

**AUDITED
FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2012 and AUGUST 31, 2013**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Horizon School Divison No. 67

Legal Name of School Jurisdiction

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Mailing Address

(403)223-3546, (403)223-2999

Telephone & Fax Numbers, and Email Address

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Horizon School Divison 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

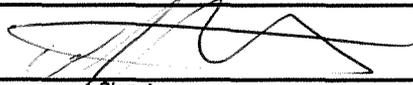
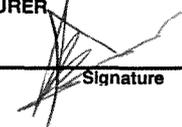
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the audited financial statements with management in detail and approved the financial statements for release.

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 Chairman

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.

<p>BOARD CHAIR</p> <p><u>Marie Logan</u></p> <p>Name</p>	 <p>Signature</p>
<p>SUPERINTENDENT</p> <p><u>Wilco Tymensen</u></p> <p>Name</p>	 <p>Signature</p>
<p>SECRETARY-TREASURER OR TREASURER</p> <p><u>John Rakai</u></p> <p>Name</p>	 <p>Signature</p>
<p><u>November 26, 2013</u></p> <p>Board-approved Release Date</p>	

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch
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Young Parkyn McNab LLP

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the
Horizon School Division No. 67

We have audited the accompanying financial statements of Horizon School Division No. 67, which comprise the statements of financial position as at August 31, 2013, August 31, 2012 and September 1, 2011, and the statements of operations, change in net financial assets (net debt) and cash flows for the years ended August 31, 2013 and August 31, 2012, 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.

Auditor's 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

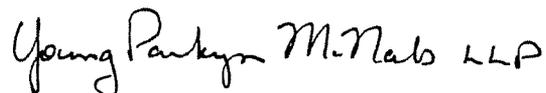
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers 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 audits 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 Horizon School Division No. 67 as at August 31, 2013, August 31, 2012 and September 1, 2011, and the results of its operations, changes in its net debt, and its cash flows for the years ended August 31, 2013 and August 31, 2012 in accordance with Canadian public sector accounting standards.

Lethbridge, Alberta
November 26, 2013



Chartered Accountants

STATEMENTS OF FINANCIAL POSITION
As at (in dollars)

	August 31		September 1
	2013	2012 Restated	2011 Restated
FINANCIAL ASSETS			
Cash and cash equivalents (Note 4)	\$5,808,829	\$6,325,754	\$12,623,480
Accounts receivable (net after allowances) (Note 5)	\$2,500,495	\$1,536,850	\$1,096,926
Portfolio investments (Note 6)	\$3,206,150	\$3,955,551	\$4,041,098
Other financial assets	\$0	\$0	\$0
Total financial assets	\$11,515,474	\$11,818,155	\$17,761,504
LIABILITIES			
Bank indebtedness (Note 7)	\$0	\$0	\$0
Accounts payable and accrued liabilities (Note 8)	\$516,653	\$686,901	\$1,520,500
Deferred revenue (Note 9)	\$39,924,770	\$40,368,480	\$40,466,848
Employee future benefit liabilities (Note 10)	\$147,319	\$343,227	\$338,206
Other liabilities (Note 11)	\$0	\$158,000	\$0
Debt (Note 12)			
Supported: Debentures and other supported debt	\$60,384	\$121,149	\$196,914
Unsupported: Debentures and capital loans	\$0	\$0	\$0
Capital leases	\$0	\$12,405	\$24,811
Mortgages	\$0	\$0	\$0
Total liabilities	\$40,649,126	\$41,690,162	\$42,547,279
Net financial assets (debt)	(\$29,133,652)	(\$29,872,007)	(\$24,785,775)
NON-FINANCIAL ASSETS			
Tangible capital assets (Note 13)			
Land	\$534,275	\$457,275	\$457,275
Construction in progress	\$0	\$0	\$0
Buildings	\$58,729,479		
Less: Accumulated amortization	(\$16,993,833)	\$41,735,646	\$36,259,002
Equipment	\$2,300,394		
Less: Accumulated amortization	(\$1,441,265)	\$859,129	\$506,310
Vehicles	\$1,001,161		
Less: Accumulated amortization	(\$694,279)	\$306,882	\$379,207
Computer Equipment	\$587,449		
Less: Accumulated amortization	(\$477,808)	\$109,641	(\$349,354)
Total tangible capital assets	\$43,545,573	\$43,166,479	\$37,774,098
Prepaid expenses	\$50,534	\$84,731	\$70,167
Other non-financial assets	\$0	\$0	\$0
Total non-financial assets	\$43,596,107	\$43,251,210	\$37,844,265
Accumulated surplus (Note 14)	\$14,462,455	\$13,379,203	\$13,058,490
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)	\$14,497,662	\$13,379,203	\$13,058,490
Accumulated rereasurement gains (losses)	(\$35,207)	\$0	\$0
	\$14,462,455	\$13,379,203	\$13,058,490
Contractual obligations (Note 15)			
Contingent liabilities (Note 16)			

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

STATEMENTS OF OPERATIONS
For the Years Ended August 31 (in dollars)

	Budget 2013	Actual 2013	Actual 2012 Restated
REVENUES			
Alberta Education	\$43,514,185	\$43,339,311	\$42,475,587
Other - Government of Alberta	\$437,801	\$384,425	\$386,038
Federal Government and First Nations	\$1,000	\$0	\$0
Other Alberta school authorities	\$19,487	\$19,487	\$18,080
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Property taxes	\$0	\$0	\$0
Fees (Note 17)	\$419,630	\$1,479,869	\$1,170,235
Other sales and services	\$1,985,000	\$1,116,804	\$1,063,544
Investment Income	\$200,000	\$217,000	\$171,689
Gifts and donations	\$0	\$300,966	\$360,158
Rental of facilities	\$13,475	\$13,150	\$14,238
Fundraising	\$245,000	\$254,515	\$482,215
Gains (losses) on disposal of capital assets	\$0	\$10,529	\$5,081
Other revenue	\$173,600	\$16,241	\$8,126
Total revenues	\$47,009,178	\$47,152,297	\$46,154,991
EXPENSES			
Instruction	\$33,901,281	\$33,825,789	\$34,701,957
Plant operations and maintenance	\$4,920,546	\$6,232,268	\$5,399,697
Transportation	\$3,538,422	\$3,368,574	\$3,303,222
Administration	\$1,808,734	\$1,729,237	\$1,525,482
External services	\$3,167,024	\$877,970	\$903,920
Total expenses	\$47,336,007	\$46,033,838	\$45,834,278
Operating surplus (deficit)	(\$326,829)	\$1,118,459	\$320,713

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

STATEMENTS OF CASH FLOWS
For the Years Ended August 31 (in dollars)

