



Accountant's Report: Education Finance Information System Schedules for the Period of 1 September 2018 - 31 March 2019

To: Audit Committee

Date: 28 May, 2019

Report No.: 05-19-3660

Strategic Directions

- Allocate Human and Financial Resources Strategically to Support Student Needs

Recommendation

It is recommended that the Accountant's Report: Education Finance Information System (EFIS) Schedules for the Period of 1 September 2018 to 31 March 2019 submitted to the Ministry of Education be received.

Context

The Toronto District School Board's external auditor, Deloitte LLP, performed specified auditing procedures in connection with the Ministry of Education's Education Finance Information System (EFIS) Schedules 19, 20, 22 and 22A from 1 September 2018 to 31 March 2019 which was submitted to the Ministry of Education.

Action Plan and Associated Timeline

For reporting purposes only.

Resource Implications

Not applicable.

Communications Considerations

Included in public minutes.

Board Policy and Procedure Reference(s)

Not applicable.

Appendices

- Appendix A: Accountant's Report with respect to the period from 1 September 2018 to 31 March 2019

From

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Accountant's Report with respect to the period from September 1, 2018 to March 31, 2019

To the Ministry of Education

As requested by the Toronto District School Board (the "Board"), we have performed the following procedures for the period from September 1, 2018 to March 31, 2019 ("the period"):

I. Schedules 19 and 20 of EFIS of the Board

We have obtained Schedules 19 and 20 of EFIS from the Board and performed the following:

1. With respect to Column A.1 we performed the following at March 31, 2019:
 - a. We obtained a summary of the trial balance (or general ledger) at March 31, 2019 of the Board and agreed the subtotals to Column A.1 of Schedules 19 and 20 and found them to be in agreement.
 - b. We agreed the following 5 items (assets/liabilities/ accumulated surplus/(deficit)/ revenues/expenses) over \$700,000 from the summary referred to in (1) a) above, to the general ledger and found them to be in agreement.

GL Account #	Description in summary	Amount at March 31, 2019
81001	CIBC Canadian General Account	\$190,159,096
91110	Accounts Payable - Employer Health Tax	(\$36,629)
89900	Surplus	\$41,083,902
14520	Temp Assistance - Psychological Svs (ND	\$1,020,439
05100	Municipal Taxes	(\$1,047,697,692)

2. 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 Column A.2 on Schedule 19 and 20.
3. We obtained the entry to reverse any amounts recorded during the seven-month period for subsidiaries. We agreed the entry to supporting documentation and Schedule 19 and 20. (Column A.3)

The Board did not report any Column A.3 adjustments; therefore, this procedure was not applicable.

4. We obtained a summary of the Column B.1 adjustments on Schedules 19 and 20, if any, to reverse entries over \$700,000 which recorded receivables and payables at August 31, 2018 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), agreed them to the supporting documentation and verified the amount was included in the summary of the entries. We agreed the summary of the entries to Column B.1 of

Schedule 19 "Consolidated Statement of Financial Position", and Schedule 20 "Revenues and Expenses", as applicable.

The Board did not report any Column B.1 adjustments over \$700,000; therefore, this procedure was not applicable.

5. We obtained a summary of Column B.2 accrual adjustments on Schedules 19 and 20, if any, for adjustments over \$700,000 related to the period prior to March 31, 2019. We randomly selected 20% of the entries (a minimum of 5), agreed them to the supporting documentation and verified the amount included in the summary of the entries related to the period prior to March 31, 2019. We agreed the summary of the entries to Column B.2 of Schedule 19 "Consolidated Statement of Financial Position", and Schedule 20 "Revenues and Expenses", as applicable.

The Board did not report any Column B.2 adjustments over \$700,000; therefore, this procedure was not applicable.

6. With respect to Column B.3 adjustments made to accrue the Ontario Financing Authority (OFA) loan interest, we recalculated the accrued amount and agreed to the adjustment on column B.3 of Schedule 19 and 20.

The Board did not report any Column B.3 adjustments; therefore, this procedure was not applicable.

7. We obtained supporting documentation for any Column C.1 adjustments made to reclassify Ministry Revenue between the various categories on Schedule 20 "Revenue". We agreed 2 entries to the supporting documentation.

The Board did not report any Column C.1 adjustments; therefore, this procedure was not applicable.

8. With respect to the revenue recorded for municipal taxes over \$700,000, we performed the following:

- a. With respect to the tax revenue for the period from September 1, 2018 to December 31, 2018:

We agreed the 2018 municipal tax revenue to the 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, 2018 audited financial statements (being 62% of the 2018 tax revenue as included in Schedule 11B of EFIS for the year ended August 31, 2018) from the total 2018 tax revenues (based on most current information).

