

Financial Statement

Presented on October 25, 2022

Fiscal year
For the period of July 1, 2021 to June 30, 2022
Summary report

YEAR 2021-2022

**SCHOOL BOARD FINANCIAL REPORTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Director's Report

The financial statements of the Western Quebec School Board, bearing digital signature 8954961532 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.



Director General

Financial Resources Director

Location: Gatineau, Québec

Date: October 12, 2022

**WESTERN QUEBEC
SCHOOL BOARD
INDEPENDENT AUDITOR'S REPORT AND
FINANCIAL STATEMENTS
JUNE 30, 2022**

WESTERN QUEBEC SCHOOL BOARD

FINANCIAL STATEMENTS

JUNE 30, 2022

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TRAFICS 2021-2022

SCHOOL BOARD FINANCIAL REPORT

FOR THE FISCAL YEAR ENDING JUNE 30, 2022

Independent Auditor's Report

To the Ministère de l'Éducation

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 8954961532, which include the statement of financial position as at June 30, 2022, 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 8954961532, present fairly, in all material respects, the financial position of the School Board as at June 30, 2022, 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.

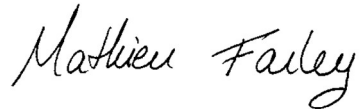
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

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 name and last name clearly distinguishable.

Mathieu Farley, CPA auditor

Gatineau, October 12, 2022

**WESTERN QUEBEC SCHOOL BOARD
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022**

	2022	2021
	\$	\$
FINANCIAL ASSETS		
Cash (Cash deficit)	87,747	1,351,317
Temporary investments	0	647,673
Operating grants receivable	20,125,825	9,285,291
Investment grants receivable	102,063,840	101,116,382
School tax receivable	2,925,840	2,948,005
Accounts receivable	2,157,090	1,141,403
Inventory for resale	52,477	18,373
Investment portfolios and loans	647,673	0
TOTAL FINANCIAL ASSETS	128,060,492	116,508,444
LIABILITIES		
Short-term loans	4,400,000	0
Accounts payable and accrued liabilities	11,024,166	16,857,254
Investment grants deferred	100,875,647	99,284,629
Deferred revenue received in advance	1,002,636	1,140,660
Provisions for future benefits	5,679,935	5,586,158
Long-term debts assumed by the School Board	0	0
Long-term debt subject to promise of grant	100,857,726	84,554,877
Other liabilities	1,236,581	1,206,477
TOTAL LIABILITIES	225,076,691	208,630,055
NET DEBT	(97,016,199)	(92,121,611)
NON-FINANCIAL ASSETS		
Fixed capital assets	111,422,295	110,259,883
Inventory/stock	4,848	7,608
Prepaid expenses	384,404	477,040
TOTAL NON-FINANCIAL ASSETS	111,811,547	110,744,531
ACCUMULATED SURPLUS		
ACCUMULATED SURPLUS	14,795,348	18,622,920

**WESTERN QUEBEC SCHOOL BOARD
STATEMENT OF ACCUMULATED SURPLUS
FOR THE YEAR ENDED JUNE 30, 2022**

	2022	2021
	\$	\$
Accumulated surplus, beginning of year established	8,622,920	17,234,060
Adjustment with restatement of prior years	0	(70,674)
Accumulated surplus, beginning of year	8,622,920	17,163,385
Annual surplus (deficit)	6,172,427	(8,540,465)
Accumulated surplus, end of year	14,795,347	8,622,920

