

Ministry of Education

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Ministère de l'Éducation

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**2014: SB06**

MEMORANDUM TO: Superintendents of Business

FROM: Marie Li
Director
Financial Analysis and Accountability Branch

DATE: April 2, 2014

SUBJECT: March 31, 2014 Financial Reporting Requirements

As in previous years, the March Report is required from school boards to meet the province's requirements to consolidate broader public sector organizations into the province's audited financial statements. The objective of the 2014 March Report is to capture the asset and liability account balances as of March 31, 2014, 7 month revenues and expenses, supplementary notes information, government reporting entity inter-organizational balances, and finally the 7-month capital activity.

A. 7-Month Period Report (September 2013 to March 2014) – March Report

The reporting requirements for the March Report, including the Ministry Prescribed Working Paper and the EFIS schedules, are very similar to the forms released last year. Boards should review the "Summary of Changes for 2014 March Report" section of the instruction document before starting their work on the March Report. The main changes this year include:

- the removal of the lines that were added last year to Schedule 19 to report the liability related to labour enhancements
- the addition of a new line to Schedule 20 to report full day kindergarten revenues

- the adjustment to opening balance column was added back to Schedule 22, along with new cells for leasehold improvements
- the addition of new lines to record capitalized interest on Schedule 23, page 1
- the addition of new lines to record sinking fund interest to be earned and other unsupported capital spending before August 31, 2010 on Schedule 24
- the calculation of salary and wage expenses has been changed from a formula based amount to using the actual amount
- the increase of materiality from \$500,000 to \$700,000

Generally, the schedules have been updated to correspond to the 2012-13 financial statements and 2013-14 revised estimate forms. The detailed instructions on the March Report in EFIS and the Ministry Prescribed Working Paper are available through the “Consolidation Reporting” link on the Ministry website at <http://faab.edu.gov.on.ca/>. Boards are reminded to retain records of the March 31, 2014 general ledger and subledger accounts, as well as other applicable records and documentation that support specified adjustments for the Ministry Prescribed Working Paper (ex. the determination of the accrued vacation balance as at March 31, 2014). Boards should also keep a detailed listing of the assets that support Schedule 22 (i.e. balance and activity information).

Please note that boards will use the current EFIS system (EFIS 1.0) for the completion of this March Report. As will be instructed in a future memo, boards will use the new EFIS system (EFIS 2.0) for the first time to complete the 2014-15 Estimates.

B. Specified Procedures Report

School boards are required to engage their external auditors to perform specified procedures on some of the schedules relating to the March 31, 2014 financial reporting requirements. The results of the review should be reported to the Ministry in the form of a specified procedures report. A sample specified procedures report, entitled “Accountants’ Report with Respect to the Period from September 1, 2013 to March 31, 2014”, is available on the Ministry website through the “Consolidation Reporting” link at <http://faab.edu.gov.on.ca/>.

This memorandum will also be sent to the school boards’ external auditors. However, to ensure receipt in all instances, school boards are asked to also forward to their auditors a copy of this memorandum.

Submission

March report submissions via EFIS are due by May 15, 2014. The following must also be submitted to the Ministry **by the school board** by May 22, 2014:

- Specified Procedures Report

- Ministry Prescribed Working Paper
- Signed Management Representation Report (from EFIS) Boards can choose one of two methods of submission:
 1. submit an Excel version of the Ministry Prescribed Working Paper and PDF versions of the other required documents by email attachment to reporting.entity@ontario.ca, or
 2. submit an Excel version of the Ministry Prescribed Working Paper by email attachment to reporting.entity@ontario.ca and mail a hardcopy print-out of the other required documents to the attention of:

Soundari Vigneshwaran

Business Analyst

Financial Analysis and Accountability Branch

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The preferred method of submission is the first option.

Late Submissions

Because of the critical timelines for meeting the requirements of the 2013/14 public accounts, the Ministry will not be able to extend the above timeline. Where a board submits the above reports after May 15, 2014, its regular cash flow may be reduced by 50% for the June 2014 payment and for subsequent monthly transfer payments. Upon submission of the required reports, 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 March 31, 2014 report instructions should be directed to: Elizabeth Sinasac at (416) 325-8527 (elizabeth.sinasac@ontario.ca)

or Andrew Yang at (416) 325-4212 (andrew.yang@ontario.ca).

For user/navigation assistance on EFIS, please contact:

Soundari Vigneshwaran at (416) 326-9168 (soundari.vigneshwaran@ontario.ca) or Sher Ali Jassani at (416) 325-8584 or sherali.jassani@ontario.ca.

For login assistance, contact: Mark Bonham (416) 325-8571
(mark.bonham@ontario.ca).

Original signed by

Marie Li
Director
Financial Analysis and Accountability Branch

cc: Directors of Education