

# Financial Statement

Presented on October 31, 2023

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Fiscal year  
For the period of July 1, 2022 to June 30, 2023  
Summary report

**YEAR 2022-2023**

**FINANCIAL REPORTS OF SCHOOL SERVICE CENTERS AND SCHOOL BOARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Director's Report**

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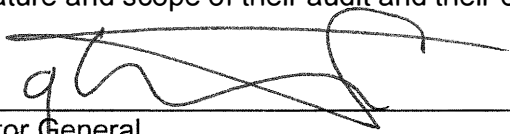
The financial statements of the Western Quebec School Board, bearing digital signature were issued by the Director's office, which is responsible for preparing and presenting them, including estimates and key opinions. This responsibility includes the choice of appropriate accounting policies, in accordance 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 Raymond Chabot Grant Thornton, 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

Date: October 12, 2023

**WESTERN QUEBEC  
SCHOOL BOARD  
INDEPENDENT AUDITOR'S REPORT AND  
FINANCIAL STATEMENTS  
JUNE 30, 2023**

**WESTERN QUEBEC SCHOOL BOARD**

**FINANCIAL STATEMENTS**

**JUNE 30, 2023**

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## Independent Auditor's Report

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To the Council of Commissioners of  
Western Quebec School Board

### Qualified opinion

We have audited the financial statements of Western Quebec School Board (hereafter "the School Board"), which comprise the statement of financial position as at June 30, 2023, and the statement of operations, the statement of accumulated surplus, the statement of changes in net debt and the statement of cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies, and the schedules.

In our opinion, except for the possible effects of the matter described in the "Basis for qualified opinion" section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the School Board as at June 30, 2023, and the results of its operations, the changes in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for qualified opinion

In connection with the application as at April 1, 2022 of Section PS 3280, Asset Retirement Obligations, of the *CPA Canada Public Sector Accounting Handbook*, the School Board recognized, as at June 30, 2023, a liability for asset retirement obligations. With regard to the recognition of the liability for asset retirement obligations, the School Board recognized a subsidy receivable. We were unable to obtain sufficient appropriate audit evidence about the amount recognized and information concerning obligations. As a result, we were not able to determine whether any adjustments might be necessary to amounts recognized as a liability for asset retirement obligations, to information concerning obligations, to the subsidy receivable, to subsidy income or other financial statement items for the year ended June 30, 2023. This situation caused us to express a qualified opinion on the financial statements for the current year.

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 our report. We are independent of the School Board in accordance with the ethical requirements that are relevant to our audit of the 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 opinion.

### **Emphasis of matter – basis of accounting**

We draw attention to Note 2 to the financial statements, which explains that the School Board adopted new Sections PS 1201, Financial Statement Presentation, and PS 3450, Financial Instruments, on July 1, 2022. These new sections require prospective application and, accordingly, comparative amounts are presented in accordance with the accounting policies which the School Board applied before adoption of these new sections.

### **Other matter – Comparative information audited by a predecessor auditor**

The financial statements of the School Board for the year ended June 30, 2022 were audited by another auditor who expressed an unmodified opinion on those statements on October 12, 2022.

### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management 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, management is responsible for assessing the School Board'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 management either intends to liquidate the School Board or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether 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 these 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. We also:

- 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;
- 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;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management'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 auditor's 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 auditor's report. However, future events or conditions may cause the School Board to cease to continue as a going concern;
- 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.

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*Raymond Chabot Grant Thornton LLP*

Gatineau  
October 31, 2023

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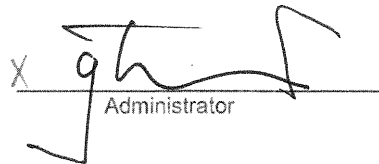
<sup>1</sup> CPA auditor, public accountancy permit no. A134381

**WESTERN QUEBEC SCHOOL BOARD  
STATEMENT OF FINANCIAL  
POSITION AT JUNE 30 2023**

	2023	2022 (adjusted)
<b>FINANCIAL ASSETS</b>		
Cash	9 499 730	87 747
Operating grants receivable (note 4)	10 163 892	20 125 825
Investment grants receivable (note 4)	115 267 870	102 063 840
School tax receivable	2 314 106	2 925 840
Accounts receivable	1 476 621	2 157 090
Inventory for resale	38 783	52 477
Investment portfolios and loans (note 5)	647 673	647 673
<b>TOTAL FINANCIAL ASSETS</b>	<b>139 408 675</b>	<b>128 060 492</b>
<b>LIABILITIES</b>		
Temporary loans - cost to the school organization (note 6)	-	4 400 000
Temporary loans with a promise of grant (note 7)	10 315 000	-
Accounts payable and accrued liabilities (note 8)	12 479 085	11 024 166
Investment grants deferred (note 9)	110 286 413	100 875 647
Deferred revenue received in advance	1 054 367	1 002 636
Provisions for future benefits (note 10)	5 858 492	5 679 934
Long-term debt subject to promise of grant (note 12)	97 482 786	100 857 726
Asset retirement obligations (note 14)	5 632 321	6 127 219
Other liabilities	1 121 080	1 236 582
<b>TOTAL LIABILITIES</b>	<b>244 229 544</b>	<b>231 203 910</b>
<b>NET DEBT</b>	<b>(104 820 870)</b>	<b>(103 143 418)</b>
<b>NON-FINANCIAL ASSETS</b>		
Fixed capital assets (Appendix A)	120 476 780	112 671 778
Inventory/stock	6 591	4 848
Prepaid expenses	333 498	384 403
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>120 816 869</b>	<b>113 061 029</b>
<b>ACCUMULATED SURPLUS</b>	<b>15 995 999</b>	<b>9 917 611</b>
<b>Accumulated surplus is composed of the following items:</b>		
Accumulated surplus from operations (page 8)	15 995 999	9 917 610
	<b>15 995 999</b>	<b>9 917 610</b>

