



## A Financial Update for Parents

**Cary Academy has been working behind the scenes to monitor and ensure the short-term and long-term financial health of the school.** Since March, the Board Finance Committee has met 5 times, the Board of Directors has met once and the Head of School, the Chief Financial Officer and other members of the Leadership Team and Accounting Team are meeting several times a week to monitor and plan for in a variety of financial areas including tuition and fees, financial aid, budget, endowment and cash flow.

**In all this work, Cary Academy has adopted a “People First” approach.** This means that our priorities rest with ensuring we can best meet the needs of our students and families both academically and financially and support our employees both professionally and financially. We have been working with families one on one so they may continue with Cary Academy and making changes to our fees and deadlines to allow breathing room for all families. We have made no changes in staffing; all our employees remain fully employed and paid.

**The school remains in a strong financial position.** We have more than full enrollment for the next school year. At the same time, we have budgeted conservatively and have built up reserve funds that can be used if need be. We are not carrying any debt; our recent capital projects have been paid for through fundraising and capital reserve funds.

**That said, like all other schools right now, we are facing some challenges.** 15% of our income comes from other sources--fundraising (5%), auxiliary income (1%), and endowment transfers (9%). We are projecting fundraising to be down 25% and auxiliary income to be down 33% for this year and foresee that trend continuing next year. Our endowment, though invested conservatively, has still been measurably impacted by the downturn in the stock market. We have seen an increase in financial aid requests and expect this to continue. We have had to make additional investments in technology resources to allow us to effectively pivot into a virtual learning environment.

**We have already taken initial steps to help our families financially.** These include:

- Providing all students with a \$200 dining fee credit for this year.
- Providing all current 10<sup>th</sup> grade students with a credit for the World Language Exchange Program Fee.
- Refunding all unused transportation fees for the third trimester.
- Suspending all late fees on student billing accounts since March and continuing to do so in the near future.
- Extending the deadline to make changes to the 2020-21 payment plan without a fee to May 31.
- Postponing the WL Exchange Fee billing for next year until we confirm that the trips will take place.
- Working individually with families who are experiencing financial difficulties to modify payment plans and defer payments; we will continue to do so for next year as well.
- Creating an Emergency Tuition Assistance Program to provide short-term support for next year.

**We have also taken steps to sustain the financial health of the school.** These include:

- Conserving campus utilities use and curtailing campus services to reduce costs.
- Suspending most capital projects and capital purchasing for the immediate future.
- Restructuring our 2020-21 budget that allows for the Emergency Tuition Assistance Program, reduces reliance on fundraising dollars and lowers auxiliary revenue – relying on reserve funds to maintain a balanced bottom line.
- Monitoring and making some changes in our Endowment Portfolio to allow it to continue to weather the changing market conditions.