

**PALOUSE PRAIRIE EDUCATIONAL  
ORGANIZATION, INC.**

Moscow, Idaho

**Audited Financial Statements  
For the Years Ended June 30, 2019 and 2018**

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

---

**TABLE OF CONTENTS**

	<u>PAGE</u>
<b>Independent Auditor’s Report</b> .....	<b>1-2</b>
<b>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 <i>Government Auditing Standards</i></b> .....	<b>3-4</b>
 <b>FINANCIAL STATEMENTS</b>	
Statements of Financial Position .....	<b>5</b>
Statements of Activities .....	<b>6-7</b>
Statements of Cash Flows.....	<b>8</b>
Statements of Functional Expense .....	<b>9-10</b>
Notes to the Financial Statements .....	<b>11-17</b>
 <b>SUPPLEMENTARY INFORMATION</b>	
<b>Independent Auditor’s Report on Supplementary Information</b> .....	<b>18</b>
Schedule I – Statement of Net Position .....	<b>19</b>
Schedule II – Balance Sheet .....	<b>20</b>
Schedule III – Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities .....	<b>21</b>
 <b>GENERAL FUND</b>	
Schedule IV – Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	<b>22</b>
Schedule V – Statement of Expenditures By Function – Budget and Actual.....	<b>23-24</b>

---

**ALL SPECIAL REVENUE FUNDS**

Schedule VI – Combining Statements of Revenues, Expenditures  
and Changes in Fund Balance – All Special Revenue Funds ..... 25

**Child Nutrition Fund**

Schedule VII – Statement of Revenues, Expenditures  
and Changes in Fund Balance – Budget and Actual..... 26

**IDEA Part B (611 School Age 3-21) Fund**

Schedule VIII – Statement of Revenues, Expenditures  
and Changes in Fund Balance– Budget and Actual..... 27

**Title I-A, ESSA – Improving Basic Programs Fund**

Schedule IX – Statement of Revenues, Expenditures  
and Changes in Fund Balance– Budget and Actual..... 28

**Title II-A, ESEA – Supporting Effective Instruction Fund**

Schedule X – Statement of Revenues, Expenditures  
and Changes in Fund Balance – Budget and Actual..... 29

**Title IV-A, ESSA – Student Support and Academic Enrichment Fund**

Schedule XI – Statement of Revenues, Expenditures  
and Changes in Fund Balance – Budget and Actual..... 30

**School-Based Medicaid Fund**

Schedule XII – Statement of Revenues, Expenditures  
and Changes in Fund Balance ..... 31

**PLANT FACILITY FUND**

Schedule XIII – Statement of Revenues, Expenditures  
and Changes in Fund Balance ..... 32

---

## 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 Educational Organization, Inc. (an Idaho nonprofit corporation) which comprise the statements of financial position as of June 30, 2019 and 2018 and the related statements of activities, cash flows and functional expenses 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 *Government 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 Educational Organization, Inc. as of June 30, 2019 and 2018, 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.

### **Emphasis of Matter**

As discussed in Note 13 to the financial statements, Palouse Prairie Educational Organization, Inc. has adopted Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2019, 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 *Government Auditing Standards* in considering Palouse Prairie Educational Organization, Inc.'s internal control over financial reporting and compliance.

*Hayden Ross, PLLC*

Moscow, Idaho  
September 27, 2019

**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, Idaho 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, 2019 and 2018, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated September 27, 2019.

**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 for 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, Idaho  
September 27, 2019

## **FINANCIAL STATEMENTS**





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

**STATEMENTS OF FINANCIAL POSITION**  
 June 30, 2019 and 2018

	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
Current Assets		
Cash	163,737	273,542
Investments	143,872	53,587
State support receivable	43,531	25,451
Federal support receivable	9,057	5,943
Other receivables	3,148	2,860
Supplies on hand	56	113
Prepaid expenses	15,634	13,262
Total Current Assets	379,035	374,758
Property and Equipment		
Buildings and improvements	-	327,682
Furniture and equipment	24,869	24,869
Construction in progress	2,460,806	131,988
Land	392,265	392,265
Less: accumulated depreciation	(13,144)	(81,800)
Net Property and Equipment	2,864,796	795,004
Other Assets		
Cash with donor restrictions	1,199	-
Total Other Assets	1,199	-
Total Assets	\$ 3,245,030	\$ 1,169,762
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accounts payable	12,246	10,558
Accrued interest payable	11,168	-
Salaries and benefits payable	143,925	135,905
Current portion of long-term debt	2,062,671	-
Total Current Liabilities	2,230,010	146,463
Principal amount, net of current portion	58,450	-
Total Liabilities	2,288,460	146,463
Net Assets		
Without donor restrictions	952,744	936,631
With donor restrictions	3,826	86,668
Total Net Assets	956,570	1,023,299
Total Liabilities and Net Assets	\$ 3,245,030	\$ 1,169,762

