

Ministry of Education

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2014: SB24

MEMORANDUM TO: Senior Business Officials

FROM: Grant Osborn
Director
Capital Policy and Programs Branch

DATE: **October 03, 2014**

SUBJECT: **Release of the Updated Capital Analysis and Planning Template and Approval to Proceed Process, and Information on the March 2015 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), an update to the Approval to Proceed Process, and the proposed timelines and submission requirements for boards to transition capital projects to long-term financing through the Ontario Financing Authority (OFA).

1. Highlights:

CAPT

- The updated, board-specific CAPT is now available in FIS.
- The CAPT is populated with the board's most recent capital activity, including Approvals to Proceed, as of August 31, 2014.
- Boards must update the CAPT to reflect their 2013-14 Financial Statements.

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- The completed CAPT is to be submitted to the Ministry by November 28, 2014.

Approval to Proceed

- Effective October 1, 2014, boards will be required to complete the new Approval to Proceed (TP) Request Form.
- Boards will no longer be required to submit and update the CAPT as part of the ATP process.

OFA Long-Term Financing

- Long-term financing submission request forms are part of the CAPT and are due November 28, 2014.
- Projects must be substantially completed (95%) as at August 31, 2014.
- As part of the Ministry's wrap-up of the GPL Renewal funding program, the March 2015 issue will be the final opportunity for boards to request OFA long-term financing for the capital expenditures funded by the GPL Renewal.
- OFA will flow funds to boards on March 11, 2015.

2. Capital Analysis and Planning Template (CAPT)

The CAPT is a financial and planning tool that is used for various purposes including: tracking capital projects, assessing a board's current capital financial position and identifying the financial implications for any new capital projects.

The CAPT can be downloaded from EFIS 2.0 by following these steps:

1. Log into Planning System.
2. Select "Explore" from the Navigation bar.
3. Select "Facilitating Documents" folder and then the DSB folder.
4. Select and open the CAPT file to download.

The CAPT has been populated with a board's most recent capital activity, including all Approvals to Proceed granted up to August 31, 2014. Boards are expected to update the following forms in the template to reflect their 2013-14 Financial Statements:

- Capital Financial Position Worksheet

- School Renewal Schedule
- Proceeds of Disposition Schedules
- Capital Project Worksheets (Active)
- Project Debenture Matrix Worksheet: Ensure the debenture(s) issued in 2013-14 for the associated project(s) has been correctly pre-populated as per the OFA document. OFA Debenture Financing Requests for March 2015 (if applicable).

An updated instructional manual for the CAPT can be found on the [FAAB website](#).

The manual includes detailed instructions for completing the CAPT for year-end purposes.

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

For Questions Regarding	Contact
Capital Financial Position Worksheet	Financial Analyst
School Renewal Committed for Capital Projects	Financial Analyst
Proceeds of Disposition Worksheets	Financial Analyst
Capital Project Worksheets (Master and Active) Project Debenture Matrix Worksheet	Capital Analyst
OFA Debenture Financing Request (Part 1 & 2)	Diamond Tsui

The CAPT is to be submitted by November 28, 2014. 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_CAPTV4_FIN_Board Name.xls](#) (XX is the board number).

Contact information for both Capital Analysts and Financial Analysts is provided on the [FAAB website](#).

3. Approval to Proceed Process

Effective October 1, 2014, boards will be required to complete the new Approval to Proceed (ATP) request form (please refer to Appendix B) which is to be sent to both your Capital Analyst and Financial Analyst at time of submission.

Once the ATP request form is submitted, your Capital Analyst and Financial Analyst will update the CAPT and send your board an updated copy to review. Boards will no longer be required to submit and update the CAPT as part of the ATP process.

The Approval to Proceed Request Form can be found on the following link:
<http://faab.edu.gov.on.ca/CapitalPrograms.htm>.

Please note: Boards are still required to complete a space template before engaging an architect as well as submitting a cost consultant report prior to tendering any capital projects.

For further clarification, please refer to Appendix A: Summary of the Capital Approval Process regarding which projects require an approval to proceed before being tendered. If you have any additional questions with this process, please contact your Capital Analyst.

4. March 2015 Long-Term Financing

Where applicable, boards are required to request long-term financing arrangements through the Ontario Financing Authority (OFA). 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 Funding and Capital Transitional Adjustment Program for French-language boards.). The total amount to be long-term financed is limited to the maximum Ministry allocation. 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.

For the March 11, 2015 long-term financing issue, the principal amount eligible for financing should reflect the value of work undertaken prior to August 31, 2014. All capital projects that were substantially completed (95%) as at August 31, 2014, and reflected as Ministry-supported not permanently financed debt on the board's CAPT, are eligible to be financed through the OFA.

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 these reserves are applied.

The OFA long-term financing submission forms can be found in the CAPT. Please refer to the CAPT instruction manual for additional information regarding detailed instructions for completing the OFA Debenture Financing Request Form.

5. Timeline for the OFA Long-Term Financing

Listed below is the projected timeline for the transition from short-term to new long-term financing for the March 11, 2015 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 must be consistent with information reported in your board's 2013-14 Financial Statements and the *Capital Project (Active) Worksheet* of the CAPT.

Date	Information/Action Required
November 28, 2014	All school boards are required to submit the information through the CAPT, under "OFA Debenture Financing Request Form (Part 1) and (Part 2)".
February 4, 2015	Pre-filled, personalized loan agreement packages will be sent directly to each school board by the OFA.
February 4, 2015 to March 4, 2015	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 11, 2015	Funds flow from OFA to school boards.

For further clarification about the financing submission requirements or OFA Request Forms in the CAPT, please direct any questions to Diamond Tsui at (416) 325-2017 or Diamond.Tsui@Ontario.ca.

Original signed by

Grant Osborn
Director
Capital Policy and Programs Branch

cc: Michael Smith, OFA
Susan Guinn, OFA
Marie Li, Director, Financial Analysis and Accountability Branch

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