

Ministry of Education

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Ministère de l'Éducation

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2015: EYCC11

MEMORANDUM TO: Children's Services Managers, CMSMs/DSSABs
Children's Services Finance Leads, CMSMs/DSSABs

FROM: Marie Li
Director, Financial Analysis & Accountability Branch
Financial Policy and Business Division

DATE: **April 21, 2015**

SUBJECT: **2014 Child Care Financial Statements**

Please find attached, information on completing your 2014 Financial Statement submission. The deadline for completing your Financial Statement submission is **May 29, 2015**.

Included in this memorandum is information on:

- How to access and submit your Financial Statement forms
- Materials to forward to the Ministry
- Late filing policy
- Cash flow reports
- Funding adjustments
- Family Support Programs

Accessing and submitting Financial Statement forms or submission

The Financial Statement forms can be accessed from the [FAAB website](#). Under the Child Care heading located in the bottom right portion of the home page, select the

Financial Statement link. Under the CMSM/DSSAB heading, click 2014 then click on EFIS. CMSMs and DSSABs are required to promote their submission to “Active” status by **May 29, 2015**.

Materials to forward to the Ministry

CMSMs and DSSABs are required to forward one signed or scanned copy of the following:

- Signed Title Page (cover page) and
- Signed Schedule 3.1 (all pages).

In addition to the above documents, CMSMs and DSSABs are required to submit the following information, as outlined on page 15 of the *Ontario Child Care Service Management and Funding Guideline - August 2014*, as soon as it becomes available:

- **Audited Financial Statements**, including auditors’ report and the notes to the financial statements.
- **Post audit management letter** issued by external auditors. If such a letter is not available, confirmation in writing of the rationale is required.
- **Special purpose audit report*** (review or audit engagement report) that includes the breakdown of expenditures and other restrictions prepared in accordance with the Ministry’s modified accrual basis of accounting, unless this information is already included as a separate part of the financial statement.

* To assist CMSMs and DSSABs in completing the required review engagement report for the child care program, attached is an excel template. This excel document is **not** mandatory but is being shared to assist CMSMs and DSSABs meet the requirement.

DSSABs are required to also submit the following:

- Approved 2014 DSSAB budget; and
- 2014 Levy Apportionment details.

Please send the above required documentation to:

Manager
Child Care Finance Unit
Financial Analysis & Accountability Branch
20th Floor, Mowat Block, 900 Bay Street
Toronto, Ontario
M7A 1L2
OR
childcarefunding@ontario.ca

Late filing policy

In the event that Financial Statements are filed after the due date, cash flow may be withheld from the CMSM's/DSSAB's regular cash flow payment as per the late filing policy outlined on Schedule D of your 2014 Child Care Service Agreement. Upon submission of the Financial Statements, the Ministry will revert back to the normal monthly payment and will include the total amount that has been withheld due to the late filing.

Cash Flow Reports

The Child Care Finance Unit would like to give CMSM/DSSABs advance notice of the layout changes to the monthly cash flow reports. For the 2015 May cash flow reports, CMSMs and DSSABs will be emailed 2 cash flow reports; the old version as well as the updated report. Both reports will be sent to assist in understanding the new layout. Going forward, cash flow reports will no longer be sent via childcarefunding@ontario.ca but rather, cash flow reports will be available directly through EFIS for all cash flow recipients. Further details will be provided in the weeks to come.

Funding adjustments

Funding adjustments, both positive and negative, resulting from the financial review of 2014 Financial Statements will be recovered or paid to the CMSM or DSSAB through an adjustment to the monthly cash flow. Funding owed to the CMSM/DSSAB will be added to a future cash flow payment and conversely, a funding recovery will result in a deduction from a future cash flow payment. Any adjustments ensuing from the review of your 2014 Financial Statement submission will be communicated to you by your Financial Analyst prior to the amount being processed. Please note that information from your reviewed 2014 Financial Statement submission will be used in the funding formula for 2016 child care allocations.

In order for the Ministry to ensure timely issuance of your 2016 Child Care Service Agreement, we require the complete submission of your 2014 year-end financial statement submission in EFIS as well as the submission of your review engagement or audit engagement report for the child care program.

Family Support Programs

As outlined in memo 2015: EYCC5, dated February 17, 2015, expense and data reporting for Family Support Programs (FSP) is required for the Financial Statements cycle and will be in a separate application in EFIS 2.0. The application for the Family Support Programs reporting is **P1415FIS**. Please refer to the *Instructions for Completing the 2014 Financial Statements - Family Support Programs*.

To access the FSP forms, please visit the [FAAB website](#), under Child Care, click on Financial Statements, then on 2014. Please use the same EFIS 2.0 user name and password for child care purposes to access the FSP forms.

Should you have any questions about this memorandum or any aspect of the financial reporting process, please contact your [Financial Analyst](#).

Sincerely,

Original signed by:

Marie Li
Director
Financial Analysis & Accountability Branch
Ministry of Education

Enclosures:

Instructions for completing the 2014 Financial Statements – *CMSMs & DSSABs*,

Instructions for completing the 2014 Financial Statements – *Family Support Programs*, and

The 2014 Suggested Financial Statement Review Engagement Template.

cc: Pam Musson, Director Early Years Implementation Branch
Child Care Advisors, Early Years Implementation Branch
Financial Analysts, Financial Analysis & Accountability Branch