

**JAMES IRWIN CHARTER SCHOOLS  
JAMES IRWIN EDUCATIONAL FOUNDATION**

**Financial Statements**

**For the Year Ended June 30, 2010**

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JAMES IRWIN CHARTER HIGH SCHOOL  
JAMES IRWIN CHARTER MIDDLE SCHOOL  
JAMES IRWIN CHARTER ELEMENTARY SCHOOL  
JAMES IRWIN EDUCATIONAL FOUNDATION

Management's Discussion and Analysis

For the Year Ended June 30, 2010

This section of James Irwin Charter Schools' (Schools) and James Irwin Educational Foundation (Foundation) annual financial report presents our discussion and analysis of the Schools' financial performance during the fiscal year ended June 30, 2010. We encourage readers to consider the information presented here in conjunction with additional information provided by auditors in the Independent Auditors' report.

**FINANCIAL HIGHLIGHTS**

The year ending June 30, 2010 is the tenth year of operations for the High School, the seventh year for the Middle School and the fifth year for the Elementary School.

- The following audited financial statements include information for the James Irwin Charter Schools, including James Irwin Charter High School, James Irwin Charter Middle School, James Irwin Charter Elementary School, and the James Irwin Educational Foundation.
- The Schools' assets exceeded liabilities at the close of the most recent fiscal year by \$1,283,526.
- The Schools' and Foundation's total combined net assets increased by \$309,183 during the fiscal year ended June 30, 2010.
- The Foundation has \$20.645 million in bonds outstanding. These bonds were issued during the fiscal year ended June 30, 2008.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Schools' and Foundation's basic financial statements. The Schools' and Foundation's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

## Management's Discussion and Analysis

The basic financial statements include two kinds of statements that present different views of the Schools and Foundation:

### Government-Wide Financial Statements

- These statements are designed to provide readers with a broad overview of the Schools' and Foundation's overall financial status.
- The government-wide financial statements include only the James Irwin Charter Schools and Educational Foundation. The Schools are a component unit of the Harrison School District #2.

### Fund Financial Statements

- These statements focus on *individual parts* of the government, reporting the Schools' operations in *more detail* than the government-wide statements.
  - The *Governmental fund* statements tell how *general government* services were financed in the short term as well as what remains for future spending.
  - *Proprietary fund* statements offer *short-term* and *long-term* financial information about the activities the government operates *like businesses*, such as food service and leasing operations.
  - *Fiduciary fund* statements provide information about the financial relationships in which the Schools act solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

The Schools adopt an annual budget for their general funds. A budgetary comparison has been provided for the general fund to demonstrate compliance with this budget.

### Notes to Financial Statements

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements.

## Management's Discussion and Analysis

### Government-Wide Statements

The government-wide statements report information about the Schools and Foundation as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the Schools' and Foundation's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Schools' and Foundation's net assets and how they have changed. Net assets (the difference between the Schools' and Foundation's assets and liabilities) are one way to measure the Schools' and Foundation's financial health or position. Over time, increases or decreases in the Schools' and Foundation's net assets are an indicator of whether its financial health is improving or deteriorating, respectively. However, in order to assess the overall health of the Schools and Foundation, you will also need to consider additional non-financial factors.

The government-wide financial statements of the Schools are included in the category *Governmental activities*. Most of the Schools' basic services are included here, such as instruction, student support services, administration, and staff development. Per Pupil Revenues passed through from Harrison School District #2 finance most of these activities.

### Fund Financial Statements

The Fund Financial Statements provide more detailed information about the Schools' most significant funds, not the Schools and Foundation as a whole. Funds are accounting devices that the Schools use to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The Board of Directors establishes other funds to control and manage money for particular purposes or to show that it is properly used for certain grant programs.

## Management's Discussion and Analysis

The Schools have three kinds of funds:

- *Governmental funds* - Most of the Schools' basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Schools' programs.
- *Proprietary funds* - Services for which the Schools and Foundation charge users a fee are generally reported in proprietary funds.
- *Fiduciary funds* - The Schools are the trustee, or fiduciary, for certain funds. The Schools are responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the Schools' fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the Schools' government-wide financial statements because the Schools cannot use these assets to finance operations.

## **FINANCIAL ANALYSIS OF THE CHARTER SCHOOLS AND FOUNDATION AS A WHOLE**

### Net Assets

The Schools' and Foundation's combined net assets increased during the year ended June 30, 2010 by \$309,183 to \$1,283,526. Approximately \$267,737 of these funds are restricted to comply with Article X, Section 20 of the Colorado Constitution, known as the TABOR Amendment. In addition, approximately \$2,611,391 of these funds are restricted for reserves required as security for the bonds issued to finance the purchase of the buildings. Accordingly, these funds are not available to satisfy general operating expense of the Schools or Foundation. Additional information regarding capital assets is available in the Notes to Financial Statements.

## Management's Discussion and Analysis

James Irwin Charter Schools  
James Irwin Educational Foundation  
Consolidated Statement of Net Assets  
June 30, 2010

### Assets

Cash and cash equivalents	\$ 3,198,750
Short-term investments	639,332
Accounts receivable	21,495
Prepaid expenses and deposits	21,475
Inventory	3,449
Restricted cash and investments	2,611,391
Fixed assets - net	16,260,849
Bond issuance costs - net	<u>553,835</u>
Total assets	23,310,576

### Liabilities

Accounts payable	689,626
Accrued liabilities	666,966
Deferred revenue	25,458
Bonds payable	<u>20,645,000</u>
Total liabilities	22,027,050

### Net Assets

Invested in fixed assets, net	(4,384,151)
Restricted (TABOR)	267,737
Restricted (other debt requirements)	2,611,391
Unrestricted - board designated	1,026,575
Unrestricted	<u>1,761,974</u>
Total net assets	<u>\$ 1,283,526</u>

A portion of the net assets are either restricted as to the purpose for which they can be used or they are invested in capital assets. Unrestricted net assets may be used to fund School and Foundation programs in the next fiscal year. However, this does not mean that the Schools and Foundation have significant surplus resources available to pay their bills next year. Rather, it is the result of having current commitments that are less than currently available resources.

### Change in Net Assets

The Schools' and Foundation's total revenues were \$10,674,888.

## Management's Discussion and Analysis

Program and service expenses for the fiscal year ended June 30, 2010 were as follows:

	<u>Expenses</u>	<u>Percentage of total</u>
Instruction	\$ 4,251,483	47.53%
Student support services	438,996	4.91
Instructional staff support services	195,746	2.19
General administration support services	443,483	4.96
School administration	665,889	7.45
Business services	169,320	1.89
Operation and maintenance Of plant	714,909	7.99
Support services - central	313,518	3.51
Rent and facilities	1,531,927	17.13
Title grant programs	17,873	.20
Student sports activities	130,226	1.46
Food service	<u>70,024</u>	<u>.78</u>
Total expenses	<u>\$ 8,943,394</u>	<u>100.00%</u>

### Capital Assets

The Foundation's investment in capital assets as of June 30, 2010, amounts to \$16,260,849 (net of accumulated depreciation). This investment in capital assets includes land, buildings, office and instructional equipment. The detail of these amounts is reported in the Notes to the Financial Statements.

### Long-Term Debt

As of June 30, 2010 the Foundation had outstanding debt totaling \$20,989,083. This amount represents bonded debt and accrued interest on this debt. The entire amount is collateralized by the school buildings. The Notes to the Financial Statements provide the detail and repayment terms for this debt.

## Management's Discussion and Analysis

### Economic Factors and Next Year's Budget and Rates

The primary factor driving the budget for the Schools is student enrollment. Enrollment for the 2009-2010 school year was 1,190. Projected enrollment for the 2010-2011 school year is 1,190. This factor was considered in preparing the Schools' budgets.

### Contacting the Schools' Financial Management

This financial report is designed to provide a general overview of the Schools' and Foundation's finances and to demonstrate the Schools' and Foundation's accountability for the money they receive.

