

**PALOUSE PRAIRIE EDUCATIONAL
ORGANIZATION, INC.**

Moscow, Idaho

**Audited Financial Statements
For the Years Ended June 30, 2013 and 2012**

HAYDEN ROSS, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

**PALOUSE PRAIRIE EDUCATIONAL
ORGANIZATION, INC.**

Moscow, Idaho

**Audited Financial Statements
For the Years Ended June 30, 2013 and 2012**



Palouse Prairie Educational Organization, Inc.

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Palouse Prairie Education Organization, Inc. (an Idaho nonprofit corporation) which comprise the statements of financial position as of June 30, 2013 and 2012 and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Palouse Prairie Education Organization, Inc. as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Hayden Ross, PLLC

Moscow, Idaho
October 21, 2013

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.
Moscow, Idaho

STATEMENTS OF FINANCIAL POSITION
June 30, 2013 and 2012

	2013	2012
ASSETS		
Current Assets		
Cash	331,900	279,005
Prepaid expenses	10,394	11,290
State and federal support receivable	14,835	31,776
Other receivables	7,125	11,995
Total Current Assets	364,254	334,066
Fixed Assets		
Equipment	18,869	17,004
Building and land improvements	288,617	284,329
Less accumulated depreciation	(28,961)	(19,408)
Net Fixed Assets	278,525	281,925
Other Assets		
Loan fees, net of accumulated amortization	937	1,312
Net Other Assets	937	1,312
Total Assets	\$ 643,716	\$ 617,302
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	11,743	16,480
Salaries and benefits payable	89,086	70,572
Deferred revenue	-	1,515
Current portion of long-term debt	11,068	10,388
Total Current Liabilities	111,897	98,955
Long-term liabilities, less current portion	89,626	100,691
Net Assets		
Unrestricted	442,193	417,656
Total Liabilities and Net Assets	\$ 643,716	\$ 617,302

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.
Moscow, Idaho

STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Revenue, Grants, and Other Support		
Contributions	27,934	27,018
Federal support	99,799	52,366
State support	758,111	658,266
Interest	1,000	1,202
Other	51,848	89,456
Total Revenue, Grants and Other Support	<u>938,692</u>	<u>828,308</u>
Expense		
Program (instructional)	567,333	507,113
Administrative (support)	285,022	268,892
Non-instruction	51,872	46,604
Depreciation and amortization	9,928	8,888
Total Expense	<u>914,155</u>	<u>831,497</u>
Change in net assets - unrestricted	24,537	(3,189)
Net assets - beginning of year	<u>417,656</u>	<u>420,845</u>
Net assets - end of year	<u>\$ 442,193</u>	<u>\$ 417,656</u>

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.
Moscow, Idaho

STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2013 and 2012

	2013	2012
Cash Flows from Operating Activities		
Cash received from contributors	27,934	27,018
Cash received from state support	778,407	649,577
Cash received from federal support	99,799	52,366
Cash received from interest	1,000	1,202
Other cash received	51,848	89,456
Cash paid for interest	(6,040)	(6,629)
Cash paid to suppliers and employees	(883,515)	(749,710)
Net Cash Provided By Operating Activities	69,433	63,280
 Cash Flows from Investing Activities		
Cash paid for capital outlay	(6,152)	(6,216)
Cash paid for construction in progress	-	(8,284)
Net Cash Used In Investing Activities	(6,152)	(14,500)
 Cash Flows from Financing Activities		
Payment on long-term debt and fees	(10,386)	(9,796)
Net Cash Used In Financing Activities	(10,386)	(9,796)
 Net Increase In Cash	52,895	38,984
 Cash - Beginning of Year	279,005	240,021
 Cash - End of Year	\$ 331,900	\$ 279,005
 Reconciliation of Change in Net Assets to Net		
Cash Provided By Operating Activities:		
Change in net assets	24,537	(3,189)
Adjustments to reconcile change in net assets		
to net cash provided by operating activities:		
Depreciation and amortization	9,928	8,888
Decrease (increase) in prepaid expenses	896	37,542
Decrease (increase) in state support receivable	16,941	1,617
Decrease (increase) in other receivables	4,870	(10,306)
Increase (decrease) in accounts payable	(4,737)	15,256
Increase (decrease) in salaries and benefits payable	18,513	13,472
Increase (decrease) in deferred revenue	(1,515)	-
Net Cash Provided by Operating Activities	\$ 69,433	\$ 63,280

Palouse Prairie Educational Organization, Inc.

