

WESTERN QUEBEC SCHOOL BOARD

FINANCIAL STATEMENTS

JUNE 30, 2008

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, 2008 and in which we have expressed, at that date, the opinion reproduced on the following auditors' report.

Samson et Associés

**Samson & Associés
Experts-comptables**

**Gatineau, Québec
October 22, 2008**



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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, 2008 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, 2008, 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 et Associés

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Experts-comptables**

Gatineau, Québec
October 22, 2008

WESTERN QUEBEC SCHOOL BOARD

BALANCE SHEET
JUNE 30, 2008

	<u>2008</u>	<u>2007</u>
ASSETS		
Cash	\$ 386 849	\$ 1 451 382
Grants receivable - note 2	8 148 004	4 564 352
Taxes receivable	2 957 823	2 424 550
Other receivables	2 268 176	2 170 655
Inventory	171 741	134 840
Capital assets	90 112 507	90 688 067
Other assets	<u>368 922</u>	<u>261 147</u>
	\$ <u>104 414 022</u>	\$ <u>101 576 878</u>
LIABILITIES		
Short term loans - note 3	\$ 7 384 060	\$ 6 059 782
Deferred revenue	618 899	174 061
Accounts payable	3 143 435	3 192 277
Long term debt - note 4	1 186 914	1 508 878
Other liabilities	<u>426 381</u>	<u>466 634</u>
	<u>12 759 689</u>	<u>11 401 632</u>
CAPITAL		
ACCUMULATED SURPLUS	2 728 740	1 114 172
CAPITAL EQUITY	<u>88 925 593</u>	<u>89 179 189</u>
	<u>91 654 333</u>	<u>90 293 361</u>
	\$ <u>104 414 022</u>	\$ <u>101 694 993</u>

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

ON BEHALF OF THE BOARD

Samson & Associés
Experts-comptables

WESTERN QUEBEC SCHOOL BOARD

REVENUE AND EXPENDITURE
YEAR ENDED JUNE 30, 2008

	<u>2008</u>	<u>2007</u>
REVENUE		
Taxation	\$ 11 017 947	\$ 13 053 003
Grants - note 2	56 823 068	53 512 703
School fees	379 264	710 949
Tenant lieu of taxes	615 798	764 614
Other general revenue	1 149 775	1 195 153
Specific revenue	<u>5 820 747</u>	<u>6 112 144</u>
	<u>75 806 599</u>	<u>75 348 566</u>
 EXPENDITURE		
Educational activities	32 055 529	32 322 162
Support to educational activities	11 606 006	11 199 468
Auxiliary activities	8 821 631	8 348 270
Administration and equipment activities	5 053 170	4 714 853
Building activities	7 311 655	6 828 108
Other activities	4 434 229	6 048 072
Capital investment	<u>4 685 199</u>	<u>5 108 254</u>
	<u>73 967 419</u>	<u>74 569 188</u>
 EXCESS OF REVENUE OVER EXPENDITURE	 \$ <u>1 839 180</u>	 \$ <u>799 378</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, 2008

	<u>2008</u>	<u>2007</u>
BEGINNING BALANCE	\$ 1 114 172	\$ 222 174
CURRENT YEAR OPERATIONS AFFECTING PRIOR YEARS		
Financial statements analysis by the MELS	118 995	225 167
Tax modifications	44 238	(2 843)
Other modifications	<u>(387 845)</u>	<u>(109 704)</u>
RESTATED BALANCE	889 560	334 794
EXCESS OF REVENUE OVER EXPENDITURE	<u>1 839 180</u>	<u>779 378</u>
ENDING BALANCE	\$ <u>2 728 740</u>	\$ <u>1 114 172</u>

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

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Experts-comptables

WESTERN QUEBEC SCHOOL BOARD

CAPITAL EQUITY
YEAR ENDED JUNE 30, 2008

	<u>2008</u>	<u>2007</u>
BEGINNING BALANCE	\$ 89 179 189	\$ 77 889 216
ADDITIONS OF INVESTMENTS	1 819 632	1 883 857
VARIATION OF LONG TERM DEBT	321 963	910 573
VARIATION OF THE MUNICIPAL EVALUATION	(798 700)	10 075 700
ANNUAL REDUCTION OF INVESTMENTS	(<u>1 596 491</u>)	(<u>1 580 157</u>)
ENDING BALANCE	\$ <u>88 925 593</u>	\$ <u>89 179 189</u>