Requests for additional information or questions concerning any of the information provided in this report should be addressed to:

Eileen Johnston, CFO  
James Irwin Charter Schools  
5525 Astrozon Blvd.  
Colorado Springs, CO 80916

INDEPENDENT AUDITORS' REPORT

Board of Directors  
James Irwin Charter Schools  
Colorado Springs, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of James Irwin Charter High School, James Irwin Charter Middle School, James Irwin Charter Elementary School, and James Irwin Education Foundation (James Irwin Charter Schools) as of and for the year ended June 30, 2010, which collectively comprise the James Irwin Charter Schools basic financial statements as listed in the table of contents. These financial statements are the responsibility of James Irwin Charter Schools' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidating financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the James Irwin Charter Schools, as of June 30, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis information on pages one through seven and budgetary comparison information on pages forty-four through forty-six, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the James Irwin Charter Schools' basic financial statements. The supplemental information of the budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Waugh & Goodwin, LLP*

August 13, 2010

JAMES IRWIN CHARTER SCHOOLS  
JAMES IRWIN EDUCATIONAL FOUNDATION  
Statement of Net Assets  
June 30, 2010

	<u>High School Governmental Activities</u>	<u>Middle School Governmental Activities</u>	<u>Elementary School Governmental Activities</u>	<u>Business Type Activities</u>	<u>Consolidated Totals</u>
<u>ASSETS</u>					
CURRENT ASSETS:					
Cash and cash equivalents	\$ 1,018,167	\$ 972,411	\$ 1,208,172	\$	\$ 3,198,750
Short-term investments	213,111	213,110	213,111		639,332
Accounts receivable	3,912	6,046	11,537		21,495
Due from other schools		300,000			300,000
Restricted cash				2,611,391	2,611,391
Prepaid expenses and deposits	20,075	1,400			21,475
Inventory	<u>3,449</u>				<u>3,449</u>
Total current assets	1,258,714	1,492,967	1,432,820	2,611,391	6,795,892
PROPERTY AND EQUIPMENT:					
Land				2,224,206	2,224,206
Buildings and improvements				15,315,138	15,315,138
Furniture and equipment				<u>200,735</u>	<u>200,735</u>
				17,740,079	17,740,079
Less accumulated depreciation				<u>(1,479,230)</u>	<u>(1,479,230)</u>
Property and equipment - net				16,260,849	16,260,849
OTHER ASSETS:					
Bond issuance costs - net				<u>553,835</u>	<u>553,835</u>
Total other assets				<u>553,835</u>	<u>553,835</u>
<b>TOTAL ASSETS</b>	<u>1,258,714</u>	<u>1,492,967</u>	<u>1,432,820</u>	<u>19,426,075</u>	<u>23,610,576</u>
<u>LIABILITIES</u>					
CURRENT LIABILITIES:					
Accounts payable	69,083	159,559	116,901	344,083	689,626
Accrued liabilities	198,705	206,713	261,548		666,966
Due to other schools	300,000				300,000
Deferred revenue	16,784	4,788	3,886		25,458
Current portion of long-term debt				<u>365,000</u>	<u>365,000</u>
Total current liabilities	584,572	371,060	382,335	709,083	2,047,050
LONG TERM LIABILITIES:					
Long-term bonds payable				<u>20,280,000</u>	<u>20,280,000</u>
Total long-term liabilities				<u>20,280,000</u>	<u>20,280,000</u>
<b>TOTAL LIABILITIES</b>	<u>584,572</u>	<u>371,060</u>	<u>382,335</u>	<u>20,989,083</u>	<u>22,327,050</u>
<u>NET ASSETS</u>					
Invested in capital assets, net of related debt				(4,384,151)	(4,384,151)
Restricted for TABOR	83,918	96,423	87,396		267,737
Restricted for other purpose				2,611,391	2,611,391
Unrestricted - Board designated	90,000	614,679	321,896		1,026,575
Unrestricted	<u>500,224</u>	<u>410,805</u>	<u>641,193</u>	<u>209,752</u>	<u>1,761,974</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 674,142</u>	<u>\$ 1,121,907</u>	<u>\$ 1,050,485</u>	<u>\$ (1,563,008)</u>	<u>\$ 1,283,526</u>

See Notes to Financial Statements

JAMES IRWIN CHARTER SCHOOLS  
Statement of Activities  
For the Year Ended June 30, 2010

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Total
	Expenses	Charges for Product or Service	Operating Grants, Fundraisers and Contributions	Primary Governmental Activities	Business- Type Activities	
<b>PRIMARY GOVERNMENT:</b>						
<b>GOVERNMENTAL ACTIVITIES:</b>						
Instruction	\$ 4,251,483	\$ 70,154	\$	\$ (4,181,329)	\$	\$ (4,181,329)
Student support services	438,996	63,121		(375,875)		(375,875)
Instructional staff support services	195,746			(195,746)		(195,746)
General administration support services	443,483			(443,483)		(443,483)
School administration	665,889			(665,889)		(665,889)
Business services	169,320			(169,320)		(169,320)
Operation and maintenance of plant	714,909			(714,909)		(714,909)
Support services - central	313,518			(313,518)		(313,518)
Facilities acquisition and construction services	1,531,927			(1,531,927)		(1,531,927)
Title grants	17,873		17,873			
Student sports activities	130,226	82,658	25,818	(21,750)		(21,750)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>8,873,370</b>	<b>215,933</b>	<b>43,691</b>	<b>(8,613,746)</b>		<b>(8,613,746)</b>
<b>BUSINESS TYPE ACTIVITIES:</b>						
Leases	1,422,311	1,300,255			(122,056)	(122,056)
Food service	70,024	67,949			(2,075)	(2,075)
<b>TOTAL BUSINESS TYPE ACTIVITIES</b>	<b>1,492,335</b>	<b>1,368,204</b>			<b>(124,131)</b>	<b>(124,131)</b>
<b>TOTAL PRIMARY GOVERNMENT:</b>	<b>\$10,365,705</b>	<b>\$ 1,584,137</b>	<b>\$ 43,691</b>	<b>(8,613,746)</b>	<b>(124,131)</b>	<b>(8,737,877)</b>
<b>GENERAL REVENUES AND TAXES:</b>						
Per pupil operating revenue				8,514,254		8,514,254
Capital construction				319,834		319,834
Donations				2,801		2,801
Investment income				32,490	1,310	33,800
Other revenue				176,371		176,371
Transfers				(168)	168	
<b>TOTAL GENERAL REVENUE, TAXES AND TRANSFERS</b>				<b>9,045,582</b>	<b>1,478</b>	<b>9,047,060</b>
<b>CHANGE IN NET ASSETS</b>				<b>431,836</b>	<b>(122,653)</b>	<b>309,183</b>
<b>NET ASSETS - beginning of year</b>				<b>2,414,698</b>	<b>(1,440,355)</b>	<b>974,343</b>
<b>NET ASSETS - end of year</b>				<b>\$ 2,846,534</b>	<b>\$ (1,563,008)</b>	<b>\$ 1,283,526</b>

See Notes to Financial Statements

JAMES IRWIN CHARTER HIGH SCHOOL  
Statement of Activities  
For the Year Ended June 30, 2010

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Product or Service	Operating Grants, Fundraisers and Contributions	Primary Governmental Activities	Business- Type Activities	Total
PRIMARY GOVERNMENT:						
GOVERNMENTAL ACTIVITIES:						
Instruction	\$ 1,203,973	\$	\$	\$ (1,203,973)	\$	\$ (1,203,973)
Student support services	237,252	21,713		(215,539)		(215,539)
Instructional staff support services	39,764			(39,764)		(39,764)
General administration support services	143,005			(143,005)		(143,005)
School administration	215,746			(215,746)		(215,746)
Business services	57,117			(57,117)		(57,117)
Operation and maintenance of plant	216,978			(216,978)		(216,978)
Support services - central	103,539			(103,539)		(103,539)
Facilities acquisition and construction services	437,943			(437,943)		(437,943)
Title grants	3,957		3,957			
Student sports activities	104,267	66,102	20,799	(17,366)		(17,366)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>2,763,541</b>	<b>87,815</b>	<b>24,756</b>	<b>(2,650,970)</b>		<b>(2,650,970)</b>
BUSINESS TYPE ACTIVITIES:						
Food service	38,918	37,156			(1,762)	(1,762)
<b>TOTAL BUSINESS TYPE ACTIVITIES</b>	<b>38,918</b>	<b>37,156</b>			<b>(1,762)</b>	<b>(1,762)</b>
<b>TOTAL PRIMARY GOVERNMENT:</b>	<b>\$ 2,802,459</b>	<b>\$ 124,971</b>	<b>\$ 24,756</b>	<b>(2,650,970)</b>	<b>(1,762)</b>	<b>(2,652,732)</b>
GENERAL REVENUES AND TAXES:						
Per pupil operating revenue				2,718,203		2,718,203
Capital construction				34,002		34,002
Donations				62		62
Investment income				9,288		9,288
Other revenue				102,159		102,159
Transfers				(1,469)	1,469	
<b>TOTAL GENERAL REVENUE, TAXES AND TRANSFERS</b>				<b>2,862,245</b>	<b>1,469</b>	<b>2,863,714</b>
<b>CHANGE IN NET ASSETS</b>				<b>211,275</b>	<b>(293)</b>	<b>210,982</b>
<b>NET ASSETS - beginning of year</b>				<b>462,867</b>	<b>293</b>	<b>463,160</b>
<b>NET ASSETS - end of year</b>				<b>\$ 674,142</b>	<b>\$</b>	<b>\$ 674,142</b>

See Notes to Financial Statements

JAMES IRWIN CHARTER MIDDLE SCHOOL  
Statement of Activities  
For the Year Ended June 30, 2010

