

# Financial Statement

Presented on October 30, 2018

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**Fiscal year**  
**For the period of July 1, 2017 to June 30, 2018**  
**Summary report**

## TRAFICS 2017-2018

### RAPPORT FINANCIER DES COMMISSIONS SCOLAIRES POUR L'EXERCICE CLOS LE 30 JUIN 2018

#### Rapport de la direction

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Les états financiers de la Commission scolaire Western Québec pour l'exercice clos le 30 juin 2018 portant la signature électronique 4094955646 ont été dressés par la direction, qui est responsable de leur préparation et de leur présentation, y compris les estimations et les jugements importants. Cette responsabilité comprend le choix de méthodes comptables appropriées et qui respectent les Normes comptables canadiennes pour le secteur public. Les renseignements financiers contenus dans le reste du rapport financier concordent avec l'information donnée dans les états financiers.

Pour s'acquitter de ses responsabilités, la direction maintient des systèmes de gestion financière et de contrôle interne, conçus pour fournir l'assurance raisonnable que les biens sont protégés et que les opérations sont comptabilisées correctement et en temps voulu, qu'elles sont dûment approuvées et qu'elles permettent de produire des états financiers fiables.

La direction de la Commission scolaire reconnaît qu'elle est responsable de gérer les affaires de la Commission scolaire conformément aux lois et règlements qui la régissent.

Le Conseil des commissaires surveille la façon dont la direction s'acquitte des responsabilités qui lui incombent en matière d'information financière. Il est assisté dans ses responsabilités par le comité de vérification.

Raymond Chabot Grand Thornton S.E.N.C.R.L., auditeurs indépendants nommés par la direction, ont procédé à l'audit des états financiers de la Commission scolaire Western Québec, conformément aux normes d'audit généralement reconnues du Canada, et le rapport de l'auditeur indépendant expose la nature et l'étendue de cet audit et l'expression de son opinion. Raymond Chabot Grand Thornton S.E.N.C.R.L. peut, sans aucune restriction, rencontrer le comité de vérification pour discuter de tout élément qui concerne son audit.



Directrice générale ou directeur général



Directrice ou directeur des ressources financières

Lieu : Yatouane, Québec

Date : le 10 octobre 2018.

**WESTERN QUEBEC  
SCHOOL BOARD  
INDEPENDENT AUDITOR'S REPORT AND  
FINANCIAL STATEMENTS  
JUNE 30, 2018**

**WESTERN QUEBEC SCHOOL BOARD**

**FINANCIAL STATEMENTS**

**JUNE 30, 2018**

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## Rapport de l'auditeur indépendant

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Aux membres du conseil des commissaires de la  
Commission scolaire Western Québec

Nous avons effectué l'audit des états financiers ci-joints de la Commission scolaire Western Québec, qui comprennent l'état de la situation financière au 30 juin 2018 et l'état des résultats, l'état des surplus accumulés, l'état de la variation de la dette nette et l'état des flux de trésorerie pour l'exercice terminé à cette date, ainsi qu'un résumé des principales méthodes comptables et d'autres informations explicatives.

### Responsabilité de la direction pour les états financiers

La direction est responsable de la préparation et de la présentation fidèle de ces états financiers conformément aux Normes comptables canadiennes pour le secteur public, ainsi que du contrôle interne qu'elle considère comme nécessaire pour permettre la préparation d'états financiers exempts d'anomalies significatives, que celles-ci résultent de fraudes ou d'erreurs.

### Responsabilité de l'auditeur

Notre responsabilité consiste à exprimer une opinion sur les états financiers, sur la base de notre audit. Nous avons effectué notre audit selon les normes d'audit généralement reconnues du Canada. Ces normes requièrent que nous nous conformions aux règles de déontologie et que nous planifions et réalisons l'audit de façon à obtenir l'assurance raisonnable que les états financiers ne comportent pas d'anomalies significatives.

Un audit implique la mise en œuvre de procédures en vue de recueillir des éléments probants concernant les montants et les informations fournis dans les états financiers. Le choix des procédures relève du jugement de l'auditeur, et notamment de son évaluation des risques que les états financiers comportent des anomalies significatives, que celles-ci résultent de fraudes ou d'erreurs. Dans l'évaluation de ces risques, l'auditeur prend en considération le contrôle interne de l'entité portant sur la préparation et la présentation fidèle des états financiers afin de concevoir des procédures d'audit appropriées aux circonstances, et non dans le but d'exprimer une opinion sur l'efficacité du contrôle interne de l'entité. Un audit comporte également l'appréciation du caractère approprié des méthodes comptables retenues et du

caractère raisonnable des estimations comptables faites par la direction, de même que l'appréciation de la présentation d'ensemble des états financiers.

Nous estimons que les éléments probants que nous avons obtenus sont suffisants et appropriés pour fonder notre opinion d'audit.

### **Opinion**

À notre avis, les états financiers donnent, dans tous leurs aspects significatifs, une image fidèle de la situation financière de la Commission scolaire Western Québec au 30 juin 2018 ainsi que des résultats de ses activités, de la variation de sa dette nette et de ses flux de trésorerie pour l'exercice terminé à cette date, conformément aux Normes comptables canadiennes pour le secteur public.