	2013	2012 Restated
CASH FLOWS FROM:		
A. OPERATING TRANSACTIONS		
Operating surplus (deficit)	\$1,118,459	\$320,713
Add (Deduct) items not affecting cash:		
Total amortization expense	\$1,656,715	\$1,336,863
Gains on disposal of tangible capital assets	(\$10,529)	(\$5,081)
Losses on disposal of tangible capital assets	\$0	\$0
Changes in:		
Accounts receivable	(\$963,645)	(\$439,924)
Prepays	\$34,197	(\$14,564)
Other financial assets	\$0	\$0
Non-financial assets	\$0	\$0
Accounts payable and accrued liabilities	(\$328,248)	(\$675,599)
Deferred revenue (Excluding EDCR)	(\$443,710)	(\$98,368)
Employee future benefit liabilities	(\$195,908)	\$5,021
Other (describe)	\$0	\$0
Total cash flows from operating transactions	\$867,331	\$429,061
B. CAPITAL TRANSACTIONS		
Purchases of tangible capital assets		
Land	(\$77,000)	\$0
Buildings	(\$1,685,160)	(\$6,115,665)
Equipment	(\$240,330)	(\$526,037)
Vehicles	(\$40,640)	(\$87,543)
Computer equipment	\$0	\$0
Net proceeds from disposal of unsupported capital assets	\$17,850	\$5,081
Other (describe)	\$0	\$0
Total cash flows from capital transactions	(\$2,025,280)	(\$6,724,164)
C. INVESTING TRANSACTIONS		
Changes in portfolio investments	\$714,194	\$85,547
Remeasurement gains (losses) reclassified to the statement of operations	\$0	\$0
Other (describe)	\$0	\$0
Total cash flows from investing transactions	\$714,194	\$85,547
D. FINANCING TRANSACTIONS		
Issue of debt	\$0	\$0
Repayment of debt	(\$73,170)	(\$88,171)
Other (describe)	\$0	\$0
Total cash flows from financing transactions	(\$73,170)	(\$88,171)
Increase (decrease) in cash and cash equivalents	(\$516,925)	(\$6,297,727)
Cash and cash equivalents, at beginning of year	\$6,325,754	\$12,623,481
Cash and cash equivalents, at end of year	\$5,808,829	\$6,325,754

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

STATEMENTS OF CHANGE IN NET FINANCIAL ASSETS (NET DEBT)
For the Years Ended August 31 (in dollars)

	2013	2012
<u>Operating surplus (deficit)</u>	\$1,118,459	\$320,713
<u>Effect of changes in tangible capital assets</u>		
<u>Aquisition of tangible capital assets</u>	(\$2,043,130)	(\$6,729,245)
<u>Amortization of tangible capital assets</u>	\$1,656,715	\$1,336,863
<u>Net carrying value of tangible capital assets disposed of</u>	\$7,321	\$0
<u>Write-down carrying value of tangible capital assets</u>	\$0	\$0
Total effect of changes in tangible capital assets	(\$379,094)	(\$5,392,382)
<u>Changes in:</u>		
<u>Prepaid expenses</u>	\$34,197	(\$14,564)
<u>Other non-financial assets</u>	\$0	\$0
<u>Net remeasurement gains and (losses)</u>	(\$35,207)	\$0
<u>Endowments</u>	\$0	\$0
Increase (decrease) in net financial assets (net debt)	\$738,355	(\$5,086,233)
Net financial assets (net debt) at beginning of year	(\$29,872,007)	(\$24,785,774)
Net financial assets (net debt) at end of year	(\$29,133,652)	(\$29,872,007)

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

STATEMENT OF REMEASUREMENT GAINS AND LOSSES
For the Year Ended August 31, 2013 (in dollars)

	2013
Opening accumulated remeasurement gains and (losses) upon adoption on September 1, 2012	\$0
Unrealized gains (losses) attributable to:	
Portfolio investments	(\$35,207)
Other	\$0
Amounts reclassified to the statement of operations:	
Portfolio investments	\$0
Other	\$0
Net remeasurement gains (losses) for the year	(\$35,207)
Accumulated remeasurement gains (losses) at end of year	(\$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, 2013 (in dollars)**

	ACCUMULATED SURPLUS	ACCUMULATED REEASUREMENT 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, 2012	\$13,249,008	\$0	\$13,249,008	\$4,786,984	\$0	\$2,003,443	\$6,458,581	\$0
Prior period adjustments:								
Employee future benefits (note 27)	(\$198,307)	\$0	(\$198,307)	\$0	\$0	(\$198,307)	\$0	\$0
Gov't contribution - wind power (note 2)	\$557,395	\$0	\$557,395	\$0	\$0	\$557,395	\$0	\$0
Capitalized IMR projects (note 2)	(\$593,452)	\$0	(\$593,452)	(\$593,452)	\$0	\$0	\$0	\$0
School generated funds (note 2)	\$364,559	\$0	\$364,559	\$0	\$0	\$0	\$364,559	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2012	\$13,379,203	\$0	\$13,379,203	\$4,193,532	\$0	\$2,362,531	\$6,823,140	\$0
Operating surplus (deficit)	\$1,118,459		\$1,118,459			\$1,118,459		
Board funded tangible capital asset additions				\$840,434		(\$822,584)	\$0	(\$17,850)
Disposal of unsupported tangible capital assets	\$0		\$0	(\$7,321)		(\$10,529)		\$17,850
Disposal of supported tangible capital assets (board funded portion)	\$0		\$0	\$0		\$0		\$0
Write-down of unsupported tangible capital assets	\$0		\$0	\$0		\$0		\$0
Write-down of supported tangible capital assets (board funded portion)	\$0		\$0	\$0		\$0		\$0
Net remeasurement gains (losses) for the year	(\$35,207)	(\$35,207)						
Endowment expenses	\$0		\$0		\$0			
Direct credits to accumulated surplus	\$0		\$0		\$0	\$0		
Amortization of tangible capital assets	\$0			(\$1,656,715)		\$1,656,715		
Capital revenue recognized	\$0			\$1,337,915		(\$1,337,915)		
Debt principal repayments (unsupported)	\$0			\$12,405		(\$12,405)		
Externally imposed endowment restrictions	\$0				\$0	\$0	\$0	
Net transfers to operating reserves	\$0					(\$168,096)	\$168,096	
Net transfers from operating reserves	\$0					\$12,405	(\$12,405)	
Net transfers to capital reserves	\$0					\$0		\$0
Net transfers from capital reserves	\$0					\$0		\$0
Assumption/transfer of other operations' surplus	\$0		\$0	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2013	\$14,462,455	(\$35,207)	\$14,497,662	\$4,720,250	\$0	\$2,798,581	\$6,978,831	\$0

**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2013 (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, 2012	\$4,422,128	\$0	\$0	\$0	\$36,453	\$0	\$2,000,000	\$0	\$0	\$0
Prior period adjustments:										
Employee future benefits (note 27)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gov't contribution - wind power (note 2)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capitalized IMR projects (note 2)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
School generated funds (note 2)	\$364,559	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2012	\$4,786,687	\$0	\$0	\$0	\$36,453	\$0	\$2,000,000	\$0	\$0	\$0
Operating surplus (deficit)										
Board funded tangible capital asset additions	\$0	(\$15,850)	\$0	(\$2,000)	\$0	\$0	\$0	\$0	\$0	\$0
Disposal of unsupported tangible capital assets		\$15,850		\$2,000		\$0		\$0		\$0
Disposal of supported tangible capital assets (board funded portion)		\$0		\$0		\$0		\$0		\$0
Write-down of unsupported tangible capital assets		\$0		\$0		\$0		\$0		\$0
Write-down of supported tangible capital assets (board funded portion)		\$0		\$0		\$0		\$0		\$0
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	\$0		\$0		\$0		\$0		\$0	
Net transfers to operating reserves	\$158,096		\$0		\$10,000		\$0		\$0	
Net transfers from operating reserves	\$0		\$0		(\$12,405)		\$0		\$0	
Net transfers to capital reserves		\$0		\$0		\$0		\$0		\$0
Net transfers from capital reserves		\$0		\$0		\$0		\$0		\$0
Assumption/transfer of other operations' surplus	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2013	\$4,944,783	\$0	\$0	\$0	\$34,048	\$0	\$2,000,000	\$0	\$0	\$0

