

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.
Moscow, Idaho

Audited Financial Statements

For the Years Ended June 30, 2010 and 2009

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.
Moscow, Idaho

Audited Financial Statements

For the Years Ended June 30, 2010 and 2009

HAYDEN & ROSS, P.A.
Certified Public Accountants
Moscow, Idaho

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.
Moscow, Idaho

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FINANCIAL SECTION

HAYDEN & ROSS, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

SINCE 1938

Jim Pilcher, CPA/PFS • Dave Jones, CPA/PFS • Brad Lewis, CPA/PFS • Cade Konen, CPA/PFS • Nathan Strong, CPA/PFS • Mark Watson, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Palouse Prairie Educational Organization, Inc.
Moscow, Idaho 83843

We have audited the accompanying statement of financial position of the Palouse Prairie Educational Organization, Inc. (an Idaho non-profit corporation) as of June 30, 2010, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the School's 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 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 financial position of the Palouse Prairie Educational Organization, Inc. as of June 30, 2010, and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Hayden & Ross, P.A.

Moscow, Idaho
October 19, 2010

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.
Moscow, Idaho

STATEMENTS OF FINANCIAL POSITION
June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Current Assets		
Cash	92,857	179,135
Prepaid expenses	5,934	6,945
State and federal support receivable	102,496	
Other receivables	4,439	3,399
Total Current Assets	<u>205,726</u>	<u>189,479</u>
Fixed Assets		
Building and land improvements	264,568	
Less accumulated depreciation	(2,810)	
Net Fixed Assets	<u>261,758</u>	<u>0</u>
Other Assets		
Construction in progress		214,164
Net Other Assets	<u>0</u>	<u>214,164</u>
Total Assets	<u>\$ 467,484</u>	<u>403,643</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	45,375	13,560
Salaries and benefits payable	44,631	9,075
Construction contract payable		199,664
Current portion of long-term debt	8,704	
Total Current Liabilities	<u>98,710</u>	<u>222,299</u>
Long-term liabilities, less current portion	<u>103,500</u>	<u>0</u>
Net Assets		
Unrestricted	<u>265,274</u>	<u>181,344</u>
Total Liabilities and Net Assets	<u>\$ 467,484</u>	<u>403,643</u>

The accompanying notes are an integral part of these financial statements.

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.
Moscow, Idaho

STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Revenue, Grants, and Other Support		
Contributions	10,340	4,964
Federal support	320,044	219,999
State support	327,788	
Interest	840	1,973
Other	34,776	101,000
Total Revenue, Grants and Other Support	<u>693,788</u>	<u>327,936</u>
Expense		
Program (instructional)	388,961	51,244
Administrative (support)	204,365	95,348
Non-instruction	13,722	
Depreciation and amortization	2,810	
Total Expense	<u>609,858</u>	<u>146,592</u>
Change in net assets - unrestricted	83,930	181,344
Net assets - beginning of year	<u>181,344</u>	<u>0</u>
Net assets - end of year	<u>\$ 265,274</u>	<u>181,344</u>

The accompanying notes are an integral part of these financial statements.

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.
Moscow, Idaho

STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Cash Flows from Operating Activities		
Cash received from contributors	10,340	4,964
Cash received from state support	319,502	
Cash received from federal support	225,798	219,999
Cash received from interest	840	1,973
Other cash received	34,776	94,055
Cash paid for interest	(8,272)	
Cash paid to suppliers and employees	(531,398)	(127,356)
Net Cash Provided By Operating Activities	<u>51,586</u>	<u>193,635</u>
Cash Flows from Investing Activities		
Cash paid for capital outlay	(50,404)	
Cash paid for construction in progress	(199,665)	(14,500)
Net Cash Used In Investing Activities	<u>(250,069)</u>	<u>(14,500)</u>
Cash Flows from Financing Activities		
Proceeds from long term debt	120,000	
Payment on long-term debt and fees	(7,795)	
Net Cash Provided By Financing Activities	<u>112,205</u>	<u>0</u>
Net Increase (Decrease) In Cash	(86,278)	179,135
Cash - Beginning of Year	<u>179,135</u>	<u>0</u>
Cash - End of Year	<u>\$ 92,857</u>	<u>179,135</u>
Reconciliation of Change in Net Assets to Net		
Cash Provided By Operating Activities:		
Change in net assets	83,930	181,344
Adjustments to reconcile change in net assets		
to net cash provided by operating activities:		
Depreciation and amortization	2,810	
Decrease (increase) in prepaid expenses	1,011	(3,399)
Decrease (increase) in state support receivable	(102,496)	
Decrease (increase) in other receivables	(1,040)	(6,945)
Increase (decrease) in accounts payable	31,815	13,560
Increase (decrease) in salaries and benefits payable	35,556	9,075
Net Cash Provided by Operating Activities	<u>\$ 51,586</u>	<u>193,635</u>

The accompanying notes are an integral part of these financial statements.

