

**BUDGET
REPORT
FOR THE YEAR ENDING AUGUST 31, 2018**

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

Connect Charter School Society

Legal Name of School Jurisdiction

403-282-2890, 403-282-2896, myra.p@connectcharter.ca

Telephone & Fax Numbers, Email Address

BOARD CHAIR

Denise Kitagawa

Name

Signature

SUPERINTENDENT

Susan Chomistek

Name

Signature

SECRETARY TREASURER or TREASURER

Myra Penberthy

Name

Signature

**Certified as an accurate summary of the year's budget as approved by the Board
of Trustees at its meeting held on** May 9, 2017 .

Date

Version: 170316

c.c. Alberta Education
c/o Robert Mah, Financial Reporting & Accountability Branch
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Color coded cells:

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| blue cells: require the input of data/descriptors wherever applicable. | grey cells: data not applicable - protected |
| salmon cells: contain referenced juris. information - protected | white cells: within text boxes REQUIRE the input of points and data. |
| green cells: populated based on information previously submitted | yellow cells: to be completed when yellow only. |

HIGHLIGHTS, PLANS, ASSUMPTIONS AND RISKS SUMMARY- 2017/2018 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:

- 1. AOS - We reduced our AOS to comply with Alberta Education's mandate to reduce AOS as follows: 2012-13 14%, 2013-14 8%, 2014-15 4% percent of AOS to Total Expenses. In 2014-15 we hit the minimum level of AOS we could sustain and are unable to cut our operating surplus further as we are at risk of not being able to pay staff. Our monthly payroll expenses are \$375,000 and our operating reserve is \$329,000 so we do not have the funds to cover one month's payroll. Therefore our 2015-16 onward, as well as our budgeted AOS, is in line with a minimum reserves threshold to avoid defaulting on payments. AOS for 2015-16 was 5%, 2016-17 projected 5% and 2017-18 budgeted 5% of AOS to Total Expenses.**
- 2. Inclusive Education Funding - We have less funding than other public school boards due to the inequitable distribution of Inclusive Education funding: We currently receive only \$57.22 per student whereas other public schools are funded the \$57.22/student plus an additional \$466.49/student. Connect Charter School has as diverse a population, as other public schools which receive the additional \$466.49/student. Low funding has resulted in us needing to cut the counseling position and reallocate those duties to other staff. Equitable funding would be an additional \$289,000 for Connect Charter School which would allow for the support our students' needs.**
- 3. Class size increases - Due to inequitable funding, we have continued to roll out our class size increase by one student per class for grades 4, 5, 6, 7 & 8, to balance our budget. This will provide an additional \$26,700 in funding.**
- 4. School Maintenance - Due to inequitable funding, we have reduced our facilities enhancements and renovations budget, to balance our budget. The risk of this is that we are not able to upkeep the facility for the students. We do not receive IMR funding for our facility. Having control over IMR funding would allow for predictable and sustainable funding for necessary improvements to our students' learning environment.**
- 5. Staff - Our student services are struggling to deliver to English language learners and severe, mild and moderate disabilities students, as our inclusive education needs are high but our funding is low. Due to inequitable funding we had to eliminate our communications and collaboration coordinator position - there is a risk of not achieving our charter mandate due to the elimination of this position.**

Significant Business and Financial Risks:

Due to lack of funding in inclusive education we risk the following:

- As the student population at Connect (Public) Charter School becomes increasingly more diverse and the needs of the students become more complex, the discrepancy in inclusive education funding compared to other public schools means it will become increasingly difficult to meet student needs with limited funding and resourcing
- Sustainability of the school and its programming may be in jeopardy due to limitations in inclusive education funding, an increasingly complex student demographic AND the mandate for charter schools to dedicate resources to reaching out to other public systems to share what is being learned about teaching and learning. In many ways, Connect Charter School is being asked to do more than a typical public school, but with less funding and support. This is simply not sustainable.

