

ACCOUNTANTS' REPORT WITH RESPECT TO THE PERIOD FROM SEPTEMBER 1, 2017 TO MARCH 31, 2018

To the Ministry of Education

As requested by ABC District School Board ("the Board"), we have performed the following procedures for the period from September 1, 2017 to March 31, 2018 ("the period"):

I. Schedules 19 and 20 of EFIS of the Board

We have obtained Schedules 19 and 20 of EFIS from the Board and performed the following:

1. With respect to Column A.1 we performed the following at March 31, 2018:
 - a. We obtained a summary of the trial balance (or general ledger) at March 31, 2018 of the Board and agreed the subtotals to Column A.1 of Schedules 19 and 20 and found them to be in agreement.
 - b. We agreed the following 5 items (assets/ liabilities/ accumulated surplus/ (deficit)/ revenues/ expenses) over \$700,000 from the summary referred to in (1) a) above, to the general ledger and found them to be in agreement.

(List selected items here.)

2. If applicable, we obtained the entry to reverse any amounts recorded during the seven month period for school generated funds. We agreed the entry to supporting documentation and agreed to Column A.2 on Schedule 19 and 20.

(If not applicable, state so; note the \$700,000 threshold does not apply to this procedure.)

3. If applicable, we obtained the entry to reverse any amounts recorded during the seven month period for subsidiaries. We agreed the entry to supporting documentation and Schedule 19 and 20. (Column A.3).

(If not applicable, state so; note the \$700,000 threshold does not apply to this procedure.)

4. We obtained a summary of the Column B.1 adjustments on Schedules 19 and 20, if any, to reverse entries over \$700,000 which recorded receivables and

payables at August 31, 2017 and were not reversed in the Board's general ledger during the subsequent period. We randomly selected 20% of the entries (a minimum of 5), agreed them to the supporting documentation and verified the amount was included in the summary of the entries. We agreed the summary of the entries to Column B.1 of Schedule 19 "Consolidated Statement of Financial Position", and Schedule 20 "Revenues and Expenses", as applicable.

(List selected items here; if not applicable, state so.)

5. We obtained a summary of Column B.2 accrual adjustments on Schedules 19 and 20, if any, for adjustments over \$700,000 related to the period prior to March 31, 2018. We randomly selected 20% of the entries (a minimum of 5), agreed them to the supporting documentation and verified the amount included in the summary of the entries related to the period prior to March 31, 2018. We agreed the summary of the entries to Column B.2 of Schedule 19 "Consolidated Statement of Financial Position", and Schedule 20 "Revenues and Expenses", as applicable.

(List selected items here; if not applicable, state so.)

6. With respect to Column B.3 adjustments made to accrue the Ontario Financing Authority (OFA) loan interest, we recalculated the accrued amount and agreed to the adjustment on column B.3 of Schedule 19 and 20.

(If not applicable, state so; note the \$700,000 threshold does not apply to this procedure.)

7. We obtained supporting documentation for any Column C.1 adjustments made to reclassify Ministry Revenue between the various categories on Schedule 20 "Revenue". We agreed 2 entries to the supporting documentation.

(List selected items here; if not applicable, state so.)

8. With respect to the revenue recorded for municipal taxes over \$700,000, we performed the following:

- a. With respect to the tax revenue for the period from September 1, 2017 to December 31, 2017:

We agreed the 2017 municipal tax revenue to the most current supporting documentation (for a maximum of two municipalities) and recalculated the revenue for the period by subtracting the amount included in revenue in the August 31, 2017 audited financial statements (being 62% of the 2017 tax revenue as included in Schedule 11B of EFIS for the year ended

August 31, 2017) from the total 2017 tax revenues (based on most current information).

(If tax revenue is from more than two municipalities, list selected items here.)

- b. With respect to the tax revenue for the period from January 1, 2018 to March 31, 2018:

We recalculated the estimated 2018 municipal tax revenue for the period using 25% of the estimated 2018 tax revenue based on most current information. We agreed estimated 2018 tax revenue to supporting documentation. If current information regarding estimated 2018 tax revenue is unavailable, then the 2018 tax revenue for the period was estimated using 2018 tax revenue as included in Schedule 11A of the Revised Estimates for the year ending August 31, 2018.

(If tax revenue is from more than two municipalities, list selected items here.)

- c. We agreed the 2017 supplementary taxes and write offs (for a maximum of two municipalities) to supporting documentation and recalculated the revenue for the period by subtracting the amount included in line 3.4 in Schedule 9 of the 2016-2017 financial statements.

(If tax revenue is from more than two municipalities, list selected items here.)

