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**2010: SB41**

**MEMORANDUM TO:** Superintendents of Business

**FROM:** Andrew Davis  
Director  
Financial Analysis and Accountability Branch

**DATE:** September 2, 2010

**SUBJECT:** **2009-10 Financial Statements Forms (DSBs)**

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I am pleased to inform you that the 2009-10 Financial Statements, related guides and instructions are now available through the Financial Statements link on the Financial Reporting website at <http://faab.edu.gov.on.ca/>

Please submit your 2009-10 Financial Statements through EFIS at [efis.edu.gov.on.ca/login.asp](http://efis.edu.gov.on.ca/login.asp). Files that will assist boards in completing their financial statements have been posted on the Financial Reporting website.

### **Information Sessions**

The ministry will hold information sessions in September to highlight changes to the financial statements as well as providing updates in other areas, including specified procedures on the Capital Wrap-Up Template that will be performed by the boards' auditors. Dates and locations of the upcoming sessions have recently been sent to school boards and their auditors.

The ministry will also hold a separate information session for the school board auditors to provide them with the background on Capital Wrap-Up and a walk through of the Capital Wrap-Up Template and the specified procedures. This session will be provided on-line using Adobe Connect and will be delivered prior to the information sessions. An e-mail notification to the auditors will be sent out shortly.

### **Notes to Financial Statements**

Because of significant changes being implemented in 2009-10 (PSAB section 1200 Financial Statement presentation and section 3150 Tangible Capital Assets), the ministry will issue proposed wording for notes to the financial statements. These will be shared with boards and auditors prior to the information sessions.

## **Tangible Capital Assets (TCA)**

As a transition to reporting TCA in the school board financial statements, the ministry required boards to include a TCA continuity note disclosure in the notes to the 2008-09 financial statements. Boards are required to report TCA information in their 2009-10 Financial Statements. Similar to 2008-09, an upload by boards of land and building tangible capital asset data file (reflecting asset balances and activities for the period September 1, 2009 to August 31, 2010) into the Asset Upload System in EFIS will pre-populate the data in Schedule 3C. To keep asset continuity, opening balances of land and building assets are preloaded from boards' 2008-09 financial statement into the 2009-10 schedule 3C. Boards need to ensure the ending balance calculated in schedule 3C agrees with the ending balance in the uploaded data file.

More detailed instructions are provided in the Guide; the following files are also available on the financial statements link of the FAAB site to assist boards in preparing their capital assets data upload file:

**Data File** – This file outlines required fields on an asset by asset basis

**Data Layout File** – This file provides an example of how the data should be laid out and also provides an example of all the fields that should be included.

**Data Generator** – This file assists boards in converting their excel file to the required pipe delimited format for upload.

**Manual** – This will guide boards through the Asset Upload Application.

## **Capital Wrap Up and Capital Debt and Reserves**

As indicated in memorandum 2010:SB10, the ministry is wrapping up the NPP Model and replacing with a debt support grant for existing capital programs. This debt support grant has been addressed in the 2009-10 GSN regulation through an amendment filed in the spring 2010. Boards will report in their 2009-10 financial statements a one-time grant and receivable that recognizes the existing capital debt that is supported by existing programs, net of the pupil accommodation debt reserve as of August 31, 2010. Related information will be calculated from the Capital Wrap-Up Template, which is subject to specified procedures review by the external auditors. This template has been provided as part of the 2010-11 estimates and boards were required to submit them by July 31, 2010. There are still a number of submissions outstanding, and given the importance of the data for the purpose of the preparation of the financial statements and for proper execution of specified procedures, board are reminded to submit their templates as soon as possible. The ministry is planning to send boards their reviewed templates by the end of September so that updates to project costs can be made before the auditors start the specified procedures.

## **Submission of Financial Reports**

### Financial Statements

Please submit by November 15, 2010 two copies of:

- Schedules 1, 1.1, 1.2, 1.3;
- Section 1 summary printed out from the active EFIS submission of the 2009-10 Financial Statements;
- Two copies of the audited Financial Statements, including the auditors report and the notes to:

Ms. Diane Strumila  
Project Manager, Grant Services  
Transfer Payment and Financial Reporting Branch  
17th Floor, Mowat Block, 900 Bay Street  
Toronto, Ontario  
M7A 1L2

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.

### Capital Wrap-Up Template and specified procedures

The Capital Wrap-Up template that supports data in the financial statements will form an integral part of the financial statements submission. Boards should send the electronic version of their templates to the following mailbox:

financials.edu@ontario.ca

The specified procedures report should also be sent to Diane Strumila by November 15, 2010.

### **Late Submissions**

While it is important that boards meet the due dates above because the information is needed for the interim reporting in the provincial budget, boards should contact their ministry finance officers if they require an extension to the submission date. The ministry will implement cash flow penalties for financial statements and capital wrap-up templates, with accompanying specified procedures reports that are not received by November 15, 2010 except for instances where the ministry has granted an extension for submission. In those instances, cash flow penalties will be applied if the board does not submit by the extended date.

The board's regular cash flow will be reduced by 50% where a board has not submitted its Financial Statements by November 15, 2010 (or a ministry approved extended date as noted above). 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 the capital asset load file and activities for capital asset reporting should be directed to Soundari Vigneshwaran (416)326-9168 or at [Soundari.vigneshwaran@ontario.ca](mailto:Soundari.vigneshwaran@ontario.ca)

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

For user/navigation assistance on EFIS, contact:

Martin Fry	(416) 327-9061 or <a href="mailto:martin.fry@ontario.ca">martin.fry@ontario.ca</a>
Stephen Shek	(416) 325-8396 or <a href="mailto:stephen.shek@ontario.ca">stephen.shek@ontario.ca</a>

For log in assistance, contact:

Mark Bonham	(416) 325-8571 or <a href="mailto:mark.bonham@ontario.ca">mark.bonham@ontario.ca</a>
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Andrew Davis

cc: Directors of Education