Notes to the Financial Statements

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-8th) 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 2010, 2011, and 2012 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, 2013 and 2012 was \$9,553 and \$8,513 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>2013</u>	<u>% of Total Revenue</u>
Idaho Department of Education	748,318	79.72%
	<u>2012</u>	<u>% of Total Revenue</u>
Idaho Department of Education	658,266	79.47%

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.

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, 2013, 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 \$43,360, \$37,573 and \$30,000 for the years ended June 30, 2013, 2012 and 2011, respectively.

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, 2013 and 2012 consists of the following:

	<u>2013</u>	<u>2012</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>100,694</u>	<u>111,079</u>
Total Long-term Debt	100,694	111,079
Less Current Portion	<u>(11,068)</u>	<u>(10,388)</u>
Net Long-term Debt	<u>\$89,626</u>	<u>\$100,691</u>

Future debt service is as follow:

Fiscal Year-end June 30,	
2014	11,068
2015	11,704
2016	<u>77,916</u>
Total	<u>\$ 100,694</u>

ADDITIONAL INFORMATION



**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, 2013 and 2012, and have issued our report thereon dated October 21, 2013, 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 21, 2013

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.
Moscow, Idaho

SCHEDULE I - FUNCTIONAL EXPENSE
For the Year Ended June 30, 2013

	<u>Program</u> <u>(Instructional)</u>	<u>Administrative</u> <u>(Support)</u>	<u>Non-</u> <u>Instruction</u>	<u>Total</u>
Salaries	356,554	112,476	5,334	474,364
Benefits	97,046	36,945	1,847	135,838
Purchased services	65,398	128,478	44,177	238,053
Supplies-materials	42,295	7,123	514	49,932
Interest	6,040	-	-	6,040
Depreciation and amortization	9,928	-	-	9,928
	<u>9,928</u>	<u>-</u>	<u>-</u>	<u>9,928</u>
Total Expense	<u>\$ 577,261</u>	<u>\$ 285,022</u>	<u>\$ 51,872</u>	<u>\$ 914,155</u>

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.
Moscow, Idaho

SCHEDULE I - FUNCTIONAL EXPENSE
For the Year Ended June 30, 2012

	<u>Program</u> <u>(Instructional)</u>	<u>Administrative</u> <u>(Support)</u>	<u>Non-</u> <u>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

SCHEDULE II - ASSETS, LIABILITIES, AND NET ASSETS

June 30, 2013

	<u>General</u>	<u>Child Nutrition</u>	<u>Title I-A</u>	<u>Totals</u>
ASSETS				
Assets:				
Cash	331,900	-	-	331,900
State and federal support receivable	11,864	-	2,971	14,835
Other receivables	6,753	372	-	7,125
Prepaid expenses	10,394	-	-	10,394
Due from other funds	583	-	-	583
Total assets	<u>\$ 361,494</u>	<u>\$ 372</u>	<u>\$ 2,971</u>	<u>\$ 364,837</u>
LIABILITIES				
Accounts payable	11,743	-	-	11,743
Accrued payroll and benefits	86,325	-	2,760	89,085
Due to other funds	-	372	211	583
Total liabilities	<u>98,068</u>	<u>372</u>	<u>2,971</u>	<u>101,411</u>
NET ASSETS				
Net Assets:				
Unreserved-undesignated	<u>263,426</u>	<u>-</u>	<u>-</u>	<u>263,426</u>
Total net assets	<u>263,426</u>	<u>-</u>	<u>-</u>	<u>263,426</u>
Total liabilities and net assets	<u>\$ 361,494</u>	<u>\$ 372</u>	<u>\$ 2,971</u>	<u>\$ 364,837</u>

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.
Moscow, Idaho

GENERAL FUND
SCHEDULE III - REVENUES, EXPENDITURES, AND CHANGES IN NET
ASSETS - BUDGET AND ACTUAL
For the Year Ended June 30, 2013

