

# Financial Statement

Presented on December 1<sup>st</sup>, 2020

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Fiscal year  
For the period of July 1, 2019 to June 30, 2020  
Summary report

**YEAR 2019-2020**

**SCHOOL BOARD FINANCIAL REPORTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Director's Report**

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The financial statements of the Western Quebec School Board, bearing digital signature 2213748233 were issued by the Director's office, which is responsible for preparing and presenting them, including estimates and key opinions. This responsibility includes the choice of appropriate accounting policies, in accordance with Canadian public sector accounting standards. The financial information contained in the rest of the financial report corresponds to that appearing in the financial statements.

To fulfil its accounting responsibilities and those relating to financial information presentation, the administration maintains financial management systems and internal controls designed to ensure, within reason, the protection of property and the accurate and timely recording of business transactions. In addition, such transactions are duly approved and lead to the production of reliable financial statements.

The School Board administration recognizes that it is accountable for the management of school board business in compliance with the applicable laws and regulations governing the Board.

The Council of Commissioners oversees the Board's discharge of its financial-related information duties.

The financial statements were audited by Samson & Associés, independent auditors appointed by the School Board, in compliance with Canadian auditing standards. The independent auditors' report appended to the financial statements stipulates their responsibilities, the nature and scope of their audit and their opinion.

  
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Director General

  
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Financial Resources Director

Location: Gatineau, Québec

Date: December 1, 2020

**WESTERN QUEBEC  
SCHOOL BOARD  
INDEPENDENT AUDITOR'S REPORT AND  
FINANCIAL STATEMENTS  
JUNE 30, 2020**

**WESTERN QUEBEC SCHOOL BOARD**

**FINANCIAL STATEMENTS**

**JUNE 30, 2020**

**JUNE 30, 2020**

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**TRAFICS 2019-2020****SCHOOL BOARD FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDING JUNE 30, 2020****Independent Auditor's Report**

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To the Ministère de l'Éducation et de l'Enseignement supérieur

Western Québec School Board

**Report on the audit of financial statements****Opinion**

We have audited the attached financial statements of the Western Québec School Board ("the School Board" hereunder), recognized by the electronic signature 2213748233, which include the statement of financial position as at June 30, 2020, the statement of results, the statement of accumulated surpluses (deficit), the statement of change in net financial assets and statement of cash flows for the year then ended, the additional information to the financial statements provided on pages 7 to 275, as well as a summary of significant accounting policies and other explanatory details included in the Notes and additional information.

In our opinion, the attached financial statements, with the electronic signature of 2213748233, present fairly, in all material respects, the financial position of the School Board as at June 30, 2020, and its results of operation, the statement of change in net financial assets and statement of cash flows for the year then ended in accordance with Canadian accounting standards for the public sector.

**Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this report. We are independent of the School Board in accordance with the ethical requirements that are relevant to the auditing of financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of the Administration and Those Charged with Governance for the Financial Statements**

The administration is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as the administration determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the administration is responsible for assessing the entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going

concern basis of accounting unless the administration either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

Additionally:

- we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control.
- we evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates done by the administration, and related disclosures made by the latter;
- we conclude on the appropriateness of the administration's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the School Board to cease to continue as a going concern;
- we evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**SAMSON & ASSOCIATES**

A handwritten signature in black ink that reads "Mathieu Farley". The script is cursive and fluid, with the first letters of each name being capitalized and prominent.

