

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

**Financial Statements**

**For the Year Ended June 30, 2011**

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

Management's Discussion and Analysis

For the Year Ended June 30, 2011

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, 2011. 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, 2011 is the eleventh year of operations for the High School, the eighth year for the Middle School and the sixth 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 \$2,470,464.
- The Schools' and Foundation's total combined net assets increased by \$1,186,938 during the fiscal year ended June 30, 2011.
- The Foundation has \$20.280 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, 2011 by \$1,186,938 to \$2,470,464. Approximately \$256,513 of these funds are restricted to comply with Article X, Section 20 of the Colorado Constitution, known as the TABOR Amendment. In addition, approximately \$2,196,888 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, 2011

### Assets

Cash and cash equivalents	\$ 3,475,038
Short-term investments	646,621
Accounts receivable	18,382
Due from other school	520
Prepaid expenses and deposits	11,684
Inventory	4,111
Restricted cash and investments	2,196,888
Fixed assets - net	17,097,643
Bond issuance costs - net	<u>509,528</u>
Total assets	23,960,415

### Liabilities

Accounts payable	606,419
Accrued liabilities	576,674
Due to other school	520
Deferred revenue	26,338
Bonds payable	<u>20,280,000</u>
Total liabilities	21,489,951

### Net Assets

Invested in fixed assets, net	(3,182,357)
Restricted (TABOR)	256,513
Restricted (other debt requirements)	2,196,888
Unrestricted - board designated	1,026,575
Unrestricted	<u>2,172,845</u>
Total net assets	<u>\$ 2,470,464</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 \$11,237,231.

## Management's Discussion and Analysis

Program and service expenses for the fiscal year ended June 30, 2011 were as follows:

	<u>Expenses</u>	<u>Percentage of total</u>
Instruction	\$ 4,242,851	49.42%
Student support services	395,136	4.60
Instructional staff support services	175,960	2.05
General administration support services	535,406	6.24
School administration	641,936	7.48
Business services	157,426	1.83
Operation and maintenance of plant	623,250	7.26
Support services, central	269,187	3.14
Rent and facilities	1,366,487	15.92
Title grant programs	34,134	.40
Student sports activities	<u>142,780</u>	<u>1.66</u>
Total expenses	<u>\$ 8,584,553</u>	<u>100.00%</u>

### Capital Assets

The School's and Foundation's investment in capital assets as of June 30, 2011, amounts to \$17,097,643 (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, 2011 the Foundation had outstanding debt totaling \$20,280,000. 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.

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

The primary factor driving the budget for the Schools is student enrollment. Enrollment for the 2010-2011 school year was 1,279. Projected enrollment for the 2011-2012 school year is 1,400. This factor was considered in preparing the Schools' budgets.

## Management's Discussion and Analysis

### 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, 2011, 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, 2011, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages one through seven and budgetary comparison information on pages forty-four through forty-six be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the James Irwin Charter Schools' financial statements as a whole. The supplemental information of the budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Waugh & Goodwin, LLP*

August 26, 2011

JAMES IRWIN CHARTER SCHOOLS  
 JAMES IRWIN EDUCATIONAL FOUNDATION  
 Statement of Net Assets  
 June 30, 2011

	<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	\$ 765,751	\$ 1,278,107	\$ 1,431,180	\$	\$ 3,475,038
Short-term investments	215,541	215,540	215,540		646,621
Accounts receivable	465	11,584	6,333		18,382
Due from other schools		520			520
Restricted cash				2,196,888	2,196,888
Prepaid expenses and deposits	8,847	1,446	1,391		11,684
Inventory	<u>4,111</u>				<u>4,111</u>
Total current assets	994,715	1,507,197	1,654,444	2,196,888	6,353,244
PROPERTY AND EQUIPMENT:					
Land				2,224,206	2,224,206
Buildings and improvements	95,778	700,293	43,510	15,713,391	16,552,972
Furniture and equipment				<u>200,735</u>	<u>200,735</u>
	95,778	700,293	43,510	18,138,332	18,977,913
Less accumulated depreciation	<u>(524)</u>	<u>(3,043)</u>	<u>(306)</u>	<u>(1,876,397)</u>	<u>(1,880,270)</u>
Property and equipment - net	95,254	697,250	43,204	16,261,935	17,097,643
OTHER ASSETS:					
Bond issuance costs - net				<u>509,528</u>	<u>509,528</u>
Total other assets				<u>509,528</u>	<u>509,528</u>
TOTAL ASSETS	<u>1,089,969</u>	<u>2,204,447</u>	<u>1,697,648</u>	<u>18,968,351</u>	<u>23,960,415</u>
	<u>LIABILITIES</u>				
CURRENT LIABILITIES:					
Accounts payable	67,515	113,299	82,285	343,320	606,419
Accrued liabilities	175,519	181,899	219,256		576,674
Due to other schools	520				520
Deferred revenue	20,320	3,093	2,925		26,338
Current portion of long-term debt				<u>375,000</u>	<u>375,000</u>
Total current liabilities	263,874	298,291	304,466	718,320	1,584,951
LONG TERM LIABILITIES:					
Long-term bonds payable				<u>19,905,000</u>	<u>19,905,000</u>
Total long-term liabilities				<u>19,905,000</u>	<u>19,905,000</u>
TOTAL LIABILITIES	<u>263,874</u>	<u>298,291</u>	<u>304,466</u>	<u>20,623,320</u>	<u>21,489,951</u>
	<u>NET ASSETS</u>				
Invested in capital assets, net of related debt	95,254	697,250	43,204	(4,018,065)	(3,182,357)
Restricted for TABOR	82,919	86,747	86,847		256,513
Restricted for other purpose				2,196,888	2,196,888
Unrestricted - Board designated	90,000	614,679	321,896		1,026,575
Unrestricted	<u>557,922</u>	<u>507,480</u>	<u>941,235</u>	<u>166,208</u>	<u>2,172,845</u>
TOTAL NET ASSETS	<u>\$ 826,095</u>	<u>\$ 1,906,156</u>	<u>\$ 1,393,182</u>	<u>\$ (1,654,969)</u>	<u>\$ 2,470,464</u>

