

7<sup>th</sup> September 2022

Board of Trustees  
Strath Taieri School  
Hyde-Middlemarch Road, RD1  
Middlemarch 9596

## Financial Commentary August 2022

This commentary has been prepared to supplement the monthly financial accounts and reports. It summarises key financial information and identifies significant variances and areas that may need attention.

Monthly accruals have been processed based on the 2022 budget to recognise the monthly expense estimate for depreciation, MOE use of land and buildings, MOE funded teacher salaries, audit fees and the allocation to cyclical maintenance.

### Financial position

An operating surplus is reported to the 31<sup>st</sup> August 2022 of \$18,099 this compares to 2022 approved budget forecasting a deficit of (\$12,664). Net working capital is reporting at \$197,690 (2021 audited: \$177,813) and equity of \$257,384 (2021 audited: \$237,410).

The school continues to be in a sound financial position with current assets continuing to comfortably cover current liabilities ensuring there are sufficient cash resources to meet current financial obligations.

### Key Financial Indicators

) Cash and deposits at end of period		\$196,287
) Westpac Current account	\$56,164	
) Westpac Saver accounts	\$22,239	
) Westpac Investments	\$117,884	
) Accounts receivable (Debtors)	\$3,525	
) Accounts payable – (Creditors)	\$nil	
) GST payable/ (receivable)	(\$883)	
) MOE grants in advance	\$15,041	
) Net Working Capital	\$197,690	2021 Audited \$177,813
) Operating surplus/(deficit) year to date	\$18,099	2022 Budget deficit (\$12,664)
) Fixed assets purchased year to date	\$22,118	
) % Financial year to date	67%	
) % Income budget received	79%	
) % Expenditure budget spent	65%	

### Income and expenditure

Income is tracking above budget at 79% and expenditure just below budget at 65% when reported against the 67% expected to the end of August 2022.

Government Grants is tracking at 82%, within this group MOE Grants is reporting at 71% with two month's allocation of July operations grant being recognised as income in the period and Sept's allocation being recognised as income in advance. Other MOE Grants reports at 268% due to \$5k Covid support funding, \$5k PB4L funding, \$12k ERS funding, \$1k of Additional Relief funding and a \$600 winter heating grant.

Locally Raised Income continues to report under budget at 61% with Donations & Fundraising reporting at 71%, Other Income at 69% and Trading (net) at 108%. Student Council reports income of \$44.

Interest Earned reports at 85% or \$423 against a budget of \$500.

Learning Resources continues to report under budget at 37% with all sub groups reporting within the expected range with the only exception being Group 220 Sports and Activities at (91%) with (\$9,107) net of income reported YTD with the majority due to school camp donations. Curriculum Personnel is reporting at 108% with \$1.7k of Relief Teacher expenditure recognised in the month.

Administration is reporting at 70% with all sub groups reporting within the expected range.

Property is reporting at 76%, sub groups to note that are reporting over budget are Property Personnel at 91% and Repairs & Maintenance at 80% due to \$1.4k of school signage expenditure recognised in the month.

Expenditure ledgers to note with budgets over \$1,000 where expenditure has exceeded the 67% expected are:

)	21200 Maori	190%	Tutoring
)	21800 EOTC – Taieri College	88%	Technology fees
)	23010 Class Materials	103%	Resources
)	26100 Relief Teachers	102%	Wages
)	26210 Teacher Aide Wages	168%	Wages
)	32150 Accounting fees	94%	Annual subscriptions & additional support
)	33150 Photocopier Service charge	154%	Monthly copier charges
)	41300 School Signage & Branding	105%	Artwork & delivery of new signs
)	40050 Machine Maintenance	579%	Heat pump service x 7 (\$1.7k of expenses against a \$300 budget)

### Key Transactions August 2022

Deposits \$3,724

Significant deposits for the period were: -

)	Ministry of Education	\$1,198	Additional relief teaching funding
)	School Banking	\$626	Cheese Rolls, book club & photocopying

Balance is made up of student donations, interest and school house rental.

Payments \$34,778 (including payroll)

The largest payments for the period were:

)	Breen Construction	\$7,828	MOE Principals Office Refurbishment
)	Logic Group	\$3,358	MOE Principals Office Refurbishment
)	McKenzie & Willis Interiors	\$2,880	Deposit blinds Library, LSC and new office

Payroll - paid from Bulk Grant

)	PP 10 2023	\$3,577
)	PP 11 2023	\$3,449

Debtors \$3,525

)	Ministry of Education	\$862	Reimbursement – Just in Time Maths
)	Ministry of Education	\$2,663	Furniture LSC project & Covid increases

Creditors \$nil

Property Project – Principals Office Refurbishment currently reports a overspend of (\$26,940).

Fixed Assets – YTD \$21k has been spent on fixed assets including school house windows, construction of bike track, 11 x Chromebooks, 5 x iPads, double sided book stand, 2 x office desks and deposit for blinds.

Banked Staffing – as at PP 11 2022 is reporting an underuse of \$6,969, when calculated at the reimbursement rate of \$65,500 equals \$5,467, this has not be accrued in your August accounts.

Please do not hesitate to contact us if there are queries about this report or the school's finances.

Kind regards,

**Simone Strong**

Accounts Consultant, Solutions and Services Ltd

Disclaimer of Liability

The analysis and opinions contained in this report are based upon the School's financial records as supplied to Solutions & Services Ltd. The financial records have not been audited and while we have applied our best endeavours, the information should be viewed in this light.