

March 5, 2010

Dear NDCL Family,

Thank you for your affirming commendations and perceptive comments sent to us via the Parent Survey e-mailed to you in February. This valuable data serves us well as we prepare for our school accreditation and craft a new five year strategic plan. Even more importantly, your results confirm for us why you have chosen to invest in *the NDCL experience*. Your involvement in, and commitment to, our school community is an asset that we regard as a major blessing and gives us the strength to keep moving forward in hope and confidence.

Let me share a small sampling of direct quotes from the Parent Survey in response to the question, "What is most important to you about the mission of Notre Dame-Cathedral Latin School as a Catholic school?"

"NDCL has achieved great success in its mission to guide young Christian men and women into society. I love the way the administration and faculty work together and communicate their goals for our children in everyday situations."

"It is very important in this day and age to have a school that will help parents develop young men and women into strong faithful adults. When our daughter was looking at high schools, we felt blessed that she found an environment that will continue to foster our values as an integral part of her life."

"Our young men and women need to remember life is not all about "me." I have noticed as a freshman parent our child is learning to "pay it forward" and has become more aware of the world around her, not just the small town where she lives."

"NDCL provides students with a learning environment that upholds moral values and encourages students to live their faith each day."

"The faith formation given to the students is a wonderful gift that they can use throughout their lifetime."

"NDCL teaches my son to lead through spreading the truth in love."

"NDCL strives to be a welcoming, enjoyable place for teens to come everyday where they feel comfortable to be whoever they are. "

"NDCL consistently demonstrates the grace of accepting and giving thoughtfulness and care for everything and everyone."

As a school sponsored by the Sisters of Notre Dame, we are focused on “a Catholic Christian environment that promotes educational excellence for the transformation of all individuals and society.” We truly cherish your sons and daughters and want to provide them with a solid foundation for a life of leadership, success and service.

To achieve these goals, each year the NDCL Board of Directors, as stewards of our resources, carefully review NDCL’s operating budget. This process requires hours of meeting time where alternatives are carefully examined and thoroughly discussed before any financial decisions are made. The Board’s responsibility is to assure the fulfillment of our mission and in doing so, to keep our costs reasonable. We know this is your hope as well. However, because an inherent tension resides in this dynamic, tuition increases will always be “on the table” for consideration.

After deliberations by the Board Finance Committee were completed in early February, the decision was made to modestly increase NDCL’s tuition to \$8,925 for the 2010-2011 academic year. While no one of us wants a tuition increase, it is necessary in order to provide the type of education and environment that you desire for your children.

In late January, I sent an e-letter to our families which provided a context for all financial decisions at NDCL, such as a tuition increase. In case you did not access this letter, a copy will follow this letter. **Please take time to read it.** My intent was to succinctly and honestly lay out how NDCL finances work.

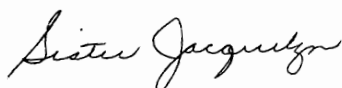
Based on feedback from many parents, the Passport Fee of \$475.00 has been well-received. It will remain the same for next year. The Passsport covers all course fees, books, academic field trips, athletic and club participation, testing, etc. Such an arrangement has helped parents budget without unexpected surprises from the school. Optional activities are not included in this general fee, such as - yearbook, parking permits, elective educational travel, prom/after prom, and/or sports camps and cheerleading camps. For students who ride an NDCL bus, the transportation cost will be \$425.00 per semester or \$850.00 annually.

If you have any questions about the above, Mr. John Kelleher, Director of Finance, will be happy to assist you. His contact information is john.kelleher@ndcl.org or (440) 286-6226 x 265. Of course, you are always welcome to contact me.

In closing, I ask you to join with me in thanking our good God for the many blessings which abound in this school community. There is no doubt in my mind that your children—our students—are our greatest blessing! Once again, in the name of myself, Mr. Waler and the NDCL faculty, I thank you for your willingness to give your sons and daughters a gift that will endure forever.

Please continue to share the good news about NDCL with your friends and family members. We depend on you to make NDCL known to the wider community. Together we pray that the young men and women given to our care will develop into leaders who are known by their transforming actions, never afraid of “*doing the truth in love.*”

With deepest gratitude,



Jacquelyn Gusdane, SND
President



January 28, 2010

Dear Families and Friends of NDCL,

To you more than anyone else, I want to express my deepest gratitude for your commitment to Catholic education and especially to Notre Dame-Cathedral Latin School. As parents, the formation and education you seek for your children are among greatest gifts you will ever give them. Most sons and daughters truly appreciate the gift now; for others it will be later. We are especially blessed to be sponsored by the Sisters of Notre Dame and governed by a competent and committed Board of Directors.

