

**AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2010**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

HORIZON SCHOOL DIVISION NO. 67

Legal Name of School Jurisdiction

6302 - 56th Street, Taber, AB T1G 1Z9

Mailing Address

Telephone: (403) 223-3547 ; Fax (403) 223-2999

Telephone and Fax Numbers

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 generally accepted accounting principles and follow format prescribed by Alberta Education.

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

Board of Trustees Responsibility

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

External Auditors

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

Declaration of Management and Board Chairman

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

BOARD CHAIR

Audrey Krizsan

Name

"ORIGINAL SIGNED"

Signature

SUPERINTENDENT

Cheryl Gilmore

Name

"ORIGINAL SIGNED"

Signature

SECRETARY TREASURER OR TREASURER

John Rakai

Name

"ORIGINAL SIGNED"

Signature

29-Nov-10

Board-approved Release Date

TABLE OF CONTENTS

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

Young Parkyn McNab LLP

CHARTERED ACCOUNTANTS

AUDITORS' REPORT

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

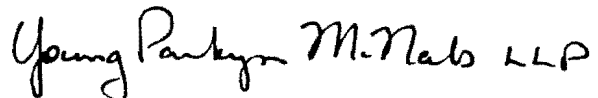
We have audited the statement of financial position of the Horizon School Division No. 67 as at August 31, 2010 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2010 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Lethbridge, Alberta

November 2, 2010



Chartered Accountants

STATEMENT OF FINANCIAL POSITION
as at August 31, 2010

(in dollars)

		2010	2009 (Note)
ASSETS			
Current assets			
Cash and temporary investments	(Note 3)	\$11,180,527	\$6,485,079
Accounts receivable (net after allowances)	(Note 4)	\$1,063,153	\$711,934
Prepaid expenses		\$40,533	\$4,564
Other current assets		\$0	\$0
Total current assets		\$12,284,213	\$7,201,577
School generated assets		\$2,480,021	\$1,783,060
Trust assets		\$50,822	\$0
Long term accounts receivable		\$0	\$0
Long term investments	(Note 5)	\$4,089,511	\$4,137,128
Capital assets (Note 6)			
Land		\$467,275	\$467,275
Construction in Progress		\$0	\$1,195,281
Buildings	\$42,994,729		
Less: accumulated amortization	(\$15,083,118)	\$27,911,611	\$20,915,574
Equipment	\$2,233,886		
Less: accumulated amortization	(\$1,529,147)	\$704,739	\$614,793
Vehicles	\$907,275		
Less: accumulated amortization	(\$475,622)	\$431,653	\$292,635
Total capital assets		\$29,515,278	\$23,485,558
TOTAL ASSETS		\$48,419,845	\$36,607,323
LIABILITIES			
Current liabilities			
Bank indebtedness	(Note 7)	\$0	\$0
Accounts payable and accrued liabilities	(Note 8)	\$3,619,090	\$1,019,764
Deferred revenue	(Note 9)	\$498,750	\$636,586
Deferred capital allocations	(Note 10)	\$4,127,947	\$887,439
Current portion of long term debt		\$128,142	\$129,788
Total current liabilities		\$8,373,929	\$2,673,577
School generated liabilities		\$2,480,021	\$1,783,060
Trust liabilities	(Note 11)	\$50,822	\$0
Employee future benefit liabilities		\$0	\$0
Long term debt (Note 12)			
Supported: Debentures and other supported debt		\$319,667	\$444,348
Less: Current portion		(\$122,753)	(\$124,681)
Unsupported: Debentures and Capital Loans		\$23,452	\$28,367
Capital Leases		\$0	\$0
Mortgages		\$0	\$0
Less: Current portion		(\$5,389)	(\$5,107)
Other long term liabilities	(Note 13)	\$583,368	\$608,075
Unamortized capital allocations	(Note 14)	\$24,739,306	\$18,989,407
Total long term liabilities		\$28,068,494	\$21,723,469
TOTAL LIABILITIES		\$36,442,423	\$24,397,046
NET ASSETS			
Unrestricted net assets		\$1,538,892	\$2,031,564
Operating Reserves		\$6,005,678	\$6,155,277
Accumulated Operating Surplus (Deficit)		\$7,544,570	\$8,186,841
Investment in capital assets		\$4,432,852	\$4,023,436
Capital Reserves		\$0	\$0
Total Capital Funds		\$4,432,852	\$4,023,436
Total net assets		\$11,977,422	\$12,210,277
TOTAL LIABILITIES AND NET ASSETS		\$48,419,845	\$36,607,323

Note: Please input "(Restated)" in 2009 column heading where comparatives are not taken from the finalized 2008-2009 Audited Financial Statements filed with Alberta Education.

