Board of Ontario[1]	Ontario Lottery and Gaming Corporation[1]	Ontario Power Generation Inc.[2]	Total
Assets						
Cash and Temporary Investments	47	213	273	489	540	1,562
Accounts Receivable	70	715	61	157	549	1,552
Inventories	–	–	433	30	428	891
Prepaid Expenses	–	–	9	56	–	65
Fixed Assets	365	15,269	388	1225	20,778	38,025
Other Assets	99	4,409	8	2	25,221	29,739
Total Assets	581	20,606	1,172	1,959	47,516	71,834
Liabilities						
Accounts Payable	71	782	628	307	1,291	3,079
Deferred Revenue	–	–	–	16	271	287
Long-Term Debt	–	8,028	105	66	5,459	13,658
Other Liabilities	39	3,449	2	258	27,490	31,238
Total Liabilities	110	12,259	735	647	34,511	48,262
Net Assets (liabilities)	471	8,347	437	1,312	13,005	23,572
Revenue	345	5,707	5,620	7,779	5,526	24,977
Expenses	325	5,471[4]	3,664	5,545	5,063	20,068
Net Income (loss)	**20**	**236**	**1,956**	**2,234**	**463**	**4,909**
Net Assets at Beginning of Year	–	8,072	416	1,469	13,545	23,502
Decrease in Fair Value of Ontario Nuclear Funds *(Note 10)*	–	–	–	–	(1,003)	(1,003)
Hydro One Brampton transfer *(Note 11)*	451	(451)	–	–	–	–
Capital Contribution to Hydro One	–	2,600	–	–	–	2,600
Book value of Hydro One Shares Sold *(Note 11)*	–	(1,071)	–	–	–	(1,071)
Remittances (to) Consolidated Revenue Fund	–	(1,039)	(1,935)	(2,391)	–	(5,365)
Net Assets	**471**	**8,347**	**437**	**1,312**	**13,005**	**23,572**

1 Amounts reported using IFRS.

2 Amounts reported in the standalone financial statements of Hydro One Limited and Ontario Power Generation are prepared in accordance with US GAAP.. The differences between US GAAP and IFRS are not material to the consolidated financial statements of the Province (*Note 12*).

3 As at March 31, 2016, the Province owned approximately 84% of Hydro One Limited.

4 Reflects the amount of the revaluation of the tax basis of the assets of formerly Hydro One Inc. and its subsidiaries to fair market value, which resulted in a net deferred tax recovery of $2.6 billion recorded in 2015 by Hydro One Ltd.

Brampton Distribution Holdco Inc.

The principal business of Brampton Distribution Holdco Inc. is the ownership, operation and management of electricity distribution systems and facilities. It is regulated by the Ontario Energy Board.

Hydro One Limited

The principal business of Hydro One Limited is the transmission and distribution of electricity to customers within Ontario. It is regulated by the Ontario Energy Board.

Liquor Control Board of Ontario

The Liquor Control Board of Ontario regulates the purchase, sale and distribution of liquor for home consumption and liquor sales to licensed establishments through Liquor Control Board stores, Brewers Retail stores and winery retail stores throughout Ontario. The Board buys wine and liquor products for resale to the public, tests all products sold and establishes prices for beer, wine and spirits.

Ontario Lottery and Gaming Corporation

The Corporation conducts lottery games and operates commercial casinos, charity casinos and slot machines at Ontario racetracks.

Ontario Power Generation Inc.

The principal business of Ontario Power Generation Inc. is the generation and sale of electricity in the Ontario wholesale market and in the interconnected markets of Quebec, Manitoba and the northeast and midwest United States.

Province of Ontario
Schedule 10: Broader Public Sector Organizations

Summary financial information of Broader Public Sector Organizations is provided below.

For the year ended March 31, 2016 ($ Millions)	Hospitals	School Boards	Colleges	Total
Expense				
Salaries, Wages and Benefits	17,684	19,016	2,465	39,165
Amortization Expense	1,531	1,054	273	2,858
Interest Expense[1]	220	386	15	621
Other Expense	7,349	4,034	1,178	12,561
Fees, Donations and Other Revenues	(4,143)	(1,374)	(2,263)	(7,780)
Total Sector Expense	**22,641**	**23,116**	**1,668**	**47,425**
Transfers from the Province	(23,136)	(23,552)	(1,788)	(48,476)
Net Impact on Provincial Expense – (Decrease)	**(495)**	**(436)**	**(120)**	**(1,051)**

[1] Interest Revenue of $156 million is netted with Interest Expense.

