

**AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2015**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Palliser Regional Division No. 26

Legal Name of School Jurisdiction

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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 Canadian Public Sector Accounting Standards 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 Chair

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position, results of operations and cash flows for the year in accordance with Canadian Public Sector Accounting Standards.

BOARD CHAIR

Colleen Deitz
Name

Name


Signature

SUPERINTENDENT

Kevin Gietz
Name


Name


Signature

SECRETARY-TREASURER OR TREASURER

Wayne T. Braun
Name

Name


Signature

November 25, 2015

Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch
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Independent Auditors' Report

To the Board of Trustees of Palliser Regional Division No. 26

Report on the Financial Statements

We audited the accompanying financial statements of the Palliser Regional Division No. 26, which comprise the statements of financial position as at August 31, 2015, the statements of operations, cash flows, change in net debt, and remeasurement gains and losses for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits, we conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Palliser Regional Division No. 26 as at August 31, 2015, and the results of its operations, cash flows, change in net debt, and remeasurement gains and losses for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants

November 25, 2015
Lethbridge, Canada

STATEMENT OF FINANCIAL POSITION
As at August 31, 2015 (in dollars)

		2015	2014
FINANCIAL ASSETS			
Cash and cash equivalents	(Note 3)	\$ 9,182,721	\$ 8,759,855
Accounts receivable (net after allowances)	(Note 4)	\$ 1,217,416	\$ 2,774,996
Portfolio investments	(Note 5)	\$ 108,954	\$ 103,221
Other financial assets		\$ -	\$ -
Total financial assets		\$ 10,509,091	\$ 11,638,072
LIABILITIES			
Bank indebtedness	(Note 6)	\$ -	\$ -
Accounts payable and accrued liabilities	(Note 7)	\$ 1,397,168	\$ 3,599,059
Deferred revenue	(Note 8)	\$ 38,094,832	\$ 36,844,939
Employee future benefit liabilities	(Note 9)	\$ 263,100	\$ 264,800
Liability for contaminated sites		\$ -	\$ -
Other liabilities		\$ -	\$ -
Debt	(Note 10)		
Supported: Debentures and other supported debt		\$ 650,669	\$ 952,240
Unsupported: Debentures and capital loans		\$ -	\$ -
Mortgages		\$ -	\$ -
Capital leases		\$ -	\$ -
Total liabilities		\$ 40,405,769	\$ 41,661,038
Net financial assets (debt)		\$ (29,896,678)	\$ (30,022,966)
NON-FINANCIAL ASSETS			
Tangible capital assets	(Note 11)		
Land		\$ 340,000	\$ 340,000
Construction in progress		\$ 466,139	\$ 495,602
Buildings	\$ 62,889,436		
Less: Accumulated amortization	\$ (27,948,592)	\$ 34,940,844	\$ 35,668,876
Equipment	\$ 2,964,720		
Less: Accumulated amortization	\$ (2,568,689)	\$ 396,031	\$ 377,797
Vehicles	\$ 7,957,334		
Less: Accumulated amortization	\$ (5,796,115)	\$ 2,161,219	\$ 2,189,836
Computer Equipment	\$ 1,437,450		
Less: Accumulated amortization	\$ (1,135,390)	\$ 302,060	\$ 7,373
Total tangible capital assets		\$ 38,606,293	\$ 39,079,484
Prepaid expenses		\$ 361,124	\$ 361,113
Other non-financial assets		\$ 11,942	\$ 5,918
Total non-financial assets		\$ 38,979,359	\$ 39,446,515
Accumulated surplus	(Note 12)	\$ 9,082,681	\$ 9,423,549
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)		\$ 9,082,681	\$ 9,423,549
Accumulated remeasurement gains (losses)		\$ -	\$ -
		\$ 9,082,681	\$ 9,423,549
Contractual obligations	(Note 13)		
Contingent liabilities	(Note 14)		

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF OPERATIONS
For the Year Ended August 31, 2015 (in dollars)

	Budget 2015	Actual 2015	Actual 2014
REVENUES			
Alberta Education	\$ 73,781,239	\$ 74,518,237	\$ 79,923,428
Other - Government of Alberta	\$ 175,643	\$ 503,201	\$ 490,044
Federal Government and First Nations	\$ 317,348	\$ 376,445	\$ 332,347
Other Alberta school authorities	\$ -	\$ -	\$ 180,439
Out of province authorities	\$ -	\$ -	\$ -
Alberta municipalities-special tax levies	\$ -	\$ -	\$ -
Property taxes	\$ -	\$ -	\$ -
Fees (Note 15)	\$ 1,266,965	\$ 2,056,717	\$ 1,295,159
Other sales and services	\$ 271,900	\$ 911,187	\$ 1,971,480
Investment income	\$ 63,000	\$ 99,068	\$ 71,295
Gifts and donations	\$ 90,000	\$ 86,419	\$ 95,649
Rental of facilities	\$ 276,681	\$ 336,601	\$ 329,766
Fundraising	\$ 700,000	\$ 1,221,665	\$ 1,103,003
Gains on disposal of capital assets	\$ -	\$ 3,400	\$ 16,992
Other revenue	\$ 940,549	\$ 588,206	\$ 728,969
Total revenues	\$ 77,883,325	\$ 80,701,146	\$ 86,538,571
EXPENSES			
Instruction - ECS	\$ 3,502,000	\$ 4,407,191	\$ 3,761,500
Instruction - Grades 1 - 12	\$ 59,926,901	\$ 59,683,763	\$ 63,673,134
Plant operations and maintenance	\$ 8,917,486	\$ 9,487,035	\$ 8,812,275
Transportation	\$ 3,747,846	\$ 3,882,081	\$ 3,825,252
Board & system administration	\$ 2,823,617	\$ 2,911,193	\$ 3,174,341
External services	\$ 476,614	\$ 670,953	\$ 804,067
Total expenses	\$ 79,394,464	\$ 81,042,216	\$ 84,050,569
Operating surplus (deficit)	\$ (1,511,139)	\$ (341,070)	\$ 2,488,002

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF CASH FLOWS
For the Year Ended August 31, 2015 (in dollars)

