

**AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Horizon School Division No. 67

Legal Name of School Jurisdiction

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Mailing Address

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SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Horizon School Division No. 67 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

Marie Logan
Name

Original Signed
Signature

SUPERINTENDENT

Wilco Tymensen
Name

Original Signed
Signature

SECRETARY-TREASURER OR TREASURER

John Rakai
Name

Original Signed
Signature

November 25, 2014
Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch
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STATEMENT OF FINANCIAL POSITION
As at August 31, 2014 (in dollars)

		2014	2013
FINANCIAL ASSETS			
Cash and cash equivalents	(Note 3)	\$ 7,114,757	\$ 5,808,829
Accounts receivable (net after allowances)	(Note 4)	\$ 2,773,092	\$ 2,500,495
Portfolio investments	(Note 5)	\$ 2,246,102	\$ 3,206,150
Other financial assets		\$ -	\$ -
Total financial assets		\$ 12,133,951	\$ 11,515,474
LIABILITIES			
Bank indebtedness	(Note 6)	\$ -	\$ -
Accounts payable and accrued liabilities	(Note 7)	\$ 554,134	\$ 634,253
Deferred revenue	(Note 8)	\$ 39,114,479	\$ 39,924,770
Employee future benefit liabilities	(Note 9)	\$ 75,873	\$ 29,719
Other liabilities		\$ -	\$ -
Debt	(Note 10)		
Supported: Debentures and other supported debt		\$ -	\$ 60,384
Unsupported: Debentures and capital loans		\$ -	\$ -
Capital leases		\$ -	\$ -
Mortgages		\$ -	\$ -
Total liabilities		\$ 39,744,486	\$ 40,649,126
Net financial assets (debt)		\$ (27,610,535)	\$ (29,133,652)
NON-FINANCIAL ASSETS			
Tangible capital assets	(Note 11)		
Land		\$ 534,275	\$ 534,275
Construction in progress		\$ -	\$ -
Buildings		\$ 59,319,706	
Less: Accumulated amortization		\$ (18,330,831)	\$ 41,735,646
Equipment		\$ 2,266,827	
Less: Accumulated amortization		\$ (1,610,845)	\$ 859,129
Vehicles		\$ 1,063,977	
Less: Accumulated amortization		\$ (790,101)	\$ 306,882
Computer Equipment		\$ 335,745	
Less: Accumulated amortization		\$ (153,213)	\$ 109,641
Total tangible capital assets		\$ 42,635,540	\$ 43,545,573
Prepaid expenses		\$ 93,966	\$ 50,534
Other non-financial assets		\$ -	\$ -
Total non-financial assets		\$ 42,729,506	\$ 43,596,107
Accumulated surplus	(Note 12)	\$ 15,118,971	\$ 14,462,455
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)		\$ 15,142,475	\$ 14,497,662
Accumulated remeasurement gains (losses)		\$ (23,504)	\$ (35,207)
		\$ 15,118,971	\$ 14,462,455
Contractual obligations	(Note 13)		
Contingent liabilities			

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

STATEMENT OF OPERATIONS
For the Year Ended August 31, 2014 (in dollars)

	Budget 2014	Actual 2014	Actual 2013
REVENUES			
Alberta Education	\$ 42,419,073	\$ 42,348,336	\$ 43,339,311
Other - Government of Alberta	\$ 146,585	\$ 293,712	\$ 384,425
Federal Government and First Nations	\$ -	\$ -	\$ -
Other Alberta school authorities	\$ 33,000	\$ 19,487	\$ 19,487
Out of province authorities	\$ -	\$ -	\$ -
Alberta municipalities-special tax levies	\$ -	\$ -	\$ -
Property taxes	\$ -	\$ -	\$ -
Fees (Note 14)	\$ 1,038,299	\$ 1,355,214	\$ 1,479,869
Other sales and services	\$ 938,134	\$ 1,242,195	\$ 1,116,804
Investment income	\$ 180,000	\$ 129,937	\$ 217,000
Gifts and donations	\$ 300,000	\$ 267,211	\$ 300,966
Rental of facilities	\$ 13,475	\$ 12,857	\$ 13,150
Fundraising	\$ 500,000	\$ 303,901	\$ 254,515
Gains on disposal of capital assets	\$ -	\$ 12,251	\$ 10,529
Other revenue	\$ 4,000	\$ 3,765	\$ 16,241
Total revenues	\$ 45,572,566	\$ 45,988,866	\$ 47,152,297
EXPENSES			
Instruction (ECS - Grade 12)	\$ 34,786,114	\$ 34,328,911	\$ 33,825,789
Plant operations and maintenance	\$ 5,910,835	\$ 5,415,954	\$ 6,232,268
Transportation	\$ 3,356,500	\$ 3,182,096	\$ 3,368,574
Board & system administration	\$ 1,897,056	\$ 1,908,737	\$ 1,729,237
External services	\$ 331,466	\$ 508,355	\$ 877,970
Total expenses	\$ 46,281,971	\$ 45,344,053	\$ 46,033,838
Operating surplus (deficit)	\$ (709,405)	\$ 644,813	\$ 1,118,459

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

STATEMENT OF CASH FLOWS
For the Year Ended August 31, 2014 (in dollars)