**WESTERN QUEBEC SCHOOL BOARD
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021**

	2022 Budget	Actual Results	
		2022	2021
	\$	\$	\$
REVENUE			
MEQ Operating grants	82,698,008	99,468,562	83,487,187
Investment grant	15,981	215,683	132,168
Other grants and contributions	426,000	1,112,869	527,923
School taxes	17,121,238	17,169,689	17,093,073
School fees and course fees	70,000	90,656	149,400
Sale of goods and services	1,924,046	2,606,166	2,054,791
Miscellaneous revenues	431,450	1,372,979	1,133,222
Depreciation of the reported investment grant	5,675,023	5,913,756	5,204,925
TOTAL REVENUES	108,361,746	127,950,360	109,782,689
EXPENSES			
Teaching and training activities	49,981,705	59,330,148	53,264,251
Support for teaching and training	26,116,009	25,681,939	22,821,239
Auxiliary services	10,904,266	12,452,734	11,707,081
Administrative activities	5,605,899	5,497,365	5,280,380
Activities related movable and immovable property	13,516,246	14,517,467	13,978,587
Other activities	3,265,499	4,204,503	11,046,062
Expenses - variation in provision for benefits	150,000	93,777	225,554
Loss on disposal of fixed capital assets	0	0	0
TOTAL EXPENSES	109,539,624	121,777,933	118,323,154
ANNUAL SURPLUS (DEFICIT)	(1,177,878)	6,172,427	(8,540,465)

**WESTERN QUEBEC SCHOOL BOARD
STATEMENT OF CHANGE IN NET DEBT
FOR THE YEAR ENDED JUNE 30, 2022**

	2022	2021
	\$	\$
NET DEBT AT BEGINNING OF YEAR	(102,121,611)	(90,239,127)
Adjustment with restatement of prior years	0	(70,674)
RESTATED BALANCE	(102,121,611)	(90,309,801)
Annual surplus	6,172,427	(8,540,465)
Variation due to fixed capital assets		
Acquisition of fixed capital assets	(7,512,380)	(8,635,260)
Amortization of fixed capital assets plus net on disposal	6,349,969	5,667,543
Loss on disposal of fixed capital assets	0	0
Total variation due to fixed capital assets	(1,162,411)	(2,967,717)
Proceeds of disposition of fixed capital assets	0	0
Variation due to inventory/stock and prepaid expenses	95,396	(303,627)
INCREASE IN NET DEBT	5,105,412	(11,811,809)
NET DEBT AT THE END OF THE FINANCIAL YEAR	(97,016,200)	(102,121,611)

**WESTERN QUEBEC SCHOOL BOARD
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2022**

	2022	2021
	\$	\$
OPERATING ACTIVITIES		
Annual surplus	6,172,427	(8,540,465)
Items with no effect on cash and cash equivalents		
Bad debts	0	(107,381)
Variation in provision for future benefits	93,777	225,554
Variation in inventory/stock and prepaid expenses	95,397	(303,627)
Amortization of deferred contributions related to acquisition of fixed capital asset	1,591,018	(152,361)
Amortization of deferred expenses related to debts	8,125	54,329
Amortization of fixed capital assets	6,349,969	5,667,543
Loss on disposal of fixed capital assets	0	0
Variation of financial assets and liabilities related to operations	(18,756,626)	9,650,758
CASH AND CASH EQUIVALENTS FROM OPERATING ACTIVITIES	(4,445,915)	6,494,349
CAPITAL INVESTMENT ACTIVITIES		
Cash outflows for the acquisition of fixed capital assets	(7,512,381)	(8,635,260)
Proceeds of disposition of fixed capital assets	0	0
CASH AND CASH EQUIVALENTS USED FOR CAPITAL INVESTMENT ACTIVITIES	(7,512,381)	(8,635,260)
ACTIVITÉS D'INVESTISSEMENT EN PLACEMENTS		
Sortie de fonds pour l'acquisition de placement de portefeuille	(647,673)	0
Sortie de fonds pour l'acquisition de prêts	0	0
Produits de disposition de placement de portefeuille	0	0
Produits de disposition de prêts	0	0
LIQUIDITÉS PROVENANT DES ACTIVITÉS DE FINANCEMENT	(647,673)	0
FINANCING ACTIVITIES		
Income from issuance of debts with a grant receivable	12,950,000	16,610,000
Repayment of debts with a grant receivable	(6,655,276)	(5,593,000)
Variation in short-term borrowings not related to fixed capital assets	4,400,000	(14,550,000)
CASH AND CASH EQUIVALENTS FROM FINANCING ACTIVITIES	10,694,724	(3,533,000)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(1,911,244)	(5,673,910)
OPENING CASH AND CASH EQUIVALENTS	1,998,990	7,672,900
CLOSING CASH AND CASH EQUIVALENTS	87,747	1,998,990