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.
Moscow, Idaho

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

NOTE 1 - ORGANIZATION

The Palouse Prairie Educational Organization, Inc. (the School) is a nonprofit and nonsectarian public educational organization dedicated to the cultivation of student knowledge, skills, awareness and understanding necessary for success in the 21st century. Our vision is to develop students who can acquire, analyze, apply information, think creatively and solve problems. In accordance with our mission, the key goal of the educational program at the School is to academically challenge each child commensurate with his or her abilities and to prepare each child for success in today's and tomorrow's world. The charter serves elementary school aged children (K-6th) in the Latah County area. The School was approved in 2008 by the Idaho Charter School Commission. The School is a center for Expeditionary Learning (EL): Expeditionary Learning is a comprehensive school reform and school development model for elementary, middle and high schools.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Restricted Support - The School reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, either when a stipulated time restriction ends or a 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.

The School reports gifts of land, buildings and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used.

Basis of Accounting - The School uses the accrual basis of accounting. Revenue from grants is recognized as it is earned, and expense is recognized when incurred.

Accounts Receivable - No allowance for uncollectible accounts was calculated by the School, all receivables were deemed to be collectible.

Income Tax Status - The School is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code except for income, if any, derived from unrelated business.

Fixed Assets - The cost of fixed assets is depreciated over the estimated useful lives of the assets. Depreciation is computed on the straight-line method for financial reporting purposes. The capitalization amount for fixed assets is \$3,000. Depreciation expense for the years ending June 30, 2010 and 2009 was \$2,810 and \$0.

Use of Estimates - The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses, and actual results may differ from estimated amounts.

Statement of Cash Flows - For purposes of the Statement of Cash Flows, the School considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

Reports Required by the State - The income statements required by the State included in the supplemental information breaks out the unrestricted activity. The General fund accounts for activities for general operations. The Special revenue fund account for the activities from the grant the School received.

Subsequent Events – Subsequent events have been evaluated through October 19, 2010. This is the date the financial statements were available to be issued. The Organization has concluded that no subsequent events have occurred.

NOTE 3 -EMPLOYEE'S RETIREMENT SYSTEM

Public Employee Retirement System of Idaho (PERSI), The PERSI Base Plan, a cost sharing multiple-employer public retirement system, was created by the Idaho State Legislature. It is a defined benefit plan requiring that both the member and the employer contribute. The Plan provides benefits based on members' years of service, age, and compensation. In addition, benefits are provided for disability, death, and survivors of eligible members or beneficiaries. The authority to establish and amend benefit provisions is established in Idaho Code. Designed as a mandatory system for eligible state and school district employees, the legislation provided for other political subdivisions to participate by contractual agreement with PERSI. After 5 years of credited service, members become fully vested in retirement benefits earned to date. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. For each month of credited service, the annual service retirement allowance is 2.0% of the average monthly salary for the highest consecutive 42 months.

PERSI issues publicly available stand alone financial reports that include audited financial statements and required supplementary information. These reports may be obtained from PERSI's website www.persi.idaho.gov.

The actuarially determined contribution requirements of the School and its employees are established and may be amended by the PERSI Board of Trustees. For the years ended June 30, 2010 and 2009, the required contribution rate as a percentage of covered payroll for members was 6.23%. The employer rate as a percentage of covered payroll was 10.39%. The School's contributions required and paid were \$21,084 and \$904 for the years ended June 30, 2010 and 2009.

NOTE 4 – BUILDING LEASE

The School entered into a lease agreement with Timothy W. Brown on March 2, 2009. The lease commences on July 1, 2009 and ends June 30, 2012. The annual rent is \$50,400 paid in monthly installments of \$4,200 on the first day of each month. In addition, the School will be required to pay taxes and assessments during the lease term.

