

**PALOUSE PRAIRIE EDUCATIONAL  
ORGANIZATION, INC.**

Moscow, Idaho

**Audited Financial Statements  
For the Years Ended June 30, 2012 and 2011**

**HAYDEN ROSS, PLLC**  
**CERTIFIED PUBLIC ACCOUNTANTS**

**PALOUSE PRAIRIE EDUCATIONAL  
ORGANIZATION, INC.**

Moscow, Idaho

**Audited Financial Statements  
For the Years Ended June 30, 2012 and 2011**



# Palouse Prairie Educational Organization, Inc.

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## FINANCIAL SECTION



# HAYDEN ROSS, PLLC

## 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 statements of financial position of the Palouse Prairie Educational Organization, Inc. (an Idaho non-profit corporation) as of June 30, 2012 and 2011 and the related statements of activities and cash flows for the years 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, 2012 and 2011, and the results of its operations for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

*Hayden Ross, PLLC*

Moscow, Idaho  
October 11, 2012

**PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.**  
**Moscow, Idaho**

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**STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Current Assets		
Cash	279,005	240,021
Prepaid expenses	11,290	48,832
State and federal support receivable	31,776	33,393
Other receivables	11,995	1,689
Total Current Assets	<u>334,066</u>	<u>323,935</u>
Fixed Assets		
Equipment	17,004	8,720
Building and land improvements	284,329	278,113
Less accumulated depreciation	<u>(19,408)</u>	<u>(10,895)</u>
Net Fixed Assets	<u>281,925</u>	<u>275,938</u>
Other Assets		
Loan fees, net of accumulated amortization	1,312	1,687
Net Other Assets	<u>1,312</u>	<u>1,687</u>
Total Assets	<u>\$ 617,302</u>	<u>\$ 601,560</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable	16,480	1,224
Salaries and benefits payable	70,572	58,615
Deferred revenue	1,515	-
Current portion of long-term debt	10,388	9,718
Total Current Liabilities	<u>98,955</u>	<u>69,557</u>
Long-term liabilities, less current portion	<u>100,691</u>	<u>111,158</u>
Net Assets		
Unrestricted	<u>417,656</u>	<u>420,845</u>
Total Liabilities and Net Assets	<u>\$ 617,302</u>	<u>\$ 601,560</u>

**PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.**  
**Moscow, Idaho**

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**STATEMENTS OF ACTIVITIES**  
**For the Years Ended June 30, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
<b>Revenue, Grants, and Other Support</b>		
Contributions	27,018	122,157
Federal support	52,366	292,077
State support	658,266	479,445
Interest	1,202	1,120
Other	89,456	52,371
Total Revenue, Grants and Other Support	<u>828,308</u>	<u>947,170</u>
 <b>Expense</b>		
Program (instructional)	507,113	494,245
Administrative (support)	268,892	271,164
Non-instruction	46,604	17,917
Depreciation and amortization	8,888	8,273
Total Expense	<u>831,497</u>	<u>791,599</u>
 Change in net assets - unrestricted	(3,189)	155,571
 Net assets - beginning of year	<u>420,845</u>	<u>265,274</u>
 Net assets - end of year	<u>\$ 417,656</u>	<u>\$ 420,845</u>



**PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.**  
**Moscow, Idaho**

**STATEMENTS OF CASH FLOWS**  
**For the Years Ended June 30, 2012 and 2011**

	<b>2012</b>	<b>2011</b>
<b>Cash Flows from Operating Activities</b>		
Cash received from contributors	27,018	122,157
Cash received from state support	649,577	548,548
Cash received from federal support	52,366	294,827
Cash received from interest	1,202	1,120
Other cash received	89,456	52,371
Cash paid for interest	(6,629)	(8,127)
Cash paid to suppliers and employees	(749,710)	(848,264)
Net Cash Provided By Operating Activities	63,280	162,632
<b>Cash Flows from Investing Activities</b>		
Cash paid for capital outlay	(6,216)	(22,265)
Cash paid for construction in progress	(8,284)	-
Net Cash Used In Investing Activities	(14,500)	(22,265)
<b>Cash Flows from Financing Activities</b>		
Proceeds from long term debt	-	125,000
Payment on long-term debt and fees	(9,796)	(118,203)
Net Cash Used In Financing Activities	(9,796)	6,797
<b>Net Increase In Cash</b>	38,984	147,164
<b>Cash - Beginning of Year</b>	240,021	92,857
<b>Cash - End of Year</b>	\$ 279,005	\$ 240,021
<b>Reconciliation of Change in Net Assets to Net</b>		
Cash Provided By Operating Activities:		
Change in net assets	(3,189)	155,571
Adjustments to reconcile change in net assets		
to net cash provided by operating activities:		
Depreciation and amortization	8,888	8,273
Decrease (increase) in prepaid expenses	37,542	(42,898)
Decrease (increase) in state support receivable	1,617	69,103
Decrease (increase) in other receivables	(10,306)	2,750
Increase (decrease) in accounts payable	15,256	(44,151)
Increase (decrease) in salaries and benefits payable	13,472	13,984
Net Cash Provided by Operating Activities	\$ 63,280	\$ 162,632

# Palouse Prairie Educational Organization, Inc.

## Notes to the Financial Statements

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### 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-8<sup>th</sup>) 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. The School's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending 2009, 2010, and 2011 are subject to examination by the IRS, generally for three years after the returns are filed.

**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, 2012 and 2011 was \$8,513 and \$8,085 respectively.

**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 the date of the auditor’s report. This is the date the financial statements were available to be issued. The Organization has concluded that no subsequent events have occurred.

**NOTE 3 Major Funding Source**

The School received a majority of its revenue from the Idaho Department of Education.

	<u>2012</u>	<u>% of Total Revenue</u>
Idaho Department of Education	658,266	79.47%
	<u>2011</u>	<u>% of Total Revenue</u>
Idaho Department of Education	479,445	50.62%

**NOTE 4 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](http://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, 2012 and 2011, 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 \$37,573 and \$30,000 for the years ended June 30, 2012 and 2011.

**NOTE 5 Building Leases**

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, increasing to \$4,700 for the 2011-2012 fiscal year, as part of a phase-in increase. In addition, the School will be required to pay taxes and assessments during the lease term.

The lease expiration date shall be changed from the June 30, 2012 to June 30, 2016 upon reaching the June 30, 2012 expiration date. Future minimum lease payments by fiscal year are as follows:

Year 1	60,000
Year 2	60,000
Year 3	60,000
Year 4	<u>60,000</u>
Total	<u>\$240,000</u>

In addition, the School will be required to pay taxes and assessments during the lease term.

**NOTE 6 Long-Term Debt**

Long-term debt for the School as of June 30, 2012 and 2011 consists of the following:

	<u>2012</u>	<u>2011</u>
Building improvements loan with US Bank payable at \$1,368.79 per month including interest of 5.6% until January 5, 2016. Final payment equal to all unpaid principal and accrued interest on maturity date of January 5, 2016.	<u>111,079</u>	<u>120,876</u>
Total Long-term Debt	111,079	120,876
Less Current Portion	<u>( 10,388)</u>	<u>( 9,718)</u>
Net Long-term Debt	<u>\$100,691</u>	<u>\$111,158</u>

Future debt service is as follow:

<b>Fiscal Year-end June 30,</b>	
2013	10,388
2014	11,068
2015	11,704
2016 and thereafter	<u>77,919</u>
Total	<u>\$ 111,079</u>

## **SUPPLEMENTARY INFORMATION**



# HAYDEN ROSS, PLLC

## 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 ON ADDITIONAL INFORMATION

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

We have audited the financial statements of Palouse Prairie Educational Organization, Inc. as of and for the years ended June 30, 2012 and 2011, and have issued our report thereon dated October 11, 2012, which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The other additional information presented on pages 10 through 21 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates 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 additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financials 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.

