

**PALOUSE PRAIRIE EDUCATIONAL
ORGANIZATION, INC.**

Moscow, Idaho

**Audited Financial Statements
For the Years Ended June 30, 2015 and 2014**

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PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2015 and 2014 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. 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, 2015 and 2014, 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 1, 2015, on our consideration of Palouse Prairie Educational Organization, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Governmental Auditing standards in considering Palouse Prairie Educational Organization, Inc.'s internal control over financial reporting and compliance.

Hayden Ross, PLLC

Moscow, Idaho
October 1, 2015

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Palouse Prairie Educational Organization, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 1, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Palouse Prairie Educational Organization, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Palouse Prairie Educational Organization, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Palouse Prairie Educational Organization, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financials statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of the section and was not designed to identify all deficiencies in the internal control that might be material weakness or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Palouse Prairie Educational Organization, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of your audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, the communication is not suitable for any other purpose.

Hayden Ross, PLLC

Moscow, ID
October 1, 2015

FINANCIAL STATEMENTS



PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.
Moscow, Idaho

STATEMENTS OF FINANCIAL POSITION
June 30, 2015 and 2014

| | <u>2015</u> | <u>2014</u> |
|--------------------------------------|--------------------------|--------------------------|
| ASSETS | | |
| Current Assets | | |
| Cash | 345,105 | 281,795 |
| Prepaid expenses | 9,500 | 11,295 |
| State and federal support receivable | 20,171 | 35,025 |
| Other receivables | 3,544 | 22,431 |
| Supplies on hand | 31 | 402 |
| Total Current Assets | <u>378,351</u> | <u>350,948</u> |
| Fixed Assets | | |
| Equipment | 18,869 | 18,869 |
| Building and land improvements | 322,553 | 288,617 |
| Construction in progress | - | 5,500 |
| Less accumulated depreciation | <u>(49,148)</u> | <u>(38,728)</u> |
| Net Fixed Assets | <u>292,274</u> | <u>274,258</u> |
| Total Assets | <u><u>\$ 670,625</u></u> | <u><u>\$ 625,206</u></u> |
| LIABILITIES AND NET ASSETS | | |
| Current liabilities | | |
| Accounts payable | 6,606 | 6,051 |
| Salaries and benefits payable | 105,576 | 98,734 |
| Total Current Liabilities | <u>112,182</u> | <u>104,785</u> |
| Net Assets | | |
| Unrestricted | <u>558,443</u> | <u>520,421</u> |
| Total Liabilities and Net Assets | <u><u>\$ 670,625</u></u> | <u><u>\$ 625,206</u></u> |

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.

Moscow, Idaho

STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2015 and 2014

| | <u>2015</u> | <u>2014</u> |
|---|-------------------|-------------------|
| Revenue, Grants, and Other Support | | |
| Contributions | 19,576 | 26,977 |
| Federal support | 95,099 | 99,554 |
| State support | 871,713 | 795,205 |
| Interest | 858 | 883 |
| Other | 70,937 | 112,045 |
| | <u>1,058,183</u> | <u>1,034,664</u> |
| Expense | | |
| Program (instructional) | 668,055 | 619,325 |
| Administrative (support) | 302,787 | 285,533 |
| Non-instruction | 38,899 | 40,874 |
| Depreciation and amortization | 10,420 | 10,704 |
| | <u>1,020,161</u> | <u>956,436</u> |
| Total Revenue, Grants and Other Support | <u>1,058,183</u> | <u>1,034,664</u> |
| Change in net assets - unrestricted | 38,022 | 78,228 |
| Net assets - beginning of year | <u>520,421</u> | <u>442,193</u> |
| Net assets - end of year | <u>\$ 558,443</u> | <u>\$ 520,421</u> |

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.

