TBS

Office of the Provincial Controller Division

Accounting Issues Update

Briefing to Secretary of Cabinet

February 8, 2017

CONFIDENTIAL DRAFT– FOR DISCUSSION ONLY

Topics for Discussion

1. Pension Panel Next Steps
2. IFRS-US GAAP decision
3. Presentation of Broader Public Sector Organizations

1. PENSION PANEL UPDATE

Report Release Strategy

- The Panel has confirmed the report has been finalized, with no changes following the meeting with the Auditor General on February 3.

- Report is planned to be released Monday February 13.

- Panel will hold a press conference Monday at 10am.

- Opposition briefing to be offered Monday afternoon.

2. IFRS-US GAAP DECISION

IFRS-US GAAP Decision

- Expecting revised impact from OPG at end of February
  - Both alternatives re: measuring impact of ARO – updating rate annually and at time of ONFA update
- Timing of communication of decision
  - Clarity with Hydro One and OPG
  - Clarity with AG for planning purposes

2. PRESENTATION OF BROADER PUBLIC SECTOR ORGANIZATIONS

Purpose

- Background on presentation basis for hospitals, school boards and colleges
- Overview of impacts of change to line-by-line presentation
- Timing considerations
- Other considerations
  - Stakeholdering
  - Communications

Background

- Key dates for BPS consolidation
  - 2004 Budget
    - Government announced its plans to include BPS (hospitals, colleges, and school boards) in the Province's financial reports starting with the 2006 Budget and 2005-06 Public Accounts
  - 2006 Budget & 2005-06 Public Accounts
    - First year BPS is consolidated on a one-line basis on both balance sheet and statement of operations
  - 2009 Budget & 2009-10 Public Accounts
    - Change in BPS presentation to line-by-line for balance sheet only, retaining one-line presentation on the statement of operations

Matter for Consideration

- Ontario continues to reflect a “one-line” net expense presentation for the BPS in the statement of operations for its BPS consolidations in the Public Accounts and Budget -- *Net expense for hospitals, school boards and colleges (total expense less 3rd party revenues) is included in line ministry expense*

- Under PSAB, other jurisdictions apply a line-by-line consolidation approach for hospitals, school boards and colleges (3rd party revenues reflected under revenues, expenses reflected on a gross basis)

- Ontario’s presentation was agreed to by the AG in 2009 on the basis that the one-line presentation does not impact the Province’s net debt or deficit

- The current AG supports line-by-line presentation

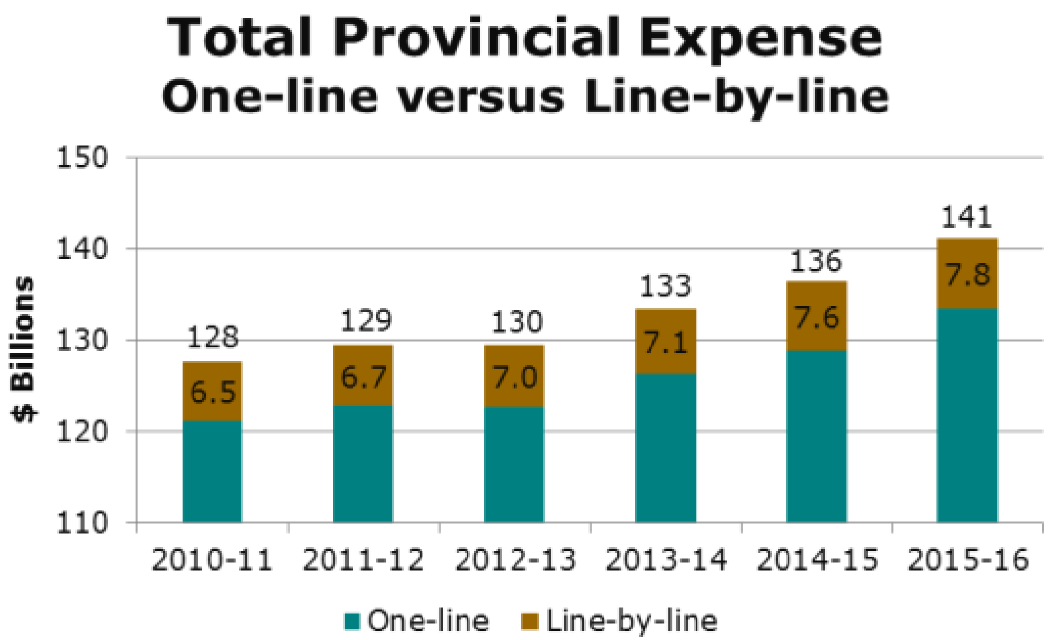
Current Approach

- Excluding government business enterprises, Ontario's financial reports reflect two different presentation approaches for controlled government organizations:
  - **Hospitals, school boards and colleges –** line-by-line for balance sheet, one line net expense basis for statement of operations
  - **Other controlled government organizations -** line-by-line for both balance sheet and statement of operations