Mathieu Farley, CPA auditor, CA

Gatineau, December 1<sup>st</sup>, 2020

**WESTERN QUEBEC SCHOOL BOARD  
STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2020**

	2020	2019
	\$	\$
<b>FINANCIAL ASSETS</b>		
<b>JUNE 30, 2020</b>		
Cash	7,025,228	1,301,273
Temporary investments	647,673	647,673
Operating grants receivable	12,833,196	13,193,707
Financing grants receivable	5,639,868	5,953,939
School tax receivable	3,373,599	3,378,637
Accounts receivable (includes inventory for resale)	1,198,116	1,296,480
<b>TOTAL FINANCIAL ASSETS</b>	<b>30,717,679</b>	<b>25,771,708</b>
<b>LIABILITIES</b>		
Short-term loans	14,550,000	12,000,000
Accounts payable and accrued liabilities	11,676,563	9,508,993
Deferred revenue received in advance	4,769,189	4,633,982
Provisions for future benefits	5,360,604	5,545,859
Long-term debts assumed by the School Board	0	0
Long-term debt subject to promise of grant	83,483,548	78,243,434
Other liabilities	1,116,903	949,850
<b>TOTAL LIABILITIES</b>	<b>120,956,806</b>	<b>110,882,117</b>
<b>NET DEBT</b>	<b>(90,239,127)</b>	<b>(85,110,409)</b>
<b>NON-FINANCIAL ASSETS</b>		
Fixed capital assets	107,292,166	101,483,387
Inventory/stock	7,608	15,819
Prepaid expenses	173,413	100,873
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>107,473,187</b>	<b>101,600,079</b>
<b>ACCUMULATED SURPLUS</b>		
<b>ACCUMULATED SURPLUS</b>	<b>17,234,060</b>	<b>16,489,670</b>



**WESTERN QUEBEC SCHOOL BOARD  
STATEMENT OF ACCUMULATED SURPLUS  
FOR THE YEAR ENDED JUNE 30, 2020**

**JUNE 30, 2020**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Accumulated surplus, beginning of year	16,489,670	16,890,546
Annual surplus	744,390	(400,876)
Accumulated surplus, end of year	17,234,060	16,489,670

**WESTERN QUEBEC SCHOOL BOARD  
INCOME STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2020**

	2020 Budget	Actual Results	
		2020	2019
<b>JUNE 30, 2020</b>	\$	\$	\$
<b>REVENUE</b>			
MEES Operating grants	78,044,158	80,232,350	74,386,302
Other grants and contributions	598,416	561,191	478,815
School taxes	20,576,210	20,552,149	21,732,843
School fees and course fees	75,525	222,863	259,184
Sale of goods and services	3,237,840	2,450,657	3,278,437
Miscellaneous revenues	1,236,500	997,017	1,708,937
Amortization of deferred contributions related to acquisition of fixed capital assets	180,000	172,891	214,748
<b>TOTAL REVENUES</b>	<b>103,948,649</b>	<b>105,189,118</b>	<b>102,059,266</b>
<b>EXPENSES</b>			
Teaching and training activities	46,722,881	49,438,058	48,189,392
Support for teaching and training	26,341,058	23,671,534	21,685,881
Auxiliary services	11,949,861	10,526,107	11,619,830
Administrative activities	4,708,139	4,974,514	4,861,562
Activities related movable and immovable property	12,048,121	12,170,021	12,280,334
Other activities	3,283,645	3,849,750	3,541,385
Expenses - variation in provision for benefits	101,000	(185,255)	281,758
Loss on disposal of fixed capital assets	0	0	0
<b>TOTAL EXPENSES</b>	<b>105,154,705</b>	<b>104,444,728</b>	<b>102,460,142</b>
<b>ANNUAL SURPLUS</b>	<b>(1,206,056)</b>	<b>744,390</b>	<b>(400,876)</b>

**WESTERN QUEBEC SCHOOL BOARD  
STATEMENT OF CHANGE IN NET DEBT  
FOR THE YEAR ENDED JUNE 30, 2020**

	2020	2019
<b>JUNE 30, 2020</b>	<b>\$</b>	<b>\$</b>
<b>NET DEBT AT BEGINNING OF YEAR</b>	<b>(85,110,409)</b>	<b>(75,384,122)</b>
Annual surplus	744,390	(400,876)
Variation due to fixed capital assets		
Acquisition of fixed capital assets	(10,852,864)	(14,214,820)
Amortization of fixed capital assets plus net on disposal	5,044,085	4,854,279
Loss on disposal of fixed capital assets	0	0
Total variation due to fixed capital assets	(5,808,779)	(9,360,541)
Proceeds of disposition of fixed capital assets	0	0
Variation due to inventory/stock and prepaid expenses	(64,329)	35,130
<b>INCREASE IN NET DEBT</b>	<b>(5,128,718)</b>	<b>(9,726,287)</b>
<b>NET DEBT AT THE END OF THE FINANCIAL YEAR</b>	<b>(90,239,127)</b>	<b>(85,110,409)</b>