See Notes to Financial Statements

JAMES IRWIN CHARTER SCHOOLS  
Statement of Activities  
For the Year Ended June 30, 2011

	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	\$ 4,242,851	\$ 96,488	\$	\$ (4,146,363)	\$	\$ (4,146,363)
Student support services	395,136	63,713		(331,423)		(331,423)
Instructional staff support services	175,960			(175,960)		(175,960)
General administration support services	535,406			(535,406)		(535,406)
School administration	641,936			(641,936)		(641,936)
Business services	157,426			(157,426)		(157,426)
Operation and maintenance of plant	623,250			(623,250)		(623,250)
Support services - central	269,187			(269,187)		(269,187)
Facilities acquisition and construction services	1,366,487			(1,366,487)		(1,366,487)
Title grants	34,134		34,134			
Student sports activities	<u>142,780</u>	<u>86,000</u>	<u>14,169</u>	<u>(42,611)</u>		<u>(42,611)</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>8,584,553</b>	<b>246,201</b>	<b>48,303</b>	<b>(8,290,049)</b>		<b>(8,290,049)</b>
<b>BUSINESS TYPE ACTIVITIES:</b>						
Leases	<u>1,465,740</u>	<u>1,366,487</u>			<u>(99,253)</u>	<u>(99,253)</u>
<b>TOTAL BUSINESS TYPE ACTIVITIES</b>	<b><u>1,465,740</u></b>	<b><u>1,366,487</u></b>			<b><u>(99,253)</u></b>	<b><u>(99,253)</u></b>
<b>TOTAL PRIMARY GOVERNMENT:</b>	<b><u>\$ 10,050,293</u></b>	<b><u>\$ 1,612,688</u></b>	<b><u>\$ 48,303</u></b>	<b><u>(8,290,049)</u></b>	<b><u>(99,253)</u></b>	<b><u>(8,389,302)</u></b>
<b>GENERAL REVENUES AND TAXES:</b>						
Per pupil operating revenue				8,679,570		8,679,570
Capital construction				715,701		715,701
Donations				9,215	7,043	16,258
Investment income				14,213	249	14,462
Other revenue				<u>150,249</u>		<u>150,249</u>
<b>TOTAL GENERAL REVENUE, TAXES AND TRANSFERS</b>				<b><u>9,568,948</u></b>	<b><u>7,292</u></b>	<b><u>9,576,240</u></b>
<b>CHANGE IN NET ASSETS</b>				<b>1,278,899</b>	<b>(91,961)</b>	<b>1,186,938</b>
<b>NET ASSETS - beginning of year</b>				<b><u>2,846,534</u></b>	<b><u>(1,563,008)</u></b>	<b><u>1,283,526</u></b>
<b>NET ASSETS - end of year</b>				<b><u>\$ 4,125,433</u></b>	<b><u>\$ (1,654,969)</u></b>	<b><u>\$ 2,470,464</u></b>

See Notes to Financial Statements

JAMES IRWIN CHARTER HIGH SCHOOL  
Statement of Activities  
For the Year Ended June 30, 2011

	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	\$ 1,185,920	\$ 3,880	\$	\$ (1,182,040)	\$	\$ (1,182,040)
Student support services	219,104	19,088		(200,016)		(200,016)
Instructional staff support services	49,868			(49,868)		(49,868)
General administration support services	179,703			(179,703)		(179,703)
School administration	201,851			(201,851)		(201,851)
Business services	52,677			(52,677)		(52,677)
Operation and maintenance of plant	211,037			(211,037)		(211,037)
Support services - central	88,726			(88,726)		(88,726)
Facilities acquisition and construction services	455,508			(455,508)		(455,508)
Title grants	5,484		5,484			
Student sports activities	119,560	70,540	11,692	(37,328)		(37,328)
TOTAL GOVERNMENTAL ACTIVITIES	2,769,438	93,508	17,176	(2,658,754)		(2,658,754)
BUSINESS TYPE ACTIVITIES:						
Food service						
TOTAL BUSINESS TYPE ACTIVITIES						
TOTAL PRIMARY GOVERNMENT:	<u>\$ 2,769,438</u>	<u>\$ 93,508</u>	<u>\$ 17,176</u>	<u>(2,658,754)</u>		<u>(2,658,754)</u>
GENERAL REVENUES AND TAXES:						
Per pupil operating revenue				2,673,131		2,673,131
Capital construction				34,761		34,761
Donations				2,728		2,728
Investment income				4,272		4,272
Other revenue				95,815		95,815
TOTAL GENERAL REVENUE, TAXES AND TRANSFERS				<u>2,810,707</u>		<u>2,810,707</u>
CHANGE IN NET ASSETS				151,953		151,953
NET ASSETS - beginning of year				674,142		674,142
NET ASSETS - end of year				<u>\$ 826,095</u>	<u>\$</u>	<u>\$ 826,095</u>

See Notes to Financial Statements

JAMES IRWIN CHARTER MIDDLE SCHOOL  
Statement of Activities  
For the Year Ended June 30, 2011

