PRAIRIE CROSSING CHARTER SCHOOL
AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

YEARS ENDED JUNE 30, 2020 AND 2019

PRAIRIE CROSSING CHARTER SCHOOL AND ITS SUBSIDIARIES
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Prairie Crossing Charter School and its Subsidiaries
Grayslake, Illinois

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Prairie Crossing Charter School and its Subsidiaries, which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Prairie Crossing Charter School and its Subsidiaries as of June 30, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating supplementary schedules are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Racine, Wisconsin
September 30, 2020

PRAIRIE CROSSING CHARTER SCHOOL AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 3,097,485	$ 2,146,316
Cash Restricted to Investment in Property	1,049,075	5,951
Grants Receivable	29,417	53,156
Other Receivables	2,986	11,551
Certificate of Deposit	306,696	-
Charter Renewal Fees	25,512	16,644
Prepaid Assets	33,140	25,735
Interest Rate Swap	-	17,766
Total Current Assets	4,544,311	2,277,119
DEPOSIT REQUIRED BY LOAN AGREEMENT	557,261	306,696
PROPERTY AND EQUIPMENT, NET	8,202,084	7,797,320
Total Assets	$ 13,303,656	$ 10,381,135
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	$ 254,744	$ 168,791
Accrued Expenses and Other Liabilities	422,421	419,319
Current Maturities of Bond Payable	-	273,663
Current Maturities of Capital Lease Obligations	3,750	5,352
Unearned Revenue	28,385	30,180
Total Current Liabilities	709,300	897,305
LONG-TERM LIABILITIES		
Bond Payable, Less Current Maturities Above	9,216,836	6,420,047
Capital Lease Obligations, Less Current Maturities Above	-	3,750
Total Long-Term Liabilities	9,216,836	6,423,797
Total Liabilities	9,926,136	7,321,102
NET ASSETS		
Without Donor Restrictions	3,371,457	3,053,970
With Donor Restrictions	6,063	6,063
Total Net Assets	3,377,520	3,060,033
Total Liabilities and Net Assets	$ 13,303,656	$ 10,381,135

See accompanying Notes to Consolidated Financial Statements.

PRAIRIE CROSSING CHARTER SCHOOL AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2020 AND 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS (LOSSES), AND OTHER SUPPORT						
General State Aid	$ 5,831,377	$ -	$ 5,831,377	$ 5,463,147	$ -	$ 5,463,147
Contributions	9,815	4,581	14,396	6,727	2,252	8,979
Fundraising	1,682	-	1,682	1,843	-	1,843
Grants:						
State Grants	132,167	-	132,167	136,633	-	136,633
Federal Special Education	120,381	-	120,381	128,840	-	128,840
Paycheck Protection Program	831,720	-	831,720	-	-	-
Other	10,550	-	10,550	10,391	-	10,391
School and Program Fees	223,062	-	223,062	365,711	-	365,711
Rent Income	4,065	-	4,065	5,495	-	5,495
Net Investment Return, Appropriated to Cash and Cash Equivalents	6,148	-	6,148	8,115	-	8,115
Net Investment Loss, Appropriated from Interest Rate Swap	(17,766)	-	(17,766)	(156,812)	-	(156,812)
Other Expense	(84,333)	-	(84,333)	(105,204)	-	(105,204)
Total Revenues, Gains (Losses), and Other Support	7,068,868	4,581	7,073,449	5,864,886	2,252	5,867,138
Net Assets Released from Purpose Restrictions	4,581	(4,581)	-	2,252	(2,252)	-
Total Revenues, Gains (Losses), and Other Support without Donor Restrictions	7,073,449	-	7,073,449	5,867,138	-	5,867,138
EXPENSES						
Program Services	5,356,054	-	5,356,054	4,306,964	-	4,306,964
Fundraising	10,717	-	10,717	11,063	-	11,063
Management and General	1,389,191	-	1,389,191	1,269,875	-	1,269,875
Total Expenses	6,755,962	-	6,755,962	5,587,902	-	5,587,902
CHANGE IN NET ASSETS	317,487	-	317,487	279,236	-	279,236
Net Assets - Beginning of Year	3,053,970	6,063	3,060,033	2,774,734	6,063	2,780,797
NET ASSETS - END OF YEAR	$ 3,371,457	$ 6,063	$ 3,377,520	$ 3,053,970	$ 6,063	$ 3,060,033

See accompanying Notes to Consolidated Financial Statements.

PRAIRIE CROSSING CHARTER SCHOOL AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2020 AND 2019