Meeting Charter Mandates:

- Administrative staff has taken on the responsibilities associated with external collaboration, one of the mandates of charter schools. As this necessary function is currently not funded, administrative time and focus is being diverted away from teaching and learning. In the past Connect Charter School has been able to dedicate some funds to this function, but as more and more demands are being placed upon the school as an inclusive education setting, less resources are available for external collaboration efforts.

Facility Maintenance:

- Having control over IMR funding would allow for predictable and sustainable funding for necessary improvements to our students' learning environment.
- Necessary reductions to caretaking staff has negatively impacted our ability to perform necessary daily maintenance and upkeep of the facility

AOS and Cash Flow:

- As we have reduced our operating surplus we are at risk of not being able to meet payroll demands.

Carbon Tax: -Carbon tax implications are budgeted at \$5,000 increase in natural gas.

BUDGETED STATEMENT OF OPERATIONS
for the Year Ending August 31

| | Approved Budget 2017/2018 | Fall Budget Update 2016/2017 | Actual 2015/2016 |
|---|--|---|-----------------------------|
| REVENUES | | | |
| Alberta Education | \$5,628,605 | \$5,623,900 | \$5,536,306 |
| Other - Government of Alberta | \$0 | \$0 | \$0 |
| 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 | \$866,940 | \$841,840 | \$781,569 |
| Other sales and services | \$171,600 | \$178,600 | \$161,882 |
| Investment income | \$10,000 | \$10,000 | \$11,125 |
| Gifts and donations | \$45,000 | \$8,000 | \$47,711 |
| Rental of facilities | \$6,500 | \$6,500 | \$10,485 |
| Fundraising | \$80,000 | \$80,000 | \$83,497 |
| Gains on disposal of capital assets | \$0 | \$0 | \$29,630 |
| Other revenue | \$0 | \$0 | \$0 |
| TOTAL REVENUES | \$6,808,645 | \$6,748,840 | \$6,662,205 |
| EXPENSES | | | |
| Instruction - Early Childhood Services | | \$0 | \$0 |
| Instruction - Grades 1-12 | \$5,477,052 | \$5,452,696 | \$5,247,253 |
| Plant operations & maintenance | \$445,031 | \$406,685 | \$455,179 |
| Transportation | \$544,100 | \$544,100 | \$531,783 |
| Administration | \$342,462 | \$345,359 | \$346,894 |
| External Services | | \$0 | \$0 |
| TOTAL EXPENSES | \$6,808,645 | \$6,748,840 | \$6,581,109 |
| ANNUAL SURPLUS (DEFICIT) | \$0 | \$0 | \$81,096 |

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

| | Approved Budget 2017/2018 | Fall Budget Update 2016/2017 | Actual 2015/2016 |
|---------------------------------------|--|---|-----------------------------|
| EXPENSES | | | |
| Certificated salaries | \$3,246,208 | \$3,329,365 | \$3,269,794 |
| Certificated benefits | \$657,532 | \$673,453 | \$645,770 |
| Non-certificated salaries and wages | \$653,633 | \$540,093 | \$538,485 |
| Non-certificated benefits | \$157,091 | \$134,000 | \$128,014 |
| Services, contracts, and supplies | \$1,883,481 | \$1,871,829 | \$1,800,077 |
| Capital and debt services | | | |
| Amortization of capital assets | | | |
| Supported | \$0 | \$0 | \$0 |
| Unsupported | \$208,700 | \$198,100 | \$197,349 |
| Interest on capital debt | | | |
| Supported | | \$0 | \$0 |
| Unsupported | | \$0 | \$0 |
| Other interest and finance charges | \$2,000 | \$2,000 | \$1,620 |
| Losses on disposal of capital assets | | \$0 | \$0 |
| Other expenses | | \$0 | \$0 |
| TOTAL EXPENSES | \$6,808,645 | \$6,748,840 | \$6,581,109 |

