# RE: FINAL PER statement

**From:** "Pichelli, Jason (TBS)" <"/o=govon/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=pichelli, jason (tbs)796">
**To:** "Gallant, Gabrielle (OPO)" <gabrielle.gallant4@ontario.ca>, "Jancik, Mike (OPO)" <mike.jancik@ontario.ca>, "Killorn, Bill (OPO)" <bill.killorn@ontario.ca>, "MacKenzie, Rebecca (OPO)" <rebecca.mackenzie@ontario.ca>, "Bevan, Andrew (OPO)" <andrew.bevan@ontario.ca>, "Forgione, Andrew (OPO)" <andrew.forgione@ontario.ca>
**Date:** Wed, 25 Apr 2018 10:30:39 -0400

I am supportive

**Jason Pichelli**
Chief of Staff
Office of the Hon. Eleanor McMahon
**President of the Treasury Board**
**(416) 327-6619**

**From: Gallant, Gabrielle (OPO)**
**Sent: April 25, 2018 10:30 AM**
**To: Jancik, Mike (OPO) <Mike.Jancik@ontario.ca>; Killorn, Bill (OPO) <Bill.Killorn@ontario.ca>; MacKenzie, Rebecca (OPO) <Rebecca.MacKenzie@ontario.ca>; Bevan, Andrew (OPO) <Andrew.Bevan@ontario.ca>; Forgione, Andrew (OPO) <Andrew.Forgione@ontario.ca>**
**Cc: Pichelli, Jason (TBS) <Jason.Pichelli@ontario.ca>**
**Subject: RE: FINAL PER statement**

**Cool. Can I lock it with that?**

**Sent with BlackBerry Work (www.blackberry.com)**

**From: "Jancik, Mike (OPO)" <Mike.Jancik@ontario.ca>**
**Sent: Apr 25, 2018 10:28 AM**
**To: "Gallant, Gabrielle (OPO)" <Gabrielle.Gallant4@ontario.ca>; "Killorn, Bill (OPO)" <Bill.Killorn@ontario.ca>; "MacKenzie, Rebecca (OPO)" <Rebecca.MacKenzie@ontario.ca>; "Bevan, Andrew (OPO)" <Andrew.Bevan@ontario.ca>; "Forgione, Andrew (OPO)" <Andrew.Forgione@ontario.ca>**
**Cc: "Pichelli, Jason (TBS)" <Jason.Pichelli@ontario.ca>**
**Subject: Re: FINAL PER statement**

**I'd say "given these disagreements on accounting questions" rather than "on technical points.**

**Sent from my BlackBerry 10 smartphone on the Rogers network.**

**From:** Gallant, Gabrielle (OPO)
**Sent:** Wednesday, April 25, 2018 10:26 AM
**To:** Killorn, Bill (OPO); MacKenzie, Rebecca (OPO); Bevan, Andrew (OPO); Jancik, Mike (OPO); Forgione, Andrew (OPO)

**Cc:** Pichelli, Jason (TBS)
**Subject:** RE: FINAL PER statement

Another cut, given that feedback.

We thank the Auditor General for her response to the Pre-Election Report. The Treasury Board Secretariat and Ministry of Finance work closely with the Auditor General of Ontario on a wide variety of issues on a regular basis, and her oversight and insight is welcomed both during our regular interactions and during the release of special reports, including this one.

The 2018 Pre-Election Report on Ontario's Finances presented the fiscal plan for 2018–19 to 2020–21 fiscal years. As verified by the Auditor General, the majority of the province's estimates regarding revenue, program expenses and interest on debt are based on prudent and cautious assumptions, as required by the Fiscal Transparency and Accountability Act. Ontario's fiscal policy also recognizes the need for flexibility to respond to an ever changing world. The Auditor General concluded overall that " the Pre-Election Report provides a reasonable and somewhat cautious underpinning for the medium-term fiscal forecasts."

In the Auditor General's response to the Pre-Election Report, she reviews two issues that represent ongoing technical accounting disputes – disagreements that have been reported on by the Auditor General in the past, have been the subject of technical briefings for both media and opposition and have also received media coverage in the past. The government's opinions on these two matters are well supported by internal and external experts, and have always informed the government's ongoing reporting on its fiscal status. Given these disagreements on technical points, there is also a difference of opinion on deficit numbers between the Auditor General and the government.

The first item of dispute is the accounting treatment for a portion of the Fair Hydro Plan. We continue to believe that the government's accounting for the Fair Hydro Plan is appropriate, and specifically the use of rate- regulated accounting to account for the component of the plan recoverable from the ratepayers, is supported by United States Generally Accepted Accounting Principles, as Public Sector Accounting Standards are silent on this issue. The second issue is the accounting for the net pension assets of the Province's two jointly sponsored pension plans, which is supported by an expert panel of accountants, actuaries and lawyers. The government's opinion on these two matters has not changed.

**Gabrielle Gallant**
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**Special Advior | Office of the Premier**