	2014	2013
CASH FLOWS FROM:		
A. OPERATING TRANSACTIONS		
Operating surplus (deficit)	\$ 644,813	\$ 1,118,459
Add (Deduct) items not affecting cash:		
Total amortization expense	\$ 1,728,227	\$ 1,656,715
Gains on disposal of tangible capital assets	\$ (12,251)	\$ (10,529)
Losses on disposal of tangible capital assets	\$ -	\$ -
Expended deferred capital revenue recognition	\$ (1,337,264)	\$ (1,337,915)
Deferred capital revenue write-off	\$ -	\$ -
Donations in kind	\$ -	\$ -
Changes in:		
Accounts receivable	\$ (272,597)	\$ (963,645)
Prepays	\$ (43,432)	\$ 34,197
Other financial assets	\$ -	\$ -
Non-financial assets	\$ -	\$ -
Accounts payable and accrued liabilities	\$ (80,119)	\$ (372,811)
Deferred revenue (excluding EDCR)	\$ 526,973	\$ 894,205
Employee future benefit liabilities	\$ 46,154	\$ (151,345)
Other (describe)	\$ -	\$ -
Total cash flows from operating transactions	\$ 1,200,504	\$ 867,331
B. CAPITAL TRANSACTIONS		
Purchases of tangible capital assets		
Land	\$ -	\$ (77,000)
Buildings	\$ (590,226)	\$ (1,685,160)
Equipment	\$ (34,769)	\$ (240,330)
Vehicles	\$ (76,720)	\$ (40,640)
Computer equipment	\$ (118,510)	\$ -
Net proceeds from disposal of unsupported capital assets	\$ 14,282	\$ 17,850
Other (describe)	\$ -	\$ -
Total cash flows from capital transactions	\$ (805,943)	\$ (2,025,280)
C. INVESTING TRANSACTIONS		
Purchases of portfolio investments	\$ (729)	\$ 714,194
Dispositions of portfolio investments	\$ 953,079	\$ -
Remeasurement gains (losses) reclassified to the statement of operations	\$ 19,401	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from investing transactions	\$ 971,751	\$ 714,194
D. FINANCING TRANSACTIONS		
Issue of debt	\$ -	\$ -
Repayment of debt	\$ (60,384)	\$ (73,170)
Other (describe)	\$ -	\$ -
Total cash flows from financing transactions	\$ (60,384)	\$ (73,170)
Increase (decrease) in cash and cash equivalents	\$ 1,305,928	\$ (516,925)
Cash and cash equivalents, at beginning of year	\$ 5,808,829	\$ 6,325,754
Cash and cash equivalents, at end of year	\$ 7,114,757	\$ 5,808,829

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

STATEMENT OF CHANGE IN NET DEBT
For the Year Ended August 31, 2014

	Budget 2014	2014	2013
Operating surplus (deficit)	\$ (709,405)	\$ 644,813	\$ 1,118,459
Effect of changes in tangible capital assets			
Acquisition of tangible capital assets	\$ (50,000)	\$ (820,225)	\$ (2,043,130)
Amortization of tangible capital assets	\$ 1,725,145	\$ 1,728,227	\$ 1,656,715
Net carrying value of tangible capital assets disposed of	\$ -	\$ 2,031	\$ 7,321
Write-down carrying value of tangible capital assets	\$ -	\$ -	\$ -
Other changes	\$ -	\$ -	\$ -
Total effect of changes in tangible capital assets	\$ 1,675,145	\$ 910,033	\$ (379,094)
Changes in:			
Prepaid expenses	\$ -	\$ (43,432)	\$ 34,197
Other non-financial assets	\$ -	\$ -	\$ -
Net remeasurement gains and (losses)			
Endowments	\$ -	\$ 11,703	\$ (35,207)
	\$ -	\$ -	\$ -
Decrease (increase) in net debt	\$ 965,740	\$ 1,523,117	\$ 738,355
Net debt at beginning of year	\$ (29,133,652)	\$ (29,133,652)	\$ (29,872,007)
Net debt at end of year	\$ (28,167,912)	\$ (27,610,535)	\$ (29,133,652)

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

STATEMENT OF CHANGE IN NET DEBT
For the Year Ended August 31, 2014

	2014	2013
Operating surplus (deficit)	\$ 644,813	\$ 1,118,459
Effect of changes in tangible capital assets		
Acquisition of tangible capital assets	\$ (820,225)	\$ (2,043,130)
Amortization of tangible capital assets	\$ 1,728,227	\$ 1,656,715
Net carrying value of tangible capital assets disposed of	\$ 2,031	\$ 7,321
Write-down carrying value of tangible capital assets	\$ -	\$ -
Other changes	\$ -	\$ -
Total effect of changes in tangible capital assets	\$ 910,033	\$ (379,094)
Changes in:		
Prepaid expenses	\$ (43,432)	\$ 34,197
Other non-financial assets	\$ -	\$ -
Net remeasurement gains and (losses)		
Endowments	\$ 11,703	\$ (35,207)
	\$ -	\$ -
Decrease (increase) in net debt	\$ 1,523,117	\$ 738,355
Net debt at beginning of year	\$ (29,133,652)	\$ (29,872,007)
Net debt at end of year	\$ (27,610,535)	\$ (29,133,652)

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

STATEMENT OF REMEASUREMENT GAINS AND LOSSES

For the Year Ended August 31, 2014 (in dollars)

	2014	2013
Accumulated remeasurement gains (losses) at beginning of year	\$ (35,207)	\$ -
Unrealized gains (losses) attributable to:		
Portfolio investments	\$ (7,698)	\$ (35,207)
Other	\$ -	\$ -
Amounts reclassified to the statement of operations:		
Portfolio investments	\$ 19,401	\$ -
Other	\$ -	\$ -
Net remeasurement gains (losses) for the year	\$ 11,703	\$ (35,207)
Accumulated remeasurement gains (losses) at end of year	\$ (23,504)	\$ (35,207)