	2015	2014
CASH FLOWS FROM:		
A. OPERATING TRANSACTIONS		
Operating surplus (deficit)	\$ (341,070)	\$ 2,488,002
Add (Deduct) items not affecting cash:		
Total amortization expense	\$ 2,024,563	\$ 2,395,981
Gains on disposal of tangible capital assets	\$ (3,400)	\$ (16,992)
Losses on disposal of tangible capital assets	\$ -	\$ -
Expended deferred capital revenue recognition	\$ (1,374,120)	\$ (1,358,375)
Deferred capital revenue write-off	\$ -	\$ -
Donations in kind	\$ -	\$ -
Changes in:		
Accounts receivable	\$ 1,557,580	\$ (387,516)
Prepays	\$ (11)	\$ 108,537
Other financial assets	\$ -	\$ -
Non-financial assets	\$ (6,024)	\$ 2,675
Accounts payable, accrued and other liabilities	\$ (2,201,891)	\$ 373,460
Deferred revenue (excluding EDCR)	\$ 2,624,013	\$ 1,429,968
Employee future benefit liabilities	\$ (1,700)	\$ 6,400
Other - endowments/adjustments	\$ (1)	\$ 484
Total cash flows from operating transactions	\$ 2,277,939	\$ 5,042,624
B. CAPITAL TRANSACTIONS		
Purchases of tangible capital assets		
Land	\$ -	\$ -
Buildings	\$ (803,588)	\$ (1,232,342)
Equipment	\$ (364,624)	\$ (24,402)
Vehicles	\$ (383,159)	\$ (390,163)
Computer equipment	\$ -	\$ -
Net proceeds from disposal of unsupported capital assets	\$ 3,400	\$ 34,644
Other	\$ -	\$ -
Total cash flows from capital transactions	\$ (1,547,971)	\$ (1,612,263)
C. INVESTING TRANSACTIONS		
Purchases of portfolio investments	\$ (5,733)	\$ (28,897)
Dispositions of portfolio investments	\$ -	\$ -
Remeasurement gains (losses) reclassified to the statement of operations	\$ -	\$ -
Change in endowments	\$ 202	\$ -
Other	\$ -	\$ -
Total cash flows from investing transactions	\$ (5,531)	\$ (28,897)
D. FINANCING TRANSACTIONS		
Issue of debt	\$ -	\$ -
Repayment of debt	\$ (301,571)	\$ (306,621)
Other factors affecting debt	\$ -	\$ -
Issuance of capital leases	\$ -	\$ -
Repayment of capital leases	\$ -	\$ -
Other factors affecting capital leases	\$ -	\$ -
Other	\$ -	\$ -
Total cash flows from financing transactions	\$ (301,571)	\$ (306,621)
Increase (decrease) in cash and cash equivalents	\$ 422,866	\$ 3,094,843
Cash and cash equivalents, at beginning of year	\$ 8,759,855	\$ 5,665,012
Cash and cash equivalents, at end of year	\$ 9,182,721	\$ 8,759,855

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (NET DEBT)
For the Year Ended August 31, 2015 (in dollars)

	2015	2014
Operating surplus (deficit)	\$ (341,070)	\$ 2,488,002
Effect of changes in tangible capital assets		
Acquisition of tangible capital assets	\$ (1,551,371)	\$ (1,646,907)
Amortization of tangible capital assets	\$ 2,024,563	\$ 2,395,981
Net carrying value of tangible capital assets disposed of	\$ -	\$ 17,652
Write-down carrying value of tangible capital assets	\$ -	\$ -
Other changes	\$ (1)	\$ (2)
Total effect of changes in tangible capital assets	\$ 473,191	\$ 766,724
Changes in:		
Prepaid expenses	\$ (11)	\$ 108,537
Other non-financial assets	\$ (6,024)	\$ 2,675
Net remeasurement gains and (losses)	\$ -	\$ -
Endowments	\$ 202	\$ 486
Increase (decrease) in net financial assets (net debt)	\$ 126,288	\$ 3,366,424
Net financial assets (net debt) at beginning of year	\$ (30,022,966)	\$ (33,389,390)
Net financial assets (net debt) at end of year	\$ (29,896,678)	\$ (30,022,966)

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF REMEASUREMENT GAINS AND LOSSES
For the Year Ended August 31, 2015 (in dollars)

	2015	2014
Accumulated remeasurement gains (losses) at beginning of year	\$ -	\$ -
Unrealized gains (losses) attributable to:		
Portfolio investments	\$ -	\$ -
Other	\$ -	\$ -
Amounts reclassified to the statement of operations:		
Portfolio investments	\$ -	\$ -
Other	\$ -	\$ -
Net remeasurement gains (losses) for the year	\$ -	\$ -
Accumulated remeasurement gains (losses) at end of year	\$ -	\$ -

The accompanying notes and schedules are part of these financial statements.

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2015 (in dollars)

	ACCUMULATED SURPLUS	ACCUMULATED REMEASUREMENT GAINS (LOSSES)	ACCUMULATED OPERATING SURPLUS	INVESTMENT IN TANGIBLE CAPITAL ASSETS	ENDOWMENTS	UNRESTRICTED SURPLUS	INTERNALLY RESTRICTED	
							TOTAL OPERATING RESERVES	TOTAL CAPITAL RESERVES
Balance at August 31, 2014	\$ 9,423,549	\$ -	\$ 9,423,549	\$ 4,115,157	\$ 86,006	\$ 3,007,732	\$ 1,484,654	\$ 730,000
Prior period adjustments:								
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2014	\$ 9,423,549	\$ -	\$ 9,423,549	\$ 4,115,157	\$ 86,006	\$ 3,007,732	\$ 1,484,654	\$ 730,000
Operating surplus (deficit)	\$ (341,070)		\$ (341,070)			\$ (341,070)		
Board funded tangible capital asset additions				\$ 637,256		\$ (272,632)	\$ -	\$ (364,624)
Disposal of unsupported tangible capital assets or board funded portion of supported	\$ -		\$ -	\$ -		\$ (3,400)		\$ 3,400
Write-down of unsupported tangible capital assets or board funded portion of supported	\$ -		\$ -	\$ -		\$ -		\$ -
Net remeasurement gains (losses) for the year	\$ -	\$ -						
Endowment expenses & disbursements	\$ -		\$ -		\$ -	\$ -		
Endowment contributions	\$ -		\$ -		\$ -	\$ -		
Investment income & realized capital gains on endowments	\$ -		\$ -		\$ -	\$ -		
Direct credits to accumulated surplus	\$ 202	\$ -	\$ 202	\$ -	\$ 202	\$ -	\$ -	\$ -
Amortization of tangible capital assets	\$ -			\$ (2,024,563)		\$ 2,024,563		
Capital revenue recognized	\$ -			\$ 1,374,120		\$ (1,374,120)		
Debt principal repayments (unsupported)	\$ -			\$ -		\$ -		
Additional capital debt or capital leases	\$ -			\$ -		\$ -		
Net transfers to operating reserves	\$ -					\$ (3,300,000)	\$ 3,300,000	
Net transfers from operating reserves	\$ -					\$ 610,011	\$ (610,011)	
Net transfers to capital reserves	\$ -					\$ -		\$ -
Net transfers from capital reserves	\$ -					\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(Other Changes)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2015	\$ 9,082,681	\$ -	\$ 9,082,681	\$ 4,101,970	\$ 86,208	\$ 351,084	\$ 4,174,643	\$ 368,776