- Presentation basis rationale (per *2009 Budget)*
  - A one-line consolidation format for the BPS sectors best represents the bottom-line fiscal accountability of these organizations to the Province for managing these public funds
  - It provides a more easily understood presentation of financial results and better respects the fiscal accountability of BPS organizations.

Fiscal and Presentation Impact

- A change in presentation would not impact the Province's annual surplus/deficit; however, both revenues and expenses would be grossed up by the amount of 3rd party revenues (approx. $8.0 B in 2015-16)



- Impact to presentation of public documents (see appendices)

Financial Indicator Impacts

Finanical Indicator	2015-16 Actual one-line	2015-16 Actual line-by-line	Change
Debt Charges to Total Revenue (%)	8.54%	8.51%	-0.03%
Net Debt to Total Revenue (%)	237.8%	224.2%	-13.6%
Net Debt to GDP (%)	40.9%	40.9%	-
Accumulated Deficit to GDP (%)	27.1%	27.1%	-
Net Debt per Capita ($)	21,926	21,926	-
Program Spending per Capita ($)	8,796	9,310	514

Legend:
Black - Neutral Impact*
Green - Positive Impact
Red - Negative Impact

* Net debt, accumulated deficit, or annual surplus/deficit is not impacted by the change to line-by-line presentation.

- Program Spending per Capita will be unfavorably impacted under the line-by-line approach. In 2016 Budget, it was stated that Ontario will retain the lowest program spending per capital in Canada. The pro forma calculation shows that Ontario will remain the lowest under the line-by-line approach. However, it needs to be closely monitored since Ontario will be only marginally lower than BC (about $100) and change in population of Ontario and BC may also alter the ranking.
- Considerations for other indicators
  - OFA is held accountable for the overall IOD variance, but has no control over the BPS 3rd party interest expense ($372M for 2015-16, about 3% of the total IOD).
  - The change will favorably impact the rating. S&P has already factored the BPS 3rd-party revenues in their rating.

Other Considerations

- Change to line-by-line presentation of the BPS would impact the composition of total expense for the Province (See Appendix 3)
  - Transfer payments will decrease (replaced with gross line-by-line spending of the BPS)
  - Other expense line items will increase (e.g. Salaries and Wages, Services, etc.)
- Historical results in the financial reports (Budget, Public Accounts) would be restated for consistent presentation (line-by-line) for comparability
- Program expense allocation would increase for BPS sector ministries
- Non-controllable BPS third-party revenues would be forecasted and reported together with Province's revenues
- Consistency with line-by-line presentation for other government organizations of the Province and comparability with practice of other jurisdictions

Options

1. Status Quo
2. Change to line-by-line presentation basis for hospitals, school boards and colleges for the Statement of Operations
   - Determine appropriate date to make the change
     - Alternative 1: Implementing change starting in Budget document
       - » 2017 Budget – sufficient time for stakeholdering /communications?
       - » 2019 Budget
     - Alternative 2: Implementing change starting in Public Accounts
       - » 2016-17 Public Accounts
         - Sufficient time for Public Accounts instructions for sector ministries?
         - Budget 2016-17 will be presented on a re-stated basis in Statement of Operations in Public Accounts

Options (cont'd)

Options	Advantage	Disadvantage
1. Status Quo	No updates or communications required	Maintains inconsistencies in financial reporting between BPS and other government orgs which require explanations and impact analysis of the different approaches to stakeholders (e.g. TBS partners) Limits transparency and lacks comparability with other jurisdictions Will require additional customization to IT systems (e.g. Hyperion Reporting Tool) to accommodate both approaches in the future
2. BPS ➔ line-by-line	Aligns financial reporting with other government agencies' consolidations Provides for enhanced inter-jurisdictional comparability Fully complies with PSAB standards	Change in revenue and expense presentation would require increased communication and disclosure Co-mingling of non-controllable BPS sector revenues with provincial revenues gives impression of access to additional funds at government's discretion

