

2010-11 Estimate Training Forms Instructions

Preamble

A sample set of EFIS training forms has been prepared in Excel to illustrate the changes for the coming 2010-11 estimates. The forms are subject to changes based on certain policy approvals and GSN announcements; however, the forms are meant to be used to understand some key accounting changes that will be applicable. These changes are mainly:

- 1) Recognition of tangible capital assets (TCA) due to PS3150
- 2) Change in presentation of former funds and amounts to be recovered (ATBR) as accumulated surplus due to PS1200
- 3) Use of deferred capital contributions (DCC) due to Ministry of Finance directive for consistent accounting policies with the Province

The sample EFIS forms highlight the main changes. Note that there will be some other minor changes to the EFIS forms that are not in the Excel forms, but will be documented in the EFIS instruction set.

The forms can be used as a learning tool to understand the upcoming accounting policy changes. The final GSN allocation and other prepopulated amounts have not yet been provided by the Ministry, thus the results of the forms should be considered accordingly.

Data Entry

A set of forms is provided to aid in understanding of the transactions required. In the forms, white cells represent data that would be populated by the board. Orange cells have built in formulas that do not require any data entry. Green cells would be prepopulated in EFIS, but for the Excel training forms, data entry is required. An example of a green cell would be on Section 1A. This section would normally be prepopulated from GSN information; however, this data needs to be entered to use the forms as a training tool. Details of the type of data entry required will be given in the steps below. It would be beneficial to review the power point package called '2010-11 Estimates Forms' in conjunction with completing these Excel training forms.

The first two tabs in the forms Excel package show two trial balances. These would not form part of the final EFIS package, but are used in the Excel forms for illustrative purposes, to show sample transactions that would be entered when preparing the 2010-11 budget. They are also used to check that the forms are balanced. The first trial balance is for the restatement of the August 31, 2010 year-end amounts. The second is to show the 2010-11 in-year transactions. To have a brief overview of the transactions, scan the descriptions associated with each journal entry at the top of both trial balances.

Similarly, four worksheets are included in the forms Excel package that will not be part of the final EFIS package. These worksheets provide description of some of the key new transactions, and describe how related values are calculated.

Suggested Order of Entry

To use the Excel forms for training purposes, enter a sample data set into the white and green cells, using the suggested order of entry below. For a more detailed description of the data entry requirement, follow the steps in Table 1 (Data Entry Procedures for 2010-11 Excel Training Forms).

- 1) Schedule 3C prior year (2009-10)
- 2) Worksheet #4: Calculation of Opening Accumulated Surplus
- 3) Worksheet #1: Calculation of Appropriation
 - a) Schedule 3B, page 2, line 3
 - b) Section 12
- 4) Worksheet #2: Closing Appropriation to Accumulate Surplus
- 5) Schedule 5.1, column 1 only
- 6) 2009-10 trial balance
- 7) Fill Worksheet #3: Calculation of DCC
- 8) Schedule 3B, pages 1 to 4
- 9) Schedule 3C current year (2010-11)
- 10) Schedule 10.1 and 10.2
- 11) Schedule 10
- 12) Schedule 10ADJ
- 13) Schedule 10A and 10B
- 14) Section 1A (GSN)
- 15) Section 1B (TP)
- 16) Schedule 9
- 17) Schedule 14
- 18) Schedule 5.1 remainder
- 19) Schedule 5.3
- 20) Schedule 5 remainder
- 21) Dataform D

<p>It is highly recommended that you check the 2009-10 Trial Balance and 2010-11 Trial Balances frequently during data entry. Specifically, ensure that each journal entry sums to \$0 and ensure that the error checking columns indicate "Balances".</p>
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Table 1: Data Entry Procedures for 2010-11 Excel Training Forms

