

BUDGET REPORT FOR THE YEAR ENDING AUGUST 31, 2016

[School Act, Sections 147(2)(b) and 276]

Calgary Arts Academy Society

Legal Name of School Jurisdiction

403-229-3010 T; 403-229-3034 F

Telephone & Fax Numbers, Email Address

BOARD CHAIR

Todd Hirsch

Name

Signature

SUPERINTENDENT

Dale Erickson

Name

Signature

SECRETARY TREASURER or TREASURER

Jan Jordan

Name

Signature

Certified as an accurate summary of the year's budget as approved by the Board

of Trustees at its meeting held on June 16, 2015 .

Date

Version: 150630

c.c. Alberta Education
c/o Robert Mah, Financial Reporting & Accountability Branch
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HIGHLIGHTS, PLANS, ASSUMPTIONS AND RISKS SUMMARY- 2015/2016 BUDGET REPORT

The following were presented to the Board and approved as underlying the budget. These key points and assumptions used in development of the budget take into consideration the economic environment of the jurisdiction, focus on anticipated changes from current year, and are realistic and consistent with the three year Education Plan. At a minimum, they disclose key budget assumptions, financial & business risks, and specific strategies explaining how this budget will support the jurisdiction's plans.

Budget Highlights, Plans & Assumptions:

The 2015/16 revised budget was built on the following assumptions :

- No significant changes to staffing numbers -with grid increases and certificated staff grid at 85% of larger jurisdictions.
- Uncertificated staff and support will receive an accross the board 2.5% increase
- Student increase of 17 students to offset what was believed to be a decrease of funding to the original budget.
- Continued transportation defecit is due to rising cost of transportation with consequences of lower ridership numbers.

Significant Business and Financial Risks:

Calgary Arts Academy has entered into an agreement with Calgary Stampede and Alberta Infrastructure to move forward with the Youth Campus on the Stampede grounds. Board approved spending of surplus funds will be used for unfunded costs needed to complete the project, including Administrative offices and areas that need to be addressed in the early stages of the project.

BUDGETED STATEMENT OF OPERATIONS
for the Year Ending August 31

	Approved Budget 2015/2016	Fall Budget Update 2014/2015	Actual 2013/2014
REVENUES			
Alberta Education	\$4,533,967	\$4,314,563	\$4,499,762
Other - Government of Alberta	\$0	\$0	\$7,933
Federal Government and First Nations	\$0	\$0	\$0
Other Alberta school authorities	\$0	\$0	\$0
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Property taxes	\$0	\$0	\$0
Fees	\$406,015	\$374,805	\$356,826
Other sales and services	\$42,000	\$20,000	\$124,189
Investment income	\$6,000	\$9,000	\$5,570
Gifts and donations	\$0	\$0	\$1,850
Rental of facilities	\$0	\$0	\$900
Fundraising	\$20,000	\$20,000	\$2,028
Gains on disposal of capital assets	\$0	\$0	\$30,374
Other revenue	\$256,872	\$316,455	\$14,291
TOTAL REVENUES	\$5,264,854	\$5,054,823	\$5,043,723
EXPENSES			
Instruction - Early Childhood Services	\$185,154	\$143,233	\$138,000
Instruction - Grades 1-12	\$3,969,426	\$3,779,189	\$3,788,269
Plant operations & maintenance	\$419,831	\$422,739	\$441,949
Transportation	\$372,535	\$383,023	\$381,125
Administration	\$311,782	\$301,624	\$266,775
External Services	\$0	\$0	\$0
TOTAL EXPENSES	\$5,258,728	\$5,029,808	\$5,016,118
ANNUAL SURPLUS (DEFICIT)	\$6,126	\$25,015	\$27,605

