Consolidated Statement of Change in Net Debt
Impact of Accounting Change – Pension Asset Valuation Allowance
Changes are documented in red

Province of Ontario
Consolidated Statement of Change in Net Debt

For the year ended March 31 ($ Millions)		**2016**		2015
Annual Deficit		(3,515)		(10,315)
Acquisition of Tangible Capital Assets *(Note 9)*	**(10,922)**		(11,183)	
Amortization of Tangible Capital Assets *(Note 9)*	**4,913**		4,544	
Proceeds on Sale of Tangible Capital Assets	**175**		140	
Loss/(Gain) on Sale of Tangible Capital Assets	**363**		(10)	
		(5,471)		(6,509)
(Decrease)/Increase in Fair Value of Ontario Nuclear Funds *(Note 10)*		**(1,003)**		1,121
Increase in Pension Asset Valuation Allowance *(Note 17)*		**(1,400)**		
Increase in Net Debt		(11,389)		(15,703)
Net Debt at Beginning of Year		**(284,576)**		(268,873)
Pension Asset Valuation Allowance (*Note 17*)		(9,200)		
Restated Net Debt at Beginning of Year		(293,776)		
Net Debt at End of Year		**(305,165)**		(284,576)

See accompanying Notes and Schedules to the Consolidated Financial Statements.

Consolidated Statement of Change in Accumulated Deficit
Impact of Accounting Change – Pension Asset Valuation Allowance
Changes are documented in red

Province of Ontario **Consolidated Statement of Change in Accumulated Deficit**		
For the year ended March 31 **($ Millions)**	**2016**	2015
Accumulated Deficit at Beginning of Year	**(187,511)**	(178,317)
Pension Asset Valuation Allowance (*Note 17*)	(9,200)	
Restated Accumulated Deficit at Beginning of Year	**(196,711)**	
Annual Deficit	(3,515)	(10,315)
(Decrease)/Increase in Fair Value of Ontario Nuclear Funds *(Note 10)*	**(1,003)**	1,121
Increase in Pension Asset Valuation Allowance *(Note 17)*	**(1,400)**	
Accumulated Deficit at End of Year	**(202,629)**	(187,511)

See accompanying Notes and Schedules to the Consolidated Financial Statements.

Note 17. Accounting Changes

Included in the pensions and other employee future benefits liability is a net pension asset related to the Ontario Teachers' Pension Plan and the Ontario Public Service Employees' Union Pension Plan. Canadian public sector accounting standards require a valuation allowance to be recorded where there is uncertainty as to the Province's legal right to use the net pension asset. The Province does not have the unilateral legal right to use this asset because its ability to reduce future minimum contributions or withdraw any pension plan surplus is subject to agreement with the respective pension plans' joint sponsors. As at March 31, 2016, there were no such agreements in place. The change has resulted in an increase to the pension and other employee future benefits liability, accumulated deficit, and net debt of $10.6 billion.