

Dear Parents,

We'd like to inform you of a couple of changes regarding the finances of the school. We believe these changes will provide a more stable financial environment, and allow our staff and parents to focus more on our core mission, and less on generating funds to operate the school.

First, as of this year, we will no longer be conducting fundraisers to support our general fund. Over the past few years fundraisers, such as the candy bar sale, have become less effective, and represent a shrinking percentage of our overall budget. Additionally, these fundraisers have become increasingly less popular with parents, as they no longer fit well with modern culture and lifestyle.

Second, this year we have eliminated the mandatory fees for the auction and the Heart of a Servant program. In their place, we are instituting a \$200 per family general fund fee, which will be used to cover general operating expenses of the school, and to begin building a financial reserve to bring the school back onto firm financial ground.

The past few years have been challenging financially. Three years ago we experienced a significant decline in enrollment which resulted in a significant operating deficit. Operating expenses have also been steadily increasing. At that time we recognized that the reestablishment of our high school program was critical to ensure the long term viability of Grace Christian School. This Fall our high school will enter its second year, and its first in our new buildings. Enrollment is now higher than it has been in years, and as a result, we anticipate the tuition and fees will be sufficient to meet operating expenses.

Despite the positive momentum the high school is generating, challenges remain. The school's general fund still has a large deficit to recover from, and our high school project has left us with nearly \$250,000 in debt. Interest on this debt has been budgeted for and will be paid from the school's general fund. Principal is to be repaid from donations to the Capital Fund. Although we will have occupancy of our buildings for this Fall, we are still under obligation to construct curbs and sidewalks along our property frontage. This will require additional funds that we do not currently have.

We are grateful for the faithful support so many of our parents have provided to this ministry. Grace Christian School remains committed to providing an affordable, quality, Christian education for our students. We are confident that with the continued efforts of our staff and families these financial challenges will be overcome. Your continued prayers and generosity are greatly appreciated.