



Teaching Truth, Changing Lives

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Horizon Financing 2009-2010

Operating a high quality Christian school at an affordable cost is a continuing challenge. As Ken Block has explained it well on several occasions, *“In determining the tuition rate, we must merge our desire to sustain and improve the environment at Horizon with minimizing the impact of increased costs to you.”* As part of our ongoing effort to keep everyone informed, we are providing current and new school customers, donors, member note holders and other interested friends of the school, this brief overview of how we operate Horizon financially, and who pays for what in the operating budget.

Operating Budget

Tuition will pay for approximately 74% of the operating budget next year. Our tuition rates for 2009-2010 have remained unchanged from 2008-2009 recognizing the current economy and our desire to attract as many new students as possible by not increasing the average per student cost of a Horizon education. As you can see from the table below, Gross tuition, which represents the average price we charge for a one student family will be approximately \$5,571 per student next year. Approximately 35% of our students receive financial aid and more than 25% of our students come from families with more than one student at Horizon and therefore receive a multiple student discount. Financial aid is paid for solely by contributed income. By way of comparison, the Hood River County School district budget for 2007-08 was \$52.8 Million dollars or about \$13,700 per student.

Revenue Budget	Per Student	%
Gross Tuition and Fees Income	\$ 5,571	91%
Financial Aid and Other Discounts	\$ (1,022)	-17%
Contributed Income	\$ 1,338	22%
Other Services Income	\$ 243	4%
Total Revenue	\$ 6,129	100%

Of our contributed income of \$1,338 per student, only \$25 is coming from annual fund raising activities such as our annual Car Wash. The balance is coming from board members and other friends of the school. For 2009-10, board contributions are approximately 13% of the operating budget, with much of the balance of contributed income being given by members of our newly formed “Vision Builders Society”, which now has more than 20 members who have pledged to give at least \$1,000 per year for the next five years to help underwrite our operating budget. I

am pleased to report that every member of our board of directors is a member of the Vision Builders Society.

Salaries and other employment related costs are the single largest expense of the school at 62% of our operating budget.

Expense Budget	Per Student	%
Total Salary and Benefits	\$ 3,774	62%
Teaching Expense	\$ 178	3%
Extra Curricular	\$ 111	2%
Building Operations	\$ 383	6%
Development: PR & Marketing	\$ 38	1%
Office Operations	\$ 219	4%
Bus	\$ 69	1%
Contingency and Bad Debts	\$ 77	1%
Debt Service & Capital Spending	\$ 1,279	21%
Total Expense	6,128	100%

The next largest expense next year is Debt Service on the term loan portion of the New Campus. which has increased this year as a result of putting the new gym into service. Approximately 30% of the gym construction cost was donated directly through our Hoops 07 project. At \$1,279 per student, the debt service reflects approximately 55% of the cost of the new campus project and 21% of the total tuition charge.

New Campus Financing

Tuition charges are only paying for approximately 55% of the cost of the new campus. We anticipate that it will cost approximately \$500,000 to fully complete the campus including the Cafeteria at this point, no completion date has been set for this project. To-date, more than \$6.7MM has been invested in the new campus and more than \$2MM has been donated either in cash or by volunteer labor and materials. More than 85 individuals have either purchased member notes, made a cash gift of \$5,000 or more, or have donated labor and materials totaling \$5,000 or more. Less than 20 of these 85 individuals have students currently attending Horizon and 21 of the 85 individuals have no prior affiliation with Horizon.

We are indeed thankful to our many friends of the school that have both given so generously and have purchased the member notes, thereby helping Horizon to remain affordable and a great asset to our communities. We are also very thankful to our entire staff who works at a significant personal sacrifice in compensation and benefits for the privilege of helping Horizon in “becoming second to none”.