

Ministry of Education

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2012: SB24

MEMORANDUM TO: Senior Business Officials

FROM: Nancy Whynot
Director
Capital Programs Branch

DATE: October 12, 2012

SUBJECT: Release of the Updated Capital Analysis and Planning
Template and Information on the March 2013 Long-
Term Financing of Ministry-Supported Not
Permanently Financed Capital Debt

This memo is to provide you with information about the latest version of the Capital Analysis and Planning Template (CAPT) and the proposed timelines and submission requirements for boards to transition capital projects to long-term financing through the Ontario Financing Authority (OFA).

Highlights:

CAPT:

- The updated, board-specific CAPT is now available in EFIS
- The CAPT is populated with the board's most recent capital activity, including approvals to proceed, as of August 31, 2012
- Boards must update the CAPT to reflect their 2011-12 Financial Statements

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*Release of the Updated Capital Analysis and Planning Template and Information on the
March 2013 Long-Term Financing of Ministry-Supported Not Permanently Financed
Capital Debt*

- The completed CAPT is to be submitted to the Ministry by December 14, 2012

OFA Long-Term Financing:

- Long-term financing submission request forms are now part of the CAPT and are due December 14, 2012
- Projects must be substantially completed (95%) as at August 31, 2012 for OFA eligibility purposes.
- OFA will flow funds to boards on March 15, 2013

Capital Analysis and Planning Template (CAPT)

The template is a financial and planning tool that is used to track capital projects and assess the board's current capital financial position as well as the financial implications for any new capital projects.

The template has been populated with the board's most recent capital activity, including approvals to proceed approvals issued as of August 31, 2012. Boards are expected to update the following forms in the template to reflect their 2011-12 Financial Statements:

- Project Eligibility Worksheet
- Project Debenture Matrix
- Proceeds of Disposition Schedules
- Financial Position and Recovery Worksheet
- OFA Request Forms (if applicable).

The CAPT can be downloaded from EFIS by following these steps:

1. Select "Reports" under the heading "Submission" on the home page of EFIS.
2. Under "Static Reports", select "Capital Analysis and Planning Template".
3. Select "2011-12 Financial Statements".
4. Download template.

An updated instructional manual for the CAPT can be found on the following link:

<http://faab.edu.gov.on.ca/CapitalPrograms.htm>

The manual includes detailed instructions for completing the CAPT for year-end purposes and for when a board submits a request for an approval to proceed with a capital project.

If you have any questions regarding the CAPT, please contact either your Capital Analyst or your Finance Officer, as indicated below:

For Questions Regarding...	Contact...
Project Eligibility Worksheet	Capital Analyst
Project Debenture Matrix	Capital Analyst
Proceeds of Disposition Worksheets	Finance Officer
Financial Position and Recovery Worksheet	Finance Officer
OFA Request Form (Part 1 & 2)	Capital Analyst

The CAPT is to be submitted by **December 14, 2012**. Please send your template to the following address: Financials.edu@ontario.ca

The naming convention for the CAPT file for the year end submission will be: *XX_CAPTV2_1112FIN_Board Name.xls* (XX is the board number)

To assist boards with the requirements for requesting an approval to proceed with a capital construction project, Appendix A (Summary of the Capital Approval to Proceed Process) has been included with this SB memo as well as in the training manual. If you have any additional questions with this process, please contact your capital analyst.

New this year, the CAPT includes the submission request forms (OFA Request Forms Part 1 & 2) for the long-term financing of Ministry-supported not permanently financed capital projects through the OFA.

March 2013 Long-Term Financing

The Ministry requires all school boards to participate in the long-term financing arrangements for eligible capital programs through the OFA. Boards are to access long-term financing for projects supported by GPL Renewal and eligible Ministry-supported capital programs not permanently financed up to the maximum principal amount allocated to their board (less any amounts that have been previously long-term financed). Once the long-term financing has been set, the Ministry will reimburse boards for their actual principal and interest costs associated with the long-term financing.

Eligible Capital Projects

For the March 15, 2013 long-term financing issue, the principal amount eligible for financing should reflect the value of work for permanent improvements undertaken **prior to August 31, 2012** under the eligible capital projects. All capital projects that were **substantially completed (95%)** as at August 31, 2012, and reflected as Ministry-supported not permanently financed debt on the board's CAPT, are eligible to be financed through the OFA.

As a reminder, the capital programs eligible for long-term financing arrangements through the OFA are GPL renewal and other eligible Ministry-supported capital projects (e.g. NPP, PCS, PTR, Growth Schools, Capital Priorities (2008), Best Start, \$120M Capital Pressures and Capital Transitional Adjustment Program for French-language boards.)

For the purpose of the CAPT, the Ministry requires that boards submit the financing request on a consolidated basis for the projects selected. Boards should be aware when completing the long-term financing submission form in the CAPT to keep track of the specific amounts to be financed from each specific capital funding source (except GPL Renewal), as the OFA loan documents will require this information. The Ministry is working to streamline the OFA loan documents for future financing issues to align the reporting requirements to those in the CAPT for all Ministry-supported NPF capital projects.

Boards that still have available pupil accommodation grant reserve balances will be required to apply these funds to either GPL Renewal projects or other OFA eligible projects, in advance of receiving OFA financing. If you are one of these boards you are required to indicate on the *OFA Request Form (Part 1)* how you are applying these reserves. Boards are expected to complete this form whether or not OFA financing is still required after these reserves are applied. If a board with available reserves does not indicate where they are applying the funds, the Ministry will calculate any such adjustments and will communicate the final amount eligible, if any, to be long-term financed.

Please refer to the CAPT instruction manual for additional information regarding detailed instructions for completing the OFA Request Forms.

Timeline for the Transition to Long-Term Financing

Listed below is the estimated timeline for the transition from short-term to new long-term financing for the March 15, 2013 issue. It is important that school boards meet the deadlines for providing information. The immediate priority, as described in detail below, is for school boards to confirm the value of substantially completed capital projects in order to enable the OFA to begin making arrangements for the long-term financing.

These amounts should be consistent with information reported in your board's 2011-12 Financial Statements and the *Project Eligibility Worksheet* of the CAPT.

Date	Tasks
December 14, 2012	All school boards are required to submit the information through the CAPT, under "OFA Request Form (Part 1) and (Part 2)".
February 15, 2013	Pre-filled, personalized loan agreement packages will be sent directly to each school board by the OFA.
February 15, 2013 to March 8, 2013	School boards are required to pass the necessary authorizing by-laws, review and verify the loan agreement and other documents, and then sign and return all loan agreement packages to the OFA. OFA contact information and address will be provided when the documents are sent. Please ensure that the long-term borrowing approvals are scheduled as part of board meeting agendas.
March 15, 2013	Funds flow from OFA to school boards.

Assistance

For further clarification about the financing submission requirements, please direct any questions to Lise Bolduc at (416) 326-9925 or Lise.Bolduc@ontario.ca.

For assistance with completing the OFA Request Forms in the CAPT, please direct questions to your board's Capital Analyst.

Contact information for both Capital Analysts and Finance Officers is provided on the following website: http://faab.edu.gov.on.ca/Contact_Us.htm.

Original signed by:

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cc: Michael Smith, OFA
Susan Guinn, OFA