STATEMENT OF REVENUES AND EXPENSES
for the Year Ended August 31, 2010
(in dollars)

	Actual 2010	Budget 2010 (Note)	Actual 2009 (Note) (Restated)
REVENUES			
Government of Alberta	\$36,919,147	\$36,120,406	\$35,333,192
Federal Government and First Nations	\$1,577	\$10,900	\$877
Other Alberta school authorities	\$17,517	\$0	\$72,025
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Instruction resource fees	\$253,265	\$199,810	\$231,068
Transportation fees	\$0	\$0	\$0
Other sales and services	\$52,053	\$725,640	\$44,773
Investment income	\$230,623	\$313,400	\$195,275
Gifts and donations	\$13,901	\$0	\$2,000
Rental of facilities	\$16,093	\$15,485	\$16,850
Gross school generated funds	\$2,487,854	\$1,350,000	\$2,775,325
Gains on disposal of capital assets	\$16,513	\$0	\$9,831
Amortization of capital allocations	\$659,377	\$659,377	\$667,975
Other revenue	\$593,405	\$0	\$527,222
Total Revenues	\$41,261,325	\$39,395,018	\$39,876,413
EXPENSES			
Certificated salaries (Note 19)	\$18,410,625	\$17,507,856	\$16,641,734
Certificated benefits (Note 19)	\$1,918,468	\$1,962,609	\$1,783,283
Non-certificated salaries and wages (Note 19)	\$7,136,049	\$6,991,392	\$6,736,742
Non-certificated benefits (Note 19)	\$1,267,138	\$1,279,424	\$1,165,850
Services, contracts and supplies	\$9,222,970	\$10,634,396	\$9,417,018
Gross school generated funds	\$2,487,854	\$1,350,000	\$2,775,325
Capital and debt services			
Amortization of capital assets			
Supported	\$659,377	\$659,377	\$667,975
Unsupported	\$344,432	\$329,587	\$360,947
Total Amortization of capital assets	\$1,003,809	\$988,964	\$1,028,922
Interest on capital debt			
Supported	\$39,845	\$48,501	\$53,552
Unsupported	\$2,274	\$2,275	\$420
Total Interest on capital debt	\$42,119	\$50,776	\$53,972
Other interest and charges	\$0	\$0	\$0
Losses on disposal of capital assets	\$5,148	\$0	\$1,764
Other expense	\$0	\$0	\$0
Total Expenses	\$41,494,180	\$40,765,417	\$39,604,610
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM			
	(\$232,855)	(\$1,370,399)	\$271,803
Extraordinary Item	\$0	\$0	\$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(\$232,855)	(\$1,370,399)	\$271,803

Note: Please input "(Restated)" where Actual 2009 comparatives are not as presented in the finalized 2008-2009 Audited Financial Statements filed with Alberta Education. Budget 2010 comparatives presented are final budget amounts formally approved by the Board.

STATEMENT OF CASH FLOWS
for the Year Ended August 31, 2010

(in dollars)

	2010	2009 (Note)
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses	(\$232,855)	\$271,803
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$659,377)	(\$667,975)
Total amortization expense	\$1,003,809	\$1,028,922
Gains on disposal of capital assets	(\$16,513)	(\$9,831)
Losses on disposal of capital assets	\$5,148	\$1,764
Changes in:		
Accounts receivable	(\$351,219)	\$394,147
Prepays and other current assets	(\$35,969)	(\$4,564)
Long term accounts receivable	\$0	\$0
Long term investments	\$47,617	\$117,073
Accounts payable and accrued liabilities	\$2,574,619	\$35,309
Deferred revenue	(\$137,836)	\$26,280
Employee future benefit liabilities	\$0	\$0
Other (describe)	(\$248,511)	\$0
Total cash flows from Operations	\$1,948,913	\$1,192,928
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$6,554,766)	(\$2,212,800)
Equipment	(\$263,829)	(\$123,605)
Vehicles	(\$223,081)	(\$142,331)
Net proceeds from disposal of capital assets	\$19,513	\$13,893
Other (describe)	\$0	\$0
Total cash flows from Investing activities	(\$7,022,163)	(\$2,464,843)
C. FINANCING ACTIVITIES		
Capital allocations	\$9,773,613	\$658,498
Issue of long term debt	\$0	\$29,176
Repayment of long term debt	(\$129,596)	(\$126,516)
Add back: supported portion	\$124,681	\$125,707
Other (describe)	\$0	\$0
Total cash flows from financing activities	\$9,768,698	\$686,865
Net cash flows from during the year	\$4,695,448	(\$585,050)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/09	\$6,485,079	\$7,070,129
Cash and temporary investments, net of bank indebtedness, at Aug. 31/10	\$11,180,527	\$6,485,079

Note: Please input "(Restated)" where Actual 2009 comparatives are not as presented in the finalized 2008-2009 Audited Financial Statement filed with Alberta Education.

**STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2010**

School Jurisdiction Code: 1045

(in dollars)

	(1)	(2)	(3)	(4)	(5)	INTERNALLY RESTRICTED NET ASSETS						(13)	(14)	(15)	
	TOTAL NET ASSETS Cols. 2+3+4+5	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL OPERATING RESERVES Cols. 6+8+10+12+14	TOTAL CAPITAL RESERVES Cols. 7+9+11+13+15	School & Instruction Related		Operations & Maintenance		Board & System Admin.		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, 2009	\$12,210,277	\$4,023,436	\$2,031,564	\$6,155,277	\$0	\$4,095,277	\$0	\$0	\$60,000	\$0	\$2,000,000	\$0	\$0	\$0	
Prior period adjustments (describe)															
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Adjusted Balance, Aug. 31, 2009	\$12,210,277	\$4,023,436	\$2,031,564	\$6,155,277	\$0	\$4,095,277	\$0	\$0	\$60,000	\$0	\$2,000,000	\$0	\$0	\$0	
Excess (deficiency) of revenues over expenses	(\$232,855)		(\$232,855)												
Board funded capital additions		\$757,081	(\$737,568)	\$0	(\$19,513)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Disposal of unsupported capital assets	\$0	(\$8,148)	(\$11,365)		\$19,513										
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Direct credits to net assets	\$0	\$0	\$0												
Amortization of capital assets		(\$1,003,809)	\$1,003,809												
Amortization of capital allocations		\$659,377	(\$659,377)												
Debt principal repayments (unsupported)		\$4,915	(\$4,915)												
Net transfers to operating reserves			(\$1,032,323)	\$1,032,323		\$1,022,323		\$0	\$10,000		\$0		\$0		
Net transfers from operating reserves			\$1,181,922	(\$1,181,922)		(\$1,181,922)		\$0	\$0		\$0		\$0		
Net transfers to capital reserves			\$0		\$0					\$0			\$0		
Net transfers from capital reserves			\$0		\$0					\$0			\$0		
Assumption/transfer of other operations' net assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Balance at August 31, 2010	\$11,977,422	\$4,432,852	\$1,538,892	\$6,005,678	\$0	\$3,935,678	\$0	\$0	\$70,000	\$0	\$2,000,000	\$0	\$0	\$0	

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2010
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2009	\$887,439	\$18,989,407
Prior period adjustments	\$0	\$0
Adjusted balance, August 31, 2009	\$887,439	\$18,989,407
Add:		
Restricted capital allocations from: Alberta Education including school and modular projects	\$9,630,670	
Other Government of Alberta	\$0	
Federal Government and First Nations	\$0	
Other sources	\$126,420	
Interest earned on provincial government capital allocations	\$16,523	
Other capital grants and donations	\$0	
Net proceeds on disposal of supported capital assets	\$0	
Insurance proceeds (and related interest)	\$0	
Donated capital assets (amortizable, @ fair market value)		\$0
Transferred in capital assets (amortizable, @ net book value)		\$0
Current Year Debenture Principal Repayment		\$124,681
Expended capital allocations - current year	(\$6,533,105)	\$6,533,105
Deduct:		
Net book value of supported capital assets dispositions, write-offs, or transfer; Other	\$0	\$248,510
Capital allocations amortized to revenue		\$659,377
Balance at August 31, 2010	\$4,127,947	\$24,739,306

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

1. AUTHORITY AND PURPOSE

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) Financial instruments

Cash and investments are classified as held-for-trading and are reported at estimated fair value.

Accounts receivable and the investment in the Southern Alberta Wind Project have been classified as loans and receivables and are reported at amortized cost using the effective interest method.

Accounts payable and accrued liabilities been classified as other financial liabilities and are reported at amortized cost using the effective interest method.

The carrying amount of accounts receivable and accounts payable and accrued liabilities is comparable to fair value due to the approaching maturity of these financial instruments.

The carrying amount of the long-term debt approximates the fair value as the interest rates are consistent with the current rates offered for loans with similar terms.

b) Revenue Recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment contributions are recognized as direct increases in net assets in the period in which they are received or receivable.

c) Investments

The jurisdiction has elected to classify all of its investments as held-for-trading, and accordingly they are recorded at fair value.

Quoted market prices were used to determine the fair value of the investments as at the year end date. Accrued interest on these investments is recorded as it is earned.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Capital Assets

Capital Assets are recorded at cost, and are amortized over their estimated useful lives on a straight-line basis, at the following rates:

Buildings	2.5% to 5%
Vehicles and buses	10% to 20%
Computer hardware and software	20%
Other equipment and furnishings	10% to 20%

Capital assets with costs in excess of \$5,000 are capitalized. Capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense.

e) School Generated Funds

These are funds which come under the control and responsibility of a school principal for school activities. They are usually collected, retained, and expended at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.)

f) Vacation Pay

Vacation Pay is accrued in the period in which the employee earns the benefit.

g) 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 Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Horizon School Division does not make pension contributions for certificated staff.