WESTERN QUEBEC SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

FIXED CAPITAL ASSETS

	2022									2021
	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)	477,513	33,675	17,729	493,459	389,818	37,932	17,729	410,021	83,438	87,695
Land development (20 years)	5,300,618	728,426	0	6,029,044	1,796,319	277,900	0	2,074,218	3,954,826	3,504,300
Buildings										
Buildings acquired before July 1st, 2008 (35 years)	76,767,515	0	0	76,767,515	56,944,989	1,414,165	0	58,359,154	18,408,361	19,822,526
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)	38,123,634	2,227,092	0	40,350,726	5,657,188	689,249	0	6,346,437	34,004,289	32,466,445
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)	16,535,976	467,030	0	17,003,006	4,340,527	675,772	0	5,016,299	11,986,708	12,195,450
Major improvements and transformations (30 years)	23,391,703	1,570,088	0	24,961,791	3,794,091	837,730	0	4,631,822	20,329,968	19,597,611
Major improvements and transformations (40 years)	16,316,986	1,326,401	0	17,643,387	2,284,269	408,005	0	2,692,274	14,951,113	14,032,717
Materials and equipment										
Office furniture and equipment	1,853,878	168,523	751,923	1,270,478	1,262,471	228,701	751,923	739,249	531,229	591,407
Other equipment	988,771	11,938	0	1,000,709	393,713	90,046	0	483,758	516,950	595,057
Computer equipment	4,849,408	521,067	1,604,377	3,766,098	2,827,633	1,028,663	1,604,377	2,251,919	1,514,179	2,021,775
Multimedia communication equipment	2,271,860	288,050	801,459	1,758,451	1,411,561	298,238	801,459	908,340	850,111	860,299
Vehicles	233,155	0	151,402	81,753	213,474	14,980	151,402	77,052	4,701	19,681
Library documents	1,091,249	130,782	233,255	988,776	585,501	94,794	233,255	447,040	541,736	505,748
Textbooks (initial purchases)	212,367	14,443	66,395	160,415	149,817	41,083	66,395	124,505	35,910	62,550
Special equipment related to education										
Specialized equipment (10 years)	532,502	24,866	225,487	331,881	324,032	38,665	225,487	137,210	194,670	208,469
Specialized equipment (20 years)	839,444	0	0	839,444	467,132	35,395	0	502,527	336,917	372,312
Information technology development	94,864	0	0	94,864	94,895	-31	0	94,864	0	-31
Telecommunications system	2,963,711	0	0	2,963,711	2,365,811	138,682	0	2,504,493	459,218	597,900
	195,585,855	7,512,381	3,852,027	199,246,209	85,325,971	6,349,969	3,852,027	87,823,913	111,422,295	110,259,884