The accompanying notes and appendices form an integral part of the financial statements

Read and approved

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Administrator



**WESTERN QUEBEC SCHOOL BOARD  
INCOME STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>Budget 2023</b>	<b>Result 2023</b>	Result 2022
			(adjusted)
<b>REVENUES</b>			
MEQ Operating grants	98,262,222	<b>102,196,565</b>	99,468,562
Investment grant	94,171	<b>4,094,792</b>	215,683
Other grants and contributions	514,823	<b>1,183,410</b>	1,112,869
School taxes	17,031,684	<b>17,191,152</b>	17,169,689
School fees and course fees	108,000	<b>188,566</b>	90,656
Sale of goods and services	2,370,000	<b>2,856,113</b>	2,606,166
Miscellaneous revenues	632,622	<b>1,536,182</b>	1,372,979
Depreciation of the reported investment grant	5,830,328	<b>7,449,871</b>	5,913,756
<b>Total of revenues</b>	<b>124,843,850</b>	<b>136,696,651</b>	127,950,360
<b>EXPENSES</b>			
Teaching and training activities	54,176,390	<b>58,211,069</b>	59,330,148
Support for teaching and training	35,315,618	<b>31,014,112</b>	25,681,939
Auxiliary services	10,410,306	<b>13,265,692</b>	12,452,734
Administrative activities	6,227,861	<b>6,028,990</b>	5,497,365
Activities related movable and immovable property	14,531,359	<b>16,051,273</b>	14,801,093
Other activities	4,322,092	<b>5,868,568</b>	4,204,503
Expenses - variation in provision for benefits	213,586	<b>178,557</b>	93,777
<b>Total of expenses</b>	<b>125,197,212</b>	<b>130,618,262</b>	122,061,559
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>(353,362)</b>	<b>6,078,389</b>	5,888,801

The accompanying notes and appendices form an integral part of the financial statements

**WESTERN QUEBEC SCHOOL BOARD  
STATEMENT OF ACCUMULATED SURPLUS  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>2023</b>	<b>2022</b>
		(adjusted)
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR ESTABLISHED</b>	<b>14,795,347</b>	<b>8,622,920</b>
Adjustment with restatement of prior years	(4,877,737)	(4,594,111)
<b>Balance adjusted</b>	<b>9,917,610</b>	<b>4,028,810</b>
Annual surplus	6,078,389	5,888,801
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>15,995,999</b>	<b>9,917,610</b>

The accompanying notes and appendices form an integral part of the financial statements

**WESTERN QUEBEC SCHOOL BOARD  
STATEMENT OF CHANGE IN NET DEBT  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>Result 2023</b>	Result 2022
		(adjusted)
<b>NET DEBT AT BEGINNING OF YEAR</b>	<b>(97,016,199)</b>	(102,121,611)
Adjustment with restatement of prior years	(6,127,219)	(5,843,593)
<b>BALANCE ADJUSTED</b>	<b>(103,143,418)</b>	(107,965,204)
<b>Annual surplus (page 7)</b>	6,078,389	5,888,801
<b>Variation due to fixed capital assets</b>		
Acquisition of fixed capital assets	(14,291,974)	(7,512,381)
Amortization of fixed capital assets plus net on disposal	6,486,972	6,349,969
<b>Total variation due to fixed capital assets</b>	<b>(7,805,002)</b>	(1,162,412)
<b>Variation due to inventory/stock and prepaid expenses</b>	<b>49,162</b>	95,397
<b>NET DEBT AT THE END OF THE FINANCIAL YEAR</b>	<b>(104,820,870)</b>	(103,143,418)

The accompanying notes and appendices form an integral part of the financial statements

