

**WESTERN QUEBEC
SCHOOL BOARD**

**INDEPENDENT AUDITOR'S REPORT AND
FINANCIAL STATEMENTS**

JUNE 30, 2024

WESTERN QUEBEC SCHOOL BOARD

FINANCIAL STATEMENTS JUNE 30, 2024

Director's Report	3
Independent Auditor's Report	4 - 6
Statement of Financial Position	7
Income Statement	8
Statement of Accumulated Surplus Statement	9
of Change in Net Debt Statement of Cash	10
Flows	11
Appendice A - Detailed Fixed Assets	12
Appendice B - Detailed Expenses by Activity	13
Notes to Financial Statements	14 - 34

YEAR 2024-2025

**FINANCIAL REPORTS OF SCHOOL BOARDS FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**

Director's Report

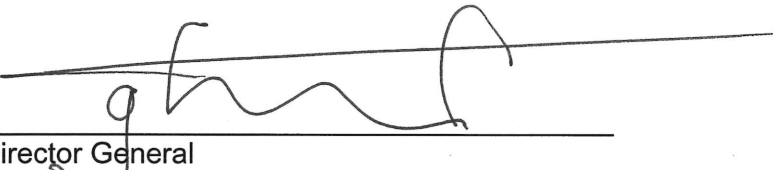
The financial statements of the Western Quebec School Board, bearing digital signature 4920636087 were issued by the Director's office, which is responsible for preparing and presenting them, including estimates and key opinions. This responsibility includes the choice of appropriate accounting policies, 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.



Director General



Financial Resources Director

Location: Gatineau (Quebec)

Date: December 11, 2024

Independent Auditor's Report

Raymond Chabot
Grant Thornton LLP
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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, 2024, and the statement of operations, the statement of accumulated surplus (deficit) related to activities, the statement of remeasurement gains and losses, the statement of changes in net financial assets (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, 2024, and the results of its operations, its remeasurement gains and losses, the changes in its net financial assets (net debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for qualified opinion

The School Board recognized a liability for asset retirement obligations and a corresponding subsidy receivable from the Ministère de l'Éducation du Québec (MEQ) in the statement of financial position as at June 30, 2024 and 2023. We were unable to obtain sufficient appropriate audit evidence about the amounts recognized and information concerning the asset retirement 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 and subsidy receivable – asset retirement obligations as at June 30, 2024 and 2023, to accumulated surplus as at July 1, 2023 and June 30, 2024 and 2023, and to subsidy income from the MEQ as well as the information provided on asset retirement obligations or other financial statement items for the years ended June 30, 2024 and 2023. This situation caused us to express a qualified opinion on the financial statements for the year ended June 30, 2024, as we did for the financial statements for the year ended June 30, 2023, due to the potential impact of this limitation on the scope of work.

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.

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.

Raymond Chabot Grant Thornton LLP¹

Gatineau
December 11, 2024

¹ CPA auditor, public accountancy permit n° A134381

**Western Quebec School Board
Statement of Financial Position
at June 30, 2024**

	2024	2023 (adjusted)
FINANCIAL ASSETS		
Cash	7 784 169	9 499 730
Operating grants receivable (note 4)	19 270 555	10 163 892
Investment grants receivable (note 4)	111 707 475	115 093 619
School tax receivable	1 655 819	2 314 106
Accounts receivable	2 790 691	1 476 621
Inventory for resale	48 768	38 783
Investment portfolios and loans (note 5)	647 673	647 673
TOTAL FINANCIAL ASSETS	143 905 149	139 234 424
LIABILITIES		
Temporary loans with a promise of grant (note 7)	9 296 060	10 315 000
Accounts payable and accrued liabilities (note 8)	18 266 127	12 479 085
Deferred investment grant (note 9)	132 457 972	110 288 899
Deferred revenue received in advance	1 722 629	1 054 367
Provisions for future benefits (note 10)	5 856 784	5 858 492
Long-term debt subject to promise of grant (note 11)	89 905 248	97 482 786
Asset retirement obligations - Asbestos (note 13)	4 322 109	5 458 069
Other liabilities	9 338 878	1 121 082
TOTAL LIABILITIES	271 165 807	244 057 780
NET DEBT	(127 260 658)	(104 823 356)
NON-FINANCIAL ASSETS		
Fixed capital assets (Appendix A)	142 468 101	120 479 266
Inventory stock	-	6 591
Prepaid expenses	375 931	333 498
TOTAL NON-FINANCIAL ASSETS	142 844 032	120 819 355
ACCUMULATED SURPLUS	15 583 375	15 995 999
Accumulated surplus (deficit) is composed of the following items:		
Accumulated surplus (deficit) from operations	15 583 375	15 995 999
	15 583 375	15 995 999