	2020				2019			
	Program Services	Fundraising	Management and General	Total	Program Services	Fundraising	Management and General	Total
Salaries	$ 2,923,280	$ -	$ 687,723	$ 3,611,003	$ 2,481,892	$ -	$ 600,260	$ 3,082,152
Benefits	423,385	-	38,573	461,958	344,511	-	48,633	393,144
Payroll Taxes	113,725	-	38,135	151,860	95,697	-	34,404	130,101
Subtotal	3,460,390	-	764,431	4,224,821	2,922,100	-	683,297	3,605,397
Accounting Expense	-	-	50,643	50,643	-	-	38,707	38,707
Club Expenses	104,431	-	24,528	128,959	113,871	-	28,944	142,815
Community Outreach	-	-	83,633	83,633	-	-	93,617	93,617
Dues	-	-	17,467	17,467	-	-	11,532	11,532
Educational Materials and Supplies	74,194	-	-	74,194	45,557	-	-	45,557
Fundraising	-	10,717	-	10,717	-	11,063	-	11,063
Grants	125,741	-	-	125,741	138,747	-	-	138,747
Hot Lunches and Field Trips	35,794	-	-	35,794	127,908	-	-	127,908
Legal Expense	220	-	6,161	6,381	2,885	-	15,641	18,526
Liability Insurance	60,546	-	15,137	75,683	59,772	-	14,943	74,715
Miscellaneous Expense	-	-	4,625	4,625	-	-	2,252	2,252
Other Professional Fees	20,791	-	5,198	25,989	16,521	-	4,130	20,651
Office Expense	52,830	-	87,328	140,158	26,195	-	167,263	193,458
Out of District Placement	-	-	19,965	19,965	-	-	43,009	43,009
Professional Development	60,315	-	15,080	75,395	51,462	-	12,866	64,328
Repairs and Maintenance	153,155	-	38,288	191,443	73,204	-	18,303	91,507
Special Education Professional Fees	173,805	-	-	173,805	167,240	-	-	167,240
Transportation	7,020	-	-	7,020	20,018	-	-	20,018
Utilities	34,803	-	8,701	43,504	32,779	-	8,195	40,974
Depreciation and Amortization	283,140	-	70,786	353,926	287,317	-	71,829	359,146
Interest Expense	708,879	-	177,220	886,099	221,388	-	55,347	276,735
Total Functional Expenses	$ 5,356,054	$ 10,717	$ 1,389,191	$ 6,755,962	$ 4,306,964	$ 11,063	$ 1,269,875	$ 5,587,902

See accompanying Notes to Consolidated Financial Statements.

PRAIRIE CROSSING CHARTER SCHOOL AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 317,487	$ 279,236
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	353,926	359,146
Amortization of Debt Issuance Costs	563,197	20,081
Net Unrealized Loss on Interest Rate Swap	17,766	156,812
Effects of Changes in Operating Assets and Liabilities:		
Grants Receivable	23,739	(8,804)
Other Receivables	8,565	49,969
Other Assets	(22,651)	(16,743)
Accounts Payable	85,953	(4,942)
Accrued Expenses and Other Liabilities	3,102	6,687
Unearned Revenue	(1,795)	(104,750)
Net Cash Provided by Operating Activities	1,349,289	736,692
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(12,054)	(12,649)
Net Cash Used by Investing Activities	(12,054)	(12,649)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Capital Lease Obligations	(5,352)	(5,041)
Proceeds on Bond Payable	1,361,577	-
Payments on Bond Payable	(141,906)	(264,712)
Payment of Deposit Required by Finance Agreement	(557,261)	-
Net Cash Provided (Used) by Financing Activities	657,058	(269,753)
NET INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	1,994,293	454,290
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	2,152,267	1,697,977
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	$ 4,146,560	$ 2,152,267
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest Paid	$ 340,823	$ 258,275
Cash and Cash Equivalents	$ 3,097,485	$ 2,146,316
Cash Restricted to Investment in Property	1,049,075	5,951
Cash, Cash Equivalent, and Restricted Cash	$ 4,146,560	$ 2,152,267
SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS		
Purchase of Property and Equipment	$ 740,258	$ -
Payments on Bond Payable - Refinancing	$ 7,115,799	$ -
Issuance of Bond Payable - Refinancing	$ 7,856,057	$ -
Release of Deposit Required by Finance Agreement	$ 306,696	$ -

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Prairie Crossing Charter School (PCCS) was formed in July 1999 in the state of Illinois and focuses on the environment, conservation, and good citizenship and currently offers kindergarten through grade 8. The maximum enrollment for the school is capped at 432 students in both the 2019-2020 and the 2018-2019 school years. For the 2019-2020 school year, budgeted enrollment was at 432 students and 432 students were reported on the last day of school, of which no students were out of district. For the 2018-2019 school year, 430 students were reported on the last day of school, of which two students were out of district. PCCS is supported primarily by General State Aid from the state of Illinois, which reimburses PCCS a dollar amount per student per school year, and various grants from state, federal, and other agencies.

PCCS is subject to a Charter Agreement with the Illinois State Charter School Commission (ISCSC). The original agreement was for a term of five years and ended with the 2003-2004 school year. The agreement was renewed for three additional terms of five years, ending with the 2018-2019 school year. On November 4, 2019, the agreement was renewed for an additional five years, ending with the 2023-2024 school year.

PCCS Holdings, LLC (Holdings) is an Illinois Limited Liability Company, with PCCS as a single member. Holdings was formed in June 2004 to own and develop PCCS property and lease it to PCCS. Construction for the first building was completed in December 2004, and construction for the second building was completed in August 2006.

Byron Colby Barn, LLC (BCB) is an Illinois Limited Liability Company, with PCCS as a single member. BCB was formed in January 2020 to own and develop PCCS property and lease it to PCCS. BCB obtained bond financing through the refinancing of bonds in 2020 and purchased the Byron Colby Barn in February 2020 (see Note 6).

Consolidation

The accompanying consolidated financial statements include the accounts of Prairie Crossing Charter School and its wholly owned subsidiaries, PCCS Holdings, LLC and Byron Colby Barn, LLC (collectively, the Organization). All significant intercompany items and transactions have been eliminated.

Significant accounting policies followed by the Organization are presented below.

