

Treasurer's Report
Draft: accounts yet to be audited

Kerry Street Community School

2008 Financial Year

Profit and Loss

We made a significant loss this year. Fortunately, we had some money saved and were able to cover the loss.

Our loss on the profit and loss statement is \$40 410. In fact, the real loss is more, due to the following items:

- ♦ Invoices paid in Jan 2009 for superannuation and rent for 18 Forrest Rd (\$5000)
- ♦ Capital grant for kitchen, funds allocated to 2007 (\$2700)
- ♦ Grant for kitchen garden (received \$5000, spent only \$2000)

So our actual loss for 2008 is \$51 110.

Our student numbers were a little down last year. Our income is composed primarily (85% – 90%) of commonwealth and state per capita grants (per capita meaning per student enrolled on the day of census in February and August). So student numbers are the critical factor in economic stability.

The loss, in terms of expenditure, can be attributed to two main items; kitchen renovations and salaries.

The total cost for the kitchen exceeded the grant by \$27 400, of which \$17 000 was the amounts paid for the stainless steel work and plumbing, paid directly to the contractors after the builder went into administration, even though this work was part of the building contract, which had been fully paid for. This was an unfortunate circumstance but the council determined it as the best course of action, both practically and ethically. We had planned to spend about \$10 000 of our money on the kitchen from the beginning of the project.

Our salaries in 2008 were \$45 700 more than 2007. Some increase was to be expected, of the order of \$15 000, but not this much. In 2009 we will have to reduce teacher hours to reduce our expenditure. Alternately, or as well, we can reduce salaries, closer to the award rate. I do not recommend this. Currently we are paying 10% over the Independent Schools' Award. The State School Teachers' Award is roughly 30% higher than the Independent School Teachers' Award, so our salaries are still significantly lower than those of teachers in state and Catholic schools. AISWA recommends all schools pay over the award if they can, and as close to the state award as possible.

Future plans for staffing and salaries must be considered, as a new National Award for Independent Schools is being developed. In this award, although the step amounts are similar to the current Western Australian award, there is no provision for two and three

year trained teachers to stop at an intermediate step, as they currently do, and they will proceed to the highest level. Three of our teachers are in this situation.

We have also had our SES score reassessed for the funding period 2009 to 2012 and have gone from 96 to 97. The SES score is determined by where enrolled students live (by postcode) and the lower your score, the more Federal Government funding is paid to you. As our score has gone up, we will receive a little less funding per student over the next four years. They will not actually decrease our funding, but they will not increase it with the cpi, until we are at the reassessed level.

Balance of Funds and Solvency

At the end of 2008, we had \$40 945 in the bank.

I paid invoices for \$5000 in January that I would normally have paid in December and \$3000 is set aside for the kitchen garden. About \$20 000 is allocated to long service leave; no staff members have indicated plans to take long service leave in 2009.

We don't owe any money and we own the land and buildings of the school.

The state and federal governments pay us a large sum in January, so we have liquidity. This may be challenged in the middle of the year, depending how the grants for building and refurbishment are paid to us, but I feel confident we can negotiate with AISWA about this.

Although we have less back up money than we have had for a few years, we are still financially stable.

Audit

The school accounts were independently audited by Clive Lehmann of Marlow and Associates.

Annual General Meeting

The treasurer's report will be presented at the Annual General Meeting on Wednesday 25th March. If you have any questions about the school finances, please feel welcome to ask about them, before or at the meeting.

Kath Sugars
Treasurer
Kerry Street Community School Council