

**AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2008**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Palliser Regional Division No. 26

Legal Name of School Jurisdiction

101, 3305 - 18th Ave North Lethbridge, Alberta, T1H 5S1

Mailing Address

Telephone: 403-328-4111 Fax: 403-380-6890

Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Palliser Regional Division No. 26 presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance with generally accepted accounting principles and follow format prescribed by Alberta Education.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong system of budgetary control.

Board of Trustees Responsibility

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the audited financial statements with management in detail and approved the financial statements for release.

External Auditors

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors were given full access to school jurisdiction records.

Declaration of Management and Board Chairman

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and follow the financial reporting requirements prescribed by Alberta Education.

BOARD CHAIRMAN

Mr. Donald Zech

Name

Signature

SUPERINTENDENT

Mr. Kevin Gietz

Name

Signature

SECRETARY TREASURER OR TREASURER

Mr. James Richards

Name

Signature

16-Dec-08

Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: (TO COME)
PHONE: (780) TO COME (Toll free 310-0000)

TABLE OF CONTENTS

	Page
AUDITORS' REPORT INSERT	3
STATEMENT OF FINANCIAL POSITION	4
STATEMENT OF REVENUES AND EXPENSES	5
STATEMENT OF CASH FLOWS	6
STATEMENT OF CHANGES IN NET ASSETS	7
STATEMENT OF CAPITAL ALLOCATIONS	8
NOTES TO THE FINANCIAL STATEMENTS INSERT	9



BDO Dunwoody LLP
Chartered Accountants
and Advisors

200 Commerce Court
220-3rd Avenue South
Lethbridge Alberta Canada T1J 0G9
Telephone: 403-328-5292
Fax: 403-328-9534
www.bdo.ca

AUDITORS' REPORT

We have audited the statement of financial position of Palliser Regional Division No. 26 as at August 31, 2008 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes 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 our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2008 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Lethbridge, Alberta
November 6, 2008

BDO Dunwoody LLP

Chartered Accountants

STATEMENT OF FINANCIAL POSITION

as at August 31, 2008

(in dollars)

	2008	2007 (Note)
ASSETS		
Current assets		
Cash and temporary investments	\$7,932,517	\$7,935,524
Accounts receivable (net after allowances)	\$1,544,417	\$720,485
Prepaid expenses	\$482,489	\$980,435
Other current assets	\$33,925	\$14,596
Total current assets	\$9,993,348	\$9,651,040
School generated assets	\$783,922	\$790,134
Trust assets	\$201,488	\$197,927
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Capital assets		
Land	\$340,000	\$340,000
Buildings	\$45,002,261	
Less: accumulated amortization	(\$20,561,338)	\$22,911,900
Equipment	\$2,628,310	
Less: accumulated amortization	(\$2,330,490)	\$415,332
Vehicles	\$7,402,868	
Less: accumulated amortization	(\$4,844,682)	\$2,623,140
Total capital assets	\$27,636,929	\$26,290,372
TOTAL ASSETS	\$38,615,687	\$36,929,473
LIABILITIES		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities	\$2,466,958	\$2,145,498
Deferred revenue	\$2,066,872	\$1,313,033
Deferred capital allocations	\$1,351,742	\$775,000
Current portion of all long term debt	\$386,853	\$395,281
Total current liabilities	\$6,272,425	\$4,628,812
School generated liabilities	\$783,922	\$790,134
Trust liabilities	\$201,488	\$197,927
Employee future benefits liability	\$0	\$0
Long term payables and accrued liabilities	\$0	\$0
Long term debt		
Supported: Debentures and other supported debt	\$3,085,853	\$3,481,134
Less: Current portion of supported debt	(\$386,853)	(\$395,281)
Unsupported: Debentures and Capital Loans	\$0	\$0
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion of unsupported debt	\$0	\$0
Other long term liabilities	\$0	\$0
Unamortized capital allocations	\$18,053,479	\$17,098,967
Total long term liabilities	\$21,737,889	\$21,172,881
TOTAL LIABILITIES	\$28,010,314	\$25,801,693
NET ASSETS		
Unrestricted net assets	\$225,833	\$894,429
Operating Reserves	\$2,741,453	\$3,606,855
Accumulated Operating Surplus (Deficit)	\$2,967,286	\$4,501,284
Investment in capital assets	\$6,497,599	\$5,710,271
Capital Reserves	\$1,140,488	\$916,225
Total Capital Funds	\$7,638,087	\$6,626,496
Total net assets	\$10,605,373	\$11,127,780
TOTAL LIABILITIES AND NET ASSETS	\$38,615,687	\$36,929,473

Note: Input "(Restated)" in 2007 column heading where comparatives are not taken from the finalized 2006-2007 Audited Financial Statements filed with Alberta Education.

