# Re: Control Assessment_Affordability Fund new format mar 26F Draft

**From:** "Petsche, Nadine (TBS)" <nadine.petsche@ontario.ca>
**To:** "Veinot, Cindy (TBS)" <cindy.veinot@ontario.ca>
**Cc:** "Hosick, Sarah (TBS)" <sarah.hosick@ontario.ca>
**Date:** Mon, 27 Mar 2017 06:53:24 -0400

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Cindy,
Please note the following when reviewing tha draft paper:
- there is also an admin agreement between the Trust and H1 which will be assessed to ensue that there are no potential acctg risks. Based on input provided to the drafting team, and reviews of working drafts, assuming no issues.
- refs to appendices will be checked
- Michel has been provided with a copy of this draft for review as well.
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**From:** Petsche, Nadine (TBS)
**Sent:** Monday, March 27, 2017 12:38 AM
**To:** Veinot, Cindy (TBS)
**Cc:** Hosick, Sarah (TBS) (Sarah.Hosick@ontario.ca)
**Subject:** Control Assessment_Affordability Fund new format mar 26F Draft

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**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.