**WESTERN QUEBEC SCHOOL BOARD  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2020**

	2020	2019
<b>JUNE 30, 2020</b>	<b>\$</b>	<b>\$</b>
<b>OPERATING ACTIVITIES</b>		
Annual surplus	744,390	(400,876)
<b>Items with no effect on cash and cash equivalents</b>		
Bad debts	77,008	292,093
Variation in provision for future benefits	(185,255)	281,758
Variation in inventory/stock and prepaid expenses	(64,329)	35,130
Amortization of deferred contributions related to acquisition of fixed capital asset	(172,891)	(214,748)
Amortization of deferred expenses related to debts	51,798	53,299
Amortization of fixed capital assets	5,044,085	4,854,279
Loss on disposal of fixed capital assets	0	0
Variation of financial assets and liabilities related to operations	2,016,697	221,056
<b>CASH AND CASH EQUIVALENTS FROM OPERATING ACTIVITIES</b>	<b>7,511,503</b>	<b>5,121,991</b>
<b>CAPITAL INVESTMENT ACTIVITIES</b>		
Cash outflows for the acquisition of fixed capital assets	(10,852,864)	(14,214,820)
Proceeds of disposition of fixed capital assets	0	0
<b>CASH AND CASH EQUIVALENTS USED FOR CAPITAL INVESTMENT ACTIVITIES</b>	<b>(10,852,864)</b>	<b>(14,214,820)</b>
<b>FINANCING ACTIVITIES</b>		
Reimbursement of debts assumed by the School Board	0	0
Income from issuance of debts with a grant receivable	11,516,315	7,584,457
Repayment of debts with a grant receivable	(5,001,000)	(5,124,701)
Variation in short-term borrowings not related to fixed capital assets	2,550,000	7,000,000
<b>CASH AND CASH EQUIVALENTS FROM FINANCING ACTIVITIES</b>	<b>9,065,315</b>	<b>9,459,756</b>
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>5,723,954</b>	<b>366,927</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>1,948,946</b>	<b>1,582,020</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>7,672,900</b>	<b>1,948,947</b>

WESTERN QUEBEC SCHOOL BOARD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**FIXED CAPITAL ASSETS**

JUNE 30, 2020										2020		2019	
	Cost				Accumulated amortization				Net value		Net value		
	Opening balance	Acquisitions	Disposals	Closing balance	Opening balance	Amortization for fiscal year	Disposals	Closing balance					
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Land	2,717,972	0	0	2,717,972	0	0	0	0	2,717,972		2,717,972		
Development													
Land development (10 years)	477,513	0	0	477,513	337,767	31,252	0	369,019	108,494		139,746		
Land development (20 years)	4,873,819	126,070	0	4,999,888	1,333,778	227,724	0	1,561,502	3,438,387		3,540,042		
Buildings													
Buildings acquired before July 1st, 2008 (35 years)	76,767,515	0	0	76,767,515	54,368,194	1,288,397	0	55,656,591	21,110,924		22,399,321		
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)	33,934,322	3,105,499	0	37,039,822	4,349,424	554,802	0	4,904,226	32,135,595		29,584,898		
Leasehold improvements	22,730	0	0	22,730	22,730	0	0	22,730	0		0		
Major improvements and transformations													
Major improvements and transformations (25 years)	14,803,091	658,534	0	15,461,624	3,144,610	590,102	0	3,734,712	11,726,912		11,658,481		
Major improvements and transformations (30 years)	17,386,185	3,537,381	0	20,923,566	2,598,114	551,895	0	3,150,010	17,773,556		14,788,070		
Major improvements and transformations (40 years)	13,305,905	1,691,138	0	14,997,043	1,625,961	308,563	0	1,934,524	13,062,519		11,679,944		
Materials and equipment													
Office furniture and equipment	1,390,676	290,889	0	1,681,565	797,843	231,073	0	1,028,916	652,649		592,833		
Other equipment	777,192	189,153	0	966,345	267,282	56,334	0	323,615	642,730		509,911		
Computer equipment	2,430,004	728,998	0	3,159,002	1,470,157	544,521	0	2,014,679	1,143,924		959,847		
Multimedia communication equipment	1,542,668	372,468	0	1,915,136	858,781	271,332	0	1,130,113	795,022		683,887		
Vehicles	233,155	0	0	233,155	162,733	35,687	0	198,421	34,735		70,422		
Library documents	879,297	106,385	0	985,681	421,596	79,457	0	501,053	484,628		457,700		
Textbooks (initial purchases)	197,954	6,713	0	204,667	58,111	45,584	0	103,694	100,972		138,843		
Special equipment related to education													
Specialized equipment (10 years)	459,715	40,037	0	499,752	251,825	36,170	0	287,996	211,756		207,890		
Specialized equipment (20 years)	839,444	0	0	839,444	381,163	42,984	0	424,147	415,297		458,281		
Information technology development	94,864	0	0	94,864	94,895	0	0	94,895	-31		-31		
Telecommunications system	2,963,710	0	0	2,963,710	2,069,379	148,206	0	2,217,585	746,125		894,331		
	176,097,731	10,852,864	0	186,950,594	74,614,344	5,044,085	0	79,658,429	107,292,167		101,483,387		