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
REVENUES			
Local:			
Interest	1,000	1,000	-
School fees and charges	21,087	21,000	87
Contributions/donations	25,459	38,000	(12,541)
Other local	12,059	-	12,059
Total local	<u>59,605</u>	<u>60,000</u>	<u>(395)</u>
State:			
Base support	641,267	632,894	8,373
Benefit apportionment	74,861	77,684	(2,823)
Other state support	26,350	26,350	-
Other state revenue	15,633	14,000	1,633
Total state	<u>758,111</u>	<u>750,928</u>	<u>7,183</u>
Federal:			
Other indirect	2,075	2,671	(596)
Total Federal	<u>2,075</u>	<u>2,671</u>	<u>(596)</u>
Total revenues	<u>819,791</u>	<u>813,599</u>	<u>6,192</u>
EXPENDITURES			
Instruction:			
Salaries	332,349	331,948	(401)
Benefits	95,407	99,712	4,305
Purchased services	34,424	39,063	4,639
Supplies-materials	28,014	29,025	1,011
Total instruction	<u>490,194</u>	<u>499,748</u>	<u>9,554</u>
Support:			
Salaries	112,476	109,574	(2,902)
Benefits	36,945	34,358	(2,587)
Purchased services	128,478	136,375	7,897
Supplies-materials	7,123	8,000	877
Total support	<u>285,022</u>	<u>288,307</u>	<u>3,285</u>
Non-instruction:			
Benefits	317	-	(317)
Total non-instruction	<u>317</u>	<u>-</u>	<u>(317)</u>
Capital outlay	6,152	5,350	802
Debt service	16,426	17,000	(574)
Contingency reserve	-	39,390	(39,390)
Total expenditures	<u>798,111</u>	<u>849,795</u>	<u>(26,868)</u>
Excess (deficiency) of revenues over expenditures	<u>21,680</u>	<u>(36,196)</u>	<u>57,876</u>
Other financing sources (uses):			
Operating transfer out	(3,753)	(4,893)	1,140
Total other financing sources (uses)	<u>(3,753)</u>	<u>(4,893)</u>	<u>1,140</u>
Change in net assets	17,927	<u>\$ (41,089)</u>	<u>\$ 59,016</u>
Net Assets - Beginning of year	<u>245,499</u>		
Net Assets - End of year (Budget Basis)	263,426		
Adjustments to conform with GAAP:			
Capitalize capital objects	194,539		
Capitalize loan fees	1,875		
Amortization expense	(938)		
Depreciation expense	(18,437)		
Proceeds from loan	(245,000)		
Principal payments	<u>144,305</u>		
Net Assets - End of year (GAAP)	<u>\$ 339,770</u>		

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.

Moscow, Idaho

**GENERAL FUND
SCHEDULE IV - EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL
For the Year Ended June 30, 2013**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
INSTRUCTION:			
Kindergarten/elementary			
Salaries	298,106	297,127	(979)
Benefits	85,448	89,288	3,840
Purchased services	27,263	33,183	5,920
Supplies-materials	27,008	27,825	817
Total kindergarten/elementary	<u>437,825</u>	<u>447,423</u>	<u>9,598</u>
Exceptional child			
Salaries	34,171	34,821	650
Benefits	9,925	10,424	499
Purchased services	7,161	5,880	(1,281)
Supplies-materials	1,006	1,200	194
Total exceptional child	<u>52,263</u>	<u>52,325</u>	<u>62</u>
Summer school program			
Salaries	72	-	(72)
Benefits	34	-	(34)
Total summer school program	<u>106</u>	<u>-</u>	<u>(106)</u>
TOTAL INSTRUCTION:			
Salaries	332,349	331,948	(401)
Benefits	95,407	99,712	4,305
Purchased services	34,424	39,063	4,639
Supplies-materials	28,014	29,025	1,011
Total Instruction	<u>\$ 490,194</u>	<u>\$ 499,748</u>	<u>\$ 9,554</u>
SUPPORT:			
Board of Education			
Purchased services	724	1,000	276
Total Board of Education	<u>724</u>	<u>1,000</u>	<u>276</u>
School administration			
Salaries	72,991	70,881	(2,110)
Benefits	24,295	18,984	(5,311)
Total school administration	<u>97,286</u>	<u>89,865</u>	<u>(7,421)</u>
Business operation			
Salaries	32,755	31,255	(1,500)
Benefits	8,752	9,769	1,017
Purchased services	87,000	93,375	6,375
Supplies-materials	4,358	5,200	842
Total business operation	<u>132,865</u>	<u>139,599</u>	<u>6,734</u>

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.