GLOSSARY

Note: The descriptions of the terms in the glossary are provided for the purpose of assisting readers of the 2015–16 Public Accounts. The descriptions do not affect or alter the meaning of any term under law. The glossary does not form part of the audited consolidated financial statements.

Accumulated Amortization: the total amortization that has been recorded over the life of an asset to date. The asset's total cost less the accumulated amortization gives the asset's net book value.

Accumulated Deficit: the difference between liabilities and assets. It represents the total of all past annual deficits minus all past annual surpluses, including prior-period adjustments.

Amortization: expensing a portion of an asset's cost in an accounting period by allocating its cost over its estimated useful life. This is applicable to tangible capital assets and items such as expenses relating to a debt issue.

Appropriation: an authority of the Legislative Assembly to pay money out of the Consolidated Revenue Fund or to incur a non-cash expense.

Broader Public Sector (BPS): public hospitals, specialty psychiatric hospitals, school boards and colleges. For financial statement purposes, universities and other organizations such as municipalities are excluded because they do not meet the criteria of government organizations as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

Canada Health Transfer (CHT): a federal transfer provided to each province and territory in support of health care.

Canada Social Transfer (CST): a federal transfer provided to each province and territory in support of post-secondary education, social assistance and social services, including early childhood development, early learning and child care.

Capital Gain: the profit arising from the sale or transfer of capital assets or investments. For accounting purposes, it is the proceeds or market value received less the net book value of the capital asset or investment.

Capital Lease: a lease that, from the point of view of the lessee, transfers substantially all the benefits and risks incident to ownership of property to the lessee.

Cash and Cash Equivalents: cash or other short-term liquid low-risk instruments that are readily convertible to cash, typically within three months or less.

Consolidated Revenue Fund (CRF): the aggregate of all public monies on deposit to the credit of the Minister of Finance or in the name of any agency of the Crown approved by the Lieutenant Governor in Council. Payments made from the CRF must be appropriated by a statute. *See* Appropriation.

Consolidation: the inclusion of the financial results of government-controlled organizations in the Province's consolidated financial statements.

Consumer Price Index (CPI): a broad measure of the cost of living. Through the monthly CPI, Statistics Canada tracks the retail price of a representative shopping basket of goods and services from an average household's expenditure: food, housing, transportation, furniture, clothing, and recreation. The percentage of the total basket that any item occupies is termed the "weight" and reflects typical consumer spending patterns. Since people tend to spend more on food than clothing, changes in the price of food have a bigger impact on the index than, for example, changes in the price of clothing and footwear.

Contingency Fund: an amount of expense that is approved by the Legislative Assembly at the beginning of the year to cover higher spending due to unforeseen events. This approved spending limit is allocated during the year to ministries for their programs and activities. The actual costs incurred are charged to the respective programs and activities and not to the contingency fund. Therefore, the contingency fund as at the end of the Province's fiscal year is nil. *See* Reserve.

Contingent Liabilities: possible obligations that may result in the future sacrifice of economic benefits arising from existing conditions or situations involving uncertainty, which will ultimately be resolved when one or more future events not wholly within the government's control occur or fail to occur. Resolution of the uncertainty will confirm the incurrence or non-incurrence of a liability.

Contractual Obligations: obligations of a government to others that will become liabilities when the terms of any contract or agreement, which the government had entered into, are met.

Debenture: a debt instrument where the issuer promises to pay interest and repay the principal by the maturity date. It is unsecured, meaning there is no lien on any specific asset.

Debt: an obligation resulting from the borrowing of money.

Deferred Capital Contribution: the unamortized portion of tangible capital assets or liabilities to construct or acquire tangible capital assets from specific funding received from other levels of government or third parties. Deferred capital contribution is recorded in revenue over the estimated useful life of the underlying tangible capital assets once constructed or acquired by the Province.

