

Ministry of Education
Transfer Payments and
Financial Reporting Branch

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Direction des paiements de transfert
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2005: SB21

MEMORANDUM TO: Superintendents of Business

FROM: Wayne Burtnyk
Director
Transfer Payments and Financial Reporting

DATE: September 9, 2005

SUBJECT: **2004-05 Financial Statements Forms (DSB's)**

2004-05 Financial Statements Forms

I am pleased to inform you that the 2004-05 Financial Statements, related guides and instructions are now available through the Financial Statements link on the Financial Reporting website at <http://tpfr.edu.gov.on.ca>. District School Boards are required to submit their 2004-05 Financial Statements through EFIS at efis.edu.gov.on.ca/login.asp.

The following files have been posted on the Financial Reporting website relating to the release of the financial statements.

To Complete the Financial Statements on EFIS:

- Checklist
- Training Guide and User's Guide
- Detailed Instructions
- Naming Convention

Importing Cell Values:

- Cell Name Reference
- Cell Names which can be loaded

Information Sessions

Dates and locations of the upcoming full day information sessions as well as the topics that will be covered have been sent to auditors and school boards. These sessions will focus on the reporting requirements for the Reporting Entity Project and some of the reporting changes relating to the 2004-05 financial statements, including a PSAB update.

As indicated in last year's release of the financial statements, the ministry will not issue a separate set of instructions for auditors. Note disclosures and audit assurances will conform with the requirements of the CICA handbooks. However, as we move towards full implementation of PSAB in the 2004-05 financial statements, there have been discussions through the ICAO technical group on the need to have sample audit reports to cover various situations relating to the consolidation of school funds. Draft sample audit reports will be shared at the information sessions for discussion and comment. A final version of sample audit reports will be made available in October.

Provincial Consolidation – Reporting Requirements

To meet the requirements for consolidation of school boards into the 2005-06 public accounts and to address the different fiscal year end between school boards and the province, a new schedule (Schedule 20) has been added to the financial statements package for school boards to report their revenues and expenses for the five-month period (April to August 2005). This is a one-time reporting. A separate set of instructions as well as an excel-based working paper template for boards to use to calculate their adjusted 5-month financial results and record the specified adjustments are provided on the Financial Reporting website. The instructions include guidelines for the specified adjustments as well as reporting information in the working paper template.

A "Specified Audit Procedures Report" from school board external auditors on the 5-month report will be required to address the assurance level required for consolidating school board financial data into the 2005-06 public accounts. We expect to release the final version of the Specified Audit Procedures Report after all input has been received through the information sessions.

The ministry is currently developing the March 2006 report. This is an ongoing requirement for reporting the 7-month financial results from September to March and is required to resolve the different fiscal year end. A Specified Audit Procedures Report will also be required on the March 2006 report.

Reporting of Capital Activities for Capital Asset Reporting purposes

Boards will be required to report their capital assets activities (Land and Building only) for the 5 months as part of the requirement under the reporting entity project. The reporting instructions are currently under review through the Reporting Entity Capital asset subgroup. Once this is completed, a new schedule for reporting this information will be incorporated in the EFIS forms and a new document set will be released. We are expecting this new schedule to be available shortly after the information sessions.

Submission of Financial Reports

Two copies of schedules 1, 1.1, 1.2 and section 1 summary printed out from the active EFIS submission of the 2004-05 Financial Statements as well as two copies of the audited financial statements including the auditors report and the notes should be sent by November 30, 2005 to:

Ms. Diane Strumila
Project Manager, Grant Services
Transfer Payment and Financial Reporting Branch
21st Floor, Mowat Block, 900 Bay Street
Toronto, Ontario
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An electronic copy of the published financial statements, notes to the financial statements, and auditor's report should also be sent to your Ministry Finance Officers. The file naming convention as indicated in the file 'Naming convention' posted on the Financial Reporting Website should be used for submissions to the ministry under EFIS and for Appendix C submissions. Appendix C and related instructions will be sent to boards by e-mail.

Schedule 20 on EFIS with respect to the five-month activities is to be completed as part of the overall submission of the financial statements and is due by November 30. However, the Specified Audit Procedures Report on the five-month activities can be filed with the ministry by December 31, 2005.

Late Submissions

Due to the importance that financial information be received for consolidation testing purposes, the due date of November 30 is critical in this first implementation year and therefore, no extension for submission of financial statements will be provided. Cash flow penalties will be implemented and the board's regular cash flow will be reduced by 50% for the payment(s) immediately following the due date. Upon submission of the financial statements, 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.

Contacts

Questions relating to reporting of capital activities for capital asset reporting should be directed to Doreen Lamarche at (613) 225-9210 ext 113 or at doreen.lamarche@edu.gov.on.ca.

Questions relating to the five-months reporting (schedule 20) should be directed to Anthony Yeung at (416) 325-8527 or at anthony.yeung@edu.gov.on.ca.

For other questions on the financial statements package, please contact your Ministry Finance Officer.

For user/navigation assistance on EFIS, contact:

Charles Brousseau (416) 325-8585 or charles.brousseau@edu.gov.on.ca

Stephen Shek (416) 325-8396 or stephen.shek@edu.gov.on.ca

For log in assistance, contact:

Mark Bonham (416) 325-8571 or mark.bonham@edu.gov.on.ca



Wayne Burtnyk
Director
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cc: Directors of Education