Basis of Accounting

The Organization prepares its consolidated financial statements on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when obligations are incurred, regardless of the timing of the cash flows.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues, expenditures, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Financial Instruments

The Organization's financial instruments are cash and cash equivalents, accounts receivable, certificates of deposit, accounts payable, unearned revenue, accrued expenses, and long-term debt. The recorded values of cash and cash equivalents, accounts receivable, certificates of deposit, accounts payable, accrued expenses, and unearned revenue approximate their fair values based on their short-term nature. The fair value of the Organization's long-term debt is estimated based on the current rates offered to the Organization for debt of similar terms and maturities.

Cash Equivalents

The Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The Organization maintains its cash balances at regional banks.

Certificates of Deposit

Certificates of deposit are carried at cost which approximates fair value.

Receivables

Receivables are uncollateralized obligations which generally require payment within 30 days from the invoice date. Receivables are stated at the invoice amount.

Account balances with invoices over 90 days old are considered delinquent. Payments of receivables are applied to the specific invoices identified on the remittance advice or, if unspecified, to the earliest unpaid invoices.

The carrying amount of receivables is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. The allowance for doubtful accounts is based on management's assessment of the collectability of specific accounts and the aging of the receivables. All accounts or portions thereof deemed to be uncollectible or to require an excessive collection cost are written off to the allowance for doubtful accounts. At June 30, 2020 and 2019, no amounts are considered uncollectible and accordingly, the Organization has not recorded an allowance for uncollectible amounts.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment is stated at cost or, if donated, at the estimated fair market value as of the date of donation. Expenses for maintenance and repairs are charged to expense as incurred. Additions and replacements in excess of $2,500, including interest and issuance costs during the construction period, are capitalized. Depreciation is recorded on the straight-line method over the estimated useful lives of the various assets, which range from 3 to 39 years.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

Accounting Policy for Derivative Financial Instruments

The Organization recognizes all of its derivative instruments as either assets or liabilities at fair value. The accounting for changes in the fair value (i.e., gains or losses) of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship. For those derivative instruments that are designated and qualify as hedging instruments, the Organization designates the hedging instrument as a fair value hedge.

For derivative instruments that are designated and qualify as a fair value hedge (i.e., hedging the exposure to changes in the fair value of an asset or a liability or an identified portion thereof that is attributable to a particular risk), the gain or loss on the derivative instrument as well as the offsetting loss or gain on the hedged item attributable to the hedged risk are recognized in the current earnings during the period of the change in fair values.

Net Assets

Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. The net assets of the Organization and changes therein are classified and reported as follows:

Without Donor Restrictions – These represent net assets that are not subject to external donor-imposed restrictions.

With Donor Restrictions – These represent net assets that are subject to donor-imposed time or purpose restrictions that have not been met (See Note 8).

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

The Organization 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, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as Net Assets Released from Purpose Restrictions.

The Organization reports gifts of property and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

The Organization's revenue is primarily derived from state and federal grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific grant provisions or other conditions have been satisfied. The Organization received no cost reimbursable or conditional grants that have not been recognized at both June 30, 2020 and June 30, 2019 because qualifying expenditures have yet to be incurred or other conditions have yet to be satisfied.

Revenue Recognition Under ASC 606

The Organization recognizes revenue from school and program fees when students and participants obtain control of promised goods or services in an amount that reflects the consideration which the Organization expects to receive in exchange for those goods or services. The Organization recorded contract liabilities in unearned revenue as of June 30, 2020 and 2019 in the amount of $28,385 and $30,180, respectively.

The following table shows the Organization's revenue disaggregated according to the timing of the transfer of goods and services at June 30:

	2020	2019
Revenue Recognized Over Time:		
School and Program Fees	$ 223,062	$ 365,711

Other Income (Expense)

The Organization reports other income (expense) in the consolidated statements of activities as a component of revenues, gains, losses, and other support. This includes the charter school commission fee established by the Illinois legislature in 2011 and various activities on a net basis including SCRIP, plant sale, holiday bazaar, and others.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

No provision or benefit for income taxes has been included in these consolidated financial statements since the Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC).

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include salaries, benefits, payroll taxes, club expenses, legal expenses, liability insurance, other professional fees, office expenses, professional development, repairs and maintenance, utilities, depreciation and amortization, and interest expenses, which are allocated on the basis of estimates of time and effort.

Debt Issuance Costs and Bond Premium

Debt issuance costs and bond premium are amortized over the term of the related debt (see Note 6). Debt issuance costs totaled $388,500 and $563,995 at June 30, 2020 and 2019, respectively. Bond premium totaled $(555,336) and $-0- at June 30, 2020 and 2019, respectively. Amortization of debt issuance costs and bond premium charged to interest expense was $563,197 and $20,081 for June 30, 2020 and 2019, respectively.

Upcoming Accounting Pronouncements

Leases – In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, which is expected to increase transparency and comparability among organizations. The core principle of this guidance is that a lessee should recognize the assets and liabilities that arise from leases. The standard requires lessees to reflect most leases on their statement of financial position as lease liabilities with a corresponding right-of-use asset, while leaving presentation of lease expense in the statement of activities largely unchanged. The standard also eliminates the real-estate specific provisions that exist under current U.S. GAAP and modifies the classification criteria and accounting which lessors must apply to sales-type and direct financing leases. In June 2020, the FASB approved the delay of the effective date of ASU 2016-02 which is now effective for the Organization's year ending June 30, 2023. Management will be evaluating the effects of the new standard.

