

**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2009**  
[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***


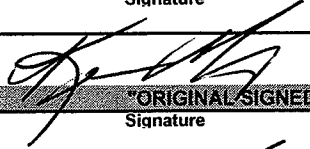

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the audited financial statements with management in detail and approved the financial statements for release.

***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.

 <b>BOARD CHAIR</b> <div style="border: 1px solid black; padding: 2px; text-align: center;">Mr. Donald Zech</div> <div style="border: 1px solid black; padding: 2px; text-align: center;">Name</div>	<div style="border: 1px solid black; padding: 2px; text-align: center;">"ORIGINAL SIGNED"</div> <div style="border: 1px solid black; padding: 2px; text-align: center;">Signature</div>
<b>SUPERINTENDENT</b> <div style="border: 1px solid black; padding: 2px; text-align: center;">Mr. Kevin Gietz</div> <div style="border: 1px solid black; padding: 2px; text-align: center;">Name</div>	 <div style="border: 1px solid black; padding: 2px; text-align: center;">"ORIGINAL SIGNED"</div> <div style="border: 1px solid black; padding: 2px; text-align: center;">Signature</div>
<b>SECRETARY TREASURER OR TREASURER</b> <div style="border: 1px solid black; padding: 2px; text-align: center;">Mr. Terry Kirkham</div> <div style="border: 1px solid black; padding: 2px; text-align: center;">Name</div>	 <div style="border: 1px solid black; padding: 2px; text-align: center;">"ORIGINAL SIGNED"</div> <div style="border: 1px solid black; padding: 2px; text-align: center;">Signature</div>

**30-Nov-09**  
Board-approved Release Date

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Chartered Accountants  
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[www.bdo.ca](http://www.bdo.ca)

## **AUDITORS' REPORT**

We have audited the statement of financial position of Palliser Regional Division No. 26 as at August 31, 2009 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, 2009 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.

**Chartered Accountants**  
Lethbridge, Alberta

November 9, 2009

## STATEMENT OF FINANCIAL POSITION

as at August 31, 2009

(in dollars)

	2009	2008 (Note)
<b>ASSETS</b>		
Current assets		
Cash and temporary investments (Note 3)	\$1,730,379	\$7,932,517
Accounts receivable (net after allowances) (Note 4)	\$1,891,913	\$1,544,417
Prepaid expenses	\$300,930	\$482,489
Other current assets	\$7,216	\$33,925
<b>Total current assets</b>	<b>\$3,930,438</b>	<b>\$9,993,348</b>
School generated assets	\$569,006	\$783,922
Trust assets (Note 5)	\$201,440	\$201,488
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Capital assets (Note 6)		
Land	\$340,000	\$340,000
Construction in Progress	\$987,773	\$0
Buildings	\$45,137,213	
Less: accumulated amortization	(\$21,545,394)	
	\$23,591,822	\$24,440,923
Equipment	\$3,783,362	
Less: accumulated amortization	(\$2,668,939)	
	\$1,094,423	\$297,820
Vehicles	\$8,063,237	
Less: accumulated amortization	(\$5,368,798)	
	\$2,694,438	\$2,558,186
<b>Total capital assets</b>	<b>\$28,708,456</b>	<b>\$27,636,929</b>
<b>TOTAL ASSETS</b>	<b>\$33,409,340</b>	<b>\$38,615,687</b>
<b>LIABILITIES</b>		
Current liabilities		
Bank indebtedness (Note 7)	\$0	\$0
Accounts payable and accrued liabilities (Note 8)	\$2,784,664	\$2,466,958
Deferred revenue (Note 9)	\$1,413,450	\$2,066,872
Deferred capital allocations (Note 11)	\$368,187	\$1,351,742
Current portion of long term debt	\$382,704	\$386,853
<b>Total current liabilities</b>	<b>\$4,979,005</b>	<b>\$6,272,425</b>
School generated liabilities	\$569,006	\$783,922
Trust liabilities (Note 5)	\$201,440	\$201,488
Employee future benefit liabilities	\$0	\$0
Long term debt (Note 10)		
Supported: Debentures and other supported debt	\$2,699,000	\$3,085,853
Less: Current portion	(\$382,704)	(\$386,853)
Unsupported: Debentures and Capital Loans	\$0	\$0
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion	\$0	\$0
Other long term liabilities	\$0	\$0
Unamortized capital allocations (Note 13)	\$18,450,880	\$18,053,479
<b>Total long term liabilities</b>	<b>\$21,537,622</b>	<b>\$21,737,889</b>
<b>TOTAL LIABILITIES</b>	<b>\$26,516,627</b>	<b>\$28,010,314</b>
<b>NET ASSETS</b>		
Unrestricted net assets	(\$1,865,852)	\$225,833
Operating Reserves	\$1,199,987	\$2,741,453
Accumulated Operating Surplus (Deficit)	(\$665,865)	\$2,967,286
Investment in capital assets	\$7,558,578	\$6,497,599
Capital Reserves	\$0	\$1,140,488
<b>Total Capital Funds</b>	<b>\$7,558,578</b>	<b>\$7,638,087</b>
<b>Total net assets</b>	<b>\$6,892,713</b>	<b>\$10,605,373</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$33,409,340</b>	<b>\$38,615,687</b>

**Note:** Please input "(Restated)" in 2008 column heading where comparatives are not taken from the finalized 2007-2008 Audited Financial Statements filed with Alberta Education.



