



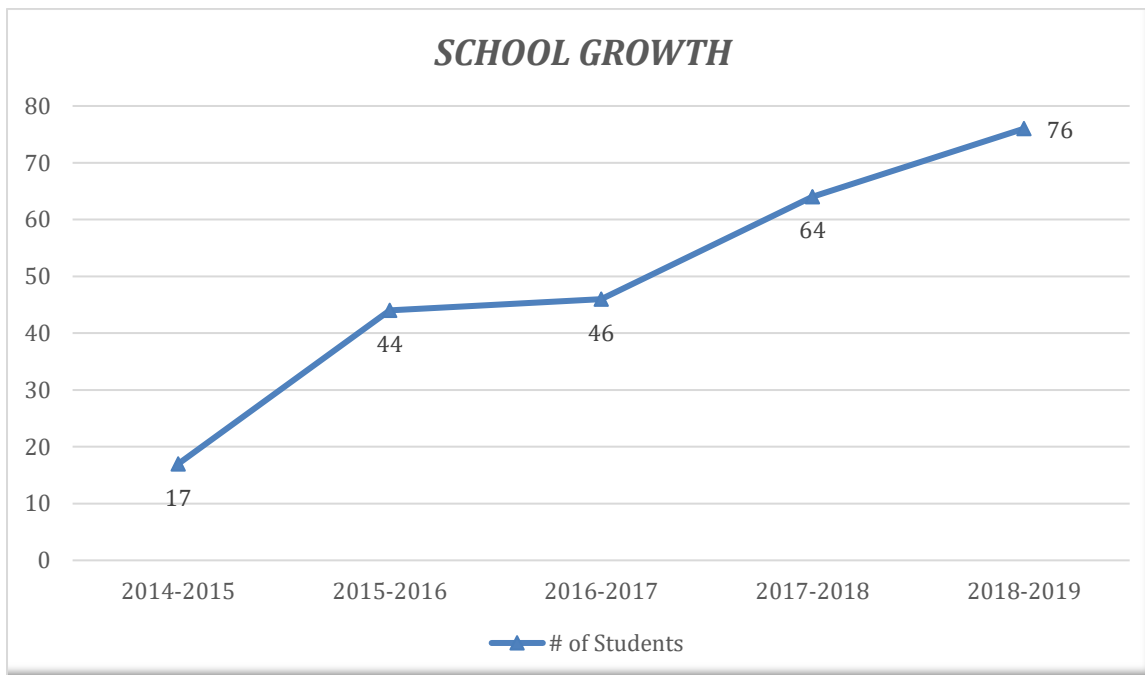
Statement of Financial Philosophy, Health and School Growth

According to the consulting firm, Independent School Management (ISM), which is the leading comprehensive management-support firm for private-independent schools in the United States, the most critical factor for private school survival is its financial health. Since its founding, River Hills Christian Academy has operated in such a manner to encourage financial strength and viability. This philosophy has extended to all financial aspects of RHCA operations, including tuition, financial aid, debt, cash reserve, and management of funds.

School Growth

RHCA opened in August 2014 with seventeen students in Prekindergarten and Kindergarten with the long-term vision to grow to encompass all grade levels through 12th grade. Each year the school has added at least one grade level and numerous students to the current growth of 92 students in grades Prekindergarten-3 through 6th grade.

The following chart details the school growth since the first school year in 2014-2015.





Tuition

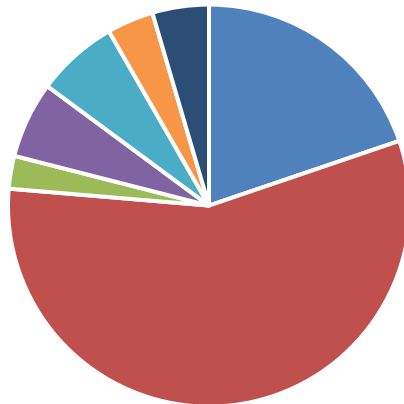
The Head of School and School Board Treasurer initiate the process of establishing tuition by presenting a proposed budget in the fall of each year to cover the following fiscal year. This budget is initially submitted to the RHCA School Board for review and approval.

RHCA operates on a balanced budget with TUITION COVERING 100% OF OPERATING EXPENSES, whereas the majority of private schools require additional fundraising each year to cover their budgetary needs. At times, the commitment to funding operations from tuition may cause annual percentage increases. While raising tuition has not been a necessity at this point, the School Board will base the decision on the necessity to cover operating expenses and to be prudent to maintain proper financial health as well as fulfilling the strategic plan approved by the Board. It is anticipated that annual increases in tuition could be necessary to retain quality teachers and staff as well as fund growing academic programs.

RHCA can operate under tuition because we are a ministry of River Hills Baptist Church and currently have very little operating expense due to use of RHBC's facilities. As the school grows, operating expenses will increase, and tuition will be adjusted as necessary. *Note the 5% facility cost; most schools operate with facility cost at 25%+.*

The following chart details 2018-2019 operating expense by broad expense category.

RHCA OPERATING EXPENSES 18-19



- Administrative Wages 20%
- Teacher Wages 56%
- Part-Time Wages 3%
- Payroll Taxes and Benefits 6%
- Office Expenses 6%
- Curriculum Expenses 4%
- Facilities Expenses 5%

Debt

Historically, RHCA has not needed to take on debt to cover operating expenses. As the school continues to grow, the Strategic Planning Committee will consider the necessity of a Capital Campaign to avoid any long-term debt due to the expansion of grades or campus buildings.

Financial Aid

RHCA has been committed to providing financial aid to students since its inception. Financial aid is funded through three primary means: 1) donor contributions; 2) funding from the operating budget; 3) annual fundraising events.

The policy was approved by the Board in 2014 and commits to assisting families that qualify for financial aid through a third-party approval application based on family finances or through scholarship application based on extenuating family financial need. The limit of financial assistance for any award is half of the student's tuition.

The following chart details financial aid dollars awarded by year.



RIVER HILLS Christian Academy

FINANCIAL AID AWARDED BY SCHOOL YEAR