BUDGETED SCHEDULE OF FEE REVENUE
for the Year Ending August 31

| | Approved Budget 2017/2018 | Fall Budget Update 2016/2017 | Actual 2015/2016 |
|---|--|---|-----------------------------|
| FEES | | | |
| TRANSPORTATION | \$287,125 | \$287,125 | \$286,428 |
| BASIC INSTRUCTION SUPPLIES (Instructional supplies, & materials) | \$14,500 | \$14,500 | \$14,240 |
| LUNCHROOM SUPERVISION & ACTIVITY FEES (Mandatory) | \$30,000 | \$30,000 | \$29,060 |
| FEES TO ENHANCE BASIC INSTRUCTION | | | |
| Technology user fees | \$180,000 | \$176,000 | \$152,217 |
| Alternative program fees | \$0 | \$0 | \$0 |
| Fees for optional courses | \$0 | \$0 | \$0 |
| Students from other boards | | | \$0 |
| Tuition from ineligible students | | | \$0 |
| ECS enhanced program fees | \$0 | \$0 | \$0 |
| ACTIVITY FEES | \$213,315 | \$213,315 | \$190,288 |
| Other fees to enhance education | \$142,000 | | |
| Other enhancement fees Educational day trips, electives. | | \$120,900 | \$109,336 |
| Other enhancement fees | | \$0 | \$0 |
| Other enhancement fees | | \$0 | \$0 |
| Other enhancement fees | | \$0 | \$0 |
| Other enhancement fees | | \$0 | \$0 |
| NON-CURRICULAR FEES | | | |
| Extra-curricular fees | \$0 | \$0 | \$0 |
| Non-curricular supplies and materials | \$0 | \$0 | \$0 |
| NON-CURRICULAR TRAVEL | \$0 | \$0 | |
| OTHER FEES | \$0 | | |
| Other non-curricular fees | | \$0 | \$0 |
| Other non-curricular fees | | \$0 | \$0 |
| Other non-curricular fees | | \$0 | \$0 |
| Other non-curricular fees | | \$0 | |
| Other non-curricular fees | | \$0 | |
| TOTAL FEES | \$866,940 | \$841,840 | \$781,569 |

*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" (rather than fee revenue). Note that this schedule should include only amounts collected from parents and so it may not agree with the Statement of Operations. | Approved Budget 2017/2018 | Fall Budget Update 2016/2017 | Actual 2015/2016 |
|---|--|---|-----------------------------|
| Cafeteria sales, hot lunch, milk programs | \$0 | \$0 | \$0 |
| Special events | \$0 | \$0 | \$0 |
| Sales or rentals of other supplies/services | \$0 | \$0 | \$0 |
| Out of district student revenue | \$0 | \$0 | |
| International and out of province student revenue | \$0 | \$0 | |
| Student travel (international, recognition trips, non-curricular) | | | \$0 |
| Adult education revenue | \$0 | \$0 | \$0 |
| Preschool | \$0 | \$0 | |
| Child care & before and after school care | \$0 | \$0 | \$0 |
| Lost item replacement fees | \$0 | \$0 | |
| Other (describe) Laptop / Ipad self insurance | \$36,000 | \$36,000 | \$30,109 |
| Other (describe) | \$0 | \$0 | \$0 |
| Other (describe) | \$0 | \$0 | \$0 |
| Other (describe) | \$0 | \$0 | |
| Other (describe) | \$0 | \$0 | |
| TOTAL | \$36,000 | \$36,000 | \$30,109 |