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2008

(in dollars)

	Actual 2008	Budget 2008 (Note)	Actual 2007 (Note)
REVENUES			
Government of Alberta	\$43,899,024	\$43,242,080	\$40,980,742
Federal Government and/or First Nations	\$436,351	\$573,378	\$430,697
Other Alberta school authorities	\$9,001	\$8,494	\$25,983
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$12,851	\$9,000	\$9,587
Instruction resource fees	\$164,374	\$387,474	\$228,988
Transportation fees	\$72,949	\$91,300	\$94,339
Other sales and services	\$315,396	\$23,500	\$499,442
Investment income	\$306,537	\$186,000	\$347,575
Gifts and donations	\$380,661	\$4,293	\$94,306
Rentals of facilities	\$244,964	\$282,865	\$399,808
Net school generated funds	\$382,494	\$250,000	\$268,959
Gains on disposal of capital assets	\$200	\$30,000	\$15,338
Amortization of capital allocations	\$927,847	\$926,855	\$1,259,530
Total Revenues	\$47,152,649	\$46,015,239	\$44,655,294
EXPENSES			
Certificated salaries	\$21,429,758	\$20,844,530	\$20,035,362
Certificated benefits	\$2,403,216	\$2,501,344	\$2,258,901
Non-certificated salaries and wages	\$10,059,639	\$8,429,650	\$8,128,172
Non-certificated benefits	\$2,245,215	\$1,770,226	\$1,946,090
Services, contracts and supplies	\$9,282,110	\$10,726,903	\$8,390,122
Net school generated funds	\$382,494	\$250,000	\$268,959
Capital and debt services			
Amortization of capital assets			
Supported	\$927,847	\$962,070	\$1,259,530
Unsupported	\$683,695	\$630,068	\$734,767
Total Amortization of capital assets	\$1,611,542	\$1,592,138	\$1,994,297
Interest on capital debt			
Supported	\$315,236	\$338,043	\$357,607
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$315,236	\$338,043	\$357,607
Other interest charges	\$19,493	\$17,500	\$18,851
Losses on disposal of capital assets	\$0	\$0	\$0
Total Expenses	\$47,748,703	\$46,470,334	\$43,398,361
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM			
	(\$596,054)	(\$455,095)	\$1,256,933
Extraordinary item	\$0	\$0	\$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(\$596,054)	(\$455,095)	\$1,256,933

Note: Input "(Restated)" where Actual 2007 comparatives are not as presented in the finalized 2006-2007 Audited Financial Statements filed with Alberta Education. Budget 2008 comparatives presented are "FINAL APPROVED" budget amounts formally adopted by the Board.

STATEMENT OF CASH FLOWS
for the Year Ended August 31, 2008

(in dollars)

	2008	2007 (Note)
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	(\$596,054)	\$1,256,933
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$927,847)	(\$1,259,530)
Total amortization expense	\$1,611,542	\$1,994,297
Gains on disposal of capital assets	(\$200)	(\$15,338)
Losses on disposal of capital assets	\$0	\$0
Changes in accrued accounts:		
Accounts receivable	(\$823,932)	\$577,323
Prepays and other current assets	\$478,617	(\$748,419)
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Payables and accrued liabilities	\$321,460	\$225,679
Deferred revenue	\$753,839	\$713,140
Employee future benefit expense (recovery)	\$0	\$0
Other (describe) Investment adjustment to FMV	\$73,647	\$0
Total sources (uses) of cash from Operations	\$891,072	\$2,744,085
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$2,514,739)	(\$90,538)
Equipment	(\$5,387)	(\$44,973)
Vehicles	(\$459,633)	(\$627,279)
Net proceeds from disposal of capital assets	\$200	\$97,835
Other (describe)	\$0	(\$52,645)
Total sources (uses) of cash from Investing activities	(\$2,979,559)	(\$717,600)
C. FINANCING ACTIVITIES		
Capital allocations	\$2,085,480	\$904,412
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$395,281)	(\$402,797)
Add back: supported portion	\$395,281	\$402,797
Other (describe)	\$0	\$0
Total sources (uses) of cash from Financing activities	\$2,085,480	\$904,412
Net sources (uses) of cash during year	(\$3,007)	\$2,930,897
Cash and temporary investments, net of bank indebtedness, at Aug. 31/07	\$7,935,524	\$5,004,627
Cash and temporary investments, net of bank indebtedness, at Aug. 31/08	\$7,932,517	\$7,935,524

Note: Input "(Restated)" where Actual 2007 comparatives are not as presented in the finalized 2006-2007 Audited Financial Statements filed with Alberta Education.