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2012 (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, 2011	\$12,840,093	\$0	\$12,840,093	\$4,230,853	\$0	\$2,404,928	\$6,204,312	\$0
Prior period adjustments:								
Employee future benefits (note 27)	(\$184,224)	\$0	(\$184,224)	\$0	\$0	(\$184,224)	\$0	\$0
Gov't contribution - wind power (note 2)	\$583,367	\$0	\$583,367	\$0	\$0	\$583,367	\$0	\$0
Capitalized IMR projects (note 2)	(\$630,844)	\$0	(\$630,844)	(\$630,844)	\$0	\$0	\$0	\$0
School generated funds (note 2)	\$450,098	\$0	\$450,098	\$0	\$0	\$0	\$450,098	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2011	\$13,058,490	\$0	\$13,058,490	\$3,600,009	\$0	\$2,804,071	\$6,654,410	\$0
Operating surplus (deficit)	\$320,713		\$320,713			\$320,713		
Board funded tangible capital asset additions				\$984,193		(\$979,112)	\$0	(\$5,081)
Disposal of unsupported tangible capital assets	\$0		\$0	\$0		(\$5,081)		\$5,081
Disposal of supported tangible capital assets (board funded portion)	\$0		\$0	\$0		\$0		\$0
Write-down of unsupported tangible capital assets	\$0		\$0	\$0		\$0		\$0
Write-down of supported tangible capital assets (board funded portion)	\$0		\$0	\$0		\$0		\$0
Net remeasurement gains (losses) for the year	\$0	\$0						
Endowment expenses	\$0		\$0		\$0			
Direct credits to accumulated surplus	\$0		\$0		\$0	\$0		
Amortization of tangible capital assets	\$0			(\$1,336,863)		\$1,336,863		
Capital revenue recognized	\$0			\$933,788		(\$933,788)		
Debt principal repayments (unsupported)	\$0			\$12,405		(\$12,405)		
Externally imposed endowment restrictions	\$0				\$0	\$0	\$0	
Net transfers to operating reserves	\$0					(\$404,379)	\$404,379	
Net transfers from operating reserves	\$0					\$235,649	(\$235,649)	
Net transfers to capital reserves	\$0					\$0		\$0
Net transfers from capital reserves	\$0					\$0		\$0
Assumption/transfer of other operations' surplus	\$0		\$0	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2012	\$13,379,203	\$0	\$13,379,203	\$4,193,532	\$0	\$2,362,531	\$6,823,140	\$0

**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2012 (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, 2011	\$4,147,749	\$0	\$0	\$0	\$56,563	\$0	\$2,000,000	\$0	\$0	\$0
Prior period adjustments:										
Employee future benefits (note 27)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gov't contribution - wind power (note 2)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capitalized IMR projects (note 2)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
School generated funds (note 2)	\$450,098	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2011	\$4,597,847	\$0	\$0	\$0	\$56,563	\$0	\$2,000,000	\$0	\$0	\$0
Operating surplus (deficit)										
Board funded tangible capital asset additions	\$0	(\$5,080)	\$0	(\$1)	\$0	\$0	\$0	\$0	\$0	\$0
Disposal of unsupported tangible capital assets		\$5,080		\$1		\$0		\$0		\$0
Disposal of supported tangible capital assets (board funded portion)		\$0		\$0		\$0		\$0		\$0
Write-down of unsupported tangible capital assets		\$0		\$0		\$0		\$0		\$0
Write-down of supported tangible capital assets (board funded portion)		\$0		\$0		\$0		\$0		\$0
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	\$0		\$0		\$0		\$0		\$0	
Net transfers to operating reserves	\$394,379		\$0		\$10,000		\$0		\$0	
Net transfers from operating reserves	(\$205,539)		\$0		(\$30,110)		\$0		\$0	
Net transfers to capital reserves		\$0		\$0		\$0		\$0		\$0
Net transfers from capital reserves		\$0		\$0		\$0		\$0		\$0
Assumption/transfer of other operations' surplus	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2012	\$4,786,687	\$0	\$0	\$0	\$36,453	\$0	\$2,000,000	\$0	\$0	\$0

SCHEDULE OF CAPITAL REVENUE
(EXTERNALLY RESTRICTED CAPITAL REVENUE ONLY)
for the Year Ended August 31, 2013 (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, 2012	\$0	\$0	\$0	\$0	\$38,245,944
Prior period adjustments	\$0	\$0	\$0	\$0	\$714,598
Adjusted balance, August 31, 2012	\$0	\$0	\$0	\$0	\$38,960,542
Add:					
Unexpended capital revenue received from:					
Alberta Education school building & modular projects (excl. IMR)	\$0				
Infrastructure Maintenance & Renewal capital related to school facilities	\$0				
Other Government of Alberta	\$0				
Federal Government and First Nations				\$0	
Other sources				(\$1,374)	
Unexpended capital revenue receivable from					
Alberta Education school building & modular	\$1,223,856				
Unexpended capital revenue receivable from other than Alberta Education	\$0			\$0	
Interest earned on unexpended capital revenue	(\$19,785)	\$0	\$0	\$0	
Other unexpended capital revenue and donations				\$0	
Net proceeds on disposal of supported tangible capital assets			\$0	\$0	
Insurance proceeds (and related interest)			\$0	\$0	
Donated tangible capital assets (amortizable, @ fair market value)					\$0
Public Private Partnership (P3), other Alberta Schools Alternative Program (ASAP) Initiative and Alberta Infrastructure managed projects					\$0
Transferred in tangible capital assets (amortizable, @ net book value)					\$0
Expended capital revenue - current year	(\$1,204,071)	\$0	\$0	\$1,374	\$1,202,697
Surplus funds approved for future project(s)	\$0	\$0			
Deduct:					
Net book value of supported tangible capital dispositions, write-offs, or transfers	\$0	\$0	\$0	\$0	\$0
Capital revenue recognized					\$1,337,915
Balance at August 31, 2013	\$0	\$0	\$0	\$0	\$38,825,324
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at August 31, 2013 (A) + (B) + (C) + (D)				\$0	

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 tangible capital assets per 10 (2) (a) of Disposition of Property Reg. 181/2011

(D) - Represents capital revenue received from entities OTHER THAN the Government of Alberta for the acquisition of restricted-use tangible capital assets.

**SCHEDULE OF CAPITAL REVENUE
(EXTERNALLY RESTRICTED CAPITAL REVENUE ONLY)
for the Year Ended August 31, 2012 (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, 2011	\$4,778,942	\$0	\$0	\$0	\$33,321,520
Prior period adjustments	\$0	\$0	\$0	\$0	\$827,758
Adjusted balance, August 31, 2011	\$4,778,942	\$0	\$0	\$0	\$34,149,278
Add:					
Unexpended capital revenue received from:					
Alberta Education school building & modular projects (excl. IMR)	\$0				
Infrastructure Maintenance & Renewal capital related to school facilities	\$13,777				
Other Government of Alberta	\$0				
Federal Government and First Nations				\$0	
Other sources				\$4,664	
Unexpended capital revenue receivable from					
Alberta Education school building & modular	\$892,805				
Unexpended capital revenue receivable from other than Alberta Education	\$0			\$9,645	
Interest earned on unexpended capital revenue	\$45,219	\$0	\$0	\$0	
Other unexpended capital revenue and donations				\$0	
Net proceeds on disposal of supported tangible capital assets			\$0	\$0	
Insurance proceeds (and related interest)			\$0	\$0	
Donated tangible capital assets (amortizable, @ fair market value)					\$0
Public Private Partnership (P3), other Alberta Schools Alternative Program (ASAP) Initiative and Alberta Infrastructure managed projects					\$0
Transferred in tangible capital assets (amortizable, @ net book value)					\$0
Expended capital revenue - current year	(\$5,730,743)	\$0	\$0	(\$14,309)	\$5,745,052
Surplus funds approved for future project(s)	\$0	\$0			
Deduct:					
Net book value of supported tangible capital dispositions, write-offs, or transfers	\$0	\$0	\$0	\$0	\$0
Capital revenue recognition					\$933,788
Balance at August 31, 2012	\$0	\$0	\$0	\$0	\$38,960,542
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at August 31, 2012 (A) + (B) + (C) + (D)				\$0	

