

SAMPLE REPORT

ACCOUNTANTS' REPORT WITH RESPECT TO THE PERIOD FROM APRIL 1, 2005 TO AUGUST 31, 2005

To the Ministry of Education

I. As requested by ABC District School Board ("the Board"), we have performed the following procedures in connection with Schedule 20 of EFIS of the Board for the period from April 1, 2005 to August 31, 2005 ("the period"):

(1) We have obtained the Ministry's Prescribed Working Paper from the Board used to prepare Schedule 20 of EFIS and performed the following:

a) We agreed column A.1 to the EFIS schedules, as identified, for the year ended August 31, 2005.

b) With respect to column A.2 we performed the following at March 31, 2005.

i. We obtained a summary of the trial balance (or general ledger) at March 31, 2005 of the Board and agreed the subtotals to column A.2 of the Ministry's Prescribed Working Paper and found them to be in agreement.

ii. We agreed the following 5 general ledger accounts over \$500,000 from the summary to the general ledger of the Board and found them to be in agreement.

(list selected items here)

c) We recalculated the revenue and expenses related to the period from April 1, 2005 to August 31, 2005 by subtracting column A.2 from column A.1 on the Ministry's Prescribed Working Paper and agreed the difference to column A.3.

d) We agreed the amount of the adjustments outlined in procedures 2 to 8 below to the Ministry's Prescribed Working Paper.

e) We recalculated the Ministry's Prescribed Working Paper totals including the opening balances and the adjustments from procedures 2 to 8 below and agreed the total to column E and to Schedule 20 of EFIS.

(2) We obtained a summary of adjustments over \$500,000 to the Board's expenses and revenues related to the period prior to April 1, 2005. We randomly selected 20% of the entries (a minimum of 5) to the supporting documentation and verified the amount included in the summary of the entries related to the period prior to April 1, 2005.

(list selected items here)

(3) We compared the April 1, 2005 to August 31, 2005 payments on the confirmation letter received from the Ministry of Education for the year ended August 31, 2005 to the related revenue on the Ministry's Prescribed Working Paper column E, after any adjustment in column C.1. No differences were identified (or details of any differences).

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- (4) With respect to salaries and benefits we performed the following:
- (a) We obtained the calculation of the adjustment between payroll paid and payroll earned during the period from the Board.
 - i. We agreed the amounts paid to the payroll journal for the following 5 pay periods, selecting at least one from each applicable employee group, and found them to be in agreement.

(list selected items here)
 - ii. We recalculated the salaries and benefits earned during the period for teaching and non-teaching staff using the prescribed methodology prorating teaching staff based on the number of school days and non-teaching staff based on the number of working days and found no differences.
 - iii. We agreed the following payroll amounts for each of the applicable employee groups, used to determine the salaries and benefits earned during the period, to the supporting documentation (payroll journal, general ledger or other appropriate documentation).

(list selected items here)
 - iv. We calculated the difference between payroll paid and payroll earned above.
 - (b) We obtained the calculation of the vacation pay accruals for any amounts over \$500,000 and performed the following (if available, if not so state)
 - i. We obtained the supporting documentation for employee groups with accruals over \$500,000.
 - ii. We agreed a sample of the following 10 employees (allocated between the employee groups) to the records of vacation days outstanding, and the payroll rate. We recalculated the accrued vacation pay for those 10 employees.

(list selected items here)
 - (c) We totaled the adjustment for payroll salaries and benefits from (a) and vacation pay from (b) to column C.2 in the Ministry's Prescribed Working Paper.
- (5) We verified the mathematical accuracy of the prorated calculation of future employee benefits expense, using the actuarial assessment at August 31, 2005 and found no differences. We agreed total to the total in column E, after the required adjustment to column C.3, on the Ministry's Prescribed Working Paper.
- (6) With respect to the revenue recorded for municipal taxes we performed the following for any adjustments over \$500,000:
- (a) We obtained the schedule of supplementary taxes and write offs, included in the August 31, 2005 audited financial statements. We agreed the amount of \$xx, related to the calendar year 2005 were the only amounts included in the period from April 1, 2005 to August 31, 2005.

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- (b) With respect to municipal taxes, we performed the following:
 - i. We agreed the 2005 tax amount to the amount included in Schedule 11B of EFIS for the year ended August 31, 2005.
 - ii. We recalculated the municipal tax revenue for the period and compared the resulted to the prescribed rate of 37% (note that 37% is based on the allocation of 62% to the period January to August less 25% for the period prior to April 1) and found no differences.
 - (c) We agreed the total of 5(a) and 5(b) ii, above to Local Tax Revenue in column E on the Ministry's Prescribed Working Paper after the adjustment in column C.4.
- (7) With respect to expenditures we performed the following:
- (a) We obtained the year end adjusting general journal entries (i.e. made in period 13) related to expenditures over \$500,000 and performed the following procedures.
 - i. We obtained a summary of the entries which related to the period prior to April 1, 2005 and required adjustment in the Ministry's Prescribed Working Paper.
 - ii. We randomly selected 20% of the entries (a minimum of 5) made in August 2005 over \$500,000 as detailed below and compared to the supporting documentation. We verified the amount related to the period prior to April 1, 2005 was included in the summary of entries.