BUDGETED SCHEDULE OF SUPPLEMENTARY DETAILS OF FEE REVENUE
for the Year Ending August 31

| (A) | (B) | (C) | (D) | (E) | (F) |
|--|--|--|--|--|--------------------|
| | Explanation of Other Costs (Column "(C)") | Other Costs (Explain under (B))* 2017/2018 | Transportation Component 2017/2018 | Supplies & Materials** 2017/2018 | Total 2017/2018 |
| FEES | | | | | |
| | TRANSPORTATION | \$0 | \$287,125 | \$0 | \$287,125 |
| | LUNCH SUPERVISION & ACTIVITY Mandatory | \$30,000 | \$0 | \$0 | \$30,000 |
| FEES TO ENHANCE BASIC INSTRUCTION | | | | | |
| | Technology user fees Laptop or Ipad for each student | \$180,000 | \$0 | \$0 | \$180,000 |
| | Alternative program fees | \$0 | \$0 | \$0 | \$0 |
| | Fees for optional courses | \$0 | \$0 | \$0 | \$0 |
| | ECS enhanced program fees | \$0 | \$0 | \$0 | \$0 |
| | ACTIVITY FEES Outdoor overnight camps | \$213,315 | \$0 | \$0 | \$213,315 |
| | Other fees to enhance education Day field trips, electives, experiential place-based outdoor program | \$142,000 | \$0 | \$0 | \$142,000 |
| NON-CURRICULAR FEES | | | | | |
| | Extra-curricular fees | \$0 | \$0 | \$0 | \$0 |
| | Non-curricular supplies, materials, and services | \$0 | \$0 | \$0 | \$0 |
| | NON-CURRICULAR TRAVEL | \$0 | \$0 | \$0 | \$0 |
| OTHER FEES*** | | | | | |
| | | \$0 | \$0 | \$0 | \$0 |
| | | \$0 | \$0 | \$0 | \$0 |
| | | \$0 | \$0 | \$0 | \$0 |
| | | \$0 | \$0 | \$0 | \$0 |
| | TOTAL FEES | \$565,315 | \$287,125 | \$0 | \$852,440 |

***Supplies and Materials may include consumables (one-time use such as paper), reusable supplies, equipment rental, workbooks).

***Describe purpose of fees. DO NOT use blanket names such as "Kindergarten", "Instructional Fees", "School Division Fees", "Registration Fees", etc.

***Where possible, use predefined categories as described on Pages 14 & 15 of the Budget Guidelines 2017/2018.

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 | INVESTMENT IN TANGIBLE CAPITAL | ENDOWMENTS | ACCUMULATED SURPLUS FROM OPERATIONS | UNRESTRICTED SURPLUS | INTERNALLY RESTRICTED | |
| | (2+3+4+7) | ASSETS | | (5+6) | | OPERATING RESERVES | CAPITAL RESERVES |
| Actual balances per AFS at August 31, 2016 | \$839,331 | \$509,567 | \$0 | \$329,764 | (\$0) | \$329,764 | \$0 |
| 2016/2017 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 | | \$215,000 | | (\$215,000) | (\$215,000) | \$0 | \$0 |
| Estimated disposal of unsupported tangible capital assets | \$0 | \$0 | | \$0 | \$0 | | \$0 |
| Estimated amortization of capital assets (expense) | | (\$221,000) | | \$221,000 | \$221,000 | | |
| 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 | (\$6,000) | \$6,000 | \$0 |
| Estimated Balances for August 31, 2017 | \$839,331 | \$503,567 | \$0 | \$335,764 | (\$0) | \$335,764 | \$0 |
| 2016/2017 Budget projections for: | | | | | | | |
| Budgeted surplus(deficit) | \$0 | | | \$0 | \$0 | | |
| Projected board funded capital asset additions | | \$215,000 | | (\$215,000) | (\$215,000) | \$0 | \$0 |
| Budgeted disposal of unsupported tangible capital assets | \$0 | \$0 | | \$0 | \$0 | | \$0 |
| Budgeted amortization of capital assets (expense) | | (\$208,700) | | \$208,700 | \$208,700 | | |
| 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) | \$0 | \$0 | \$0 | \$0 | \$6,300 | (\$6,300) | \$0 |
| Projected Balances for August 31, 2018 | \$839,331 | \$509,867 | \$0 | \$329,464 | (\$0) | \$329,464 | \$0 |