Recommendation

- Recommend changing the consolidation approach to line-by-line (year of change – 2017 Budget or 2016-17 Public Accounts)
  - Compliance: fully comply with PSAB's principle of consolidations
  - Consistency: one consolidation approach for all government organizations
  - Comparability: consistent with other jurisdictions' reporting practice

May consider retaining Schedule 10 (Appendix 5) to disclose the current net expense presentation for BPS sectors in the Public Accounts

- To assist with communications if the change is to be implemented starting in 2017 Budget, consider including a supplementary schedule to the 2016-17 consolidated financial statements
  - Present a proforma Statement of Operations reflecting the proposed line-by-line approach (See Appendix 2)

Implementation Considerations

- Stakeholder management
  - Impact to BPS sector ministry's expense management approach
  - Impact to PEMD/CPD's reporting and expenditure management process
- Impact to presentation of Expenditure Estimates
  - Impact to BPS sector ministries (see Appendix 9)
  - BPS related IOD will be reflected in MOF's budget/expenditures through consolidation adjustments
- Potential impact to Public Accounts process
  - Need to evaluate impact to reconciliation/consolidation procedures for income statement items
- Communications

Appendix 1: Impact on Presentation of Public Accounts

- Impact on presentation within the financial statements:
  - Balance Sheet – no impact (already line by line)
  - Statement of Operations – Revenues and expenses would increase by the same amount (i.e. third-party revenue - $7.8B for 2015-16)
  - Impact to other Schedules in Public Accounts:
    - Revenue Schedules 1 and 2 will include third-party revenue from BPS
    - Schedule 3 (Expense by Sector)
      - A decrease in transfer payments to BPS and a reciprocal increase to other expense line items.
      - An increase in total expense for the BPS sectors
      - The “Net Impact of BPS” line item will be removed.
    - Schedule 4 (Expense by Ministry) will reflect an increase to expense for the BPS ministries.
    - Schedule 10 showing BPS details may be removed/modified.

See Appendices 2 – 5 for pro-forma Public Accounts disclosures for illustrative purposes.

Appendix 2 – Sample Public Accounts with BPS on a line-by-line basis

TBS

Province of Ontario

Consolidated Statement of Operations

($ Millions)	2015-16 Budget1	LBL Adj.	2015-16 Budget	2015-16 Actual	LBL Adj.	2015-16 Actual	2014-15 Actual	LBL Adj.	2014-15 Actual
Revenues *(Schedules 1 and 2)*									
Personal Income Tax	30,377		30,377	31,141		31,141	29,313		29,313
Sales Tax	22,982		22,982	23,455		23,455	21,689		21,689
Corporations Tax	11,342		11,342	11,428		11,428	9,557		9,557
Education Property Tax	5,715		5,715	5,839		5,839	5,561		5,561
Employer Health Tax	5,680		5,680	5,649		5,649	5,415		5,415
Ontario Health Premium	3,458		3,458	3,453		3,453	3,366		3,366
Gasoline and Fuel Taxes	3,209		3,209	3,210		3,210	3,186		3,186
Other Taxes	4,634		4,634	7,643		7,643	4,188		4,188
Total Taxation	87,397		87,397	91,818		91,818	82,275		82,275
Transfers from Government of Canada*	22,890	597	23,487	22,857	399	23,256	21,615	416	22,031
Income from Investment in Government Business Enterprises *(Schedule 9)*	4,812		4,812	4,909		4,909	5,615		5,615
Other**	9,291	6,957	16,248	8,793	7,381	16,174	9,041	7,201	16,242
	124,390	7,554	131,944	128,377	7,780	136,157	118,546	7,617	126,163
Expenses *(Schedules 3 and 4)*									
Health	50,773	3,740	54,513	51,067	3,923	54,990	50,039	4,052	54,091
Education[2,**]	25,302	665	25,967	26,588	988	27,576	25,194	876	26,070
Children's and Social Services	15,431		15,431	15,555		15,555	14,683		14,683
Environment, Resources and Economic Development	12,987		12,987	12,612		12,612	11,682		11,682
Interest on Debt***	11,410	976	12,386	10,967	621	11,588	10,635	586	11,221
Post-Secondary Education and Training**	7,810	2,174	9,984	7,634	2,248	9,882	7,660	2,103	9,763
Justice	4,429		4,429	4,549		4,549	4,351		4,351
General Government and Other	3,760		3,760	4,434		4,434	4,617		4,617
	131,902	7,554	139,456	133,406	7,780	141,186	128,861	7,617	136,478
Reserve	1,000		1,000	-		-	-		-
Annual Deficit	(8,512)	-	(8,512)	(5,029)	-	(5,029)	(10,315)	-	(10,315)

[1] Amount reported as "Plan" in 2015 Budget.

