

5th March 2023

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

Interim Financial Commentary February 2023

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. Please note these reports are noted as interim until your 2022 financial statements have been audited and signed.

Monthly accruals have been processed based on the 2023 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.

Interim Financial position

An interim operating surplus is reported to the 28th of February 2023 of \$2,637 this compares to 2023 Draft budget dated 24 Jan 2023 forecasting a deficit of (\$29,982). Net working capital is reporting at \$222,268 (2022 Unaudited: \$234,783) and Equity of \$300,033 (2022 Unaudited: \$297,396).

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		\$213,631
• Westpac Current account	\$137,693	
• Westpac Saver accounts	\$24,937	
• Westpac Investments	\$51,001	
• Accounts receivable (Debtors)	\$2,441	
• Banked Staffing underuse 2022 (unaudited)	11,331	
• Accounts payable – (Creditors)	\$nil	
• GST payable/ (receivable)	\$1,588	
• MOE grants in advance	\$13,432	
• Net Working Capital	\$222,268	2022 unaudited \$234,783
• Operating surplus/(deficit) year to date	\$2,637	2023 Budget deficit (\$29,982)
• Fixed assets purchased year to date	\$1,252	
• % Financial year to date	17%	
• % Income budget received	15%	
• % Expenditure budget spent	12%	

Income and expenditure

Both income and expenditure are tracking below budget at 15% and 12% respectively when reported against the 17% expected to the end of February 2023.

Government Grants is tracking at 18%, within this group MOE Grants is reporting at 19% with two months allocation of January Operations grant being recognised as income in the period and March's allocation being recognised as income in advance. Other MOE Grants currently reports no income.

Locally Raised Income reports at 5% with Donations & Fundraising reporting at 8% with \$3.4k of income recorded due to the change of photocopier contracts. Other Income reports at 7% and Trading (net) reports at 135% due to Stationery & Uniform purchases.

Interest Earned reports at 13%.

Learning Resources reports under budget at 4% with all sub groups reporting below the expected range.

Administration is reporting above budget at 18% within this group General reports at 20% due to higher subscription expenses at the beginning of the year.

Property is reporting at 11% with all sub groups reporting within expected range.

With minimal expenditure recorded for the first two months of year the only expenditure ledgers to note with budgets over **\$1,000** where expenditure has exceeded the 17% expected are:

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| • 23500 Swimming expense | 47% | Swimming lessons |
| • 21500 English | 44% | Classroom book packs and reading games |
| • 21750 Subscriptions/Publications/Copyright | 81% | Annual subscriptions |
| • 40020 Cleaning materials | 21% | Cleaning supplies |

Key Transactions to 28th February 2022

Deposits \$63,681

Significant deposits for the period were: -

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|-------------------------|----------|-------------------------------|
| • Ministry of Education | \$46,339 | Operations grant instalment 1 |
| • Ministry of Education | \$7,237 | ARTF Top up 2022 |
| • Ricoh | \$4,000 | Photocopier buy out |
| • Ministry of Education | \$3,558 | Payroll correction |
- Balance is made up of student donation, interest and school house rental.

Payments \$54,823 (including payroll)

The largest payments for the period were:

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|-----------------------------|----------|----------------------|
| • Kawarau Painters Ltd | \$22,885 | Painting Admin Block |
| • The Design Studio | \$5,578 | MOE Roofing project |
| • McKenzie Willis Interiors | \$3,770 | Blinds final payment |

Payroll - paid from Bulk Grant

PP 21 2023	\$867	PP 22 2023	\$1,119	PP23 2023	\$2,220	PP24 2023	\$2,127
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Debtors \$2,441

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|---------------------------|---------|------------------------------------|
| • Ministry of Education | \$2,082 | PLD maths/Office Refurbishment |
| • Strath Taieri Playgroup | \$250 | Hire and electricity reimbursement |
| • Sweet as Honey | \$22 | Photocopier recoveries |

Creditors \$nil

Property Project – There are two active MOE Property Projects reporting a combined balance of (\$21,778)

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|-------------------------------------|------------|-----------|
| 1. Principals Refurbishment Project | \$(28,514) | overspend |
| 2. AMS CP Roofing Upgrade | \$ 6,737 | |

Fixed Assets – YTD \$1.3k has been spent on fixed assets including a new oven for the School House.

Banked Staffing – in your 2022 Draft Financial Statements a banked staffing underuse has been accrued of \$11,331, this is subject to audit confirmation.

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.