

WESTERN QUEBEC SCHOOL BOARD

FINANCIAL STATEMENTS

JUNE 30, 2007

WESTERN QUEBEC SCHOOL BOARD

TABLE OF CONTENTS

ACCOMPANYING LETTER	1
AUDITORS' REPORT	2
FINANCIAL STATEMENTS	
Balance sheet	3
Revenue and expenditure	4
Accumulated surplus	5
Capital equity	6
NOTES TO FINANCIAL STATEMENTS	7-9
SUPPLEMENTARY FINANCIAL INFORMATION	10-11



85, rue Victoria  
Gatineau, QC J8X 2A3  
Tél. : (819) 772-0044  
Fax : (819) 595-9094

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, 2007 and in which we have expressed, at that date, the opinion reproduced on the following auditors' report.

*Samson Charbonneau csc*  
Samson Charbonneau, CGA, Auditors

Gatineau, Québec  
October 25, 2007



85, rue Victoria  
Gatineau, QC J8X 2A3  
Tél. : (819) 772-0044  
Fax : (819) 595-9094

## AUDITOR'S REPORT

To the Commissioners of the  
WESTERN QUEBEC SCHOOL BOARD

We have audited the financial report of the Western Quebec School Board for the period ended June 30, 2007 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. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our 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 we 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 our 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, 2007, 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.

*Samson Charbonneau*

Samson Charbonneau, CGA, Auditors

Gatineau, Québec  
October 25, 2007

## WESTERN QUEBEC SCHOOL BOARD

BALANCE SHEET  
JUNE 30, 2007

	<u>2007</u>	<u>2006</u>
<b>ASSETS</b>		
Cash	\$ 1 451 382	\$ 370 981
Grants receivable - note 2	4 564 352	7 965 751
Taxes receivable	2 424 550	1 260 144
Other receivables	2 170 655	1 246 633
Inventory	134 840	129 027
Capital assets	90 688 067	80 308 666
Other assets	<u>261 147</u>	<u>295 676</u>
	<u>\$ 101 694 993</u>	<u>\$ 91 576 878</u>
<b>LIABILITIES</b>		
Short term loans - note 3	\$ 6 059 782	\$ 6 917 235
Deferred revenue	174 061	347 008
Accounts payable	3 192 277	3 409 695
Long term debt - note 4	1 508 878	2 419 450
Other liabilities	<u>466 634</u>	<u>372 100</u>
	<u>11 401 632</u>	<u>13 465 488</u>
<b>CAPITAL</b>		
ACCUMULATED SURPLUS	1 114 172	222 174
CAPITAL EQUITY	<u>89 179 189</u>	<u>77 889 216</u>
	<u>90 293 361</u>	<u>78 111 390</u>
	<u>\$ 101 694 993</u>	<u>\$ 91 576 878</u>

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

ON BEHALF OF THE BOARD

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Samson, Charbonneau, CGA

## WESTERN QUEBEC SCHOOL BOARD

REVENUE AND EXPENDITURE  
YEAR ENDED JUNE 30, 2007

	<u>2007</u>	<u>2006</u>
<b>REVENUE</b>		
Taxation	\$ 13 053 003	\$ 10 511 294
Grants - note 2	53 512 703	53 172 219
School fees	710 949	756 650
Tenant lieu of taxes	764 614	624 381
Other general revenue	1 195 153	698 597
Specific revenue	<u>6 112 144</u>	<u>5 895 554</u>
	<u>75 348 566</u>	<u>71 658 695</u>
 <b>EXPENDITURE</b>		
Educational activities	32 322 162	31 590 511
Support to educational activities	11 199 468	10 846 234
Auxiliary activities	8 348 270	8 073 068
Administration and equipment activities	4 714 853	4 529 804
Building activities	6 828 108	6 647 474
Other activities	6 068 546	4 337 365
Capital investment	<u>5 087 781</u>	<u>5 684 724</u>
	<u>74 569 188</u>	<u>71 709 180</u>
 <b>EXCESS OF REVENUE OVER EXPENDITURE</b>	 \$ <u>779 378</u>	 \$ ( <u>50 485</u> )

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

## WESTERN QUEBEC SCHOOL BOARD

ACCUMULATED SURPLUS  
YEAR ENDED JUNE 30, 2007

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	<u>2007</u>	<u>2006</u>
BEGINNING BALANCE	\$ 222 174	\$ 969 436
CURRENT YEAR OPERATIONS AFFECTING PRIOR YEARS		
Financial statements analysis by the MELS	225 167	68 378
Tax modifications	( 2 843)	( 2 647)
Other modifications	<u>( 109 704)</u>	<u>(762 508)</u>
RESTATED BALANCE	334 794	272 659
EXCESS OF REVENUE OVER EXPENDITURE	<u>779 378</u>	<u>( 50 485)</u>
ENDING BALANCE	\$ <u>1 114 172</u>	\$ <u>222 174</u>