BUDGETED ALLOCATION OF EXPENSES (BY OBJECT)
for the Year Ending August 31

	Approved Budget 2015/2016	Fall Budget Update 2014/2015	Actual 2013/2014
EXPENSES			
Certificated salaries	\$2,015,565	\$1,963,840	\$1,953,225
Certificated benefits	\$458,874	\$436,629	\$386,158
Non-certificated salaries and wages	\$1,276,110	\$1,185,362	\$1,144,227
Non-certificated benefits	\$151,706	\$151,014	\$148,340
Services, contracts, and supplies	\$1,280,882	\$1,206,881	\$1,212,123
Capital and debt services			
Amortization of capital assets			
supported	\$0	\$0	\$87,614
unsupported	\$33,591	\$86,082	\$84,431
Interest on capital debt			
supported	\$0	\$0	\$0
unsupported	\$0	\$0	\$0
Other interest and finance charges	\$0	\$0	\$0
Losses on disposal of capital assets	\$0	\$0	\$0
Other expense	\$42,000	\$0	\$0
TOTAL EXPENSES	\$5,258,728	\$5,029,808	\$5,016,118

BUDGETED SCHEDULE OF FEE REVENUE
for the Year Ending August 31

	Approved Budget 2015/2016	Fall Budget Update 2014/2015	Actual 2013/2014
FEES			
Transportation fees	\$172,675	\$159,650	\$145,459
Basic instruction supplies, text book rental, material fees	\$83,870	\$81,457	\$78,793
Technology user fees	\$0	\$0	\$0
Alternative program fees	\$0	\$0	\$0
Fees for optional courses	\$0	\$0	\$0
Fees for students from other boards	\$0	\$0	\$0
Tuition fees (international & out of province)	\$0	\$0	\$0
Kindergarten & preschool	\$14,580	\$14,040	\$13,250
Extracurricular fees	\$0	\$0	\$0
Field trips	\$92,815	\$90,158	\$91,935
Lunch supervision fees	\$0	\$0	\$0
Other (describe)* Specialists & Musicians	\$42,075	\$29,500	\$27,389
Other (describe)			
Other (describe)	\$0	\$0	\$0
Other (describe)	\$0	\$0	\$0
Other (describe)	\$0	\$0	\$0
TOTAL FEES	\$406,015	\$374,805	\$356,826

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

Please disclose amounts paid by parents of students that are recorded as "Other sales and services" or "Other revenue" (rather than fee revenue):	Approved Budget 2015/2016
Optional non-study programs	\$0
Optional extracurricular participation	\$42,000
Student travel	\$0
Sales or rentals of other supplies/services	\$0
Other (describe)	\$0
Other (describe)	\$0
Other (describe)	\$0
Other (describe)	\$0
Other (describe)	\$0
TOTAL	\$42,000

PROJECTED SCHEDULE OF CHANGES IN ACCUMULATED OPERATING SURPLUS (SUMMARY)
for the Year Ending August 31

	(1)	(2)	(3)	(4)	(5)	(6) (7)	
	ACCUMULATED OPERATING SURPLUS (2+3+4+7)	INVESTMENT IN TANGIBLE CAPITAL ASSETS	ENDOWMENTS	ACCUMULATED SURPLUS FROM OPERATIONS (5+6)	UNRESTRICTED SURPLUS	INTERNALLY RESTRICTED	
						OPERATING RESERVES	CAPITAL RESERVES
Actual balances per AFS at August 31, 2014	\$620,846	\$93,308	\$0	\$527,538	\$527,538	\$0	\$0
2014/2015 Estimated impact to AOS for:							
Prior period adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Estimated surplus(deficit)	\$0			\$0	\$0		
Estimated Board funded capital asset additions		\$0		\$0	\$0	\$0	\$0
Estimated Disposal of unsupported tangible capital assets	\$0	\$0		\$0	\$0		\$0
Estimated amortization of capital assets (expense)		\$0		\$0	\$0		
Estimated capital revenue recognized - Alberta Education		\$0		\$0	\$0		
Estimated capital revenue recognized - Other GOA		\$0		\$0	\$0		
Estimated capital revenue recognized - Other sources		\$0		\$0	\$0		
Estimated changes in Endowments	\$0		\$0	\$0	\$0		
Estimated Unsupported debt principal repayment		\$0		\$0	\$0		
Estimated reserve transfers (net)				\$0	\$0	\$0	\$0
Estimated Assumptions/Transfers of Operations (Explain)	\$0	\$0	\$0	\$0		\$0	
Estimated Balances for August 31, 2015	\$620,846	\$93,308	\$0	\$527,538	\$527,538	\$0	\$0
2015/2016 Budget projections for:							
Budgeted surplus(deficit)	\$6,126			\$6,126	\$6,126		
Projected Board funded capital asset additions		\$0		\$0		\$0	
Budgeted Disposal of unsupported tangible capital assets	\$0	\$0		\$0	\$0		\$0
Budgeted Amortization of capital assets (expense)		(\$33,591)		\$33,591	\$33,591		
Budgeted capital revenue recognized - Alberta Education		\$0		\$0	\$0		
Budgeted capital revenue recognized - Other GOA		\$0		\$0	\$0		
Budgeted capital revenue recognized - Other sources		\$0		\$0	\$0		
Budgeted changes in Endowments	\$0		\$0	\$0	\$0		
Budgeted Unsupported debt principal repayment		\$0		\$0	\$0		
Projected reserve transfers (net)				\$0	\$0	\$0	\$0
Projected Assumptions/Transfers of Operations (Explain)	(\$623,811)	\$0	\$0	(\$623,811)	(\$623,811)	\$0	
Projected Balances for August 31, 2016	\$3,161	\$59,717	\$0	(\$56,556)	(\$56,556)	\$0	\$0