*Hayden Ross, PLLC*

Moscow, Idaho  
October 11, 2012

**PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.**

Moscow, Idaho

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**STATEMENT OF FUNCTIONAL EXPENSE**

**For the Year Ended June 30, 2012**

	<u>Program (Instructional)</u>	<u>Administrative (Support)</u>	<u>Non- Instruction</u>	<u>Total</u>
Salaries	291,542	111,970	4,140	407,652
Benefits	80,682	35,347	1,847	117,876
Purchased services	97,449	110,637	38,825	246,911
Supplies-materials	30,811	10,938	1,792	43,541
Interest	6,629	-	-	6,629
Depreciation and amortization	8,888	-	-	8,888
Total Expense	<u>\$ 516,001</u>	<u>\$ 268,892</u>	<u>\$ 46,604</u>	<u>\$ 831,497</u>



**PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.**  
Moscow, Idaho

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**STATEMENT OF FUNCTIONAL EXPENSE**  
For the Year Ended June 30, 2011

	<u>Program (Instructional)</u>	<u>Administrative (Support)</u>	<u>Non- Instruction</u>	<u>Total</u>
Salaries	199,492	119,179	1,806	320,477
Benefits	58,031	35,173	876	94,080
Purchased services	114,084	104,943	14,846	233,873
Supplies-materials	114,511	11,869	389	126,769
Interest	8,127	-	-	8,127
Depreciation and amortization	8,273	-	-	8,273
 Total Expense	 <u>\$ 502,518</u>	 <u>\$ 271,164</u>	 <u>\$ 17,917</u>	 <u>\$ 791,599</u>

**PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.**

Moscow, Idaho

**SCHEDULE OF ASSETS, LIABILITIES, AND NET ASSETS**

June 30, 2012

	<u>General</u>	<u>Child Nutrition</u>	<u>Title I-A</u>	<u>Part B IDEA School Age</u>	<u>Totals</u>
<b>ASSETS</b>					
Assets:					
Cash	279,005	-	-	-	279,005
State and federal support receivable	31,776	-	-	-	31,776
Other receivables	6,631	2,730	853	1,780	11,995
Prepaid expenses	11,290	-	-	-	11,290
Due from other funds	5,364	-	-	-	5,364
	<u>5,364</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,364</u>
Total assets	<u>\$ 334,066</u>	<u>\$ 2,730</u>	<u>\$ 853</u>	<u>\$ 1,780</u>	<u>\$ 339,430</u>
<b>LIABILITIES</b>					
Accounts payable	16,480	-	-	-	16,480
Accrued payroll and benefits	70,572	-	-	-	70,572
Deferred revenue	1,515	-	-	-	1,515
Due to other funds	-	2,730	853	1,780	5,364
	<u>-</u>	<u>2,730</u>	<u>853</u>	<u>1,780</u>	<u>5,364</u>
Total liabilities	<u>88,567</u>	<u>2,730</u>	<u>853</u>	<u>1,780</u>	<u>93,931</u>
<b>NET ASSETS</b>					
Net Assets:					
Unreserved-undesignated	245,499	-	-	-	245,499
Total net assets	<u>245,499</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>245,499</u>
Total liabilities and net assets	<u>\$ 334,066</u>	<u>\$ 2,730</u>	<u>\$ 853</u>	<u>\$ 1,780</u>	<u>\$ 339,430</u>