Step	JE	Procedure
1	1	<p>Enter 2009-10 TCA Continuity Data (S3C – PY)</p> <ul style="list-style-type: none"> - Go to Schedule 3C (prior year), tab S3C-PY - Manually enter the opening balances for September 1, 2009 for all the TCA items. Use the closing balances at August 31 from the 2008-09 school year Financial Statements (Schedule 3C Tangible Capital Asset Continuity Schedule) - Enter all additions/betterments and disposals expected for the 2009-10 school year. - Enter all expected transfers from Construction in Progress (CIP) to Assets in Service expected for the 2009-10 school year. Note that this column should net to zero as all amounts out of CIP should go into Assets in Service - Enter the expected amortization for the 2009-10 school year as well as any expected write-downs - Reverse out any amortization that relates to the expected disposals - Enter the proceeds of disposition, for all disposals/sales for the 2009-10 school year - The net book value of the closing balances will be forwarded to the opening Sept 1, 2010 balance on Schedule 5 Detail of Accumulated Surplus / (Deficit), line 3.6 - The Cost and Accumulated Amortization closing balances will be forwarded to Schedule 3C
2	1	<p>(a) Fill in Worksheet 4: Calculation of Opening Accumulated Surplus for 2010-11 Budget</p> <ul style="list-style-type: none"> - Manually enter the “Balance at Sept 1, 2009” balances - These amounts are the same amounts which would have been entered on Schedules 2.1, 2.2, 2.4, 5 and Appendix I in prior years - For line 1.2, "Operating Accumulated Surplus..." <ul style="list-style-type: none"> o This opening September 1 balance is an estimate of what would have previously gone in the "Opening Balance" line 8.1 from the old Schedule 2.1 (Schedule of Operating Fund) plus what would have gone in the "Balance at September 1, 2009" column for Reserve for Working Funds (line 1.2) on the old Schedule 5. This new estimate is the sum of these previous two amounts. - For line 1.3, "CPP/EI Restatement" <ul style="list-style-type: none"> o This September 1 balance is an estimate of what would have previously gone in the prior year column on Appendix I (Details of Amounts to be recovered). The line titles have remained the same. - For lines under 2.1, "Available for Compliance - Internally Appropriated", <ul style="list-style-type: none"> o This opening September 1 balance is an estimate of what would have previously been inputted on the old Schedule 5 in the "Balance at September 1, 2009" column. The line titles have remained the same. - For line 3.5 "School Generated Funds" <ul style="list-style-type: none"> o This opening September 1 balance is an estimate of what would have previously been inputted in the "Opening Balance" line 5.1 from the old Schedule 2.4 (Schedule of School Activities Fund). - For lines 3.2 to 3.4 “Employee Future Benefits”, “Interest To Be Accrued”