**STATEMENT OF REVENUES AND EXPENSES**  
**for the Year Ended August 31, 2009**  
(in dollars)

	Actual 2009	Budget 2009 (Note)	Actual 2008 (Note)
<b>REVENUES</b>			
Government of Alberta	\$59,228,776	\$57,702,763	\$43,899,024
Federal Government and First Nations	\$913,394	\$519,063	\$438,351
Other Alberta school authorities	\$39,461	\$15,000	\$9,001
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$22,727	\$10,000	\$12,851
Instruction resource fees	\$166,278	\$424,753	\$164,374
Transportation fees	\$0	\$84,000	\$72,849
Other sales and services	\$765,654	\$264,608	\$315,396
Investment income	\$91,114	\$350,000	\$306,537
Gifts and donations	\$49,334	\$6,982	\$380,661
Rental of facilities	\$205,814	\$488,085	\$244,964
Net school generated funds	\$665,934	\$400,000	\$382,494
Gains on disposal of capital assets	\$0	\$0	\$200
Amortization of capital allocations	\$943,007	\$932,182	\$927,847
Other revenue	\$112,048	\$0	\$0
<b>Total Revenues</b>	<b>\$63,203,540</b>	<b>\$61,197,436</b>	<b>\$47,152,649</b>
<b>EXPENSES</b>			
Certificated salaries (Note 19)	\$33,074,592	\$31,829,946	\$21,429,758
Certificated benefits (Note 19)	\$3,709,143	\$4,108,164	\$2,403,216
Non-certificated salaries and wages (Note 19)	\$12,244,300	\$11,114,860	\$10,059,639
Non-certificated benefits (Note 19)	\$2,595,945	\$2,344,627	\$2,245,215
Services, contracts and supplies	\$12,475,780	\$11,116,498	\$9,282,110
Net school generated funds	\$665,934	\$400,000	\$382,494
<b>Capital and debt services</b>			
Amortization of capital assets			
Supported	\$943,007	\$932,182	\$927,847
Unsupported	\$903,615	\$624,868	\$683,695
<b>Total Amortization of capital assets</b>	<b>\$1,846,622</b>	<b>\$1,557,048</b>	<b>\$1,611,542</b>
Interest on capital debt			
Supported	\$281,596	\$298,597	\$315,236
Unsupported	\$0	\$0	\$0
<b>Total Interest on capital debt</b>	<b>\$281,596</b>	<b>\$298,597</b>	<b>\$315,236</b>
Other interest and charges	\$22,318	\$17,500	\$19,493
Losses on disposal of capital assets	\$0	\$0	\$0
Other expense	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$66,916,200</b>	<b>\$62,787,240</b>	<b>\$47,748,703</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>			
	(\$3,712,660)	(\$1,589,804)	(\$596,054)
Extraordinary Item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>(\$3,712,660)</b>	<b>(\$1,589,804)</b>	<b>(\$596,054)</b>

**Note:** Please input "(Restated)" where Actual 2008 comparatives are not as presented in the finalized 2007-2008 Audited Financial Statements filed with Alberta Education. Budget 2009 comparatives presented are final budget amounts formally approved by the Board.

**STATEMENT OF CASH FLOWS**

for the Year Ended August 31, 2009

(in dollars)

	2009	2008 (Note)
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATIONS</b>		
Excess (deficiency) of revenues over expenses	(\$3,712,660)	(\$596,054)
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$943,007)	(\$927,847)
Total amortization expense	\$1,846,622	\$1,611,542
Gains on disposal of capital assets	\$0	(\$200)
Losses on disposal of capital assets	\$0	\$0
Changes in:		
Accounts receivable	(\$347,496)	(\$823,932)
Prepays and other current assets	\$208,268	\$478,617
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Accounts payable and accrued liabilities	\$317,706	\$321,460
Deferred revenue	(\$663,422)	\$753,839
Employee future benefit liabilities	\$0	\$0
Other (describe)	\$0	\$73,647
Total cash flows from Operations	(\$3,283,989)	\$891,072
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$1,122,726)	(\$2,514,739)
Equipment	(\$1,135,053)	(\$5,387)
Vehicles	(\$660,370)	(\$459,633)
Net proceeds from disposal of capital assets	\$0	\$200
Other (describe)	\$0	\$0
Total cash flows from Investing activities	(\$2,918,149)	(\$2,979,559)
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$0	\$2,085,480
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$386,853)	(\$395,281)
Add back: supported portion	\$386,853	\$395,281
Other (describe)	\$0	\$0
Total cash flows from financing activities	\$0	\$2,085,480
Net cash flows from during the year	(\$6,202,138)	(\$3,007)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/08	\$7,932,517	\$7,935,524
Cash and temporary investments, net of bank indebtedness, at Aug. 31/09	\$1,730,379	\$7,932,517

Note: Please input "(Restated)" where Actual 2008 comparatives are not as presented in the finalized 2007-2008 Audited Financial Statement filed with Alberta Education.