Moscow, Idaho

**GENERAL FUND
SCHEDULE IV - EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL (CONTINUED)
For the Year Ended June 30, 2013**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
SUPPORT:Continued			
Custodial			
Salaries	6,730	7,438	708
Benefits	3,898	5,605	1,707
Purchased Services	4,358	4,500	142
Supplies-materials	2,708	2,700	(8)
Total custodial	<u>17,694</u>	<u>20,243</u>	<u>2,549</u>
 Maintenance - student occupied			
Purchased services	23,636	24,500	864
Total maintenance - bldgs and equipment	<u>23,636</u>	<u>24,500</u>	<u>864</u>
 Maintenance - Grounds			
Purchased services	996	1,000	4
Supplies-materials	57	100	43
Total maintenance - grounds	<u>1,053</u>	<u>1,100</u>	<u>47</u>
 Pupil Transportation			
Purchased services	11,764	12,000	236
Total pupil transportation	<u>11,764</u>	<u>12,000</u>	<u>236</u>
 TOTAL SUPPORT:			
Salaries	112,476	109,574	(2,902)
Benefits	36,945	34,358	(2,587)
Purchased services	128,478	136,375	7,897
Supplies-materials	7,123	8,000	877
Total Support	<u>\$ 285,022</u>	<u>\$ 288,307</u>	<u>\$ 3,285</u>
 NON-INSTRUCTION			
Benefits	317	-	(317)
Total non-instruction	<u>\$ 317</u>	<u>\$ -</u>	<u>\$ (317)</u>
 CAPITAL ASSET PROGRAM			
Capital outlay	6,152	5,350	(802)
Total capital asset program	<u>\$ 6,152</u>	<u>\$ 5,350</u>	<u>\$ (802)</u>
 OTHER SERVICES			
Principal	10,386	10,000	(386)
Interest	6,040	7,000	960
Total other services	<u>\$ 16,426</u>	<u>\$ 17,000</u>	<u>\$ 574</u>

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.
Moscow, Idaho

**SCHEDULE V - COMBINING OF REVENUES, EXPENDITURES AND CHANGES IN NET
ASSETS - ALL SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2013**

	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
REVENUES						
Local:						
Lunch sales	18,702	-	-	-	-	18,702
Contributions/donations	2,475	-	-	-	-	2,475
Total local	<u>21,177</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,177</u>
Federal:						
Restricted	26,625	18,248	-	40,723	12,128	97,724
Total revenues	<u>47,802</u>	<u>18,248</u>	<u>-</u>	<u>40,723</u>	<u>12,128</u>	<u>118,901</u>
EXPENDITURES						
Instruction:						
Salaries	-	-	-	23,455	750	24,205
Benefits	-	-	-	1,589	50	1,639
Purchased services	-	18,120	-	1,526	11,328	30,974
Supplies-materials	-	128	-	14,153	-	14,281
Total instruction	<u>-</u>	<u>18,248</u>	<u>-</u>	<u>40,723</u>	<u>12,128</u>	<u>71,099</u>
Non-instruction:						
Salaries	5,334	-	-	-	-	5,334
Benefits	1,530	-	-	-	-	1,530
Purchased services	44,177	-	-	-	-	44,177
Supplies-materials	514	-	-	-	-	514
Total non-instruction	<u>51,555</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,555</u>
Total expenditures	<u>51,555</u>	<u>18,248</u>	<u>-</u>	<u>40,723</u>	<u>12,128</u>	<u>122,654</u>
Excess (deficiency) of revenues over expenditures	<u>(3,753)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,753)</u>
Other financing sources (uses):						
Operating transfer in	3,753	-	-	-	-	3,753
Total other financing sources (uses)	<u>3,753</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,753</u>
Change in net assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Assets-Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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	-	-	(10,524)	-	-	(10,524)
Net Assets - End of year (GAAP)	<u>\$ -</u>	<u>\$ -</u>	<u>102,423</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,423</u>

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.