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Total
	Expenses	Charges for Product or Service	Operating Grants, Fundraisers and Contributions	Primary Governmental Activities	Business- Type Activities	
<b>PRIMARY GOVERNMENT:</b>						
<b>GOVERNMENTAL ACTIVITIES:</b>						
Instruction	\$ 1,494,039	\$ 5,300	\$	\$ (1,488,739)	\$	\$ (1,488,739)
Student support services	179,448	27,492		(151,956)		(151,956)
Instructional staff support services	97,660			(97,660)		(97,660)
General administration support services	147,259			(147,259)		(147,259)
School administration	139,352			(139,352)		(139,352)
Business services	56,523			(56,523)		(56,523)
Operation and maintenance of plant	291,598			(291,598)		(291,598)
Support services - central	105,209			(105,209)		(105,209)
Facilities acquisition and construction services	645,955			(645,955)		(645,955)
Title grants	2,265		2,265			
Student sports activities	<u>25,959</u>	<u>16,556</u>	<u>5,019</u>	<u>(4,384)</u>		<u>(4,384)</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>3,185,267</b>	<b>49,348</b>	<b>7,284</b>	<b>(3,128,635)</b>		<b>(3,128,635)</b>
<b>BUSINESS TYPE ACTIVITIES:</b>						
Food service	<u>31,106</u>	<u>30,793</u>			<u>(313)</u>	<u>(313)</u>
<b>TOTAL BUSINESS TYPE ACTIVITIES</b>	<b>31,106</b>	<b>30,793</b>			<b>(313)</b>	<b>(313)</b>
<b>TOTAL PRIMARY GOVERNMENT:</b>	<b>\$ 3,216,373</b>	<b>\$ 80,141</b>	<b>\$ 7,284</b>	<b>(3,128,635)</b>	<b>(313)</b>	<b>(3,128,948)</b>
<b>GENERAL REVENUES AND TAXES:</b>						
Per pupil operating revenue				2,830,107		2,830,107
Capital construction				243,371		243,371
Donations				188		188
Investment income				11,501		11,501
Other revenue				46,392		46,392
Transfers				<u>1,301</u>	<u>(1,301)</u>	
<b>TOTAL GENERAL REVENUE, TAXES AND TRANSFERS</b>				<b>3,132,860</b>	<b>(1,301)</b>	<b>3,131,559</b>
<b>CHANGE IN NET ASSETS</b>				<b>4,225</b>	<b>(1,614)</b>	<b>2,611</b>
<b>NET ASSETS - beginning of year</b>				<b>1,117,682</b>	<b>1,614</b>	<b>1,119,296</b>
<b>NET ASSETS - end of year</b>				<b>\$ 1,121,907</b>	<b>\$</b>	<b>\$ 1,121,907</b>

See Notes to Financial Statements

JAMES IRWIN CHARTER ELEMENTARY SCHOOL  
Statement of Activities  
For the Year Ended June 30, 2010

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Product or Service	Operating Grants, Fundraisers and Contributions	Primary Governmental Activities	Business- Type Activities	Total
PRIMARY GOVERNMENT:						
GOVERNMENTAL ACTIVITIES:						
Instruction	\$ 1,553,471	\$ 64,854	\$	\$ (1,488,617)	\$	\$ (1,488,617)
Student support services	22,296	13,916		(8,380)		(8,380)
Instructional staff support services	58,322			(58,322)		(58,322)
General administration support services	153,219			(153,219)		(153,219)
School administration	310,791			(310,791)		(310,791)
Business services	55,680			(55,680)		(55,680)
Operation and maintenance of plant	206,333			(206,333)		(206,333)
Support services - central	104,770			(104,770)		(104,770)
Facilities acquisition and construction services	448,029			(448,029)		(448,029)
Title grants	<u>11,651</u>		<u>11,651</u>			
TOTAL GOVERNMENTAL ACTIVITIES	2,924,562	78,770	11,651	(2,834,141)		(2,834,141)
BUSINESS TYPE ACTIVITIES:						
Food service						
TOTAL BUSINESS TYPE ACTIVITIES						
TOTAL PRIMARY GOVERNMENT:	<u>\$ 2,924,562</u>	<u>\$ 78,770</u>	<u>\$ 11,651</u>	<u>(2,834,141)</u>		<u>(2,834,141)</u>
GENERAL REVENUES AND TAXES:						
Per pupil operating revenue				2,965,944		2,965,944
Capital construction				42,461		42,461
Donations				2,551		2,551
Investment income				11,701		11,701
Other revenue				<u>27,820</u>		<u>27,820</u>
TOTAL GENERAL REVENUE, TAXES AND TRANSFERS				<u>3,050,477</u>		<u>3,050,477</u>
CHANGE IN NET ASSETS				216,336		216,336
NET ASSETS - beginning of year				<u>834,149</u>		<u>834,149</u>
NET ASSETS - end of year				<u>\$ 1,050,485</u>	<u>\$</u>	<u>\$ 1,050,485</u>

See Notes to Financial Statements

JAMES IRWIN CHARTER SCHOOLS  
Balance Sheet - Governmental Funds  
June 30, 2010

	General Fund	Athletics	Governmental Designated-Purpose Grants Fund	Total Government Funds
<u>ASSETS</u>				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 3,206,113	\$ 975	\$ (8,338)	\$ 3,198,750
Short-term investments	639,332			639,332
Accounts receivable	13,157		8,338	21,495
Due from other schools	300,000			300,000
Prepaid expenses	21,475			21,475
Inventory	3,449			3,449
<b>TOTAL ASSETS</b>	<u>\$ 4,183,526</u>	<u>\$ 975</u>	<u>\$</u>	<u>\$ 4,184,501</u>
<u>LIABILITIES AND FUND BALANCES</u>				
CURRENT LIABILITIES:				
Accounts payable	\$ 344,568	\$ 975	\$	\$ 345,543
Accrued liabilities	666,966			666,966
Due to other schools	300,000			300,000
Deferred revenue	25,458			25,458
<b>TOTAL LIABILITIES</b>	1,336,992	975		1,337,967
FUND BALANCES:				
Reserved for TABOR	267,737			267,737
Unrestricted - Board designa	1,026,575			1,026,575
Unreserved	1,552,222			1,552,222
<b>Total fund balances</b>	<u>2,846,534</u>			<u>2,846,534</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 4,183,526</u>	<u>\$ 975</u>	<u>\$</u>	<u>\$ 4,184,501</u>

Reconciliation of governmental fund balances to total net assets on statement of net assets:

Governmental fund balances	\$ 2,846,534
Net assets of business-type activities	<u>(1,563,008)</u>
<b>Total net assets on government-wide statement of net assets</b>	<u>\$ 1,283,526</u>

See Notes to Financial Statements

JAMES IRWIN CHARTER HIGH SCHOOL  
Balance Sheet - Governmental Funds  
June 30, 2010

	General Fund	Athletics	Governmental Designated-Purpose Grants Fund	Total Government Funds
<u>ASSETS</u>				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 1,018,064	\$ 350	\$ (247)	\$ 1,018,167
Short-term investments	213,111			213,111
Accounts receivable	3,665		247	3,912
Prepaid expenses	20,075			20,075
Inventory	3,449			3,449
	<u>\$ 1,258,364</u>	<u>\$ 350</u>	<u>\$</u>	<u>\$ 1,258,714</u>
TOTAL ASSETS				
<u>LIABILITIES AND FUND BALANCES</u>				
CURRENT LIABILITIES:				
Accounts payable	\$ 68,733	\$ 350	\$	\$ 69,083
Accrued liabilities	198,705			198,705
Due to other schools	300,000			300,000
Deferred revenue	16,784			16,784
	<u>584,222</u>	<u>350</u>	<u>\$</u>	<u>584,572</u>
TOTAL LIABILITIES				
FUND BALANCES:				
Reserved for TABOR	83,918			83,918
Unrestricted - Board designated	90,000			90,000
Unreserved	500,224			500,224
	<u>674,142</u>	<u></u>	<u>\$</u>	<u>674,142</u>
Total fund balances				
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,258,364</u>	<u>\$ 350</u>	<u>\$</u>	<u>\$ 1,258,714</u>

See Notes to Financial Statements

JAMES IRWIN CHARTER MIDDLE SCHOOL  
Balance Sheet - Governmental Funds  
June 30, 2010

	General Fund	Athletics	Governmental Designated-Purpose Grants Fund	Total Government Funds
<u>ASSETS</u>				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 973,017	\$ 625	\$ (1,231)	\$ 972,411
Short-term investments	213,110			213,110
Accounts receivable	4,815		1,231	6,046
Prepaid expenses	1,400			1,400
Due from other schools	300,000			300,000
<b>TOTAL ASSETS</b>	<b>\$ 1,492,342</b>	<b>\$ 625</b>	<b>\$</b>	<b>\$ 1,492,967</b>
<u>LIABILITIES AND FUND BALANCES</u>				
CURRENT LIABILITIES:				
Accounts payable	\$ 158,934	\$ 625	\$	\$ 159,559
Accrued liabilities	206,713			206,713
Deferred revenue	4,788			4,788
<b>TOTAL LIABILITIES</b>	<b>370,435</b>	<b>625</b>		<b>371,060</b>
FUND BALANCES:				
Reserved for TABOR	96,423			96,423
Unrestricted - Board designated	614,679			614,679
Unreserved	410,805			410,805
<b>Total fund balances</b>	<b>1,121,907</b>	<b></b>	<b></b>	<b>1,121,907</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,492,342</b>	<b>\$ 625</b>	<b>\$</b>	<b>\$ 1,492,967</b>