		<p>and "Vacation Accrued"</p> <ul style="list-style-type: none"> o These opening September 1 balances are an estimate of what would have previously gone in the prior year column on Appendix I (Details of Amounts to be recovered). The line titles have remained the same. - For line 3.7 "Debt and Not Permanently Financed Amounts" <ul style="list-style-type: none"> o This opening September 1 balance is an estimate of what would have previously gone in the "Opening Balance" line 7.1 from the old Schedule 2.2 (Schedule of Capital Fund) plus what would have gone in the prior year column on Appendix I (Details of Amounts to be recovered) on the Capital Financing row. This new estimate is the sum of these previous two amounts. - Net TCA amounts are automatically forwarded from Schedule 3C – Prior Year - Once Col 1 is complete, enter the net increase/decrease expected for the 2009-10 school year in the appropriate row - Appropriation for supported capital is automatically adjusted from other forms (described in next step) - The Balances at Aug 31, 2010 are automatically forwarded to Schedule 5 (tab S5) <p>Note: Appendix I was not completed for estimates in prior years. Therefore to find the Sept 1, 2009 opening, boards will need to look at their 2008-09 Financials</p> <p>(b) 2010-11 Schedule 5 Detail of Accumulated Surplus / (Deficit)</p> <ul style="list-style-type: none"> - The opening "Balance at Sept 1, 2010" will be populated from Worksheet 4. (The cells are white in excel since they will be input cells in EFIS)
3	2, 3	<p>Worksheet #1: Calculation of Appropriation</p> <p>Boards will record a receivable from the province and a corresponding revenue for their prior approved capital spending. This will come in the form of a GSN amendment as at August 31, 2010. The amount of approved financed amounts will be entered on Section 12 and on Schedule 3B, page 2. As part of the capital grant allocation wrap-up, these amounts will be determined by specified audit procedures in the spring of 2010. See Worksheet #1 for detailed explanation.</p>
4	2	<p>Worksheet #2: Closing Appropriation to Accumulated Surplus</p> <p>The entry is performed automatically, with no entry required by the user. See Worksheet #2 for detailed explanation.</p>
5	1	<p>Enter August 31, 2010 closing balances on the 2009-10 trial balance</p> <p>The 2009-10 trial balance (Excel tab 'TB PY') will not be included in the final estimates package in EFIS. It is for illustrative purposes, to show sample transactions that would be entered when preparing the 2010-11 budget. It is also used to check that the forms are balanced.</p> <p>Enter the opening deferred revenue balances on Schedule 5.1.</p> <p>Enter an estimate for the August 31, 2010 closing balances before adjustment in the white cells. Note that it will not be required to estimate assets and liabilities</p>

		for the estimates cycle. The asset and liability accounts are shown for illustrative purposes only. It is sufficient to estimate a receivable and payable balance such that the receivable less the payable equals the total of the fund and ATBR balances.
6	4	<p>Fill Worksheet #3: Calculation of DCC</p> <p>Boards record the opening DCC balance as per change in accounting policy. It is calculated as follows:</p> <p>Net investment in TCA (Sch 3C) Less: Unsupported debt (Sec 12)</p> <p>The A/S unavailable for compliance will reflect the other side of this entry. The entry is performed automatically, with no entry required by the user. See section 1d of the power point package called '2010-11 Estimate Forms' for a detailed description of this transaction.</p>
7	5	<p>Fill in capital expenditures on Schedule 3B, pages 1, 3 and 4</p> <p>Schedule 3B is a new form that replaces Schedule 3 for capital budgeting purposes. Boards should fill in page 1 based on estimated capitalizable expenditures that will be made during the year. Also fill in pages 3 (movable assets) and 4 (new schools), since this information rolls up into page 1.</p> <ul style="list-style-type: none"> - Record capitalizable expenditures by asset class and funding source. - Record capitalizable interest included in the asset value. - Total capital expenditures will tie to the additions recorded on Schedule 3C - Note that the additions are entered cells on Schedule 3C so that boards may apportion leased assets on Schedule 3C, since leased assets are not specifically identified on Schedule 3B. - Note also that any noncapitalizable additions will now be recorded on Schedule 10.
8	6, 13	<p>Fill in capital approvals/funding on Schedule 3B, page 2 and Schedule 5.1</p> <ul style="list-style-type: none"> - Enter opening and in-year capital approval amounts in the green and white cells on line 1. For columns 1, 2 and 4 to 6, the Ministry will provide these amounts separately from the EFIS forms, along with a file explaining how the amounts were calculated. The board will enter the amounts provided in the EFIS forms. In the case where the board feels there is a discrepancy, the board will enter the data believed to be correct. The board would then submit a reconciliation to the Ministry explaining the difference. For training purposes, estimate total approval room available as at August 31, 2010. - Similarly, enter the portion of approved amounts that have been long term financed on line 2 (entire amount financed, not just the outstanding portion). - Line 3, (approved NPF) will have been filled in at step 3. - Lines 8.1 and 8.2 – fill in any portion of third party capital deferred revenues that will be used to fund expenditures. - Enter the corresponding amount on Schedule 5.1 (deferred revenue), column 5, third party section.
9	5,	Enter 2010-11 TCA Data (Sch 3C) and proceeds (Sch 5.1)

