

May 31, 2012

Dear ILC Families:

The Board and the Management Team have collaborated over the last several months to review our financials and to create a sound operating budget for the upcoming 2012-13 fiscal year beginning July 1, 2012. The economy has resulted in lower enrollments at our centers and in order to maintain a fiscally sound budget and an excellent staff and curriculum, the Board has voted to support an increase in tuition as listed in the table below.

The Board continues to monitor the tuition that ILC charges as compared to other centers of our size, quality, and range of offerings. Our rates compare favorably with the average for similar centers in our geographic area and your tuition is applied wholly to the programs and services for our children. As a non-profit organization, we must maintain a budget without fiscal losses in order to provide a top-notch educational and nurturing child care program that exceeds what is offered at other area centers.

Annual tuition has historically been collected in semi-monthly payments. The Board has also voted to change the annual tuition collection from semi-monthly to weekly collection. We have implemented this change to prevent errors in tuition withdrawal that have affected our families in the past and to ensure consistency among our families in tuition collection.

We are happy to announce that Quest Diagnostics has agreed to cover the increase in subsidy this year. The new rate schedule is provided below. These increases and the weekly billing schedule will go into effect **July 1, 2012**.

Classroom	Current Monthly Rate	Current Weekly Rate	New Weekly Rate
Infant (6 weeks – 12 months)	\$1,128	\$260.31	\$262
Toddler (12 – 24 months)	\$1,076	\$248.31	\$250
Twos (24 – 36 months)	\$1,020	\$235.38	\$237
Preschool (3 – 5 years)	\$866	\$199.85	\$210
Kindergarten (5 – 6 years)	\$980	\$226.15	\$231

Please contact your Center Director about rates for part-time children.

Please note your annual registration fee of \$75 per child is due with your July 1 tuition payment. If your child is newly enrolled in the center on or after May 1, 2012, no registration fee is due at this time. The re-registration fee includes an ILC tote bag and T-shirt.

Under the weekly collection schedule, tuition will be due **every Monday**. For those families using Tuition Express, tuition will be pulled from accounts every Monday. Please also note that some months

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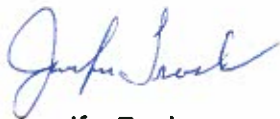
Center 2
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(i.e., July) contain 5 weeks so 5 tuition payments will be collected. Overall, the impact to tuition rates aggregated over time will only be the marginal annual increase noted above.

The Board and Management Team would like our families to know that we are here for you during this time of transition. We understand that this change impacts each family differently and we will work with you to make this transition in tuition collection as seamless as possible. We have provided answers to some questions that you may have about how this affects your overall tuition contribution on the parent login portion of the website (www.imaginationlearning.net). An example of a 3-month payment schedule for July, August, and September is also provided on the website.

The Board of Directors and Management Team would like to say thank you to our families for their continued support through these tough economic times. If you have any questions about this announcement or suggestions for your Board, please feel free to contact me via your Center Director. We welcome your feedback.

Sincerely,



Jennifer Trask
President, ILC Board of Directors

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