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 \$259,357 for the year ended August 31, 2010 (2009 \$223,584). At December 31, 2009, the Local Authorities Pension Plan reported a deficiency of \$3,998,614,000 (2008 deficiency of \$4,413,971,000). In 2010, the Province recorded a liability of \$314,000,000 (2009 - \$186,000,000) for its portion of the unfunded pension obligation related to organizations controlled by the Province.

h) Contributed Services

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. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

i) Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of the jurisdiction, to set aside funds for operating and capital purposes. Such reserves are appropriations of unrestricted net assets.

3. CASH AND TEMPORARY INVESTMENTS

	2010			2009		
	Effective (Market) Yield	Cost	Fair Value	Effective (Market) Yield	Cost	Fair Value
Cash and cash equivalents	0.6%	\$11,180,526	\$11,180,527	1.4%	\$ 6,485,079	\$ 6,485,079
Fixed-income securities						
Government of Canada, direct and guaranteed	%	0	0	%	0	0
Provincial, direct and guaranteed	%	0	0	%	0	0
Corporate	%	0	0	%	0	0
Municipal	%	0	0	%	0	0
Pooled investment funds	%	0	0	%	0	0
Total fixed-income securities	%	0	0	%	0	0
Total cash and temporary investments	<u>0.6%</u>	<u>\$11,180,526</u>	<u>\$11,180,527</u>	<u>1.4%</u>	<u>\$6,485,079</u>	<u>\$6,485,079</u>

4. ACCOUNTS RECEIVABLE

	2010	2009
Alberta Education	\$ 509,431	\$ 74,946
Alberta Finance	17,696	63,214
Federal Government	341,233	179,542
First Nations	-	-
Other Alberta School Jurisdictions	-	55,019
Other	194,793	339,213
Total	<u>\$1,063,153</u>	<u>\$ 711,934</u>

5. LONG TERM INVESTMENTS

	2009			2009		
	Effective (Market) Yield	Cost	Fair Value	Effective (Market) Yield	Cost	Fair Value
Fixed income securities						
Government of Canada, direct and guaranteed	%	\$0	\$0	%	\$0	\$0
Provincial, direct and guaranteed	-2.8%	624,774	621,104	7.7%	623,696	665,906
Municipal	%	0	0	%	0	0
Corporate	7.3%	1,682,778	1,813,921	8.1%	1,677,192	1,750,645
Pooled investment funds	%	0	0	%	0	0
Total fixed income securities	4.5%	2,307,552	2,435,025	8.0%	2,300,889	2,416,550
Equities						
Canadian	3.3%	330,647	286,846	-18.2%	352,037	293,832
Foreign	-7.3%	139,149	131,873	-18.3%	139,397	143,209
Real Estate	%	0	0	%	0	0
Absolute return strategies	%	0	0	%	0	0
Total equities	-0.2%	469,796	418,719	-18.2%	491,434	437,041
Southern Alberta Wind Farm	6.8%	1,235,767	1,235,767	6.4%	1,283,537	1,283,537
Total long term investments	4.7%	\$4,013,115	\$4,089,511	2.5%	\$4,075,860	\$4,137,128

The following is the maturity structure based on the principal amount:

	<u>2010</u>	<u>2009</u>
1 to 5 years	61%	58%
6 to 10 years	22%	25%
11 to 20 years	13%	11%
Over 20 years	4%	6%
	100%	100%

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 towards the project, with Horizon School Division contributions totaling \$711,040. This investment will be repaid over 20 years including interest. The principal amount outstanding at year end is \$1,235,767.

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

	Principal	Interest	Total
2011	\$ 50,213	\$ 60,648	\$ 110,861
2012	52,782	58,079	110,861
2013	55,483	55,378	110,861
2014	58,322	52,539	110,861
2015	61,305	49,556	110,861
2016 to maturity	957,662	298,769	1,256,431
Total Southern Alberta Wind Farm	\$ 1,235,767	\$ 574,969	\$ 1,810,736

