

GUIDE TO COMPLETING THE 2015-16 ESTIMATES FORMS

Section 68 School Authorities (Hospital Boards)

The Estimates forms are provided in Excel. Boards are required to email an electronic version of the 2015-16 Estimates and variance report along with a PDF copy of the Certificate signed by the Chief Executive Officer by **July 31, 2015** to Estimates.met@ontario.ca.

Where the Estimates are filed after this date, cash flow penalties may be implemented and the school authorities' regular cash flow will be reduced by 50% for the payment(s) in the month(s) following the extended date. Upon submission of the Estimates, the Ministry will revert back to the normal monthly payment process and will include in the monthly payment the total amount withheld up to that point.

Consistent with prior years, each Section 68 Authority is required to complete a Variance Report which compares the currently requested budget amounts to the 2014-15 approved budget amounts. A pre-loaded template will be provided to each authority. The purpose of the Variance Report is to simplify the process for budget approval.

If you have any questions related to the completion of the Estimates package please contact Brenda Shaw at Brenda.Shaw@ontario.ca or (519) 667-2040.

Order of Data Entry:

The Estimates package allows hospital boards to enter data in un-shaded cells. When using the Excel workbook, the following order of data entry is recommended:

Cover Page	Board number (select from drop down menu)
Schedule 9	Revenues
Schedule 10	Expenses
Schedule 10ADJ	Adjustments for Compliance Purposes
Schedule 5	Detail of Accumulated Surplus/(Deficit)
Schedule 5.1	Deferred Revenues
Enrolment	Projected Enrolment for 2015-16
Appendix H	2015-16 Staffing
Schedule 3C	Tangible Capital Assets
Certificate of Secretary of the Board	

VARIANCE REPORT

A Variance Report schedule will be provided for the 2015-16 Estimates. This will be emailed to each authority directly, and will be pre-loaded with the authority's prior year approved budget amounts from Schedule 10ADJ and the Staffing Report (Appendix H). Authorities are requested to copy in the 2015-16 Estimates values from Schedule 10ADJ and Appendix H, and provide explanations for all variances in excess of 3%. For staffing on Appendix H, please provide explanations for ALL variances.

To meet the reporting requirements under PSAB for local governments, the following schedules have been included in the estimates:

- Consolidated Statement of Operations
- Tangible Capital Asset Continuity Schedule

- Detail of Accumulated Surplus/(Deficit)
- Deferred Revenues Continuity Schedule
- Schedule of Expenditures Adjusted for Compliance Purposes

Again in 2015-16, Section 68 School Authorities are required to implement Tangible Capital Assets under PSAB. Please refer to the School Board and School Authority Tangible Capital Assets Implementation Guide at http://faab.edu.gov.on.ca/Capital%20Asset%20Valuation/TCA%20GUIDE%20-%20APR%202011%20Release%20No%206%20_ENG_.pdf for details on capitalization thresholds.

INSTRUCTIONS FOR THE COMPLETION OF THE ESTIMATES FORMS:

The 2015-16 Estimates package consist of the following worksheets:

Schedule 1.1 – Consolidated Statement of Operations

This statement shows the revenues, expenses, and calculates the annual and accumulated surplus/deficit. Item 2.4 (Pupil Accommodation) now includes the amounts that were formerly reported in School Operations & Maintenance plus Pupil Accommodation.

Schedule 3C- Tangible Capital Assets Continuity Schedule (TCA)

If you are reporting any capital assets on Schedule 3C, please contact the Ministry for guidance on further reporting requirements regarding Deferred Capital Contributions (DCC).

Amounts that are capitalized per the TCA Guide and are accounted for under Public Sector Accounting Standard PS 3150 should be recorded on Schedule 3C. The purpose of entering the tangible capital asset (TCA) data into this schedule is to calculate the amortization of TCA for the 2015-16 budget. To estimate the 2015-16 amortization, it is necessary to enter the 2015-16 anticipated activity.

Schedule 3C consists of three sections: Cost, Accumulated Amortization and Net Book Values and Disposals. Beginning in the Cost Section, enter the opening balance of any tangible capital assets as at September 1, 2015 by the categories provided. Enter the estimated additions and betterments and disposals/deemed disposals.

