RE: For FACT CHECK

From: "Veinot, Cindy (TBS)" <"/o=govon/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=veinot, cindy (tbs)d57">
To: "MacIntyre, Kyle (TBS)" <kyle.macintyre@ontario.ca>
Date: Mon, 03 Oct 2016 10:01:44 -0400

Re-read the sentence I had edited – grammar was terrible – apologies – edited it.

From: MacIntyre, Kyle (TBS)
Sent: October-03-16 9:57 AM
To: Veinot, Cindy (TBS)
Subject: Re: For FACT CHECK

Merci

On Oct 3, 2016, at 9:39 AM, Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca> wrote:

> Fact check re: three past AG's
>
> 1) Gary Peall (2012-13) (Acting)
> 2) Jim McCarter
> 3) Erik Peters
>
> 7 years is correct based on the table that was previously in the Annual Report
>
> See below for suggested change to one sentence.
>
> Cindy
>
> ---
>
> **From:** MacIntyre, Kyle (TBS)
> **Sent:** October-03-16 9:30 AM
> **To:** Petsche, Nadine (TBS)
> **Cc:** Veinot, Cindy (TBS); Laughton, Patrick (TBS)
> **Subject:** FW: For FACT CHECK
>
> Can folks pls fact check the below?
>
> thx
>
> ---
>
> **From:** McLean, David (MOF)
> **Sent:** October-03-16 9:24 AM
> **To:** MacIntyre, Kyle (TBS)
> **Subject:** FW: For FACT CHECK
>
> Sorry…revised version.
>
> ---
>
> **From:** Ingram, Kelsey (MOF)
> **Sent:** October 3, 2016 9:23 AM
> **To:** McLean, David (MOF); Ize-Dukuze, Marilyn (MOF)
> **Subject:** Re: For FACT CHECK
>
> One revision in red below which will need fact checking as well

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Ingram, Kelsey (MOF)
Sent: Monday, October 3, 2016 9:19 AM
To: McLean, David (MOF); Ize-Dukuze, Marilyn (MOF)
Subject: For FACT CHECK

Minister Sousa Statement

For the past 14 years, our government and previous governments have followed the same accounting standards with respect to the treatment of jointly sponsored pension plans. These standards have been consistently **accepted by the past three Auditor Generals (FACT CHECK),** including the current Auditor General who, under these same principles, has provided unqualified – or clean audit opinions for the past two years.

This year, ~~within~~ **two weeks** before ~~of~~ the September 27th deadline for the tabling of the Public Accounts, we learned that the Office of the Auditor General ~~had changed its mind regarding how~~ communicated ~~to us~~ that in her interpretation ~~that~~ pension assets for jointly sponsored pension plans should be ~~recognized~~ written off.

In addition, as you know, this new interpretation has resulted in a difference of opinions between accountants from within the Ontario Public Service and the Office of the Auditor General.

I have great respect for the expertise and independence of both the Office of the Auditor General and the Province's professional accounting staff and believe their respective opinions warrant additional discussion and analysis.

However, we also have a responsibility to the people of Ontario to be open and transparent about our financial position. It is important that Ontarians see that even in this time of global economic uncertainty, Ontario's economy continues to grow and our deficit continues to shrink.

In fact, Ontario posted higher real GDP growth in the first quarter of 2016 than Canada, the United States, and all other G7 countries.

It is also important that we remain open and transparent so investors and the financial markets can maintain their confidence that Ontario is still on track to balance the budget in 2017-18.

That is why we have decided to release our financial statements to the public today despite the divergence in accounting opinions. In order to do this, we regulated the treatment of the pension assets in a manner that is consistent with the fiscal outcome proposed by the Auditor General for 2015-16. We believe this to be the most cautious approach that ensured the public had access to our financial statements and that our numbers aligned with those of the Auditor General – at least until an independent review of the opposing opinions can be completed.

The impact of this change resulted in our deficit number being 1.5 billion dollars higher than it otherwise would have been in 2015-16 using the standards employed for the past 14 years. I want to reiterate however Minister Sandals' comments to stress that after incorporating the Auditor's proposed accounting interpretation, we have still beaten our deficit target for the seventh year (FACT CHECK) in a row.

We have done this by controlling the growth in spending….

…by making sure that every dollar spent provides maximum value to taxpayers…

…and by improving the integrity of our province's revenues.

The 2016–17 First Quarter Finances also confirmed that the government is projecting a deficit of $4.3 billion in 2016–17, unchanged from the 2016 Budget forecast.

Our government is committed to eliminating the deficit by 2017-18 and remaining balanced in 2018-19 as outlined in the 2016 Budget.
The new accounting interpretation does not change that commitment nor does it change the progress we have made in creating jobs and growing the economy.

It is also important to note that the regulated accounting change has no impact on the Province's borrowing requirements and our total debt remains unchanged by the pension adjustment. Based on our government's plan, net debt-to-GDP is expected to peak in 2015–16, remain level in 2016–17 and begin to decline in 2017–18 – supporting greater sustainability in Ontario's debt management.

Looking forward, given the Auditor's revised accounting standard interpretation and its subsequent review are recent developments, they will both be taken into consideration along with other economic factors, as we prepare the 2016 Fall Economic Statement and 2017 Budget. We will do this while continuing to track toward a balanced budget for 2017-18.

Thank you.

We will now take your questions.