2016-17 OAG Summary of Unadjusted Differences

Issue – Incr/(decr) to in-year deficit	Description
Unadjusted differences agreed to by government accountants: $302 million	
Unadjusted differences to which there was no dispute – ($10 million)	- Updated information on PIT from July 2017 CRA data – $312 million - Subsequent year-end tax receipts (EHT, Gas, Tobacco, Fuel,etc.) – ($104 million) - Ontario Rebate for Electricity Consumers (OREC) over-accrual – ($29 million) - Ontario Works – late claims not accrued - $23 million - Drug rebate fiscalization – cutoff error (calendar versus fiscal year) - $100 million - Consolidation of CCACs/CAS' – opening balance sheet impact (no deficit impact)
Unadjusted differences disagreed with by government accountants: $201 million	
• **Corporate tax fiscalization - $94 million**	• AG suggests a Q4 estimate based on 25% of the calendar year • OEP supports using 33% based on analysis; varying corporate tax year-end
• **Algonquin land claim - $200 million**	• AG established probability of settlement based on a sample of past claims; assessed reasonable estimate is determinable from documents (Agreement in principle) • OPCD cited other jurisdiction (BC) accounting treatment; ratification is not determinable; reasonable estimate is not determinable (despite federal accrual)
• **Remedy – ($160 million)**	• AG determined that lowest of three scenarios presented be accepted (accrual too high) • EDU supports the current remedy accrual pending final ruling given ETFO is returning to course – may have impacts on other settlements
• **Grassy Narrows - $85 million**	• AG cites minister's June statement confirming responsibility at the fiscal year end • MOECC/OPCD view is that government did not accept responsibility at the year-end; the June announcement was a 2017-18 event
• **Early Years / Child Care program - $58 million**	• AG cites Mandate letter and Budget announcements as establishing an obligation for a program that operates under a TP agreement on a calendar year with municipalities • EDU provides support that program enhancements don't come into effect until funding is approved and TP agreements are signed (July 2017)
• **Employee Life and Health Trusts – ($52 million)**	• AG indicates that as some trusts were not established at year end, expense is disallowed • EDU emphasizes that the trust is a vehicle to satisfy an obligation to employees which existed at the year-end based on the agreement signed between EDU and the unions
• **IESO rate-regulated accounting – ($24 million)**	• AG indicates that rate-regulated accounting is not permitted under PSAS • IESO received an unqualified opinion for use of rate-regulated accounting under PSAS