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

Western Quebec School Board
Income Statement
For the year ended June 30, 2024

	Budget 2024	Actual Results 2024	Actual Results 2023
			(adjusted)
REVENUES			
MEQ Operating grants	104 376 576	114 443 391	102 196 565
Investment grant	120 216	609 074	3 994 010
Other grants and contributions	747 240	1 142 950	1 183 410
School taxes	16 592 543	16 662 918	17 191 152
Tuition and fees	63 000	13 215	188 566
Sale of goods and services	2 757 024	2 896 991	2 856 113
Miscellaneous revenues	1 194 186	2 096 563	1 536 182
Depreciation of the reported investment grant	5 827 684	6 333 666	7 373 916
Total of revenues	131 678 469	144 198 768	136 519 914
EXPENSES			
Teaching and training activities	57 412 024	58 302 218	58 211 069
Support for teaching and training	35 447 906	34 238 770	31 014 112
Auxiliary services	14 636 812	15 308 843	13 265 692
Administrative activities	6 737 445	6 985 089	6 028 990
Activities related movable and immovable property	15 443 555	16 593 559	16 043 412
Other activities	3 187 272	13 184 621	5 868 568
Expenses related to the change in the provision for benefits	(219 596)	(1 707)	178 557
Total of expenses	132 645 418	144 611 393	130 610 401
ANNUAL SURPLUS (DEFICIT)	(966 949)	(412 625)	5 909 513

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, 2024**

	2024	2023
		(adjusted)
ACCUMULATED SURPLUS FROM ACTIVITIES AT THE BEGINNING YEAR, ALREADY ESTABLISHED	15 995 999	14 795 347
Adjustment with restatement of prior years	-	(4 708 861)
Balance adjusted	15 995 999	10 086 486
Surplus (deficit) of the year related to activities	(412 625)	5 909 513
ACCUMULATED SURPLUS FROM ACTIVITIES, END OF YEAR	15 583 375	15 995 999

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, 2024**

	Actual Results 2024	Actual Results 2023
		(adjusted)
NET FINANCIAL ASSETS (NET DEBT), BEGINNING OF YEAR	(104 820 870)	(97 016 199)
Adjustments with restatement of prior years	(2 486)	(5 911 753)
BALANCE ADJUSTED	(104 823 356)	(102 927 952)
Surplus (deficit) of year (page 7)	(412 625)	5 909 513
Variation due to fixed capital assets		
Acquisition of fixed capital assets	(30 086 827)	(13 652 203)
Amortization of fixed capital assets	6 710 279	6 483 854
Fixed capital asset estimate revision	1 387 713	(683 243)
Total change due to fixed capital assets	(21 988 835)	(7 851 593)
Change due to inventory/stock and prepaid expenses	(35 842)	49 162
Net revaluation gains (losses) for the year	-	-
NET FINANCIAL ASSETS (NET DEBT), END OF YEAR	(127 260 658)	(104 820 870)

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

**Western Quebec School Board
Statement of Cash Flows
For the year ended June 30, 2024**

	2024	2023 (Adjusted)
OPERATING ACTIVITIES		
Surplus (deficit) of year	(412 625)	5 909 513
Non-cash items		
Provision for future benefits	(1 707)	178 557
Inventory stock and prepaid expenses	(35 842)	49 162
Amortization of deferred investment grant	22 169 073	9 413 252
Amortization of deferred expenses related to debts	60 705	35 366
Depreciation and impairment of fixed capital assets	8 097 992	6 483 854
Charges for deactualization	251 752	229 560
Variation of financial assets and liabilities related to operations	176 108	(2 135 191)
CASH FLOWS FROM OPERATING ACTIVITIES	30 305 456	20 164 074
CAPITAL INVESTMENT ACTIVITIES		
Cash outflows for the acquisition of fixed capital assets	(23 363 834)	(13 256 784)
CASH FLOWS USED FOR CAPITAL INVESTMENT ACTIVITIES	(23 363 834)	(13 256 784)
INVESTMENT ACTIVITIES		
Cash outflow for the acquisition of portfolio investments	-	-
CASH FROM INVESTMENT ACTIVITIES	-	-
FINANCING ACTIVITIES		
Proceeds from the issuance of debt subject to a grant promise	-	5 314 031
Repayment of debt subject to a grant promise	(7 638 243)	(7 684 338)
Change in temporary borrowings not related to fixed capital assets	-	(4 400 000)
Income from temporary borrowings not related to fixed capital assets	(1 018 940)	10 315 000
Repayments of temporary borrowings related to fixed capital assets	-	(1 040 000)
CASH FLOWS FROM FINANCING ACTIVITIES	(8 657 183)	2 504 693
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1 715 561)	9 411 983
Cash and cash equivalents, beginning of year	9 499 730	87 747
CASH AND CASH EQUIVALENTS, END OF YEAR	7 784 169	9 499 730

