

**ACCOUNTANTS' REPORT WITH RESPECT TO THE PERIOD FROM
SEPTEMBER 1, 2006 TO MARCH 31, 2007**

To the Ministry of Education

I. As requested by ABC District School Board ("the Board"), we have performed the following procedures in connection with Schedules 19 and 20 of EFIS of the Board for the period from September 1, 2006 to March 31, 2007 ("the period"):

(1) We have obtained the Ministry's Prescribed Working Papers from the Board used to prepare Schedules 19 and 20 of EFIS and performed the following:

a) With respect to Column A.1 we performed the following at March 31, 2007.

- i. We obtained a summary of the trial balance (or general ledger) at March 31, 2007 of the Board and agreed the subtotals to Column A.1 of the Ministry's Prescribed Working Papers and found them to be in agreement. We agreed line 8.1 on the Prescribed Working Paper "Financial Position" to line 20, Net Revenue (Expenses), on the Prescribed Working Paper "Expenses".
- ii. We agreed the following 5 items (assets/liabilities/revenues/expenses) over \$500,000 from the summary referred to in (1) a) i. above, to the general ledger and found them to be in agreement.

(list selected items here)

- b) We agreed the amount of the adjustments outlined in procedures 2 to 14 to the Ministry's Prescribed Working Papers.
- c) We ensured all entries made in Columns B.1 to C.9 and G to H balanced and that the net of total revenue less total expenses (Line 20 in Ministry Prescribed Working Paper "Expenses") was reported on line 8.1 on the Ministry's Prescribed Working Paper "Financial Position" for Columns B.1 to C.9.
- d) We recalculated the Ministry's Prescribed Working Papers totals including the opening balances in Column A.1 and the adjustments from procedures 2 to 12 below (Columns B.1 to C.9) and agreed the total to Column E.
- e) We recalculated the Ministry's Prescribed Working Papers for "Financial Position" totals from Column E to Column H, from procedures 13 to 14 below and agreed the total to Column M and to Schedule 19 of EFIS.
- f) We recalculated the Ministry's Prescribed Working Papers for "Revenues" and "Expenses" totals from Column F to Column F.1, and agreed the total to Column K. We agreed Columns E and K to Schedule 20 of EFIS.

- (2) We obtained a summary of the Column B.1 adjustments, if any, to reverse entries over \$500,000 which recorded receivables and payables at August 31, 2006 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) to the supporting documentation and verified the amount included in the summary of the entries. We agreed the summary of the entries to Column B.1 of the Ministry's Prescribed Working Papers "Financial Position", "Revenues" and "Expenses", as applicable

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

- (3) We obtained a summary of Column B.2 accrual adjustments, if any, for adjustments over \$500,000 related to the period prior to March 31, 2007. We randomly selected 20% of the entries (a minimum of 5) to the supporting documentation and verified the amount included in the summary of the entries related to the period prior to March 31, 2007. We agreed the summary of the entries to Column B.2 of the Ministry's Prescribed Working Papers "Financial Position", "Revenues" and "Expenses", as applicable.

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

- (4) We obtained supporting documentation for any Column C.1 adjustments made to reclassify Ministry Revenue between the various categories on the Ministry's Prescribed Working Paper for "Revenue". We agreed 2 entries to the supporting documentation.

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

- (5) With respect to salaries and benefits earned for the period we obtained the calculation of 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)

- b) We recalculated the salaries and benefits earned during the period for teaching and non-teaching staff using the annual pay and prescribed methodology in accordance with the "Instructions for Reporting March 31, 2007 Balances for Provincial Consolidation Reporting Purposes" and found no differences.

- c) We recalculated the difference between payroll earned above and the amount recorded in the Board's general ledger. We agreed any difference to the adjustment in the Ministry's Prescribed Working Paper, "Financial Position" and "Expenses".

- (6) We obtained the calculation of the vacation pay accruals for any amounts over \$500,000 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 number only for selected items here)

- c) We agreed the adjustment to the Ministry's Prescribed Working Papers Column C.2A, "Financial Position" and "Expenses".
- (7) We verified the mathematical accuracy of the prorated calculation of employee future benefits liability and related expense adjustment, using the 2006-07 estimates provided in the actuarial assessment at August 31, 2006 and found no differences. If 2006-07 estimates are not provided in the August 31, 2006 assessment, verify if board has used 2005-06 expenses as basis for proration. We agreed total employee future benefits liability to the total in Column E, after the required adjustment to Column C.3, on the Ministry's Prescribed Working Paper for "Financial Position", line 2.19. We agreed the adjustment to expenses to the total in Column C.3 on the Ministry's Prescribed Working Paper for "Expenses".
- (8) With respect to the revenue recorded for municipal taxes over \$500,000, we performed the following:
- a) We obtained the most current supporting documentation of supplementary taxes and write offs (for a maximum of two municipalities) for the 2006 calendar year, reduced by the amounts, if any, which were included in the August 31, 2006 audited financial statements.

(if tax revenue is from more than two municipalities, list selected items here)
 - b) We enquired whether there were any supplementary taxes and write off amounts over \$500,000 related to calendar 2007 which had been identified at March 31, 2007.
 - c) With respect to the tax revenue for the period from September 1, 2006 to December 31, 2006:

We agreed 2006 municipal tax revenue to 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, 2006 audited financial statements (being 62% of the 2006 tax revenue as included in schedule 11B of the EFIS for the year ended August 31, 2006) from the total 2006 tax revenues (based on most current information).