**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, 2012**

	<b>Actual</b>	<b>Budget</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>			
Local:			
Interest	1,202	1,200	2
School fees and charges	31,881	31,800	81
Contributions/donations	22,018	23,000	(982)
Other local	37,529	36,000	1,529
<b>Total local</b>	<b>92,630</b>	<b>92,000</b>	<b>630</b>
State:			
Base support	642,564	625,000	17,564
Other state revenue	11,401	10,700	701
State technology funds	4,301	4,000	301
<b>Total state</b>	<b>658,266</b>	<b>639,700</b>	<b>18,566</b>
Federal:			
Other indirect	207	207	-
<b>Total Federal</b>	<b>207</b>	<b>207</b>	<b>-</b>
<b>Total revenues</b>	<b>751,103</b>	<b>731,907</b>	<b>19,196</b>
<b>EXPENDITURES</b>			
Instruction:			
Salaries	266,021	264,220	(1,801)
Benefits	79,492	81,851	2,359
Purchased services	48,509	49,893	1,384
Supplies-materials	30,718	32,950	2,232
<b>Total instruction</b>	<b>424,740</b>	<b>428,914</b>	<b>4,174</b>
Support:			
Salaries	111,970	112,128	158
Benefits	35,347	36,056	709
Purchased services	110,637	113,709	3,072
Supplies-materials	10,938	13,190	2,252
<b>Total support</b>	<b>268,892</b>	<b>275,083</b>	<b>6,191</b>
Non-instruction:			
Benefits	317	-	(317)
<b>Total non-instruction</b>	<b>317</b>	<b>-</b>	<b>(317)</b>
Capital asset program:			
Capital outlay	14,500	13,216	1,284
<b>Total capital asset program</b>	<b>14,500</b>	<b>13,216</b>	<b>1,284</b>
Debt service	16,425	17,000	(575)
<b>Total expenditures</b>	<b>724,874</b>	<b>734,213</b>	<b>10,048</b>
Excess (deficiency) of revenues over expenditures	<b>26,229</b>	<b>(2,306)</b>	<b>28,535</b>
Other financing sources (uses):			
Operating transfer in	221	-	221
Operating transfer out	(47)	-	(47)
<b>Total other financing sources (uses)</b>	<b>174</b>	<b>-</b>	<b>174</b>
Excess (deficiency) of revenues and other sources over expenditures	<b>26,403</b>	<b>\$ (2,306)</b>	<b>\$ 28,535</b>
Net Assets - Beginning of year	<b>219,096</b>		
Net Assets - End of year (Budget Basis)	<b>245,499</b>		
Adjustments to conform with GAAP:			
Capitalize capital objects	188,387		
Capitalize loan fees	1,875		
Amortization expense	(563)		
Depreciation expense	(12,035)		
Proceeds from loan	(245,000)		
Principal payments	133,919		
Net Assets - End of year (GAAP)	<b>\$ 312,082</b>		

**PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.**

Moscow, Idaho

**GENERAL FUND  
SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL  
For the Year Ended June 30, 2012**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>INSTRUCTION:</b>			
Kindergarten/elementary			
Salaries	245,478	243,685	(1,793)
Benefits	69,744	71,854	2,110
Purchased services	28,393	28,793	400
Supplies-materials	30,270	32,450	2,180
Total kindergarten/elementary	<u>373,885</u>	<u>376,782</u>	<u>2,897</u>
Exceptional child			
Salaries	20,102	20,535	433
Benefits	9,714	9,997	283
Purchased services	19,033	20,000	967
Supplies-materials	448	500	52
Total exceptional child	<u>49,297</u>	<u>51,032</u>	<u>1,735</u>
After school program			
Purchased services	1,083	1,100	17
Total after school program	<u>1,083</u>	<u>1,100</u>	<u>17</u>
Summer school program			
Salaries	441	-	(441)
Benefits	34	-	(34)
Total summer school program	<u>475</u>	<u>-</u>	<u>(475)</u>
<b>TOTAL INSTRUCTION:</b>			
Salaries	266,021	264,220	(1,801)
Benefits	79,492	81,851	2,359
Purchased services	48,509	49,893	1,384
Supplies-materials	30,718	32,950	2,232
Total Instruction	<u>\$ 424,740</u>	<u>\$ 428,914</u>	<u>\$ 4,174</u>
<b>SUPPORT:</b>			
Board of Education			
Purchased services	1,245	1,250	5
Total Board of Education	<u>1,245</u>	<u>1,250</u>	<u>5</u>
School administration			
Salaries	80,773	81,068	295
Benefits	21,795	22,221	426
Total school administration	<u>102,568</u>	<u>103,289</u>	<u>721</u>
Business operation			
Salaries	23,500	23,500	-
Benefits	10,299	8,224	(2,075)
Purchased services	77,026	78,859	1,833
Supplies-materials	8,571	10,190	1,619
Total business operation	<u>119,396</u>	<u>120,773</u>	<u>1,377</u>

**PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.**

Moscow, Idaho

**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL (CONTINUED)**  
 For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Custodial			
Salaries	7,697	7,560	(137)
Benefits	3,253	5,611	2,358
Purchased Services	1,232	1,200	(32)
Supplies-materials	2,367	3,000	633
Total custodial	<u>14,549</u>	<u>17,371</u>	<u>2,822</u>
Maintenance - non-student occupied			
Purchased services	220	100	(120)
Total maintenance - non-student occupied	<u>220</u>	<u>100</u>	<u>(120)</u>
Maintenance - student occupied			
Purchased services	20,520	21,500	980
Total maintenance - bldgs and equipment	<u>20,520</u>	<u>21,500</u>	<u>980</u>
Maintenance - Grounds			
Purchased services	787	800	13
Total maintenance - grounds	<u>787</u>	<u>800</u>	<u>13</u>
Pupil Transportation			
Purchased services	9,607	10,000	393
Total pupil transportation	<u>9,607</u>	<u>10,000</u>	<u>393</u>
<b>TOTAL SUPPORT:</b>			
Salaries	111,970	112,128	158
Benefits	35,347	36,056	709
Purchased services	110,637	113,709	3,072
Supplies-materials	10,938	13,190	2,252
Total Support	<u>\$ 268,892</u>	<u>\$ 275,083</u>	<u>\$ 6,191</u>
<b>NON-INSTRUCTION</b>			
Benefits	317	-	(317)
Total non-instruction	<u>317</u>	<u>-</u>	<u>(317)</u>
<b>CAPITAL ASSET PROGRAM</b>			
Capital outlay	14,500	13,216	(1,284)
Total capital asset program	<u>\$ 14,500</u>	<u>\$ 13,216</u>	<u>\$ (1,284)</u>
<b>OTHER SERVICES</b>			
Principal	9,796	10,000	204
Interest	6,629	7,000	371
Total other services	<u>\$ 16,425</u>	<u>\$ 17,000</u>	<u>\$ 575</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, 2012**

	Child Nutrition	IDEA Part B School Age	Charter School Grant	Title I-A, ESEA Improving Basic Programs	Title II-A, ESEA Improving Teacher Quality	Total
<b>REVENUES</b>						
Local:						
Lunch sales	19,803	-	-	-	-	19,803
Milk reimbursement	243	-	-	-	-	243
Contributions/donations	5,000	-	-	-	-	5,000
Total local	<u>25,046</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,046</u>
Federal:						
Restricted	21,194	12,119	-	14,813	4,033	52,159
Total revenues	<u>46,240</u>	<u>12,119</u>	<u>-</u>	<u>14,813</u>	<u>4,033</u>	<u>77,205</u>
<b>EXPENDITURES</b>						
Instruction:						
Salaries	-	11,898	-	13,623	-	25,521
Benefits	-	-	-	1,190	-	1,190
Purchased services	-	-	45,000	-	3,940	48,940
Supplies-materials	-	-	-	-	93	93
Total instruction	<u>-</u>	<u>11,898</u>	<u>45,000</u>	<u>14,813</u>	<u>4,033</u>	<u>75,744</u>
Support:						
Purchased services	-	-	-	-	-	-
Supplies-materials	-	-	-	-	-	-
Total support	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non-instruction:						
Purchased services	4,140	-	-	-	-	4,140
Benefits	1,530	-	-	-	-	1,530
Purchased services	38,825	-	-	-	-	38,825
Supplies-materials	1,792	-	-	-	-	1,792
Total non-instruction	<u>46,287</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,287</u>
Total expenditures	<u>46,287</u>	<u>11,898</u>	<u>45,000</u>	<u>14,813</u>	<u>4,033</u>	<u>122,031</u>
Excess (deficiency) of revenues over expenditures	<u>(47)</u>	<u>221</u>	<u>(45,000)</u>	<u>-</u>	<u>-</u>	<u>(44,826)</u>
Other financing sources (uses):						
Operating transfer out	47	(221)	-	-	-	(174)
Total other financing sources (uses)	<u>47</u>	<u>(221)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(174)</u>
Excess (deficiency) of revenues and other sources over expenditures	<u>-</u>	<u>-</u>	<u>(45,000)</u>	<u>-</u>	<u>-</u>	<u>(45,000)</u>
Net Assets-Beginning of year	<u>-</u>	<u>-</u>	<u>45,000</u>	<u>-</u>	<u>-</u>	<u>45,000</u>
Net Assets-End of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Adjustments to conform with GAAP:						
Capitalize capital objects	-	-	112,947	-	-	112,947
Depreciation expense	-	-	(7,373)	-	-	(7,373)
Net Assets - End of year (GAAP)	<u>\$ -</u>	<u>\$ -</u>	<u>105,574</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 105,574</u>