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, 2024

	Cost			Accumulated amortization			Net value at June 30, 2024	Net value at June 30, 2023 (adjusted)
	Balance at June 30, 2023 (adjusted)	Acquisitions / dispositions / estimations revision	Closing balance	Balance at June 30, 2023 (adjusted)	Amortization / dispositions / estimations revision	Closing balance		
Lands								
Lands	2 717 972	-	2 717 972	-	-	-	2 717 972	2 717 972
Developments								
Land developments (10 years)	574 890	289 071	863 961	429 568	22 037	451 605	412 356	145 322
Land developments (20 years)	8 911 399	2 753 022	11 664 421	2 495 668	525 193	3 020 861	8 643 559	6 415 731
Buildings								
Buildings acquired before July 1st, 2008 (35 years)	76 767 515	-	76 767 515	59 712 688	1 353 533	61 066 221	15 701 294	17 054 827
Buildings (50 years)	43 559 558	16 856 716	60 416 275	7 071 783	751 206	7 822 989	52 593 285	36 487 775
Leasehold improvements	22 730	-	22 730	22 730	-	22 730	-	-
Asset retirement obligations (ARO)								
ARO - Buildings (35 years)	1 803 653	(1 387 713)	415 940	1 339 245	19 826	1 359 071	(943 131)	464 408
Major improvements and transformations								
Major improvements and transformations (15 years)	-	-	-	-	-	-	-	-
Major improvements and transformations (25 years)	18 326 712	2 060 021	20 386 733	5 715 725	742 328	6 458 053	13 928 680	12 610 988
Major improvements and transformations (30 years)	28 901 734	3 533 229	32 434 963	5 433 819	978 462	6 412 281	26 022 682	23 467 915
Major improvements and transformations (40 years)	20 049 199	2 296 192	22 345 391	3 131 782	497 044	3 628 826	18 716 565	16 917 418
Materials and equipment								
Office furniture and equipment	1 470 587	(408 939)	1 061 648	952 673	(427 500)	525 173	536 475	517 914
Other equipment	1 021 195	(22 563)	998 632	551 015	(18 489)	532 525	466 106	470 180
Computer equipment	4 516 303	(1 779 803)	2 736 500	3 313 692	(2 267 526)	1 046 166	1 690 334	1 202 611
Multimedia communication equipment	1 819 265	(436 534)	1 382 731	1 211 020	(456 973)	754 047	628 684	608 245
Vehicles	81 753	-	81 753	81 753	-	81 753	-	-
Library documents	1 119 528	(1 536)	1 117 993	543 006	(94 072)	448 934	669 059	576 523
Library documents (initial purchases)	-	-	-	-	-	-	-	-
Textbooks (initial purchases)	122 306	(78 571)	43 735	137 186	(112 798)	24 388	19 347	(14 880)
Textbooks (mesures 30150, 30160 et 30170)	52 808	(52 808)	-	8 261	(8 261)	-	-	44 547
Special equipment related to education								
Specialized equipment (10 years)	333 911	14 710	348 621	173 063	40 205	213 269	135 353	160 848
Specialized equipment (20 years)	839 444	44 892	884 337	544 499	42 361	586 860	297 477	294 945
ARO - Specialized equipment	-	-	-	-	-	-	-	-
IT development								
IT development	94 864	(94 864)	-	94 864	(94 864)	-	-	-
Complex networks								
Telecommunications system	2 963 711	-	2 963 711	2 627 733	103 973	2 731 706	232 004	335 978
TOTAL	216 071 037	23 584 522	239 655 559	95 591 771	1 595 687	97 187 458	142 468 101	120 479 266

Western Quebec School Board
Appedice B - Detailed expenses by activity
For the year ended June 30, 2024