**WESTERN QUEBEC SCHOOL BOARD
DETAILED EXPENSES BY ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2022**

	SALARIES	SALARY BENEFITS	TRAVEL EXPENSES	SUPPLIES & MATERIALS	FEES & CONTRACTS	EQUIPMENT & INVEST- MENTS	OTHER EXPENSES	TOTAL EXPENSES 2022	TOTAL EXPENSES 2021
	\$	\$	\$	\$	\$	\$	\$	\$	\$
TEACHING AND TRAINING ACTIVITIES									
Pre-school education	3 804 398	446 032		237 738	4 983	0	0	4 493 151	4 048 108
Primary education	21 122 438	2 546 878	3 937	296 442	12 867	0	0	23 982 562	21 996 741
General secondary education	18 470 115	2 188 435	158	500 594	16 877	2 163	0	21 178 342	18 816 659
Vocational training	1 788 991	217 079	14 415	102 302	120 070	50 909		2 293 765	2 309 139
Specialized teaching	5 073 507	611 088	2 715	42 096	36 517		0	5 765 923	4 709 508
Adult general education	1 412 292	170 932	(27)	32 923	284	0	0	1 616 403	1 384 096
	51 671 741	6 180 445	21 198	1 212 095	191 598	53 072		59 330 148	53 264 251
SUPPORT FOR TEACHING AND TRAINING									
Management of schools and centres	5,722,051	744,371	25,005	225,845	258,350	0	0	6 975 622	6 755 010
Teaching tools	1,269,398	169,661	26,417	57,156	691,432	30,012	0	2 244 076	2 024 211
Complementary services	9,637,743	1,353,789	36,223	476,167	549,706	9,192	0	12 062 820	9 606 337
Specific pedagogical and training services	1,075,085	142,470	19,432	116,162	292,198	0	0	1 645 348	2 452 179
Animation and pedagogical training	1,672,446	196,514	10,582	16,608	9,431	0		1 905 581	1 561 830
Professional development - teachers and other staff categories	204,728	24,259	78,174	4,422	69,877	0	0	381 459	203,068
Sports, cultural and social activities	1,604	192	2,907	110,276	146,589	0	205,466	467 033	218,603
	19 583 056	2 631 257	198 740	1 006 635	2 017 582	39 204	205 466	25 681 939	22 821 239
AUXILIARY SERVICES									
Boarding allowance	0	0	0	0	0	0	0		
School transportation	0	0	0	0	8,681,071	0	1,331,575	10 012 645	9 322 467
Daycare	2,035,058	293,244	313	52,170	41,284	0	18,019	2 440 088	2 384 615
	2 035 058	293 244	313	52 170	8 722 354		1 349 594	12 452 734	11 707 083
ADMINISTRATIVE ACTIVITIES									
Council of commissioners and committees	157,978	8,414	2,308	4,882	69,751	0	435	243 768	226 095
Management	3,104,159	392,427	19,444	128,585	602,070	0	34 488	4 281 172	4 189 272
Corporate fees and services	393,446	52,698	1 733	56,020	445,689	855	0	950 441	845 521
Professional development	0	0	2,540	2,253	17,191	0	0	21 983	19 494
	3 655 582	453 539	26 025	191 740	1 134 701	855	34 922	5 497 365	5 280 381
BALANCES TO BE CARRIED OVER	76 945 437	9 558 485	246 276	2 462 639	12 066 235	93 130	1 589 983	102 962 186	93 072 953

**WESTERN QUÉBEC SCHOOL BOARD
DETAILED EXPENSES BY ACTIVITY
FOR YEAR ENDED JUNE 30, 2021**

	SALARIES	SALARY BENEFITS	TRAVEL EXPENSES	SUPPLIES & MATERIALS	FEES & CONTRACTS	EQUIPMENT & INVEST- MENTS	OTHER EXPENSES	TOTAL EXPENSES 2022	TOTAL EXPENSES 2021
	\$	\$	\$	\$	\$	\$	\$	\$	\$
BALANCE CARRIED OVER	76 945 437	9 558 485	246 276	2 462 639	12 066 235	93 130	1 589 983	102 962 186	93 072 953
ACTIVITIES RELATING TO PROPERTY									
MOVABLE AND IMMOVABLE									
Maintenance of movable property	0	0	0	2,089	82,299	2,053,443	0	2 137 832	1 865 326
Conservation of immovable property	582 092	86 304	60 939	288 198	1 275 392	4 341 866	0	6 634 791	5 875 178
Janitorial services	1 987 781	291 890	2 789	121 401	1 077 829	0	0	3 481 690	3 797 776
Energy consumption	0	0	0	1 927 242	4594	0	0	1 931 837	1 607 511
Building rental	0	0	0	0	128 643	0	0	128 643	304 062
Protection and security	0	0	0	66 106	64 142	0	0	130 248	528 732
Major improvements, transformations and renovations	0	0	0	31,162	41,264	0	0	72 426	
Information and telecommunications systems	0	0	0	0	0	0	0		
	2 569 873	378 195	63 728	2 436 199	2 674 164	6 395 309	0	14 517 467	13 978 585
OTHER ACTIVITIES									
Financing	0	0	0	0	0	0	3 111 375	3 111 375	2 538 513
Special projects	65 406	8 064	7 661	16 769	91 444	0	(536)	188 809	124 464
Retroactivity	(13 382)	(334 288)	0	0	0	0	0	(347 670)	7 180 596
Tuition fees and agreements	0	0	0	0	0	0	733 763	733 763	639 426
Provisions - bad debts	0	0	0	0	0	0	(181 002)	(181 002)	-107,381
Loan of service	622 177	77 026	0	0	0	0	0	699 204	669 057
Extracurricular activities	0	0	0	0	0	0	25	25	1 388
	674 201	(249 197)	7 661	16 769	91 444		3 663 625	4 204 503	11 046 063
OTHER ITEMS									
Expenses - change in provision for employee benefits	0	0	0	0	0	0	93 777	93 777	225 554
Income from disposal of fixed capital assets	0	0	0	0	0	0	0	0	0
TOTAL	80 189 512	9 687 482	317 664	4 915 608	14 831 844	6 488 440	5 347 385	121 777 933	118 323 155

