Office of the Auditor General of Ontario

The Public Accounts of the Province of Ontario

December 2021

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1.0 Summary

Based on our audit work, we have concluded that the province's consolidated financial statements for 2020/21 are fairly presented and free from material errors. As a result, the audit opinion on the province's consolidated financial statements is unqualified.

Since the declaration of the global pandemic for the novel coronavirus (COVID-19) in March 2020, our Office has faced challenges and identified additional risks associated with the audit of the Public Accounts. We performed additional work to address and respond to these risks and our testing results were satisfactory and supported our unqualified opinion.

Items of note from our audit of the Public Accounts and other financial statement work are as follows:

- We have a requirement to report on certain government reporting under the *Fiscal Sustainability, Transparency and Accountability Act, 2019* (Act). The government has met all reporting deadlines under the Act, as of November 2021.
- During 2018/19, the province decided to discontinue printing Volume 2 (which contained individual financial statements of the significant provincial corporations, boards and commissions whose activities are included in the province's consolidated financial statements), instead opting to create a website with links to each entity's webpage with financial information. In 2018/19, we observed delays in the posting of audited financial statements compared to the previous years, where only one or two entities were missing from the printed version of Volume 2. The province showed significant improvement with the release of the 2019/20 Public Accounts and then with the 2020/21 Public Accounts, where 94% of other government organizations and 99% of broader-public-sector organizations made their audited financial statements available by September 27, 2021, the legislated deadline for the release of the Public Accounts.
- We noted this year that the province authorized operating and transit funding to municipalities totalling $2.04 billion during the past year through the use of funding letters instead of through a formal transfer payment agreement. We recommend ending the practice of establishing transfer payment programs through the use of funding letters in the future. Formally executed transfer payment agreements are a much stronger control and mitigate risks associated with transfer payments.
- Over the past several years, we have recommended to the province that Children's Aid Societies be consolidated into the Public Accounts. In the summer of 2021, the Ministry of Children, Community and Social Services agreed that non-Indigenous Children's Aid Societies should be consolidated into the Public Accounts.
- There are new federal government guidelines for contaminants called perfluoroalkyl and polyfluoroalkyl substances (PFAS), which are

a broad group of human-made chemicals that are persistent and resistant to degradation. The federal guidelines were developed for some PFAS in soil, sediment, groundwater, drinking water and surface water; however, there are no provincial standards yet. The environmental impacts associated with PFAS are an emerging issue in Ontario, which could have a significant impact on the valuation of contaminated sites' liabilities in the province in the future once an environmental standard is established.

- Ontario Place Corporation has been without board members since November 2019 and, as such, has been unable to approve and authorize its financial statements that were audited in 2020 and 2021. In lieu of a board being in place, the responsibility for governance and oversight falls to the Ministry of Heritage, Sport, Tourism and Culture Industries. However, the Ministry itself has not designated a signatory to sign off on the financial statements to enable them to be finalized and released publicly.
- During the year, the province announced the new Ontario Small Business Support Grant program, which provided support to eligible small business owners who were required to close or restrict services under the province-wide COVID-19 shutdown. As part of the Public Accounts audit procedures, we noted a number of control deficiencies including the lack of vetting applicant-entered data about business activity or revenue loss prior to payment, and a lack of review of system-generated entitlement assessments prior to payment.
- The province's growing debt burden also remains a concern this year, as it has been since we first raised the issue in 2011. This year, as in the past, we focus on the critical implications of the growing debt for the province's finances. We maintain the view that the government should provide legislators and the public with long-term targets for addressing Ontario's current and projected debt.
- The province announced plans to establish a competitive market for Internet gaming through a proposed new model, which brings existing private gaming operators into a regulated market where they would pay the province a percentage of their gross gaming revenues from Ontario gaming consumers. Our Office has concerns surrounding the legal risks of the new Internet gaming model under the *Criminal Code,* the governance risks of iGaming Ontario's structure, and the province's diminished role in ensuring the fairness and integrity of Internet gaming.

This chapter contains 7 recommendations, consisting of 11 actions, to address our observations.

2.0 Background

Ontario's Public Accounts are key financial documents issued annually. For the fiscal year ending March 31, 2021, the Public Accounts were prepared under the direction of the Minister of Finance, as required by the *Financial Administration Act*, and the President of the Treasury Board. The Public Accounts consist of the province's Annual Report, including the province's consolidated financial statements, and two supplementary volumes of additional financial information.

The government is ultimately responsible for preparing the consolidated financial statements for the province of Ontario and ensuring that this information, including many amounts based on estimates and judgment, is presented fairly. The Deputy Minister of Finance and the Comptroller General, with support from the Office of the Provincial Controller Division, are also responsible for ensuring that an effective system of internal controls, with supporting procedures, is in place to authorize transactions, safeguard assets and maintain proper records.

Our Office, under the *Auditor General Act*, is responsible for performing the annual audit of these consolidated financial statements. The objective of our audit is to obtain reasonable assurance that the statements are free of material misstatements—that is, free of significant errors or omissions. The consolidated financial statements, along with the Auditor

General's Independent Auditor's Report, are included in the province's Annual Report.

The province's 2020/21 Annual Report also contains a Financial Statement Discussion and Analysis section that provides additional information regarding the province's financial condition and fiscal results for the year ended March 31, 2021. Providing such information is intended to enhance the fiscal accountability of the government to both the Legislative Assembly and the public.

The two supplementary volumes of the Public Accounts consist of the following:

- **Ministry Statements and Schedules**—unaudited statements from all ministries and a number of schedules providing details of the province's revenue and expenses, its debts and other liabilities, its loans and investments, and other financial information; and
- **Detailed Schedule of Payments**—detailed unaudited schedules of ministry payments to vendors and transfer-payment recipients.

Beginning in 2018/19, the audited financial statements of significant provincial corporations, boards and commissions whose activities are included in the province's consolidated financial statements, are no longer part of the Public Accounts as a supplementary volume. Instead, the province maintains a website (**https://www.ontario.ca/page/financial-statements-government-organizations-and-business-enterprises-2020-21**) with links to the individual financial statements of government organizations, trusts under administration, government business enterprises, broader-public-sector organizations (hospitals, school boards and colleges) and other government organizations.

Our Office reviews the information in the province's Annual Report, and in the Ministry Statements and Schedules (formerly Volume 1) of the Public Accounts, for consistency with the information presented in the province's consolidated financial statements.

The *Financial Administration Act* requires that, except in extraordinary circumstances, the government deliver its Annual Report to the Lieutenant Governor in Council within 180 days of the end of the fiscal year. The deadline for this year was September 27, 2021. The two supplementary volumes must be submitted to the Lieutenant Governor in Council within 240 days of the end of the fiscal year. Upon receiving these documents, the Lieutenant Governor in Council must lay them before the Legislative Assembly or, if the Assembly is not in session, make the information public and then lay it before the Assembly within 10 days of the time it resumes sitting.

This year, the government released the province's 2020/21 Annual Report and consolidated financial statements, along with the two Public Accounts supplementary volumes on September 24, 2021, meeting the legislated deadline.

The Auditor General's audit opinion on the province's consolidated financial statements was unqualified for the fourth consecutive year. An unqualified opinion means that the consolidated financial statements are free from material errors. The unqualified audit opinion on the province's consolidated financial statements is discussed in **Section 3.0.**

3.0 The Province's 2020/21 Consolidated Financial Statements

3.1 Auditor's Responsibilities

As the Legislature's independent auditor of the province's consolidated financial statements, the Auditor General's objective is to express an opinion on whether the consolidated financial statements are free of material misstatements and are prepared in accordance with Canadian Public Sector Accounting Standards (PSAS) so that they give a true and fair view of the financial position and operating results of the province. It is this independence, combined with the professional obligation to comply with established Canadian Auditing Standards (CAS) and related ethical requirements, which allows the Auditor General to issue an opinion that provides users with confidence in the province's consolidated financial statements.

To enable the Auditor General to form her opinion, our Office collects sufficient, appropriate audit evidence and evaluates it to determine whether the financial statements are free of material misstatements. This includes assessing the government's preferred accounting treatment over certain transactions and investigating the appropriateness of those treatments under Canadian PSAS.

An assessment of what is material (significant) and immaterial (insignificant) is based primarily on our professional judgment. In making this assessment, we seek to answer the following question: "Is this error, misstatement or omission significant enough that it could affect decisions made by users of the province's consolidated financial statements?" If the answer is yes, then we consider the error, misstatement or omission to be material.

To help us make this assessment, we determine a materiality threshold. This year, as in past years, and consistent with most other provincially legislated auditors, we set our threshold at 0.5% of the greater of government expenses or revenue for the year.

Our audit is conducted on the premise that management has acknowledged certain responsibilities that are essential to the conduct of the audit in accordance with CAS. These responsibilities are discussed below.

3.2 Management's Responsibilities

The auditor's report distinguishes between the responsibilities of management, those charged with governance and those of the auditor with respect to a financial statement audit. Management is responsible for the preparation of the financial statements in accordance with Canadian PSAS. The auditor examines the financial statements in order to express an opinion as to whether the financial statements have been prepared in accordance with Canadian PSAS. The division of responsibility between management and the auditor is fundamental and preserves the auditor's independence, a cornerstone of the auditor's report.

In addition to the preparation of the financial statements and having the relevant internal controls, management is also required to provide the auditor with all information relevant to the preparation of the financial statements, additional information that the auditor may request, and unrestricted access to individuals within the entity who the auditor determines are necessary to obtain audit evidence. The Canadian Auditing Standards are clear on these requirements, and the fulfilment of these is formally communicated to the auditor in a signed management representation letter at the end of the audit.

When a transaction occurs, it is management's responsibility to identify the applicable accounting standards, determine the implications of the standards on the transaction, decide on an accounting policy, and ensure that the financial statements present the transaction in accordance with the applicable financial reporting framework (for example, Canadian PSAS for governments). The auditor must also be proficient in the applicable financial reporting framework in order to form an independent opinion on the financial statements, and may perform similar procedures in identifying the applicable standards and understanding the implications of the standards on the accounting transaction. However, unlike management, the auditor does not select an accounting policy or the bookkeeping entries for the organization. These decisions are in the hands of management—in Ontario's case, Treasury Board Secretariat and the Ministry of Finance, both with support from the Comptroller General and the Provincial Controller.

When there are disagreements between an auditor and management on the application or adequacy of accounting policies, the auditor must assess the materiality or significance of the issue to the overall financial statements in forming the audit opinion. If the issue is material, it would result in a qualified opinion in which the auditor concludes that the financial statements are fairly presented except for the items described in the qualification. Again, this distinguishes the role of management and auditor—the auditor independently examines the financial statements to express an opinion, whereas management prepares the financial statements.

The Office of the Auditor General may make suggestions about the consolidated financial statements but this does not alter management's responsibility for the financial statements. Similarly, the government may seek external advice on accounting treatments of certain transactions. In these situations, the government still has the ultimate responsibility for the decisions made, and the use of external advisors does not diminish, change or substitute the government's accountability in preparing the province's consolidated financial statements.

3.3 Responsibilities of Those Charged with Governance

The auditor's report also distinguishes the roles and responsibilities of those charged with governance from those of management. Those charged with governance have ultimate financial oversight. In a company, this is usually the board of directors. In the province, this is the Treasury Board.

The Treasury Board ensures that management has established and maintains internal controls over the financial reporting process, overseeing management's processes for identifying and mitigating risks and reinforcing management's efforts to create a culture of ethical financial behaviour in the ministries and provincial organizations.

3.4 The Independent Auditor's Report

The independent auditor's report, which is issued at the conclusion of an audit engagement, comprises:

- an opinion paragraph containing an expression of opinion on the consolidated financial statements and a reference to the applicable financial reporting framework (e.g., Public Sector Accounting Standards) used to prepare the financial statements;
- a basis for the opinion paragraph that explains that the audit was conducted in accordance with Canadian generally accepted auditing standards;
- the addition of a section titled "Other Accompanying Information" that explains management's, those charged with governance's and the auditor's responsibilities for other information, and includes the auditor's conclusion about whether the other information is materially consistent with the financial statements or the knowledge obtained in the audit (this section is needed because the province prepares other information such as annual reports);
- a description of the responsibility of management and those charged with governance for the proper preparation and oversight of the financial statements in accordance with the applicable financial reporting framework;
- a description of the auditor's responsibility to express an opinion on the consolidated financial statements, conclude on the appropriateness of management's use of the "going concern" basis of accounting and the scope of the audit; and
- additional paragraphs describing the group audit (an audit with more than one component) engagement, communication with those charged with governance and an explicit statement that the auditor is independent of the province and has fulfilled the auditor's other relevant ethical responsibilities.

The independent auditor's report may also include:

- an "Emphasis of Matter" paragraph that refers to a matter appropriately presented or disclosed in the financial statements that, in the auditor's judgment, is of such importance that it is fundamental to the users' understanding of the financial statements; and
- an "Other Matter" paragraph that refers to a matter other than those presented or disclosed in the financial statements that, in the auditor's judgment, is relevant to users' understanding of the audit, the auditor's responsibilities or the auditor's report.

3.5 The Significance of an Unqualified Audit Opinion

The independent auditor's report is the way the auditor communicates their opinion to the users of the financial statements as to whether the financial statements of an entity are presented fairly. After the audit of the financial statements is completed, the auditor can sign one of four possible opinions:

- **Unqualified, or clean, opinion:** The financial statements present fairly, in all material respects, the financial position and results of the entity.
- **Qualified opinion:** The financial statements contain one or more material misstatements or omissions.
- **Adverse opinion:** The financial statements do not fairly present the financial position, results of operations and changes in financial position, as per generally accepted accounting principles.
- **No opinion or disclaimer of opinion:** It is not possible to give an opinion on the financial statements because, for example, key records of the entity were destroyed and thus unavailable for examination.

An unqualified audit opinion indicates financial statements are reliable. When an auditor issues a qualified opinion, he or she is expressing concern about the entity's compliance with the accounting standards issued by the standard setter (for example, the Public Sector Accounting Board), or about the auditor's ability to obtain sufficient and appropriate information on the financial statements. An audit qualification is generally a rare occurrence; however, the importance of an unqualified opinion should not be understated.

For the fourth consecutive year, the Auditor General has issued an unqualified opinion on the province's consolidated financial statements. The consolidated financial statements can be relied on to fairly and accurately present the province's fiscal results for the year ended March 31, 2021, in all material respects.

3.6 Key Audit Matters

Key audit matters are items that are the most significant in the audit of financial statements and are required inclusions in our Office's auditor reports for financial statement periods ending on or after December 15, 2022. Therefore, the auditor's report must include key audit matters starting with the March 31, 2023 consolidated financial statements.

Key Audit Matters could include:

- areas identified as significant risks or involving significant management or auditor judgment;
- areas in which the auditor encountered significant difficulty, for instance in obtaining sufficient and appropriate audit evidence; and
- circumstances that required a modification to the auditor's planned audit approach, including significant deficiency in internal controls.

Currently under Canadian Auditing Standards, communicating key audit matters is discretionary, unless the auditor is required to communicate key audit matters by law or regulation.

As required under the *Auditor General Act*, we have consistently reported any significant audit matter that may arise during the year to management and to those charged with governance as part of our normal audit process and to the Legislative Assembly in our Annual Report.

3.7 The 2020/21 Audit Opinion

The *Auditor General Act* requires that we report annually on the results of our examination of the province's consolidated financial statements. The Independent Auditor's Report to the Legislative Assembly on the province's consolidated financial statements for the year ended March 31, 2021, is reproduced in **Appendix 1.**

3.8 Financial Statements of Government Entities

Prior to 2018/19, the financial statements of government organizations and business enterprises (formerly referred to as Volume 2) were one of three supplementary reports that the government printed and made available at the same time as the release of the province's consolidated financial statements. It included the audited financial statements of provincial corporations, boards and commissions whose activities are included in the province's consolidated financial statements, as well as other miscellaneous audited financial statements, but did not include the financial statements of the entities in the broader public sector (hospitals, school boards and colleges).

Consistent with the prior two years, the government is no longer issuing the former Volume 2 supplementary report in the same format as the rest of the Public Accounts. The government established a website (**https://www.ontario.ca/page/financial-statements-government-organizations-and-business-enterprises-2020-21**) with links to web pages cataloguing the financial statements of each government organization, trust under administration, broader public sector and other types of government organizations in Schedule 8 of the province's consolidated financial statements.

The 2020/21 Public Accounts were released on September 24, 2021 along with links to the supplementary reports. As of September 24, 2021, we observed that 94% (September 23, 2020 – 91%) of the other government organizations' and 99% (September 23, 2020 – 99%) of the broader-public-sector organizations' audited financial statements were available electronically. We note a substantial improvement compared to the first year of implementation of this change in 2019.

3.9 COVID-19 Impacts on the Audit of the Consolidated Financial Statements

The province declared a state of emergency on March 17, 2020 in response to the world pandemic resulting from the spread of the novel coronavirus (COVID-19). Since March 2020, the government has made a series of public announcements about measures it would take to respond to the pandemic. This gave rise to additional audit risks for our audit of the province's consolidated financial statements for the year ended March 31, 2021. Most notably, these risks resulted from new spending announcements and changes to the relevance and reliability of information historically used by the ministries or our Office to support the financial statements. We performed additional audit work to respond to these risks in the areas outlined below. The results of our testing were satisfactory and supported the Auditor General's unqualified opinion.

Transfer Payments

A primary method of distributing financial support or funding announced by the government to respond to the pandemic was through transfer payments. We identified heightened accounting cut-off risk related to COVID-19 transfer payment accruals straddling the 2020/21 and 2021/22 fiscal years, due to the dollar value and timing of some of the announcements made in the 2021 provincial budget near the March 31 financial reporting date. In order to address this risk, we held discussions with ministries, performed variance analysis and performed cut-off testing for ministries with significant COVID-19 accruals.

Tax Revenue and Accruals

In response to the economic impacts of COVID-19 on the province's economy, the historic level of federal and provincial funding in the form of direct, taxable transfers to businesses and individuals increased the uncertainty inherent in the economic data used to estimate Corporations Tax (CIT) and Personal Income Tax (PIT) in fiscal 2020/21. In order to address these estimation risks, we engaged an expert in the field of econometrics to assist us in our review of the appropriateness of the fiscal 2020/21 CIT and PIT estimation methodologies. We also performed additional procedures over the balances and held discussions with the Ministry of Finance to evaluate variables that impact or those that could potentially affect the CIT and PIT revenue and accruals.

Consolidation

As a result of the COVID-19 pandemic, certain ministries expressed concerns over the potential delayed receipt of audited financial statements from government entities under their oversight that they needed in order to perform the consolidation of other government organizations (OGO) and broader-public-sector (BPS) entities. To address the risk that the March 31, 2021 financial information of OGO and BPS entities would be late, we held meetings with the private-sector auditors of the OGO and BPS entities to more closely co-ordinate the timely delivery of their annual audit opinions. Also, to ensure that the consolidation of these entities was accurate, we increased our testing of the consolidation of hospitals, Local Health Integration Networks, school boards, colleges and OGOs.

Supplies and Personal Protective Equipment

In response to pressures on the supply chain for personal protective equipment (PPE), the province established a central procurement process to obtain supplies and distribute them through the Ministry of Government and Consumer Services, Ministry of Health and University Health Network. This significantly increased the volume of PPE purchased and held by the ministries in 2020/21. We identified accounting risk over the completeness and valuation of these supplies. To address this risk, we held discussions with ministries, performed inventory counts at provincially leased warehouses, evaluated purchase documents and recalculated ministry schedules. The province recorded supplies inventory as an expense in its consolidated financial statements for the year ended March 31, 2021.