**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, 2012**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Local:			
Lunch sales	19,803	19,000	803
Milk reimbursement	243	250	(7)
Contributions/donations	5,000	-	5,000
Total local	<u>25,046</u>	<u>19,250</u>	<u>5,796</u>
Federal:			
Restricted	21,194	20,000	1,194
Total federal	<u>21,194</u>	<u>20,000</u>	<u>1,194</u>
Total revenues	<u>46,240</u>	<u>39,250</u>	<u>6,990</u>
<b>EXPENDITURES</b>			
Non-instruction:			
Salaries	4,140	4,000	(140)
Benefits	1,530	880	(650)
Purchased services	38,825	36,900	(1,925)
Supplies-materials	1,792	4,600	2,808
Total non-instruction	<u>46,287</u>	<u>46,380</u>	<u>93</u>
Total expenditures	<u>46,287</u>	<u>46,380</u>	<u>93</u>
Excess (deficiency) of revenues over expenditures	<u>(47)</u>	<u>(7,130)</u>	<u>7,083</u>
Other financing sources (uses):			
Operating transfer in	47	-	47
Total other financing sources (uses)	<u>47</u>	<u>-</u>	<u>47</u>
Excess (deficiency) of revenues and other sources over expenditures	<u>-</u>	<u>\$ (7,130)</u>	<u>\$ 7,130</u>
Net Assets - Beginning of year	<u>-</u>		
Net Assets - End of year	<u>\$ -</u>		

**PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.**  
**Moscow, Idaho**

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**IDEA PART B SCHOOL-AGE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET**  
**ASSETS - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2012**

	<b>Actual</b>	<b>Budget</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>			
Federal:			
Restricted	12,119	11,840	279
Total revenues	12,119	11,840	279
<b>EXPENDITURES</b>			
Instruction:			
Salaries	11,898	11,840	(58)
Supplies-materials	-	-	-
Total instruction	11,898	11,840	(58)
Total expenditures	11,898	11,840	(58)
Excess (deficiency) of revenues over expenditures	221	-	221
Other financing sources (uses):			
Operating transfer out	(221)	-	(221)
Total other financing sources (uses)	(221)	-	(221)
Excess (deficiency) of revenues and other sources over expenditures	-	\$ -	\$ 221
Net Assets - Beginning of year	-		
Net Assets - End of year	\$ -		



**PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.**  
**Moscow, Idaho**

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**FEDERAL CHARTER SCHOOL GRANT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET**  
**ASSETS - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2012**

	<b>Actual</b>	<b>Budget</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>	-	-	-
Total revenues	-	-	-
<b>EXPENDITURES</b>			
Instruction:			
Purchased services	45,000	45,000	-
Total instruction	45,000	45,000	-
Total expenditures	45,000	45,000	-
Excess of revenues over expenditures	(45,000)	\$ (45,000)	\$ -
Net Assets - Beginning of year	45,000		
Net Assets - End of year (Budget Basis)	-		
Adjustments to conform with GAAP:			
Capitalize capital objects	112,947		
Depreciation expense	(7,373)		
Net Assets - End of year (GAAP)	\$ 105,574		

**PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.**  
**Moscow, Idaho**

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**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, 2012**

	<b>Actual</b>	<b>Budget</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>			
Federal:			
Restricted	14,813	14,812	1
Total revenues	14,813	14,812	1
<b>EXPENDITURES</b>			
Instruction:			
Salaries	13,623	14,812	1,189
Benefits	1,190	-	(1,190)
Total instruction	14,813	14,812	(1)
Total expenditures	14,813	14,812	(1)
Excess (deficiency) of revenues over expenditures	-	\$ -	\$ -
Net Assets - Beginning of year	-		
Net Assets - End of year	\$ -		

**PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.**  
**Moscow, Idaho**

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**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, 2012**

	<b>Actual</b>	<b>Budget</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>			
Federal:			
Restricted	4,033	3,907	126
Total revenues	4,033	3,907	126
<b>EXPENDITURES</b>			
Instruction:			
Purchased Services	3,940	3,907	(33)
Supplies-materials	93	-	(93)
Total instruction	4,033	3,907	(126)
Total expenditures	4,033	3,907	(126)
Excess (deficiency) of revenues over expenditures	-	\$ -	\$ -
Net Assets - Beginning of year	-		
Net Assets - End of year	\$ -		