WESTERN QUEBEC SCHOOL BOARD  
DETAILED EXPENSES BY ACTIVITY  
FOR THE YEAR ENDED JUNE 30, 2020

	SALARIES	SALARY BENEFITS	TRAVEL EXPENSES	SUPPLIES & MATERIALS	FEES & CONTRACTS	EQUIPMENT & INVEST- MENTS	OTHER EXPENSES	TOTAL EXPENSES 2020	TOTAL EXPENSES 2019
JUNE 30, 2020	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>TEACHING AND TRAINING ACTIVITIES</b>									
Pre-school education	3 060 109	347 999		157 726	53	0	0	3 565 887	3 048 263
Primary education	18 197 450	2 113 775	2 665	245 348	4 961	0	0	20 564 199	20 906 858
General secondary education	15 284 031	1 712 921		403 550	12 063			17 412 565	16 329 536
Vocational training	1 405 108	170 982	9 378	143 804	79 189	58 486	9 072	1 876 019	1 998 528
Specialized teaching	4 101 690	458 068	2 587	41 870	45 306		0	4 649 521	4 575 021
Adult general education	1 172 757	140 683	942	53 351	2 099	0	35	1 369 968	1 331 185
	43 221 145	4 944 429	15 571	1 045 649	143 672	58 486	9 107	49 438 058	48 189 391
<b>SUPPORT FOR TEACHING AND TRAINING</b>									
Management of schools and centres	5,328,208	658,593	48,093	281,611	414,007	0	0	6 730 512	6 511 577
Teaching tools	1,269,360	161,550	55,503	59,500	435,502	28,578	0	2 009 993	1 965 224
Complementary services	7,851,260	1,078,767	31,936	119,424	211,270	0	0	9 292 657	7 691 523
Specific pedagogical and training services	2,262,804	292,228	64,713	74,188	203,975	0	1,300	2 899 208	2 203 725
Animation and pedagogical training	1,363,473	148,715	32,877	7,403	327	0		1 552 795	1 449 277
Professional development - teachers and other staff categories	268,334	31,294	178,828	20,544	97,420	0	0	596 420	704 330
Sports, cultural and social activities	5,760	686	5,090	148,068	251,355	109	178,901	589 949	1,155,224
	18 349 199	2 371 813	417 040	710 738	1 613 856	28 687	180 201	23 671 534	21 685 880
<b>AUXILIARY SERVICES</b>									
Boarding allowance	0	0	0	0	0	0	0		2 250
School transportation	0	0	0	0	6,894,689	0	725,717	7 620 406	8 706 365
Daycare	2,397,285	336,291	2,579	97,451	72,094	0	0	2 905 700	2 911 215
	2 397 285	336 291	2 579	97 451	6 966 783		725 717	10 526 107	11 619 830
<b>ADMINISTRATIVE ACTIVITIES</b>									
Council of commissioners and committees	141,618	7,654	9,054	1,213	29,683	0	0	189 221	183 863
Management	2,918,149	358,395	34,217	103,595	485,961	0	39 109	3 949 427	3 704 676
Corporate fees and services	278,575	34,721	7 198	54,976	419,117	0	0	794 587	913 708
Professional development	0	0	7,135	688	33,455	0	0	41 278	59 515
	3 338 342	400 770	57 604	160 473	978 216		39 109	4 974 514	4 861 563
<b>BALANCES TO BE CARRIED OVER</b>	<b>67 305 970</b>	<b>8 053 303</b>	<b>492 794</b>	<b>2 014 310</b>	<b>9 702 528</b>	<b>87 173</b>	<b>954 134</b>	<b>88 610 213</b>	<b>86 356 664</b>