SCHEDULE OF USES FOR ACCUMULATED SURPLUSES AND RESERVES
for the Year Ending August 31

| | Unrestricted Surplus Usage | | | Operating Reserves Usage | | | Capital Reserves Usage | | |
|---|---|-------------|-------------|--------------------------|-------------|-------------|------------------------|-------------|-------------|
| | Year Ended | | | Year Ended | | | Year Ended | | |
| | 31-Aug-2018 | 31-Aug-2019 | 31-Aug-2020 | 31-Aug-2018 | 31-Aug-2019 | 31-Aug-2020 | 31-Aug-2018 | 31-Aug-2019 | 31-Aug-2020 |
| Projected opening balance | (\$0) | (\$0) | (\$0) | \$335,764 | \$329,464 | \$329,464 | \$0 | \$0 | \$0 |
| Projected excess of revenues over expenses (surplus only) | \$0 | \$0 | \$0 | | | | | | |
| Budgeted disposal of unsupported tangible capital assets | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 |
| Budgeted amortization of capital assets (expense) | \$208,700 | \$0 | \$0 | | \$0 | \$0 | | | |
| Budgeted capital revenue recognized | \$0 | \$0 | \$0 | | \$0 | \$0 | | | |
| Budgeted changes in Endowments | \$0 | \$0 | \$0 | | \$0 | \$0 | | | |
| Budgeted unsupported debt principal repayment | \$0 | \$0 | \$0 | | \$0 | \$0 | | | |
| Projected reserves transfers (net) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Projected assumptions/transfers of operations | \$6,300 | \$0 | \$0 | (\$6,300) | \$0 | \$0 | \$0 | \$0 | \$0 |
| Increase in (use of) school generated funds | \$0 | \$0 | \$0 | | \$0 | \$0 | | \$0 | \$0 |
| New school start-up costs | \$0 | \$0 | \$0 | | \$0 | \$0 | | \$0 | \$0 |
| Decentralized school reserves | \$0 | \$0 | \$0 | | \$0 | \$0 | | \$0 | \$0 |
| Non-recurring certificated remuneration | \$0 | \$0 | \$0 | | \$0 | \$0 | | | |
| Non-recurring non-certificated remuneration | \$0 | \$0 | \$0 | | \$0 | \$0 | | | |
| Non-recurring contracts, supplies & services | \$0 | \$0 | \$0 | | \$0 | \$0 | | | |
| Professional development, training & support | \$0 | \$0 | \$0 | | \$0 | \$0 | | | |
| Salary negotiation expenses | \$0 | \$0 | \$0 | | \$0 | \$0 | | | |
| Full-day kindergarten | \$0 | \$0 | \$0 | | \$0 | \$0 | | | |
| English language learners | \$0 | \$0 | \$0 | | \$0 | \$0 | | | |
| First nations, Metis, Inuit | \$0 | \$0 | \$0 | | \$0 | \$0 | | | |
| OH&S / wellness programs | \$0 | \$0 | \$0 | | \$0 | \$0 | | | |
| B & S administration organization / reorganization | \$0 | \$0 | \$0 | | \$0 | \$0 | | | |
| Debt repayment | \$0 | \$0 | \$0 | | \$0 | \$0 | | | |
| Fort McMurray wild fire related costs (unfunded) | \$0 | \$0 | \$0 | | \$0 | \$0 | | \$0 | \$0 |
| Non-salary related programming costs (explain) | \$0 | \$0 | \$0 | | \$0 | \$0 | | | |
| Repairs & maintenance - School building & land | \$0 | \$0 | \$0 | | \$0 | \$0 | | | |
| Repairs & maintenance - Technology | \$0 | \$0 | \$0 | | \$0 | \$0 | | | |
| Repairs & maintenance - Vehicle & transportation | \$0 | \$0 | \$0 | | \$0 | \$0 | | | |
| Repairs & maintenance - Administration building | \$0 | \$0 | \$0 | | \$0 | \$0 | | | |
| Repairs & maintenance - POM building & equipment | \$0 | \$0 | \$0 | | \$0 | \$0 | | | |
| Repairs & maintenance - Other (explain) | \$0 | \$0 | \$0 | | \$0 | \$0 | | | |
| Capital costs - School land & building | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Capital costs - School modernization | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Capital costs - School modular & additions | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Capital costs - School building partnership projects | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Capital costs - Technology | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Capital costs - Vehicle & transportation | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Capital costs - Administration building | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Capital costs - POM building & equipment | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Capital costs - Other | Reallocate to Row 41-48 or Describe Asset (\$215,000) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Building leases | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other 1 - please use this row only if no other row is appropriate | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other 2 - please use this row only if no other row is appropriate | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other 3 - please use this row only if no other row is appropriate | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other 4 - please use this row only if no other row is appropriate | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Estimated closing balance for operating contingency | (\$0) | (\$0) | (\$0) | \$329,464 | \$329,464 | \$329,464 | \$0 | \$0 | \$0 |
| Total surplus as a percentage of 2018 Expenses | 4.84% | 4.84% | 4.84% | | | | | | |
| ASO as a percentage of 2018 Expenses | 4.84% | 4.84% | 4.84% | | | | | | |

