



Financial Statements

June 30, 2008 and 2007

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NICHOLS & ASSOCIATES PS INC.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Christian Enterprises dba Rainier Christian Schools
Renton, Washington

We have audited the accompanying statements of financial position of Christian Enterprises dba Rainier Christian Schools as of June 30, 2008 and 2007 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of Christian Enterprises' management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Christian Enterprises dba Rainier Christian Schools as of June 30, 2008 and 2007 and the results of operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental Schedules 1 and 2 (Schedules of Functional Expenses) 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 audits 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.

Nichols & Associates PS Inc

Puyallup, Washington
November 6, 2008

Christian Enterprises dba Rainier Christian Schools
Statements of Financial Position
June 30, 2008 and 2007

	2008	2007
Assets		
Current Assets		
Cash and cash equivalents	\$ 72,402	\$ 85,431
Cash designated or restricted for programs and activities	7,867	18,434
Tuition receivable, net of allowance of \$0 and \$65,000	171,223	116,212
Inventory	7,035	49,246
Deposits and prepaid expenses	21,470	25,910
Unconditional pledges receivable, net of allowance of \$0 and \$0	<u>30,405</u>	<u>28,953</u>
Total Current Assets	<u>310,402</u>	<u>324,186</u>
Property and Equipment		
Vehicles	67,091	75,487
Furniture and equipment	454,620	430,733
Leasehold improvements	151,455	151,455
Buildings	2,136,531	2,136,531
Building improvements	582,209	402,890
Land	1,346,455	1,346,455
Land improvements	<u>28,959</u>	<u>28,959</u>
	4,767,320	4,572,510
Accumulated depreciation	<u>(1,486,231)</u>	<u>(1,318,755)</u>
Total Property and Equipment	<u>3,281,089</u>	<u>3,253,755</u>
Other Assets		
Cash restricted for investment in land and buildings	249,500	321,769
Construction in progress	51,895	130,913
Deferred loan costs, net of amortization of \$20,396 and \$12,803	<u>17,584</u>	<u>25,177</u>
Total Other Assets	<u>318,979</u>	<u>477,859</u>
Total Assets	<u><u>\$ 3,910,470</u></u>	<u><u>\$ 4,055,800</u></u>

See accompanying notes.

Christian Enterprises dba Rainier Christian Schools
Statements of Financial Position

June 30, 2008 and 2007

	2008	2007
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 133,978	\$ 184,869
Accrued payroll, taxes, and compensated absences	56,691	54,212
Other accrued expenses	0	1,500
Short-term note	205,000	60,000
Current portion of long-term debt and capital leases payable	126,186	114,798
Advance payments of tuition and fees	311,142	320,905
Custodial liabilities	<u>90,386</u>	<u>56,617</u>
Total Current Liabilities	<u>923,383</u>	<u>792,901</u>
Long-Term Debt		
Notes payable	1,895,811	1,932,704
Current portion of notes payable	(40,853)	(38,222)
Capital leases payable	349,030	421,773
Current portion of capital lease payable	<u>(85,333)</u>	<u>(76,576)</u>
Total Long-Term Debt	<u>2,118,655</u>	<u>2,239,679</u>
Total Liabilities	<u>3,042,038</u>	<u>3,032,580</u>
Net Assets		
Unrestricted Net Assets:		
Undesignated	<u>611,065</u>	<u>683,017</u>
Temporarily Restricted Net Assets Restricted for:		
Programs and activities	3,943	14,510
Investment in land and buildings	<u>249,500</u>	<u>321,769</u>
	253,443	336,279
Permanently Restricted Net Assets	<u>3,924</u>	<u>3,924</u>
	<u>257,367</u>	<u>340,203</u>
Total Net Assets	<u>868,432</u>	<u>1,023,220</u>
Total Liabilities and Net Assets	<u><u>\$ 3,910,470</u></u>	<u><u>\$ 4,055,800</u></u>

See accompanying notes.