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 tangible capital assets per 10 (2) (a) of Disposition of Property Reg. 181/2011

(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, 2013 (in dollars)

REVENUES	2013						2012
	Instruction (ECS- Grade 12)	Plant Operations and Maintenance	Transportation	Board & System Administration	External Services	TOTAL	Restated
							TOTAL
(1) Alberta Education	\$32,159,856	\$6,298,445	\$3,173,473	\$1,707,537	\$0	\$43,339,311	\$42,475,587
(2) Other - Government of Alberta	\$77,893	\$10,266	\$0	\$0	\$296,266	\$384,425	\$386,038
(3) Federal Government and First Nations	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(4) Other Alberta school authorities	\$0	\$0	\$19,487	\$0	\$0	\$19,487	\$18,080
(5) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(6) Alberta Municipalities-special tax levies	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(7) Property Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(8) Fees	\$1,479,869	\$0	\$0	\$0	\$0	\$1,479,869	\$1,170,235
(9) Other sales and services	\$534,573	\$0	\$0	\$0	\$582,231	\$1,116,804	\$1,063,544
(10) Investment income	\$168,175	\$16,275	\$10,850	\$21,700	\$0	\$217,000	\$171,689
(11) Gifts and donations	\$300,966	\$0	\$0	\$0	\$0	\$300,966	\$360,158
(12) Rental of facilities	\$0	\$13,150	\$0	\$0	\$0	\$13,150	\$14,238
(13) Fundraising	\$254,515	\$0	\$0	\$0	\$0	\$254,515	\$482,215
(14) Gains on disposal of tangible capital assets	\$8,529	\$2,000	\$0	\$0	\$0	\$10,529	\$5,081
(15) Other revenue	\$11,941	\$4,300	\$0	\$0	\$0	\$16,241	\$8,126
(16) TOTAL REVENUES	\$34,996,317	\$6,344,436	\$3,203,810	\$1,729,237	\$878,497	\$47,152,297	\$46,154,991
EXPENSES							
(17) Certificated salaries	\$18,918,184			\$276,070	\$2,218	\$19,196,472	\$19,601,122
(18) Certificated benefits	\$4,032,355			\$35,072	\$125	\$4,067,552	\$3,953,867
(19) Non-certificated salaries and wages	\$5,092,489	\$962,359	\$34,124	\$722,179	\$483,107	\$7,294,258	\$7,268,722
(20) Non-certificated benefits	\$1,001,494	\$168,763	\$8,689	\$154,700	\$65,333	\$1,398,979	\$1,390,420
(21) SUB - TOTAL	\$29,044,522	\$1,131,122	\$42,813	\$1,188,021	\$550,783	\$31,957,261	\$32,214,131
(22) Services, contracts and supplies	\$4,586,738	\$3,696,116	\$3,325,761	\$473,794	\$327,187	\$12,409,596	\$12,265,495
(23) Amortization of supported tangible capital assets	\$0	\$1,337,915	\$0	\$0	\$0	\$1,337,915	\$933,788
(24) Amortization of unsupported tangible capital assets	\$194,529	\$56,849	\$0	\$67,422	\$0	\$318,800	\$403,075
(25) Supported interest on capital debt	\$0	\$10,266	\$0	\$0	\$0	\$10,266	\$17,789
(26) Unsupported interest on capital debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(27) Other interest and finance charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(28) Losses on disposal of tangible capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(29) Other expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(30) TOTAL EXPENSES	\$33,825,789	\$6,232,268	\$3,368,574	\$1,729,237	\$877,970	\$46,033,838	\$45,834,278
(31) OPERATING SURPLUS (DEFICIT)	\$1,170,528	\$112,168	(\$164,764)	\$0	\$527	\$1,118,459	\$320,713

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. CONVERSION TO PUBLIC SECTOR ACCOUNTING STANDARDS

Commencing with the 2012/13 fiscal year, the School Division has adopted Canadian Public Sector Accounting ("PSA") standards without not-for-profit provisions. These financial statements are the first financial statements for which the School Division has applied PSA standards with retroactive application.

The School Division has elected to use the following exemptions in accordance with CICA PSA Handbook Section 2125:

- Tangible capital asset impairment:

The School Division has elected to apply Section PS 3150.31 on a prospective basis from the date of transition per Section PS 2125.14.

Key adjustments to the School Division's financial statements resulting from the adoption of these accounting standards are as follows:

- Previously, the School Division was not required to record an accrued benefit obligation related to benefits that do not vest. PSA standards require that a liability and an expense be recognized for post-employment benefits and compensated absences that vest or accumulate in the period in which employees render services to the School Division. An adjustment was made to recognize a liability and an expense related to retirement gifts and compensated absences. The resulting adjustment to the liability for employee future benefits at September 1, 2011 was \$84,746. An additional expense of \$23,309 was recognized in the 2012 fiscal year. The liability for employee future benefits recorded at August 31, 2012 was increased by \$108,056 related to the accrual for accumulated retirement obligations and other approved leaves.
- Supported long term debt paid by Alberta Finance and Treasury is now recorded as accounts receivable and expended deferred capital revenue. This resulted in an increase of \$196,914 to the 2011 accounts receivable and expended deferred capital revenue. The 2012 adjustments were reduced by the amount of principal repayments of \$75,765 resulting in a net adjustment of \$121,149.
- Deferred revenue from the windpower project was deemed to no longer be a liability under PSA standards and was therefore adjusted to net assets. This resulted in an increase in accumulated surplus of \$583,367, a decrease in deferred revenue of \$25,972, and a decrease in other long term liabilities for 2011 of \$557,395. The adjustment to the 2012 figures was reduced by the previously recognized income of \$25,972 related to the windpower investment, resulting in a net increase in accumulated surplus of \$557,395.
- School Generated funds have been reviewed and determined by management that some do not meet the definition of a liability under PSA standards and therefore are no longer deferred. This results in a decrease of \$450,098 in deferred revenues and an increase in accumulated surplus (operating reserves) for 2011. In 2012, deferred revenue decreased and accumulated surplus increased by \$364,599.

- Previously when the School Division received external funding for capital projects the revenue was deferred and recognized as revenue over the useful life of the related capital asset. Under the PSA standards, the revenue will only continue to be deferred if there is an ongoing obligation to the funder regarding the future use or disposal of the asset.

The majority of the deferred capital funding received by the School Division was received from Alberta Education for school buildings, and there is a continuing obligation regarding the use of the buildings over their useful lives, and accordingly this funding has continued to be deferred as Expended Deferred Capital Revenue (EDCR). As part of the standards capitalized IMR funding is to be included in EDCR and recognized as revenue over the useful life of the related asset, as a result EDCR has been increased by \$593,456 for 2012 and \$630,846 for 2011.