[2] Teacher's Pension Plan expense is included in Education (Schedule 4).

* Budget adjustment is a proxy using revenues from all other governments (federal, provincial, municipal) since transfers from the Government of Canada alone is not currently collected for BPS budget purposes.

** Includes immaterial inter-organizational balances which do not impact the bottom line.

*** Interest on debt adjustment is net of interest revenues.

Appendix 3 – Sample Public Accounts with BPS on a line-by-line basis

Province of Ontario

Schedule 3: Expenses by Sector

Sectors*	Health			Education			Post-Secondary Education and Training			Interest on Debt			Total		
For the year ended March 31 ($ Millions)	2016	LBL Adj	2016	2016	LBL Adj	2016	2016	LBL Adj	2016	2016	LBL Adj	2016	2016	LBL Adj	2016
Expenses															
Transfer Payments	48,299	(23.136)	25.163	24.974	(23.552)	1.422	7.515	(1,788)	5,727			-	102,691	(48,476)	54,215
Interest on Debt**	-	-	-	-	-	-	-	-	-	10,967	621	11,588	10,967	621	11,588
Salaries and Wages	654	14,077	14,731	212	16,548	16,760	93	2,034	2,127	-		-	6,492	32,659	39,151
Services***	1,877	2,460	4,337	153	1,383	1,536	62	617	679	-		-	5,179	4,460	9,639
Pensions and Employee Future Benefits *(Note 7)*	5	801	806	1,590	314	1,904	-	193	193	-		-	2,676	1,308	3,984
Power Supply Contract Costs	-	-	-	-	-	-	-	-	-	-		-	875	-	875
Amortization of Tangible Capital Assets	63	1,531	1,594	9	1,054	1,063	5	273	278	-		-	2,057	2,858	4,915
Employee Benefits	124	2,806	2,930	34	2,154	2,188	15	238	253	-		-	1,016	5,198	6,214
Supplies and Equipment	422	4,445	4,867	7	2,061	2,068	1	252	253	-		-	870	6,758	7,628
Transportation and Communication	61	137	198	14	-	14	4	61	65	-		-	367	198	565
Net Impact of Broader Public Sector Organizations on Provincial Expenses *(Schedule 10)*	(495)	495	-	(436)	436	-	(120)	120	-	-		-	(1,051)	1,051	-
Other	57	307	364	31	590	621	59	248	307	-		-	1,267	1,145	2,412
Total	51,067	3,923	54,990	26,588	988	27,576	7,634	2,248	9,882	10,967	621	11,588	133,406	7,780	141,186

* Only showing adjusted sectors (i.e. Health, Education and Post-Secondary Education and Training, Interest on Debt) for illustrative purposes.

** Interest revenue and investment income of $156 million is netted with Interest on Debt (IOD) of $621 million ($372 million to third party and $249 million to the OFA) for BPS organizations. This proforma presentation is consistent with the current IOD treatment for agencies.