Moscow, Idaho

STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2015 and 2014

| | <u>2015</u> | <u>2014</u> |
|---|--------------------------|--------------------------|
| Cash Flows from Operating Activities | | |
| Cash received from contributors | 19,576 | 26,977 |
| Cash received from state support | 886,567 | 759,307 |
| Cash received from federal support | 95,099 | 99,554 |
| Cash received from interest | 858 | 883 |
| Other cash received | 89,824 | 112,045 |
| Cash paid for interest | - | (4,852) |
| Cash paid to suppliers and employees | <u>(1,000,178)</u> | <u>(937,825)</u> |
| Net Cash Provided By Operating Activities | <u>91,746</u> | <u>56,089</u> |
| Cash Flows from Investing Activities | | |
| Cash paid for capital outlay | (28,436) | - |
| Cash paid for construction in progress | <u>-</u> | <u>(5,500)</u> |
| Net Cash Used In Investing Activities | <u>(28,436)</u> | <u>(5,500)</u> |
| Cash Flows from Financing Activities | | |
| Payment on long-term debt and fees | <u>-</u> | <u>(100,694)</u> |
| Net Cash Used In Financing Activities | <u>-</u> | <u>(100,694)</u> |
| Net Increase (Decrease) In Cash | 63,310 | (50,105) |
| Cash - Beginning of Year | <u>281,795</u> | <u>331,900</u> |
| Cash - End of Year | <u><u>\$ 345,105</u></u> | <u><u>\$ 281,795</u></u> |
| Reconciliation of Change in Net Assets to Net Cash Provided By Operating Activities: | | |
| Change in net assets | 38,022 | 78,228 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation and amortization | 10,420 | 10,704 |
| Decrease (increase) in prepaid expenses | 1,795 | (901) |
| Decrease (increase) in federal and state support receivable | 14,854 | (20,190) |
| Decrease (increase) in other receivables | 18,887 | (15,306) |
| Decrease (increase) in supplies on hand | 371 | (402) |
| Increase (decrease) in accounts payable | 555 | (5,692) |
| Increase (decrease) in salaries and benefits payable | <u>6,842</u> | <u>9,648</u> |
| Net Cash Provided by Operating Activities | <u><u>\$ 91,746</u></u> | <u><u>\$ 56,089</u></u> |

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

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.

Notes to the Financial Statements For the Year Ended June 30, 2015

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 2013, 2014, and 2015 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, 2015 and 2014 was \$10,420 and \$9,767 respectively.

Inventory - The District does not follow the practice of capitalizing expendable supplies at year-end in the General Fund. All supplies are recorded as expenditures in the period in which they were sold.

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 grants 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>2015</u> | <u>% of Total Revenue</u> |
|-------------------------------|-------------|---------------------------|
| Idaho Department of Education | \$871,713 | 82.37% |
| | <u>2014</u> | <u>% of Total Revenue</u> |
| Idaho Department of Education | \$795,205 | 76.86% |

NOTE 4 Pension Plan

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.

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 year ended June 30, 2015, the required contribution rate as a percentage of covered payroll for members was 6.79%. The employer rate as a percentage of covered payroll was 11.32%. The School's contributions required and paid were \$59,798, \$53,661, and \$43,360, for the three years ended June 30, 2015, 2014, and 2013, respectively.

PERSI is subject to pronouncement issued by the Governmental Accounting Standards Board (GASB) and was required to implement GASB 67, *Financial Reporting for Pension Plan-an amendment of GASB Statement No. 25*, effective as of June 30, 2014. The statement established standards and specified the required approach for measuring the pension liability of contributing entities for benefits provided through the pension plan (the net pension liability). As of June 30, 2014, the most recent available audited financial statement of PERSI at the time of issuance, the Plan was reported to be 94.95% funded. The School's proportion of the net pension liability was based on the School's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2014 the School's proportion was .000171792 percent and the estimated net pension liability was \$126,466.

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.

NOTE 5 Building Leases

The School entered into a lease agreement with Timothy W. Brown on March 2, 2009. The lease commenced on July 1, 2009 and ended on June 30, 2012. The annual rent was \$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 was required to pay taxes and assessments during the lease term.