- d. If an amount greater than \$700,000 was reported on line 3.4, Column C.2 of Schedule 20 "Revenue", we asked management for the supporting listing that totaled the amount on line 3.4. We calculated the difference between the 2018 supplementary taxes and write-offs based on most current information and 2017 supplementary taxes and write-offs and agreed to the amounts on the listing (for a maximum of two municipalities).

(If tax revenue is from more than two municipalities, list selected items here.)

- e. We agreed the total of 8a), 8b), 8c) and 8d), above to Local Taxation (line 3.5) in Column E on Schedule 20 "Revenue" after the adjustment, if any, in Column C.2. We agreed the adjustment amount to Schedule 19, "Consolidated Statement of Financial Position" Column C.2, line 1.4 or line 2.3.

9. We verified the calculation of the allocation of tuition revenues to the period using the prescribed methodology prorated on the related number of school days. We agreed the adjustment, if over \$700,000, made to reflect this calculation in Schedule 20 "Revenue", and Schedule 19 "Consolidated Statement of Financial Position" in Column C.3.

10. With respect to salaries and benefits earned for the period we obtained the payroll paid and payroll earned during the period from the Board, and performed the following:

- a. We obtained a listing of the general ledger entries and agreed the following amounts paid to the payroll journal, selecting from different employee groups, a maximum of 5 entries.

(List selected items here.)

11. We obtained the calculation of the vacation pay accruals for any amounts over \$700,000 and performed the following:

- a. We obtained the supporting documentation for the 2 employee groups with the largest vacation pay accruals.
- b. We agreed a sample of the following 5 employees (allocated between the employee groups) to the records of vacation days outstanding, and the payroll rate. We recalculated the accrued vacation pay for those 5 employees.

(List employee numbers only for selected items here.)

- c. We agreed the adjustment to Column C.5 on Schedule 19, "Consolidated Statement of Financial Position" and Schedule 20 "Expenses".

12. We verified the mathematical accuracy of the prorated calculation of the employee future benefits liability and related expense adjustment, using the 2017-2018 estimates provided in the actuarial assessment at August 31, 201X and found no differences. If 2017-2018 estimates are not provided in the August 31, 201X assessment, verify if the board has used 2016-2017 expenses as the basis for prorating. We agreed the total employee future benefits liability to the total in Column E, after the required adjustment to Column C.6, on Schedule 19, "Consolidated Statement of Financial Position", line 2.20. We agreed the adjustment to expenses to the total in Column C.6 on Schedule 20, "Expenses".

13. We performed the following with respect to any other adjustments over \$700,000 provided by the Board:

- a. We obtained a summary of the other adjustment entries included in Column C.7 which related to the period prior to March 31, 2018 and required adjustment in Schedule 19 and 20.

(If not applicable, state so.)

- b. We randomly selected 20% of the entries provided in a) above (a minimum of 5) over \$700,000 as detailed below and compared to the supporting documentation. We verified the amount related to the period prior to March 31, 2018 was included in the summary of entries.

(List entries selected by reference. If not applicable, state so.)

- c. We recalculated the summary of entries which required adjustment and agreed the adjustment to Column C.7 on Schedule 19 and 20. We ensured that the entries balanced between Schedule 20, "Revenues and Expenses" and Schedule 19, "Consolidated Statement of Financial Position".

(If not applicable, state so.)

- d. We enquired whether any statement of financial position items, which are historically adjusted in the General Ledger at August 31 each year, were considered and included in the adjustments provided in a). (Note that items to be considered include accrued liabilities, receivables, interest on sinking fund assets, etc.)

- e. We enquired whether any items, historically included in the General Ledger as a net amount during the year and restated to report as gross revenue and expenses at August 31 each year, were considered and included in the adjustments provided in a). (Note that items to be considered include special projects, federal government grants, capital projects, etc.)

14. With respect to the School Generated Funds, we obtained the amounts included in the Consolidated Statement of Financial Position in the audited financial statements for the year ended August 31, 2017, agreed to supporting documentation and Schedule 19, "Consolidated Statement of Financial Position" in Column G.

15. With respect to the Subsidiaries, we obtained the amounts included in the Consolidated Statement of Financial Position in the audited financial statements for the year ended August 31, 2017, agreed to supporting documentation and

agreed to the Schedule 19, "Consolidated Statement of Financial Position" Column H.

II. Schedule 22

1. We obtained a detailed listing of tangible capital assets by asset class and agreed totals to corresponding columns by asset class in Schedule 22 of EFIS – "Tangible Capital Asset Continuity".
2. We conducted the following procedures with respect to additions to buildings (40 years) and land for the period September 1, 2017 to March 31, 2018:

- a. From the detailed listing of tangible capital assets for the 7-month period supporting the data in Schedule 22, we selected a sample of 7 additions (5 buildings and 2 land) as follows:

(List additions selected here - i.e. asset name, asset ID# and amount. If no additions were found, clearly state so.)