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

## WESTERN QUEBEC SCHOOL BOARD

CAPITAL EQUITY  
YEAR ENDED JUNE 30, 2007

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	<u>2007</u>	<u>2006</u>
BEGINNING BALANCE	\$ 77 889 216	\$ 73 119 781
ADDITIONS OF INVESTMENTS	1 883 857	1 996 104
VARIATION OF LONG TERM DEBT	910 573	( 1 401 444)
VARIATION OF THE MUNICIPAL EVALUATION	10 075 700	5 720 900
ANNUAL REDUCTION OF INVESTMENTS	( <u>1 580 157</u> )	( <u>1 546 125</u> )
ENDING BALANCE	\$ <u>89 179 189</u>	\$ <u>77 889 216</u>

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



## WESTERN QUEBEC SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007

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**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, 2007, there are 937 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.

## WE STERN QUEBEC SCHOOL BOARD

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

## 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	\$ 1 964 023	\$ 41 220 403
Perequation	-	3 610 654
Transportation	( 134 221)	2 966 415
Debt service	( 17 079)	2 178 674
Capital investment	<u>2 751 629</u>	<u>3 536 557</u>
	<u>\$ 4 564 352</u>	<u>\$ 53 512 703</u>

## WESTERN QUEBEC SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007

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## 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 three following years, the capital refund on long term debt financed by the School Board are as follow:  
2008: \$ 721 963; 2009 : \$ 741 963 and 2010: \$ 44 952.

## 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

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

## WESTERN QUEBEC SCHOOL BOARD

SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2007

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<u>EXPENDITURE</u>	<u>2007</u>	<u>2006</u>
<b>EDUCATIONAL ACTIVITIES</b>		
Pre-school education	\$ 1 882 613	\$ 1 915 013
Elementary education	12 391 177	12 056 300
Secondary education	13 536 623	13 631 378
Professional education	999 877	1 152 603
Special education	2 257 152	1 709 304
Adult education	<u>1 254 720</u>	<u>1 125 913</u>
	<u>32 322 162</u>	<u>31 590 511</u>
<b>SUPPORT TO EDUCATIONAL ACTIVITIES</b>		
School administration	5 450 109	5 405 172
Instructional resources	719 830	743 188
Complementary activities	3 873 874	3 509 723
Pedagogical services and support	328 885	310 525
Consultation and animation	<u>826 770</u>	<u>877 626</u>
	<u>11 199 468</u>	<u>10 846 234</u>
<b>AUXILIARY ACTIVITIES</b>		
Boarding allowance	1 575	972
Student transportation	6 758 109	6 594 968
Day care	<u>1 588 586</u>	<u>1 477 128</u>
	<u>8 348 270</u>	<u>8 073 068</u>
<b>ADMINISTRATION ACTIVITIES</b>		
Commissioners council and committees	263 768	253 047
Management activities	2 479 362	2 472 329
Corporate services	1 275 249	1 161 922
Professional improvement	<u>696 474</u>	<u>642 506</u>
	<u>4 714 853</u>	<u>4 529 804</u>

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## WESTERN QUEBEC SCHOOL BOARD

SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2007

	<u>2007</u>	<u>2006</u>
<u>EXPENDITURE (FOLLOWING)</u>		
BUILDING AND EQUIPMENT ACTIVITIES		
Maintenance of furniture and equipment	63 128	128 484
Buildings maintenance	1 353 747	1 451 724
Caretaking	2 815 800	2 867 286
Energy consumption	1 780 252	1 442 111
Rentals	784 333	730 391
Protection and security	<u>30 848</u>	<u>27 478</u>
	<u>6 828 108</u>	<u>6 647 474</u>
OTHER ACTIVITIES		
Financing	3 639 359	3 284 290
Special projects	304 469	165 866
Retroactivity	1 122 771	152 319
School fees	342 498	86 864
Loan of service	101 728	152 587
Extracurricular activities	<u>557 721</u>	<u>495 439</u>
	<u>6 068 546</u>	<u>4 337 365</u>
CAPITAL INVESTMENT		
Construction	473 834	3 386 235
Transformation and renovation of buildings	2 730 090	2 566 764
Furniture and equipment	<u>1 883 857</u>	<u>1 996 104</u>
	5 087 781	7 949 103
Capital investment financed by School Board	<u>-</u>	<u>2 264 379</u>
	<u>5 087 781</u>	<u>5 684 724</u>
	<u>\$ 74 569 188</u>	<u>\$ 71 709 180</u>