

NORTHAM CATHOLIC SCHOOL BOARD 2018 BUDGET REPORT

1.0 Summary

Description	Amount
Recurrent income see 1.1	\$8,672,000
Recurrent costs see 1.2	\$7,478,000
Recurrent surplus/(deficit)	\$1,194,000
Capital income see 1.3	\$ 161,000
Capital costs see 1.4	\$3,440,000
Capital surplus/(deficit)	(\$3,279,000)
Total surplus/(deficit)	(\$2,085,000)
Opening cash & FTD balance	\$3,800,000
Closing cash & FTD balance	\$1,715,000
Allocated as follows:	
January 2019 salaries	\$ 400,000
IT budget 2019	\$ 100,000
Deferred maintenance 2019	\$ 100,000
Stage 10 CDP 2021	\$1,115,000

For the year ending 31 December 2018, we will have deficit of (\$2,085,000). But for the Stage 9 costs of \$2,530,000 and the non-cash Depreciation charge of \$413,000, it would have been a reconstructed surplus of \$858,000.

This reconstructed surplus is being held over for our next CDP Stage 10 in 2021. We need to raise approximately \$1,500,000 to fund Stage 10, which will enable us to borrow an additional \$1,500,000 to complete Stage 10 at a cost of \$3,000,000.

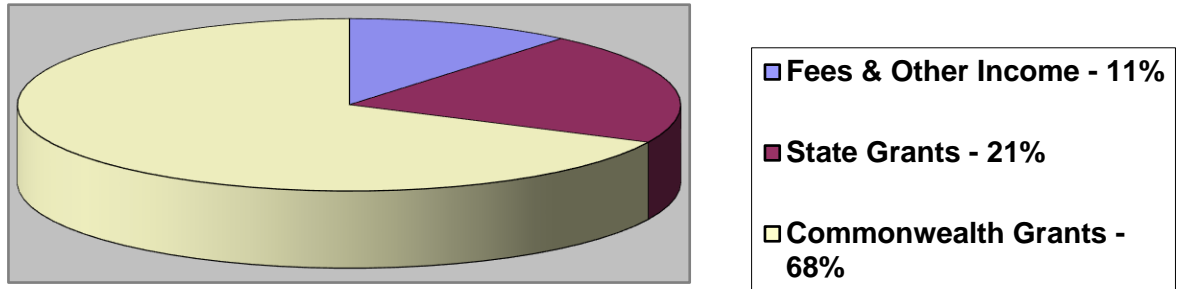
Income has gone up, mainly due to an increase in the State and Commonwealth Grants and increased student numbers in 2018.

Expenses have gone up, mainly due to a Salary increase of 2.5%.

Capital costs include allocations for recurrent improvements, priorities funded by the Capital Improvement Levy (Primary Rooms 11&13 vinyl, Primary Rooms 9, 11 & 13 reverse cycle air conditioners, Primary room 12 desks and Secondary lockers) and priorities from the ICT Committee (ICT).

1.1 Recurrent Income - \$8,672,000

Percentage of Recurrent Income



Fees (less discounts and adjustments) and Other Income (including canteen and uniform gross profit without wages) (\$958,000 – 11%) have gone up, as we have higher student numbers (650 in 2017, 674 in 2018) (35 Pre-Kindy, 60 Kindy, 317 Pre-Primary-Year 6, and 262 Year 7- Year 12).

We have full classes in most Years and waiting lists for some Years. We have 20 more Kindy students and have retained more students from Year 10 into Year 11.

We have increased Tuition Fees by 2% (per Catholic Education Western Australia (CEWA) advice). CEWA have instigated a new Fee Policy with the following major changes:

- Kindy fees have dropped from \$1,040 in 2017, to \$765 in 2018. This is so the fee is 0.6 of the Primary Tuition fee. This has reduced the Tuition fees by \$20,000.
- Concessional Card Discounts (HCC/Pensioner Cards/DVA) now includes all additional fees and levies, except for excursions and camps.
- Concessional Card Building Levy for Kindy and Primary Students has dropped from \$250 in 2017, to \$90 in 2018.
- These two Concessional Card changes combined, have increased the HCC Discount by \$60,000.

The Family Levies are based on 370 families (368 in 2017) from Kindy to Year 12.

The State Grants (\$1,831,000 – 21%) has been indexed by 1.27% and are also higher due to increased student numbers.

