

The Budget Process



Who Determines the Budget?

- **The Board of Trustees are responsible for Ashwood's budget**
- **The Finance Committee advises the Board**
- **The Administration manages the budget**



Budgeting

Tuition and Tuition Assistance

Development

Budgeting

Like any other family, Ashwood begins with an estimate of what our income and expense is going to be.

Simple Interest

Since banking began, lending money and charging interest have been central to the world of "finance" (money and how it is managed). We learned the formula for SIMPLE INTEREST: $I = P \cdot R \cdot T$

*I = interest (amount owed)
P = principle (amount owed)
R = rate of interest
T = time*

Gun Dora Queen needs to borrow 700,000 shittles to build a grand neeshy's hall. How much will interest cost? of the time is 2 years?


$I = 700,000$
$R = .13$
$I = 200,000$
$+ 700,000$
$I = 900,000$ for 2 years

Simon Hesh Mellows needs to borrow 27,000 shittles at a 19% interest rate for one year. How much will 1 year of interest cost?


$I = 27,000$
$R = .19$
$I = 5,130$ for 1 year

Licence Phelps borrows 50,000 shittles to build a new jello swimming pool at a 11% interest rate for 1 year. How much will the interest cost?

$I = 50,000$
$R = .11$
$I = 5,500$
$I = 55,500$



Becca wants to borrow \$50,000 from her bank. She borrows the money at a 19% interest rate, for one year. How much money will Becca owe the bank in interest and the total?



$I = 50,000$
$R = .19$
$I = 9,500$
$+ 50,000$
$I = 59,500$

She will owe the bank \$9,500 in total interest. Thus, the total coming to \$59,500.00.

We start with our priorities as outlined in the strategic plan.



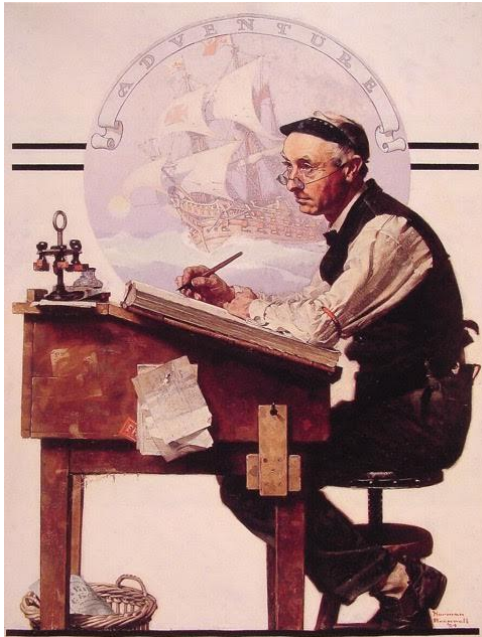
- 1. Maintain tuition at a rate that is sustainable to midcoast Maine families.**
- 2. Develop new revenue sources, capitalizing on the school's extensive facilities.**
- 3. Increase faculty salaries and benefits to bring them in line with other Waldorf schools in our region.**
- 4. Design and implement new marketing strategies to better convey our mission, program, and alumni success.**
- 5. Sustain the multi-age classroom model.**
- 6. Enhance Ashwood's campus by optimizing outdoor and indoor spaces on school property.**

How is tuition set?

By balancing income and expenses



The expenses in the budget reflect the strategic priorities:

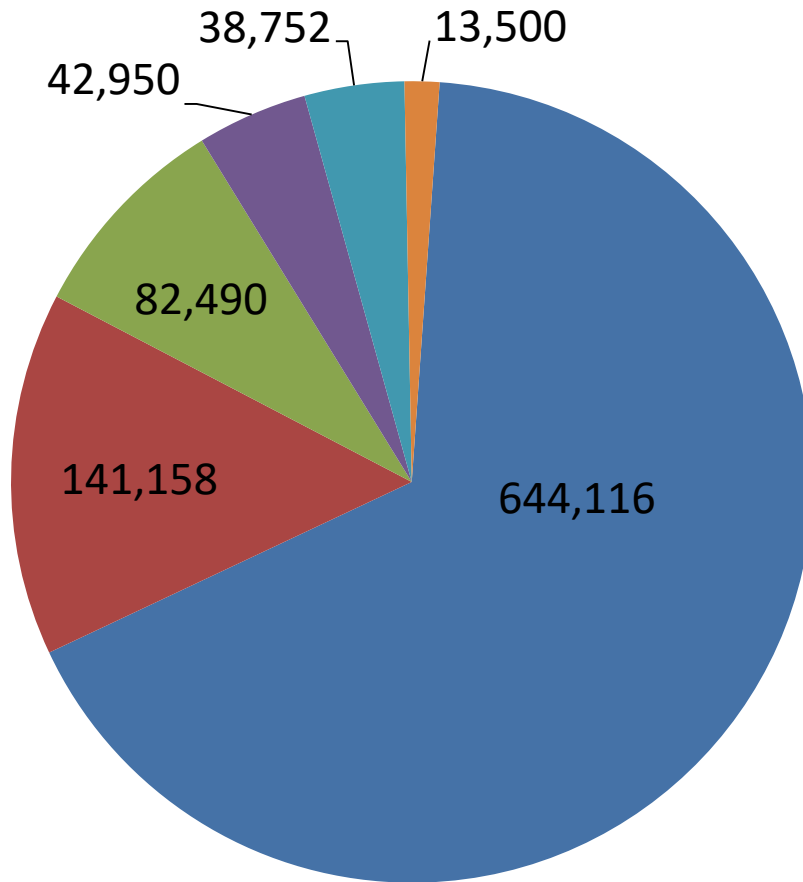


- 1) Salaries of teachers and administrators**
- 2) Tuition assistance**
- 3) Operating and program expenses based on prior year financial statements**
- 4) New expenses which come as a result of inflation, new maintenance and facilities care and new staffing needs.**

Expenses

2017-2018	
Personnel	\$644,116
Tuition Assistance and Other Discounts	\$141,158
Operations	\$82,490
Program	\$42,950
Mortgage	\$38,752
Utilities	\$13,500
Total Expenses	\$962,966

The Expense Pie



Expense FY 17-18
\$962,966

- Personnel
- Tuition Assistance
- Operations
- Program
- Mortgage
- Utilities

What determines income?