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*Raymond Chabot Grant Thornton S.E. N.C. R. L.*

Gatineau

Le 22 octobre 2018

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<sup>1</sup> CPA auditeur, CA, CA-TI permis de comptabilité publique n° A123812

**WESTERN QUEBEC SCHOOL BOARD  
STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2018**

	<b>2018</b>	<b>2017</b>
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	934 346	2 727 868
Temporary investments	647 673	76 875
Operating grants receivable (Note 4)	11 438 634	13 091 533
Financing grants receivable	6 477 176	6 668 758
School tax receivable	4 111 207	3 650 566
Accounts receivable (includes inventory for resale)	2 186 589	2 128 946
<b>TOTAL FINANCIAL ASSETS</b>	<b>25 795 625</b>	<b>28 344 546</b>
<b>LIABILITIES</b>		
Short-term loans (Note 5)	5 000 000	6 500 000
Accounts payable and accrued liabilities (Note 6)	8 063 976	8 967 257
Deferred revenue received in advance	4 844 120	4 857 760
Provisions for future benefits (Note 7)	5 264 100	5 156 937
Long-term debts assumed by the School Board	0	90 257
Long-term debt subject to promise of grant (Note 8)	75 783 679	74 347 227
Other liabilities	2 223 872	2 207 079
<b>TOTAL LIABILITIES</b>	<b>101 179 747</b>	<b>102 126 517</b>
<b>NET DEBT</b>	<b>(75 384 122 )</b>	<b>(73 781 971 )</b>
<b>NON-FINANCIAL ASSETS</b>		
Fixed capital assets (Note 9)	92 122 846	88 651 265
Inventory/stock	7 608	7 282
Prepaid expenses	144 214	134 630
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>92 274 668</b>	<b>88 793 177</b>
<b>ACCUMULATED SURPLUS</b>		
<b>ACCUMULATED SURPLUS</b>	<b>16 890 546</b>	<b>15 011 206</b>

**WESTERN QUEBEC SCHOOL BOARD  
STATEMENT OF ACCUMULATED SURPLUS  
FOR THE YEAR ENDED JUNE 30, 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Accumulated surplus, beginning of year</b>	<b>15 011 206</b>	<b>14 457 238</b>
<b>Annual surplus</b>	<b>1 879 340</b>	<b>553 968</b>
<b>Accumulated surplus, end of year</b>	<b>16 890 546</b>	<b>15 011 206</b>



**WESTERN QUEBEC SCHOOL BOARD  
INCOME STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2018**

	2018 Budget	Actual Results	
		2018	2017
	\$	\$	\$
<b>REVENUE</b>			
MEES Operating grants	69 217 678	70 587 717	67 627 971
Other grants and contributions	568 312	593 460	706 896
School taxes	19 113 698	19 306 656	18 434 555
School fees and course fees	1 096 000	2 083 273	2 984 222
Sale of goods and services	2 917 811	3 417 545	3 507 552
Miscellaneous revenues	1 302 000	1 694 095	1 563 780
Amortization of deferred contributions related to acquisition of fixed capital assets	160 000	218 217	245 366
<b>TOTAL REVENUES</b>	<b>94 375 499</b>	<b>97 900 963</b>	<b>95 070 342</b>
<b>EXPENSES</b>			
Teaching and training activities	44 921 412	45 931 443	44 444 472
Support for teaching and training	18 953 443	19 314 720	17 942 748
Auxiliary services	11 211 798	11 123 398	10 795 267
Administrative activities	4 741 552	4 516 086	5 793 794
Activities related movable and immovable property	11 602 591	11 458 959	11 410 736
Other activities	2 944 703	3 569 853	3 330 336
Expenses - variation in provision for benefits	0	107 164	265 104
Loss on disposal of fixed capital assets	0	0	533 917
<b>TOTAL EXPENSES</b>	<b>94 375 499</b>	<b>96 021 623</b>	<b>94 516 374</b>
<b>ANNUAL SURPLUS</b>	<b>0</b>	<b>1 879 340</b>	<b>553 968</b>

**WESTERN QUEBEC SCHOOL BOARD  
STATEMENT OF CHANGE IN NET DEBT  
FOR THE YEAR ENDED JUNE 30, 2018**

	2018	2017
	\$	\$
<b>NET DEBT AT BEGINNING OF YEAR</b>	<b>(73 781 971 )</b>	<b>(75 392 030 )</b>
Annual surplus	1 879 340	553 968
Variation due to fixed capital assets		
Acquisition of fixed capital assets	<b>(8 155 627 )</b>	<b>(5 034 751 )</b>
Amortization of fixed capital assets plus net on disposal	<b>4 684 045</b>	4 715 897
Loss on disposal of fixed capital assets	<b>0</b>	533 917
Total variation due to fixed capital assets	<b>(3 471 582 )</b>	215 063
Proceeds of disposition of fixed capital assets	<b>0</b>	808 175
Variation due to inventory/stock and prepaid expenses	<b>(9 909 )</b>	32 853
<b>INCREASE IN NET DEBT</b>	<b>(1 602 151 )</b>	1 610 059
<b>NET DEBT AT THE END OF THE FINANCIAL YEAR</b>	<b>(75 384 122 )</b>	<b>(73 781 971 )</b>