*** BPS line-by-line results include immaterial inter-organizational balances.

Appendix 4 – Sample Public Accounts with BPS on a line-by-line basis

Province of Ontario

Schedule 4: Expenses by Ministry

($ Millions)	2015-16 Actual	LBL Adj	2015-16 Actual
Aboriginal Affairs	79		79
Agriculture and Food/Rural Affairs	1,026		1,026
Attorney General	1,860		1,860
Board of Internal Economy	205		205
Children and Youth Services	4,260		4,260
Citizenship, Immigration and International Trade	169		169
Community and Social Services	11,295		11,295
Community Safety and Correctional Services	2,689		2,689
Economic Development, Trade and Employment/Research and Innovation	1,134		1,134
Education	24,998	988	25,986
Teachers' Pension *(Note 7)*	1,590		1,590
Energy	1,232		1,232
Environment and Climate Change	503		503
Executive Offices	37		37
Finance	951		951
Interest on Debt	10,967	621	11,588
Municipal Partnership Fund	513		513
Power Supply Contract Costs	875		875
Government Services and Consumer Services	608		608
Health and Long-Term Care	51,067	3,923	54,990
Labour	304		304
Municipal Affairs and Housing	1,088		1,088
Natural Resources and Forestry	819		819
Northern Development and Mines	701		701
Office of Francophone Affairs	8		8
Tourism, Culture and Sport	2,270		2,270
Training, Colleges and Universities	7,634	2,248	9,882
Transportation	3,287		3,287
Treasury Board Secretariat	216		216
Contingency Fund	-		-
Employee and Pensioner Benefits	1,021		1,021
Program Review Savings Targets	-		-
Year-End Savings	-		-
Total Expenses	133,406	7,780	141,186

Appendix 5 – Sample Public Accounts with BPS on a line-by-line basis

Province of Ontario

Schedule 10: Broader Public Sector Organizations

Summary financial information of Broader Public Sector Organizations is provided below.

For the year ended March 31, 2016 ($ Millions)	Hospitals	School Boards	Colleges	Total
Expense				
Salaries, Wages and Benefits	17,684	19,016	2,465	39,165
Amortization Expense	1,531	1,054	273	2,858
Interest Expense[1] *	220	386	15	621
Other Expense**	7,349	4,034	1,178	12,561
Fees, Donations and Other Revenues**	(4,143)	(1,374)	(2,263)	(7,780)
Total Sector Expense	**22,641**	**23,116**	**1,668**	**47,425**
Transfers from the Province	(23,136)	(23,552)	(1,788)	(48,476)
Net Impact on Provincial Expense – (Decrease)/Increase	**(495)**	**(436)**	**(120)**	**(1,051)**

[1] Interest Revenue of $156 million is netted with Interest Expense.

* School Boards and Colleges interest expense includes $241 million and $8 million to the OFA respectively.

** Includes immaterial inter-organizational balances which does not impact the total sector expense.

Appendix 6: Impact on Budget and Expenditure Estimates Presentation

- No fiscal impact to the overall provincial surplus/deficit forecast
- No impact to appropriated line items
- Presentation of Budget
  - Total BPS sector ministry expense will increase
  - Total provincial revenue will increase by the same amount
- Presentation of Printed Estimates
  - Deficit impact to the consolidation adjustments (operating/capital) since 3rd party revenues will be adjusted to CRF revenues

See Appendices 7 – 8 for sample 2016 Budget tables and charts presentation under the one-line and line-by-line approach

See Appendix 9 for sample Expenditure Estimates

Appendix 7 – Sample 2016 Budget Table

One-line

TABLE 3.7 Ontario's Fiscal Plan and Outlook
($ Billions)

	Actual	Interim	Plan	Outlook	
	2014–15	2015-16	2016-17	2017-18	2018-19
Total Revenue	118.5	126.5	130.6	137.7	141.9
Expense					
Programs	118.2	120.9	122.1	124.2	127.6
Interest on Debt[1]	10.6	11.2	11.8	12.5	13.1
Total Expense	128.9	132.1	133.9	136.6	140.7
Surplus/(Deficit) Before Reserve	(10.3)	(5.5)	(3.3)	1.1	1.2
Reserve	-	0.2	1.0	1.1	1.2
Surplus/(Deficit)	(10.3)	(5.7)	(4.3)	(0.0)	(0.0)
Net Debt as a Per Cent of GDP	39.4	39.6	39.6	38.9	38.5
Accumulated Deficit as a Per Cent of GDP	26.0	25.9	25.4	24.3	23.3

[1] Interest on debt expense is net of interest capitalized during construction of tangible capital assets of $0.2 billion in $0.1 billion in 2015-16, $0.2 billion in 2016-17, $0.4 billion in 2017-18 and $0.6 [illegible] 2018-19.
Note: Numbers may not add due to rounding.