**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2015 (in dollars)**

	INTERNALLY RESTRICTED RESERVES BY PROGRAM									
	School & Instruction Related		Operations & Maintenance		Board & System Administration		Transportation		External Services	
	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2014	\$ 1,064,654	\$ -	\$ 420,000	\$ 230,000	\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ -
Prior period adjustments:										
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2014	\$ 1,064,654	\$ -	\$ 420,000	\$ 230,000	\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ -
Operating surplus (deficit)										
Board funded tangible capital asset additions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (364,624)	\$ -	\$ -	\$ -	\$ -
Disposal of unsupported tangible capital assets or board funded portion of supported		\$ -		\$ -		\$ -		\$ 3,400		\$ -
Write-down of unsupported tangible capital assets or board funded portion of supported		\$ -		\$ -		\$ -		\$ -		\$ -
Net remeasurement gains (losses) for the year										
Endowment expenses & disbursements										
Endowment contributions										
Investment income & realized capital gains on endowments										
Direct credits to accumulated surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization of tangible capital assets										
Capital revenue recognized										
Debt principal repayments (unsupported)										
Additional capital debt or capital leases										
Net transfers to operating reserves	\$ -		\$ -		\$ 3,300,000		\$ -		\$ -	
Net transfers from operating reserves	\$ (294,205)		\$ (315,806)		\$ -		\$ -		\$ -	
Net transfers to capital reserves		\$ -		\$ -		\$ -		\$ -		\$ -
Net transfers from capital reserves		\$ -		\$ -		\$ -		\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(Other Changes)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2015	\$ 770,449	\$ -	\$ 104,194	\$ 230,000	\$ 3,300,000	\$ 135,376	\$ -	\$ 3,400	\$ -	\$ -

**SCHEDULE OF CAPITAL REVENUE
(EXTERNALLY RESTRICTED CAPITAL REVENUE ONLY)
for the Year Ended August 31, 2015 (in dollars)**

	Unexpended Deferred Capital Revenue				Expended Deferred Capital Revenue
	Provincially Approved & Funded Projects ^(A)	Surplus from Provincially Approved Projects ^(B)	Proceeds on Disposal of Provincially Funded Tangible Capital Assets ^(C)	Unexpended Deferred Capital Revenue from Other Sources ^(D)	
Balance at August 31, 2014	\$ 530,930	\$ -	\$ -	\$ -	\$ 34,964,326
Prior period adjustments	\$ -	\$ -	\$ -	\$ -	\$ 1
Adjusted balance, August 31, 2014	\$ 530,930	\$ -	\$ -	\$ -	\$ 34,964,327
Add:					
Unexpended capital revenue received from:					
Alberta Education school building & modular projects (excl. IMR)	\$ 1,615,582				
Infrastructure Maintenance & Renewal capital related to school facilities	\$ -				
Other sources: (Describe)	\$ -			\$ -	
Other sources (Describe):	\$ -			\$ -	
Unexpended capital revenue receivable from:					
Alberta Education school building & modular (excl. IMR)	\$ -				
Other sources: (Describe)	\$ -			\$ -	
Other sources: (Describe)	\$ -			\$ -	
Interest earned on unexpended capital revenue	\$ 20,265	\$ -	\$ -	\$ -	
Other unexpended capital revenue: (Describe)				\$ -	
Net proceeds on disposal of supported tangible capital assets			\$ -	\$ -	
Insurance proceeds (and related interest)			\$ -	\$ -	
Donated tangible capital assets (Explain):					\$ -
Alberta Schools Alternative Program (ASAP), Building Alberta School Construction Program, (BASCP) and other Alberta Infrastructure managed projects					\$ -
Transferred in (out) tangible capital assets (amortizable, @ net book value)					\$ -
Expended capital revenue - current year	\$ (914,115)	\$ -	\$ -	\$ -	\$ 914,115
Surplus funds approved for future project(s)	\$ -	\$ -			
Other adjustments (Explain):	\$ -	\$ -	\$ -	\$ -	\$ -
Deduct:					
Net book value of supported tangible capital dispositions or write-offs					\$ -
Other adjustments (Explain):	\$ -	\$ -	\$ -	\$ -	\$ -
Capital revenue recognized - Alberta Education					\$ 1,374,120
Capital revenue recognized - Other Government of Alberta					\$ -
Capital revenue recognized - Other revenue					\$ -
Balance at August 31, 2015	\$ 1,252,662	\$ -	\$ -	\$ -	\$ 34,504,322
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at August 31, 2015 (A) + (B) + (C) + (D)				\$ 1,252,662	

Unexpended Deferred Capital Revenue

- (A) - Represents funding received from the Government of Alberta to be used toward the acquisition of new approved tangible capital assets with restricted uses only.
(B) - Represents any surplus of funding over costs from column (A) approved by Minister for future capital expenditures with restricted uses only.
(C) - Represents proceeds on disposal of provincially funded restricted-use capital assets to be expended on approved capital assets per 10(2)(a) of Disposition of Property Reg. 181/2010.
(D) - Represents capital revenue received from entities OTHER THAN the Government of Alberta for the acquisition of restricted-use tangible capital assets.

SCHEDULE OF PROGRAM OPERATIONS
for the Year Ended August 31, 2015 (in dollars)