RECOMMENDATION 1

We recommend that the Ministry of Finance and Treasury Board Secretariat revise the *Financial Administration Act* to permit supplies of inventory to be recorded as an asset and expensed in the periods used rather than expensed in the period purchased, in accordance with Canadian PSAS.

MINISTRY OF FINANCE AND TREASURY BOARD SECRETARIAT RESPONSE

The province is committed to preparing its financial statements in accordance with generally accepted accounting principles under Canadian PSAS. The Ministry of Finance and Treasury Board Secretariat agree with the recommendation to propose revisions to the *Financial Administration Act* and are currently seeking amendments to allow for streamlined adoption of changes in accounting policy or accounting standards that result in recognition of non-cash expenses and non-cash investments, including inventory expense. Proposed amendments are included in the Build Ontario Act (Budget Measures), 2021 (Bill 43), which was introduced on November 4, and if passed the proposed amendments would be effective upon royal assent.

3.10 Internet Gaming in Ontario

In April 2019, the Ontario government announced plans to establish a competitive market for Internet gaming. On July 6, 2021, the government passed a regulation to create a new subsidiary of the Alcohol and Gaming Commission of Ontario, iGaming Ontario, whose objective is to offer Internet gaming in Ontario through private gaming operators. The proposed new model for Internet gaming brings existing private gaming operators into a regulated market where they would pay the province a percentage of their gross gaming revenues from Ontario gaming consumers.

Ontario's proposed model for Internet gaming is unique in the Canadian context, although it is similar to the licensing model adopted by other countries around the world. iGaming Ontario will enter into commercial agreements with private gaming operators who would offer their games to Ontario consumers.

Our Office has concerns about the legal risks of the new Internet gaming model under the Criminal Code, the governance risks of iGaming Ontario's structure, and the province's diminished role in ensuring the fairness and integrity of Internet gaming. These concerns are outlined in our report titled Internet Gaming in Ontario.

4.0 *Fiscal Sustainability, Transparency and Accountability Act*

We are required to annually report on the Minister of Finance's compliance with the *Fiscal Sustainability, Transparency and Accountability Act, 2019* (Act). The Auditor General has determined that the communication of the Minister's compliance with the Act will be through this report.

Under the Act, the government is required to:

- develop a debt burden reduction strategy, including setting out net debt-to-GDP objectives and plans for reducing the debt burden;
- incorporate sustainability into the province's fiscal policies;
- release the annual Budget by March 31 each year, except for years in which a general election takes place to allow a new government additional time to develop its first multi-year fiscal plan;
- provide a rationale for running deficits in the introductory section of the annual Budget;
- impose monetary penalties on the Premier and the Minister of Finance for missing reporting deadlines as required in the Act; and
- post a public statement to explain the rationale for any missed public reporting deadlines, and the revised deadline by which the affected report will be released.

Figure 1 shows the reports that are subject to the financial penalty and public statement deadlines.

Figure 2 shows that as of November 4, 2021, the Minister complied with all requirements of the Act.

As we highlighted in our prior year chapter on the Public Accounts of Ontario, the Premier and the Minister of Finance paid a penalty for not issuing the 2020 Budget by the required deadline as set out in the Act of March 31, 2020. The 2020 Budget was issued in November 2020.

There are requirements within the Act that the budget must include certain components, such as a debt burden reduction strategy and a recovery plan. The province indicated in the 2020 Budget that there were risks and uncertainty associated with projecting economic information due to the COVID-19 pandemic. As a result, the province passed an amendment to the Act to pause the requirement of the recovery plan until the 2021 Budget. There was no such amendment for the debt burden reduction strategy. However, the province indicated in the 2020 Budget that the debt burden reduction strategy will be reported as part of the 2021 Budget.

The 2021 Budget was issued on March 24, 2021 and included a few paragraphs on a debt burden

Figure 1: Reports Subject to Financial Penalty and Public Statement Deadlines for the Premier and Minister of Finance

Source of data: *Fiscal Sustainability, Transparency and Accountability Act, 2019*

Report	Deadline Subject to Financial Penalty and Public Statement
Budget	Mar 31
First Quarter Finances	Aug 15
Mid-Year Review (Fall Economic Statement)	Nov 15
Third Quarter Finances	Feb 15
Long-Term Report	Two years following a general election
Quarterly Ontario Economic Accounts	Within 45 days after each of Statistics Canada's Quarterly National Income and Expenditure Accounts

Figure 2: Compliance with Financial Penalty and Public Statement Deadlines between December 2020 and October 2021

Prepared by the Office of the Auditor General of Ontario

Report	Deadline	Date Available	Requirement Met
2020/21 Third Quarter Finances	February 15, 2021	Feb 10, 2021	Yes
2021 Budget	March 31, 2021	Mar 24, 2021	Yes
2021/22 First Quarter Finances	August 15, 2021	Aug 12, 2021	Yes
2021/22 Mid-Year Review (Fall Economic Statement)	November 15, 2021	Nov 4, 2021	Yes
Long-Term Report	June 7, 2020 (to be issued two years following a general election)	Jun 4, 2020	Yes
Quarterly Ontario Economic Accounts	Within 45 days after each of Statistics Canada's Quarterly National Income and Expenditure Accounts		
Q3 2020	January 15, 2021 (Statistics Canada release date – December 1, 2020)	Jan 15, 2021	Yes
Q4 2020	April 16, 2021 (Statistics Canada release date – March 2, 2021)	Apr 16, 2021	Yes
Q1 2021	July 16, 2021 (Statistics Canada release date – June 1, 2021)	Jul 16, 2021	Yes
Q2 2021	October 15, 2021 (Statistics Canada release date – August 31, 2021)	Oct 15, 2021	Yes

reduction strategy and a recovery plan in the budget. We provide additional commentary on the debt burden reduction strategy in **Section 10.6** of this report. The debt burden reduction strategy as per the Act must include specific objectives regarding the projected ratio of net debt to gross domestic product. As well, it must include a progress report on actions supporting the implementation of the debt burden reduction strategy included in the last budget. However, there was no debt burden reduction strategy in the 2020 Budget. The stated objective in the 2021 Budget is that the province will slow the rate of increase in the net debt-to-GDP ratio, and that the net debt-to-GDP ratio would not exceed 50.5% over the medium-term outlook. The supporting actions and implementation process for the debt burden reduction strategy are missing from the 2021 Budget. The explanation provided in the strategy is that the province expects that the net debt-to-GDP ratio will decrease once the growth in the economy outpaces the growth of debt. See **Recommendation 7** for our recommendation on the debt burden reduction strategy.

The Act requires that the Fall Economic Statement include a description of the key issues that should be addressed in the next budget. In the Fall Economic Statement released on November 4, 2021, there is commentary about the government holding consultations to include the issues that Ontarians want to see in the 2022 Budget; however, this description does not meet the requirement of paragraph (9) 4 i. of the Act to include a description of the key issues that should be addressed in the 2022 Budget. **Appendix 2** shows the requirements of the Act and whether they have been met by the issuances in 2021.

5.0 Safe Restart Agreement – Use of Funding Letters

In July 2020, the Prime Minister of Canada announced the Safe Restart Agreement (SRA), a federal investment of approximately $19.8 billion to help provinces and territories restart their economies and fight against potential future waves of COVID-19. This investment addressed key matters such as:

- increasing testing and contact tracing of the virus;
- supporting capacity in health care systems;
- assisting with the procurement of personal protective equipment;
- protecting the most vulnerable members of society;
- helping with funding to municipalities for essential services, such as public transit;
- ensuring the availability of child care services; and
- providing income support for people who do not have paid sick leave.

Subsequently, in August 2020, the province entered into the Safe Restart Agreement with Canada through a response letter from the Premier of Ontario to the Prime Minister.

As part of the Safe Restart Agreement, the province was to receive approximately $5.1 billion in the form of funding and/or federally delivered support. For example, Canada agreed to match the province's COVID-19 expenditures relating to municipalities and transit, up to a total of about $1.8 billion.

During fiscal 2020/21, the province had provided $1.39 billion in funding to its 444 municipalities for the purposes of addressing COVID-19 operating costs. On March 4, 2021, the province announced an additional $500 million and $150 million in operating and transit funding, respectively, to municipalities through the use of funding letters. These letters contained the minimum terms and conditions needed to facilitate the flow of funding to municipalities.

Typically, such funds are issued though a formal transfer payment agreement as evidence that the appropriate authorization has been received. Transfer payment agreements establish rights, responsibilities and accountability requirements between the province and recipients, and include provisions to confirm that the monies provided will be or have been spent for the intended purposes. Executed transfer payment agreements serve as evidence that the government has exercised its authority under legislation and that it has lost its discretion to avoid proceeding with the transfers.

We acknowledge that the use of funding letters in this instance was expedient during the unique circumstances brought on by the COVID-19 pandemic. However, formally executed transfer payment agreements are a much stronger control and mitigate risks associated with transfer payments including legal, accounting, recipient accountability and value-for-money.

RECOMMENDATION 2

We recommend that the Treasury Board Secretariat work with the ministries to monitor and end the use of funding letters to establish transfer payment programs.

TREASURY BOARD SECRETARIAT RESPONSE

Treasury Board Secretariat accepts the recommendation and will establish appropriate communications to increase awareness of the accountability rules for transfer payments, including the mandatory use of transfer payment agreements.

6.0 Consolidation of Children's Aid Societies

6.1 What Are Children's Aid Societies

Children's Aid Societies (Societies) are established to help protect Ontario's children at risk of abuse or neglect, provide care and supervision to children, and provide counselling and other services to families for the protection of children. The Societies are independent legal entities governed by boards of volunteer directors from the community. The Societies' mandate is established by the *Child, Youth and Family Services Act, 2017*, which requires the Societies to provide care and supervision to children and to place them into adoption, if necessary. Indigenous Societies are also subject to a federal statute. The Ontario government provides over $1.7 billion of annual funding to about 50 Societies, of which 38 are non-Indigenous and 12 are Indigenous.

6.2 Control Analysis of Indigenous Societies

In the summer of 2021, the Ministry of Children, Community and Social Services (Ministry) completed a formal analysis of the status of the Indigenous Societies, concluding that they are not controlled by the province. The Provincial Controller's Division concurred with this conclusion.

This conclusion is primarily due to the federal statute *An Act respecting First Nations, Inuit and Métis children, youth and families,* which became effective in 2020 and limits the province's ability to exercise rights under provincial legislation. The statute states that the law of the Indigenous group prevails in jurisdictions related to child and family services where provincial Acts or regulations conflict with a law of an Indigenous group. The Indigenous Societies were created by First Nations communities to deliver their own child welfare services to Indigenous children. These Indigenous Societies maintain affiliations with local First Nations bands which would enable them to enact Indigenous law. Several Indigenous groups in Ontario have issued notices of intention to exercise legislative authority under this federal statute.

Our Office performed an independent analysis and concurred with the Ministry's conclusion that the Indigenous Societies should not be consolidated into Public Accounts, and we communicated our agreement to the Office of the Provincial Controller Division and the Ministry.

6.3 Financial Impact of Consolidation of Non-Indigenous Societies

As communicated in our *2020 Annual Report*, the non-Indigenous Societies are controlled by the province and their financial information should be consolidated into the Public Accounts. The Provincial Controller's Division concurred with this conclusion as did the Ministry.

Through consolidation, the non-Indigenous Societies' revenues, expenses, assets and liabilities are added to those of ministries, agencies and other consolidated entities to produce an overall total for the province. Also, transactions between the non-Indigenous Societies and the government are eliminated to avoid double counting the amounts within the consolidated financial statements. For example, the $1.4-billion funding from the Ministry of Children, Community and Social Services that the non-Indigenous Societies received as revenue is eliminated against the amount that the Ministry recorded as an expense.

Since nearly all of the non-Indigenous Societies' funding is provided by the government, the impact on the annual deficit is immaterial after eliminations. The impact of including the non-Indigenous Societies' balance sheet accounts, however, is significant: approximately $545 million of additional financial and capital assets and $371 million of liabilities (based on 2019/20 financial information) would be added to the province's consolidated statement of financial position. These assets represent resources to be used for child protection services in the future, and liabilities indicate related obligations from the same operations. The province delivers government services through a variety of entities, including agencies and other organizations. In order for the Public Accounts to reflect a full account of Ontario's finances, the consolidated financial statements should include assets and liabilities held by all organizations the government controls.

RECOMMENDATION 3

To ensure the completeness of accounts reported in the government's financial statements, starting in fiscal year 2022/23, we recommend that the Office of the Provincial Controller Division, in conjunction with the Ministry of Children, Community and Social Services, continue with its plans to consolidate Children's Aid Societies into the Public Accounts.

MINISTRY OF CHILDREN, COMMUNITY AND SOCIAL SERVICES AND OFFICE OF THE PROVINCIAL CONTROLLER DIVISION RESPONSE

The Ministry of Children, Community and Social Services and the Office of the Provincial Controller Division will continue to work together to consolidate Children's Aid Societies into the 2022/23 Public Accounts.

7.0 Liabilities for Contaminated Sites

7.1 Contaminants of Emerging Significance

Perfluoroalkyl and polyfluoroalkyl substances (PFAS) are a broad group of human-made chemicals that are contaminants of emerging concern. PFAS have been used in a wide variety of consumer products, such as adhesives, coatings, and cleaning products, as well as industrial processes since the 1940s. The main sources of PFAS in the environment in Ontario are associated with:

- PFAS-containing firefighting foams;
- certain manufacturing facilities (such as metal plating, chemical, textile, pulp and paper, electronic and semiconductor manufacturing facilities);
- landfills; and
- wastewater treatment plants.

Some PFAS are persistent and resistant to degradation. Due to their solubility and stability, PFAS can travel long distances in groundwater; therefore, their environmental impacts often cover larger areas than other common contaminants.

There is also growing evidence of the toxicity of PFAS at low concentrations. For this reason, many jurisdictions that regulate PFAS set significantly lower thresholds for acceptable levels of PFAS than for other contaminants. In such jurisdictions, this can result in PFAS becoming the critical contaminant of concern for the remediation of contaminated sites, and a key driver for liability estimates.

Responsibility for the protection of the environment is divided between the federal and provincial governments in Canada. The role of the federal government involves the protection of the oceans and inland waterways, the protection of fisheries, the control of the importing and exporting of hazardous products and the regulation of transportation of dangerous goods between provinces and with other countries.

There are a number of ways that the province deals with the protection of the environment, with the most comprehensive legislation being the *Environmental Protection Act*. This legislation deals with the discharge of contaminants causing negative effects, sets limits of the amounts of certain contaminants in the environment and requires spills of pollutants to be reported and cleaned up in a timely fashion.

With respect to PFAS, the federal government has developed guidelines for some PFAS in soil, sediment, groundwater, drinking water and surface water. Although there are no provincial standards, the Ministry of the Environment, Conservation and Parks (Environment Ministry) has recommended that site operators sample for PFAS at sites where it could be a contaminant of concern. In the absence of Ontario PFAS standards, measured PFAS levels need to be evaluated as a New Science Risk Assessment under O. Reg. 153/04 under the *Environmental Protection Act*. This risk assessment develops a site-specific standard for a contaminant where there are no applicable standards. In 2020, the Environment Ministry recommended a screening value of 70 nanograms per litre (0.00007 milligrams per litre) for the total concentration of 11 types of PFAS in drinking water. This screening value can be used to assess groundwater impacts and whether remediation is needed.

Ontario's timeline for developing PFAS standards is not known, but these standards may create a significant impact for some sites' liability, similar to what has occurred at the federal level and in other jurisdictions worldwide. For example, the federal government is funding a $20 million PFAS remediation program at a site in North Bay where the Department of National Defence used firefighting foam for many years. Screening for PFAS at sites may provide important information for the design and operation of water treatment systems to remediate other contaminants – infrastructure that otherwise may need to be replaced or significantly upgraded if PFAS are discovered in the future at concentrations that require remediation.

Based on a review of a subset of the province's contaminated site liabilities, the environmental consultant our Office engaged noted that there is potential for PFAS contamination at 11 of the 14 sites examined. Two of the 14 sites we sampled were noted to have high potential for PFAS based on historical land use (waste chemical transfer at one site and inferred chrome plating at another). There is evidence that PFAS contamination may be present at an additional nine of these 14 sites due to the possibility of production of resin-coated paper products at one site, and the potential for use or storage of PFAS-containing firefighting foams at eight sites based on the presence of waterlines.

Over the next few years, the Government of Canada plans to invest in research and monitoring of PFAS, collecting and examining information on PFAS, and reviewing policy and regulatory developments in other jurisdictions with the aim of publishing a report on the state of PFAS in Canada.
Ontario is currently studying PFAS but there are no environmental standards for PFAS at present. The environmental impacts associated with PFAS could have a significant impact on the valuation of contaminated sites liabilities in the province once an environmental standard is established. Nova Scotia updated its Environmental Quality Standards in 2021 to include soil and groundwater standards for nine PFAS substances and New Brunswick has adopted similar standards.

RECOMMENDATION 4

We recommend that the Ministry of the Environment, Conservation and Parks, using the existing federal guidelines on PFAS as a guide, perform a risk assessment of the effects of PFAS and develop a regulation or environmental standard outlining the maximum levels of PFAS in the environment in Ontario.

MINISTRY OF THE ENVIRONMENT, CONSERVATION AND PARKS RESPONSE

The Ministry of the Environment, Conservation and Parks agrees with the Auditor General that PFAS are emerging contaminants of concern and closely follows the developing science and approaches by other jurisdictions (including the Canadian government's current review of PFAS as a class) to identify appropriate benchmarks for this group of chemicals.

The Ministry continues to work with the federal government and other provinces and territories through the Canadian Council of Ministers of the Environment and the Committee on Drinking Water on approaches for setting guidelines for PFAS in drinking water and other environmental media. The science underpinning guidelines from various jurisdictions already informs risk assessments and was used for providing interim advice for drinking water in Ontario. Implementing a regulation is not the appropriate venue at this time.

AUDITOR GENERAL RESPONSE

Establishing an environmental standard or regulation is the first requirement for recognizing a contaminated site liability. Based on the sites we examined, there is potential that PFAS contamination may be present. By establishing a standard the ministries could test whether the PFAS levels exceed the standard and where they do, determine the expected costs to remediate those sites.

7.2 Ongoing Reviews of Liabilities

In last year's Public Accounts of Ontario chapter (**Section 7.0**), we recommended that further work be conducted by ministries in order to assess and review the carrying value of contaminated sites liabilities at each financial statement reporting date.

As part of our audit of the province's consolidated financial statements for the year ended March 31, 2021, we examined the liability for contaminated sites and the changes that occurred throughout the fiscal year. The liability balance as at March 31, 2021, was $1.7 billion.

