# WESTERN QUEBEC SCHOOL BOARD FINANCIAL STATEMENTS

JUNE 30, 2003

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To the Commissioners of Western Quebec School Board

The enclosed financial statement summaries are in accordance with the financial report of the Western Quebec School Board submitted to the Ministry of Education for the year ended June 30, 2003 and in which I have expressed, at that date, the opinion reproduced on the following auditors' report.

Certified General Accountant

Gatineau, Québec October 21, 2003

#### AUDITOR'S REPORT

To the Commissioners of the WESTERN QUEBEC SCHOOL BOARD

I have audited the financial report of the Western Quebec School Board for the period ended June 30, 2003 which is presented as per the Ministry of Education requirements. These financial statements are the responsibility of the School Board. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with the auditors' mandate defined by the Ministry of Education and with generally accepted auditing standards. Those standards require that I Plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

#### In my opinion,

- the School Board has conducted its operations in accordance with the legislation and rules mentioned in the aforesaid mandate including budgetary rules, guidelines and instructions expressed by the Ministry of Education, having financial incidence;
- the financial statements present fairly, in all material respects, the financial position of the School Board as at June 30, 2003, as well as the results of its operations and the changes in financial position, for the year ended that date, in accordance with the accounting standards and practices generally accepted for School Boards described in the Manuel de normalisation de la comptabilité scolaire.

In accordance with the mandate defined by the Ministry of Education, I have completed four questionnaires: three of these were with regard to audit of student's attendance and one with regard to the normative and statutory guidelines applicable to school boards.

Certified General Accountant

Gatineau, Québec October 21, 2003

# BALANCE SHEET JUNE 30, 2003

ASSETS	2003	2002
Cash Grants receivable - note 2 Taxes receivable Other receivables Inventory Capital assets Other assets	\$ 643 585 9 066 625 1 331 969 2 280 135 71 987 73 822 147 92 041	\$ 326 134 7 899 257 1 308 664 2 861 509 54 791 69 511 748 333 201
	\$ <u>87 308 489</u>	\$ <u>82 295 304</u>
LIABILITIES		
Short term loans - note 3 Deferred revenue Accounts payable Long term debt - note 4 Other liabilities	\$ 3 500 000 999 997 7 969 513 1 680 397 570 420 14 720 327	\$ 4 974 809 592 831 5 402 312 721 105 483 876 12 174 933
CAPITAL		
ACCUMULATED SURPLUS	446 410	1 329 728
CAPITAL EQUITY	72 141 752	68 790 643
	72 588 162	70 120 371
	\$ <u>87 308 489</u>	\$ <u>82 295 304</u>

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# REVENUE AND EXPENDITURE YEAR ENDED JUNE 30, 2003

REVENUE			<u>2</u>	2003		2	2002
Taxation Grants - note 2 School fees Tenant lieu of taxes Other general revenue Specific revenue	\$	55	333	271 261	\$ 48	917 502 522 603 151 379	080 364 210 650 681
EXPENDITURE							
Educational activities Support to educational activities Auxiliary activities Administration and equipment activities Building activities Other activities Capital investment	3	9 7 4 5 4 8	777 391 761	653	9 7 4 6 3 3	643 052 136 515 306 574 073	918 711 107 774 128 804
EXCESS OF REVENUE OVER EXPENDITURE	\$		322	017	\$ 	773	<u> 394</u>

# ACCUMULATED SURPLUS YEAR ENDED JUNE 30, 2003

	2003	2002
BEGINNING BALANCE	\$ 1 329 728	334 297
CURRENT YEAR OPERATIONS AFFECTING PRIOR YEARS		
Financial statements analysis by the M.E.Q. Tax modifications Other modifications	( 99 808) 100 810 ( <u>1 206 337</u> )	237 668 ( 1 619) ( <u>1 014 012</u> )
RESTATED BALANCE	124 393	556 334
EXCESS OF REVENUE OVER EXPENDITURE	322 017	773 394
ENDING BALANCE	\$ <u>446 410</u> \$	\$ <u>1 329 728</u>

# CAPITAL EQUITY YEAR ENDED JUNE 30, 2003

	2003	2002
BEGINNING BALANCE	\$ 68 790 643	\$ 68 546 291
ADDITIONS OF INVESTMENTS	1 990 689	2 421 516
VARIATION OF LONG TERM DEBT	( 959 292)	( 1 282 050)
VARIATION OF THE MUNICIPAL EVALUATION	3 652 100	272 700
ANNUAL REDUCTION OF INVESTMENTS	( <u>1 332 389</u> )	( <u>1 167 814</u> )
ENDING BALANCE	\$ <u>72 141 751</u>	\$ <u>68 790 643</u>

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2003

#### 1. ACCOUNTING STANDARDS

#### ACCOUNTING PRACTICES

The financial statements are prepared accordingly to accounting practices prescribed by the Ministry of Education for the School Boards. Those accounting practices differ with generally accepted accounting principles. The principal accounting practices which are different and have a significant financial incidence are as follows:

#### a) Revenues and expenditures

The accrual basis of accounting has been used to account for revenues and expenditures except for tenant lieu of taxes and interest on long term debt.