NOTE 5 – LONG-TERM DEBT

Long-term debt for the School as of June 30, 2010 and 2009 consists of the following:

	<u>2010</u>	<u>2009</u>
Building improvements loan with Tim Brown, payable at \$1,460.67 per month including interest at 8% until August 1, 2012 and will then be adjusted to a rate specified in the loan documents. Loan will mature on October 5, 2019.	<u>112,204</u>	<u>-0-</u>
Total Long-term Debt	112,204	-0-
Less Current Portion	<u>(8,704)</u>	<u>-0-</u>
Net Long-term Debt	<u>\$103,500</u>	<u>-0-</u>

Future debt service is as follow:

Fiscal Year-end June 30,	
2011	8,704
2012	9,417
2013	10,237
2014	11,104
2015	12,043
2016 and thereafter	<u>60,700</u>
Total	<u>\$ 112,205</u>

HAYDEN & ROSS, P.A.

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INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

To the Board of Directors
Palouse Prairie Educational Organization, Inc.
Moscow, Idaho 83843

Our report on our audit of the basic financial statements of the Palouse Prairie Educational Organization, Inc. for the year ended June 30, 2010 appears on Page 1. That audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The other additional information presented on pages 9 through 19 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Hayden & Ross, P.A.

Moscow, Idaho
October 19, 2010

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.
Moscow, Idaho

STATEMENT OF FUNCTIONAL EXPENSE
For the Year Ended June 30, 2010

	Program (Instructional)	Administrative (Support)	Non- Instruction	Total
Salaries	146,466	87,998	1,457	235,921
Benefits	44,785	24,219	111	69,115
Purchased services	83,978	87,759	9,486	181,223
Supply-materials	105,460	4,389	2,668	112,517
Interest	8,272			8,272
Depreciation and amortization	2,810			2,810
Total Expense	<u>\$ 391,771</u>	<u>204,365</u>	<u>13,722</u>	<u>609,858</u>

See accountant's report.

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.
Moscow, Idaho

STATEMENT OF FUNCTIONAL EXPENSE
For the Year Ended June 30, 2009

	<u>Program (Instructional)</u>	<u>Administrative (Support)</u>	<u>Total</u>
Salaries	3,094	11,189	14,283
Benefits	271	3,132	3,403
Purchased services	1,271	63,040	64,311
Supply-materials	<u>46,608</u>	<u>17,987</u>	<u>64,595</u>
Total Expense	<u>\$ 51,244</u>	<u>95,348</u>	<u>146,592</u>

See accountant's report.

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.
Moscow, Idaho

SCHEDULE OF ASSETS, LIABILITIES, AND NET ASSETS
June 30, 2010

	<u>General</u>	<u>Special Revenue</u>	<u>Totals</u>
ASSETS			
Assets:			
Cash	92,857		92,857
State and federal support receivable	8,286	94,210	102,496
Other receivables	4,403	36	4,439
Prepaid expenses	5,934		5,934
Due from other funds	87,665		87,665
Total assets	<u>\$ 199,145</u>	<u>94,246</u>	<u>293,391</u>
LIABILITIES			
Accounts payable	45,375		45,375
Accrued payroll and benefits	44,552	79	44,631
Due to other funds		87,665	87,665
Total liabilities	<u>89,927</u>	<u>87,744</u>	<u>177,671</u>
NET ASSETS			
Net Assets:			
Unreserved-undesignated	109,218	6,502	115,720
Total net assets	<u>109,218</u>	<u>6,502</u>	<u>115,720</u>
Total liabilities and net assets	<u>\$ 199,145</u>	<u>94,246</u>	<u>293,391</u>

See accountant's report.

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.
Moscow, Idaho

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET
ASSETS - BUDGET AND ACTUAL
For the Year Ended June 30, 2010