During our audit of a sample of contaminated site liabilities, we noted that ministries have not incorporated recommendations made last year by our Office. Although ministries have mechanisms in place to update contaminated sites liabilities annually as well as identify new sites, we noted inconsistencies in processes across ministries. In addition, we found that the liability estimates are not being updated regularly by the ministries. We recommended ministries review contaminated sites annually to determine where new detailed environmental assessments need to be completed or where estimated liabilities need to be updated to reflect changes in cost estimates, technology, remediation strategies, site conditions, environmental standards or other relevant factors. As part of our audit for the year ended March 31, 2021, we identified a few commonalities amongst the contaminated sites that we audited:

- several sites have cost estimates that are older than five years. At a minimum, ministries should be updating their cost estimates for the cost of inflation from the point where their estimates were last updated to reflect the impact that recent inflation has had on the estimates;
- several sites have liability estimates based on historical site condition data that is over 10 years old. More recent site condition data should be updated and used to update liability estimates; and
- for some of the sites we audited, we noted that the liability estimates were based on projected costs of remediation from 2014 that have not been updated to reflect increased costs of remediation.

RECOMMENDATION 5

We recommend that the Treasury Board Secretariat work with the ministries to:

- develop an assessment and valuation policy and procedures to require ministries to perform uniform procedures for reassessing contaminated site liabilities on an annual basis in line with the requirements of the Canadian Public Sector Accounting Standards;
- develop a policy requiring reviews to be performed at least every three to five years on the extent of contamination and the re-estimation of costs for contaminated sites remediation; and
- update the contaminated site liability annually to reflect new information.

TREASURY BOARD SECRETARIAT RESPONSE

The Financial Management Policy and Guidelines for Environmental Contamination require that ministries review the carrying amount of the liability at each financial statement date to determine if there is any significant new information available that would require the liability estimate to be updated.

Currently, ministries with oversight of contaminated sites apply a risk-based approach to reviewing individual contaminated sites based on several key public and environmental factors.

The Ministry of Northern Development, Mines, Natural Resources and Forestry, the Ministry of the Environment, Conservation and Parks, along with the other impacted ministries and the Treasury Board Secretariat will work together through the Inter-Ministerial Contaminated Sites Assistant Deputy Ministers' Steering Committee to define consistent practices for similar categories of sites including the use of financial modelling; the use of contingencies; and consideration of extraordinary economic factors and conditions, and undertake critical site reassessments at reasonable intervals.

The Environmental Contamination Financial Management Guidelines (previously released in May 2018) will be reviewed and updated as necessary.

The reasonableness of the overall liability, representing the portfolio of contaminated sites, will be assessed by ministries annually, and any necessary material adjustments to the portfolio will be made in accordance with the requirements of the Canadian Public Sector Accounting Standards based on available information.

8.0 Ontario Place Board Governance

In preparation for the future redevelopment of the Ontario Place site, in December 2018, Bill 57, the *Restoring Trust, Transparency and Accountability Act* amended certain provisions of the *Ontario Place Corporation Act* to facilitate windup activities and the future dissolution of the Ontario Place Corporation (the Corporation). The Bill also reduced the minimum number of board members to one.

Since November 2019, the Corporation has been without any board members.

A board:

- provides strategic direction;
- sets goals and objectives; and
- establishes policies and processes for monitoring the Corporation's compliance with applicable directives, the *Ontario Place Corporation Act* and other relevant legislation.

In particular, Bill 57 included the *Ontario Place Corporation Repeal Act*, which requires the board to prepare a proposed plan for winding up the Corporation.

The board is supposed to have an integral role of providing oversight for the Corporation's financial reporting. Without a board, there is no one to authorize and approve the audited financial statements. Ontario Place has not approved nor issued financial statements for their years ending December 31, 2019 and December 31, 2020 as required under the *Ontario Place Corporation Act* and the Agencies and Appointments Directive.

The Public Appointments Secretariat oversees all Ontario government appointments to provincial agencies. The timely appointment of board members is important for ensuring that the Corporation is well governed and meets its mandate. This is best served when the Corporation, the Ministry and the Public Appointments Secretariat work together to identify, vet and start the process of appointing a board member. In lieu of having a board, the responsibility for governance and oversight falls to the Ministry of Heritage, Sport, Tourism and Culture Industries.

RECOMMENDATION 6

We recommend that the Ministry of Heritage, Sport, Tourism and Culture Industries work with the Ontario Place Corporation and the Public Appointments Secretariat to either expedite the appointment of a Board for the Corporation or delegate approval of the audited financial statements to the Deputy Minister of Heritage, Sport, Tourism and Culture Industries.

MINISTRY OF HERITAGE, SPORT, TOURISM AND CULTURE INDUSTRIES RESPONSE

The Ministry of Heritage, Sport, Tourism and Culture Industries agrees with the Auditor General's recommendations and will work with the Ontario Place Corporation and the Public Appointments Secretariat to expedite the appointment of a Board for the Corporation.

9.0 Ontario Small Business Support Grants

In December 2020, the province announced the new Ontario Small Business Support Grant (OSBSG) program, to provide a minimum of $10,000 and up to $20,000 to eligible small business owners required to close or restrict services under the COVID-19 province-wide shutdown that began on December 26, 2020.

Eligible small businesses included those that:

- were required to close or significantly restrict services due to the province-wide shutdown being imposed across the province effective 12:01 a.m. on December 26;
- had fewer than 100 employees at the enterprise level; and
- had experienced a minimum 20% revenue decline in April 2020 compared to April 2019.

Payments under the OSBSG began in January 2021. Applications were accepted, assessed and approved within the province's TPON (Transfer Payment Ontario) system which was modified to accept applications for the OSBSG and to automatically assess the applications against eligibility criteria to determine entitlement and benefit amounts.

On March 24, 2021 as part of the 2021 Ontario Budget, the province announced that the original OSBSG entitlement would be doubled.

As part of the Public Accounts audit procedures, we discussed the controls process over the OSBSG with ministry officials. During these discussions, we noted a number of controls deficiencies (including but not limited to, initial lack of vetting of applicant-entered data regarding business activity, revenue loss prior to payment, and lack of review of system-generated entitlement assessments prior to payment) that led to overpayments in OSBSG entitlement benefits to ineligible recipients. For Public Accounts audit purposes, we assessed the reasonableness of the accrued OSBSG transfer payment expense as of March 31, 2021.

The accrued transfer payment expense and related payable amounts were reduced by $210 million from the original estimates.

10.0 Ontario's Debt Burden

We have consistently commented in previous annual reports on Ontario's growing debt burden, attributable to Ontario's large deficits and its spending on capital assets such as infrastructure. As part of the commitments made by the province to combat COVID-19, the province incurred additional debt in 2020/21.

We noted that the province has relied on historically low interest rates to keep its debt-servicing costs relatively stable, but the debt itself, whether measured as total debt, net debt or accumulated deficit, continues to grow, as illustrated in **Figure 3.** The three measures of debt are defined below:

- *total debt* is the amount of borrowed money the government owes to external parties, and consists of bonds issued in public capital markets, non-public

Figure 3: Total Debt, Net Debt and Accumulated Deficit, 2014/15 – 2023/24 ($ million)

Source of data: Province of Ontario Consolidated Financial Statements, Financial Statement Discussion and Analysis, 2021 Ontario Budget, 2021 Ontario Economic Outlook and Fiscal Review, and Ministry of Finance

	Actual							Estimate		
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20[1]	2020/21[1]	2021/22[2,3]	2022/23[2,3]	2023/24[2,3]
Total debt	311,762	321,191	325,128	337,411	354,264	372,790	405,012	437,000	472,000	492,000
Net debt	294,557	306,357	314,077	323,834	338,496	353,332	373,564	402,432	430,515	450,925
Accumulated deficit	196,665	203,014	205,939	209,023	216,642	225,764	239,294	260,793	280,347	293,282

1. March 31, 2021 Province of Ontario Consolidated Financial Statements.
2. Net debt and accumulated deficit includes the reserve, as reported in the 2021 Ontario Economic Outlook and Fiscal Review.
3. Estimate of total debt is based on the total debt reported in the 2021 Budget, adjusted for the change in the funding requirement reported in the 2021 Economic Outlook and Fiscal Review compared to the 2021 Budget, and assumes a reduction of the same amount of holdings of Ontario bonds and treasury bills as 2021/22.

debt, treasury bills and US commercial paper. Total debt provides the broadest measure of a government's debt load;

- *net debt* is the difference between the government's total liabilities and its financial assets. Liabilities consist of all amounts the government owes to external parties, including total debt, accounts payable, pension and retirement obligations, and transfer-payment obligations. Financial assets are those that theoretically can be used to pay off liabilities or finance future operations, and include cash, accounts receivable, temporary investments and investments in government business enterprises. Net debt provides a measure of the amount of future revenues required to pay for past government transactions and events; and
- *accumulated deficit* represents the sum of all past annual deficits and surpluses of the government. Accumulated deficit can also be derived by deducting the value of the government's non-financial assets, such as its tangible capital assets, from its net debt.

10.1 Debt Issuances

As part of the province's borrowing program, it issues debt in both domestic and international markets. This includes Canadian dollar syndicated issues, Canadian dollar Green Bonds, treasury bills, and foreign currency issuances (for example, US dollar bonds and US commercial paper, Euro bonds, Euro medium-term note issues, Pound Sterling bonds, Japanese Yen issues, and Australian issues).

The Green Bond program consists of debt securities where the proceeds from bond issuances are utilized to fund projects with specific environmental benefits in accordance with the Green Bond Framework, which sets out the types of projects that may be eligible for proceeds from Green Bonds. Our Office audits the Schedule of Use of Green Bond Proceeds, which tracks on a cash basis the use of funds generated by the issuance of the Green Bonds for the selected projects approved under the Ontario Green Bond Framework.

We review the Form 18-K Annual Report of the province, filed annually with the United States Securities and Exchange Commission, which includes the province's Annual Report and the consolidated financial statements.

We also review certain offering documents for foreign debt issuance programs, such as new US shelf registration statements which are filed every three to five years, the annual Europe Medium Term Note program offering circular, and offering documents for new debt issues in Switzerland, as these offering documents include or incorporate by reference, the Independent Auditor's Report.

10.2 Main Contributors to the Increase in Net Debt

The province's net debt has been growing over many years and is attributable to its large annual operating deficits, along with its expenditures on capital assets such as buildings and other infrastructure and equipment, whether acquired directly or through public-private partnerships. This extends to assets acquired for the government or its consolidated organizations, such as public hospitals, as illustrated in **Figure 4.**

Based on the Economic Outlook and Fiscal Review (Fall Economic Statement) projections, the province will continue to have annual deficits over the next three years, and net debt will continue to rise as the government borrows to finance its operations, although it has decreased its estimate of the amount of financing needed compared to the 2021 Budget, due to the actual annual deficit and net debt for 2020/21 being lower than previously budgeted, and higher nominal GDP growth. Compared to the 2021 Budget, projected net debt for 2021/22 has decreased by $37.4 billion to $402.4 billion, net debt for 2022/23 has decreased by $45.3 billion to $430.5 billion, and for 2023/24, net debt has decreased by $52.2 billion to $450.9 billion.

In the 2021 Economic Outlook and Fiscal Review, the province revised its planning projection from the amounts initially reported in the 2021 Budget (which

Figure 4: Net Debt Growth Factors, 2014/15 – 2023/24 ($ million)

Sources of data: March 31, 2021 Province of Ontario Consolidated Financial Statements, 2021 Ontario Budget, 2021 Ontario Economic Outlook and Fiscal Review, and Ministry of Finance

	Restated Net Debt Beginning of Year[1]	Deficit/ (Surplus)[1]	Net Investment in Tangible Capital Assets[2]	Miscellaneous Adjustments[3]	Restated Net Debt End of Year[1]	Increase/ (Decrease)
Actual						
2014/15	276,169	11,268	6,509	611	294,557	18,388
2015/16	294,557	5,346	5,471	983	306,357	11,800
2016/17	306,357	2,435	4,752	533	314,077	7,720
2017/18	314,077	3,672	6,584	(499)	323,834	9,757
2018/19	323,834	7,435	7,000	227	338,496	14,662
2019/20[1]	337,970	8,672	5,592	1,098	353,332	15,362
2020/21	353,332	16,404	6,366	(2,538)	373,564	20,232
Estimated						
2021/22[4]	373,564	21,499	7,369	–	402,432	28,868
2022/23	402,432	19,554	8,529	–	430,515	28,083
2023/24	430,515	12,935	7,475	–	450,925	20,410
Total over 10 years		**109,220**	**65,647**	**415**		**175,282**

1. Restated for the net pension assets and the Fair Hydro Plan for fiscal years 2014/15 – 2017/18, and restated opening net debt for receivable of corporations tax and other revenue adjustments in fiscal 2019/20.
2. Includes expenditures on government-owned and broader-public-sector land, buildings, machinery and equipment, and infrastructure assets capitalized during the year, less annual amortization and net gains reported on sale of government-owned and broader-public-sector tangible capital assets for fiscal years 2014/15 – 2020/21.
3. Unrealized fair value losses/(gains) on the Ontario Nuclear Funds Agreement (ONFA) Funds held by Ontario Power Generation Inc., other comprehensive income and International Financial Reporting Standards adjustments from government business enterprises, and prepaid expenses and other non-financial assets.
4. Net debt and deficit/(surplus) includes the reserve, as reported in the 2021 Ontario Economic Outlook and Fiscal Review.

is used for the projections in **Figures 3** to **9**) and developed three alternative economic growth scenarios that could impact the amount of long-term debt borrowing required. Under the planning projection, the province estimates it will need to borrow $45.9 billion and will have an annual deficit of $12.9 billion by 2023/24. Under the faster growth scenario, it will require $37.5 billion in long-term borrowings ($8.4 billion less than the planning projection) and will incur an annual deficit of $4.5 billion. Under the slower growth scenario, it will require $52.3 billion in long-term borrowing ($6.4 billion more than the planning projection) and will incur an annual deficit of $19.3 billion.

In the last 10 years, Ontario's net debt has increased by 71.6%, from $217.8 billion beginning in 2011/12 to $373.6 billion in 2020/21, and is estimated to increase by an additional $77.4 billion, or 20.7%, in the next three years, resulting in an overall increase of 107%. It is estimated that net debt will be $450.9 billion by 2023/24.

To put this in perspective, the amount of net debt owed by each resident of Ontario on behalf of the government will increase from about $16,577 per person at the beginning of 2011/12 to about $29,320 per person in 2023/24. In other words, it would cost every Ontarian $29,320 to eliminate the province's net debt in 2023/24. As of March 31, 2021, the amount of net debt owed by each resident of Ontario was $25,334.

10.3 Ontario's Ratio of Net Debt to GDP

A key indicator of the government's ability to carry its debt is the level of debt relative to the size of the economy, or more specifically to the market value of goods and services produced by the economy (known as the gross domestic product, or GDP). This ratio of net-debt-to-GDP measures the relationship between a government's obligations and its capacity to raise the funds needed to meet them. It is an indicator of the burden of government debt on the provincial economy.

If the amount of debt that must be repaid relative to the value of the GDP is rising—in other words, if the ratio is rising—it means the government's net debt is growing faster than the provincial economy and is becoming an increasing burden.

Figure 5 shows that the province's net-debt-to-GDP ratio remained constant from 2004/05 (26.8%) to 2007/08 (26.6%). However, it has been trending upward since then, reflecting factors such as significantly increased borrowing to fund annual deficits and infrastructure spending. Ontario's net-debt-to-GDP ratio rose from 26.6% before the 2008/09 recession to 39.6% in 2019/20, and increased again to 43.9% in 2020/21 to fund COVID-19 initiatives. In the 2021 Economic Outlook and Fiscal Review, the province projects Ontario's net debt will increase by $77.4 billion over the next three years, resulting in a net-debt-to-GDP ratio of 43.6%. Compared to the projections in the 2021 Budget, which projected it to reach 50.2% by 2023/24, the revised net-debt-to-GDP ratio is expected to remain fairly constant over the next three years at approximately 44%.

We noted in our previous Annual Reports that many experts believe when a jurisdiction's net-debt-to-GDP ratio rises above 60%, that jurisdiction's fiscal health is at risk and is vulnerable to unexpected economic shocks.

We also noted that it is an oversimplification to rely on just one measure to assess a government's borrowing capacity, when as in this case that measure does not consider that government's share of federal and municipal debts. In Ontario's case, if the province's share of those debts was included in its indebtedness calculations, the net debt would be considerably higher. However, consistent with debt-measurement methodologies used by most jurisdictions, we have focused throughout our analysis predominantly on the provincial government's direct net debt.

Figure 6 shows the net debt of Ontario compared to other provinces and the federal government, along with their respective ratios of net-debt-to-GDP for fiscal 2019/20 and 2020/21. For the year ended March 31, 2021, Ontario has one of the highest net-debt-to-GDP ratios compared to other Canadian jurisdictions that have issued their financial information. The 2020/21 financial information for Quebec and the federal government were not available as at November 5.

Figure 5: Ratio of Net Debt to Gross Domestic Product (GDP), 2004/05 – 2023/24

Sources of data: March 31, 2021 Province of Ontario Annual Report – Financial Statement Discussion and Analysis, 2021 Ontario Budget, and 2021 Ontario Economic Outlook and Fiscal Review

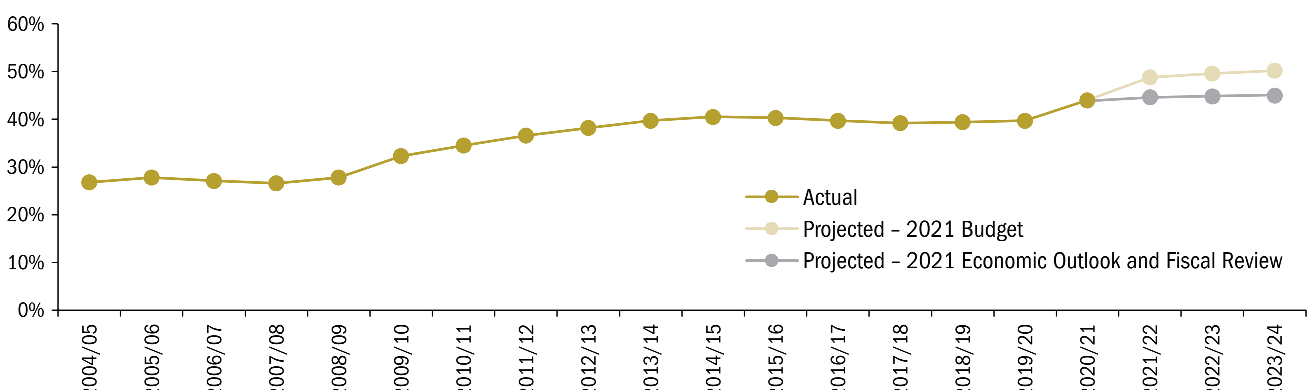


Figure 6: Net Debt and the Net-Debt-to-GDP Ratios of Canadian Jurisdictions, 2019/20 and 2020/21

Source: Province of Ontario Annual Report and Consolidated Financial Statements; Annual Reports and Consolidated Financial Statements of other provincial jurisdictions; federal budgets and budget updates; budgets, and Ministry of Finance report of provincial jurisdictions.

	2019/20		2020/21	
	Net Debt ($ million)	Net-Debt-to-GDP (%)	Net Debt ($ million)	Net-Debt-to-GDP (%)
SK	12,289	14.8	13,683	17.9
BC	45,285	14.8	53,159	18.0
AB	40,144	11.8	59,528	18.9
PE	2,205	29.3	2,299	29.8
NS	15,242	33.1	16,401	36.0
NB	13,922	36.4	13,452	36.0
MB	25,220	33.7	27,424	38.5
ON	353,332	39.6	373,564	43.9
QC*	183,726	39.9	199,060	45.0
Federal*	812,900	35.3	1,176,000	48.8
NL	14,435	40.8	16,016	50.9

* 2020/21 data was not available so the most recent projected data was used.