Change in Accounting Principles

In 2020, the Organization early adopted Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC) Topic 606, *Revenues from Contracts with Customers*, which requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The entity chose to adopt the modified retrospective application and there was no material impact on the Organization's financial position and results of operations upon adoption of the new standard.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Change in Accounting Principles (Continued)

Additionally in June 2018, FASB issued Accounting Standards Update (ASU) 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Made.* The amendments to this ASU assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, *Not-for-Profit Entities*, or as an exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The adoption of this accounting standard did not have an impact on the Organization's financial position or changes in its net assets.

Finally, during the year ended June 30, 2020, the Organization adopted FASB ASU 2016-18, *Statement of Cash Flows*. This new accounting standard requires that the statement of cash flows explain the change during the period in the total cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. The adoption of this accounting standard was retrospectively applied to the periods presented and did not have an impact on the Organization's financial position or changes in its net assets.

NOTE 2 LIQUIDITY AND AVAILABILITY

The Organization's liquidity goal is to have sufficient assets available to meet operational expenditures for a 12-month period. PCCS regularly reviews the liquidity required to meet the ongoing needs for operations of the school. Various forms of funds are available which include cash and cash equivalents, certificate of deposit, grants receivable and other receivables.

For the purpose of analyzing available resources, PCCS reviews assets not covered by donor restrictions or restricted for future use. As of June 30, the following financial assets could readily be made available within one year of the statement of financial position date to meet general expenditures:

	2020	2019
Financial Assets at Year-End:		
Cash and Cash Equivalents	$ 3,097,485	$ 2,146,316
Certificate of Deposit	306,696	-
Grants Receivable	29,417	53,156
Other Receivables	2,986	11,551
Total Financial Assets	3,436,584	2,211,023
Less: Amounts Not Available to be Used Within One Year Due to Donor Restrictions	(6,063)	(6,063)
Financial Assets Available to Meet General Expenditures Within One Year	$ 3,430,521	$ 2,204,960

NOTE 2 LIQUIDITY AND AVAILABILITY (CONTINUED)

In addition to financial assets available to meet operational expenditures, PCCS operates with a balanced budget to ensure that the Organization can meet current and future obligations. PCCS believes that future revenues will be sufficient to cover expenditures without materially impacting the entity's liquidity.

NOTE 3 PROPERTY AND EQUIPMENT

Property and equipment as of June 30 are summarized as follows:

	2020	2019
Land	$ 1,620,934	$ 976,852
Land Improvements	224,097	224,097
Building Improvements	10,299,316	10,203,140
Furniture and Fixtures	398,780	398,780
Equipment	623,580	624,823
Software	49,820	49,820
Vehicle	34,800	34,800
Construction in Progress	5,857	5,857
Total Property and Equipment	13,257,184	12,518,169
Less: Accumulated Depreciation	(5,055,100)	(4,720,849)
Property and Equipment, Net	$ 8,202,084	$ 7,797,320

Depreciation expense for the years ended June 30, 2020 and 2019 was $347,548 and $351,731, respectively.

NOTE 4 CAPITAL LEASE OBLIGATIONS

In March 2016, the Organization entered into a lease for office equipment with a cost of $24,795 under a capital lease which will expire in 2021. The liability under the capital lease is recorded at the present value of the minimum lease payments. The interest rate on the capital lease obligation is approximately 6% at June 30, 2020 and 2019 and is imputed based on the lessor's implicit rate of return. Amortization expense on equipment acquired under capital lease was $5,352 and $5,041 for the years ended June 30, 2020 and 2019, respectively. Accumulated amortization on leased equipment was $21,752 and $16,400 at June 30, 2020 and 2019, respectively.

Future minimum lease payments under the capital lease are due as follows:

Year Ending June 30,	Amount
2021	$ 3,835
Amount Representing Interest	(85)
Present Value of Future Minimum Lease Payments	3,750
Current Portion	(3,750)
Long-Term Portion	$ -

NOTE 5 LEASE COMMITMENTS

Effective June 16, 2004, PCCS entered into a lease with Holdings for the school buildings which expires on December 31, 2028, and is paid directly to Wilmington Trust National Association in monthly installments equal to the regularly scheduled principal and interest payments required by Holdings bond payable on the property. The lease expense under this agreement is eliminated upon consolidation. See Note 6 for further discussion of the bond payable.

Effective February 3, 2020, PCCS entered into a lease with BCB for land and additional school buildings which expires on December 31, 2028, and is paid directly to Wilmington Trust National Association in monthly installments equal to the regularly scheduled principal and interest payments required by BCB bond payable on the property. The lease expense under this agreement is eliminated upon consolidation. See Note 6 for further discussion of the bond payable.

NOTE 6 MORTGAGE/BOND PAYABLE

In August 2011, the Village of Wadsworth, Illinois (the Village), issued $9,000,000 of Revenue Refunding Bonds (Prairie Crossing Charter School Project) Series 2011 pursuant to its powers under the Industrial Revenue Building Bond Act, 65 Illinois Compiled Statutes. The Village entered into a bond and loan agreement with the Lake Forest Bank and Trust Company and the Organization dated August 1, 2011. The bonds were scheduled to mature, subject to prior redemption, principal amortization, and acceleration, on September 1, 2038. The bonds were collateralized by substantially all of the Organization's assets. Under the terms of a related Loan and Covenant Agreement, the Organization was required to maintain a minimum deposit with the bank of $300,000. This requirement was met with a certificate of deposit in the amount of $306,696 as of June 30, 2019 and is presented as a deposit required by the loan agreement in the consolidated statements of financial position.

