

# Saklan Finances

Stephanie Brandt, Trustee and School Treasurer  
Bill Vaughn, Trustee and Finance Committee Chair

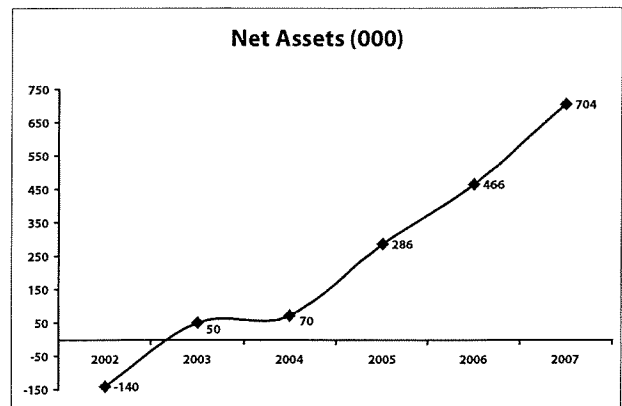
As part of our ongoing commitment to provide regular and meaningful financial information on our school's financial condition, we are pleased to once again provide you with an overview, plus commentary concerning the financial standing of our school in this Annual Report. Audited financial statements are also available to parents on the Saklan web site ([www.saklan.org/audit.pdf](http://www.saklan.org/audit.pdf)). The following narrative overview and analysis covers Saklan Valley School's financial activities for the year ended June 30, 2007.

Saklan ended the 2007 fiscal year on a strong financial basis continuing its tradition of providing our students with an engaging and rigorous curriculum, caring environment, and inclusive community while at the same time managing its finances in a thoughtful and careful manner.

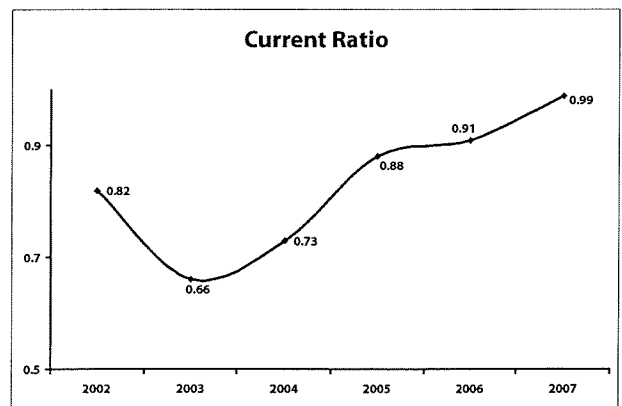
**Net Assets.** Saklan's total assets as of June 30 totaled \$3,261,218 – a 3% increase from the previous year. Investment in capital assets totaled \$1,674,809 (\$1,322,556 less depreciation). Capital assets are used to provide services to students in the form of school buildings, vans, computers, furniture, etc. and so are not available for future spending needs.

Net assets may serve over time as a useful indicator of a private institution's financial position and health. Saklan had net assets of \$703,852 on June 30, 2007. This is a 51% increase over the previous year or \$237,918. Most of the increase is attributable to increased school tuition revenue totaling \$194,945 over the previous year.

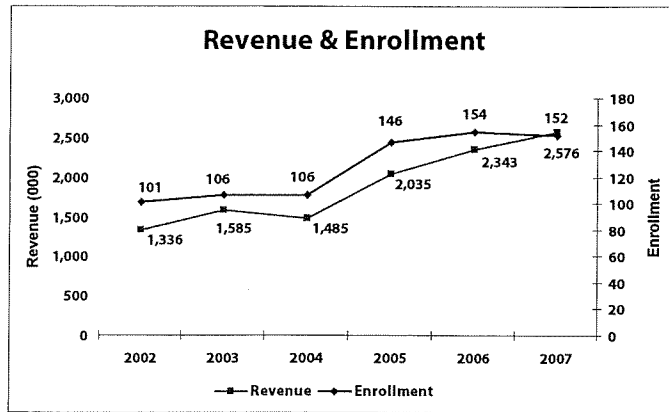
It is worth noting that Saklan's net assets have been increasing steadily for the past six fiscal years. Since 2002, net assets have gone from a deficit of -\$140,000 to \$703,852 as of June 30, 2007. This represents a compound annual growth rate of 70% since June 30, 2002.



**Current Ratios.** Current ratios (current assets divided by current liabilities) are an indication of the ability to meet short-term debt obligations. The higher the current ratio, the more liquid the institution. Monitored over time, the current ratio is another useful indicator of financial performance. Saklan's current ratio as of June 30, 2007, reached 0.99. Equally impressive is the steady positive trend the current ratio has shown over the past five years as shown in the chart to the right.

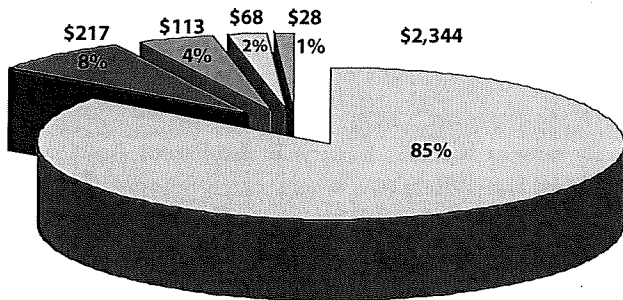


**Revenues and Expenses.** By June 30, 2007, revenues had increased 10% over the previous year to \$2,576,292. Since 2002, revenues have increased 93%. Driving the continued improvement in Saklan's revenues are increases in tuition and fees, which represent 85% of all revenue. School enrollment has been relatively flat over the past three years which has allowed Saklan to maintain an excellent teacher:student ratio, thereby promoting a high degree of student focus and providing the best educational experience for our children.



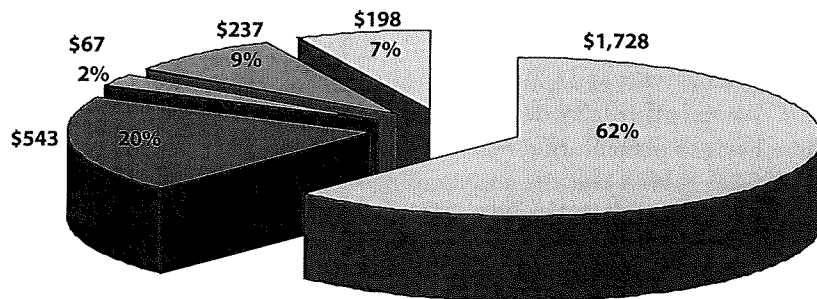
Saklan continues to spend its revenues in a manner consistent with its core values. As of June 30, 2007, expenses increased by \$175,000 (8%) to \$2,338,374. Fully 71% of this increase (\$125,000) went to Program and Instruction, including items such as teacher salaries and benefits, program costs and materials, and professional development. We believe that this kind of increase is a wise investment toward continuing academic excellence.

### Revenue Source (000)



- Tuition and Fees
- Contributions (AG)
- Net Parent Fundraising (Auction)
- Other Income
- Investment Income

### Expenditures (000)



- Program and Instruction
- Administrative and General
- Marketing and Development
- Reserve and Capital Investments
- Financial Assistance

Saklan takes pride in its sound financial management practices. We are pleased with the progress we have made. On behalf of the Board of Trustees and Jonathan Martin, thank you for your continued support and enthusiasm for Saklan Valley School. Should you have any questions about our financial presentation, please feel free to direct them to Jonathan or to either of us. ♦