Christian Enterprises dba Rainier Christian Schools
Statements of Activities

For the Years Ended June 30, 2008 and 2007

	2008	2007
Change in Unrestricted Net Assets		
Revenue and Support		
School tuition and fees less financial aid provided of \$336,206 and \$325,158, respectively	\$ 4,845,861	\$ 5,168,036
Special events	3,888	4,705
Other program income	163,376	181,613
Contributions	408,794	270,976
Noncash contributions	39,792	13,372
Contributed services	46,923	8,899
Interest income	18,097	12,986
Other income	5,686	14,496
Fund-raising income	0	1,450
Rental income	31,300	28,309
Total Revenue and Support	<u>5,563,717</u>	<u>5,704,842</u>
Net assets released from restrictions	<u>82,836</u>	<u>51,489</u>
Total Unrestricted Revenue, Support, and Net Assets Released from Restrictions	<u>5,646,553</u>	<u>5,756,331</u>
Expenses		
Rainier Christian High School	1,143,823	1,219,394
Rainier Christian Elem.-Kent View Campus	906,616	990,419
Rainier Christian Middle School	539,970	580,290
Rainier Christian Elem.-Maple Valley	770,264	846,765
Rainier Christian Elem.-Highlands	394,098	409,739
Little People Creative Learning Center	343,320	359,286
Transportation	222,460	178,655
Rainier Christian-Maple Valley Preschool / Child Care	222,153	220,994
Rainier Christian - Highlands Preschool	316,347	293,718
Total Programs	<u>4,859,051</u>	<u>5,099,260</u>
General and Administrative	876,862	916,030
Fundraising	<u>93,014</u>	<u>87,793</u>
Total Expenses	<u>5,828,927</u>	<u>6,103,083</u>
	(182,374)	(346,752)
Construction in progress costs with no future value	<u>(81,618)</u>	<u>0</u>
(Decrease) in Unrestricted Net Assets	<u>(263,992)</u>	<u>(346,752)</u>
Temporarily Restricted Net Assets		
Restricted donations	180,040	56,209
Capital campaign and other building donations	12,000	21,769
Net assets released from restrictions	<u>(82,836)</u>	<u>(51,489)</u>
Increase in Temporarily Restricted Net Assets	<u>109,204</u>	<u>26,489</u>
(Decrease) in Net Assets	(154,788)	(320,263)
Net Assets, Beginning of Year	<u>1,023,220</u>	<u>1,343,483</u>
Net Assets, End of Year	<u><u>\$ 868,432</u></u>	<u><u>\$ 1,023,220</u></u>

See accompanying notes.

Christian Enterprises dba Rainier Christian Schools
Statements of Cash Flows

For the Years Ended June 30, 2008 and 2007

	2008	2007
Cash Flows Provided (Used) by Operating Activities:		
(Decrease) in Total Net Assets	\$ (154,788)	\$ (320,263)
Adjustments to Reconcile (Decrease) in Total Net Assets to Cash Provided by Operating Activities:		
Depreciation	180,210	174,486
Amortization of loan cost	7,593	3,744
Contributions restricted for land and buildings	(12,000)	(21,769)
Non-cash contributions including services	(86,715)	(22,271)
Non-cash supplies and labor expensed	32,606	14,119
Loss on disposals of property and equipment	436	0
Loss on write-off of construction in progress	81,618	0
Changes in Assets and Liabilities:		
(Increase) in Tuition receivable, net of allowance	(55,011)	(23,955)
Decrease in Inventory	42,211	42,973
(Increase) Decrease in Unconditional pledges receivable, net of allowance	(1,452)	297,291
Decrease (Increase) in Deposits and prepaid expenses	4,441	(14,602)
(Decrease) in Accounts payable	(50,891)	(64,535)
Increase in Accrued payroll, taxes, and compensated absences	2,466	1,072
(Decrease) Increase in Advance payments of tuition and fees	(9,763)	90,366
Increase (Decrease) in Custodial liabilities	33,769	(7,395)
(Decrease) in Other accrued expenses	<u>(1,500)</u>	<u>(39,539)</u>
Total Adjustments	<u>168,018</u>	<u>429,985</u>
Net Cash Flows Provided by Operating Activities	<u>13,230</u>	<u>109,722</u>
 Cash Flows Provided (Used) by Investing Activities		
Purchases of property and equipment and expenditures for construction in progress	(152,638)	(24,942)
Decrease (increase) in cash restricted for investment in land and buildings and other restrictions	<u>82,837</u>	<u>(291,769)</u>
Net Cash Flows (Used) by Investing Activities	<u>(69,801)</u>	<u>(316,711)</u>
 Cash Flows Provided (Used) by Financing Activities		
Principal payments on notes payable and capital leases	(113,458)	(91,082)
New borrowing - Long-term note payable	0	993,322
Contributions restricted for land and buildings	12,000	21,769
Short-term borrowings	145,000	60,000
Repayment of short-term borrowings	<u>0</u>	<u>(700,000)</u>
Net Cash Flows Provided by Financing Activities	<u>43,542</u>	<u>284,009</u>
 Net (Decrease) Increase in Cash	(13,029)	77,020
Unrestricted Cash - July 1, 2007 and 2006	<u>85,431</u>	<u>8,411</u>
 Unrestricted Cash - June 30, 2008 and 2007	<u><u>\$ 72,402</u></u>	<u><u>\$ 85,431</u></u>