In the Accumulated Amortization section, enter the opening balance of any accumulated amortization as at September 1, 2015 by the categories provided. Enter the amortization expense, write-downs and deemed disposals.

In the NBV section, enter any proceeds of disposition (POD) as well as any gain or loss on disposal.

Schedule 5 – Detail of Accumulated Surplus/(Deficit)

The balance of this schedule is used to report, on the statement of financial position, the accumulated surplus or deficit. It is used to conform to Public Sector Accounting Board (PSAB) section PS 1200, paragraph 37. This amount is defined as the residual interest in the boards' assets after deducting liabilities. Another way to express this is that the accumulated surplus (or deficit) is the sum of all prior annual surpluses (or deficits).

Schedule 5.1 – Deferred Revenues – Statement of Continuity

Many of the current accountability and compliance mechanisms of the grant regulations and other

regulations require boards to set aside unspent grant allocations until they are spent on their intended purpose. Additionally, sometimes third parties impose a restriction on how amounts can be spent. Under PSAB, these externally restricted amounts are reported as deferred revenue (a liability) until the restriction is fulfilled.

This schedule provides the information required to report on deferred revenue set up by regulation or legislation, as well as third party amounts. It reports the continuity information relating to the balance sheet account called Deferred Revenue.

Schedule 9 –Revenues

This schedule is designed to collect revenue information on a PSAB basis. There are no significant changes from the prior year.

Schedule 10 – Expenses

This schedule is designed to collect expense information on a PSAB basis by expense category and object. As per public Sector Accounting Board (PSAB) section PSG-4, paragraph 7, the creation of, addition to or deduction from funds and reserves does not create a revenue or expense. As such, as of September 1, 2010, movement in and out of funds no longer impacted the revenue or expenses of the board. Since funds will no longer be presented under PSAB, all of the expenses that were previously recorded in the funds (operating, capital, reserve and school activities funds) are now recorded on Schedule 10.

Since TCA has capitalized per PSAB (PS-3150) starting September 1, 2009, capital expenditures that meet the capitalization threshold per the TCA Guide are no longer expensed; they are recorded on the tangible capital asset continuity schedule (Schedule 3C). Only the amortization related to TCA is recorded on Schedule 10. Amortization is split into five categories:

- (i) Instruction (item 72, column 12)
- (ii) Administration (item 73, column 12)
- (iii) Transportation (item 74, column 12)
- (iv) Pupil Accommodation (item 75, column 12)
- (v) Other (item 76, column 12)

Capital expenditures that do not meet the capitalization threshold as per the TCA Guide will continue to be recorded in column 5 (Supplies and Services). Any expenditures related to the replacement furniture and equipment that do not meet the capitalization threshold (previously recorded in column 6) will be recorded in column 5.

- Actuarially determined amounts for retirement benefits, post-employment benefits, compensated absences and termination benefits are recorded in expenses as required by Sections 3250 and 3255 of the PSAB Handbook. To the extent that this amount differs from the amount paid, the offsetting difference is included in the Increase/(Decrease) in Unfunded Liabilities - Employee Benefits column on Schedule 10ADJ (Adjustments for Compliance Purposes) in Column 16. If the PSAB expense is greater than the amount paid in cash, the unfunded liability has increased, which is recorded as a positive number on Schedule 10ADJ.
- Interest expenses include the accrual amount to year-end, not just the cash payment during the year. This is the amount that should be recorded on Schedule 10. To the extent that this amount differs from the amount paid in cash, the offsetting difference is included in the Increase/(Decrease) in Unfunded Liabilities - Interest Accrued column on Schedule 10ADJ (Adjustments for Compliance Purposes) in Column 14. If the PSAB expense is greater than the amount paid in cash, the unfunded liability has increased, which is recorded as a positive

- number on Schedule 10ADJ.
- Vacation accruals are included in expenses under PSAB. This expense is the amount that should be recorded on Schedule 10. To the extent that this amount differs from the amount paid in cash (i.e. vacation used during the year), the offsetting difference is included in the Increase/(Decrease) in Unfunded Liabilities - Vacation Accrued column on Schedule 10ADJ (Adjustments for Compliance Purposes) in Column 15. If the PSAB expense is greater than the amount paid in cash, the unfunded liability has increased, which is recorded as a positive number on Schedule 10ADJ.
- Prepaid Expenses and Inventories of Supplies are to be set-up as non-financial assets in the period in which they are acquired. These assets will be drawn down and *recognized in expense in the period in which they are used* (not when acquired as was done prior to September 1, 2010).
- Expenses to be reported on this schedule are gross expenses except for HST rebates. Salary recoveries are not netted and any recoveries are to be reported on Schedule 9 in the Other Revenue section.
- Amounts going into deferred revenues are *not* expenses.
- Expenses include capital purchases that do not meet the capitalization threshold in the TCA Guide.

