

WESTERN QUEBEC SCHOOL BOARD

FINANCIAL STATEMENTS

JUNE 30, 2005

WESTERN QUEBEC SCHOOL BOARD

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To the Commissioners of
Western Quebec School Board

The enclosed financial statement summaries are in accordance with the financial report of the Western Quebec School Board submitted to the ministère de l'Éducation, du Loisir et du Sport for the year ended June 30, 2005 and in which I have expressed, at that date, the opinion reproduced on the following auditors' report.

Certified General Accountant

Gatineau, Québec
October 18, 2005

AUDITOR'S REPORT

To the Commissioners of the
WESTERN QUEBEC SCHOOL BOARD

I have audited the financial report of the Western Quebec School Board for the period ended June 30, 2005 which is presented as per the ministère de l'Éducation, du Loisir et du Sport requirements. These financial statements are the responsibility of the School Board. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with the auditors' mandate defined by the ministère de l'Éducation, du Loisir et du Sport and with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion,

- the School Board has conducted its operations in accordance with the legislation and rules mentioned in the aforesaid mandate including budgetary rules, guidelines and instructions expressed by the ministère de l'Éducation, du Loisir et du Sport, having financial incidence;
- the financial statements present fairly, in all material respects, the financial position of the School Board as at June 30, 2005, as well as the results of its operations and the changes in financial position, for the year ended that date, in accordance with the accounting standards and practices generally accepted for school boards described in the Manuel de normalisation de la comptabilité scolaire.

In accordance with the mandate defined by the ministère de l'Éducation, du Loisir et du Sport, I have completed seven questionnaires: six of these were with regard to audit of student's attendance and one with regard to the normative and statutory guidelines applicable to school boards.

Certified General Accountant

Gatineau, Québec
October 18, 2005

WESTERN QUEBEC SCHOOL BOARD

BALANCE SHEET
JUNE 30, 2005

	<u>2005</u>	<u>2004</u>
ASSETS		
Cash	\$ 309 422	\$ 307 640
Grants receivable - note 2	6 643 991	5 681 044
Taxes receivable	972 025	1 164 963
Other receivables	981 751	990 020
Inventory	140 593	120 820
Capital assets	74 137 787	80 947 541
Other assets	<u>244 469</u>	<u>322 007</u>
	<u>\$ 83 430 038</u>	<u>\$ 89 534 035</u>
LIABILITIES		
Short term loans - note 3	\$ 2 694 194	\$ 1 425 045
Deferred revenue	327 672	375 725
Accounts payable	4 978 271	5 169 804
Long term debt - note 4	1 018 006	1 440 876
Other liabilities	<u>322 678</u>	<u>559 054</u>
	<u>9 340 821</u>	<u>8 970 504</u>
CAPITAL		
ACCUMULATED SURPLUS	969 436	1 056 866
CAPITAL EQUITY	<u>73 119 781</u>	<u>79 506 665</u>
	<u>74 089 217</u>	<u>80 563 531</u>
	<u>\$ 83 430 038</u>	<u>\$ 89 534 035</u>

The accompanying notes are an integral part of these financial statements.

ON BEHALF OF THE BOARD

WESTERN QUEBEC SCHOOL BOARD

REVENUE AND EXPENDITURE
YEAR ENDED JUNE 30, 2005

	<u>2005</u>	<u>2004</u>
REVENUE		
Taxation	\$ 10 456 931	\$ 9 969 379
Grants - note 2	50 941 496	51 058 678
School fees	805 552	726 011
Tenant lieu of taxes	631 498	627 921
Other general revenue	582 237	74 105
Specific revenue	<u>9 637 592</u>	<u>7 201 880</u>
	<u>73 055 306</u>	<u>69 657 974</u>
 EXPENDITURE		
Educational activities	30 845 677	30 779 515
Support to educational activities	10 575 175	10 133 112
Auxiliary activities	7 851 117	7 497 765
Administration and equipment activities	4 550 536	4 896 275
Building activities	6 788 712	6 694 271
Other activities	3 765 179	3 967 675
Capital investment	<u>8 225 453</u>	<u>4 557 181</u>
	<u>72 601 849</u>	<u>68 525 794</u>
 EXCESS OF REVENUE OVER EXPENDITURE	 \$ <u>453 457</u>	 \$ <u>1 132 180</u>

The accompanying notes are an integral part of these financial statements.