**WESTERN QUEBEC SCHOOL BOARD  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2018**

	2018	2017
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Annual surplus	1 879 340	553 968
<b>Items with no effect on cash and cash equivalents</b>		
Bad debts	544 492	436 979
Variation in provision for future benefits	107 163	265 104
Variation in inventory/stock and prepaid expenses	(9 909 )	32 853
Amortization of deferred contributions related to acquisition of fixed capital assets	(218 217 )	245 366
Amortization of deferred expenses related to debts	54 294	56 706
Amortization of fixed capital assets	4 684 045	4 715 897
Loss on disposal of fixed capital assets	0	533 917
Variation of financial assets and liabilities related to operations	(471 003 )	(10 422 833 )
<b>CASH AND CASH EQUIVALENTS FROM OPERATING ACTIVITIES</b>	<b>6 570 205</b>	<b>(3 582 043 )</b>
<b>CAPITAL INVESTMENT ACTIVITIES</b>		
Cash outflows for the acquisition of fixed capital assets	(8 155 627 )	(5 034 751 )
Proceeds of disposition of fixed capital assets	0	808 175
<b>CASH AND CASH EQUIVALENTS USED FOR CAPITAL INVESTMENT ACTIVITIES</b>	<b>(8 155 627 )</b>	<b>(4 226 576 )</b>
<b>FINANCING ACTIVITIES</b>		
Reimbursement of debts assumed by the School Board	(90 257 )	(187 050 )
Income from issuance of debts with a grant receivable	20 558 157	14 808 000
Repayment of debts with a grant receivable	(19 176 000 )	(4 480 000 )
Variation in short-term borrowings not related to fixed capital assets	(1 500 000 )	(500 000 )
<b>CASH AND CASH EQUIVALENTS FROM FINANCING ACTIVITIES</b>	<b>(208 100 )</b>	<b>9 640 950</b>
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(1 793 522 )</b>	<b>1 832 331</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>2 727 868</b>	<b>895 537</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>934 346</b>	<b>2 727 868</b>

**WESTERN QUEBEC SCHOOL BOARD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Notes to Financial Statements**

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**1. STATUTES**

The Western Québec School Board was established under Decree 1014-97 of August 13, 1997. The financial statements were produced to meet the requirements of Article 287 of the Public Education Act (CQLR, I-13.3). The mission of a school board is to organize, for the benefit of the persons who come under its jurisdiction, the educational services provided for by this Act and by the basic school regulations established by the Government of Québec.

The mission of a school board is also to promote and enhance the status of public education within its territory, to see to the quality of educational services and the success of students so that the population may attain a higher level of formal education and qualification, and to contribute, to the extent provided for by law, to the social, cultural and economic development of its region.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The School Board mainly uses the CPA Canada Public Sector Accounting Handbook for the purposes of its annual financial statements. The use of generally accepted accounting principles from any other source is consistent with the above.

**Accounting Estimates**

The preparation of the financial statements of the School Board by the administration, in accordance with the Canadian Public Sector Accounting Standards, requires that the latter use estimates and hypotheses. These have an impact on the recognition of assets and liabilities, on the presentation of any assets and liabilities likely to exist at the date of issuance of the financial statements, and on recording of revenue and expenses for the fiscal year covered in the financial statements. The main items for which the administration carried out estimations and formulated hypotheses include the useful life of capital assets, accrued liabilities, provisions for bad debts, and provision for future benefits. Actual results may be different from the administration's best estimates.

**WESTERN QUEBEC SCHOOL BOARD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Financial Assets**

***Cash and Cash Equivalents***

Cash and cash equivalents include: bank account balances, including bank overdrafts, with the balance often fluctuating from positive to overdrawn, as well as investments whose maturity does not exceed three months from their date of acquisition and investments that can be redeemed or easily converted in the short term to a known cash value that is unlikely to change significantly. These investments are stated at the lower of cost or market value.

***Accounts Receivable***

Receivables are initially recorded at cost and they are written down to their net recoverable amount through a provision for bad debts. The variation of the period of this provision is noted in the results of the "Other Activities" line.

**Liabilities**

***Supplemental pension benefits plan***

Members of the School Board's staff participate in the Régime de retraite des employés du gouvernement et des organismes publics (RREGOP), Régime de retraite des enseignants (RRE) or Régime de retraite du personnel d'encadrement (RRPE). These multiemployer plans are defined benefit plans with guaranteed retirement and death benefits. The School Board's contributions to these government retirement plans are assumed by the Government of Quebec and are not included in the financial statements.

***Provisions for benefits***

Long-term obligations under other employee benefit plans, such as sick leave, vacation, accumulated overtime, wages insurance coverage and other benefits (maternity and paternity leave) as well as long-term obligations under School Board teaching staff's redeemable sick leave are recognized at cost in liabilities. The annual change in the provisions is recognized in expenses.

***Long-term debt***

Long-term debt is recorded at the amount received at the time of issuance, adjusted for amortization of purchase discounts or premiums, to obtain the capital amount to be repaid upon maturity.

Costs related to the issuance of debt are deferred and amortized using the straight line method over the term of the debt. The unamortized balance is included in the long-term debt balance.

**WESTERN QUEBEC SCHOOL BOARD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Non-financial assets**

***Fixed capital assets***

Fixed capital assets are non-financial assets that are acquired, constructed, developed or improved, whose useful life extends beyond the fiscal year, and that are intended for long-term use in the production of goods or in the delivery of services.

Fixed capital assets are recorded at cost. Except for land, the cost of fixed capital assets is amortized on a straight-line basis over their useful lives as follows:

Land development	10 or 20 years
Buildings and major improvements to buildings	15 to 50 years
Leasehold improvements	duration of lease
Materials and equipment	3 to 15 years
Special equipment related to education	10 or 20 years
Library documents	10 years
Textbooks - initial purchases	5 years
Vehicles	5 years
Information technology development	5 years
Telecommunications system	20 years

The cost of fixed capital assets held under a capital lease is equal to the present value of the minimum lease payments.

Fixed capital assets under construction, development or being improved are not amortized prior to being commissioned.

