

RE: Control Assessment_Affordability Fund new format mar 26F Draft

From: "Jack, Shannon (TBS)" <shannon.jack@ontario.ca>
To: "Veinot, Cindy (TBS)" <cindy.veinot@ontario.ca>
Date: Mon, 27 Mar 2017 09:52:09 -0400

[Done and in your inbox.](#)

From: Veinot, Cindy (TBS)
Sent: March 27, 2017 9:35 AM
To: Jack, Shannon (TBS)
Subject: FW: Control Assessment_Affordability Fund new format mar 26F Draft

[Shannon – please print this email and the attachments – thanks,](#)

From: Petsche, Nadine (TBS)
Sent: March-27-17 12:39 AM
To: Veinot, Cindy (TBS)
Cc: Hosick, Sarah (TBS)
Subject: Control Assessment_Affordability Fund new format mar 26F Draft

Cindy,
Attached is the accounting analysis done on the Affordability Fund. The final conclusion, as discussed, is that the fund is not controlled. The recommendation is provided as an extract below for your ease of reference. I have also attached a copy of the executed Declaration of Trust and Transfer Payment Agreement, for your reference.
Nadine

RECOMMENDATION

Based on the terms and conditions of the executed Trust Declaration and the Transfer Payment Agreement, the Affordability Fund should be classified as a Trust under Administration and therefore not consolidated as part of the government reporting entity.

To further confirm the economic substance of the relationship between the Province and the Trust, OPCD also assessed relevant terms and conditions of the Trust Declaration and Transfer Payment Agreement in accordance with the control criteria in PS1300 and found that the overall preponderance of evidence indicated that the Trust is not controlled by the government. The results of the detailed analysis is in Appendix I which conclude that only two of PSAB's criteria of control are met, reflecting the Province's ability to (i) establish the mandate of the organization and (ii) the restricting the organization's investments.

With regards to the first criteria, although the Province established the Affordability Fund, it does not have the ability to amend the mandate of the Trust but has a protective right over the amendments.

Regarding the second control criteria noted, the government established the Affordability Fund to support the Ministry of Energy's rate reduction program. While the Trust documents restrict the nature of investments in which the Trust can invest to maintain liquidity and stewardship over the funds, it does not weigh heavily on the control assessment.