REVENUES	2015							2014
	Instruction		Plant Operations and Maintenance	Transportation	Board & System Administration	External Services	TOTAL	TOTAL
	ECS	Grades 1 - 12						
(1) Alberta Education	\$ 4,572,921	\$ 54,485,029	\$ 9,305,651	\$ 3,490,345	\$ 2,664,291	\$ -	\$ 74,518,237	\$ 79,923,428
(2) Other - Government of Alberta	\$ -	\$ 397,509	\$ 87,577	\$ -	\$ 18,115	\$ -	\$ 503,201	\$ 490,044
(3) Federal Government and First Nations	\$ -	\$ 362,893	\$ -	\$ -	\$ 13,552	\$ -	\$ 376,445	\$ 332,347
(4) Other Alberta school authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 180,439
(5) Out of province authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(6) Alberta municipalities-special tax levies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(7) Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(8) Fees	\$ 81,600	\$ 1,395,114	\$ -	\$ 190,273	\$ -	\$ 389,730	\$ 2,056,717	\$ 1,295,159
(9) Other sales and services	\$ -	\$ 655,887	\$ -	\$ 222,497	\$ 32,803	\$ -	\$ 911,187	\$ 1,971,480
(10) Investment income	\$ -	\$ -	\$ -	\$ -	\$ 99,068	\$ -	\$ 99,068	\$ 71,295
(11) Gifts and donations	\$ -	\$ 73,249	\$ -	\$ -	\$ 13,170	\$ -	\$ 86,419	\$ 95,649
(12) Rental of facilities	\$ -	\$ -	\$ -	\$ 15,905	\$ 11,545	\$ 309,151	\$ 336,601	\$ 329,766
(13) Fundraising	\$ -	\$ 1,221,665	\$ -	\$ -	\$ -	\$ -	\$ 1,221,665	\$ 1,103,003
(14) Gains on disposal of tangible capital assets	\$ -	\$ -	\$ -	\$ 3,400	\$ -	\$ -	\$ 3,400	\$ 16,992
(15) Other revenue	\$ -	\$ 533,498	\$ -	\$ -	\$ 54,708	\$ -	\$ 588,206	\$ 728,969
(16) TOTAL REVENUES	\$ 4,654,521	\$ 59,124,844	\$ 9,393,228	\$ 3,922,420	\$ 2,907,252	\$ 698,881	\$ 80,701,146	\$ 86,538,571
EXPENSES								
(17) Certificated salaries	\$ 2,141,893	\$ 36,259,731	\$ -	\$ -	\$ 490,351	\$ -	\$ 38,891,975	\$ 41,242,518
(18) Certificated benefits	\$ 492,635	\$ 8,352,847	\$ -	\$ -	\$ 74,164	\$ -	\$ 8,919,646	\$ 9,591,122
(19) Non-certificated salaries and wages	\$ 1,229,592	\$ 6,942,844	\$ 1,586,618	\$ 1,817,636	\$ 1,242,008	\$ 266,498	\$ 13,085,196	\$ 12,737,807
(20) Non-certificated benefits	\$ 208,275	\$ 1,667,719	\$ 436,791	\$ 217,440	\$ 263,899	\$ 55,582	\$ 2,849,706	\$ 2,935,711
(21) SUB - TOTAL	\$ 4,072,395	\$ 53,223,141	\$ 2,023,409	\$ 2,035,076	\$ 2,070,422	\$ 322,080	\$ 63,746,523	\$ 66,507,158
(22) Services, contracts and supplies	\$ 334,796	\$ 6,369,170	\$ 5,978,045	\$ 1,492,750	\$ 752,658	\$ 253,678	\$ 15,181,097	\$ 15,027,744
(23) Amortization of supported tangible capital assets	\$ -	\$ -	\$ 1,374,120	\$ -	\$ -	\$ -	\$ 1,374,120	\$ 1,358,375
(24) Amortization of unsupported tangible capital assets	\$ -	\$ 91,452	\$ 23,099	\$ 353,616	\$ 87,081	\$ 95,195	\$ 650,443	\$ 1,037,606
(25) Supported interest on capital debt	\$ -	\$ -	\$ 87,577	\$ -	\$ -	\$ -	\$ 87,577	\$ 117,637
(26) Unsupported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(27) Other interest and finance charges	\$ -	\$ -	\$ 785	\$ 639	\$ 1,032	\$ -	\$ 2,456	\$ 2,049
(28) Losses on disposal of tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(29) Other expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(30) TOTAL EXPENSES	\$ 4,407,191	\$ 59,683,763	\$ 9,487,035	\$ 3,882,081	\$ 2,911,193	\$ 670,953	\$ 81,042,216	\$ 84,050,569
(31) OPERATING SURPLUS (DEFICIT)	\$ 247,330	\$ (558,919)	\$ (93,807)	\$ 40,339	\$ (3,941)	\$ 27,928	\$ (341,070)	\$ 2,488,002

**SCHEDULE OF PLANT OPERATIONS AND MAINTENANCE EXPENSES
for the Year Ended August 31, 2015 (in dollars)**

EXPENSES	Custodial	Maintenance	Utilities and Telecomm.	Expensed IMR, Modular Unit Relocations & Lease Payments	Facility Planning & Operations Administration	Unsupported Amortization & Other Expenses	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	2015 TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$ 910,031	\$ 293,613	\$ -	\$ 240,193	\$ 142,781		\$ 1,586,618		\$ 1,586,618
Uncertificated benefits	\$ 262,097	\$ 71,357	\$ -	\$ 66,125	\$ 37,212		\$ 436,791		\$ 436,791
Sub-total Remuneration	\$ 1,172,128	\$ 364,970	\$ -	\$ 306,318	\$ 179,993		\$ 2,023,409		\$ 2,023,409
Supplies and services	\$ 1,462,415	\$ 1,621,426	\$ 517,000	\$ 903,938	\$ 17,579		\$ 4,522,358		\$ 4,522,358
Electricity			\$ 416,137				\$ 416,137		\$ 416,137
Natural gas/heating fuel			\$ 174,742				\$ 174,742		\$ 174,742
Sewer and water			\$ 53,476				\$ 53,476		\$ 53,476
Telecommunications			\$ 6,489				\$ 6,489		\$ 6,489
Insurance					\$ 189,338		\$ 189,338		\$ 189,338
ASAP maintenance & renewal payments								\$ -	\$ -
Amortization of tangible capital assets									
Supported								\$ 1,374,120	\$ 1,374,120
Unsupported						\$ 23,099	\$ 23,099		\$ 23,099
Total Amortization						\$ 23,099	\$ 23,099	\$ 1,374,120	\$ 1,397,219
Interest on capital debt									
Supported								\$ 87,577	\$ 87,577
Unsupported						\$ -	\$ -		\$ -
Lease payments for facilities				\$ 615,505			\$ 615,505		\$ 615,505
Other interest charges						\$ 785	\$ 785		\$ 785
Losses on disposal of capital assets						\$ -	\$ -		\$ -
TOTAL EXPENSES	\$ 2,634,543	\$ 1,986,396	\$ 1,167,844	\$ 1,825,761	\$ 386,910	\$ 23,884	\$ 8,025,338	\$ 1,461,697	\$ 9,487,035
SQUARE METRES									
School buildings									85,195.0
Non school buildings									6,169.0

Note:

Custodial: All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.

Maintenance: All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.

Utilities & Telecommunications: All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.

Expensed IMR & Modular Unit Relocation & Lease Pmts: All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects, modular unit (portable) relocation, and payments on leased facilities.

Facility Planning & Operations Administration: All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facility planning & project 'administration', administration of joint-use agreements, and all expenses related to ensuring compliance with health and safety standards, codes and government regulations.

Supported Capital & Debt Services: All expenses related to supported capital assets amortization and interest on supported capital debt.

PALLISER REGIONAL DIVISION No. 26

Notes to Financial Statements

Year ended August 31, 2015

1. Authority and purpose:

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

The School Division receives instruction and support allocations under Education Grants Regulation (AR 120/2008). The regulation allows for setting of conditions and use of grant monies. The School Division is limited on certain funding allocations and administration expenses.

2. Summary of significant accounting policies:

These financial statements have been prepared in accordance with the CICA Canadian public sector accounting standards. 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) Cash and cash equivalents:

Cash and cash equivalents include cash and investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These short-term investments have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

b) Accounts receivable:

Accounts receivable are shown net of allowance for doubtful accounts.

c) Portfolio investments:

The School Division has investments in GIC's that have a maturity of greater than 3 months. GIC's and other investments not quoted in an active market are reported at cost or amortized cost.

d) Tangible capital assets:

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the asset. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset. Donated tangible capital assets are recorded at their fair market value at the date of donation, except in circumstances where fair value cannot be reasonably determined, when they are then recognized at nominal value. Transfers of tangible capital assets from related parties are recorded at original cost less accumulated amortization.

Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion, and is not amortized until after the project is complete and the asset is in service.