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

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2014 (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, 2013	\$ 14,462,455	\$ (35,207)	\$ 14,497,662	\$ 4,720,250	\$ -	\$ 2,798,581	\$ 6,978,831	\$ -
Prior period adjustments:								
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2013	\$ 14,462,455	\$ (35,207)	\$ 14,497,662	\$ 4,720,250	\$ -	\$ 2,798,581	\$ 6,978,831	\$ -
Operating surplus (deficit)	\$ 644,813		\$ 644,813			\$ 644,813		
Board funded tangible capital asset additions				\$ 475,531		\$ (461,249)	\$ -	\$ (14,282)
Disposal of unsupported tangible capital assets	\$ -		\$ -	\$ (2,031)		\$ (12,251)		\$ 14,282
Disposal of supported tangible capital assets (board funded portion)	\$ -		\$ -	\$ -		\$ -		\$ -
Write-down of unsupported tangible capital assets	\$ -		\$ -	\$ -		\$ -		\$ -
Write-down of supported tangible capital assets (board funded portion)	\$ -		\$ -	\$ -		\$ -		\$ -
Net remeasurement gains (losses) for the year	\$ 11,703	\$ 11,703						
Endowment expenses	\$ -		\$ -		\$ -	\$ -		
Direct credits to accumulated surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization of tangible capital assets	\$ -			\$ (1,728,227)		\$ 1,728,227		
Capital revenue recognized	\$ -			\$ 1,337,264		\$ (1,337,264)		
Debt principal repayments (unsupported)	\$ -			\$ -		\$ -		
Externally imposed endowment restrictions	\$ -				\$ -	\$ -	\$ -	
Net transfers to operating reserves	\$ -					\$ (1,034,686)	\$ 1,034,686	
Net transfers from operating reserves	\$ -					\$ 416,436	\$ (416,436)	
Net transfers to capital reserves	\$ -					\$ -		\$ -
Net transfers from capital reserves	\$ -					\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2014	\$ 15,118,971	\$ (23,504)	\$ 15,142,475	\$ 4,802,787	\$ -	\$ 2,742,607	\$ 7,597,081	\$ -

**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2014 (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, 2013	\$ 4,944,783	\$ -	\$ -	\$ -	\$ 34,048	\$ -	\$ 2,000,000	\$ -	\$ -	\$ -
Prior period adjustments:										
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2013	\$ 4,944,783	\$ -	\$ -	\$ -	\$ 34,048	\$ -	\$ 2,000,000	\$ -	\$ -	\$ -
Operating surplus (deficit)										
Board funded tangible capital asset additions	\$ -	\$ (7,710)	\$ -	\$ (6,572)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disposal of unsupported tangible capital assets		\$ 7,710		\$ 6,572		\$ -		\$ -		\$ -
Disposal of supported tangible capital assets (board funded portion)		\$ -		\$ -		\$ -		\$ -		\$ -
Write-down of unsupported tangible capital assets		\$ -		\$ -		\$ -		\$ -		\$ -
Write-down of supported tangible capital assets (board funded portion)		\$ -		\$ -		\$ -		\$ -		\$ -
Net remeasurement gains (losses) for the year										
Endowment expenses										
Direct credits to accumulated surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization of tangible capital assets										
Capital revenue recognized										
Debt principal repayments (unsupported)										
Externally imposed endowment restrictions	\$ -		\$ -		\$ -		\$ -		\$ -	
Net transfers to operating reserves	\$ 1,024,686		\$ -		\$ 10,000		\$ -		\$ -	
Net transfers from operating reserves	\$ (408,127)		\$ -		\$ (8,309)		\$ -		\$ -	
Net transfers to capital reserves		\$ -		\$ -		\$ -		\$ -		\$ -
Net transfers from capital reserves		\$ -		\$ -		\$ -		\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2014	\$ 5,561,342	\$ -	\$ -	\$ -	\$ 35,739	\$ -	\$ 2,000,000	\$ -	\$ -	\$ -

SCHEDULE OF CAPITAL REVENUE
(EXTERNALLY RESTRICTED CAPITAL REVENUE ONLY)
for the Year Ended August 31, 2014 (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, 2013	\$ -	\$ -	\$ -	\$ -	\$ 38,825,324
Prior period adjustments	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted balance, August 31, 2013	\$ -	\$ -	\$ -	\$ -	\$ 38,825,324
Add:					
Unexpended capital revenue <u>received</u> from:					
Alberta Education school building & modular projects (excl. IMR)	\$ -				
Infrastructure Maintenance & Renewal capital related to school facilities	\$ 54,096				
Other sources: <i>(Describe)</i>	\$ -			\$ -	
Other sources <i>(Describe)</i> :	\$ -			\$ -	
Unexpended capital revenue <u>receivable</u> from:					
Alberta Education school building & modular (excl. IMR)	\$ 398,977				
Other sources: <i>(Describe)</i>	\$ -			\$ -	
Other sources: <i>(Describe)</i>	\$ -			\$ -	
Interest earned on unexpended capital revenue	\$ -	\$ -	\$ -	\$ -	
Other unexpended capital revenue: <i>(Describe)</i>				\$ -	
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	\$ (344,692)	\$ -	\$ -	\$ -	\$ 344,692
Surplus funds approved for future project(s)	\$ -	\$ -			
Other adjustments (Explain): Accumulated Interest Vauxhall Projects	\$ (108,381)	\$ 108,381	\$ -	\$ -	\$ -
Deduct:					
Net book value of supported tangible capital dispositions or write-offs					\$ -
Other adjustments (Explain):	\$ -	\$ -	\$ -	\$ -	\$ -
Capital revenue recognized - Alberta Education					\$ 1,337,264
Capital revenue recognized - Other Government of Alberta					\$ -
Capital revenue recognized - Other revenue					\$ -
Balance at August 31, 2014	\$ -	\$ 108,381	\$ -	\$ -	\$ 37,832,752
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at August 31, 2014 (A) + (B) + (C) + (D)				\$ 108,381	

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, 2014 (in dollars)