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

---

**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenue, Grants, and Other Support</b>			
Contributions	17,629	48,051	65,680
State support	1,304,803	-	1,304,803
Federal support	-	79,086	79,086
Interest	5,805	6	5,811
Other local	56,392	17,440	73,832
	<u>1,384,629</u>	<u>144,583</u>	<u>1,529,212</u>
<b>Net Assets Released From Restrictions</b>			
Restrictions satisfied by payments	227,425	(227,425)	-
Total net assets released from restrictions	<u>227,425</u>	<u>(227,425)</u>	<u>-</u>
<b>Expense</b>			
Program (instructional)	888,634	-	888,634
Administrative (support)	413,447	-	413,447
Non-instruction	34,687	-	34,687
Depreciation	11,368	-	11,368
Interest on long-term debt	148	-	148
Loss on disposition	247,657	-	247,657
	<u>1,595,941</u>	<u>-</u>	<u>1,595,941</u>
Change in net assets	16,113	(82,842)	(66,729)
Net assets - beginning of year	<u>936,631</u>	<u>86,668</u>	<u>1,023,299</u>
Net assets - end of year	<u>\$ 952,744</u>	<u>\$ 3,826</u>	<u>\$ 956,570</u>

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

---

**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2018**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenue, Grants, and Other Support</b>			
Contributions	14,403	125,693	140,096
State support	1,245,034	-	1,245,034
Federal support	-	85,569	85,569
Interest	2,567	-	2,567
Other local	74,739	14,272	89,011
	<u>1,336,743</u>	<u>225,534</u>	<u>1,562,277</u>
<b>Total Revenue, Grants and Other Support</b>			
<b>Net Assets Released From Restrictions</b>			
Restrictions satisfied by payments	228,785	(228,785)	-
Total net assets released from restrictions	<u>228,785</u>	<u>(228,785)</u>	<u>-</u>
<b>Expense</b>			
Program (instructional)	855,483	-	855,483
Administrative (support)	402,985	-	402,985
Non-instruction	35,695	-	35,695
Depreciation	11,268	-	11,268
	<u>1,305,431</u>	<u>-</u>	<u>1,305,431</u>
<b>Total Expense</b>			
Change in net assets	260,097	(3,251)	256,846
Net assets - beginning of year	<u>676,534</u>	<u>89,919</u>	<u>766,453</u>
Net assets - end of year	<u>\$ 936,631</u>	<u>\$ 86,668</u>	<u>\$ 1,023,299</u>

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

**STATEMENTS OF CASH FLOWS**  
For the Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>Cash Flows from Operating Activities</b>		
Cash received from contributors	65,680	140,096
Cash received from state support	1,286,723	1,247,963
Cash received from federal support	75,972	80,241
Cash received from interest	5,811	2,567
Other cash received	73,544	93,275
Cash paid to suppliers and employees	<u>(1,318,355)</u>	<u>(1,301,089)</u>
Net Cash Provided By Operating Activities	<u>189,375</u>	<u>263,053</u>
<b>Cash Flows from Investing Activities</b>		
Cash paid for property and equipment	<u>(2,328,817)</u>	<u>(511,761)</u>
Net Cash Used In Investing Activities	<u>(2,328,817)</u>	<u>(511,761)</u>
<b>Cash Flows from Financing Activities</b>		
Cash proceeds from long term debt	<u>2,121,121</u>	<u>-</u>
Net Cash Provided By Financing Activities	<u>2,121,121</u>	<u>-</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	(18,321)	(248,708)
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>327,129</u>	<u>575,837</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u><u>\$ 308,808</u></u>	<u><u>\$ 327,129</u></u>
Reconciliation of Change in Net Assets to Net Cash Provided By Operating Activities:		
Change in net assets	(66,729)	256,846
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	11,368	11,268
Loss on disposition of property and equipment	247,657	-
Decrease (increase) in state support receivable	(18,080)	2,929
Decrease (increase) in federal support receivable	(3,114)	(5,328)
Decrease (increase) in other receivables	(288)	4,264
Decrease (increase) in supplies on hand	57	61
Decrease (increase) in prepaid expenses	(2,372)	(2,407)
Increase (decrease) in accounts payable	1,688	(16,666)
Increase (decrease) in salaries and benefits payable	8,020	12,086
Increase (decrease) in accrued interest payable	<u>11,168</u>	<u>-</u>
Net Cash Provided by Operating Activities	<u><u>\$ 189,375</u></u>	<u><u>\$ 263,053</u></u>
<b>Cash and Cash Equivalents Reconciliation</b>		
Cash and cash equivalents without donor restrictions	307,609	327,129
Cash and cash equivalents with donor restrictions	<u>1,199</u>	<u>-</u>
	<u><u>\$ 308,808</u></u>	<u><u>\$ 327,129</u></u>

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

---

**STATEMENT OF FUNCTIONAL EXPENSE**  
**For the Year Ended June 30, 2019**

	<b>Program (Instructional)</b>	<b>Administrative (Support)</b>	<b>Other</b>	<b>Total</b>
Salaries	557,667	190,605	5,726	753,998
Benefits	174,723	51,409	1,137	227,269
Purchased services	89,045	165,444	26,434	280,923
Supplies-materials	67,199	5,989	1,390	74,578
Debt service interest	-	-	148	148
Depreciation	-	-	11,368	11,368
Loss on disposition	-	-	247,657	247,657
Total Expense	<u>\$ 888,634</u>	<u>\$ 413,447</u>	<u>\$ 293,860</u>	<u>\$ 1,595,941</u>

