

SHREWSBURY MONTESSORI SCHOOL
MONTESSORI CHILDREN'S HOUSE OF AUBURN

ANNUAL REPORT
(2010-2011 SCHOOL YEAR)

JANUARY 2012



it all starts with a single golden bead...

Shrewsbury Montessori School admits students of any race, color, religious affiliation, national and ethnic origin, and qualified handicapped students to all the rights, privileges, programs, and activities generally accorded or made available to students at the school. Shrewsbury Montessori School does not discriminate in violation of any law or statute in the administration of its educational policies, admissions policies, financial program, or school-administered programs.

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Who We Are

Shrewsbury Montessori School is a non-profit private school dedicated to nurturing the academic and holistic development of children age 3 through grade 6. Classes are of mixed ages and abilities where children are encouraged to work, play, and learn together at their own pace using methods developed by Dr. Maria Montessori.

Our school provides a nurturing and stimulating environment where children revel in the joys of learning leading to:

- A lifetime love of learning, achieving, creating, and being challenged;
- An eagerness to explore and solve problems; and
- An inner discipline and strong self-image.

Benefits of a Montessori Education and Environment

- Children's intrinsic need for self development is fostered in carefully designed classrooms.
- Children naturally develop a matrix for classification and organization.
- Children are eager to explore and solve problems using developmentally-appropriate materials that promote coordination, concentration, order and an independent approach to learning.
- Children learn to cooperate and compromise.
- Children of all learning styles: auditory, visual, and kinesthetic benefit from the hands-on nature of specially-designed Montessori materials.
- Children become goal driven and develop the skill to judge their own progress and performance.

It is our mission to provide a prepared environment in accordance with the Montessori Philosophy in which each child may live his or her life according to individual developmental needs. Our goal is to develop the personality of the whole child and to encourage such concepts as creativity, self-discipline, initiative, independence, self-confidence, and a sense of personal and communal responsibility.

Board of Trustees President Message

It was over 30 years ago when Nancy Corkum, previous owner and director, began her mission of bringing Dr. Maria Montessori's teaching to children, first in Dudley and Auburn, and then in Shrewsbury. Today, Shrewsbury Montessori School (together with our sister campus in Auburn) is a non-profit private institution providing excellence in Montessori education to children all over Central Massachusetts.

This year marks our seventh year as an independent school and it is remarkable to reflect on our success. Our academic excellence, meaningful life-changing stories of community and learning, and our school's financial prosperity are all due to the hard work, dedication and energy of our community of board, administrators, teachers, parents and children. I'm proud to be part of such a wonderful school.

2010-2011 noteworthy accomplishments include:

- Exceeded enrollment goals;
- 100% Admission rate for graduating Sixth Years;
- Continued financial stability with significant decrease in debt obligation;
- Approved the hiring of a full-time registered nurse to serve both campuses;
- Adhered to SMS by-laws with attention to Best Practices in school governance for the Board of Trustees, Head of School, and Committees;
- Implemented new communications format;
- Strengthened health benefits for staff;
- New and enlarged playground at the Auburn Campus;
- Integrated school-wide arts enrichment program (Folk Music and Dance) sponsored by the PTO;
- Initiated summer program at the Auburn campus;
- Offered summer theater program and Children's House programs at the Shrewsbury campus;
- Extended After School Program with After School Enrichment program option until 5:00pm at the Shrewsbury Campus;

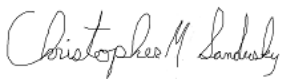
As a non-profit institution, our school's future success depends on maintaining a strong financial foundation. Tuition revenue alone is not sufficient to maintain the academic excellence we all value so highly. The Annual Fund provides what the school cannot afford with tuition revenue. As a trustee, I have the opportunity to understand just how important Annual Fund contributions are to our school and I urge you to contribute if you haven't done so already. Consistent and strong Annual Fund giving provides enrichment to all of our students and helps the school attract outside grants from foundations and other philanthropic institutions, as well as meet one of the many requirements of accreditation. Being a part of Shrewsbury Montessori School means being a part of something big! Please contribute.

This year, I want to thank Caitlyn Alquist Carolan for her year of service co-chairing Development and hosting the successful 2010 February Adult Social event. To some of our longest serving board members, Lisa Cossette (Last Board President), Mel Chacharone (Past Board President), and Sue Tretter (Annual Fund) we wish all the best in their new endeavors.

Lastly, I would like to thank my fellow trustees who have remained on the Board – thank you to Maria Mihopoulos for continuing in her roles as Alumni Director and Co-Chair of Development, Udgith Mankad and Megan Benison for contributing their professional expertise and experience, and Tom Joyce for providing stability throughout his tenure. It has been a great pleasure working with everyone.

There is still much work to be done and many more stories to be told at Shrewsbury Montessori School – and I welcome all of our new and returning trustees, parents, students, and employees to join me in continuing the success of Shrewsbury Montessori.