PALLISER REGIONAL DIVISION No. 26

Notes to Financial Statements

Year ended August 31, 2015

2. Summary of significant accounting policies (continued):

Tangible capital assets are amortized over their estimated useful lives on a straight-line basis, at the following rates:

Equipment	5 years
Vehicles	6 -10 years
New Buildings	25 - 50 years
Modernizations	10 - 25 years

e) Employee future benefits:

The Division participates in the Local Authorities Pension Plan. This is a multi-employer defined benefit plan that provides pensions for the Division's participating employees, based on years of service and earnings. Defined contribution plan accounting is applied to a multi-employer defined benefit plan for which the Division has insufficient information to apply defined benefit plan accounting. Pension costs included in these financial statements include the amount of employer contributions required for its employees during the year, based on rates which are expected to provide for benefits payable under the pension plan. The Division's portion of this pension plans' deficit or surplus is not recorded by the Division.

The Division participates in the Alberta Teachers' Retirement Fund. This is a multi-employer defined benefit plan that provides pensions for the Division's participating employees, based on years of service and earnings. Defined contribution plan accounting is applied for this multi-employer defined benefit plan. Pension costs included in these financial statements include the amount of employer contributions required for its employees during the year, based on rates which are expected to provide for benefits payable under the pension plan. The Division's portion of this pension plans' deficit or surplus is not recorded by the Division.

For the Alberta Teachers' Retirement fund pension costs include the Provincial contributions made on behalf of the Division for current service employees during the year.

The Division provides a defined benefit Senior Executive Retirement Plan to certain senior employees. Costs of these benefits are actuarially determined using the projected benefit method prorated on service; an interest rate based on the Division's cost of borrowing and management's best estimate of expected costs and benefit coverage period. Net actuarial recoveries and deficiencies of the benefit obligation are amortized over the expected average remaining service life of the employees. Current service costs in the actuarial present value of the benefits earned in the fiscal period and applicable adjustments to prior year are due to changes in the underlying assumptions. The Plan is unfunded.

f) Operating and capital reserves:

Certain amounts are internally or externally restricted for future operating or capital purposes. Transfers to and from reserves are recorded when approved by the Board of Trustees. Capital reserves are restricted to capital purposes and may only be used for operating purposes with approval by the Minister of Education. Reserves are disclosed in the Schedule of Changes in Accumulated Surplus.

PALLISER REGIONAL DIVISION No. 26

Notes to Financial Statements

Year ended August 31, 2015

2. Summary of significant accounting policies (continued):

g) Revenue recognition:

Revenues are recorded on an accrual basis. 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.

Volunteers contribute a considerable number of hours per year to schools to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Contributed services are not recognized in the financial statements.

Eligibility criteria are criteria that the School District has to meet in order to receive certain contributions. Stipulations describe what the School District must perform in order to keep the contributions. Contributions without eligibility criteria or stipulations are recognized as revenue when the contributions are authorized by the transferring government or entity. Contributions with eligibility criteria but without stipulations are recognized as revenue when the contributions are authorized by the transferring government or entity and all eligibility criteria have been met.

Contributions with stipulations are recognized as revenue in the period the stipulations are met, except when and to the extent that the contributions give rise to an obligation that meets the definition of a liability in accordance with *Section PS 3200*. Such liabilities are recorded as deferred revenue. The following items fall under this category:

- Non-capital contributions for specific purposes are recorded as deferred revenue and recognized as revenue in the period the stipulated related expenses are incurred;
- Unexpended Deferred Capital Revenue; or
- Expended Deferred Capital Revenue, with ongoing stipulations.

h) Financial instruments:

A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. The Division recognizes a financial instrument when it becomes a party to a financial instrument contract.

Financial instruments consist of cash and cash equivalents, accounts receivable, portfolio investments, bank indebtedness, accounts payable and accrued liabilities, debt and other liabilities. Unless otherwise noted, it is management's opinion that the Division is not exposed to significant credit and liquidity risks, or market risk, which includes currency, interest rate and other price risks.

Portfolio investments in equity instruments quoted in an active market and derivatives are recorded at fair value. All other financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of items in the cost or amortized cost upon initial recognition. The gain or loss arising from de-recognition of a financial instrument is recognized in the Statement of Operations. Impairment losses such as write-downs or write-offs are reported in the Statement of Operations.

PALLISER REGIONAL DIVISION No. 26

Notes to Financial Statements

Year ended August 31, 2015

2. Summary of significant accounting policies (continued):

i) Program reporting:

The Division's operations have been segmented as follows:

ECS-Grade 12 Instruction: The provision of Early Childhood Services education and grades 1 - 12 instructional services that fall under the basic public education mandate.

Plant Operations and Maintenance: The operation and maintenance of all school buildings and maintenance shop facilities.

Transportation: The provision of regular and special education bus services (to and from school), whether contracted or board operated, including transportation facilities.

Board & System Administration: The provision of board governance and system-based / central office administration.

External Services: All projects, activities, and services offered outside the public education mandate for ECS children and students in grades 1-12. Services offered beyond the mandate for public education are to be self-supporting, and Alberta Education funding may not be utilized to support these programs.

The allocation of revenues and expenses are reported by program, source, and object on the Schedule of Program Operations.

j) Scholarship and endowment funds:

Contributions to scholarship and endowment funds must be held in perpetuity in accordance with the agreement with the donor.

Contributions of endowment principal represent a direct increase to accumulated surplus. The income earned on endowment principal is recognized as deferred revenue or as revenue in the year to the extent that stipulations have been met.

Unrealized gains and losses associated with the endowment are recorded in the Statement of Remeasurement Gains and Losses.

k) Contaminated sites:

In 2014/2015 the Division adopted PS 3260 Liability for Contaminated Sites which requires the recognition of a liability for contaminated site remediation. At August 31, 2015, no contaminated sites were identified.

PALLISER REGIONAL DIVISION No. 26

Notes to Financial Statements

Year ended August 31, 2015

3. Cash and temporary investments:

			2015	2014
	Average effective (market) yield	Cost	Amortized cost	Amortized cost
Cash and cash equivalents	0.95%	\$ 9,182,721	\$ 9,182,721	\$ 8,759,855

Cash and cash equivalents includes school generated funds on hand of \$928,925 (2014 - \$1,116,184).

4. Accounts receivable:

	2015	2014
Alberta Education	\$ 60,767	\$ 234,512
Alberta Finance	650,659	952,240
Federal Government	91,382	90,022
Other	414,608	1,498,222
	\$ 1,217,416	\$ 2,774,996

5. Portfolio investments:

The composition, fair value and annual market yield on portfolio investments are as follows:

	Level 1	Total 2015
Fixed income mutual funds	\$ 108,954	\$ 108,954

	Level 1	Total 2014
Fixed income mutual funds	\$ 103,221	\$ 103,221

Level 1 - Quoted prices in active markets for identical assets or liabilities.

The average effective yields of the fixed income mutual funds were 0.06% (2014 - 0.13%). These investments have no set date of maturity.