	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
<b>PRIMARY GOVERNMENT:</b>						
<b>GOVERNMENTAL ACTIVITIES:</b>						
Instruction	\$ 1,495,940	\$ 1,227	\$	\$ (1,494,713)	\$	\$ (1,494,713)
Student support services	150,570	29,082		(121,488)		(121,488)
Instructional staff support services	34,358			(34,358)		(34,358)
General administration support services	177,348			(177,348)		(177,348)
School administration	195,813			(195,813)		(195,813)
Business services	52,422			(52,422)		(52,422)
Operation and maintenance of plant	220,584			(220,584)		(220,584)
Support services - central	85,798			(85,798)		(85,798)
Facilities acquisition and construction services	455,510			(455,510)		(455,510)
Title grants Daniels Walton	12,232		12,232			
Student sports activities	<u>23,220</u>	<u>15,460</u>	<u>2,477</u>	<u>(5,283)</u>		<u>(5,283)</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>2,903,795</b>	<b>45,769</b>	<b>14,709</b>	<b>(2,843,317)</b>		<b>(2,843,317)</b>
<b>BUSINESS TYPE ACTIVITIES:</b>						
Food service						
<b>TOTAL BUSINESS TYPE ACTIVITIES</b>						
<b>TOTAL PRIMARY GOVERNMENT:</b>	<b><u>\$ 2,903,795</u></b>	<b><u>\$ 45,769</u></b>	<b><u>\$ 14,709</u></b>	<b><u>(2,843,317)</u></b>		<b><u>(2,843,317)</u></b>
<b>GENERAL REVENUES AND TAXES:</b>						
Per pupil operating revenue				2,943,214		2,943,214
Capital construction				638,721		638,721
Donations				5,320		5,320
Investment income				4,541		4,541
Other revenue				<u>35,770</u>		<u>35,770</u>
<b>TOTAL GENERAL REVENUE, TAXES AND TRANSFERS</b>				<b><u>3,627,566</u></b>		<b><u>3,627,566</u></b>
<b>CHANGE IN NET ASSETS</b>				<b>784,249</b>		<b>784,249</b>
<b>NET ASSETS - beginning of year</b>				<b><u>1,121,907</u></b>		<b><u>1,121,907</u></b>
<b>NET ASSETS - end of year</b>				<b><u>\$ 1,906,156</u></b>	<b><u>\$</u></b>	<b><u>\$ 1,906,156</u></b>

See Notes to Financial Statements

JAMES IRWIN CHARTER ELEMENTARY SCHOOL  
Statement of Activities  
For the Year Ended June 30, 2011

	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
<b>PRIMARY GOVERNMENT:</b>						
<b>GOVERNMENTAL ACTIVITIES:</b>						
Instruction	\$ 1,560,991	\$ 91,381	\$	\$ (1,469,610)	\$	\$ (1,469,610)
Student support services	25,462	15,543		(9,919)		(9,919)
Instructional staff support services	91,734			(91,734)		(91,734)
General administration support services	178,355			(178,355)		(178,355)
School administration	244,272			(244,272)		(244,272)
Business services	52,327			(52,327)		(52,327)
Operation and maintenance of plant	191,629			(191,629)		(191,629)
Support services - central	94,663			(94,663)		(94,663)
Facilities acquisition and construction services	455,469			(455,469)		(455,469)
Title grants	<u>16,418</u>		<u>16,418</u>			
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>2,911,320</b>	<b>106,924</b>	<b>16,418</b>	<b>(2,787,978)</b>		<b>(2,787,978)</b>
<b>BUSINESS TYPE ACTIVITIES:</b>						
Food service						
<b>TOTAL BUSINESS TYPE ACTIVITIES</b>						
<b>TOTAL PRIMARY GOVERNMENT:</b>	<b><u>\$ 2,911,320</u></b>	<b><u>\$ 106,924</u></b>	<b><u>\$ 16,418</u></b>	<b><u>(2,787,978)</u></b>		<b><u>(2,787,978)</u></b>
<b>GENERAL REVENUES AND TAXES:</b>						
Per pupil operating revenue				3,063,225		3,063,225
Capital construction				42,219		42,219
Donations				1,167		1,167
Investment income				5,400		5,400
Other revenue				<u>18,664</u>		<u>18,664</u>
<b>TOTAL GENERAL REVENUE, TAXES AND TRANSFERS</b>				<b><u>3,130,675</u></b>		<b><u>3,130,675</u></b>
<b>CHANGE IN NET ASSETS</b>				<b>342,697</b>		<b>342,697</b>
<b>NET ASSETS - beginning of year</b>				<b><u>1,050,485</u></b>		<b><u>1,050,485</u></b>
<b>NET ASSETS - end of year</b>				<b><u>\$ 1,393,182</u></b>	<b><u>\$</u></b>	<b><u>\$ 1,393,182</u></b>

See Notes to Financial Statements

JAMES IRWIN CHARTER SCHOOLS  
Balance Sheet - Governmental Funds  
June 30, 2011

	General Fund	Athletics	Governmental Designated-Purpose Grants Fund	Total Government Funds
<u>ASSETS</u>				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 3,469,942	\$ 11,825	\$ (6,729)	\$ 3,475,038
Short-term investments	646,621			646,621
Accounts receivable	11,653		6,729	18,382
Due from other schools	520			520
Prepaid expenses	11,684			11,684
Inventory	4,111			4,111
<b>TOTAL ASSETS</b>	<u>\$ 4,144,531</u>	<u>\$ 11,825</u>	<u>\$</u>	<u>\$ 4,156,356</u>
<u>LIABILITIES AND FUND BALANCES</u>				
CURRENT LIABILITIES:				
Accounts payable	\$ 251,274	\$ 11,825	\$	\$ 263,099
Accrued liabilities	576,674			576,674
Due to other schools	520			520
Deferred revenue	26,338			26,338
<b>TOTAL LIABILITIES</b>	854,806	11,825		866,631
FUND BALANCES:				
Restricted	256,513			256,513
Committed	1,026,575			1,026,575
Nonspendable	15,795			15,795
Unassigned	1,990,842			1,990,842
<b>Total fund balances</b>	<u>3,289,725</u>			<u>3,289,725</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 4,144,531</u>	<u>\$ 11,825</u>	<u>\$</u>	<u>\$ 4,156,356</u>
Reconciliation of governmental fund balances to total net assets on statement of net assets:				
Governmental fund balances				\$ 3,289,725
Capital assets, net of accumulated depreciation				835,708
Net assets of business-type activities				<u>(1,654,969)</u>
<b>Total net assets on government-wide statement of net assets</b>				<u>\$ 2,470,464</u>

