

**AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2012**
[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


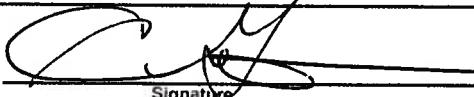
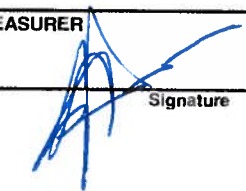
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the audited financial statements with management in detail and approved the financial statements for release.

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.

<p>BOARD CHAIR</p> <p><u>Audrey Krizsan</u> Name</p>	<p> Signature</p>
<p>SUPERINTENDENT</p> <p><u>Cheryl Gilmore</u> Name</p>	<p> Signature</p>
<p>SECRETARY TREASURER OR TREASURER</p> <p><u>John Rakai</u> Name</p>	<p> Signature</p>
<p><u>November 28, 2012</u> Board-approved Release Date</p>	

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Robert.Mah@gov.ab.ca
PHONE: (780) 427-3855 (Toll free 310-0000) FAX: (780) 422-6996

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	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	9

Young Parkyn McNab LLP

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' 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 statement of financial position as at August 31, 2012, and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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 audit. We conducted our audit 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 judgement, 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 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, 2012, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Lethbridge, Alberta

November 28, 2012

Young Parkyn McNab LLP

Chartered Accountant

STATEMENT OF FINANCIAL POSITION
as at August 31, 2012
(in dollars)

	2012	2011 Restated
ASSETS		
Current assets		
Cash and temporary investments (Note 3)	\$6,325,753	\$12,623,481
Accounts receivable (net after allowances) (Note 4)	\$1,415,701	\$900,012
Prepaid expenses	\$84,731	\$70,167
Other current assets	\$0	\$0
Total current assets	\$7,826,185	\$13,593,660
Trust assets	\$0	\$0
Long term accounts receivable	\$0	\$0
Long term investments (Note 5)	\$3,955,551	\$4,041,098
Capital assets (Note 6)		
Land	\$457,275	\$457,275
Construction in progress	\$0	\$0
Buildings	\$57,535,732	
Less: accumulated amortization	(\$16,141,490)	\$36,259,002
Equipment	\$2,684,117	
Less: accumulated amortization	(\$1,748,405)	\$678,614
Vehicles	\$990,682	
Less: accumulated amortization	(\$611,431)	\$379,207
Total capital assets	\$43,166,480	\$37,774,098
TOTAL ASSETS	\$54,948,216	\$55,408,856
LIABILITIES		
Current liabilities		
Bank indebtedness (Note 7)	\$0	\$0
Accounts payable and accrued liabilities (Note 8)	\$959,325	\$1,634,923
Deferred revenue (Note 9)	\$1,799,795	\$2,014,698
Deferred capital allocations (Note 10)	\$0	\$4,778,941
Current portion of long term debt	\$73,170	\$88,170
Total current liabilities	\$2,832,290	\$8,516,732
Trust liabilities	\$0	\$0
Employee future benefit liabilities (Note 20)	\$30,500	\$39,562
Long term debt (Note 11)		
Supported: Debentures and other supported debt	\$121,149	\$196,914
Less: Current portion	(\$60,765)	(\$75,765)
Unsupported: Debentures and capital loans	\$0	\$0
Capital leases	\$12,405	\$24,811
Mortgages	\$0	\$0
Less: Current portion	(\$12,405)	(\$12,405)
Other long term liabilities (Note 12)	\$530,094	\$557,395
Unamortized capital allocations (Note 13)	\$38,245,940	\$33,321,519
Total long term liabilities	\$38,866,918	\$34,052,031
TOTAL LIABILITIES	\$41,699,208	\$42,568,763
NET ASSETS		
Unrestricted net assets	\$2,003,443	\$2,404,928
Operating reserves	\$6,458,581	\$6,204,312
Accumulated operating surplus (deficit)	\$8,462,024	\$8,609,240
Investment in capital assets	\$4,786,984	\$4,230,853
Capital reserves	\$0	\$0
Total capital funds	\$4,786,984	\$4,230,853
Total net assets	\$13,249,008	\$12,840,093
TOTAL LIABILITIES AND NET ASSETS	\$54,948,216	\$55,408,856

Note: Please input "(Restated)" in 2011 column heading where comparatives are not taken from the finalized 2010/2011 Audited Financial Statements filed with Alberta Education.

