
Financial Statements

**Western Québec School
Board
June 30, 2016**



**Financial Year
July 1, 2015 to June 30, 2016
Summary Report**

**WESTERN QUEBEC
SCHOOL BOARD**

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

JUNE 30, 2016

French Official Version

WESTERN QUEBEC SCHOOL BOARD
JUNE 30, 2016

YEAR 2015-2016

SCHOOL BOARD FINANCIAL REPORTS
FOR THE FISCAL YEAR ENDING JUNE 30, 2016

Director's Report

The financial statements of the Western Quebec School Board, bearing digital signature 5821240348, 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 directorate 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: _____

Date: _____

WESTERN QUEBEC SCHOOL BOARD

FINANCIAL STATEMENTS

JUNE 30, 2016

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**WESTERN QUEBEC SCHOOL BOARD
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2016**

	2016	2015
	\$	\$
FINANCIAL ASSETS		
Cash	1,027,087	(1,631,238)
Operating grants receivable	8,314,850	8,025,342
Financing grants receivable	5,724,168	5,549,939
School tax receivable	3,563,310	3,077,850
Receivables	2,246,291	2,034,818
Long-term investments	15,529	78,605
TOTAL FINANCIAL ASSETS	20,891,235	17,135,316
LIABILITIES		
Bank overdraft	-	-
Short-term loans	6,000,000	12,500,000
Accounts payable and accrued liabilities	7,705,923	6,065,519
Deferred revenue received in advance	4,658,677	3,332,266
Provisions for future benefits	4,891,833	5,175,117
Long-term debt subject to promise of grant	72,289,054	64,885,243
Other liabilities	737,778	648,900
TOTAL LIABILITIES	96,283,264	92,607,045
NET DEBT	(75,392,030)	(75,471,729)
NON-FINANCIAL ASSETS		
Fixed capital assets	89,674,502	89,232,032
Inventory/stocks	7,282	7,282
Prepaid expenses	167,483	114,286
TOTAL NON-FINANCIAL ASSETS	89,849,268	89,353,600
ACCUMULATED SURPLUS		
ACCUMULATED SURPLUS	14,457,238	13,881,871

**WESTERN QUEBEC SCHOOL BOARD
STATEMENT OF ACCUMULATED SURPLUS
FOR THE YEAR ENDED JUNE 30, 2016**

	2016	2015
	\$	\$
Opening accumulated surplus	13,881,872	14,266,917
Surplus/deficit for fiscal year	575,366	(385,045)
Closing accumulated surplus	14,457,238	13,881,872

**WESTERN QUEBEC SCHOOL BOARD
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2016**

	2016 Budget	Actual Results □	
		2016	2015
	\$	\$	\$
REVENUE			
Operating grants from MEES	59,952,121	61,782,752	61,338,843
Other grants and contributions	205,400	990,789	777,247
School tax	18,243,782	18,557,000	17,160,816
School fees and course fees	705,656	1,544,522	1,190,963
Sale of goods and services	3,785,762	3,211,133	3,269,470
Miscellaneous revenues	908,699	1,509,011	1,440,053
Amortization of deferred contributions related to acquisition of fixed assets	-	168,710	153,824
TOTAL REVENUE	83,801,420	87,763,917	85,331,216
EXPENSES			
Teaching and training activities	38,867,019	40,709,863	38,973,236
Support to teaching and training	15,574,586	16,674,563	16,854,160
Auxilliary services	10,376,774	10,410,174	10,665,765
Administrative activities	4,593,107	4,394,661	4,538,983
Activities related to movable and immovable property	11,067,900	11,271,402	11,083,052
Other activities	3,322,034	4,039,232	2,999,444
Expense - Variation of provisions for benefits	-	(283,284)	653,824
Loss or (gain) on disposal of fixed assets	-	(28,062)	(52,203)
TOTAL EXPENSES	83,801,420	87,188,551	85,716,261
SURPLUS/DEFICIT FOR FISCAL YEAR	-	575,366	(385,045)

