Q & A for 2010-11 Estimate Forms (from Training Sessions)

Below is a summary of the questions that were posed by attendees of the 2010-11 Estimates Forms training sessions. The questions are divided as follows:

General

1 – Q: If a board has any questions on the new forms, who would they contact?

A: The first point of contact would be the board’s Financial Officer.

2 – Q: When will GSN letter and EFIS package be available?

A:

(i) The GSN memo (2010:B5) was released on Mach 26, 2010.
(ii) The EFIS package will be released approximately the third week in April, 2010. Note that the deadline to submit the EFIS forms has been extended from June 30, 2010 to July 30, 2010.

3 – Q: Would boards expect the in-year surplus/deficit for Estimates to be zero?

A: Yes, boards would expect the in-year surplus/deficit to be zero for Estimates.

4 – Q: Will the boards be required to provide the Excel forms to the Ministry?

A: No, the Ministry does not require the Excel forms. The Excel document is a tool to help the boards learn the changes to the 2010-11 Estimate forms, provided in advance of the final EFIS forms.

5 – Q: Will the boards be able to receive an abridged version of the changes for the trustees?

A: The Ministry is making available two short documents on the Financial Analysis and Accountability Branch (FAAB) website. The first document (called OASBO workshop_Update Financial Accountability and capital changes.ppt) was presented by Andrew Davis, Director of FAAB, at the OASBO Finance Workshop held in March 2010. The presentation provides a high-level view of the capital wrap-up, changes to employee future benefits and accounting for capital contributions (DCC).

The second document (OCSTA Presentation Jan 16) was presented by Andrew Davis in January 2009 to the Ontario Catholic School Trustees Association (OCSTA). The presentation provides a high level view of the compliance changes, including the change in use of reserves and discussion of multi-year recovery plans.

Schedule 3B (1) – Capital Expenditure Budget Page 1

1 – Q: What would be included in Other (Col 11)?

A: This column will include non-Ministry funded capital expenditures. For example, board administration expenditures may be recorded here.

2 – Q: What is included in Line 2.23 – Portion related to interest?

A: Boards will receive an allocation for short term interest on capital When an asset is construction in progress (CIP), the board is required to capitalize interest incurred on the debt and once the capital asset is complete, interest will then be included in operating expense.

Included in line 2.22 (total capital expenditures) will be the capitalized interest on debt. The boards are required to input the portion of capitalized interest included on line 2.22 on line 2.23. Therefore boards are required to break out the portion of total capital expenditures that is interest.

3 – Q: Do we need to capitalize short-term interest on CIP?

A: Yes, the PSAB handbook and School Board and School Authority Tangible Capital Assets - Provincial Accounting Policies and Implementation Guide (TCA Guide) require interest to be capitalized for CIP.

4 – Q: Are future capital expenditures (line 3.1 "Expenditures 2011-2012" and line 4.1 "Expenditures 2012-2013") a wish list or are they approvals?

A: These rows are for approved amounts; it is not a wish list. The Ministry requires the boards to enter these amounts to ensure that the province budgets for the proper amount to support school boards' capital construction (i.e. for cash flow purposes).

5 – Q: What is the difference between Sch. 3B (1) and Sch. 3B (2)?

A: Sch. 3B (1) is where the boards would include a summary of the capital expenditures (Land, Building, etc.), where as Sch. 3B (2) is a summary of the boards' approval room/allocation available and would indicate remaining approval room/capital budget shortfall or remaining allocation amounts at year end.

<u>Schedule 3B (2) – Capital Expenditure Budget Page 2</u>

1 – Q: What is the source of the "in-year approval" (line 5) for minor TCA (Col 10)? How will the minor TCA grant be calculated?

A: The allocation for minor TCA is calculated on line 1.18 of Section 1A – Summary of Allocation. This amount is pre-populated into Schedule 3B, page 2, line 5, column 10. The allocation is 2.5% of the General Operating Allocation on line 1.17 of Section 1A. The portion of the minor TCA allocation provided in-year that is not applied to spending on capitalizable minor TCA will be designated as an operating allocation. The remaining operation allocation can be used by the board to support operating expenses.

2 – Q: What would be considered non-capitalizable expenditures under the New Pupil Places (NPP) column (Col 1)?

A: Currently, most of the funding that would be recorded in this column is meant to support capitalizable expenditures. Items that would not be capitalized would be the reallocation of portables.