Works of art and historical treasures mostly include paintings, sculptures, drawings and installations, and their cost is charged to expense for the year during which they are acquired.

Works of art that are acquired under the *Politique d'intégration des arts à l'architecture et à l'environnement des bâtiments et des sites gouvernementaux et publics* are capitalized.

Fixed capital assets acquired by donation or for a nominal value are recorded at fair market value at the time of their acquisition with an offset on the liabilities side of deferred revenues, excluding land for which the offset is recorded under revenue during the year of acquisition. The deferred revenues are gradually transferred to the results of operations via the same amortization method and for the same duration as with the fixed capital assets in question.

**WESTERN QUEBEC SCHOOL BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

Write-down

Where economic indicators show that a particular fixed asset no longer contributes to the School Board's capacity to supply goods and services, or that the value of future economic benefits that can accrue to the fixed asset is lower than its net book value, the cost of the asset is reduced to reflect the decline in value and the depreciation is entered under the "Activities related to movable and immovable property" line item. No impairment reversal is recorded.

***Inventories/stocks***

Inventories/stocks consist of materials to be consumed or sold in the normal course of activities for the upcoming fiscal year(s). These inventories/stocks are assessed at the lower of either the cost or the net realizable value.

***Prepaid expenses***

Prepaid expenses represent disbursements made before the end of the fiscal year, for services the School Board receives during the upcoming fiscal year(s). These costs are charged to expenses at the time the School Board benefits from the acquired services.

**Revenue**

Revenues are accounted for on an accrual basis, i.e., during the financial year in which the transactions or acts to which they accrue occurred. Revenues that are too hard to compute before being cashed in are recorded at the time they are received. Received or receivable amounts accruing to a subsequent financial year shall be carried forward and recorded as deferred income.

More specifically:

***Deferred grants and contributions***

Grants from the MEES are recorded during the fiscal year in which the School Board met eligibility requirements stipulated under the budgetary rules for said year. Except for allowances granted for in-service training or intended to meet collective bargaining agreement conditions, grants from the MEES are not deferred, in compliance with the budgetary rules.

Grants allocated for the purchase of fixed capital assets in the form of transfer payments are recorded when the grants are authorized and the School Board has met all eligibility conditions, where applicable. They are recorded under "Deferred contributions allocated for the acquisition of fixed capital assets" if they are accompanied by stipulations creating an obligation that can be described as a liability. Revenue from the grant is recorded under results provided the liability is entered under the "Amortization of deferred contributions allocated for the acquisition of fixed capital assets" line item.

**WESTERN QUEBEC SCHOOL BOARD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

Other contributions allocated for the acquisition of fixed capital assets which are not transfer payments are entered under the “Deferred contributions allocated for the acquisition of fixed capital assets” line item, and recorded as revenue under the “Amortization of deferred contributions allocated for the acquisition of fixed capital assets” line item in the fiscal year during which the resources were used for the stipulated purpose.

***School tax***

School tax revenues are recorded during the period covered by the tax roll. Changes to the assessment rolls are recorded when the assessor's certificates are issued. The period covered by annual school tax invoice runs from July 1 to June 30. The school tax is levied on the adjusted value. The adjusted value is determined by applying, over three years, the difference between the effective standard value on December 31 of the last year of the preceding roll and that appearing in the new roll, which becomes effective on January 1. Revenue in lieu of school tax is recorded in the fiscal year during which it is received.

***Sales of goods and services and miscellaneous revenue***

Revenue is recorded under the fiscal year during which the transactions or actions to which they accrue occurred.

***Expenses***

Expenses include the cost of goods consumed and services obtained in the course of the fiscal year, irrespective of whether they have been paid for, or whether or not a bill has been submitted for them, and the amortization of the cost of fixed capital assets for the year in question.

***Inter-entity transactions***

Inter-entity transactions are transactions entered into between entities controlled or subject to joint control by the Government of Quebec.

Assets received for no consideration from a Government of Quebec reporting entity are recognized at their carrying amount. Services received at no cost are not recognized. The other inter-entity transactions were carried out at the exchange amount, which is the amount of the consideration agreed for the item transferred or the service provided.



**WESTERN QUEBEC SCHOOL BOARD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

### **3. ACCOUNTING CHANGES**

#### **Adoption of new accounting standards**

On April 1, 2017, the Western Quebec School Board adopted the following five new standards:

- PS 2200, *Related party disclosures*
- PS 3210, *Assets*
- PS 3320 *Contingent assets*
- PS 3380 *Contractual rights*
- PS 3420 *Inter-entity transactions*

**Section PS 2200** defines a related party and establishes disclosures required for related party transactions. The changes resulting hereto can be summarized as follows:

- Identification of a related party relationship: The definition of related parties has been broadened to include the key management personnel of the School Board, such as the Director General, their close relatives as well as entities subject exclusive or joint control by these individuals.
- Information to be disclosed about a related party: The standard requires the disclosure of information pertaining to transactions between related parties where the following conditions are met:
  - when they have occurred at a value different from that which would have been arrived at if the parties were unrelated; and
  - they have, or could have, a material financial effect on the financial statements.

The information pertains particularly to the nature of the relationship with related parties and the amounts involved. Where information is to be disclosed, it shall not include names. This is to prevent personal identification of the parties involved. These new changes do not have any significant impact on the results or financial situation of the School Board. Where applicable, this concerns only internal control items linked to the accounting of related parties as well as the information to be provided in the notes to the financial statement.