Wishing you a wonderful 2012,



President, Board of Trustees, Shrewsbury Montessori School

The Story

The story of Shrewsbury Montessori School started over thirty years ago in one classroom in Dudley, Massachusetts. In 1976, the log house in Auburn was built. In 1986, the property at 55 Oak Street in Shrewsbury was purchased. Over the years the school has grown to what it is today because our parents and students witnessed the lasting value of their Shrewsbury Montessori School experience and shared their story with others! As we embark on our seventh year as a non-profit and over thirty years as an independent school, we are assured of a strong and healthy institution dedicated to the education and development of the whole child. The meaningful, life-changing, foundation-forming lessons learned through a Montessori education at our school are carried forward long after our students leave us and help shape the communities in which our children enter for the rest of their lives.

Valas Family Story

As parents of three children enrolled at Shrewsbury Montessori School, and like so many of our fellow SMS parents, Tim and I are stretching ourselves financially to invest in our children's development and their future. We are intentionally and conscientiously choosing to provide a culture and educational experience that engages and challenges our children to realize their fullest potential. When they enthusiastically showcase their work and exude the magic and spirit that embodies the Shrewsbury Montessori School experience, we are reminded of how essential it is that we continue our commitment to make this special experience their daily reality. We understand that tuition is only one part of the financial support so critical to the school's successful execution of its core mission. Charitable donations and other forms of stewardship are essential to maintain and enhance the quality of the SMS program. Tim and I recognize the importance of our direct, tax-deductible charitable contributions to the school. We know these donations are also investments in our children and constantly seek out ways to increase our financial support of the school.

We are completely confident in our school's Board and leadership to make wise decisions regarding how these precious funds are spent. We usually leverage our employer match program, in some cases employers' match 2:1; and we recently started to honor our children's dedicated teachers by making honorary donations to SMS in their names. We've witnessed firsthand how powerful it is to share our "Why SMS Story?" with

others. By sharing our story we've not only served as ambassadors of the SMS mission but we've also given friends and family ideas for future charitable gifting.

As our children get older we try to involve them in charitable giving decisions. They've begun to recognize the importance of giving back and contributing to their communities. For them, SMS is their primary community, a place where they spend most of their time and see their friends. They can't imagine life without it and have great visions for the future. They've begun to



lend their names, and birthday/holiday celebrations, to what we would consider mini-Annual Fund appeals. The more they hear about how other parents and children contribute to the school -- whether with cash donations, time or "stuff", they really get it and want to do their part. They aren't shy to ask us to do our part too. I recall fondly how my son noted that "Michael is so lucky; he gets to see his mother everyday because she's President of the PTO and volunteers A LOT!" My daughter remarked that Farris' mother is also on the PTO and is always at the school volunteering."

Wow I thought -- children, from such a young age, are already learning what it means to give of yourself by observing the dedication and commitment of parent-volunteers in the school; these parents who serve as role models for my children, and for all of us. Knowing that our community depends heavily on the time and talents of our parent group, Tim and I do our best to pitch in where we can -- even if it's only to clean up after an event. We know no act of stewardship, big or small, random or regular, goes unnoticed or unappreciated; and we also know that for us, for right now, we are doing what we can and contributing in the way that makes sense for us.

Shrewsbury Montessori School is an integral part of our family and our life and the Valas family will continue to support the school through charitable donations of time, money and energy. Moreover we will continue to tell the SMS story in hopes of garnering widespread community support and recognition of our school in Shrewsbury as an educational leader. Tim and Karla Valas

Key Montessori Principles

Child-Centered Learning

The focus of activity in the Montessori setting is on children learning, not teachers teaching.

Hands-On Learning

Direct contact with real objects of study bring learning concepts to life and allow children to understand them more deeply.

Intrinsic Motivation

Each child's own internal motivation is fostered through freedom of choice and independent activities.

Focus on Individual Development

Children progress at a personal pace and receive individual attention from teachers as they move through each area of learning.

Cooperation and Collaboration

Children are encouraged to work in partnership with others and treat each other with respect and kindness.

Child as Spiritual Being

Montessori education recognizes each child as a full and complete human being and celebrates the individual spirit within each child.

Global Understanding

The Montessori curriculum is international in its heritage and focus, and consciously seeks to promote a global perspective.

Service to Others

Community service programs within the classroom, school, and beyond help promote the ideas of stewardship and compassion.