**STATEMENT OF CHANGES IN NET ASSETS  
for the Year Ended August 31, 2009**

School Jurisdiction Code: 22553

(in dollars)

	(1)  TOTAL NET ASSETS Cols. 2+3+4+5	(2)  INVESTMENT IN CAPITAL ASSETS	(3)  UNRESTRICTED NET ASSETS	(4)  TOTAL OPERATING RESERVES Cols. 6+8+10+12+14	(5)  TOTAL CAPITAL RESERVES Cols. 7+9+11+13+15	INTERNALLY RESTRICTED NET ASSETS										(12)  Operating Reserves	(13)  Capital Reserves	(14)  Operating Reserves	(15)  Capital Reserves
						(6)  School & Instruction Related		(9)  Operations & Maintenance		(10)  Board & System Admin.		(11)  Transportation							
						Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves						
Balance at August 31, 2008	\$10,605,373	\$6,497,599	\$225,833	\$2,741,453	\$1,140,488	\$2,371,088	\$484,925	\$50,781	\$68,888	\$179,034	\$28,224	\$50,781	\$558,451	\$89,769		\$0			
Prior period adjustments (describe)																			
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Adjusted Balance, Aug. 31, 2008	\$10,605,373	\$6,497,599	\$225,833	\$2,741,453	\$1,140,488	\$2,371,088	\$484,925	\$50,781	\$68,888	\$179,034	\$28,224	\$50,781	\$558,451	\$89,769		\$0			
Excess (deficiency) of revenue over expenses	(\$3,712,660)		(\$3,712,660)																
Board funded capital additions		\$1,964,594	\$0	(\$824,106)	(\$1,140,488)	(\$632,775)	(\$484,925)	(\$50,781)	(\$68,888)	\$0	(\$28,224)	(\$50,781)	(\$558,451)	(\$89,769)		\$0	\$0		
Disposal of unsupported capital assets	\$0	\$0	\$0		\$0		\$0		\$0		\$0		\$0			\$0	\$0		
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0		\$0		\$0		\$0		\$0			\$0	\$0		
Direct credits to net assets	\$0	\$0																	
Amortization of capital assets		(\$1,846,622)	\$1,846,622																
Amortization of capital allocations		\$943,007	(\$943,007)																
Debt principal repayments (unsupported)		\$0	\$0																
Net transfers to operating reserves			\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$0	\$0		
Net transfers from operating reserves			\$717,360	(\$717,360)		(\$717,360)		\$0		\$0		\$0		\$0		\$0	\$0		
Net transfers to capital reserves			\$0		\$0		\$0		\$0		\$0		\$0			\$0	\$0		
Net transfers from capital reserves			\$0		\$0		\$0		\$0		\$0		\$0			\$0	\$0		
Assumption/transfer of other operations' net assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Balance at August 31, 2009	\$6,892,713	\$7,558,578	(\$1,865,852)	\$1,199,987	\$0	\$1,020,953	\$0	\$0	\$0	\$179,034	\$0	\$0	\$0	\$0	\$0	\$0	\$0		

**STATEMENT OF CAPITAL ALLOCATIONS**  
**(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)**  
**for the Year Ended August 31, 2009**  
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
<b>Balance at August 31, 2008</b>	\$1,351,742	\$18,053,479
<b>Prior period adjustments</b>	\$0	\$0
<b>Adjusted balance, August 31, 2008</b>	\$1,351,742	\$18,053,479
<b>Add:</b>		
<b>Restricted capital allocations from:</b>		
Alberta Education including school and modular projects	\$0	
Other Government of Alberta	\$0	
Federal Government and First Nations	\$0	
Other sources	\$0	
<b>Interest earned on provincial government capital allocations</b>	\$0	
<b>Other capital grants and donations</b>	\$0	
<b>Net proceeds on disposal of supported capital assets</b>	\$0	
<b>Insurance proceeds (and related interest)</b>	\$0	
<b>Donated capital assets (amortizable, @ fair market value)</b>		\$0
<b>Transferred in capital assets (amortizable, @ net book value)</b>		\$0
<b>Current Year Debenture Principal Repayment</b>		\$386,853
<b>Expended capital allocations - current year</b>	(\$953,555)	\$953,555
<b>Deduct:</b>		
<b>Net book value of supported capital assets dispositions, write-offs, or transfer; Other</b>	\$0	\$0
<b>Capital allocations amortized to revenue</b>		\$943,007
<b>Balance at August 31, 2009</b>	\$398,187	\$18,450,880

\* 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, 2009

### 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 instruction and support allocations 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.