The lease expiration date was changed from the June 30, 2012 to June 30, 2016 upon reaching the June 30, 2012 expiration date. As of July 1, 2012 the monthly installment increased to \$5,000. Future minimum lease payments by fiscal year are as follows:

| | |
|-------|-----------------|
| 2016 | <u>60,000</u> |
| Total | <u>\$60,000</u> |

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

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, 2015 and 2014, and have issued our report thereon dated October 1, 2015, which contained an unmodified 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 13 through 24 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 1, 2015

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.
Moscow, Idaho

SCHEDULE I - STATEMENT OF FUNCTIONAL EXPENSE
For the Year Ended June 30, 2015

| | <u>Program (Instructional)</u> | <u>Administrative (Support)</u> | <u>Non- Instruction</u> | <u>Total</u> |
|-------------------------------|------------------------------------|-------------------------------------|-----------------------------|---------------------|
| Salaries | 416,115 | 122,529 | 4,876 | 543,520 |
| Benefits | 121,947 | 33,570 | 1,386 | 156,903 |
| Purchased services | 84,358 | 140,932 | 28,634 | 253,924 |
| Supplies-materials | 45,635 | 5,756 | 4,003 | 55,394 |
| Depreciation and amortization | 10,420 | - | - | 10,420 |
| Total Expense | <u>\$ 678,475</u> | <u>\$ 302,787</u> | <u>\$ 38,899</u> | <u>\$ 1,020,161</u> |

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.
Moscow, Idaho

SCHEDULE I - STATEMENT OF FUNCTIONAL EXPENSE
For the Year Ended June 30, 2014

| | <u>Program (Instructional)</u> | <u>Administrative (Support)</u> | <u>Non- Instruction</u> | <u>Total</u> |
|-------------------------------|------------------------------------|-------------------------------------|-----------------------------|-------------------|
| Salaries | 397,332 | 113,121 | 6,456 | 516,909 |
| Benefits | 112,159 | 32,645 | 894 | 145,698 |
| Purchased services | 77,804 | 135,542 | 33,330 | 246,676 |
| Supplies-materials | 27,178 | 4,225 | 194 | 31,597 |
| Interest | 4,852 | - | - | 4,852 |
| Depreciation and amortization | 10,704 | - | - | 10,704 |
| Total Expense | <u>\$ 630,029</u> | <u>\$ 285,533</u> | <u>\$ 40,874</u> | <u>\$ 956,436</u> |

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.
 Moscow, Idaho

SCHEDULE II - BALANCE SHEET
 June 30, 2015

| | General | Child Nutrition | Title I-A | IDEA Part B | Totals |
|--|-------------------|--------------------|-----------------|----------------|-------------------|
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Assets: | | | | | |
| Cash | 345,105 | - | - | - | 345,105 |
| State and federal support receivable | 20,171 | - | - | - | 20,171 |
| Other receivables | 75 | 477 | 2,750 | 242 | 3,544 |
| Supplies on hand | 31 | - | - | - | 31 |
| Prepaid expenses | 9,500 | - | - | - | 9,500 |
| Due from other funds | 3,469 | - | - | - | 3,469 |
| Total assets | <u>378,351</u> | <u>477</u> | <u>2,750</u> | <u>242</u> | <u>381,820</u> |
| Deferred outflows of resources | - | - | - | - | - |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | <u>\$ 378,351</u> | <u>\$ 477</u> | <u>\$ 2,750</u> | <u>\$ 242</u> | <u>\$ 381,820</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | | | | | |
| Liabilities: | | | | | |
| Accounts payable | 6,606 | - | - | - | 6,606 |
| Accrued payroll and benefits | 105,576 | - | - | - | 105,576 |
| Due to other funds | - | 477 | 2,750 | 242 | 3,469 |
| Total liabilities | <u>112,182</u> | <u>477</u> | <u>2,750</u> | <u>242</u> | <u>115,651</u> |
| Deferred inflows of resources | - | - | - | - | - |
| Fund balance: | | | | | |
| Unassigned | <u>266,169</u> | - | - | - | <u>266,169</u> |
| Total Fund balance | <u>266,169</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>266,169</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | <u>\$ 378,351</u> | <u>\$ 477</u> | <u>\$ 2,750</u> | <u>\$ 242</u> | <u>\$ 381,820</u> |