We selected the City of Toronto, as it is the only municipality from which the Board receives municipal tax revenue.

- b. With respect to the tax revenue for the period from January 1, 2019 to March 31, 2019:

We recalculated the estimated 2019 municipal tax revenue for the period using 25% of the estimated 2019 tax revenue based on most current information. We agreed estimated 2019 tax revenue to supporting documentation. If current information regarding estimated 2019 tax revenue is unavailable, then the 2019 tax revenue for the period was estimated using 2019 tax revenue as included in Schedule 11A of the Revised Estimates for the year ending August 31, 2019.

We selected the City of Toronto, as it is the only municipality from which the Board receives municipal tax revenue. We agreed the calculation for 2019 tax revenue for the period to 2019 tax revenue as included in Schedule 11A of the Revised Estimates for the year ending August 31, 2019.

- c. We agreed the 2018 supplementary taxes and write offs (for a maximum of two municipalities) and recalculated the revenue for the period by subtracting the amount included in line 3.4 in Schedule 9 of the 2017-18 financial statements.

We selected the City of Toronto, as it is the only municipality from which the Board receives municipal tax revenue.

- d. If an amount greater than \$700,000 was reported on line 3.4, Column C.2 of Schedule 20 "Revenue", we asked management for the supporting listing that totalled the amount on line 3.4. We calculated the difference between the 2019 supplementary taxes and write-offs based on most current information and 2018 supplementary taxes and write-offs and agreed to the amounts on the listing (for a maximum of two municipalities).

The Board did not report any line 3.4 adjustments over \$700,000; therefore, this procedure was not applicable.

- e. We agreed the total of 8a), 8b), 8c) and 8d), above to Local Taxation (line 3.5) in Column E on Schedule 20 "Revenue" after the adjustment, if any, in Column C.2. We agreed the adjustment amount to Schedule 19, "Consolidated Statement of Financial Position" Column C.2, line 1.4 or line 2.3.

- 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 \$700,000, made to reflect this calculation Schedule 20 "Revenue", and Schedule 19 "Consolidated Statement of Financial Position" in Column C.3.

The Board did not report any Column C.3 adjustments over \$700,000; therefore, this procedure was not applicable.

- 10. With respect to salaries and benefits earned for the period we obtained 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.

Employee Group Selected	Payroll Journal Amount
OTFO - Teachers (Elementary)	\$ 3,884
OSSTF - Teachers (Secondary)	\$ 3,790
Vice Principals (Secondary)	\$ 4,405
Continuing Education (Unit B)	\$ 2,380
CUPE 4400 (Unit C)	\$ 2,185

11. We obtained the calculation of the vacation pay accruals for any amounts over \$700,000 and performed the following:

a. We obtained the supporting documentation for the 2 employee groups with the largest vacation pay accruals.

Employee Group Selected
CUPE 4440 Unit D
Non-Union staff

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.

Employee Number
207844
217154
52849
55763
18746

c. We agreed the adjustment to Column C.5 on Schedule 19, "Consolidated Statement of Financial Position" and Schedule 20 "Expenses".

12. We verified the mathematical accuracy of the prorated calculation of the employee future benefits liability and related expense adjustment, using the 2018-19 estimates provided in the actuarial assessment at August 31, 2018 and found no differences. If 2018-19 estimates are not provided in the August 31, 2018 assessment, verify if board has used 2017-18 expenses as the basis for prorating. We agreed the total employee future benefits liability to the total in Column E, after the required adjustment to Column C.6, on Schedule 19, "Consolidated Statement of Financial Position", line 2.20. We agreed the adjustment to expenses to the total in Column C.6 on Schedule 20, "Expenses".

We verified the mathematical accuracy of the prorated calculation of the employee future benefits liability and related expense adjustment, using an updated 2018-19 estimate provided by the actuary for WSIB benefits, and 2018-19 projections provided in the actuarial valuation report as at August 31, 2018 for all other benefit plans, and found no differences.

13. We performed the following with respect to any other adjustments over \$700,000 provided by the Board:

- a. We obtained a summary of the other adjustment entries included in Column C.7 which related to the period prior to March 31, 2019 and required adjustment in Schedule 19 and 20.
- b. We randomly selected 20% of the entries provided in a) above (a minimum of 5) over \$700,000 as detailed below and compared to the supporting documentation. We verified the amount related to the period prior to March 31, 2019 was included in the summary of entries.

