

James Newman, Ph.D., Head of School

May 1, 2010

Ten months can make quite a difference.

Last summer, we all hoped that the first signs of economic recovery would continue and grow stronger. Our hopes, however, were guarded as we were unsure if the economic downturn had reached “the bottom.” At that point Tom Schmidt, president of our Board of Trustees, and I co-authored the year’s first all-school letter to you and members of our alumni.

The August all-school letter described in detail our intent to continue our conservative fiscal management of the school. We pledged to reduce “expenses while continuing to improve the academic program, support the professional development of our faculty ..., maintain our physical plant ..., and sustain our safe environment for our students.”

Today, I am pleased to report that throughout this academic year our faculty and staff have successfully reduced our expenses through consistent attention and collaborative effort. We understood that we needed to do more with less, and we’ve done it. Across the board, we managed to keep our expenses at and below their budgeted values – all without diminishing our exceptional academic program. But “belt-tightening” alone was only one part of the strategy for fiscal strength in 2009-10 that Tom Schmidt and I discussed in our August letter.

Our letter ended as follows..... “And just as you look to us to provide an educational experience of high value, we will look to you to promote the Academy’s endeavors with your understanding and support.” We appreciate everyone who has given to the *Annual Fund Campaign* thus far this year, especially those who have responded to our letters last fall and volunteer telephone callers this week.

The month of May presents an excellent opportunity for parents who have not yet supported the *Annual Fund*. As we often remark, being an Academy parent necessitates “partnership” with the school on a variety of different levels — including gifts of time, talent, and treasure — to our *Annual Fund*.

Why are your contributions to the *Annual Fund* critical to the Academy? Your contributions help cover expenses that tuition payments don’t offset. Below is information about how we fund the difference between this year’s tuition revenue and our actual expenses. We call this difference the “gap.”

- Fees from tuition account for 83.6% (\$5,638,000) of the Academy’s total anticipated revenue (\$6,744,000) for the current academic year.
- The remaining 17.5% (\$1,175,000) of our total annual revenue comes from six other major sources. In descending order they are:

| | |
|---|-----------|
| <i>Annual Fund</i> | \$280,000 |
| Endowment resources & interest from cash reserves | \$262,000 |
| Auxiliary Programs (i.e., Summer Camp Program) | \$261,000 |
| Educational Improvement Tax Credit (EITC) Grants | \$225,000 |
| <i>Triple Anniversary Gala Celebration</i> | \$ 50,000 |
| Miscellaneous | \$ 28,000 |

Challenging our students in an environment that nurtures and inspires.

The entire Academy community shoulders responsibility for funding the additional \$280,000 required of goal for our *Annual Fund*. For example, we project that current parents will fund \$60,000 our *Annual Fund*. By asking other constituent groups in the Academy school community (i.e, alumni and alumni parents) and in the greater Harrisburg region (i.e., foundations and corporations) to contribute the remaining \$220,000 of our *Annual Fund* goal, we limit parents' responsibility to help fund the "gap." And, because foundations and corporations often are interested in the percent of families contributing to our *Annual Fund*, the more families that contribute, at any level, the more success we achieve.

Many parents and alumni have commented on the wonderful success of our *Triple Anniversary Gala*. Without a doubt, it was quite a memorable event and a special way to complete our *Triple Anniversary* year.

Let's close out this academic year with the same kind of success by achieving our *Annual Fund's* \$280,000 goal! Then we'll really be able to celebrate the *Triple Anniversary* year in true style!!

With warm regards,

Jim Newman