	Salary	Employer Contributions	Travel Expenses	Supplies and Materials	Services, Fees and Contracts	Capital Costs and Amortization	Other Expenses	Total 2024	Total 2023 (ajusted)
TEACHING AND TRAINING ACTIVITIES									
Pre-school education	3 474 514	437 287	-	35 466	700	-	-	3 947 967	4 149 599
Primary education	22 037 892	2 735 912	5 236	267 418	11 080	-	-	25 057 538	24 576 183
General secondary education	18 826 381	2 273 913	755	490 107	14 311	18 063	-	21 623 531	21 962 787
Vocational training	1 665 607	212 054	17 702	145 122	100 176	5 984	-	2 146 645	1 865 833
Specialized teaching	3 256 137	406 451	10 529	54 861	95 441	-	-	3 823 420	3 857 055
Adult general education	1 465 832	176 012	107	60 844	318	-	5	1 703 118	1 799 612
TOTAL	50 726 363	6 241 629	34 329	1 053 819	222 026	24 047	5	58 302 218	58 211 069
SUPPORT FOR TEACHING AND TRAINING									
Management of schools and centres	6 287 344	810 011	41 706	324 870	234 214	-	-	7 698 145	7 569 207
Teaching tools	1 114 920	154 679	39 708	101 609	532 621	2 297	-	1 945 833	1 862 114
Complementary services	12 525 667	1 744 839	76 113	454 266	838 512	-	-	15 639 397	13 676 688
Special education and remedial training services	4 648 527	649 115	19 643	183 036	240 826	-	-	5 741 147	4 713 799
Animation and pedagogical services	1 450 419	169 818	26 929	2 668	12 088	-	-	1 661 922	1 805 520
Teacher development and other support staff	305 438	37 649	211 840	5 483	132 424	-	-	692 835	677 122
Sports, cultural and social activities	39 041	5 405	22 738	274 214	406 415	-	111 679	859 491	709 662
TOTAL	26 371 355	3 571 515	438 678	1 346 146	2 397 100	2 297	111 679	34 238 770	31 014 112
AUXILIARY SERVICES									
School transportation	-	-	-	-	10 704 830,36	-	1 439 686	12 144 516	10 632 250
Daycare	2 555 521	376 853	497	117 224	114 140	-	92	3 164 327	2 633 442
TOTAL	2 555 521	376 853	497	117 224	10 818 971	-	1 439 778	15 308 843	13 265 692
ADMINISTRATIVE ACTIVITIES									
Board of trustees and committees	141 956	6 718	4 905	7 441	23 237	-	30 000	214 256	191 591
Management	4 103 523	503 269	67 899	55 990	470 574	-	69 443	5 270 697	4 285 517
Corporate services	713 378	91 170	8 819	59 767	580 717	639	-	1 454 492	1 493 295
Development of administrative and manual staff	-	-	6 788	-	38 856	-	-	45 644	58 586
TOTAL	4 958 857	601 158	88 411	123 198	1 113 384	639	99 443	6 985 089	6 028 990
ACTIVITIES RELATING TO PROPERTY MOVABLE AND IMMOVABLE									
Maintenance and depreciation of movable properties	-	-	-	1 215	103 913	1 891 345	-	1 996 473	2 193 468
Conservation and depreciation of immovable properties	746 173	111 141	103 646	385 369	1 750 779	4 891 368	251 752	8 240 228	7 499 162
Janitorial services	2 499 783	382 626	14 142	348 678	217 920	2 434	-	3 465 584	3 429 756
Energy consumption	-	-	-	1 941 486	4 857	-	242	1 946 586	2 181 649
Building rentals	-	-	-	-	374 271	-	-	374 271	322 363
Protection and security	-	-	-	8 893	306 054	-	-	314 947	167 629
Non-capitalized major improvement, transformation and renovation	-	-	338	13 841	241 292	-	-	255 471	249 386
TOTAL	3 245 957	493 767	118 126	2 699 482	2 999 086	6 785 147	251 994	16 593 559	16 043 412
OTHER ACTIVITIES									
Financing	-	-	-	-	-	-	3 083 853	3 083 853	3 262 594
Special projects	119 819	16 644	19 702	14 015	333 157	-	2 000	505 336	213 822
Retroactivity	7 379 426	877 020	-	-	-	-	-	8 256 446	65 160
Tuition fees and agreements	-	-	-	-	-	-	977 210	977 210	893 024
Bad debts provision	-	-	-	-	-	-	(306 669)	(306 669)	808 092
Service loans	582 018	65 029	-	-	-	-	-	647 047	609 413
Extracurricular activities	-	-	-	-	-	-	21 397	21 397	16 463
TOTAL	8 081 264	958 692	19 702	14 015	333 157	-	3 777 792	13 184 621	5 868 568
VARIATION IN PROVISION FOR EMPLOYEE BENEFITS									
	-	-	-	-	-	-	(1 707)	(1 707)	178 557
TOTAL EXPENSES	95 939 315	12 243 614	699 743	5 353 884	17 883 722	6 812 130	5 678 983	144 611 393	130 610 401

WESTERN QUEBEC SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Notes to the Financial Statements

1. STATUTES AND NATURE OF OPERATIONS

The Western Quebec school board (hereinafter “ the 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 people who come under its jurisdiction, the educational services provided for by the *Educational Act* and the basic school regulations established by the Government. 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 the *Education Act*, to the social, cultural and economic development of its region.