**WESTERN QUEBEC SCHOOL BOARD
STATEMENT OF CHANGE IN NET DEBT
FOR THE YEAR ENDED JUNE 30, 2016**

	2016	2015
	\$	\$
OPENING NET DEBT	(75,471,728)	(70,365,084)
Surplus/deficit for fiscal year	575,366	(385,045)
Variation due to fixed capital assets		
Acquisition of fixed capital assets	(5,197,755)	(9,381,145)
Amortization of fixed assets plus net on disposal	4,750,444	4,562,155
Total variation due to fixed assets	(447,311)	(4,818,990)
Product minus the gain on disposal of fixed assets	4,840	7,797
Variation due to inventory/stocks and prepaid expenses	(53,197)	89,594
INCREASE OR (DECREASE) IN NET DEBT	79,698	(5,106,643)
NET DEBT AT YEAR END	(75,392,029)	(75,471,728)

**WESTERN QUEBEC SCHOOL BOARD
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2016**

	2016	2015
	\$	\$
OPERATING ACTIVITIES		
Surplus/Deficit for fiscal year	575,366	(385,045)
Items with no effect on cash and cash equivalents		
Variation of provisions for future benefits	(283,284)	653,824
Variation of inventory/stocks and prepaid expenses	(53,197)	89,594
Variation of deferred revenues received in advance	168,710	153,824
Variation of debt related deferred costs	51,181	49,263
Amortization of fixed assets	4,750,444	4,562,155
Loss or (gain) on asset disposition	(28,062)	(52,203)
Variation of financial assets and liabilities related to operations	(11,281,930)	6,542,148
CASH AND CASH EQUIVALENTS FROM OPERATING ACTIVITIES	(6,100,772)	11,613,560
FIXED ASSET INVESTMENT ACTIVITIES		
Disbursements for acquisition of fixed assets	(5,197,755)	(9,381,145)
Income from disposal of fixed assets	32,901	60,000
Transfer of fixed assets to fixed assets for sale	-	-
CASH AND CASH EQUIVALENTS USED FOR INVESTMENT ACTIVITIES IN FIXED ASSETS	(5,164,854)	(9,321,145)
INVESTMENT ACTIVITIES		
Income from long-term investments	-	-
CASH FLOW RELATED TO INVESTMENT ACTIVITIES	-	-
FINANCING ACTIVITIES		
Reimbursement of debts assumed by the S.B.	(187,051)	(187,050)
Income from issuance of debts with a grant receivable	11,574,000	4,140,000
Reimbursement of debts with a grant receivable	(3,963,000)	(2,391,000)
Variation in short-term borrowings	6,500,000	(3,000,000)
CASH AND CASH EQUIVALENTS FROM FINANCING ACTIVITIES	13,923,949	(1,438,050)
REDUCTION IN CASH AND CASH EQUIVALENTS OPENING CASH AND CASH EQUIVALENTS	2,658,323 (1,631,237)	854,365 (2,485,602)
CLOSING CASH AND CASH EQUIVALENTS	1,027,086	(1,631,237)