**WESTERN QUEBEC SCHOOL BOARD  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>2023</u>	<u>2022</u> (Adjusted)
<b>OPERATING ACTIVITIES</b>		
Annual surplus (déficit)	6,078,389	5,888,801
<b>Items with no effect on cash and cash equivalents</b>		
Variation in provision for future benefits	178,557	93,777
Variation in inventory/stock and prepaid expenses	49,162	95,397
Amortization of deferred contributions related to acquisition of fixed capital assets	9,410,766	1,591,018
Amortization of deferred expenses related to debts	35,366	8,125
Amortization of fixed capital assets	6,486,972	6,349,969
Discount accretion	292,662	283,626
Variation of financial assets and liabilities related to operations	<u>(2,367,800)</u>	<u>(18,756,626)</u>
<b>CASH AND CASH EQUIVALENTS FROM OPERATING ACTIVITIES</b>	<b>20,164,074</b>	<b>(4,445,913)</b>
<b>CAPITAL INVESTMENT ACTIVITIES</b>		
Cash outflows for the acquisition of fixed capital assets	<u>(13,256,784)</u>	<u>(7,512,381)</u>
<b>CASH AND CASH EQUIVALENTS USED FOR CAPITAL INVESTMENT</b>	<b>(13,256,784)</b>	<b>(7,512,381)</b>
<b>INVESTMENT ACTIVITIES</b>		
Cash outflow for the acquisition of portfolio investments	-	(647,673)
<b>CASH AND CASH EQUIVALENTS FROM INVESTMENT ACTIVITIES</b>	<u>-</u>	<u>(647,673)</u>
<b>FINANCING ACTIVITIES</b>		
Income from issuance of debts with a grant receivable	5,314,031	12,950,000
Repayment of debts with a grant receivable	(7,684,338)	(6,655,276)
Variation in short-term borrowings not related to fixed capital assets	-	4,400,000
Variation in short-term reimbursements not related to fixed capital assets	(4,400,000)	-
Proceeds from issuance of temporary loans related to fixed assets	10,315,000	-
Variation in short-term borrowings not related to fixed capital assets	<u>(1,040,000)</u>	<u>-</u>
<b>CASH AND CASH EQUIVALENTS FROM FINANCING ACTIVITIES</b>	<b>2,504,693</b>	<b>10,694,724</b>
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>9,411,983</b>	<b>(1,911,242)</b>
Opening cash and cash equivalent	<u>87,747</u>	<u>1,998,989</u>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>9,499,730</b>	<b>87,747</b>

The accompanying notes and appendices form an integral part of the financial statements

**WESTERN QUEBEC SCHOOL BOARD**  
**APPENDICE A - DETAILED FIXED ASSETS**  
**at June 30, 2023**

	Cost		Cost	Accumulated amortization			Net value at June 30, 2023	Net value at June 30, 2022 (adjusted)
	Balance at June 30, 2022 (adjusted)	Acquisitions		Balance at June 30, 2022 (adjusted)	Amortization	Closing balance		
Lands								
Lands	2,717,972	-	2,717,972				2,717,972	2,717,972
Development								
Land development (10 years)	493,459	81,431	574,890	410,021	19,547	429,568	145,322	83,438
Land development (20 years)	6,029,044	2,882,355	8,911,399	2,074,219	421,449	2,495,668	6,415,731	3,954,825
Buildings								
Buildings acquired before July 1st, 2008 (35 years)	76,767,515	-	76,767,515	58,359,155	1,353,533	59,712,688	17,054,827	18,408,360
Buildings (50 years)	40,350,726	3,208,832	43,559,558	6,346,437	725,346	7,071,783	36,487,775	34,004,289
Leasehold improvements	22,730	-	22,730	22,730	-	22,730	-	0
Asset retirement obligations (ARO)								
ARO - Buildings (35 years)	2,606,324	(729,202)	1,877,122	1,356,841	58,359	1,415,200	461,922	1,249,483
Major improvements and transformations								
Major improvements and transformations (25 years)	17,003,007	1,323,706	18,326,712	5,016,299	699,425	5,715,725	12,610,988	11,986,707
Major improvements and transformations (30 years)	24,961,791	3,939,943	28,901,734	4,631,821	801,998	5,433,819	23,467,915	20,329,970
Major improvements and transformations (40 years)	17,643,387	2,405,813	20,049,199	2,692,274	439,507	3,131,782	16,917,418	14,951,112
Materials and equipment								
Office furniture and equipment	1,270,477	200,110	1,470,587	739,248	213,425	952,673	517,914	531,229
Other equipment	1,000,709	20,486	1,021,195	483,760	67,255	551,015	470,180	516,950
Computer equipment	3,766,098	750,205	4,516,303	2,251,919	1,061,773	3,313,692	1,202,611	1,514,179
Multimedia communication equipment	1,758,452	60,813	1,819,265	908,341	302,679	1,211,020	608,245	850,111
Vehicles	81,753	-	81,753	77,052	4,701	81,753	-	4,701
Library documents	988,775	130,753	1,119,528	447,040	95,966	543,006	576,523	541,736
Library documents (initial purchases)	-	-	-	-	-	-	-	-
Textbooks (initial purchases)	107,607	14,699	122,306	116,244	20,942	137,186	-14,880	(8,637)
Textbooks (mesures 30150, 30160 et 30170)	52,808	-	52,808	8,261	-	8,261	44,547	44,547
Special equipment related to education								
Specialized equipment (10 years)	331,880	2,031	333,911	137,211	35,853	173,063	160,848	194,670
Specialized equipment (20 years)	839,444	-	839,444	502,527	41,972	544,499	294,945	336,917
ARO - Specialized equipment	-	-	-	-	-	-	-	-
Information technology development								
Information technology development	94,864	-	94,864	94,864	-	94,864	-	-
Telecommunications system								
Telecommunications system	2,963,711	-	2,963,711	2,504,493	123,240	2,627,733	335,978	459,218
<b>TOTAL</b>	<b>201,852,532</b>	<b>14,291,974</b>	<b>216,144,506</b>	<b>89,180,754</b>	<b>6,486,972</b>	<b>95,667,726</b>	<b>120,476,780</b>	<b>112,671,778</b>

