Key messages

- The government has released its 2015-16 Annual Report and unaudited Consolidated Financial Statements to ensure transparency with respect to the province's financial position.

- To align with the Auditor General, a regulation has been filed to prescribe the accounting treatment for pension assets for the 2015-16 financial statements.

- The regulation resolves the outstanding accounting issue for this year in a manner that is consistent with the fiscal outcome proposed by the Auditor General.

- This marks the seventh year in a row that Ontario has beaten its deficit target.

- Ontario remains committed to balancing the budget in 2017-18, while continuing to invest in the priorities that matter to the people of Ontario, such as healthcare, education and infrastructure.

If pressed about why a regulation was needed:

- Based on their professional judgement, the Province's professional accounting staff could not agree with the Auditor General's interpretation of Public Sector Accounting Standards as it relates to jointly-sponsored pension plans.

- A regulation was required to allow the public service to sign-off on the impact of the Auditor General's view on accounting for pension assets in Ontario's 2015-16 financial statements.

- The Province has applied consistent accounting treatment for these plans for the past 14 years, and has consistently received unqualified, or clean audit opinions from the Auditor General, without exception.

- To remain clear and transparent, we have reflected the Auditor General's view of the issue for this year. In order to do so, the government regulated the treatment of the pension assets for 2015-16.

- This is an accounting issue. However we remain optimistic that by studying the issue further and gathering third-party professional opinions, we will be able to reach an agreement on the treatment with the Auditor General in the coming months