

## DIRECTOR'S NOTE

By **Briel Schmitz, Director**

When I first joined Spruce Street School, the most pressing challenge was to find a permanent building for the school. At the time, the school had no reserves and operated right on the margin financially. The idea of finding, remodeling and affording a real building seemed like an unattainable dream.

Just recently the final phase of this once unimaginable goal was completed. After the Moving On celebration and one last hurrah to celebrate the school's founder, Harvey Sadis, in June, Turner SPD moved back in to the school to complete a tenant improvement project designed by Jim Burton.

Throughout the summer we created an entryway for the school including a new office, conference room, front reception, enclosed gym, adult restroom and sink for the parent room. We also added much-needed student space to the second floor. These improvements had been imagined when we signed the lease on the building, however they were out of our original scope and budget. After four years of growing the school from 64 students to 97 and careful financial management and planning, it was clear that we were close to being able to complete this final phase. It took generous financial and in-kind gifts from Spruce Street School families and hundreds of hours of donated time to make the vision a reality.

Along the way many individuals stepped in to support the school. Special thanks to the members of the Board of Trustees over the past 7 years and to Suzie Hanson, who spent her final month at Spruce Street School immersed in a massive construction project. It was just like her to give this school her all until her very last day, leaving the school in a much more stable, secure and finished state than when she started.

I love the welcoming feeling of the front office, and the windows opening up into other spaces. To me it is a good reminder to dream big—and that it was with the power of many that we were able to *Finish the Dream*.

Briel Schmitz



Cam Williams

## DEVELOPMENT OFFICE UPDATE

By **Cam Williams, Development Director**

It is a fact that independent Schools rely on philanthropy to support unique programs and keep tuition low. Spruce Street School's Annual Fund is our community-supported initiative that funds our art and music programs, superior academics including electives, physical education classes and essential scholarships. Each of these helps us create a diverse and challenging learning environment for our students.

As so many of us know, philanthropic donations were down last year in America, and that trend affected Spruce Street School. Our Annual Fund gifts were lower than those in previous years. Despite the challenges, we were very proud that 100% of our board, staff and parents contributed donations to Spruce Street School's Annual Fund.

The "World Beat Auction" last February proved a great opportunity for the community outside of the school to

show support and engage with our inspiring mission. Co-chairs Carla Richards and Meaghan Darling along with numerous parents and staff gave tireless hours and expertise to this highly celebrated event.

Just before the start of this school year, we finished the dream and completed a space through which our students begin each day anew. To me, this space is a constant reminder not only of what we can do when we work together, but as it is the school's entry way, it is also a reminder and celebration of the work to come. There is always more to be done, always another mountain to climb, which means there will always be a place for each community member's specific contribution. I look forward to seeing what this year will bring, and I look forward to working with you all on the 2009-2010 Annual Fund, auction or other fundraising efforts.

### MISSION STATEMENT

Spruce Street School is a nurturing educational community that instills in a broad range of children the social, emotional, and intellectual skills for lifelong participation in a diverse society.

### BOARD OF TRUSTEES

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- Guy Fineout  
Assistant Director/Admissions
- Jane Davis-Ward  
Business Manager
- Cam Williams  
Development Director
- Kate Gengo  
Front Office

# SPRUCE STREET SCHOOL FINANCIAL REPORT FISCAL YEAR 2008–2009

**By Valerie Kampe, Board Treasurer**

Spruce Street School finished last year with solid financial results. The accompanying figures show key operating outcomes for the twelve months ended August 31, 2009—our most recent fiscal year. Net operating income of \$131,500 exceeded budget significantly and allowed us to build our reserves at an accelerated pace. Financial highlights of the year include:

- Revenue was ahead of plan due to stronger-than-expected enrollment
- Sums allocated to Financial Aid were not fully utilized
- Utilities expense was below expectations
- Certain employee-related costs came in lower than budget

Without these positive highlights, the year could have been more difficult. National, regional, and local economies entered crisis mode; and the resulting economic hardship took its toll on our fundraising efforts. The targets for our Annual Fund and Auction last year proved challenging. We were fortunate to have good management and high enrollment to offset the economic difficulties.

The year 2008–2009 was the second year covered in our Ten-Year Financial Plan (created during 2006–2007). The Plan anticipated that the school would be building enrollment toward its long-term target of 94 students during the first three fiscal years (through 2009–2010), and it projected financial losses throughout that timeframe. Actual enrollment has exceeded plan, and we have been fortunate to generate excess income instead of losses in the first two years of the plan.

This growing period is important, because the cost to lease our building will increase significantly in 2010–2011. We needed to reach “full” enrollment by next year to keep up with lease payments. It appears that we are succeeding in this goal.

Another important goal in the Ten-Year Financial Plan is to build reserves for several purposes. We now have three forms of financial reserves that we are increasing strategically toward long-term target levels:

- 1 Operating Reserve, or “rainy day cash”
- 2 Building Reserve, to provide capital for the future renewal/ replacement of our current premises
- 3 Capital Equipment Reserve, to replace depreciating machines, furniture, etc.