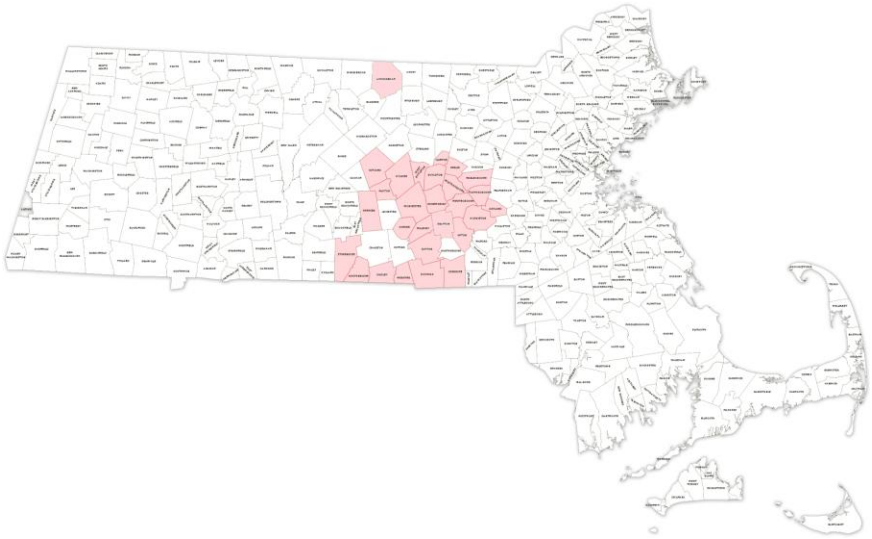
One School – Two Campuses

We are one school with two campuses. Though we refer to the entire school as Shrewsbury Montessori School regardless of campus, we operate our Auburn campus under the Montessori Children’s House of Auburn name. We offer programs for our youngest students (preschoolers and Kindergarteners) at both Shrewsbury and Auburn campuses that provide an unparalleled foundation and are a natural precursor for the elementary program at our Shrewsbury campus.

Auburn	AM/PM/Full Day	2007-2008	2008-2009	2009-2010	2010-2011
Pre-Primary	Three Afternoons	-	-	-	5
Three Year Olds	Three Afternoons	13	12	16	6
Four Year Olds	Five Mornings	14	13	11	15
Five Year Olds (Kindergarten)	Five Mornings (Two Extended)	9	8	8	6
Auburn Total:		36	33	35	32

Shrewsbury	AM/PM/Full Day	2007-2008	2008-2009	2009-2010	2010-2011
Pre-Primary	Five Mornings	-	-	-	10
Three Year Olds	Five Mornings	23	23	19	21
Four Year Olds	Five Full Days	20	34	33	25
Five Year Olds (Kindergarten)	Five Full Days	31	27	32	25
Lower Elementary	Five Full Days	45	41	46	41
Upper Elementary	Five Full Days	33	34	38	36
Shrewsbury Total:		152	159	168	158
Total		188	192	203	190

Where Our Students Come From



Ashburnham
Ashland
Auburn
Berlin
Boylston
Clinton
Douglas
Dudley
Fiskdale
Grafton
Holden

Hopkinton
Jefferson
Manchaug
Marlborough
Millbury
Northborough
Paxton
Rutland
Shrewsbury
Southborough

Southbridge
Spencer
Sturbridge
Sutton
Upton
Uxbridge
Webster
West Boylston
Westborough
Worcester

Where Our Students Go After Sixth Year

Private Schools

Bancroft

Saint Peter Central Catholic Elementary School

Saint Peter Marian Junior High School

Worcester Academy

Public Schools

Advanced Math and Science Academy Charter School

Gibbons Middle School

Melican Middle School

Mountview Middle School

Francis Parker Charter Essential School

Spirit of Knowledge Charter School

Board of Trustees

The Board's primary responsibilities are to:

- Define the school's mission, clarify its philosophy, and establish supporting policies;
- Approve the annual operating budget, monitor financial performance, and ensure long-term financial well-being;
- Confirm day-to-day operation is consistent with Board policies, school mission, and school philosophy;
- Manage, support, and evaluate the Head of School;
- Play a key role in fundraising;
- Strategically move the institution forward; and
- Serve as ambassadors for the school.

The Board of Trustees is necessary to our being a non-profit institution and plays a very important role in directing the future of Shrewsbury Montessori School. Each trustee provides expertise to the Board and acts as a steward for some aspect of school operations. Together the trustees discuss and vote on school policy and direction.

Each year, the Committee on Trustees evaluates the needs of the Board and presents candidates to the Board for election in May. Parents are encouraged to submit a resume and letter of interest to the Committee on Trustees for opportunities in your area of expertise.

Christopher Sandusky	President (Past Facilities)
Sheila Coakley	Vice President
Andrew Kyriacou	Treasurer
Udghith Mankad	Clerk
Maria Mihopolous	Co-Chair Development
Suzanne Nebelung	Co-Chair Development
Megan Benison	Trustee (Past Clerk)

Thank you to Lisa Cossette (2008-2011), Mel Chacharone (2007-2011), Susan Tretter (2008-2011), and Tom Joyce (2009-2011) for their years of service to the Board.