Moscow, Idaho

CHILD NUTRITION
SCHEDULE VI - REVENUES, EXPENDITURES, AND CHANGES IN NET
ASSETS - BUDGET AND ACTUAL
For the Year Ended June 30, 2013

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Local:			
Lunch sales	18,702	18,000	702
Contributions/donations	2,475	1,000	1,475
Total local	<u>21,177</u>	<u>19,000</u>	<u>2,177</u>
Federal:			
Restricted	26,625	25,000	1,625
Total federal	<u>26,625</u>	<u>25,000</u>	<u>1,625</u>
Total revenues	<u>47,802</u>	<u>44,000</u>	<u>3,802</u>
EXPENDITURES			
Non-instruction:			
Salaries	5,334	5,363	29
Benefits	1,530	1,030	(500)
Purchased services	44,177	41,800	(2,377)
Supplies-materials	514	700	186
Total non-instruction	<u>51,555</u>	<u>48,893</u>	<u>(2,662)</u>
Total expenditures	<u>51,555</u>	<u>48,893</u>	<u>(2,662)</u>
Excess (deficiency) of revenues over expenditures	<u>(3,753)</u>	<u>(4,893)</u>	<u>1,140</u>
Other financing sources (uses):			
Operating transfer in	3,753	4,893	(1,140)
Total other financing sources (uses)	<u>3,753</u>	<u>4,893</u>	<u>(1,140)</u>
Change in net assets	-	<u>\$ -</u>	<u>\$ -</u>
Net Assets - Beginning of year	-		
Net Assets - End of year	<u>\$ -</u>		

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.
Moscow, Idaho

IDEA PART B SCHOOL-AGE FUND
SCHEDULE VII - REVENUES, EXPENDITURES, AND CHANGES IN NET
ASSETS - BUDGET AND ACTUAL
For the Year Ended June 30, 2013

	Actual	Budget	Variance Favorable (Unfavorable)
REVENUES			
Federal:			
Restricted	18,248	18,120	128
Total revenues	18,248	18,120	128
EXPENDITURES			
Instruction:			
Purchased Services	18,120	18,120	-
Supplies-materials	128	-	(128)
Total instruction	18,248	18,120	(128)
Total expenditures	18,248	18,120	(128)
Change in net assets	-	\$ -	\$ -
Net Assets - Beginning of year	-		
Net Assets - End of year	\$ -		

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.
Moscow, Idaho

FEDERAL CHARTER SCHOOL GRANT
SCHEDULE VIII - REVENUES, EXPENDITURES, AND CHANGES IN NET
ASSETS - BUDGET AND ACTUAL
For the Year Ended June 30, 2013

	Actual	Budget	Variance Favorable (Unfavorable)
REVENUES			
Total revenues	-	-	-
EXPENDITURES			
Total expenditures	-	-	-
Change in net assets	-	\$ -	\$ -
Net Assets - Beginning of year	-		
Net Assets - End of year (Budget Basis)	-		
Adjustments to conform with GAAP:			
Capitalize capital objects	112,947		
Depreciation expense	(10,524)		
Net Assets - End of year (GAAP)	\$ 102,423		

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.
Moscow, Idaho

TITLE I-A, ESEA - IMPROVING BASIC PROGRAMS FUND
SCHEDULE IX - REVENUES, EXPENDITURES, AND CHANGES IN NET
ASSETS - BUDGET AND ACTUAL
For the Year Ended June 30, 2013

	Actual	Budget	Variance Favorable (Unfavorable)
REVENUES			
Federal:			
Restricted	40,723	41,720	(997)
Total revenues	40,723	41,720	(997)
EXPENDITURES			
Instruction:			
Salaries	23,455	23,176	(279)
Benefits	1,589	1,581	(8)
Purchased services	1,526	2,639	1,113
Supplies-materials	14,153	14,324	171
Total instruction	40,723	41,720	997
Total expenditures	40,723	41,720	997
Change in net assets	-	\$ -	\$ -
Net Assets - Beginning of year	-		
Net Assets - End of year	\$ -		

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.
Moscow, Idaho

TITLE II-A, ESEA - IMPROVING TEACHER QUALITY FUND
SCHEDULE X - REVENUES, EXPENDITURES, AND CHANGES IN NET
ASSETS - BUDGET AND ACTUAL
For the Year Ended June 30, 2013

	Actual	Budget	Variance Favorable (Unfavorable)
REVENUES			
Federal:			
Restricted	12,128	12,128	-
Total revenues	12,128	12,128	-
EXPENDITURES			
Instruction:			
Salaries	750	750	-
Benefits	50	50	-
Purchased Services	11,328	11,328	-
Total instruction	12,128	12,128	-
Total expenditures	12,128	12,128	-
Change in net assets	-	\$ -	\$ -
Net Assets - Beginning of year	-		
Net Assets - End of year	\$ -		