Re: Updated KMs: Public Accounts

From: "Lazarus, Jordan (OPO)" <jordan.lazarus@ontario.ca>
To: "Prins, Sebastian (TBS)" <sebastian.prins@ontario.ca>
Cc: "Tedesco, Lauren (TBS)" <lauren.tedesco@ontario.ca>, "Ostergard, Matt (TBS)" <matt.ostergard@ontario.ca>, "Pichelli, Jason (TBS)" <jason.pichelli@ontario.ca>
Date: Fri, 14 Oct 2016 14:02:07 -0400

Great thanks

From: Prins, Sebastian (TBS)
Sent: Friday, October 14, 2016 1:59 PM
To: Lazarus, Jordan (OPO)
Cc: Tedesco, Lauren (TBS); Ostergard, Matt (TBS); Pichelli, Jason (TBS)
Subject: RE: Updated KMs: Public Accounts

Hey Jordan,

Here are the edits – not tonnes of deviation from the previous lines. I just tried to take a crack at updating it, now that we've actually tabled the Public Accounts.

Sebastian.

KEY MESSAGES:

- Two weeks ago, I was pleased to table the audited Public Accounts.
- The audited Public Accounts confirm that we beat our deficit numbers for the 7th year in a row.
    - The Public Accounts confirm that we beat that target by $3.5 B.
- The Public Accounts confirm that Ontario remains on track to balance the budget in 2017-18.
- There remains ~~is~~ a professional difference of opinion between professional, non-partisan Ontario Public Service accountants ~~in the Treasury Board~~ and the Auditor General.
- ~~As we try to resolve this difference of opinion we are accepting the Auditor Generals deficit and debt numbers for last year 2015-16~~
- ~~Even when we accept the AG's numbers our deficit is $3.5B lower than our original projection and $700M lower than our last projection~~
- ~~This is the 7th year in a row that we've beaten our deficit targets and we remain on track to balance the budget in 2017-18~~
- Here in Ontario, we've used the same accounting **treatment** ~~practices in Ontario when it comes to~~ for pension assets for the last 14 years.
- ~~These practices~~ An accounting treatment that has ~~have~~ been signed off on by 4 different Auditor Generals including twice by the current Auditor.
- ~~We have passed a new regulation taking the Auditor Generals view of our books for last year 2015-16.~~
- Because this is a complex accounting topic, we want to make sure we get it right.
- Over the coming months, we will be engaging experts to resolve this difference of opinion.
- ~~And we will be consulting with experts on how our pension assets should be accounted for~~

~~moving forward.~~
- ~~We want to be open and transparent about Ontario's financial position which is why we released the statements yesterday~~

If pressed on receiving a Qualified Audit:

- Ontario is in a unique position.
- We have multiple healthy, well-funded, defined contribution pension plans with a large surplus of assets.
- We want to resolve this difference of opinion between our professional, non-partisan Ontario Public Service accountants and the Auditor General.
- Over the coming months, we will be engaging experts to resolve how we should treat pension plan assets on a go forward.

If asked about an $11B hole:
- We tabled the Public Accounts two weeks ago.
- The Auditor General confirmed and signed off on our numbers for this year
- We are accept~~ing~~ ed the Auditor Generals numbers
- Our deficit was $5B last year which is the 7th year in a row we've beaten our deficit targets
- Our pension plans are healthy and well-funded,
  - The OPSEU plan has a small surplus of assets and the teachers plan has a funding surplus of $13.2B

If asked about WSIB, OEFC, Hydro One Brampton:
- ~~Thank you for the question.~~
- ~~We are working hard to table the audited Public Accounts.~~
- ~~However, let me be clear, the numbers are the same as what we tabled earlier this week.~~
- ~~The WSIB's Economic Statement for 2016 are available online along with its 2016 Sufficiency Plan update.~~
- ~~The 2015-2016 audited financial statements for the OEFC as well as its recent annual reports are also available online.~~
- ~~Full financial information for the Ontario Electricity Financial Corporation, Hydro One Brampton and the WSIB will be made available as soon as the Public Accounts are tabled.~~
- The Financial Statements for WSIB, OEFC and Hydro One Brampton were in the hard copy version of Public Accounts tabled with the clerks, and distributed to each of the opposition critics.
- A USB with a digital version of public accounts was sent to each member, and that version contained a copy of the Financial Statements for WSIB, OEFC and Brampton Hydro.
- In addition, our online version of the Public Accounts contains digital versions of those Financial Statements, as well as a digital version of the Ontario Clean Water Agency's Annual Report.

From: Prins, Sebastian (TBS)
Sent: October-14-16 1:03 PM
To: Lazarus, Jordan (OPO)
Cc: Tedesco, Lauren (TBS); Ostergard, Matt (TBS); Pichelli, Jason (TBS)
Subject: Re: Updated KMs: Public Accounts

Will send a tracked change version in a bit. Just updated to make current.

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Lazarus, Jordan (OPO)
Sent: Friday, October 14, 2016 12:57 PM

To: Prins, Sebastian (TBS)
Cc: Tedesco, Lauren (TBS); Ostergard, Matt (TBS)
Subject: RE: Updated KMs: Public Accounts

What's new?

From: Prins, Sebastian (TBS)
Sent: October-14-16 12:56 PM
To: Lazarus, Jordan (OPO)
Cc: Tedesco, Lauren (TBS); Ostergard, Matt (TBS)
Subject: Updated KMs: Public Accounts

Hey Jordan,

How do you feel about this update to the Public Accounts KMs?

Sebastian.

KEY MESSAGES:

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  - The Public Accounts confirm that we beat that target by $3.5 B.
- The Public Accounts confirm that Ontario remains on track to balance the budget in 2017-18.
- There remains a professional difference of opinion between the professional, non-partisan Ontario Public Service accountants and the Auditor General.
- Here in Ontario, we've been using the same accounting treatment for pension assets for the past 14 years.
- Our accounting treatment for pension assets has been signed off by 4 different Auditor Generals, including twice by the current Auditor.
- Because this is a complex accounting topic, we want to make sure we get it right.
- Over the coming months, we will be engaging experts to resolve this difference of opinion.

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- We accepted the Auditor General's numbers.
- Our deficit was $5B last year which is the 7th year in a row we've beaten our deficit targets.

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Sebastian Prins
Issues Manager and Legislative Assistant
Office of the Hon. Liz Sandals, MPP
President of the Treasury Board
sebastian.prins@ontario.ca | Desk: +1.416.212.1369 | Cell: +1.416.845.8237