2. SIGNIFICANT ACCOUNTING POLICIES

Authoritative Accounting Pronouncements

The financial statements of the school board are prepared in accordance with Canadian public sector accounting standards of the *CPA Canada Public Sector Accounting Handbook*, and the use of any other source of generally accepted accounting principles must be consistent with the Handbook. The information provided in the financial statements is based on management’s best judgments and estimates.

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, asset retirement obligations and the liabilities for contaminated sites. Actual results may be different from the administration's best estimates.

Financial instruments

Initial measurement

The school board 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, 2024

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 board 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 board's operations or financial position.

The school board 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.

WESTERN QUEBEC SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Accounts Receivable

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

Inventory for Sale

Stocks for sale are assessed at the lower of cost or net realizable value. The cost is determined on a first-in, first-out basis.

Liabilities

Deferred Investment Subsidy

The investment subsidy received for acquisitions of tangible capital assets is deferred and amortized in operations on the same basis and over the same period as related tangible capital assets, in accordance with the stipulations of these government transfers.

Prepaid Revenues

Amounts received for revenues that will be earned in a subsequent year are deferred and presented as prepaid revenues in liabilities in the statement of financial position.

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 the 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.

WESTERN QUEBEC SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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, 2024, the Western Quebec school board has no liabilities associated with contaminated sites.

Assets retirement obligations

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

- There is a legally binding obligation that compels the school board to perform specific activities related to the permanent decommissioning of an asset requiring an outflow of economic resources;
- The obligation results from the acquisition, construction, development, development and/or normal use of the capital asset;
- It is intended that specific decommissioning activities will be carried out;
- It is possible to make a reasonable estimate of the costs related to this obligation.

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.

WESTERN QUEBEC SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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.

WESTERN QUEBEC SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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 investment grants", 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 properties" line item. No impairment reversal is recorded.

WESTERN QUEBEC SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Inventories / Stocks

Inventories / stocks consist of materials to be consumed in the normal course of activities for the upcoming fiscal years. 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 years. 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 revenue.

More specifically:

Deferred Grants and Contributions

Grants from the Quebec Ministry of Education (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 allowances whose deferment has been authorized by the MEQ, grants from the MEQ 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 "Investment grant deferred" 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, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 1st to June 30th. 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 31st of the last year of the preceding roll and that appearing in the new roll, which becomes effective on January 1st.

Revenues in lieu of school taxes are recognized in the period in which the amounts are received. However, amounts received for the acquisition of land are recognized in income in the year in which the land is acquired.

Tuition and course fees, sales of goods and services and miscellaneous revenue

Revenue from tuition and course fees, sales of goods and services and miscellaneous revenue is recognized in the period in which the transactions or events giving rise to it took place.

These revenues, with the exception of miscellaneous revenue from interest, penalties and late fees, constitutes transactions with performance obligations for which the school board must provide a service or provide a specific good in exchange for the amount received from the payer. These revenues are recognized as the obligation is fulfilled, either at a specific time or progressively.

Performance obligations fulfilled at a specific time

Revenue from the sale of school supplies and materials is recognized at the time of sale.

Performance obligations fulfilled progressively

Revenue from tuition and course fees is recognized progressively by the school board over the duration of the training provided.

Revenues from school daycare services, supervision and mid-day transportation and other activities charged to users are recognized progressively by the school board, as the services are provided. Revenues from the rental of buildings and personal property are recognized progressively over the term of the lease. Revenues from service loans are recognized progressively over the term of the loan.

Expenses

Expenses are recorded on an accrual basis, that is, in the fiscal year when the transactions or 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 period.

WESTERN QUEBEC SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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 to for the item transferred or the service provided.

Adoption of new accounting standards

Revenues

During the year, the school board applied the standards of Section 3400, Revenue, of the CPA Canada Public Sector Accounting Handbook. This section sets out the differentiated requirements regarding the recognition of revenue arising from transactions with performance obligations (exchange transactions) and revenue arising from transactions without performance obligations (non-exchange transactions) and the disclosures.

This section defines a performance obligation as an enforceable promise to provide specific goods or services to a specific payor. Revenue arising from an exchange transaction is recognized when (or as) the school board satisfies its performance obligation by providing the promised goods or services to its payor.

Revenue arising from a non-exchange transaction is recognized when the school board has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event that gives rise to an asset.

For exchange transactions, the school board must determine which goods or services (or which bundles of goods or services) are distinct and should be accounted for separately. Where the school board determines that a transaction contains more than one performance obligation, it must allocate the transaction price. To do this, it would use the stand-alone selling price of each distinct good or service underlying each performance obligation where available. Otherwise, it would estimate an amount using the information available to perform such allocations.

In accordance with the transitional provisions, these requirements, applicable to financial statements for fiscal years beginning on or after July 1st, 2023, have been applied using the retroactive method. The application of these new recommendations had no impact on the school board's financial statements.