Administration

The Head of School's responsibilities for both campuses are to:

- Implement the strategic plan;
- Support the school's mission;
- Communicate and carry out policies;
- Manage facilities, enrollment, budget, and all staff;
- Handle day-to-day operations; and
- Serve as the main contact for parents, staff, PTO, Board of Trustees, other schools, and the community-at-large.

Director of Admission's responsibilities for both campuses are to:

- Support the Head of School with enrollment and re-enrollment strategies;
- Communicate and carry out admission and enrollment policies;
- Handle all admissions inquiries and support Next-Step requirements; and
- Facilitate all admissions events (Open House and individual and group Parent Tours).

Margie Smetana
Elizabeth Leandres

Head of School
Director of Admissions

Faculty, Specialists and Support Staff

Our exceptional, caring, and dedicated faculty is the heart and soul of Shrewsbury Montessori School. Our staff has been with the school an average of fifteen years (from 1980 to 2011)!

Suzanne Balcom	Auburn Children's House
Kathy Falcucci (assistant)	
Diane Ouellette (assistant)	
Christina Papalilo (assistant)	Pre-Primary Assistant
Barbara Hutchinson	Children's House
Brenda Alfreds (assistant)	
Barbara Michalak	Children's House
Wanda Edtl (assistant)	
Debra Shupe	Children's House
Joyce Adams (assistant)	
Donna Nirenberg	Lower Elementary
Christine Abysalh (assistant)	
Susan Sabacinski	Lower Elementary
Krista Maynard (assistant)	
Rupali Sharma	Lower Elementary
Jill Perkins	
Judith Regan	Upper Elementary
Beth McGillicuddy (assistant)	
Chris Wilson	Upper Elementary
Jane Ball (assistant)	
Ellen Donaldson	Art
Dina Gagne	Computers & Technology
Phyllis Whitten	French & Latin
Lucia Melehov	Music
Donna Leo	After School
Christina Papalilo	After School
Diane Ouellette	After School
Marla Ehler	Content Support
Sharon Duquette	Nurse
Nancy See	Office Administrator

Parent Teacher Organization

The Shrewsbury Montessori School Parent Teacher Organization ("PTO") is an essential part of our school fostering a sense of community between our families, both school campuses, and the neighboring public.

The PTO serves as a focal point for all volunteer activities, including annual fundraising events, in support of and in coordination with the Board of Trustees, teachers, Head of School, and staff in an effort to further the school's mission and goals.

All parents are encouraged to take part in these PTO-inspired activities and events:

- | | |
|--------------------------|----------------------------|
| Family Welcome Picnic | Annual Open House |
| Pumpkin Patch | Parent Coffees |
| Adult Social & Auction | Movie Nights |
| Square One Art | Book Club |
| Scholastic Book Fair | BoxTops for Education |
| SYFS Toy Drive | Telephone Directory |
| Teacher Appreciation Day | Room Parents |
| Spring Family Social | Folk Dance Arts Enrichment |
| Monthly Meetings | Children's House Picnic |
| | Field Day |

Elections for PTO officers are held each year. Interested parties should contact a PTO Officer.

Current Officers:

- | | |
|------------------|----------------|
| Melinda Nies | President |
| Stephanie Eco | Vice President |
| Kelly Legrande | Treasurer |
| Ingrid Rasmussen | Secretary |

Thank you Stephanie Eco and Melinda Nies for your continued leadership as SMS PTO officers.

We especially want to thank Christina Morgan, Maggie Kupstas and Helen LaChance for their outstanding service and commitment in the success of the 2010-2011 PTO year.

Employee Benefits

The Board of Trustees recognizes that one of the School's greatest assets is its teachers. Our faculty ensures our children's future, so it is important to do all that we can to ensure our faculty's future.

In Fiscal Year 2008, we performed an analysis of duties, salaries, and benefits to provide more equitable and competitive compensation for our teachers and staff. In Fiscal Year 2008, we offered an improved retirement program for our employees which included a targeted set of funds offered by industry-leading American Funds. In addition, the School arranged for no-cost financial planning for all its employees through Bank of America.

Fiscal Year 2009 was the first year that we offered our faculty a matching 401(k) program. Participation in the 401(k) plan has been outstanding at more than 75%. The school encourages participation and seeks to reach 100% participation amongst employees. Also in Fiscal Year 2009, the employee handbook was updated to be a more user-friendly point of reference for faculty.

In Fiscal Year 2010, the Board analyzed a survey of salaries and benefits from leading Montessori Schools in Massachusetts to help monitor our competitive compensation and benefits package for all employees.

Maintaining the highest standards of education for our students, faculty, and staff is vital to the success of our school. Shrewsbury Montessori School provides opportunities for our teachers to participate in on-site faculty and staff training, and network with Montessori educators at the annual Montessori Schools of Massachusetts and east coast American Montessori School Conferences.