STATEMENT OF CHANGES IN NET ASSETS

for the Year Ended August 31, 2008

(in dollars)

	TOTAL NET ASSETS	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	RESTRICTED NET ASSETS	
				OPERATING RESERVES	CAPITAL RESERVES
Balance at August 31, 2007	\$11,127,780	\$5,710,271	\$894,429	\$3,606,855	\$916,225
Retrospective Restatements (describe)					
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2007	\$11,127,780	\$5,710,271	\$894,429	\$3,606,855	\$916,225
Excess(def) of revenue over expenses	(\$596,054)		(\$596,054)		
Board funded capital transactions		\$1,471,023	\$0	(\$1,011,390)	(\$459,633)
Direct credits to net assets	\$0	\$0			
Amortization of capital assets		(\$1,611,542)	\$1,611,542		
Amortization of capital allocations		\$927,847	(\$927,847)		
Disposal of unsupported capital assets	\$0	\$0	(\$200)		\$200
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0
Debt principal payments (unsupported)		\$0	\$0		
Net transfers to operating reserves			(\$145,988)	\$145,988	
Net transfers from operating reserves			\$0	\$0	
Net transfers to capital reserves			(\$683,696)		\$683,696
Net transfers from capital reserves			\$0		\$0
Assumption/transfer of other operations's net assets	\$73,647	\$0	\$73,647	\$0	\$0
Balance at August 31, 2008	\$10,605,373	\$6,497,599	\$225,833	\$2,741,453	\$1,140,488

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2008
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2007	\$775,000	\$17,098,967
Prior period adjustment	\$0	\$0
Adjusted balance, August 31, 2007	\$775,000	\$17,098,967
Add:		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	\$2,085,480	
Infrastructure & Transportation-School/Modular Project Capital *	\$0	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$0	
Other capital grants and donations	\$0	
Net Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds (and related interest)	\$0	
Donated capital assets (amortizable, @ fair market value)		\$0
Transferred in capital assets (amortizable, @ net book value)		\$0
Current Year Debenture Principal Repayment		\$395,281
Expended capital allocations - current year	(\$1,508,738)	\$1,508,738
Less:		
Net book value of supported capital assets disposition, write-off, or transfer; Other	\$0	\$21,660
Capital allocations amortized to revenue		\$927,847
Balance at August 31, 2008	\$1,351,742	\$18,053,479

* Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations are excluded from this Statement, since those contributions are not externally restricted to capital.

**PALLISER REGIONAL DIVISION NO. 26
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2008**

1. AUTHORITY AND PURPOSE

The School Jurisdiction delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

The jurisdiction receives block allocations for instruction and support under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on certain funding allocations and administration expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP). The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

a) Revenue Recognition – Revenue is recognized as follows:

- Instruction and support allocations are recognized in the year to which they relate.
- Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.
- Unrestricted contributions are recognized as revenue when received or receivable. Contributions in kind are recorded at fair market value when reasonably determinable.
- Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment funds are recognized as direct increases in net assets in the period in which they are received or receivable.

b) Capital Assets – Capital assets are reflected in the accounts at cost, and are amortized over their estimated useful lives on a straight-line basis, at the following rates:

- | | |
|----------------------------------|--------|
| ▪ Buildings | 2.5-4% |
| ▪ Vehicles & Buses | 10-20% |
| ▪ Computer Hardware and Software | 20% |
| ▪ Other Equipment & Furnishings | 10-20% |

Only capital assets with costs in excess of \$5,000 are capitalized. Any capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense. Amortization expenses commence the year in which the related assets are put into service.

c) School-Generated Funds – These are funds in the community, which come under the control and responsibility of the school principal for school activities. These funds are usually collected, retained, and expended at the school level (e.g., yearbook sales, graduation fees, field trip fees, etc.).

d) Vacation Pay – Vacation pay is accrued in the period in which the employee earns the benefit.

