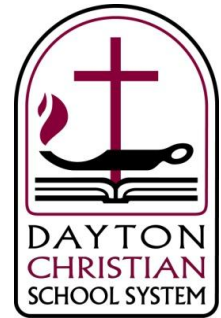


DAYTON CHRISTIAN SCHOOL SYSTEM

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October 1, 2010

Dear School Family,

I am Bob Elliott, President and CEO of the Dayton Christian School System. It is a pleasure to be able to serve you this year, and I am certainly looking forward to meeting each and every one of you. This is a year of considerable change with the divestment and sale of Legacy Ministries International assets taking place with the goal to allow DCSS to be set apart as a stand-alone entity that is well-capitalized and that, prayerfully, will be debt-free. We have an incredible opportunity to build upon what makes the Dayton Christian School System exceptional in so many ways. Philippians 4:8 provides a template of how I would like everyone to view our school: “Finally, brothers, whatever is true, whatever is noble, whatever is right, whatever is pure, whatever is lovely, whatever is admirable—if anything is excellent or praiseworthy—think about such things.” I believe in a school of excellence that brings honor to the name of Jesus, and I am committed to that pursuit in every aspect of the school system. I believe that is your desire, as well.

Legacy Center Update

As you may know, the LMI Board of Directors approved a plan to reconfigure the Legacy Center campus into three distinct parcels and to sell nearly 85% of the campus, while retaining approximately 40 acres for Xenia Christian School (XCS).

By God’s grace, we have signed a Purchase Agreement to sell approximately 160 acres and certain buildings (including The Schindler Banquet Center) to Athletes in Action (AIA). XCS will continue to use the AIA athletic fields for athletic practices and games and will continue to use The Schindler Banquet Center for its school lunch program. Lord willing, the sale will be completed by the end of December. While all of our debts will not be retired, the sale will allow us to pay down a substantial amount of our bank debt and to bring our accounts payable to a current status, so long as our Annual Fund giving goals are also attained. In other words, the sale, coupled with donor support, will provide us with the financial stability that we need for the Dayton Christian School System’s future.

In addition, we are currently marketing the Legacy Assisted Living Facility and the Legacy Village independent residences, along with approximately 30 acres, to organizations which specialize in senior care. This sale, which we hope to complete by spring/summer 2011, will allow us to repay all remaining bank debt and, hopefully, replenish our cash reserves.

Please continue to pray that the sale to AIA and of the Retirement Community will be completed, so we can work free and independent from our burden of debt.

Annual Fund – Your Support is Essential

The Annual Fund fills the financial gap between tuition and operating costs. As I look at the budget for this year, it is still imperative that our families and friends of the ministry continue to financially support the Dayton Christian School System. This year’s budget requires that we raise \$575,000 toward our Annual Fund goals to meet our financial obligations. That is substantially reduced from the \$900,000 that we had to raise last year, but none the less is still as important. Currently, our cash flow is very tight and will continue to be until the sales related to the Legacy Center are finalized. Accordingly, achieving our monthly giving goals for the Annual Fund is very important. (See our giving goals on the reverse side.)

As we are looking toward the future, I am asking and encouraging you to continue to give as you gave so generously last year. The assurance that I can offer you is that, under the new structure, **all of your donations** will be going only to the school system.

Annual Fund Giving Projections for 2010-2011			
Month	Projected	Actual	Difference
July	\$ 10,000	\$11,008	+\$ 1,008
August	\$ 15,000	\$10,059	- \$ 4,954
September	\$ 25,000	\$ 8,214	-\$16,786
October	\$ 35,000		
November	\$ 70,000		
December	\$225,000		
January	\$ 40,000		
February	\$ 20,000		
March	\$ 40,000		
April	\$ 45,000		
May	\$ 25,000		
June	\$ 25,000		
Total:	\$575,000	\$ 29,281	-\$545,719

In order to reach our Annual Fund for 2010-2011, we need your support. Gifts of all sizes are important. Please prayerfully consider monthly gifts of \$15, \$30, \$50, \$100, or more. You can give online by going to www.supportDC.org/giving or by dropping off a check at any of our school offices. Checks should be made out to “DCSS” and can also be mailed to: DCSS Advancement Office, 1075 John Wesley Avenue, Xenia, OH 45385.

Kroger Card Program

Also, please remember to continue to use the Kroger card. This program is significant in that it can provide over \$50,000 toward our Annual Fund goal. You will see more information forthcoming from the newly-formed Advancement Office that will help you understand the importance of the Kroger card program. If you have questions, or if you need a card, please don’t hesitate to contact your school office. For more information, please go to: www.supportDC.org/kroger.

Financial Stewardship

One of the challenges that the school faced as an entity of LMI was that the financial accounting practices were not structured in such a way that could easily reflect the costs associated with the school. This will be a year of sorting out and analyzing what it truly costs to operate DCSS. We are fully committed to implementing accounting practices, methodologies, and procedures to identify the real cost of operating the school at every layer. Effective financial stewardship demands accurate and detailed financial information and the ability to analyze that data. You will be able look forward to a strong finance department and a new level of service and transparency. In line with this, I am excited to announce that Mr. Rich Anglin will serve as our new Director of Business Services. Rich has both a legal and accounting background and the recent experience of owning and operating a large business. He will also oversee the Human Resources and Facilities Services departments.

Customer Service – Student/Parent Meetings

DCSS has a long and wonderful history as a great Christian school. Again, however, I want to assert my intention for the schools to be known as centers of academic and spiritual excellence for our families, as well as spheres of Godly influence in the communities that they serve.

As I listen to parents, faculty, and staff, I am beginning to become aware of areas which need improvement. Some changes are being made immediately; with your help and input, we will gain understanding of other areas that need to be addressed. Part of the strategy includes increased feedback from our DCSS community. In October, we will be conducting open meetings of students and parents at both campuses to discuss the changes affecting DCS and XCS and to respond to your questions. In addition, I am implementing a program that includes periodic parent surveys, the findings of which will help us refine and achieve our goals.

Long-Term Futures – DCS and XCS

The same question in several forms has surfaced that needs to be answered. That question is: “Will XCS or DCS remain open for the entire year?” The answer is yes, we will continue to be open. We must, however, continue to achieve certain goals including the finalization of the sale to AIA, controlling our costs, and reaching our Annual Fund goal. Through God’s provision, we have a plan which, when fully realized, will allow us to achieve our objectives for a debt-free, well-capitalized ministry. We ask for your continued prayer and financial support.

Gratefully in Christ,



Robert M. Elliott
 President/CEO
 Dayton Christian School System