In Fiscal Year 2011, SMS faculty pursued professional development through courses such as obtaining Montessori 3-6 Training, EEC Teacher Training, 9-12 Montessori Math Workshop, Teaching All Kinds of Minds, the Model United Nations workshop, MARC Training, Montessori Early Childhood Overview, Authors' and Writers' Workshop, AMS webinars, All Kinds of Learners and the Evaluation Process on-site sessions throughout the year and the North American Montessori Teacher Association Whole School Management Course Tier II.

Student Enrichment

Your contributions to the Annual Fund enrich each and every child's life beyond the walls of his or her classroom.

Enrichment programs sponsored by the school and funded through your contributions to our Annual Fund:

- LE Musical Revue
- UE Musical "Hee Haw Hayride"
- UE Holiday Caroling for Seniors
- UE Tufts University - Cummings School of Veterinary Medicine
- Fourth Year Art at Dean Park
- Fifth Year French Play
- Sixth Year Latin Banquet
- Sixth Year Mystery Trip
- Folk Music and Dance Arts Enrichment

Enrichment programs supported by the PTO and funded by your contributions to our Annual Fund:

- LE Mount Wachuseff Field Trip
- UE Museum of Science Field Trip
- LE Boston Lyric Opera "Hansel and Gretel" Field Trip
- LE and UE Historical Perspectives for Children, Inc.
- LE Worcester Art Museum Field Trip
- UE African Art exhibit at Holy Cross Field Trip
- Kindergarten Field Trip "Nutcracker" and "EcoTarium"
- LE Butterfly Place Field Trip
- Native American Culture Presentation
- Auburn CH enrichment programs (100 Day Celebration, Windows on Wildlife)
- Shrewsbury CH Field Day (last day)
- Auburn End-of-Year Festivities
- Elementary Field Day (last day)

Enrichment Programs organized by the school but exclusively funded by parents of students in the program:

- Sixth Year at Old Sturbridge Village
- Fifth and Sixth - Nature's Classroom
- Sixth Year - Montessori Model United Nations

Summer Theatre Program
LE Ecotarium Sleepover

The Elementary Gym & Swim program is funded by the Student Activity Fee.

Contributions to the Annual Fund also provide enrichment of our Library. This year, 267 new books were purchased for our students and faculty to enjoy.

Additions include:

- several noteworthy collections from World Book:
- the entire 17-volume *Childcraft* series,
- the 10-volume *Learning Ladders I*,
- the 4-volume *Make it Work Geography!* set.

Also in the nonfiction/reference sections, more than 75 nonfiction books were added, including:

- the *Explore the Continents* series,
- the *Words Are Categorical* series,
- books on explorers, nature, American history, space, poetry, and biographies.

Furthermore, the students will now enjoy more than 50 new picture books written by notable authors such as: Tomie dePaola, Munro Leaf, Patrick McDonnell, Peter Reynolds, Amy Krouse Rosenthal, and David Weisner. Ninety-one easy readers, chapter books, and elementary fiction have been added from authors such as: Judy Blume, Lauren Child, Andrew Clements, Kate DiCamillo, Erin Hunter, Grace Lin, Arnold Lobel, and Cynthia Rylant.

This year also saw a significant investment in audio book resources with twenty new selections from authors including: Avi, Judy Blume, Lewis Carroll, Roald Dahl, James Herriot, Madeline L'Engle, Dr. Seuss, E.B. White, and Laura Ingalls Wilder.

Finally, we are grateful to our SMS families for donating more than 150 books, and for contributing the *Click*, *Spider*, *Appleseeds*, and *Odyssey* magazine subscriptions.

UE stands for Upper Elementary; LE stands for Lower Elementary; CH stands for Children's House.

Community Service

Helping our community is an important aspect of the Shrewsbury Montessori School philosophy of developing the whole child. Our goal through community service is to instill in students a spirit of giving, a sense of community and global awareness. Each year, our school community participates in collections for different organizations who service those in need:

- Food Drive for St. Anne's Thanksgiving Baskets
- Clothing and Toy Drive for Friendly House Holiday Gift Giving
- Massachusetts's Children's Fund
- Saint Jude's Trike-a-thon

Long Range Strategic Planning

Accreditation

Throughout Fiscal Years 2007-2011, great strides have been made in many areas of the school's operations. These efforts support the school's preparation for the Association of Independent Schools of New England accreditation.

In Fiscal Year 2010, SMS aligned the SMS scope and sequence of major concepts taught in all areas of the curriculum with the curriculum set forth by the State of Massachusetts.

Achievement

Terranova (formally CAT) achievement tests are now implemented for grades 3, 4, 5, and 6. Results are distributed to parents and students, and analyzed across program levels.

Facilities

Significant improvements to our facilities at both campuses were made in Fiscal Year 2011 and improvements/maintenance continues.

Long range planning, focusing on enrollment and program demands on our facilities, continued in Fiscal Year 2011 and will determine our facility needs for the next 5 years and beyond.