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.
Moscow, Idaho

GENERAL FUND
SCHEDULE III - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015

| | <u>Actual</u> | <u>Budget</u> | <u>Variance Favorable (Unfavorable)</u> |
|---|-------------------|--------------------|---|
| REVENUES | | | |
| Local: | | | |
| Interest | 858 | 750 | 108 |
| School fees and charges | 27,501 | 27,635 | (134) |
| Contributions/donations | 19,576 | 18,000 | 1,576 |
| Other local | 27,517 | 25,000 | 2,517 |
| Total local | <u>75,452</u> | <u>71,385</u> | <u>4,067</u> |
| State: | | | |
| Base support | 688,943 | 684,067 | 4,876 |
| Benefit apportionment | 88,354 | 87,275 | 1,079 |
| Other state support | 75,627 | 73,500 | 2,127 |
| Lottery/additional state maintenance | 7,467 | 7,200 | 267 |
| Other state revenue | 11,322 | 11,350 | (28) |
| Total state | <u>871,713</u> | <u>863,392</u> | <u>8,321</u> |
| Total revenues | <u>947,165</u> | <u>934,777</u> | <u>12,388</u> |
| EXPENDITURES | | | |
| Instruction: | | | |
| Salaries | 388,949 | 391,189 | 2,240 |
| Benefits | 115,750 | 114,277 | (1,473) |
| Purchased services | 44,916 | 48,125 | 3,209 |
| Supplies-materials | 41,403 | 41,364 | (39) |
| Total instruction | <u>591,018</u> | <u>594,955</u> | <u>3,937</u> |
| Support: | | | |
| Salaries | 122,529 | 122,741 | 212 |
| Benefits | 33,570 | 35,846 | 2,276 |
| Purchased services | 140,869 | 141,450 | 581 |
| Supplies-materials | 5,756 | 6,200 | 444 |
| Total support | <u>302,724</u> | <u>306,237</u> | <u>3,513</u> |
| Non-instruction: | | | |
| Benefits | 373 | - | (373) |
| Capital outlay | 28,437 | 28,500 | 63 |
| Contingency Budget | - | 46,786 | 46,786 |
| Total expenditures | <u>922,552</u> | <u>976,478</u> | <u>53,926</u> |
| Excess (deficiency) of revenues over expenditures | 24,613 | (41,701) | 66,314 |
| Other financing uses: | | | |
| Transfer out | (4,608) | (6,044) | 1,436 |
| Change in fund balance | 20,005 | <u>\$ (47,745)</u> | <u>\$ 67,750</u> |
| Fund Balance - Beginning of year | <u>246,164</u> | | |
| Fund Balance - End of year (Budget Basis) | 266,169 | | |
| Adjustments to conform with GAAP: | | | |
| Capitalize capital objects | 228,475 | | |
| Accumulated depreciation | (32,322) | | |
| Net Assets - End of year (GAAP) | <u>\$ 462,322</u> | | |

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.