**WESTERN QUEBEC SCHOOL BOARD  
APPENDICE B - DETAILED EXPENSES BY ACTIVITY  
FOR THE YEAR ENDED JUNE 30, 2023**

	SALARIES	EMPLOYER'S BENEFITS	TRAVEL EXPENSES	SUPPLIES AND MATERIALS	SERVICE FEES AND CONTRACTS	NON-CAPITALIZABLE INVESTMENT EXPENSES AND AMORTIZATION	OTHER EXPENSES	TOTAL 2023	TOTAL 2022 (ajusted)
<b>TEACHING AND TRAINING ACTIVITIES</b>									
Pre-school education	3,639,621	444,106	-	61,933	3,939	-	-	4,149,599	4,493,151
Primary education	21,692,752	2,634,744	3,913	244,046	728	-	-	24,576,183	23,982,562
General secondary education	19,232,803	2,273,674	252	448,151	4,795	3,112	-	21,962,787	21,178,342
Vocational training	1,447,670	179,740	21,609	122,754	93,860	200	-	1,865,833	2,293,765
Specialized teaching	3,326,181	384,984	5,583	55,438	84,868	-	-	3,857,055	5,765,923
Adult general education	1,547,510	182,579	149	62,009	7,228	136	-	1,799,612	1,616,403
<b>TOTAL</b>	<b>50,886,537</b>	<b>6,099,827</b>	<b>31,505</b>	<b>994,331</b>	<b>195,419</b>	<b>3,449</b>	<b>-</b>	<b>58,211,069</b>	<b>59,330,148</b>
<b>SUPPORT FOR TEACHING AND TRAINING</b>									
Management of schools and centres	6,191,272	806,184	46,198	286,429	238,382	743	-	7,569,207	6,975,622
Teaching tools	970,746	134,713	41,266	47,521	663,999	3,869	-	1,862,114	2,244,076
Complementary services	10,898,418	1,508,416	71,586	473,469	724,798	-	-	13,676,688	12,062,820
Specific pedagogical and training services	3,683,215	497,948	26,869	205,342	299,224	-	1,200	4,713,799	1,645,348
Animation and pedagogical services	1,584,541	178,330	15,600	4,917	21,699	434	-	1,805,520	1,905,581
Professional development - teachers and other staff categories	253,596	32,066	177,462	13,879	200,118	-	-	677,122	381,459
Sports, cultural and social activities	16,047	2,351	224	193,612	274,550	-	222,879	709,662	467,033
<b>TOTAL</b>	<b>23,597,834</b>	<b>3,160,009</b>	<b>379,204</b>	<b>1,225,170</b>	<b>2,422,771</b>	<b>5,045</b>	<b>224,079</b>	<b>31,014,112</b>	<b>25,681,939</b>
<b>AUXILIARY SERVICES</b>									
School transportation	-	-	-	-	9,012,349	-	1,619,901	10,632,250	10,012,645
Daycare	2,138,148	308,092	306	120,164	63,308	-	3,424	2,633,442	2,440,088
<b>TOTAL</b>	<b>2,138,148</b>	<b>308,092</b>	<b>306</b>	<b>120,164</b>	<b>9,075,657</b>	<b>-</b>	<b>1,623,325</b>	<b>13,265,692</b>	<b>12,452,734</b>
<b>ADMINISTRATIVE ACTIVITIES</b>									
Council of commissioners and committees	146,237	8,242	5,385	5,848	25,879	-	-	191,591	243,768
Management	3,451,004	427,250	42,683	28,928	329,766	-	5,886	4,285,517	4,281,172
Corporate fees and services	651,234	77,134	4,392	189,382	571,154	-	-	1,493,295	950,441
Professional development	-	-	3,491	-	55,096	-	-	58,586	21,983
<b>TOTAL</b>	<b>4,248,475</b>	<b>512,626</b>	<b>55,950</b>	<b>224,159</b>	<b>981,895</b>	<b>-</b>	<b>5,886</b>	<b>6,028,990</b>	<b>5,497,365</b>
<b>ACTIVITIES RELATING TO PROPERTY MOVABLE AND IMMOVABLE</b>									
Maintenance of movable property	-	-	-	5,829	138,119	2,049,519	-	2,193,468	2,137,832
Conservation of immovable property	585,258	88,351	68,574	438,752	1,572,620	4,519,165	234,303	7,507,023	6,918,417
Janitorial services	1,826,334	266,831	6,042	270,045	1,060,504	-	-	3,429,756	3,481,690
Energy consumption	-	-	-	2,174,927	6,722	-	-	2,181,649	1,931,837
Building rental	-	-	-	-	322,363	-	-	322,363	128,643
Protection and security	-	-	-	2,763	164,866	-	-	167,629	130,248
Major improvements, transformations and renovations non-capitalizable	-	-	659	181,682	67,046	-	-	249,386	72,426
<b>TOTAL</b>	<b>2,411,591</b>	<b>355,182</b>	<b>75,274</b>	<b>3,073,998</b>	<b>3,332,240</b>	<b>6,568,684</b>	<b>234,303</b>	<b>16,051,273</b>	<b>14,801,093</b>
<b>OTHER ACTIVITIES</b>									
Financing	-	-	-	-	-	-	3,262,594	3,262,594	3,111,375
Special projects	98,242	10,586	15,189	7,994	81,811	-	-	213,822	188,809
Retroactivity	93,981	(28,821)	-	-	-	-	-	65,160	(347,670)
Tuition fees and agreements	-	-	-	-	-	-	893,024	893,024	733,763
Provisions - bad debts	-	-	-	-	-	-	808,092	808,092	(181,002)
Loan of service	546,801	62,613	-	-	-	-	-	609,413	699,204
Extracurricular activities	-	-	-	-	-	-	16,463	16,463	25
<b>TOTAL</b>	<b>739,023</b>	<b>44,377</b>	<b>15,189</b>	<b>7,994</b>	<b>81,811</b>	<b>-</b>	<b>4,980,173</b>	<b>5,868,568</b>	<b>4,204,503</b>
<b>VARIATION IN PROVISION FOR EMPLOYEE BENEFITS</b>									
	-	-	-	-	-	-	178,557	178,557	93,777
<b>TOTAL EXPENSES</b>	<b>84,021,609</b>	<b>10,480,113</b>	<b>557,429</b>	<b>5,645,816</b>	<b>16,089,793</b>	<b>6,577,178</b>	<b>7,246,323</b>	<b>130,618,262</b>	<b>122,061,559</b>