See accompanying notes.

Christian Enterprises dba Rainier Christian Schools
Notes to Financial Statements
For the years ended June 30, 2008 and 2007

Note 1 - Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

Christian Enterprises dba Rainier Christian Schools was originally incorporated as a not-for-profit religious corporation under the laws of the State of Washington in January 1967 for the purpose of operating Maple Valley Christian School. In 1995, Christian Enterprises merged with Kent View Christian Schools to form Rainier Christian Schools. The schools' administrative office is located in Renton, Washington.

Christian Enterprises operates three elementary schools, one middle school, a high school, and three preschool/daycare facilities. These schools are located in Kent, Renton, Auburn, and Covington, Washington. Transportation service is available to students at several of the schools' campuses.

Basis of Accounting

Christian Enterprises presents financial statements in accordance with accounting principles generally accepted in the United States of America. This basis of accounting involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Basis of Presentation

Christian Enterprises has adopted Statement of Financial Accounting Standards No. 117, *Financial Statements of Not-for-Profit Organizations*, which requires Christian Enterprises to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of Christian Enterprises and/or the passage of time.

Permanently restricted net assets - Permanently restricted net assets must be maintained by Christian Enterprises in perpetuity, the income of which is expendable for operations. Permanently restricted net assets increase when Christian Enterprises receives contributions for which donor-imposed restrictions limiting Christian Enterprises' use of an asset for its economic benefits neither expire with the passage of time nor can be removed by Christian Enterprises meeting certain requirements. The balances of permanently restricted net assets were \$3,924 and \$3,924 as of June 30, 2008 and 2007, respectively.

Use of Estimates

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. Accordingly, actual results could differ from those estimates. Significant estimates include useful lives of property and equipment, allocation of expenses to programs, and allowance for losses on uncollectable tuition and pledges receivable.

Christian Enterprises dba Rainier Christian Schools
Notes to Financial Statements
For the years ended June 30, 2008 and 2007

Reclassifications

Certain accounts in the prior year financial statements have been reclassified and summarized differently to provide more meaningful comparisons with the current year financial statements.

Cash

For purposes of the statements of cash flows, cash includes time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less.

Buildings, Equipment, Improvements, and Depreciation

Buildings, equipment, and improvements purchases are stated at cost. Donated assets are stated at fair market value at date of receipt. Donated services that create or enhance non-financial assets are capitalized at fair market value at the date the services are provided. Depreciation is provided by use of the straight-line method over the estimated useful lives of the related assets ranging from five to ten years for equipment and thirty to forty years for leasehold improvements and buildings. All acquisitions of property and equipment in excess of \$1,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Depreciation expense for the years ending June 30, 2008 and 2007 was \$180,210 and \$181,991, respectively.

Deferred Financing Costs

Costs relating to securing a mortgage loan are treated as deferred costs and are amortized over the life of the mortgage loan. As of June 30, 2008 and 2007, amortization expense was \$7,593 and \$6,887, respectively.

Accounts Receivable and Allowance for Doubtful Accounts

Christian Enterprises records a receivable for tuition and program fees. An allowance for doubtful accounts is provided based on management's best estimate of probable losses inherent in the accounts receivable balance. Management primarily determines the allowance based upon review of specific accounts and historical loss experience. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance and a credit to accounts receivable. Accounts are considered delinquent based on contractual terms.

Advance Payments of Tuition and Fees

A liability results from the recognition of tuition revenue in the period in which the related educational instruction is performed. Accordingly, tuition fees received for the next school term are recorded as a liability on the Statement of Financial Position until the instruction commences.