10.4 Other Measures to Assess Government Debt Levels

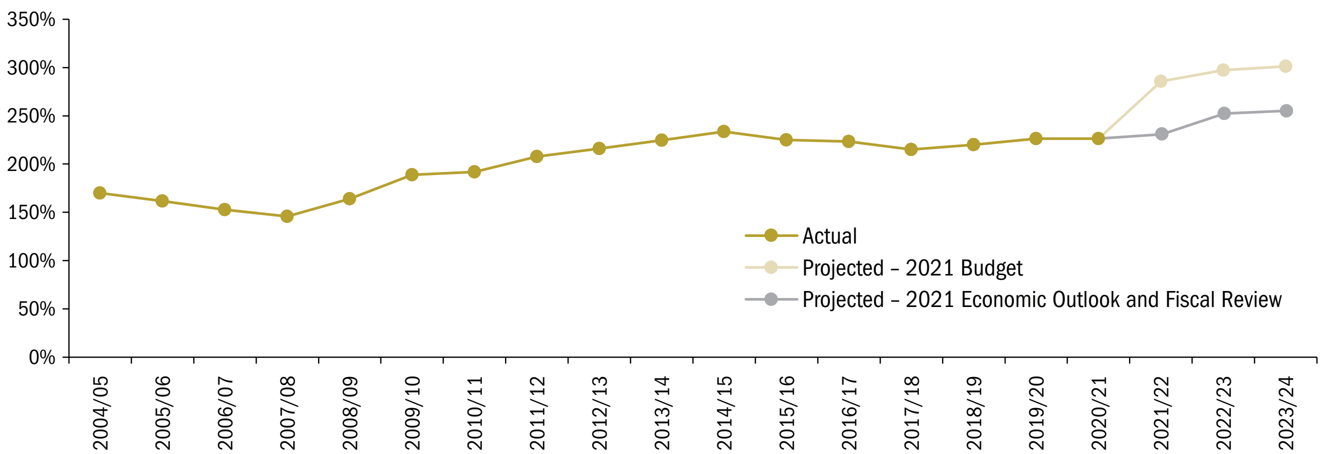
10.4.1 Ratio of Net Debt to Total Annual Revenues

Another useful measure of government debt is net debt as a percentage of total annual revenue, an indicator of how much time it would take to eliminate the debt if the province spent all of its revenues only on debt repayment. For instance, a percentage of 250% indicates that it would take 2.5 years to eliminate the provincial debt if all revenues were devoted exclusively to it.

As shown in **Figure 7**, this percentage declined from about 170% in 2004/05 to about 146% in 2007/08, reflecting the fact that the province's net debt grew at a slower pace than annual provincial revenue. However, the percentage has increased

Figure 7: Net Debt as a Percentage of Total Annual Revenue, 2004/05 – 2023/24

Sources of data: March 31, 2021, Province of Ontario Annual Report – Financial Statement Discussion and Analysis, 2021 Ontario Budget, 2021 Ontario Economic Outlook and Fiscal Review, and Ministry of Finance



steadily since 2007/08, as reported in the 2021 Economic Outlook and Fiscal Review, and is expected to reach 253.3% by 2023/24. The decrease in this ratio compared to the projection of 301.3% in the 2021 Budget is due to the reduction in net debt as well as an anticipated increase in tax revenues. As of March 31, 2021, the percentage is 226.5%. This increasing percentage indicates the province's net debt burden continues to outpace its revenue growth.

10.4.2 Ratio of Interest Expense to Revenue

Interest expense is the cost of servicing total debt. Increases in interest expense can directly affect the quantity and quality of programs and services that the government can provide; the higher the proportion of government revenues going to pay interest costs on past borrowings, the lower the proportion available for spending in other areas. In the 2021 Economic Outlook and Fiscal Review, the government forecasts that in 2021/22 it will spend $13.0 billion in interest payments to service the province's debt.

The interest-expense-to-revenue ratio illustrates the extent to which servicing past borrowings takes a greater or lesser share of total revenues.

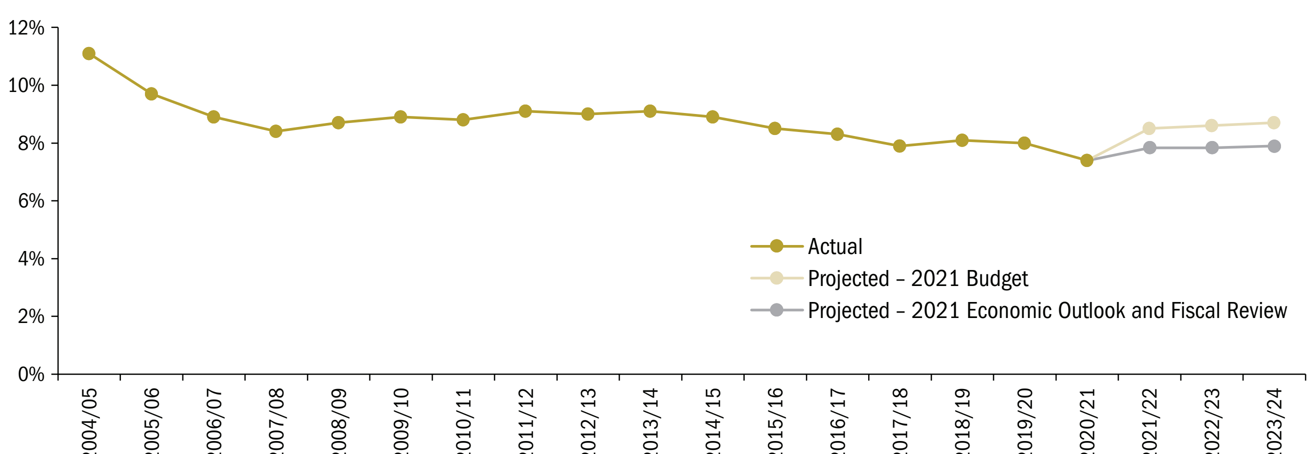
As **Figure 8** shows, the actual interest-expense-to-total-revenues ratio held steady at around 9.0% from 2010/11 to 2014/15. This is due to historically low and steady interest rates during those years. In 2016/17, the government began consolidating the broader public sector (i.e., colleges, hospitals and school boards) on a line-by-line basis, which increased both interest expense and revenue reported in the province's consolidated financial statements. The ratio stood at 7.4% in 2020/21 and is projected to be 7.8% in 2023/24 (compared to 8.7% projected in the 2021 Budget). This means approximately 7.8 cents of every dollar in government revenue will go toward paying interest on debt by 2023/24.

The debt exposes the province to further risks, the most significant being interest-rate risk. If interest rates increase, the government will have considerably less flexibility to provide public services, such as health care and education, because a higher proportion of revenues will be required to pay interest on the province's outstanding debt. More money will go toward interest expense, contributing to increasing the annual deficit.

Interest rates have been at record low levels over the last few years, enabling the government to keep its annual interest expense relatively steady even as its total borrowing has increased significantly. Interest rates remained relatively unchanged for the fiscal year—the prime lending rate remained at 2.45%; Government of Canada 10-year bond yields ranged from 0.48% to 0.80% during the fiscal year until February 2021 when they rose above 1%. The yield has since increased to 1.6% as of October 2021, and is projected to rise to 2.5% by 2024.

Figure 8: Interest Expense as a Percentage of Annual Revenue, 2004/05 – 2023/24

Sources of data: March 31, 2021, Province of Ontario Annual report – Financial Statement Discussion and Analysis, 2021 Ontario Budget, and 2021 Ontario Economic Outlook and Fiscal Review



As we noted in previous Annual Reports, the government has mitigated its interest-rate risk to some extent by increasing the weighted average term of its annual borrowings in order to take advantage of the current low rates. However, over the next three years, the government has projected earning revenues at a slower rate than the increase in the amount of net debt and interest expense. In fiscal 2021/22, year-over-year revenues are projected to increase by 2.3% or $3.7 billion, while net debt is projected to grow by 7.7% or $28.9 billion. Interest expense is projected to increase by 5.7% or $697 million. By fiscal 2023/24, revenues are projected to grow by 8% ($13.1 billion) compared to net debt of 20.7% ($77.4 billion) and interest expense of 12.6% ($1.5 billion), when compared with fiscal 2020/21.

The ratio of interest expense to revenue is expected to remain constant at around 7.7% in the near future, with the revised estimates of net debt, interest, and revenues reported in the 2021 Economic Outlook and Fiscal Review. However, as interest rates are anticipated to climb, more interest will be paid on the accumulated debt, meaning the government will have less flexibility to respond to changing economic circumstances until the province's debt burden is reduced. Past governments' borrowing and debt-servicing decisions mean a growing portion of revenues will not be available for other current and future government programs.

10.5 Consequences of High Indebtedness

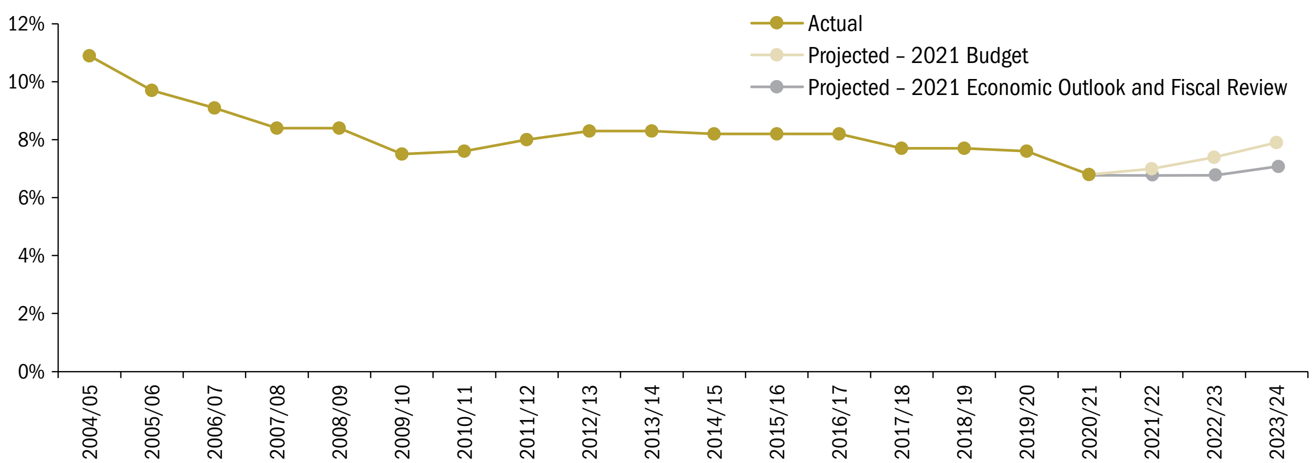
Our commentary in prior years highlighted the consequences for the province of carrying a large debt load—and the same observations continue to be relevant this year. They include the following:

Debt-servicing costs cut into funding for other programs: As debt grows, so do interest costs. As interest costs consume a greater proportion of government resources, there is less to spend on other things. To put this "crowding-out" effect into perspective, interest expense is currently the province's fourth-largest annual expenditure behind health, education, and children's and social services. As shown in **Figure 9**, because interest rates have been at historic lows in the last few years, actual interest-expense-to-total expenses have ranged from 6.8% to 8.3%. In the 2021 Budget, the province forecast interest expense would increase to $14.6 billion by 2023/24, resulting in a projected interest-expense-to-total expense percentage of 7.9%. In the 2021 Economic Outlook and Fiscal Review, this was revised to $13.8 billion and 7.3%, due to a reduction in the anticipated amount of financing needed from what was previously budgeted.

Greater vulnerability to interest rate increases: Ontario has been able to keep its annual interest expense relatively steady, even as its total borrowing

Figure 9: Interest Expense as a Percentage of Annual Total Expense, 2004/05 – 2023/24

Sources of data: March 31, 2021, Province of Ontario Annual Report – Financial Statement Discussion and Analysis, 2021 Ontario Budget, 2021 Ontario Economic Outlook and Fiscal Review and Ministry of Finance



has increased significantly. For example, it was paying an average effective interest rate of about 8.4% in 1999/2000, but that dropped to 3.0% in 2020/21. However, as interest rates are expected to start to rise again, the government will have considerably less flexibility to provide public services because it will have to devote more revenue to make interest payments.

Credit-rating downgrades could lead to higher borrowing costs: Prepared by specialized agencies, credit ratings assess a government's creditworthiness based largely on its capacity to generate revenue to service its debt. The four main credit-rating agencies are Moody's Investors Service (Moody's), Standard and Poor's Global Ratings (S&P), DBRS Morningstar (DBRS), and Fitch Ratings (Fitch). To assign a rating, agencies consider such factors as a government's economic resources and prospects, industrial and institutional strengths, financial health, financial management and debt management practices, liquidity, access to capital, and susceptibility to major risks.

Figure 10 shows Ontario's credit ratings for the last five years. In 2018, Moody's downgraded its rating for Ontario's debt from Aa2 to Aa3, and Fitch revised its rating outlook from stable to negative, reflecting their assessment of the province's increased credit risk. In 2019, Fitch revised its rating outlook to stable. The four main agencies' ratings and outlooks remained unchanged from 2020 to 2021. While a decline in economic activity will impact the next couple of fiscal years, the agencies' forecasts suggest that after the COVID-19 pandemic, there will be a resumption of deficit reduction and the economy will return to a positive GDP growth, although the province indicated in the 2021 Budget that deficits are expected to continue until 2029/30. In the 2021 Economic Outlook and Fiscal Review, the province revised the projected deficits for the medium-term, from a deficit of $33.1 billion to $21.5 billion for 2021/22, $27.7 billion to $19.6 billion for 2022/23, and $20.2 billion to $12.9 billion for 2023/24. The agencies cited drivers that could lead to a negative rating action including the province's failure to reduce budget deficits, failure to stabilize the net-debt-to-GDP ratio over the medium term and persistent increases in the debt burden that call into question the government's commitment to fiscal sustainability.

A credit rating can affect the cost of future borrowing, with a lower rating indicating that an agency believes there is a relatively higher risk that a government will default on its debt. Generally, investors will lend to that government only in return for a greater risk premium in the form of higher interest rates. A significant rating downgrade could also shrink the potential market for a government's debt, because some investors will not hold debt below a certain rating.

10.6 Debt Burden Reduction Strategy

In the 2019 Budget, the government introduced the *Fiscal Sustainability, Transparency and Accountability*

Figure 10: Summary of Province of Ontario's Issuer Default/Long Term Credit Ratings for the Last 5 Years

Sources of data: Moody's; S&P; DBRS; Fitch

Year	S&P	Moody's	Morningstar DBRS	Fitch
2017	A+ (Stable)	Aa^2 (Stable)	AA (low) (Stable)	AA– (Stable)
2018	A+ (Stable)	Aa^3 (Stable)	AA (low) (Stable)	AA– (Negative)
2019	A+ (Stable)	Aa^3 (Stable)	AA (low) (Stable)	AA– (Stable)
2020	A+ (Stable)	Aa^3 (Stable)	AA (low) (Stable)	AA– (Stable)
2021	A+ (Stable)	Aa^3 (Stable)	AA (low) (Stable)	AA– (Stable)

Credit Rating Actions

Rating Downgrade

Rating Outlook Decline

Rating Outlook Improvement

Act, 2019 (Act). The Act includes a requirement for the Minister of Finance to set out an annual debt burden reduction strategy in the annual budget. This debt burden reduction strategy requires the province to consider its net-debt-to-GDP ratio in its plans for reducing the debt burden and monitor progress. A debt burden reduction strategy does not focus on the reduction of the province's debt balances but instead aims to reduce the net-debt-to-GDP ratio. The 2019 Budget aimed to have the net-debt-to-GDP ratio at less than 40.8% by 2022/23. In the 2020 Budget, the province indicated that there were risks and uncertainty associated with projecting economic information due to the COVID-19 pandemic, and that the debt burden reduction strategy would be included in the 2021 Budget. In the 2021 Budget, the province indicated its objective is to slow the rate of increase in net-debt-to-GDP and for the net-debt-to-GDP ratio to not exceed 50.5% over the medium-term outlook. It did not outline specific details on how the province planned to manage Ontario's growing debt burden, such as setting evidence-based debt sustainability targets and a strategy to reduce debt over the long term. The province is aiming to address this by the 2023 Budget and plans to incorporate measures of improvement from current performance based on an analysis of debt sustainability. In the 2021 Economic Outlook and Fiscal Review, the province maintained the same objective and target as included in the 2021 Budget, and indicated that it will evaluate the objective and target and make adjustments, if necessary, in the 2022 Budget. The government, legislators and the public need to be mindful of Ontario's debt level and the relationship of net debt to GDP.

The debt burden reduction strategy included in the 2021 Budget has not been fully implemented due to the following reasons:

- the province has not formally documented, publicly communicated, and implemented a long-term debt reduction strategy;
- how the net-debt-to-GDP target of 50.5% was determined has not been clearly explained in the budget; and
- the province has not clearly demonstrated how debt will be managed (for example, by prioritizing investments, making trade-offs and delaying other investments).

The 2021 Budget introduced two additional measures of debt sustainability: net debt-to-revenue and interest on debt-to-revenue. The objective of these additional measures will be to slow their rate of increase, supported by GDP growth. The 2021 Budget did not provide specific targets for these two additional measures. As previously described, the Ontario Financing Authority and Ministry of Finance have indicated that they will address the debt burden reduction strategy by the 2023 Budget.

RECOMMENDATION 7

We recommend that the Ministry of Finance:

- formally document, publicly communicate, and implement a long-term debt reduction strategy;
- explain how the net-debt-to-GDP target is determined; and
- outline specific details how the province's debt burden will be managed to achieve its objective.

MINISTRY OF FINANCE RESPONSE

The province published its first debt burden reduction strategy in the 2019 Budget prior to the pandemic. The strategy was to keep net debt-to-GDP below a level established each year. As a result of the impact and the uncertainty caused by the pandemic on the economy and the province's finances, the government revised the associated target in the 2021 Budget. As continued uncertainty remains, the province will evaluate the objectives and the net debt-to-GDP target, making adjustments, if necessary, in the 2022 Budget. The government is committed to this approach to reduce the debt burden rather than implementing a long-term debt reduction strategy. The government remains committed to reducing the debt burden and putting Ontario's finances back on a more sustainable path supported by GDP growth.

The 2021/22 net debt-to-GDP ratio forecast in the 2021 Ontario Economic Outlook and Fiscal Review is 43.4%, a decrease of 5.4 percentage points from the 48.8% forecast at the time of the 2021 Budget. Over the medium-term outlook, the net debt-to-GDP ratio is forecast to be 43.5% in 2022/23, and 43.6% in 2023/24, well below the 2021 Budget target of 50.5%. This positive trend is replicated in the net debt-to-revenue, projected to be 239% in 2021/22, 47 percentage points below the 286% forecast in the 2021 Budget. Over the medium-term outlook, this ratio is forecast to be 251% in 2022/23 and 253% in 2023/24, lower by 46 percentage points and 48 percentage points, respectively, compared to the forecast in the 2021 Budget. Likewise, the interest on debt (IOD)-to-revenue ratio is forecast to be 7.7% in 2021/22, 0.8 percentage points lower than the 2021 Budget forecast. IOD-to-revenue over the medium term continues to remain lower than forecast in the 2021 Budget by 0.9 percentage points in 2022/23 and 2023/24.