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Local:			
Interest	840	800	40
Other	38,559	31,581	6,978
Total local	<u>39,399</u>	<u>32,381</u>	<u>7,018</u>
State:			
Base support	289,874	338,869	(48,995)
Benefit support	31,108	31,108	0
Other state support	5,179	6,318	(1,139)
Total state	<u>326,161</u>	<u>376,295</u>	<u>(50,134)</u>
Federal:			
ARRA monies	48,995		48,995
Total Federal	<u>48,995</u>	<u>0</u>	<u>48,995</u>
Total revenues	<u>414,555</u>	<u>408,676</u>	<u>5,879</u>
EXPENDITURES			
Instruction:			
Salaries	119,324	124,885	5,561
Benefits	32,263	33,161	898
Purchased services	5,750	5,750	0
Supply-materials	3,059	4,547	1,488
Total instruction	<u>160,396</u>	<u>168,343</u>	<u>7,947</u>
Support:			
Salaries	83,806	81,477	(2,329)
Benefits	23,013	21,839	(1,174)
Purchased services	87,759	86,100	(1,659)
Supply-materials	4,389	2,350	(2,039)
Total support	<u>198,967</u>	<u>191,766</u>	<u>(7,201)</u>
Non-instruction:			
Benefits	111		(111)
Total non-instruction	<u>111</u>	<u>0</u>	<u>(111)</u>
Capital outlay	17,077	20,000	(2,923)
Debt service	16,067	16,943	(876)
Contingency		19,853	(19,853)
Total expenditures	<u>392,618</u>	<u>416,905</u>	<u>635</u>
Excess (deficiency) of revenues over expenditures	<u>21,937</u>	<u>(8,229)</u>	<u>30,166</u>
Other financing sources (uses):			
Proceeds from loan	120,000	120,000	0
Operating transfer in	101		101
Total other financing sources (uses)	<u>120,101</u>	<u>120,000</u>	<u>101</u>
Excess (deficiency) of revenues and other sources over expenditures	<u>142,038</u>	<u>111,771</u>	<u>30,267</u>
Net Assets - Beginning of year	<u>(32,820)</u>		
Net Assets - End of year (Budget Basis)	<u>109,218</u>		
Adjustments to conform with GAAP:			
Capitalize capital objects	157,834		
Depreciation expense	(1,670)		
Proceeds from loan	(120,000)		
Principal payments	7,795		
Net Assets - End of year (GAAP)	<u>\$ 153,177</u>		

See accountant's report.

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.
 Moscow, Idaho

GENERAL FUND
 SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL
 For the Year Ended June 30, 2010

	Actual	Budget	Variance Favorable (Unfavorable)
INSTRUCTION:			
Kindergarten/elementary			
Salaries	94,139	103,480	9,341
Benefits	26,044	32,467	6,423
Purchased services	5,750	5,750	0
Supply-materials	3,059	4,547	1,488
Total kindergarten/elementary	<u>128,992</u>	<u>146,244</u>	<u>17,252</u>
Exceptional child			
Salaries	16,000	12,333	(3,667)
Benefits	5,525		(5,525)
Total exceptional child	<u>21,525</u>	<u>12,333</u>	<u>(9,192)</u>
School activity			
Salaries	9,185	9,072	(113)
Benefits	694	694	0
Total school activity	<u>9,879</u>	<u>9,766</u>	<u>(113)</u>
TOTAL INSTRUCTION:			
Salaries	119,324	124,885	5,561
Benefits	32,263	33,161	898
Purchased services	5,750	5,750	0
Supply-materials	3,059	4,547	1,488
Total Instruction	<u>\$ 160,396</u>	<u>168,343</u>	<u>7,947</u>
SUPPORT:			
School administration			
Salaries	59,800	56,008	(3,792)
Benefits	14,629	13,597	(1,032)
Total school administration	<u>74,429</u>	<u>69,605</u>	<u>(4,824)</u>
Business operation			
Salaries	16,296	17,964	1,668
Benefits	6,908	6,414	(494)
Purchased services	66,260	62,760	(3,500)
Supply-materials	1,450	1,450	0
Total business operation	<u>90,914</u>	<u>88,588</u>	<u>(2,326)</u>
Custodial			
Salaries	7,710	7,505	(205)
Benefits	1,476	1,828	352
Purchased services	998	950	(48)
Supply-materials	2,939	900	(2,039)
Total custodial	<u>13,123</u>	<u>11,183</u>	<u>(1,940)</u>
Maintenance - student occupied			
Purchased services	13,757	15,390	1,633
Total maintenance - bldgs and equipment	<u>13,757</u>	<u>15,390</u>	<u>1,633</u>
Maintenance - Grounds			
Purchased services	465	500	35
Total maintenance - grounds	<u>465</u>	<u>500</u>	<u>35</u>
Pupil Transportation			
Purchased services	6,279	6,500	221
Total pupil transportation	<u>6,279</u>	<u>6,500</u>	<u>221</u>
TOTAL SUPPORT:			
Salaries	83,806	81,477	(2,329)
Benefits	23,013	21,839	(1,174)
Purchased services	87,759	86,100	(1,659)
Supply-materials	4,389	2,350	(2,039)
Total Support	<u>\$ 198,967</u>	<u>191,766</u>	<u>(7,201)</u>
CAPITAL ASSET PROGRAM			
Capital outlay	17,077	20,000	2,923
Total capital asset program	<u>\$ 17,077</u>	<u>20,000</u>	<u>2,923</u>
OTHER SERVICES			
Principal	7,795	6,943	(852)
Interest	8,272	10,000	1,728
Total other services	<u>\$ 16,067</u>	<u>16,943</u>	<u>876</u>