3 – Q: Where do small items that do not meet the capitalization threshold in the TCA Guide go?

A: These amounts will continue to be expensed. They will recorded in the "Supplies and Services" (Col 5) on Schedule 10.

4 – Q: What would be included in the "Other" column (Col 12)?

A: This column will include non-Ministry funded capital expenditures (line 7), as well as capital deferred revenues that are being applied against non-Ministry funded capital expenditures (line 8). The allocation cells (lines 1 to 6) are greyed out in this column since the funding source for "other expenditures" will come from deferred revenue.

5 – Q: Do boards need to track the minor TCA expenditures (2.5% of operating allocation)?

A:

(i) If spending on minor TCA meets the capitalization threshold in Appendix B of the TCA Guide, these items would be tracked on Schedule 3B page 3 – Movable Assets.

(ii) If spending on minor TCA does not meet the capitalization threshold in Appendix B of the TCA Guide, these items would be included in column 5 (Supplies and Services) on Schedule 10 – Expenses.

6 – Q: Will boards lose funding on short-term interest on capital once they move construction in progress (CIP) projects to assets in service?

A: No, boards will still get the funding for short-term interest; however, the interest would be expensed instead of capitalized. Interest expensed would be included in Column 7 (Interest charges on capital) on Schedule 10 – Expenses.

7 – Q: Can boards choose where they will overspend (i.e. Building vs. Portable Structures)?

A: Ideally, boards would not overspend on capital. On schedule 3B (capital budget), boards will estimate spending on capital, noting the amount in the appropriate asset class. In general, most of the spending room is supported by the Ministry through project approvals which identify the program under which the spending would be approved (eg. prohibitive to repair program). Even though there may still be room to spend under a certain program, the Ministry's capital accountability process still applies. Boards must respect the criteria for spending as it has been set out in the approval letter received from the Ministry.

8 – Q: If a board overspends on minor TCA during the year, how will they deal with this? Will this amount be unsupported?

A: The board would have the following options:

(i) The board has the option of applying a capital deferred revenue (ex. proceeds of disposition) on Schedule 3B, page 2, line 8.2, column 10. A corresponding amount would be recorded on the deferred revenue schedule (Sch 5.1), in column 4, in the appropriate row. By doing this, the board's TCA balance would equal the DCC balance for the spending on minor TCA. Note that spending on furniture and equipment from the proceeds of disposition reserve is allowed (Reg. 446/98); however, as per normal procedures, a transfer from reserve approval would be required.

(ii) If the board does not have capital deferred revenues to apply as in (i), the board's TCA balance would be higher than the DCC balance. The impact is that the board would have a pressure on their statement of operations over the life of the minor TCA. If the board is aware that they will overspend minor TCA in a future year, they would be able to internally appropriate a portion of their surplus in the years leading up (on Schedule 5, Detail of Accumulated Surplus, line 2.5, "Other Purposes"). In the years that the minor TCA is amortized, the board would apply their internally appropriated accumulated surplus against the amortization. If that amortization is greater than 1% of the board's operating revenue (which is not likely), the board would request approval from the Ministry to use the surplus.

(iii) A board could also apply its current year minor TCA allocation to a prior year minor TCA over-expenditure. For example, if a board spend more in a computer refresh year, in the subsequent years, it could apply that year's minor TCA allocation to the initial overspending)

9 – Q: If a board receives funding from the Ministry for a new building but it is not from one of the columns on Schedule 3B, how would a board handle this? Where would the amount be included?

A: All of the Ministry funding sources are identified as columns on Schedule 3B. If the Ministry starts to provide a new funding source, the Ministry will include an appropriate column.

10 – Q: Would capital projects that are supported through School Renewal be considered unsupported? Could a board use School Renewal to minimize the difference between TCA and DCC?

A:

(i) Yes, capital projects that are supported through School Renewal are considered unsupported *<u>for the purpose of the capital wrap-up</u>*.

(ii) Yes, a board would be able to apply School Renewal to prior year capital expenditures on Schedule 5.1, Col 4 (Transferred to DCC (related to prior year expenditures)) on line 2.3.

11 – Q: On Sch. 3B (2), page 2, line 5, is this where we would input new approvals?

A: Yes, this is where new in year approvals would be input. Boards would also be required to include backup for the approval when estimates are submitted.

12 – Q: How do you use operating funding to deal with overspending on capital?