Please report the Trustees' Association Fee as an expense in Schedule 10. Under the School Boards Collective Bargaining Act (SBCBA) boards are provided with the funding necessary to support the labour relations activities of their respective trustees' associations. The Section 68 School Authorities have been provided with the funding of \$1,000 each to be submitted to their Trustee Association by October 15, 2015.

***Code point 5810 should be used to report NTIP expenses.
Special Education Equipment Approvals should be reported at code point 5510.***

Schedule 10ADJ – Adjustments for Compliance Purposes

This schedule is designed to show the adjustments required to arrive at expense Adjustments for Compliance Purposes. This is the amount that must be included as expenses in the financial statements of the board under Section 231 of the Education Act.

Unfunded Liabilities – Accrued Interest:

Interest expenses include the accrual amount to year-end, not just the cash payment during the year. This is the amount that should be recorded on Schedule 10. To the extent that this amount differs from the amount paid, the offsetting difference is included in the Increase/(Decrease) in Unfunded Liabilities - Interest Accrued column on Schedule 10ADJ (Adjustments for Compliance Purposes) in Column 14. If the PSAB expense in respect of long term capital debt supported by the ministry is greater than the amount paid in cash, the unfunded liability has increased, which is recorded as a positive number on Schedule 10ADJ.

Unfunded Liabilities – Accrued Vacation:

Vacation accruals are included in expenses under PSAB. This expense is the amount that should be recorded on Schedule 10. To the extent that this amount differs from the amount paid, the offsetting difference is included in the Increase/(Decrease) in Unfunded Liabilities - Vacation Accrued column on Schedule 10ADJ (Adjustments for Compliance Purposes) in Column 15. If the PSAB expense is greater than the amount paid in cash, the unfunded liability has increased, which is recorded as a positive number on Schedule 10ADJ.

Unfunded Liabilities – Employee Benefits:

Actuarially determined amounts for retirement benefits, post-employment benefits, compensated absences and termination benefits are recorded in expenses as required by Sections 3250 and 3255 of the PSAB Handbook. To the extent that this amount differs from the amount paid in cash, the offsetting difference is included in the Increase/(Decrease) in Unfunded Liabilities – Employee Benefits column on Schedule 10ADJ (Adjustments for Compliance Purposes) in Column 16. If the PSAB expense is greater than the amount paid in cash, the unfunded liability has increased, which is recorded as a positive number on Schedule 10ADJ.

Enter in the amount by which expenses were increased (i.e. unfunded liability increased) or decreased (i.e. unfunded liability decreased), due to the application of Section 3250 and 3255 of the PSA Handbook, over the amount required to be included for compliance purposes (the cash payout during the year).

Column 21 and Column 22 are for Ministry use only and require no data entry.

Projected Enrolment for 2015-16

This page is used to capture projected average enrolment for 2015-16. The full time equivalent enrolment of pupils is to be reported for each month end within the school year and is calculated as instructed on the enrolment schedule. This information drives analysis performed by ministry staff. Take extra care in completing this schedule.

Calculation of Legislative Grants

There is no data entry required on this page. The calculation is driven entirely from the data entered on Schedules 9, 10 and 10ADJ.

Tuition Calculation

There is no data entry required on this page. The calculation is driven entirely from the data entered on Schedule 9, 10 and 10ADJ.

Staffing Data

Please fill out the form using the staffing full time equivalent numbers projected to October 2015. This information drives analysis performed by ministry staff. Please ensure that it is properly completed. (NOTE: Preparation time is no longer shown separately, it gets included with the staffing category that it relates to).

Ministry Adjustment

This page is intended for Ministry use only during the 2015-16 review process. No data entry is required.