**Section PS 3210** provides guidance for applying the definition of assets set out in Section PS 1000, *Financial Statement Concepts*, and establishes general disclosure standards for assets. Disclosure of information about the major categories of assets that are not recognized is required.

When an asset is not recognized because a reasonable estimate of the amount involved cannot be made, the reasons for this should be disclosed.

**WESTERN QUEBEC SCHOOL BOARD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Section PS 3320** defines and establishes disclosure standards on contingent assets. Disclosure of information about contingent assets is required when the occurrence of the confirming future event is likely.

**Section PS 3380** defines and establishes disclosure standards on contractual rights. Disclosure of information about contractual rights is required and should include descriptions about their nature and extent and the timing.

**Section PS 3420** establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

The adoption of these standards had no impact on Western Quebec School Board's results or financial position, with any impacts limited to disclosures in the notes to financial statements.

#### 4. GRANTS RECEIVABLE

##### Operating grants receivable

Details on the different receivable grants are presented on page 21 of the financial report. Grants under this category are given by the Government of Quebec, and are outlined on this page.

	2018	2017
	\$	\$
General training, vocational training and equalization	7,216,148	9,411,986
Debt servicing	624,755	512,214
School transportation	166,730	(209,800)
Others	3,431,001	3,377,133
	<b>11,438,634</b>	<b>13,091,533</b>

##### Receivable grants allocated to capital assets

Details on the different receivable grants allocated to capital assets are presented on page 21 of the financial report.

**WESTERN QUEBEC SCHOOL BOARD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**5. SHORT-TERM LOANS**

The banker's acceptances are authorized each month by the MEES. Authorized allotments amount to \$42,655,965 (June 30, 2017 - \$29,782,388). The bankers' acceptance, which matures on July 5, 2018, bears an interest rate of 1.62% (0.92% as at June 30, 2017) and is guaranteed by the MEES.

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>2018</b>	<b>2017</b>
	\$	\$
Accrued salaries, deductions and benefits	5,053,575	6,283,205
Other creditors and accrued liabilities - Quebec government departments and agencies	231,676	342,017
Other creditors and accrued liabilities - Other than Quebec government departments and agencies	2,137,886	1,796,006
Consumption taxes payable	30,418	30,449
Accrued interest	610,421	515,580
	<b>8,063,976</b>	<b>8,967,257</b>

**7. PROVISION FOR BENEFITS**

The details of the provisions for employee benefits are presented on page 34 of the financial report.

Among the long-term obligations arising from the benefits granted to its staff, the School Board has an accumulated sick leave program, in accordance with the various collective bargaining agreements in force. Up to June 30, 2016, this program enables workers to accumulate unused sick leave days to which they are entitled annually and to claim compensation in case of termination of employment, retirement, or death. Moreover, in cases of early retirement, employees can choose to convert these accumulated sick leave days into fully compensated absences. Effective July 1, 2016, employees can no longer accumulate sick leave earned after this date. Sick leave will be paid annually on June 30th if it is not used by that date.

**WESTERN QUEBEC SCHOOL BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**8. LONG-TERM DEBT SUBJECT TO A GRANT RECEIVABLE**

	<b>2018</b>	<b>2017</b>
	\$	\$
Long-term notes with interest rates ranging from 1.06% to 5.41%, maturing from June 2019 to December 2040, repayable by grants from the Ministère de l'Éducation et de l'Enseignement supérieur.	<b>76,208,000</b>	<b>74,685,000</b>
Deferred financing costs related to debt	<b>(424,321)</b>	<b>(337,773)</b>
	<b>75,783,679</b>	<b>74,347,227</b>

Principal repayments due on long-term debt subject to a grant receivable over the five (5) upcoming fiscal years are as follows:

2019	5 178 000 \$	2022	4 387 000 \$
2020	6 022 000 \$	2023	5 427 000 \$
2021	4 387 000 \$		