Deferred Revenue: unspent externally restricted grants from other levels of government and third parties for operating activities. Deferred revenues are recorded into revenue in the period in which the amount received is used for the purposes specified.

Deficit: the amount by which government expenses exceed revenues in any given year. On a forecast basis, a reserve may be included.

Derivatives: financial contracts that derive their value from other underlying instruments. The Province uses derivatives including swaps, forward foreign exchange contracts, forward rate agreements, futures and options to hedge and minimize interest costs.

Expected Average Remaining Service Life: total number of years of future services expected to be rendered by that group of employees divided by the number of employees in the group.

Fair Value: the price that would be agreed upon in an arm's-length transaction and in an open market between knowledgeable, willing parties who are under no compulsion to act. It is not the effect of a forced or liquidation sale.

Financial Assets: assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets include cash; an asset that is convertible to cash; a contractual right to receive cash or another financial asset from another party; a temporary or portfolio investment; a financial claim on an outside organization or individual; and inventory.

Financial Instrument: liquid asset, equity security in an entity, or a contract that gives rise to a financial asset of one contracting party and a financial liability or equity instrument of the other contracting party.

Fiscal Plan: an outline of the government's consolidated revenue and expense plan for the upcoming fiscal year and the medium term, including information on the projected surplus/deficit. The plan is formally presented in the Budget, which the government presents in the spring of each year and is updated, as required, during the year. The fiscal plan numbers can be different from the expenditures outlined in the Printed Estimates.

Fiscal Year: the Province of Ontario's fiscal year runs from April 1 of a year to March 31 of the following year.

Floating Rate Notes (FRNs): debt instruments that bear a variable rate of interest.

Forgivable Loan: advances where the terms and conditions of the loan agreement allow for the non-repayment of the principal or accrued interest when certain conditions are met.

Forward Contract: a contract that obligates one party to buy, and another party to sell, a specified amount of a particular asset at a specified price, on a given date in the future.

Forward Rate Agreement: a forward contract that specifies the rate of interest, usually short term, to be paid or received on an obligation beginning at a future start date.

Fund: fiscal and accounting entity segregated for the purpose of carrying on specific activities, or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Futures: an exchange-traded contract that confers an obligation to buy or sell a physical or financial commodity at a specified price and amount on a future date.

Gross Domestic Product (GDP): the total unduplicated value of the goods and services produced in the economy of a country or region during a given period, such as a quarter or a year. Gross domestic product can be measured three ways: as total income earned in current production, as total final expenditures or as total net value added in current production.

Hedging: a strategy to minimize the risk of loss on an asset (or a liability) from market fluctuations such as interest rate or foreign exchange rate changes. This is accomplished by entering into offsetting commitments with the expectation that a future change in the value of the hedging instrument will offset the change in the value of the asset (or the liability).

Indemnity: an agreement whereby one party agrees to compensate another party for any loss suffered by that party. The Province can either seek or provide indemnification.

Infrastructure: the facilities, systems and equipment required to provide public services and support private-sector economic activity including network infrastructure (e.g., roads, bridges, water and wastewater systems, large information technology systems), buildings (e.g., hospitals, schools, courts), and machinery and equipment (e.g., medical equipment, research equipment).

Liquid Reserve: comprises cash and short-term investments managed before consolidation with other government entities. It includes cash in the Province’s bank accounts, money market securities and long-term bonds which have not been lent out through a sale and re-purchase agreement, adjusted for net pledged collateral.

Loan Guarantee: an agreement to pay all or part of the amount due on a debt obligation in the event of default by the borrower.

Net Book Value of Tangible Capital Assets: historical cost of tangible capital assets less both the accumulated amortization and the amount of any write-downs.

Net Debt: the difference between the Province’s total liabilities and financial assets. It represents the Province’s future revenue requirements to pay for past transactions and events.

Nominal: an amount expressed in dollar terms without adjusting for changes in prices due to inflation or deflation. It is not a good basis for comparing values of GDP in different years, for which a “real” value expressed in constant dollars (i.e., adjusted for price changes) is needed. *See* Real GDP.

Non-Financial Assets: assets that normally do not generate cash capable of being used to repay existing debts. The non-financial assets of the Province are tangible capital assets.