The bonds bore variable interest, payable monthly, in arrears. The initial bank purchase mode matured on August 23, 2016. After the initial bank purchase mode, and subject to written agreement, the Organization may convert the bonds to a bank purchase mode renewal or to a weekly mode or a flexible mode. The interest rate on the bonds is established by a remarketing agent weekly. The agreement required monthly principal payments on 10th day of each month.

The Organization entered into the second bank purchase mode on August 24, 2016, which ends on August 23, 2021, in relation to its outstanding bonds. The interest rate during that period represents a tax-exempt, variable rate equal to the bank purchase multiplier times the sum of the LIBOR rate plus 350 basis points. The Organization entered into an interest rate swap agreement with Lake Forest Bank and Trust Company dated September 9, 2016 and effective September 10, 2016 with a fixed rate of 3.354% for five years. The swap agreement was originally set to mature on August 23, 2021.

NOTE 6 MORTGAGE/BOND PAYABLE (CONTINUED)

In February 2020, the Revenue Refunding Bonds Series 2011 were refinanced with the issuance of $9,050,000 of Educational Facility Revenue Bonds (Prairie Crossing Charter School Project) Series 2020 by the Upper Illinois River Valley Development Authority (the Authority). The Authority entered into a loan agreement and an indenture of trust with Wilmington Trust National Association and the Organization dated February 1, 2020. Under the terms of the related loan agreement, the Organization is required to maintain a Debt Service Reserve Fund with Wilmington Trust National Association. This requirement was met with a deposit in the amount of $557,261 as of June 30, 2020 and is presented as a deposit required by the loan agreement in the consolidated statements of financial position. The certificate of deposit in the amount of $306,696 held with Lake Forest Bank pursuant to the Series 2011 loan agreement was released from restriction under the new finance agreement. The swap agreement dated September 9, 2016 with Lake Forest Bank and Trust Company matured under the new finance agreement.

The Series 2020 Bonds mature on January 1, 2031, January 1, 2045, and January 2055, and are subject to optional redemption at par at the earliest on January 1 2027. The bonds bear interest at 4% - 5%, payable semi-annually on January 1 and July 1 of each year.

The bonds were sold at a price in excess of the amount payable at their earliest call date. The Organization recognized bond premium in the amount of $557,993 at issuance of the bonds. The Organization also recognized $390,359 of debt issuance costs. The bond premium and debt issuance costs will be amortized over the life of the bonds. Under the new finance agreement, $563,995 of unamortized bond issuance costs related to the Series 2011 Bonds was charged to interest expense during the year ended June 30, 2020.

The proceeds from the Series 2020 Bonds were used to refund the Series 2011 Bonds, fund the Debt Service Reserve Fund pursuant to the loan agreement dated February 1, 2020, acquire certain land and buildings adjacent to the current site of the school, and fund a Project Fund held with Wilmington Trust National Association restricted to further investment in property.

The Organization is also required to maintain a minimum debt service coverage ratio and a certain ratio of cash on hand. The Organization was in compliance with these financial covenants at June 30, 2020.

The following summarizes the mortgage payable as of June 30, 2020:

Bonds Payable	$ 9,050,000
Add: Unamortized Bond Premium	555,336
Less: Unamortized Debt Issuance Costs	(388,500)
Total Bonds Payable, Net of Unamortized Bond Premium and Debt Issuance Costs	9,216,836
Less: Current Maturities	-
Total Bonds Payable, Less Current Maturities	$ 9,216,836

NOTE 6 MORTGAGE/BOND PAYABLE (CONTINUED)

Future principal payments under the loan agreement are as follows:

Year Ending June 30,	Amount
2021	$ -
2022	-
2023	115,000
2024	120,000
2025	125,000
Thereafter	8,690,000
Total	$ 9,050,000

Future amortization of the debt issuance costs and bond premium that will be added to (subtracted from) interest expense are as follows:

Year Ending June 30,	Amount
2021	$ (1,979)
2022	(2,076)
2023	(2,175)
2024	(2,280)
2025	(2,390)
Thereafter	(155,936)
Total	$ (166,836)

NOTE 7 LINE OF CREDIT

The Organization had a $500,000 line of credit which bears interest at the bank's prime rate plus 1.00%, but not less than 5.50% (6.5% at June 30, 2019). The line matured in January 2020 and was closed. There were no amounts outstanding at June 30, 2020 and 2019. The line of credit was collateralized by a general business security agreement and included several financial covenants.

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at June 30:

	2020	2019
Sustainable Schoolyard	$ 5,195	$ 5,195
Giving Tree	868	868
Total	$ 6,063	$ 6,063

NOTE 9 RETIREMENT PLANS

Teachers' Retirement System of the State of Illinois (TRS)

The Organization participates in TRS, which is a cost-sharing, multiple employer defined-benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the governor's approval. The state of Illinois maintains primary responsibility for the funding of the plan, but contributions from participating employers and members are also required. The TRS board of trustees is responsible for the system's administration.

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. Active TRS members are required to contribute 9.00% of their creditable earnings. These contributions are submitted to TRS by the employer.

All TRS-covered members and employers are required to contribute to the Teachers' Health Insurance Security Fund, a separate fund in the state treasury that is not a part of this retirement plan. For the both years ended June 30, 2020 and 2019, TRS-covered employers contributed 0.92% of creditable earnings to the Teacher's Health Insurance Security Fund and TRS-covered members contributed at a rate of 1.24% of creditable earnings.