Parent Support

As a direct result of our parent survey and our own awareness of the challenges parents face, we have added:

- Before and After School Programs;
- Child-care to support parent participation in semi-annual parent conferences and evening parent-education activities;
- New summer program at Auburn campus;
- Expanded summer program options at Shrewsbury campus.

FISCAL YEAR 2011 FINANCIALS

Overview

Shrewsbury Montessori School was purchased from its prior owners in 2005 at which time the school became a non-profit institution. Great effort was expended by teachers and families to make a smooth transition for our students. In addition, much work was required to establish a strong financial footing from which the school could grow. The first few years of financial transition were difficult.

In Fiscal Year 2008, the school began its path to financial well-being.

The end of Fiscal Year 2010 marks the third full year of profitability for the school. The school's current financial picture reflects a modest surplus despite use of funds to pay down debt.

An essential element to the increasing financial stability of the school has been the close collaboration between the Head of School and the Board of Trustees to develop and adhere to an operating budget that ensures positive cash flow throughout the year. In addition, frequent and comprehensive analysis of every line item on the school's profit and loss ledger ensures complete accountability – and informs the process of setting future tuition levels, salaries for staff members, and allowable expenditures.

Another essential element to the increasing financial stability of the school has been attention to debt service and wise use of all reserves.

In Fiscal Year 2010, a Capital Reserve Fund was established. Though some reserves are used to lower our debt obligations, the Board hopes to grow this fund so that, in future years, the school will be able to (i) fund operating losses due to changes in enrollment (ii) provide need-based scholarships to students and (iii) afford the school greater flexibility in setting tuition and payroll policies in times of financial uncertainty.

The third essential element is the achievement of full enrollment at both campuses. Increased exposure through a parent-sponsored marketing campaign, additional program offerings and innovative use of space contributed to the financial health in Fiscal Year 2011.

The Board of Trustees is dedicated to maximizing Shrewsbury Montessori School financial resources. As a mission-driven, not-for-profit institution, it is imperative that Shrewsbury Montessori School:

- Budgets responsibly;
- Manages its resources wisely;
- Builds a reserve for financial stability; and
- Focuses its school community on the importance of contributing to the Annual Fund.

Each year, an external auditor (Stowe & Degon in Fiscal Year 2008, Fiscal Year 2009, Fiscal Year 2010, Fiscal Year 2011), audits the school's financial records and prepares an independent report on its findings.

Development

Donations to the Annual Fund and fundraising activities totaled over \$50,000 for the year ending June 30, 2011.

Philanthropy plays a significant role in not-for-profit institutions like ours. Each year, the School counts on our families and staff to contribute beyond the yearly tuition which covers only our operating costs. Giving to our school beyond regular tuition is essential to our continued success.

Our goal each year, for the Annual Fund, is to raise enough funds to cover planned enrichment and facilities maintenance and improvements to benefit each of our students at both of our campuses. Another important goal is to sustain/maintain a positive cash flow throughout the fiscal year.

In Fiscal Year 2011:

- Approximately 30% of current families contributed to the Annual Fund.
- Annual Fund Contribution was received from all members of the SMS community – current families, faculty and staff, members of the Board of Trustee, alumni, and former students and parents.

In Fiscal Year 2009, after two years of Annual Fund giving, driven by Sue Tretter, Chair of Development, your contributions made it possible to make much needed facility improvements at both campuses!

In Fiscal Year 2010, your contributions made it possible to fund new and improved enrichment for all of our programs thereby benefiting each and every student. In addition to significant improvements to our computer lab and library collection, several necessary facility improvements were funded.

In Fiscal Year 2011, donations to the Annual Fund allowed us to replace windows in three Shrewsbury campus classrooms, update classroom geography maps and cabinets, and begin the first phase of updating the Auburn campus playground.

Much work remains to be done. Please understand that these improvements and programs would not be possible without your tax-deductible contributions to the Annual Fund.

Most importantly, a strong Annual Fund, taken together with well-managed expenses and strong and consistent enrollment help keep tuition affordable for all families. Thank you for your support now and in the future!

Annual Fund	2007-2008 FY08	2008-2009 FY09	2009-2010 FY10	2010-2011 FY11
Goal	\$125,000	\$70,000	\$75,000	\$75,000
Designated Contributions	\$ 8,473	\$ 1,823	\$ 826	\$1,969
Direct Donations	\$44,721	\$26,322	\$21,096	\$22,810
Adult Social	\$11,350	\$29,448	\$20,284	\$18,680
Family Social	\$16,189	\$13,854	\$6,373	\$8,334
Total (Gross)	\$80,733	\$71,447	\$48,579	\$51,793

Our goal for this school year (Fiscal Year 2011) is \$75,000.

Please make your tax-deductible donation before June 30, 2012.