6. TANGIBLE CAPITAL ASSETS

	Land	Construction In Progress - New Building	Buildings 25-40 Years	Equipment - Computer Hardware & Software 3-5 Years	Other Equipments 5-10 Years	Vehicles 5-10 Years	Total Aug. 31, 2010	Total Aug. 31, 2009
Estimated Useful life								
Historical cost								
September 1, 2009	\$467,275	\$1,195,281	\$35,244,682	\$398,138	\$1,648,727	\$786,325	\$39,740,428	\$37,343,908
Additions	-	64,895	6,489,871	113,721	150,108	223,081	7,041,676	2,478,737
Transfers in (out)	-	(1,260,176)	1,260,176	-	-	-	-	-
Less disposals including write-offs	-	-	-	-	(76,808)	(102,131)	(178,939)	(82,217)
August 31, 2010	<u>\$467,275</u>	<u>\$0</u>	<u>\$42,994,729</u>	<u>\$511,859</u>	<u>\$1,722,027</u>	<u>\$907,275</u>	<u>\$46,603,165</u>	<u>\$39,740,428</u>
Accumulated amortization								
September 1, 2009	-	-	\$14,329,108	\$174,060	\$1,258,012	493,690	\$16,254,870	\$15,302,339
Amortization expense	-	-	754,010	74,042	91,696	84,063	1,003,811	1,028,922
Transfers in (out)	-	-	-	-	-	-	-	-
Effect of disposals	-	-	-	-	(68,663)	(102,131)	(170,794)	(76,391)
August 31, 2010	-	-	\$15,083,118	\$248,102	\$1,281,045	\$ 475,622.00	\$17,087,887	\$16,254,870
Net Book Value at August 31, 2010	<u>\$467,275</u>	<u>\$0</u>	<u>\$27,911,611</u>	<u>\$263,757</u>	<u>\$440,982</u>	<u>\$431,653</u>	<u>\$29,515,278</u>	<u>\$23,485,558</u>

HORIZON SCHOOL DIVISION NO. 67
Notes to the Financial Statements
For the year ended August 31, 2010

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 balance outstanding on the line of credit at August 31, 2010.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2010	2009
Alberta Finance	\$ 17,696	\$ 26,352
Federal Government		
First Nations	-	-
Other trade payables and accrued liabilities	3,601,394	993,412
Other Alberta school jurisdictions	-	-
Total	\$ 3,619,090	\$ 1,019,764

9. DEFERRED REVENUE

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug. 31, 2009	ADD: 2009/2010 Restricted Funds Received/ Receivable	DEDUCT: 2009/2010 Restricted Funds Expended (Paid / Payable)	ADD (DEDUCT): 2009/2010 Adjustments or Returned Funds	DEFERRED REVENUE as at Aug. 31, 2010
Alberta Education Restricted Operational Funding:	-	-	-	-	-
Alberta Initiative for School Improvement	59,198	478,072	(511,410)	-	25,860
Children and Youth with Complex Needs	-	766,384	(766,384)	-	-
Francophone Student Health Services	-	-	-	-	-
Infrastructure Maintenance Renewal	59,364	711,379	(535,083)	-	235,660
Institutional Education Programs	-	-	-	-	-
Portable/Modular Unit Relocation	-	-	-	-	-
Regional Consortium	-	-	-	-	-
Regional Educational Consulting Services	-	-	-	-	-
Small Class Size Initiative	-	-	-	-	-
Student Health Initiative (School Authorities)	-	146,705	(146,705)	-	-
SuperNet Service	-	108,756	(108,756)	-	-
Other Alberta Education deferred revenue	-	-	-	-	-
Video Conferencing Grant	-	-	-	-	-
Technology Infrastructure Grant	54,476	-	(54,476)	-	-
Classroom Resources Grant	110,058	-	(87,917)	-	22,141
Technology in the Classroom Grant	62,948	-	(62,948)	-	-
Innovative Classroom Technology Grant	6,683	116,328	(106,491)	-	16,520
CTS Evergreening	13,960	103,605	(97,404)	-	20,161
Other Government of Alberta Restricted Funding:	-	-	-	-	-
Skills Canada Grant	93,192	9,915	(46,134)	-	56,973
Miscellaneous grants and donations	-	-	-	-	-
for Family School Liason Program	13,218	-	(13,218)	-	-
RADF Grant	58,390	84,000	(55,491)	-	86,899
Other	5,785	-	(5,785)	-	-
Other Deferred Revenue:	-	-	-	-	-
Current portion government contribution	-	-	-	-	-
to Southern Alberta wind farm project	23,506	24,708	(23,506)	-	24,708
Instruction Fees	11,818	9,828	(11,818)	-	9,828
Donations for 2009 - 2010 operations	63,990	-	(63,990)	-	-
	-	-	-	-	-
	-	-	-	-	-
Total	\$636,586	\$2,559,680	(\$2,697,516)	\$0	\$498,750

10. DEFERRED CAPITAL ALLOCATION

Deferred capital allocations represent externally-restricted supported capital funds provided for a specific capital purpose received or receivable by the jurisdiction, but the related expenditure had not been made at year-end. When expended, these deferred capital allocations are transferred to unamortized capital allocations.

