



## Finance Assumptions for Budget 2026-2028

*Prepared for: Board of Trustees*

*Date: August 2025*



### Purpose of this report

This report outlines the key financial assumptions for the 2026 budget year. These assumptions are based on current roll projections, strategic priorities, funding forecasts, and known operational needs. They provide a framework for prudent financial planning and informed Board decision-making.

These assumptions are to be reviewed every term and adjusted accordingly.

# Key Financial Drivers – 2026

## Opening Working Capital

- **Predicted Balance at 1 January 2026:** Approximately **\$720,000**

### Assumption Notes

- Reflects prudent fiscal management through 2025.
- Provides a strong starting position to manage cash flow, support capital projects, and buffer against unforeseen funding or cost fluctuations.

## 1.1 International Students

- **Projected Numbers:** 30–35 students
- **Fee per Student:** Approx \$14,000
- **Estimated Revenue Range:** \$420,000 – \$490,000

### Assumption Notes

- Revenue depends on maintaining current marketing and agent relationships in key markets.
- Variations in global travel, exchange rates, or visa processing could impact numbers.
- Funding contributes directly to staffing, ESOL support, and discretionary projects.

## 1.2 School Donations

- **Projected Roll at Start of 2026:** ~400 students
- **Donation per Student:** \$265
- **Projected Participation Rate:** 70% – 75% of families
- **Estimated Revenue Range:**
  - **70%:** 280 students × \$265 = **\$74,200**
  - **75%:** 300 students × \$265 = **\$79,500**

### Assumption Notes

- Sustained engagement with whānau about the impact of donations on the operations of the school beyond MoE operational funds
- Continues to support curriculum resourcing, digital technologies, learning support and extra-curricular activities.

## 1.3 Staffing Levels

### Teacher Aides & ESOL Department (beyond Ministry ESOL funding)

- **Student Need:** Over 40% of tamariki (approx. 220 students) require ESOL or additional learning support.

### Assumption Notes

- Maintain current teacher aide hours to support differentiated learning, including literacy and numeracy intervention.
- Maintain ESOL department staffing levels above MoE-funded hours to meet needs.
- Recruitment and retention strategies in place for skilled support staff.
- **Funding Source:** Combination of operational grant, international student revenue, and targeted fundraising/ grant applications

## 1.4 Assets, Depreciation & Cyclical Maintenance

- **Assets:**
  - Continued investment in digital devices, learning resources, playground upgrades, learning environments, signage, gardens and property improvements aligned with the 10-year property plan (5YA).
- **Depreciation:**
  - Annual depreciation calculated per fixed asset register; anticipated in line with 2025 actuals plus new capital purchases.
- **Cyclical Maintenance:**
  - Budgeted provision for scheduled painting, roofing maintenance, and surface renewals.
  - Aligned to property compliance requirements and Board-approved maintenance schedule.

### *Assumption Notes*

- No unexpected major asset failures outside planned maintenance (i.e. hall floor upgrade, entrance gate)
- Replacement cycles maintained to avoid deferred maintenance backlogs.

## 1.5. Grants, PTA Funding & Sponsors

- **Predicted Grants & PTA Funding 2026: \$140,000**
- **Grants:**
  - Continued applications to key community and education funding bodies for targeted projects (e.g., playground upgrades, digital resources, sports equipment, environmental projects, teacher aides).
  - Assumption: At least two successful grant applications per year.
- **PTA Contributions:**
  - Ongoing fundraising activities, such as community events, supporting playground upgrades and capital projects.
- **Sponsorship:**
  - Maintain and grow partnerships with local businesses to support school events, equipment purchases, and student well-being initiatives.

### *Assumption Notes*

- Strong community relationships and visibility of sponsor contributions will support renewals.
- Grant application timelines and criteria closely monitored to maximise success rates.

