

NORTHAM CATHOLIC SCHOOL BOARD 2020 BUDGET REPORT

1.0 Summary

Description	Amount
Recurrent income see 1.1	\$9,756,000
Recurrent costs see 1.2	\$9,767,000
Recurrent surplus/(deficit)	(\$11,000)
Capital income see 1.3	\$1,130,000
Capital costs see 1.4	\$2,624,000
Capital surplus/(deficit)	(\$1,494,000)
Total surplus/(deficit)	(\$1,505,000)
Opening cash & FTD balance	\$3,000,000
Add back non cash depreciation & doubtful debts	\$ 705,000
Closing cash & FTD balance	\$2,200,000
Allocated as follows:	
January 2020 salaries	\$ 600,000
Deferred IT 2020	\$ 100,000
Deferred maintenance 2020	\$ 100,000
Vehicle replacement 2022	\$ 35,000
Other reserves	\$1,365,000

For the year ending 31 December 2020, we will break even, with a small recurrent deficit of \$11,000.

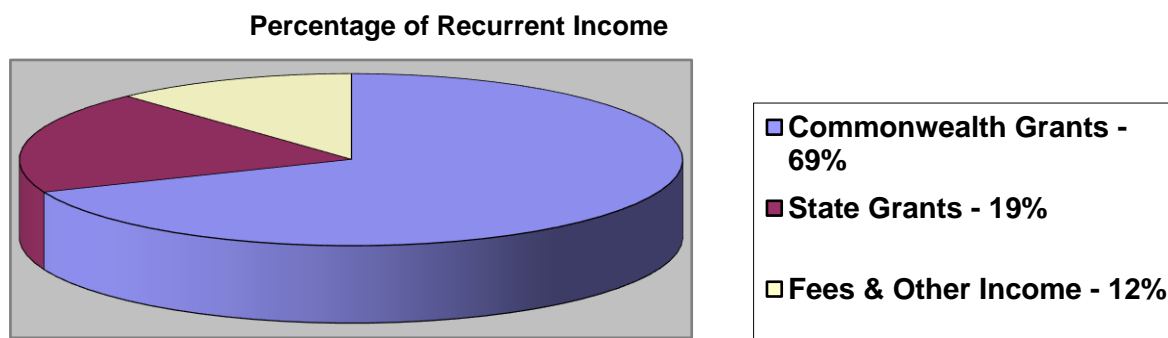
Our next Stage 11 building programme will start in 2020 and total costs of around \$2,379,000 are included in capital costs, with a loan drawdown of \$1,130,000 in capital income.

The costs for facility development and for Stage 9 and 11 building programmes (net of the loan drawdown), creates a capital deficit of \$1,494,000.

We are using carry forward reserves of \$3,000,000 to cover both deficits and when you add back non-cash depreciation, we have \$2,200,000 in reserve at the end of 2020.

Of this reserve, \$835,000 needs to be locked away for deferred salaries and maintenance per CEWA guidelines, leaving usable reserves of \$1,365,000.

1.1 Recurrent Income - \$9,756,000



Commonwealth Grants (\$6,710,000 – 69%) have been increased by 1.7%.

State Grants (\$1,892,000 – 19%) have reduced, as the State Government claws back funding of 2.1% from Catholic Schools, as they believe the sector is overfunded.

Catholic Education Western Australia (CEWA) have recommended a fee increase of 6%, to compensate for the reduction in State Grants. The school has applied a 3% increase to the Tuition fees and Building levy.

Fees (less discounts and adjustments) and Other Income (including canteen and uniform gross profit without wages) (\$1,154,000 – 12%) have gone up accordingly, with the increase in Tuition fees and Building levy.

Student numbers are budgeted very conservatively and are about the same, but we have applied to CEWA to remove two split classes in Primary, making Primary double stream, creating extra capacity to increase enrolments in these classes (679 in 2020, 673 in 2019) (14 Pre-Kindy, 40 Kindy, 335 PP-Year 6, and 290 Yr 7-Yr 12).