WESTERN QUEBEC SCHOOL BOARD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

## Notes to the 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 financial statements have been prepared to satisfy the requirements of Section 287 of the Education Act (CQLR, c. I-13.3).

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 instruments***

Initial measurement

The School Organization recognizes a financial asset or a financial liability in the statement of financial position when, and only when, it becomes a party to the contractual provisions of the financial instrument. Unless otherwise stated, financial assets and liabilities are initially measured at cost.

WESTERN QUEBEC SCHOOL BOARD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

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

Transaction costs relating to financial instruments measured at cost or amortized cost are recognized as deferred charges. Transaction costs relating to financial assets and liabilities that will be measured subsequently at fair value are recognized in operations in the year they are incurred.

Subsequent measurement

At each reporting date, the School Organization measures its financial assets and liabilities at amortized cost (including any impairment in the case of financial assets).

Transaction costs relating to long-term loans measured at amortized cost are amortized on a straight-line basis, contrary to the requirements of Canadian Public Sector Accounting Standards, which recommend the application of the effective interest rate method. Amortization of long-term debt issuance costs using the effective interest rate method would have no material impact on the School Organization's operations or financial position.

The Organization determines whether there is any objective evidence of impairment of the financial assets, for both financial assets subsequently measured at amortized cost and financial assets subsequently measured at fair value. Any financial asset impairment is recognized in the statement of operations and, in the case of a financial asset classified to the fair value category, the reversal of any net remeasurements is presented in the statement of remeasurement gains and losses when an impairment is recognized.

For a portfolio investment, if there is objective evidence of impairment, the investment is written down when there is a loss in value that is other than a temporary decline. Any subsequent increase in value of a portfolio investment that has been written down is recognized in the statement of operations only when realized.

**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.



WESTERN QUEBEC SCHOOL BOARD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

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

**Liabilities**

***Pension plans***

Members of the School Board's staff participate in the Régime de retraite des employés du gouvernement et des organismes publics (RREGOP), the Régime de retraite des enseignants (RRE) or the 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 year are assumed by the Government of Quebec and are not included in the financial statements.

***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.

***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.

On June 30, 2023, the school board has no liabilities associated with contaminated sites.

WESTERN QUEBEC SCHOOL BOARD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

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

**Assets retirement obligations**

In accordance with the new requirements, the School Organization must recognize such a liability when all of the following criteria are satisfied:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that economic benefits will be given up;
- A reasonable estimate of the amount involved can be made.

Asset retirement costs are capitalized as part of the cost of the assets concerned, and amortized on a straight-line basis from the date of the legal obligation until the planned completion of the asset retirement activities.

The initial measurement of the liability is made by discounting the estimated cash flows required to perform the asset retirement activities. Cash flows are adjusted for inflation and discounted using a discount rate that represents management's best estimate of the cost of funds required to settle the obligation at maturity. The recorded liability is adjusted annually for new obligations, actual costs incurred, revised estimates and accretion.

Recognized liabilities are adjusted annually for new obligations, actual costs incurred, revised estimates and accretion.

Liabilities relating to the retirement of heritage buildings are not presented in the financial statements. This is because the School Board is required to maintain the integrity of these buildings under the Cultural Heritage Act, and the probable retirement date of these buildings is so far in the future that the present value of the obligation is negligible. The asset retirement obligation for these buildings will be presented in the financial statements as soon as the heritage designation is withdrawn or the demolition of the building is authorized, as the case may be.

The liability for asset retirement obligations is subject to measurement uncertainty and may vary due to the constantly evolving technologies used in asset retirement activities, and to differences between the assumptions used to measure the liability and actual results. The main assumptions used include the estimate of current asset retirement costs, the rate of cost inflation and the discount rate. In addition, the obligation to safely dispose of asbestos in buildings is subject to measurement uncertainty due to the inherent limitations of assessing the quantities of asbestos contained therein, as well as the estimated timing of cash flows to complete the work.