**ANTICIPATED CHANGES IN ACCUMULATED OPERATING SURPLUS (SUPPLEMENTARY DETAIL)
for the Year Ending August 31**

The following provides further explanation of the anticipated changes to each component of AOS for the 2016/2017, 2017/2018, 2018/2019, and 2019/2020 years as outlined on pages 6 and 7. Please provide information on the acquisition of significant unsupported capital, non-recurring project expenditures, and intended use of funds to August 31, 2020. Note that unrestricted surplus, operating reserves, and/or capital reserves should include the jurisdiction's contingency for unexpected or emergent issues.

Additional detail on uses of Accumulated Operating Surplus:

2016/2017

Provide an explanation of material changes from the fall budget update originally submitted in November, 2016 for annual operating surplus (deficit), capital acquisitions, endowments, and/or other changes affecting unrestricted surplus, operating reserves, and capital reserves.

Reason for operating surplus:

Connect Charter School Society has reduced our operating reserve to 5% from 2013-14 levels of 8%, respecting the direction from Alberta Education to reduce operating reserves. We require a minimum reserve of 5% in order to make payroll and sustain cash flow, as we are not able to acquire an operating line of credit. Monthly payroll is \$375,000 and our AOS is \$329,000. Accordingly, we cannot draw down our operating reserve any further as we would risk defaulting on payments.

2017/2018

Please provide additional detail regarding uses of unrestricted surplus, operating reserves, and capital reserves not described on pages 6 and 7.

Reason for operating surplus:

Connect Charter School Society has reduced our operating reserve to 5% from 2013-14 levels of 8%, respecting the direction from Alberta Education to reduce operating reserves. We require a minimum reserve of 5% in order to make payroll and sustain cash flow, as we are not able to acquire an operating line of credit. Monthly payroll is \$375,000 and our AOS is \$329,000. Accordingly, we cannot draw down our operating reserve any further as we would risk defaulting on payments.

**ANTICIPATED CHANGES IN ACCUMULATED OPERATING SURPLUS (SUPPLEMENTARY DETAIL)
for the Year Ending August 31**

The following provides further explanation of the anticipated changes to each component of AOS for the 2016/2017, 2017/2018, 2018/2019, and 2019/2020 years as outlined on pages 6 and 7. Please provide information on the acquisition of significant unsupported capital, non-recurring project expenditures, and intended use of funds to August 31, 2020. Note that unrestricted surplus, operating reserves, and/or capital reserves should include the jurisdiction's contingency for unexpected or emergent issues.

