

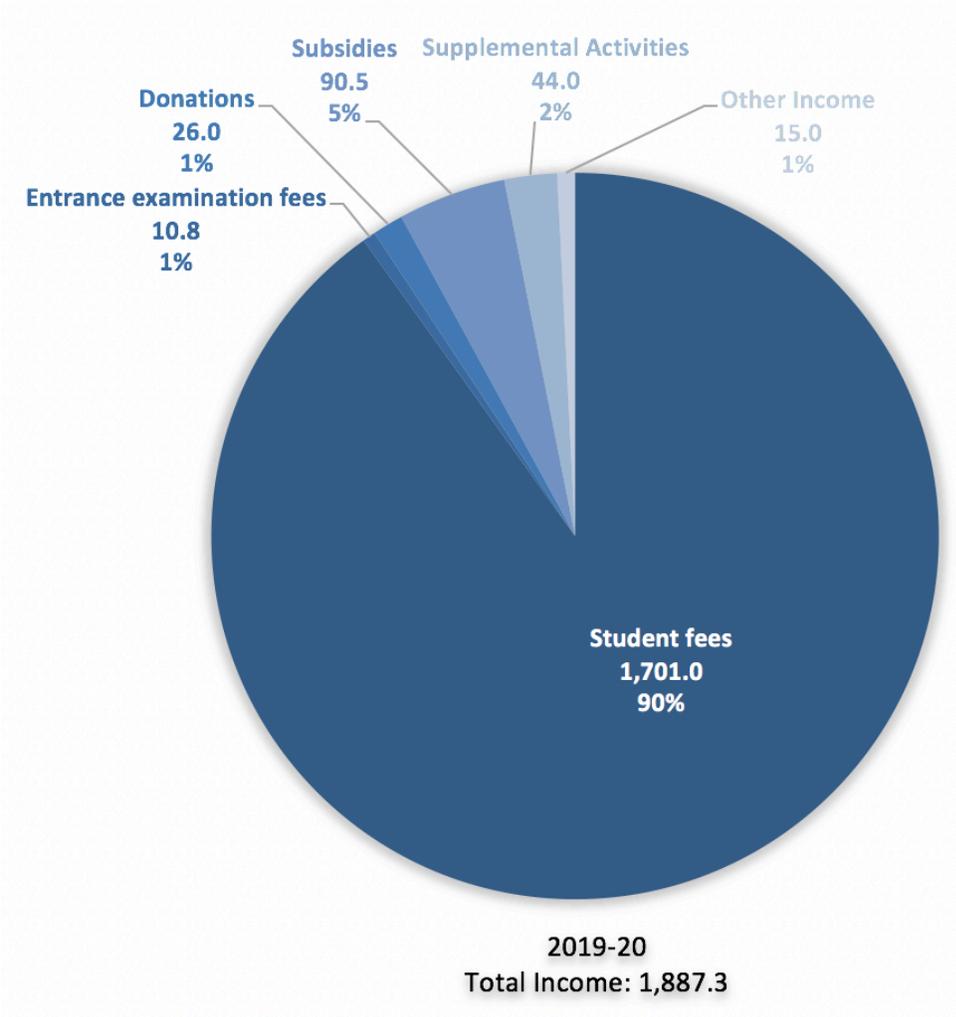
CA 210: The 2019-20 Budget

The school’s budget for 2019-20 and schedule of fees have been approved by the Board of Trustees and school fee invoices will be mailed to homes next week. This article offers highlights on the budget and fee schedule to help explain how we manage the funds entrusted to us by our students’ families. Our goal, when allocating funds, is to achieve our mission -- inspiring students to inquire, reflect and choose to compassionately impact the world – while balancing our educational programs and the financial health of the school with the understanding that most of our families are self-paying school fees.

Revenue and expenses

Like any budget, the Canadian Academy budget can be divided into revenues and expenses.

