

WESTERN QUEBEC SCHOOL BOARD

FINANCIAL STATEMENTS

JUNE 30, 2004

Guy Hotte CGA

Expert - Comptable

WESTERN QUEBEC SCHOOL BOARD

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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, 2004 and in which I have expressed, at that date, the opinion reproduced on the following auditors' report.

A handwritten signature in blue ink, appearing to read 'Guy Hotte', written over the printed name.

Certified General Accountant

Gatineau, Québec
October 20, 2004



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Expert - Comptable

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, 2004 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, 2004, 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 six questionnaires: five 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.

A handwritten signature in blue ink, appearing to read 'Guy Hotte'.

Certified General Accountant

Gatineau, Québec
October 20, 2004

WESTERN QUEBEC SCHOOL BOARD

BALANCE SHEET
JUNE 30, 2004

	<u>2004</u>	<u>2003</u>
ASSETS		
Cash	\$ 307 640	\$ 643 585
Grants receivable - note 2	5 681 044	9 066 625
Taxes receivable	1 164 963	1 331 969
Other receivables	990 020	2 280 135
Inventory	120 820	71 987
Capital assets	80 947 541	73 822 147
Other assets	<u>322 007</u>	<u>92 041</u>
	\$ <u>89 534 035</u>	\$ <u>87 308 489</u>
LIABILITIES		
Short term loans - note 3	\$ 1 425 045	\$ 3 500 000
Deferred revenue	375 725	999 997
Accounts payable	5 169 804	7 969 513
Long term debt - note 4	1 440 876	1 680 397
Other liabilities	<u>559 054</u>	<u>570 420</u>
	<u>8 970 504</u>	<u>14 720 327</u>
CAPITAL		
ACCUMULATED SURPLUS	1 056 866	446 410
CAPITAL EQUITY	<u>79 506 665</u>	<u>72 141 752</u>
	<u>80 563 531</u>	<u>72 588 162</u>
	\$ <u>89 534 035</u>	\$ <u>87 308 489</u>

The accompanying notes are an integral
part of these financial statements

ON BEHALF OF THE BOARD

Guy Hotte CGA
Expert - Comptable

WESTERN QUEBEC SCHOOL BOARD

REVENUE AND EXPENDITURE
YEAR ENDED JUNE 30, 2004

	<u>2004</u>	<u>2003</u>
REVENUE		
Taxation	\$ 9 969 379	\$ 9 299 568
Grants - note 2	51 058 678	55 333 924
School fees	726 011	789 269
Tenant lieu of taxes	627 921	617 496
Other general revenue	74 105	173 271
Specific revenue	<u>7 201 880</u>	<u>5 420 261</u>
	<u>69 657 974</u>	<u>71 633 789</u>
EXPENDITURE		
Educational activities	30 779 515	30 556 266
Support to educational activities	10 133 112	9 777 545
Auxiliary activities	7 497 765	7 391 351
Administration and equipment activities	4 896 275	4 761 420
Building activities	6 694 271	5 936 226
Other activities	3 967 675	4 173 311
Capital investment	<u>4 557 181</u>	<u>8 715 653</u>
	<u>68 525 794</u>	<u>71 311 772</u>
EXCESS OF REVENUE OVER EXPENDITURE	\$ <u>1 132 180</u>	\$ <u>322 017</u>

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WESTERN QUEBEC SCHOOL BOARD

ACCUMULATED SURPLUS
YEAR ENDED JUNE 30, 2004

	<u>2004</u>	<u>2003</u>
BEGINNING BALANCE	\$ 446 410	\$ 1 329 728
CURRENT YEAR OPERATIONS AFFECTING PRIOR YEARS		
Financial statements analysis by the M.E.Q.	69 935	(99 808)
Tax modifications	52 857	100 810
Other modifications	(644 516)	(1 206 337)
RESTATE BALANCE	(75 314)	124 393
EXCESS OF REVENUE OVER EXPENDITURE	<u>1 132 180</u>	<u>322 017</u>
ENDING BALANCE	\$ <u>1 056 866</u>	\$ <u>446 410</u>

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part of these financial statements.

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WESTERN QUEBEC SCHOOL BOARD

CAPITAL EQUITY
YEAR ENDED JUNE 30, 2004

	<u>229 521</u>	<u>15</u> <u>02/03</u>
	<u>2004</u>	<u>2003</u>
BEGINNING BALANCE	\$ 72 141 751	\$ 68 790 643
FINANCIAL STATEMENTS ANALYSIS BY THE MEQ	(<u>836</u>)	<u>-</u>
RESTATED BALANCE	72 140 915	68 790 643
ADDITIONS OF INVESTMENTS	1 544 904	1 990 689
VARIATION OF LONG TERM DEBT	239 521	(<u>959 292</u>)
VARIATION OF THE MUNICIPAL EVALUATION	7 126 230	3 652 100
ANNUAL REDUCTION OF INVESTMENTS	(<u>1 544 905</u>)	(<u>1 332 389</u>)
ENDING BALANCE	\$ <u>79 506 665</u>	\$ <u>72 141 751</u>

The accompanying notes are an integral
part of these financial statements.

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WESTERN QUEBEC SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2004

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, 2004, a provision of \$ 33 985 has been accounted for 1 167 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.

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WESTERN QUEBEC SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2004

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>	<u>Revenue</u>
Operational grant	\$ 2 219 092	\$ 38 322 727
Perequation	-	5 568 508
Transportation	82 914	2 709 981
Debt service	(12 860)	1 878 548
Capital investment	<u>3 391 898</u>	<u>2 578 914</u>
	\$ <u>5 681 044</u>	\$ <u>51 058 678</u>

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WESTERN QUEBEC SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2004

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

2005: \$ 422 893; 2006: \$ 431 825; 2007: \$ 421 802 and 2008: \$ 164 356.

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

Any financial transaction between related parties has been occurred during the year.

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WESTERN QUEBEC SCHOOL BOARD

SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2004

<u>EXPENDITURE</u>	<u>2004</u>	<u>2003</u>
EDUCATIONAL ACTIVITIES		
Pre-school education	\$ 1 996 044	\$ 1 925 547
Elementary education	11 965 736	12 284 415
Secondary education	12 864 477	12 208 988
Professional education	1 140 961	965 688
Special education	1 740 738	2 042 550
Adult education	1 071 559	1 129 078
	<u>30 779 515</u>	<u>30 556 266</u>
SUPPORT TO EDUCATIONAL ACTIVITIES		
School administration	4 980 694	5 039 442
Instructional resources	730 296	700 491
Complementary activities	3 215 491	2 918 785
Pedagogical services and support	322 475	394 322
Consultation and animation	884 156	724 505
	<u>10 133 112</u>	<u>9 777 545</u>
AUXILIARY ACTIVITIES		
Student transportation	5 735 415	5 690 177
Day care	1 762 350	1 701 174
	<u>7 497 765</u>	<u>7 391 351</u>
ADMINISTRATION ACTIVITIES		
Commissioners council and committees	356 894	307 400
Management activities	2 803 217	2 723 600
Corporate services	1 115 066	994 813
Professional improvement	621 098	735 607
	<u>4 896 275</u>	<u>4 761 420</u>

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