	14, 15	<ul style="list-style-type: none"> - Go to Schedule 3C, tab S3C - The opening balances will be forwarded from Schedule 3C (prior year) - Enter all additions/betterments and disposals expected for the 2010-11 school year. - The additions must tie to the capital spending recorded on Schedule 3B, page 1. These cells are not pre-populated to allow boards to record additions to leased assets (which are not required to be detailed for capital budgeting purposes). - Note that the total additions and betterments will agree to the amount entered in the capital budget, Sch 3B (described in step 7). - Enter all expected transfers from Construction in Progress (CIP) to Assets in Service expected for the 2010-11 school year. Note that this column should net to zero as all amounts out of CIP should go into Assets in Service - Enter the expected amortization for the 2010-11 school year as well as any expected write-downs - Reverse out any amortization that relates to the expected disposals - Enter the proceeds of disposition on Schedule 3C, for all disposals/sales for the 2010-11 school year - Proceeds of disposition should also be recorded on Schedule 5.1 (deferred revenue), column 2, lines 2.17 to 2.19.
10	8	<p>Enter expenses in Schedule 10.1 and 10.2</p> <ul style="list-style-type: none"> - Enter expenses by elementary and secondary classifications. - Note that capitalizable expenses are now recorded on the capital budget (Schedule 3B).
11	8	<p>Enter expenses in Schedule 10</p> <ul style="list-style-type: none"> - Enter expenses. - Note that capitalizable expenses are now recorded on the capital budget (Schedule 3B). - Allocate amortization to the five expense categories, with the total matching the amount recorded on Schedule 3C. -
12	n/a	<p>Enter expenses in Schedule 10ADJ</p> <ul style="list-style-type: none"> - Enter adjustments for compliance purposes. - Adjustments to interest and vacation accrual are the same as in prior periods. - For employee future benefits enter the increase/decrease in the unfunded EFB liability as in prior periods, but add back any changes to EFB expense due to plan or benefits changes.
13	n/a	<p>Enter expenses in Schedule 10A and 10B</p> <ul style="list-style-type: none"> - Enter special education expenses on an adjusted compliance basis (i.e. in the format of 10 ADJ) as described in step 12. - Enter an amortization amount for Section 23 programs as well as a total amortization amount.
14	9	<p>Enter sample allocations in Section 1A (GSN)</p> <ul style="list-style-type: none"> - Enter sample set of allocations in the green cells. These amounts are

		normally prepopulated from the GSN regulation; however, for training purposes, use a sample data set from a prior period.
15	9	<p>Enter sample tax revenues in Section 1B (TP)</p> <ul style="list-style-type: none"> - Enter sample set of tax revenues in the green cells. These amounts are normally prepopulated; however, for training purposes, use a sample data set from a prior period.
16	9	<p>Enter revenues in Schedule 9</p> <ul style="list-style-type: none"> - Enter revenues in the white cells. - Note that legislative revenues, revenue recognized from deferred revenue and tax revenues will be prepopulated from other schedules.
17	8, 9	<p>Enter revenues and expense in Schedule 14 for School Generated Funds</p> <ul style="list-style-type: none"> - Enter revenues and expense in the white cells. - For any amounts that were specifically raised for spending on a capitalizable item, record the revenue in the capital row. - Record any corresponding capital spending in the capital budget (Sch 3B, page 1) in the School Generated Funds column.
18	n/a	<p>Enter other revenues and expense in Dataform A2 for special education</p> <ul style="list-style-type: none"> - Enter any other revenues and expense in the white cells. - The amount will be transferred to the deferred revenue schedule (Sch 5.1), and then transferred to the revenue schedule (Sch 9).
19	10, 11, 12, 13	<p>Enter remainder of deferred revenue data in Schedule 5.1</p> <ul style="list-style-type: none"> - Enter any contributions received in column 2 that have not yet been recorded (ex. EDCs). - Enter any earnings on deferred amounts in column 3. - If a board has a TCA balance greater than its DCC balance, this means the board has incurred capital spending for which a capital contribution was not received. If a board has available capital deferred revenue (ex. from proceeds of disposition), the board may apply it to prior capital spending up to a limit of the TCA less DCC balance. This application would be recorded in column 4.
20	16	<p>Enter DCC related data in Schedule 5.3</p> <ul style="list-style-type: none"> - This schedule is mostly prepopulated, with the purpose to track DCC contributions and calculate the amortization of DCC into revenue. As noted previously, DCC is calculated as TCA less the portion that relates to unsupported spending. Therefore, the calculation of DCC amortization is the TCA amortization, less the amortization of the unsupported spending amount. The amortization of the unsupported spending is shown in column 10, line 3.2 and is calculated as the amount at column 8, line 3.2 divided by the amount at line 4. This represents the pre-August 31, 2010 unsupported spending on non-EDC eligible (non-land) items divided by the average remaining service life of all depreciable TCA. - As explained in step 19, a board may use their capital deferred revenue for capital expenditures that have been made in a prior period. When