WESTERN QUEBEC SCHOOL BOARD

ACCUMULATED SURPLUS
YEAR ENDED JUNE 30, 2005

	<u>2005</u>	<u>2004</u>
BEGINNING BALANCE	\$ 1 056 866	\$ 446 410
CURRENT YEAR OPERATIONS AFFECTING PRIOR YEARS		
Financial statements analysis by the MELS	(131 614)	69 935
Tax modifications	(28 566)	52 857
Other modifications	(<u>380 707</u>)	(<u>644 516</u>)
RESTATED BALANCE	515 979	(75 314)
EXCESS OF REVENUE OVER EXPENDITURE	<u>453 457</u>	<u>1 132 180</u>
ENDING BALANCE	\$ <u><u>969 436</u></u>	\$ <u><u>1 056 866</u></u>

The accompanying notes are an integral part of these financial statements.

WESTERN QUEBEC SCHOOL BOARD

CAPITAL EQUITY
YEAR ENDED JUNE 30, 2005

	<u>2005</u>	<u>2004</u>
BEGINNING BALANCE	\$ 79 506 665	\$ 72 141 751
FINANCIAL STATEMENTS ANALYSIS BY THE MELS	<u>2 237</u>	(<u>836</u>)
RESTATED BALANCE	79 508 902	72 140 915
ADDITIONS OF INVESTMENTS	1 764 080	1 544 904
VARIATION OF LONG TERM DEBT	422 870	239 521
VARIATION OF THE MUNICIPAL EVALUATION	(7 022 900)	7 126 230
ANNUAL REDUCTION OF INVESTMENTS	(<u>1 553 171</u>)	(<u>1 544 905</u>)
ENDING BALANCE	\$ <u>73 119 781</u>	\$ <u>79 506 665</u>

The accompanying notes are an integral part of these financial statements.

WESTERN QUEBEC SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

1. ACCOUNTING STANDARDS

ACCOUNTING PRACTICES

The financial statements are prepared accordingly to accounting practices prescribed by the ministère de l'Éducation, du Loisir et du Sport for the school boards. Those accounting practices differ with generally accepted accounting principles. The principal accounting practices which are different and have a significant financial incidence are as follows:

a) Revenues and expenditures

The accrual basis of accounting has been used to account for revenues and expenditures except for tenant lieu of taxes and interest on long term debt.

Provision for sick days accumulated during past years has not been entirely accounted for. As at June 30, 2005, a provision of \$ 33 985 has been accounted for 1 129 sick days accumulated.

All revenues are presented as is except refunds from taxes which are reduced from the expenses.

b) Capital investments

The capital investments are charged to expenditure of the year without regard on their financing except those financed by long term debt supported by the school board. For these capital investments, the charge to expenditure represents the capital refund on long term debt.

The lands and buildings are presented at their most recent municipal evaluation and no depreciation has been recorded.

The other capital investments are presented at cost less 20% depreciation.

WESTERN QUEBEC SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

1. ACCOUNTING STANDARDS (FOLLOWING)

c) Capital equity

The long term debt financed by the ministère de l'Éducation, du Loisir et du Sport and their sinking funds are part of the capital equity.

d) Prior year adjustments

To establish comparability with the financial report document demanded by the ministère de l'Éducation, du Loisir et du Sport, that does not present any comparative data of the revenue over expenditure statement, the prior year adjustments on the statement of the revenue and expenditure are not written as required by generally accepted accounting principles, but are strictly presented in the accumulated surplus and in the capital equity statements as well as the balance sheet.

e) Grants

The operational, perequation, transportation, debt service and capital investment grants were put together after considering the analysis of the current financial statements prepared by the school board. This analysis is subject to the approval of the ministère de l'Éducation, du Loisir et du Sport. Any modification will be recorded as a prior year adjustment to the subsequent financial statements.