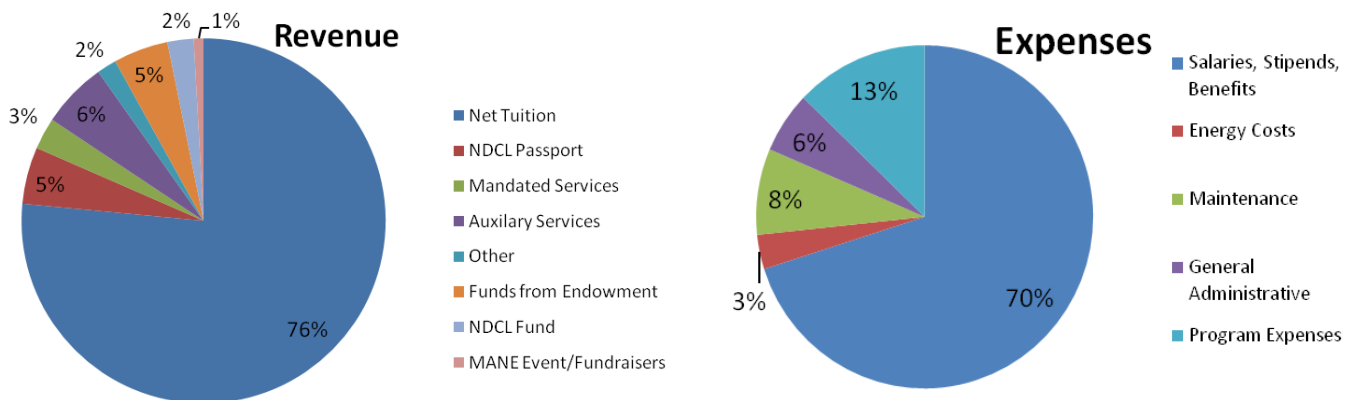
Because Catholic education today is a significant investment, many of you are asking good questions about NDCL’s finances. The purpose of this letter is to offer you a snapshot of NDCL’s sources of revenue and a clarification of major aspects of our finances, such as:

- the operating budget, the capital budget, and the NDCL Fund
- funding for need-based tuition assistance and academic scholarships
- the intent of NDCL’s capital campaign
- the full cost (the real cost) of an NDCL education
- options for future growth

Since I am not an accountant, I have had to assimilate and translate much of this information. For your convenience, a question and answer (Q&A) format was selected to communicate with you. It is my hope that this letter will increase or clarify your understanding of NDCL’s major financial workings. You are valued as our primary advocates and marketers. Although NDCL is first and foremost a school, it is also a non-profit business with annual operating expenses of \$7.4 million.

What is the difference between NDCL’s Operating Budget and Capital Budget?

The Operating Budget: The easiest answer is illustrated in the charts below. Note that while NDCL has a few revenue streams, our sources of State funding (mandated and auxiliary services) are indicated. The amount of these funds is based on enrollment. As much as we depend on State funding, it is not a reliable source because it can be cut at any time.



The Capital Budget: After consulting with the Building & Grounds Committee and the school administration, the Board Finance Committee determines an annual capital budget. This budget allows for replacement of capital equipment and/or larger projects or purchases, such as, heating and cooling equipment, carpeting and furnishings, etc. The capital budget is funded through the operating budget.

What is the NDCL Fund and how is it related to the Operating budget?

The NDCL Fund, as part of the operating budget, is the annual giving program that helps to fund need-based tuition assistance and academic scholarships for NDCL students. These monies cover, in part, the difference between tuition and the actual cost of an NDCL education. Most private secondary schools and institutions of higher education have an annual fund specifically for this purpose which depends on the generous support of donors.

A gift to the NDCL Fund can be maximized by participating in a company's matching gift program. Companies offering a matching gift program usually have forms available in their HR department.

How does NDCL finance need-based tuition assistance and academic scholarships?

Over 40% of our families receive need-based tuition assistance. To be considered, a family is required to complete the Private School Aid Service (PSAS) application form. PSAS, an independent firm, analyzes a family's ability to pay based on the information submitted. When NDCL receives the analysis, the school determines which families will receive assistance for the following academic year. NDCL awards need-based [tuition assistance](#) based on available funding sources.

NDCL has an endowment slightly over \$5.3M due to the philanthropy of generous donors who choose to "give back" and, at the same time, secure the future of Catholic education. At present NDCL would need a \$20 million endowment to *fully* meet the requests of those who qualify for need-based assistance. Therefore, it is critical that the endowment principal continues to grow so that *the NDCL experience* can continue to transform the lives of young men and women.

Under the supervision of the Board Finance/Investment Committee, our endowment fund is carefully managed. The NDCL Board conservatively allows for an average 5% rate of return on investments as the source of both need-based tuition assistance and academic scholarships. When the market yields a higher rate of return, the residual income is reinvested. This policy allows NDCL to provide need-based tuition assistance even when, as in the past year, the market is not favorable. Please note: *the endowment fund and the operating budget exist separately. These funds are never interchanged.*

What then is the Capital Campaign?

A capital campaign is a fundraising effort that takes place for a specific period of time and has clearly defined priorities. The projects defined by a campaign are normally for needs outside of the operating budget. Often, the overall purpose for any capital campaign is to fund long-range capital needs and remodeling or building of facilities. All funds are required to be used for the stated campaign priorities.