(list entries selected by reference)
 - iii. We verified the calculations of the summary of entries which required adjustment and agreed the total to column C.7 on the Ministry's Prescribed Working Paper.
 - (b) We enquired whether expenses (including capital) were reported in the appropriate period and received a listing from the Board of the adjustments that were identified as required. We agreed adjustments over \$500,000 to supporting documentation. We agreed the adjustment to column C.7 on the Ministry's Prescribed Working Paper.
- (8) With respect to revenues, excluding Ministry of Education transfer payments, we performed the following:
- (a) We obtained the year end adjusting general journal entries (i.e. made in period 13) related to revenues over \$500,000 and performed the following procedures.
 - i. We obtained a summary of the entries which related to the period prior to April 1, 2005 and required adjustment in the Ministry's Prescribed Working Paper.
 - ii. We randomly selected 20% of the entries (a minimum of 5) made in August 2005 over \$500,000 as detailed below and compared to the supporting documentation. We verified the amount related to the period prior to April 1, 2005 was included in the summary of entries.

(list entries selected by reference)

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- iii. We recalculated the summary of entries which required adjustment and agreed the adjustment to column C.7 on the Ministry's Prescribed Working Paper.
- (b) We enquired whether revenues (excluding Ministry of Education transfer payments and municipal taxes) were reported in the appropriate period and received a listing from the Board of adjustments over \$500,000 that were identified as required. We agreed adjustments over \$500,000 to supporting documentation. We agreed the adjustment to column C.6 on the Ministry's Prescribed Working Paper.
- (c) We enquired about Education Development Charge (EDC) revenue over \$500,000 and were informed that the revenue was related to EDC eligible expenditures incurred during the 5 month period, after the adjustment in column C.6.
- (d) We verified the calculation of the allocation of tuition revenues over \$500,000 to the period using the prescribed methodology prorating on the related number of school days. We agreed the adjustment made to reflect this calculation to the Ministry's Prescribed Working Paper.
- (e) We enquired about Federal government grants, over \$500,000, for the period and were informed that they were matched with the related expenses in the appropriate period.

As a result of applying the above procedures, we found no exceptions, except as outlined above (list procedure numbers(s) with exceptions). However, these procedures do not constitute an audit of these schedules and therefore, we do not express an opinion on Schedule 20 of EFIS or the Ministry's Prescribed Working Paper for the period from April 1, 2005 to August 31, 2005.

II As requested by ABC District School Board ("the Board"), we have also performed the following procedures in connection with the Five Month Capital Assets Activities Spreadsheet Package (Schedules 15A – 17D) of the Board for the period from April 1, 2005 to August 31, 2005:

- (1) We conducted the following procedures with respect to additions to buildings and land:
 - (a) We obtained schedule 15A and schedule 15B and selected a sample of 7 additions (5 buildings (column I) and 2 land (column G)) as follows:

(list addition selected here - i.e. asset name, asset ID# and amount)
 - (b) We agreed the total for each asset addition selected in (a) above to the total in the related supporting schedule provided by the Board and found them to be in agreement.
 - (c) From the supporting schedules we selected one item from the components making up the total of the selected addition and agreed the cost to specific documentation as follows:

(list: asset name and selected amount and indicate the supporting documentation agreed to)

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- (d) For the individual items noted in (c) above we determined that the item was included in accordance with the draft "Accounting Policies for the 2004-2005 Reporting Period for School Board and School Authority Tangible Capital Assets" dated October 2005.
- (2) We conducted the following procedures with respect to Additions to Construction in Progress (CIP):
 - (a) We obtained schedule 15D and selected 2 additions (1 from column E – CIP assets as of March 31, 2005 and 1 from column F – CIP assets commenced in the period) as follows:

(list additions selected here - i.e. asset name, asset ID# and amount)
 - (b) We agreed the total for the addition selected in (a) above to the supporting schedules provided by the Board and found them to be in agreement
 - (c) From the supporting schedules, we selected one item from the components making up the total of the selected CIP addition and agreed the costs to specific documentation as follows:

(list asset name, asset ID# and the selected amount and indicate the supporting documentation agreed to)
 - (d) For the individual items selected in (c) above we determined that the item was included in accordance with the draft "Accounting Policies for the 2004-2005 Reporting Period for School Board and School Authority Tangible Capital Assets" dated October 2005.
 - (e) We selected one item from column G "Amounts Transferred Out" and performed the following:

(list item selected here- i.e. asset name, asset ID# and amount)

 - i we traced the related project to an authorized completion certificate or equivalent.
 - ii we compared the project selected to the addition value in column I of schedule 15A and found it to be in agreement.
- (3) We conducted the following with respect to disposals of buildings and land:
 - (a) We obtained schedule 16A and schedule 16B and selected a sample of 2 disposals as follows:

(list disposals selected here - i.e. asset name, asset ID# and proceeds of disposition. If no disposals found, so state).
 - (b) We agreed the proceeds of disposition for the items selected in (a) above to supporting documentation (indicate the supporting documentation - i.e. Agreement of Purchase and Sale)
- (4) We compared the capital lease obligations disclosed in the audited financial statements to those capital leases noted on schedule 17A and schedule 17B and found that information was provided in schedule 17A and/or schedule 17B for those obligations noted in the audited financial statements.

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As a result of applying the above procedures, we found no exceptions, except as outlined above (list procedure numbers(s) with exceptions). However, these procedures do not constitute an audit of these schedules and therefore, we do not express an opinion on the Five Month Capital Assets Activities Spreadsheet Package (Schedules 15A – 17D) of the Board for the period from April 1, 2005 to August 31, 2005.

This report is for use solely in connection with the consolidation of the Board financial information into the financial statements of the Province of Ontario.

Chartered Accountants
City, Canada
Date