Provision for sick days accumulated during past years has not been entirely accounted for. As at June 30, 2003, a provision of \$ 33 985 has been accounted for 1191 sick days accumulated.

All revenues are presented as is except refunds from taxes which are reduced from the expenses.

#### b) Capital investments

The capital investments are charged to expenditure of the year without regard on their financing except those financed by long term debt supported by the School Board. For these capital investments, the charge to expenditure represents the capital refund on long term debt.

The lands and buildings are presented at their most recent municipal evaluation and no depreciation has been recorded.

The other capital investments are presented at cost less 20% depreciation.

# NOTES TO FINANCIAL STATEMENTS JUNE 30, 2003

#### 1. ACCOUNTING STANDARDS (FOLLOWING)

#### c) Capital equity

The long term debt financed by the Ministry of education and their sinking funds are part of the capital equity.

#### d) Prior year adjustments

To establish comparability with the financial report document demanded by the Ministry of Education, that does not present any comparative data of the revenue over expenditure statement, the prior year adjustments on the statement of the revenue and expenditure are not written as required by generally accepted accounting principles, but are strictly presented in the accumulated surplus and in the capital equity statements as well as the balance sheet.

#### e) Operational grant

The operational grant was put together after considering the analysis of the current financial statements prepared by the School Board. This analysis is subject to the approval of the Ministry of Education. Any modification will be recorded as a prior year adjustment to the subsequent financial statements.

#### 2. GRANTS RECEIVABLE AND GRANTS REVENUE

	<u>Receivable</u>	Revenue
Operational grant	\$ 2 245 543	\$ 38 088 305
Perequation	<del>-</del>	3 269 371
Transportation	77 835	5 270 589
Debt service	46 914	1 857 436
Capital investment	<u>6 696 333</u>	6 848 223
	\$ <u>9 066 625</u>	\$ <u>55 333 924</u>

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2003

#### 3. BANK LOANS

The bank loans bear interest at prime rate. They are secured by the Ministry of Education except those to be financed by the school board.

#### 4. LONG TERM DEBT

Over the five following years, the capital refund on long term debt financed by the school board are as follow:

2004: \$ 422 785; 2005: \$ 422 893; 2006: \$ 431 825; 2007: \$ 421 802 and 2008: \$ 214 286.

#### 5. CONTRACTUAL COMMITMENTS

On May 11, 2000, the School Board leased premises, under an operating lease, for a period of 25 years. Under this lease, the School Board agreed to pay a basic rent of \$ 425 125 annually for the first 10 years. After this period, the basic rent is subject to a variation corresponding to the variation of Canada Saving Bonds interest. In addition, the School Board is required to pay operating costs temporary established to \$ 150 000 annually.

#### 6. OPERATION BETWEEN RELATED PARTIES

Financial transactions amounted to \$ 40 106 have been occured with a corporation related to a commissioner of the school board. These transactions were made under the same conditions as current transactions with non-related parties.

# SUPPLEMENTARY INFORMATION YEAR ENDED JUNE 30, 2003

EXPENDITURE	2003	2002
EDUCATIONAL ACTIVITIES		
Pre-school education Elementary education Secondary education Professional education Special education Adult education	\$ 1 925 547 \$ 12 284 415 12 208 988 965 688 2 042 550 1 129 078  30 556 266	2 008 329 12 391 420 11 164 994 977 105 2 060 929 1 041 149 29 643 926
SUPPORT TO EDUCATIONAL ACTIVITIES		
School administration Instructional resources Complementary activities Pedagogical services and support Consultation and animation  AUXILIARY ACTIVITIES  Boarding allowance Student transportation Day care	5 039 442 700 491 2 918 785 394 322 724 505 9 777 545 - 5 690 177 1 701 174 7 391 351	5 075 000 774 299 2 444 085 339 555 419 979 9 052 918 1 913 5 457 660 1 677 138 7 136 711
ADMINISTRATION ACTIVITIES		
Commissioners council and committees Management activities Corporate services Professional improvement	307 400 2 723 600 994 813 735 607 4 761 420	243 166 2 575 221 1 101 548 595 172 4 515 107

# SUPPLEMENTARY INFORMATION YEAR ENDED JUNE 30, 2003

	2003	2002
EXPENDITURE (FOLLOWING)		
BUILDING AND EQUIPMENT ACTIVITIES		
Maintenance of furniture and equipment Buildings maintenance Caretaking Energy consumption Rentals Protection and security	242 755 1 393 520 2 668 690 1 380 826 232 538 17 897	186 621 1 192 586 2 245 686 1 289 936 1 360 488 31 457
	5 936 226	6 306 774
OTHER ACTIVITIES		
Interest and trustee cost Special projects Retroactivity School fees Security of employment Loan of service Extracurricular activities	2 536 259 542 871 46 475 179 383 57 970 147 082 663 271 4 173 311	1 742 712 739 900 26 421 208 547 48 464 143 163 664 921 3 574 128
CAPITAL INVESTMENT		
Construction Transformation and renovation of buildings Furniture and equipment	5 864 659 2 139 234 711 760	878 050 1 138 569 1 057 185
	8 715 653 \$ 71 311 772	3 073 804 \$ 63 303 368