The Board reported only one entry over \$700,000 in Column C.7 as noted below:

Adjustment description	Amount	Supporting documentation
Interest accrual	\$ 3,273,983	Investment statement

- c. We recalculated the summary of entries which required adjustment and agreed the adjustment to Column C.7 on Schedule 19 and 20. We ensured that the entries balanced between Schedule 20, "Revenues and Expenses" and Schedule 19, "Consolidated Statement of Financial Position".
 - d. We enquired whether any statement of financial position items, which are historically adjusted in the General Ledger at 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 as a net amount during the year and restated to report as 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.)
14. With respect to the School Generated Funds, we obtained the amounts included in the Consolidated Statement of Financial Position in the audited financial statements for the year ended August 31, 2018, agreed to supporting documentation and Schedule 19, "Consolidated Statement of Financial Position" in Column G.
15. With respect to the Subsidiaries, we obtained the amounts included in the Consolidated Statement of Financial Position in the audited financial statements for the year ended August 31, 2018, agreed to supporting documentation and agreed to the Schedule 19, "Consolidated Statement of Financial Position" Column H.

II. Schedule 22

- 1. We obtained a detailed listing of tangible capital assets by asset class and agreed totals to corresponding columns by asset class in Schedule 22 of EFIS - "Tangible Capital Asset Continuity".
- 2. We conducted the following procedures with respect to additions to buildings (40 years) and land for the period September 1, 2018 to March 31, 2019:
 - a. From the detailed listing of tangible capital assets for the 7-month period supporting the data in Schedule 22, we selected a sample of 7 additions (5 buildings and 2 land) as follows:

Asset names	Asset ID #	Amount
Land:		
John D Parker JS	885000000163	\$4,033
Agincourt Jr PS	885000000273	\$507,738
Buildings:		
Ryerson Jr & Sr PS	880000000116	\$1,949,736
Etienne Brule JS	880000000203	\$37,049
Earl Grey Sr PS	880000000085	\$593,517
Duke of Connaught Jr & Sr PS	880000000081	\$417,641
Claude Watson S. Arts	880000000678	\$106,428

We selected one cost component included in each addition selected in a) and agreed the cost to specific documentation as follows:

Asset name	Asset ID #	Supporting Documentation	Amount
Land:			
John D Parker JS	885000000163	Invoice #18-0907_1; and supporting payment details	\$3,780
Agincourt Jr PS	885000000273	LRO Transfer Agreement #AT5003892; and Toronto Lands Corporation appraisal dated Oct 30, 2018	\$500,000
Buildings:			
Ryerson Jr & Sr PS	880000000116	Invoice #4100; and supporting payment details	\$61,194
Etienne Brule JS	880000000203	Invoice #209053; and supporting payment details	\$8,335
Earl Grey Sr PS	880000000085	Invoice #1702018549; and supporting payment details	\$298,588
Duke of Connaught Jr & Sr PS	880000000081	Invoice #2018-272; and supporting payment details	\$51,450
Claude Watson S. Arts	880000000678	Invoice #10183610; and supporting payment details	\$70,429

- b. For the sample selected in b), we determined that the items were recorded in accordance with the "District School Board & School Authority Tangible Capital Assets Provincial Accounting Policies & Implementation Guide" dated April 2015.

3. We conducted the following procedures with respect to Construction in Progress (CIP) assets:

- a. From the detailed listing of tangible capital assets for the 7-month period we selected 2 additions to CIP as follows:

Asset names	Asset ID #	Amount
Norseman JMS – Addition	870000000041	\$ 2,422,938
Bloor-Dufferin	870000000043	\$367,490

- b. We selected one cost component included in each addition selected in a) and agreed the costs to specific documentation as follows:

Asset names	Asset ID #	Supporting Documentation	Amount
Norseman JMS – Addition	870000000041	Progress Billing #3; and supporting payment details	\$188,589
Bloor-Dufferin	870000000043	Invoice #11736; and supporting payment details	\$32,538

- c. For the sample selected in b), we determined that the items were recorded in accordance with the "District School Board & School Authority Tangible Capital Assets Provincial Accounting Policies & Implementation Guide" dated April 2015.

- d. We selected one item from CIP that was transferred into an in-service asset class and performed the following:

The Board did not report any CIP assets that were transferred into an in-service asset class; therefore this procedure was not applicable

- e. We traced the related project to an authorized completion certificate or equivalent.