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.
Moscow, Idaho

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS - ALL SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2010

	Child Nutrition	Title VI-B School Age	State Technology Grant	Charter School Grant	Title I-A, ESEA Improving Basic Programs	Title II-A, ESEA Improving Teacher Quality	Total
REVENUES							
Local:							
State support			1,628				1,628
Lunch sales	6,557						6,557
Total local	6,557	0	1,628	0	0	0	8,185
Federal:							
Restricted	5,831	15,409		222,288	22,848	4,672	271,048
Total revenues	12,388	15,409	1,628	222,288	22,848	4,672	279,233
EXPENDITURES							
Instruction:							
Salaries		2,307		16,604	8,231		27,142
Benefits		5,123		4,930	2,469		12,522
Purchased services		7,979	1,628	65,119	150	3,352	78,228
Supply-materials				94,481	6,600	1,320	102,401
Total instruction	0	15,409	1,628	181,134	17,450	4,672	220,293
Support:							
Salaries					4,192		4,192
Benefits					1,206		1,206
Total support	0	0	0	0	5,398	0	5,398
Non-instruction:							
Salaries	1,457						1,457
Purchased services	9,486						9,486
Supply-materials	1,344			1,324			2,668
Total non-instruction	12,287	0	0	1,324	0	0	13,611
Capital outlay	0	0	0	33,328	0	0	33,328
Total expenditures	12,287	15,409	1,628	215,786	22,848	4,672	272,630
Excess (deficiency) of revenues over expenditures	101	0	0	6,502	0	0	6,603
Other financing sources (uses):							
Operating transfer out	(101)						(101)
Total other financing sources (uses)	(101)	0	0	0	0	0	(101)
Excess (deficiency) of revenues and other sources over expenditures	0	0	0	6,502	0	0	6,502
Net Assets-Beginning of year	0	0	0	0	0	0	0
Net Assets-End of year	0	0	0	6,502	0	0	6,502
Adjustments to conform with GAAP:							
Capitalize capital objects				106,735			106,735
Depreciation expense				(1,140)			(1,140)
Net Assets - End of year (GAAP)	\$ 0	0	0	112,097	0	0	112,097

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.
Moscow, Idaho

CHILD NUTRITION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET
ASSETS - BUDGET AND ACTUAL
For the Year Ended June 30, 2010

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Local:			
Other	6,557	6,000	557
Total local	<u>6,557</u>	<u>6,000</u>	<u>557</u>
Federal:			
Restricted	5,831	5,400	431
Total federal	<u>5,831</u>	<u>5,400</u>	<u>431</u>
Total revenues	\$ <u>12,388</u>	<u>11,400</u>	<u>988</u>
EXPENDITURES			
Non-instruction:			
Salaries	1,457	1,709	252
Benefits		191	191
Purchased services	9,486	9,500	(14)
Supply-materials	1,344		1,344
Total non-instruction	<u>12,287</u>	<u>11,400</u>	<u>429</u>
Total expenditures	<u>12,287</u>	<u>11,400</u>	<u>429</u>
Excess (deficiency) of revenues over expenditures	<u>101</u>	<u>0</u>	<u>101</u>
Other financing sources (uses):			
Operating transfer out	<u>(101)</u>		<u>(101)</u>
Total other financing sources (uses)	<u>(101)</u>	<u>0</u>	<u>(101)</u>
Excess (deficiency) of revenues and other sources over expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Net Assets - Beginning of year	<u> </u>		
Net Assets - End of year	\$ <u>0</u>		

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.
Moscow, Idaho

TITLE VI-B, IDEA - SCHOOL-AGE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET
ASSETS - BUDGET AND ACTUAL
For the Year Ended June 30, 2010

