

WESTERN QUEBEC SCHOOL BOARD

FINANCIAL STATEMENTS

JUNE 30, 2006



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 ministère de l'Éducation, du Loisir et du Sport for the year ended June 30, 2006 and in which I have expressed, at that date, the opinion reproduced on the following auditors' report.

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

Certified General Accountant

Gatineau, Québec
October 17, 2006



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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, 2006 which is presented as per the ministère de l'Éducation, du Loisir et du Sport 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 ministère de l'Éducation, du Loisir et du Sport 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 ministère de l'Éducation, du Loisir et du Sport, having financial incidence;
- these financial statements present fairly, in all material respects, the financial position of the School Board as at June 30, 2006, 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.

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

Certified General Accountant

Gatineau, Québec
October 17, 2006

WESTERN QUEBEC SCHOOL BOARD

BALANCE SHEET
JUNE 30, 2006

	<u>2006</u>	<u>2005</u>
ASSETS		
Cash	\$ 370 981	\$ 309 422
Grants receivable - note 2	7 965 751	6 643 991
Taxes receivable	1 260 144	972 025
Other receivables	1 246 633	981 751
Inventory	129 027	140 593
Capital assets	80 308 666	74 137 787
Other assets	<u>295 676</u>	<u>244 469</u>
	<u>\$ 91 576 878</u>	<u>\$ 83 430 038</u>
LIABILITIES		
Short term loans - note 3	\$ 6 917 235	\$ 2 694 194
Deferred revenue	347 008	327 672
Accounts payable	3 409 695	4 978 271
Long term debt - note 4	2 419 450	1 018 006
Other liabilities	<u>372 100</u>	<u>322 678</u>
	<u>13 465 488</u>	<u>9 340 821</u>
CAPITAL		
ACCUMULATED SURPLUS	222 174	969 436
CAPITAL EQUITY	<u>77 889 216</u>	<u>73 119 781</u>
	<u>78 111 390</u>	<u>74 089 217</u>
	<u>\$ 91 576 878</u>	<u>\$ 83 430 038</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, 2006

	<u>2006</u>	<u>2005</u>
REVENUE		
Taxation	\$ 10 511 294	\$ 10 456 931
Grants - note 2	53 172 219	50 941 496
School fees	756 650	805 552
Tenant lieu of taxes	624 381	631 498
Other general revenue	698 597	582 237
Specific revenue	<u>5 895 554</u>	<u>9 637 592</u>
	<u>71 658 695</u>	<u>73 055 306</u>
 EXPENDITURE		
Educational activities	31 590 511	30 845 677
Support to educational activities	10 846 234	10 575 175
Auxiliary activities	8 073 068	7 851 117
Administration and equipment activities	4 529 804	4 550 536
Building activities	6 647 474	6 788 712
Other activities	4 337 365	3 765 179
Capital investment	<u>5 684 724</u>	<u>8 225 453</u>
	<u>71 709 180</u>	<u>72 601 849</u>
 EXCESS OF EXPENDITURE OVER REVENUE		
	\$ (<u>50 485</u>)	\$ <u>453 457</u>

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

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WESTERN QUEBEC SCHOOL BOARD

ACCUMULATED SURPLUS
YEAR ENDED JUNE 30, 2006

	<u>2006</u>	<u>2005</u>
BEGINNING BALANCE	\$ 969 436	\$ 1 056 866
CURRENT YEAR OPERATIONS AFFECTING PRIOR YEARS		
Financial statements analysis by the MELS	68 378	(131 614)
Tax modifications	(2 647)	(28 566)
Other modifications	<u>(762 508)</u>	<u>(380 707)</u>
RESTATED BALANCE	272 659	515 979
EXCESS OF EXPENDITURE OVER REVENUE	<u>(50 485)</u>	<u>453 457</u>
ENDING BALANCE	\$ <u>222 174</u>	\$ <u>969 436</u>

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

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WESTERN QUEBEC SCHOOL BOARD

CAPITAL EQUITY
YEAR ENDED JUNE 30, 2006

	<u>2006</u>	<u>2005</u>
BEGINNING BALANCE	\$ 73 119 781	\$ 79 506 665
FINANCIAL STATEMENTS ANALYSIS BY THE MELS	<u>-</u>	<u>2 237</u>
RESTATE BALANCE	73 119 781	79 508 902
ADDITIONS OF INVESTMENTS	1 996 104	1 764 080
VARIATION OF LONG TERM DEBT	(1 401 444)	422 870
VARIATION OF THE MUNICIPAL EVALUATION	5 720 900	(7 022 900)
ANNUAL REDUCTION OF INVESTMENTS	(<u>1 546 125</u>)	(<u>1 553 171</u>)
ENDING BALANCE	\$ <u><u>77 889 216</u></u>	\$ <u><u>73 119 781</u></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, 2006

1. ACCOUNTING STANDARDS

ACCOUNTING PRACTICES

The financial statements are prepared accordingly to accounting practices prescribed by the ministère de l'Éducation, du Loisir et du Sport 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 accounted for. As at June 30, 2006, there are 989 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.