The Board did not report any CIP assets that were transferred into an in-service asset class; therefore this procedure was not applicable

4. We conducted the following procedure with respect to amortization of buildings:

- a. From the detailed listing of tangible capital assets for the 7-month period we selected a sample of 5 amortization expenses as follows:

Assets	Asset ID #	Amortization amounts
Data Center at 150 Borough Drive	890000000014	\$161,618
Central Technical School	880000000068	\$924,824
Bloor CI	880000000061	\$96,128
FDK phase 3 - non construction	869000000038	\$25,735
Parkdale CI	886000000026	\$225,719

- b. We recalculated the amortization in accordance with the "District School Board & School Authority Tangible Capital Assets Provincial Accounting Policies & Implementation Guide" dated April 2015 and agreed to the amortization reported in the detailed listing of tangible capital assets for the 7-month period for the assets selected.

5. We conducted the following with respect to disposals of buildings and land:

- a. From the detailed listing of tangible capital assets for the 7-month period we selected a sample of 3 disposals as follows:

Asset name	Asset ID #	NBV	Proceeds
Davisville Jr PS	880000000077	\$ 1,461,797	Nil
Davisville Jr PS	886000000012	36,023	Nil
George Webster ES (Old)	895000000002	702,752	Nil

- 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).

Asset names	Asset ID #	Supporting Documentation	Proceeds of Disposition
Davisville Jr PS	880000000077 and 886000000012	Demolition approval and public news articles covering the demolition	Nil
George Webster ES (Old)	895000000002	Demolition approval and public news articles covering the demolition	Nil

- c. We recalculated the gain/loss on disposal for the items selected in a) above and agreed to the gain/(loss) on disposal for that asset to the board's data.

Asset names	Asset ID #	Gain/(Loss) on Disposal	Gain/ (Loss) per the Board
Davisville Jr PS	880000000077	(\$1,461,797)	(\$1,461,797)
Davisville Jr PS	886000000012	(36,023)	(36,023)
George Webster ES (Old)	895000000002	(702,752)	(702,752)

III. Schedule 22A

1. We obtained a detailed listing of assets held for sale by asset class and agreed totals to corresponding columns by asset class in Schedule 22A of EFIS - "Assets Held for Sale Continuity".
2. We conducted the following procedures for assets held for sale with respect to additions to land and land improvements with infinite lives, and building and land improvements with finite lives, for the period September 1, 2018 to March 31, 2019:
 - a. From the detailed listing of assets held for sale for the 7-month period supporting the data in Schedule 22A, we selected a sample of 3 additions (1 land and land improvement with infinite life

and 1 building and 1 land improvement with finite life (if applicable) and ensured that the criteria (PSAB handbook section 1201.55) to transfer into assets held for sale was met in the September 1, 2018 to March 31, 2019 period as follows:

The Board did not report any additions to assets held for sale, therefore this procedures was not applicable.

- b. We selected 1 additional expenditure on assets held for sale and agreed the cost to specific documentation as follows:

The Board did not report any additional expenditures on assets held for sale, therefore this procedure was not applicable.

- 3. We conducted the following with respect to disposals of assets held for sale:

- a. From the detailed listing of assets held for sale for the 7-month period we selected a sample of 2 disposals as follows:

Asset name	Asset ID #	NBV
Buttonwood PS	892000000002	\$204,038
Nelson Boylen CI	892000000001	\$1,665,388

- 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).

Asset names	Asset ID #	Supporting Documentation	Proceeds of Disposition
Buttonwood PS	892000000002	LRO - Transfer Agreement #AT5091350	\$35,000,000
Nelson Boylen CI	892000000001	LRO - Transfer Agreement #AT5091347	\$45,000,000

- c. We recalculated the gain/loss on disposal for the items selected in a) above and agreed to the gain/(loss) on disposal for that asset to the board's data.

Asset names	Asset ID #	Gain/(Loss) on disposal recalculated	Gain/ (Loss) per the Board
Buttonwood PS	892000000002	\$34,795,962	\$34,795,962
Nelson Boylen CI	892000000001	\$43,334,612	\$43,334,612

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May 21, 2019
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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.

As a result of applying the above procedures, we found no exceptions. However, these procedures do not constitute an audit of these schedules and therefore, we do not express an opinion on Schedules 19, 20, 22 and 22A of EFIS as at March 31, 2019 and for the period from April 1, 2018 to August 31, 2018 and from September 1, 2018 to March 31, 2019.

A handwritten signature in black ink that reads "Debitte LLP". The signature is written in a cursive, slightly slanted style.

Chartered Professional Accountants
Licensed Public Accountants
May 21, 2019