

Our Lady of Lourdes School
Treasurer's Report to the Annual General Meeting

21 November 2018

2017 Annual Financial Statements – Cash Accounting

The audited 2017 AFS were submitted to CEWA showing a final surplus of \$26,051 resulting from annual income in 2017 of \$2,652,000 and related expenditure of \$2,625,949.

2018 Financial Records – Accrual Accounting

With effect from 1 January 2018, the school has operated on the accrual accounting system, which replaces the cash accounting system that had been in use up until 2017. The changeover from cash to accrual accounting was mandated by CEWA, in order to keep Catholic schools in line with the requirements of the ACNC. The changeover was not a simple one and the 2018 and 2019 budgets have been more complicated than usual to prepare and enforce. It is important to note that because of the complexity of the change from cash to accrual accounting, and because of a time lag in the actual implementation and rollover date, some expenses have had to be budgeted at a much higher rate than usual in both years. This has had a negative effect on the bottom line in both budgets.

This year the holders of Health Care Cards received greater discounts on fees and amenities than they did in prior years. The school received some grant funding to contribute towards these discounts and help to cover costs.

Fees have been efficiently collected, thanks largely to families setting up and keeping to payment plans, using the Fee Payment Form. The Board is not concerned about any substantial outstanding debts at year end.

2019 Budget

Each year the Catholic Education Commission of WA determines and advises schools of a maximum percentage increase which applies to total private income, not just to the tuition fees. Schools are not permitted to exceed this percentage unless approval is granted from the Director of Catholic Education, Dr Debra Sayce. This advice also takes into account the school's particular proportions of private income, state grants and commonwealth grants.

Our Lady of Lourdes School's advised percentage increase for 2019 was 5% but the School Board has recommended and approved a **0% increase** in tuition fees. The cost of some third-party charges (Reading Eggs, Camp and Athletics) have been adjusted in order to cover direct costs.

Special needs funding will decrease in 2019, however the school will maintain the existing level of support for students and teachers.

The budget for 2019 has been approved by the School Board and will be submitted to CEWA by the end of term. With a 0% tuition fee increase and the added costs of transitioning from cash to accrual accounting, the 2019 budget shows a deficit balance. CEWA have authorised this deficit, because of the school's positive cash flow position.

This report submitted by: Vicki Paolo, Treasurer, OLOL School Board