See Notes to Financial Statements

JAMES IRWIN CHARTER ELEMENTARY SCHOOL  
Balance Sheet - Governmental Funds  
June 30, 2010

	<u>General Fund</u>	<u>Governmental Designated-Purpose Grants Fund</u>	<u>Total Government Funds</u>
<u>ASSETS</u>			
CURRENT ASSETS:			
Cash and cash equivalents	\$ 1,215,032	\$ (6,860)	\$ 1,208,172
Short-term investments	213,111		213,111
Accounts receivable	<u>4,677</u>	<u>6,860</u>	<u>11,537</u>
TOTAL ASSETS	<u>\$ 1,432,820</u>	<u>\$</u>	<u>\$ 1,432,820</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
CURRENT LIABILITIES:			
Accounts payable	\$ 116,901	\$	\$ 116,901
Accrued liabilities	261,548		261,548
Deferred revenue	<u>3,886</u>		<u>3,886</u>
TOTAL LIABILITIES	382,335		382,335
FUND BALANCES:			
Reserved for TABOR	87,396		87,396
Unrestricted - Board designated	321,896		321,896
Unreserved	<u>641,193</u>		<u>641,193</u>
Total fund balances	<u>1,050,485</u>		<u>1,050,485</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,432,820</u>	<u>\$</u>	<u>\$ 1,432,820</u>

See Notes to Financial Statements

JAMES IRWIN CHARTER SCHOOLS  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Governmental Funds  
For the Year Ended June 30, 2010

	General Fund	Athletics	Governmental Designated-Purpose Grants Fund	Total Governmental Funds
<b>REVENUES:</b>				
Total local sources	\$ 133,275	\$ 108,476	\$	\$ 241,751
Total state program revenues	8,834,088			8,834,088
Total federal program revenues			17,873	17,873
<b>Total revenues</b>	<b>8,967,363</b>	<b>108,476</b>	<b>17,873</b>	<b>9,093,712</b>
<b>EXPENDITURES:</b>				
Instruction	4,251,483			4,251,483
Student support services	438,996			438,996
Instructional staff support services	195,746			195,746
General administration support services	443,483			443,483
School administration	665,889			665,889
Business services	169,320			169,320
Operation and maintenance of plant	714,909			714,909
Support services - central	313,518			313,518
Facilities acquisition and construction services	1,531,927			1,531,927
Title grants			17,873	17,873
Student sports activities		130,226		130,226
<b>Total expenditures</b>	<b>8,725,271</b>	<b>130,226</b>	<b>17,873</b>	<b>8,873,370</b>
<b>OTHER FINANCING SOURCES:</b>				
Investment income	32,490			32,490
Transfers	(21,918)	21,750		(168)
Donations	2,801			2,801
Other revenue	176,371			176,371
<b>Total other financing sources</b>	<b>189,744</b>	<b>21,750</b>		<b>211,494</b>
<b>CHANGE IN FUND BALANCE</b>	<b>431,836</b>			<b>431,836</b>
FUND BALANCE, beginning of year	2,414,698			2,414,698
FUND BALANCE, end of year	<u>\$ 2,846,534</u>	<u>\$</u>	<u>\$</u>	<u>\$ 2,846,534</u>

Reconciliation of statement of revenues, expenditures, and changes in fund balance to statements of activities:

Governmental funds change in fund balance	\$ 431,836
Change in net assets of business-type activities	<u>(122,653)</u>
Change in net assets of the governmental activities	<u>\$ 309,183</u>

See Notes to Financial Statements

JAMES IRWIN CHARTER HIGH SCHOOL  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Governmental Funds  
For the Year Ended June 30, 2010

	General Fund	Athletics	Governmental Designated-Purpose Grants Fund	Total Governmental Funds
<b>REVENUES:</b>				
Total local sources	\$ 21,713	\$ 86,901	\$	\$ 108,614
Total state program revenues	2,752,205			2,752,205
Total federal program revenues	<u>                    </u>	<u>                    </u>	<u>3,957</u>	<u>3,957</u>
Total revenues	2,773,918	86,901	3,957	2,864,776
<b>EXPENDITURES:</b>				
Instruction	1,203,973			1,203,973
Student support services	237,252			237,252
Instructional staff support services	39,764			39,764
General administration support services	143,005			143,005
School administration	215,746			215,746
Business services	57,117			57,117
Operation and maintenance of plant	216,978			216,978
Support services - central	103,539			103,539
Facilities acquisition and construction services	437,943			437,943
Title grants			3,957	3,957
Student sports activities	<u>                    </u>	<u>104,267</u>	<u>                    </u>	<u>104,267</u>
Total expenditures	<u>2,655,317</u>	<u>104,267</u>	<u>3,957</u>	<u>2,763,541</u>
<b>OTHER FINANCING SOURCES:</b>				
Investment income	9,288			9,288
Transfers	(18,835)	17,366		(1,469)
Donations	62			62
Other revenue	<u>102,159</u>	<u>                    </u>	<u>                    </u>	<u>102,159</u>
Total other financing sources	<u>92,674</u>	<u>17,366</u>	<u>                    </u>	<u>110,040</u>
CHANGE IN FUND BALANCE	211,275			211,275
FUND BALANCE, beginning of year	<u>462,867</u>	<u>                    </u>	<u>\$</u>	<u>462,867</u>
FUND BALANCE, end of year	<u>\$ 674,142</u>	<u>\$</u>	<u>\$</u>	<u>\$ 674,142</u>

Reconciliation of statement of revenues, expenditures, and changes in fund balance to statements of activities:

Governmental funds change in fund balance	\$ 211,275
Change in net assets of business-type activities	<u>(293)</u>
Change in net assets of the governmental activities	<u>\$ 210,982</u>

See Notes to Financial Statements

JAMES IRWIN CHARTER MIDDLE SCHOOL  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Governmental Funds  
For the Year Ended June 30, 2010

	General Fund	Athletics	Governmental Designated-Purpose Grants Fund	Total Governmental Funds
<b>REVENUES:</b>				
Total local sources	\$ 32,792	21,575	\$	\$ 54,367
Total state program revenues	3,073,478			3,073,478
Total federal program revenues			<u>2,265</u>	<u>2,265</u>
Total revenues	3,106,270	21,575	2,265	3,130,110
<b>EXPENDITURES:</b>				
Instruction	1,494,039			1,494,039
Student support services	179,448			179,448
Instructional staff support services	97,660			97,660
General administration support services	147,259			147,259
School administration	139,352			139,352
Business services	56,523			56,523
Operation and maintenance of plant	291,598			291,598
Support services - central	105,209			105,209
Facilities acquisition and construction services	645,955			645,955
Title grants			2,265	2,265
Student sports activities		<u>25,959</u>		<u>25,959</u>
Total expenditures	<u>3,157,043</u>	<u>25,959</u>	<u>2,265</u>	<u>3,185,267</u>
<b>OTHER FINANCING SOURCES:</b>				
Investment income	11,501			11,501
Transfers	(3,083)	4,384		1,301
Donations	188			188
Other revenue	<u>46,392</u>			<u>46,392</u>
Total other financing sources	<u>54,998</u>	<u>4,384</u>		<u>59,382</u>
CHANGE IN FUND BALANCE	4,225			4,225
FUND BALANCE, beginning of year	<u>1,117,682</u>			<u>1,117,682</u>
FUND BALANCE, end of year	<u>\$ 1,121,907</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,121,907</u>

Reconciliation of statement of revenues, expenditures, and changes in fund balance to statements of activities:

Governmental funds change in fund balance	\$ 4,225
Change in net assets of business-type activities	<u>(1,614)</u>
Change in net assets of the governmental activities	<u>\$ 2,611</u>

See Notes to Financial Statements

JAMES IRWIN CHARTER ELEMENTARY SCHOOL  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Governmental Funds  
For the Year Ended June 30, 2010