**WESTERN QUEBEC SCHOOL BOARD  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 9 - FIXED CAPITAL ASSETS**

									2018	2017
	Cost				Accumulated amortization					
	Opening balance	Acquisitions	Disposals	Closing balance	Opening balance	Amortization for fiscal year	Disposals	Closing balance	Net value	Net value
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land	2 717 972	0	0	2 717 972	0	0	0	0	2 717 972	2 717 972
Development										
Land development (10 years)	443 843	33 670	0	477 513	256 003	41 826	0	297 829	179 684	187 840
Land development (20 years)	3 697 654	681 413	0	4 379 067	936 786	181 035	0	1 117 821	3 261 246	2 760 867
Buildings										
Buildings acquired before July 1st, 2008 (35 years)	76 767 515	0	0	76 767 515	51 791 409	1 288 392	0	53 079 801	23 687 714	24 976 107
Buildings (20 years)	0	0	0	0	0	0	0	0	0	0
Buildings (40 years)	0	0	0	0	0	0	0	0	0	0
Buildings (50 years)	26 814 693	520 632	0	27 335 325	3 239 820	554 802	0	3 794 622	23 540 703	23 574 874
Leasehold improvements	22 730	0	0	22 730	18 483	2 317	0	20 800	1 930	4 247
Major improvements and transformations										
Major improvements and transformations (25 years)	12 971 882	1 134 621	0	14 106 503	2 070 986	524 103	0	2 595 089	11 511 414	10 900 896
Major improvements and transformations (30 years)	13 052 405	1 630 000	0	14 682 405	1 687 998	427 590	0	2 115 588	12 566 817	11 364 407
Major improvements and transformations (40 years)	8 445 262	2 822 419	0	11 267 681	1 140 147	212 667	0	1 352 815	9 914 866	7 305 114
Materials and equipment										
Office furniture and equipment	1 842 931	249 238	951 864	1 140 305	1 300 132	221 878	951 864	570 146	570 159	542 799
Other equipment	645 240	34 911	0	680 151	187 063	38 283	0	225 346	454 806	458 177
Computer equipment	5 506 433	389 369	4 265 202	1 630 600	4 881 978	517 273	4 265 202	1 134 049	496 551	624 455
Multimedia communication equipment	2 578 542	276 949	1 649 265	1 206 226	1 760 279	303 565	1 649 265	414 579	791 647	818 262
Vehicles	158 280	74 875	0	233 155	78 850	40 322	0	119 172	113 983	79 430
Library documents	701 328	90 546	0	791 874	277 288	68 162	0	345 450	446 424	424 040
Textbooks (initial purchases)	1 178 580	132 352	1 135 612	175 321	1 117 612	32 430	1 135 612	14 430	160 890	60 968
Special equipment related to education										
Specialized equipment (10 years)	337 864	32 688	0	370 552	167 670	40 616	0	208 286	162 266	170 195
Specialized equipment (20 years)	787 500	51 944	0	839 444	297 792	40 387	0	338 179	501 265	489 708
Information technology development	494 921	0	400 057	94 864	494 767	185	400 057	94 895	-31	154
Telecommunications system	2 963 710	0	0	2 963 710	1 772 957	148 212	0	1 921 169	1 042 541	1 190 753
	<b>162 129 285</b>	<b>8 155 627</b>	<b>8 402 000</b>	<b>161 882 912</b>	<b>73 478 020</b>	<b>4 684 045</b>	<b>8 402 001</b>	<b>69 760 066</b>	<b>92 122 846</b>	<b>88 651 265</b>

**WESTERN QUEBEC SCHOOL BOARD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**9. FIXED CAPITAL ASSETS (CONTINUED)**

Details of fixed capital assets are presented on pages 40 to 48 of the financial report.

Total capital assets include materials and equipment rented under capital leases for \$90,256 (June 30, 2017 - \$277,306). The amount of amortization related to these fixed capital assets amounted to \$90,256 (\$187,050 as at June 30, 2017).

During the fiscal year, fixed capital assets amounting to \$137,243 (\$707,268 as at June 30, 2017) were acquired by donation or at a nominal cost, i.e. \$92,626 (\$116,674 as at June 30, 2017) for materials and equipment, \$44,617 (\$590,594 as at June 30, 2017) for land development and buildings. These capital assets were partially or fully financed by contributions from outside organizations.

**10. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS**

*Risk Management Policy*

By using its financial instruments, the School Board is exposed to various risks. The administration has implemented control and management policies and procedures that ensure the management of the inherent risks associated with financial instruments and minimize their potential impacts. The following elements allow an assessment of risks as at the date of the financial statement of June 30, 2017.

*Credit Risk*

Credit risk refers to the risk of a counterpart failing to respect their contractual obligations. The School Board's credit risk relates mainly to its accounts receivable, excluding consumption tax and pending grants. In order to reduce its credit risk, the School Board regularly performs an analysis of its accounts receivables balance, after which a provision for bad debts is established, as needed, based on the estimated realizable amount. The credit risk associated with pending grants is minimal, since the funds come from the government.

The book value of the School Board's main financial assets represents its maximum risk exposure.

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*Credit Risk (continued)*

The following table presents the aging report of accounts receivable, excluding consumption taxes, net of the provisions for bad debts, as at June 30, 2018.

	2018	2017
<b>Accounts Receivable</b>	<b>\$</b>	<b>\$</b>
Less than 30 days following invoice date	1,149,970	1,669,010
30 to 60 days following invoice date	-	81,754
61 to 90 days following invoice date	13,494	54,206
More than 90 days following the invoice date	7,628,569	5,946,094
Subtotal	8,792,033	7,751,064
<b>Provision for bad debts</b>	<b>(2,523,475)</b>	<b>(1,971,552)</b>
<b>Total receivables net of provision for bad debts</b>	<b>\$ 6,268,558</b>	<b>\$5,779,512</b>

**WESTERN QUEBEC SCHOOL BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
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*Cash and cash equivalents risk*

Cash and cash equivalents risk is the risk of the School Board facing difficulties in honouring commitments related to its financial liabilities. The School Board is exposed to this risk mainly due to its short-term borrowings, its creditors and accrued liabilities, excluding source deductions, some items under the provision for benefits (holidays and other forms of leave) and its long-term borrowings. The contractual cash flows associated with the School Board's financial liabilities are as follows:

<b>June 30, 2018</b>	Less than 1 year	1 to 3 years	4 to 5 years	Over 5 years	Total
Short-term loans	\$5,000,000				\$5,000,000
Accounts payable and accrued expenses	\$8,063,976				\$8,063,976
Long-term debt	\$5,178,000	\$10,409,000	\$9,814,000	\$50,807,000	\$76,208,000
Provision for benefits	\$5,264,100				\$5,264,100

<b>June 30, 2017</b>	Less than 1 year	1 to 3 years	4 to 5 years	Over 5 years	Total
Short-term loans	\$6,500,000				\$6,500,000
Accounts payable and accrued expenses	\$8,967,257				\$8,967,257
Long-term debt	\$19,176,000	\$9,208,000	\$6,782,000	\$39,519,000	\$74,685,000
Provisions for benefits	\$5,157,937				\$5,156,937

In order to reduce its cash and cash equivalents risk, the School Board conducts a daily analysis of its cash and cash equivalents and borrows the necessary amounts depending on the daily needs up to a maximum amount authorized by the MEES.