(if tax revenue is from more than two municipalities, list selected items here)
 - d) With respect to the tax revenue for the period from January 1, 2007 to March 31, 2007:

We recalculated the estimated 2007 municipal tax revenue for the period using 25% of the estimated 2007 tax revenue based on most current information. We agreed estimated 2007 tax revenue to supporting documentation. If current information regarding estimated 2007 tax revenue is unavailable, then the 2007 tax revenue for the period was estimated using 2007 tax revenue as included in Section 14 of the Revised Estimates for the year ending August 31, 2007)

(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 Tax Revenue in Column E on the Ministry's Prescribed Working Paper for "Revenue" after the adjustment, if any, in Column C.4. We agreed the adjustment amount to the Ministry's Prescribed Working Paper for "Financial Position", Column C.4, line 1.2 or line 2.2.

(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 \$500,000, made to reflect this calculation to the Ministry's Prescribed Working Papers for "Revenue", and "Financial Position" in Column C.6.

(10) 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 the Ministry's Prescribed Working Papers in Column C.7

(if not applicable, so state; note the \$500,000 threshold does not apply to this procedure)

(11) 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 to the Ministry's Prescribed Working Papers (Column C.8)

(if not applicable, so state; note the \$500,000 threshold does not apply to this procedure)

(12) We performed the following with respect to any other adjustments over \$500,000 provided by the Board:

a) We obtained a summary of the other adjustment entries included in Column C.9 which related to the period prior to March 31, 2007 and required adjustment in the Ministry's Prescribed Working Papers.

(if not applicable, so state)

b) We randomly selected 20% of the entries provided in a) above (a minimum of 5) over \$500,000 as detailed below and compared to the supporting documentation. We verified the amount related to the period prior to March 31, 2007 was included in the summary of entries.

(list entries selected by reference, if not applicable, so state)

c) We recalculated the summary of entries which required adjustment and agreed the adjustment to Column C.9 on the Ministry's Prescribed Working Papers. We ensured that the entries balanced between the Ministry's Prescribed Working Papers for "Revenue" and "Expenses" and that for the "Financial Position".

(if not applicable, so state)

d) We enquired whether any balance sheet items, which are historically adjusted in the General Ledger 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 net during the year and restated to report 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.)

- (13) We performed the following with respect to the School Generated Funds:
- a) We obtained the amounts included in the audited financial statements for the year ended August 31, 2006, agreed to supporting documentation and to the Ministry's Prescribed Working Papers "Financial Position" in Column G, "Revenue" and "Expenses" in Column F.

- (14) We performed the following with respect to the Subsidiaries:
- a) We obtained the amounts included in the Statement of Financial Position in the audited financial statements for the year ended August 31, 2006, agreed to supporting documentation and agreed to the Ministry's Prescribed Working Papers "Financial Position" Column H.

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 and 20 of EFIS or the Ministry's Prescribed Working Papers as at March 31, 2007 and for the period from April 1, 2006 to August 31, 2006 and from September 1, 2006 to March 31, 2007.

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.

- II . As requested by ABC District School Board ("the Board"), we have performed the following procedures in connection with the Seven Months Capital Assets Activities Spreadsheet Package (Schedules 15A – 17D) of the Board for the period from September 1, 2006 to March 31, 2007:
- (1) We conducted the following procedures with respect to additions to buildings (40 years) and land:
- a) We obtained schedule 15A and schedule 15B and selected a sample of 7 additions (5 buildings and 2 land - Column I) as follows:
- (list addition selected here - i.e. asset name, asset ID# and amount. If no additions were found, so state.)
- b) We agreed the total for each asset addition selected in a) above to the total in the related supporting schedule provided by the Board and found them to be in agreement.
- c) From the supporting schedules we selected one item from the components making up the total of the selected addition and agreed the cost to specific documentation as follows:
- (list: asset name and selected amount and indicate the supporting documentation agreed to)
- d) For the individual items noted in c) above we determined that the item was included in accordance with the "Accounting Policies and Implementation Guide for School Board and School Authority Tangible Capital Assets" dated February 2007.
- (2) We conducted the following procedures with respect to Construction in Progress (CIP) assets:
- a) We obtained schedule 15D and selected 2 "\$ Additions to CIP" (Column L) as follows:
- (list additions selected here - i.e. asset name, asset ID# and amount. If none found, so state).
- b) We agreed the total for the addition selected in a) above to the supporting schedules provided by the Board and found them to be in agreement
- c) From the supporting schedules, we selected one item from the components making up the total of the selected CIP addition 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)
- d) For the individual items selected in c) above we determined that the item was included in accordance with the "Accounting Policies and Implementation Guide for School Board and School Authority Tangible Capital Assets" dated February 2007.
- e) We selected one item from "As project is substantially complete, \$ Amount to be Transferred Out as of March 31, 2007" (Column M) and performed the following:

(list item selected here- i.e. asset name, asset ID# and amount. If no amount transferred out, so state.)

i we traced the related project to an authorized completion certificate or equivalent.

- (3) We conducted the following with respect to disposals of buildings (40 years) and land:
- a) We obtained schedule 16A and schedule 16B and selected a sample of 2 disposals (Column P) as follows:
- (list disposals selected here - i.e. asset name, asset ID# and proceeds of disposition. If no disposals found, so state).
- 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)
- (4) We agreed lines 1.0 to 2.5 of the "Summary Page" to the supporting schedules, Schedules 15A to 17D).
- (5) We agreed the details of the data on the "Summary Page" to Schedule 22 in EFIS – "Tangible Capital Asset Activities".

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 the Seven Month Capital Assets Activities Spreadsheet Package (Schedules 15A – 17D) of the Board for the period from September 1, 2006 to March 31, 2007.

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Chartered Accountants
City, Canada
Date