11. TRUST ASSETS AND LIABILITIES

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

	2010	2009
Deferred Salary Leave Plan	\$ 0	\$ 0
Scholarship Trusts	0	0
Student Health Initiative Trust (SHI Banker Board)	0	0
Children and Youth with Complex Needs (Banker Board)	0	0
Rural Alberta Development Fund (Banker Board)	50,822	0
Total	\$ 50,822	\$ 0

12. LONG TERM DEBT

Debenture Debt – Supported

The debenture debt bears interest at rates varying between 7.5% and 12%. The debenture debt is fully supported by Alberta Finance. Debenture payments due over the next five years and beyond are:

	Principal	Interest	Total
2010-2011	\$ 122,753	\$ 34,805	\$ 157,558
2011-2012	75,765	21,319	97,084
2012-2013	60,764	13,201	73,965
2013-2014	60,385	6,584	66,969
Total	\$ 319,667	\$ 75,909	\$ 395,576

Capital Loans - Unsupported

The unsupported capital loan bears interest at a rate of 8.69% payable monthly with a remaining term of 46 months. Loan payments due over the next five years are:

	Principal	Interest	Total
2010-2011	\$ 5,389	\$ 1,827	\$ 7,216
2011-2012	5,876	1,340	7,216
2012-2013	6,407	809	7,216
2013-2014	5,780	233	6,013
Total	\$ 23,452	\$ 4,209	\$ 27,661

13. OTHER LONG TERM LIABILITIES

	2010	2009
Southern Alberta Wind Farm project government portion	\$ 583,368	\$608,075

The Horizon School Division investment in the Southern Alberta Wind Farm project was \$1,422,080, consisting of a government grant and a divisional contribution each in the amount of \$711,040. The government grant will be brought into income over a 20 year period.

Deferred revenue will be brought into income in each of the next five fiscal years and beyond as follows:

2011	\$ 24,708
2012	25,972
2013	27,301
2014	28,698
2015	30,166
2016 to maturity	471,231
Total	608,076
Less: current portion (note 9)	(24,708)
	<u>\$ 583,368</u>

14. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations 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. The unamortized capital allocations account balance is increased by transfers of deferred capital allocations expended, as well as fully-supported debenture principal repayments.

15. COMMITMENTS

- a) **Building Projects:** The jurisdiction is committed to the modernization of the Vauxhall High School and the Vauxhall Elementary School. Completion of these projects is projected for August 2011. These projects have been approved by Alberta Infrastructure for funding in the following amounts; Vauxhall High School \$15,552,425, Vauxhall Elementary School \$7,447,575. Horizon School Division is also committed to the construction of a dormitory for the Vauxhall Academy of Baseball. Funding for this project is provided by the Vauxhall Academy of Baseball Society during the course of construction. This project is budgeted to cost \$1,100,000.
- b) **Energy Contract:** The jurisdiction has signed a contract with Enmax to provide electricity at a specified rate. The remaining term of the contract is 17 years.
- c) **Leases:** The jurisdiction has entered into a lease agreement for the premises of the Taber Christian School for the 2010 – 2011 operating year. The lease will remain in effect on a year to year basis, payable quarterly and a rate of 95% of the Plant Operations & Maintenance funding received for the Taber Christian School (2010 - \$73,538).

The jurisdiction has entered into a lease agreement for a facility to house an outreach school in the community of Grassy Lake, Alberta. The lease has a three year term ending August 2012. Lease payments are payable monthly with an annual total of \$18,970.

16. RELATED PARTY TRANSACTIONS

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

2009-2010	Balances		Transactions	
	Assets (at cost or net realizable value)	Liabilities (at fair value)	Revenues	Expenses
Government of Alberta:				
Education	\$ 78,762	\$320,341	\$ 36,556,471	\$199,747
Infrastructure & Transportation	430,670	4,127,948	-	-
Finance	17,696	17,696	39,845	39,845
Health & Wellness	55,020		318,031	-
Human Resources/Employment	4,800	-	4,800	-
Other Gov't of Alberta departments	660,398	802,770		-
Other:				
Health authorities	-	-	-	-
Post-secondary institutions	-	-	-	-
Other Alberta school jurisdictions		-	17,517	-
Other related parties	-	-	-	-
TOTAL 2009-2010	\$ 1,247,346	\$ 5,268,755	\$ 36,936,664	\$ 239,592
TOTAL 2008-2009	\$ 824,760	\$ 2,017,919	\$ 35,405,217	\$ 286,548

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. As a part of the Alberta Government's fiscal adjustment funding for the Fuel Price Contingency grant (\$191,071 received in 2008–2009) and Relative Cost of Purchasing Goods and Services amount (\$137,812 received in 2008-2009) has been eliminated. The jurisdiction has also received a one time funding reduction of \$848,146 for the 2009 – 2010 operating year.

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 2009-2010 year, there were two employees who were eligible and participated in the plan.