A: Boards cannot include operating funding in DCC, since operating funding is not considered a capital contribution. In this scenario, the board would record a higher amount in TCA than in DCC; the difference between TCA and DCC is the capital overspending. The board can use a capital deferred revenue to decrease the difference between TCA and DCC. For example, the school renewal grant may possibly be used, assuming the capital spending meets the criteria of school renewal grant. Essentially, where a board has TCA that is not equal to the DCC balance, the board will up a portion of its operating allocation to address the impact of having a higher TCA amortization expense than DCC revenue amortization.

13 – Q: Why would a board be concerned with the difference between TCA and DCC? Will this impact the compliance calculation?

A: If there is a difference between TCA and DCC this will impact the board's compliance calculation since the yearly amortization expense for TCA will be greater than the DCC recognized into revenue. This would cause the board to have an in-year deficit on the statement of operations.

<u>Schedule 3B (3) – Capital Expenditure Budget – Movable Assets Page 3</u>

1 – Q: Would capital leases be included on this schedule (Capital Budget – Movable Assets?

A: Yes, if you have capital leases on movable type assets.

<u>Schedule 3C – Tangible Capital Asset Schedule</u>

1 – Q: How will we treat proceeds of disposition?

A: Proceeds of disposition will be treated in a similar manner as prior years. The proceeds will be treated as deferred revenue on Schedule 5.1, lines 2.17 to 2.19 until they are used for capital. Boards will also have the alternative to transfer proceeds to DCC related to prior year expenditures. To do so, the board would need to obtain approval for the transfer, consistent with current practice.

<u>Schedule 5 – Detail of Accumulated Surplus/(Deficit)</u>

1 – Q: Can the board set aside a portion of their accumulated surplus to be used for capital?

A: Yes, the board can set aside a portion of their accumulated surplus for future capital spending. This would be recorded on Schedule 5, line 2.5 under "available for compliance – internally restricted, other purposes".

2 – Q: Assume a board runs an in-year deficit, and the board wishes to draw on their accumulated surplus by an amount that would exceed the compliance threshold. How easy will it be to get Ministry approval? What do boards need to do? Who will send the boards a response?

A: As stated in memos 2010: B2 and 2010: SB10, boards are required to seek the Minister's approval for an in-year deficit that exceeds the accumulated surplus or is in excess of one percent of operating revenue. This approval must be obtained prior to a board's final approval of its budget. If a board's deficit is caused by situations that are not permanent or non-structural in nature, approval will take no longer than five business days from the day the Ministry acknowledges receipt of the board's request. If the deficit is structural in nature, or the request represents a high financial risk that places future balanced budgets at risk, more time may be required.

Boards should ensure that their budget timelines are adjusted to include adequate time for approval, if needed, so that they will be able to meet the July 30, 2010 deadline for submission of the Estimates. All requests for approval should be submitted through the board's assigned Ministry Finance Officer.

3 – Q: Some boards save every year (i.e. increase their internally restricted accumulated surplus) to be able to do a minor TCA refresh. How will the new compliance model work in this scenario?

A: If a board is using accumulated surplus to cover spending on capitalizable items, the amount spent will not be directly included in compliance calculation. The amount spent will be included in TCA balance, and only the *<u>amortization</u>* for the year will be included in the compliance calculation of in-year deficit. The amortization expense would be covered by the accumulated surplus. It is unlikely that the impact of the amortization on the minor TCA would exceed 1% of the board's operating revenue, thus it is unlikely that this scenario would cause an issue with compliance.

4 – Q: Will the boards be able to transfer between reserves for compliance calculation?

A: No, boards can no longer transfer between reserves. This is because, commencing on September 1, 2009, boards are required to follow PSAB standard 1200, which removes the concept of reserves in the financial statements.

<u>Schedule 5.1 – Deferred Revenue Continuity</u>

1 – Q: For capital deferred revenue, how does a board know if they should transfer an amount to deferred capital contribution (DCC) or revenue?

A: The Board should consult the TCA Guide to see if the deferred revenue was used to purchase an asset meets the criteria to be capitalized. If the asset meets the criteria, then deferred revenue would be transferred to DCC. If it does not, it would go to revenue.

2 – Q: If a board decides to allocate proceeds of disposition (POD) to prior year expenditures (Col 4), would they need approval from the Ministry?

A: Consistent with current practices, boards would still continue to get approval for the use of POD.

3 – Q: How does minor TCA come out of deferred revenue if it is used on Schedule 10 (i.e. the spending on minor TCA is not capitalizable)? How does it come out on the form?