		<p>the amount is removed from deferred revenue, it is transferred to DCC. This amount would be recorded in column 7, lines 3.1 to 3.3.</p> <ul style="list-style-type: none"> - The amounts at lines 3.1 to 3.3 are pre-populated from Sch 5.1, column 4. The amount in line 3.3 related to EDC eligible will come from Sch 5.1, Col 4, line 2.21. The amounts on lines 3.1 and 3.2 are calculated as the amount on Sch 5.1, Col 4, line 2.30 less line 2.21, the total of which is prorated based on the amount in Sch 5.3, Col 5, lines 3.1 and 3.2. - In other words, the amount of prior eligible capital expenditures will be applied proportionately to the non-EDC eligible land and other categories, based on the amount in each category's opening balance. - To the extent a board has indicated on its capital budget that it plans to overspend on capital in the year, this overspending is recorded in column 6, lines 3.6 (for non-EDC eligible expenditures) and line 3.7 (for EDC eligible expenditures). This overspending will need to be tracked on an asset-by-asset basis, so that the overspending can be amortized, reducing the DCC amortization by that amount. Boards will calculate the DCC amortization of the asset on which overspending occurred by taking the amortization and reducing it by the amortization of the overspending. The amortization of the overspending is calculated as the overspending divided by the remaining service life of the asset.
21	19	<p>Close out the revenue and expenses to accumulated surplus (Sch 5)</p> <ul style="list-style-type: none"> - In the white cells, fill in any in-year changes to the surplus categories. For example, the board may allocate a portion of any in-year surplus to the internally appropriated accumulated surplus account related to retirement gratuities. - Any unallocated amounts will be automatically populated into the operating accumulated surplus. - Ensure that the forms balance by checking in-year and accumulated surplus amounts on the 2009-10 trial balance, 2010-11 trial balance, Schedule 1.1 and Schedule 5.
22	n/a	<p>Complete Dataform D</p> <ul style="list-style-type: none"> - This schedule is used to determine the variance between the board's allocation compared to the board's expenses. The variance will equal the in-year surplus (negative) or deficit (positive) for compliance purposes. - Fill in the white and green cells such that the amounts equal the totals on line 1.28.
23	n/a	<p>Verify budget compliance calculation</p> <ul style="list-style-type: none"> - Ensure that in-year revenues less expenses adjusted for compliance are within the lesser of 1% of the operating allocation and the prior year accumulated surplus available for compliance. - Add any Ministry approvals anticipated.
24	n/a	<p>Verify administration and governance compliance calculation</p> <ul style="list-style-type: none"> - Ensure that in-year revenues do not exceed in-year expenses in the administration and governance category.