Sound financial management and results have generated greater cash surpluses than planned, so we have been able to build these reserves at an accelerated pace. This is especially beneficial for the Building Reserve, which will be able to grow through compounding for many years before it is needed.

The amount of cash available to allocate to these reserves at the close of fiscal 2008–2009 totaled nearly \$90,000. This sum represents a surplus that we do not expect will be needed for operating or other costs during the current fiscal year (2009–2010). The Board approved allocations of \$42,000 to each of the Operating and Building Reserves, and \$6,000 to the Capital Equipment Reserve. Following these allocations, the reserve investments stand as follows:

- 1 **Operating Reserve** – holds approximately \$141,000 in cash-like investments. This sum represents nearly 10% of annual Operating Expenses; the target is to build and then maintain a reserve equal to 20% of annual Operating Expenses.
- 2 **Building Reserve** – holds approximately \$112,000 in a balanced diversified investment portfolio. Its target is \$7.5 million by 2030.
- 3 **Capital Equipment** – holds approximately \$6,600 in an FDIC-insured account, which may be spent during the year to replace depreciating equipment.

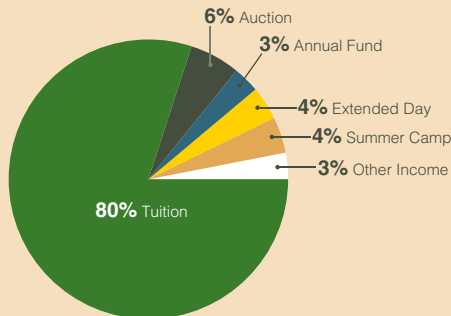
Spruce Street School continues to thrive and meet its financial goals—both long-term and short-term—despite the economically trying times we currently face. Looking forward, we see surmountable challenges and increasing financial stability as we move through the next phase of our Ten-Year Financial Plan.

Valerie Kampe

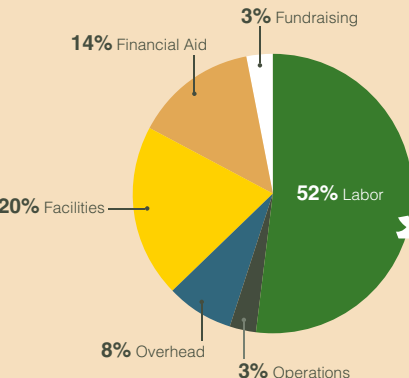


2008–2009	
Auction	102,480
Annual Fund	54,882
Extended Day	62,170
Summer Camp	68,963
Other Income	39,722
Tuition	1,423,775
<b>Total Income</b>	<b>1,757,216</b>
Labor	(832,896)
Operations	(52,966)
Overhead	(134,374)
Facilities	(324,670)
Financial Aid	(234,057)
Fundraising	(46,718)
<b>Total Expenses</b>	<b>(1,625,681)</b>
<b>Net Income</b>	<b>131,535</b>

**FISCAL YEAR 2008–2009 INCOME**



**FISCAL YEAR 2008–2009 EXPENSES**



# THANK YOU TO OUR GENEROUS DONORS!

Donations received September 1, 2008–August 31, 2009

Thank you for the **100%** staff,  
Board and parent participation!

## Annual Fund Donors

Ada Healey  
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Jim Burton  
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Meaghan Rockowitz  
Ron Darling  
The Winningham Family  
Willie Stump

## Finish the Dream Donors

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Meghan Rockowitz  
Ron Darling  
Scott Hill  
Willie Stump

# THANK YOU VOLUNTEERS!

By Cam Williams, Development Director

Volunteering for Spruce Street School for me is a selfish action, reflecting a desire to improve the educational experience for my children and their classmates. It also is a way for me to act as a role model for my boys, showing them the value of community, and working together toward a common goal that benefits everyone. And it's a way to meet other parents, and have fun! To volunteer is to help create the world we want to live in.

- Jim Burton, parent

Spruce Street School has a dynamic and thriving volunteer base that supports the school in numerous and diverse ways. Last year, the tremendous in-kind donation of labor and materials to finish the school's downstairs entryway was a perfect example of our unified purpose, philanthropic spirit and dedication of this community.

Volunteerism and the donation of personal time are not only beneficial to the school, but can be tremendously fulfilling to the individual as well. There is something exceptionally gratifying about spending a day in service to a cause about which we are passionate. Whether it is by donating time to complete a renovation, giving furniture, books, supplies, computers or auction items, reading to children, championing the cross-country team, helping with camp, music programs or special performances, participating in the Parent Association or as a Trustee, Spruce Street School provides hundreds of opportunities to get involved.

Volunteers keep our school running smoothly, and we would not be the school we are without your help. We thank you! We appreciate all the time, effort and talents you share with us. Thank you for supporting us, believing in our philosophy and helping to make us an extraordinary community and school.



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[www.SpruceStreetSchool.org](http://www.SpruceStreetSchool.org)

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# 2008-2009 ANNUAL REPORT

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