WESTERN QUEBEC SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

Notes to the Financial Statements

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.

WESTERN QUEBEC SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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.

WESTERN QUEBEC SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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 consider 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, 2022

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
Textbooks – 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.

Reduced 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

WESTERN QUEBEC SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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.

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.

WESTERN QUEBEC SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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.

3. ACCOUNTING CHANGES

Adoption of new accounting standards

During the year, Western Quebec School Board has not adopted any new standards.

WESTERN QUEBEC SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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". For transfers from the Government of Canada, they are presented in the "Accounts receivable" account on page 23.

	2022	2021
	\$	\$
Total operating grants receivable from the Government of Quebec	20,045,906	9,264,262
Other grants (other than grants receivable from the Government of Canada)	39,959	21,029
	20,125,825	9,285,391

INVESTMENT GRANTS RECEIVABLE

Details of the various investment grants receivable are presented on page 22 of the financial report.

5. PORTFOLIO HOLDINGS AND LOANS

Portfolio holdings and loans	2022	2021
	\$	\$
Bonds and banknotes		
PG 1 year non-refundable at 0.58%	578 295	578,295
PG 1 year non-refundable at 0.55%	60 921	60,921
PG 1 year non-refundable at 0.55%	8 455	8,455
Total portfolio investments valued at cost	647 673	647,673

Investment Schedule as of 30 juin 2022

2023

-
647 673

WESTERN QUEBEC SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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 MEQ. Authorized allotments amount to \$34,832,783 (\$48,818,767 on June 30, 2021). The banker's acceptance, maturing on July 4, 2022, bears interest at 2.21% (no loan as at June 30, 2021) and is guaranteed by the MEQ..

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2022	2021
	\$	\$
Accrued salaries, deductions and benefits	7,924,532	13,683,187
Other creditors and accrued liabilities – Quebec government departments and agencies	103,206	75,118
Other creditors and accrued liabilities – Other than Quebec government departments and agencies	2,302,971	2,408,566
Consumption taxes payable	31,356	30,380
Accrued interest	662,101	660,004
	11,024,166	16,857,255

8. DEFERRED REVENUE

Deferred Investment Grant

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 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, 2022

	2022	2021
	\$	\$
Sick leave	2,169,519	2,096,962
Vacation	2,473,719	2,368,510
Severance pay	145,037	145,037
Wage insurance and other personal leave	74,592	188,478
Employer contributions to employee benefits	817,067	787,171
	5,679,934	5,586,158

10. LONG-TERM LOANS BORNE BY THE SCHOOL BOARD

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

WESTERN QUEBEC SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

11. LONG-TERM DEBT SUBJECT TO A GRANT RECEIVABLE

	2022	2021
	\$	\$
Budget Rules		
Long-term notes with interest rates ranging from 0,75% to 5,41%, maturing from January 2023 to April 2046, repayable by grants from the Ministère de l'Éducation.	101,337,076	95,026,103
Deferred debt-related costs	(479,349)	(471,226)
	100,857,727	94,554,877