WESTERN QUEBEC SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2006

1. ACCOUNTING STANDARDS (FOLLOWING)

c) Capital equity

The long term debt financed by the ministère de l'Éducation, du Loisir et du Sport 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 ministère de l'Éducation, du Loisir et du Sport, 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) Grants

The operational, perequation, transportation, debt service and capital investment grants were 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 ministère de l'Éducation, du Loisir et du Sport. 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	\$ 5 055 819	\$ 39 032 219
Perequation	-	5 854 972
Transportation	81 050	2 949 249
Debt service	(79 883)	2 051 865
Capital investment	<u>2 908 765</u>	<u>3 283 914</u>
	<u>\$ 7 965 751</u>	<u>\$ 53 172 219</u>

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WESTERN QUEBEC SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

3. BANK LOANS

The bank loans bear interest at prime rate. They are secured by the ministère de l'Éducation, du Loisir et du Sport 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:

2007: \$ 910 454; 2008: \$ 721 963; 2009 : \$ 741 963 and
2010: \$ 45 070.

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.

The School Board has signed three years transportation's contracts ending in 2006-2007. Under these contracts, the School Board agreed to pay a minimum amount of \$ 5 282 763 per year subject to revision due to modification of trips.

6. OPERATION BETWEEN RELATED PARTIES

No financial transaction between related parties has occurred during the year.

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WESTERN QUEBEC SCHOOL BOARD

SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2006

	<u>2006</u>	<u>2005</u>
<u>EXPENDITURE</u>		
EDUCATIONAL ACTIVITIES		
Pre-school education	\$ 1 915 013	\$ 1 807 488
Elementary education	12 056 300	11 727 426
Secondary education	13 631 378	13 494 841
Professional education	1 152 603	1 161 720
Special education	1 709 304	1 581 664
Adult education	<u>1 125 913</u>	<u>1 072 538</u>
	<u>31 590 511</u>	<u>30 845 677</u>
SUPPORT TO EDUCATIONAL ACTIVITIES		
School administration	5 405 172	5 300 494
Instructional resources	743 188	761 264
Complementary activities	3 509 723	3 460 382
Pedagogical services and support	310 525	378 534
Consultation and animation	<u>877 626</u>	<u>674 501</u>
	<u>10 846 234</u>	<u>10 575 175</u>
AUXILIARY ACTIVITIES		
Boarding allowance	972	3 000
Student transportation	6 594 968	6 251 401
Day care	<u>1 477 128</u>	<u>1 596 716</u>
	<u>8 073 068</u>	<u>7 851 117</u>
ADMINISTRATION ACTIVITIES		
Commissioners council and committees	253 047	262 736
Management activities	2 472 329	2 652 629
Corporate services	1 161 922	1 016 902
Professional improvement	<u>642 506</u>	<u>618 269</u>
	<u>4 529 804</u>	<u>4 550 536</u>

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SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2006

	<u>2006</u>	<u>2005</u>
<u>EXPENDITURE (FOLLOWING)</u>		
BUILDING AND EQUIPMENT ACTIVITIES		
Maintenance of furniture and equipment	128 484	82 998
Buildings maintenance	1 451 724	1 611 686
Caretaking	2 867 286	2 724 609
Energy consumption	1 442 111	1 450 359
Rentals	730 391	898 419
Protection and security	27 478	20 641
	<u>6 647 474</u>	<u>6 788 712</u>
OTHER ACTIVITIES		
Financing	3 284 290	2 646 796
Special projects	165 866	78 128
Retroactivity	152 319	147 863
School fees	86 864	229 072
Loan of service	152 587	188 156
Extracurricular activities	495 439	475 164
	<u>4 337 365</u>	<u>3 765 179</u>
CAPITAL INVESTMENT		
Construction	3 386 235	5 582 303
Transformation and renovation of buildings	2 566 764	882 833
Furniture and equipment	1 996 104	1 760 317
	<u>7 949 103</u>	<u>8 225 453</u>
Capital investment financed by School Board	<u>2 264 379</u>	<u>-</u>
	<u>5 684 724</u>	<u>8 225 453</u>
	<u>\$ 71 709 180</u>	<u>\$ 72 601 849</u>

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