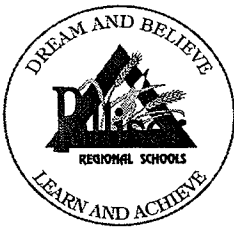
#### b) **Capital Assets** – Capital assets are reflected in the accounts at cost, and are amortized over their estimated useful lives on a straight-line basis, at the following rates:

- |                                  |          |
|----------------------------------|----------|
| ▪ 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.

#### 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, 2009**

- 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 \$429,533 for the year ended August 31, 2009 (2008 – \$320,531). At December 31, 2008, the Local Authorities Pension Plan reported an actuarial deficiency of \$4,413,971,000 (2007 deficiency of \$1,183,334,000). Effective for the 2008 – 2009 fiscal year, the Government of Alberta has taken responsibility for the LAP unfunded liabilities.

- 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** – The jurisdiction's financial instruments consist of cash, investments and SGF assets which include bank accounts at the individual schools, and are classified as held-for-trading, which are measured at fair value. Accounts receivable are classified as loans and receivables, which are measured at amortized cost. Accounts payable, accrued liabilities and long term debt are classified as other financial liabilities, which are 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. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. 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, 2009, the recorded obligation is \$110,296 (2008 \$110,296).
- l) **Investments** – 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, 2009**

**3. CASH AND TEMPORARY INVESTMENTS**

	2009			2008		
	Effective (Market) Yield	Cost	Fair Value	Effective (Market) Yield	Cost	Fair Value
Cash and cash equivalents	0	\$570,219	\$570,219	0	\$6,265,091	\$6,265,091
Fixed-income securities						
Government of Canada, direct and guaranteed	%	559,015	587,571	%	637,150	668,584
Provincial, direct and guaranteed	%	0	0	%	0	0
Corporate	%	0	0	%	0	0
Municipal	%	0	0	%	0	0
Pooled investment funds	%	0	0	%	0	0
Total fixed-income securities	%	559,015	587,571	%	637,150	668,584
Common Shares	%	147,151	168,219	%	160,839	226,993
Mutual Funds	%	399,336	403,442	%	784,362	770,675
Foreign Securities	%	877	928	%	1,024	1,174
<b>Total cash and temporary investments</b>	<b>%</b>	<b>\$1,676,598</b>	<b>\$1,730,379</b>	<b>%</b>	<b>\$7,848,466</b>	<b>\$7,932,517</b>

Please refer to Note 2 (i).

The jurisdiction acts as the Banker Board for the Student Health Partnership. At August 31, 2009, Student Health Partnership funds of \$481,914 were included in Cash and Temporary Investments. As such these funds are restricted.

**4. ACCOUNTS RECEIVABLE**

	2009	2008
Alberta Education	\$98,790	\$1,040,669
Alberta Finance	133,396	153,396
Federal Government	410,681	58,689
First Nations	332,222	58,024
Other	916,824	233,639
<b>Total</b>	<b>\$ 1,891,913</b>	<b>\$1,544,417</b>

**5. TRUST ASSETS AND LIABILITIES**

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

	2009	2008
Scholarship Trusts	\$ 201,440	\$ 201,488

The jurisdiction also holds \$481,914 (2008 - \$1,171,700) of Student Health Initiative (SHI Banker Board) funds that are presented within Cash and Accounts payable and accrued liabilities.



# **PALLISER REGIONAL DIVISION NO. 26 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2009**

## **6. TANGIBLE CAPITAL ASSETS**

	Land	Construction In Progress - New Building	Buildings	Equipment - Computer Hardware & Software	Other Equipments	Vehicles	Total Aug. 31, 2009	Total Aug. 31, 2008
Estimated Useful life			25-40 Years	3-5 Years	5-10 Years	5-10 Years		
<b>Historical cost</b>								
September 1, 2008	\$340,000	\$34,218	\$44,968,043	\$101,626	\$2,526,683	\$7,402,867	\$55,373,437	\$53,247,068
Additions	0	953,555	169,170	913,411	221,643	660,370	\$2,918,149	2,979,760
Transfers in (out)	0	0	0	0	0	0	0	0
Less disposals including write-offs	0	0	0	0	0	0	0	-853,391
August 31, 2009	340,000	\$987,773	\$45,137,213	\$1,015,037	\$2,748,326	\$8,063,237	\$58,291,586	\$55,373,437
<b>Accumulated amortization</b>								
September 1, 2008	0	0	\$20,561,335	\$100,330	\$2,230,164	\$4,844,679	\$27,736,508	\$26,956,697
Amortization expense	0	0	984,056	183,984	154,462	524,120	1,846,622	1,611,542
Transfers in (out)	0	0	0	0	0	0	0	0
Effect of disposals	0	0	0	0	0	0	0	-831,731
August 31, 2009	0	0	\$21,545,391	\$284,314	\$2,384,626	\$5,368,799	\$29,583,130	\$27,736,508
<b>Net Book Value at August 31, 2009</b>	<b>\$340,000</b>	<b>\$987,773</b>	<b>\$23,591,822</b>	<b>\$730,723</b>	<b>\$363,700</b>	<b>\$2,694,438</b>	<b>\$28,708,456</b>	<b>\$27,636,929</b>

## **7. BANK INDEBTEDNESS**

The jurisdiction has negotiated a line of credit with the Royal Bank of Canada in the amount of \$600,000 that bears interest at the bank prime rate plus 0.3 per cent. 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, 2009.