The Organization makes four types of employer contributions directly to TRS:

2.2 Formula Contributions

For the years ended June 30, 2020 and 2019, TRS-covered employers were required to contribute 0.58% of creditable earnings as the employer share of the 2.2 formula change. The contribution for the years ended June 30, 2020 and 2019 was $12,041 and $10,114, respectively.

Federal and Trust Fund Contributions

When TRS members are paid from federal and trust funds administered by the Organization, there is a statutory requirement of the Organization to pay an additional contribution that is 10.66% and 9.85% of salaries paid from those funds for the years ended June 30, 2020 and 2019, respectively. For the years ended June 30, 2020 and 2019, the Organization paid $2,025 and $2,857 from the federal and trust funds, respectively.

NOTE 9 RETIREMENT PLANS (CONTINUED)

Teachers' Retirement System of the State of Illinois (TRS) (Continued)

Early Retirement Incentive

The Organization is required to make employer contributions to TRS for members who retired under the 1993-1995 Early Retirement Incentive. For each year of service purchased, members received an equal number of years of age. Employers contributed 20% of the highest salary used in the calculation of final average salary for each year purchased; member contributions were also required. Employer contributions could be made in a lump sum, over five years in quarterly installments, or under a different schedule approved by the TRS board of trustees. For the years ended June 30, 2020 and 2019, the Organization paid no employer contributions under the Early Retirement Incentive.

Early Retirement Option

The Organization is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option. The payments vary depending on the age and salary of the member. No member or employer contributions are required if the member has 34 years of service. The maximum employer payment of 100% of the member's highest salary used in the calculation of final average salary is required if the member is 55 years old. For the years ended June 30, 2020 and 2019, the Organization paid no employer contributions under the Early Retirement Option.

TRS financial information, an explanation of TRS's benefits, and descriptions of member, employer and state funding requirements can be found in the TRS Comprehensive Annual Financial Report. The report may be obtained by writing to the Teachers' Retirement System of the state of Illinois, PO Box 19253, 2815 West Washington Street, Springfield, IL 62794-9253.

403(b) and 403(b)(7) Plans

The Organization has two tax deferred annuity plans pursuant to Section 403(b) and 403(b)(7) covering all employees. The plans are funded solely by employee contributions.

NOTE 10 FAIR VALUE MEASUREMENTS

Accounting principles generally accepted in the United States of America establish a framework for measuring fair value that provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

NOTE 10 FAIR VALUE MEASUREMENTS (CONTINUED)

The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for instruments measured at fair value and their classification in the valuation hierarchy:

The fair value of the interest rate swap agreement is estimated by a third party using a model that builds a yield curve from market data for actively traded securities at various times and maturities and takes into account current interest rates and the current credit worthiness of the respective counterparties.

There were no assets or liabilities measured at fair value on a recurring basis within the hierarchy as of June 30, 2020.

The following table presents the balances of assets and liabilities measured at fair value on a recurring basis by level within the hierarchy as of June 30, 2019:

	Total	Level 1	Level 2	Level 3
Interest Rate Swap	$ 17,766	$ -	$ 17,766	$ -

NOTE 11 HEDGING ACTIVITY

During 2011, the Organization entered into an interest rate swap agreement to reduce the impact of changes in interest rates on its variable rate debt. The swap agreement had an initial notional value of $9,000,000 in connection with an outstanding bond of the same amount, described in Note 6. The agreement required payment of a fixed rate of 3.354% and receipt of a tax-exempt, variable interest rate equal to the bank purchase multiplier, times the sum of the London Interbank Offered Rate (LIBOR) rate plus 350 basis points. The Organization designated this hedge as a fair value hedge. The fair value of the hedge, the recording of which resulted in a loss of $(17,766) and $(156,812) for the years ended June 30, 2020 and 2019, respectively, is recognized in the current earnings during the period of the change in fair values. The swap agreement matured in February 2020.

NOTE 12 SIGNIFICANT CONCENTRATIONS, COMMITMENTS, AND CONTINGENCIES

Accounting principles generally accepted in the United States of America require disclosure of information about current vulnerabilities due to contingencies and certain concentrations.

Concentrations

During the years ended June 30, 2020 and 2019, the Organization received approximately 82% and 93% of its revenues from state funding, respectively.

FDIC Limits

The Organization maintains a large portion of its cash and cash equivalents in one commercial bank. Balances on deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to specific limits. Balances in excess of FDIC limits are uninsured.

NOTE 13 UNCERTAINTY IN INCOME TAX

The Organization is exempt from federal income taxes as provided in Section 501(c)(3) and 170(c)(2)(B) of the IRC. The Organization, having qualified for exemption under provisions of the IRC, is also exempt from state income taxes.

NOTE 14 PAYCHECK PROTECTION PROGRAM

In April 2020, the Organization received proceeds in the amount of $831,720 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the PPP Loan). The PPP loan may be forgiven by the U.S. Small Business Administration (SBA) subject to certain performance barriers, as outlined in the loan agreement and the CARES Act. Therefore, the Organization has classified this loan as a conditional contribution for accounting purposes. The Organization recognized $831,720 of grant revenue related to this agreement during the year ended June 30, 2020, which represents the portion of the PPP Loan funds for which the performance barriers have been met. The SBA has not formally forgiven any portion of the Organization's obligation under this PPP Loan. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the Organization fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. If the SBA determines that a portion of the PPP Loan proceeds will not be forgiven, the Organization would be obligated to repay those funds to the SBA at an interest rate of 1% over a period of two years, with payments deferred for up to six months. To the extent that all or part of the PPP Loan is not forgiven, the Organization will be required to pay interest on the PPP Loan at a rate of 1.0% per annum, and commencing in November 2020, principal and interest payments will be required through the maturity date in April 2022.