Line-by-line

TABLE 3.7 Ontario's Fiscal Plan and Outlook
($ Billions)

	Actual	Interim	Plan	Outlook	
	2014–15	2015-16	2016-17	2017-18	2018-19
Total Revenue	126.3	134.5	138.6	145.9	150.5
Expense					
Programs	125.8	128.6	129.9	132.3	135.9
Interest on Debt[1]	10.8	11.4	12.1	12.8	13.4
Total Expense	136.6	140.0	142.0	145.1	149.3
Surplus/(Deficit) Before Reserve	(10.3)	(5.5)	(3.3)	1.1	1.2
Reserve	-	0.2	1.0	1.1	1.2
Surplus/(Deficit)	(10.3)	(5.7)	(4.3)	0.0	(0.0)
Net Debt as a Per Cent of GDP	39.4	39.6	39.6	38.9	38.5
Accumulated Deficit as a Per Cent of GDP	26.0	25.9	25.4	24.3	23.3

[1] Interest on debt expense is net of interest capitalized during construction of tangible capital assets of $0.2 billion in $0.1 billion in 2015-16, $0.2 billion in 2016-17, $0.4 billion in 2017-18 and $0.6 [illegible] 2018-19.
Note: Numbers may not add due to rounding.

Change:

TABLE 3.7 Ontario's Fiscal Plan and Outlook
($ Billions)

	Actual	Interim	Plan	Outlook	
	2014–15	2015-16	2016-17	2017-18	2018-19
Total Revenue	7.8	8.0	8.0	8.2	8.6
Expense	-	-	-	-	-
Programs	7.6	7.7	7.8	8.1	8.3
Interest on Debt1	0.2	0.2	0.3	0.3	0.3
Total Expense	7.8	8.0	8.0	8.3	8.6
Surplus/(Deficit) Before Reserve	-	-	-	-	-
Reserve	-	-	-	-	-
Surplus/(Deficit)	-	-	-	-	-
Net Debt as a Per Cent of GDP	-	-	-	-	-
Accumulated Deficit as a Per Cent of GDP	-	-	-	-	-

[1] Interest on debt expense is net of interest capitalized during construction of tangible capital assets of $0.2 billion in $0.1 billion in 2015-16, $0.2 billion in 2016-17, $0.4 billion in 2017-18 and $0.6 [illegible] 2018-19.
Note: Numbers may not add due to rounding.

Appendix 7 – Sample 2016 Budget Table (cont'd)

One-line

TABLE 3.12 Summary of Medium-Term Revenue Outlook
($ Billions)

Revenue	Interim 2015-16	Plan 2016-17	Outlook 2017-18	Outlook 2018-19
Personal Income Tax	30.3	32.2	34.2	36.4
Sales Tax	23.5	24.0	24.8	25.6
Corporations Tax	11.4	12.1	12.7	13.2
Ontario Health Premium	3.5	3.6	3.8	4.0
Education Property Tax	5.7	5.8	6.0	6.1
All Other Taxes	16.5	14.2	14.5	15.0
Total Taxation Revenue	**90.8**	**91.8**	**95.9**	**100.2**
Government of Canada	22.9	24.6	25.8	26.6
Income from Government Business Enterprises	4.3	5.0	5.3	5.7
Other Non-Tax Revenue	8.6	9.1	10.6	9.4
Total Revenue	**126.5**	**130.6**	**137.7**	**141.9**

Note: Numbers may not add due to rounding.

Line-by-line

TABLE 3.12 Summary of Medium-Term Revenue Outlook
($ Billions)

Revenue	Interim 2015-16	Plan 2016-17	Outlook 2017-18	Outlook 2018-19
Personal Income Tax	30.3	32.2	34.2	36.4
Sales Tax	23.5	24.0	24.8	25.6
Corporations Tax	11.4	12.1	12.7	13.2
Ontario Health Premium	3.5	3.6	3.8	4.0
Education Property Tax	5.7	5.8	6.0	6.1
All Other Taxes	16.5	14.2	14.5	15.0
Total Taxation Revenue	**90.8**	**91.8**	**95.9**	**100.2**
Government of Canada	23.5	25.1	26.3	27.1
Income from Government Business Enterprises	4.3	5.0	5.3	5.7
Other Non-Tax Revenue	15.9	16.7	18.4	17.5
Total Revenue	**134.5**	**138.6**	**145.9**	**150.5**

Note: Numbers may not add due to rounding.