Reduction in A.S.O.: Please provide an explanation as to use of A.S.O. on Pages 9 (ASO) and 10 (ASO Use)

ANTICIPATED CHANGES IN ACCUMULATED OPERATING SURPLUS SUMMARY- 2014/2015 BUDGET REPORT

The following explains the anticipated changes to each component of the Accumulated Operating Surplus for 2014/2015 and provides detail on planned additions to unsupported capital. Additional space is provided on Page 6. The anticipated use of Unrestricted Surplus and Operating Reserves for 2015/2016 should be explained on Page 9 and detailed on 10 by cost object and program.

**Reason for expected changes in Investment in Tangible Capital Assets and Endowments as well as intended uses of Operating and Capital Reserves:
2014/2015 (Additional space provided on the next page)**

Reasons for changes in Investment in Tangible Capital Assets (i.e. supported tangible capital asset acquisitions or material dispositions):

AOS to complete Youth Campus - Board Approved Spending \$623,810.89 per ASO letter to Minister - Administrative offices - \$429,778 and additional Youth campus costs not included in funding application \$194,033.

**ANTICIPATED CHANGES IN ACCUMULATED OPERATING SURPLUS
for the Year Ending August 31**

The following explains the anticipated changes to each component of AOS for 2014/2015 and 2015/2016 and provides detail on the planned additions to unsupported capital. The anticipated use of Unrestricted Surplus and Operating Reserves should be explained on Page 9 and detailed on Page 10.

Reason for expected changes in Investment in Tangible Capital Assets and Endowments as well as the intended uses of the balances remaining for Unrestricted Surplus, Operating Reserves and Capital Reserves as at August 31, 2016.

2014/2015

Reasons for changes in Investment in Tangible Capital Assets (i.e. supported tangible capital asset acquisitions or material dispositions):

Letter to Honorable Gordon Dirks requesting use of AOS to complete Youth Campus - Board Approved Spending

Calgary Stampede Youth Campus:

Calgary Arts Academy Administrative Offices	\$328,921.89	
GST cost on entire project 3.4%	<u>100,855.83</u>	
	\$429,777.72	\$429,777.72

Additional Capital Costs for Renovation

Entrance Support Beams for future outdoor classrooms	\$15,750.00	
Gym Divider	42,000.00	
Board Room Acoustic ceiling	10,500.00	
Basement Finishing - Lighting, painting, finish cement floors, double sink, kiln, electric wiring		63,000.00
Writable surfaces in stated areas	64,362.50	
Community Gathering space Lighting	<u>5,250.00</u>	
Total Capital from AOS	\$200,862.50	
GST refund 3.4%	<u>-6,829.33</u>	
	\$194,033.17	\$194,033.17
		\$623,810.89