Moscow, Idaho

GENERAL FUND
SCHEDULE IV - STATEMENT OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL
For the Year Ended June 30, 2015

| | <u>Actual</u> | <u>Budget</u> | <u>Variance Favorable (Unfavorable)</u> |
|-------------------------------|-------------------|-------------------|---|
| INSTRUCTION: | | | |
| Kindergarten/elementary | | | |
| Salaries | 358,774 | 361,139 | 2,365 |
| Benefits | 106,494 | 105,017 | (1,477) |
| Purchased services | 44,885 | 48,095 | 3,210 |
| Supplies-materials | 38,520 | 38,464 | (56) |
| Total kindergarten/elementary | <u>548,673</u> | <u>552,715</u> | <u>4,042</u> |
| Special Education | | | |
| Salaries | 29,675 | 30,050 | 375 |
| Benefits | 9,256 | 9,260 | 4 |
| Purchased services | 31 | 30 | (1) |
| Supplies-materials | 103 | 100 | (3) |
| Total exceptional child | <u>39,065</u> | <u>39,440</u> | <u>375</u> |
| School activity program | | | |
| Supplies-materials | <u>2,780</u> | <u>2,800</u> | <u>20</u> |
| Summer school program | | | |
| Salaries | <u>500</u> | <u>-</u> | <u>(500)</u> |
| TOTAL INSTRUCTION: | | | |
| Salaries | 388,949 | 391,189 | 2,240 |
| Benefits | 115,750 | 114,277 | (1,473) |
| Purchased services | 44,916 | 48,125 | 3,209 |
| Supplies-materials | <u>41,403</u> | <u>41,364</u> | <u>(39)</u> |
| Total Instruction | <u>\$ 591,018</u> | <u>\$ 594,955</u> | <u>\$ 3,937</u> |
| SUPPORT: | | | |
| Board of Education | | | |
| Purchased services | <u>1,950</u> | <u>1,500</u> | <u>(450)</u> |
| School administration | | | |
| Salaries | 78,173 | 75,780 | (2,393) |
| Benefits | 19,284 | 18,380 | (904) |
| Supplies-materials | 781 | 863 | 82 |
| Total school administration | <u>98,238</u> | <u>95,023</u> | <u>(3,215)</u> |
| Business operation | | | |
| Salaries | 34,320 | 34,320 | - |
| Benefits | 10,566 | 10,708 | 142 |
| Purchased services | 92,860 | 93,600 | 740 |
| Supplies-materials | 2,041 | 2,237 | 196 |
| Total business operation | <u>139,787</u> | <u>140,865</u> | <u>1,078</u> |

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.
Moscow, Idaho

GENERAL FUND

SCHEDULE IV - STATEMENT OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL (CONTINUED)
For the Year Ended June 30, 2015

| | Actual | Budget | Variance Favorable (Unfavorable) |
|------------------------------------|---------------|---------------|---|
| SUPPORT (Continued): | | | |
| Custodial | | | |
| Salaries | 10,036 | 12,641 | 2,605 |
| Benefits | 3,720 | 6,758 | 3,038 |
| Purchased services | 2,490 | 2,500 | 10 |
| Supplies-materials | 2,602 | 2,800 | 198 |
| Total custodial | 18,848 | 24,699 | 5,851 |
| Maintenance - student occupied | | | |
| Purchased services | 27,023 | 26,600 | (423) |
| Maintenance - Grounds | | | |
| Purchased services | 210 | 250 | 40 |
| Supplies-materials | 332 | 300 | (32) |
| Total maintenance - grounds | 542 | 550 | 8 |
| Pupil Transportation | | | |
| Purchased services | 16,336 | 17,000 | 664 |
| TOTAL SUPPORT: | | | |
| Salaries | 122,529 | 122,741 | 212 |
| Benefits | 33,570 | 35,846 | 2,276 |
| Purchased services | 140,869 | 141,450 | 581 |
| Supplies-materials | 5,756 | 6,200 | 444 |
| Total Support | \$ 302,724 | \$ 306,237 | \$ 3,513 |
| NON-INSTRUCTION | | | |
| Benefits | \$ 373 | \$ - | \$ (373) |
| CAPITAL ASSET PROGRAM | | | |
| Capital outlay | \$ 28,437 | \$ 28,500 | \$ 63 |