Accrued Compensated Absences

Employees are entitled to paid vacation depending upon job classification, length of service, or other factors. As of June 30, 2008 and 2007, accrued vacation was \$47,159 and \$45,212, respectively.

Christian Enterprises dba Rainier Christian Schools
Notes to Financial Statements
For the years ended June 30, 2008 and 2007

Federal Income Tax

Christian Enterprises is exempt from federal income tax under Internal Revenue Code Section 501(c)(3) except to the extent of unrelated business taxable income, if any.

Contributions Received

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Gifts received of long-lived assets, in the absence of donor imposed use restrictions, are reported as unrestricted support.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Donated Services and Materials

A large number of people have contributed significant amounts of time to the activities of Christian Enterprises without compensation. The financial statements do not reflect the value of those contributed services because, although clearly substantial, the services do not meet the recognition criteria of creating or enhancing non-financial assets required by generally accepted accounting principles and no reliable basis exists for determining an appropriate value for those services. Donated materials are included in the financial statements at their estimated fair market values as of the date of their receipt.

Christian Enterprises has recognized contributed services of \$46,643 and \$8,899 for the years ended June 30, 2008 and 2007, respectively. Contributed services relate to campus development and benefit most school programs.

Advertising Costs

Costs of advertising are charged to expense as they are incurred, or when the advertising takes place for the first time, and include costs for production of advertising materials and delivery of advertising messages through the mail or other media. Advertising expenses for the years ended June 30, 2008 and 2007 were \$26,736 and \$45,565, respectively.

Christian Enterprises dba Rainier Christian Schools
Notes to Financial Statements
For the years ended June 30, 2008 and 2007

Note 2 - Concentrations

Amounts on deposit with banks may occasionally exceed the FDIC insurance limit of \$100,000. It is Christian Enterprises' policy to evaluate the financial condition of the banks in which funds are on deposit on a regular basis, to determine the extent of credit risk for deposits in excess of FDIC insurance limits. Bank balances on deposit in excess of insurance limits were \$276,296 and \$322,785 as of the years ended June 30, 2008 and 2007, respectively. Effective in October of 2008, deposit insurance limits were increased to \$250,000 for interest bearing deposits and is not limited on transaction accounts that do not earn interest. The increase is temporary through 2009.

Note 3 - Unconditional Promises Receivable

Unconditional promises receivable as of June 30, 2008 and 2007 are as follows:

	<u>Unrestricted Pledges Receivable</u>	
	<u>2008</u>	<u>2007</u>
Promises to give expected to be collected in:		
Less than one year	\$ 30,405	\$ 28,953
One to five years	<u>0</u>	<u>0</u>
	30,405	28,953
Less allowance for uncollectable promises to give	0	0
Unamortized prepaid pledges	0	0
Less discount on promises to give	<u>0</u>	<u>0</u>
Net unconditional promises to give	<u>\$ 30,405</u>	<u>\$ 28,953</u>

Unconditional promises receivable are recognized as contributions revenue in the year the pledge is made. All unrestricted pledges receivable are promised to Christian Enterprises within one year.

Christian Enterprises dba Rainier Christian Schools
Notes to Financial Statements
For the years ended June 30, 2008 and 2007

Note 4 - Notes Payable

	2008	2007
Notes payable consist of the following:		
Note payable to a bank secured by property in Auburn, Washington purchased from Thomas Academy. Monthly payments of \$6655.47 include interest at 6.45% for 59 months beginning June 1, 2005 through maturity date of May 1, 2010 with balance due at maturity.	\$ 925,764	\$ 944,064
In November of 2006, the Schools financed property in Renton, Washington to provide funds to reduce the balance of the line of credit and to provide permanent operating capital. The principal amount of the new loan is \$980,000. The term of the loan is ten years with an initial interest rate of 7.65% until it adjusts at December 25, 2011. The payment will adjust based on interest at the FHLB Seattle average plus 2.5%. Payments are based on a 20 year amortization with the balance due on October 31, 2016 presently estimated at \$789,446. Current monthly payments are \$7,373.45 including interest and commenced December 25, 2006.	961,473	975,688
An agreement was reached with Puget Sound Energy over a billing resulting from faulty meter-reading transmission equipment on their part. The charges billed went back to October 2005, and totalled \$17,545. Puget Sound energy provided a courtesy credit of \$4,223 and agreed to a zero interest installment payment plan at \$370.06 per month for 36 months, beginning July 1, 2007. The first payment was made in June 2007.	<u>8,574</u>	<u>12,952</u>
	1,895,811	1,932,704
Less Current Portion	<u>(40,853)</u>	<u>(38,222)</u>
Notes Payable--Long-Term	<u>\$ 1,854,958</u>	<u>\$ 1,894,482</u>