HORIZON SCHOOL DIVISION NO. 67
Notes to the Financial Statements
For the year ended August 31, 2010

19. REMUNERATION AND MONETARY INCENTIVES

The Horizon School Division had paid or accrued expenses for the year ended August 31, 2010 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
Marie Logan - Chair	1.0	\$ 12,415	\$ -	\$ -			\$ 4,892
Audrey Krizsan - Vice	1.0	\$ 11,258	\$ -	\$ -			\$ 2,591
Derek Baron	1.0	\$ 11,210	\$ -	\$ -			\$ 2,059
Bruce Francis	1.0	\$ 11,210	\$ -	\$ -			\$ 1,768
Sharon Holtman	1.0	\$ 11,210	\$ -	\$ -			\$ 756
Terry Michaelis	1.0	\$ 11,210	\$ -	\$ -			\$ 5,293
Norma Peters	1.0	\$ 11,210	\$ -	\$ -			\$ 7,760
	0.0	\$ -	\$ -	\$ -			\$ -
Subtotal	7.0	\$ 79,723	\$ -	\$ -			\$ 25,119
Superintendent (1)	1.0	\$ 149,805	\$ 17,141	\$ 2,400	\$ -	\$ -	\$ 13,167
Secretary/Treasurer (1)	1.0	\$ 128,629	\$ 31,158	\$ 2,400	\$ -	\$ -	\$ 5,688
Certificated Teachers	213.9	\$ 18,260,820	\$ 1,901,327	\$ -	\$ -	\$ -	
Non-certificated - Other	210.9	\$ 6,927,697	\$ 1,235,980	\$ -	\$ -	\$ -	
TOTALS		\$ 25,546,674	\$ 3,185,606	\$ 4,800	\$ -	\$ -	

20. 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 \$221,191 (2009 - \$279,202). All expenses incurred for the purpose of soliciting contributions were \$140,674 (2009 - \$163,015). Included in these expenses, is \$43,950 (2009 - \$52,051) paid as remuneration to staff whose principal duties involve fundraising.

21. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the Board of Trustees on November 30, 2009. It is presented for information purposes only and has not been audited.

22. COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary to conform to the 2010 presentation.

UNAUDITED SCHEDULES
TO THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2010
[School Act, Section 276]

HORIZON SCHOOL DIVISION NO. 67

Legal Name of School Jurisdiction

6302 - 56th Street, Taber, AB T1G 1Z9

Mailing Address

Telephone: (403)223-3547 ; Fax: (403)223-2999

Telephone and Fax Numbers

Declaration of Secretary-Treasurer / Chief Financial Officer

To the best of my knowledge and belief, these unaudited schedules have been prepared following Alberta Education's reporting requirements for Alberta school jurisdictions. These schedules were submitted to the board for information purposes.

SECRETARY TREASURER OR TREASURER

John Rakai
Name

"DATED AND SIGNED ELECTRONICALLY"
Signature

30-Nov-10

Dated

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Wang@gov.ab.ca
PHONE: (780) 644-5672 FAX: (780) 422-6996

TABLE OF CONTENTS

		Page
SCHEDULE A	Allocation of Revenues and Expenses to Programs	3
SCHEDULE B	School Generated Funds (SGF)	4
SCHEDULE C	Operations and Maintenance Program Expenses	5

SCHEDULE A

School Jurisdiction Code: 1045

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2009-2010

REVENUES	ECS Instruction	Grades 1-12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Administration	External Services	TOTAL
(1) Alberta Education	\$1,929,888	\$25,667,479	\$4,386,886	\$3,041,569	\$1,454,456	\$0	\$36,480,278
(2) Other - Government of Alberta	\$0	\$110,287	\$14,413	\$0	\$0	\$314,169	\$438,869
(3) Federal Government and First Nations	\$0	\$1,577	\$0	\$0	\$0	\$0	\$1,577
(4) Other Alberta school authorities	\$0	\$0	\$0	\$17,517	\$0	\$0	\$17,517
(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) Instruction resource fees	\$8,375	\$244,890					\$253,265
(8) Transportation fees-ECS				\$0			\$0
(9) Transportation fees-Grades 1-12				\$0			\$0
(10) Other sales and services	\$0	\$0	\$0	\$0	\$0	\$52,053	\$52,053
(11) Investment income	\$0	\$178,733	\$17,297	\$11,531	\$23,062	\$0	\$230,623
(12) Gifts and donations	\$0	\$1,351	\$12,200	\$0	\$0	\$350	\$13,901
(13) Rental of facilities	\$0	\$0	\$16,093	\$0	\$0	\$0	\$16,093
(14) Gross school generated funds	\$0	\$2,487,854	\$0	\$0	\$0	\$0	\$2,487,854
(15) Gains on disposal of capital assets	\$0	\$16,513	\$0	\$0	\$0	\$0	\$16,513
(16) Amortization of capital allocations	\$0	\$0	\$659,377	\$0	\$0	\$0	\$659,377
(17) Other revenue	\$0	\$141,732	\$3,944	\$0	\$0	\$447,729	\$593,405
(18) TOTAL REVENUES	\$1,938,263	\$28,850,416	\$5,110,210	\$3,070,617	\$1,477,518	\$814,301	\$41,261,325
EXPENSES							
(19) Certificated salaries	\$673,977	\$17,344,586			\$289,979	\$102,083	\$18,410,625
(20) Certificated benefits	\$67,059	\$1,812,266			\$26,624	\$12,519	\$1,918,468
(21) Non-certificated salaries and wages	\$643,840	\$4,591,425	\$847,146	\$26,560	\$583,976	\$443,102	\$7,136,049
(22) Non-certificated benefits	\$70,805	\$861,333	\$155,474	\$5,787	\$127,602	\$46,137	\$1,267,138
(23) SUB - TOTAL	\$1,455,681	\$24,609,610	\$1,002,620	\$32,347	\$1,028,181	\$603,841	\$28,732,280
(24) Services, contracts and supplies	\$234,141	\$2,398,478	\$2,969,101	\$2,998,333	\$421,829	\$201,088	\$9,222,970
(25) Gross school generated funds	\$0	\$2,487,854					\$2,487,854
(26) Amortization of capital assets	\$0	\$182,879	\$787,587	\$0	\$27,508	\$5,835	\$1,003,809
(27) Interest and charges	\$0	\$0	\$39,845	\$0	\$0	\$2,274	\$42,119
(28) Losses on disposal of capital assets	\$0	\$5,148	\$0	\$0	\$0	\$0	\$5,148
(29) Other expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(30) TOTAL EXPENSES	\$1,689,822	\$29,683,969	\$4,799,153	\$3,030,680	\$1,477,518	\$813,038	\$41,494,180
(31) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$248,441	(\$833,553)	\$311,057	\$39,937	\$0	\$1,263	(\$232,855)

