Factual Clearance Summary Response Template

#	Report Section / Page #	OAGO Report Wording	Factual Inaccuracies (Yes/No)	Suggested Revised Wording	OAGO Comments *(To be completed by the OAGO)*
	1.0 Summary/Page 2	…the statements may become materially misstated in future periods as a result of legislated accounting prescribed under the *Ontario Fair Hydro Plan Act, 2017*.	Yes – the Ontario Fair Hydro Plan Act, 2017 does not legislated the accounting	Delete the sentence	
	1.0 Ontario Pre-Election Report Mandate/Page 4	The Fiscal Transparency and Accountability Act, 2004 (Act) requires, among other thigs, that the Minister of Finance release a report on Ontario's finances in advance of a provincial election.	Yes -- The Act does not require the Minister of Finance to release a report on Ontario's finances in advance of a provincial election.		
	3.6.1 Discussion of the Accounting Treatment of a Pension Asset under Canadian PSAS/ Page15	The same concepts are applicable when determining the government's ability to reduce its future minimum contributions.	Yes – The statement that the concepts in paragraph .59 of PS 3250 apply to incorporating the ability to reduce future contributions in the determination of the need for a valuation allowance is inaccurate. Paragraph .59 only applies to withdrawals from the plan. Paragraph .59 is reproduced in full below:	Delete this sentence	

Commented [CV1]: MOF to provide reference and suggested wording –may come from the letter

			.059 A key factor in determining a government's expected future benefit from a defined benefit plan with a plan surplus for accounting purposes is the ability of the government to **withdraw** assets from the plan. The expected future benefit includes amounts to which a government has a legally enforceable right of **withdrawal**. It excludes any **withdrawable** plan surplus a government is currently required, or intends, to allocate to employees. A government may not anticipate obtaining a legally enforceable right to **withdraw** a portion of a plan surplus to which it is not currently entitled, whether on the basis of precedent or otherwise. Accordingly, when **withdrawal** of plan surplus requires the approval of employees or an appropriate regulatory authority or a court of law, a government excludes any amount subject to this restriction from its expected future benefit until such approval has been		

			obtained. A change in the allocation of surplus between a government and its employees is incorporated into the calculation of the expected future benefit only when it has been agreed to and, when required, approved by the appropriate regulatory authorities.		
	3.6.1 Discussion of the Accounting Treatment of a Pension Asset under Canadian PSAS/ Page16	However, the second characteristic is not met, because the government does not control access to the benefits of the plan surplus, including taking any unilateral actions…	Yes – the statement that the government must have unilateral control in order to meet the second criteria in the definition of an asset is incorrect. The concept of shared control is well established in PSAS in the standard on government partnerships and pension accounting.		
	3.6.1 Discussion of the Accounting Treatment of a Pension Asset under Canadian PSAS/ Page16	No transaction or event has occurred to give the government…	Yes – this statement is incorrect. The transactions resulting in the surplus in the plan from an accounting perspective are the combination of the contributions to the plan and the return earned on the plan, which on a cumulative basis, have exceeded the service		

			cost of the plan. These are all past transactions.		
	3.6.1 Discussion of the Accounting Treatment of a Pension Asset under Canadian PSAS/ Page16	The government appointed a Pension Asset…	Yes – The name of the Panel is incorrect. The name of the panel is the Pension Asset Expert Advisory Panel	Correct the name of the Panel.	
	3.6 The Reasons for the Other Matter Paragraph/Page 20	Canadian PSAS, like other international public-sector standard-setters, must give permission to use rate-regulated accounting.	Yes – the statement is incorrect. There is no requirement under Canadian PSAS to provide permission to use rate-regulated accounting.	Delete the sentence or provide the reference in PSAS that supports this statement.	