STATEMENT OF REVENUES AND EXPENSES
for the Year Ended August 31, 2012
(in dollars)

	Actual 2012	Budget 2012	Actual 2011 Restated
REVENUES			
Government of Alberta	\$41,941,614	\$41,889,129	\$41,608,297
Federal Government and/or First Nations	\$0	\$1,000	\$0
Other Alberta school authorities	\$18,080	\$18,080	\$17,792
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Fees (Note 14)	\$1,170,235	\$811,276	\$1,220,167
Other sales and services	\$1,063,544	\$279,720	\$1,241,286
Investment income	\$197,661	\$290,029	\$255,196
Gifts and donations	\$360,158	\$111,888	\$302,622
Fundraising	\$567,754	\$123,077	\$745,855
Rental of facilities	\$14,238	\$16,685	\$17,700
Gains on disposal of capital assets	\$5,081	\$0	\$4,690
Amortization of capital allocations	\$882,619	\$867,305	\$659,502
Other revenue	\$8,126	\$265,140	\$44,916
Total Revenues	\$46,229,110	\$44,673,329	\$46,118,023
EXPENSES			
Certificated salaries (Note 21)	\$19,577,745	\$19,972,191	\$18,880,085
Certificated benefits (Note 21)	\$3,951,632	\$3,476,445	\$3,859,923
Non-certificated salaries and wages (Note 21)	\$7,277,948	\$7,109,643	\$7,297,490
Non-certificated benefits (Note 21)	\$1,390,420	\$1,560,927	\$1,311,788
Services, contracts and supplies	\$12,267,798	\$11,665,499	\$12,758,490
Capital and debt services			
Amortization of capital assets			
Supported	\$882,619	\$867,305	\$659,502
Unsupported	\$454,244	\$375,975	\$452,164
Total Amortization of capital assets	\$1,336,863	\$1,243,280	\$1,111,666
Interest on capital debt			
Supported	\$17,789	\$21,319	\$26,269
Unsupported	\$0	\$1,339	\$2,774
Total Interest on capital debt	\$17,789	\$22,658	\$29,043
Other interest and charges	\$0	\$0	\$0
Losses on disposal of capital assets	\$0	\$0	\$6,868
Other expense	\$0	\$0	\$0
Total Expenses	\$45,820,195	\$45,050,643	\$45,255,353
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM			
	\$408,915	(\$377,314)	\$862,670
Extraordinary Item	\$0	\$0	\$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$408,915	(\$377,314)	\$862,670

Note: Please input "(Restated)" where Actual 2011 comparatives are not as presented in the finalized 2010/2011 Audited Financial Statements filed with Alberta Education. Budget 2012 comparatives presented are final budget amounts formally approved by the Board.

STATEMENT OF CASH FLOWS
for the Year Ended August 31, 2012
(in dollars)

	2012	2011 Restated
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses	\$408,915	\$862,671
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$882,619)	(\$659,502)
Total amortization expense	\$1,336,863	\$1,111,666
Gains on disposal of capital assets	(\$5,081)	(\$4,690)
Losses on disposal of capital assets	\$0	\$6,868
Changes in:		
Accounts receivable	(\$515,689)	\$163,141
Prepays and other current assets	(\$14,564)	(\$29,634)
Long term accounts receivable	\$0	\$0
Long term investments	\$85,547	\$48,413
Accounts payable and accrued liabilities	(\$702,899)	(\$2,010,140)
Deferred revenue	(\$214,903)	(\$964,073)
Employee future benefit liabilities	(\$9,062)	\$39,562
Other (describe)	\$0	\$0
Total cash flows from Operations	(\$513,492)	(\$1,435,718)
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$6,115,665)	(\$9,328,286)
Equipment	(\$526,037)	(\$206,307)
Vehicles	(\$87,543)	(\$88,739)
Net proceeds from disposal of capital assets	\$5,081	\$41,344
Other (describe)	\$0	\$0
Total cash flows from Investing activities	(\$6,724,164)	(\$9,581,988)
C. FINANCING ACTIVITIES		
Capital allocations	\$952,334	\$9,979,280
Issue of long term debt	\$0	\$24,811
Repayment of long term debt	(\$88,171)	(\$146,205)
Add back: supported portion	\$75,765	\$122,753
Other (describe)	\$0	\$0
Total cash flows from financing activities	\$939,928	\$9,980,639
Net cash flows from during the year	(\$6,297,728)	(\$1,037,067)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/11	\$12,623,481	\$13,660,548
Cash and temporary investments, net of bank indebtedness, at Aug. 31/12	\$6,325,753	\$12,623,481