10.7 Final Thoughts on Ontario's Debt Burden

Ultimately, decisions about how much debt the province should carry, and the strategies to pay down that debt, are questions of government policy and thus the sole prerogative of the government.

Government debt has been described as a burden on future generations, especially debt used to finance annual operating deficits (in contrast to debt used to finance infrastructure, which is more likely to leave behind tangible capital assets that benefit future generations). In the 2019 Budget, the government aimed to maintain the net-debt-to-GDP ratio at less than 40.8% until 2022/23. This was revised to less than 50.5% until 2025/26 in the 2021 Budget. As at March 31, 2021, the actual net-debt-to-GDP was 43.9%. With the large annual deficit and net debt increases expected over the medium term, and the projected net-debt-to-GDP ratio continuing to remain at about 44% as the province recovers from the COVID-19 pandemic, the government will need to consider when and how it will implement its debt reduction strategy going forward.

11.0 Accounting Conceptual Framework Challenges

In January 2021, the Public Sector Accounting Board issued exposure drafts for the *Conceptual Framework for Financial Reporting in the Public Sector* and for *Financial Statement Presentation, Proposed Section PS 1202*. The exposure drafts were issued to get individual, government and organizational input on the proposals. The changes proposed to the conceptual framework set the foundation for the proposed changes to the financial statement presentation standard.

As part of the proposal, there were two items that we believe will have negative effects on senior governments:

- changing Net Debt to the Net Financial Assets/Liabilities; and
- recording natural resources, developed and inherited intangible assets and works of art and historic treasures in financial statements.

Net Debt

Net debt is a critical indicator for senior governments. The attention to net debt in senior government financial statements has been substantial, and more so in recent years in light of the growing debt balances and deficits experienced by many senior governments. The term "net debt" is widely used and understood by analysts, credit rating agencies and the media in Canada. This term, and related terms such as "net-debt-to-GDP," have become embedded in the language used to analyze and compare debt levels of senior governments. We believe the proposal to rename this key indicator will lead to significant confusion, particularly when the name change is accompanied with a relocation of the metric to a different area of the financial statements.

We are supportive of the proposed exclusion of non-financial liabilities from the calculation of net debt. For senior governments in Canada, the most common non-financial liability is deferred capital contributions. As we have noted in previous annual reports, there is divergence in the interpretation of PS 3410, *Government Transfers*, as it relates to recipients' accounting for capital transfers. Excluding deferred capital contributions from net debt allows the indicator to be calculated on a more comparable basis, regardless of interpretation. This will help facilitate better comparison and analysis of debt levels across Canada.

As governments face growing debt burdens as a result of the COVID-19 pandemic, it is even more important that users of government financial statements have common and well-understood terminology, including net debt, to foster discussions about how the government plans to face these new realities.

Natural Resources, Developed and Inherited Intangible Assets and Works of Art and Historic Treasures

We do not support the proposal to remove the existing recognition prohibition for natural resources, inherited intangibles and works of art and historic treasures from the conceptual framework. Natural resources, such as forests and provincial parks, in many cases do not have an established market value. Any attempt to measure such assets would produce a vast range of potential values. Such ranges would not only be too wide to provide meaningful information to financial statement users, they would also be more susceptible to management bias.

Establishing a sound valuation methodology for these assets may prove exceedingly difficult. A conventional valuation based on what a (private sector) third party would pay for the resources with an aim to profit from use of these assets is unlikely to adequately capture important aspects of a public sector stewardship such as asset preservation and public access. Alternatively, attempting to assign value to the types of public benefits these assets provide may not be feasible given that they are often intangible and widely enjoyed. For example, provincial parks can provide public health and social benefits, environmental and wildlife protection, cultural preservation, and support for scientific research. These types of important public benefits are exceedingly difficult to capture, quantify and record within existing accounting and financial reporting frameworks.

PSAB is also proposing to require qualitative disclosure of natural resources, inherited intangibles and historic treasures in the financial statements. Further details would be helpful in assessing the nature and the extent of these disclosures.

12.0 Canadian Public Sector Accounting Updates

Canadian PSAS continue to be the most appropriate standards for the province to use in preparing its consolidated financial statements. Following Canadian PSAS ensures that information provided by the government about the annual deficit or surplus is fair, consistent and comparable to previous years, allowing legislators and the public to assess the government's management and stewardship of the public purse. Ontario's provincial budget is also prepared on the same basis as its consolidated financial statements.

However, the Public Sector Accounting Board (PSAB) faces challenges, in some cases, in reaching a consensus among its various stakeholders, including financial statement preparers and auditors, on what emerging accounting standards are most appropriate for the public sector.

We discuss two significant accounting issues that in our view have posed a challenge to PSAB over the past year: the use of financial instruments in the public sector and accounting for employment benefits. PSAB's final standard-setting determination will affect the way the province accounts for these items and will have a significant impact on the province's reported financial results.

12.1 Updates to Standards Discussed in Prior Year Reports

12.1.1 Financial Instruments

Financial instruments include provincial debt and derivatives such as currency swaps and foreign-exchange forward contracts. PSAB's project to develop a new standard for reporting financial instruments began in 2005, with a key issue being whether changes in the fair value of derivative contracts held by governments should be reflected in their financial statements and, in particular, whether such changes should affect a government's annual deficit or surplus.

In March 2011, PSAB approved a new public-sector accounting standard on financial instruments that was slated to become effective for fiscal periods beginning on or after April 1, 2015. The new standard provides guidance on the treatment of financial instruments held by a government and is similar to financial instruments accounting standards used in the Canadian private sector.

One of the new standard's main requirements is for certain financial instruments, including derivatives, to be recorded at fair value, with any unrealized gains or losses on these instruments recorded annually in a new financial statement called the statement of remeasurement gains and losses.

Some financial statement preparers in Canadian jurisdictions do not support the introduction of these fair-value remeasurements and the recognition of unrealized gains and losses. For example, Ontario has expressed the view that it uses derivatives solely to manage foreign currency and interest-rate risks related to its long-term-debt holdings, and that it has both the intention and ability to hold these derivatives until the debts associated with them mature. Accordingly, remeasurement gains and losses on the derivatives and their underlying debt would offset each other over the total period that such derivatives are held, and therefore would have no real economic impact on the government.

Ontario financial statement preparers state that recording non-cash gains and losses each year would force the province to inappropriately report the same volatility in the annual surplus/deficit that the province is managing with derivatives. This, in their view, would not reflect the economic substance of government financing transactions and would not provide the public with transparent information on government finances.

In response to such concerns from financial statement preparers, PSAB committed to reviewing the new financial-instruments standard by December 2013. PSAB completed its review of Section PS 2601, *Foreign Currency Translation*, and Section PS 3450, *Financial Instruments*, and in February 2014 confirmed that the principles underlying the new standard were sound.

PSAB deferred the effective date for these new standards to fiscal years beginning on or after April 1, 2016. In 2015, however, PSAB extended the effective date for the new standard to April 1, 2019 for senior governments to allow further study of reporting options for these complex financial instruments. In 2018, PSAB again extended the effective date for the new standard to April 1, 2021 (updated to April 1, 2022 in June 2020).

Since February 2016, PSAB staff have been consulting with government and not-for-profit stakeholders on implementation issues of the financial-instruments standard. Below we summarize PSAB's deliberation on these issues, and the narrow-scope amendments that they have proposed and since implemented to PS 3450, *Financial Instruments*.

Federal Government Narrow-Scope Amendments

In January 2020, PSAB released an exposure draft that proposed amendments to PS 3450, *Financial Instruments*. As per the exposure draft, the main feature of these amendments was "to permit special presentation of foreign exchange gains and losses resulting from transactions intended to sustain foreign exchange reserves and orderly conditions in the foreign exchange market for the Canadian dollar or to aid foreign countries."

PS 2601, *Foreign Currency Translation* contained an important hedge accounting exemption that was proposed to be extended into PS 3450, *Financial*

Instruments. In essence, this exemption allowed the federal government to use a form of hedge accounting for derivatives it uses to manage its foreign exchange exposure resulting from activities it is legislated to undertake under the federal *Currency Act*.

Provincial financial statement preparers argued that by using legacy rules and extending the federal exemption to PS 3450, *Financial Instruments* through the proposed narrow-scope amendments, what was once expedient under an existing accounting practice (that is, foreign exchange hedges), evolved into a hedge accounting option that is exclusive to federal government financial statement preparers. This, in their view, is unfair as it provides an exemption that synthetically allows one stakeholder to achieve an accounting result that is unavailable to any other PSAB stakeholders.

PSAB issued the final amendments for this narrow-scope amendment in the PSA Handbook in October 2020.

Foreign Exchange Narrow-Scope Amendments

In response to comments received on the January 2020 exposure draft, in July 2020, PSAB released an exposure draft for comment containing amendments to Section PS 1201, Financial Statement Presentation, PS 2601, *Foreign Currency Translation* and PS 3450, *Financial Instruments*. The amendments allow all public-sector entities to make an accounting policy election to recognize exchange gains and losses directly in the statement of operations.

PSAB issued the final amendments for this narrow-scope amendment in the PSA Handbook in April 2021.

Presentation Narrow-Scope Amendments

In response to concerns raised by certain stakeholders surrounding the increased volatility in net debt because of the requirement to fair value derivatives, PSAB released an exposure draft for comment containing amendments to PS 1201, *Financial Statement Presentation*.

To assist users in identifying the fair value impact of derivatives in relation to other changes in net debt, PSAB proposed to clarify that the remeasurement impact of derivatives may be presented as a separate line item on the statement of changes in net debt, along with other minor clarifications.

Some provincial financial statement preparers do not agree with the proposed amendments on the basis that they do not believe they minimize or resolve the volatility in net debt. In addition, some stakeholders noted that the amendments did not address their concerns regarding the lack of an appropriate hedge accounting option, which could be used to reduce or mitigate the volatility in net debt.

PSAB issued the final amendments for this narrow-scope amendment in the PSA Handbook in April 2021. In its Basis for Conclusions, PSAB noted that the intent of these amendments was not to remove the requirement to fair value derivatives, but to illustrate how public sector entities could more clearly present these impacts while maintaining a fair value measurement model.

We will continue to monitor the development of standards impacting the measurement and presentation of financial instruments.

12.1.2 Employee Benefits

In our *2020 Annual Report*, we discussed PSAB's Employment Benefits project which aims to improve the existing PSAS sections—PS 3250, *Retirement Benefits* and PS 3255, *Postemployment, Compensated Absences and Termination Benefits*—by considering the changes in related accounting concepts and new types of pension plans that have been developed since they were issued decades ago.

In July 2021, PSAB released its first exposure draft for comment in which it proposes to issue a new standard, PS 3251, *Employee Benefits* that would replace the existing sections PS 3250 and PS 3255. This exposure draft outlines the proposed principles for the first of several phases of PSAB's revised employee benefits standard. If approved, the new standard would become effective for fiscal years beginning on or after April 1, 2026 and would require retroactive application.

In this first release, PSAB focused its efforts on the topics of deferral provisions and discount rates guidance which we discuss below.

Use of Deferral Provisions for Actuarial Gains and Losses

The new standard accounts for actuarial gains and losses differently from existing sections PS 3250 and PS 3255 in that these amounts will no longer follow a deferral and amortization approach. Instead, revaluations of the net defined benefit liability (asset), which include actuarial gains and losses, are recognized immediately on the statement of financial position within the net defined benefit liability (asset) and "accumulated other"—a new component of net assets (liabilities) proposed by PSAB in its exposure draft for PS 1202, *Financial Statement Presentation*. For greater clarity, revaluations of the net defined benefit liability (asset) are not reclassified to the surplus or deficit in a subsequent period.

This immediate recognition of actuarial gains and losses would have a significant impact on the province's consolidated financial statements. As of March 31, 2021, the province reported about $8.9 billion of unrecognized net actuarial gains relating to its employee pension plans and other employee future benefits. Under the proposed standard, the province would recognize this entire amount as a decrease in liabilities and accumulated deficit within its consolidated statement of financial position. In addition, the province would no longer defer and amortize actuarial gains and losses in its consolidated statement of operations.

While we support the immediate recognition of actuarial gains and losses on the statement of financial position, we do not agree with the use of the proposed "accumulated other" category to record the revaluations of net defined benefit liabilities (assets). By using this approach, revaluations will not be reported in the statement of operations and they are not reclassified from "accumulated other" to the surplus or deficit in subsequent periods. In other words, this allows public sector entities to bypass the annual surplus or deficit by directly recognizing gains and losses in net assets or liabilities. This presentation contains the transparency and faithful representation of an entity's annual financial performance.

Discount Rate Guidance

In the exposure draft, PSAB proposes that a public sector entity would assess the funding status of a post-employment benefit plan to determine the appropriate discount rate. Under the proposed standard, plans fall under one of three funding statuses: fully funded, partially funded, or unfunded.

Public sector entities would use a discount rate based on the expected market-based return on plan assets for fully funded plans, where the balance of plan assets is projected to be greater than or equal to the benefit payments expected to fulfil the obligations for all subsequent reporting periods. In contrast, the rate used to discount unfunded plans is determined by reference to the market yields of provincial government bonds. This proposed guidance is consistent with the province's existing practice of discounting its funded and unfunded post-employment benefit plans.

With respect to partially funded plans, public sector entities would use a single discount rate that reflects both a fully funded rate—for periods where the balance of plan assets is projected to be sufficient to cover projected benefit payments—and an unfunded rate for all other periods. This proposed approach adds complexity and requires professional judgment in determining what rate to use.

As we stated in our response to PSAB's exposure draft on discount rate guidance, we believe that the market yield of high-quality debt instruments is the most appropriate basis for determining the discount rate. The market yield is based on verifiable, observable third-party data, effectively reducing subjectivity and facilitating comparability between public sector entities' post-employment benefit plans. However, we are generally supportive of PSAB providing additional discount rate guidance to reduce the variability in practice.

We will continue to monitor the development of standards impacting the accounting for employment benefits.

12.2 Upcoming Changes to Accounting Standards

12.2.1 Financial Instruments

Section PS 3450, Financial Instruments provides guidance on the recognition, measurement, presentation and disclosure of financial instruments, including derivatives. The new standard introduces the requirement to measure all financial instruments in one of two categories:

- fair value; or
- cost or amortized cost.

Under Section PS 3450, investments in equity instruments that are quoted in an active market and derivatives are measured at fair value.

A narrow-scope amendment was made to the standard to clarify that bond repurchase transactions are not treated as an extinguishment unless the bond is legally discharged, or is exchanged for a bond with significantly different terms.

This standard was originally approved by PSAB for fiscal years beginning on or after April 1, 2015. The effective date has since been extended multiple times and is now effective for fiscal years beginning on or after April 1, 2022.

12.2.2 Financial Statement Presentation

Section PS 1201 replaces existing Section PS 1200, *Financial Statement Presentation*. Section PS 1201 introduces the statement of remeasurement for gains and losses. Remeasurement gains and losses arise from:

- exchange gains and losses on items in the amortized cost category denominated in a foreign currency;
- unrealized gains and losses on financial instruments that are measured at fair value; and
- the accumulated remeasurement gains or losses at the end of the period reported in the statement of financial position as a separate component of accumulated surplus or deficit.

This standard was originally approved by PSAB for fiscal years beginning on or after April 1, 2015. The effective date for senior governments has since been extended multiple times and is now effective for fiscal years beginning on or after April 1, 2022. This section is adopted at the same time as PS 3450, *Financial Instruments* and PS 2601, *Foreign Currency Translation* (see **Section 12.1.1** for a discussion of these sections).

12.2.3 Foreign Currency Translation

Section PS 2601 replaces the guidance in Section PS 2600, *Foreign Currency Translation*. Under Section PS 2601, exchange gains and losses arising from monetary assets and liabilities prior to settlement are recorded in the statement of remeasurement gains and losses. Once the foreign currency denominated item is settled, the cumulative amount of unrealized foreign exchange gain or losses previously recognized is reclassified to the statement of operations.

The introduction of PS 2601 eliminates the practice of deferring unrealized gains and losses arising from foreign currency translation and the previous guidance surrounding hedge accounting of foreign currencies.

A narrow-scope amendment was made to the standard that permits public sector entities to make an irrevocable election upon initial recognition of a financial asset or financial liability arising from a foreign currency transaction. The election would allow public sector entities to recognize any related unrealized foreign exchange gains or losses directly in the statement of operations.

This standard was originally approved by PSAB for fiscal years beginning on or after April 1, 2015. The effective date has since been extended multiple times and is now effective for fiscal years beginning on or after April 1, 2022.

12.2.4 Portfolio Investments

PS 3041 replaces Section PS 3040, *Temporary Investments*. PS 3041 states that portfolio investments are measured in accordance with PS 3450, *Financial Instruments* unless they have concessionary terms such as little or no return on the government investment. Losses in the value of a portfolio investment that are not a temporary decline should be recognized and recorded in the statement of operations.

This standard was originally approved by PSAB for fiscal years beginning on or after April 1, 2015. The effective date for senior governments has since been extended multiple times and is now effective for fiscal years beginning on or after April 1, 2022. This section is adopted at the same time as PS 1201, *Financial Statement Presentation*, PS 3450, *Financial Instruments*, and PS 2601, *Foreign Currency Translation*.

12.2.5 Asset Retirement Obligations

In March 2018, PSAB approved a new standard that addresses the reporting of legal obligations associated with the permanent removal of tangible capital assets from service. The new standard, PS 3280, *Asset Retirement Obligations*, addresses tangible capital assets currently in productive use, such as the decommissioning of a nuclear reactor, as well as tangible capital assets no longer in productive use, such as solid-waste landfill sites.

The new standard is effective for fiscal periods beginning on or after April 1, 2022, although earlier adoption is permitted. The new section requires that a retirement obligation be recognized when:

- there is a legal obligation to permanently remove retirement costs in relation to a tangible capital asset from service. Legal obligations can arise from legislation, contracts and promissory estoppel;
- the past transaction giving rise to the liability, such as acquisition, construction, development or normal use, has already occurred;
- there is an expectation that future economic benefits will be given up; and
- a reasonable estimate can be made. The estimate of the liability includes costs directly attributable to the retirement activities, including post-retirement operation, maintenance and monitoring. A present-value technique is often the best method with which to estimate the liability.

Upon recognition of the liability, a public-sector entity would increase the carrying amount of the related tangible capital asset by an equal amount. The cost included in the carrying amount of the tangible capital asset should be allocated to expense in a rational and systematic manner. This could include amortization over the remaining useful life of the related tangible capital asset, or a component thereof.

If the related asset is no longer in productive use, or if the related asset is not recognized for accounting purposes, the related retirement costs would be recorded as an expense.

The Office of the Provincial Controller Division is working with our Office, ministries and governmental agencies to adopt the new standard for the province's consolidated financial statements beginning on April 1, 2022.

12.2.6 Revenue

In June 2018, PSAB approved a new standard on the recognition, measurement and presentation of revenues. The new standard, PS 3400, *Revenue*, addresses revenues that arise in the public sector, but fall outside the scope of PS 3410, *Government Transfers* and PS 3510, *Tax Revenues*. Specifically, the standard differentiates between revenue arising from transactions with a payor that include performance obligations ("exchange transactions") and those that do not ("non-exchange transactions").