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

---

**STATEMENT OF FUNCTIONAL EXPENSE**  
**For the Year Ended June 30, 2018**

	<u>Program (Instructional)</u>	<u>Administrative (Support)</u>	<u>Other</u>	<u>Total</u>
Salaries	517,000	178,702	5,655	701,357
Benefits	156,804	51,978	939	209,721
Purchased services	130,918	163,337	28,656	322,911
Supplies-materials	50,761	8,968	445	60,174
Depreciation	-	-	11,268	11,268
Total Expense	<u>\$ 855,483</u>	<u>\$ 402,985</u>	<u>\$ 46,963</u>	<u>\$ 1,305,431</u>

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2019 and 2018**

**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**

**Basis of Accounting** - The School uses the accrual basis of accounting. Revenue are recognized as earned and expenses are recognized when incurred.

**Cash** - For purposes of the statement of cash flows, cash equivalents include money market mutual funds, time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less. The School has no requirement to hold cash in separate accounts.

**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 2017, 2018, and 2019 are subject to examination by the IRS, generally for three years after the returns are filed.

**Property and Equipment** - The cost of property and equipment is depreciated over the estimated useful lives of the assets. Major expenditures costing at least \$5,000 which substantially increase useful lives are capitalized. Interest on borrowings for construction are capitalized. Maintenance, repairs, and minor renewals are expensed as incurred. Depreciation is computed on the straight-line method for financial reporting purposes. The useful lives of property and equipment for purposes of computing depreciation are 5 to 7 years for office furniture and equipment and 39 years for buildings. Depreciation expense for the years ending June 30, 2019 and 2018 was \$11,368 and \$11,268 respectively.

## **NOTE 2      Summary of Significant Accounting Policies (Continued)**

**Inventory** - The School 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.

**Net Assets** - Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

*Net Assets without Donor Restrictions* – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the School. The School’s board may designate assets without restrictions for specific operational purposes from time to time.

*Net Assets with Donor Restrictions* – Net assets subject to stipulations imposed by donors, and grantor. Some donor restrictions are temporary in nature and those restrictions will be met by actions of the Non-Profit Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

**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 its investment in the Local Government Investment Pool and all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

**Cost Allocation** - The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. The Organization does not have any indirect expenses that would need to be allocated as of June 30, 2019 and 2018, therefore, there is no cost allocation required.

**Reports Required by the State** - Idaho Department of Education requires the School to submit financial information in accordance with accounting principles generally accepted in the United States of America for governmental entities. This information is included as supplemental information to the basic financial statements. The General Fund accounts for activities for general operations and the other funds presented are used to account for activities related to restricted funds and grants the School received. The effects of GASB 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement 27* and GASB 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*, have been recorded in the Statement of Net Position.

**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 School has concluded that a material subsequent event has occurred. See note 15 for further details.



### NOTE 3 Investments

The School has an account with the Local Government Investment Pool sponsored by the Idaho Legislature. The School carries the balance at fair market value, which also represents cost. The investment account is subject to market risk and is uninsured. At June 30, 2019 and 2018, the balance was \$143,872 and \$53,587, respectively.

### NOTE 4 Major Funding Source

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

	<u>2019</u>	<u>% of Total Revenue</u>
Idaho Department of Education	\$1,304,803	85.38%
	<u>2018</u>	<u>% of Total Revenue</u>
Idaho Department of Education	1,245,034	79.69%

### NOTE 5 Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods:

	<u>2019</u>	<u>2018</u>
Subject to expenditure for specified purpose		
Bus upgrades	818	-
Special revenue funds	3,008	86,668
Total	<u>\$ 3,826</u>	<u>\$ 86,668</u>

### NOTE 6 Liquidity and Availability of Resources

The Organization has \$369,906 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash of \$163,737, investments of \$143,872, accounts receivable of \$46,607, supplies of hand of \$56 and prepaid expenses of \$15,634. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position date. The accounts receivable are subject to implied time restrictions but are expected to be collected within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

## NOTE 7 Operating Line of Credit

On July 5, 2017 the School entered into an agreement with Zions First National Bank for the granting of a revolving line of credit. The line of credit was closed by management on December 31, 2018 when it matured. During fiscal 2018 the School was able to borrow up to a maximum of \$150,000 with interest at 5.05% at June 30, 2018. The line of credit was collateralized by a lien on all inventory, accounts receivable and equipment. There was no outstanding line of credit balance on June 30, 2019 and 2018.