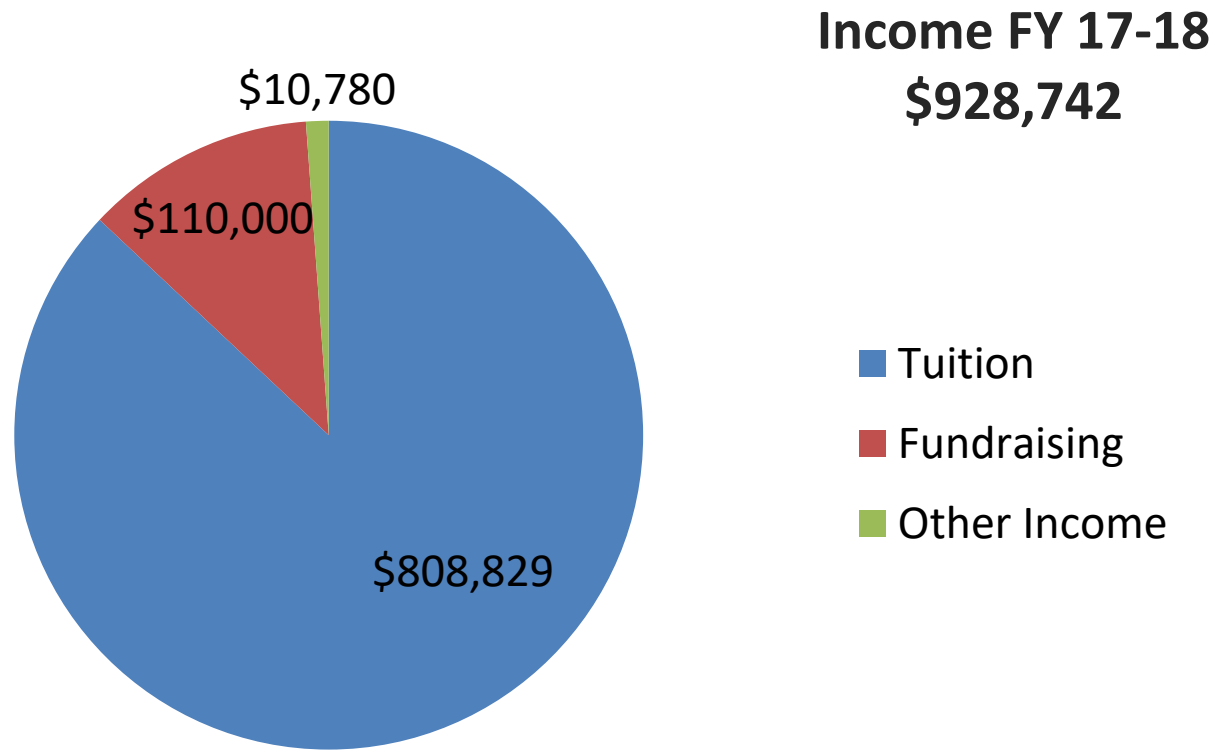
1) Enrollment

2) Development

Income

2017-2018	
All Tuition Income	\$808,829
Investment Income	\$2,000
Fundraising:	
Annual Appeal	\$40,000
Children Are Our Future (CAOF)	\$45,000
Serve-A-Thon	\$25,000
Rental Income, Fees, Leaflet Ads	\$1,875
Summer Camp, Other Ancillary Programs	\$6,905
Total Income	\$928,742

The Income Pie



Tuition Assistance at Ashwood



50% of all Ashwood families benefit from tuition assistance, including loans.

Tuition assistance is a program that bridges the gap between cost and what a family can afford.

- 1. There are limited funds available each year; we don't know what the applicant pool will be.**
- 2. TADS, a nationwide independent financial-aid service, evaluates each application and determines a raw need score.**
- 3. Scores go to the Tuition Assistance Committee for review. The committee is made up of community members who are not board members, parents, or staff.**
- 4. Recommendations are made and award letters go out.**

Why Do We Fundraise at Ashwood?

To bridge the gap between the real cost of a Waldorf education and affordable tuition rates.

What is fundraising income used for?

1. To cover expenses each year
2. Long term sustainability



Which Fundraisers Help us to Meet Our Operating Budget?

1. The Annual Appeal
2. Children Are Our Future
3. The Serve-A-Thon
4. Class Fundraising
5. Other Donations



What is the real cost of educating your children?

2016-2017 REAL COST	2016-2017 ACTUAL TUITION PAID
1-2 Grade : \$14,800	1-2 Grade: \$10,300
3-8 Grade: \$15,200	3-8 Grade: \$10,700

What Fundraising Campaigns Strengthen Ashwood's Long Term Sustainability?

- The Endowment
- Planned Giving
- Other Donations



The Bottom Line

Total Income	\$928,742
Total Expenses	\$962,966
Operating Loss	\$34,224



**We find delight in the beauty and
happiness of children that makes the
heart too big for the body.**

~ Ralph Waldo Emerson (1803-1882)