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

2023	\$8,724,338
2024	\$7,113,338
2025	\$19,249,476
2026	\$3,903,594
2027	\$9,978,594
2028 and thereafter	\$52,367,737

12. LIABILITIES FOR CONTAMINATED SITES

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:

- During the fiscal year, fixed assets under construction, development or improvement amounting to \$10,017,999 (\$5,008,030 on June 30, 2021), this included \$5,424,316 (\$3,247,650 on June 30, 2021) for major improvements and transformations, \$3,629,472 (\$1,398,705 on June 30, 2021) for buildings, \$964,211 (\$361,676 on June 30, 2021) for development and \$0 (\$0 on June 30, 2021) for materials and equipment. There is no depreciation expense associated with these assets.

14. CASH FLOW

No note to mention.

**WESTERN QUEBEC SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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) No contract had been signed as of June 30 2022 as transporters were in negotiations with the Ministry of Education (\$7,688,205 in 2021).

As of September 30, 2022, 3 contracts and 5 agreements were signed with the transporters. Payments for the years are \$9,623,526 in 2023, \$506,500 in 2024, \$506,500 in 2025, \$506,500 in 2026, 94,903 in 2027 and \$94,903 in 2028.

- b) An amount of \$546,080 (\$237,683 in 2021) to be paid for grass cutting, snow removal, garbage containers and collection services ending in May 2024. Payments for the respective financial years stand at \$332,850 in 2023 and \$185,564 in 2024 and \$16,207 in 2025.
- c) An amount of \$746,856 (\$954,205 in 2021) to be paid for photocopier and IT equipment leases up to June 2026. Payments for the respective financial years stand at \$244,539 in 2023, \$229,215 in 2024, \$226,657 in 2025, and \$46,445 in 2026.
- d) An amount of \$10,113,164 (\$1,850,476 in 2021) for major construction, development and renovation projects to be carried out up to June 2023.

16. CONTINGENCIES

As of June 30, 2022, outstanding claims for or against the School Board amount to \$55,000 (\$35,000 on June 30, 2021). The Direction is unable, at the date of the financial statements, to assess the outcome of this lawsuit or the financial impact, if any, that may result from it.

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, 2022

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, 2022.

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, 2022.

	2022	2021
Accounts Receivable	\$	\$
Less than 30 days following invoice date	1,431,760	202,565
30 to 60 days following invoice date	247,384	50,285
61 to 90 days following invoice date	210,670	90,193
More than 90 days following invoice date	5,647,683	6,338,647
Subtotal	7,537,497	6,681,690
Provision for bad debts	(2,454,568)	(2,636,822)
Total receivables net of provision for bad debts	5,082,929	4,044,868

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.

WESTERN QUEBEC SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
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The contractual cash flows associated with the School Board's financial liabilities are as follows:

June 30, 2022	Less than 1 year	1 to 3 years	4 to 5 years	Over 5 years	Total
Short-term loans	4,400,000	-	-	-	4,400,000
Accounts payable and accrued expenses, excluding deductions at source	\$9,442,170	-	-	-	\$9,442,170
Long-term debt	\$8,724,338	\$30,266,408	\$24,151,188	\$38,543,143	\$101,685,076
Provisions for benefits	\$5,679,935	-	-	-	\$5,679,935

June 30, 2021	Less than 1 year	1 to 3 years	4 to 5 years	Over 5 years	Total
Short-term loans	-	-	-	-	-
Accounts payable and accrued expenses, excluding deductions at source	\$15,462,806	-	-	-	\$15,462,806
Long-term debt	\$6,707,002	\$30,333,723	\$11,751,000	\$32,011,000	\$80,802,726
Provisions for benefits	\$5,586,158	-	-	-	\$5,586,158

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.

WESTERN QUEBEC SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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.

19. COVID-19 PANDEMIC IMPACTS

In March 2020, the World Health Organization declared the outbreak of a new coronavirus (COVID-19) as a worldwide 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 minimize 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 2021 figures have been reclassified to conform to the format adopted in 2022.