- b. We selected one cost component included in each addition selected in a) and agreed the cost to specific documentation as follows:

(List asset names and selected amounts and indicate the supporting documentation agreed to.)

- c. For the sample selected in b) we determined that the items were recorded in accordance with the "District School Board & School Authority Tangible Capital Assets Provincial Accounting Policies & Implementation Guide" dated April 2015.

3. We conducted the following procedures with respect to Construction in Progress (CIP) assets:

- a. From the detailed listing of tangible capital assets for the 7-month period we selected 2 additions to CIP as follows:

(List additions selected here - i.e. asset name, asset ID# and amount. If no additions were found, please clearly state so.)

- b. We selected one cost component included in each addition selected in a) and agreed the costs to specific documentation as follows:

(List asset name, asset ID# and the selected amount and indicate the supporting documentation agreed to.)

- c. For the sample selected in b) we determined that the items were recorded in accordance with the “District School Board & School Authority Tangible Capital Assets Provincial Accounting Policies & Implementation Guide” dated April 2015.
 - d. We selected one item from CIP that was transferred into an in-service asset class and performed the following:

(List item selected here - i.e. asset name, asset ID#, amount and the supporting document. If no amounts were found, please clearly state so.)
 - e. We traced the related project to an authorized completion certificate or equivalent.
4. We conducted the following procedure with respect to amortization of buildings:
- a. From the detailed listing of tangible capital assets for the 7-month period we selected a sample of 5 amortization expenses as follows:

(List amortization selected here - i.e. asset name, asset ID# and amortization amount.)
 - b. We recalculated the amortization in accordance with the “District School Board & School Authority Tangible Capital Assets Provincial Accounting Policies & Implementation Guide” dated April 2015 and agreed to the amortization reported in the detailed listing of tangible capital assets for the 7-month period for the assets selected.
5. We conducted the following with respect to disposals of buildings and land:
- a. From the detailed listing of tangible capital assets for the 7-month period we selected a sample of 3 disposals as follows:

(List disposals selected here - i.e. asset name, asset ID# and proceeds of disposition. If no disposals were found, please clearly state so.)
 - b. We agreed the proceeds of disposition for the items selected in a) above to supporting documentation (indicate the supporting documentation - i.e. Agreement of Purchase and Sale).
 - c. We recalculated the gain/loss on disposal for the items selected in a) above and agreed to the gain/(loss) on disposal for that asset to the board’s data.

III. Schedule 22A

1. We obtained a detailed listing of assets held for sale by asset class and agreed totals to corresponding columns by asset class in Schedule 22A of EFIS – “Assets Held for Sale Continuity”.
2. We conducted the following procedures for assets held for sale with respect to additions to land and land improvements with infinite lives, and building and land improvements with finite lives, for the period September 1, 2017 to March 31, 2018:
 - a. From the detailed listing of assets held for sale for the 7-month period supporting the data in Schedule 22A, we selected a sample of 3 additions (1 land and land improvement with infinite life and 1 building and 1 land improvement with finite life (if applicable) and ensured that the criteria (PSAB handbook section 1201.55) to transfer into assets held for sale was met in the September 1, 2017 to March 31, 2018 period as follows:

(List additions selected here - i.e. asset name, asset ID#, amount, and if the transfer meets required criteria. If no additions were found, clearly state so.)
 - b. We selected 1 additional expenditure on assets held for sale and agreed the cost to specific documentation as follows:

(List asset name and selected amount and indicate the supporting documentation agreed to.)
3. We conducted the following with respect to disposals of assets held for sale:
 - a. From the detailed listing of assets held for sale for the 7-month period we selected a sample of 2 disposals as follows:

(List disposals selected here - i.e. asset name, asset ID# and proceeds of disposition. If no disposals were found, please clearly state so.)
 - b. We agreed the proceeds of disposition for the items selected in a) above to supporting documentation (indicate the supporting documentation - i.e. Agreement of Purchase and Sale).
 - c. We recalculated the gain/loss on disposal for the items selected in a) above and agreed to the gain / (loss) on disposal for that asset to the board’s data.

This report is for use solely in connection with the consolidation of the Board financial information into the financial statements of the Province of Ontario.

As a result of applying the above procedures, we found no exceptions, except as outlined above (list procedure numbers(s) with exceptions). However, these procedures do not constitute an audit of these schedules and therefore, we do not express an opinion on Schedules 19, 20, 22 and 22A of EFIS as at March 31, 2018 and for the period from April 1, 2017 to August 31, 2017 and from September 1, 2017 to March 31, 2018.

Chartered Accountants
City, Canada
Date