

Ministry of Education

Financial Analysis and
Accountability Branch
20th Floor, Mowat Block
900 Bay Street
Toronto, Ontario M7A 1L2

Ministère de l'Éducation

Direction de l'analyse et de
la responsabilité financières
20^e étage, édifice Mowat
900, rue Bay
Toronto, Ontario M7A 1L2



2018: SB03

MEMORANDUM TO: Superintendents of Business

FROM: Med Ahmadoun
Director
Financial Analysis and Accountability Branch

DATE: April 3, 2018

SUBJECT: March 31, 2018 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, 2018, 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 2017 to March 2018)

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 the 2018 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 2016-17 financial statements and 2017-18 revised estimate forms. The main changes to the March Report this year include:

- Schedule 19.1 - Details of short-term and long-term investments are required as at March 31, 2018. For this year only, boards are asked to provide comparative information as at March 31, 2017.
- Schedule 20 - Boards may have an increase to their expenses in 2017-18 due to augmented chronic mental stress provisions in the Workplace Safety and Insurance Act. Since boards may only have estimated costs at this time, the

ministry will report the expense impact for the entire sector as a consolidation adjustment; therefore, boards are not to include the expense impact in their individual March Reports.

- Schedule 20SUP – Two new categories were added to the notes to the financial statements sections to support the provincial adoption of new PSAB standards, contractual rights (PS 3380) and contingent assets (PS 3320). Note disclosure on school boards' third party debt maturity at March 31, 2018 is also required. For this year only, boards are asked to provide comparative information as at March 31, 2017 for all three new categories.
- Schedule 21E – Two new capital deferred revenue lines were added: one for the Rural and Northern Education Fund, and one for Education Programs – Other (EPO) - Capital.
- Schedule 22 – Two new lines were added to the tangible capital asset continuity schedules under the Capital Leased Assets section. The Other category has been expanded into three lines. Reporting is now required for Machinery and Equipment, Information Technology, and Other.
- Schedule 23 – Reporting for New Pupil Places (NPP) and Good Places to Learn (GPL) was removed since, in 2016-17, unencumbered NPP and GPL funding was converted to Capital Priorities funding. Two funding sources were added to Schedule 23: Child and Family Program Capital (separated from Child Care Capital Grants), and the Greenhouse Gas Reduction Fund. As in prior EFIS cycles, these forms were redesigned from an in-year allocations against in-year expenditures basis, to a total allocation against accumulated expenditures basis. Therefore, payments can now be made in the current school year against prior years' expenditures that were previously unsupported.

Expenditures for School Condition Improvement, Community Hubs: Minor Retrofits and Accessibility, and the Greenhouse Gas Reduction Fund will be loaded into EFIS by the ministry, based on boards' entry into VFA facility. New this year, data from VFA will be loaded nightly, seven days per week, starting with the March Report release and ending on May 15, 2018. For updates after the deadline, please contact the ministry (see the Contacts section in this memo). It may be useful for boards to establish an internal VFA reporting deadline to

ensure that facilities staff enter all VFA data by such a time as is required by finance staff to meet their reporting and audit deadlines.

- Report on Expenditures Related to Transition to Provincial Benefits Trusts - This form has been deleted since the benefits technical advisory committee has been established and is looking at transitional costs.

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, 2018 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, 2018 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, 2017 to March 31, 2018”, 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.

Training Video

The ministry has prepared a training video which highlights the major changes made to the 2018 March Report forms this year. The video is available to download in EFIS under the training video folder in the S1718MAR application. Should you, or your staff, require further clarification on the materials presented in the video, please contact the ministry (see the Contacts section in this memo).

Due Date and Submission

March report submissions via EFIS are due by May 15, 2018. The Specified Procedures Report and the signed Management Representation Report (printed from EFIS in PDF format) must be submitted to the ministry by the school board by May 22, 2018. Please send the two documents above to reporting.entity@ontario.ca, using the subject “2017-18 March Report - <2-digit board number> <board name>”, for example, “2017-18 March Report - 12 Toronto DSB”. Please use the following naming convention for the files:

- <2-digit board number><board name> 2017-18 Specified Procedures Report
 - Ex. “12 Toronto DSB 2017-18 Specified Procedures Report”
- <2-digit board number><board name> 2017-18 Management Representation
 - Ex. “12 Toronto DSB 2017-18 Management Representation”

Late Submissions

Due to the critical timelines for meeting the requirements of the 2017-18 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 2018 report and the external accountant’s report, please contact:

Elizabeth Sinasac (416) 325-8527 or Elizabeth.Sinasc@ontario.ca

Alex Zhang (416) 326-5508 or Alex.Zhang2@ontario.ca

Rashid Khan (416) 325-8584 or Rashid.Khan@ontario.ca

Patrick Pelletier (416) 325-3314 or Patrick.Pelletier@ontario.ca

For user id login and password assistance, contact:

EFIS Support at efis.support@ontario.ca

Original signed by

Med Ahmadoun
Director

Cc: Directors of Education
School Board Auditors