PS 3400, *Revenue* is effective for fiscal periods beginning on or after April 1, 2023, although earlier adoption is permitted. Upon adoption, the province has the option of applying this standard retroactively or prospectively.

Revenues from exchange transactions are recognized as or when a public-sector entity satisfies a performance obligation by providing the promised goods or services to a payor. Performance obligations may be satisfied at a point in time or over a period of time, depending on which method best depicts the transfer or goods or services to the payor. Examples of exchange transactions include driver and vehicle registration fees which will be affected by the new standard.

Revenues from non-exchange transactions, such as fines or penalties, are recognized when a public-sector entity has the authority to claim or retain an inflow of economic resources or event that gives rise to an asset. For example, in the case of a parking ticket, the date of an alleged infraction may not necessarily be the past event because the fine or penalty may not be enforceable at that time.

The Office of the Provincial Controller Division is working with our Office, ministries, and governmental agencies to adopt the new standard for the province's consolidated financial statements beginning on April 1, 2023.

12.2.7 Purchased Intangible Assets

In September 2020, PSAB approved a new guideline on the recognition of purchased intangibles acquired through an exchange transaction. The new guideline, Public Sector Guideline 8, *Purchased Intangibles* was approved in conjunction with narrow-scope amendments to PS 1000, *Financial Statement Concepts* which removed the recognition prohibition on purchased intangibles.

The recognition of purchased intangibles will be a significant change for the public sector, which will likely result in an increase in the province's total reported assets and annual amortization expense.

The Office of the Provincial Controller Division is working with our Office, ministries, and governmental agencies to adopt the new guideline for the province's consolidated financial statements beginning on April 1, 2023.

12.2.8 Public-Private Partnerships

In our *2019* and *2020 Annual Reports*, we discussed public-private partnerships (P3), an alternative finance and procurement model for infrastructure projects that allows public-sector entities to transfer risks of the project to private-sector entities. Under the P3 model, project sponsors in the public sector—such as provincial ministries, agencies or broader-public-sector entities such as hospitals and colleges—establish the scope and purpose of the project, while construction of the project is financed and carried out by the private sector. Payments for most projects are made either when the projects are substantially completed or at regular agreed-upon intervals. In some cases, the private sector will also be responsible for the maintenance and/or operation of a project for 30 years after its completion.

PSAB approved a new standard, PS 3160, *Public Private Partnerships* in December 2020 that provides guidance on the recognition, measurement, presentation and disclosure of P3s. The standard is effective for fiscal years beginning on or after April 1, 2023.

Under the new standard, a public sector entity recognizes an infrastructure asset when the public sector entity controls the purpose and use of the infrastructure; access to the future economic benefits and risk of the infrastructure; and any significant residual interest in the infrastructure. Upon recognition of an infrastructure asset, a liability is recognized equal to that asset, less any amounts previously paid to the private sector partner.

The Office of the Provincial Controller Division is currently in the process of assessing what impact the new standard may have on the province's existing accounting policy for P3s. Currently, similar to the new standard, the province recognizes assets procured through P3s as tangible capital assets and the related obligations as other long-term financing liabilities in its consolidated financial statements.

12.2.9 Use of Rate-Regulated Accounting in Government Business Enterprises

In our *2019 Annual Report*, we discussed rate regulated accounting, which was developed to recognize the unique nature of entities, such as electric utilities, whose rates are regulated by an independent regulator under most regulatory frameworks. In January 2021, the International Accounting Standards Board released an exposure draft for comment that outlines the new proposed accounting standard for regulatory assets and liabilities.

Until the final standard is issued, it is uncertain what financial impact the differences—between the eventual standard and US GAAP—will have on the accounting for regulatory assets and liabilities reported by the province's government business enterprises, such as Ontario Power Generation and Hydro One.

At the time of this report, the IASB was considering feedback received on the exposure draft in developing the final standard. We will continue to monitor the development of standards impacting the use of rate-regulated accounting in government business enterprises.

12.3 Public Sector Accounting Board Initiatives

This section outlines some additional items that PSAB has been studying over the past year that might affect the preparation of the province's consolidated financial statements in the future. The COVID-19 pandemic significantly disrupted the activities of many organizations within the public sector and as a result, PSAB made the decision in 2020 to defer the effective dates of all upcoming standards by one year. (Dates in the following section have been updated to reflect this change.)

Concepts Underlying Financial Performance

PSAB's conceptual framework is a set of interrelated objectives and fundamental principles that support the development of consistent accounting standards. Its purpose is to instill discipline into the standard-setting process to ensure that accounting standards are developed in an objective, credible and consistent manner that serves the public interest.

In 2011, PSAB formed the Conceptual Framework Task Force in response to concerns raised by several governments regarding current and proposed standards that they contend cause volatility in reported results and distort budget-to-actual comparisons. The task force's objective was to review the appropriateness of the concepts and principles in the existing conceptual framework for the public sector.

In the first part of the consultation process, the task force issued three consultation papers: Characteristics of Public Sector Entities (2011), Measuring Financial Performance in Public Sector Financial Statements (2012) and Conceptual Framework Fundamentals and the Reporting Model (2015).

In May 2018, the task force issued two additional documents for comment: Statement of Concept – A Revised Conceptual Framework for the Canadian Public Sector, and Statement of Principles – A Revised Reporting Model for the Canadian Public Sector.

In January 2021, PSAB issued two exposure drafts, together with supporting material, that proposed a revised conceptual framework and changes to the current financial statement presentation. Key proposals include:

- the statement of financial position would present total assets, followed by total liabilities, to arrive at the net assets/net liabilities total;
- liabilities would be split into two categories: financial and non-financial;
- the net debt indicator would be relocated from the statement of financial position to its own statement, the statement of net assets;
- a new component of the net assets/net liabilities total, called "accumulated other" would be introduced; and
- a statement of changes in net assets/net liabilities to report any remeasurement gains and losses and to show changes in the new "accumulated other" category.

The deadline for comment was June 30, 2021. PSAB is currently evaluating the feedback received on the exposure drafts.

13.0 Sustainability Reporting

Sustainability reporting has increasingly become a key focus for private sector companies, governments, investors and other stakeholders globally. While the term "sustainability reporting" is not well defined, it is widely used to describe the framework used by organizations to measure and report on their environmental, social and governance (ESG) performance. ESG reporting contains three main elements, each covering a variety of topics:

- **Environmental—**topics include, but are not limited to, climate change, carbon emissions, pollution and waste, and water use.
- **Social—**topics can include health and safety, human capital management, responsible investment and controversial sourcing.
- **Governance—**topics can include corporate governance and behaviour, business ethics, corruption and instability, and board diversity.

There are numerous organizations that have provided a wide range of voluntary sustainability reporting frameworks, sustainability standards and metrics. These organizations include, but are not limited to, the Global Reporting Initiative, the Carbon Disclosure Project, the Climate Disclosure Standards Board and the newly merged Value Reporting Foundation (formerly the Sustainability Accounting Standards Board and the International Integrated Reporting Council). Due to the diversity and voluntary nature of these disclosure frameworks, sustainability reporting remains fragmented and inconsistent across private- and public-sector entities.

Stakeholders have raised an urgent need to improve the consistency and comparability in sustainability reporting. In particular, many stakeholders have cited the pressing need for better climate-related disclosures, as many jurisdictions have committed to target dates to achieve net-zero emissions. In response to this growing demand, there have been several recent calls for the International Financial Reporting Standards (IFRS) Foundation to become involved in reducing the level of complexity and achieving greater consistency in sustainability reporting.

In September 2020, the IFRS Foundation released a consultation paper on sustainability reporting to determine whether there is a need for global sustainability standards, what role the IFRS Foundation should play in developing such standards, and the scope of their role. In the consultation paper, the IFRS Foundation Trustees (Trustees) propose to create a new “Sustainability Standards Board” (SSB).

Per the consultation paper, the objective of the SSB would be “to develop and maintain a global set of sustainability-reporting standards initially focused on climate-related risks”.

In April 2021, the Trustees issued an exposure draft proposing targeted amendments to the IFRS Foundation Constitution to accommodate the creation of an “International Sustainability Standards Board” (ISSB) that would be responsible for setting “IFRS sustainability standards”. The Trustees are currently deliberating feedback to the exposure draft and aim to make a final decision about the new board by November 2021.

Our Office supports the development of internationally recognized sustainability reporting standards. Environmental matters transcend geographical and political borders, driving the need for a global approach. A lack of common metrics and shared terminology makes meaningful comparison across entities difficult, which undermines one of the primary objectives of standards on reporting. An international set of sustainability reporting standards is needed to ensure comparability, consistency and reliability of reporting across the globe.

Sustainability reporting by public sector entities in Ontario is still infrequent and limited to certain sectors. For example, in the electricity sector, Ontario Power Generation and Hydro One publish separate sustainability reports annually. In addition, in late-January 2021, the City of Toronto announced that it was the first government in Canada to issue an annual ESG report. We encourage the province, and its consolidated entities, to follow these examples and increase their use of sustainability reporting—either in their annual reports or in a separate sustainability report.

We will continue to monitor the development of sustainability standards impacting the measurement and reporting of environmental and social performance indicators in the public sector.

14.0 Statutory Matters

Under section 12 of the *Auditor General Act*, the Auditor General is required to report on any Special Warrants and Treasury Board Orders issued during the year. In addition, section 91 of the *Legislative Assembly Act* requires that the Auditor General report on any transfers of money between items within the same vote in the Estimates of the Office of the Assembly.

14.1 Legislative Approval of Expenditures

Shortly after presenting its budget which must be tabled by March 31 to meet the deadline in the *Fiscal Sustainability, Transparency and Accountability Act* as described in **Section 4.0** of this report, the government tables detailed Expenditure Estimates (referred to as Main Estimates) in April or May, in the Legislative Assembly outlining, on a program-by-program basis (referred to as Vote and Item), each ministry's planned spending. The Standing Committee on Estimates (Committee) reviews selected ministry estimates and presents a report on this review to the Legislature. Orders for Concurrence for each of the estimates selected by the Committee, following a report by the Committee, are debated in the Legislature for a maximum of two hours before being voted on. The estimates of those ministries that are not selected are deemed to be passed by the Committee, reported to the Legislature, and approved by the Legislature. In November, the Expenditure Estimates for the Legislative Offices are tabled.

After the Orders for Concurrence are approved, the Legislature still needs to provide its final approval for legal spending authority by approving a Supply Act, which stipulates the amounts that can be spent by ministries and legislative offices, as detailed in the estimates. Once the Supply Act is approved, the expenditures it authorizes are considered to be Voted Appropriations. The *Supply Act, 2021*, which pertained to the fiscal year ended March 31, 2021, received Royal Assent on March 11, 2021.

The *Supply Act* does not receive Royal Assent until after the start of the fiscal year—and sometimes even after the related fiscal year is over—so the government usually requires interim spending authority prior to its passage. For the 2020/21 fiscal year, the Legislature passed two acts allowing interim appropriations—the *Interim Appropriation for 2020-2021 Act, 2019* (Interim Act) and the *Supplementary Interim Appropriation for 2020-2021 Act, 2020* (Supplementary Act). These two acts received Royal Assent on December 10, 2019, and December 8, 2020 respectively. Both acts were made effective as of April 1, 2020, and provided the government with sufficient authority to allow it to incur expenditures from April 1, 2020, to when the *Supply Act, 2021* received Royal Assent on March 11, 2021. **Figure 11** shows the total amounts authorized.

Because the legal spending authority under the Interim Act and the Supplementary Act was intended to be temporary, both were repealed when the *Supply Act, 2021* received Royal Assent. The *Supply Act, 2021* increased authorized public service expenditures from $163.5 billion to $170.5 billion, increased

Figure 11: Total Amounts Authorized by Appropriation and *Supply Act* for 2020/21 fiscal year ($ million)

Source of data: *Interim Appropriation Act, Supplementary Interim Appropriation Act, Supply Act.*

Appropriation type	*Interim Appropriation Act*	*Supplementary Interim Appropriation Act*	Total Interim Appropriation	*Supply Act*
Expenses of the Public Service	140,161,500,300	23,389,964,800	**163,551,465,100**	170,479,439,800
Investments of the Public Service	4,555,608,600	208,404,200	**4,764,012,800**	6,342,912,800
Expenses of the Legislative Offices	286,594,600	–	**286,594,600**	279,109,200
Total	**145,003,703,500**	**23,598,369,000**	**168,602,072,500**	**177,101,461,800**

total authorized public-service investments from $4.8 billion to $6.3 billion, and total authorized expenditures of the legislative offices decreased from $286.6 million to $279 million.

In 2020/21, the Treasury Board approved Supplementary Estimates on September 15, 2020, February 23, 2021, and March 2, 2021. Where it is necessary to seek the Legislature's approval for additional expenditures after the tabling of the Main Estimates, Supplementary Estimates may be tabled. A total amount of $23.1 billion was approved to provide funding to various ministries out of which $7.4 billion was expended by the ministries for the Vote and Item the Supplementary Estimates were approved for. **Figure 12** summarizes the total value of Supplementary Estimates issued and expended for the fiscal year ended March 31, 2021. The sum of $13.4 billion of unexpended Supplementary Estimates was reallocated to other Votes and Items and to other ministries through Treasury Board Orders. Approved by the Legislature in the *Supply Act*, the Main and Supplementary Estimates become the legal spending authority for each ministry.

14.2 Special Warrants

If the Legislature is not in session, section 1.0.7 of the *Financial Administration Act* allows for the issuance of Special Warrants that authorize expenditures for which there is no appropriation by the Legislature or for which the appropriation is insufficient. Special Warrants are authorized by Orders-in-Council and

Figure 12: Total Value of Supplementary Estimates Authorized and Expended ($ million) for Fiscal Year 2020/21

Source of data: Treasury Board, Treasury Board Secretariat

Ministry	Authorized	Expended
Operating Expense Appropriations:		
Children, Community and Social Services	136	70
Education	675	675
Finance	3,000	–
Health	6,337	1,993
Long-Term Care	255	255
Municipal Affairs and Housing	1,249	1,249
Seniors and Accessibility	100	100
Solicitor General	25	25
Transportation	1,713	1,713
Treasury Board Secretariat	7,382	–
	$20,872	**$6,080**
Operating Asset Appropriations:		
Health	769	767
	$769	**$767**
Capital Expense Appropriations:		
Health	29	29
Transportation	626	196
	$655	**$225**
Capital Asset Appropriations:		
Natural Resources and Forestry	500	194
Transportation	310	133
	$810	**$327**
Total	**$23,106**	**$7,399**

approved by the Lieutenant Governor on the recommendation of the government. No Special Warrants were issued for the fiscal year ended March 31, 2021.

14.3 Treasury Board Orders

Section 1.0.8 of the *Financial Administration Act* allows the Treasury Board to make an order authorizing expenditures to supplement the amount of any voted appropriation that is expected to be insufficient to carry out the purpose for which it was made. The order may be made only if the amount of the increase is offset by a corresponding reduction of expenditures to be incurred from other voted appropriations not fully spent in the fiscal year. The order may be made at any time before the government closes the books for the fiscal year. The government considers the books to be closed when any final adjustments arising from our audit have been made and the Public Accounts have been published and tabled in the Legislature. Even though the *Treasury Board Act, 1991* was repealed in 2009, a provision equivalent to the **subsection 5(4)** was retained and enacted as **subsection** 1.0.4(5) of the *Financial Administration Act* in 2009. This provision allows the Treasury Board to delegate any of its duties or functions to any member of the Executive Council or to any public servant employed under the *Public Service of Ontario Act, 2006*. Such delegations continue to be in effect until replaced by a new delegation. Since 2006, the Treasury Board has delegated its authority for issuing Treasury Board Orders to ministers to make transfers between programs within their ministries, and to the Chair of the Treasury Board for making Treasury Board Orders that result in program transfers between ministries as well as those orders that result in supplementary appropriations offset from contingency funds.

Figure 13 summarizes the total value of Treasury Board Orders issued for the past five fiscal years.

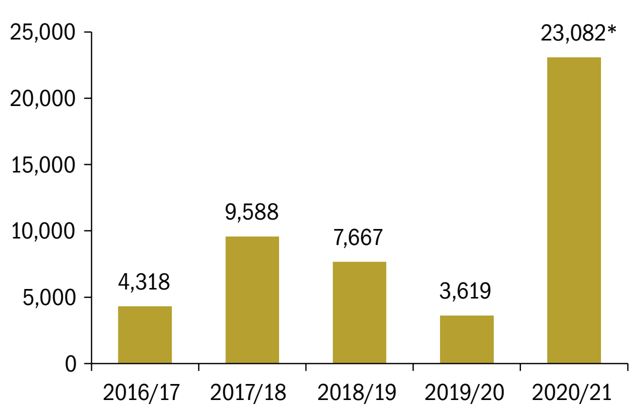
Figure 14 summarizes Treasury Board Orders for the fiscal year ended March 31, 2021, by month of issue.

In fiscal 2020/21, the number of Treasury Board Orders increased significantly compared to prior years due to the reallocations of funds needed for COVID-19 initiatives.

According to the Standing Orders of the Legislative Assembly, Treasury Board Orders are to be printed in *The Ontario Gazette*, together with explanatory information. Orders issued for the 2020/21 fiscal year are expected to be published in *The Ontario Gazette* in December 2021. A detailed listing of 2020/21 Treasury Board Orders, showing the amounts authorized and expended, is included in **Exhibit 4** of this report.

Figure 13: Total Value of Treasury Board Orders Issued, 2016/17 – 2020/21 ($ million)

Source of data: Treasury Board



* Increased significantly in 2020/21 due to the reallocation of funds needed for COVID-19 initiatives.

Figure 14: Total Value of Treasury Board Orders by Month Relating to the 2020/21 Fiscal Year

Source of data: Treasury Board

Month of Issue	#	Authorized ($ millions)
Apr 2020–Feb 2021	148	16,666
Mar 2021	40	6,194
Apr 2021	2	39
May 2021	–	–
Jun 2021	–	–
Jul 2021	1	183
Total	**191**	**23,082**

14.4 Transfers Authorized by the Board of Internal Economy

When the Board of Internal Economy authorizes the transfer of money from one item of the Estimates of the Office of the Legislative Assembly to another item within the same vote, section 91 of the *Legislative Assembly Act* requires that we make special mention of the transfer(s) in our Annual Report.

Accordingly, **Figure 15** shows the transfers made within Votes 201 and 202 with respect to the 2020/21 Estimates.

14.5 Uncollectible Accounts

Under section 5 of the *Financial Administration Act*, the Lieutenant Governor in Council, on the recommendation of the Minister of Finance, may authorize an Order-in-Council to delete from the accounts any amounts due to the Crown that are the subject of a settlement or deemed uncollectible. The amounts deleted from the accounts during any fiscal year are to be reported in the Public Accounts.

In the 2020/21 fiscal year, receivables of $140 million due to the Crown from individuals and non-government organizations were written off. (The comparable amount in 2019/20 was $161 million.) The write-offs in the 2020/21 fiscal year primarily related to the following:

- $65.4 million for bankrupt/insolvent, tax receivables ($55.3 million in 2019/20)
- $39.3 million for student loans, Loan for Tools program ($49.5 million in 2019/20)
- $13.5 million for Criminal Code fines, estreated bail writs ($22.9 million in 2019/20)
- $15.2 million for ODSP receivables, outstanding 5+ years ($19.8 million in 2019/20)
- $4.2 million for Motor Vehicle Accident Claims Fund ($3.3 million in 2019/20)
- $1.6 million for forest fires ($nil in 2019/20).