## NOTE 8 Long-Term Debt

Long-term debt for the School as of June 30, 2019 and consists of the following:

Construction loan payable to P1FCU, monthly installments of accrued interest at a variable rate of the Prime Rate plus 1.50%, currently 7.00% per annum. Matures September 28, 2019 when the unpaid principal balance of the note is due. Secured by real property.	2,049,121
Loan payable to a private party, monthly installments of \$1,294 with interest at a fixed rate of 3.0%. Matures June 10, 2024. The note is unsecured.	<u>72,000</u>
	2,121,121
Less Current Portion	<u>(2,062,671)</u>
Net Long-term Debt	<u><u>\$ 58,450</u></u>

Maturities of principal amounts of long-term debt at June 30, 2019 are as follows:

<b>Fiscal Year</b>	
<b><u>Ended June 30,</u></b>	
2020	2,062,671
2021	13,963
2022	14,387
2023	14,824
2024	15,276
Total	<u><u>\$ 2,121,121</u></u>

## **NOTE 9      Building Leases**

The School entered into a lease agreement on March 2, 2009. The lease commenced on July 1, 2009 and originally expired on June 30, 2012. Prior to the June 30, 2012 expiration the lease was renewed through June 30, 2016. Under the terms of the renewed lease the School was required to pay monthly installments of \$5,000 in addition to taxes and assessments during the lease term. On June 27, 2016 the lease was renewed for an additional three years requiring monthly installments of \$5,600 beginning July 1, 2016. The lease was not renewed upon its expiration at June 30, 2019.

## **NOTE 10      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, 2019, 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 \$81,806, \$77,193, and \$70,867, for the three years ended June 30, 2019, 2018, and 2017, 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, 2017, the most recent available audited financial statement of PERSI at the time of issuance, the Plan was reported to be 90.68% 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, 2018 the School's proportion was 0.0209709% and the estimated net pension liability was \$309,324.

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).

## **NOTE 11 Other Post-Employment Benefit Plan – Sick Leave Plan**

The School contributes to the Sick Leave Insurance Reserve Fund (Sick Leave Plan) which is a cost-sharing multiple-employer defined benefit OPEB plan that covers members receiving retirement benefits that are administered by PERSI that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan.

Group retiree health, dental, accident, and life insurance premiums may qualify as a benefit. Retirees who have a sick leave account can use their balance as a credit towards these premiums paid directly to the applicable insurance company.

The contribution rate for employees are set by statute at .065% of covered compensation for state members. Covered school members contribution rates are set by statute based on the number of sick days offered by the employer. The contribution rate of 1.16% for school members with nine or ten sick days, 1.26% for school members with 11-14 sick days. If a school member has more than 14 days of sick leave then the contribution rate will be set by the PERSI Retirement Board based on current cost and actuarial data and reviewed annually. The District's contributions required and paid were \$8,111, \$7,325 and \$6,574 for the three years ended June 30, 2019, 2018, and 2017, respectively.

PERSI is subject to pronouncement issued by the Governmental Accounting Standards Board (GASB) and was required to implement GASB 74, *Financial Reporting for postemployment Benefit Plans Other Than Pension Plans*, effective as of June 30, 2017. The statement established standards and specified the required approach for measuring the OPEB asset of contributing entities for benefits provided through the OPEB plan (the net OPEB asset). As of June 30, 2018, the most recent available audited financial statement of PERSI at the time of issuance, the Plan was reported to be 135.69% funded. The School's proportion of the net OPEB asset was based on the School's share of contributions in the Base Plan OPEB plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2018, the School's proportion was 0.0501823 percent and the estimated OPEB sick leave asset was \$41,624

PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for the Sick Leave Plan. The reports may be obtained from PERSI's website [www.persi.idaho.gov](http://www.persi.idaho.gov).

## **NOTE 12 Concentration of Credit Risk**

The Organization maintains bank accounts at two financial institutions. Accounts at an Institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Cash at these institutions exceeded federally insured limits at various times throughout the year.

## **NOTE 13 Implementation of ASU 2016-14**

ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, was implemented for the year ended June 30, 2019. The standard has been retroactively applied to fiscal year 2018 (FY2018) and the FY2018 Statement of Activities has been restated to present the activity in two columns; Without Donor Restrictions or With Donor Restrictions. There was no change to the total revenues, expenses or ending net assets as a result of the implementation of the standard.

As part of the restatement, the equity amounts as of June 30, 2017 have been restated and presented as either net assets without donor restrictions or net assets with donor restriction. This resulted in the following equity classifications as of June 30, 2017:

Net assets without donor restrictions	676,534
Net assets with donor restrictions	<u>89,919</u>
Total net assets	<u>\$ 766,453</u>

## **NOTE 14 Reclassifications**

Certain prior year amounts have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported results of operations.

## **NOTE 15 Subsequent Event**

During the prior fiscal year the Organization purchased land and incurred architectural and other planning costs for the construction of a new School facility. On August 20, 2018 the Organization entered into a construction contract to be funded by a construction loan from Potlatch No. 1 Federal Credit Union. During fiscal 2019 the Organization borrowed \$2,049,121 on the construction loan to cover construction costs. In accordance with the terms of the construction loan agreement the debt was scheduled mature on September 28, 2019 or when the construction was completed. The maturity date of the loan was extended to October 28, 2019 as the final draw for construction costs is expected to occur at the end of September 2019. Upon maturation the balance due is to be converted to a fixed rate commercial loan with a term of ten years. The rate on the loan is 6.5% with principal payments based on a twenty five year amortization of the principal balance. At the end of ten years the remaining balance is due in a balloon payment.