	General Fund	Governmental Designated-Purpose Grants Fund	Total Governmental Funds
REVENUES:			
Total local sources	\$ 78,770	\$	\$ 78,770
Total state program revenues	3,008,405		3,008,405
Total federal program revenues		<u>11,651</u>	<u>11,651</u>
Total revenues	3,087,175	11,651	3,098,826
EXPENDITURES:			
Instruction	1,553,471		1,553,471
Student support services	22,296		22,296
Instructional staff support services	58,322		58,322
General administration support services	153,219		153,219
School administration	310,791		310,791
Business services	55,680		55,680
Operation and maintenance of plant	206,333		206,333
Support services - central	104,770		104,770
Facilities acquisition and construction services	448,029		448,029
Title grants		<u>11,651</u>	<u>11,651</u>
Total expenditures	<u>2,912,911</u>	<u>11,651</u>	<u>2,924,562</u>
OTHER FINANCING SOURCES:			
Investment Income	11,701		11,701
Donations	2,551		2,551
Other revenue	<u>27,820</u>		<u>27,820</u>
Total other financing sources	<u>42,072</u>		<u>42,072</u>
CHANGE IN FUND BALANCE	216,336		216,336
FUND BALANCE, beginning of year	<u>834,149</u>		<u>834,149</u>
FUND BALANCE, end of year	<u>\$ 1,050,485</u>	<u>\$</u>	<u>\$ 1,050,485</u>

See Notes to Financial Statements

JAMES IRWIN CHARTER SCHOOLS  
JAMES IRWIN EDUCATIONAL FOUNDATION  
Statement of Net Assets  
Proprietary Funds  
June 30, 2010

	High School	Middle School	Elementary School	Foundation	Totals
<u>ASSETS</u>					
CURRENT ASSETS:					
Cash and cash equivalents	\$	\$	\$	\$	\$
Total current assets					
RESTRICTED CASH				2,611,391	2,611,391
PROPERTY AND EQUIPMENT:					
Land				2,224,206	2,224,206
Buildings and improvements				15,315,138	15,315,138
Furniture and equipment				200,735	200,735
Less accumulated depreciation				17,740,079	17,740,079
Property and equipment - net				(1,479,230)	(1,479,230)
OTHER ASSETS:					
Bond issuance costs - net				553,835	553,835
Total other assets				553,835	553,835
<b>TOTAL ASSETS</b>				<b>19,426,075</b>	<b>19,426,075</b>
<u>LIABILITIES</u>					
CURRENT LIABILITIES:					
Accounts payable and accrued liabilities				344,083	344,083
Current portion of long-term debt				365,000	365,000
Total current liabilities				709,083	709,083
LONG TERM LIABILITIES:					
Long-term bonds payable				20,280,000	20,280,000
Total long-term liabilities				20,280,000	20,280,000
<b>TOTAL LIABILITIES</b>				<b>20,989,083</b>	<b>20,989,083</b>
<u>NET ASSETS</u>					
Invested in capital assets, net of related debt				(4,384,151)	(4,384,151)
Restricted for other purpose				2,611,391	2,611,391
Unrestricted				209,752	209,752
<b>TOTAL NET ASSETS</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$ (1,563,008)</b>	<b>\$ (1,563,008)</b>

See Notes to Financial Statements

JAMES IRWIN CHARTER SCHOOLS  
JAMES IRWIN EDUCATIONAL FOUNDATION  
Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended June 30, 2010

	<u>High School</u>	<u>Middle School</u>	<u>Elementary School</u>	<u>Foundation</u>	<u>Totals</u>
OPERATING REVENUES:					
Local sources:					
Food services	\$ 37,156	\$ 30,793	\$	\$	\$ 67,949
Lease income				1,300,255	1,300,255
Total operating revenues	<u>37,156</u>	<u>30,793</u>		<u>1,300,255</u>	<u>1,368,204</u>
OPERATING EXPENSES:					
Food services	38,918	31,106			70,024
Bank fees				266	266
Depreciation				376,194	376,194
Interest expense				989,994	989,994
Amortization				44,307	44,307
Fundraising expense				10,225	10,225
Trustee fees				1,325	1,325
Total operating expenses	<u>38,918</u>	<u>31,106</u>		<u>1,422,311</u>	<u>1,492,335</u>
OPERATING INCOME	(1,762)	(313)		(122,056)	(124,131)
NONOPERATING REVENUES:					
Earnings from investments				1,310	1,310
Total nonoperating revenues				<u>1,310</u>	<u>1,310</u>
INCOME BEFORE TRANSFERS	(1,762)	(313)		(120,746)	(122,821)
TRANSFERS	<u>1,469</u>	<u>(1,301)</u>			<u>168</u>
CHANGE IN NET ASSETS	(293)	(1,614)		(120,746)	(122,653)
TOTAL NET ASSETS - beginning of year	<u>293</u>	<u>1,614</u>		<u>(1,442,262)</u>	<u>(1,440,355)</u>
TOTAL NET ASSETS - end of year	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ (1,563,008)</u>	<u>\$ (1,563,008)</u>

See Notes to Financial Statements

JAMES IRWIN CHARTER SCHOOLS  
JAMES IRWIN EDUCATIONAL FOUNDATION  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2010

	<u>High School</u>	<u>Middle School</u>	<u>Elementary School</u>	<u>Foundation</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES:					
Change in net assets	\$ (293)	\$ (1,614)	\$	\$ (120,746)	\$ (122,653)
Adjustments to reconcile net income to net cash provided (used) by operating activities:					
Depreciation				376,194	376,194
Amortization				44,307	44,307
Changes in assets and liabilities:					
Changes in accrued liabilities	(1,427)			(18,353)	(19,780)
Total adjustments	(1,427)			402,148	400,721
Net cash provided (used) by operating activities	(1,720)	(1,614)		281,402	278,068
CASH FLOWS FROM INVESTING ACTIVITIES:					
Increase in buildings and improvements				(748,810)	(748,810)
Decrease in restricted cash				677,408	677,408
Net cash used by investing activities				(71,402)	(71,402)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Reduction of long-term debt				(210,000)	(210,000)
Net cash used by financing activities				(210,000)	(210,000)
NET DECREASE IN CASH	(1,720)	(1,614)			(3,334)
CASH AND CASH EQUIVALENTS, beginning of year	1,720	1,614			3,334
CASH AND CASH EQUIVALENTS, end of year	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

See Notes to Financial Statements

JAMES IRWIN CHARTER SCHOOLS  
 JAMES IRWIN EDUCATIONAL FOUNDATION  
 Statement of Fiduciary Net Assets  
 Fiduciary Funds - Pupil Activity Funds  
 June 30, 2010

	High School	Middle School	Elementary School	Consolidated Totals
<u>ASSETS</u>				
Cash and cash equivalents	\$ 8,258	\$ 1,159	\$	\$ 9,417
<b>TOTAL ASSETS</b>	<b>\$ 8,258</b>	<b>\$ 1,159</b>	<b>\$</b>	<b>\$ 9,417</b>
<u>LIABILITIES</u>				
Due to student groups	\$ 8,258	\$ 1,159	\$	\$ 9,417
<b>TOTAL LIABILITIES</b>	<b>\$ 8,258</b>	<b>\$ 1,159</b>	<b>\$</b>	<b>\$ 9,417</b>

See Notes to Financial Statements

JAMES IRWIN CHARTER SCHOOLS  
 JAMES IRWIN EDUCATIONAL FOUNDATION  
 Statement of Changes in Fiduciary Net Assets  
 Fiduciary Net Assets - Pupil Activity Funds  
 For the Year Ended June 30, 2010

	High School	Middle School	Elementary School	Totals
RECEIPTS	\$ 43,498	\$ 28,994	\$	\$ 72,492
DISBURSEMENTS	<u>44,423</u>	<u>27,835</u>	<u></u>	<u>72,258</u>
NET RECEIPTS (DISBURSEMENTS)	(925)	1,159		234
CASH IN BANK, beginning of year	<u>9,183</u>	<u></u>	<u></u>	<u>9,183</u>
CASH IN BANK, end of year	<u>\$ 8,258</u>	<u>\$ 1,159</u>	<u>\$</u>	<u>\$ 9,417</u>

See Notes to Financial Statements

JAMES IRWIN CHARTER SCHOOLS  
JAMES IRWIN EDUCATIONAL FOUNDATION

Notes to Financial Statements

For the Year Ended June 30, 2010

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The James Irwin Charter High School, James Irwin Charter Middle School, James Irwin Elementary School (the Schools) are charter schools operating under the applicable laws and regulations of the State of Colorado. The James Irwin Educational Foundation (the Foundation) is a 501(c)(3) organization created to provide the Schools with instructional and administrative space for the purpose of student education. The Schools are governed by a Board of Directors (the Board). The Schools prepare their financial statements in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Schools comply with the requirements of the Colorado Department of Education and the requirements of contracts and grants of agencies from which they receive funds.

Reporting Entity

The Board of Directors of the Schools is elected by the parents of enrolled students and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has primary accountability for fiscal matters. Therefore, the Schools are a financial reporting entity as defined by GASB in its Statement No. 14, "The Financial Reporting Entity," as amended by GASB 39 "Determining Whether Certain Organizations Are Component Units." Based on these criteria, it was determined that no additional organizations are includable within the Schools' reporting entity. The Schools are considered discretely presented component units of Harrison School District #2 in El Paso County, Colorado. It is the position of the Colorado Department of Education that a charter school has the same relationship to a public school district, as does any other school program or school building within a District. A charter school is part of a local school district that is a political subdivision of the State of Colorado. The Schools were created to help guide students in the development of their character and academic potential through an academically rigorous, content rich educational program.