**WESTERN QUEBEC SCHOOL BOARD  
NOTES TO FINANCIAL STATEMENTS  
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*Market risk*

Market risk is the risk of a fluctuation in the future market value or cash flow of a financial instrument resulting from market price changes. Market risk comprises three types of risks: risk of change, interest rate risk and the other price risk. Considering the nature of its activities, the School Board is only exposed to interest rate risk.

*Interest Rate Risk*

Interest rate risk is the risk of the real value of a financial instrument or future cash flows linked to these financial instruments experiencing a negative variation due to fluctuations in interest rates, fixed or variable. Fixed interest rate instruments impose an actual value risk on the School Board, while variable interest rate instruments impose a cash flow risk.

Fixed interest rate financial instruments include long-term loans and borrowings.

Given that the School Board recognizes its financial instruments bearing fixed interest rate at cost after amortization according to the effective interest rate method, and not the actual value, exposure to the interest rate fluctuation risk is low, particularly since the School Board plans to reimburse on schedule.

## **11. CONTRACTUAL OBLIGATIONS**

In the course of its operations, the School Board has signed various long-term agreements, the most important of which have given rise to the following contractual obligations:

- a) An amount of \$29,634,846 (\$37,043,556 in 2017) for school transportation contracts, ending in June 2022. Payments for the next four years stand at \$7,408,712 in 2019, \$7,408,712 in 2020, \$7,408,712 in 2021, and \$7,408,712 in 2022.
- b) An amount of \$1,694,368 (\$2,497,310 in 2017) for school cleaning contracts, ending in June 2021. Payments for the next three years stand at \$600,716 in 2019, \$600,716 in 2020, and \$492,936 in 2021.
- c) An amount of \$48,195 (\$70,621 in 2017) for elevator maintenance contracts, ending in June 2021. Payments for the next three years stand at \$22,985 in 2019, \$23,560 in 2020, and \$1,650 in 2021.
- d) An amount of \$210,539 (\$234,298 in 2017) to be paid for grass cutting, garbage container and collection services, and snow removal, ending in September 2020. Payments for the next three years stand at \$93,844 in 2019, \$98,170 in 2020, and \$18,525 in 2021.
- e) An amount of \$410,266 (\$354,819 in 2017) to be paid for photocopier and IT equipment leases up to June 2021. Payments for the next three years stand at \$202,840 in 2019, \$134,163 in 2020, and \$73,263 in 2021.

**WESTERN QUEBEC SCHOOL BOARD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

- f) An amount of \$7,212,443 (\$3,772,075 in 2017) for major construction, development and renovation projects, coming due by June 2020 at latest. The expected payments for the next two years stand at \$6,490,244 in 2019 and \$722,199 in 2020.

## **12. RELATED ORGANIZATION TRANSACTIONS**

The School Board is related to all ministries and special funds as well as all organizations and corporations directly or indirectly controlled by the Québec government or subject either to joint control or significant influence by the Québec government. It is also related to its key management personnel, their close relatives and to entities for which one or more of these persons have the power to determine the financial and administrative decisions of the School Board. For the purpose of the government's consolidated financial statements, the key management staff member is the Director General of the School Board.

The School Board has undertaken no commercial transactions with these related bodies except within the normal course of its activities and under the usual commercial conditions. These transactions are clearly disclosed on pages 190 and 191 of the financial report.

## **13. COMPARATIVE FIGURES**

Some 2017 figures have been reclassified to conform to the format adopted in 2018.

