

Ministry of Education
Financial Analysis and
Accountability Branch
20th Floor, Mowat Block
Queen's Park
Toronto, Ontario M7A 1L2

Ministère de l'Éducation
Direction de l'analyse et de la
Responsabilité financières
20^e étage, édifice Mowat
Queen's Park
Toronto, Ontario M7A 1L2



2017: SB06

MEMORANDUM TO: Superintendents of Business

FROM: Med Ahmadoun
Director
Financial Analysis and Accountability Branch

DATE: **March 31, 2017**

SUBJECT: **March 31, 2017 Financial Reporting Requirements**

As in previous years, the March Report is required from school boards to support the province's Public Accounts process. Information reported in the March Report such as the asset and liability account balances as of March 31, 2017, 7-month revenues and expenses, supplementary notes information, government reporting entity inter-organizational balances, and the 7-month capital activity are required by the ministry to complete the consolidation reporting for Public Accounts purposes.

March Report (September 2016 to March 2017)

The reporting requirements for the 7-month period March Report are mostly consistent with last year's March Report. Boards should review the "Summary of Changes for 2017 March Report" section of the instruction document before starting their work on the March Report. Generally, the schedules have been updated to correspond to the 2015-16 financial statements and 2016-17 revised estimate forms. Starting this year, the provincial Public Accounts will be reported on a line-by-line basis. This is consistent with the PSAB accounting standards, and with reporting in other provincial jurisdictions. The ministry already collects most of the information to support this reporting from school boards. One small change is noted below with respect to inter-entity revenues and expenses between school boards (Schedules 21F/G). The change to line-by-line reporting will have no impact on the accountability mechanisms in place between the province and the school boards. The main changes to the March Report this year include:

- Schedule 19A – This debt continuity schedule has been removed since it is no longer required by the Office of the Provincial Controller (OPCD).
- Schedule 21F - Deferred revenues has been updated to include lines for Library Staff, and Indigenous per Pupil Amount. Lines were removed for Green Schools Pilot – Operating, Energy Efficient Schools – Operating and Capital, Official Language Education (OLE) Grants, Internal Audit – Capital, Green Schools Pilot – Capital, Improved Access for Special Education, and Renewable Energy – Capital.
- Schedules 21F/G – These schedules are for reporting inter-entity revenues and expenses within the government reporting entity (GRE). New lines were added to report transactions between school boards. Boards already report inter-entity transactions between other GRE (ex. colleges, hospitals, agencies, commissions).
- Schedule 23 and 23.1 – For capital reporting, cells are added for the new Community Hubs Funding source. On page 5 of Schedule 23, expenditures are reported excluding capitalized interest to be consistent with how they are reported in VFA.facility. A new line is added for boards to report their aggregate capitalized interest. SCI expenditures and Community Hubs expenditures will be loaded by the ministry based on the boards' entry into VFA.facility. As communicated in Memorandum 2017: SB03, boards are required to report the 7-month expenditures into VFA.facility by April 13, 2017. The ministry will load the data by April 20, 2017. Data will be refreshed every Monday, Wednesday and Friday following the initial upload, until May 15, 2017. For updates after the deadline, please contact the ministry using the contact information at the end of this memo.
- Report on Expenditures Related to Transition to Provincial Benefit Trusts – a new, one-time schedule has been added for boards to report extraordinary, incremental expenditures incurred to support the transition of employee benefits to the trusts up to March 31, 2017. The ministry will review the information submitted by boards and determine the level of reimbursement that can be provided for these costs. No specific level of support can be committed to at this time. For any questions on this form, please contact Nicholas.Greico@ontario.ca.

The detailed instructions on the March Report are available through the “Consolidation Reporting” link on the [ministry website](#). Boards are reminded to retain records of the March 31, 2017 general ledger and sub-ledger accounts, as well as other applicable records and documentation that support the specified adjustments on Schedules 19 and 20. Boards should also keep a detailed listing of the assets that support Schedule 22 (i.e. balance and activity information).

Specified Procedures Report

Consistent with prior years, school boards are required to engage their external auditors to perform specified procedures on some of the schedules relating to the March 31, 2017 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, 2016 to March 31, 2017”, is available on the [ministry website](#) through the “Consolidation Reporting” link.

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. No substantive changes have been made to the report this year.

Private Borrowing Listing

At the request of the Ontario Financing Authority (OFA), the ministry is collecting information from school boards regarding their private borrowing. This information is being collected on a one-time basis through an Excel form called “School Board Private Borrowing Form” (see attachment). This form is also available on the [ministry website](#) through the “Consolidation Reporting” link. Private borrowing is defined as loans from third-party financial institutions. Boards are asked to provide information by loan for both short-term and long-term loans, as at March 31, 2017. Information required includes loan type (ex. bank loan, other private entity loan), name of financial institution, loan start date, maturity date, term, interest rate and principal amount.

Due Date and Submission

March report submissions via EFIS are due by **May 15, 2017**. The Specified Procedures Report and the signed Management Representation Report (printed from EFIS in PDF format) must also be submitted to the ministry by the school board by **May 22, 2017**. The School Board Private Borrowing Form, in Excel format, must be submitted by **June 30, 2017**. Please send the three documents above to reporting.entity@ontario.ca, using the subject “2016-17 March Report - <2-digit board number> <board name>”, for example, “2016-17 March Report - 12 Toronto DSB”. Please use the following naming convention for the files:

- <2-digit board number><board name> 2016-17 Specified Procedures Report
 - Ex. “12 Toronto DSB 2016-17 Specified Procedures Report”
- <2-digit board number><board name> 2016-17 Management Representation
 - Ex. “12 Toronto DSB 2016-17 Management Representation”
- <2-digit board number><board name> Private Borrowing Form
 - Ex. “12 Toronto DSB Private Borrowing Form”

Late Submissions

Due to the critical timelines for meeting the requirements of the 2016-17 Public Accounts, the ministry will not be able to extend the above timeline. Where the board's reports are not submitted by the dates specified above, its regular cash flow may be reduced by 50% for the 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

For user/navigation assistance on EFIS, questions about the March 2017 report and the external accountant's report, please contact:

- Elizabeth Sinasac at (416) 325-8527 (elizabeth.sinasac@ontario.ca),
- Patrick Pelletier at (416) 325-3314 (patrick.pelletier@ontario.ca),
- Rashid Khan at (416) 325-8584 (rashid.khan@ontario.ca), or
- Andrew Yang at (416) 325-4212 (andrew.yang@ontario.ca)

For user id login and password assistance, contact:

- EFIS Support at (416) 326-8307 or efis.support@ontario.ca

Original signed by

Med Ahmadoun
Director
Financial Analysis and Accountability Branch

Attachment

cc: Directors of Education
School Board Auditors