Additional detail on uses of Accumulated Operating Surplus:

2018/2019

Please provide additional detail regarding uses of unrestricted surplus, operating reserves, and capital reserves not described on pages 6 and 7.

Connect Charter School Society cannot reduce its operating reserve below our current 5% level, as we require a minimum reserve of 5%, \$329,000, to ensure we make the payroll of \$375,000. We are not able to acquire an operating line of credit.

2019/2020

Please provide additional detail regarding uses of unrestricted surplus, operating reserves, and capital reserves not described on pages 6 and 7.

Connect Charter School Society cannot reduce its operating reserve below our current 5% level, as we require a minimum reserve of 5%, \$329,000, to ensure we make the payroll of \$375,000. We are not able to acquire an operating line of credit.

August 31, 2020

Describe the jurisdiction's intended use of unrestricted surplus, operating reserves, and capital reserves balances expected as at August 31, 2020.

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

| | Budgeted 2017/2018 (Note 2) | Actual 2016/2017 | Actual 2015/2016 | Notes |
|---|--|-----------------------------|-----------------------------|---|
| GRADES 1 TO 12 | | | | |
| Eligible Funded Students: | | | | |
| Grades 1 to 9 | 620 | 613 | 605 | Head count |
| Grades 10 to 12 | | | - | Note 3 |
| Total | 620 | 613 | 605 | Grades 1-12 students eligible for base instruction funding from Alberta Education. |
| Percentage Change | 1.1% | 1.3% | | |
| Other Students: | | | | |
| Total | | | - | Note 4 |
| Total Net Enrolled Students | 620 | 613 | 605 | |
| Home Ed and Blended Program Students | | | - | Note 5 |
| Total Enrolled Students, Grades 1-12 | 620 | 613 | 605 | |
| Percentage Change | 1.1% | 1.3% | | |
| Of the Eligible Funded Students: | | | | |
| Students with Severe Disabilities | 1 | 3 | 2 | FTE of students with severe disabilities as reported by the board via PASI. |
| Students with Mild/Moderate Disabilities | 95 | 93 | 90 | FTE of students identified with mild/moderate disabilities as reported by the board via PASI. |

EARLY CHILDHOOD SERVICES (ECS)

| | | | | |
|--|------|------|---|---|
| Eligible Funded Children | | | - | 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 | - | - | - | |
| 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: | | | | |
| Students with Severe Disabilities | | | - | FTE of students with severe disabilities as reported by the board via PASI. |
| Students with Mild/Moderate Disabilities | | | - | FTE of students identified with mild/moderate disabilities as reported by the board via PASI. |