As a result of the adoption of Public Sector Accounting Standards, comparative information has been restated as follows:

(a) Reconciliation of opening Statement of Financial Position

School Jurisdiction Code: 1045

SCHEDULE OF TRANSITION TO PUBLIC SECTOR ACCOUNTING STANDARDS
For the Year Ended August 31, 2013 (in dollars)

	September 1, 2011		September 1, 2011
	Not-for-Profit	Adjustment	PSAS
FINANCIAL ASSETS			
Cash and cash equivalents / Cash and temporary investments	\$12,623,480	\$0	\$12,623,480
Accounts receivable (net after allowances)	\$900,012	\$196,914	\$1,096,926
Portfolio investments / Long term investments	\$4,041,098	\$0	\$4,041,098
Other financial assets		\$0	\$0
Other current assets	\$0	\$0	
Trust assets	\$0	\$0	
Long term accounts receivable	\$0	\$0	
Total financial assets	\$17,564,590	\$196,914	\$17,761,504
LIABILITIES			
Bank indebtedness	\$0	\$0	\$0
Accounts payable and accrued liabilities	\$1,634,923	(\$114,423)	\$1,520,500
Deferred revenue	\$2,014,698	\$38,452,150	\$40,466,848
Deferred capital allocations	\$4,778,941	(\$4,778,941)	
Trust liabilities	\$0	\$0	
Employee future benefit liabilities	\$223,783	\$114,423	\$338,206
Other liabilities		\$0	\$0
Long term debt			
Supported: Debentures and other supported debt	\$196,914	\$0	\$196,914
Unsupported: Debentures and capital loans	\$0	\$0	\$0
Capital leases	\$24,811	\$0	\$24,811
Mortgages	\$0	\$0	\$0
Other long-term liabilities	\$557,395	(\$557,395)	
Unamortized capital allocations	\$33,321,519	(\$33,321,519)	
Total liabilities	\$42,752,984	(\$205,705)	\$42,547,279
Net Debt	(\$25,188,394)	\$402,619	(\$24,785,775)
NON-FINANCIAL ASSETS			
Tangible capital assets			
Land	\$457,275	\$0	\$457,275
Construction in progress	\$0	\$0	\$0
Buildings	\$51,420,067	\$0	\$51,420,067
Less: Accumulated amortization	(\$15,161,065)	\$0	(\$15,161,065)
Equipment	\$2,158,080	(\$521,658)	\$1,636,422
Less: Accumulated amortization	(\$1,479,466)	\$349,354	(\$1,130,112)
Vehicles	\$923,997	\$0	\$923,997
Less: Accumulated amortization	(\$544,790)	\$0	(\$544,790)
Computer Equipment		\$521,658	\$521,658
Less: Accumulated amortization		(\$349,354)	(\$349,354)
Total tangible capital assets	\$37,774,098	\$0	\$37,774,098
Prepaid expenses	\$70,167	\$0	\$70,167
Other non-financial assets		\$0	\$0
Total non-financial assets	\$37,844,265	\$0	\$37,844,265
Total accumulated surplus	\$12,655,871	\$402,619	\$13,058,490
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)	\$12,655,871	\$402,619	\$13,058,490

HORIZON SCHOOL DIVISION NO. 67
Notes to the Financial Statements
For the year ended August 31, 2013

(b) Reconciliation of Statement of Financial Position

	August 31, 2012 Not-for-Profit	Adjustment	Adjustment	August 31, 2012 PSAS
FINANCIAL ASSETS				
Cash and cash equivalents / Cash and temporary investments	\$6,325,754	\$0	\$0	\$6,325,754
Accounts receivable (net after allowances)	\$1,415,701	\$196,914	(\$75,765)	\$1,536,850
Portfolio investments / Long term investments	\$3,955,551	\$0	\$0	\$3,955,551
Other financial assets		\$0	\$0	\$0
Other current assets	\$0	\$0	\$0	
Trust assets	\$0	\$0	\$0	
Long term accounts receivable	\$0	\$0	\$0	
Total financial assets	\$11,697,006	\$196,914	(\$75,765)	\$11,818,155
LIABILITIES				
Bank indebtedness	\$0	\$0	\$0	\$0
Accounts payable and accrued liabilities	\$959,325	(\$114,423)	(\$158,000)	\$686,902
Deferred revenue	\$1,799,795	\$38,452,150	\$116,535	\$40,368,480
Deferred capital allocations	\$0	(\$4,778,941)	\$4,778,941	
Trust liabilities	\$0	\$0	\$0	
Employee future benefit liabilities	\$228,804	\$114,423	\$0	\$343,227
Other liabilities		\$0	\$158,000	\$158,000
Long term debt				
Supported: Debentures and other supported debt	\$121,149	\$0	\$0	\$121,149
Unsupported: Debentures and capital loans	\$0	\$0	\$0	\$0
Capital leases	\$12,405	\$0	\$0	\$12,405
Mortgages	\$0	\$0	\$0	\$0
Other long-term liabilities	\$530,094	(\$557,395)	\$27,301	
Unamortized capital allocations	\$38,245,940	(\$33,321,519)	(\$4,924,421)	
Total liabilities	\$41,897,512	(\$205,705)	(\$1,644)	\$41,690,163
Net Debt	(\$30,200,506)	\$402,619	(\$74,121)	(\$29,872,008)
NON-FINANCIAL ASSETS				
Tangible capital assets				
Land	\$457,275	\$0	\$0	\$457,275
Construction in progress	\$0	\$0	\$0	\$0
Buildings	\$57,535,732	\$0	\$0	\$57,535,732
Less: Accumulated amortization	(\$16,141,490)	\$0	\$0	(\$16,141,490)
Equipment	\$2,684,117	(\$587,449)	\$0	\$2,096,668
Less: Accumulated amortization	(\$1,748,405)	\$452,567	\$0	(\$1,295,838)
Vehicles	\$990,682	\$0	\$0	\$990,682
Less: Accumulated amortization	(\$611,431)	\$0	\$0	(\$611,431)
Computer Equipment		\$587,449	\$0	\$587,449
Less: Accumulated amortization		(\$452,567)	\$0	(\$452,567)
Total tangible capital assets	\$43,166,480	\$0	\$0	\$43,166,480
Prepaid expenses	\$84,731	\$0	\$0	\$84,731
Other non-financial assets		\$0	\$0	\$0
Total non-financial assets	\$43,251,211	\$0	\$0	\$43,251,211
Total accumulated surplus	\$13,050,705	\$402,619	(\$74,121)	\$13,379,203
Accumulating surplus / (deficit) is comprised of:				
Accumulated operating surplus (deficit)	\$13,050,705	\$402,619	(\$74,121)	\$13,379,203
Accumulated remeasurement gains (losses)		\$0	\$0	\$0
	\$13,050,705	\$402,619	(\$74,121)	\$13,379,203

(c) Reconciliation of Statement of Operations

School Jurisdiction Code: 1045

SCHEDULE OF TRANSITION TO PUBLIC ACCOUNTING STANDARDS

For the Years Ended August 31, 2012 (in dollars)