WESTERN QUEBEC SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Purchased intangibles

On July 1st, 2023, the school board applied the recommendations of Public Sector Guideline (PSG)-8, "Purchased Intangibles", of the *CPA Canada Public Sector Accounting Handbook*. These recommendations apply to all identifiable non-monetary assets without physical substance acquired through an exchange transaction between knowledgeable and willing parties who are under no compulsion to act.

In accordance with this new accounting guideline, the school board would recognize purchased intangibles as assets when they meet the definition of assets and the general recognition criteria for an asset provided it is probable that the future economic benefits that are attributable to the asset will flow to the school board and the cost of the asset can be measured reliably. Purchased intangibles are initially measured at cost.

In accordance with the transitional provisions, these requirements, applicable to financial statements for fiscal years beginning on or after July 1st, 2023, have been applied using the retroactive method. The application of these new recommendations had no impact on the school board's financial statements.

3. ACCOUNTING CHANGES AND CORRECTION OF ERRORS

On July 1st, 2023, the school board modified certain methods used to record obligations related to its asset retirement obligation. The changes made are as follows:

- Change in the method for estimating asbestos removal costs for certain materials. Management believes that the method used overestimated costs when asbestos removal work was carried out in the presence of plaster, rendering and mortar.
- Cost estimates are made by construction phase rather than by building. Management believes that the new method used better reflects reality since the calculations, including discounting and inflation calculations, consider the actual year of construction of the phase rather than the initial year of construction of the building.
- Other corrections were made such as adding components or materials omitted when contaminated assets were first identified and correcting the planned decommissioning year.

WESTERN QUEBEC SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

3. ACCOUNTING CHANGES AND CORRECTION OF ERRORS (cont'd)

These changes were applied retroactively with restatement of prior years and had the effect of varying the financial statement items as follows:

INCOME STATEMENT	2024	2023
Revenues	\$	\$
Investment grant	-	(100,782)
Depreciation of the reported investment grant	-	(75,955)
Total revenues	-	(176,737)
Expenses		
Activities related movable and immovable properties	-	7,861
Surplus (Deficit) for the financial year related to activities	-	(168,875)
STATEMENT OF ACCUMULATED SURPLUS (DEFICIT) RELATED TO ACTIVITIES	2024	2023
Accumulated surplus (deficit) related to activities at the beginning of year	-	168,875
Accumulated surplus (deficit) related to activities at the end of year	-	-
STATEMENT OF FINANCIAL POSITION	2024	2023
Financial assets		
Operating grants receivable	-	-
Investment grants receivable	-	(174,251)
Investment grants deferred	-	(2,486)
Total financial assets	-	(176,737)
Liabilities		
Other liabilities (Asset retirement obligations)	-	174,251
Net financial assets (Net debt)	-	(2,486)
Non-financial assets		
Fixed capital assets	-	2,486
Accumulated surplus (deficit) at the end of year	-	-
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (NET DEBT)	2024	2023
Net financial assets (Net debt) at the beginning of year (a)	-	(215,466)
Deficit (Surplus) for the financial year	-	168,875
Fixed capital assets	-	46,591
Net financial assets (Net debt) at the end of year	-	-

(a) The adjustment presented in the note represents the adjustments recognized as at June 30, 2024, while the adjustment presented in the statement of accumulated deficit and in the statement of change in debt includes the adjustments recognized as at June 30, 2023, as described in the audited financial statements at that date, as well as those recognized as at June 30, 2024.

WESTERN QUEBEC SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

4. GRANTS RECEIVABLE

Operating Grants Receivable

The details on different receivable grants are presented on page 21 of the financial report. Grants under this category given by the Government of Quebec and outlined on this page. Transfers from the Government of Canada are presented in "Accounts receivable" on page 23.

	2024	2023
	\$	\$
Total operating grants receivable from the Government of Quebec	19,254,309	10,105,994
Other grants (other than grants receivable from the Government of Canada)	16,246	57,898
	19,270,555	10,163,892

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	2024	2023
	\$	\$
Guaranteed Investment certificates		
GIC 1 year non-refundable at a rate of 5.47 %	578,296	578,296
GIC 1 year non-refundable at a rate of 5.58 %	60,921	60,921
GIC 1 year non-refundable at a rate of 5.58 %	8,456	8,456
Total portfolio investments valued at cost	647,673	647,673
Investment Schedule as of June 30, 2024		
2024	647,673	

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 \$20,097,975 (\$14,254,888 on June 30, 2023). No bank acceptance or temporary loan used as at June 30, 2024.