**WESTERN QUEBEC SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

FIXED CAPITAL ASSETS

	2016									2015
	Cost				Accumulated amortization				Net value	Net value
	Opening balance	Acquisitions	Disposals	Closing balance	Opening balance	Amortization for fiscal year	Disposals	Closing balance		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Land	2,765,638	0	4,840	2,760,798	0	0	0	0	2,760,798	2,765,638
Development										
Land development (10 years)	462,136	28,083	0	490,218	192,530	46,259	0	238,789	251,429	269,606
Land development (20 years)	2,932,487	242,287	0	3,174,774	634,985	141,154	0	776,139	2,398,635	2,297,502
Buildings										
Buildings acquired before July 1st, 2008 (35 years)	78,024,011	0	0	78,024,011	49,975,201	1,362,564	0	51,337,765	26,686,246	28,048,810
Buildings (20 years)	0	0	0	0	0	0	0	0	0	0
Buildings (40 years)	0	0	0	0	0	0	0	0	0	0
Buildings (50 years)	26,784,701	28,961	0	26,813,662	2,130,250	554,774	0	2,685,024	24,128,638	24,654,451
Leasehold improvements	22,730	0	0	22,730	13,849	2,317	0	16,166	6,564	8,881
Major improvements and transformations										
Major improvements and transformations (25 years)	9,699,098	1,945,917	0	11,645,015	1,191,059	412,976	0	1,604,035	10,040,980	8,508,039
Major improvements and transformations (30 years)	9,858,839	1,811,161	0	11,670,000	964,305	344,107	0	1,308,412	10,361,587	8,894,533
Major improvements and transformations (40 years)	8,651,908	1,250	0	8,653,158	826,916	197,790	0	1,024,706	7,628,452	7,824,992
Materials and equipment										
Furniture and office equipment	1,487,731	154,600	0	1,642,331	889,107	207,906	0	1,097,014	545,317	598,624
Other equipment	504,467	89,434	0	593,901	123,956	30,978	0	154,934	438,967	380,511
Computer equipment	4,508,244	561,693	0	5,069,936	3,620,559	683,790	0	4,304,349	765,587	887,684
Multimedia communication equipment	2,237,214	213,743	0	2,450,957	1,024,677	359,925	0	1,384,601	1,066,355	1,212,537
Vehicules	151,185	7,095	0	158,280	18,799	30,026	0	48,824	109,456	132,387
Library documents	524,809	97,896	0	622,705	163,063	52,796	0	215,859	406,846	361,746
Textbooks (initial purchases)	1,112,465	141	0	1,112,606	988,750	97,788	0	1,086,538	26,068	123,715
Special equipment related to education										
Specialized equipment (10 years)	303,359	15,495	0	318,854	114,467	24,360	0	138,827	180,028	188,893
Specialized equipment (20 years)	787,500	0	0	787,500	217,018	40,387	0	257,405	530,095	570,482
Information technology development	494,921	0	0	494,921	479,103	12,333	0	491,436	3,485	15,818
Telecommunications system	2,963,711	0	0	2,963,711	1,476,527	148,216	0	1,624,743	1,338,968	1,487,184
	154,277,152	5,197,755	4,840	159,470,067	65,045,121	4,750,444	0	69,795,565	89,674,502	89,232,031

**WESTERN QUEBEC SCHOOL BOARD
DETAILED EXPENSES BY ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2016**

	SALARIES	SALARY BENEFITS	TRAVEL EXPENSES	SUPPLIES & MATERIALS	FEES & CONTRACTS	EQUIPMENT & INVEST- MENTS	OTHER EXPENSES	TOTAL EXPENSES 2016	TOTAL EXPENSES 2015
	\$	\$	\$	\$	\$	\$	\$	\$	\$
TEACHING AND TRAINING ACTIVITIES									
Pre-school education	2 178 312	249 870	3 583	17 675	3 421	0		2 452 861	2 806 826
Primary education	15 528 896	1 810 029	3 056	292 198	1 519			17 635 697	16 887 355
General secondary education	12 028 747	1 388 964	3 431	324 196	22 277	0		13 767 615	13 204 588
Vocational training	1 241 025	148 623	21 795	155 469	318 863	95 657	2 309	1 983 741	1 562 363
Specific training	3 194 976	372 298	1 933	35 474	12 605			3 617 286	3 275 701
Adult general education	1 084 085	125 478	3 915	37 740	1 446	0	0	1 252 663	1 236 403
	35 256 040	4 095 262	37 713	862 750	360 131	95 657	2 309	40 709 863	38 973 236
SUPPORT TO TEACHING									
Management of schools and centres	4,487,060	551,300	49,385	314,815	465,771	0	0	5 868 331	5 924 270
Teaching tools	842,285	112,525	36,119	62,488	368,005	41,957	0	1 463 379	1 585 159
Complementary services	4,916,945	676,858	20,280	78,752	301,962	1,271	0	5 996 069	5 681 938
Specific pedagogical and training services	387,151	49,555	22,718	24,873	119,952	1,861	0	606 110	480 253
Animation and instructional development	954,135	107,979	60,720	39,627	45,658	0	(381)	1 207 740	1 228 083
Professional development - teaching and other staff	229,246	27,788	148,420	22,156	90,786	0	0	518 397	688,659
Sports, cultural and social activities	40,911	5,983	16,072	187,839	445,302	0	318,431	1 014 539	1,265,798
	11 857 734	1 531 989	353 714	730 551	1 837 436	45 089	318 050	16 674 563	16 854 160
AUXILLIARY SERVICES									
Food and accommodation	0	0	0	0	0	0	0	2 250	5 625
School transportation	0	0	0	0	7,137,469	0	704,676	7 842 144	8 099 178
Daycare	2,114,500	297,185	14,417	90,584	49,093	0	0	2 565 780	2 560 961
	2 114 500	297 185	14 417	90 584	7 186 562		704 676	10 410 174	10 665 765
ADMINISTRATIVE ACTIVITIES									
Council of commissioners and committees	136,311	7,326	16,648	2,061	32,658	0	0	195 004	329 460
Management	2,561,102	310,645	43,263	76,634	449,142	0	24 479	3 465 266	3 296 226
Corporate fees and services	227,023	24,215	2 141	30,340	401,494	3,156	0	688 368	853 991
Professional development	0	0	18,067	0	23,002	0	4,954	46 023	59 305
	2 924 436	342 186	80 120	109 035	906 296	3 156	29 433	4 394 661	4 538 983
BALANCES TO BE CARRIED OVER	52 152 710	6 266 622	485 964	1 792 920	10 290 425	143 902	1 054 468	72 189 262	71 032 143