Other information related to changes in AOS for the 2014/2015 budget year:

2015/2016

Reasons for changes in Investment in Tangible Capital Assets (i.e. supported tangible capital asset acquisitions or material dispositions):

Planned Uses for remaining Unrestricted Surplus, Operating Reserves, and Capital Reserves (including time frame) after August 31, 2016:

**PROJECTED STUDENT STATISTICS
FULL TIME EQUIVALENT (FTE) ENROLLED STUDENTS**

	Budgeted 2015/2016 (Note 2)	Actual 2014/2015	Actual 2013/2014	Notes
GRADES 1 TO 12				
Eligible Funded Students:				
Grades 1 to 9	479	461	449	Head count
Grades 10 to 12	-	-	-	Note 3
Total	479	461	449	Grades 1-12 students eligible for base instruction funding from Alberta Education.
Percentage Change	3.9%	2.7%		
Other Students:				
Total	-	-	-	Note 4
Total Net Enrolled Students				
	479	461	449	
Home Ed and Blended Program Students				
	-	-	-	Note 5
Total Enrolled Students, Grades 1-12				
	479	461	449	
Percentage Change	3.9%	2.7%		
Of the Eligible Funded Students:				
Severely Disabled Students served	-	-	-	Total eligible funded severely disabled student FTEs; including Code 40s (excluding Code 47s).

EARLY CHILDHOOD SERVICES (ECS)

Eligible Funded Children	54	54	50	ECS children eligible for ECS base instruction funding from Alberta Education.
Other Children	-	-	-	ECS children not eligible for ECS base instruction funding from Alberta Education.
Total Enrolled Children - ECS	54	54	50	
Program Hours	-	-	-	Minimum: 475 Hours
FTE Ratio	-	-	-	Actual hours divided by 950
FTE's Enrolled, ECS	-	-	-	
Percentage Change	0.0%	0.0%		
Of the Eligible Funded Children:				
Severely Disabled Children served	1	1	1	Total eligible funded severely disabled children FTEs, including Code 40 children in program units.

NOTES:

- Enrolment is to be completed WHEREVER APPLICABLE and are 'as at September 30th' for each year.
- Budgeted enrolment is to be based on best information available at time of the 2014/2015 budget report preparation.
- The # of FTE grade 10-12 students is determined by taking the total # of students' credits / 35; where 35 CEU's = 1 FTE.
- Other Grade 1-12 students that are not eligible for base instruction funding from Alberta Education include First Nations students living on reserves for which tuition fee payments are made from Band or INAC (Code 330), students younger than 5 1/2 or older than 20, and out-of-province and foreign students.
- Because they are funded separately, Home Education students are not included with total net enrolled students. In the blended program, funding per student is pro-rated on the percentage of the student's program which is taken at school and at home; home education students are assigned a weighting of 0.25 FTE for base funding.

**PROJECTED STAFFING STATISTICS
FULL TIME EQUIVALENT (FTE) PERSONNEL**

	Budgeted 2015/2016	Actual 2014/2015	Fall Budget 2014/2015	Actual 2013/2014	Notes
CERTIFICATED STAFF					
School Based	25.0	24.0	26.3	25.6	Teacher certification required for performing functions at the school level.
Non-School Based	-	-	-	-	Teacher certification required for performing functions at the system/central office level.
Total Certificated Staff FTE	25.0	24.0	26.3	25.6	FTE for personnel possessing a valid Alberta teaching certificate or equivalency.
<i>Explanation required where change unrelated to enrolment</i>	4.2%	-6.3%	2.7%		
<i>Percentage change from Fall Budget</i>	-4.9%				
Is an average standard cost used to derive certificated salaries?					
If an average standard cost is used, please disclose rate:					
Explanation of Changes:					
The fall budget reflected certificated staff for specialists. A restructuring process made is possible to employ uncertificated specialists in other areas.					
NON-CERTIFICATED STAFF					
Instructional	10.8	9.6	9.6	9.4	Personnel providing instruction support for schools under 'Instruction' program areas.
Plant Operations & Maintenance	5.0	5.0	-	-	Personnel providing support to maintain school facilities
Transportation	0.2	0.2	-	-	Personnel providing direct support to the transportation of students to and from school
Other Non-Instructional	6.4	6.4	6.8	7.2	Personnel in Board & System Admin. and External service areas.
Total Non-Certificated Staff FTE	22.4	21.2	16.4	16.6	FTE for personnel not possessing a valid Alberta teaching certificate or equivalency.
Percentage Change	5.4%	27.7%	-1.2%		
<i>Percentage change from Fall Budget</i>	36.3%				
Explanation of Changes:					
Custodial - initially was a contracted service. In 2014/15 CAA opted to manage custodial within,. Transportaion was also done on a consulting base and has since become internal.					
Additional Information					
Are non-certificated staff subject to a collective agreement?		no			
Please provide terms of contract for 2015/16 and future years for non-certificated staff subject to a collective agreement along with the number of qualifying staff FTE's.					