**PALLISER REGIONAL DIVISION NO. 26
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2008**

- e) **Pensions** – Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Palliser School Division does not make pension contributions for certificated staff.

The school board participates in the multi-employer pension plan – the Local Authorities Pension Plan. The expense for this pension plan is equivalent to the annual contributions of \$320,531 for the year ended August 31, 2008. At December 31, 2007, the Local Authorities Pension Plan reported an actuarial deficiency of \$1,183,334,000 (2006 deficiency of \$746,651,000).

- f) **Inventories** – Inventories are recorded at the lesser of cost or net realizable value.
- g) **Prepaid Expenses** – Certain expenditures incurred and paid before the close of the school year are for specific school supplies, which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses also fall into this category.
- h) **Contributed Services** – Volunteers contribute a considerable number of hours per year to various schools to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school-generated funds. Because of the difficulty of compiling these hours, and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.
- i) **Financial Instruments** – Effective September 1, 2007, the jurisdiction adopted the new recommendations of CICA Handbook Section 3855, "Financial Instruments – Recognition and Measurement", and Section 3861, "Financial Instruments – Disclosure and Presentation". Under the new standards all financial instruments are classified into one of the following five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets or other financial liabilities.

The jurisdiction's financial instruments consist of cash and temporary investments which are classified as held-for-trading and are measured at fair value; accounts receivable which are classified as loans and receivables and are measured at amortized cost; accounts payable and accrued liabilities which are classified as other financial liabilities and are measured at amortized cost; and long-term debt which is classified as other financial liabilities and measured at amortized cost.

It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. The jurisdiction has invested surplus funds in accordance with Section 60 of the *School Act*.

- j) **Operating and Capital Reserves** – Reserves are established at the discretion of the Board of Trustees of the jurisdiction, to set aside funds for operating and capital expenditures. Such reserves are appropriations of unrestricted net assets.
- k) **Employee Future Benefits** – The jurisdiction accrues its obligations under employee future benefit plans and expenses the related costs. As at August 31, 2008, the recorded obligation is \$110,296 (2007 \$146,086).
- l) **Investments** – Temporary investments are recorded at fair value as determined by reference to published price quotations in an active market. Increases or decreases in fair value are recorded in investment income.

**PALLISER REGIONAL DIVISION NO. 26
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2008**

m) New Accounting Pronouncements

Recent accounting pronouncements that have been issued but are not yet effective, and have a potential implication for the jurisdiction, are as follows:

Financial Instruments – disclosures and presentation

CICA Handbook Section 3862, Financial Instruments - Disclosure, increases the disclosures currently required to enable users to evaluate the significance of financial instruments for an entity's financial position and performance, including disclosures about fair value. CICA handbook Section 3863, Financial Instruments - Presentation, replaces the existing requirements on the presentation of financial instruments, which have been carried forward unchanged. These standards are effective for interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007. The jurisdiction is currently evaluating the impact of the adoption of these changes on the disclosure and presentation within its financial statements.

Capital Disclosures

CICA Handbook Section 1535, Capital Disclosures, requires disclosure of an entity's objectives, policies and processes for managing capital, quantitative data about what the entity regards as capital and whether the entity has complied with any capital requirements and, if it has not complied, the consequences of such non-compliance. This standard is effective for interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007. The jurisdiction is currently assessing the impact of the new standard.

**PALLISER REGIONAL DIVISION NO. 26
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2008**

3. CASH

The jurisdiction acts as the Banker Board for the Student Health Partnership. At August 31, 2008, Student Health Partnership funds of \$1,171,700 (\$336,986 – 2007) were included in Cash and Temporary Investments. As such these funds are restricted.

4. ACCOUNTS RECEIVABLE

	<u>2008</u>	<u>2007</u>
Alberta Education	\$ 1,040,669	\$ 317,124
Alberta Finance	153,396	173,204
Federal Government	58,689	93,184
First Nations	58,024	-
Other	233,639	136,973
	<u>\$ 1,544,417</u>	<u>\$ 720,485</u>

5. TRUST ASSETS AND LIABILITIES

These balances represent cash that is held in trust by the jurisdiction.

	<u>2008</u>	<u>2007</u>
Scholarship Trusts	\$ 201,488	\$ 197,927

The jurisdiction also holds \$1,171,700 (2007 - \$336,986) of Student Health Initiative (SHI Banker Board) funds that are presented within Cash and Accounts payable and accrued liabilities.

