

4th August 2022

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

Financial Commentary July 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. Please note your 2021 Financial Statements were signed on the 31st May 2022.

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 31st July 2022 of \$23,341 this compares to 2022 approved budget forecasting a deficit of (\$12,664). Net working capital is reporting at \$201,895 (2021 audited: \$177,813) and equity of \$260,751 (2021 audited: \$237,410).

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

Key Financial Indicators

• Cash and deposits at end of period		\$227,341
• Westpac Current account	\$87,796	
• Westpac Saver accounts	\$21,661	
• Westpac Investments	\$117,884	
• Accounts receivable (Debtors)	\$nil	
• Accounts payable – (Creditors)	\$nil	
• GST payable/ (receivable)	\$2,336	
• MOE grants in advance	\$28,244	
• Net Working Capital	\$201,895	2021 draft \$177,813
• Operating surplus/(deficit) year to date	\$23,341	2022 Budget deficit (\$12,664)
• Fixed assets purchased year to date	\$18,528	
• % Financial year to date	58%	
• % Income budget received	70%	
• % Expenditure budget spent	54%	

Income and expenditure

Income is tracking above budget at 70% and expenditure below budget at 54% when reported against the 58% expected to the end of July 2022.

Government Grants is tracking at 73%, within this group MOE Grants is reporting at 62% with one month's allocation of July operations grant being recognised as income in the period and Aug/Sept's allocation being recognised as income in advance. Other MOE Grants continues to report at 256% due to \$5k Covid support funding, \$5k PB4L funding, \$12k ERS funding and \$600 winter heating grant.

Locally Raised Income continues to report at 52% with Donations & Fundraising reporting at 66%, Other Income at 61% and Trading (net) at 113% due to \$6k of school jersey's expenditure.

Interest Earned reports at 76% or \$381 against a budget of \$500.

Learning Resources continues to report under budget at 31% with all sub groups reporting within the expected range with the only exception being Group 220 Sports and Activities at (90%) with (\$8,967) net of income reported YTD due to school camp donations. Curriculum Personnel is reporting at 92% with \$1k of expenditure recognised in the month.

Administration is reporting at 60% with all sub groups reporting within the expected range with the exception of General which reports just above budget at 62%.

Property is reporting at 60%, sub groups to note that are reporting over budget are School House at 79% due to annual insurance premiums and Property Personnel at 80% due to salary expenses.

Expenditure ledgers to note with budgets over **\$1,000** where expenditure has exceeded the 58% expected are:

• 21200 Maori	170%	Tutoring
• 21800 EOTC – Taieri College	88%	Technology fees
• 23010 Class Materials	89%	Resources
• 26100 Relief Teachers	85%	Wages
• 26210 Teacher Aide Wages	151%	Wages
• 32150 Accounting fees	86%	Annual subscriptions & additional support
• 33150 Photocopier Service charge	133%	Monthly copier charges
• 40050 Machine Maintenance	579%	Heat pump service x 7 (\$1.7k of expenses against a \$300 budget)

Key Transactions July 2022

Deposits \$7,616

Significant deposits for the period were: -

• Ministry of Education	\$49,952	Operations grant instalment 3
• Mazda NZ	\$1,000	Donation
• Ministry of Education	\$674	Winter heating grant

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

Payments \$63,998 (including payroll)

The largest payments for the period were:

• Breen Construction	\$35,600	MOE Principals Office Refurbishment
• Inland Revenue	\$12,089	GST due to 30 June 2022
• Crowe Horwath	\$1,150	Final payment 2021 audit fee

Payroll - paid from Bulk Grant

• PP 08 2023	\$4,956
• PP 09 2023	\$2,256

Debtors \$nil

Creditors \$nil

Property Project – Principals Office Refurbishment currently reports an overspend of (\$16,542).

Fixed Assets – YTD \$18.5k has been spent on fixed assets including school house windows, construction of bike track, 11 x Chromebooks, 5 x iPads and a double sided book stand.

Banked Staffing – as at PP 09 2022 is reporting an underuse of \$6,295, this has not been accrued in your July 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.