Thank you to our 2010-2011 Donors

Silver Circle \$1,000- \$4,999

James and Stella Chacharone
Hyde-Dexter Charitable
Thomas and Tracy Joyce
Andrew and Lisa Kyriacou

Theo Sawyer
Paul Szczygiel
Timothy and Karla Valas

Headmaster Circle \$500-\$999

Satish and Madhavi Chaliki
Hsiao Lung Chang and Chin Huei
Sandeep and Nidhi Chojar
Matthew and Christine Collins
Peter and Stephanie Eco
Michael Ennis and Anita Kostecki
Jeffrey Lee and Emma Hughes
Michael and Donna Leo

Ashwyn and Judes Look-Why
Udgith and Shruti Mankad/Precise
Phillip Partin and Chaung See
David and Nicki Piersol-Freedman
Robert and Margaret Smetana
Nicholas and Susan Tretter
Phillip and Maria White

Family Circle \$250-\$499

Jeffrey Baxter and Tracy Kedian
Grant Cary and Megan Benison
Arnab and Swati Ghosh
Natesh and Preeti Krishnan
David and Tara Lyons
Kevin and Rosalind Martin
Komal and Dipti Patel
Jayesh and Smita Patel

Demetrios and Maria Mihopoulos
Judith Regan
Christopher and Jennifer Sandusky
Rahul and Reshma Shah
Adam and Diane Waitkevich
Matthias Walz and Joanna Charmant
Christine Wilson
Phyllis Whitten

2010-2011 Donors – Continued

Friends Circle \$50-\$249

Anonymous (3)	Michael Kantrowitz and Joyce Mandell
Angelique Asdourian	Lucia Melehov
Suzanne Balcom	Stephanie Miller
Keith and Caitlyn Carolan	James and Suzanne Nebelung
Christina Chacharone	Christopher and Amanda Nelson
Effie Chacharone	Paul and Christina Papalilo
Jonathan Choi and Ann Sheehy	Kirsten Paulson
Jaret and Tracey Christopher	Vijay and Neeta Ruhela
Scott and Lisa Cossette	Shrikant and Sapna Savant
Timir and Manoo Desai	Shivnath and Anurdha Shankar
Sharon Duquette	Silvia Family
Michael and Christine Galica	Grandma and Grandpa Soloperto
Steven and Tricia Gallo	Ted and Amie Stelmack
Vinod Gopal and Renuka Iyengar	Kailash and Cheryl Viswanathan
Seth and Shana Hopkins	Rishi and Jennifer Vohora
Kronlund Family	Denise Welsh and Samuel Welsh
Bert and Elizabeth Leandres	Siva and Madhavi Tolety
Daniel and Christine Lucey	Johanna Vanderspek

Faculty & Staff

Brenda Alfreds	Barbara Michalak
Suzanne Balcom	Donna Nirenberg
Ellen Donaldson	Christina Papalilo
Sharon Duquette	Judith Regan
Wanda Edtl	Nancy See
Kathy Falcucci	Margaret Smetana
Elizabeth Leandres	Phyllis Whitten
Donna Leo	Christine Wilson
Lucia Melehov	

Thank you to Westboro Toyota for the generous support of the 2011 Shrewsbury Montessori School marketing campaign.

Thank you to all those who donated in Fiscal Year 2011. Every contribution is important and allows all of our students to benefit.

Facilities

Through your tax-deductible donations to our Annual Fund, Shrewsbury Montessori School was able to cover expenses for facilities improvements at both campuses.

The school takes a pro-active stance toward facilities maintenance and improvement by utilizing our on-site handyman in conjunction with former Chair of Facilities, Chris Sandusky, to address facility concerns at both campuses.

Tuition

Each year, the Board of Trustees sets tuition levels to fund our operating costs, mandatory debt repayment, and school maintenance and improvements. Strong enrollment and tax-deductible contributions to our Annual Fund help take the pressure off tuition and allow for additional enrichment opportunities for our students. Projections for enrollment and contributions are prepared before determining tuition.

Enrollment projections, anticipated contributions to the Annual Fund, and rising costs for Fiscal Year 2011 indicated a need to increase tuition by approximately 3%.

These new tuition levels are reflected in enrollment agreements for the 2012-2013 school year.

Financial Report

Shrewsbury Montessori School's fiscal year runs from July 1 to June 30.

Beginning in 2007, several financial goals were established which have effectively led the school to its current financial stability.

In Fiscal Year 2008, the school was able to enjoy its first year of a small profit, allowing the school to recover from deficits from 2005 to 2007. The school's financial results reflected essential tuition leveling as well as strong enrollment. In addition, systems were put in place to aggressively manage expenses and limit expense variances to a board-approved budget.