The remaining $1.2 million relates to various ministry write-offs.

The Ministry Statements and Schedules of the 2020/21 Public Accounts summarizes the write-offs by ministry. Under the accounting policies followed in the preparation of the province's consolidated financial statements, a provision for doubtful accounts is recorded against accounts receivable balances. Most of the write-offs had already been expensed in the government's consolidated financial statements. However, the actual write-off in the accounts required Order-in-Council approval.

Figure 15: Authorized Transfers Relating to the Office of the Legislative Assembly, 2020/21 Fiscal Year

Source of data: Board of Internal Economy

From:		$
201-3	Legislative Services	(623,900)
201-6	Sergeant at Arms and Precinct Properties	(1,204,100)
201-10	Member's Office Support Services	(200,000)
202-3	Office of the Integrity Commissioner	(88,000)
To:		
201-2	Office of the Clerk	302,500
201-4	Information and Technology Services	490,700
201-5	Administrative Services	159,500
201-13	Facility Upgrades	1,075,300
202-6	Financial Accountability Office	88,000

Appendix 1: Independent Auditor's Report

Source: Auditor General of Ontario

Office of the Auditor General of Ontario
Bureau de la vérificatrice générale de l'Ontario

INDEPENDENT AUDITOR'S REPORT

To the Members of the Legislative Assembly of the Province of Ontario

Opinion

I have audited the accompanying Consolidated Financial Statements of the Province of Ontario, which comprise the Consolidated Statement of Financial Position as at March 31, 2021, and the Consolidated Statements of Operations, Change in Net Debt, Change in Accumulated Deficit, and Cash Flow for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies.

In my opinion, the accompanying Consolidated Financial Statements present fairly, in all material respects, the consolidated financial position of the Province of Ontario as at March 31, 2021, and the consolidated results of its operations, the consolidated changes in its net debt, the consolidated change in its accumulated deficit and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of this report. I am independent of the Province of Ontario in accordance with the ethical requirements that are relevant to my audit of the Consolidated Financial Statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Accompanying Information

The Government of Ontario (Government) is responsible for the information in the 2020-21 Public Accounts of Ontario Annual Report.

My opinion on the Consolidated Financial Statements does not cover the other information accompanying the Consolidated Financial Statements and I do not express any form of assurance conclusion thereon.

In connection with my audit of the Consolidated Financial Statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or my knowledge obtained during the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed on this other information, I conclude that there is a material misstatement of this other information, I am required to report that fact in this auditor's report. I have nothing to report in this regard.

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Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these Consolidated Financial Statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, management is responsible for assessing the Province of Ontario's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Government either intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Province of Ontario's financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

My objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Province of Ontario's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Province of Ontario's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Province of Ontario to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

The audit of the Consolidated Financial Statements is a group audit engagement. As such, I also obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the Consolidated Financial Statements. I am responsible for the direction, supervision and performance of the group audit and I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control identified during the audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

Toronto, Ontario	Bonnie Lysyk, MBA, FCPA, FCA, LPA
August 27, 2021	Auditor General

Appendix 2: Budget Requirements under the *Fiscal Sustainability, Transparency and Accountability Act*

Prepared by the Office of the Auditor General of Ontario

Act Requirement	Met Requirement	Did Not Meet Requirement	If Not Met, Why?
Balanced budget[1] 3 (1) For each fiscal year, the Executive Council shall plan for a balanced budget.		✓	2021 Budget is not balanced in the medium term, see exception, extraordinary circumstances below.
Exception, extraordinary circumstances (2) Despite subsection (1), if, as a result of extraordinary circumstances, the Executive Council determines that it is consistent with the principles governing Ontario's fiscal policy for the province to have a deficit for one or more fiscal years, the Executive Council may plan accordingly, in which case the following requirements must be met:			The province has assessed COVID-19 as an extraordinary circumstance.
1. The introductory summary of the budget must include the rationale for the Executive Council's determination.	✓		
2. If the multi-year fiscal plan included in the budget does not project a balanced budget for the last fiscal year in the plan period, the budget must include a recovery plan that meets the requirements of **section 8.**	✓		
Annual budget[2] 4 (1) On or before March 31 of each fiscal year, the Minister shall lay before the Legislative Assembly and release a budget in respect of the following fiscal year commencing on April 1.	✓		
Contents of the budget 5 The budget required by **section 4** must include the following information:			
1. An introductory summary of the key fiscal, economic and debt information contained in the budget.	✓		
2. The macroeconomic forecasts and assumptions used to prepare the budget.	✓		
3. A multi-year fiscal plan that meets the requirements of **section 6.**	✓		
4. A comprehensive discussion of the risks that, in the Minister's opinion, may have a material impact on the economy or the public sector during the period of the plan.	✓		
5. A description of the intended effects of the plan on the province.	✓		
6. Information about the projected ratio of provincial net debt to Ontario's gross domestic product for the period of the plan.	✓		
Multi-year fiscal plan 6 (1) A multi-year fiscal plan must meet the requirements set out in this section.	✓		

Act Requirement	Met Requirement	Did Not Meet Requirement	If Not Met, Why?
Period of the fiscal plan (2) The fiscal plan must address the fiscal year of the budget and the following two fiscal years, and it may address a longer period.	✓		
Contents of the fiscal plan (3) The fiscal plan must include the following information:			
1. An estimate of Ontario's revenues and expenses for the period of the plan, including estimates of the major components of the revenues and expenses.	✓		
2. The forecasts and assumptions used to prepare the revenue and expense estimates for the period of the plan.	✓		
3. A reserve to provide for unexpected adverse changes in revenues and expenses, in whole or in part, and the details of the reserve.	✓		
4. A comprehensive discussion of the risks that, in the Minister's opinion, may have a material impact on the economy or the public sector during the period of the plan.	✓		
5. A description of the intended effects of the plan on the province.	✓		
6. Information about the projected ratio of provincial net debt to Ontario's gross domestic product for the period of the plan.	✓		
Debt burden reduction strategy 7 (1) A debt burden reduction strategy must meet the requirements set out in this section.		✓	See explanation below
Contents of the strategy (2) The debt burden reduction strategy must include the following information:			
1. Ontario's specific objectives for the projected ratio of provincial net debt to Ontario's gross domestic product.	✓		
2. A progress report on supporting actions and the implementation of the debt burden reduction strategy included in the last budget.		✓	Debt burden reduction strategy not fully implemented due to the province not formally documenting a long-term debt strategy, nor explaining how it determined the net-debt-to-GDP target of 50.5% and not clearly demonstrating how debt will be managed.
Recovery plan 8 (1) A recovery plan must meet the requirements set out in this section.	✓		

Act Requirement	Met Requirement	Did Not Meet Requirement	If Not Met, Why?
Period of the recovery plan (2) The recovery plan must address the period from the first fiscal year after the end of the current multi-year fiscal plan to the projected fiscal year in which the budget will be balanced.	✓		
Contents of the recovery plan (3) The recovery plan must be consistent with the principles governing Ontario's fiscal policy and must include the following information:			
1. The projected fiscal year in which the budget will be balanced.	✓		
2. An estimate of Ontario's revenues and expenses for the period of the plan, including estimates of the major components of the revenues and expenses.	✓		
3. The forecasts and assumptions used to prepare the revenue and expense estimates for the period of the plan.	✓		
4. A reserve to provide for unexpected adverse changes in revenues and expenses, in whole or in part, and the details of the reserve.	✓		
5. Information about the projected ratio of provincial net debt to Ontario's gross domestic product for the period of the plan.	✓		
Mid-year review 9 On or before November 15 of each fiscal year, the Minister shall release a mid-year review that includes the following information:			
1. An introductory summary of the key fiscal, economic and debt information contained in the review.	✓		
2. Updated information about Ontario's revenues and expenses for the current fiscal year or a longer period, including updated information about the major components of the revenues and expenses.	✓		
3. Information about the estimated cost of expenditures that are made through the tax system.	✓		
4. For the purpose of pre-budget consultations with the public:			
i. A description of the key issues that, in the Minister's opinion, should be addressed in the next budget.		✓	Key issues to be addressed in the next budget not included; however, the government plans to hold consultations with Ontarians about what they want to see in the 2022 Budget.
ii. Details about how to participate in the pre-budget consultations	✓		
Interim updates about revenues and expenses 10 On or before August 15 and on or before February 15 of each fiscal year, the Minister shall release updated information about Ontario's revenues and expenses for the current fiscal year, including updated information about the major components of the revenues and expenses.	✓		

Act Requirement	Met Requirement	Did Not Meet Requirement	If Not Met, Why?
Quarterly information about Ontario's economic accounts 11 Within 45 days after Statistics Canada publishes quarterly national income and expenditure accounts, the Minister shall release Ontario's economic accounts for the same quarter.	✓		
Long-range assessment of economic and fiscal environment 12 (1) Within two years after the most recent general election, as defined in **section 1** of the *Election Act*, the Minister shall release a long-range assessment of Ontario's economic and fiscal environment.	✓		
Contents of assessment (2) The long-range assessment must include the following information:			
1. A description of anticipated changes in the economy and in population demographics during the following 20 years.	✓		
2. A description of the potential impact of these changes on the public sector and on Ontario's fiscal policy during that period.	✓		
3. An analysis of key issues of fiscal policy that, in the Minister's opinion, are likely to affect the long-term sustainability of the economy and of the public sector.	✓		

Note: If the Minister of Finance (Minister) does not meet a deadline under this Act, the Minister shall release a statement on or before the deadline explaining why the deadline was not met and set a new deadline. In addition, the Minister shall pay into the Consolidated Revenue Fund a penalty equal to 10 per cent of the annual salary payable to the Minister under subsection 3(1) of the *Executive Council Act*, and the Premier shall pay into the Consolidated Revenue Fund a penalty equal to 10 per cent of the annual salary payable to the Premier, under subsection 3(1) and (2) of the *Executive Council Act*. The payments are required within 30 days of the deadline that was not met, and cannot be paid or reimbursed from the Consolidated Revenue Fund.

1. A balanced budget means, for a fiscal year, a budget in which the sum of expenses and a reserve does not exceed revenues.
2. This does not apply if a general election, as defined in the *Election Act*, has occurred in the fiscal year.

Exhibit 1: Accounts Audited by the Auditor General

1. Agencies, Government Organizations and Offices of the Legislature whose accounts are audited by the Auditor General

Agricorp
Alcohol and Gaming Commission of Ontario
Algonquin Forestry Authority
Centennial Centre of Science and Technology (Ontario Science Centre)
Chief Electoral Officer, Election Act
Deposit Insurance Reserve Fund, Financial Services Regulatory Authority of Ontario
Election Fees and Expenses, Election Finances Act
Financial Accountability Office of Ontario
Financial Services Regulatory Authority of Ontario
Grain Financial Protection Board, Funds for Producers of Grain Corn, Soybeans, Wheat and Canola
Legal Aid Ontario
Liquor Control Board of Ontario
Livestock Financial Protection Board, Fund for Livestock Producers
Motor Vehicle Accident Claims Fund
Northern Ontario Heritage Fund Corporation
Office of the Assembly
Office of the Information and Privacy Commissioner
Office of the Ombudsman
Ontario Cannabis Retail Corporation
Ontario Clean Water Agency (Dec 31)[1]
Ontario Educational Communications Authority (TVO)
Ontario Electricity Financial Corporation
Ontario Energy Board
Ontario Financing Authority
Ontario Food Terminal Board
Ontario Health
Ontario Heritage Trust
Ontario Immigrant Investor Corporation
Ontario Media Development Corporation (Ontario Creates)
Ontario Mortgage and Housing Corporation[2]
Ontario Northland Transportation Commission
Ontario Place Corporation (Dec 31)[1]
Ontario Securities Commission
Pension Benefits Guarantee Fund, Financial Services Regulatory Authority of Ontario
Province of Ontario Council for the Arts (Ontario Arts Council)
Provincial Judges Pension Plan
Public Guardian and Trustee for the Province of Ontario

2. Agencies and government organizations whose accounts are audited by another auditor under the direction of the Auditor General

Education Quality and Accountability Office
Higher Education Quality Council of Ontario
Metropolitan Toronto Convention Centre Corporation
Niagara Parks Commission
Ontario Tourism Marketing Partnership Corporation
Ottawa Convention Centre Corporation
St. Lawrence Parks Commission
Toronto Island Residential Community Trust Corporation
Walkerton Clean Water Centre
Workplace Safety and Insurance Board (Dec 31)[1]

1. Dates in parentheses indicate fiscal years ending on a date other than March 31.
2. Dissolved on March 31, 2021.

Exhibit 2: Accounts Audited by Other Auditors with Full Access by the Auditor General

Agencies and Crown-controlled corporations whose accounts are audited by an auditor other than the Auditor General, with full access by the Auditor General to audit reports, working papers and other related documents as required

Agricultural Research Institute of Ontario
Central East Local Health Integration Network[1]
Central Local Health Integration Network[1]
Central West Local Health Integration Network[1]
Champlain Local Health Integration Network[1]
Erie St. Clair Local Health Integration Network[1]
Fair Hydro Trust (Dec 31)[2]
Forest Renewal Trust
General Real Estate Portfolio
Hamilton Niagara Haldimand Brant Local Health Integration Network[1]
Human Rights Legal Support Centre
Hydro One Limited (Dec 31)[2]
Independent Electricity System Operator (Dec 31)[2]
Investment Management Corporation of Ontario (Dec 31)[2]
McMichael Canadian Art Collection
Metrolinx
Mississauga Halton Local Health Integration Network[1]
Municipal Property Assessment Corporation
North East Local Health Integration Network[1]
North Simcoe Muskoka Local Health Integration Network[1]
North West Local Health Integration Network[1]
Ontario Capital Growth Corporation
Ontario College of Trades
Ontario French-language Educational Communications Authority (TFO)
Ontario Infrastructure and Lands Corporation (Infrastructure Ontario)
Ontario Lottery and Gaming Corporation
Ontario Pension Board (Dec 31)[2]
Ontario Power Generation (Dec 31)[2]
Ontario Trillium Foundation
Ornge
Owen Sound Transportation Company Limited
Ontario Agency for Health Protection and Promotion (Public Health Ontario)
Royal Ontario Museum
Science North
South East Local Health Integration Network[1]
South West Local Health Integration Network[1]
Toronto Central Local Health Integration Network[1]
Toronto Waterfront Revitalization Corporation (Waterfront Toronto)
Trillium Gift of Life Network[3]
Waterloo Wellington Local Health Integration Network[1]

1. Effective April 1, 2021, the funding, planning and community functions of the Local Health Integration Network (LHINs) were transferred to Ontario Health and the LHINs were renamed as Home and Community Care Support Services.
2. Dates in parentheses indicate fiscal years ending on a date other than March 31.
3. Became part of Ontario Health as of April 1, 2021.

Exhibit 3: Organizations in the Broader Public Sector with Full Access by the Auditor General

Broader-public-sector organizations whose accounts are audited by an auditor other than the Auditor General, with full access by the Auditor General to audit reports, working papers and other related documents as required*

PUBLIC HOSPITALS (MINISTRY OF HEALTH)

Alexandra Hospital Ingersoll
Alexandra Marine & General Hospital
Almonte General Hospital
Anson General Hospital
Arnprior Regional Health
Atikokan General Hospital
Baycrest Centre for Geriatric Care
Bingham Memorial Hospital
Bluewater Health
Brant Community Healthcare System
Brockville General Hospital
Bruyère Continuing Care Inc.
Cambridge Memorial Hospital
Campbellford Memorial Hospital
Carleton Place and District Memorial Hospital
Casey House Hospice
Chatham-Kent Health Alliance
Children's Hospital of Eastern Ontario—Ottawa Children's Treatment Centre
Clinton Public Hospital
Collingwood General and Marine Hospital
Cornwall Community Hospital
Deep River and District Hospital Corporation
Dryden Regional Health Centre
Englehart and District Hospital Inc.
Erie Shores Healthcare
Espanola General Hospital
Four Counties Health Services
Georgian Bay General Hospital
Geraldton District Hospital
Grand River Hospital
Grey Bruce Health Services
Groves Memorial Community Hospital
Guelph General Hospital
Haldimand War Memorial Hospital
Haliburton Highlands Health Services Corporation
Halton Healthcare Services Corporation
Hamilton Health Sciences Corporation
Hanover and District Hospital
Headwaters Health Care Centre
Health Sciences North
Holland Bloorview Kids Rehabilitation Hospital
Hôpital Général de Hawkesbury and District General Hospital Inc.
Hôpital Glengarry Memorial Hospital
Hôpital Montfort
Hôpital Notre Dame Hospital (Hearst)
Hornepayne Community Hospital
Hospital for Sick Children
Hôtel-Dieu Grace Healthcare
Hôtel-Dieu Hospital, Cornwall
Humber River Regional Hospital
Joseph Brant Hospital
Kemptville District Hospital
Kingston Health Sciences Centre
Kirkland and District Hospital
Lady Dunn Health Centre
Lady Minto Hospital, Cochrane
Lake of the Woods District Hospital
Lakeridge Health
Lennox and Addington County General Hospital
Listowel Memorial Hospital
London Health Sciences Centre
Mackenzie Health

* This exhibit only includes the more financially significant organizations in the broader public sector.

