**Strategic Discussion: Future Sustainability: Strong financial position**

**Statement:** As a not for profit organisation our focus is on providing high quality education services, at the most affordable level possible for parents and caregivers. This means we will make some decisions differently from how a commercial venture would. However, we need to be able to ensure that our services are financially sustainable and able to withstand adverse or unexpected changes. In order to do this it is critical we maintain a close eye on our financial position, are responsible with our planning and forecasting, and set aside funds for future capital expenditure, replacements and repairs. Our board aims to hand on to succeeding NKA boards an organisation that is well managed and in a good state. We should therefore be aiming for annual surpluses, apart from those years we are undertaking significant planned expenditure. Our financial position is directly linked to the number of families choosing kindergarten as their ECE provider, therefore the level of enrolments is one of the factors the board closely monitors and is responsive to.

A strong financial position means that we are able to plan for growth, provide our employees with a higher degree of job security, long term career prospects, excellent working environments and additional support if required. For parents it means that we can offer subsidised and affordable access to kindergarten, resource rich environments, and a long term, reliable service. For tamariki we are able to offer a wonderful and consistently high quality educational experience at each and every kindergarten. We are all therefore heavily invested in the financial wellbeing of the association because from that flows the many benefits we all enjoy.

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| **Area** | **Ensure:** | **Further Initiatives to be explored** |
| Board | * Understand the financial position of the association * Take note of any concerns being expressed about matters which have adverse financial impacts * Ask the right questions, make sure you have the right information * Plan strategically for future expenditure * Build up reserves to provide a safety net for adverse events & future expenditure * Be prepared to make courageous & bold decisions * We have sufficient funds available to provide additional support * Have adequate systems in place to manage risk * Open, transparent communication with our members & employees * Understand the signs all is not well – cash flow difficulties, declining enrolments, operating deficits, declining reserves, downsizing operations and number of employees, cutting back on expenditure, inability to provide additional support, rising employee dissatisfaction |  |
| Staff | * Understand the financial position of the association * Support the financial wellbeing of the association by:   + Marketing & promoting their kindergartens well   + Being open minded to change & innovation   + Maintaining excellent parent relationships   + Sharing the vision & passion for kindergarten, working towards common goals and aspirations   + Exemplify what teaching excellence is   + Engage in collaborative consultation & problem solving, contributing ideas and solutions   + Enhancing the kindergarten reputation |  |
| Finance | * Provide the Board with regular, timely information about association finances and enrolment levels * Be clear and timely when identifying areas of concern * Suggest potential solutions to concerns * Adopt prudent and fiscally responsible approach to forecasting and reporting, within industry standard norms & practices * Keep up to date with compliance issues * Implement good financial controls & measures |  |