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.
Moscow, Idaho

ALL SPECIAL REVENUE FUNDS
SCHEDULE V - COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Year Ended June 30, 2015

| | Child Nutrition | IDEA Part B School Age | Charter School Grant | Title I-A, ESEA Improving Basic Programs | Title II-A, ESEA Improving Teacher Quality | Title VI-B, ESEA Rural Education Achieve Prog | Total |
|--|--------------------|---------------------------|----------------------------|---|---|--|-----------|
| REVENUES | | | | | | | |
| Local: | | | | | | | |
| Lunch sales | 15,919 | - | - | - | - | - | 15,919 |
| Federal: | | | | | | | |
| Restricted | 17,999 | 22,686 | - | 30,677 | 3,734 | 20,003 | 95,099 |
| Total revenues | 33,918 | 22,686 | - | 30,677 | 3,734 | 20,003 | 111,018 |
| EXPENDITURES | | | | | | | |
| Instruction: | | | | | | | |
| Salaries | - | 5,960 | - | 21,206 | - | - | 27,166 |
| Benefits | - | 1,630 | - | 4,567 | - | - | 6,197 |
| Purchased services | - | 11,234 | - | 4,768 | 3,437 | 20,003 | 39,442 |
| Supplies-materials | - | 3,862 | - | 73 | 297 | - | 4,232 |
| Total instruction | - | 22,686 | - | 30,614 | 3,734 | 20,003 | 77,037 |
| Support: | | | | | | | |
| Purchased services | - | - | - | 63 | - | - | 63 |
| Non-instruction: | | | | | | | |
| Salaries | 4,876 | - | - | - | - | - | 4,876 |
| Benefits | 1,013 | - | - | - | - | - | 1,013 |
| Purchased services | 28,634 | - | - | - | - | - | 28,634 |
| Supplies-materials | 4,003 | - | - | - | - | - | 4,003 |
| Total non-instruction | 38,526 | - | - | - | - | - | 38,526 |
| Total expenditures | 38,526 | 22,686 | - | 30,677 | 3,734 | 20,003 | 115,563 |
| Excess (deficiency) of revenues over expenditures | (4,608) | - | - | - | - | - | (4,608) |
| Other financing sources: | | | | | | | |
| Transfer in | 4,608 | - | - | - | - | - | 4,608 |
| Change in fund balance | - | - | - | - | - | - | - |
| Fund Balance - Beginning of year | - | - | - | - | - | - | - |
| Fund Balance - End of year | - | - | - | - | - | - | - |
| Adjustments to conform with GAAP: | | | | | | | |
| Capitalize capital objects | - | - | 112,947 | - | - | - | 112,947 |
| Depreciation expense | - | - | (16,826) | - | - | - | (16,826) |
| Net Assets - End of year (GAAP) | \$ - | \$ - | \$ 96,121 | \$ - | \$ - | \$ - | \$ 96,121 |

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.
Moscow, Idaho

CHILD NUTRITION FUND
SCHEDULE VI - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015

| | Actual | Budget | Variance Favorable (Unfavorable) |
|---|---------------|---------------|---|
| REVENUES | | | |
| Local: | | | |
| Lunch sales | 15,919 | 15,000 | 919 |
| Federal: | | | |
| Restricted | 17,999 | 17,000 | 999 |
| Total revenues | 33,918 | 32,000 | 1,918 |
| EXPENDITURES | | | |
| Non-instruction: | | | |
| Salaries | 4,876 | 5,198 | 322 |
| Benefits | 1,013 | 1,046 | 33 |
| Purchased services | 28,634 | 28,000 | (634) |
| Supplies-materials | 4,003 | 3,800 | (203) |
| Total non-instruction | 38,526 | 38,044 | (482) |
| Total expenditures | 38,526 | 38,044 | (482) |
| Excess (deficiency) of revenues over expenditures | (4,608) | (6,044) | 1,436 |
| Other financing sources: | | | |
| Transfer in | 4,608 | 6,044 | (1,436) |
| Change in fund balance | - | \$ - | \$ - |
| Fund Balance - Beginning of year | - | | |
| Fund Balance - End of year | \$ - | | |

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.

