

## **Financial report (Brynn Thompson-Renz)**

(see also tables in the appendix)

A tax declaration for 2017-2019 was submitted in October 2020 and confirmation of the renewal of the PA's status as a nonprofit organization was received in January 2021.

This report will present both the school year 2019/2020 and the calendar year 2020.

### **Income Points:**

The only significant sources of income in both the school year (SY) 2019/2020 and calendar year (CY) 2020 were membership fees. Membership fees amounted to **9196.37€ in total in SY19/20** and **€6793.79 in total for CY2020** (€9720 in SY19/20 and €9620.39 in CY2019). Due to COVID-19, the other two significant sources of income, the Sommerfest (3962.64€ in 2019) and the Open Day (1587.11€ in 2018/2019) were not possible. These represent a loss of approximately 5549.75€ for SY19/20 and CY2020.

The PA also supports the sale of ID cards. **In SY19/20 this represented a loss of 600.63€** (due to supplies having been bought but income being incurred in Sept each year) and **in CY20 this represented a minimal loss of 72.75€** (income from three classes had not yet been passed on to the EV as of the lockdown).

In a normal year, the PA also raises funds through the Euroboutique. In SY19/20 and CY2020, investments were made in January and February 2020 in order to fill the inventory before the Open Day and the Sommerfest. **Due to COVID-19, the Euroboutique ended the school year with a result of -1251.07€.** However, the inventory is intact and able to be sold if/when school events resume. **This represents an approximate loss of income of ca 950€ based on income in SY18/19 and CY19.**

In both SY 19/20 and CY20, **the PA's largest expenditure was in the area of support for school projects at 4039.30€ and 3172.90€ respectively** (3456.38€ in 2019). All but 772€ were allocated and committed to before COVID lockdown in keeping with our normal pattern of support for school projects. **The second largest expenditure for both financial years was 1593.19€ and 1680€ for Interparents**, respectively. Even though Interparents reps were unable to travel to meetings during 2020, the Karlsruhe PA also pays an annual membership fee which was 1680€ for 2020. Though it is a healthy expense for the PA, membership in Interparents is invaluable for informational purposes and to collaborate on the future of the school. **Incidental expenses were also 1442.08€ in SY 19/20 and 1311.31€ in CY20** ( 6945.82€ in SY 18/19 and 4837.66€ in CY19).

A few but not all of the projects we supported the past school year were starting inventory for an economics project in Secondary, the annual Kangaroo Maths competition for all language sections years P3-5, access to Language Nut for Primary, the book prizes for the best in class in Secondary, and the Primary's ice skating trip, among other things.

Even though the Open Day did not take place, expenses of 240.95€ for refreshments were accrued in preparation. The refreshments were returned and the 240.95€ is a positive balance to be used in the future.

Funds were not drawn from the SAP donation for this reporting year. Bank fees of 46.80€ were paid in each financial year.

The social fund was used in 2020, for a total of €280. The PA did not receive any donations in 2020. Bank fees of 46.80€ were paid in each financial year.

The guest pupil left the school in summer 2017. So, no school fees were incurred for the new school year 2018/2019. Bank Fees of €46.80 were paid in each financial year. A balance of €1867.80 remains.

In 2020, the biggest financial decision reached by the PA was in the area of extracurricular activities. When the COVID-19 lockdown started, the PA had a balance of 13,091.98€ after paying insurance obligations of 1008.97€ to the main PA account and 1000€ in payments to our two extracurricular activities organizers, Amy Chia-Gaess and Anja Bühner. After much discussion, ESK families were asked whether they would like a refund of course fees paid or whether they would like to donate their already paid course fees to paying the outstanding salaries. The outstanding salaries amounted to 10,000.98€. An overwhelming number of ESK families decided to forego a refund and only 3420€ in course fees were refunded in July 2020. The final result for the AA account was a positive 12201.98€ for SY19/20 (adjusted for Sept salaries it would be 2201€) and a negative 17188.66€ for CY20. (Current result for 2020/2021 is a negative 9221.68 due to salaries being paid in Sept 20. Adjusted it would be 779.30€. The first financial years that won't reflect the salaries will be CY2021 and SY21/22)

Important to remember for the following figures is that the PA accounts are all self-contained. The only interaction between accounts is the transfer of membership fees collected by our Stripe account, deposited into the Extracurricular Activities account, and then passed on to our PA account. Though we report the PA finances as an entire entity, the accounts, in essence, do not interact with each other or share funds, with the occasional exception of the PA account and the social fund.