**WESTERN QUÉBEC SCHOOL BOARD
DETAILED EXPENSES BY ACTIVITY
FOR YEAR ENDED JUNE 30, 2016**

	SALARIES	SALARY BENEFITS	TRAVEL EXPENSES	SUPPLIES & MATERIALS	FEES & CONTRACTS	EQUIPMENT & INVEST- MENTS	OTHER EXPENSES	TOTAL EXPENSES 2016	TOTAL EXPENSES 2015
	\$	\$	\$	\$	\$	\$	\$	\$	\$
BALANCE CARRIED OVER	52 152 710	6 266 622	485 964	1 792 920	10 290 425	143 902	1 054 468	72 189 262	71 032 143
ACTIVITIES RELATED TO									
MOVABLE AND IMMOVABLE PROPERTY									
Maintenance of movable property	0	0	0	6,332	39,484	1,499,880	604	1 546 300	1 745 844
Conservation of immovable property	420 646	58 675	34 178	236 621	862 580	3 301 474	2 093	4 916 266	4 365 118
Janitorial services	1 776 966	252 284	4674.62	30 997	816 943	0	0	2 881 865	2 886 378
Energy consumption	0	0	0	1 550 235	0	0	0	1 550 235	1 761 307
Building rental	0	0	0	0	212 870	0	0	212 870	200 361
Protection and security	0	0	0	5 910	83 334	0	0	89 245	42 490
Major improvements, transformations and renovations	0	0	0	10,060	64,562	0	0	74 622	81 555
Information and telecommunications systems	0	0	0	0	0	0	0	0	0
	2 197 612	310 959	38 852	1 840 155	2 079 774	4 801 354	2,696	11 271 402	11 083 052
OTHER ACTIVITIES									
Financing	0	0	0	0	0	0	2 194 455	2 194 455	2 235 657
Special projects	110 432	12 642	1 812	4 131	173 165	0	93 391	395 574	192 699
Retroactivity	186 024	16 178	0	0	0	0	0	202 202	63 691
Tuition fees and agreements	0	0	0	0	0	0	633 476	633 476	426 176
Provisions - bad debts	0	0	0	0	0	0	614 542	614 542	64,994
Loan of service	(31 673)	0	0	0	0	0	0	(31 673)	(9 562)
School fundraising activities	0	0	0	0	0	0	30 657	30 657	25 789
	264 783	28 820	1 812	4 131	173 165	0	3 566 521	4 039 233	2 999 444
OTHER ITEMS									
Expenses - variation of provisions for social benefits	(244 561)	(38 724)	0	0	0	0	0	(283 284)	653 824
Gain on disposal of fixed assets	0	0	0	0	0	0	(28 062)	(28 062)	-52,203
TOTAL	54 370 545	6 567 677	526 629	3 637 207	12 543 364	4 945 256	4 595 624	87 188 551	85 716 261

WESTERN QUEBEC SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

1. STATUTES

The Western Québec School Board was established under Decree No. 1014-97 of August 13, 1997. The financial statements were produced to meet the requirements of Article 287 of the Public Education Act (CQLR, Chapter I-13.3). The mission of a school board is to organize, for the benefit of the persons who come under its jurisdiction, the educational services provided for by this Act and by the basic school regulations established by the Government of Québec.