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 2016/2017 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 AANDC (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 2017/2018 | Actual 2016/2017 | Fall Budget 2016/2017 | Actual 2015/2016 | Notes |
|---|-----------------------|---------------------|--------------------------|---------------------|--|
| CERTIFICATED STAFF | | | | | |
| School Based | 35.0 | 35.9 | 35.6 | 35.7 | Teacher certification required for performing functions at the school level. |
| Non-School Based | 0.6 | 0.6 | 0.6 | 0.6 | Teacher certification required for performing functions at the system/central office level. |
| Total Certificated Staff FTE | 35.6 | 36.5 | 36.2 | 36.3 | FTE for personnel possessing a valid Alberta teaching certificate or equivalency. |
| Percentage change from prior period | -2.3% | 0.4% | -1.7% | -0.3% | |
| If an average standard cost is used, please disclose rate: | | | | | |
| Student F.T.E. per certificated Staff | 17.4 | 16.8 | | 16.7 | |
| Certificated Staffing Change due to: | | | | | |
| | Please Allocate | Please Allocate | | | |
| | (0.9) | 0.3 | | | |
| Enrolment Change | - | - | (0.1) | | If negative change impact, the small class size initiative is to include any/all teachers retained. |
| Small Class Size Initiative | - | - | n/a | | If enrolment change impact on teacher FTEs is negative, include any/all teachers retained. |
| Other Factors | (0.9) | 0.3 | n/a | | Descriptor (required): Part time teaching assignments totalled more than 1.0 FTE; counselling position absorbed in admin positions |
| Total Change | (0.9) | 0.3 | n/a | | Year-over-year change in Certificated FTE |
| Breakdown, where total change is Negative: | | | | | |
| Continuous contracts terminated | (0.6) | - | n/a | | FTEs |
| Non-permanent contracts not being renewed | - | - | n/a | | FTEs |
| Other (retirement, attrition, etc.) | - | - | n/a | | Descriptor (required): |
| Total Negative Change in Certificated FTEs | (0.6) | - | n/a | | Breakdown required where year-over-year total change in Certificated FTE is 'negative' only |
| | Please Allocate | | Please Allocate | | |
| NON-CERTIFICATED STAFF | | | | | |
| Instructional | 7.0 | 6.0 | 6.0 | 5.7 | Personnel providing instruction support for schools under 'Instruction' program areas. |
| Plant Operations & Maintenance | 3.9 | 3.9 | 3.9 | 3.9 | Personnel providing support to maintain school facilities |
| Transportation | 0.2 | 0.2 | 0.2 | 0.2 | Personnel providing direct support to the transportation of students to and from school |
| Other | 1.4 | 1.4 | 0.9 | 1.0 | Personnel in Board & System Admin. and External service areas. |
| Total Non-Certificated Staff FTE | 12.5 | 11.5 | 11.0 | 10.8 | FTE for personnel not possessing a valid Alberta teaching certificate or equivalency. |
| Percentage Change | 8.7% | 6.7% | 13.6% | 2.0% | |
| Explanation of Changes: | | | | | |
| Another Ed. Assistant hired in 2017/18 due to additional mild/moder. learners; .5 FTE in Board and System Admin due to position chang from contractor to employee status. | | | | | |
| Additional Information | | | | | |
| Are non-certificated staff subject to a collective agreement? <input type="text" value="No"/> | | | | | |
| Please provide terms of contract for 2017/18 and future years for non-certificated staff subject to a collective agreement along with the number of qualifying staff FTE's. | | | | | |
| Non-cert staff on on a grid which mirrors collective agreements in Alberta | | | | | |

**BOARD AND SYSTEM ADMINISTRATION
2017/2018 EXPENSES UNDER (OVER) MAXIMUM LIMIT**

TOTAL EXPENSES (From "Total" column of Line 28 of Schedule of Program Operations)

Enter Number of Net Enrolled Students:

Enter Number of Funded (ECS) Children:

Enter "C" if Charter School

C

STEP 1

Calculation of maximum expense limit percentage for Board and System Administration expenses

If "Total Net Enrolled Students" are 6,000 and over = 3.6%

If "Total Net Enrolled Students" are 2,000 and less = 5.4%

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .00045 per FTE (Example: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .00045 = 0.675% plus 3.6% = maximum expense limit of 4.28%).

STEP 2

A. Calculate maximum expense limit amounts for Board and System Administration expenses

Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES

B. Considerations for Charter Schools and Small School Boards:

If charter schools and small school boards,

The amount of Small Board Administration funding (*Funding Manual* Section 1.13)

2017/2018 MAXIMUM EXPENSE LIMIT (the greater of A or B above)

Actual Board & System Administration from G31 of "Budgeted Statement of Operations"

Amount Overspent

| |
|--------------------|
| |
| |
| \$6,808,645 |
| |
| 620 |
| 0 |
| |
| 5.40% |
| |
| |
| \$367,667 |
| |
| \$206,677 |
| \$367,667 |
| |
| \$342,462 |
| |
| \$0 |
| |

45

5.03%