*He waka eke noa*

WE ARE ALL IN THIS TOGETHER

## 2.0 Summary Table of Key Assumptions

| Driver  | 2026 Assumption                                     | Estimated Revenue / Impact               | Key Risk Factors  |
|---|---|--|---|
| Opening Working Capital (predicted)   | \$720K at 1 Jan 2026                                | Strong cash position                     | Unexpected cost pressures   |
| International Students  | 30–35 @ \$14K each                                  | \$420K – \$490K                          | Global travel, visas, exchange rates  |
| School Donations - contribution towards the school's operations beyond MoE funding dues to low EQI number | \$260 x 400 students, 70–75% uptake                 | \$74,200 – \$79,500                      | Economic pressures on whānau. This is a donation and whānau may choose not to pay |
| Activity Fees (Donations)   | \$80 x 400 students, 90% uptake                     | \$28,800                                 | This is a donation and whānau may choose not to pay                               |
| Staffing – TA & ESOL  | Maintain above MoE funding - target learner support | Supports 220+ students                   | Recruitment, funding constraints  |
| Assets & Maintenance  | Maintain 10-year plan                               | Sustains school facilities               | Unplanned asset failures  |
| Grants & PTA Funding  | \$140K predicted                                    | Supports capital and curriculum projects | Grant success rates, event participation  |
| Sponsorship   | Maintain/ grow                                      | Variable                                 | Economic climate, sponsor retention   |

| Driver                       | 2026 Assumption  | Estimated Revenue / Impact | Key Risk Factors    |
|------------------------------|------------------|----------------------------|---------------------|
| MoE Operational Grant (2025) | Projected \$620K | Variable                   | School roll decline |

**PLEASE NOTE - In 2025**

Mairangi Bay School in recent years has received approximately \$617, 353.57 operational grant per annum from MoE (before any targeted funding add-ons). This is decided upon:

**1. Per-student base funding - \$878 per student in 2025**

- Calculated using the Operational Funding Rates set annually by the Ministry of Education.
- Primary schools have separate rates for Years 1–6. The rates are multiplied by our roll as at 1 March.

**2. Equity Index (formerly Decile funding) - Mairangi Bay School is EQI - 357**

- Schools with higher socio-economic needs get extra per-student funding. Hence our school donations contribute to the operations of MBS beyond MoE funding due our low EQI number.
- This can add several hundred dollars per student in higher-need contexts, but much less for lower-need schools like MBS

**3. Targeted funding & add-ons**

- Special Education Grant, Curriculum Top-up, Property Maintenance, Technology contributions (if applicable), and other minor items.
- These can add \$200–\$500+ per student, depending on your school profile.

**3. Staffing Entitlement Roll 2025 = 21.10/ MU = 24**

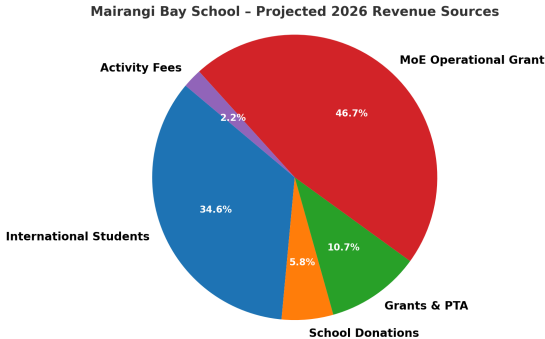
Current student roll July 2025 = 464 students

- ❖ Internationals - 32
- ❖ Domestic -432

Current Pre-enrolled from August 2025 - 17 students

- ❖ Internationals - 4
- ❖ Domestic - 13

MoE Staffing Entitlement: 24.24 as in PP10  
 Board Funded Teachers: 3.5 as in PP10 (27.74 - 24.24)



| PAY PERIOD 23 - 22<br>22/01/2025 - 20/01/2026 |            |
|---|------------|
|   | FTTE UNITS |
| Staffing Roll                                 | 430        |
| Entitlement Staffing                          | 21.10 24   |
| Curriculum Delivery                           | 19.00 -    |
| Management                                    | 2.10 -     |
| Professional Leadership                       | 1.00 -     |

For a school like Mairangi Bay, which has a low Equity Index and 400+ students, the total per-student average in recent years has often landed at approximately \$878 – which is shown as \$613, 353.576 (47.7%) in the pie chart above.