	August 31, 2012 Not-for-Profit	Adjustment	August 31, 2012 PSAS
REVENUES			
Alberta Education	\$41,555,576	\$920,011	\$42,475,587
Other - Government of Alberta	\$386,038	\$0	\$386,038
Federal Government and First Nations	\$0	\$0	\$0
Other Alberta school authorities	\$18,080	\$0	\$18,080
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Property taxes		\$0	\$0
Fees	\$1,170,235	\$0	\$1,170,235
Other sales and services	\$1,063,544	\$0	\$1,063,544
Investment income	\$197,661	(\$25,972)	\$171,689
Gifts and donations	\$360,158	\$0	\$360,158
Rental of facilities	\$14,238	\$0	\$14,238
Fundraising	\$567,754	(\$85,539)	\$482,215
Gains (losses) on disposal of capital assets	\$5,081	\$0	\$5,081
Amortization of capital contributions	\$882,619	(\$882,619)	
Other revenue	\$8,126	\$0	\$8,126
Total Revenues	\$46,229,110	(\$74,119)	\$46,154,991
EXPENSES			
Instruction	\$34,729,816	(\$27,859)	\$34,701,957
Plant operations and maintenance	\$5,348,526	\$51,168	\$5,399,694
Transportation	\$3,303,222	\$0	\$3,303,222
Administration	\$1,525,485	\$0	\$1,525,485
External services	\$903,920	\$0	\$903,920
Total Expenses	\$45,810,969	\$23,309	\$45,834,278

(d) Reconciliation of the Schedule of Expenses by Object

EXPENSES	August 31, 2012 Not-for-Profit	Adjustments	August 31, 2012 PSAS
Certificated salaries	\$19,577,745	\$23,377	\$19,601,122
Certificated benefits	\$3,951,632	\$2,235	\$3,953,867
Non-certificated salaries and wages	\$7,268,722	\$0	\$7,268,722
Non-certificated benefits	\$1,390,420	\$0	\$1,390,420
SUB - TOTAL	\$32,188,519	\$25,612	\$32,214,131
Services, contracts and supplies	\$12,267,798	(\$2,303)	\$12,265,495
Amortization of supported tangible capital assets	\$882,619	\$51,169	\$933,788
Amortization of unsupported tangible capital assets	\$454,244	(\$51,169)	\$403,075
Supported interest on capital debt	\$17,789	\$0	\$17,789
Unsupported interest on capital debt	\$0	\$0	\$0
Other interest and finance charges	\$0	\$0	\$0
Losses on disposal of tangible capital assets	\$0	\$0	\$0
Other expense	\$0	\$0	\$0
TOTAL EXPENSES	\$45,810,969	\$23,309	\$45,834,278

3. 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 have a maturity of greater than 3 months. GIC's, term deposits and other 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 6.

d) Tangible capital assets

The following criteria applies:

- Tangible capital assets acquired or constructed 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.

- 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.
- d) Tangible capital assets continued
- 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. 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 5%
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

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

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 defined-benefit retirement plans, vested or accumulating sick leave, early retirement, retirement/severance, job-training and counseling, post-employment benefit continuation, vacation, overtime, death benefits, and various qualifying compensated absences, early retirement, retirement/severance, vacation, overtime, death benefit and non-vested sick leave.

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 (2012 - \$158,000) in the Statement of Financial Position as Other Liabilities representing no (2012 - 1) 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 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 year the stipulated related expenses are incurred;
- Unexpended Deferred Capital Revenue; or
- Expended Deferred Capital 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.

The 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 Horizon 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, 2013, the amount contributed by the Government was \$2,027,477 (2012 \$1,894,628).

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 \$ 326,754 for the year ended August 31, 2013 (2012 \$315,601). At December 31, 2012, the Local Authorities Pension Plan reported an actuarial deficiency of \$4,977,303,000 (2011 deficiency of \$4,639,390,000).

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 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.

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.

Recognition, derecognition and measurement policies followed in the financial statements for periods prior to the effective date of September 1, 2012 specified are not reversed and, therefore, the financial statements of prior periods, including the comparative information, have not been restated.

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.

4. CASH AND CASH EQUIVALENTS

	2013			2012
	Average Effective (Market) Yield	Cost	Amortized Cost	Amortized Cost
Cash	1.32%	\$ 5,808,829	\$ 5,808,829	\$ 6,325,754
Cash equivalents				
Total cash and cash equivalents	<u>1.32%</u>	<u>\$ 5,808,829</u>	<u>\$ 5,808,829</u>	<u>\$ 6,325,754</u>

5. ACCOUNTS RECEIVABLE

	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Alberta Education - Grants	\$ -	\$ -	\$ -	\$ 56,033
Alberta Education - Capital	2,116,661	-	2,116,661	892,805
Treasury Board and Finance (Principal)	60,384	-	60,384	121,149
Treasury Board and Finance (interest)	2,694	-	2,694	5,630
Alberta Health & Wellness	25,000	-	25,000	-
Alberta Health Services	8,779	-	8,779	64,111
Federal government	200,831	-	200,831	302,680
Other	86,146	-	86,146	94,442
Total	\$2,500,495	\$ -	\$2,500,495	\$1,536,850

6. PORTFOLIO INVESTMENTS

	2013				2012 Balance
	Average Effective (Market) Yield	Cost	Fair Value	Balance	
Long term deposits	%	\$ -	\$ -	\$ -	\$ -
Guranteed interest certificates	2.95%	1,218,000	1,229,667	1,229,667	1,687,322
Fixed income securities					
Provincial, direct and guaranteed	4.52%	208,623	228,516	228,516	450,055
Corporate	4.45%	632,146	670,679	670,679	685,403
Total fixed income securities	4.47%	840,769	899,195	899,195	1,135,458
Southern Alberta Windfarm	4.89%	1,077,288	1,077,288	1,077,288	1,132,771
Total portfolio investments	4.63%	\$3,136,057	\$3,206,150	\$3,206,150	\$3,955,551

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

	2013	2012
1 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 \$1,077,288.

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

	Principal	Interest	Total
2014	\$ 58,322	\$ 52,539	\$ 110,861
2015	61,305	49,556	110,861
2016	64,442	46,419	110,861
2017	67,739	43,122	110,861
2018	71,204	39,657	110,861
2019 to maturity	\$ 754,276	\$169,572	\$1,034,706
Total Southern Alberta Wind Farm	\$1,077,288	\$400,865	\$1,589,011

7. 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 (2012: NIL) balance at August 31, 2013.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2013	2012
Alberta Capital Finance Authority (Interest on long-term debt)	\$2,694	\$5,630
Salaries & benefit costs	28,355	32,278
Other trade payables and accrued liabilities	485,604	648,993
Total	\$ 516,653	\$ 686,901

9. DEFERRED REVENUE

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug. 31, 2012	ADD: 2012/2013 Restricted Funds Received/ Receivable	DEDUCT: 2012/2013 Restricted Funds Expended (Paid / Payable)	ADD (DEDUCT): 2012/2013 Adjustments for Returned Funds	DEFERRED REVENUE as at Aug. 31, 2013
Unexpended deferred operating revenue					
Alberta Education:					
Alberta Initiative for School Improvement	\$ 109,119	\$ 142,675	\$ (251,794)	\$ -	\$ -
Children and Youth with Complex Needs	-	836,321	(836,321)	-	-
Infrastructure Maintenance Renewal	392,294	750,034	(1,014,922)	-	127,406
Student Health Initiative (School Authorities)	-	147,958	(146,197)	-	1,761
SuperNet Service	9,753	182,400	(192,153)	-	-
Other Alberta Education deferred revenue	106,231	20,000	(77,128)	(16,220)	32,883
Other Government of Alberta:					
Other Deferred Revenue:					
School Generated Funds	789,740	828,380	(789,740)	-	828,380
Fees	-	108,353	-	-	108,353
Pre-K Fees	798	660	(798)	-	660
Other	-	-	-	-	-
Total unexpended deferred operating revenue	\$ 1,407,935	\$ 3,016,781	\$ (3,309,053)	\$ (16,220)	\$ 1,099,443
Unexpended deferred capital revenue	-	-	-	-	-
Expended deferred capital revenue	38,960,545	1,150,978	(1,286,196)	-	38,825,327
Total	\$ 40,368,480	\$ 4,167,759	\$ (4,595,249)	\$ (16,220)	\$ 39,924,770

