

# March 31, 2005 Inter-Entity Balances Report

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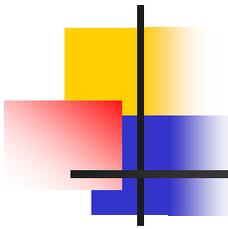
2005 Annual Financial Statements Session

Presented by:

Anthony Yeung

Transfer Payments & Financial Reporting Branch

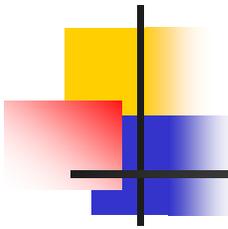
Ministry of Education



# Overview – March 2005 Report

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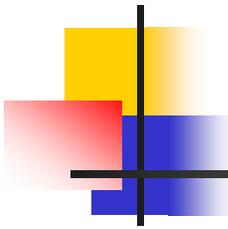
- DSB & School Authorities
- **NOT** all assets and liabilities for March 31<sup>st</sup>, 2005
- Only GRE inter-entity asset & liabilities balances > \$500,000
- Due on October 17<sup>th</sup>, 2005
- Report via EFIS
- Submit report even if nil balances
- No audit report required – management representation only



# What are the organizations within GRE?

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- Government Reporting Entity (GRE) is comprised of:
  - All ministries within the province
  - Agencies, Boards and Commissions (e.g. Ontario Science Centre)
  - School Boards and School Authorities
  - Colleges (Universities are not included)
  - Hospitals



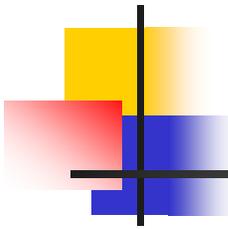
## March 2005 Report – Illustration #1

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Scenario: Accounts Receivable – due from School Board B: \$600,000 (three invoices at \$200,000 each)

Answer:

- Account balance (\$600,000) is greater than \$500,000
- Enter description and balance in Schedule 2A under “School Board”



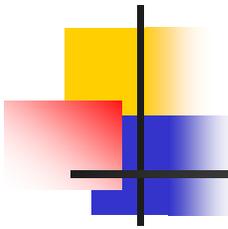
## March 2005 Report – Illustration #2

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Scenario: Accounts Receivable – due from  
School Board C: \$200,000

Answer:

- Account balance (\$200,000) is less than \$500,000
- Do not enter balance



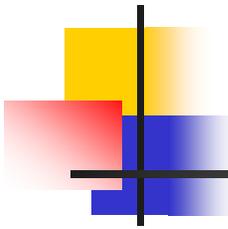
## March 2005 Report – Illustration #3

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Scenario: Prepaid Expenses – School Board C: \$400,000

Answer:

- Account balance (\$400,000) is less than \$500,000. School Board A will not enter balances from School Board C although the combined assets of \$600,000 (accounts receivable plus prepaid expenses) is greater than \$500,000. The materiality threshold of \$500,000 is applicable for each asset type only.
- Do not enter balance



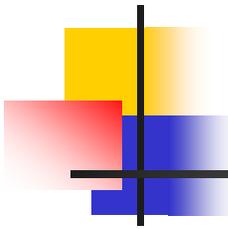
## March 2005 Report – Illustration #4

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Scenario : Accounts Payable – due to  
College A: \$500,000 (comprised to  
five invoices at \$100,000 each)

Answer:

- Account balance (\$500,000) is equal to \$500,000
- Enter description and balance in Schedule 3A under “Colleges”



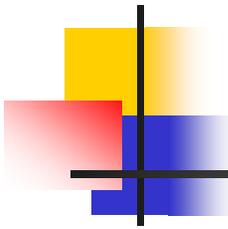
## March 2005 Report – Illustration #5

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Scenario : Accounts Payable – due to School Board B: \$300,000 (comprised of three invoices at \$100,000 each)

Answer:

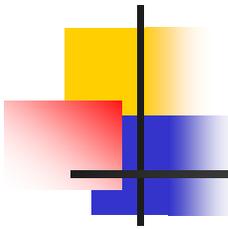
- Account balance (\$300,000) is less than \$500,000. The liability balance of \$300,000 does not affect the reporting of \$600,000 in account receivable in Schedule 2A.
- Do not enter balance



## March 2005 Report – Illustration #6

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Scenario : Deferred Revenues – Ministry of Education: \$800,000 (comprised of \$600,000 related to GLGs and \$200,000 related to EPOs). This balance is the same deferred revenues balance reported in the board's August 31, 2004 audited financial statements.

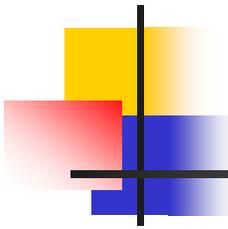


# March 2005 Report – Illustration #6 (Cont'd)

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Answer:

- As described in page 5 of the instruction package under “Schedule 4 - Deferred Revenues”, boards are not required to adjust their deferred revenues accounts for March 31, 2005. They will report the August 31, 2004 audited balances for deferred revenues in the March 31, 2005 report. For school board A, since the balance is greater than \$500,000, it will report \$800,000 in the March 31, 2005 report.
- In Schedule 4, enter balance of \$600,000 under “Ministry of Education - GLGs” and \$200,000 under “Ministry of Education – Others”



## March 2005 Report – Illustration #7

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Scenario : Deferred Revenues – Ministry of Tourism and Recreation: \$200,000

Answer:

- Account balance (\$200,000) is less than \$500,000. Each ministry within the GRE is treated as separate organization as described above. Therefore, School Board A is not required to report the deferred revenue balance of \$200,000 with the Ministry of Tourism and Recreation even though the combined balance (\$1,000,000) with the Ministry of Education exceeds \$500,000.
- Do not enter balance