**The official final result for SY19/20 was a positive 12420.99€ (adjusted for Sept salaries it would be 2420.01€) and for CY20 was negative at -18,891.99€.** Normally at this time of year, the Extracurricular Activities would be holding the same amount of funds in Extracurricular Activities fees in preparation for paying salaries in 2021. **The PA account itself was positive in SY19/20 at 1279.41€ and negative at -1282.93€ for CY2020.** Normally on the 31st of each year, we would have taken in ca 3300€ more in membership fees.

## **Current Liquid Assets**

AA Account: The extracurricular activities bank account finished at 9856.01€ on 31.8.20 (final AA salaries were paid in September 20) and 166.22€ on 31.12.20. In 2019, the account finished at 18,850.19€, holding outstanding salaries for instructors for the second half of the 2019/2020 school year. Extracurricular activities did not take place from September to December 2020 so no course fees were received but also no expenses were accrued. The account is in a holding pattern and has no recurring expenses except for bank fees of approximately 50€ per year and 1008.97€ in insurance costs. The insurance costs will have to be carried by the PA for 2021 until courses can resume or the insurance is discontinued. All other expenses are directly linked to course operations. The account is simply in a holding pattern for the current calendar and school year. (Current balance 77.96€)

Main PA Account: the main PA account finished at 5139.79€ on 31.8.20 and 8601.77€ on 31.12.20. The current balance on 1.2.21 is 3837.90€. (5002€ of Annual AWO Loan were returned to the Retention Funds Account).

PA and Euroboutique Petty Cash: Euroboutique petty cash finished at 481€ for both the last SY and CY. PA petty cash finished at 675.25€ for both the SY and CY. (current balances are same)

Social Fund: The social fund finished with a balance of 461.01€ in SY19/20 and 295.41€ in CY20. (current balance 1419.81€)

Guest Student Account: The guest student account finished with a balance of 1867.80€ for SY19/20 and 1852.20€ for CY20. (current balance 0€)

SAP Donation: The SAP Donation account finished with a balance of 203.37€ in SY19/20 and 187.77€ for CY20. (current balance 183.87€)

However, proactive measures had been taken for 2020/2021 and an application for COVID-19 funding of 9,353.74€ was submitted with the responsible government department. The

application has been cancelled since the school community has come through positively with total membership fee contributions of 3059.43€ so far in 2020/2021. Any income that was declared as endangered would have had to be reimbursed with interest on the subsidy. A new application for 2020 is in the process now that the year has come to an end.

If received, these funds are to be used with caution. Any future income that was listed as endangered in the application must be deducted, in the case of funds being realized, from the funds received and returned to the governmental agency with interest.

### **Current State of Finances**

The recurring costs through September 2021 are 2798.48€ for insurance (for both the PA and the Extracurricular Activities), bank fees, Interparents fee, and website hosting costs. The current liquid capital of the PA is 4275.02€. Commitments of 450€ for a tentative school project have been made for 2021. The PA traditionally supports approximately 800€ in book prizes at the end of each school year and ca 314€ for Kangaroo Maths. At this point the PA has an available 4513.15€ which leaves 1714.67€ available for additional activities.

The PA possesses 10,795.31€ in retention. Due to good housekeeping during the creation of the website, none of the emergency funds were needed. Whether these funds are used in the coming year to maintain normal business or whether the PA goes into a holding pattern as well must be voted on by the 2021 PA Committee after the official election.

The financial statements were audited by an independent auditor and signed off on in January 2021.

It is proposed to continue with the membership fee of €30 per family per year. It is proposed to incorporate usage of the canteen and the transport under the umbrella of PA membership.

The PA committee voted to close the guest student account and allocate the funds to the Social Funds to be used not for school trips but for school supplies and similar expenses related to normal school life.