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug. 31, 2011	ADD: 2011/2012 Restricted Funds Received/ Receivable	DEDUCT: 2011/2012 Restricted Funds Expended (Paid / Payable)	ADD (DEDUCT): 2011/2012 Adjustments for Returned Funds	DEFERRED REVENUE as at Aug. 31, 2012
Unexpended deferred operating revenue					
Alberta Education:					
Alberta Initiative for School Improvement	\$ 18,258	\$ 388,832	\$ (297,971)	\$ -	\$ 109,119
Children and Youth with Complex Needs	-	778,633	(778,633)	-	-
Infrastructure Maintenance Renewal	365,435	723,423	(696,564)	-	392,294
Student Health Initiative (School Authorities)	-	140,301	(140,301)	-	-
SuperNet Service	-	144,666	(134,913)	-	9,753
Other Alberta Education deferred revenue	122,499	235,485	(251,753)	-	106,231
Other Government of Alberta:					
RADF Grant	4,961	-	(4,961)	-	-
Other Deferred Revenue:					
School Generated Funds	1,022,475	789,740	(1,022,475)	-	789,740
Donations	5,000	-	(5,000)	-	-
Pre-K Fees	-	798	-	-	798
Other	-	-	-	-	-
Total unexpended deferred operating revenue	\$ 1,538,628	\$ 3,201,878	\$ (3,332,571)	\$ -	\$ 1,407,935
Unexpended deferred capital revenue	4,778,942	45,219	(4,824,161)	-	-
Expended deferred capital revenue	34,149,278	5,745,055	(933,788)	-	38,960,545
Total	\$ 40,466,848	\$ 8,992,152	\$ (9,090,520)	\$ -	\$ 40,368,480

10. EMPLOYEE FUTURE BENEFIT LIABILITIES

Employee future benefit liabilities consist of the following:

	2013	2012
Vacation accrual liability	117,600	181,160
Other compensated absences	4,548	77,279
Retirement allowances	25,171	30,777
Personal professional development fund	-	23,511
Other employee future benefits	-	30,500
Total	\$ 147,319	\$ 343,227

11. OTHER LIABILITIES

Other liabilities consist of the following:

	2013	2012
Asset retirement obligation*	\$ -	\$ 158,000
Total	\$ -	\$ 158,000

*The following table summarizes the changes in asset retirement obligations (ARO):

	2013	2012
Balance Beginning of year	\$ 158,000	\$ -
Additional obligations recognized	-	158,000
Obligations discharged	(158,000)	-
Total	\$ -	\$ 158,000

The school board has not recorded an ARO for its buildings for asbestos removal as the amount of asbestos is not known.

12. DEBT

	2013	2012
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	\$ 60,384	\$ 121,149
Total	\$ 60,384	\$ 121,149

Debenture Debt – Supported

The debenture debt bears interest at rates varying between 7.5% and 11.25%. The debenture debt is fully supported by Alberta Finance. Debenture payments due over the next five years and beyond are

	Principal	Interest	Total
2013-2014	\$ 60,384	\$ 13,201	\$ 73,585
Total	\$ 60,384	\$ 13,201	\$ 73,585

13. TANGIBLE CAPITAL ASSETS

	August 31, 2013						
	Land	Construction In Progress - Buildings	Buildings	Equipment	Vehicles	Computer Hardware & Software	Total
Estimated useful life			25-40 Years	5-10 Years	5-10 Years	3-5 Years	
Historical cost							
Beginning of year	\$ 457,275	\$ -	\$ 57,535,732	\$ 2,096,668	\$ 990,682	\$ 587,449	\$ 61,667,806
Additions	77,000	-	1,685,160	240,330	40,640	-	\$ 2,043,130
Transfers in (out)	-	-	-	-	-	-	\$ -
Less disposals including w rite-offs	-	-	(491,413)	(36,604)	(30,161)	-	\$ (558,178)
	<u>\$ 534,275</u>	<u>\$ -</u>	<u>\$ 58,729,479</u>	<u>\$ 2,300,394</u>	<u>\$ 1,001,161</u>	<u>\$ 587,449</u>	<u>\$ 63,152,758</u>
Accumulated amortization							
Beginning of year	\$ -	\$ -	\$ 16,141,490	\$ 1,295,839	\$ 611,431	\$ 452,567	\$ 18,501,327
Additions	-	-	1,343,756	174,709	113,009	25,241	\$ 1,656,715
Transfers in (out)	-	-	-	-	-	-	\$ -
Less disposals including w rite-offs	-	-	(491,413)	(29,283)	(30,161)	-	\$ (550,857)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,993,833</u>	<u>\$ 1,441,265</u>	<u>\$ 694,279</u>	<u>\$ 477,808</u>	<u>\$ 19,607,185</u>
Net Book Value at End of Year	<u>\$ 534,275</u>	<u>\$ -</u>	<u>\$ 41,735,646</u>	<u>\$ 859,129</u>	<u>\$ 306,882</u>	<u>\$ 109,641</u>	<u>\$ 43,545,573</u>

	Land	Buildings	Buildings	Equipment	Vehicles	Software	Total
			25-40 Years	5-10 Years	5-10 Years	3-5 Years	
Estimated useful life							
Historical cost							
Beginning of year	\$ 457,275	\$ -	\$ 51,420,067	\$ 1,636,422	\$ 923,997	\$ 521,658	\$ 54,959,419
Additions	-	-	6,115,665	460,246	87,542	65,791	\$ 6,729,244
Transfers in (out)	-	-	-	-	-	-	\$ -
Less disposals including w rite-offs	-	-	-	-	(20,857)	-	\$ (20,857)
	<u>\$ 457,275</u>	<u>\$ -</u>	<u>\$ 57,535,732</u>	<u>\$ 2,096,668</u>	<u>\$ 990,682</u>	<u>\$ 587,449</u>	<u>\$ 61,667,806</u>
Accumulated amortization							
Beginning of year	\$ -	\$ -	\$ 15,161,065	\$ 1,130,112	\$ 544,790	\$ 349,354	\$ 17,185,321
Additions	-	-	980,425	165,727	87,498	103,213	\$ 1,336,863
Transfers in (out)	-	-	-	-	-	-	\$ -
Less disposals including w rite-offs	-	-	-	-	(20,857)	-	\$ (20,857)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,141,490</u>	<u>\$ 1,295,839</u>	<u>\$ 611,431</u>	<u>\$ 452,567</u>	<u>\$ 18,501,327</u>
Net Book Value at End of Year	<u>\$ 457,275</u>	<u>\$ -</u>	<u>\$ 41,394,242</u>	<u>\$ 800,829</u>	<u>\$ 379,251</u>	<u>\$ 134,882</u>	<u>\$ 43,166,479</u>

14. 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:

	2013	2012
Unrestricted surplus	\$ 2,798,581	\$ 2,362,531
Operating reserves	6,978,831	6,823,140
Accumulated surplus (deficit) from operations	9,777,412	9,185,671
Investment in tangible capital assets	4,720,250	4,193,532
Accumulated rereasurement gains (losses)	(35,207)	-
Accumulated surplus (deficit)	\$ 14,462,455	\$ 13,379,203

The school jurisdiction has recorded a provision for employee future benefits. 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:

	2013	2012
Accumulated surplus (deficit) from operations	\$ 9,777,412	\$ 9,185,671
Employee future benefits	147,319	324,230
Adjusted accumulated surplus (deficit) ⁽¹⁾	\$ 9,924,731	\$ 9,509,901

⁽¹⁾ Adjusted accumulated surplus represents unspent funding available to support the school jurisdiction's operations for the 2013-2014 year.