UTILIZATION OF ACCUMULATED SURPLUS FROM OPERATIONS
for the Year Ending August 31

Where boards anticipate a decline in Accumulated Surplus in Operations on Page 5 (AOS) during the 2015/16 school year, please identify the justification for the use of these reserves. Document each cost on Page 10 (ASO Use), "Detailed Breakdown for the Budgeted Utilization of Accumulated Surplus from Operations for the Year Ended August 31, 2016."

Letter to Honorable Gordon Dirks requesting use of AOS to complete Youth Campus - Board Approved Spending

Calgary Stampede Youth Campus:

Calgary Arts Academy Administrative Offices	\$328,921.89	
GST cost on entire project 3.4%	<u>100,855.83</u>	
	\$429,777.72	\$429,777.72
Additional Capital Costs for Renovation		
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Basement Finishing - Lighting, painting, finish cement floors, double sink, kiln, electric wiring		63,000.00
Writable surfaces in stated areas	64,362.50	
Community Gathering space Lighting	<u>5,250.00</u>	
Total Capital from AOS	\$200,862.50	
GST refund 3.4%	<u>-6,829.33</u>	
	\$194,033.17	<u>\$194,033.17</u>
		\$623,810.89

**DETAILED BREAKDOWN FOR THE BUDGETED UTILIZATION OF ACCUMULATED SURPLUS FROM OPERATIONS
for the Year Ending August 31, 2016**

					Expected Cost
Explanation	Recurring? ¹	Capital? ²	Program ³	Object ⁴	
1 Administrative Offices at Youth Campus		Capital			\$328,922
2 GST cost on Youth Campus		Capital			\$100,856
3 Entrance Support Beams for outdoor classroom		Capital			\$15,750
4 Gymnasium divider		Capital			\$42,000
5 Board room acoustic ceiling		Capital			\$10,500
6 Basement Finishing - lighting, painting, finishing of cement floors, sink, kiln, electric wiring		Capital			\$63,000
7 Writable surfaces in Learning Pods/Board Room/Conference Room/Common Areas		Capital			\$64,363
8 Community gathering space lighting		Capital			\$5,250
9 less GST refund		Capital			(\$6,829)
10					\$0
11					\$0
12					\$0
13					\$0
14					\$0
15					\$0
16					\$0
17					\$0
18					\$0
19					\$0
20					\$0
21					\$0
22					\$0
23					\$0
24					\$0
25					\$0
Use Of A.S.O. for Budget Year 2015/2016					\$623,811
Unexplained Reduction of A.S.O. (Cannot be more than \$10,000)					(\$39,717)
1. Use drop-down menu: If expense is recurring, indicate how the project will be funded in the future. 2. Use drop-down menu: Capital items should be funded through capital reserves, if available. 3. Use drop-down menu: If expenditure represents an "Operating" expense, indicate to which Program this item was included on the Budgeted Statement of Operations. 4. Use drop-down menu: If expenditure represents an "Operating" expense, indicate to which Expenditure Object this item was included on the Budgeted Allocation of Expenses (by Object).					