WESTERN QUEBEC SCHOOL BOARD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

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

**Non-financial Assets**

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

**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 assets are recognized at cost, including any asset retirement costs, where applicable. Cost does not include financial expenses capitalized during the construction, development or enhancement period. These costs are expensed directly during the year.

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

Asset retirement costs capitalized under buildings and major building improvements are amortized over a period of 14 to 60 years.

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.

Tangible capital assets under construction or development are not amortized until they are put into service.

Works of art and historical treasures consist primarily of paintings, sculptures, drawings and installations and their cost is expensed in the year of acquisition.

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.

WESTERN QUEBEC SCHOOL BOARD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

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

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 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:

WESTERN QUEBEC SCHOOL BOARD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

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

***Deferred Grants and Contributions***

Grants from the MEQ 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.

***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.

Revenues in lieu of school taxes are recognized in the period in which the amounts are 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.

WESTERN QUEBEC SCHOOL BOARD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

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

***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, 2023

**3. ACCOUNTING CHANGES**

**Adoption of new accounting standards (ARO)**

On July 1, 2022, the school board adopted Section PS 3280, "Asset Retirement Obligations". This section establishes standards on how to account for, assess and report on ARO liabilities for assets that may or may not be in productive use. It also specifies the information to be provided regarding such liabilities.

The effect of applying these standards has been accounted for on a modified retroactive basis, i.e.:

- the provisions of the standards have been applied to events and operations from the date on which the decommissioning obligations arose. In the case of buildings containing asbestos, this is 1937;
  
- the assumptions and discount rates used were established at the date of initial application of the standards, April 1, 2022.

This new application had an impact on the following components of the Statement of Income and Surplus (Deficit) from Operations, the Statement of Financial Position and the Statement of Changes in Net Financial Assets (Net Debt) for the fiscal years ended June 30, 2023 and June 30, 2022.

In addition, the government has undertaken to subsidize the value of asset retirement obligations that arose prior to April 1<sup>st</sup>, 2022, as well as the amounts required to provide for revisions to these obligations and for the accretion and indexation expenses related to these obligations. This grant has been accounted for in accordance with the standards on transfer payments.

WESTERN QUEBEC SCHOOL BOARD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**3. ACCOUNTING CHANGES (cont'd)**

STATEMENT OF INCOME	2023	2022
<b>Revenues</b>		
Investment grant	3,755,199	—
Amortization of deferred investment grant	1,415,200	—
Total revenues	5,170,399	—
<b>Expenses</b>		
Activities related to movable and immovable property	292,662	283,626
<b>Surplus (deficit) for the year from operations</b>	<b>4,877,737</b>	<b>(283,626)</b>
<b>STATEMENT OF ACCUMULATED SURPLUS (DEFICIT) FROM OPERATIONS</b>	<b>2023</b>	<b>2022</b>
Accumulated surplus (deficit) from operations, beginning of year	(4,877,737)	(4,594,111)
Accumulated surplus (deficit) from operations, end of year	—	(4,877,737)
<b>STATEMENT OF FINANCIAL POSITION</b>	<b>2023</b>	<b>2022</b>
<b>Financial assets</b>		
Receivable operating grant	5,632,320	—
<b>Liabilities</b>		
Investment grants deferred	461,922	—
Other liabilities (Asset retirement obligations)	5,632,320	6,127,219
<b>Net financial assets (net debt)</b>	<b>6,094,242</b>	<b>6,127,219</b>
<b>Non-financial assets</b>		
Tangible fixed assets	461,922	1,249,483
<b>Accumulated surplus (deficit), end of year</b>	<b>—</b>	<b>(4,877,737)</b>
<b>STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (NET DEBT)</b>	<b>2023</b>	<b>2022</b>
<b>Net financial assets (net debt), beginning of year</b>	<b>(4,877,737)</b>	<b>(4,594,111)</b>
Surplus (deficit) for the year	4,877,737	(293,626)}
Tangible fixed assets	(461,962)	—
<b>Net financial assets (net debt), end of year</b>	<b>(461,962)</b>	<b>(4,877,737)</b>



WESTERN QUEBEC SCHOOL BOARD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**3. ACCOUNTING CHANGES (cont'd)**

**Financial instruments**

As at July 1, 2022, the School Organization adopted the recommendations of new Sections PS 1201, Financial Statement Presentation, and PS 3450, Financial Instruments, of the CPA Canada Public Sector Accounting Handbook.

Section PS 3450 sets out the standards for the recognition and measurement of financial assets, financial liabilities and non-financial derivatives. The main items of this new section include the following:

- Items within the scope of the Section are assigned to one of two measurement categories: fair value, or cost or amortized cost;
- Almost all derivatives, including embedded derivatives that are not closely related to the host contract, are measured at fair value;
- Fair value measurement also applies to portfolio investments in equity instruments that are quoted in an active market;
- Other financial assets and financial liabilities are generally measured at cost or amortized cost;
- Until an item is derecognized, gains and losses arising due to fair value remeasurement are reported in the statement of remeasurement gains and losses;
- Budget-to-actual comparisons are not required within the statement of remeasurement gains and losses;
- When the entity defines and implements a risk management or investment strategy to manage and evaluate the performance of a group of financial assets, financial liabilities or both on a fair value basis, the entity may elect to include these items in the fair value category;
- New requirements clarify when financial liabilities are derecognized;
- The offsetting of a financial liability and a financial asset is prohibited in absence of a legally enforceable right to set off the recognized amounts and the intention either to settle on a net basis, or to realize the asset and settle the liability simultaneously;
- New disclosure requirements on the items reported and on the nature and extent of risks arising from financial instruments have been added.

