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2006: B4

MEMORANDUM TO: Directors of Education
Secretary/Treasurers of School Authorities

FROM: Nancy Naylor
Assistant Deputy Minister
Business and Finance Division

DATE: March 27, 2006

SUBJECT: 2006 Budget – School Board Consolidation

The 2006 Ontario Budget that was tabled last Thursday announced, one year earlier than planned, the government's new Broader Public Sector Consolidation plan. The information the government presented included consolidated school board financial amounts.

The initial plan was to consolidate school boards financial information in the 2005/06 public accounts and starting in 2007/08 to prepare budgets on a consolidated basis. The decision to proceed with the budget on a consolidated basis one year earlier is necessary for better comparability of information from budget to actual and to prior year.

You will note that a one-line consolidation approach has been reflected in the Ontario budget i.e. the projected net expenditure of school boards have been included. An example of the calculation of net expenditures has been presented to school boards in the recent information sessions that were held in March across the province. As a further follow up, we will explain the change presented in the budget in the upcoming COSBO and OASBO Finance meetings.

As you know, consolidation was a key recommendation of Ontario's Auditor General and complies with the Canadian Institute of Chartered Accountants (CICA) accounting standards. The Reporting Entity workgroup has been working with school boards in addressing key issues and in implementing the project which continues to make excellent progress and meet key milestones. I would like to thank school boards for their co-operation and hard work in meeting the requirements of the ministry.

If you require further information relating to the above, please contact Marie Li at (416) 326-0201 or Marion Jarrell at (519) 865-0044.

A handwritten signature in black ink that reads "Nancy Naylor". The signature is written in a cursive, flowing style.

Nancy Naylor
Assistant Deputy Minister
Business and Finance Division