(continued next page)

Christian Enterprises dba Rainier Christian Schools
Notes to Financial Statements
For the years ended June 30, 2008 and 2007

Principal payments required for the next five years ending June 30 are as follows:

2009	\$	40,853
2010		925,611
2011		41,836
2012		44,846
2013		50,034
Subsequent years		<u>792,631</u>
		<u>\$ 1,895,811</u>

Note 5 - Leases

Capital Leases

Christian Enterprises currently has modular buildings under capital leases expiring in 2010 and 2012. The assets and liabilities under capital leases are recorded at the lower of present value of the minimum lease payments or the fair value of the asset. The assets are depreciated over the lower of their related lease terms or their estimated productive lives. Amortization (or depreciation) of assets under capital leases is included in depreciation expense. The following is a summary of property held under capital leases as of June 30:

	<u>2008</u>	<u>2007</u>
Equipment	\$ 609,481	\$ 609,481
Less accumulated depreciation	<u>(72,839)</u>	<u>(42,366)</u>
	<u>\$ 536,642</u>	<u>\$ 567,115</u>

Christian Enterprises dba Rainier Christian Schools
Notes to Financial Statements
For the years ended June 30, 2008 and 2007

Minimum future lease payments under capital leases as of June 30, 2008 for each of the next five years and in the aggregate are:

<u>Year ending June 30,</u>	<u>Amount</u>
2009	\$ 117,452
2010	117,452
2011	94,022
2012	70,592
2013	17,369
Subsequent to fiscal 2013	<u>0</u>
Total minimum lease payments	416,887
Less: Amount representing interest	<u>(71,691)</u>
Present value of net minimum lease payment	\$ 345,196
Current portion	<u>(85,333)</u>
Included in long-term debt	<u>\$ 259,863</u>

Interest rates on capitalized leases are based on the lessor's implicit rate of return. Title to equipment transfers to Christian Enterprises upon final lease payment.

Operating Leases

School facilities and certain equipment are leased under operating leases expiring in various years through 2010. Minimum future rental payments under non-cancelable operating leases having remaining terms in excess of one year as of June 30, 2008 for each of the next five years and in the aggregate are:

<u>Years ending June 30,</u>	<u>Amount</u>
2009	\$ 62,713
2010	52,713
2011	16,713
2012	6,551
2013	3,388
Subsequent to fiscal 2013	<u>0</u>
Total minimum future rental payments	<u>\$ 142,078</u>

Operating lease payments and facility lease payments included in expense for the years ended June 30, 2008 and 2007 were \$168,724 and \$168,724, respectively. Certain operating leases provide for renewal options for periods from one to five years at their fair rental value at the time of renewal. In the normal course of business, operating leases are generally renewed or replaced by other leases.

Christian Enterprises dba Rainier Christian Schools
Notes to Financial Statements
For the years ended June 30, 2008 and 2007

Note 6 - Contingencies

On June 27, 2002, Christian Enterprises entered into a Declaration of Covenant with the United States government to receive a 34.5 acre parcel adjacent to its 7.743 acre property. Christian Enterprises received this property by Quitclaim Deed subject to certain conditions for a period of thirty years. These conditions are that: a) the property be used exclusively for educational purposes, b) the school be in compliance with Title VI of the Civil Rights Act, and c) the school be operated by a non-profit organization, exempt from taxation under Section (501)(c)(3). Christian Enterprises is prohibited from selling, sub-leasing, encumbering, or disposing of the property during the thirty year period without the express written consent of the United States Secretary of Health, Education, and Welfare. Failure to comply with these conditions could cause the property to revert to and become the property of the United States government. A report is filed annually with the federal government certifying that all of the above conditions have been met. The property had an approximate fair market value of \$555,000.

