FW: EDU: accounting process for OTPP

From: "Fong, Pauline (TBS)" <pauline.fong@ontario.ca>
To: "Hosick, Sarah (TBS)" <sarah.hosick@ontario.ca>
Cc: "Dewell, Rod (TBS)" <rod.dewell@ontario.ca>, "Patel, Bharat (TBS)" <bharat.patel3@ontario.ca>, "Provis, Ian (TBS)" <ian.provis@ontario.ca>, "Petsche, Nadine (TBS)" <nadine.petsche@ontario.ca>
Date: Tue, 07 Mar 2017 13:59:19 -0500
Attachments: EC923 OTPP Feb 2017-Reversal of Valuation Allowance.pdf (242.51 kB); EC923 OTPP Feb 2017-Reversal of Valuation Allowance.xls (1.34 MB)

Hi Sarah,

Attached is the signed journal from the EDU to reverse the OTPP asset write-off from 2015-16 Public Accounts. I have reviewed it and I am fine with the amounts and the accounts used. As journal impacts opening accumulated deficit (and the net pension liability account), the journal entry needs to be processed directly by OPCD OCMR.

However Rod had raised a concern that due to the high profile nature of this journal he would like seek Cindy's approval before processing it. Please relay this to Cindy when she gets back from her vacation Thursday.

Thanks.

Pauline

From: Zaslaver, Daria (EDU)
Sent: March-07-17 1:04 PM
To: Fong, Pauline (TBS)
Cc: Cvijetic, Dubravka (EDU); Fok, Eva (EDU); Cheong, Eileen (MET); Duong, Hong-Son (EDU); Provis, Ian (TBS); Patel, Bharat (TBS); Dewell, Rod (TBS)
Subject: RE: EDU: accounting process for OTPP

Hello Pauline – per emails below – attached please find the OTPP journal reversing the Public Accounts 2015-16 write off of Pension Asset for OTPP. Per instructions below I'm forwarding the EDU approved journals for OPCD final review.
Can you please advise if OPCD will be posting the journal?
(Feb GL closes tomorrow eod).
Thank you.
Daria
2-8880

From: Fong, Pauline (TBS)
Sent: February 28, 2017 9:50 AM
To: Zaslaver, Daria (EDU)
Cc: Cvijetic, Dubravka (EDU); Fok, Eva (EDU); Cheong, Eileen (MET); Duong, Hong-Son (EDU); Patel, Bharat (TBS); Provis, Ian (TBS); Patel, Bharat (TBS); Dewell, Rod (TBS)
Subject: RE: EDU: accounting process for OTPP

Hi Daria,

See below.

From: Zaslaver, Daria (EDU)
Sent: February-28-17 9:29 AM
To: Fong, Pauline (TBS)
Cc: Cvijetic, Dubravka (EDU); Fok, Eva (EDU); Cheong, Eileen (MET); Duong, Hong-Son (EDU); Patel, Bharat (TBS)
Subject: RE: EDU: accounting process for OTPP

Hi Pauline – thanks for your response.
Will appreciate the confirmation of the following :

1. The write off authority for PA 2015-16 was under amendment to FAA Accounting Policies and Practices (time-limited). What is the approval process / authority / amendment (?) for reversal of write off ? Can you please clarify…

   I'm not familiar with the approval process with the reversal. I believe since it is just a reversal on the balance sheet and opening accumulative deficit, the journal would have to be created and approved by EDU and OPCD will give the final ok to open opening accumulated deficit.

2. Per our communication end of October (emails below) EDU started to record OTPP expense consistent with the treatment during PA 2015-16. The current balance (Jan GL) is $1.393B cumulative expense for Apr 2016 – Jan 2017. Based on Q3 Finances report EDU will not post the Feb journal. Please advise on the approach with regards to the current balance ($1.393B) – will it be addressed in March when the actuals will be sent to EDU for postings? Or, should it be addressed now?

   Once I get the information from OTPP RCA statements. I can finalized the 2016-17 figures and provide you the balances similar to last year. Information likely available late March as Deloitte has not sent us the statements.

3. Will appreciate your clarification on how the below the line OTPP expenses will be posted (in BOG?).

   OTPP is never posted in BOG. It has always been an OG entry.

Thank you.
Daria
2-8880

From: Fong, Pauline (TBS)
Sent: February 27, 2017 9:15 AM
To: Zaslaver, Daria (EDU); Patel, Bharat (TBS)
Cc: Cvijetic, Dubravka (EDU); Fok, Eva (EDU); Duong, Hong-Son (EDU); Patel, Bharat (TBS)
Subject: RE: EDU: accounting process for OTPP

Hi Daria,

Based on Pension Asset Expert Advisory Panel. The 2015-16 write-off of Pension Asset for OTPP needs to be reversed, Dr. 237610 and Cr. 299920 Opening Accumulative Deficit by the 10,147,437,170. I have attached late adjustment for your reference.

I'm not familiar with the process under the Estimates but base on 3 Quarter finances, OTTP should be carrying ($452 M) for 2016-17 as it was reverted back to 2016 Budget forecast based on results of the Pension Asset Expert Advisory Panel. As for the new update, we are in the process of getting figures finalized however actual amounts for posting will not be available until late March as we have not received the Financial statements of the OTPP RCA account.

Pauline

From: Zaslaver, Daria (EDU)
Sent: February-24-17 4:47 PM
To: Fong, Pauline (TBS); Patel, Bharat (TBS)
Cc: Cvijetic, Dubravka (EDU); Fok, Eva (EDU); Duong, Hong-Son (EDU)
Subject: RE: EDU: accounting process for OTPP

Hello Bharat / Pauline,

Can you please kindly confirm OTPP accounting treatment by EDU following the report by the Pension Asset Expert Advisory Panel?

Up to the February GL EDU has recognized the expense on monthly basis to be matched to FES by the end of March – reconciliation of OTPP accounts (expenditure / liability) attached for your reference.
Your guidance on the following items will be appreciated:

- journal recognizing OTPP expense - to be posted in Feb GL ?
- treatment of current balances, and
- recognition process of OTPP per printed estimates ($452M) below the line

If it would be easier to set up teleconference and discuss the process please let me know.
Thank you and regards.
Daria

From: Fong, Pauline (TBS)
Sent: October 31, 2016 10:44 AM
To: Zaslaver, Daria (EDU); Sun, Alicia (TBS)
Cc: Patel, Bharat (TBS); Fok, Eva (EDU); Duong, Hong-Son (EDU)
Subject: RE: EDU: accounting process for OTPP

Hi Daria,

There is no change in the process.

Pauline

From: Zaslaver, Daria (EDU)
Sent: October-31-16 10:27 AM
To: Sun, Alicia (TBS); Fong, Pauline (TBS)
Cc: Patel, Bharat (TBS); Fok, Eva (EDU); Duong, Hong-Son (EDU)
Subject: EDU: accounting process for OTPP

Hello Alicia and Pauline,

Hope my email will find you well.

As OTPP statutory expense has been updated for FY 2016-17 – from ($452) below the line Actuarial Adjustment for OTPP (number in Printed Estimates) to $1,672.0 expense (FES), we would like to confirm that there is no change to OTPP accounting process for EDU:

- expense recognition journals will be processed on monthly basis ($975M for 7 months in Oct-16 GL, then $139M of monthly expense)
- payment / contribution to OTPP issued on Dec 31 / Jan 2
- FYE adjustment journal will be processed in Mar-17 or Adj1-17 as per OPCD numbers

Thanks!
Daria
2-8880

Daria Zaslaver , CPA CMA
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