See Notes to Financial Statements

JAMES IRWIN CHARTER HIGH SCHOOL  
Balance Sheet - Governmental Funds  
June 30, 2011

	General Fund	Athletics	Governmental Designated-Purpose Grants Fund	Total Government Funds
<u>ASSETS</u>				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 754,391	\$ 11,825	\$ (465)	\$ 765,751
Short-term investments	215,541			215,541
Accounts receivable			465	465
Prepaid expenses	8,847			8,847
Inventory	4,111			4,111
TOTAL ASSETS	\$ 982,890	\$ 11,825	\$	\$ 994,715
<u>LIABILITIES AND FUND BALANCES</u>				
CURRENT LIABILITIES:				
Accounts payable	\$ 55,690	\$ 11,825	\$	\$ 67,515
Accrued liabilities	175,519			175,519
Due to other schools	520			520
Deferred revenue	20,320			20,320
TOTAL LIABILITIES	252,049	11,825		263,874
FUND BALANCES:				
Restricted	82,919			82,919
Committed	90,000			90,000
Nonspendable	12,958			12,958
Unassigned	544,964			544,964
Total fund balances	730,841			730,841
TOTAL LIABILITIES AND FUND BALANCES	\$ 982,890	\$ 11,825	\$	\$ 994,715
Reconciliation of governmental fund balances to total net assets on statement of net assets:				
Governmental fund balances				\$ 730,841
Capital assets, net of accumulated depreciation				95,254
Total net assets on government-wide statement of net assets				\$ 826,095

See Notes to Financial Statements

JAMES IRWIN CHARTER MIDDLE SCHOOL  
Balance Sheet - Governmental Funds  
June 30, 2011

	General Fund	Athletics	Governmental Designated-Purpose Grants Fund	Total Government Funds
<u>ASSETS</u>				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 1,284,371	\$	\$ (6,264)	\$ 1,278,107
Short-term investments	215,540			215,540
Accounts receivable	5,320		6,264	11,584
Prepaid expenses	1,446			1,446
Due from other schools	520			520
<b>TOTAL ASSETS</b>	<b>\$ 1,507,197</b>	<b>\$</b>	<b>\$</b>	<b>\$ 1,507,197</b>

LIABILITIES AND FUND BALANCES

CURRENT LIABILITIES:				
Accounts payable	\$ 113,299	\$	\$	\$ 113,299
Accrued liabilities	181,899			181,899
Deferred revenue	3,093			3,093
<b>TOTAL LIABILITIES</b>	<b>298,291</b>			<b>298,291</b>
FUND BALANCES:				
Restricted	86,747			86,747
Committed	614,679			614,679
Nonspendable	1,446			1,446
Unassigned	506,034			506,034
Total fund balances	1,208,906			1,208,906
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,507,197</b>	<b>\$</b>	<b>\$</b>	<b>\$ 1,507,197</b>

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

Governmental fund balances	\$ 1,208,906
Capital assets, net of accumulated depreciation	697,250
<b>Total net assets on government-wide statement of net assets</b>	<b>\$ 1,906,156</b>

See Notes to Financial Statements

JAMES IRWIN CHARTER ELEMENTARY SCHOOL  
Balance Sheet - Governmental Funds  
June 30, 2011

	General Fund	Governmental Designated-Purpose Grants Fund	Total Government Funds
<u>ASSETS</u>			
CURRENT ASSETS:			
Cash and cash equivalents	\$ 1,431,180	\$	\$ 1,431,180
Short-term investments	215,540		215,540
Prepaid expenses	1,391		1,391
Accounts receivable	6,333		6,333
TOTAL ASSETS	\$ 1,654,444	\$	\$ 1,654,444

LIABILITIES AND FUND BALANCES

CURRENT LIABILITIES:			
Accounts payable	\$ 82,285	\$	\$ 82,285
Accrued liabilities	219,256		219,256
Deferred revenue	2,925		2,925
TOTAL LIABILITIES	304,466		304,466
FUND BALANCES:			
Restricted	86,847		86,847
Committed	321,896		321,896
Nonspendable	1,391		1,391
Unassigned	939,844		939,844
Total fund balances	1,349,978		1,349,978
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,654,444	\$	\$ 1,654,444

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

Governmental fund balances	\$ 1,349,978
Capital assets, net of accumulated depreciation	43,204
Total net assets on government-wide statement of net assets	\$ 1,393,182