Manitoulin Health Centre
Markham Stouffville Hospital
Mattawa General Hospital
Muskoka Algonquin Healthcare
Niagara Health System
Nipigon District Memorial Hospital
Norfolk General Hospital
North Bay Regional Health Centre
North Shore Health Network
North of Superior Healthcare Group
North Wellington Health Care Corporation
North York General Hospital
Northumberland Hills Hospital
Orillia Soldiers' Memorial Hospital
Ottawa Hospital
Pembroke Regional Hospital Inc.
Perth and Smiths Falls District Hospital
Peterborough Regional Health Centre
Providence Care Centre (Kingston)
Queensway-Carleton Hospital
Quinte Healthcare Corporation
Red Lake Margaret Cochenour Memorial Hospital Corporation
Religious Hospitallers of St. Joseph of the Hotel Dieu of St. Catharines
Renfrew Victoria Hospital
Riverside Health Care Facilities Inc.
Ross Memorial Hospital
Royal Victoria Regional Health Centre
Runnymede Healthcare Centre
Salvation Army Toronto Grace Health Centre
Santé Manitouwadge Health
Sault Area Hospital
Scarborough Health Network
Seaforth Community Hospital
Sensenbrenner Hospital
Services de santé de Chapleau Health Services
Sinai Health System
Sioux Lookout Meno Ya Win Health Centre
Smooth Rock Falls Hospital
South Bruce Grey Health Centre
South Huron Hospital Association
Southlake Regional Health Centre
St. Francis Memorial Hospital
St. Joseph's Care Group
St. Joseph's Continuing Care Centre of Sudbury
St. Joseph's General Hospital, Elliot Lake
St. Joseph's Health Care, London
St. Joseph's Health Centre Guelph
St. Joseph's Healthcare Hamilton
St. Mary's General Hospital
St. Marys Memorial Hospital
St. Thomas Elgin General Hospital
Stevenson Memorial Hospital
Stratford General Hospital
Strathroy Middlesex General Hospital
Sunnybrook Health Sciences Centre
Temiskaming Hospital
Thunder Bay Regional Health Sciences Centre
Tillsonburg District Memorial Hospital
Timmins and District Hospital
Toronto East Health Network
Trillium Health Partners
Unity Health Toronto
University Health Network
University of Ottawa Heart Institute
Weeneebayko Area Health Authority
West Haldimand General Hospital
West Nipissing General Hospital
West Park Healthcare Centre
West Parry Sound Health Centre
William Osler Health System
Winchester District Memorial Hospital
Windsor Regional Hospital
Wingham and District Hospital
Women's College Hospital
Woodstock General Hospital Trust

SPECIALTY PSYCHIATRIC HOSPITALS (MINISTRY OF HEALTH)

Centre for Addiction and Mental Health
Ontario Shores Centre for Mental Health Sciences
Royal Ottawa Health Care Group
Waypoint Centre for Mental Health Care

CHILDREN'S AID SOCIETIES (MINISTRY OF CHILDREN, COMMUNITY AND SOCIAL SERVICES)

Bruce Grey Child and Family Services
Catholic Children's Aid Society of Hamilton
Chatham-Kent Children's Services
Children and Family Services for York Region
Children's Aid Society of Algoma
Children's Aid Society of Brant
Children's Aid Society of Hamilton
Children's Aid Society of London and Middlesex
Children's Aid Society of the City of Sarnia and the County of Lambton
Children's Aid Society of Toronto
Dufferin Child and Family Services
Durham Children's Aid Society
Family and Children's Services of Frontenac, Lennox and Addington
Family and Children's Services of Lanark, Leeds and Grenville
Family and Children's Services of Renfrew County
Family and Children's Services of St. Thomas and Elgin
Family and Children's Services of the Waterloo Region
Halton Children's Aid Society
Highland Shores Children's Aid Society
Huron-Perth Children's Aid Society
Jewish Family and Child Service of Greater Toronto
Kawartha-Haliburton Children's Aid Society
Kenora-Rainy River Districts Child and Family Services
North Eastern Ontario Family and Children's Services
Peel Children's Aid Society
Simcoe Muskoka Child, Youth and Family Services
The Catholic Children's Aid Society of Toronto
The Children's Aid Society of the City of Guelph and County of Wellington
The Children's Aid Society of Haldimand and Norfolk
The Children's Aid Society of Ottawa
The Children's Aid Society of Oxford County
The Children's Aid Society of the District of Nipissing and Parry Sound
The Children's Aid Society of the District of Thunder Bay
The Children's Aid Society of the Districts of Sudbury and Manitoulin
The Children's Aid Society of the Niagara Region
The Children's Aid Society of the United Counties of Stormont, Dundas and Glengarry
Valoris pour enfants et adultes de Prescott-Russell/ Valoris for Children and Adults of Prescott-Russell
Windsor-Essex Children's Aid Society

SCHOOL BOARDS (MINISTRY OF EDUCATION)

Algoma District School Board
Algonquin and Lakeshore Catholic District School Board
Avon Maitland District School Board
Bloorview MacMillan School Authority
Bluewater District School Board
Brant Haldimand Norfolk Catholic District School Board
Bruce-Grey Catholic District School Board
Campbell Children's School Authority
Catholic District School Board of Eastern Ontario
Children's Hospital of Eastern Ontario School Authority
Conseil des écoles publiques de l'Est de l'Ontario
Conseil scolaire catholique MonAvenir
Conseil scolaire catholique Providence
Conseil scolaire de district catholique de l'Est ontarien
Conseil scolaire de district catholique des Aurores boréales
Conseil scolaire de district catholique des Grandes Rivières
Conseil scolaire de district catholique du Centre-Est de l'Ontario
Conseil scolaire de district catholique du Nouvel-Ontario
Conseil scolaire de district catholique Franco-Nord
Conseil scolaire de district du Nord-Est de l'Ontario
Conseil scolaire public du Grand Nord de l'Ontario

Conseil scolaire Viamonde
District School Board of Niagara
District School Board Ontario North East
Dufferin-Peel Catholic District School Board
Durham Catholic District School Board
Durham District School Board
Grand Erie District School Board
Greater Essex County District School Board
Halton Catholic District School Board
Halton District School Board
Hamilton-Wentworth Catholic District School Board
Hamilton-Wentworth District School Board
Hastings and Prince Edward District School Board
Huron-Perth Catholic District School Board
Huron-Superior Catholic District School Board
James Bay Lowlands Secondary School Board
John McGivney Children's Centre School Authority
Kawartha Pine Ridge District School Board
Keewatin-Patricia District School Board
Kenora Catholic District School Board
KidsAbility School Authority
Lakehead District School Board
Lambton Kent District School Board
Limestone District School Board
London District Catholic School Board
Moose Factory Island District School Area Board
Moosonee District School Area Board
Near North District School Board
Niagara Catholic District School Board
Niagara Peninsula Children's Centre School Authority
Nipissing-Parry Sound Catholic District School Board
Northeastern Catholic District School Board
Northwest Catholic District School Board
Ottawa Catholic District School Board
Ottawa-Carleton District School Board
Peel District School Board
Penetanguishene Protestant Separate School Board
Peterborough Victoria Northumberland and Clarington Catholic District School Board
Rainbow District School Board
Rainy River District School Board
Renfrew County Catholic District School Board
Renfrew County District School Board
Simcoe County District School Board
Simcoe Muskoka Catholic District School Board
St. Clair Catholic District School Board
Sudbury Catholic District School Board
Superior North Catholic District School Board
Superior-Greenstone District School Board
Thames Valley District School Board
Thunder Bay Catholic District School Board
Toronto Catholic District School Board
Toronto District School Board
Trillium Lakelands District School Board
Upper Canada District School Board
Upper Grand District School Board
Waterloo Catholic District School Board
Waterloo Region District School Board
Wellington Catholic District School Board
Windsor-Essex Catholic District School Board
York Catholic District School Board
York Region District School Board

COLLEGES (MINISTRY OF COLLEGES AND UNIVERSITIES)

Algonquin College of Applied Arts and Technology
Cambrian College of Applied Arts and Technology
Canadore College of Applied Arts and Technology
Centennial College of Applied Arts and Technology
Collège Boréal d'arts appliqués et de technologie
Collège d'arts appliqués et de technologie La Cité collégiale
Conestoga College Institute of Technology and Advanced Learning
Confederation College of Applied Arts and Technology
Durham College of Applied Arts and Technology
Fanshawe College of Applied Arts and Technology
George Brown College of Applied Arts and Technology
Georgian College of Applied Arts and Technology
Humber College Institute of Technology and Advanced Learning

Lambton College of Applied Arts and Technology
Loyalist College of Applied Arts and Technology
Mohawk College of Applied Arts and Technology
Niagara College of Applied Arts and Technology
Northern College of Applied Arts and Technology
Sault College of Applied Arts and Technology
Seneca College of Applied Arts and Technology
Sheridan College Institute of Technology and Advanced Learning
Sir Sandford Fleming College of Applied Arts and Technology
St. Clair College of Applied Arts and Technology
St. Lawrence College of Applied Arts and Technology

Exhibit 4: Treasury Board Orders

Under subsection 12(2)(e) of the *Auditor General Act*, the Auditor General is required to annually report all orders of the Treasury Board made to authorize payments in excess of appropriations, stating the date of each order, the amount authorized and the amount expended. These are outlined in the following table.

Although ministries may track expenditures related to these orders in more detail by creating accounts at the sub-vote and item level, this schedule summarizes such expenditures at the vote and item level.

Ministry	Date of Order	Authorized ($)	Expended ($)
Agriculture, Food and Rural Affairs	Jun 4, 2020	25,500,000	19,582,109
	Jul 9, 2020	50,000,000	44,217,343
	Oct 27, 2020	1,025,000	–
	Nov 5, 2020	7,500,000	–
	Jan 19, 2021	207,000	48,875
	Mar 24, 2021	6,800,000	–
		91,032,000	**63,848,327**
Attorney General	Jul 9, 2020	6,155,300	–
	Oct 6, 2020	3,344,300	3,344,300
	Dec 15, 2020	32,385,100	32,339,252
	Dec 15, 2020	6,480,300	–
	Jan 12, 2021	250,000	250,000
	Jan 12, 2021	1,530,100	–
	Feb 16, 2021	122,659,800	102,987,128
		172,804,900	**138,920,680**
Cabinet Office	Aug 8, 2020	2,000,000	2,000,000
	Dec 15, 2020	1,527,600	542,928
		3,527,600	**2,542,928**
Children, Community and Social Services	Jun 4, 2020	37,000,000	10,000,000
	Jun 11, 2020	28,200,000	10,466,000
	Aug 24, 2020	509,500	–
	Sep 1, 2020	6,770,000	–
	Nov 5, 2020	22,330,000	3,189,722
	Dec 15, 2020	10,589,100	4,414,100
	Feb 9, 2021	61,300,000	34,431,044
	Feb 9, 2021	225,100	–
	Mar 23, 2021	153,490,100	45,730,763
	Mar 23, 2021	6,521,500	1,998,096
		326,935,300	**110,229,725**

Ministry	Date of Order	Authorized ($)	Expended ($)
Colleges and Universities	Jul 9, 2020	2,041,000	–
	Oct 6, 2020	19,000,000	–
	Dec 15, 2020	7,000,000	–
	Feb 2, 2021	201,100	–
	Mar 2, 2021	2,885,200	–
	Mar 23, 2021	1,200,000	–
		32,327,300	**–**
Economic Development, Job Creation and Trade	Jun 4, 2020	7,650,000	7,650,000
	Jun 11, 2020	50,000,000	50,000,000
	Aug 19, 2020	23,330,000	23,330,000
	Nov 3, 2020	10,000,000	10,000,000
	Nov 5, 2020	1,250,000	1,250,000
	Nov 5, 2020	65,000,000	65,000,000
	Jan 19, 2021	1,400,000,000	1,400,000,000
	Feb 9, 2021	18,365,900	18,365,900
	Mar 12, 2021	300,000,000	300,000,000
	Mar 23, 2021	1,700,000,000	1,233,645,464
	Mar 24, 2021	6,000,000	–
		3,581,595,900	**3,109,241,364**
Education	Aug 24, 2020	4,750,000	4,750,000
	Sep 29, 2020	48,200	48,200
	Nov 5, 2020	761,000,000	761,000,000
	Nov 17, 2020	234,606,000	103,506,001
	Dec 15, 2020	6,808,300	6,808,300
	Mar 9, 2021	5,755,800	5,666,987
	Mar 23, 2021	79,702,600	74,845,771
	Mar 24, 2021	20,000,000	–
	Mar 24, 2021	980,000,000	739,242,417
		2,092,670,900	**1,695,867,676**
Energy, Northern Development and Mines	May 21, 2020	607,000,000	607,000,000
	Jun 4, 2020	18,000,000	18,000,000
	Nov 5, 2020	71,000,000	–
	Nov 17, 2020	120,000,000	120,000,000
	Nov 20, 2020	120,000,000	120,000,000
	Dec 8, 2020	11,134,000	–
	Jan 19, 2021	195,000	–
	Feb 2, 2021	143,000,000	40,146,849
	Mar 9, 2021	10,000,000	–
	Mar 23, 2021	55,316,100	39,642,756
		1,155,645,100	**944,789,605**

Ministry	Date of Order	Authorized ($)	Expended ($)
Environment, Conservation and Parks	Jun 4, 2020	4,500,000	4,500,000
	Sep 1, 2020	230,000	–
	Nov 5, 2020	10,350,000	4,863,905
	Jan 19, 2021	2,211,900	279,939
	Feb 9, 2021	278,500	278,500
	Feb 16, 2021	4,000,000	3,999,468
	Feb 23, 2021	14,398,100	2,948,633
		35,968,500	**16,870,445**
Finance	Jun 4, 2020	75,000,000	75,000,000
	Nov 5, 2020	300,000,000	33,060,121
	Nov 20, 2020	180,000,000	–
	Mar 23, 2021	31,485,100	17,624,038
	Jul 27, 2021	183,000,000	182,992,710
		769,485,100	**308,676,869**
Francophone Affairs	Nov 5, 2020	**1,000,000**	**264,127**
Government and Consumer Services	Jun 4, 2020	5,000,000	5,000,000
	Aug 24, 2020	1,484,100	1,484,100
	Sep 29, 2020	40,780,200	36,009,800
	Sep 29, 2020	10,026,100	9,592,070
	Nov 3, 2020	7,052,500	7,052,500
	Jan 19, 2021	100,000	100,000
	Jan 26, 2021	278,600	278,600
	Jan 26, 2021	1,889,200	1,889,200
	Jan 26, 2021	1,495,000	1,495,000
	Feb 9, 2021	386,704,900	367,104,218
	Feb 23, 2021	34,831,200	9,966,009
	Mar 9, 2021	460,000	–
	Mar 23, 2021	137,300	–
	Mar 24, 2021	20,400,000	–
		510,639,100	**439,971,497**

Ministry	Date of Order	Authorized ($)	Expended ($)
Health	Jun 4, 2020	64,130,000	59,130,000
	Jun 11, 2020	1,208,570,000	1,037,475,150
	Sep 15, 2020	196,534,600	196,534,600
	Oct 6, 2020	100,000,000	100,000,000
	Oct 6, 2020	15,170,000	15,170,000
	Nov 5, 2020	571,900,000	571,900,000
	Nov 17, 2020	2,278,307,400	1,765,363,300
	Nov 17, 2020	53,800,000	53,800,000
	Dec 15, 2020	206,000,000	206,000,000
	Dec 17, 2020	253,175,600	253,175,600
	Feb 9, 2021	80,500	80,500
	Mar 2, 2021	981,116,300	633,496,142
	Mar 9, 2021	55,989,300	–
	Mar 23, 2021	322,222,000	218,940,461
	Mar 30, 2021	519,636,800	185,629,411
	Apr 13, 2021	29,000,000	28,149,520
	Apr 13, 2021	10,000,000	10,000,000
		6,865,632,500	**5,334,844,684**
Heritage, Sport, Tourism and Culture Industries	Aug 24, 2020	4,850,000	4,850,000
	Oct 6, 2020	55,800,000	51,700,000
	Oct 27, 2020	3,474,000	3,474,000
	Nov 5, 2020	50,000,000	50,000,000
	Nov 5, 2020	30,000,000	9,192,337
	Jan 12, 2021	4,392,500	4,392,500
	Feb 9, 2021	60,945,100	–
	Feb 16, 2021	400,000	400,000
	Mar 9, 2021	4,557,500	1,133,476
	Mar 16, 2021	15,540,000	5,802,149
	Mar 23, 2021	5,500,000	–
	Mar 30, 2021	784,000	–
		236,243,100	**130,944,462**
Indigenous Affairs	Jun 4, 2020	14,000,000	14,000,000
	Dec 1, 2020	14,000,000	14,000,000
	Dec 15, 2020	4,425,000	4,425,000
	Feb 23, 2021	137,256,000	136,931,767
	Mar 23, 2021	6,000,000	159,900
		175,681,000	**169,516,667**

Ministry	Date of Order	Authorized ($)	Expended ($)
Infrastructure	Jun 25, 2020	1,025,000	–
	Oct 27, 2020	114,000,000	–
	Mar 23, 2021	2,425,000	–
		117,450,000	**–**
Labour, Training and Skills Development	Jun 25, 2020	746,600	643,044
	Sep 22, 2020	619,000	351,188
	Oct 20, 2020	6,595,400	586,980
	Jan 19, 2021	1,208,000	5,000
	Feb 9, 2021	15,391,900	15,391,900
	Feb 23, 2021	6,761,900	4,182,361
	Mar 23, 2021	181,000,000	131,018,358
	Mar 24, 2021	65,000,000	–
		277,322,800	**152,178,831**
Long-Term Care	Jun 11, 2020	218,000,000	218,000,000
	Nov 3, 2020	6,158,300	6,158,300
	Nov 3, 2020	177,200,000	177,200,000
	Nov 5, 2020	10,000,000	10,000,000
	Nov 17, 2020	532,312,800	532,312,800
	Dec 18, 2020	398,000,000	344,975,210
	Dec 18, 2020	16,503,700	10,355,938
	Mar 23, 2021	135,960,000	–
		1,494,134,800	**1,299,002,248**
Municipal Affairs and Housing	Jun 4, 2020	148,000,000	148,000,000
	Sep 15, 2020	529,200,000	529,200,000
	Sep 22, 2020	85,171,000	85,171,000
	Nov 5, 2020	3,600,000	3,600,000
	Dec 15, 2020	95,750,500	49,834,363
	Dec 15, 2020	1,823,800	1,823,800
	Jan 12, 2021	42,000,000	42,000,000
	Feb 23, 2021	755,000,000	615,634,564
	Mar 23, 2021	4,721,000	2,651,511
	Mar 23, 2021	5,050,000	4,083,306
		1,670,316,300	**1,481,998,544**

Ministry	Date of Order	Authorized ($)	Expended ($)
Natural Resources and Forestry	Nov 5, 2020	5,251,000	–
	Jan 19, 2021	410,000	200,000
	Feb 16, 2021	20,522,000	18,160,760
	Mar 9, 2021	14,749,300	9,642,710
	Mar 9, 2021	112,600	–
		41,044,900	**28,003,470**
Seniors and Accessibility	Jun 4, 2020	10,000,000	10,000,000
	Jun 25, 2020	18,400,000	18,400,000
	Nov 5, 2020	1,000,000	1,000,000
	Nov 17, 2020	10,900,000	10,900,000
	Feb 2, 2021	30,000,000	11,834,964
	Feb 9, 2021	10,000,000	–
	Feb 23, 2021	5,000,000	–
	Mar 9, 2021	3,580,000	1,397,988
	Mar 23, 2021	61,800	–
		88,941,800	**53,532,952**
Solicitor General	Nov 5, 2020	1,250,000	957,673
	Dec 15, 2020	7,935,000	7,187,400
	Dec 15, 2020	22,600,000	22,600,000
	Jan 19, 2021	787,000	–
	Jan 26, 2021	500,000	500,000
	Mar 30, 2021	144,841,900	117,567,083
		177,913,900	**148,812,156**
Transportation	May 21, 2020	525,000	–
	Jun 4, 2020	40,000,000	15,000,000
	Jul 21, 2020	2,457,000	–
	Sep 15, 2020	34,300,000	29,987,403
	Sep 15, 2020	457,300,000	457,300,000
	Oct 27, 2020	614,000,000	531,433,523
	Nov 3, 2020	3,043,000	–
	Feb 23, 2021	150,000,000	–
	Feb 23, 2021	45,000,000	676,907
	Mar 30, 2021	7,430,000	–
		1,354,055,000	**1,034,397,833**

Ministry	Date of Order	Authorized ($)	Expended ($)
Treasury Board Secretariat	Jul 9, 2020	11,000,000	–
	Sep 22, 2020	36,851,700	–
	Nov 5, 2020	60,100,000	3,689,746
	Dec 1, 2020	19,830,000	–
	Dec 15, 2020	215,765,300	–
	Jan 26, 2021	720,000	–
	Feb 9, 2021	1,010,580,600	–
	Feb 9, 2021	110,790,600	–
	Feb 23, 2021	6,328,700	–
	Mar 30, 2021	338,005,900	–
		1,809,972,800	**3,689,746**
Total Treasury Board Orders		**23,082,340,600**	**16,668,144,836**

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