The mission of a school board is also to promote and enhance the status of public education within its territory, to see to the quality of educational services and the success of students so that the population may attain a higher level of formal education and qualification, and to contribute, to the extent provided for by law, to the social, cultural and economic development of its region.

2. SIGNIFICANT ACCOUNTING POLICIES

The School Board mainly uses the *CPA Canada Public Sector Accounting Handbook* for the purposes of its annual financial statements. The use of generally accepted accounting principles from any other source is consistent with the above.

Accounting Estimates

The preparation of the financial statements of the 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 include the useful life of capital assets, accrued liabilities, allowances for future benefits and allowance for the CSST retrospective plan. Actual results may be different from the administration's best estimates.

Financial Assets

Cash and Cash Equivalents

Cash and cash equivalents include: bank account balances, including 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 or that can be redeemed at any time without penalties. These investments are stated at the lower of cost or market value.

Receivables

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 provision is noted in the results of the "Other Activities" line item.

**WESTERN QUEBEC SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

Long-term investments

Long-term investments are recorded at cost. Long-term investments are reduced through a write-down on investments where a permanent impairment in value is recorded. The variation of the period of this allowance is noted in the results of the "Related Activities" line item.

Liabilities

Pension plan

School board staff members participate in the Government and Public Employees Retirement Plan (RREGOP), the Teacher's Pension Plan (TPP) or the Pension Plan of Management Personnel (PPMP). These inter-employer plans are defined benefits pension plans and include retirement and death guarantees. Period contributions to these government plans for the School Board are assumed by the Quebec government, and do not appear in the financial statements.

Provisions for future benefits related to remuneration

Short-term liabilities stemming from sick leave, holidays, accumulated overtime, wage-loss insurance and other social holidays (maternity, paternity leave), as well as long-term liabilities stemming from redeemable sick leave days for teaching staff earned by the Board's employees are recorded as costs in the form of liabilities. Variations in the allowance period are recorded as expenses.

Long-term debt

Long-term debt is recorded at the amount received at the time of issuance, adjusted for amortization of purchase discounts and premiums, to obtain the capital amount to be repaid upon maturity.

Costs related to the issuance of debt are deferred and amortized using the straight line method over the term of the debt. The unamortized balance is included in the long-term debt balance.

Non-Financial Assets

Capital assets

Fixed capital assets are non-financial assets that are acquired, constructed, developed or improved, whose useful life extends beyond the fiscal year, and that are intended for long-term use in the production of goods or in the delivery of services.

Fixed capital assets should be recorded at cost. Except for land, the cost of fixed assets is amortized on a straight-line basis over their useful lives as follows:

Land development	10 or 20 years
Buildings and major improvements to buildings	20 to 50 years
Leasehold improvements	duration of lease
Materials and equipment	3 to 15 years
Special equipment related to education	10 or 20 years
Library documents	10 years
Textbooks – initial purchases	5 years
Rolling stock	5 years

**WESTERN QUEBEC SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

Information technology development	5 years
Telecommunications network	20 years

The cost of fixed assets held under a capital lease is equal to the present value of the minimum lease payments.

Fixed assets under construction, development or being improved are not amortized prior to being commissioned.

Total fixed assets under construction include:

- fixed assets equal to \$391,254 (\$1,917,539 as at June 30, 2015) for property under construction, development or improvement, i.e., \$122,157 (\$63,096 as at June 30, 2015) for development and \$265,506 (\$1,850,851 as at June 30, 2015) for major improvements and transformations to buildings. No amortization is taken on these fixed assets.

During the fiscal year, fixed assets amounting to \$241,977 (\$40,588 as at June 30, 2015) were acquired by donation or at a nominal cost, or partially or fully funded by contributions from outside organizations.

As at June 30, 2016, the item "*Accounts payable and accrued expenses*" included the sum of \$23,250 (\$63,933 as at June 30, 2015) allocated for the acquisition of fixed assets.