Note 7 - Supplemental Cash Flow Information

	2008	2007
Interest paid	\$ 186,510	\$ 181,746
Interest expense	186,510	181,746
Noncash transaction - lease buyout	3,833	0

Note 8 - Line of Credit

As of June 30, 2008, Christian Enterprises maintains a line of credit of \$400,000 with a bank for supplemental working capital, secured by all assets and a deed of trust on property at Maple Valley Elementary/Preschool campus in Renton, maturing October 31, 2008. The line bears interest at a rate of the Wall Street Journal prime rate plus 1.00 percent with a floor of 6.5 percent. As of June 30, 2007 and 2006, the balances were \$205,000 and \$60,000, respectively. The line was renewed for an additional year on the same terms and matures October 31, 2009.

Note 9 - Defined Contribution Plan

Christian Enterprises maintains a defined contribution pension plan which provides for salary deferral under Internal Revenue Code section 403(b). No matching contributions were made during the years ended June 30, 2008 and 2007.

Christian Enterprises dba Rainier Christian Schools
Schedule 1
Schedule of Functional Expenses
For the Year Ended June 30, 2008

	Program Services									Support Services				
	TOTAL	Rainier Christian High School	Rainier Christian Elem.-Kent View Campus	Rainier Christian Middle School	Rainier Christian Elem.-Maple Valley	Rainier Christian Elem.- Highlands	Little People Creative Learning Center	Transportation	Rainier Christian- Maple Valley Preschool / Child Care	Rainier Christian - Highlands Preschool	Total Program Services	General and Administrative	Fundraising	Total Support Services
Program administration expenses	\$ 74,257	\$ 16,762	\$ 10,064	\$ 9,865	\$ 5,522	\$ 4,376	\$ 3,859	\$ 619	\$ 1,401	\$ 484	\$ 52,952	\$ 21,305	\$ 0	\$ 21,305
Academic expenses	214,554	43,051	58,572	30,670	42,219	33,340	2,241	0	3,563	898	214,554	0	0	0
Staff development	10,188	998	273	400	45	179	574	190	426	101	3,186	7,002	0	7,002
Student services and activities	219,557	37,436	50,302	24,863	23,737	7,906	26,115	0	15,632	33,566	219,557	0	0	0
Athletic expenses	73,120	54,953	1,626	16,541	0	0	0	0	0	0	73,120	0	0	0
Advertising and promotion	27,096	0	0	0	0	0	0	0	360	0	360	26,736	0	26,736
Postage	10,619	2,477	310	565	454	375	116	0	0	51	4,348	6,271	0	6,271
Printing	5,176	496	26	178	29	0	102	56	51	39	977	4,199	0	4,199
Telephone	24,207	3,687	2,369	2,613	2,622	1,615	1,888	4,646	391	146	19,977	4,230	0	4,230
Transportation	85,842	0	0	0	0	0	0	85,842	0	0	85,842	0	0	0
Bad debts expense	88,331	0	0	0	0	0	0	0	0	0	0	88,331	0	88,331
Insurance	41,064	0	0	0	0	0	0	5,323	0	0	5,323	35,741	0	35,741
Dues and subscriptions	11,151	15	89	0	0	0	0	100	0	0	204	10,947	0	10,947
Miscellaneous expenses	22,576	0	0	0	0	0	0	1,916	0	0	1,916	0	20,660	20,660
Professional services	16,092	0	0	0	0	0	0	0	448	0	448	15,644	0	15,644
Licenses and permits	16,060	52	380	35	334	78	256	1,619	0	300	3,054	13,006	0	13,006
Development expenses	17,724	0	0	0	0	0	0	0	0	0	0	0	17,724	17,724
Outside services	10,815	0	0	0	0	0	0	0	0	0	0	10,815	0	10,815
Special events	25,043	0	0	0	0	0	0	0	0	0	0	0	25,043	25,043
Facilities	477,950	153,445	75,578	59,391	64,929	35,504	23,720	0	12,667	27,937	453,171	24,779	0	24,779
Depreciation	180,210	44,827	21,845	10,456	39,278	21,841	8,115	11,621	0	15,601	173,584	6,626	0	6,626
Interest	186,510	0	0	0	0	0	0	0	0	0	0	186,510	0	186,510
Personnel	3,990,785	785,624	685,182	384,393	591,095	288,884	276,334	110,528	187,214	237,224	3,546,478	414,720	29,587	444,307
	<u>\$ 5,828,927</u>	<u>\$ 1,143,823</u>	<u>\$ 906,616</u>	<u>\$ 539,970</u>	<u>\$ 770,264</u>	<u>\$ 394,098</u>	<u>\$ 343,320</u>	<u>\$ 222,460</u>	<u>\$ 222,153</u>	<u>\$ 316,347</u>	<u>\$ 4,859,051</u>	<u>\$ 876,862</u>	<u>\$ 93,014</u>	<u>\$ 969,876</u>