WESTERN QUEBEC SCHOOL BOARD  
DETAILED EXPENSES BY ACTIVITY  
FOR YEAR ENDED JUNE 30, 2020

JUNE 30, 2020	SALARIES	SALARY BENEFITS	TRAVEL EXPENSES	SUPPLIES & MATERIALS	FEES & CONTRACTS	EQUIPMENT & INVEST- MENTS	OTHER EXPENSES	TOTAL EXPENSES 2020	TOTAL EXPENSES 2019
	\$	\$	\$	\$	\$	\$	\$	\$	\$
BALANCE CARRIED OVER	67 305 970	8 053 303	492 794	2 014 310	9 702 528	87 173	954 134	88 610 213	86 356 664
<b>ACTIVITIES RELATING TO PROPERTY</b>									
<b>MOVABLE AND IMMOVABLE</b>									
Maintenance of movable property	0	0	0	21,569	59,957	1,529,138	0	1 610 665	1 583 255
Conservation of immovable property	510 902	65 452	40 790	248 756	1 074 851	3 552 735	0	5 493 486	5 588 640
Janitorial services	1 920 891	267 972	1 415	175 517	849 539	0	0	3 215 334	3 051 728
Energy consumption	0	0	0	1 569 189	8505	0	0	1 577 695	1 721 743
Building rental	0	0	0	0	124 993	0	0	124 993	207 644
Protection and security	0	0	0	68 536	55 562	0	0	124 098	76 789
Major improvements, transformations and renovations	0	0	0	0	23,750	0	0	23 750	70 538
Information and telecommunications systems	0	0	0	0	0	0	0	0	0
	2 431 793	333 425	42 205	2 083 568	2 197 157	5 081 873	0	12 170 021	12 280 334
<b>OTHER ACTIVITIES</b>									
Financing	0	0	0	0	0	0	2 600 185	2 600 165	2 295 056
Special projects	116 318	14 472	25 991	5 056	71 153	0	96 008	328 999	75 135
Retroactivity	99 027	7 794	0	0	0	0	0	106 821	143 343
Tuition fees and agreements	0	0	0	0	0	0	630 118	630 118	482 853
Provisions - bad debts	0	0	0	0	0	0	77 008	77 008	544,492
Loan of service	85 266	8 763	0	0	0	0	0	94 028	2 415
Extracurricular activities	0	0	0	0	0	0	12,609	12 609	26 558
	300 611	31 029	25 991	5 056	71 153	0	3 415 909	3 849 750	3 569 853
<b>OTHER ITEMS</b>									
Expenses - change in provision for employee benefits			0	0	0	0	( 185 255)	( 185 255)	107 164
Income from disposal of fixed capital assets	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>70 038 374</b>	<b>8 417 757</b>	<b>560 990</b>	<b>4 102 934</b>	<b>11 970 838</b>	<b>5 169 046</b>	<b>4 184 788</b>	<b>104 444 728</b>	<b>102 314 013</b>

**WESTERN QUEBEC SCHOOL BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Notes to Financial Statements**

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**1. STATUTES AND NATURE OF OPERATIONS**

The Western Quebec School Board was established under Decree No. 1014-97 of August 13, 1997. 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**

**Authoritative Accounting Pronouncements**

The financial statements were prepared in accordance with the CPA Canada Public Sector Accounting Handbook. The use of generally accepted accounting principles from any other source is consistent with the above.

**Use of Estimates**

The preparation of the financial statements of the Western Quebec 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 are the useful life of capital assets, accrued liabilities, provisions for bad debts, provisions for future benefits, provisions for the *Commission des normes, de l'équité, de la santé et de la sécurité du travail* (CNESST) retrospective plan and the liabilities for contaminated sites. Actual results may be different from the administration's best estimates.

**Financial Assets**

**Cash and Cash Equivalents**

Cash and cash equivalents include cash balances, 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.

**WESTERN QUEBEC SCHOOL BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

***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 allowance is recognized in the results of the "Other Activities" line item.

***Stocks for Sale***

Stocks for sale are assessed at the lower of cost or net realizable value.

***Portfolio Holdings and Loans***

Portfolio holdings are recognized at cost. Subsequently, the School Board determines whether the investment has sustained a decline in value that is other than temporary, and that its book value has thus declined through a write-down provision in its results. A write-down of an investment may not be reversed should there be a subsequent increase in value.