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, 2011

	General Fund	Athletics	Governmental Designated-Purpose Grants Fund	Total Governmental Funds
<b>REVENUES:</b>				
Total local sources	\$ 160,201	\$ 100,169	\$	\$ 260,370
Total state program revenues	9,395,271			9,395,271
Total federal program revenues			<u>34,134</u>	<u>34,134</u>
Total revenues	9,555,472	100,169	34,134	9,689,775
<b>EXPENDITURES:</b>				
Instruction	4,242,851			4,242,851
Student support services	395,136			395,136
Instructional staff support services	175,960			175,960
General administration support services	535,406			535,406
School administration	641,936			641,936
Business services	157,426			157,426
Operation and maintenance of plant	1,458,958			1,458,958
Support services - central	269,187			269,187
Facilities acquisition and construction services	1,366,487			1,366,487
Title grants			34,134	34,134
Student sports activities		<u>142,780</u>		<u>142,780</u>
Total expenditures	<u>9,243,347</u>	<u>142,780</u>	<u>34,134</u>	<u>9,420,261</u>
<b>OTHER FINANCING SOURCES:</b>				
Investment income	14,213			14,213
Transfers	(42,611)	42,611		
Donations	9,215			9,215
Other revenue	<u>150,249</u>			<u>150,249</u>
Total other financing sources	<u>131,066</u>	<u>42,611</u>		<u>173,677</u>
CHANGE IN FUND BALANCE	443,191			443,191
FUND BALANCE, beginning of year	<u>2,846,534</u>			<u>2,846,534</u>
FUND BALANCE, end of year	<u>\$ 3,289,725</u>	<u>\$</u>	<u>\$</u>	<u>\$ 3,289,725</u>

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

Governmental funds change in fund balance	\$ 443,191
Capital assets acquired, net of current year depreciation	835,708
Change in net assets of business-type activities	<u>(91,961)</u>
Change in net assets of the governmental activities	<u>\$ 1,186,938</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, 2011

	General Fund	Athletics	Governmental Designated-Purpose Grants Fund	Total Governmental Funds
<b>REVENUES:</b>				
Total local sources	\$ 22,968	\$ 82,232	\$	\$ 105,200
Total state program revenues	2,707,892			2,707,892
Total federal program revenues	<u>                    </u>	<u>                    </u>	<u>5,484</u>	<u>5,484</u>
Total revenues	2,730,860	82,232	5,484	2,818,576
<b>EXPENDITURES:</b>				
Instruction	1,185,920			1,185,920
Student support services	219,104			219,104
Instructional staff support services	49,868			49,868
General administration support services	179,703			179,703
School administration	201,851			201,851
Business services	52,677			52,677
Operation and maintenance of plant	306,291			306,291
Support services - central	88,726			88,726
Facilities acquisition and construction services	455,508			455,508
Title grants			5,484	5,484
Student sports activities	<u>                    </u>	<u>119,560</u>	<u>                    </u>	<u>119,560</u>
Total expenditures	<u>2,739,648</u>	<u>119,560</u>	<u>5,484</u>	<u>2,864,692</u>
<b>OTHER FINANCING SOURCES:</b>				
Investment income	4,272			4,272
Transfers	(37,328)	37,328		
Donations	2,728			2,728
Other revenue	<u>95,815</u>	<u>                    </u>	<u>                    </u>	<u>95,815</u>
Total other financing sources	<u>65,487</u>	<u>37,328</u>	<u>                    </u>	<u>102,815</u>
CHANGE IN FUND BALANCE	56,699			56,699
FUND BALANCE, beginning of year	<u>674,142</u>	<u>                    </u>	<u>\$</u>	<u>674,142</u>
FUND BALANCE, end of year	<u>\$ 730,841</u>	<u>\$</u>	<u>\$</u>	<u>\$ 730,841</u>

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

Governmental funds change in fund balance	\$ 56,699
Capital assets acquired, net of current year depreciation	<u>95,254</u>
Change in net assets of the governmental activities	<u>\$ 151,953</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, 2011

	General Fund	Athletics	Governmental Designated-Purpose Grants Fund	Total Governmental Funds
<b>REVENUES:</b>				
Total local sources	\$ 30,309	17,937	\$	\$ 48,246
Total state program revenues	3,581,935			3,581,935
Total federal program revenues			<u>12,232</u>	<u>12,232</u>
Total revenues	3,612,244	17,937	12,232	3,642,413
<b>EXPENDITURES:</b>				
Instruction	1,495,940			1,495,940
Student support services	150,570			150,570
Instructional staff support services	34,358			34,358
General administration support services	177,348			177,348
School administration	195,813			195,813
Business services	52,422			52,422
Operation and maintenance of plant	917,834			917,834
Support services - central	85,798			85,798
Facilities acquisition and construction services	455,510			455,510
Title grants			12,232	12,232
Student sports activities		<u>23,220</u>		<u>23,220</u>
Total expenditures	<u>3,565,593</u>	<u>23,220</u>	<u>12,232</u>	<u>3,601,045</u>
<b>OTHER FINANCING SOURCES:</b>				
Investment income	4,541			4,541
Transfers	(5,283)	5,283		
Donations	5,320			5,320
Other revenue	35,770			35,770
Total other financing sources	<u>40,348</u>	<u>5,283</u>		<u>45,631</u>
CHANGE IN FUND BALANCE	86,999			86,999
FUND BALANCE, beginning of year	<u>1,121,907</u>			<u>1,121,907</u>
FUND BALANCE, end of year	<u>\$ 1,208,906</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,208,906</u>

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

Governmental funds change in fund balance	\$ 86,999
Capital assets acquired, net of current year depreciation	<u>697,250</u>
Change in net assets of the governmental activities	<u>\$ 784,249</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, 2011

	General Fund	Governmental Designated-Purpose Grants Fund	Total Governmental Funds
REVENUES:			
Total local sources	\$ 106,924	\$	\$ 106,924
Total state program revenues	3,105,444		3,105,444
Total federal program revenues		<u>16,418</u>	<u>16,418</u>
Total revenues	3,212,368	16,418	3,228,786
EXPENDITURES:			
Instruction	1,560,991		1,560,991
Student support services	25,462		25,462
Instructional staff support services	91,734		91,734
General administration support services	178,355		178,355
School administration	244,272		244,272
Business services	52,327		52,327
Operation and maintenance of plant	234,833		234,833
Support services - central	94,663		94,663
Facilities acquisition and construction services	455,469		455,469
Title grants		<u>16,418</u>	<u>16,418</u>
Total expenditures	<u>2,938,106</u>	<u>16,418</u>	<u>2,954,524</u>
OTHER FINANCING SOURCES:			
Investment Income	5,400		5,400
Donations	1,167		1,167
Other revenue	<u>18,664</u>		<u>18,664</u>
Total other financing sources	<u>25,231</u>		<u>25,231</u>
CHANGE IN FUND BALANCE	299,493		299,493
FUND BALANCE, beginning of year	<u>1,050,485</u>		<u>1,050,485</u>
FUND BALANCE, end of year	<u>\$ 1,349,978</u>	<u>\$</u>	<u>\$ 1,349,978</u>