WESTERN QUEBEC SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

7. TEMPORARY LOANS WITH A PROMISE OF GRANT

The Financing Fund credit facility, for an authorized amount of \$22,867,379, bears interest at 4.6139% at June 30, 2024, and is guaranteed by the MEQ.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
	\$	\$
Accrued salaries, deductions and benefits	7,136,669	7,189,217
Other creditors and accrued liabilities – Quebec government departments and agencies	639,829	226,406
Other creditors and accrued liabilities – Other than Quebec government departments and agencies	9,896,537	4,413,226
Consumption taxes payable	2,899	2,899
Accrued interest	590,193	647,337
	18,266,127	12,479,085

9. 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 enabled workers to accumulate unused sick leave days to which they were 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.

WESTERN QUEBEC SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

10. PROVISIONS FOR FUTURE BENEFITS (Cont'd)

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.

	2024	2023
	\$	\$
Sick leave	1,900,430	2,025,438
Vacation	2,987,214	2,782,989
Severance pay	-	145,037
Wage insurance and other personal leave	89,729	49,965
Employer contributions to employee benefits	879,411	855,063
	5,856,784	5,858,492

11. LONG-TERM DEBT SUBJECT TO PROMISE OF GRANT

	2024	2023
	\$	\$
Budget Rules		
Long-term notes with interest rates ranging from 0.69% to 5.41%, maturing from April 2024 to December 2047, repayable by grants from the MEQ.	90,288,526	97,926,769
Deferred debt-related costs	(383,278)	(443,983)
	89,905,248	97,482,786

Schedules of debts subject to a promise of subsidy as of June 30, 2024

2025	\$19,774,382
2026	\$4,428,499
2027	\$10,148,563
2028	\$14,342,563
2029 and thereafter	\$41,594,519

WESTERN QUEBEC SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

12. LIABILITIES FOR CONTAMINATED SITES

As at June 30, 2024, no liability for contaminated sites has been recognized for 2 sites for which it has not been possible to estimate the remediation costs due to the lack of information on the assumptions used to determine the amount it would cost to remediate the sites as at the date of the financial statements.

13. ASSET RETIREMENT OBLIGATIONS (ARO)

The main obligation related to asset retirement obligations primarily concern the removal of asbestos from its buildings for which separate information must be provided.

Movements in asset retirement obligations are presented on page 151 of the financial report.

Main assumptions used

The main assumptions used for this obligation are as follows:

	Asbestos removal
Discount rate, including inflation	4.54%
Discount period ⁽¹⁾	From 14 years to 60 years
Inflation rate	2.53%

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

The estimated costs of performing the asset retirement work, as at June 30, 2024 and included in the measurement of the liability, amount to \$4,322,109 (\$5,458,070 as at June 30, 2023).

A financial contribution of \$4,322,109 was granted to the school board for its asset retirement obligations. The balance was recognized in deferred revenue.

14. TANGIBLE FIXED ASSETS

Details of tangible capital assets are presented on pages 40 to 48 of the financial report and in Appendix A.

Total tangible capital assets include:

- During the fiscal year, fixed assets under construction, development or improvement amounting to \$29,056,263 (\$8,134,999 on June 30, 2023), this included \$7,739,011 (\$3,536,989 on June 30, 2023) for major improvements and transformations, \$20,647,932 (\$4,032,798 on June 30, 2023) for buildings, \$669,320 (\$565,212 on June 30, 2023). There is no depreciation expense associated with these assets.

WESTERN QUEBEC SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

15. CASH FLOW

	2024	2023
	\$	\$
Interest paid during the year	602	40,466
Interest received during the year	831,706	264,186

During the year, additions to fixed capital assets included an amount of \$6,722,994 (\$1,035,190 in 2023), which is included in “Accounts payable and accrued liabilities”. This transaction is excluded from the statement of cash flows.

16. OBLIGATIONS

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

- a) An amount of \$55,169,562 (\$64,916,882 in 2023) for school transportation contracts, ending in October 2030. Payments for the respective financial years stand at \$9,342,743 in 2025, \$9,342,743 in 2026, \$9,168,520 in 2027, \$9,168,520 in 2028, \$9,073,518 in 2029 and \$9,073,518 in 2030.
- b) An amount of \$437,894 (\$715,190 in 2023) to be paid for grass cutting, snow removal, heating equipment maintenance, garbage containers and collection services ending in June 2029. Payments for the respective financial years stand at \$270,411 in 2025, \$114,683 in 2026, \$17,600 in 2027, \$17,600 in 2028 and \$17,600 in 2029.
- c) An amount of \$300,510 (\$516,314 in 2023) to be paid for photocopier and IT equipment leases up to June 2026. Payments for the respective financial years stand at \$255,874 in 2025 and \$44,636 in 2026.
- d) An amount of \$8,701,673 (\$4,688,741 in 2023) for major construction, development and renovation projects to be carried out up to June 2025.
- e) An amount of \$10,667,836 (\$23,955,177 in 2023) for expansion project Lab-École for the Pierre-Elliott Trudeau elementary school. Payments for the years are \$9,067,836 in 2025 and \$1,600,000 in 2026.
- f) An amount of \$234,210 (\$294,710 in 2023) for the external auditor’s contract, ending until June 2027. Payments for the years are \$63,250 in 2025, \$66,000 in 2026, \$51,200 in 2027 and \$53,760 in 2028.
- g) In accordance with various collective agreements, the school board agreed to provide development activities totaling \$530,888 (\$554,804 in 2023). No provision has been recorded under liabilities.