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

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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, 2008, there are 4,499 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, 2008

1. ACCOUNTING STANDARDS (Continued)

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	\$ 4 299 335	\$ 40 783 630
Perequation	-	6 048 709
Transportation	(105 584)	3 088 739
Debt service	19 031	2 222 721
Capital investment	3 935 222	4 676 869
Others subventions	-	2 400
	<u>\$ 8 148 004</u>	<u>\$ 56 823 068</u>

WESTERN QUEBEC SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

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:
2009: \$ 841 963; 2010: \$ 144 951; 2011: \$ 100 000 and
2012: \$ 100 000.

5. CONTRACTUAL COMMITMENTS

Rental of premises

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 at \$ 200 000 for the current fiscal year. Operating cost are evaluated each year.

5. CONTRACTUAL COMMITMENTS (Continued)

School transportation

On December 17 and 21, 2007 the School Board signed a five year contract 2007-2012 with:

- Autobus Outaouais Inc. \$ 3,260,692 per year (July 1st, 2008 to June 30, 2009).
- Autobus Lasalle Inc. \$ 1,552,423 per year (July 1st, 2008 to June 30, 2009).
- Baie Transport Inc. \$ 731,991 per year (July 1st, 2008 to June 30, 2009).
- Bigras Transport Inc. \$ 360,806 per year (July 1st, 2008 to June 30, 2009).

These contracts include an indexation of 2.01% for each subsequent years.

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, 2008

<u>EXPENDITURE</u>	<u>2008</u>	<u>2007</u>
EDUCATIONAL ACTIVITIES		
Pre-school education	\$ 1 886 949	\$ 1 882 613
Elementary education	11 881 082	12 391 177
Secondary education	13 373 110	13 536 623
Professional education	971 618	999 877
Special education	2 705 064	2 257 152
Adult education	<u>1 237 706</u>	<u>1 254 720</u>
	<u>32 055 529</u>	<u>32 322 162</u>
SUPPORT TO EDUCATIONAL ACTIVITIES		
School administration	5 559 549	5 450 109
Instructional resources	623 761	719 830
Complementary activities	4 086 393	3 873 874
Pedagogical services and support	513 824	328 885
Consultation and animation	<u>822 479</u>	<u>826 770</u>
	<u>11 606 006</u>	<u>11 199 468</u>
AUXILIARY ACTIVITIES		
Boarding allowance	-	1 575
Student transportation	7 131 924	6 758 109
Day care	<u>1 689 707</u>	<u>1 588 586</u>
	<u>8 821 631</u>	<u>8 348 270</u>
ADMINISTRATION ACTIVITIES		
Commissioners council and committees	311 463	263 768
Management activities	2 705 071	2 479 362
Corporate services	1 324 974	1 275 249
Professional improvement	<u>711 662</u>	<u>696 474</u>
	<u>5 053 170</u>	<u>4 714 853</u>

WESTERN QUEBEC SCHOOL BOARD

SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2008

	<u>2008</u>	<u>2007</u>
<u>EXPENDITURE</u> (Continued)		
BUILDING AND EQUIPMENT ACTIVITIES		
Maintenance of furniture and equipment	88 568	63 128
Buildings maintenance	1 552 110	1 353 747
Caretaking	2 956 641	2 815 800
Energy consumption	1 939 158	1 780 252
Rentals	755 781	784 333
Protection and security	19 397	30 848
	<u>7 311 655</u>	<u>6 828 108</u>
OTHER ACTIVITIES		
Financing	3 275 978	3 618 885
Special projects	216 371	304 469
Retroactivity	36 104	1 122 771
School fees	341 943	342 498
Loan of service	74 396	101 728
Extracurricular activities	489 437	557 721
	<u>4 434 229</u>	<u>6 048 072</u>
CAPITAL INVESTMENT		
Construction	226 957	473 834
Transformation and renovation of buildings	3 010 411	2 730 090
Furniture and equipment	1 847 831	1 904 330
	5 085 199	5 108 254
Capital investment financed by School Board	<u>400 000</u>	<u>-</u>
	<u>4 685 199</u>	<u>5 108 254</u>
	<u>\$ 73 967 419</u>	<u>\$ 74 569 188</u>