Note: Please input "(Restated)" where Actual 2011 comparatives are not as presented in the finalized 2010/2011 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2012**

School Jurisdiction Code: 1045

(in dollars)

	(1) TOTAL NET ASSETS Cols. 2-3+4+5	(2) INVESTMENT IN CAPITAL ASSETS	(3) UNRESTRICTED NET ASSETS	(4) TOTAL OPERATING RESERVES Cols. 6-8-10+12-14	(5) TOTAL CAPITAL RESERVES Cols. 7-9-11+13-15	INTERNALLY RESTRICTED NET ASSETS											
						(6) School & Instruction Related		(7) Operations & Maintenance		(8) Board & System Administration		(9) Transportation		(10) 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	\$12,840,093	\$4,230,853	\$2,404,928	\$6,204,312	\$0	\$4,147,749	\$0	\$0	\$56,563	\$0	\$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, 2011	\$12,840,093	\$4,230,853	\$2,404,928	\$6,204,312	\$0	\$4,147,749	\$0	\$0	\$56,563	\$0	\$0	\$2,000,000	\$0	\$0	\$0		
Excess (deficiency) of revenues over expenses	\$408,915		\$408,915														
Board funded capital additions		\$997,970	(\$992,889)	\$0	(\$5,081)	\$0	(\$5,080)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Disposal of unsupported capital assets	\$0	\$0	(\$5,081)		\$5,081		\$5,080		\$1				\$0		\$0		
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0		\$0		\$0				\$0		\$0		
Direct credits to net assets	\$0	\$0	\$0														
Amortization of capital assets		(\$1,336,863)	\$1,336,863														
Amortization of capital allocations		\$882,619	(\$882,619)														
Debt principal repayments (unsupported)		\$12,405	(\$12,405)														
Net transfers to operating reserves			(\$404,379)	\$404,379		\$394,379	\$0	\$0	\$10,000			\$0		\$0	\$0		
Net transfers from operating reserves			\$150,110	(\$150,110)		(\$120,000)	\$0	\$0	(\$30,110)			\$0		\$0	\$0		
Net transfers to capital reserves			\$0	\$0		\$0	\$0	\$0	\$0			\$0		\$0	\$0		
Net transfers from capital reserves			\$0	\$0		\$0	\$0	\$0	\$0			\$0		\$0	\$0		
Assumption/transfer of other operations' net assets	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0			\$0		\$0	\$0		
Balance at August 31, 2012	\$13,249,008	\$4,786,984	\$2,003,443	\$6,458,581	\$0	\$4,422,128	\$0	\$0	\$36,453	\$0	\$0	\$2,000,000	\$0	\$0	\$0		

(11) (12) (13) (14) (15)

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
 for the Year Ended August 31, 2012
 (in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2011	\$4,778,941	\$33,321,519
Prior period adjustments	\$0	\$0
Adjusted balance, August 31, 2011	\$4,778,941	\$33,321,519
Add:		
Restricted capital allocations from:		
Alberta Education school building and modular projects	\$892,805	
Other Government of Alberta	\$0	
Federal Government and First Nations	\$0	
Other sources	\$14,310	
Interest earned on provincial government capital allocations	\$45,219	
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
P3, other ASAP and Alberta Infrastructure managed projects		\$0
Transferred in capital assets (amortizable, @ net book value)		\$0
Current year supported debenture principal repayment		\$75,765
Expended capital allocations - current year	(\$5,731,275)	\$5,731,275
Deduct:		
Net book value of supported capital assets dispositions, write-offs, or transfer; Other	\$0	\$0
Capital allocations amortized to revenue		\$882,619
Balance at August 31, 2012	\$0	\$38,245,940

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