Loans are initially recorded at cost in the statement of financial position. Subsequently, whenever events or circumstances suggest a loss, a provision for impairment is established. These provisions are intended to present the loans at the lower of cost or net realizable value. The variation of this provision is recognized in the results of the "Other Activities" line item. The provision for impairment should be determined using the best estimates available in light of past events, current conditions, and taking into account all circumstances known at the date of preparation of the financial statements. Where a loan is written off in full or in part, this impairment cannot be reversed.

***Sinking Fund Relating to Long-term Debt Subject to a Grant Receivable***

The Sinking fund relating to long-term debt subject to a grant receivable is recognized at the amount paid during the period by the Ministère de l'Éducation et de l'Enseignement supérieur (MEES) to obtain the capital amount to be repaid upon maturity.

***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 for the period are assumed by the Government of Quebec and are not included in the financial statements.



**WESTERN QUEBEC SCHOOL BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

***Provisions for Benefits***

Long-term obligations under the School Board teaching staff's redeemable sick leave as well as short-term obligations stemming from other sick leave, vacation, accumulated overtime, wages insurance coverage and other personal leave (maternity and paternity leave) earned by School Board employees are recognized at cost under liabilities. The change in the provisions is noted in the results in the "Expenses – change in provision for employee benefits" line item.

***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.

***Liabilities for Contaminated Sites***

Obligations regarding the remediation of contaminated sites under the responsibility of the School Board, or that are likely to fall under its responsibility, are recognized as liabilities for contaminated sites when the following criteria are met:

- The contamination exceeds environmental standards;
- It is expected that future economic benefits will be forsaken;
- A reasonable estimate of the amount in question can be made.

Liabilities for contaminated sites include estimated costs for the remediation of the contaminated sites. The School Board used different methods to estimate the remediation and management costs, including characterization studies or comparative analyses. For each contaminated site, the estimated cost was adjusted upward to take into account the degree of precision associated with the method used. These costs are assessed based on the best available information, and are revised annually.

The Western Quebec School Board has no liabilities associated with contaminated sites.

***Non-financial Assets***

By their nature, the School Board's non-financial assets are normally used to provide future services.

Intangible items are not recognized in the School Board's financial statements.

**WESTERN QUEBEC SCHOOL BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

***Fixed Capital Assets***

Fixed capital assets are non-financial assets that are acquired, constructed, developed or improved, and whose useful life extends beyond the period, and 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 fixed capital asset costs are 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
Machinery and equipment	3 to 15 years
Special equipment related to education	10 or 20 years
Library documents	10 years
Text books - initial purchases	5 years
Vehicles	5 years
Information technology development	5 years
Telecommunications system	20 years

Their cost includes financial expenses capitalized during the construction, development or improvement period.

The cost of fixed capital assets held under a capital lease is equal to the present value of the minimum lease payments due, and may not exceed the fair market value of the asset leased.

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 period 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 period of acquisition. The deferred payments 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, 2020**

**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

***Fixed Capital Assets (cont'd)***

Reduce Value

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. Net impairment on assets is recorded as an expense 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 in the normal course of activities for the upcoming fiscal year(s). These inventories/stocks are assessed at the lower of 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 receives the acquired services.

***Revenue***

Revenues are recorded 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 period in which the School Board met eligibility requirements stipulated under the budgetary rules for the school year. Except for allowances granted for in-service training and intended to meet collective agreement conditions, and for certain for allowances whose deferment has been authorized by the MEES, grants from the MEES are not deferred, in compliance with the budgetary rules.

Grants allocated for the acquisition 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 related to 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 related to acquisition of fixed capital assets" line item.



**WESTERN QUEBEC SCHOOL BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

Other contributions allocated for the acquisition of fixed capital assets which are not transfer payments are entered under the "Deferred contributions related to acquisition of fixed capital assets" line item, and recorded as revenue under the "Amortization of deferred contributions related to acquisition of fixed capital assets" line item in the period 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 period during which it is received.

**Sales of Goods and Services and Miscellaneous Revenue**

Revenues from sales of goods and services and miscellaneous revenues are recorded in the period when the transactions/events that gave rise to the revenues occurred.

**Expenses**

Expenses are recorded on an accrual basis, that is, in the fiscal year when the transactions/events that gave rise to the expenses occurred. Expenses include the cost of goods consumed in the course of operations during the fiscal year and that may be related to these operations, and of services obtained during the period, as well as realized losses. They also include the amortization of fixed capital asset costs for the fiscal year.