6. BANK INDEBTEDNESS

The jurisdiction has negotiated a line of credit in the amount of \$1,000,000 with Royal Bank of Canada that bears interest at the bank prime rate. This line of credit is secured by a borrowing bylaw and a security agreement, covering all revenue of the jurisdiction. There was no balance outstanding on the line of credit at August 31, 2008.

**PALLISER REGIONAL DIVISION NO. 26
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2008**

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2008	2007
Alberta Finance	\$ 150,369	\$ 173,204
Other Trade Payables & Accrued Liabilities	2,316,589	1,972,294
	<u>\$ 2,466,958</u>	<u>\$ 2,145,498</u>

8. DEFERRED REVENUE

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug. 31, 2007	ADD: 2007/2008 Restricted Funds Received/ Receivable	DEDUCT: 2007/2008 Restricted Funds Expended (Paid / Payable)	ADD (DEDUCT): 2007/2008 Adjustments or Returned Funds	DEFERRED REVENUE as at Aug. 31, 2008
Alberta Education Restricted Operational Funding:	\$0	\$0	\$0	\$0	\$0
Alberta Initiative for School Improvement	\$66,915	\$572,616	(\$560,895)	\$2,055	\$80,691
Children and Youth with Complex Needs	\$0	\$0	\$0	\$0	\$0
Francophone Student Health Services	\$0	\$0	\$0	\$0	\$0
Infrastructure Maintenance Renewal	\$365,425	\$723,800	(\$816,429)	\$0	\$272,796
Institutional Education Programs	\$0	\$0	\$0	\$0	\$0
Portable/Modular Unit Relocation	\$0	\$0	\$0	\$0	\$0
Regional Consortium	\$0	\$0	\$0	\$0	\$0
Regional Educational Consulting Services	\$0	\$0	\$0	\$0	\$0
Small Class Size Initiative	\$687,582	\$1,021,589	(\$699,157)	\$0	\$1,010,014
Student Health Initiative (School Authorities)	\$0	\$235,411	(\$235,411)	\$0	\$0
SuperNet Service	\$0	\$114,798	(\$114,798)	\$0	\$0
Other Alberta Education deferred revenue	\$0	\$0	\$0	\$0	\$0
Other Government of Alberta Restricted Funding:	\$0	\$0	\$0	\$0	\$0
Technology Grants	\$85,751	\$436,277	(\$143,704)	\$0	\$378,324
Textbook Grant, Wheelchair grant	\$46,706	\$0	(\$3,080)	\$0	\$43,626
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
Other Deferred Revenue:	\$60,654	\$308,579	(\$87,812)	\$0	\$281,421
	\$0	\$0	\$0	\$0	\$0
Total	\$1,313,033	\$3,413,070	(\$2,661,286)	\$2,055	\$2,066,872

9. LONG-TERM DEBT

**PALLISER REGIONAL DIVISION NO. 26
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2008**

9. LONG-TERM DEBT

- a) **Debenture Debt – Supported** – The debenture debt bears interest at rates varying between 7.50% and 11.625%. The debenture debt is fully supported by Alberta Finance. Debenture payments due over the next five years and beyond are as follows:

Year	Principle	Interest	Total
2009	\$ 386,853	\$ 298,597	\$ 685,450
2010	382,704	260,116	642,820
2011	380,862	222,081	602,943
2012	356,362	184,238	540,600
2013	320,211	149,119	469,330
Thereafter	1,258,861	333,639	1,592,500
Total	\$ 3,085,853	\$ 1,447,790	\$ 4,533,643

- b) **Capital Leases – Unsupported** – There are currently no capital leases held by the jurisdiction.

10. DEFERRED CAPITAL ALLOCATIONS

Deferred capital allocations represent externally-restricted supported capital funds provided for a specific capital purpose that have been received or are receivable by the jurisdictions, but the related expenditure has not yet been made at year-end. These unspent deferred capital allocations are not amortized until the expenditure has been made and it is at that time that the balance is transferred to the unamortized capital allocations account.

11. ASSET RETIREMENT OBLIGATIONS

Asset Retirement Obligations represent legal obligations associated with the retirement of a tangible long-lived asset that result from its acquisition, construction, development or normal operation. The jurisdiction has a legal obligation to remove hazardous material located under the site of certain schools upon their disposal. A liability, however, has not been recognized because the fair value cannot be reasonably estimated.

12. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations represent externally-restricted supported capital funds that have been spent, but have yet to be amortized over the useful life of the applicable capital asset to which the restricted capital allocations apply. The unamortized capital allocations account balance is increased by transfers of previously deferred capital allocations now spent, as well as fully-supported debentured capital funds, as the principal is repaid.

**PALLISER REGIONAL DIVISION NO. 26
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2008**

13. COMMITMENTS

Building Projects: The jurisdiction is committed to further capital expenditures of approximately \$1,311,187 for the modernization of Picture Butte High School at August 31, 2008. This obligation will be fully funded by capital allocations from Alberta Education. The overall project has been approved at \$13,500,000.

14. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the Board of Trustees. It is presented for information purposes only and has not been audited.

15. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

The Palliser School Division's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

16. TARGETED FUNDING FOR PROVINCIAL INITIATIVES

TARGETED FUNDING FOR PROVINCIAL INITIATIVES	Certificated Remuneration	Non-Certificated Remuneration	Supplies & Services	Other Expenses	TOTAL EXPENSES
Alberta Initiative for School Improvement	\$332,484	\$0	\$228,411	\$0	\$560,895
Children and Youth with Complex Needs	\$0	\$0	\$0	\$0	\$0
Francophone Student Health Services	\$0	\$0	\$0	\$0	\$0
Small Class Size Initiative	\$699,157	\$0	\$0	\$0	\$699,157
Student Health Initiative	\$0	\$209,861	\$11,080	\$3,594	\$224,535
SuperNet Service	\$0	\$0	\$127,367	\$0	\$127,367

**PALLISER REGIONAL DIVISION NO. 26
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2008**

17. RELATED PARTY TRANSACTIONS

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions, and other school jurisdictions in Alberta.

2007-2008	Balances		Transactions	
	Assets (@ cost or net realizable value)	Liabilities (@ fair value)	Revenues	Expenses
Government of Alberta :				
Education	\$1,040,669	\$423,333	\$43,095,190	-
Infrastructure & Transportation	-	-	-	-
Finance	153,396	3,085,853	315,236	315,236
Health & Wellness	-	-	-	411,299
Human Resources/Employment	-	-	-	-
Other Gov't of Alberta departments	-	76,448	5,800	16,925
Other:				
Health authorities	-	-	111,515	47,882
Post-secondary Institutions	17,042	-	99,021	16,236
Other Alberta school jurisdictions	2,942	25,889	95,891	178,697
Other related parties	730	-	-	-
Total 2007-2008	\$1,214,779	\$3,611,523	\$43,722,653	\$986,275
Total 2006-2007	\$523,497	\$4,272,354	\$40,971,488	\$584,873

**PALLISER REGIONAL DIVISION NO. 26
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2008**

18. REMUNERATION AND MONETARY INCENTIVES

The Palliser School Division had paid or accrued expenses for the year ended August 31, 2008 to or on behalf of the following positions and persons. In groups as follows:

Board Members:	FTE	Remuneration	Benefits	Negotiated Allowances	Performance Bonuses	ERP's / Other	Expenses
Chair: Mr. Don Zech	1.0	\$20,658	\$654	\$0			\$10,050
Mrs. Esther Wilms	1.0	\$12,799	\$340	\$0			\$6,882
Mrs. Jean Mrak	1.0	\$11,595	\$338	\$0			\$5,623
Mr. Joe Watson	1.0	\$10,400	\$394	\$0			\$1,543
Mrs. Colleen Dietz	1.0	\$13,600	\$460	\$0			\$9,114
Mr. Robert Strauss	1.0	\$3,630	\$153	\$0			\$2,471
Subtotal	6.0	\$72,682	\$2,339	\$0			\$35,683
Superintendent (1) Dr. Garry Andrews	0.0	\$12,709	\$82	\$0	\$0	\$0	\$0
Superintendent (2) Mr. Kevin Gietz	1.0	\$133,333	\$10,718	\$0	\$0	\$0	\$33,012
Secretary/Treasurer (1) Mr. Laurie Marston	1.0	\$125,590	\$22,657	\$0	\$0	\$0	\$14,367
Certificated Teachers	273.4	\$21,283,716	\$2,392,416	\$0	\$0	\$0	
Non-certificated - Other	264.0	\$9,861,367	\$2,220,219	\$0	\$0	\$0	
TOTALS		\$31,489,397	\$4,648,431	\$0	\$0	\$0	