Fwd: Net debt vs. Total debt QA

From: "MacIntyre, Kyle (TBS)" <kyle.macintyre@ontario.ca>
To: "Veinot, Cindy (TBS)" <cindy.veinot@ontario.ca>, "Petsche, Nadine (TBS)" <nadine.petsche@ontario.ca>, "DiMuzio, Sofie (TBS)" <sofie.dimuzio@ontario.ca>
Date: Sun, 02 Oct 2016 12:41:51 -0400

Begin forwarded message:

> **From:** "McLean, David (MOF)" <David.McLean@ontario.ca>
> **Date:** October 2, 2016 at 12:37:06 PM EDT
> **To:** "MacIntyre, Kyle (TBS)" <Kyle.MacIntyre@ontario.ca>
> **Subject: RE: Net debt vs. Total debt QA**

We'll have a couple of others once Scott has finished drafting them.

From: McLean, David (MOF)
Sent: October 2, 2016 12:21 PM
To: MacIntyre, Kyle (TBS)
Subject: Net debt vs. Total debt QA

Hey Kyle,

Can you ask folks to work this into the package of Q&As?

Q : How can the accumulated deficit and net debt increase by $10.7B without causing an increase in total debt?

A : **Total debt** is cash based – it is how much money we've borrowed and is owed to our creditors. **Net debt** takes into account the difference between our financial assets and liabilities, whether they are cash or not. The province has changed the valuation of a financial asset by reducing the pension asset by $10.7 billion, but because there is no cash involved in that valuation, the total debt does not change.

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