***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, 2020

**3. TEMPORARY INVESTMENTS**

Temporary investments bear interest at a rate of 2.15%.

**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. Grants from the Government of Canada are presented under "Other grants".

	2020	2019
	\$	\$
General training, vocational training and equalization Debt services and School transport – MEES	9 537 166	9 830 256
Provisions funding – MEES	3 290 433	3 352 160
Other provincial grants	5 597	11 291
	<b>12 833 196</b>	<b>13 193 707</b>

**Receivable Grants Allocated to Fixed Capital Assets**

Details on the different receivable grants allocated to fixed capital assets are presented on page 21 and 22 of the financial report.

	2020	2019
	\$	\$
Grants – Financing (Capital assets)	5 639 868	5 953 939
Other provincial grants	0	0
	<b>5 639 868</b>	<b>5 953 939</b>

**WESTERN QUEBEC SCHOOL BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Other Accounts Receivable**

	2020	2019
	\$	\$
School Tax	3 373 599	3 378 637
Other goods and services	1 198 116	1 296 480
	<b>3 492 715</b>	<b>4 675 117</b>

**5. PORTFOLIO HOLDINGS AND LOANS**

Portfolio investments	2020	2019
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No figures to date

**6. SHORT-TERM LOANS**

Details of the provisions for short-term loans are presented on page 30 of the financial report. The banker's acceptances and short-term loans are authorized each month by the MEES. Authorized allotments amount to \$29 751 618 (\$29,751,618 as at June 30, 2019). The bankers' acceptance, which matures on July 07, 2020, bears interest at a rate of 0.49% (1.93% as at June 30, 2019) and is guaranteed by the MEES.

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2020	2019
	\$	\$
Accrued salaries, deductions and benefits	7 440 449	5 682 089
Other creditors and accrued liabilities - Quebec government departments and agencies	300 637	198 420
Other creditors and accrued liabilities - Other than Quebec government departments and agencies	3 302 587	2 986 484
Consumption taxes payable	30,380	30 418
Accrued interest	602 510	611 582
	<b>11 676 563</b>	<b>9 508 993</b>

**WESTERN QUEBEC SCHOOL BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**8. DEFERRED REVENUE**

**Deferred Contributions Allocated for the Acquisition of Fixed Capital Assets**

Details on the deferred contributions allocated for the acquisition of fixed capital assets are presented on page 32 of the financial report.

**9. PROVISIONS FOR FUTURE BENEFITS**

The details of the provisions for employee benefits are presented on page 32 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 30<sup>th</sup>, if it is not used by that date.

	2020	2019
	\$	\$
Sick leave	2 092 098	2 205 689
Vacation	2 210 709	2 001 584
Severance pay	145 037	145 038
Wage insurance and other personal leave	154 718	349 437
Employer contributions to employee benefits	758 041	844 111
	<u>5 360 603</u>	<u>5 545 859</u>

**10. LONG-TERM LOANS BORNE BY THE SCHOOL BOARD**

There is presently no long-term loans borne by the School Board.

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

	2020	2019
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.	83 920 000	78 671 000
Deferred debt-related costs	<u>(436 452)</u>	<u>(427 566)</u>
	<u>83 483 548</u>	<u>78 243 434</u>



**WESTERN QUEBEC SCHOOL BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

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

2021	\$5 593 000	2024	\$5 022 000
2022	\$5 593 000	2025	\$17 665 000
2023	\$6 633 000		

**12. LIABILITIES FOR CONTAMINATED SITES (where applicable)**

No liabilities have been declared for contaminated sites.

**13. TANGIBLE FIXED ASSETS**

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 \$0.00 (\$0.00 as at June 30, 2019). The amount of amortization related to these fixed capital assets amounted to \$0.00 (\$0.00 as at June 30, 2019).

During the fiscal year, fixed capital assets amounting to \$0.00 (\$55 410 as at June 30, 2019) were acquired by donation or at a nominal cost, detailed as \$0.00 (\$29 380 as at June 30, 2019) for materials and equipment and \$0.00 (\$26 030 as at June 30, 2019) for improvement of lands and buildings. These capital assets were partially or fully financed by contributions from outside organizations.

**14. CASH FLOW**

No note to mention.