NOTE 15 SUBSEQUENT EVENTS

Management evaluated subsequent events through September 30, 2020, the date the consolidated financial statements were available to be issued. Events or transactions occurring after June 30, 2020, but prior to September 30, 2020 that provided additional evidence about conditions that existed at June 30, 2020, have been recognized in the consolidated financial statements for the year ended June 30, 2020. Events or transactions that provided evidence about conditions that did not exist at June 30, 2020 but arose before the consolidated financial statements were available to be issued have not been recognized in the consolidated financial statements for the year ended June 30, 2020.

PRAIRIE CROSSING CHARTER SCHOOL AND ITS SUBSIDIARIES
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
JUNE 30, 2020
WITH SUMMARIZED INFORMATION AS OF JUNE 30, 2019
(SEE INDEPENDENT AUDITORS' REPORT)

	2020					2019
	PCCS	Holdings	BCB	Eliminations	Total	Total
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents	$ 3,093,970	$ -	$ 3,515	$ -	$ 3,097,485	$ 2,146,316
Cash Restricted to Investment in Property	-	43,709	1,005,366	-	1,049,075	5,951
Certificate of Deposit	-	306,696	-	-	306,696	-
Grants Receivable	29,417	-	-	-	29,417	53,156
Other Receivables	2,986	-	-	-	2,986	11,551
Due from Holdings	283,765	1,226,834	-	(1,510,599)	-	-
Due from PCCS	-	-	6,227	(6,227)	-	-
Charter Renewal Fees	25,512	-	-	-	25,512	16,644
Prepaid Assets	33,140	-	-	-	33,140	25,735
Interest Rate Swap	-	-	-	-	-	17,766
Investment in PCCS Holdings, LLC	325,345	-	-	(325,345)	-	-
Investment in Byron Colby Barn, LLC	209,765	-	-	(209,765)	-	-
Total Current Assets	4,003,900	1,577,239	1,015,108	(2,051,936)	4,544,311	2,277,119
DEPOSIT REQUIRED BY LOAN AGREEMENT	-	-	557,261	-	557,261	306,696
PROPERTY AND EQUIPMENT, NET	89,147	7,373,707	739,230	-	8,202,084	7,797,320
Total Assets	$ 4,093,047	$ 8,950,946	$ 2,311,599	$ (2,051,936)	$ 13,303,656	$ 10,381,135

PRAIRIE CROSSING CHARTER SCHOOL AND ITS SUBSIDIARIES
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION (CONTINUED)
JUNE 30, 2020
WITH SUMMARIZED INFORMATION AS OF JUNE 30, 2019
(SEE INDEPENDENT AUDITORS' REPORT)

	2020					2019
LIABILITIES AND NET ASSETS	PCCS	Holdings	BCB	Eliminations	Total	Total
CURRENT LIABILITIES						
Accounts Payable	$ 254,744	$ -	$ -	$ -	$ 254,744	$ 168,791
Due to Holdings	-	-	-	-	-	-
Due to BCB	6,227	-	1,226,834	(1,233,061)	-	-
Due to PCCS	-	283,765	-	(283,765)	-	-
Accrued Expenses and Other Liabilities	422,421	-	-	-	422,421	419,319
Current Maturities of Bond Payable	-	-	-	-	-	273,663
Current Maturities of Capital Lease Obligations	3,750	-	-	-	3,750	5,352
Unearned Revenue	28,385	-	-	-	28,385	30,180
Total Current Liabilities	715,527	283,765	1,226,834	(1,516,826)	709,300	897,305
LONG-TERM LIABILITIES						
Bond Payable, Less Current Maturities Above	-	8,341,836	875,000	-	9,216,836	6,420,047
Capital Lease Obligations, Less Current Maturities Above	-	-	-	-	-	3,750
Total Long-Term Liabilities	-	8,341,836	875,000	-	9,216,836	6,423,797
Total Liabilities	715,527	8,625,601	2,101,834	(1,516,826)	9,926,136	7,321,102
NET ASSETS						
Without Donor Restrictions	3,371,457	-	-	-	3,371,457	3,053,970
With Donor Restrictions	6,063	-	-	-	6,063	6,063
Members' Equity	-	325,345	209,765	(535,110)	-	-
Total Net Assets	3,377,520	325,345	209,765	(535,110)	3,377,520	3,060,033
Total Liabilities and Net Assets	$ 4,093,047	$ 8,950,946	$ 2,311,599	$ (2,051,936)	$ 13,303,656	$ 10,381,135

PRAIRIE CROSSING CHARTER SCHOOL AND ITS SUBSIDIARIES
CONSOLIDATING SCHEDULE OF ACTIVITIES
YEAR ENDED JUNE 30, 2020
WITH SUMMARIZED INFORMATION FOR YEAR ENDED JUNE 30, 2019
(SEE INDEPENDENT AUDITORS' REPORT)