Section PS 1201 provides a new financial statement (the statement of remeasurement gains and losses) for the recognition of remeasurement gains and losses, and provides that the accumulated surplus or deficit presented in the statement of financial position corresponds to the accumulated operating surplus or deficit and accumulated remeasurement gains and losses.

In accordance with the transitional provisions, these requirements, applicable to fiscal years beginning on or after April 1, 2022, have been applied prospectively and, accordingly, comparative figures are presented in accordance with the accounting policies applied by the School Organization before the adoption of these new sections.

WESTERN QUEBEC SCHOOL BOARD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**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.

	2023	2022
	\$	\$
Total operating grants receivable from the Government of Quebec	<b>10,105,994</b>	20,045,06
Other grants (other than grants receivable from the Government of Canada)	<b>57,898</b>	39,959
	<b>10,163,892</b>	20,125,825

**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	2023	2022
	\$	\$
Bonds and banknotes		
PG 1 year non-refundable at 0.58%	<b>578,295</b>	578,295
PG 1 year non-refundable at 0.55%	<b>60,921</b>	60,921
PG 1 year non-refundable at 0.55%	<b>8,455</b>	8,455
<b>Total portfolio investments valued at cost</b>	<b>647,673</b>	647,673
<b>Investment Schedule as of 30 juin 2023</b>	—	<b>647,673</b>
2024	<b>647,673</b>	

WESTERN QUEBEC SCHOOL BOARD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**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 \$14,254,888 (\$34,832,783 on June 30, 2022). No bank acceptance at June 30, 2023.

**7. TEMPORARY LOANS WITH A PROMISE OF GRANT**

The Financing Fund credit facility, in an authorized amount of \$40,326,846, bears interest at 5.27250% to June 30, 2023, and is guaranteed by the MEQ.

**8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2023	2022
	\$	\$
Accrued salaries, deductions and benefits	7,189,217	7,924,532
Other creditors and accrued liabilities – Quebec government departments and agencies	226,406	103,206
Other creditors and accrued liabilities – Other than Quebec government departments and agencies	4,413,226	2,302,971
Consumption taxes payable	2,899	31,356
Accrued interest	647,337	662,101
	<b>12,479,085</b>	<b>11,024,166</b>

**9. 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.

**10. 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

WESTERN QUEBEC SCHOOL BOARD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

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.

	2023	2022
	\$	\$
Sick leave	2,025,438	2,169,519
Vacation	2,782,989	2,473,719
Severance pay	145,037	145,037
Wage insurance and other personal leave	49,965	74,592
Employer contributions to employee benefits	855,063	817,067
	<b>5,858,492</b>	<b>5,679,934</b>

#### 11. LONG-TERM LOANS BORNE BY THE SCHOOL BOARD

At June 30, 2023 There are presently no long-term loans borne by the School Board.

#### 12. LONG-TERM DEBT SUBJECT TO A GRANT RECEIVABLE

	2022	2021
	\$	\$
<b>Budget Rules</b>		
Long-term notes with interest rates ranging from 0,75% to 5,41%, maturing from June 2020 to April 2046, repayable by grants from the Ministère de l'Éducation et de l'Enseignement supérieur.	97,926,769	101,337,076
Deferred debt-related costs	(443,983)	(479,349)
	<b>97,482,786</b>	<b>100,857,727</b>

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

WESTERN QUEBEC SCHOOL BOARD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

2027	\$7,638,244
2025	\$19,774,382
2026	\$4,428,499
2027	\$10,148,563
2028	\$14,342,563
2029 and thereafter	\$41,594,518

### 13. LIABILITIES FOR CONTAMINATED SITES

On June 2023, no liabilities have been declared for contaminated sites.

### 14. ASSET RETIREMENT OBLIGATIONS

The School Organization's asset retirement obligations primarily concern the removal of asbestos from its buildings.

The school board has no heritage buildings for which an asset retirement obligation has been recognized in the financial statements.

#### Evolution of Asset retirement obligations

	2023			2022
	Asbestos removal <sup>(1)</sup>	Autres	Total	Total
<b>Beginning balance</b>	<b>6,127,219</b>	<b>0</b>	<b>6,127,219</b>	5,901,952
Discount accretion	234,303	0	<b>234,303</b>	225,267
Revision of estimates [increase / (decrease)]	(729,202)	0	<b>0</b>	0
<b>Closing balance</b>	<b>5,632,320</b>	<b>00</b>	<b>5,632,320</b>	6,127,219

#### Main assumptions used

The main assumptions used for this obligation are as follows:

	Asbestos removal
Discount rate, including inflation	5,54 %
Discount period <sup>(1)</sup>	from 14 years to 60 years
Inflation rate	2,93 %

<sup>(1)</sup> The discount period presented reflects the estimated duration of asset retirement work, which typically spans one year.

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The estimated costs of performing the asset retirement work, as at June 30, 2023, and included in the measurement of the liability, amount to \$5,632,321 (\$6,127,219 as at June 30, 2022).