A: The intent of the minor TCA allocation is that it be used for spending on capitalizable minor TCA. The amount of the allocation spent on capitalizable minor TCA would be transferred to DCC. If there is any remaining allocation, the intent is that it be available for spending on any operating-type items. Therefore, the balance of the allocation would be transferred to revenue from Schedule 5.1 from Col 6 (Transfer to Revenue).

4 – Q: Where do the Contributions Received (Col. 2) for lines 2.1 to 2.6 come from?

A: Amounts are being forwarded from line 1.61 to 1.64 on Section 1A – Summary of Allocation. Amounts on Section 1A will be pre-populated by the Ministry.

5 – Q: Is school renewal (not GPL renewal) required to be used for capital?

A: School renewal is intended to support the renewal of capital (ex. schools); however, the amount can be spent on items that are capitalizable or expensed.

<u>Schedule 5.2 – Accounts Receivable/Payable Continuity</u>

1 – Q: How does the Accounts Receivable work against the Accounts Payable?

A: Given that the Province will recognize, for funding purposes, the supported debt on existing capital programs, pupil accommodation reserves as of August 31, 2010 will be recovered through offsets against amounts owing for future capital grant entitlement of against cash payable to school boards for supported debt servicing costs, or a combination of the two. This action is necessary to ensure that the debt from approved capital expenditures is not funded twice, once through funding allocated for capital purposes but not spent, and a second time, by covering the cost of the same capital asset through the one time grant. Any transfers from these reserves from the date of SB memo 2010: B10 (March 4, 2010) to August 31, 2010 must be for debt servicing costs only, unless a transfer was supported by a specific board motion dated prior to February 25, 2010 and was approved by the Ministry. Transfer approvals will continue as per memo 2009:SB:32, *Introduction of New Accountability Measures for Capital projects based on Preliminary Findings of the Expert Panel*.

In short, if the board has pupil accommodation debt reserve as at August 31, 2010, this balance will be recovered by the Ministry and will be set up as an Accounts Payable (A/P). The A/P will be netted against in-year capital grant receivables until the balance has been reduced to zero.

2 – Q: How will boards differentiate between short-term (current) and long-term accounts receivable?

A: This differentiation is not required for Estimates. Further instruction will be provided for financial statements. In short, the current portion would be the amount of receivable due in the next year, and the long-term portion would make up the balance. The current portion would be the projected principal payments, retirement of supported debt and capital grant receivable for the next year (net of any accounts payable to the Province).

<u>Schedule 5.3 – Deferred Capital Contributions Continuity</u>

1 – Q: In subsequent years, will Boards be able to close the gap between TCA and DCC?

A: Yes, this can be done on Schedule 5.1, Col. 4. Boards can transfer capital deferred revenue to DCC related to prior year expenditures on TCAs in Column 4 to close the gap. This amount will come into deferred revenue as a contribution on Schedule 5.3 (Col 3 and Col 7).

2 – Q: How are the numbers coming in on line 3.1 and 3.2 in Col 7? How are they being allocated?

A: The sum of lines 3.1 and 3.2 on Schedule 5.3 equals line 2.30 (subtotal – capital deferred revenue) less line 2.21 (Education Development Charges) from Col 4 on Schedule 5.1. On Schedule 5.3, amounts are allocated to lines 3.1 and 3.2 proportionately based on the balance at September 1, 2010 (Col 5). Therefore, if in Col 5, line 3.1 was $250K and line 3.2 was $750K then 25% would be allocated to line 3.1 and 75% to line 3.2. The purpose of this allocation is to maintain the proportion of unsupported capital spending that is related to land (i.e. non-depreciable) versus other (i.e. depreciable) amounts.

4 – Q: If a board has paid for TCA without Ministry funding or third-party funding (i.e. the board paid with prior year operating savings, or an external revenue source that would not be considered a capital contribution), how will this be handled? Would it be included in DCC?

A: The opening DCC balance is being set up as the TCA balance less the board's unsupported debt (for capital wrap up purposes) as at August 31, 2010. Although a debt may be unsupported by Ministry capital programs funding, it is most likely supported by another capital contribution. These could include education development charges (EDCs) from municipalities for the purchase of land, proceeds of disposition deferred revenues, or the school renewal grant. Rarely, a board might have a TCA that is not fully supported through capital contributions. An example of this would be a building for a daycare, on which the debt is being supported by daycare operator revenues.