# 3.0 Working Capital Parameters – 2026

Opening Working Capital (1 Jan 2026): ~\$720,000 (predicted)

## Why We Set a Working Capital Threshold

- **Financial Stability:** Ensures the school can meet short-term obligations without needing to delay payments or borrow.
- **Risk Management:** Provides a buffer for unexpected revenue shortfalls (e.g., drop in international students, reduced donation uptake) or unforeseen expenses (e.g., urgent property repairs).
- **Operational Flexibility:** Allows the Board to act quickly on opportunities or emergencies without disrupting core teaching and learning programmes.

## 3.1 Proposed Threshold 2026-2028

| Parameter                  | Proposed Amount       | Purpose / Rationale  |
|----------------------------|-----------------------|--|
| Lower Safety Threshold     | \$450,000             | Minimum to maintain smooth operations, cover 2–3 months of core expenditure (staff wages, utilities, essential programmes) and meet MoE financial health indicators (Approximately \$1K per student) |
| Target Operating Range     | \$450,000 – \$650,000 | Provides security while allowing flexibility for planned investments aligned with the Strategic Plan.  |
| Upper Investment Threshold | \$650,000+            | Surplus above this level should be considered for targeted investment in student outcomes, property improvements, or strategic initiatives, ensuring funds benefit current learners.                 |

## 3.2 Investment Principles for Surplus Capital

If working capital exceeds the upper threshold, surplus funds may be invested in:

1. **Student Outcomes:** Learning support staffing, curriculum resourcing, digital tools, enrichment programmes.
2. **Property & Environment:** Playground upgrades, outdoor learning spaces, modern learning environments.
3. **Strategic Projects:** Initiatives aligned with school values (kindness, respect, resilience) and long-term goals in the Strategic Plan.
4. **Future-Proofing:** Early funding of cyclical maintenance or capital works to reduce future financial pressure.

## 4.0 Strategic Implications

- A healthy opening working capital position allows for flexibility in managing 2026 priorities and risks.
- Continued reliance on international student revenue and donations to fund staffing beyond MoE entitlement.
- Ongoing investment in support staff is essential to meet high ESOL and learning support needs.
- Prudent asset management and maintenance are critical to avoid large unplanned costs.
- Active pursuit of grants, PTA fundraising, and sponsorship will remain a key supplementary funding source.

## 5.0 Recommendations for the Board 2026

*That the Board:*

1. Endorse the 2026-2028 financial assumptions as the basis for draft budget preparation
2. Review key driver performance quarterly (every term) and adjust operational plans if revenue or expenditure projections shift significantly.
3. Maintain targeted communications to whānau and community to sustain donation rates, PTA engagement, and sponsorship support.

## Summarise Our Intent for 2026-2028

In 2026, Mairangi Bay School will maintain a **financially stable and strategically agile position** in line with their financial goal to ensure the highest quality of teaching, learning, and well-being for all tamariki.

We will:

- **Safeguard financial stability** by maintaining working capital above our lower safety threshold of \$450,000, ensuring operational continuity and resilience against unforeseen events.
- **Invest strategically** in staffing, with particular focus on Teacher Aides and ESOL provision, to meet the needs of over 40% of our learners who require language and learning support.
- **Maximise revenue opportunities** through sustained international student enrolment, maintaining strong whānau donation participation, and actively pursuing grants, PTA contributions, and sponsorships.
- **Care for our assets** by delivering our 10- Year Property Plan, managing depreciation, and meeting cyclical maintenance commitments to preserve and enhance our learning environment.
- **Direct surplus funds** above our \$650,000 upper working capital threshold towards initiatives that improve student outcomes, enhance property, and advance strategic projects.

Our approach balances **prudent stewardship** with **strategic investment**, ensuring every dollar supports our values of **kindness, respect, and resilience**, and delivers tangible benefits for current and future learners.