15. CONTRACTUAL OBLIGATIONS

	2013	2012
Building Projects ⁽¹⁾	\$ 217,500	\$ 1,571,600
Building Leases ⁽²⁾	111,000	125,739
Total	\$ 328,500	\$ 1,697,339

⁽¹⁾ Building Projects: The jurisdiction is committed to further capital expenditures for the modernization at Vauxhall High School and Vauxhall Elementary School of approximately \$67,500 (2012: \$1,341,600). It is anticipated that these costs will be fully funded by capital revenue from Alberta Education. The jurisdiction has committed to the development of a facility for an outreach program in Vauxhall, Alberta. Remaining costs on this project at yearend are approximately \$150,000. In 2012 the jurisdiction was committed to the purchase of a new facility for an outreach program in Grassy Lake, Alberta for \$230,000.

⁽²⁾ Building Leases: The jurisdiction entered into a lease agreement for the premises of the Taber Christian School for the 2012 – 2013 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 received for the Taber Christian School (2013: \$111,219 ; 2012: \$99,766). Payments for future years are approximated by the current year's payment.

The jurisdiction has entered into a lease agreement for a facility to house an outreach school in the community of Vauxhall, Alberta at an annual cost of \$7,800. The lease was terminated in October of 2013. Total costs of \$1,019 were paid for 2013 – 2014.

The jurisdiction terminated a lease for a facility to house an outreach school in Grassy Lake, Alberta. Total costs on this lease in 2013 were \$6,720.

⁽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 14 years.

16. CONTINGENT LIABILITIES

The school jurisdiction has been named in one (2012: NIL) claim of which the outcome is not determinable. This claim has no amount specified. The resolution of indeterminable claims may result in a liability, if any, that may be significantly lower than the claimed amount.

17. FEES

	2013	2012
Transportation fees ⁽¹⁾	\$0	\$0
Fees charged for instruction material and supplies ⁽²⁾	195,840	204,454
Fees (International Students)	236,423	96,478
Fees (Non-instructional fees, field trips, athletics, clubs)	348,407	251,931
Other fees (Elite sports programs)	699,199	617,372
Total	<u>\$1,479,869</u>	<u>\$1,170,235</u>

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

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

18. SCHOOL GENERATED FUNDS

	2013	2012
School Generated Funds, Beginning of Year	\$ 1,154,299	\$ 1,472,573
Gross Receipts:		
Fees	1,047,607	905,720
Fundraising	254,515	213,063
Gifts and donations	292,499	356,988
Grants to schools	31,985	2,800
Other sales and services	615,401	523,293
Total gross receipts	2,242,007	2,001,864
Total Related Expenses and Uses of Funds	1,884,186	2,095,837
Total Direct Costs Including Cost of Goods Sold to Raise Funds	273,347	224,301
School Generated Funds, End of Year	<u>\$ 1,238,773</u>	<u>\$ 1,154,299</u>
Balance included in Deferred Revenue	\$ 828,380	\$ 789,740
Balance included in Accumulated Surplus	\$ 410,393	\$ 364,559

19. 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)	Liabilities (at amortized cost)	Revenues	Expenses
Government of Alberta (GOA):				
Education	\$ -	\$ -	\$ -	\$ -
Accounts receivable / Accounts payable	2,116,661	-	-	-
Prepaid expenses / Deferred revenue	-	162,050	-	-
Unexpended deferred capital revenue	-	-	-	-
Expended deferred capital revenue	-	38,825,327	1,337,915	-
Other assets & liabilities	-	-	-	-
Grant revenue & expenses	-	-	42,001,396	-
Other revenues & expenses	-	-	-	112,358
Other Alberta school jurisdictions	-	-	19,487	-
Treasury Board and Finance (Principal)	60,384	60,384	-	-
Treasury Board and Finance (Accrued)	2,695	2,695	10,266	10,266
Alberta Health	25,000	-	41,107	-
Alberta Health Services	8,779	-	296,266	-
Human Services	-	-	4,800	-
Other:				
School Generated Funds Miscellaneous	-	-	31,986	-
TOTAL 2012/2013	\$2,213,519	\$ 39,050,456	\$43,743,223	\$ 122,624
TOTAL 2011/2012	\$1,139,728	\$ 39,704,721	\$42,879,705	\$ 180,717

20. 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.

21. 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 2012-2013 year, there were two employees who were eligible and participated in the plan.

22. SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

The School jurisdiction ended its membership in the Supplemental Executive Retirement Program and the associate obligations were paid. The plan is not a registered pension plan, but provides additional retirement benefit to a prescribed class of employees in addition to the Local Authorities Pension Plan or Alberta Teacher Retirement Fund. For the 2012-2013 year, there was 1 employee that was eligible to participate in the plan. Plan assets and obligations are held by Horizon School Division.

	2013	2012
SERP Assets	NIL	6,647
Accumulated Obligation	NIL	30,500

23. REMUNERATION AND MONETARY INCENTIVES

The Horizon School Division had paid or accrued expenses for the year ended August 31, 2013 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
Audrey Krizsan (Chair)	1.0	\$13,437	\$0	\$0			\$5,354
Derek Baron (Vice Chair)	1.0	\$12,452	\$0	\$0			\$3,165
Marie Logan	1.0	\$12,132	\$0	\$0			\$7,552
Jennifer Crow son	1.0	\$12,132	\$0	\$0			\$3,959
Sharon Holtman	1.0	\$12,132	\$0	\$0			\$6,048
Bruce Francis	1.0	\$12,132	\$0	\$0			\$3,247
Terry Michaelis	1.0	\$12,132	\$0	\$0			\$6,614
Subtotal	7.0	\$86,549	\$0	\$0			\$35,939
Cheryl Gilmore	0.9	\$167,142	\$26,591	\$2,200	\$0	\$0	\$10,338
Wilco Tymensen	0.1	\$14,367	\$1,966	\$200	\$0	\$0	\$1,273
John Rakai	1.0	\$137,680	\$29,588	\$2,400	\$0	\$0	\$3,969
Certificated teachers	208.4	\$19,012,745	\$4,038,870	\$0	\$0	\$0	
Non-certificated - other	217.1	\$7,072,247	\$1,369,516	\$0	\$0	\$0	
TOTALS		\$26,490,730	\$5,466,531	\$4,800	\$0	\$0	

24. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the Board of Trustees on May 15, 2012. It is presented for information purposes only and has not been audited.

25. COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary to conform to the 2012/2013 presentation.

26. 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 \$254,515 (2012 - \$482,215). All expenses incurred for the purpose of soliciting contributions were \$62,153 (2012 - \$66,966). No remuneration was paid to staff whose principal duties involve fundraising.

27. PRIOR PERIOD ADJUSTMENTS

The jurisdiction has recognized the previously unreported vacation liability associated with two classes of employees for the year ended August 31, 2012 in the amount of \$90,248 (2011 - \$99,474). The jurisdiction has also recognized the liability associated with other employee future benefits in the amount of \$108,055 (2011 - \$84,747). The total adjustment to employee future benefits is \$198,303 (2011 - \$184,221).

Net Assets have been restated for the above adjustments.