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

Governmental funds change in fund balance	\$ 299,493
Capital assets acquired, net of current year depreciation	<u>43,204</u>
Change in net assets of the governmental activities	<u>\$ 342,697</u>

See Notes to Financial Statements

JAMES IRWIN CHARTER SCHOOLS  
JAMES IRWIN EDUCATIONAL FOUNDATION  
Statement of Net Assets  
Proprietary Funds  
June 30, 2011

	High School	Middle School	Elementary School	Foundation	Totals
<u>ASSETS</u>					
CURRENT ASSETS:					
Cash and cash equivalents	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Total current assets					
RESTRICTED CASH				2,196,888	2,196,888
PROPERTY AND EQUIPMENT:					
Land				2,224,206	2,224,206
Buildings and improvements				15,713,391	15,713,391
Furniture and equipment				200,735	200,735
Less accumulated depreciation				18,138,332	18,138,332
Property and equipment - net				(1,876,397)	(1,876,397)
OTHER ASSETS:					
Bond issuance costs - net				509,528	509,528
Total other assets				509,528	509,528
TOTAL ASSETS				18,968,351	18,968,351
<u>LIABILITIES</u>					
CURRENT LIABILITIES:					
Accounts payable and accrued liabilities				343,320	343,320
Current portion of long-term debt				375,000	375,000
Total current liabilities				718,320	718,320
LONG TERM LIABILITIES:					
Long-term bonds payable				19,905,000	19,905,000
Total long-term liabilities				19,905,000	19,905,000
TOTAL LIABILITIES				20,623,320	20,623,320
<u>NET ASSETS</u>					
Invested in capital assets, net of related debt				(4,018,065)	(4,018,065)
Restricted for other purpose				2,196,888	2,196,888
Unrestricted				166,208	166,208
TOTAL NET ASSETS	\$ _____	\$ _____	\$ _____	\$ (1,654,969)	\$ (1,654,969)

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, 2011

	High School	Middle School	Elementary School	Foundation	Totals
OPERATING REVENUES:					
Local sources:					
Lease income	\$	\$	\$	\$ 1,366,487	\$ 1,366,487
Donations				7,043	7,043
Total operating revenues				1,373,530	1,373,530
OPERATING EXPENSES:					
Food services				16,504	16,504
Bank fees				397,167	397,167
Depreciation				975,911	975,911
Interest expense				44,307	44,307
Amortization				20,308	20,308
Fundraising expense				7,043	7,043
Donations				2,001	2,001
Other bond annual fees				2,499	2,499
Trustee fees					
Total operating expenses				1,465,740	1,465,740
OPERATING INCOME				(92,210)	(92,210)
NONOPERATING REVENUES & EXPENSES:					
Earnings from investments				249	249
Total nonoperating revenues				249	249
INCOME BEFORE TRANSFERS				(91,961)	(91,961)
TRANSFERS					
CHANGE IN NET ASSETS				(91,961)	(91,961)
TOTAL NET ASSETS - beginning of year				(1,563,008)	(1,563,008)
TOTAL NET ASSETS - end of year	\$	\$	\$	\$ (1,654,969)	\$ (1,654,969)

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, 2011

	High School	Middle School	Elementary School	Foundation	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash received from schools	\$	\$	\$	\$ 1,366,487	\$ 1,366,487
Cash received from donors				7,043	7,043
Cash payments to schools				(7,043)	(7,043)
Debt service - interest and fees				(997,678)	(997,678)
Cash payments for fundraising services				(20,308)	(20,308)
Net cash provided by operating activities				348,501	348,501
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Additions to property, plant, and equipment				(398,253)	(398,253)
Debt service - principal				(365,000)	(365,000)
Net cash used in capital and related financing activities				(763,253)	(763,253)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Change in restricted cash				414,503	414,503
Earnings on investments				249	249
Net cash provided by investment activities				414,752	414,752
<b>NET DECREASE IN CASH</b>					
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>					
<b>CASH AND CASH EQUIVALENTS, end of year</b>					
	\$	\$	\$	\$	\$
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>					
Operating Income	\$	\$	\$	\$ (92,210)	\$ (92,210)
Adjustment to reconcile operating income to net cash provided by operating activities:					
Depreciation				397,167	397,167
Amortization				44,307	44,307
Changes in assets and liabilities:					
Decrease in accrued liabilities				(763)	(763)
Total adjustments				440,711	440,711
Net cash provided by operating activities	\$	\$	\$	\$ 348,501	\$ 348,501

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, 2011

	High School	Middle School	Elementary School	Consolidated Totals
<u>ASSETS</u>				
Cash and cash equivalents	\$ 5,741	\$ 6,109	\$	\$ 11,850
<b>TOTAL ASSETS</b>	<b>\$ 5,741</b>	<b>\$ 6,109</b>	<b>\$</b>	<b>\$ 11,850</b>
<u>LIABILITIES</u>				
Due to student groups	\$ 5,741	\$ 6,109	\$	\$ 11,850
<b>TOTAL LIABILITIES</b>	<b>\$ 5,741</b>	<b>\$ 6,109</b>	<b>\$</b>	<b>\$ 11,850</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, 2011

