Message

From: Kim Marshall [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=B63A22B42BF14587870D93119A054D88-KIM MARSHAL]
Sent: 2017-04-19 11:03:22 AM
To: Veinot, Cindy (TBS) [Cindy.Veinot@ontario.ca]
CC: Picard, Michel [mpicard@kpmg.ca]
Subject: RE: EXTERNAL - EY Opinion

Michel I have spoken, this is consistent with our approach

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From: Veinot, Cindy (TBS) [mailto:Cindy.Veinot@ontario.ca]
Sent: April 18, 2017 3:44 PM
To: HARTWICK Ken -FINANCE; Kim Marshall
Cc: Petsche, Nadine (TBS)
Subject: RE: EXTERNAL - EY Opinion

Ken – Thanks for the update – for the sake of clarity, I've included an appendix from CAS 7600 – while this report is not technically in the scope of that section (because your auditor is issuing the report and not another firm), the Q&A section for the standard suggests it be considered. If this is the form of what they are providing that's fine – if it's not, we should discuss.

Kim – As you know, about a month ago, Michel and I had a long conversation regarding what we mean by a formal accounting opinion, so same question for you, given Ken's comment below. Please confirm back if KPMG is tracking to something different from what is below.

Thanks all,

Cindy

For reference, I've included Appendix A from CAS 7600

APPENDIX A

EXAMPLE OF A REPORT PROVIDED TO AN ENTITY ON THE APPLICATION OF ACCOUNTING PRINCIPLES TO A SPECIFIC TRANSACTION

To [person engaging the reporting accountant]:

I have been engaged to report on the appropriate application of Canadian generally accepted accounting principles to the specific transaction described below. This report is being issued to [name of entity] for assistance in evaluating accounting principles for the described specific transaction. My engagement has been conducted in accordance with Canadian generally accepted standards for such engagements.

The facts, circumstances and assumptions relevant to the specific transaction as provided to me by the management of [name of entity] are as follows:

[Describe the specific transaction and relevant facts, circumstances and assumptions provided by the entity.] *

* Alternatively, refer to an attached statement of facts, circumstances and assumptions.

The appropriate accounting principles to be applied to the specific transaction described above are as follows:

[Describe how the specific transaction should be accounted for.]

My report is based on the following authoritative support and other supporting rationale:

[Set out and discuss authoritative support and supporting rationale.]

The ultimate responsibility for the decision on the appropriate application of Canadian generally accepted accounting principles for the specific transaction described above rests with your management as preparers of the financial statements, who should consult with your auditor (or public accountant). My judgment on the appropriate application of Canadian generally accepted accounting principles for the specific transaction described above is based on the facts, circumstances and assumptions provided to me. Should the facts, circumstances or assumptions differ, my conclusion may change.

This report is intended solely for the information and use of [person engaging the reporting accountant] and management of [name of entity] and is not intended to be and should not be used by anyone other than these specified parties or for any other purpose.

City (Signed)..
Date PRACTITIONER

Thanks,

Cindy

From: HARTWICK Ken -FINANCE [mailto:ken.hartwick@opg.com]
Sent: April-18-17 3:28 PM
To: Veinot, Cindy (TBS)
Subject: RE: EXTERNAL - EY Opinion

Cindy – We are working with EY now and went through legislation etc this morning. They do not see any issues at this point (subject to all the normal subject to's of regulations etc). Their report will be long and basically say based on these facts and assumptions that the trust would be consolidated into OPG. They do not call it an opinion but it will be on their letterhead and confirm the accounting. I think KPMG is the same thing. Only real issue that they had was the one we talked about yesterday around the interest which is solved by having the IESO send us a cheque for the interest and the Trust borrow and pay that back. Mechanics but accomplishes the accounting.

From: Veinot, Cindy (TBS) [mailto:Cindy.Veinot@ontario.ca]
Sent: Tuesday, April 18, 2017 3:18 PM
To: HARTWICK Ken -FINANCE
Subject: EXTERNAL - EY Opinion

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Hi Ken – wondering if you have an update re: whether EY will be in a position to issue a formal accounting opinion by the date of the TB meeting (heard it may be pushed a week), and if not, (i) why not, (ii) what will EY issue, (iii), is the plan then to issue a formal accounting opinion at a later date.. Question asked at TBS Ministers briefing this morning.

Thanks,

Cindy

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TBS

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