## **8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2009	2008
Alberta Finance	\$133,396	\$ 150,369
Other Trade Payables & Accrued Liabilities	2,651,268	2,316,589
<b>Total</b>	<b>\$ 2,784,664</b>	<b>\$ 2,466,958</b>





# **PALLISER REGIONAL DIVISION NO. 26 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2009**

## **9. DEFERRED REVENUE**

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug. 31, 2008	ADD: 2008/09 Restricted Funds Received/ Receivable	DEDUCT: 2008/09 Restricted Funds Expended (Paid / Payable)	ADD (DEDUCT): 2008/09 Adjustments or Returned Funds	DEFERRED REVENUE as at Aug. 31, 2009
<b>Alberta Education Restricted Operational Funding:</b>					
Alberta Initiative for School Improvement	\$80,691	\$832,830	-\$753,353	0	\$160,168
Children and Youth with Complex Needs	0	0	0	0	0
Francophone Student Health Services	0	0	0	0	0
Infrastructure Maintenance Renewal	272,796	1,239,678	-720,626	0	791,848
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	1,010,014	1,113,532	-2,123,546	0	0
Student Health Initiative (School Authorities)	0	469,554	-469,554	0	0
SuperNet Service	0	114,798	-114,798	0	0
Other Alberta Education deferred revenue	0	0	0	0	0
<b>Other Government of Alberta Restricted Funding:</b>					
Technology grants	378,324	408,273	-741,533	0	45,064
Textbook grant, wheelchair grant	43,626	0	-34,444	0	9,182
Creating Spaces	0	300,000	0	0	300,000
<b>Other Deferred Revenue:</b>	281,421	86,268	-260,501	0	107,188
<b>Total</b>	<b>\$2,066,872</b>	<b>\$4,564,933</b>	<b>-\$5,218,355</b>	<b>0</b>	<b>\$1,413,450</b>

## **10. LONG-TERM DEBT**

- a) **Debenture Debt – Supported** – The debenture debt bears interest at rates varying between 6.875% and 11.625%. The debenture debt is fully supported by Alberta Finance. The current portion of long-term debt consists entirely of amounts payable by Alberta Finance on supported debt; therefore, the working capital (current assets minus current liabilities) is understated by this amount. Debenture payments due over the next five years and beyond are as follows:

Year	Principle	Interest	Total
2010	\$ 382,704	\$ 260,116	\$ 642,820
2011	380,862	222,081	602,943
2012	356,262	184,238	540,600
2013	320,211	149,119	469,330
2014	306,620	117,637	424,257
Thereafter	952,341	216,002	1,168,243
<b>Total</b>	<b>\$ 2,699,000</b>	<b>\$ 1,149,193</b>	<b>\$ 3,848,193</b>

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

## **11. 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.



## PALLISER REGIONAL DIVISION NO. 26 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2009

### 12. 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.

### 13. 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.

### 14. COMMITMENTS

Building projects: The jurisdiction is committed to further capital expenditures of approximately \$12,362,227 for the modernization of Picture Butte High School. This obligation will be fully funded by capital allocations from Alberta Education.

### 15. 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.

### 16. 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.

### 17. 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	\$389,422	0	363,931	0	\$753,353
Children and Youth with Complex Needs	0	0	0	0	0
Francophone Student Health Services	0	0	0	0	0
Small Class Size Initiative	\$2,123,545	0	0	0	\$2,123,545
Student Health Initiative	0	198,468	26,546	0	\$225,014
SuperNet Service	0	0	148,433	0	\$148,433



**PALLISER REGIONAL DIVISION NO. 26  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2009**

**18. 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.

2008-2009	Balances		Transactions	
	Assets (@ cost or net realizable value)	Liabilities (@ fair value)	Revenues	Expenses
<b>Government of Alberta:</b>				
Education	\$98,790	0	\$58,359,200	0
Infrastructure & Transportation	0	0	0	0
Finance	133,396	2,699,000	278,596	281,596
Health & Wellness	0	0	0	178,839
Human Resources/Employment	0	0	0	0
Other Gov't of Alberta departments	0	0	0	16,356
<b>Other:</b>				
Health authorities	0	0	0	4,950
Post-secondary institutions	0	0	174,897	8,439
Other Alberta school jurisdictions	0	62,639	39,461	77,819
Other related parties	0	0	0	0
<b>Total 2008-2009</b>	<b>\$232,186</b>	<b>\$2,761,639</b>	<b>\$58,852,154</b>	<b>\$567,999</b>
<b>Total 2007-2008</b>	<b>\$1,214,779</b>	<b>\$3,611,523</b>	<b>\$43,722,653</b>	<b>\$986,275</b>