PALLISER REGIONAL DIVISION No. 26

Notes to Financial Statements

Year ended August 31, 2015

6. Bank indebtedness:

The Division has negotiated a line of credit with RBC in the amount of \$600,000 that bears interest at the bank's prime rate plus 0.3%. This line of credit is secured by a borrowing bylaw and a security agreement, covering all revenue of the Division. There was no balance outstanding on the line of credit at August 31, 2015 (2014 – nil). Prime rate at August 31, 2015 was 2.7% (2014 – 3.0%).

7. Accounts payable:

	2015	2014
Federal GST	\$ --	\$ 1,050
Payroll remittances	21,815	245,559
Central PD Funds	356,979	372,329
Vacation/banked liability	472,330	324,206
Other	546,044	2,655,915
	<u>\$ 1,397,168</u>	<u>\$ 3,599,059</u>

PALLISER REGIONAL DIVISION No. 26

Notes to Financial Statements

Year ended August 31, 2015

8. Deferred revenue:

	Deferred revenue as at August 31, 2014	Add 2014/2015 restricted funds received/ receivable	Transfers 2014/2015	Deduct 2014/2015 restricted funds expended (paid/payable)	Deferred revenue as at August 31, 2015
Unexpended deferred operating revenue:					
Alberta Education:					
Infrastructure Maintenance Renewal	\$ 56,152	\$ 2,168,863	\$ --	\$(1,210,256)	\$ 1,014,759
CTS Evergreening	20,211	--	--	(13,629)	6,582
Technology	4,110	--	--	--	4,110
LTPF 2015 Grant	--	53,905	--	--	53,905
Assessment Grant	--	3,264	--	--	3,264
Other Government of Alberta:					
AHS	--	1,308	--	--	1,308
KAHS leftover Modernization funds	6,102	--	--	--	6,102
Other deferred revenue:					
School generated funds	1,116,184	2,715,400	--	(2,902,659)	928,925
Other	146,925	200,643	--	(28,675)	318,893
Total unexpended deferred operating revenue	1,349,684	5,143,383	--	(4,155,219)	2,337,848
Unexpended deferred capital revenue	530,930	1,635,847	(914,115)	--	1,252,662
Expended deferred capital revenue	34,964,325	--	914,115	(1,374,118)	34,504,322
Total	\$36,844,939	\$ 6,779,230	\$ --	\$(5,529,337)	\$ 38,094,832

PALLISER REGIONAL DIVISION No. 26

Notes to Financial Statements

Year ended August 31, 2015

9. Accrued benefit obligation:

The accrued benefit obligation is the obligation related to the Senior Executive Retirement Plan. The obligation has been determined through an actuarial report from Morneau Shepell dated September 30, 2015 using a measurement date of August 31, 2015.

Reconciliation of the funded status of the Benefit Plan to the amounts recorded in the financial statements:

	2015	2014
Accrued benefit obligations	\$ 217,500	\$ 173,300
Fair value of plan assets	(108,954)	(103,221)
Funded status – deficit	108,546	70,079
Balance of unamortized amounts	45,600	91,500
Benefit deficiency	\$ 154,146	\$ 161,579
Employee future benefit liabilities	\$ 263,100	\$ 264,800
Portfolio investments (see note 5)	(108,954)	(103,221)
Benefit deficiency	\$ 154,146	\$ 161,579

10. Long-term debt:

	2015	2014
Supported debenture outstanding at August 31, 2015 have interest rates between 7.500% to 11.625%. The terms of the loan range and are maturing at various dates up to May, 2019, payments made annually are supported by Alberta Education.	\$ 650,669	\$ 952,240

The following is a schedule of repayment of debt related to capital lease:

2015 – 2016	\$264,717
2016 – 2017	214,550
2017 – 2018	198,992
2018 to maturity	100,835
Total payments	\$779,094
Less amount representing interest	\$128,425
TOTAL	\$ 650,669

PALLISER REGIONAL DIVISION No. 26

Notes to Financial Statements

Year ended August 31, 2015

11. Tangible capital assets:

August 31, 2015	Land	Construction in progress - buildings	Buildings	Equipment	Vehicles	Computer Hardware and Software	Total
Estimated useful lives			25-50 years	5-10 years	5-10 years	3-5 years	
Historical cost:							
Balance, beginning of year	\$ 340,000	\$ 495,602	\$62,148,154	\$ 2,872,951	\$ 7,709,475	\$ 1,390,222	\$74,956,404
Additions	--	745,388	--	58,200	383,159	364,624	1,551,371
Transfers in (out)	--	(774,851)	741,282	33,569	--	--	--
Less disposals including write-offs	--	--	--	--	(135,300)	(317,396)	(452,696)
	340,000	466,139	62,889,436	2,964,720	7,957,334	1,437,450	76,055,079
Accumulated amortization:							
Balance, beginning of year	--	--	26,479,278	2,495,154	5,519,639	1,382,849	35,876,920
Additions	--	--	1,469,314	73,535	411,776	69,937	2,024,562
Transfers in (out)	--	--	--	--	(135,300)	(317,396)	(452,696)
Less disposals including write-offs	--	--	--	--	--	--	--
	--	--	27,948,592	2,568,689	5,796,115	1,135,390	37,448,786
Net book value at end of year	\$ 340,000	\$ 466,139	\$34,940,844	\$396,031	\$ 2,161,219	\$ 302,060	\$38,606,293

PALLISER REGIONAL DIVISION No. 26

Notes to Financial Statements

Year ended August 31, 2015

12. Accumulated surplus:

Detailed information related to accumulated surplus is available on the Schedule of Changes in Accumulated Surplus. Accumulated surplus may be summarized as follows:

	2015	2014
Unrestricted surplus	\$ 351,084	\$ 3,007,732
Operating reserves	4,174,643	1,484,654
Capital Reserves	368,776	730,000
Investment in tangible capital assets	4,101,970	4,115,157
Endowments	86,208	86,006
Accumulated surplus	\$ 9,082,681	\$ 9,423,549

13. Contractual obligations:

Building projects:

The Division is committed to further capital expenditures for the modernization at Noble Central School of approximately \$8,932,700 (2014 - \$8,713,638). It is anticipated that these costs will be fully funded by the capital allocations from Alberta Education.

Service providers:

The jurisdiction is committed to lease photocopiers and computer hardware as follows:

	2016	2017	2018	2019	2020
Copiers:					
Xerox Copiers to August 31, 2016	\$ 89,608	\$ --	\$ --	\$ --	-
Toshiba Copiers to August 31, 2019	6,144	6,144	6,144	6,144	6,144
RGO Copier August 31, 2016	7,008	-	-	-	-
Computers/Equipment:					
Macquarie Leasing to May 2, 2016	\$ 21,824	\$ --	\$ --	\$ --	-
CSI Leasing to January 31, 2019	104,336	63,360	64,360	26,400	-
CSI Leasing to August 31, 2019	72,804	72,804	72,804	72,804	-
Intellimedia – Dossier Open	34,314	34,314	34,314	34,314	34,314
KEV Software – SGF Open	47,725	47,725	47,725	47,725	47,725
SRB Atrieve – Software Open	77,401	77,401	77,401	77,401	77,401

PALLISER REGIONAL DIVISION No. 26

Notes to Financial Statements

Year ended August 31, 2015

The Division has also signed effective January 1, 2014, an electrical multi-year agreement with Enmax for the provision of electrical commodity services for Palliser school buildings at a fixed rate per MWH consumed.