Moscow, Idaho

**IDEA PART B SCHOOL-AGE FUND
SCHEDULE VII - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015**

| | <u>Actual</u> | <u>Budget</u> | <u>Variance Favorable (Unfavorable)</u> |
|----------------------------------|---------------|---------------|---|
| REVENUES | | | |
| Federal: | | | |
| Restricted | <u>22,686</u> | <u>21,760</u> | <u>926</u> |
| EXPENDITURES | | | |
| Instruction: | | | |
| Salaries | 5,960 | 5,550 | (410) |
| Benefits | 1,630 | 1,630 | - |
| Purchased Services | 11,234 | 10,820 | (414) |
| Supplies-materials | <u>3,862</u> | <u>3,760</u> | <u>(102)</u> |
| Total instruction | <u>22,686</u> | <u>21,760</u> | <u>(926)</u> |
| Total expenditures | <u>22,686</u> | <u>21,760</u> | <u>(926)</u> |
| Change in fund balance | - | <u>\$ -</u> | <u>\$ -</u> |
| Fund Balance - Beginning of year | <u>-</u> | | |
| Fund Balance - End of year | <u>\$ -</u> | | |

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.
Moscow, Idaho

TITLE I-A, ESEA - IMPROVING BASIC PROGRAMS FUND
SCHEDULE VIII - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015

| | Actual | Budget | Variance Favorable (Unfavorable) |
|----------------------------------|--------|--------|--|
| REVENUES | | | |
| Federal: | | | |
| Restricted | 30,677 | 29,528 | 1,149 |
| Total revenues | 30,677 | 29,528 | 1,149 |
| EXPENDITURES | | | |
| Instruction: | | | |
| Salaries | 21,206 | 19,890 | (1,316) |
| Benefits | 4,567 | 4,734 | 167 |
| Purchased services | 4,768 | 4,768 | - |
| Supplies-materials | 73 | 136 | 63 |
| Total instruction | 30,614 | 29,528 | (1,086) |
| Support: | | | |
| Supplies | 63 | - | (63) |
| Total expenditures | 30,677 | 29,528 | (1,149) |
| Change in fund balance | - | \$ - | \$ - |
| Fund Balance - Beginning of year | - | | |
| Fund Balance - End of year | \$ - | | |

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.
Moscow, Idaho

TITLE II-A, ESEA - IMPROVING TEACHER QUALITY FUND
SCHEDULE IX - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015

| | Actual | Budget | Variance Favorable (Unfavorable) |
|----------------------------------|--------|--------|--|
| REVENUES | | | |
| Federal: | | | |
| Restricted | 3,734 | 3,737 | (3) |
| Total revenues | 3,734 | 3,737 | (3) |
| EXPENDITURES | | | |
| Instruction: | | | |
| Purchased Services | 3,437 | 3,437 | - |
| Supplies | 297 | 300 | 3 |
| Total expenditures | 3,734 | 3,737 | 3 |
| Change in fund balance | - | \$ - | \$ - |
| Fund Balance - Beginning of year | - | | |
| Fund Balance - End of year | \$ - | | |

PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.
Moscow, Idaho

TITLE VI-B, ESEA - RURAL EDUCATION ACHIEVEMENT PROGRAMS
SCHEDULE X - REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015

| | Actual | Budget | Variance Favorable (Unfavorable) |
|----------------------------------|---------------|---------------|---|
| REVENUES | | | |
| Federal: | | | |
| Restricted | 20,003 | 20,000 | 3 |
| EXPENDITURES | | | |
| Instruction: | | | |
| Purchased Services | 20,003 | 20,000 | (3) |
| Total instruction | 20,003 | 20,000 | (3) |
| Total expenditures | 20,003 | 20,000 | (3) |
| Change in fund balance | - | \$ - | \$ 6 |
| Fund Balance - Beginning of year | - | | |
| Fund Balance - End of year | \$ - | | |