Works of art and historical treasures mostly include paintings, sculptures, drawings and installations, and their cost are charged to expense for the year during which they are acquired.

Fixed 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 year of acquisition. The deferred revenues are gradually transferred to the results of operations via the same amortization method and for the same duration as with the fixed assets in question.

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 and the depreciation is entered 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 or sold in the normal course of activities for the upcoming fiscal year(s). These inventories/stocks are assessed at the lower of either the 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 benefits from the acquired services.

WESTERN QUEBEC SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

Revenue

Deferred grants and contributions

Grants from the MEES are recorded during the fiscal year in which the School Board met eligibility requirements stipulated under the budgetary rules for said year. Except for allowances granted for in-service training or intended to meet collective bargaining agreement conditions, grants from the MEES are not deferred, in compliance with the budgetary rules.

Grants allocated for the purchase 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 allocated for the acquisition of fixed 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 allocated for the acquisition of tangible fixed assets" line item.

Other contributions allocated for the acquisition of fixed assets which are not transfer payments are entered under the "Deferred contributions allocated for the acquisition of fixed assets" line item, and recorded as revenue under the "Amortization of deferred contributions allocated for the acquisition of fixed assets" line item in the fiscal year 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 evaluation rolls are recorded when the evaluator'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 fiscal year during which it is received.

Sales of goods and services and miscellaneous revenue

Revenue is recorded under the fiscal year during which the transactions or actions to which they accrue occurred.

Expenses

Expenses include the cost of goods consumed and services obtained in the course of the fiscal year, irrespective of whether they have been paid for, or whether or not a bill has been submitted for them, and the amortization of the cost of fixed assets for the year in question.

**WESTERN QUEBEC SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

3. LONG-TERM INVESTMENTS

	2016	2015
	\$	\$
Mortgage receivable, bearing a 3.85% interest rate, due in September 2017, cashable through monthly payments of \$6,000, capital and interest.	15,529	78,605

4. SHORT-TERM LOANS

Bank loans and bankers' acceptances are authorized each month by the Ministère de l'Éducation et de l'Enseignement supérieur. Authorized allotments amount to \$28,231,247 (\$25,390,252 as at June 30, 2015). The bankers' acceptance, which matures on July 8, 2016, bears an interest rate of 0.85% and is guaranteed by the Ministère de l'Éducation et de l'Enseignement supérieur.

5. PROVISIONS FOR FUTURE BENEFITS

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. The program enables workers to accumulate unused sick leave days to which they are entitled annually and to claim compensation in case of termination of employment, retirement, or death. Moreover, in cases of early retirement, employees can choose to convert these accumulated sick leave days into fully compensated absences.

6. LONG-TERM DEBT SUBJECT TO A GRANT RECEIVABLE

	2016	2015
	\$	\$
Long-term notes bearing interest at a rate varying from 1.06 to 5.40%, with maturity dates between September 2016 and December 2040, and refundable by the Ministère de l'Enseignement et de l'éducation supérieure.	72,322,000	64,711,000
Deferred debt-related costs	310,253	290,114
	72,011,747	64,420,856

Principal repayments due on long-term debts subject to a promise of grant over the upcoming five (5) years are as follows:

2017	\$12,445,000	2018	\$18,723,000
2019	\$3,197,000	2020	\$4,041,000
2021	\$2,613,000		

**WESTERN QUEBEC SCHOOL BOARD
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JUNE 30, 2016**

7. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Risk management policy

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, 2016.

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 receivables balance, after which a provision for bad debts is established, as needed, based on the estimated realizable amount. The credit risk associated with pending grants is minimal, since the funds come from the government.

The book value of the School Board's main financial assets represents its maximum risk exposure.

The following table presents the aging report of accounts receivable, excluding consumption taxes, net of the provisions for bad debts, as at June 30, 2016.