**PALLISER REGIONAL DIVISION NO. 26  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2009**

**19. REMUNERATION AND MONETARY INCENTIVES**

The Palliser School Division had paid or accrued expenses for the year ended August 31, 2009 to or on behalf of the following positions and persons. In groups as follows:

<b>Board Members:</b>	<b>FTE</b>	<b>Remuneration</b>	<b>Benefits</b>	<b>Negotiated Allowances</b>	<b>Performance Bonuses</b>	<b>ERIP's / Other</b>	<b>Expenses</b>
Chair: Mr. Don Zech	1.0	\$29,930	\$1,334	0			\$15,883
Mrs. Esther Willms	1.0	19,835	794	0			10,739
Mrs. Jean Mrak	1.0	15,648	664	0			8,360
Mr. Joe Watson	1.0	17,483	820	0			2,083
Mrs. Colleen Dietz	1.0	19,098	827	0			11,111
Mr. Robert Strauss	1.0	4,675	327	0			3,179
<b>Subtotal</b>	<b>6.0</b>	<b>\$106,669</b>	<b>\$4,766</b>	<b>0</b>			<b>\$51,355</b>
Superintendent (1) Mr. Kevin Gietz	1.0	155,000	11,099	0	0	0	44,488
Superintendent (2)	0.0	0	0	0	0	0	0
Secretary/Treasurer (1) Mr. Laurie Marston	1.0	135,340	14,988	0	0	0	7,219
Secretary/Treasurer (2) Mr. Terry Kirkham	0.3	42,058	9,786	0	0	0	6,703
Board Secretary (1)	0.0	0	0	0	0	0	0
Board Secretary (2)	0.0	0	0	0	0	0	0
Board Treasurer (1)	0.0	0	0	0	0	0	0
Board Treasurer (2)	0.0	0	0	0	0	0	0
Certificated Teachers	415.1	32,919,592	3,698,014	0	0	0	
Non-certificated - Other	285.7	11,960,233	2,566,405	0	0	0	
<b>TOTALS</b>	<b>709.1</b>	<b>\$45,318,892</b>	<b>\$6,305,058</b>	<b>0</b>	<b>0</b>	<b>0</b>	



## PALLISER REGIONAL DIVISION NO. 26 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2009

### 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 instruction and support allocations 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.

#### 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, 2009

- 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 \$429,533 for the year ended August 31, 2009 (2008 – \$320,531). At December 31, 2008, the Local Authorities Pension Plan reported an actuarial deficiency of \$4,413,971,000 (2007 deficiency of \$1,183,334,000). Effective for the 2008 – 2009 fiscal year, the Government of Alberta has taken responsibility for the LAP unfunded liabilities.

- 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** – The jurisdiction's financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. 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, 2009, the recorded obligation is \$110,296 (2008 \$110,296).
- l) **Investments** – Short-term investments are valued at the lower of cost or market. Long-term investments are valued at cost or, where there has been other than a temporary impairment in the value of the investment, at market value.



# **PALLISER REGIONAL DIVISION NO. 26** **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED AUGUST 31, 2009**

## **3. CASH AND TEMPORARY INVESTMENTS**

	2009			2008		
	Effective (Market) Yield	Cost	Fair Value	Effective (Market) Yield	Cost	Fair Value
Cash and cash equivalents	-	\$570,219	\$570,219	-	\$6,265,091	\$6,265,091
Fixed-income securities						
Government of Canada, direct and guaranteed	%	559,015	0	%	637,150	668,584
Provincial, direct and guaranteed	%	0	0	%	0	0
Corporate	%	0	0	%	0	0
Municipal	%	0	0	%	0	0
Pooled investment funds	%	0	0	%	0	0
Total fixed-income securities	%	\$559,015	\$587,571	%	\$637,150	\$668,584
Common Shares	%	\$147,151	\$168,219	%	\$160,839	\$226,993
Mutual Funds	%	\$399,336	\$403,442	%	\$784,362	\$770,675
Foreign Securities	%	\$877	\$928	%	\$1,024	\$1,174
<b>Total cash and temporary investments</b>	<b>%</b>	<b>\$1,716,598</b>	<b>\$1,730,379</b>	<b>%</b>	<b>\$7,848,466</b>	<b>\$7,932,517</b>

Please refer to Note 2 (i).

The jurisdiction acts as the Banker Board for the Student Health Partnership. At August 31, 2009, Student Health Partnership funds of \$481,914 were included in Cash and Temporary Investments. As such these funds are restricted.