Change:

TABLE 3.12 Summary of Medium-Term Revenue Outlook
($ Billions)

Revenue	Interim 2015-16	Plan 2016-17	Outlook 2017-18	Outlook 2018-19
Personal Income Tax	-	-	-	-
Sales Tax	-	-	-	-
Corporations Tax	-	-	-	-
Ontario Health Premium	-	-	-	-
Education Property Tax	-	-	-	-
All Other Taxes	-	-	-	-
Total Taxation Revenue	**-**	**-**	**-**	**-**
Government of Canada	0.6	0.5	0.5	0.5
Income from Government Business Enterprises	-	-	-	-
Other Non-Tax Revenue	7.3	7.6	7.8	8.1
Total Revenue	**8.0**	**8.0**	**8.2**	**8.6**

Note: Numbers may not add due to rounding.

Appendix 8 – Sample 2016 Budget Charts

ONE-LINE

LINE-BY-LINE

	One-line		Line-by-line		Change	
	$ (B)	%	$ (B)	%	$ (B)	%
Interest on Debt	11.8	8.8%	12.1	8.5%	0.3	-0.3%
Health Sector	51.8	38.7%	56.1	39.5%	4.3	0.8%
Education Sector	25.6	19.1%	26.8	18.9%	1.2	-0.2%
Postsecondary and Training Sector	7.9	5.9%	10.2	7.2%	2.3	1.3%
Children's and Social Services Sector	15.8	11.8%	15.8	11.1%	-	-0.7%
Justice Sector	4.5	3.4%	4.5	3.2%	-	-0.2%
Other Programs	16.5	12.3%	16.5	11.6%	-	-0.7%
TOTAL	**133.9**	**100.0%**	**142.0**	**100.0%**	**8.1**	**0.0%**

Appendix 8 – Sample 2016 Budget Charts (cont'd)

ONE-LINE

LINE-BY-LINE

	One-line		Line-by-line		Change	
	$ (B)	%	$ (B)	%	$	%
Federal Transfers	24.6	18.9%	25.1	18.1%	0.5	-0.8%
Personal Income Tax	32.2	24.6%	32.2	23.2%	-	-1.4%
Sales Tax	24.0	18.4%	24.0	17.3%	-	-1.1%
Education Property Tax	5.8	4.5%	5.8	4.2%	-	-0.3%
Corporations Tax	12.1	9.2%	12.1	8.7%	-	-0.5%
Employer Health Tax	6.0	4.6%	6.0	4.3%	-	-0.3%
Other Taxes	4.9	3.7%	4.9	3.5%	-	-0.2%
Gasoline and Fuel Taxes	3.3	2.5%	3.3	2.4%	-	-0.1%
Ontario Health Premium	3.6	2.8%	3.6	2.6%	-	-0.2%
Other Non-Tax Revenue	9.1	7.0%	16.7	12.0%	7.6	5.0%
Income from Government Business Enterprises	5.0	3.8%	5.0	3.6%	-	-0.2%
TOTAL	**130.6**	**100.0%**	**138.7**	**100.0%**	**8.1**	**0.0%**

Appendix 9 – Sample 2016 Expenditure Estimates

One-line

3rd party revenues are netted against operating expense

Line-by-line

3rd party revenues are consolidated to the CRF

Note: *BPS related IOD (interest expense net of interest revenue) will be reflected in MOF's budget/Estimates through consolidation adjustments.*

Appendix 9 – Sample 2016 Expenditure Estimates (cont'd)

One-line

3rd party DCC netted against amortization expense

Line-by-line

3rd party DCC is consolidated to the CRF

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Appendix 10 - Additional Information

- The net expense of the BPS sectors is not presented separately in the Budget or Fall Economic Statement
  - Previous to the 2010 Budget, the BPS sectors' net expense was separately identified in all public finance documents. Starting in 2010, the BPS sectors' net expense was rolled up into it's responsible ministry expense lines
  - Further details on net expense of the BPS sectors are presented in Schedule 10 of the Public Accounts (actual results only)

- While the province has taken the position of a "bottom-line" fiscal accountability relationship with the BPS sector, it acknowledged and agreed to present the balance sheet on a line-by-line basis in accordance with PSAB as a compromise position with the Auditor General in 2009.

- Since other senior governments use the line-by-line approach to consolidate their BPS organizations' Statement of Operations, comparability of financial information with other jurisdictions is not readily apparent to the public.

- In the 2010 Auditor General's report, the AG noted that the province had made a "departure from PSAB standards", but at the time did not feel this "unique" presentation had a "material impact on the fairness of the financial statements".