**SCHEDULE B
SCHOOL GENERATED FUNDS (SGF) - 2009-2010**

Unexpended SGF - Opening Balance August 31, 2009 (Note 1)			\$1,783,060
Sources of School Generated Funds:	Gross SGF	Related Expenses	Net SGF
Fundraising activities	\$732,603	\$333,724	\$398,879
Student fees (Non-Instructional) (Note 1)	\$976,261	\$0	\$976,261
Donations and grants to schools	\$1,300,201	\$0	\$1,300,201
Other (describe):	\$175,751	\$0	\$175,751
Net Additions to SGF	\$3,184,816	\$333,724	\$2,851,092
Net SGF Available			\$4,634,152
Uses of Net School Generated Funds:			
Extra-curricular activities			\$1,234,436
Field Trips			\$68,682
Other (describe):			\$851,012
Total Uses of Net SGF (Note 2)			\$2,154,130
Unexpended SGF - Closing Balance August 31, 2010 (Note 3)			\$2,480,022

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include any other funds collected at the school but remitted to central office and accounted for by central office (facility rentals, capital assets purchases, etc.)

Notes:

- 1 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees related to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Fees charged for CEU-related activities are recorded as instruction resource fees, not SGF.
- 2 The sum of "total related expenses" and "total uses of net SGF" is reported as "gross school generated funds" in the Statement of Revenues & Expenses.
- 3 Unexpended SGF is reported as SGF assets and SGF liabilities in the Statement of Financial Position.

**SCHEDULE C
Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2009-2010**

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	Unsupported Amortization & Other Expenses	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$150,464	\$482,091	\$0	\$0	\$214,591		\$847,146		\$847,146
Uncertificated benefits	\$28,793	\$83,862	\$0	\$0	\$42,818		\$155,473		\$155,473
Sub-total Remuneration	\$179,257	\$565,953	\$0	\$0	\$257,409		\$1,002,619		\$1,002,619
Supplies and services	\$955,457	\$720,940	\$0	\$535,083	\$0		\$2,211,480		\$2,211,480
Electricity			\$320,154				\$320,154		\$320,154
Natural Gas/Heating Fuel			\$232,618				\$232,618		\$232,618
Sewer and Water			\$67,767				\$67,767		\$67,767
Telecommunications			\$8,616				\$8,616		\$8,616
Insurance					\$128,467		\$128,467		\$128,467
Amortization of capital assets									
Supported								\$659,377	\$659,377
Unsupported						\$128,210	\$128,210		\$128,210
Total Amortization						\$128,210	\$128,210	\$659,377	\$787,587
Interest on capital debt									
Supported									
Unsupported								\$39,845	\$39,845
Other interest charges							\$0	\$0	\$0
Losses on disposal of capital assets							\$0	\$0	\$0
TOTAL EXPENSES	\$1,134,714	\$1,286,893	\$629,155	\$535,083	\$385,876	\$128,210	\$4,099,931	\$699,222	\$4,799,153
SQUARE METRES									
School Buildings									56,873.0
Non School Buildings									2,501.0

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 Relocations:** All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
- 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.