## **SUPPLEMENTARY INFORMATION**



## **INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY 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, 2019 and 2018, and have issued our report thereon dated September 27, 2019, 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 supplementary information presented on pages 19 through 32 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 basic 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 basic financial statements taken as a whole.

### **Emphasis of Matter**

We draw your attention to Note 2 which requires Palouse Prairie Educational Organization, Inc. to submit to the Idaho State Department of Education financial statements in accordance with accounting principles generally accepted in the United States of America for governmental entities. Schedules I through XIII have been presented for this purpose. Our opinion is not modified with respect to this matter.

*Hayden Ross, PLLC*

Moscow, Idaho  
September 27, 2019

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

**SCHEDULE I - STATEMENT OF NET POSITION**  
 June 30, 2019

<b>ASSETS</b>		
Current Assets:		
Cash	163,737	
Investments	143,872	
State support receivable	43,531	
Federal support receivable	9,057	
Other receivables	3,148	
Supplies on hand	56	
Prepaid expenses	<u>15,634</u>	
Total current assets		<u>379,035</u>
Noncurrent Assets:		
Land	392,265	
Construction in progress	2,460,806	
Capital assets being depreciated	24,869	
Less: accumulated depreciation	<u>(13,144)</u>	
Cash with donor restrictions	1,199	
Net OPEB asset - sick leave	<u>41,624</u>	
Total noncurrent assets		<u>2,907,619</u>
Total assets		<u>3,286,654</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Net OPEB - sick leave related items	13,311	
Pension related items	<u>150,484</u>	
Total deferred outflows of resources		<u>163,795</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable and other current liabilities	23,414	
Salaries and benefits payable	143,925	
Current portion of long-term debt	<u>2,062,671</u>	
Total current liabilities		<u>2,230,010</u>
Noncurrent Liabilities:		
Net pension liability	309,324	
Noncurrent portion of long-term debt	<u>58,450</u>	
Total noncurrent liabilities		<u>367,774</u>
Total liabilities		<u>2,597,784</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Net OPEB - sick leave related items	2,473	
Pension related items	<u>57,729</u>	
		<u>60,202</u>
<b>NET POSITION</b>		
Net investment in capital assets	743,675	
Restricted	1,271	
Unrestricted	<u>47,517</u>	
Total net position		<u>\$ 792,463</u>
Adjustments to conform with GAAP:		
Pension related items		
Net OPEB Asset - sick leave	(41,624)	
Deferred outflow of resources	(163,795)	
Deferred inflow of resources	60,202	
Net pension liability	<u>309,324</u>	
Total adjustments to confirm with GAAP		<u>164,107</u>
Net Assets - End of year (GAAP)		<u>\$ 956,570</u>



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

**SCHEDULE II - BALANCE SHEET**  
June 30, 2019

	General	Child Nutrition	Title I-A, ESSA Improving Basic Programs	IDEA Part B (611 School Age 3-21)	Title II-A, ESEA - Supporting Effective Instruction	Title IV-A, ESSA - Student Support and Academic Enrichment	Title V-B, ESSA Rural Education Initiative	School Based Medicaid	Totals
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>									
Assets:									
Cash	164,555	-	-	-	-	-	-	381	164,936
Investments	143,872	-	-	-	-	-	-	-	143,872
State support receivable	43,531	-	-	-	-	-	-	-	43,531
Federal support receivable	-	-	576	5,838	-	441	-	72	6,927
Other receivables	3,076	2,202	-	-	-	-	-	-	5,278
Supplies on hand	56	-	-	-	-	-	-	-	56
Prepaid expenses	15,634	-	-	-	-	-	-	-	15,634
Due from other funds	9,057	-	-	-	-	-	-	-	9,057
<b>Total assets</b>	<b>379,781</b>	<b>2,202</b>	<b>576</b>	<b>5,838</b>	<b>-</b>	<b>441</b>	<b>-</b>	<b>453</b>	<b>389,291</b>
Deferred outflows of resources	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 379,781</b>	<b>\$ 2,202</b>	<b>\$ 576</b>	<b>\$ 5,838</b>	<b>\$ -</b>	<b>\$ 441</b>	<b>\$ -</b>	<b>\$ 453</b>	<b>\$ 389,291</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>									
Liabilities:									
Accounts payable and other current liabilities	23,414	-	-	-	-	-	-	-	23,414
Accrued payroll and benefits	143,925	-	-	-	-	-	-	-	143,925
Due to other funds	-	2,202	576	5,838	-	441	-	-	9,057
<b>Total liabilities</b>	<b>167,339</b>	<b>2,202</b>	<b>576</b>	<b>5,838</b>	<b>-</b>	<b>441</b>	<b>-</b>	<b>-</b>	<b>176,396</b>
Deferred inflows of resources	-	-	-	-	-	-	-	-	-
Fund balance:									
Nonspendable	15,634	-	-	-	-	-	-	-	15,634
Restricted	818	-	-	-	-	-	-	453	1,271
Unrestricted	195,990	-	-	-	-	-	-	-	195,990
<b>Total Fund balance</b>	<b>212,442</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>453</b>	<b>212,895</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 379,781</b>	<b>\$ 2,202</b>	<b>\$ 576</b>	<b>\$ 5,838</b>	<b>\$ -</b>	<b>\$ 441</b>	<b>\$ -</b>	<b>\$ 453</b>	<b>\$ 389,291</b>

**PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.**

Moscow, Idaho

---

**SCHEDULE III - RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
TO NET POSITION OF GOVERNMENTAL ACTIVITIES**

**June 30, 2019**

Total Fund Balances - Governmental Funds 212,895

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

Cost of capital assets	2,877,940
Accumulated depreciation	(13,144)

Certain pension related items are recorded as a deferred outflow or inflow of resources and recognized in future periods for governmental activities:

Deferred outflow of resources	150,484
Deferred inflow of resources	(57,729)

Certain OPEB sick leave related items are recorded as a deferred outflow or inflow of resources and recognized in future periods for governmental activities:

Deferred outflow of resources	13,311
Deferred inflow of resources	(2,473)

Total Net OPEB asset for PERSI sick leave is a long-term asset and is not available to pay current year expenditures, therefore is not reported as an asset in governmental funds

41,624

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of the following:

Loan payable	(2,121,121)
Net pension liability	(309,324)

Total Net Position - Governmental Activities \$ 792,463

**PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.**

Moscow, Idaho

**GENERAL FUND  
SCHEDULE IV - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Local:			
Tuition	5,605	5,600	5
Interest	5,805	5,000	805
School fees and charges	12,976	12,700	276
Contributions/donations	65,680	72,000	(6,320)
Other local	39,811	37,500	2,311
Total local	<u>129,877</u>	<u>132,800</u>	<u>(2,923)</u>
State:			
Base support	945,594	940,045	5,549
Benefit apportionment	122,921	122,910	11
Other state support	151,332	153,500	(2,168)
Lottery/additional state maintenance	11,793	11,500	293
Other state revenue	73,163	72,000	1,163
Total state	<u>1,304,803</u>	<u>1,299,955</u>	<u>4,848</u>
Total revenues	<u>1,434,680</u>	<u>1,432,755</u>	<u>1,925</u>
<b>EXPENDITURES</b>			
Instruction:			
Salaries	537,767	538,445	678
Benefits	170,303	164,697	(5,606)
Purchased services	59,025	63,500	4,475
Supplies-materials	65,754	29,423	(36,331)
Total instruction	<u>832,849</u>	<u>796,065</u>	<u>(36,784)</u>
Support:			
Salaries	184,595	178,436	(6,159)
Benefits	51,409	56,693	5,284
Purchased services	165,444	167,400	1,956
Supplies-materials	5,989	6,150	161
Total support	<u>407,437</u>	<u>408,679</u>	<u>1,242</u>
Non-instruction:			
Benefits	438	-	(438)
Capital asset program	-	2,540,800	2,540,800
Contingency Budget	-	178,278	178,278
Total expenditures	<u>1,240,724</u>	<u>3,923,822</u>	<u>2,683,098</u>
Excess (deficiency) of revenues over expenditures	193,956	(2,491,067)	2,685,023
Other financing uses:			
Transfer out	(209,809)	(1,426)	(208,383)
Proceeds: Bonds, Capital Leases, et, al	-	2,400,000	(2,400,000)
Payments on long term debt interest	-	(75,000)	75,000
Total other financing uses	<u>(209,809)</u>	<u>2,323,574</u>	<u>(2,533,383)</u>
Change in fund balance	(15,853)	<u>\$ (167,493)</u>	<u>\$ 151,640</u>
Fund Balance - Beginning of year	<u>228,295</u>		
Fund Balance - End of year (Budget Basis)	212,442		
Adjustments to conform with GAAP:			
Capitalize capital objects	18,656		
Accumulated depreciation	<u>(9,487)</u>		
Net Assets - End of year (GAAP)	<u>\$ 221,611</u>		

**PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.**

Moscow, Idaho

---

**GENERAL FUND**

**SCHEDULE V - STATEMENT OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL**

**For the Year Ended June 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>INSTRUCTION:</b>			
Kindergarten/elementary			
Salaries	494,162	494,340	178
Benefits	155,963	151,390	(4,573)
Purchased services	59,025	60,500	1,475
Supplies-materials	65,581	29,323	(36,258)
Total kindergarten/elementary	<u>774,731</u>	<u>735,553</u>	<u>(39,178)</u>
Special education			
Salaries	43,605	44,105	500
Benefits	14,340	13,307	(1,033)
Purchased services	-	3,000	3,000
Supplies-materials	173	100	(73)
Total special education	<u>58,118</u>	<u>60,512</u>	<u>2,394</u>
<b>TOTAL INSTRUCTION:</b>			
Salaries	537,767	538,445	678
Benefits	170,303	164,697	(5,606)
Purchased services	59,025	63,500	4,475
Supplies-materials	65,754	29,423	(36,331)
Total Instruction	<u>\$ 832,849</u>	<u>\$ 796,065</u>	<u>\$ (36,784)</u>
<b>SUPPORT:</b>			
Board of education			
Purchased services	<u>4,300</u>	<u>4,300</u>	<u>-</u>
School administration			
Salaries	115,833	111,878	(3,955)
Benefits	28,121	33,064	4,943
Total school administration	<u>143,954</u>	<u>144,942</u>	<u>988</u>
Business operation			
Salaries	44,336	41,336	(3,000)
Benefits	13,870	13,187	(683)
Purchased services	107,383	108,600	1,217
Supplies-materials	1,308	1,550	242
Total business operation	<u>166,897</u>	<u>164,673</u>	<u>(2,224)</u>

**PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.**

Moscow, Idaho

**GENERAL FUND**

**SCHEDULE V - STATEMENT OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL (CONTINUED)**

For the Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	<b>Variance Favorable (Unfavorable)</b>
<b>SUPPORT (Continued):</b>			
Custodial			
Salaries	19,800	20,411	611
Benefits	7,605	7,886	281
Purchased services	635	600	(35)
Supplies-materials	2,195	2,000	(195)
Total custodial	<u>30,235</u>	<u>30,897</u>	<u>662</u>
 Maintenance - non-student occupied			
Purchased services	<u>6,267</u>	<u>6,200</u>	<u>(67)</u>
 Maintenance - student occupied			
Salaries	4,626	4,811	185
Benefits	1,813	2,556	743
Purchased services	24,685	25,200	515
Supplies-materials	1,404	1,000	(404)
Total maintenance - student occupied	<u>32,528</u>	<u>33,567</u>	<u>1,039</u>
 Maintenance - grounds			
Purchased services	2,441	2,500	59
Supplies-materials	300	800	500
Total maintenance - grounds	<u>2,741</u>	<u>3,300</u>	<u>559</u>
 Pupil transportation			
Purchased services	19,733	20,000	267
Supplies-materials	782	800	18
Total pupil transportation	<u>20,515</u>	<u>20,800</u>	<u>285</u>
 <b>TOTAL SUPPORT:</b>			
Salaries	184,595	178,436	(6,159)
Benefits	51,409	56,693	5,284
Purchased services	165,444	167,400	1,956
Supplies-materials	5,989	6,150	161
Total Support	<u>\$ 407,437</u>	<u>\$ 408,679</u>	<u>\$ 1,242</u>
 <b>NON-INSTRUCTION</b>			
Benefits	<u>\$ 438</u>	<u>\$ -</u>	<u>\$ (438)</u>
 <b>CAPITAL ASSET PROGRAM</b>	<u>\$ -</u>	<u>\$ 2,540,800</u>	<u>\$ 2,540,800</u>

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

**ALL SPECIAL REVENUE FUNDS**  
**SCHEDULE VI - COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
For the Year Ended June 30, 2019

	Child Nutrition	IDEA Part B (611 School Age 3-21)	Charter School Grant	Title I-A, ESSA Improving Basic Programs	Title II-A, ESEA - Supporting Effective Instruction	Title IV-A, ESSA - Student Support and Academic Enrichment	School Based Medicaid	Total
<b>REVENUES</b>								
Local:								
Lunch sales	15,440	-	-	-	-	-	-	15,440
Earnings on investments	-	-	-	-	-	-	6	6
Total local	15,440	-	-	-	-	-	6	15,446
Federal:								
Restricted	18,497	24,529	-	18,581	4,610	10,000	2,869	79,086
Total revenues	33,937	24,529	-	18,581	4,610	10,000	2,875	94,532
<b>EXPENDITURES</b>								
Instruction:								
Salaries	-	5,364	-	12,536	-	2,000	-	19,900
Benefits	-	1,214	-	2,556	-	650	-	4,420
Purchased services	-	17,095	-	1,500	-	7,350	4,075	30,020
Supplies-materials	-	856	-	589	-	-	-	1,445
Total instruction	-	24,529	-	17,181	-	10,000	4,075	55,785
Support:								
Salaries	-	-	-	1,400	4,610	-	-	6,010
Non-instruction:								
Salaries	5,726	-	-	-	-	-	-	5,726
Benefits	699	-	-	-	-	-	-	699
Purchased services	26,434	-	-	-	-	-	-	26,434
Supplies-materials	1,390	-	-	-	-	-	-	1,390
Total non-instruction	34,249	-	-	-	-	-	-	34,249
Total expenditures	34,249	24,529	-	18,581	4,610	10,000	4,075	96,044
Excess (deficiency) of revenues over expenditures	(312)	-	-	-	-	-	(1,200)	(1,512)
Other financing sources:								
Transfer in	312	-	-	-	-	-	1,653	1,965
Change in fund balance	-	-	-	-	-	-	453	453
Fund Balance - Beginning of year	-	-	-	-	-	-	-	-
Fund Balance - End of year	-	-	-	-	-	-	453	453
Adjustments to conform with GAAP:								
Capitalize capital objects	-	-	6,212	-	-	-	-	6,212
Depreciation expense	-	-	(3,657)	-	-	-	-	(3,657)
Net Assets - End of year (GAAP)	\$ -	\$ -	\$ 2,555	\$ -	\$ -	\$ -	\$ 453	\$ 3,008