## Notes to Financial Statements

### A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### Discretely Presented Component Units

As mentioned earlier, the Schools and Foundation are considered discretely presented component units of Harrison School District #2. The Charter Schools were formed in accordance with state statutes for operation as District Charter Schools. The Foundation was created April 25, 2002 to provide the James Irwin Charter Schools with instructional and administrative space for the purpose of student education.

The Charter Schools and the Foundation have been determined to be separate legal entities based upon three specific tests. The members of each of the governing boards are appointed separately from the District. Each school is fiscally dependent upon the District in order to maintain their educational programs at the current levels. The James Irwin Educational Foundation is fiscally dependent on each School and the potential exists that its exclusion from the James Irwin Charter Schools financial reporting entity would result in misleading financial reporting for the James Irwin Charter Schools.

#### Government-Wide and Fund Financial Statements

The statement of net assets and the statement of activities are government-wide financial statements. They report information on all of the James Irwin Charter Schools and James Irwin Educational Foundation's nonfiduciary activities with most of the interfund activities removed.

*Governmental activities* include programs supported primarily by intergovernmental revenues.

The statement of activities demonstrates how other people or entities that participate in programs the Schools operate have shared in the payment of the direct costs. Program revenues include charges to students or others who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment of the Schools. If a revenue source is not program revenue, it is a general revenue used to support all the Schools' functions. General revenues include all taxes.

Interfund activities between governmental funds and proprietary funds appear as due to/from on the governmental fund balance sheet and the proprietary fund statement of net assets and as other resources and other uses on the governmental fund statement of revenues, expenditures and

## Notes to Financial Statements

### A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### Government-Wide and Fund Financial Statements - continued

changes in fund balances and on the proprietary fund statement of revenues, expenses and changes in fund net assets. All interfund transactions between governmental funds and fiduciary funds are reported as due to/due from on the government-wide statement of activities.

The fund financial statements provide reports on the financial condition and results of operations for three fund categories - governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for School operations, they are not included in the governmental-wide statements. The Schools consider some governmental funds major and report their financial condition and results of operations in a separate column.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues result from providing goods and services in connection with a proprietary fund's principal ongoing operations; they usually come from exchange or exchange-like transactions. All other revenues are non-operating. Operating expenses can be tied specifically to the production of goods and services, such as materials, labor and direct overhead. Other expenses are non-operating.

#### Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting, as do the proprietary funds. The fiduciary fund financial statements also utilize the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain

## Notes to Financial Statements

### A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### Measurement Focus, Basis of Accounting, and Financial Statement Presentation - continued

compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with the expendable available financial resources. The Schools consider all revenues available if they are collectible within 60 days after year end.

Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Grant funds are considered to be earned to the extent that related expenditures are incurred under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until related and authorized expenditures have been made. A receivable is established when the related expenditures exceed revenue receipts. If balances have not been expended by the end of the project period, grantors may require the Schools to refund all or part of the unused amount.

Proprietary funds are accounted for on the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. The Schools apply all GASB pronouncements. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Assets. The funds equity is segregated into invested capital assets net of related debt, restricted net assets, and unrestricted net assets.

#### Fund Accounting

The Schools report the following major governmental funds:

General Fund: This fund is the Schools' primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.

Governmental Designated Grants Fund: This fund accounts for operations of governmental grants, which are restricted as to their purpose. Sometimes unused balances must be returned to the grantor at the close of specified project periods.

## Notes to Financial Statements

### A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### Fund Accounting - continued

Additionally, the Schools report the following fund types:

#### Proprietary Funds:

Food Service and Foundation funds report on activities of the Schools in a business manner for food operation, capital construction and financing of facilities.

#### Fiduciary Funds:

The Schools account for resources held for others in a custodial capacity as agency funds. Various student groups such as Pupil Activity Funds are reported as agency funds.

When both restricted and unrestricted resources are available for use, it is the Schools' policy to use restricted resources first, and then unrestricted resources, as they are needed.

#### Cash and Cash Equivalents

Cash and cash equivalents consist of the Schools' and Foundation's checking and money market accounts. The Schools and Foundation maintain their cash and cash equivalents at commercial banks and brokerage firms that are legally authorized.

#### Interfund Receivables and Payables

Activities between funds and schools that are representative of lending or borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" or "due to/from other schools".

#### Inventory

Materials and supplies are carried in an inventory account at lower of cost or market and are subsequently charged to expenditures when consumed.

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Capital Assets

Capital assets, which include land, buildings, furniture and equipment, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the Schools and Foundation as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements with a total project cost of \$100,000 or greater are capitalized as projects are constructed.

Building improvements, buildings, furniture and equipment of the Schools and Foundation are depreciated using the straight line method over the following estimated useful lives:

	<u>Years</u>
Buildings and improvements	40
Furniture	3-10
Office equipment	3-10
Computer equipment	3-10

Liability for Compensated Absences

Employees are entitled to certain compensated absences based on their length of employment. Compensated absences for personal leave do not vest or accumulate under the Schools' policy and accordingly, employees can only utilize this leave time when approved by their supervisor. Since the employees' accumulating rights to receive compensation for future absences are contingent upon the absences being caused by future illnesses and such amounts cannot be reasonably estimated, a liability for unused sick leave is not recorded in the financial statements.

Teachers and administrative personnel do not receive paid vacations but are paid only for the number of days they are required to work each year.

## Notes to Financial Statements

### A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### Liability for Compensated Absences - continued

Maintenance employees are granted vacation leave in varying amounts and are allowed to rollover five days at the end of the contract year. In the event of termination a maintenance employee is reimbursed for any unused accumulated vacation leave rolled over and earned within the contract year. Vacation pay is charged to operations when taken by maintenance employees of the Schools.

#### Arbitrage Payable

The Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt to make payments to the United States Treasury for investment income received at yields that exceed the issuer's tax exempt borrowing rates. The Treasury requires payment for each issue every five years. The estimated liability is updated annually for all tax-exempt issuances or changes in yields until such time payment of the calculated liability is due. The Foundation has no arbitrage payable as of June 30, 2010.

#### Long-Term Debt

In the governmental-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bonds payable are reported at face amount. Issuance costs have been capitalized.

#### Net Assets and Fund Balances

##### *Government-Wide Financial Statements*

When the Schools incur an expense for which they may use either restricted or unrestricted net assets, it is the policy to use restricted net assets first unless unrestricted net assets will have to be returned because they were not used. Net Assets include the following:

*Investment in Capital Assets, Net of Related Debt* - the component of net assets that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unspent proceeds, that is directly attributable to the acquisition, construction or improvement of these capital assets.

## Notes to Financial Statements

### A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### Net Assets and Fund Balances - continued

*Unrestricted* - The difference between the assets and liabilities that is not reported in Net Assets Invested in Capital Assets, Net of Related Debt and Net Assets Restricted for TABOR.

#### Governmental Fund Financial Statements

In the fund financial statements, governmental funds report fund balances as either a reserved fund balance or unreserved fund balance.

*Reserved Fund Balance* - That portion of fund balance which is not available for appropriation or which has been legally segregated for specific purpose.

*Unreserved Fund Balance* - Composed of designated and undesignated portions. The undesignated portion of the unreserved fund balance represents that portion of fund balance that is available for budgeting in future periods. Designated fund balances represent tentative plans for future use of financial resources.

#### Budgets and Budgetary Accounting

A budget is adopted for the General and Capital Reserve funds on a basis consistent with generally accepted accounting principles.

The Administrator submits to the Board a proposed budget for the fiscal year commencing the following July 1 for approval. The budget includes proposed expenditures and the means of financing these amounts. All annual appropriations lapse at fiscal year end.

#### Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

## Notes to Financial Statements

### B. CASH AND CASH EQUIVALENTS

The Schools' funds are required to be deposited and invested in eligible public depositories under the Colorado Public Deposit Protection Act (PDPA). Eligibility is determined by state regulations, and at June 30, 2010, State Regulatory Commissioners have indicated that all financial institutions holding deposits for the Schools are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained at another institution, or held in trust for all the insured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. Deposits are categorized by type of credit risk:

Category 1: Insured or collateralized with securities held by the Schools or by its agent in the Schools' name.

Category 2: Collateralized with securities held by the pledging financial institution's trust department or agent in the Schools' name.

Category 3: Uncollateralized, including any bank balance that is collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the Schools' name.

As of June 30, 2010, the Schools' cash deposits were entirely covered by FDIC insurance or pledged collateral held by the Schools' agent banks in the Schools' name.

### C. DUE TO/FROM OTHER SCHOOLS

Due to/from other schools consist of amounts advanced for payroll and other operating expenditures in prior years. These amounts are scheduled to be repaid in future years.