## **4. ACCOUNTS RECEIVABLE**

	2009	2008
Alberta Education	\$ 98,790	\$ 1,040,669
Alberta Finance	133,396	153,396
Federal Government	410,681	58,689
First Nations	332,222	58,024
Other	916,824	233,639
<b>Total</b>	<b>\$ 1,891,913</b>	<b>\$ 1,544,417</b>

## **5. TRUST ASSETS AND LIABILITIES**

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

	2009	2008
Scholarship Trusts	\$ 201,440	\$ 201,488

The jurisdiction also holds \$481,914 (2008 - \$1,171,700) of Student Health Initiative (SHI Banker Board) funds that are presented within Cash and Accounts payable and accrued liabilities.



## PALLISER REGIONAL DIVISION NO. 26 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2009

### 6. TANGIBLE CAPITAL ASSETS

	Land	Construction In Progress - New Building	Buildings	Equipment - Computer Hardware & Software	Other Equipments	Vehicles	Total Aug. 31, 2009	Total Aug. 31, 2008
Estimated Useful life			25-40 Years	3-5 Years	5-10 Years	5-10 Years		
<b>Historical cost</b>								
September 1, 2008	\$340,000	\$34,218	\$44,968,043	\$101,626	\$2,526,683	\$7,402,867	\$55,373,437	\$53,247,068
Additions	0	953555	169170	913411	221643	660370	\$2,918,149	2979760
Transfers in (out)	0	0	0	0	0	0	\$0	0
Less disposals including write-offs	0	0	0	0	0	0	\$0	-853391
August 31, 2009	\$340,000	\$987,773	\$45,137,213	\$1,015,037	\$2,748,326	\$8,063,237	\$58,291,586	\$55,373,437
<b>Accumulated amortization</b>								
September 1, 2008	-	-	\$20,561,335	\$100,330	\$2,230,164	\$4,844,679	\$27,736,508	\$26,956,697
Amortization expense	-	-	984056	183984	154462	524120	\$1,846,622	1611542
Transfers in (out)	-	-	0	0	0	0	\$0	0
Effect of disposals	-	-	0	0	0	0	\$0	-831731
August 31, 2009	-	-	\$21,545,391	\$284,314	\$2,384,626	\$5,368,799	\$29,583,130	\$27,736,508
<b>Net Book Value at August 31, 2009</b>	<b>\$340,000</b>	<b>\$987,773</b>	<b>\$23,591,822</b>	<b>\$730,723</b>	<b>\$363,700</b>	<b>\$2,694,438</b>	<b>\$28,708,456</b>	<b>\$27,636,929</b>

### 7. BANK INDEBTEDNESS

The jurisdiction has negotiated a line of credit in the amount of \$600,000 that bears interest at the bank prime rate plus 0.3 per cent. 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, 2009.

### 8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2009	2008
Alberta Finance	\$ 133,396	\$ 150,369
Other Trade Payables & Accrued Liabilities	2,651,268	2,316,589
<b>Total</b>	<b>\$ 2,784,664</b>	<b>\$ 2,466,958</b>





# **PALLISER REGIONAL DIVISION NO. 26** **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED AUGUST 31, 2009**

## **9. DEFERRED REVENUE**

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug. 31, 2008	ADD: 2008/09 Restricted Funds Received/ Receivable	DEDUCT: 2008/09 Restricted Funds Expended (Paid / Payable)	ADD (DEDUCT): 2008/09 Adjustments or Returned Funds	DEFERRED REVENUE as at Aug. 31, 2009
<b>Alberta Education Restricted Operational Funding:</b>	\$0	\$0	\$0	\$0	\$0
Alberta Initiative for School Improvement	\$80,691	\$832,830	(\$753,353)	\$0	\$160,168
Children and Youth with Complex Needs	\$0	\$0	\$0	\$0	\$0
Francophone Student Health Services	\$0	\$0	\$0	\$0	\$0
Infrastructure Maintenance Renewal	\$272,796	\$1,239,678	(\$720,626)	\$0	\$791,848
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	\$1,010,014	\$1,113,532	(\$2,123,546)	\$0	\$0
Student Health Initiative (School Authorities)	\$0	\$469,554	(\$469,554)	\$0	\$0
SuperNet Service	\$0	\$114,798	(\$114,798)	\$0	\$0
Other Alberta Education deferred revenue	\$0	\$0	\$0	\$0	\$0
<b>Other Government of Alberta Restricted Funding:</b>	\$0	\$0	\$0	\$0	\$0
Technology Grants	\$378,324	\$408,273	(\$741,533)	\$0	\$45,064
Textbook Grant, Wheelchair grant	\$43,626	\$0	(\$34,444)	\$0	\$9,182
Creating Spaces	\$0	\$300,000	\$0	\$0	\$300,000
	\$0	\$0	\$0	\$0	\$0
<b>Other Deferred Revenue:</b>	\$281,421	\$86,268	(\$260,501)	\$0	\$107,188
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$2,066,872</b>	<b>\$4,564,933</b>	<b>(\$5,218,355)</b>	<b>\$0</b>	<b>\$1,413,450</b>