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Federal:			
Restricted	15,409	20,984	(5,575)
Total revenues	<u>15,409</u>	<u>20,984</u>	<u>(5,575)</u>
EXPENDITURES			
Instruction:			
Salaries	2,307	2,307	0
Benefits	5,123	5,121	(2)
Purchased services	7,979	7,981	2
Total instruction	<u>15,409</u>	<u>15,409</u>	<u>0</u>
Total expenditures	<u>15,409</u>	<u>15,409</u>	<u>0</u>
Excess of revenues over expenditures	0	<u>5,575</u>	<u>(5,575)</u>
Net Assets - Beginning of year	<u>0</u>		
Net Assets - End of year	<u>\$ 0</u>		

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.
Moscow, Idaho

FEDERAL CHARTER SCHOOL GRANT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET
ASSETS - BUDGET AND ACTUAL
For the Year Ended June 30, 2010

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Federal:			
Restricted	222,288	233,000	(10,712)
Total revenues	<u>222,288</u>	<u>233,000</u>	<u>(10,712)</u>
EXPENDITURES			
Instruction:			
Salaries	16,604	11,480	(5,124)
Benefits	4,930	3,398	(1,532)
Purchased services	65,119	103,598	38,479
Supply-materials	94,481	42,840	(51,641)
Total instruction	<u>181,134</u>	<u>161,316</u>	<u>(19,818)</u>
Support:			
Salaries		5,120	5,120
Benefits		1,536	1,536
Purchased services		22,850	22,850
Supply-materials		7,500	7,500
Total support	<u>0</u>	<u>37,006</u>	<u>37,006</u>
Non-instruction:			
Supply-materials	1,324	1,350	(26)
Total non-instruction	<u>1,324</u>	<u>1,350</u>	<u>(26)</u>
Capital outlay	<u>33,328</u>	<u>33,328</u>	<u>0</u>
Total expenditures	<u>215,786</u>	<u>233,000</u>	<u>17,162</u>
Excess of revenues over expenditures	6,502	<u>0</u>	<u>6,502</u>
Net Assets - Beginning of year	<u>0</u>		
Net Assets - End of year (Budget Basis)	6,502		
Adjustments to conform with GAAP:			
Capitalize capital objects	106,735		
Depreciation expense	<u>(1,140)</u>		
Net Assets - End of year (GAAP)	<u>\$ 112,097</u>		

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.
Moscow, Idaho

TITLE I-A, ESEA - IMPROVING BASIC PROGRAMS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET
ASSETS - BUDGET AND ACTUAL
For the Year Ended June 30, 2010

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Federal:			
Restricted	22,848	26,058	(3,210)
Total revenues	<u>22,848</u>	<u>26,058</u>	<u>(3,210)</u>
EXPENDITURES			
Instruction:			
Salaries	8,231	8,231	0
Benefits	2,469	2,469	0
Purchased services	150	150	0
Supply-materials	6,600	6,549	(51)
Total instruction	<u>17,450</u>	<u>17,399</u>	<u>(51)</u>
Support:			
Salaries	4,192	4,192	0
Benefits	1,206	1,257	51
Total support	<u>5,398</u>	<u>5,449</u>	<u>51</u>
Total expenditures	<u>22,848</u>	<u>22,848</u>	<u>0</u>
Excess (deficiency) of revenues over expenditures	0	<u>3,210</u>	<u>(3,210)</u>
Net Assets - Beginning of year	<u>0</u>		
Net Assets - End of year	<u>\$ 0</u>		

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.
Moscow, Idaho

TITLE II-A, ESEA - IMPROVING TEACHER QUALITY FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET
ASSETS - BUDGET AND ACTUAL
For the Year Ended June 30, 2010

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Federal:			
Restricted	4,672	4,672	0
Total revenues	<u>4,672</u>	<u>4,672</u>	<u>0</u>
EXPENDITURES			
Instruction:			
Purchased services	3,352	3,352	0
Supply-materials	1,320	1,320	0
Total instruction	<u>4,672</u>	<u>4,672</u>	<u>0</u>
Total expenditures	<u>4,672</u>	<u>4,672</u>	<u>0</u>
Excess (deficiency) of revenues over expenditures	0	<u>0</u>	<u>0</u>
Net Assets - Beginning of year	<u>0</u>		
Net Assets - End of year	<u>\$ 0</u>		