	2020					2019
	PCCS	Holdings	BCB	Eliminations	Total	Total
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS						
Revenues, Gains (Losses), and Other Support:						
General State Aid	$ 5,831,377	$ -	$ -	$ -	$ 5,831,377	$ 5,463,147
Contributions	9,815	-	209,359	(209,359)	9,815	6,727
Fundraising	1,682	-	-	-	1,682	1,843
Grants:						
State Grants	132,167	-	-	-	132,167	136,633
Federal Special Education	120,381	-	-	-	120,381	128,840
Paycheck Protection Program	831,720	-	-	-	831,720	-
Other	10,550	-	-	-	10,550	10,391
School and Program Fees	223,062	-	-	-	223,062	365,711
Rent Income	4,065	466,688	-	(466,688)	4,065	5,495
Net Investment Return, Appropriated to Cash and Cash Equivalents	4,714	-	1,434	-	6,148	8,115
Net Investment Return, Appropriated from Investment in PCCS Holdings, LLC	(723,085)	-	-	723,085	-	-
Net Investment Return, Appropriated from Investment in Byron Colby Barn, LLC	406	-	-	(406)	-	-
Net Investment Return, Appropriated from Interest Rate Swap	-	(17,766)	-	-	(17,766)	(156,812)
Other Expense	(84,333)	-	-	-	(84,333)	(105,204)
Total Revenues, Gains (Losses), and Other Support	6,362,521	448,922	210,793	46,632	7,068,868	5,864,886
Net Assets Released from Restrictions	4,581	-	-	-	4,581	2,252
Total Revenues, Gains, and Other Support without Donor Restrictions	6,367,102	448,922	210,793	46,632	7,073,449	5,867,138
Expenses:						
Program Services	4,886,139	935,781	822	(466,688)	5,356,054	4,306,964
Fundraising	10,717	-	-	-	10,717	11,063
Management and General	1,152,759	236,226	206	-	1,389,191	1,269,875
Total Expenses	6,049,615	1,172,007	1,028	(466,688)	6,755,962	5,587,902
Increase (Decrease) in Net Assets without Donor Restrictions	317,487	(723,085)	209,765	513,320	317,487	279,236
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS						
Grants and Contributions	4,581	-	-	-	4,581	2,252
Net Assets Released from Restrictions	(4,581)	-	-	-	(4,581)	(2,252)
Increase (Decrease) in Net Assets with Donor Restrictions	-	-	-	-	-	-
CHANGE IN NET ASSETS	317,487	(723,085)	209,765	513,320	317,487	279,236
Net Assets - Beginning of Year	3,060,033	1,048,430	-	(1,048,430)	3,060,033	2,780,797
NET ASSETS - END OF YEAR	$ 3,377,520	$ 325,345	$ 209,765	$ (535,110)	$ 3,377,520	$ 3,060,033

PRAIRIE CROSSING CHARTER SCHOOL AND ITS SUBSIDIARIES
CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020
WITH SUMMARIZED INFORMATION FOR YEAR ENDED JUNE 30, 2019
(SEE INDEPENDENT AUDITORS' REPORT)

	2020				2019
	Program Services	Fundraising	Management and General	Total	Total
PCCS					
Salaries	$ 2,923,280	$ -	$ 687,723	$ 3,611,003	$ 3,082,152
Benefits	423,385	-	38,573	461,958	393,144
Payroll Taxes	113,725	-	38,135	151,860	130,101
Subtotal	3,460,390	-	764,431	4,224,821	3,605,397
Accounting Expense	-	-	48,363	48,363	36,467
Club Expenses	104,431	-	24,528	128,959	142,815
Community Outreach	-	-	83,633	83,633	93,617
Dues	-	-	17,467	17,467	11,532
Educational Materials and Supplies	74,194	-	-	74,194	45,557
Fundraising	-	10,717	-	10,717	11,063
Grants	125,741	-	-	125,741	138,747
Hot Lunches and Field Trips	35,794	-	-	35,794	127,908
Legal Expense	220	-	6,161	6,381	18,526
Liability Insurance	60,546	-	15,137	75,683	74,715
Miscellaneous Expense	-	-	4,625	4,625	2,252
Other Professional Fees	20,791	-	5,198	25,989	20,651
Office Expense	52,830	-	87,328	140,158	193,458
Out of District Placement	-	-	19,965	19,965	43,009
Professional Development	60,315	-	15,080	75,395	64,328
Rent Expense	466,688	-	-	466,688	520,655
Repairs and Maintenance	153,155	-	38,288	191,443	91,507
Special Education Professional Fees	173,805	-	-	173,805	167,240
Transportation	7,020	-	-	7,020	20,018
Utilities	34,803	-	8,701	43,504	40,974
Total Expenses	4,830,723	10,717	1,138,905	5,980,345	5,470,436
Depreciation and Amortization	55,095	-	13,774	68,869	75,117
Interest Expense	321	-	80	401	711
Total PCCS	4,886,139	10,717	1,152,759	6,049,615	5,546,264
HOLDINGS					
Accounting Expense	-	-	2,280	2,280	2,240
Depreciation and Amortization	227,223	-	56,806	284,029	284,029
Interest Expense	708,558	-	177,140	885,698	276,024
Total Holdings	935,781	-	236,226	1,172,007	562,293
BCB					
Depreciation and Amortization	822	-	206	1,028	-
Total Byron Colby Barn	822	-	206	1,028	-
Total Expenses before Eliminations	5,822,742	10,717	1,389,191	7,222,650	6,108,557
Total Eliminations	(466,688)	-	-	(466,688)	(520,655)
Total Expenses	$ 5,356,054	$ 10,717	$ 1,389,191	$ 6,755,962	$ 5,587,902