Message

From: Kate.Longmoore@ieso.ca [Kate.Longmoore@ieso.ca]
Sent: 2017-08-10 12:37:17 PM
To: Mary Bernard [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=7e3e3e8d7f9345c2b0aab3e0fd7a79f2-Mary Bernar]
Subject: Re: Accounting Practices Messaging

Sure

On Aug 10, 2017, at 12:20 PM, Mary Bernard <Mary.Bernard@ieso.ca> wrote:

Can you help with this? Let's chat when I get back from lunch.

Mary

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Hendy, Adam (ENERGY) <Adam.Hendy@ontario.ca>
Sent: Thursday, August 10, 2017 12:17 PM
To: Mary Bernard
Cc: Andrew Dow
Subject: Accounting Practices Messaging

Hi Mary,

I'm reaching out to you on behalf of the Ministry in regard to messaging/background on IESO's accounting practices. I've placed below some KMs you sent us in October 2016, can you please update these and provide anything further by end of day?

Happy to chat if you have any questions.

Thanks,
Adam

Key Messages:

Here are our key messages on the story by Keith Leslie this morning:

- This has been in our publicly issued audited financial statements ever since the change and therefore part of our ongoing annual review by the OEB. Totally public throughout and simply a function of change in accounting rules from commercial Generally Accepted Accounting Principles to Canadian Public Sector Accounting Standards determined to be more relevant to the IESO.

- This item was always part of our balance sheet under GAAP, the former accounting principles. The difference in moving to the new accounting principles is that we were required to separate it out and show it separately in our statements.

- IESO fees have been reduced over the period.

Background:

Effective January 1, 2011, the IESO adopted Canadian public sector accounting standards with a transition date of January 1, 2010. The adoption of PSAB was accounted for by retroactive application with restatement of prior periods subject to the requirements in Section PS 2125, *First-time Adoption by Government Organizations*. The corresponding change to pension and other-post employment benefits resulted in previously unrecognized actuarial losses and past service costs of $80,617 thousand at the date of transition being charged to the accumulated deficit.

The IESO includes a portion of the accumulated deficit resulting from the PSAB transition items in the annual proposed expenditures to the OEB for recovery through system fees.