



“Praise be to the God and Father of our Lord Jesus Christ, who has blessed us in the heavenly realms with every spiritual blessing in Christ.” - Ephesians 1:3

On behalf of the **Cary Christian School Board of Directors**, I am honored to address you through this annual report. As I observe the progress of the construction of our new wing, I am reminded that God’s favor and blessings are not provided to us because we are worthy, but because of *His* grace, *His* tender mercy and *His* loving kindness. I am pleased to report that our school continues to flourish through *His* faithfulness!

The Board has three primary responsibilities. Our chief accountability is to ensure that the foundational principles, comprised of our statement of faith and educational philosophy, are protected and upheld. Secondly, we establish the overarching guidelines for the operation of the school through the Policy Governance Manual. Finally, we direct the long term vision for our school, including financial planning and growth preparation. Through classroom observations, parent interviews, policy governance monitoring, board meetings, comprehensive administration reports, the annual board retreat and other vehicles, we are able to accurately review and assess the progress of Cary Christian School.

I recently had the pleasure of presenting Larry Stephenson with his five year anniversary service award. The Board is thankful that God, in His providence, chose to bring Larry and his family to Cary Christian School. The academic improvement, enrollment growth, facility enhancement, staff consistency and financial stability our school has witnessed under his leadership are truly remarkable. His experience as a teacher, coach and administrator in both public schools and more importantly, a classical, Christian school, has benefited our school well. We are confident in his leadership, which is grounded in seeking God’s wisdom, as we collectively strive to implement and perfect an “excellent classical & Christian education founded upon a biblical worldview”.

Our financial state is healthy. An independent firm recently completed their annual audit of our financials and provided a clean bill of health - with no management recommendations. We currently have approximately \$600,000 set aside for reserves and development. These funds are independent from dollars collected from tuition prepayments and thereby allocated for operating expenses. We have paid three of four \$250,000 balloon payments, either on time or ahead of schedule, with our final payment being due in December of 2007. It is important to note that none of the balloon payments were paid from tuition revenues. These payments were made through generous contributions of donors. Donations and contributions are a key factor to our financial strength. These monies free up tuition dollars otherwise allocated for brick and mortar, to be utilized in other ways such as teacher salary increases and tuition assistance.

In February 2006, the Board made a mid-range strategic decision concerning the growth and enrollment size of Cary Christian School. We established total enrollment to be *approximately* 780 students or three classes per grades K-12. Our new annex will accommodate this growth in a financially responsible manner. By moving our arts and science programs to the annex, we will free up necessary classroom space. We currently have 736 students enrolled at CCS. Much of the cost from our growth has been covered by increased revenues generated by rapid increases in enrollment. As enrollment flattens and we move closer to our maximum level of students, new financial challenges will emerge. Our costs will continue to rise due to inflation, compensation increases, etc. yet our enrollment will reach a plateau and eventually cap out. Although we are in the early stages of this phenomenon, the Board is carefully planning to ensure current financial vitality, as well as stability for the future. The recently announced tuition increase for the 2007/2008 school year is one measure we have deployed to keep ahead of this situation.

The Board has established some key principles regarding management of the school's financial resources that we believe to be biblically and organizationally sound. Our financial decisions should never force us to compromise our admission standards, diminish the CCS "product", dilute our education model, rely too heavily on financial gifts, or handcuff our ability to manage tuition costs. Our decisions need to support progressive salary increases for staff, provide for tuition assistance at some level, as well as ensure a measure of surplus to cover unanticipated needs and emergency funds.

The Board is committed to providing our students with the facilities and curriculum necessary for a complete educational experience. It is exciting to know that over 70% of our middle and high school students participate in our athletic programs, drama productions, debate team, quiz bowl and clubs. Our choir, band and art programs are exceptional and further expand our students' perspective of learning. We are also committed to providing our teachers with the tools and training necessary for them to grow professionally and continue to deliver quality instruction in the classroom. We are delighted that teacher retention is at an all time high. The value that time and longevity in the classroom plays in refining the art of teaching classically with a Biblical worldview - is immeasurable.

The last twelve months provide us with numerous points of reflection. Our seniors traveled to Costa Rica as part of the Senior Service Practicum. This provided them with the unique opportunity to expand their view of the world by serving and sharing the hope of Christ. Our athletic teams continue to display extraordinary character and bring glory to Christ through competitive activities. Many of our athletic teams have experienced the delight of conference championships, while others continue to build their programs. The championship banners hanging in the gym are wonderful, however they should never overshadow the indefatigable and noble efforts displayed by our "under construction" teams that do not ever quit or compromise their purpose regardless of the insurmountable obstacles displayed on the scoreboard. Many teachers and staff attended the annual ACCS conference for training and fellowship. Several CCS staff members have become sought after speakers for the conference, serving as an acknowledgement to their talent and the reputation that CCS is gaining among the association. Our graduates consistently report that their education at Cary Christian School prepared them exceptionally well for college. The devotion and hardworking nature of our staff and teachers is clearly evident and greatly appreciated. Their teaming, unity around a common purpose, love for the student body, support for one another, as well as the joy they bring to the classroom, continue to serve as an encouragement. It should not come as a surprise that the staff has great fun, as is demonstrated by the light hearted jesting and frequent practical jokes amongst them.

The Board is exceedingly grateful for all of you that make this worthy endeavor possible. May the grace of our Lord Jesus Christ, the love of God, and the fellowship of the Holy Spirit be with you all.

Rick Wharton
President
Cary Christian School Board