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Christian Enterprises dba Rainier Christian Schools
Schedule 2
Schedule of Functional Expenses
For the Year Ended June 30, 2007

	Program Services										Support Services			
	TOTAL	Rainier Christian High School	Rainier Christian Elem.-Kent View Campus	Rainier Christian Middle School	Rainier Christian Elem.-Maple Valley	Rainier Christian Elem.- Highlands	Little People Creative Learning Center	Transportation	Rainier Christian- Maple Valley Preschool / Child Care	Rainier Christian - Highlands Preschool	Total Program Services	General and Administrative	Fundraising	Total Support Services
Program administration expenses	\$ 90,157	\$ 22,867	\$ 13,064	\$ 12,864	\$ 8,152	\$ 6,264	\$ 4,944	\$ 1,024	\$ 903	\$ 761	\$ 70,843	\$ 19,314	\$ 0	\$ 19,314
Academic expenses	249,604	49,842	69,237	36,413	61,173	25,791	2,651	0	3,168	1,329	249,604	0	0	0
Staff development	6,803	484	390	203	585	488	282	1,476	471	363	4,742	2,061	0	2,061
Student services and activities	177,629	35,145	35,109	24,668	9,761	9,680	19,823	0	12,179	31,264	177,629	0	0	0
Athletic expenses	72,790	54,551	0	18,239	0	0	0	0	0	0	72,790	0	0	0
Advertising and promotion	45,571	0	0	0	0	0	0	0	6	0	6	45,565	0	45,565
Postage	7,208	2,055	308	75	327	402	131	97	0	60	3,455	3,753	0	3,753
Printing	674	0	45	474	0	45	0	0	0	0	564	110	0	110
Telephone	23,176	3,743	2,520	2,353	2,128	954	1,600	4,547	604	651	19,100	4,076	0	4,076
Transportation	45,760	0	0	0	0	0	0	45,760	0	0	45,760	0	0	0
Bad debts expense	97,133	0	0	0	0	0	0	0	0	0	0	97,133	0	97,133
Insurance	40,526	0	0	0	0	0	0	4,429	0	0	4,429	36,097	0	36,097
Dues and subscriptions	9,732	362	114	35	35	35	0	0	0	0	581	9,151	0	9,151
Miscellaneous expenses	20,291	1,500	0	0	0	2,123	0	1,442	0	0	5,065	1,700	13,526	15,226
Professional services	25,074	0	0	0	0	0	0	0	318	0	318	24,756	0	24,756
Licenses and permits	3,717	0	249	0	273	0	276	1,732	0	300	2,830	887	0	887
Development expenses	18,643	0	0	0	0	0	0	0	0	0	0	0	18,643	18,643
Outside services	12,350	0	0	0	0	0	0	0	0	0	0	12,350	0	12,350
Special events	25,313	0	0	0	0	0	0	0	0	0	0	0	25,313	25,313
Benevolence	270	0	0	0	0	0	0	0	0	0	0	270	0	270
Facilities	462,983	158,358	80,056	65,878	70,224	23,956	16,834	0	10,150	21,891	447,347	15,636	0	15,636
Depreciation	181,992	46,056	24,055	11,012	42,925	19,766	8,097	5,140	0	17,809	174,860	7,132	0	7,132
Interest	181,746	0	0	0	0	0	0	0	0	0	0	181,746	0	181,746
Personnel	4,303,941	844,431	765,272	408,076	651,182	320,235	304,648	113,008	193,195	219,290	3,819,337	454,293	30,311	484,604
	<u>\$ 6,103,083</u>	<u>\$ 1,219,394</u>	<u>\$ 990,419</u>	<u>\$ 580,290</u>	<u>\$ 846,765</u>	<u>\$ 409,739</u>	<u>\$ 359,286</u>	<u>\$ 178,655</u>	<u>\$ 220,994</u>	<u>\$ 293,718</u>	<u>\$ 5,099,260</u>	<u>\$ 916,030</u>	<u>\$ 87,793</u>	<u>\$ 1,003,823</u>

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