Notes to Financial Statements

D. CAPITAL ASSET ACTIVITY

Capital asset activity for the Schools and Foundation for the year ended June 30, 2010 was as follows:

Business-type Activities:

	<u>June 30,</u> <u>2009</u>	<u>Additions</u>	<u>Disposals</u>	<u>June 30,</u> <u>2010</u>
Non-depreciable assets:				
Land	\$ 2,224,206	\$	\$	\$ 2,224,206
Depreciable assets:				
Buildings and improvements	14,566,328	748,810		15,315,138
Other equipment	<u>200,735</u>	<u>                    </u>	<u>                    </u>	<u>200,735</u>
	16,991,269	748,810		17,740,079
Less accumulated depreciation for:				
Buildings and improvements	(964,327)	(365,457)		(1,329,784)
Other equipment	<u>(138,709)</u>	<u>(10,737)</u>	<u>                    </u>	<u>(149,446)</u>
	<u>(1,103,036)</u>	<u>(376,194)</u>	<u>                    </u>	<u>(1,479,230)</u>
Total capital assets - net	<u>\$15,888,233</u>	<u>\$ 372,616</u>	<u>\$                    </u>	<u>\$16,260,849</u>

E. DEFERRED REVENUE

Deferred revenue at June 30, 2010 consists of student fees received for future periods.

F. BONDS PAYABLE

On September 1, 2004, James Irwin Educational Foundation entered into loan agreements to obtain financing for purchasing of school facilities located in Colorado Springs.

Notes to Financial Statements

F. BONDS PAYABLE - Continued

Under a trust indenture between the Colorado Educational and Cultural Facilities Authority and Zions First National Bank, as trustee, the proceeds from the sale of \$9,700,000 aggregate principal amount of Colorado Educational and Cultural Facilities Authority Variable Rate Charter School Revenue Bonds, (James Irwin Educational Foundation Project) Series 2004 were loaned to the James Irwin Educational Foundation pursuant to the loan agreement dated September 1, 2004 between James Irwin Educational Foundation and Vectra Bank. An irrevocable letter of credit issued September 2, 2004 in an amount not to exceed \$9,806,302 (bond principal of \$9,700,000 plus \$106,302 for payment of up to 45 days accrued interest) insures repayment of the bonds.

The letter of credit was secured by all assets of the Schools and Foundation.

Principal payments on the bonds were scheduled to begin on September 1, 2007 and would have continued each September 1 thereafter through the year 2034. The bonds were interest bearing with a variable rate determined by the re-marketing agent (Vectra Bank) based on current transactions with comparable securities in prevailing market conditions.

During the year ended June 30, 2008, the Foundation refinanced the current bond issuance with a new bond issuance agreement with the Colorado Educational and Cultural Facilities Authority in the amount of \$20,900,000. Principal payments on the refinanced bonds began on August 1, 2008 and will continue each August 1 thereafter through the year 2037. The refinanced bonds bear interest at a variable interest rate.

Future minimum principal payments due for the years ended June 30 are as follows:

2011	\$ 365,000
2012	375,000
2013	390,000
2014	410,000
2015	425,000
2016 - 2020	2,455,000
2021 - 2025	1,165,000
2024 - 2028	4,285,000
2029 - 2033	4,715,000
2034 - 2038	<u>6,060,000</u>
	<u>\$20,645,000</u>

## Notes to Financial Statements

### G. ACCRUED SALARIES AND BENEFITS

Salaries, merit pay, and retirement benefits of certain contractually employed personnel are earned during the school year, but are paid over a twelve-month period. Salaries, merit pay, and benefits that were earned, but not paid, as of June 30, 2010, are reflected as a liability in the accompanying financial statements of the General Fund.

### H. DEFINED BENEFIT PENSION PLAN

The Schools contribute to the Combined State and School Division Trust Fund (CSSDFT), a cost-sharing multiple employer defined benefit pension plan. The plan is administered by the Public Employees' Retirement Association of Colorado (PERA).

#### Types of Employees Covered

PERA provides retirement and other benefits to the employees of more than 400 government agencies and public entities in the State of Colorado. PERA is the 23rd largest public pension plan in the United States.

Its membership includes employees of the Colorado state government, most teachers in the state, many university and college employees, judges, many employees of cities and towns, state troopers, and the employees of a number of other public entities.

#### Benefit Provisions

The plan provides retirement and disability, annual increase, and death benefits for members or their beneficiaries. All employees of the Schools are members of the CSSDFT. Established by state law in 1931, PERA operates by authority of the Colorado General Assembly and is administered under Title 24, Article 51 of the Colorado Revised Statutes. In accordance with its duty to administer PERA, the Board of Trustees has the authority to adopt and revise rules in accordance with state statutes.

## Notes to Financial Statements

### H. DEFINED BENEFIT PENSION PLAN - Continued

PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for CSSDFT. That report may be obtained by writing to PERA of Colorado, P.O. Box 5800, Denver, CO 80217-5800, by calling PERA at (303) 832-9550, or (800) 759-7372, or by downloading the report from the PERA website, [www.copera.org](http://www.copera.org), under the tools/forms/pubs heading.

#### Funding Policy

PERA is a substitute for Social Security for most public employees. Benefits are pre-funded, which means while a member is working, he or she is required to contribute a fixed percentage of their salary to the retirement trust funds as established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate is 8% for most members. The Schools also contribute a percentage of pay to the trust fund in the amount of 13.85% of covered salary.

The trust funds are then invested by PERA under the direction of a board of trustees. PERA's investment strategy uses actuarially established investment objectives with long-term goals and policies.

PERA's Board of Trustees are fiduciaries and are held to a high standard of prudence in investing the trust funds. PERA is governed by a 16-member Board of Trustees. Twelve are elected by the active members, and two are elected by retirees. In addition, the Colorado State Treasurer and the State Auditor serve as ex-officio trustees.

A portion of the Schools' contribution is allocated for the Health Care Trust Fund (Note J). The Schools' contributions to CSSDFT for the year ended June 30, 2010 were \$496,647.

### I. DEFINED CONTRIBUTION PENSION PLAN

The CSSDFT members of the Schools may voluntarily contribute to the Voluntary Investment Program (401(k) Plan). This plan is a defined benefit plan as established by Internal Revenue Code Section 401(k), and administered by PERA. Participation in the plan is voluntary, and contributions are separate from others made to PERA. Title 24, Article 51, Part 14 of the CRS, as amended, assigns the authority to establish the 401(k) Plan provisions to the State Legislature.

## Notes to Financial Statements

### I. DEFINED CONTRIBUTION PENSION PLAN - Continued

#### Funding Policy

Contributions to the 401(k) Plan are funded by voluntary member contributions, up to statutory limits set by the Internal Revenue Service. An employer matching contribution of 100% of a member's eligible tax-deferred retirement program contributions, up to 1% of an employee's salary is funded by the Schools. The contribution requirements for the Schools are established under Title 24, Article 51, Section 1402 of the CRS, as amended. The 401(k) Plan employer contributions for the year ended June 30, 2010 were \$8,538.

### J. HEALTH CARE TRUST FUND

The Schools contribute to the Health Care Trust Fund (HCTF), a cost sharing multiple-employer post-employment health care plan administered by PERA. The HCTF provides a health care premium subsidy to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12, of the CRS, as amended, assigns the authority to establish the HCTF benefit provisions to the State Legislature. PERA's publicly available annual financial report contains required supplementary information for the HCTF.

A portion of the Schools PERA contribution helps fund this program. The contribution requirements for Schools are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contribution to the HCTF is established under Title 24, Article 51, Section 208 of the Colorado Revised Statutes, as amended.

### K. RISK MANAGEMENT

The Schools are exposed to various risks of loss related to torts; theft of or damage to and destruction of assets; errors and omissions and natural disasters for which the Schools carry commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded insurance coverage. The Schools fund outside insurance purchases, deductibles and uninsured losses through the general fund.

## Notes to Financial Statements

### L. COMMITMENTS AND CONTINGENCIES

#### Grant Programs

The Schools participate in numerous state and federal grant programs that are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Schools have not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the Schools, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

#### TABOR Amendment

In November 1992, Colorado voters passed the Tabor Amendment to the State Constitution, which limits state and local government tax powers and imposes spending limitations. The Schools are subject to the TABOR Amendment provisions. Fiscal year 1993 provided the basis for limits in future years to which allowable increases for inflation and student enrollment applies. Revenue received in excess of the limitations may be required to be refunded, unless the Harrison School District #2 electorates vote to retain the revenue.

The Schools believe they are in substantial compliance with the Amendment. The TABOR Amendment reserve is \$83,918, \$96,423 and \$87,396, for the High School, Middle School, and Elementary School, respectively.

### M. LEASES

The Schools lease instructional and administrative space from the Foundation for Elementary, Middle and High School programs. This lease is for a one year term, with an annual renewal, not later than June 1 each year. Base rent is set at an amount which is not less than the principal of the bonds which will be due in any given year, plus interest and fees on the bonds.

