

23rd January 2023

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

Interim Financial Commentary December 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 these reports are noted as interim until your 2022 financial statements have been audited and signed.

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.

Interim Financial position

An interim operating surplus is reported to the 31st December 2022 of \$36,704 this compares to 2022 approved budget forecasting a deficit of (\$12,664). Net working capital is reporting at \$212,648 (2021 Audited: \$177,813) and Equity of \$275,989 (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		\$203,010
)) Westpac Current account	\$22,462	
)) Westpac Saver accounts	\$24,281	
)) Westpac Investments	\$156,267	
)	Accounts receivable (Debtors)	\$3,104	
)	Accounts payable – (Creditors)	\$nil	
)	GST payable/ (receivable)	\$1,187	
)	MOE grants in advance	\$nil	
)	Net Working Capital	\$212,648	2021 Audited \$177,813
)	Operating surplus/(deficit) year to date	\$36,704	2022 Budget deficit (\$12,664)
)	Fixed assets purchased year to date	\$36,273	
)	% Financial year to date	100%	
)	% Income budget received	147%	
)	% Expenditure budget spent	119%	

Income and expenditure

Both income and expenditure are tracking above budget at 147% and 119% respectively when reported against the 100% expected to the end of December 2022.

Government Grants is tracking at 120%, within this group MOE Grants is reporting at 109% with the final third of October's operations grant allocation being recognised as income in the month. Other MOE Grants reports at 300% due to \$5k Covid support funding, \$5k PB4L funding, \$12k ERS funding, \$1k of Additional Relief funding, \$600 winter heating grant & \$1.8k of MOE Supplied CO2 monitors & Air Purifier including the MOE's contribution towards laptop finance leases.

Locally Raised Income reports at 315% with Donations & Fundraising reporting at 325%, Other Income reports at 114% and Trading (net) continues to report at 110%. Student Council continues to report expenditure of (\$20).

Interest Earned reports at 454% or \$2,268 against a budget of \$500.

Learning Resources reports above budget at 123% with all sub groups reporting within the expected range with the only exception being Group 280 Curriculum Personnel at 220% within this group Teacher Aide wages reports at 400%, Relief Teachers at 124% and BOT Funded Teachers reports expenditure of \$7.6k with no annual budget entered.

Administration is reporting at 123% within this group BOT reports at 161%, Personnel at 126% and General at 115%.

Property is reporting at 1117%, sub groups to note that are reporting over budget are Property Personnel at 149%, Repairs & Maintenance at 125% and Caretaking & Cleaning at 116%.

Expenditure ledgers to note with budgets over \$1,000 where expenditure has exceeded the 100% expected are:

)	21200 Maori	300%	Tutoring
)	26100 Relief Teachers	124%	Wages
)	26210 Teacher Aide Wages	400%	Wages
)	32150 Accounting fees	119%	Annual subscriptions & additional support
)	33150 Photocopier Service charge	213%	Monthly copier charges
)	34050 School Secretary	126%	Wages
)	41300 School Signage & Branding	123%	Artwork & delivery of new signs
)	44010 Building & Furniture	220%	General repairs and glazing
)	40050 Machine Maintenance	579%	Heat pump service x 7 (\$1.7k of expenses against a \$300 budget)

Key Transactions December 2022

Deposits \$13,810

Significant deposits for the period were: -

)	Rocklands Station	\$7,158	Tailing – fundraising income
)	Huntleigh	\$5,339	Tailing – fundraising income
)	Cash banking	\$725	Book fair, fundraising
Balance is made up of student donation, interest and school house rental.			

Payments \$54,354 (including payroll)

The largest payments for the period were:

)	The Design Studio	\$7,073	MOE QLE upgrade
)	Fire Design Studio	\$3,795	MOE QLE upgrade
)	Stewart Island Backpackers	\$2,870	School camp

Payroll - paid from Bulk Grant

PP 19 2023 \$11,591 PP 20 2023 \$9,527

Debtors \$2,354

)	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 three active MOE Property Projects reporting a combined balance of (\$16,928)

1. Principals Refurbishment Project \$(28,514) overspend
2. AMS CP Roofing Upgrade \$ 21,036
3. 5 YA \$ (9,450) overspend

Fixed Assets – YTD \$36.3k 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, deposit for blinds, laminator, MOE CO2 Monitors and Air Purifier and leased assets.

Banked Staffing – as at PP 20 2022 is reporting an underuse of \$15,672, when calculated at the reimbursement rate of \$65,500 equates to \$12,293, this has not be accrued in your interim December 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.