WESTERN QUEBEC SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

17. CONTRACTUAL RIGHTS

Each year, the school board 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 \$17,966,610 over a 24-year period. The subsidies are receivable as follows: \$2,356,922 in 2025, \$2,005,525 in 2026, \$1,806,629 in 2027, \$1,466,570 in 2028 and \$1,216,044 in 2029.

18. CONTINGENCIES

In the normal course of activities, the school board is exposed to various claims, grievances and lawsuits for damages and interest. The school board records a provision for a claim only when it is probable that an out-of-pocket expense will be incurred and a reasonable estimate of the amount payable can be made.

As of June 30, 2024, outstanding claims for or against the school board amount to \$199,810 (\$55,000 on June 30, 2023). This is a litigation before the Human Rights Tribunal and grievances.

Management 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. Any claims arising from the outcome of these contingencies will be charged to operations of the current year.

19. 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.

WESTERN QUEBEC SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

20. RISK MANAGEMENT OF FINANCIAL ASSETS AND LIABILITIES

By using its financial instruments, the school board is exposed to various risks. Management 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. During the year, there were no changes in risk management policies, procedures or practices concerning financial instruments. The following elements allow an assessment of risks as at the date of the statement of financial position of June 30, 2024.

Credit Risk

Credit risk refers to the risk of a counterpart failing to respect their contractual obligations and, as a result, cause the other party to suffer a financial loss. The school board's credit risk relates mainly to its accounts receivable and school tax 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 and school tax receivable, 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 chart presents the aging report of accounts receivable and school tax receivable, excluding consumption taxes of \$1,224,133, net of the provisions for bad debts, as at June 30, 2024.

	2024	2023
Accounts Receivable	\$	\$
Less than 30 days following invoice date	949,193	605,097
30 to 60 days following invoice date	49,549	200,488
61 to 90 days following invoice date	3,111	23,577
More than 90 days following invoice date	3,872,338	4,944,349
Subtotal	4,874,191	5,773,491
Provision for bad debts	(1,651,814)	(2,475,978)
Total receivables and school tax receivable net of provision for bad debts	3,222,377	3,297,513

WESTERN QUEBEC SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

20. RISK MANAGEMENT RELATED TO FINANCIAL INSTRUMENTS (cont'd)

Liquidity Risk

Liquidity 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 debts, 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 debts. 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.

The contractual cash flows associated with the school board's financial liabilities are as follows:

June 30, 2024	Less than 1 year	1 to 3 years	4 to 5 years	Over 5 years	Total
Short-term loan	-	-	-	-	-
Temporary loan subject to a grant promise	\$9,296,060	-	-	-	\$9,296,060
Accounts payable and accrued expenses, excluding source deductions	\$14,892,431	-	-	-	\$14,892,431
Long-term debt without deferred debt related costs	\$19,774,382	\$28,919,625	\$5,551,126	\$36,043,393	\$90,288,526
Provisions for benefits	\$5,856,784	-	-	-	\$5,856,784

WESTERN QUEBEC SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

20. RISK MANAGEMENT RELATED TO FINANCIAL INSTRUMENTS (cont'd)

June 30, 2023	Less than 1 year	1 to 3 years	4 to 5 years	Over 5 years	Total
Short-term loan	-	-	-	-	-
Temporary loan subject to a grant promise	\$10,315,000	-	-	-	\$10,315,000
Accounts payable and accrued expenses, excluding source deductions	\$9,045,280	-	-	-	\$9,045,280
Long-term debt without deferred debt related costs	\$7,638,244	\$34,351,444	\$17,118,126	\$38,818,956	\$97,926,769
Provisions for benefits	\$5,858,492	-	-	-	\$5,858,492

Market Risk

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

Interest Rate Risk

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

Fixed-rate financial instruments consist of long-term loans and debts. Variable rate financial assets and liabilities consist of temporary borrowings.

WESTERN QUEBEC SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

20. RISK MANAGEMENT RELATED TO FINANCIAL INSTRUMENTS (cont'd)

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, 2023) would not have a material impact on the year's surplus from operations or on the year's net revaluation gains.

21. 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.