Re: Minister's Briefing - FAO Report

From: "Prins, Sebastian (TBS)" <sebastian.prins@ontario.ca>
To: "Poopalapillai, Christine (TBS)" <christine.poopalapillai@ontario.ca>, "Gallant, Gabrielle (TBS)" <gabrielle.gallant@ontario.ca>
Cc: "Ostergard, Matt (TBS)" <matt.ostergard@ontario.ca>
Date: Tue, 30 May 2017 18:03:49 -0400

Thanks Christine! You wouldn't happen to have a copy of the report handy, would you?

Getting one from Brynne later - could save me a trip!

Sebastian.

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Poopalapillai, Christine (TBS)
Sent: Tuesday, May 30, 2017 6:02 PM
To: Gallant, Gabrielle (TBS)
Cc: Ostergard, Matt (TBS); Prins, Sebastian (TBS)
Subject: FW: Minister's Briefing - FAO Report

Hi Comm team,

The FAO will be putting out the attached spring report tomorrow morning at 9am. MOF is the lead but it does flag the pensions dispute. The FAO presents our figures and the AG's; however he notes that he would look to the AG as the provincial authority (p.27).

The Officer looks to the Auditor General as the provincial authority on the appropriate interpretation and application of accounting standards for the Province.

The FAO has presented two fiscal projections, including and excluding the impact of the net pension assets of jointly sponsored pension plans, to help members of the Legislative Assembly better understand the implications of these different accounting interpretations on the Province's fiscal position.

• The FAO projection based on the Auditor General's recommended accounting presentation assumes a valuation allowance that offsets the net pension assets.

• The FAO projection based on the government's accounting presentation recognizes the net pension assets.

In the absence of an agreement between the pension plan co-sponsors, this presentation of Ontario's fiscal position would be expected to receive a qualified opinion from the Auditor General when published in the Province's future Public Accounts.

Based on the Auditor General's recommended accounting presentation for the net assets of jointly sponsored pension plans, and the FAO's estimate of the pension adjustment, the FAO is projecting budget deficits of $2.9 billion in 2017-18, rising to $6.5 billion by 2021-22. Alternatively, based on the pension accounting presentation adopted by the government, the FAO is projecting budget deficits of $0.5 billion in 2017-18 rising to $3.6 billion in 2021-22.

I have a note that was prepared by MOF that will flip to you all when I get back to the office (I only have a hard copy right now).

Christine