REVENUES	2014						2013
	Instruction (ECS- Grade 12)	Plant Operations and Maintenance	Transportation	Board & System Administration	External Services	TOTAL	TOTAL
(1) Alberta Education	\$ 32,090,833	\$ 5,372,623	\$ 2,989,137	\$ 1,895,743	\$ -	\$ 42,348,336	\$ 43,339,311
(2) Other - Government of Alberta	\$ 39,681	\$ 3,890	\$ -	\$ -	\$ 250,141	\$ 293,712	\$ 384,425
(3) Federal Government and First Nations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(4) Other Alberta school authorities	\$ -	\$ -	\$ 19,487	\$ -	\$ -	\$ 19,487	\$ 19,487
(5) Out of province authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(6) Alberta municipalities-special tax levies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(7) Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(8) Fees	\$ 1,355,214		\$ -		\$ -	\$ 1,355,214	\$ 1,479,869
(9) Other sales and services	\$ 990,081	\$ -	\$ -	\$ -	\$ 252,114	\$ 1,242,195	\$ 1,116,804
(10) Investment income	\$ 100,701	\$ 9,745	\$ 6,497	\$ 12,994	\$ -	\$ 129,937	\$ 217,000
(11) Gifts and donations	\$ 261,111	\$ -	\$ -	\$ -	\$ 6,100	\$ 267,211	\$ 300,966
(12) Rental of facilities	\$ -	\$ 12,857	\$ -	\$ -	\$ -	\$ 12,857	\$ 13,150
(13) Fundraising	\$ 303,901	\$ -	\$ -	\$ -	\$ -	\$ 303,901	\$ 254,515
(14) Gains on disposal of tangible capital assets	\$ 5,679	\$ 6,572	\$ -	\$ -	\$ -	\$ 12,251	\$ 10,529
(15) Other revenue	\$ 3,765	\$ -	\$ -	\$ -	\$ -	\$ 3,765	\$ 16,241
(16) TOTAL REVENUES	\$ 35,150,966	\$ 5,405,687	\$ 3,015,121	\$ 1,908,737	\$ 508,355	\$ 45,988,866	\$ 47,152,297
EXPENSES							
(17) Certificated salaries	\$ 18,909,283			\$ 456,360	\$ -	\$ 19,365,643	\$ 19,196,472
(18) Certificated benefits	\$ 4,334,720			\$ 53,445	\$ -	\$ 4,388,165	\$ 4,067,552
(19) Non-certificated salaries and wages	\$ 5,174,090	\$ 754,879	\$ 23,134	\$ 635,885	\$ 262,166	\$ 6,850,154	\$ 7,294,258
(20) Non-certificated benefits	\$ 1,029,635	\$ 162,316	\$ 1,433	\$ 154,222	\$ 37,422	\$ 1,385,028	\$ 1,398,979
(21) SUB - TOTAL	\$ 29,447,728	\$ 917,195	\$ 24,567	\$ 1,299,912	\$ 299,588	\$ 31,988,990	\$ 31,957,261
(22) Services, contracts and supplies	\$ 4,658,180	\$ 3,084,630	\$ 3,157,529	\$ 513,840	\$ 208,767	\$ 11,622,946	\$ 12,409,596
(23) Amortization of supported tangible capital assets	\$ -	\$ 1,337,264	\$ -	\$ -	\$ -	\$ 1,337,264	\$ 1,337,915
(24) Amortization of unsupported tangible capital assets	\$ 223,003	\$ 72,975	\$ -	\$ 94,985	\$ -	\$ 390,963	\$ 318,800
(25) Supported interest on capital debt	\$ -	\$ 3,890	\$ -	\$ -	\$ -	\$ 3,890	\$ 10,266
(26) Unsupported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(27) Other interest and finance charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(28) Losses on disposal of tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(29) Other expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(30) TOTAL EXPENSES	\$ 34,328,911	\$ 5,415,954	\$ 3,182,096	\$ 1,908,737	\$ 508,355	\$ 45,344,053	\$ 46,033,838
(31) OPERATING SURPLUS (DEFICIT)	\$ 822,055	\$ (10,267)	\$ (166,975)	\$ -	\$ -	\$ 644,813	\$ 1,118,459

SCHEDULE OF PLANT OPERATIONS AND MAINTENANCE EXPENSES
for the Year Ended August 31, 2014 (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	2014 TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$ 106,526	\$ 425,184	\$ -	\$ -	\$ 223,169		\$ 754,879		\$ 754,879
Uncertificated benefits	\$ 26,031	\$ 84,400	\$ -	\$ -	\$ 51,885		\$ 162,316		\$ 162,316
Sub-total Remuneration	\$ 132,557	\$ 509,584	\$ -	\$ -	\$ 275,054		\$ 917,195		\$ 917,195
Supplies and services	\$ 1,046,545	\$ 671,266	\$ -	\$ 367,977	\$ -		\$ 2,085,788		\$ 2,085,788
Electricity			\$ 398,347				\$ 398,347		\$ 398,347
Natural gas/heating fuel			\$ 219,686				\$ 219,686		\$ 219,686
Sewer and water			\$ 82,689				\$ 82,689		\$ 82,689
Telecommunications			\$ 8,694				\$ 8,694		\$ 8,694
Insurance					\$ 160,059		\$ 160,059		\$ 160,059
Amortization of tangible capital assets									
Supported								\$ 1,337,264	\$ 1,337,264
Unsupported						\$ 72,975	\$ 72,975		\$ 72,975
Total Amortization						\$ 72,975	\$ 72,975	\$ 1,337,264	\$ 1,410,239
Interest on capital debt									
Supported								\$ 3,890	\$ 3,890
Unsupported						\$ -	\$ -		\$ -
Lease payments for facilities				\$ 129,367			\$ 129,367		\$ 129,367
Other interest charges						\$ -	\$ -		\$ -
Losses on disposal of capital assets						\$ -	\$ -		\$ -
TOTAL EXPENSES	\$ 1,179,102	\$ 1,180,850	\$ 709,416	\$ 497,344	\$ 435,113	\$ 72,975	\$ 4,074,800	\$ 1,341,154	\$ 5,415,954
SQUARE METRES									
School buildings									54,352.0
Non school buildings									2,200.0

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.