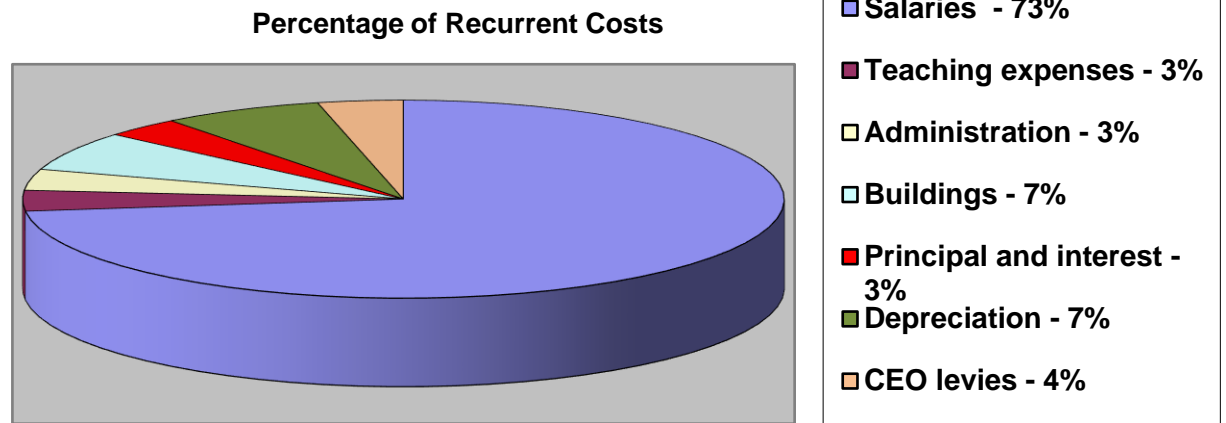
To increase subject selection for Yr 11 and 12, the school offers subjects that are conducted on-line through CEWA VISN. There is a fee per student attached to each subject, so to defray a small proportion of the costs, the school has introduced a VISN fee of \$300 per VISN subject.

Family levies are part of the fees above and are based on 390 families (370 in 2019) from Kindy to Year 12.

The Building levy helps cover around 32% of the Principal and Interest on long-term loans and leases taken out to finance facility development. The balance of the Principal and Interest is covered from recurrent income. The Building levy is set at 20% of the Primary Tuition, as per CEWA guidelines, so was increased by 3% as advised above.

The Capital improvement levy helps fund targeted projects, which the school is unable to fund from recurrent income. The levy will help in the costs of furnishing Stage 9 and Stage 11 building programmes.

1.2 Recurrent Costs - \$9,767,000



Salaries (\$7,133,000 – 73%) uses up 83% of the State and Government Grants received. CEWA advised salaries should represent no more than 75% of recurrent income. Our ratio is 73%.

The quantum of salaries have gone up considerably from 2019. Apart from a general pay rise of 1.5%, salaries have increased to staff the proposed extra classes in Primary. Salaries have also increased, as the school has decided to employ extra teachers at Secondary, to offer more subject choices for Yr 11 and Yr 12, and to support the Yr 11 and 12 students doing VISN. The school has also decided to employ more EA's, to support the increased number of students with disabilities.

Teaching expenses (\$330,000 – 3%) includes Departmental costs, Library costs and payments for excursions, incursions and camps.

Administration (\$336,000 - 3%) includes costs for items such as catering, computer consumables and postage.

Buildings (\$628,000 – 7%), 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.

Principal and interest on long-term loans and leases (\$318,000 - 3%).

Depreciation and minor capital costs (\$668,000 - 7%).

CEO levies (\$354,000 – 4%) includes CEO Service fees, Copyright, CBF and IT levies.

1.3 Capital income - \$1,130,000

To help fund Stage 11 building programme, the school has been given permission to borrow \$1,130,000 from the CDF. The school is funding the balance of Stage 11, from reserves carried over from 2019.

1.4 Capital Costs - \$2,624,000

We have the following capital costs:

- General improvements - \$72,000
- General furniture - \$20,000
- General IT - \$72,000
- General plant - \$12,000
- Primary room 8 new class - \$24,000
- Stage 9 furniture - \$45,000
- Stage 11 building, furniture, IT, plant and other costs - \$2,379,000

We are finalising our current Stage 9 building programme in 2019 and will start our Stage 11 building programme in 2020.