



2009 Treasurer's Report

On July 31, 2009, Legacy Christian Academy completed its tenth year of operations. From when LCA opened in 1999, enrollment has grown from 154 to 727. The school has continued to be blessed by the support of its families and has been able to maintain a strong financial position in the face of a weak economy. The following is a recap of LCA's balance sheet:

Balance Sheet (in thousands)

	As of July 31,	
	2008	2009
Assets		
Cash	\$ 4,124	\$ 5,691
Receivables and other	1,255	117
Land, buildings and equipment	16,727	18,661
Total assets	\$ 22,106	\$ 24,469
Liabilities		
Accounts payable	\$ 43	\$ 84
Deferred revenue	3,225	3,731
Long-term debt	6,424	7,272
Total liabilities	9,692	11,087
Net assets	12,414	13,382
Total liabilities and net assets	\$ 22,106	\$ 24,469

Our assets increased by \$2.4 million to \$24.5 million at July 31, 2009 from \$22.1 million at July 31, 2008. The increase in assets was accompanied by a \$1.4 million increase in our liabilities and a \$1.0 million increase in our net assets or our equity.

During the fiscal year ended July 31, 2009, we made capital expenditures of \$2.5 million which primarily related to the completion of a new 17,500 square foot gymnasium which opened in November 2008.

LCA's primary sources of revenue are tuition and fees and donor contributions. Our revenues and expenditures were as follows:

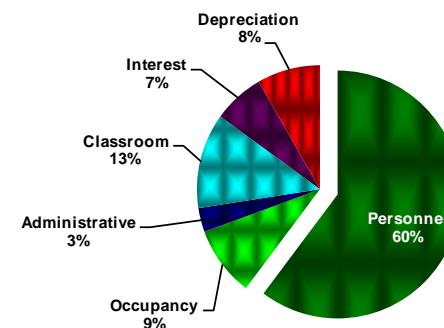
Revenues and Expenditures (in thousands)

	Year Ended July 31,	
	2008	2009
Revenues:		
Tuition and fees	\$ 5,731	\$ 6,274
Contributions	340	564
Investment income	94	36
Other revenue	430	345
	<u>6,595</u>	<u>7,219</u>
Expenses:		
Personnel	3,421	3,768
Occupancy	456	571
Administrative	170	196
Classroom	639	777
Interest	269	420
Depreciation	451	519
	<u>5,406</u>	<u>6,251</u>
Increase in net assets	\$ 1,189	\$ 968

Tuition income increased 9% for the fiscal year ended July 31, 2009 to \$6.3 million from \$5.7 million for the previous year. A 2% growth in enrollment and a 6% increase in tuition rates accounted for most of the increase. LCA received \$564,000 in contributions during the year which were designated for specific projects. LCA's operating expenses increased in 2009 by 16% to \$6.3 million as we were able to increase our staff to support the growing upper school. Our occupancy expenses increased due to the opening of the new gymnasium and our interest expense increased with the higher debt level from the borrowing we made last year to acquire land for the future expansion of the school.

Of our total operating expenditures, 60% relates to the cost of our faculty and administrative staff with the balance relating to textbooks, supplies, and cost of our facilities including interest expense on our debt. The following chart provides a

breakout of our 2009 expenditures on a percentage basis.



Since it's founding in 1999, LCA has built up a solid financial foundation made possible by the generous gifts from our families. LCA enters its eleventh year with a \$13.4 million surplus of assets over liabilities. At the end of this year, the Board of Directors was able to establish and fund a \$1.0 million reserve fund to provide for future major repairs or unforeseen emergencies.

Complete financial statements are available from the business office upon request.

Respectfully submitted,

Roland O. Burns

Roland O. Burns, Treasurer