	High School	Middle School	Elementary School	Totals
RECEIPTS	\$ 39,635	\$ 15,842	\$	\$ 55,477
DISBURSEMENTS	<u>42,152</u>	<u>10,892</u>	<u></u>	<u>53,044</u>
NET RECEIPTS (DISBURSEMENTS)	(2,517)	4,950		2,433
CASH IN BANK, beginning of year	<u>8,258</u>	<u>1,159</u>	<u></u>	<u>9,417</u>
CASH IN BANK, end of year	<u>\$ 5,741</u>	<u>\$ 6,109</u>	<u>\$</u>	<u>\$ 11,850</u>

See Notes to Financial Statements

JAMES IRWIN CHARTER SCHOOLS  
JAMES IRWIN EDUCATIONAL FOUNDATION

Notes to Financial Statements

For the Year Ended June 30, 2011

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, 2011.

#### 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, 2011, 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, 2011, 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, 2011 was as follows:

	<u>June 30,</u> <u>2010</u>	<u>Additions</u>	<u>Disposals</u>	<u>June 30,</u> <u>2011</u>
Non-depreciable assets:				
Land	\$ 2,224,206	\$	\$	\$ 2,224,206
Depreciable assets:				
Buildings and improvements	15,315,138	1,237,834		16,552,972
Other equipment	<u>200,735</u>	<u>                    </u>	<u>                    </u>	<u>200,735</u>
	17,740,079	1,237,834		18,977,913
Less accumulated depreciation for:				
Buildings and improvements	(1,329,784)	(390,305)		(1,720,089)
Other equipment	<u>(149,446)</u>	<u>(10,735)</u>	<u>                    </u>	<u>(160,181)</u>
	<u>(1,479,230)</u>	<u>(401,040)</u>	<u>                    </u>	<u>(1,880,270)</u>
Total capital assets - net	<u>\$16,260,849</u>	<u>\$ 836,794</u>	<u>\$</u>	<u>\$17,097,643</u>

E. DEFERRED REVENUE

Deferred revenue at June 30, 2011 consists of student fees, kindergarten tuition, and yearbook orders 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 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:

2012	\$ 375,000
2013	390,000
2014	410,000
2015	425,000
2016	445,000
2017 - 2021	2,575,000
2022 - 2026	3,305,000
2027 - 2031	4,265,000
2032 - 2036	5,475,000
2037 - 2038	<u>2,615,000</u>
	<u>\$20,280,000</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, 2011, 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 14.75% 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 CSSDTF for the year ended June 30, 2011 were \$571,569.

### I. DEFINED CONTRIBUTION PENSION PLAN

The CSSDTF members of the Schools may voluntarily contribute to the Voluntary Investment Program (401(k) Plan). This plan is a defined contribution 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, 2011 were \$7,584.

### 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 \$82,919, \$86,747 and \$86,847, 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 six copiers. The agreement calls for monthly payments of \$3,764 through June 2012.

The Schools also lease a postage machine. The agreement calls for monthly payments of \$84 through September 2016.

The Schools also lease a folding machine. The agreement calls for monthly payments of \$486 through July 2012.

Future minimum payments under these leases are as follows:

2012	\$	52,008
2013		1,008
2014		1,008
2015		1,008
2016		1,008
2017		252

N. RESTRICTED CASH

At June 30, 2011 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, 2011

	Original and Final Budget	Actual	Variance With Final Budget Positive or (Negative)
<b>REVENUES:</b>			
Total local sources	\$ 22,880	\$ 22,968	\$ 88
Total state program revenues	<u>2,657,238</u>	<u>2,707,892</u>	<u>50,654</u>
<b>TOTAL REVENUES</b>	<b>2,680,118</b>	<b>2,730,860</b>	<b>50,742</b>
<b>EXPENDITURES:</b>			
Instructional Program			
Salaries	794,062	773,785	20,277
Benefits	269,100	230,683	38,417
SPED Insurance	120,000	101,155	18,845
Other	74,315	80,297	(5,982)
Student Support Services			
Salaries	140,214	140,768	(554)
Benefits	47,255	36,945	10,310
Other	55,058	41,391	13,667
Instructional Staff Support Services			
Salaries	8,858	9,390	(532)
Benefits	4,412	3,862	550
Other	43,045	36,616	6,429
General Administration Support Services			
Salaries	66,200	62,234	3,966
Benefits	17,950	15,390	2,560
Other	97,813	102,079	(4,266)
School Administration			
Salaries	139,357	139,192	165
Benefits	43,808	40,129	3,679
Other	24,250	22,530	1,720
Business Services			
Salaries	35,007	35,007	
Benefits	10,055	8,543	1,512
Other	14,400	9,127	5,273
Operation and Maintenance of Plant			
Salaries	59,715	58,641	1,074
Benefits	23,995	18,477	5,518
Utilities	95,000	78,029	16,971
Other	52,367	151,144	(98,777)
Support Services - Central			
Salaries	26,265	26,103	162
Benefits	8,620	7,706	914
Insurance	36,600	29,641	6,959
Other	14,500	25,276	(10,776)
Facilities Acquisition and Construction Services			
Rent	<u>462,000</u>	<u>455,508</u>	<u>6,492</u>
<b>TOTAL EXPENDITURES</b>	<b><u>2,784,221</u></b>	<b><u>2,739,648</u></b>	<b><u>44,573</u></b>
<b>OTHER FINANCING SOURCES:</b>			
Investment income	4,500	4,272	(228)
Transfers		(37,328)	(37,328)
Donations	52	2,728	2,676
Other	<u>76,785</u>	<u>95,815</u>	<u>19,030</u>
Total other financing sources	<u>81,337</u>	<u>65,487</u>	<u>(15,850)</u>
<b>CHANGES IN NET ASSETS</b>	<b>(22,766)</b>	<b>56,699</b>	<b>79,465</b>
<b>NET ASSETS - beginning of year</b>	<b><u>                    </u></b>	<b><u>674,142</u></b>	<b><u>674,142</u></b>
<b>NET ASSETS - end of year</b>	<b><u>\$ (22,766)</u></b>	<b><u>\$ 730,841</u></b>	<b><u>\$ 753,607</u></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, 2011