**BOARD AND SYSTEM ADMINISTRATION (FOR INFORMATION ONLY - NOT PART OF FINANCIAL STATEMENTS)
2013/2014 EXPENSES UNDER (OVER) MAXIMUM LIMIT**

TOTAL EXPENSES (From "Total" column of Line 30 of Schedule of Program Operations) \$45,344,053

Enter Number of Net Enrolled Students: 3,647

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% 4.66%

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 \$2,112,511

B. Considerations for Charter Schools and Small School Boards:

If charter schools and small school boards,
The amount of Small Board Administration funding (*Funding Manual* Section 1.13) \$0

2013/2014 MAXIMUM EXPENSE LIMIT (the greater of A or B above) \$2,112,511

Actual Board & System Administration from Line 30 of "Schedule of Program Operations"
(Board & System Administration Column) \$1,908,737

Amount Overspent \$0

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 funding for instruction and support under Education Grants Regulation (AR 120/2008). 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 the CICA Canadian public sector accounting standards (PSAS). 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 District has investments in GIC's, term deposits, bonds, equity instruments and mutual funds that have no maturity dates or a maturity of greater than three months. GIC's, term deposits and investments not quoted in an active market are reported at cost or amortized cost.

Portfolio investments in equity instruments that are quoted in an active market are recorded at fair value and the associated transaction costs are expensed upon initial recognition. The change in the fair value is recognized in the Statement of Remeasurement Gains and Losses as a remeasurement gain or loss until the portfolio investments are derecognized. Upon derecognition, the accumulated remeasurement gains or losses associated with the derecognized portfolio investments are reversed and reclassified to the Statement of Operations.

Impairment is defined as a loss in value of a portfolio investment that is other than a temporary decline and is included in the Statement of Operations. In the case of an item in the fair value category, a reversal of any net remeasurement gains recognized in previous reporting periods up to the amount of the write-down is reported in the Statement of Remeasurement Gains and Losses. A subsequent increase in value would be recognized on the Statement of Remeasurement Gains and Losses and realized on the Statement of Operations only when sold.

Detailed information regarding portfolio investments is disclosed in Note 5.

d) Tangible capital assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost, including amounts directly related to the acquisition, design, construction, development, 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.

Tangible capital assets continued

- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Sites and buildings are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. For supported assets, the write-downs are accounted for as reductions to Expended Deferred Capital Revenue.
- Buildings that are demolished or destroyed are written-off.
- Tangible capital assets with costs in excess of \$5,000 are capitalized.
- Leases that, from the point of view of the lessee, transfer substantially all the benefits and risks incident to ownership of the property to the Board are considered capital leases. These are accounted for as an asset and an obligation. Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs, e.g., insurance, maintenance costs, etc. The discount rate used to determine the present value of the lease payments is the lower of the School District's rate for incremental borrowing or the interest rate implicit in the lease. At year-end the Board has not entered into any capital leases.
- Tangible capital assets are amortized over their estimated useful lives on a straight-line basis, at the following rates:

Buildings	2.5% to 4%
Vehicles & Buses	10% to 20%
Computer Hardware & Software	20% to 25%
Other Equipment & Furnishings	10% to 20%

e) Deferred Revenue

Deferred revenue includes contributions received for operations which have stipulations that meet the definition of a liability per *Public Sector Accounting Standard (PSAS) PS 3200*. These contributions are recognized by the School District once it has met all eligibility criteria to receive the contributions. When stipulations are met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability.

Deferred revenue also includes contributions for capital expenditures, unexpended and expended. Unexpended Deferred Capital Revenue represent externally restricted supported capital funds provided for a specific capital purpose received or receivable by the jurisdiction, but the related expenditure has not been made at year-end. These contributions must also have stipulations that meet the definition of a liability per *PS 3200* when expended.

Expended Deferred Capital Revenue represent externally restricted supported capital funds that have been expended but have yet to be amortized over the useful life of the related capital asset. Amortization over the useful life of the related capital asset is due to certain stipulations related to the contributions that require that the school jurisdiction to use the asset in a prescribed manner over the life of the associated asset.

f) Employee Future Benefits

The School District provides certain post-employment benefits including vested and non-vested benefits for certain employees pursuant to certain contracts and union agreements.

The School Division accrues its obligations and related costs including both vested and non-vested benefits under employee future benefit plans. Benefits include, retirement/severance, various qualifying compensated absences, and personal professional development funds.

g) Asset Retirement Obligations

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs are capitalized into the carrying amount of the related asset. In subsequent periods, the liability is adjusted for the accretion of discount and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and the discount accretion is included on the Statement of Operations. The School Division has included its estimated asset retirement obligation of \$NIL (2013 - \$NIL) in the Statement of Financial Position as Other Liabilities representing no (2013 – 0) obligations.

The School Division has determined that it has a conditional asset retirement obligation relating to certain school sites. These obligations will be discharged in the future by funding through the Alberta Government. The School Division believes that there is insufficient information to estimate the fair value of the asset retirement obligation because the settlement date or the range of potential settlement dates has not been determined and information is not available to apply an expected present value technique.

h) 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.

i) 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 that 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.

j) Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

Allocation of Costs

- Actual salaries of personnel assigned to two or more programs are allocated based on the time spent in each program.
- Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
- Supplies and services are allocated based on actual program identification.

k) Pensions

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

Current and past service costs of the Alberta Teachers Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the School Division does not make pension contributions for certificated staff. The Government portion of the current service contribution to the Alberta Teachers Retirement Fund on behalf of the jurisdiction is included in both revenues and expenses. For the school year ended August 31, 2014, the amount contributed by the Government was \$2,308,936 (2013 \$2,027,477).

