Earlier this year, the Panel released its report[3] and recommendations related to the accounting for OTPP and OPSEUPP which concluded that the net assets for these jointly sponsored plans should be recognized on the Province's financial statements. The government accepted the Panel's advice which is reflected in the Province's consolidated financial statements for 2016–17.

Pension Asset Expert Advisory Panel's Advice

The panel's report concluded that the province's share of the net pension assets of both the OTPP and the OPSEUPP should be recognized as an asset in Ontario's financial statements.[4] suggest including full quote and reasons why it should be reported

add footnote with link to supplemental report.

The Panel subsequently reviewed the Province's accounting for Healthcare of Ontario Pension Plan (HOOPP)and Colleges and Applied Arts and Technology Pension Plan (CAATPP). The Panel concluded that based on the difference in the governance structure of these plans as compared to OTPP and OPSEUPP, a full valuation allowance should be applied to any net pension asset for CAATPP or HOOPP. Prior to the March 31, 2017 year-end, no net pension asset has been reported under either HOOPP or CAATPP. As of March 31, 2017, a net pension asset and equivalent valuation allowance of $X was recorded for CAATPP. There was no net pension asset for HOOPP as of March 31, 2017, and therefore, no valuation allowance was required.

https://www.ontario.ca/page/pension-asset-expert-advisory-panel-supplemental-report

Accounting for Government Business Enterprises

The financial results of the Province's investments in rate-regulated Government Business Enterprises as at March 31st (Ontario Power Generation Inc. and Hydro One Ltd.) are consolidated in the Province's consolidated financial reports under the modified equity method as required by PSAS. As permitted by securities regulators, the entities' stand-alone financial statements are reported based on Generally Accepted Accounting Principles in the United States (US GAAP). Under PSAS, the results of government business enterprises are required to be reflected on the Province's financial statements based on International Financial Reporting Standards (IFRS). As of April 1, 2016, the Province has consolidated the results of these two rate-regulated entitles as they would be reported under IFRS (including IFRS 14 – Regulatory Deferral Accounts). While the impact of this change on the Province's 2016–17 results is not material, differences between US GAAP and IFRS-based results for future reporting periods are expected to be significant. The entities themselves will continue to issue financial statements prepared on a US GAAP-basis.

[3] https://www.ontario.ca/page/pension-asset-expert-advisory-panel-report
[4] https://news.ontario.ca/tbs/en/2017/02/pension-asset-expert-advisory-panel-submits-report.html