	Original and Final Budget	Actual	Variance With Final Budget Positive or (Negative)
<b>REVENUES:</b>			
Total local sources	\$ 42,266	\$ 30,309	\$ (11,957)
Total state program revenues	2,916,700	3,581,935	665,235
<b>TOTAL REVENUES</b>	<b>2,958,966</b>	<b>3,612,244</b>	<b>653,278</b>
<b>EXPENDITURES</b>			
Instructional Program			
Salaries	963,865	962,471	1,394
Benefits	351,355	302,763	48,592
SPED Insurance	175,000	148,539	26,461
Other	103,550	82,167	21,383
Student Support Services			
Salaries	93,346	96,982	(3,636)
Benefits	31,250	23,359	7,891
Other	24,691	30,229	(5,538)
Instructional Staff Support Services			
Salaries	8,860	8,860	-
Benefits	4,465	3,896	569
Other	22,000	21,602	398
General Administration Support Services			
Salaries	66,200	58,330	7,870
Benefits	17,950	14,143	3,807
Other	107,473	104,875	2,598
School Administration			
Salaries	137,611	137,861	(250)
Benefits	46,455	51,768	(5,313)
Other	19,000	6,184	12,816
Business Services			
Salaries	35,007	35,003	4
Benefits	10,055	8,543	1,512
Other	14,400	8,876	5,524
Operation and Maintenance of Plant			
Salaries	59,715	61,141	(1,426)
Benefits	23,994	18,477	5,517
Utilities	95,000	78,029	16,971
Other	52,368	760,187	(707,819)
Support Services - Central			
Salaries	26,265	26,096	169
Benefits	8,620	7,704	916
Insurance	36,600	29,479	7,121
Other	14,500	22,519	(8,019)
Facilities Acquisition and Construction Services			
Rent	462,000	455,510	6,490
<b>TOTAL EXPENDITURES</b>	<b>3,011,595</b>	<b>3,565,593</b>	<b>(553,998)</b>
<b>OTHER FINANCING SOURCES:</b>			
Investment income	5,000	4,541	(459)
Transfers		(5,283)	(5,283)
Donations		5,320	5,320
Other revenue	6,000	35,770	29,770
Total other financing sources	11,000	40,348	29,348
<b>CHANGES IN NET ASSETS</b>	<b>(41,629)</b>	<b>86,999</b>	<b>128,628</b>
<b>NET ASSETS - beginning of year</b>	<b>1,121,907</b>	<b>1,121,907</b>	<b>1,121,907</b>
<b>NET ASSETS - end of year</b>	<b>\$ (41,629)</b>	<b>\$ 1,208,906</b>	<b>\$ 1,250,535</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, 2011

	Original and Final Budget	Actual	Variance With Final Budget Positive or (Negative)
REVENUES:			
Total local sources	\$ 74,628	\$ 106,924	\$ 32,296
Total state program revenues	<u>3,053,482</u>	<u>3,105,444</u>	<u>51,962</u>
TOTAL REVENUES	3,128,110	3,212,368	84,258
EXPENDITURES			
Instructional Program			
Salaries	1,043,950	1,026,233	17,717
Benefits	413,500	314,272	99,228
Other	87,500	93,553	(6,053)
SPED Insurance	165,000	126,933	38,067
Student Support Services			
Salaries	10,970	11,013	(43)
Benefits	3,665	3,337	328
Other	5,500	11,112	(5,612)
Instructional Staff Support Services			
Salaries	43,888	53,245	(9,357)
Benefits	19,832	20,445	(613)
Other	32,577	18,044	14,533
General Administration Support Services			
Salaries	66,200	58,333	7,867
Benefits	17,950	14,143	3,807
Other	112,911	105,879	7,032
School Administration			
Salaries	188,550	179,019	9,531
Benefits	58,007	47,652	10,355
Other	20,000	17,601	2,399
Business Services			
Salaries	35,007	35,010	(3)
Benefits	10,055	8,544	1,511
Other	14,400	8,773	5,627
Operation and Maintenance of Plant			
Salaries	61,882	58,641	3,241
Benefits	21,827	18,477	3,350
Utilities	95,000	78,029	16,971
Other	52,368	79,686	(27,318)
Support Services - Central			
Salaries	26,265	26,096	169
Benefits	8,620	7,704	916
Insurance	36,600	29,419	7,181
Other	14,500	31,444	(16,944)
Facilities Acquisition and Construction Services			
Rent	<u>462,000</u>	<u>455,469</u>	<u>6,531</u>
TOTAL EXPENDITURES	<u>3,128,524</u>	<u>2,938,106</u>	<u>190,418</u>
OTHER FINANCING SOURCES:			
Investment income	5,000	5,400	400
Donations	467	1,167	700
Other	<u>804</u>	<u>18,664</u>	<u>17,860</u>
Total other financing sources	<u>6,271</u>	<u>25,231</u>	<u>18,960</u>
CHANGES IN NET ASSETS	5,857	299,493	293,636
NET ASSETS - beginning of year	<u>          </u>	<u>1,050,485</u>	<u>1,050,485</u>
NET ASSETS - end of year	<u>\$ 5,857</u>	<u>\$ 1,349,978</u>	<u>\$ 1,344,121</u>

See Notes to Financial Statements