

-MEMO-

RE: School Finances
November 24, 2023

To: Le Phare ES School Council Members
From: Chair (Jaya) and Vice Chair (Marianna)
CC: To be posted on the Council webpage

Dear Members,

We met with Principal Spearman to hear more about the school's finances. Brenda walked us through the key figures.

Here is the situation, as we understand it. Brenda can answer email questions or meet with Council to confirm or clarify these points.

The School's 3 main sources of income:

1. **District budget**

This is usually about \$24K per year. The school has been accumulating a deficit, starting around \$9K in 2018-19, up to \$22K in 2022-23, and a projected \$32K this year when the latest updates arrive. Last year in November, the school had already spent 62% of its annual budget - a telling trend.

The new info: The district is now allocating budgets in increments for many/all schools. This means Le Phare has only received about \$8K of the usual \$24K so far this year. Brenda seemed to expect a second increment but wasn't sure when or how much.

2. **School generated funds (SGF)**

This is incoming funds, like Council donations, student fees, HST rebates etc. Among this, \$1K in student fees will be spent this year on needed supplies (eg glue). The Breakfast Program is well-funded at the moment (\$1,500).

There is \$500 left over from our French readers donation that will be spent on French readers. (Not a cart or anything else, as was briefly mentioned the other night.)

Note that our donation for field trips last year of \$1,700 does not seem to appear here, and it isn't clear to Brenda why (as she was not here last year).

3. **Ministry grants**

These seem to fund things like physEd. This also includes school supplies, which were overspent by \$7K last year. This year Brenda is using these funds to their best potential, and not exceeding allocations.

What this means for the school:

- Le Phare has enough money to operate, but costs are being cut back. Brenda has reduced spending on things like supplies and of course photocopies.
- There are no funds for any resources, trips, programs, performances, equipment, activities, buses, etc. Enriching activities or items would rely entirely on Council-raised funds or Grants we secure.
- The School's debt is owed to the District (interest free). Brenda will meet with the district to agree to a repayment plan and will update us (and our new Principal).
- The School's acquisition card (visa) has been frozen, and supply orders will be overseen and approved by the district.

We discussed more on how this happened:

- Last June, Council learned from the VP that the school may have financial problems. Co-Chairs contacted the Principal - several times - to offer help and seek info. We did at first receive a list of possible cost pressures from the office staff, but when asked about the pressures, the Principal did not reply.
- Brenda was not here in previous years, so she has little insight. (Note: she is dedicated, experienced and transparent in trying to set a path.)
- A large portion of costs were incurred when staffing costs were miscoded years ago, and therefore these usually-recoverable costs were not recovered and now are unrecoverable.
- In general, Principals receive limited, if any, financial management training. (Luckily Brenda has 20 years' experience.)

Where Council can continue to help:

- Council discussed a money motion of \$7K to cover some immediate, known, restorative costs for the school, including:
 - the mural - which we agree was a frivolous expense when in debt (\$3,400)
 - the other half of Luv2Groove - which we offered last year but were refused (\$900)
 - Potentially busing costs, if any remain outstanding at this time (\$300)
 - The rest will remain unallocated until the School requests a specific amount for a defined cost.
- Ongoing fundraising guided by the family survey, and a focus on enriching activities or covering appropriate costs as agreed.

- Parents paying voluntary school fees and augmenting their own kids' school supplies can help.
- Grants! The music teachers are working on a big one right now. We should follow up on the Tech and PhysEd grants often. Corporate sponsors are also important.

Ideas for further transparency and allocation of Council funds:

- Council should avoid sending cheques to the School until a specific cost has been identified and incurred, with an invoice. (The School could make a proposal first before incurring the expense, but would be reimbursed rather than funded up-front.)
- Donations should be motioned and cheques to the school should be tracked by individual donations for specific items (not as lump sums).
- Council should be even more transparent with its spending - including posting Minutes online regularly, and preparing financial summary updates as appropriate.
- Council could include these financial management principles in its Constitution for future Councils to consider or adopt.

Next steps:

- Members can expect a money motion (via Google Form) as agreed this week:
 - \$7K for the school, to be held until invoices/known costs are firm;
 - plus \$1K for a holiday donation, distributed as discussed.
- Members can email Principal Spearman with questions (CC to the Council inbox and/or other Members is encouraged)
- Members can indicate if a meeting to discuss this is desired?
- Vice Chair and Treasurer have prepared two mini poster-format summaries of Council funds posted on the webpage.
- Members should finalize our Constitution.
- Co-Secretary/Vice Chair and Chair will prepare the next message to families with a light update on the budget and fundraising, with a link to this Memo posted on the web.

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