**WESTERN QUEBEC SCHOOL BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**15. OBLIGATIONS AND CONTRACTUAL RIGHTS**

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 \$15 870 352 (\$23 535 213 in 2019) for school transportation contracts, ending in June 2022. Payments for the respective financial years stand at \$7 935 176 in 2021; \$7 935 176 in 2022.
- b) An amount of \$614 962 (\$1 093 652 in 2019) for school transportation contracts, ending in June 2021. Payments for the respective financial years stand at \$614 962 in 2021.
- c) An amount of \$23 560 (\$25 210 in 2019) for elevator maintenance contracts, ending in June 2021. Payments for the respective financial years stand at \$23 560 in 2021.
- d) An amount of \$545 489 (\$605 646 in 2019) to be paid for grass cutting and snow removal, ending in September 2022. Payments for the respective financial years stand at \$394 694 in 2021; \$150 795 in 2022.
- e) An amount of \$116 628 (\$207 426 in 2019) to be paid for photocopier and IT equipment leases up to June 2023. Payments for the respective financial years stand at \$101 188 in 2021, \$9 709 in 2022 and \$5 729 in 2023.
- f) An amount of \$2 772 311 (\$5 375 419 in 2019) for major construction, development and renovation projects to be carried out up to June 2022. Estimated payments for the respective financial years stand at \$1 848 207 in 2021 and \$924 103 in 2022.

**16. CONTINGENCIES**

As at June 30, 2020, outstanding claims for or against the School Board amount to \$215 000 (\$0 on June 30, 2019).

**17. RELATED ORGANIZATION TRANSACTIONS**

The School Board is related to all entities controlled or subject to joint control by the Government of Quebec. 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 significant transactions with these related bodies with a value different from what would have been established if the parties were not related. Furthermore, 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, which are clearly laid out on pages 190 and 191 of the financial report.



**WESTERN QUEBEC SCHOOL BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**18. RISK MANAGEMENT RELATED TO FINANCIAL INSTRUMENTS**

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, 2020.

*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 receivable 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.

The following table presents the aging report of accounts receivable, excluding consumption taxes, net of the provisions for bad debts, as at June 30, 2020.

	2020	2019
<b>Accounts Receivable</b>	<b>\$</b>	<b>\$</b>
Less than 30 days following invoice date	139 434	1 169 290
30 to 60 days following invoice date	42 948	9 500
61 to 90 days following invoice date	117 644	-
More than 90 days following invoice date	6 598 344	6 167 975
Subtotal	6 898 370	7 346 765
Provision for bad debts	(2 738 992)	(2 699 094)
<b>Total receivables net of provision for bad debts</b>	<b>\$4 159 378</b>	<b>\$4 647 671</b>

*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:

**WESTERN QUEBEC SCHOOL BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

June 30, 2020	Less than 1 year	1 to 3 years	4 to 5 years	Over 5 years	Total
Short-term loans	\$14 550 000				\$14 550 000
Accounts payable and accrued expenses	\$11 685 202				\$11 685 202
Long-term debt	\$5 593 000	\$17 248 000	\$20 503 000	\$40 576 000	\$83 920 000
Provisions for benefits	\$5 360 604				\$5 360 604

  

June 30, 2019	Less than 1 year	1 to 3 years	4 to 5 years	Over 5 years	Total
Short-term loans	\$12,000,000				\$12,000,000
Accounts payable and accrued expenses	\$9 508 992				\$9 508 992
Long-term debt	\$6 328 000	\$15 119 000	\$21 771 000	\$35 453 000	\$78 671 000
Provisions for benefits	\$5 545 859				\$5 545 859

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.

*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 the 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.

**WESTERN QUEBEC SCHOOL BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

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.

**19. COVID-19 PANDEMIC INCEDENCES**

In March 2020, the World Health Organization declared the outbreak of a new coronavirus (COVID-19) as a world wide pandemic that continues to spread in Canada and the rest of the world.

The COVID-19 pandemic and the measures taken in reaction to the pandemic, created serious temporary disturbances to the normal functioning of the School Board.

The School Board took and will continue to take measures to minimise the repercussions. However, at the time of this financial report, the length and costs related to COVID-19 remain unknown. It is impossible to estimate, with certainty, the costs that the length and/or the severity of the pandemic could have on the finances of the School Board for future financial periods.

**20. COMPARATIVE FIGURES**

Some 2019 figures have been reclassified to conform to the format adopted in 2020.