



5-Month Period Reporting – Revenues & Expenses

2005 Annual Financial Statements Session

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5-Month Period Reporting

- Overview
- Ministry Prescribed Working Paper
 - Layout
 - Specified Adjustments
 - Application of materiality
 - Examples of specified adjustments
- Schedule 20
- Specified Procedures Report



Overview

- 5-Month Period: April 1 to August 31, 2005
- Revenues & Expenses only
 - Operating Fund
 - Capital Fund
 - Reserve Fund
- Purpose?
 - Combine with 7-month to determine 12-month
- DSBs only
- Boards: Schedule 20 - Due by: November 30, 2005
- External Auditors: Specified Procedures Report – Due by: December 31, 2005



Three Steps

1. Ministry Prescribed Working Paper
2. Schedule 20 (2004-05 Financial Statements - EFIS)
3. Specified Procedures Report (External Auditors)



Ministry Prescribed Working Paper

- Purpose?
 - Determine Pre-adjusted 5-Month
 - Record Specified Adjustments
 - Determine Adjusted 5-Month
- Enter Adjusted 5-Month (Column E) to Schedule 20
- Working Paper verify by External Auditors
- No submission to ministry (Sch 20 only)



Revenues

- 3 sections
 - Operating Fund
 - Capital Fund
 - Reserve Fund
- Operating Fund: mirror Schedule 9
- Capital Fund: summarized detail – Schedule 2.2
- Reserve Fund: Schedule 2.3
- Mapping of accounts: consistent with Sch 9, 2.2 & 2.3 of 2004-05 Financial Statements



Expenses

- 2 sections:
 - Operating Fund
 - Capital Fund
- Operating Fund
 - Follows Schedule 10 – by objects only
- Capital Fund
 - Follows Schedule 2.2
 - 2 lines only: Land & Building vs. Others
- Mapping of accounts: consistent with Sch 10 & 2.2 of 2004-05 Financial Statements



Specified Adjustments

- Purpose?
 - Reporting (5-month or 7-month) for provincial consolidation is NEW
 - Provides guidance to boards re: required adjustments
 - Minimize workload for boards
 - Focus: provincial materiality



Specified Adjustments

1. Revenues & Expenses prior to April 1, 2005
2. Provincial Grants Revenue
3. Salaries & Benefits Expense
4. Employee Future Benefits Expense
5. Local Taxation Revenue
6. EDC Revenue
7. Fees Revenue (Tuition)
8. Other Items/ Land & Building reclass



Specified Adjustments – Application of Materiality

- In general: Transactional materiality of \$500,000
- Specific application of \$500K to each specified adjustments
 - E.g. Salaries & Tuition Fees (aggregate)
 - Instruction document - Recommended
- Exception: Provincial Grants – Cash Basis



Column A.1: 12-Month Revenues & Expenses

- Final audited 12-month Revenues & Expenses
- Formulated: No Input required



Column A.2: 7-month results

- Revenues & Expenses from Sept 1, 2004 to March 31, 2005
- Financial Snapshot as of March 31, 2005 or G/L as of March 31, 2005
- Important: Do not enter 7-month revenues & expenses for:
 - School generated funds
 - Boards' controlled entities/organizations



Column A.3: “Pre-adjusted” 5-month results

- Formulated
- Subtracts 7-month from 12-month



Column B.1: Revenues & Expenses prior to April 1, 2005

- Scan transactions equal to or greater than \$500,000 between April 1 to August 31, 2005
- Enter in B.1 if transaction related to March 31, 2005 or prior

Column C.1: Provincial Grants Revenue



- Cash basis only – amounts received from province April to August
 - TP Module/Confirmation of Advances
- Discard effects from deferred revenues
- All boards must make this adjustment – exception to \$500,000 guideline
- Example:
 - Actual cash received: \$126M
 - Pre-adjusted Revenue: \$128M
 - Enter adjustment: \$2M



Column C.2: Salaries, Wages & Benefits

- Key point: amounts earned by staff for 5-month
- Teaching staff: # of teaching days in the 5-month period (regular day school calendar)
- Non-teaching staff:
 - Calender Year - # of working days in 5-month
 - School Year – same as teaching staff
- Materiality application: if total adjustment (teaching + non-teaching) >/ \$500K
- Includes vacation accrual expense for 5-month



Column C.2: Salaries, Wages & Benefits

Example:

- Based on amounts earned:
 - Teaching staff: \$90M
 - Non-teaching staff: \$10M
 - Total \$100M
- Based on “Pre-adjusted” 5-month:
 - Teaching staff: \$105M
 - Non-teaching staff: \$15M
 - Total \$120M
- Total Adjustment: \$20M (\$120- \$100)



Column C.3: Employee Future Benefits Expense

- Based on actuarial assessment used to determine 12-month expenses recorded in 2004-05 FS and prorate for 5-month
- Teaching & Non-teaching staff: calculation same as Column C.2

Column C.4: Local Taxation Revenue



- Equals to Schedule 11B "2005 Tax Revenue" x 37%
- Record if adjustment >/ \$500,000
- Example:
 - Schedule 11B: \$180M
 - 37% = \$66.6M
 - "Pre-adjusted" revenue: \$45M
 - Adjustment: \$21.6M



Column C.5: EDC Revenue

- Agreed to EDC eligible expenditures for the 5-month period
- Adjustment if \geq \$500,000



Column C.6: Fees Revenues

Purpose?

- Fees/tuition for second semester booked in Jan./Feb.
- Need to determine revenues for the 5-month period
- Book adjustment if total adjustment per “fee” type is $>/$ \$500K
- Example:
 - “Individuals – Day School, Other” => amounts to be adjusted \$500K (book adjustment)
 - “Individuals – Continuing Education” => amounts to be adjusted \$250K (don’t book adjustment)



Column C.7: Other Items

- Other adjustments necessary: >/\$500K
- Reclass Capital Expenditures between Land & Buildings & Others
- Land & Buildings -> agree to total additions per In-Year Capital Assets Schedule



Column E: “Adjusted” 5-month results

- Subtract adjustments from B.1 to C.7 from “Pre-adjusted” 5-month
- Enter Column E in Schedule 20 of EFIS



Schedule 20

- Column 1: Formulated
- Column 2: Input - Column E of Prescribed Working Paper



Specified Procedures Report

- Prepare by Boards' external auditors
- Focus: Prescribed Working Paper
 - Specified Adjustments
- Due by: December 31, 2005



7-month Stub Period Report

- New reporting cycle
- PSAB reporting
- Larger materiality threshold: \$500K
 - Specified adjustments only
- Asset & Liability balances: March 31st
- 7-month revenues & expenses: operating & capital
- 1st report: March 31st, 2006
- Due Date: May 15th, 2006



Questions?

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