	2016	2015
Receivables	\$	\$
Less than 30 days following invoice date	1,078,279	843,610
From 30 to 60 days following invoice date	27,037	0
From 61 to 90 days following invoice date	164,791	87,765
Over 90 days following invoice date	2,002,324	1,508,785
Sub-total	3,272,431	2,440,160
Provision for bad debts		
Total negative receivables for provision of bad debts	\$ - 986,640	\$ -547,977

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

WESTERN QUEBEC SCHOOL BOARD
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for benefits (holidays and other forms of leave) and its long-term borrowings. The contractual cash flows associated with the School Board's financial liabilities as at June 30, 2016 are as follows:

June 30, 2016	Less than 1 year	1 to 3 years	4 to 5 years	Over 5 years	Total
Short-term loans	\$6,000,000				\$6,000,000
Accounts payable and accrued liabilities	\$7,441,114	\$264,809	\$0		\$7,705,923
Long-term debt	\$12,445,000	\$25,961,000	\$5,226,000	\$28,690,000	\$72,322,000
Provisions for benefits	\$4,891,833				\$4,891,833

Comparative with June 30, 2015

June 30, 2015	Less than 1 year	1 to 3 years	4 to 5 years	Over 5 years	Total
Short-term loans	\$12,500,000				\$12,500,000
Accounts payable and accrued liabilities	\$5,945,822	\$119,696	\$0		\$6,065,518
Long-term debt	\$3,963,000	\$32,106,000	\$5,844,000	\$22,798,000	\$64,711,000
Provisions for benefits	\$5,175,117				\$5,175,117

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 interest rate risk.

WESTERN QUEBEC SCHOOL BOARD
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JUNE 30, 2016

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. Variable interest rate instruments are short-term 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.

8. CONTRACTUAL 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 \$6,375,912 (\$12,751,821 in 2015) for school transportation contracts, ending in June 2017.
- b) An amount of \$2,572,926 (\$2,485,472 in 2015) for major construction, development and renovation projects to be carried out in 2017.
- c) An amount of \$1,548,186 (\$413,750 in 2015) for janitorial contracts, ending in June 2019. Payments for the respective fiscal years stand at \$575,650 in 2017; \$479,600 in 2018, and \$492,936 in 2019.
- d) An amount of \$125,393 (\$20,413 in 2015) for elevator maintenance contracts ending in 2021. Payments for the respective fiscal years stand at \$32,270 in 2017; \$22,426 in 2018; \$22,985 in 2019; \$23,560 in 2020, and \$24,152 in 2021.
- e) An amount of \$370,594 (\$398,253 in 2015) to be paid for various contracts—grass cutting, garbage services, and snow removal—ending in 2017 and 2018.
- f) An amount of \$637,716 (\$634,293 in 2015) to be paid for photocopier and IT equipment leases up to May 2021. Payments for the respective fiscal years stand at \$179,867 in 2017; \$177,066 in 2018; \$137,620 in 2019; \$109,445 in 2020, and \$33,718 in 2021.
- g) An estimated amount of \$400,000 (\$0 in 2015) for a buildings rental contact with a related organization, ending in June 2020. Respective payments for each fiscal year are estimated at \$100,000 in 2017; \$100,000 in 2018; \$100,000 in 2019, and \$100,000 in 2020.

**WESTERN QUEBEC SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

9. RELATED ORGANIZATION TRANSACTIONS

In addition to transactions between related organizations disclosed in the financial statements and recognized at their exchange value, the School Board is related to all ministries and special funds as well as all organizations and corporations directly or indirectly controlled by the Québec government or subject either to joint control or significant influence by the Québec government. 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. These transactions are clearly disclosed on pages 190 and 191 of the financial report.

Annexes

Opinion

In our opinion the financial statements provide, in all their significant aspects, an accurate image of the financial situation of the Western Québec School Board as of June 30, 2016, includes the results of its activities, the variation of its net financial assets, and its cash flow as of the period ending on this date, and this, in accordance with the Canadian accounting standards.

— Exerpt from the “*Rapport de l’auditeur indépendant*”—
(*Translation*)



Rapport de l'auditeur indépendant

Aux membres du Conseil des commissaires de
Commission scolaire Western Québec

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Nous avons effectué l'audit des états financiers ci-joints de la Commission scolaire Western Québec portant la signature électronique 5818382024 et présentés dans le format du rapport financier TRAFICS prescrit par le ministère de l'Éducation et de l'Enseignement supérieur, qui comprennent l'état de la situation financière au 30 juin 2016 et l'état des résultats, l'état des surplus accumulés, l'état de la variation des actifs financiers nets et l'état des flux de trésorerie pour l'exercice terminé à cette date, ainsi qu'un résumé des principales méthodes comptables et d'autres informations explicatives présentés aux pages 7 à 280 du rapport financier TRAFICS.