The school board participates in a multi-employer pension plan, the Local Authorities Pension Plan, and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of \$369,358 for the year ended August 31, 2014 (2013 \$326,754). At December 31, 2013, the Local Authorities Pension Plan reported an actuarial deficiency of \$4,861,516,000 (2012 deficiency of \$4,977,303,000).

l) 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 facility expenses.
- **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 must 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.

m) 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 School District 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 School District 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 derecognition 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.

n) Measurement Uncertainty

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. Significant areas requiring the use of management estimates relate to the potential impairment of assets, rates for amortization and estimated employee future benefits.

3. CASH AND CASH EQUIVALENTS

	2014			2013
	Average Effective (Market) Yield	Cost	Amortized Cost	Amortized Cost
Cash	0.85%	\$ 7,114,757	\$ 7,114,757	\$ 5,808,829
Total cash and cash equivalents		<u>\$ 7,114,757</u>	<u>\$ 7,114,757</u>	<u>\$ 5,808,829</u>

4. ACCOUNTS RECEIVABLE

	2014			2013
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Alberta Education - Grants	\$ 1,944	\$ -	\$ 1,944	\$ -
Alberta Education - Capital	2,515,638	-	2,515,638	2,116,661
Treasury Board and Finance - Supported debenture principal	-	-	-	60,384
Treasury Board and Finance - Accrued interest on supported debentures	-	-	-	2,694
Alberta Health & Wellness	-	-	-	25,000
Alberta Health Services	8,321	-	8,321	8,779
Federal government	192,934	-	192,934	200,831
Other	54,255	-	54,255	86,146
Total	<u>\$2,773,092</u>	<u>\$ -</u>	<u>\$2,773,092</u>	<u>\$2,500,495</u>

5. PORTFOLIO INVESTMENTS

	2014				2013 Balance
	Average Effective (Market) Yield	Cost	Fair Value	Balance	
Long term deposits	%	\$ -	\$ -	\$ -	\$ -
Guaranteed interest certificates	2.53%	556,526	559,527	559,527	1,229,667
Fixed income securities					
Government of Canada, direct and guaranteed	%	\$ -	\$ -	\$ -	\$ -
Provincial, direct and guaranteed	4.52%	208,733	225,794	225,794	228,516
Municipal	%	-	-	-	-
Corporate	4.45%	417,240	441,814	441,814	670,679
Pooled investment funds	%	-	-	-	-
Total fixed income securities	3.80%	625,973	667,608	667,608	899,195
Southern Alberta Windfarm	4.76%	1,018,967	1,018,967	1,018,967	1,077,288
Total portfolio investments	4.17%	\$2,201,466	\$2,246,102	\$2,246,102	\$3,206,150

The following is the maturity structure for fixed income securities based on the principal amount:

	2014	2013
3 months to 5 years	100.0%	100.0%
	<u>100.0%</u>	<u>100.0%</u>

It is management's opinion that there has been no impairment during the year.

The jurisdiction, along with two other school jurisdictions, has invested in the Southern Alberta Wind Farm project for a total project cost of \$6,400,000. The provincial government has contributed \$3,200,000 of matching funds towards the project, with Horizon School Division contributions totaling \$711,040. Horizon's investment and the matching funds will be repaid over 20 years including interest. The principal amount outstanding to Horizon at year end is \$1,018,967.

Principal repayments in each of the next five fiscal years and beyond are as follows:

	Principal	Interest	Total
2014	\$ 61,305	\$ 49,556	\$ 110,861
2015	64,442	46,419	110,861
2016	67,739	43,122	110,861
2017	71,204	39,657	110,861
2018	74,847	36,014	110,861
2019 to maturity	\$679,430	\$133,556	\$812,986
Total Southern Alberta Wind Farm	\$1,018,967	\$348,324	\$1,367,291

HORIZON SCHOOL DIVISION NO. 67

Notes to the Financial Statements
For the year ended August 31, 2014

6. BANK INDEBTEDNESS

The jurisdiction has negotiated a line of credit in the amount of \$400,000 that bears interest at the Royal Bank of Canada's prime rate. This line of credit is secured by a borrowing bylaw and a security agreement, covering all revenue of the jurisdiction. There was no balance at August 31, 2014 (2013: NIL).

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2014	2013
Alberta Education	\$ 4,738	\$ -
Other Alberta school jurisdictions	147	-
Alberta Capital Finance Authority (Interest on long-term debt - Supported)	-	2,694
Accrued vacation pay liability	147,209	117,600
Other salaries & benefit costs	15,201	28,355
Other trade payables and accrued liabilities	386,839	485,604
Total	\$ 554,134	\$ 634,253

8. DEFERRED REVENUE

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug. 31, 2013	ADD: 2013/2014 Restricted Funds Received	DEDUCT: 2013/2014 Restricted Funds Expended (Paid / Payable)	ADD (DEDUCT): 2013/2014 Adjustments for Returned Funds	DEFERRED REVENUE as at Aug. 31, 2014
Unexpended deferred operating revenue					
Alberta Education:					
Regional Collaborative Service Delivery	\$ -	\$ 149,106	\$ (149,106)	\$ -	\$ -
Children and Youth with Complex Needs	-	698,458	(698,458)	-	-
Student Health Initiative (School Authorities)	1,761	-	(1,761)	-	-
Infrastructure Maintenance Renewal	127,406	503,952	(367,977)	-	263,381
SuperNet Service	-	182,400	(182,400)	-	-
Technology In The Classroom Grant	32,883	-	(32,883)	-	-
Other Government of Alberta					
Family School Liason	-	64,681	(64,681)	-	-
Other Deferred Revenue:					
School Generated Funds	828,380	815,924	(820,135)	-	824,169
Fees	108,353	71,954	(108,351)	-	71,956
Donations	-	12,000	(2,192)	-	9,808
Pre-K Fees	660	4,030	(660)	-	4,030
Total unexpended deferred operating revenue	\$ 1,099,443	\$ 2,502,505	\$ (2,428,604)	\$ -	\$ 1,173,344
Unexpended deferred capital revenue	-	453,073	(344,692)	-	108,381
Expended deferred capital revenue	38,825,327	344,692	(1,337,264)	-	37,832,755

9. EMPLOYEE FUTURE BENEFIT LIABILITIES

Employee future benefit liabilities consist of the following:

	2014	2013
Other compensated absences	32,275	4,548
Retirement allowances	29,465	25,171
Personal professional development fund	14,133	-
Total	<u>\$ 75,873</u>	<u>\$ 29,719</u>

10. DEBT

Debentures outstanding at August 31, 2013 have interest rates between 7.5% to 11.25%. The terms of the Loan range between 20 and 25 years, payments made annually supported by Alberta Education. Paid in full in 2014.