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

---

**CHILD NUTRITION FUND**  
**SCHEDULE VII - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCE - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2019**

	<b>Actual</b>	<b>Budget</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>			
Local:			
Lunch sales	15,440	16,000	(560)
Total local	15,440	16,000	(560)
Federal:			
Restricted	18,497	16,000	2,497
Total revenues	33,937	32,000	1,937
<b>EXPENDITURES</b>			
Non-instruction:			
Salaries	5,726	5,906	180
Benefits	699	960	261
Purchased services	26,434	26,260	(174)
Supplies-materials	1,390	300	(1,090)
Total expenditures	34,249	33,426	(823)
Excess (deficiency) of revenues over expenditures	(312)	(1,426)	1,114
Other financing sources:			
Transfer in	312	1,426	(1,114)
Change in fund balance	-	\$ -	\$ -
Fund Balance - Beginning of year	-		
Fund Balance - End of year	\$ -		

**PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.**

Moscow, Idaho

---

**IDEA PART B (611 SCHOOL AGE 3-21) FUND**  
**SCHEDULE VIII - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCE - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Federal:			
Restricted	<u>24,529</u>	<u>26,969</u>	<u>(2,440)</u>
<b>EXPENDITURES</b>			
Instruction:			
Salaries	5,364	6,643	1,279
Benefits	1,214	1,570	356
Purchased Services	17,095	18,000	905
Supplies-materials	<u>856</u>	<u>756</u>	<u>(100)</u>
Total expenditures	<u>24,529</u>	<u>26,969</u>	<u>2,440</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, ESSA - IMPROVING BASIC PROGRAMS FUND**  
**SCHEDULE IX - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCE - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Federal:			
Restricted	<u>18,581</u>	<u>21,349</u>	<u>(2,768)</u>
<b>EXPENDITURES</b>			
Instruction:			
Salaries	12,536	15,218	2,682
Benefits	2,556	2,886	330
Purchased services	1,500	1,500	-
Supplies-materials	<u>589</u>	<u>345</u>	<u>(244)</u>
Total instruction	<u>17,181</u>	<u>19,949</u>	<u>2,768</u>
Support:			
Salaries	<u>1,400</u>	<u>1,400</u>	<u>-</u>
Total expenditures	<u>18,581</u>	<u>21,349</u>	<u>2,768</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 II-A, ESEA - SUPPORTING EFFECTIVE INSTRUCTION FUND**  
**SCHEDULE X - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCE - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2019**

	Actual	Budget	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Federal:			
Restricted	4,610	4,610	-
<b>EXPENDITURES</b>			
Support			
Salaries	4,610	4,610	-
Change in fund balance	-	\$ -	\$ -
Fund Balance - Beginning of year	-		
Fund Balance - End of year	\$ -		

**PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.**

Moscow, Idaho

---

**TITLE IV-A, ESSA - STUDENT SUPPORT AND ACADEMIC ENRICHMENT FUND  
SCHEDULE XI - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Federal:			
Restricted	<u>10,000</u>	<u>10,000</u>	<u>-</u>
<b>EXPENDITURES</b>			
Instruction:			
Salaries	2,000	2,000	-
Benefits	650	650	-
Purchased services	<u>7,350</u>	<u>7,350</u>	<u>-</u>
Total instruction	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>-</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

---

**SCHOOL-BASED MEDICAID FUND**  
**SCHEDULE XII - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCE**  
**For the Year Ended June 30, 2019**

**REVENUES**

Local:

Earnings on investments 6

Federal:

Restricted 2,869

Total revenues 2,875

**EXPENDITURES**

Purchased services 4,075

Total expenditures 4,075

Excess (deficiency) of revenues  
over expenditures (1,200)

Other financing sources:

Transfer in 1,653

Change in fund balance 453

Fund balance - beginning of year -

Fund balance - end of year \$ 453

**PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.**

Moscow, Idaho

**PLANT FACILITY FUND**

**SCHEDULE XIII - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

**For the Year Ended June 30, 2019**

**REVENUES**

Total revenues -

**EXPENDITURES**

Capital objects 2,260,655

Debt service interest 68,310

Total expenditures 2,328,965

Excess (deficiency) of revenues  
over expenditures (2,328,965)

Other financing sources:

Proceeds from bonds, cap leases, et al 2,121,121

Transfer in 207,844

Total other financing sources 2,328,965

Change in fund balance -

Fund balance - beginning of year -

Fund balance - end of year -

Adjustments to conform with GAAP:

Capitalized capital objects 2,853,072

Long-term debt (2,121,121)

Net Assets - End of year (GAAP) \$ 731,951