Responsabilité de la direction pour les états financiers

La direction est responsable de la préparation et de la présentation fidèle de ces états financiers conformément aux Normes comptables canadiennes pour le secteur public, ainsi que du contrôle interne qu'elle considère comme nécessaire pour permettre la préparation d'états financiers exempts d'anomalies significatives, que celles-ci résultent de fraudes ou d'erreurs.

Responsabilité de l'auditeur

Notre responsabilité consiste à exprimer une opinion sur les états financiers, sur la base de notre audit. Nous avons effectué notre audit selon les normes d'audit généralement reconnues du Canada. Ces normes requièrent que nous nous conformions aux règles de déontologie et que nous planifions et réalisons l'audit de façon à obtenir l'assurance raisonnable que les états financiers ne comportent pas d'anomalies significatives.

Un audit implique la mise en œuvre de procédures en vue de recueillir des éléments probants concernant les montants et les informations fournis dans les états financiers. Le choix des procédures relève du jugement de l'auditeur, et notamment de son évaluation des risques que les états financiers comportent des anomalies significatives, que celles-ci résultent de fraudes ou d'erreurs. Dans l'évaluation de ces risques, l'auditeur prend en considération le contrôle interne de l'entité portant

sur la préparation et la présentation fidèle des états financiers afin de concevoir des procédures d'audit appropriées aux circonstances, et non dans le but d'exprimer une opinion sur l'efficacité du contrôle interne de l'entité. Un audit comporte également l'appréciation du caractère approprié des méthodes comptables retenues et du caractère raisonnable des estimations comptables faites par la direction, de même que l'appréciation de la présentation d'ensemble des états financiers.

Nous estimons que les éléments probants que nous avons obtenus sont suffisants et appropriés pour fonder notre opinion d'audit.

Opinion

À notre avis, les états financiers donnent, dans tous leurs aspects significatifs, une image fidèle de la situation financière de la Commission scolaire Western Québec au 30 juin 2016, ainsi que des résultats de ses activités, de la variation de ses actifs financiers nets et de ses flux de trésorerie pour l'exercice terminé à cette date, conformément aux Normes comptables canadiennes pour le secteur public.

Autre point

Les informations présentées aux pages 300 à 452 du rapport financier TRAFICS ne sont pas auditées.

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Raymond Chabot Grant Thornton S.E. N.C. R. L.

Gatineau

Le 18 octobre 2016

¹ CPA auditeur, CA permis de comptabilité publique n° A123812



**Rapport sur les résultats de l'application
de procédures d'audit spécifiées portant
sur des informations financières
contenues dans les états financiers
pour l'exercice terminé le 30 juin 2016**

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Au ministère de l'Éducation et de l'Enseignement supérieur

À la demande de la Commission scolaire Western Québec, nous avons appliqué les procédures d'audit spécifiées dans le programme de travail de la section V du *Mandat de vérification externe pour l'exercice financier 2015-2016 – Commissions scolaires* et précisées dans l'application informatique produite par le ministère de l'Éducation et de l'Enseignement supérieur portant sur des informations financières contenues dans les états financiers pour l'exercice terminé le 30 juin 2016 portant la signature électronique

L'application de ces procédures ne nous a permis de déceler aucun écart. Cependant, ces procédures ne constituent pas un audit des informations financières contenues dans les états financiers pour l'exercice terminé le 30 juin 2016 et, par conséquent, nous n'exprimons pas d'opinion concernant ces informations financières.

Ce rapport est destiné uniquement à la direction de la Commission scolaire Western Québec ainsi qu'au ministère de l'Éducation et de l'Enseignement supérieur. Il ne devrait pas être diffusé à d'autres parties.

1

Raymond Chabot Grant Thornton S.E.N.C.R.L.

Gatineau
Le 18 octobre 2016

¹ CPA auditeur, CA permis de comptabilité publique n° A123812