NDCL began its first-ever comprehensive capital campaign, [Igniting a Spirit of Community & Faith](#), in July, 2007. Priorities were identified through a master plan feasibility study conducted by architects Doty & Miller in 2006 and the specifications of The Edward A. and Catherine L. Lozick Foundation's Challenge Grant awarded to NDCL in September, 2008.

Presently, NDCL has received commitments and cash totaling \$2.55M of the \$4.5 million goal and has made significant [progress](#) in realizing the priorities. The Lion Stadium lights, tennis courts, west parking lot, upgrade and investment in technology for instructional purposes and security, and the beginning of the cafeteria renovation are the direct result of campaign gifts. To avoid debt, the Board of Directors has conservatively required that funding for all priorities is committed prior to beginning each project.

Two priorities called the Capstone Projects remain. These involve the renovation of the aux gym into a Dedicated Performing Arts Space and the construction of an additional Athletic Center to accommodate physical education classes and many different team practices and athletic contests that now take place in the aux gym. The cost of the Capstone Projects by time they are completed could be \$3 million. Our ultimate goal in this campaign is to heighten and strengthen *the NDCL experience* for our students and their families.

Capital campaign gifts can be maximized in two ways: by taking advantage of the 2:1 or 1:1 match of the [Challenge Grant](#) made possible by the Edward A. and Catherine L. Lozick Foundation and/or by matching gifts through a donor's place of employment.

What is the full cost (the real cost) for an NDCL education?

Even though NDCL tuition this year is \$8,500 plus the Passport Fee of \$475, this income stream does not cover the full cost of education for each student. So many ask, "Why is tuition set lower than the actual cost?" Any of us working in the private sector might think that this is a sure fire way to go "out of business." However, in education, enrollment is closely linked with tuition. When tuition is raised, private schools run the risk of losing existing or *potential* students, which, as you will remember, is a factor in determining the cost of education. Each year NDCL seeks to set a realistic tuition that will be affordable for the families we serve. This is quite a balancing act!

The difference between the full cost of education and the revenue generated through tuition and government funding is \$1,200.

The Board of Directors has mandated that NDCL have a balanced operating budget for the 2010-2011 fiscal year. Their plan is to eliminate the deficit and cease to cover it with the school's reserves. Strategic steps have been taken and will continue to be taken to achieve a balanced budget without the use of reserves. Our goals are targeted on increasing student enrollment and managing costs to ensure good stewardship while providing outstanding programming.

As NDCL moves forward faithful to its mission, what options are available?

In the past, Catholic schools have had an excellent track record of running schools exceptionally well with minimal resources due to the commitment of numerous men and women religious. The generous gift of their uncompensated service is no longer a reality. A closer look at our major expense will reveal a shift that was not a major concern in earlier decades, namely, salaries and benefits for our faculty and staff.

In summary, there is a combination of options open to NDCL for meeting its financial obligations:

- A significant increase in tuition to cover total actual costs of education
- A modest increase of 5% in tuition which does not cover all costs
- A continued growth and significant increase in philanthropic giving from NDA, CL, and NDA alumni, present and past parents and friends

The first option is not our choice because it would exclude the ability of many families to participate in *the NDCL experience*. A smaller enrollment will lead to limited curricular and extra-curricular choice and alter our mission. The second option will continue to happen, to some degree, as it has in the past. However, our hope is that the third option will grow exponentially so that the first and second options become less a concern.

Truthfully, the third option is not a hope; it is a must for NDCL. Philanthropic giving needs to become integral to NDCL's culture. It is through the generous gifts of alumni, current and past families and friends that:

- the operating budget will be balanced
- the tuition increase remains modest and affordable
- need-based tuition assistance becomes available for those who qualify
- the facilities will expand and accommodate the needs of our students, offering them an education reflecting 21st century learning

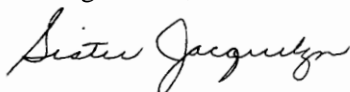
NDCL, as an institution sponsored by the Sisters of Notre Dame, is marked by a deep and abiding faith in the goodness and provident care of our God. However, God calls us to respond; to do our part and give back to what has lasting value, namely a Catholic education for present and future generations. For many this may involve sacrifice as discretionary funds are rerouted to NDCL or NDCL becomes one of your primary philanthropic choices.

To help NDCL realize its mission and core values, I invite you to seriously consider one or more of the following:

- ✚ Encourage your friends, neighbors and co-workers to consider *the NDCL experience* for their children. You are NDCL's best advocates!
- ✚ Give to the [NDCL Fund](#) (annual fund)
- ✚ Make a monetary gift or gift-in-kind to [NDCL's capital campaign](#)
- ✚ Establish an endowed scholarship in perpetuity to ensure the education of NDCL students
- ✚ Attend and bring friends to [the Lion's Mane Event](#) on April 24, 2010

Thank you for taking time to read this letter. You are welcome to call or contact me at any time. As we near the season of Lent, may Jesus teach us how to listen attentively as we seek ways keep alive His mission on this campus dedicated to Notre Dame, Our Lady. After listening, may we have the wisdom and courage to take action.

With gratitude,



Jacquelyn GUSDANE, SND
President