Non-Tax Revenue: revenue received by the government from external sources. This also includes revenues from the sale of goods and services, fines and penalties associated with the enforcement of government regulations and laws; fees and license; royalties; profits from a self-sustaining Crown agency; and asset sales.

Ontario Disability Support Program (ODSP): a program designed to meet the unique needs of people with disabilities who are in financial need, or who want and are able to work and need support. Ontarians aged 65 years or older who are ineligible for Old Age Security may also qualify for ODSP supports if they are in financial need.

Option: a contract that confers the right, but not the obligation, to buy or sell a specific amount of a commodity, currency or security at a specific price, on a certain future date.

Pension Actuarial Accounting Valuation: a valuation performed by an actuary to measure the pension benefit obligations at the end of the period or a point in time. The valuation attributes the cost of the pension benefit obligations to the period the related services are rendered by the members.

Pension Statutory Actuarial Funding Valuation: a valuation performed by an actuary to determine whether a pension plan has sufficient money to pay for its obligations when they become due. The valuation determines the contributions required to meet the pension benefit obligations.

Present Value: the current worth of one or more future cash payments, determined by discounting the payments using a given rate of interest.

Program Expense: total expense excluding interest on debt.

Public Accounts: the Consolidated Financial Statements of the Province along with supporting statements and schedules as required by the *Financial Administration Act*.

Real GDP: gross domestic product measured to exclude the impact of changing prices.

Recognition: the process of including an item in the financial statements of an entity.

Reserve: an amount included in the fiscal plan to protect the plan against unforeseen adverse changes in the economic outlook, or in the Provincial revenue and expense. Actual costs incurred by the ministry, which pertain to the reserve, are recorded as expenses of that ministry. *See* Contingency Fund.

Segment: a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to help users of the financial statements identify the resources allocated to support the major activities of the government.

Sinking Fund Debenture: a debenture that is secured by periodic payments into a fund established to retire long-term debt.

Straight-Line Basis of Amortization: a method whereby the annual amortization expense is computed by dividing i) the historical cost of the asset by ii) the number of years the asset is expected to be used.

Surplus: the amount by which revenues exceed government expenses in any given year. On a forecast basis, a reserve may be included.

Swaption: an option granting its owner the right but not the obligation to enter into an underlying swap. Although options can be traded on a variety of swaps, the term swaption typically refers to options on interest rate swaps.

Tangible Capital Assets: physical assets including land, buildings, transportation infrastructure, vehicles, leased assets, machinery, furniture, equipment and information technology infrastructure and systems, and construction in progress.

Temporary Investments: investments that are transitional or current in nature and generally capable of reasonably prompt liquidation.

Total Debt: the Province's total borrowings outstanding.

Total Expense: sum of program expense and interest on debt expense.

Transfer Payments: grants to individuals, organizations or other levels of government for which the government making the transfer does not:

- receive any goods or services directly in return, as would occur in a purchase or sale transaction;
- expect to be repaid, as would be expected in a loan; or
- expect a financial return, as would be expected in an investment.

Treasury Bills: short-term debt instrument issued by governments on a discount basis.

Unrealized Gain or Loss: an increase or decrease in the fair value of an asset accruing to the holder. Once the asset is disposed of or written off, the gain or loss is realized.

SOURCES OF ADDITIONAL INFORMATION

The Ontario Budget

The Ontario government presents a Budget each year, usually in the early spring. This document outlines expected expense and revenue for the upcoming fiscal year. For an electronic copy of the Ontario Budget, visit the Ministry of Finance website at www.fin.gov.on.ca.

The Estimates of the Province of Ontario

The government's spending Estimates for the fiscal year commencing April 1 are presented to members of the Legislative Assembly following the presentation of the Ontario Budget by the Minister of Finance. The Estimates outline the spending plans of each ministry and are submitted for approval to the Legislative Assembly according to the *Supply Act*. For electronic access, go to: www.fin.gov.on.ca.

Ontario Finances

This is a quarterly report on the performance of the government's Budget for the fiscal year. It covers developments during a quarter and provides a revised outlook for the remainder of the year. For electronic access, go to: www.fin.gov.on.ca.

Ontario Economic Accounts

This quarterly report contains data on Ontario's economic activity. For electronic access, go to: www.fin.gov.on.ca.