When the DCC is set up, only the <u>*outstanding*</u> unsupported capital debt is deducted from the TCA balance. That means that the opening DCC balance contains the portion of the unsupported capital debt that has been paid off. In the rare case where that capital debt was not supported by other capital contributions, the portion of the paid off unsupported debt is incorrectly included in DCC. This amount is expected to be non-material. Using this assumption to set up of opening DCC balance allows for a cost and time effective implementation. Without this assumption, it would be necessary to implement a DCC subledger to capture the capital contribution that has been made on *each* asset.

Going forward, when the outstanding unsupported capital debt is paid off with operating savings, or an external revenue source that would not be considered a capital contribution, this amount will *not* be included in DCC.

5 – Q: Why is the Ministry not calculating DCC specifically to for TCA?

A: The cost to have the boards track DCC specifically for each TCA outweighs the benefit. Given that approximately 97% to 98% of the boards' capital debt is supported, the difference would likely be immaterial. Boards can choose to track DCC specifically to each TCA; however, it will not be required by the Ministry.

Schedule 10 – Expenses

1 – Q: Where do small items that do not meet the capitalization threshold in the TCA Guide go?

A: These amounts will continue to be expensed. They will recorded in the "Supplies and Services" (Col 5) on Schedule 10.

2 – Q: How is amortization split up?

A: Amortization is allocated on Schedule 10 into five categories: instruction, administration, transportation, pupil accommodation and other. Amortization is only required to be input in the "Total" column (Col 12).

Schedule 10ADJ – Adjustments for Compliance Purposes

1 – Q: Is Column 17 (Changes to employee benefit expense due to plan/benefits changes) permanent? How will the boards get the numbers for this column?

A:

(i) Yes, column 17 will be on Schedule 10ADJ on a going forward basis.

(ii) The numbers would be provided from the board's actuarial report. Plan changes are booked immediately into expense when the plan change is signed, whereas costs that do not result from plan changes (i.e. assumption changes and demographic changes) are amortized into expense based on the estimated average remaining service life (EARSL). The actuarial report contains the information necessary for reporting the impact of plan changes versus assumption changes in a particular year. Since the actuarial report may not be available at Estimates, boards will continue to estimate the amounts entered on Schedule 10ADJ that relate to employee future benefits.

2 – Q: How should changes to employee future benefit expenses be treated?

A: As explained in question 1 (above), plan changes are booked immediately into expense when the plan change is signed, whereas costs that do not result from plan changes (i.e. assumption changes and demographic changes) are amortized into expense based on the estimated average remaining service life (EARSL). As per memo SB10, any change in expense resulting from net enhancements to benefits will be included as an expense for compliance purposes.

Section 1A – Summary of Allocation

1 – Q: Are we reducing the funding to boards on line 1.18 (minor TCA)?

A: No, this amount is being reallocated to Capital Grants (line 1.61). Effectively, a portion of the operating allocation (2.5%) is available to be used for spending on minor TCA.

2 – Q: Why is the principal payment for capital debt support payments (line 1.60 on Section 1B – Summary of Allocation for Transfer Payment Purposes) not being allocated on Sec. 1A – Summary of Allocation?

A: Section 1A shows the boards' new allocation for the year. The capital grant wrap-up will be implemented through a one-time grant that recognizes all the existing capital debt as of August 31, 2010, that is being supported by existing capital programs. Since the boards will receive a one-time allocation for the entire supported amount, boards will not have a yearly allocation. The boards will, however, receive a yearly cash transfer payment on line 1.60 on Section 1B – Summary of Allocation for Transfer Payment Purposes to make the principal payments.

Section 1B – Summary of Allocation for Transfer Payment Purposes

1 – Q: Minor TCA is being reallocated on Section 1A – Summary of Allocation from a Operating Allocation (line 1.18) to a Capital Allocation (line 1.61), however it does not appear to be included on Section 1B TP. Where is minor TCA included on Section 1B?

A: Minor TCA is included in Total: Operating Allocations (line 1.17) on Section 1B. It is not being reallocated to Capital Grants for transfer payments purposes.

Section 12 – Debt Charges Allocation

1 – Q: Since the specified audit procedures are being performed on capital debt as at August 31, 2010, how can the boards split their capital debt charges into supported and unsupported components in time for Estimates (due July 30, 2010)?