Revenues

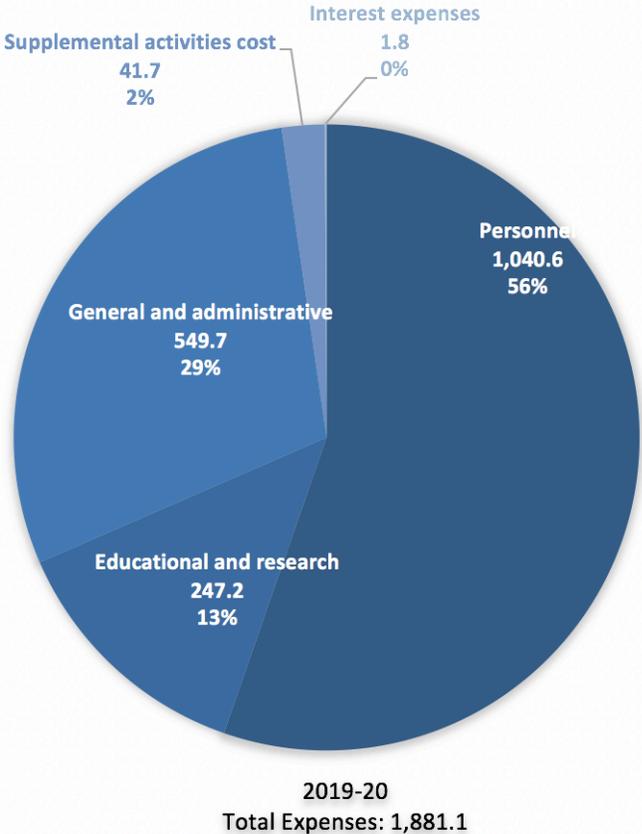


We have budgeted for ¥1.887 billion in total revenues for the 2019-20 school year. Our revenues come primarily from student fees: the tuition, building and development fee as well as registration and application fees for new students. Next year, we have budgeted for 625 students – a decrease of 15 from the current year’s budget. At this point, for 2019-20, a total of 610 students have been accepted and 38 applications are pending. The anticipated lower enrollment is a result of demographics and business activity in Kansai.

Another source of revenue is grant income from Kobe City, Hyogo prefecture, and the US State Department. Local governments have been generous to the school and have increased their support without which our tuition rates would be higher. Other income includes donations, application fees, and supplemental activities such as the dormitory and rental of our fields to outside groups.

Expenses

We have allocated for ¥1.881 billion in expenses for the 2019-20 school year. Personnel always make up the largest category. To provide an excellent education, we must hire excellent teachers. This requires competitive salaries and benefits packages.



The budget is prepared according to Japan school accounting standards which affects the presentation of these numbers. For example, if international reporting standards were applied, personnel costs would comprise 63% of the total and General &

Administrative (G&A) costs would be 22% of the total. Staff costs are about average for the schools we benchmark against.

Education and Research costs includes curricular materials, supplies, books, school trips, faculty development, and other student-related expenses. Items in the G&A category include maintenance and operation of the buildings and grounds, certain staff benefits, utilities and technology support, among other items.

Understanding School Fees

The fee schedule for 2019-20 follows with full details on the school's website.

SCHEDULE OF FEES			
Current Students	Annual Tuition	Building & Development	TOTAL
Pre-K3 (half-day)	¥1,550,000	¥250,000	¥1,800,000
Pre-K3 (full-day)	¥1,850,000	¥250,000	¥2,100,000
Kindergarten A	¥1,850,000	¥250,000	¥2,100,000
Kindergarten B	¥2,100,000	¥250,000	¥2,350,000
Grades 1-5	¥2,100,000	¥250,000	¥2,350,000
Grades 6-8	¥2,500,000	¥250,000	¥2,750,000
Grades 9-11	¥2,500,000	¥250,000	¥2,750,000
Grade 12	¥2,650,000	¥250,000	¥2,900,000

Tuition rates for 2019-20 have increased 2.5% on average which is below the 3% of the last few school years. The increase is a bit higher in the Elementary and High Schools and much lower in the Middle School. The Building and Development Fee is increased by 0.5%.

The fees will support the full CA experience complete with:

- An educational program of a well-established and resources 3-program IB school, internships, mentorships, and artists in residence.
- Top educators
- Diverse student body
- Expansive facilities
- Athletic opportunities
- Arts: Visual and performing
- Cultural and Service Trips

The school will also undertake a significant renewal project for the building infrastructure - a project that will be described in more detail in the next few weeks.

Parents sometimes ask why fees must rise more than Japan's inflation rate. The answer is that inflation only affects our costs to a limited extent. The salary and benefits packages offered by international schools worldwide and the cost of maintaining and improving our aging campus continue to rise. The international school market is increasingly competitive, so we strive to hire the best teachers and offer the best facilities.

We recognize that our fees must remain competitive with those of other international schools. So each year we determine our average cost of attendance and benchmark this against comparable schools' fees in Japan and in the Asia Pacific Activities Conference. We discussed this in more detail in [CA 209: The cost of education at CA](#).

Payment schedule

School fee invoices will be issued during the week of 13 May.

The school now offers two payment options for parents paying privately:

Option 1: Full payment by July 1st.

Option 2: Six (6) Installments by Bank Draft

The installment option, introduced last year, has been quite popular. Parents requesting an installment plan should visit the Business Office and complete the required banking form at least 6 weeks before the first payment date.

Companies sponsoring students must pay in full by July 1st.

We now ask for payments by July 1, 2019, rather than closer to the start of the school year in August so that we can offer timely notice to applicants in the waiting pool.

We hope that this article helps parents understand the school's priorities in determining the 2019–20 budget. Questions or comments about the new budget, or ideas for future finance articles, are welcome and can be sent to wscarborough@canacad.ac.jp. Thank you.