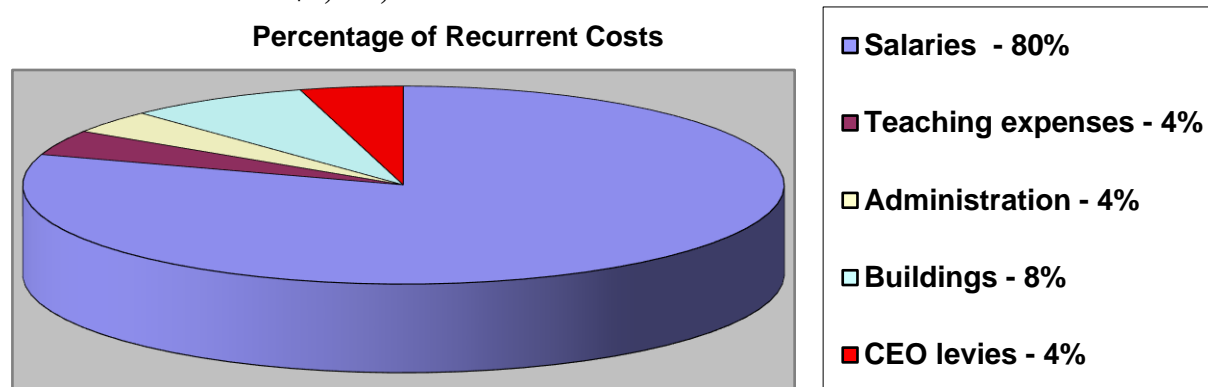
The Commonwealth Grants (\$5,883,000 – 68%) has been indexed by 3.8% and are also higher due to increased student numbers.

Due to the increase in the Concessional Card Discounts about, the HCC rebate was increased by CEWA to compensate for schools that have a large percentage of students on a HCC (21% in 2017). This has increased the rebate by \$70,000.

Due to our level of income and Building Levy collections, we no longer qualify for Debt Servicing assistance, which has resulted in a Grant reduction of \$20,000.

To compensate for the reduction in the Kindy fees above, CEWA increased the Universal Access Grant by \$200 per student, increasing the Grant by \$10,000.

1.2 Recurrent Costs - \$7,478,000



Salaries (\$5,981,000 – 80%) uses up 78% of the State and Government Grants received. The salaries have gone up by 2.5%. CEWA said salaries should represent no more than 75% of recurrent income. Our ratio is 69%.

Teaching expenses (\$308,000 – 4%) includes Departmental costs, Library costs and payments for excursions, incursions and camps.

Administration (\$285,000 - 4%) includes costs for items such as catering, computer consumables and postage.

Buildings (\$577,000 – 8%), represent costs incurred in the cleaning and upkeep of the buildings and grounds, vehicle costs and infrastructure costs such as insurance, water, electricity and rates.

CEO levies (\$327,000 – 4%) includes CEO Service fees, Copyright, CBF and Cathednet levies. The Cathednet levy has increased by \$53,000 to cover the costs of the new Leading Lights platform.

1.3 Capital income - \$161,000

The Building Levy (\$94,000) helps cover around 48% of the Principal and Interest (\$195,000) on the School's long-term loans taken out to finance facility development. The balance of the Principal and Interest is covered from recurrent income (\$101,000).

The Building Levy is set at 20% of the Primary Tuition, as per CEWA guidelines, so has increased by 2% with the increase in Primary Tuition.

The Capital Improvement Levy (\$55,000) helps fund targeted projects, which the School is unable to fund from recurrent income. The projects for 2018 are Primary Rooms 11&13 vinyl, Primary Rooms 9, 11 & 13 reverse cycle air conditioners (with P&F donation \$12,000), Primary room 12 desks and Secondary lockers.

1.4 Capital Costs - \$3,440,000

We have the following capital costs:

- Primary room 11 & 13 vinyl - \$14,000
- Primary IT room air conditioner - \$2,000
- Primary rooms 9, 11 & 13 air conditioners - \$20,000
- Primary room 13 desks - \$7,000
- Primary PAC display - \$1,000
- Primary room 14 pinups - \$1,000
- Primary server upgrade - \$1,000
- Primary Wi-Fi - \$34,000
- Primary & Secondary Teacher laptops - \$50,000
- Primary & Secondary support staff desktops - \$9,000
- Primary & Secondary music equipment - \$2,000
- Secondary computer access points upgrade - \$8,000
- Secondary lockers - \$3,000
- Secondary F&N dishwasher - \$1,000
- Secondary Art printing presses - \$3,000
- Secondary D&T spot welder - \$4,000
- Secondary D&T sander - \$3,000
- Secondary Science electrophoresis - \$3,000
- VOIP handsets - \$1,000
- Principal motor vehicle - \$25,000
- General grounds - \$10,000
- General building - \$10,000
- General painting - \$20,000
- General roofing - \$20,000
- General furniture - \$20,000
- General IT - \$10,000
- General AppleTV upgrades - \$10,000
- General plant - \$10,000
- Principal and interest on School's long term loans - \$195,000
- Depreciation on fixed assets - \$413,000
- Stage 9 - \$2,530,000

With the introduction of the Australian Charities and Not-for-Profit Commission (ACNC), all Secondary and Composite schools were required to charge Depreciation on their fixed assets. We have created our first budgeted charge for Depreciation in 2018, amounting to \$413,000.

Our LIL for Stage 3 will be paid off in full in 2018.

We are embarking on our next building programme Stage 9 in 2018. This is the building of 4 GPLA's and additional oval space at Secondary,3818 at a total cost of \$2,530,000.