Notes to Financial Statements

M. LEASES - Continued

The Schools also lease several copiers under three individual agreements. The first calls for monthly payments of \$1,365 through September 2011. The second calls for monthly payments of \$242 through June 2013. The third calls for monthly payments of \$580 through May 2015.

Future minimum payments under these copier leases are as follows:

2011	\$	26,242
2012		13,959
2013		9,864
2014		6,960
2015		6,380

N. RESTRICTED CASH

At June 30, 2010 restricted cash consists of deposits required to be maintained in designated accounts as part of the bond issue.

JAMES IRWIN CHARTER HIGH SCHOOL  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - General Fund  
For the Year Ended June 30, 2010

	Original and Final Budget	Actual	Variance With Final Budget Positive or (Negative)
<b>REVENUES:</b>			
Total local sources	\$ 17,000	\$ 21,713	\$ 4,713
Total state program revenues	2,728,201	2,752,205	24,004
<b>TOTAL REVENUES</b>	<b>2,745,201</b>	<b>2,773,918</b>	<b>28,717</b>
<b>EXPENDITURES:</b>			
Instructional Program			
Salaries	797,090	847,703	(50,613)
Benefits	242,179	208,845	33,334
SPED Insurance	112,628	103,045	9,583
Other	107,500	44,380	63,120
Student Support Services			
Salaries	140,000	158,379	(18,379)
Benefits	40,010	33,929	6,081
Other	58,000	44,944	13,056
Instructional Staff Support Services			
Salaries	10,300	11,223	(923)
Benefits	2,312	2,283	29
Other	36,000	26,258	9,742
General Administration Support Services			
Salaries	39,650	50,458	(10,808)
Benefits	15,575	8,592	6,983
Other	109,205	83,955	25,250
School Administration			
Salaries	137,392	147,623	(10,231)
Benefits	46,170	34,850	11,320
Other	34,500	33,273	1,227
Business Services			
Salaries	33,987	37,547	(3,560)
Benefits	10,785	7,912	2,873
Other	16,200	11,658	4,542
Operation and Maintenance of Plant			
Salaries	58,500	58,567	(67)
Benefits	26,950	14,807	12,143
Utilities	80,000	86,241	(6,241)
Other	64,000	57,363	6,637
Support Services - Central			
Salaries	25,500	29,133	(3,633)
Benefits	9,065	7,260	1,805
Insurance	40,600	27,710	12,890
Other	17,500	39,436	(21,936)
Facilities Acquisition and Construction Services			
Rent	460,000	437,943	22,057
<b>TOTAL EXPENDITURES</b>	<b>2,771,598</b>	<b>2,655,317</b>	<b>116,281</b>
<b>OTHER FINANCING SOURCES:</b>			
Investment income	5,000	9,288	4,288
Transfers		(18,835)	(18,835)
Donations	52	62	10
Other	64,251	102,159	37,908
Total other financing sources	69,303	92,674	23,371
<b>CHANGES IN NET ASSETS</b>	<b>42,906</b>	<b>211,275</b>	<b>168,369</b>
<b>NET ASSETS - beginning of year</b>	<b>462,867</b>	<b>462,867</b>	<b>462,867</b>
<b>NET ASSETS - end of year</b>	<b>\$ 42,906</b>	<b>\$ 674,142</b>	<b>\$ 631,236</b>

See Notes to Financial Statements

JAMES IRWIN CHARTER MIDDLE SCHOOL  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - General Fund  
For the Year Ended June 30, 2010

	Original and Final Budget	Actual	Variance With Final Budget Positive or (Negative)
<b>REVENUES:</b>			
Total local sources	\$ 19,653	\$ 32,792	\$ 13,139
Total state program revenues	2,840,518	3,073,478	232,960
<b>TOTAL REVENUES</b>	<b>2,860,171</b>	<b>3,106,270</b>	<b>246,099</b>
<b>EXPENDITURES</b>			
Instructional Program			
Salaries	954,982	1,008,383	(53,401)
Benefits	301,500	258,298	43,202
SPED Insurance	162,785	148,912	13,873
Other	114,550	78,446	36,104
Student Support Services			
Salaries	108,100	121,882	(13,782)
Benefits	36,393	26,808	9,585
Other	23,000	30,758	(7,758)
Instructional Staff Support Services			
Salaries	42,500	49,733	(7,233)
Benefits	12,295	11,007	1,288
Other	39,250	36,920	2,330
General Administration Support Services			
Salaries	39,650	50,447	(10,797)
Benefits	15,575	8,604	6,971
Other	104,340	88,208	16,132
School Administration			
Salaries	98,000	95,781	2,219
Benefits	34,300	38,989	(4,689)
Other	20,500	4,582	15,918
Business Services			
Salaries	33,987	37,543	(3,556)
Benefits	10,785	7,804	2,981
Other	16,200	11,176	5,024
Operation and Maintenance of Plant			
Salaries	58,500	58,397	103
Benefits	26,950	14,765	12,185
Utilities	80,000	86,241	(6,241)
Other	64,000	132,195	(68,195)
Support Services - Central			
Salaries	25,500	28,126	(2,626)
Benefits	9,065	7,106	1,959
Insurance	40,600	27,993	12,607
Other	17,500	41,984	(24,484)
Facilities Acquisition and Construction Services			
Rent	460,000	645,955	(185,955)
<b>TOTAL EXPENDITURES</b>	<b>2,950,807</b>	<b>3,157,043</b>	<b>(206,236)</b>
<b>OTHER FINANCING SOURCES:</b>			
Investment income	11,500	11,501	1
Transfers		(3,083)	(3,083)
Donations		188	188
Other revenue	22,124	46,392	24,268
Total other financing sources	33,624	54,998	21,374
<b>CHANGES IN NET ASSETS</b>	<b>(57,012)</b>	<b>4,225</b>	<b>61,237</b>
<b>NET ASSETS - beginning of year</b>	<b>1,117,682</b>	<b>1,117,682</b>	<b>1,117,682</b>
<b>NET ASSETS - end of year</b>	<b>\$ (57,012)</b>	<b>\$ 1,121,907</b>	<b>\$ 1,178,919</b>

See Notes to Financial Statements

JAMES IRWIN CHARTER ELEMENTARY SCHOOL  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - General Fund  
For the Year Ended June 30, 2010

	Original and Final Budget	Actual	Variance With Final Budget Positive or (Negative)
REVENUES:			
Total local sources	\$ 75,040	\$ 78,770	\$ 3,730
Total state program revenues	<u>2,976,656</u>	<u>3,008,405</u>	<u>31,749</u>
TOTAL REVENUES	3,051,696	3,087,175	35,479
EXPENDITURES			
Instructional Program			
Salaries	1,039,784	1,060,825	(21,041)
Benefits	370,000	291,780	78,220
Other	111,000	70,175	40,825
SPED Insurance	143,908	130,691	13,217
Student Support Services			
Salaries	11,021	10,721	300
Benefits	3,390	2,532	858
Other	5,500	9,043	(3,543)
Instructional Staff Support Services			
Salaries	30,900	29,213	1,687
Benefits	9,969	9,447	522
Other	25,225	19,662	5,563
General Administration Support Services			
Salaries	43,480	49,948	(6,468)
Benefits	11,548	8,605	2,943
Other	108,677	94,666	14,011
School Administration			
Salaries	214,500	224,245	(9,745)
Benefits	67,400	61,096	6,304
Other	22,000	25,450	(3,450)
Business Services			
Salaries	35,007	37,550	(2,543)
Benefits	9,765	7,805	1,960
Other	16,200	10,325	5,875
Operation and Maintenance of Plant			
Salaries	62,500	58,395	4,105
Benefits	22,950	14,764	8,186
Utilities	80,000	86,241	(6,241)
Other	64,000	46,933	17,067
Support Services - Central			
Salaries	26,265	28,126	(1,861)
Benefits	8,300	7,106	1,194
Insurance	40,600	27,428	13,172
Other	17,500	42,110	(24,610)
Facilities Acquisition and Construction Services			
Rent	<u>460,000</u>	<u>448,029</u>	<u>11,971</u>
TOTAL EXPENDITURES	<u>3,061,389</u>	<u>2,912,911</u>	<u>148,478</u>
OTHER FINANCING SOURCES:			
Investment income	13,000	11,701	(1,299)
Donations	467	2,551	2,084
Other	<u>5,226</u>	<u>27,820</u>	<u>22,594</u>
Total other financing sources	<u>18,693</u>	<u>42,072</u>	<u>23,379</u>
CHANGES IN NET ASSETS	9,000	216,336	207,336
NET ASSETS - beginning of year	<u>                    </u>	<u>834,149</u>	<u>834,149</u>
NET ASSETS - end of year	<u>\$ 9,000</u>	<u>\$ 1,050,485</u>	<u>\$ 1,041,485</u>

See Notes to Financial Statements