	\$ -	\$ 60,384
Total	<u>\$ -</u>	<u>\$ 60,384</u>

11. TANGIBLE CAPITAL ASSETS

	2014							2013
	Land	Construction In Progress - Buildings	Buildings	Equipment	Vehicles	Computer Hardware & Software	Total	Total
Estimated useful life			25-40 Years	5-10 Years	5-10 Years	3-5 Years		
Historical cost								
Beginning of year	\$ 534,275	\$ -	\$58,729,479	\$ 2,300,394	\$ 1,001,161	\$ 587,449	\$63,152,758	\$61,667,806
Prior period adjustments	-	-	-	-	-	-	-	-
Additions	-	-	590,227	34,768	76,721	118,508	820,224	2,043,130
Transfers in (out)	-	-	-	-	-	-	-	-
Less disposals including w rite-	-	-	-	(68,335)	(13,905)	(370,212)	(452,452)	(558,178)
	<u>\$ 534,275</u>	<u>\$ -</u>	<u>\$59,319,706</u>	<u>\$ 2,266,827</u>	<u>\$ 1,063,977</u>	<u>\$ 335,745</u>	<u>\$63,520,530</u>	<u>\$63,152,758</u>
Accumulated amortization								
Beginning of year	\$ -	\$ -	\$16,993,833	\$ 1,441,265	\$ 694,279	\$ 477,808	\$19,607,185	\$18,501,327
Prior period adjustments	-	-	-	-	-	-	-	-
Amortization	-	-	1,336,998	235,884	109,727	45,618	1,728,227	1,656,715
Other Additions	-	-	-	-	-	-	-	-
Transfers in (out)	-	-	-	-	-	-	-	-
Less disposals including w rite-	-	-	-	(66,304)	(13,905)	(370,213)	(450,422)	(550,857)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$18,330,831</u>	<u>\$ 1,610,845</u>	<u>\$ 790,101</u>	<u>\$ 153,213</u>	<u>\$20,884,990</u>	<u>\$19,607,185</u>
Net Book Value at End of Year	<u>\$ 534,275</u>	<u>\$ -</u>	<u>\$40,988,875</u>	<u>\$ 655,982</u>	<u>\$ 273,876</u>	<u>\$ 182,532</u>	<u>\$42,635,540</u>	<u>\$43,545,573</u>

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:

	2014	2013
Unrestricted surplus	\$ 2,742,607	\$ 2,798,581
Operating reserves	<u>7,597,081</u>	<u>6,978,831</u>
Accumulated surplus (deficit) from operations	10,339,688	9,777,412
Investment in tangible capital assets	4,802,787	4,720,250
Accumulated remeasurement gains (losses)	(23,504)	(35,207)
Accumulated surplus (deficit)	<u>\$ 15,118,971</u>	<u>\$ 14,462,455</u>

The school jurisdiction has recorded a provision for employee post-employment benefits and compensated absences that accumulate but do not vest in accordance with Public Sector Accounting Standard PS 3255.19. Since this provision reflects estimated future obligations, it is not required to be funded from current operations. Accumulated surplus (deficit) may be adjusted as follows:

	2014	2013
Accumulated surplus (deficit) from operations	\$ 10,339,688	\$ 9,777,412
Non-vesting, accumulating employee future benefits	<u>75,873</u>	<u>29,712</u>
Adjusted accumulated surplus (deficit) ⁽²⁾	<u>\$ 10,415,561</u>	<u>\$ 9,807,124</u>

⁽²⁾ Adjusted accumulated surplus represents unspent funding available to support the school jurisdiction's operations subsequent to the 2013-2014 year.

13. CONTRACTUAL OBLIGATIONS

	2014	2013
Building projects ⁽¹⁾	\$ 15,272,663	\$ 217,500
Building leases ⁽²⁾	124,207	111,000
Total	\$ 15,396,870	\$ 328,500

⁽¹⁾ Building projects: The jurisdiction is committed to capital expenditures to modernize two schools. Total costs are estimated at approximately \$15,488,350 with \$215,687 incurred by year-end and a remaining commitment of \$15,272,663. It is anticipated that these costs will be fully funded by capital revenue from Alberta Education. The modernization projects are expected to be complete by September 2016. Commitments to building projects from 2013 were completed during the year.

⁽²⁾ Building leases: The jurisdiction entered into a lease agreement for the premises of the Taber Christian School for the 2013 – 2014 operating year. The lease will remain in effect on a year to year basis, payable quarterly at a rate of 95% of the Plant Operations & Maintenance funding and 95% of School Leasing funding received for the Taber Christian School (2014: \$124,207 ; 2013: \$111,219). Payments for future years are approximated by the current year's payment.

⁽³⁾ Energy Contract: The jurisdiction has signed a contract with Enmax to provide electricity at a specified rate. The remaining term of the contract is 13 years.