In Fiscal Year 2009, the Board of Trustees began investigating an investment model for the burgeoning Capital Reserve Fund. A key objective was to provide a buffer against years in which deficits occur, such as what happened from 2005 to 2007. Just prior to this analysis, our nation suffered its most devastating economic downturn in decades. As a result, the Board of Trustees voted for a conservative, low risk approach to managing our reserves. As part of this strategy, the Board voted to use any surplus generated from the school's operations to pay down its more than \$1.3 million debt. Separately, the Board also voted to limit any cash deposits to no more than \$250,000 with any single financial institution, thereby allowing the school to avail itself fully of any available FDIC insurance.

The focus for Fiscal Year 2010 was to continue building and preserving the Capital Reserve Fund, while reducing debt and minimizing risk. As such, the Board refinanced the school's main loan to \$367k at a fixed 6% rate for the next five years and established a secondary line of credit for \$500k at prime. By paying down \$500k of our debt early, we project a savings of \$30,000 the next year.

In Fiscal Year 2011,

- 97% of our revenue resulted from tuition and fees.
- 2.8% of our revenue resulted from Annual Fund and designated contributions.
- 62% of our revenue was paid to faculty staff salaries and benefits.
- 8.6% of our revenue funded the interest and principal on the loans which financed the purchase of the school in 2005.

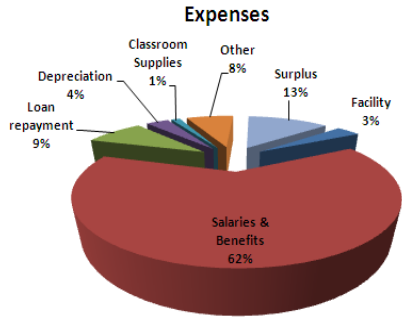
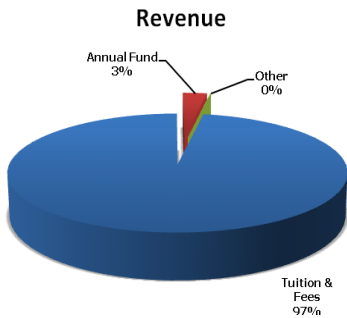
Fiscal Year 2008 was the first year since purchasing the school and becoming a non-profit institution that we generated positive cash flow throughout the fiscal year.

Fiscal Years 2009 and 2010 saw the same results. This significantly improves our financial stability and is a direct result of the strength of our Annual Fund and proof of the commitment we have from our teachers, families, and alumni. This healthy financial position is made possible by advanced planning, monitoring expenses, and having a strong Annual Fund.

Revenue for the year ending June 2011 totaled \$1.8 million, down from 1.9 million in 2010. Fiscal Year 2011 operating expenses remained stable at 1.5 million. In addition to its core operating expenses, the school made principal payments of \$154K on debt incurred in the 2005 purchase of the school.

Comparative Balance Sheet	FY2011	FY2010	FY2009
Assets			
Current Assets	\$ 292,632	\$ 124,610	\$ 444,562
PP&E	\$ 1,518,193	\$ 1,562,564	\$ 1,492,962
Other	\$ 153,000	\$ 173,000	\$ 193,000
Total Assets	\$ 1,963,825	\$ 1,860,174	\$ 2,130,524
Liabilities			
Current Liabilities	\$ 384,897	\$ 358,872	\$ 358,313
Notes Payable	\$ 515,230	\$ 669,901	\$ 1,299,634
Total Liabilities	\$ 900,127	\$ 1,028,773	\$ 1,657,947
Net Assets	\$ 1,063,698	\$ 831,401	\$ 472,577
Total Liabilities & Net Assets	\$ 1,963,825	\$ 1,860,174	\$ 2,130,524

Comparative Statement of Activity	% of Revenue	Fiscal Year 2011	Fiscal Year 2010	Fiscal Year 2009
Revenue				
Tuition & Fees	97.1%	\$ 1,731,544	\$ 1,847,383	\$ 1,676,378
Annual Fund	2.8%	\$ 49,361	\$ 50,289	\$ 71,777
Other	0.1%	\$ 2,429	\$ 2,876	\$ 5,604
Total Revenue	100.0%	\$ 1,783,334	\$ 1,900,548	\$ 1,753,759
Expenses				
Salaries & Benefits	62.2%	\$ 1,109,516	\$ 1,077,061	\$ 998,109
Loan repayment	8.6%	\$ 153,728	\$ 123,680	\$ 194,007
Facility Maintenance & Upgrades	3.5%	\$ 62,350	\$ 73,124	\$ 68,977
Depreciation	3.5%	\$ 62,179	\$ 58,928	\$ 47,036
Classroom Supplies	1.4%	\$ 25,114	\$ 56,344	\$ 53,899
Other	7.7%	\$ 138,150	\$ 152,587	\$ 78,990
Total Expenses	87.0%	\$ 1,551,037	\$ 1,541,724	\$ 1,441,018
Surplus/(Deficit)	13.0%	\$ 232,297	\$ 358,824	\$ 312,741



...and leads to a thousand possibilities