A: For the Estimates, the supported/unsupported split will be an estimate of what the boards expect it to be as at August 31, 2010. The Ministry will provide boards with an Excel template to support their Estimates, which they will be required to update towards year end, to be used by the auditors for the specified audit procedures. Essentially, the amounts that are currently on section 12 under "Permanently Financed Pre-1998" would be supported, as would most OFA loans. The amounts that are unsupported (for the purpose of the capital wrap up) would relate to debt that is not supported under the Ministry capital programs. Examples include debt that is supported through third party revenues such as education development charges, school renewal funding (as this source is not part of the wrap-up), or other sources of revenue (ex. daycare operator revenues).

2 – Q: Can we include future OFA debt, when estimating capital debt for wrap-up?

A: Future debt will be included in the supported capital debt Not Permanently Financed (NPF) category, if it is not permanently financed as at August 31, 2010. Once the projects that relate to this NPF amount are complete, balances will be transferred to Permanently Financed (OFA debt), to the extent that the debt is supported.

3 – Q: Do Boards need to meet some criteria to get reimbursed by the Ministry for their sinking fund payments and debt retirements? If the boards just pay, will they automatically get reimbursed?

A: Boards must contact the Ministry transfer payment unit (Diane Strumila, 416-325-4894) when retiring a capital debt. Boards retiring supported sinking fund debt would be required to retire the debt using the amounts in their sinking fund assets. Any shortfall would have to be addressed by the boards and any surplus would be retained by boards. Where the assumptions built into the debt instrument requires refinancing, boards must contact the Ministry to discuss refinancing through the OFA.

For sinking fund debentures, the amount that would be recognized as supported as at August 31, 2010 will be the total of the sinking fund contributions that the boards will be making post August 31, 2010 based on assumptions embedded in the sinking fund indentures. For example, if there is a sinking fund debenture for $60 million, all supported and as of Aug 31, 2010 the board has:

Made contributions of $20 million
Has sinking fund assets of $25 million
Is required to make contributions after August 31, 2010 of $30 million

The supported amount relating to this debenture will be $30 million, rather than $35 million ($60 million less sinking fund assets of $25 million).

Data Form A.3 – Revenue Recognition / Enveloping Criteria

1 – Q: Will EFIS still have Data Form A.3?

A: No, the form has been deleted. Data Form A.3 is currently used to track the Pupil Accommodation Deferred Revenue Balance/Accumulated Eligible Expenditures. The amounts that are currently calculated on Data Form A.3 are pre-populated in Schedule 5.1.

In the new forms, the accumulated eligible expenditures are calculated as the TCA balances less the DCC balance. This represents the same amount that is calculated in the current forms, but is simply calculated differently. Boards will be able to recognize their capital deferred revenues into DCC up to their accumulated eligible expenditure balance (i.e. TCA less DCC). This would be recorded on Schedule 5.1, column 4. This replaces the calculation that occurred on Data Form A.3.

Specified Audit Procedures for Unsupported Debt

1 – Q: Will the Ministry cover the extra audit fees for the Specified Audit Procedures on capital debt?

A: At this time, the Ministry will not be providing extra funding for the specified audit procedures.

2 – Q: When will the audit for the capital debt occur?

A: The audit will need to take place after August 31, 2010, since the audit will be on capital debt as at August 31, 2010. It could be cost efficient for the boards to have their auditors perform the specified audit procedures during the 2009-10 school year audit.

Capital Wrap-Up

1 – Q: Will the Ministry adjust the new pupil places (NPP) capital wrap-up amount for boards that have enrolment growth? That is, if boards have NPP room, will it be protected?

A: Some capital funding is being protected for a small number of boards that still have funding room under the NPP program sufficient to build at least one new school. This entitlement room, estimated at $272M, will be converted into a four year capital program for eligible boards.

2 – Q: Will capital deferred revenues remain after the capital wrap-up?

A: Yes, they will remain until they are spent on capital. Then, they will be transferred to the deferred capital contribution account.

3 – Q: Is the capital liquidity template (CLT) going to be reviewed again? Will a new version of the CLT be released?

A:

(i) The Ministry will review the current version of each board's CLT as part of the capital wrap-up process.

(ii) The CLT is currently at version 2. The Ministry will not be upgrading the CLT to version 3.

The ministry will release an Excel template that shows project and debenture information from the CLT, as well as any other project data not included in the latest CLT reviewed. This template will be used to support information entered in schedule 3B (page 2 of the capital budget) and section 12. Boards will be required to submit the template to the Ministry as part of the submission of their EFIS estimates.