## **10. LONG-TERM DEBT**

- a) **Debenture Debt – Supported** – The debenture debt bears interest at rates varying between 6.875% and 11.625%. The debenture debt is fully supported by Alberta Finance. The current portion of long-term debt consists entirely of amounts payable by Alberta Finance on supported debt; therefore, the working capital (current assets minus current liabilities) is understated by this amount. Debenture payments due over the next five years and beyond are as follows:

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

## **11. 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.



# **PALLISER REGIONAL DIVISION NO. 26** **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED AUGUST 31, 2009**

## **12. 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.

## **13. 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.

## **14. COMMITMENTS**

Building Projects: The jurisdiction is committed to further capital expenditures of approximately \$12,362.227 for the modernization of Picture Butte High School. This obligation will be fully funded by capital allocations from Alberta Education.

## **15. 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.

## **16. 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.

## **17. 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	\$389,422	\$0	\$363,931	\$0	\$753,353
Children and Youth with Complex Needs	\$0	\$0	\$0	\$0	\$0
Francophone Student Health Services	\$0	\$0	\$0	\$0	\$0
Small Class Size Initiative	\$2,123,545	\$0	\$0	\$0	\$2,123,545
Student Health Initiative	\$0	\$198,468	\$26,546	\$0	\$225,014
SuperNet Service	\$0	\$0	\$148,433	\$0	\$148,433



# **PALLISER REGIONAL DIVISION NO. 26** **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED AUGUST 31, 2009**

## **18. 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.

2008-2009	Balances		Transactions	
	Assets (@ cost or net realizable value)	Liabilities (@ fair value)	Revenues	Expenses
Government of Alberta: Education	\$98,790	-	\$58,359,200	-
Infrastructure & Transportation	-	-	-	-
Finance	133,396	2,699,000	278,596	281,596
Health & Wellness	-	-	-	178,839
Human Resources/Employment	-	-	-	-
Other Gov't of Alberta departments	-	-	-	16,356
<b>Other:</b>	-	-	-	4,950
Health authorities	-	-	-	-
Post-secondary Institutions	-	-	174,897	8,439
Other Alberta school jurisdictions	-	62,639	39,461	77,819
Other related parties	-	-	-	-
<b>Total 2008-2009</b>	<b>\$232,186</b>	<b>\$2,761,639</b>	<b>\$58,852,154</b>	<b>\$567,999</b>
<b>Total 2007-2008</b>	<b>\$1,214,779</b>	<b>\$3,611,523</b>	<b>\$43,722,653</b>	<b>\$986,275</b>

## **19. REMUNERATION AND MONETARY INCENTIVES**

The Palliser School Division had paid or accrued expenses for the year ended August 31, 2009 to or on behalf of the following positions and persons. In groups as follows:

Board Members:	FTE	Remuneration	Benefits	Negotiated Allowances	Performance Bonuses	ERIP's / Other	Expenses
Chair: Mr. Don Zech	1.0	\$29,930	\$1,334	\$0			\$15,883
Mrs. Esther Willms	1.0	\$19,835	\$794	\$0			\$10,739
Mrs. Jean Mrak	1.0	\$15,648	\$664	\$0			\$8,360
Mr. Joe Watson	1.0	\$17,483	\$820	\$0			\$2,083
Mrs. Colleen Dietz	1.0	\$19,098	\$827	\$0			\$11,111
Mr. Robert Strauss	1.0	\$4,675	\$327	\$0			\$3,179
<b>Subtotal</b>	<b>6.0</b>	<b>\$106,669</b>	<b>\$4,766</b>	<b>\$0</b>			<b>\$51,355</b>
Superintendent (1) Mr. Kevin Gietz	1.0	\$155,000	\$11,099	\$0	\$0	\$0	\$44,488
Superintendent (2)	0.0	\$0	\$0	\$0	\$0	\$0	\$0
Secretary/Treasurer (1) Mr. Laurie Marston	1.0	\$135,340	\$14,988	\$0	\$0	\$0	\$7,219
Secretary/Treasurer (2) Mr. Terry Kirkham	0.3	\$42,058	\$9,786	\$0	\$0	\$0	\$6,703
Board Secretary (1)	0.0	\$0	\$0	\$0	\$0	\$0	\$0
Board Secretary (2)	0.0	\$0	\$0	\$0	\$0	\$0	\$0
Board Treasurer (1)	0.0	\$0	\$0	\$0	\$0	\$0	\$0
Board Treasurer (2)	0.0	\$0	\$0	\$0	\$0	\$0	\$0
Certificated Teachers	415.1	\$32,919,592	\$3,698,014	\$0	\$0	\$0	
Non-certificated - Other	285.7	\$11,960,233	\$2,566,405	\$0	\$0	\$0	
<b>TOTALS</b>	<b>709.1</b>	<b>\$45,318,892</b>	<b>\$6,305,058</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	