14. Contingent liabilities:

(i) Legal actions:

The Division has been named as a defendant in various legal actions. In the opinion of management, these matters are without substantial merit and no provision has been made in the accounts.

(ii) 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 Division has a legal obligation to remove hazardous material located under the sale of the central office building upon its disposal. A liability, however, has not been recognized because the fair value cannot be reasonably estimated.

15. Fees:

	2015	2014
Transportation fees	\$ 7,250	\$ 1,000
Fees charged for instruction material and supplies	172,812	234,615
Other fees	1,876,655	1,059,544
	<u>\$ 2,056,717</u>	<u>\$ 1,295,159</u>

Fees are charged under Section 51(3) and Section 60(2)(j) of the School Act. See the Unaudited Schedule of Fee Revenue for a further breakdown of these fees.

16. Trust assets held on behalf of others:

The Division held assets on behalf of others over which the Division has no power of appropriations. Accordingly these funds are not included in the consolidated financial statements.

	2015	2014
Regional Collaborative Service Delivery ("RCSD")	\$215,388	\$321,004

PALLISER REGIONAL DIVISION No. 26

Notes to Financial Statements

Year ended August 31, 2015

17. School generated funds:

	2015	2014
Unexpended school generated revenues, opening balance	\$ 1,116,184	\$ 1,076,178
Current year activities - gross receipts:		
Fees	1,299,056	1,337,609
Fundraising	1,221,665	1,103,003
Gifts and donations	88,424	98,227
Other sales and services	106,255	132,060
	2,715,400	2,670,899
Current year activities - total direct costs including costs of goods sold to raise funds	1,348,314	1,071,135
Current year activities – uses of funds	1,554,345	1,559,758
Unexpended school generated revenues, closing balance	\$ 928,925	\$ 1,116,184

18. Related party transactions:

School Divisions are controlled by the Government of Alberta. Accordingly, all entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are related parties of the school Division. These include government departments, health authorities, post-secondary institutions and other school Divisions in Alberta.

	Balances		Transactions	
	Financial assets (at cost or net realizable value)	Liabilities (at amortized cost)	Revenue	Expenses
Government of Alberta ("GOA"):				
Education:				
Accounts receivable and accounts payable	\$ 60,767	\$ --	\$ --	\$ --
Grant revenue and expenses	--	--	74,518,237	--
Treasury Board and Finance (principal)	650,669	650,669	--	--
Treasury Board and Finance (accrued interest)	--	--	--	87,577
Other GOA ministries	--	--	503,201	--
University, College and Other School Boards	--	--	185,338	--
Total 2014/2015	\$ 711,436	\$ 650,669	\$ 75,206,776	\$ 87,577
Total 2013/2014	\$ 1,186,752	\$ 952,240	\$ 80,413,472	\$ 117,637

PALLISER REGIONAL DIVISION No. 26

Notes to Financial Statements

Year ended August 31, 2015

19. Economic dependence on related third party:

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

20. Remuneration and monetary incentives:

The School Division had paid or accrued expenses for the year ended August 31, 2015 to or on behalf of the following positions and persons in groups as follows:

	FTE	Remuneration	Benefits	Negotiated allowances	Expenses
Board members:					
C. Deitz	1.0	\$ 33,650	\$ 1,856	\$ --	\$ 18,971
R. Strauss	1.0	19,850	1,010	--	5,837
D. Laternus	1.0	17,100	2,860	--	3,211
E. Willms	1.0	24,870	1,364	--	13,350
D. Zech	1.0	30,330	270	--	21,398
C. Whitehead	0.7	12,460	2,966	--	5,779
	5.7	138,260	10,326	--	68,546
<hr/>					
	FTE	Remuneration	Benefits	Negotiated allowances	Expenses
K. Gietz Superintendent	1.0	212,807	57,465	--	18,423
W. Braun Corporate Treasurer	0.7	92,962	19,591	--	7,735
W. Braun Secretary-Treasurer	0.3	55,080	11,607	--	3,917
J. Siljak Corporate Secretary	0.7	53,328	13,691	--	--
	2.7	414,177	102,354	--	30,075
	8.4	\$ 552,437	\$ 112,680	\$ --	\$ 98,621
<hr/>					
Certificated teachers	406.2	\$ 38,679,168	\$ 8,862,181		
Non-Certificated - Other	328.4	12,745,566	2,794,491		
Totals	734.6	\$ 51,424,734	\$11,656,672		
Grand Total	743.0	\$ 51,977,171	\$11,769,352		

PALLISER REGIONAL DIVISION No. 26

Notes to Financial Statements

Year ended August 31, 2015

21. Multi-Employer Pension Plan:

Employees of the Division qualify to belong to one of the following defined – benefit pension plans:

a) Local Authorities Pension Plan

Certain employees of the Division participate in the Local Authorities Pension Plan (LAPP) which is one of the plans covered by the Alberta Public Sector Pension Plans Act. The LAPP serves approximately 227,000 people and 418 employers in Alberta. The plan is financed by employer and employee contributions and investment earnings of the LAPP funds.

Total current and past service employer contributions to the LAPP for the year-ended August 31, 2015 was \$665,451 (2014 - \$657,333). Total current and past service contributions by employees of the Division for the year-ended August 31, 2015 was \$610,533 (2014 \$604,624).

At December 31, 2014 The Local Authorities Pension Plan reported an actuarial deficiency of \$3.958 billion (2013 – a deficiency of \$4.862 billion).

b) Alberta Teachers Retirement Fund

Certain employees of the Division participate in the Alberta Teachers' Retirement Fund (ATRF) which is an independent corporation that administers the pension plan for Alberta teachers. The ATRF serves approximately 74,000 people and 82 employers in Alberta.

Total current and past service employer contributions to the ATRF for the year-ended August 31, 2015 was \$4,793,171 (2014 - \$5,039,734). Total current and past services contributions by employees of the Division for the year-ended August 31, 2015 was \$5,017,785 (2014 - \$5,335,893).

At August 31, 2014, the ATRF reported an actuarial deficiency of \$2.289 billion (2013 - \$2.859 billion).

22. Budget amounts:

The budget was prepared by the School Division and approved by the Board of Trustees on April 25, 2014. It is presented for information purposes only.

23. Comparative figures:

Certain 2014 figures have been reclassified to conform with the presentation adopted in the 2015 financial statements.