2. GRANTS RECEIVABLE AND GRANTS REVENUE

	<u>Receivable</u>	<u>Revenue</u>
Operational grant	\$ 4 152 035	\$ 37 844 571
Perequation	-	5 884 820
Transportation	49 053	2 820 479
Debt service	(24 948)	2 026 910
Capital investment	<u>2 467 851</u>	<u>2 364 716</u>
	<u>\$ 6 643 991</u>	<u>\$ 50 941 496</u>

WESTERN QUEBEC SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

3. BANK LOANS

The bank loans bear interest at prime rate. They are secured by the ministère de l'Éducation, du Loisir et du Sport except those to be financed by the School Board.

4. LONG TERM DEBT

Over the three following years, the capital refund on long term debt financed by the School Board are as follow:
2006: \$ 431 825; 2007: \$ 421 988 and 2008: \$ 164 193.

5. CONTRACTUAL COMMITMENTS

On May 11, 2000, the School Board leased premises, under an operating lease, for a period of 25 years. Under this lease, the School Board agreed to pay a basic rent of \$ 425 125 annually for the first 10 years. After this period, the basic rent is subject to a variation corresponding to the variation of Canada Saving Bonds interest. In addition, the School Board is required to pay operating costs temporary established to \$ 150 000 annually.

The School Board has signed three years transportation's contracts ending in 2006-2007. Under these contracts, the School Board agreed to pay a minimum amount of \$ 5 282 763 subject to revision due to modification of trips.

6. OPERATION BETWEEN RELATED PARTIES

Any financial transaction between related parties has been occurred during the year.

WESTERN QUEBEC SCHOOL BOARD

SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2005

<u>EXPENDITURE</u>	<u>2005</u>	<u>2004</u>
EDUCATIONAL ACTIVITIES		
Pre-school education	\$ 1 807 488	\$ 1 996 044
Elementary education	11 727 426	11 965 736
Secondary education	13 494 841	12 864 477
Professional education	1 161 720	1 140 961
Special education	1 581 664	1 740 738
Adult education	<u>1 072 538</u>	<u>1 071 559</u>
	<u>30 845 677</u>	<u>30 779 515</u>
SUPPORT TO EDUCATIONAL ACTIVITIES		
School administration	5 300 494	4 980 694
Instructional resources	761 264	730 296
Complementary activities	3 460 382	3 215 491
Pedagogical services and support	378 534	322 475
Consultation and animation	<u>674 501</u>	<u>884 156</u>
	<u>10 575 175</u>	<u>10 133 112</u>
AUXILIARY ACTIVITIES		
Boarding allowance	3 000	-
Student transportation	6 251 401	5 735 415
Day care	<u>1 596 716</u>	<u>1 762 350</u>
	<u>7 851 117</u>	<u>7 497 765</u>
ADMINISTRATION ACTIVITIES		
Commissioners council and committees	262 736	356 894
Management activities	2 652 629	2 803 217
Corporate services	1 016 902	1 115 066
Professional improvement	<u>618 269</u>	<u>621 098</u>
	<u>4 550 536</u>	<u>4 896 275</u>

WESTERN QUEBEC SCHOOL BOARD

SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2005

	<u>2005</u>	<u>2004</u>
<u>EXPENDITURE (FOLLOWING)</u>		
BUILDING AND EQUIPMENT ACTIVITIES		
Maintenance of furniture and equipment	82 998	112 808
Buildings maintenance	1 611 686	1 576 643
Caretaking	2 724 609	2 667 879
Energy consumption	1 450 359	1 506 453
Rentals	898 419	787 740
Protection and security	<u>20 641</u>	<u>42 748</u>
	<u>6 788 712</u>	<u>6 694 271</u>
OTHER ACTIVITIES		
Interest and trustee cost	2 646 796	2 563 013
Special projects	78 128	418 051
Retroactivity	147 863	101 890
School fees	229 072	125 794
Security of employment	-	42 567
Loan of service	188 156	193 054
Extracurricular activities	<u>475 164</u>	<u>523 306</u>
	<u>3 765 179</u>	<u>3 967 675</u>
CAPITAL INVESTMENT		
Construction	5 582 303	1 116 690
Transformation and renovation of buildings	882 833	977 226
Furniture and equipment	<u>1 760 317</u>	<u>2 463 265</u>
	<u>8 225 453</u>	<u>4 557 181</u>
	\$ <u>72 601 849</u>	\$ <u>68 525 794</u>