Estimated payment requirements for each of the next five years and thereafter are as follows:

	Building Projects	Building Leases	Service Providers	Other (Specify)	Other
2014-15	\$ 4,866,500	\$ 190,000	\$ -	\$ -	\$ -
2015-16	10,406,163	-	-	-	-
2016-17	-	-	-	-	-
2017-18	-	-	-	-	-
2018-19	-	-	-	-	-
Thereafter	-	-	-	-	-
	\$ 15,272,663	\$ 190,000	\$ -	\$ -	\$ -

14. FEES

	2014	2013
Transportation fees ⁽¹⁾	\$0	\$0
Fees charged for instruction material and supplies ⁽²⁾	214,042	195,840
Fees (International Students)	245,314	236,423
Fees (Non-instructional fees, field trips, athletics, clubs)	208,649	348,407
Other fees (Elite sports programs)	687,209	699,199
Total	\$1,355,214	\$1,479,869

⁽¹⁾ Charged under School Act, Section 51 (3)

⁽²⁾ Charged under School Act Section 60 (2) (j)

15. SCHOOL GENERATED FUNDS

	2014	2013
School Generated Funds, Beginning of Year	\$ 1,238,773	\$ 1,154,299
Gross Receipts:		
Fees	809,491	1,047,607
Fundraising	386,056	254,515
Gifts and donations	258,234	292,499
Grants to schools	-	31,985
Other sales and services	637,760	615,401
Total gross receipts	2,091,541	2,242,007
Total Related Expenses and Uses of Funds	1,707,910	1,884,186
Total Direct Costs Including Cost of Goods Sold to Raise Funds	327,926	273,347
School Generated Funds, End of Year	<u>\$ 1,294,478</u>	<u>\$ 1,238,773</u>
Balance included in Deferred Revenue	\$ 824,169	\$ 828,380
Balance included in Accumulated Surplus (Operating Reserves)	\$ 470,309	\$ 410,393

16. RELATED PARTY TRANSACTIONS

All entities that are consolidated in the accounts of the Government of Alberta are related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta.

	Balances		Transactions	
	Financial Assets (at cost or net realizable value)	Liabilities (at amortized cost)	Revenues	Expenses
Government of Alberta (GOA):				
Education				
Accounts receivable / Accounts payable	\$2,517,581	\$ 4,738	\$ -	\$ -
Prepaid expenses / Deferred operating revenue	-	263,381	-	-
Unexpended deferred capital revenue	-	108,381	-	-
Expended deferred capital revenue	-	37,778,656	1,337,264	-
Other assets & liabilities	-	-	-	-
Grant revenue & expenses	-	-	41,065,168	81,169
Other revenues & expenses	-	-	-	-
Other Alberta school jurisdictions	-	147	19,487	-
Treasury Board and Finance (Principal)				
Treasury Board and Finance (Accrued interest)			3,890	3,890
Alberta Health	-	-	-	-
Alberta Health Services	8,321	-	289,822	725
Enterprise and Advanced Education	-	-	-	-
Post-secondary institutions	-	-	-	-
Alberta Infrastructure	-	-	-	-
Human Services	-	-	-	-
Other:				
Alberta Capital Financing Authority		-	-	-
TOTAL 2013/2014	<u>\$2,525,902</u>	<u>\$ 38,155,303</u>	<u>\$42,715,631</u>	<u>\$ 85,784</u>
TOTAL 2012/2013	<u>\$2,213,519</u>	<u>\$ 39,050,456</u>	<u>\$43,743,223</u>	<u>\$ 122,624</u>

17. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

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

18. SUPPLEMENTAL INTEGRATED PENSION PLAN

The School jurisdiction is a member of the Supplemental Integrated Pension Plan. The plan provides supplementary pension plan benefits to a prescribed class of employees in addition to Local Authorities Pension Plan or Alberta Teacher Retirement Fund. For the 2013-2014 year, there were four employees who were eligible and participated in the plan.

19. REMUNERATION AND MONETARY INCENTIVES

The School Division had paid or accrued expenses for the year ended August 31, 2014 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 - Logan, Marie	1.0	\$13,220	\$0	\$0			\$6,900
Anderson, Rick	0.8	\$10,110	\$0	\$0			\$3,130
Baron, Derek	1.0	\$12,185	\$0	\$0			\$3,106
Crowson, Jennifer	1.0	\$12,132	\$0	\$0			\$5,630
Francis, Bruce	1.0	\$12,399	\$0	\$0			\$2,124
Holtman, Sharon	0.2	\$2,022	\$0	\$0			\$299
Kriszan, Audrey	0.2	\$2,240	\$0	\$0			\$273
Lowry, Blair	0.8	\$10,110	\$0	\$0			\$3,487
Michaëlis, Terry	1.0	\$12,132	\$0	\$0			\$5,926
Subtotal	7.0	\$86,550	\$0	\$0			\$30,875
Superintendent (1)	1.0	\$170,457	\$39,215	\$2,617	\$0	\$0	\$20,472
Superintendent (2)	0.0	\$0	\$0	\$0	\$0	\$0	\$0
Secretary/Treasurer (1)	1.0	\$146,231	\$39,379	\$2,400	\$0	\$0	\$7,090
Secretary/Treasurer (2)	0.0	\$0	\$0	\$0	\$0	\$0	\$0
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	210.9	\$19,195,186	\$4,348,950	\$0	\$0	\$0	
Non-certificated - other	198.5	\$6,617,373	\$1,345,649	\$0	\$0	\$0	
TOTALS		\$26,215,797	\$5,773,193	\$5,017	\$0	\$0	

20. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the Board of Trustees on May 31, 2013. It is presented for information purposes only and has not been audited.

21. COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary to conform to the 2013/2014 presentation.

22. FUNDRAISING

Schools within Horizon School Division engage in various activities to raise funds that support non-instructional programs and activities. Some of these activities involve soliciting contributions from the general public. Gross contributions from solicitation were \$299,690 (2013 - \$254,515). All expenses incurred for the purpose of soliciting contributions were \$156,914 (2013 - \$62,153). No remuneration was paid to staff whose principal duties involve fundraising.