**WESTERN QUEBEC SCHOOL BOARD  
DETAILED EXPENSES BY ACTIVITY  
FOR THE YEAR ENDED JUNE 30, 2018**

	SALARIES	SALARY BENEFITS	TRAVEL EXPENSES	SUPPLIES & MATERIALS	FEES & CONTRACTS	EQUIPMENT & INVEST- MENTS	OTHER EXPENSES	TOTAL EXPENSES 2018	TOTAL EXPENSES 2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>TEACHING AND TRAINING ACTIVITIES</b>									
Pre-school education	2 718 579	302 364		96 450	374	0		3 117 767	3 105 193
Primary education	17 409 097	1 957 188	4 782	245 865	12 821			19 629 753	17 921 143
General secondary education	13 690 224	1 495 786	1 904	339 406	28 936	834		15 557 090	15 043 837
Vocational training	1 492 248	169 008	18 577	102 742	127 439	68 110		1 978 123	2 468 027
Specific training	3 834 432	419 895	2 082	44 504	26 759			4 327 672	4 565 151
Adult general education	1 153 531	125 542	3 985	35 668	2 311	0	0	1 321 037	1 341 121
	<b>40 298 111</b>	<b>4 469 783</b>	<b>31 330</b>	<b>864 635</b>	<b>198 640</b>	<b>68 944</b>		<b>45 931 443</b>	<b>44 444 472</b>
<b>SUPPORT FOR TEACHING AND TRAINING</b>									
Management of schools and centres	4 854 381	574 900	43 712	294 050	469 110	480	0	6 236 633	5 950 443
Teaching tools	1 054 849	130 096	57 953	62 216	469 671	28 965	0	1 803 749	1 631 558
Complementary services	5 448 193	729 509	33 008	112 327	182 991	576	0	6 506 604	6 338 892
Specific pedagogical and training services	1 114 792	145 154	20 238	80 099	185 032	3 383	965	1 549 663	813 358
Animation and instructional development	1 061 302	113 201	55 084	16 481	8 049	0		1 254 116	1 284 281
Professional development - teaching and other staff	362 246	39 742	198 859	16 867	56 413	0	8 250	682 378	723 918
Sports, cultural and social activities	52 003	6 225	31 420	178 517	627 518	2 732	383 163	1 281 578	1 200 298
	<b>13 947 767</b>	<b>1 738 826</b>	<b>440 274</b>	<b>760 557</b>	<b>1 998 783</b>	<b>36 136</b>	<b>392 377</b>	<b>19 314 720</b>	<b>17 942 748</b>
<b>AUXILIARY SERVICES</b>									
Food and accommodation services	0	0	0	0	0	0	0		
School transportation	0	0	0	0	7 566 030	0	824 309	8 390 339	8 145 376
Daycare	2 229 391	299 770	721	122 844	80 332	0	0	2 733 059	2 649 891
	<b>2 229 391</b>	<b>299 770</b>	<b>721</b>	<b>122 844</b>	<b>7 646 363</b>		<b>824 309</b>	<b>11 123 398</b>	<b>10 795 267</b>
<b>ADMINISTRATIVE ACTIVITIES</b>									
Council of commissioners and committees	139 752	7 438	15 165	608	21 161	0	0	184 124	183 837
Management	2 705 623	321 351	62 311	109 300	384 914	0	16 150	3 599 648	3 475 321
Corporate fees and services	243 191	28 052	8 129	27 652	384 145	0	0	691 170	2 105 005
Professional development	0	0	25 962	0	15 183	0	0	41 145	29 631
	<b>3 088 566</b>	<b>356 841</b>	<b>111 566</b>	<b>137 560</b>	<b>805 403</b>		<b>16 150</b>	<b>4 516 086</b>	<b>5 793 794</b>
<b>BALANCES TO BE CARRIED OVER</b>	<b>59 563 835</b>	<b>6 865 220</b>	<b>583 891</b>	<b>1 885 596</b>	<b>10 649 188</b>	<b>105 080</b>	<b>1 232 836</b>	<b>80 885 647</b>	<b>78 976 282</b>

**WESTERN QUÉBEC SCHOOL BOARD  
DETAILED EXPENSES BY ACTIVITY  
FOR YEAR ENDED JUNE 30, 2018**

	SALARIES	SALARY BENEFITS	TRAVEL EXPENSES	SUPPLIES & MATERIALS	FEES & CONTRACTS	EQUIPMENT & INVEST- MENTS	OTHER EXPENSES	TOTAL EXPENSES 2018	TOTAL EXPENSES 2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>BALANCE CARRIED OVER</b>	<b>59 563 835</b>	<b>6 865 220</b>	<b>583 891</b>	<b>1 885 596</b>	<b>10 649 188</b>	<b>105 080</b>	<b>1 232 836</b>	<b>80 885 647</b>	<b>78 976 282</b>
<b>ACTIVITIES RELATING TO PROPERTY</b>									
<b>MOVABLE AND IMMOVABLE</b>									
Maintenance of movable property	0	0	0	13 041	33 359	1 495 569	0	1 541 969	1 277 465
Conservation of immovable property	443 650	60 009	47 248	237 117	820 551	3 233 191	0	4 841 767	5 263 049
Janitorial services	1 858 328	255 039	1725,69	116 792	788 418	0	0	3 020 302	2 997 666
Energy consumption	0	0	0	1 710 936	105	0	0	1 711 041	1 560 688
Building rental	0	0	0	0	106 000	0	0	106 000	232 872
Protection and security	0	0	0	2 286	52 595	0	0	54 881	68 820
Major improvements, transformations and renovations	0	0	0	0	182 999	0	0	182 999	10 177
Information and telecommunications systems	0	0	0	0	0	0	0	0	0
	<b>2 301 978</b>	<b>315 048</b>	<b>48 974</b>	<b>2 080 173</b>	<b>1 984 026</b>	<b>4 728 760</b>	<b>0</b>	<b>11 458 959</b>	<b>11 410 736</b>
<b>OTHER ACTIVITIES</b>									
Financing	0	0	0	0	0	0	2 295 056	2 295 056	2 266 513
Special projects	15 598	1 710	32 205	3 615	22 006	0	0	75 135	27 769
Retroactivity	130 389	12 953	0	0	0	0	0	143 343	97 051
Tuition fees and agreements	0	0	0	0	0	0	482 853	482 853	494 015
Provisions - bad debts	0	0	0	0	0	0	544 492	544 492	462 537
Loan of service	0	1 721	694	0	0	0	0	2 415	( 59 483)
Extracurricular activities	0	0	0	0	0	0	26 558	26 558	41 935
	<b>145 987</b>	<b>16 384</b>	<b>32 900</b>	<b>3 615</b>	<b>22 006</b>	<b>0</b>	<b>3 348 960</b>	<b>3 569 853</b>	<b>3 330 336</b>
<b>OTHER ITEMS</b>									
Expenses - change in provision for employee benefits	90 318	16 845	0	0	0	0	0	107 164	265 104
Income from disposal of fixed capital assets	0	0	0	0	0	0	0	0	533 917
<b>TOTAL</b>	<b>62 102 118</b>	<b>7 213 498</b>	<b>665 765</b>	<b>3 969 384</b>	<b>12 655 221</b>	<b>4 833 841</b>	<b>4 581 796</b>	<b>96 021 623</b>	<b>94 516 374</b>