A financial contribution of \$5,632,321 was granted to the School Organization for its asset retirement obligations. Of this amount, \$5,170,399 was recognized in revenues. The balance was recognized in deferred revenue.

## 15. 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 \$8,134,999 (\$10,017,999 on June 30, 2022), this included \$3,536,989 (\$5,424,315 on June 30, 2022) for major improvements and transformations, \$4,032,798 (\$3,629,472 on June 30, 2022) for buildings, \$565,212 (\$964,211 on June 30, 2022). There is no depreciation expense associated with these assets.

## 16. CASH FLOW

	2023	2022
	\$	\$
Interest paid during the year	40,466	1,437
Interest received during the year	264,186	45,886

During the year, additions to property, plant and equipment included an amount of \$1,035,190 (\$nil in 2022), which is included in "Accounts payable and accrued liabilities". This transaction is excluded from the statement of cash flows.

## 17. 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 \$64,916,882 (\$0 in 2022) for school transportation contracts, ending in October 2030. Payments for the respective financial years stand at \$9,595,384 in 2024, \$9,595,384 in 2025, \$9,183,184 in 2026, \$9,183,184 in 2027, \$9,183,184 in 2028, \$9,088,281 in 2029 and \$9,088,281 \$ in 2030.
- b) An amount of \$715 190 (\$546,080 in 2022) to be paid for grass cutting, snow removal, heating equipment maintenance, garbage containers and collection services ending in June 2026. Payments for the respective financial years stand at \$397,467 in 2024, \$187,055 in 2025 and \$130,669 in 2026.

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- c) An amount of \$516,314 (\$746,856 in 2022) to be paid for photocopier and IT equipment leases up to June 2026. Payments for the respective financial years stand at \$ 233,359 in 2024, \$ 229,139 in 2025, and \$53,816 in 2026.
- d) An amount of \$4,688,741 (\$10,113,164 in 2022) for major construction, development and renovation projects to be carried out up to June 2024.
- e) An amount of \$ 23,955,177 for expansion project Lab-École for the Pierre-Elliott Trubeau elementary school.
- f) An amount of \$294,710 (\$33,343 in 2022) for the external auditor's contract, ending until June 2027. Payments for the years are \$60,000 in 2023, \$63,250 in 2024, \$66,000 in 2025, \$51,200 in 2026 and \$53,760 in 2027.

**18. CONTRACTUAL RIGHTS**

Each year, the School Organization receives subsidies from the MEQ to repay the capital and interest on long-term debt subject to a pledge of grant. The subsidies for the repayment of interest total \$20,715,041 over a 24-year period. The subsidies are receivable as follows: \$2,748,431 in 2024, \$2,356,922 in 2025, \$2,005,525 in 2026, \$1,806,629 in 2027 and \$1,466,570 in 2028.

**19. CONTINGENCIES**

As of June 30, 2023, outstanding claims for or against the School Board amount to \$55,000 (\$55,000 on June 30, 2022). 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. This is a litigation before the Human Rights Tribunal.

**20. 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.

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.

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**21. 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, 2023.

***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, of \$551,112, net of the provisions for bad debts, as at June 30, 2023.

	2023	2022
<b>Accounts Receivable</b>	<b>\$</b>	<b>\$</b>
Less than 30 days following invoice date	<b>605,097</b>	1,431,760
30 to 60 days following invoice date	<b>200,488</b>	47,384
61 to 90 days following invoice date	<b>23,577</b>	210,670
More than 90 days following invoice date	<b>4,944,349</b>	5,647,683
Subtotal	<b>5,773,491</b>	7,537,497
<b>Provision for bad debts</b>	<b>(2,475,978)</b>	(2,454,568)
<b>Total receivables net of provision for bad debts</b>	<b>3,297,513</b>	5,082,929

***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. In order to manage its liquidity risk, the school board performs a daily analysis of its liquidity and borrows the necessary amounts according to daily needs, based on a maximum amount authorized by the MEQ.



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The contractual cash flows associated with the School Board's financial liabilities are as follows:

June 30, 2023	Less than 1 year	1 to 3 years	4 to 5 years	Over 5 years	Total
Short-term loans	-	-	-	-	-
Temporary loan subject to a grant promise	\$10,315,000	-	-	-	\$10,315,000
Accounts payable and accrued expenses, excluding deductions at source	\$9,045,280	-	-	-	\$9,045,280
Long-term debt	\$7,638,244	\$34,351,444	\$17,118,126	\$38,818,956	\$97,926,769
Provisions for benefits	\$5,858,492	-	-	-	\$5,858,492

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

**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.

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***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. A reasonably possible increase or decrease in interest rates of 1% (1% at June 30, 2022) would not have a material impact on the year's surplus from operations or on the year's net revaluation gains.

**22. MEASUREMENT UNCERTAINTY**

The liability for asset retirement obligations is subject to measurement uncertainty and may vary due to the constantly evolving technologies used in asset retirement activities, and to differences between the assumptions used in measuring the liability and actual results. The main assumptions used include the estimate of current asset retirement costs, the rate of cost inflation and the discount rate. In addition, the obligation to safely dispose of asbestos in buildings is subject to measurement uncertainty due to the inherent limitations of estimating the quantities of asbestos contained therein, as well as the unknown timing of work when no building decommissioning plan is in place.