UNAUDITED SCHEDULE OF FEE REVENUE
for the Year Ending August 31, 2015 (in dollars)

	Actual 2014/2015	Actual 2013/2014
FEES		
Transportation fees	\$7,250	\$1,000
Basic instruction supplies (text books, including lost or replacement fees, course materials)	\$172,812	\$234,615
Technology user fees	\$188,757	\$150,757
Alternative program fees	\$0	\$0
Fees for optional courses (band, art, etc.)	\$471,579	\$392,083
Fees for students from other boards	\$0	\$0
Tuition fees (international & out of province)	\$70,779	\$0
Kindergarten & preschool	\$210,736	\$6,454
Extracurricular fees (sports teams and clubs)	\$294,593	\$267,450
Field trips (related to curriculum)	\$260,411	\$187,581
Lunch supervision fees	\$0	\$0
Locker rental; locks; student ID; uniforms; library, student union, and fitness fees	\$110,985	\$55,219
Other (describe)* After School Program	\$268,815	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
TOTAL FEES	\$2,056,717	\$1,295,159

**PLEASE DO NOT USE "SCHOOL GENERATED FUNDS" AS A CATEGORY*

Please disclose amounts paid by parents of students that are recorded as "Other sales and services" or "Other revenue" (rather than fee revenue):	Actual 2014/2015	Actual 2013/2014
Cafeteria sales, hot lunch, milk programs	\$12,115	\$17,529
Special events, graduation, tickets	\$19,371	\$39,315
Student travel (international, recognition trips, non-curricular)	\$0	\$0
Sales or rentals of other supplies/services (clothing, agendas, yearbooks)	\$46,328	\$9,781
Adult education revenue	\$0	\$0
Child care & before and after school care	\$1,390	\$897
Other (describe)	\$0	\$0
Other (describe)	\$0	\$0
Other (describe)	\$0	\$0
TOTAL	\$79,204	\$67,522

UNAUDITED SCHEDULE OF DIFFERENTIAL FUNDING
for the Year Ended August 31, 2015 (in dollars)

	PROGRAM AREA				
	First Nations, Metis & Inuit (FNMI)	ECS Program Unit Funding (PUF)	English as a Second Language (ESL)	Inclusive Education	Small Schools by Necessity (Revenue only)
Funded Students In Program	32	112	845		
REVENUES					
Alberta Education allocated funding	\$ 37,699	\$ 2,285,345	\$ 994,905	\$ 4,447,221	\$ 1,649,851
Other funding allocated by the board to the program	\$ -	\$ -	\$ -	\$ 307,734	\$ -
TOTAL REVENUES	\$ 37,699	\$ 2,285,345	\$ 994,905	\$ 4,754,955	\$ 1,649,851
EXPENSES (Not allocated from BASE, Transportation, or other funding)					
Instructional certificated salaries & benefits	\$ -	\$ 410,117	\$ 329,532	\$ 82,812	
Instructional non-certificated salaries & benefits	\$ -	\$ 1,361,765	\$ 491,073	\$ 4,203,452	
SUB TOTAL	\$ -	\$ 1,771,882	\$ 820,605	\$ 4,286,264	
Supplies, contracts and services	\$ 36,342	\$ 338,690	\$ 138,500	\$ 498,391	
Program planning, monitoring & evaluation	\$ -	\$ 139,699	\$ -	\$ -	
Facilities (required specifically for program area)	\$ -	\$ -	\$ -	\$ -	
Administration (administrative salaries & services)	\$ 1,357	\$ -	\$ 35,800	\$ 172,247	
Other (please describe)	\$ -	\$ 4,127	\$ -	\$ -	
Other (please describe)	\$ -	\$ 59,865	\$ -	\$ -	
TOTAL EXPENSES	\$ 37,699	\$ 2,314,263	\$ 994,905	\$ 4,956,902	
NET FUNDING SURPLUS (SHORTFALL)	\$ -	\$ (28,918)	\$ -	\$ (201,947)	

UNAUDITED SCHEDULE OF CENTRAL ADMINISTRATION EXPENSES for the Year Ended August 31, 2015 (in dollars)								
EXPENSES	Allocated to Board & System Administration				Allocated to Other Programs			TOTAL
	Salaries & Benefits	Supplies & Services	Other	TOTAL	Salaries & Benefits	Supplies & Services	Other	
1 Office of the superintendent	\$ 270,272	\$ 18,423	\$ -	\$ 288,695	\$ -	\$ -	\$ -	\$ 288,695
2 Educational administration (excluding superintendent)	\$ 586,208	\$ 72,889	\$ -	\$ 659,097	\$ -	\$ -	\$ -	\$ 659,097
3 Business administration	\$ 518,584	\$ 68,955	\$ -	\$ 587,539	\$ -	\$ -	\$ -	\$ 587,539
4 Board governance (Board of Trustees)	\$ 148,586	\$ 182,024	\$ -	\$ 330,610	\$ -	\$ -	\$ -	\$ 330,610
5 Information technology	\$ -	\$ 236,572	\$ -	\$ 236,572	\$ -	\$ -	\$ -	\$ 236,572
6 Human resources	\$ 203,887	\$ 72,890	\$ -	\$ 276,777	\$ -	\$ -	\$ -	\$ 276,777
7 Central purchasing, communications, marketing	\$ 188,753	\$ 15,000	\$ -	\$ 203,753	\$ -	\$ -	\$ -	\$ 203,753
8 Payroll	\$ 154,132	\$ 72,889	\$ -	\$ 227,021	\$ -	\$ -	\$ -	\$ 227,021
9 Administration - insurance			\$ 13,016	\$ 13,016			\$ -	\$ 13,016
10 Administration - amortization			\$ 87,081	\$ 87,081			\$ -	\$ 87,081
11 Administration - other (admin building, interest)			\$ 1,032	\$ 1,032			\$ -	\$ 1,032
12 Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13 Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14 Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENSES	\$ 2,070,422	\$ 739,642	\$ 101,129	\$ 2,911,193	\$ -	\$ -	\$ -	\$ 2,911,193

**BOARD AND SYSTEM ADMINISTRATION (FOR INFORMATION ONLY - NOT PART OF FINANCIAL STATEMENTS)
2014/2015 EXPENSES UNDER (OVER) MAXIMUM LIMIT**

2255

TOTAL EXPENSES (From "Total" column of Line 30 of Schedule of Program Operations)	\$81,042,216
Enter Number of Net Enrolled Students:	6,781
Enter "C" if Charter School	
STEP 1	
Calculation of maximum expense limit percentage for Board and System Administration expenses	
If "Total Net Enrolled Students" are 6,000 and over = 3.6%	3.60%
If "Total Net Enrolled Students" are 2,000 and less = 5.4%	
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .00045 per FTE (Example: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .00045 = 0.675% plus 3.6% = maximum expense limit of 4.275%).	
STEP 2	
A. Calculate maximum expense limit amounts for Board and System Administration expenses	
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES	\$2,917,520
B. Considerations for Charter Schools and Small School Boards:	
If charter schools and small school boards, The amount of Small Board Administration funding (<i>Funding Manual</i> Section 1.13)	\$0
2014/2015 MAXIMUM EXPENSE LIMIT (the greater of A or B above)	\$2,917,520
Actual Board & System Administration from Line 30 of "Schedule of Program Operations" (Board & System Administration Column)	\$2,911,193
Amount Overspent	\$0