RE: Net debt vs. Total debt QA

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>, "Petsche, Nadine (TBS)" <nadine.petsche@ontario.ca>, "DiMuzio, Sofie (TBS)" <sofie.dimuzio@ontario.ca>
Cc: "McLean, David (MOF)" <david.mclean@ontario.ca>
Date: Sun, 02 Oct 2016 13:04:39 -0400

See below – the pension assets are not financial assets – they are netted against the pension liabilities, which is a line item within the liabilities section. I've made the appropriate edits.

From: MacIntyre, Kyle (TBS)
Sent: October-02-16 12:42 PM
To: Veinot, Cindy (TBS); Petsche, Nadine (TBS); DiMuzio, Sofie (TBS)
Subject: Fwd: Net debt vs. Total debt QA

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 the net pension liability by reducing the pension assets by $10.7 billion, but because there is no cash involved in that valuation, the total debt does not change.
>
> **David McLean**
> *Executive Assistant and Special Policy Advisor*

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