

**PRAIRIE CROSSING CHARTER SCHOOL
AND ITS SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2022 AND 2021



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**PRAIRIE CROSSING CHARTER SCHOOL AND ITS SUBSIDIARIES
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YEARS ENDED JUNE 30, 2022 AND 2021**

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Consolidated Financial Statements

Opinion

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, 2022 and 2021, 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.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Prairie Crossing Charter School and its Subsidiaries as of June 30, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Prairie Crossing Charter School and its Subsidiaries and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Prairie Crossing Charter School and its Subsidiaries' ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

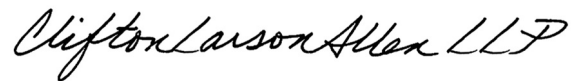
In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Prairie Crossing Charter School and its Subsidiaries' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Prairie Crossing Charter School and its Subsidiaries' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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

Racine, Wisconsin
November 15, 2022

PRAIRIE CROSSING CHARTER SCHOOL AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

ASSETS	<u>2022</u>	<u>2021</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 3,312,866	\$ 3,419,603
Cash Restricted to Investment in Property	148,829	82,320
Grants Receivable	36,609	29,999
Other Receivables	20,271	-
Certificate of Deposit	306,696	306,696
Charter Renewal Fees	12,756	19,134
Prepaid Assets	4,255	13,781
Total Current Assets	<u>3,842,282</u>	<u>3,871,533</u>
DEPOSIT REQUIRED BY LOAN AGREEMENT	556,778	556,778
PROPERTY AND EQUIPMENT, NET	<u>9,739,244</u>	<u>9,483,304</u>
Total Assets	<u><u>\$ 14,138,304</u></u>	<u><u>\$ 13,911,615</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 209,761	\$ 62,068
Accrued Expenses and Other Liabilities	274,946	287,043
Current Maturities of Bond Payable	117,500	-
Current Maturities of Capital Lease Obligations	6,025	5,762
Paycheck Protection Program Loan	28,926	831,727
Unearned Revenue	26,370	27,690
Total Current Liabilities	<u>663,528</u>	<u>1,214,290</u>
LONG-TERM LIABILITIES		
Bond Payable, Less Current Maturities Above	9,095,278	9,214,855
Capital Lease Obligations, Less Current Maturities Above	16,306	22,333
Total Long-Term Liabilities	<u>9,111,584</u>	<u>9,237,188</u>
Total Liabilities	9,775,112	10,451,478
NET ASSETS		
Without Donor Restrictions	4,357,129	3,454,074
With Donor Restrictions	6,063	6,063
Total Net Assets	<u>4,363,192</u>	<u>3,460,137</u>
Total Liabilities and Net Assets	<u><u>\$ 14,138,304</u></u>	<u><u>\$ 13,911,615</u></u>

See accompanying Notes to Consolidated Financial Statements.

PRAIRIE CROSSING CHARTER SCHOOL AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2022 AND 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS (LOSSES), AND OTHER SUPPORT						
General State Aid	\$ 5,849,082	\$ -	\$ 5,849,082	\$ 5,999,743	\$ -	\$ 5,999,743
Contributions	7,610	-	7,610	4,326	500	4,826
Fundraising	1,074	-	1,074	695	-	695
Grants:						
State Grants	133,188	-	133,188	132,169	-	132,169
Federal Special Education	170,644	-	170,644	141,456	-	141,456
Other	15,836	-	15,836	2,071	-	2,071
School and Program Fees	210,893	-	210,893	56,045	-	56,045
Rent Income	11,955	-	11,955	-	-	-
Net Investment Return, Appropriated to Cash and Cash Equivalents	505	-	505	1,037	-	1,037
Loss on Sale of Property and Equipment	-	-	-	(827)	-	(827)
Gain on Extinguishment of Debt	802,801	-	802,801	-	-	-
Other Expense	4,824	-	4,824	(133,326)	-	(133,326)
Total Revenues, Gains (Losses), and Other Support	<u>7,208,412</u>	<u>-</u>	<u>7,208,412</u>	<u>6,203,389</u>	<u>500</u>	<u>6,203,889</u>
Net Assets Released from Purpose Restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>	<u>(500)</u>	<u>-</u>
Total Revenues, Gains (Losses), and Other Support Without Donor Restrictions	<u>7,208,412</u>	<u>-</u>	<u>7,208,412</u>	<u>6,203,889</u>	<u>-</u>	<u>6,203,889</u>
EXPENSES						
Program Services	4,957,312	-	4,957,312	4,779,943	-	4,779,943
Fundraising	5,595	-	5,595	6,515	-	6,515
Management and General	1,342,450	-	1,342,450	1,334,814	-	1,334,814
Total Expenses	<u>6,305,357</u>	<u>-</u>	<u>6,305,357</u>	<u>6,121,272</u>	<u>-</u>	<u>6,121,272</u>
CHANGE IN NET ASSETS	903,055	-	903,055	82,617	-	82,617
Net Assets - Beginning of Year	<u>3,454,074</u>	<u>6,063</u>	<u>3,460,137</u>	<u>3,371,457</u>	<u>6,063</u>	<u>3,377,520</u>
NET ASSETS - END OF YEAR	<u>\$ 4,357,129</u>	<u>\$ 6,063</u>	<u>\$ 4,363,192</u>	<u>\$ 3,454,074</u>	<u>\$ 6,063</u>	<u>\$ 3,460,137</u>

See accompanying Notes to Consolidated Financial Statements.

PRAIRIE CROSSING CHARTER SCHOOL AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2022 AND 2021

	2022				2021			
	Program Services	Fundraising	Management and General	Total	Program Services	Fundraising	Management and General	Total
Salaries	\$ 2,775,656	\$ -	\$ 621,223	\$ 3,396,879	\$ 2,805,423	\$ -	\$ 620,096	\$ 3,425,519
Benefits	441,800	-	39,719	481,519	487,390	-	48,468	535,858
Payroll Taxes	98,079	-	37,289	135,368	109,550	-	38,605	148,155
Subtotal	<u>3,315,535</u>	<u>-</u>	<u>698,231</u>	<u>4,013,766</u>	<u>3,402,363</u>	<u>-</u>	<u>707,169</u>	<u>4,109,532</u>
Accounting Expense	-	-	52,474	52,474	-	-	50,996	50,996
Club Expenses	92,302	-	21,259	113,561	22,215	-	5,414	27,629
Community Outreach	-	-	88,944	88,944	-	-	87,616	87,616
Dues	-	-	35,040	35,040	-	-	29,861	29,861
Educational Materials and Supplies	38,614	-	-	38,614	69,781	-	-	69,781
Fundraising	-	5,595	-	5,595	-	6,515	-	6,515
Grants	189,941	-	-	189,941	147,878	-	-	147,878
Hot Lunches and Field Trips	21,743	-	-	21,743	5,651	-	-	5,651
Legal Expense	2,145	-	21,804	23,949	1,211	-	21,675	22,886
Liability Insurance	89,666	-	22,416	112,082	69,690	-	17,422	87,112
Miscellaneous Expense	-	-	-	-	-	-	500	500
Other Professional Fees	39,205	-	9,801	49,006	35,642	-	8,911	44,553
Office Expense	15,549	-	31,122	46,671	19,177	-	86,128	105,305
Out of District Placement	-	-	82,135	82,135	-	-	82,589	82,589
Professional Development	24,711	-	6,178	30,889	28,921	-	7,230	36,151
Repairs and Maintenance	174,505	-	43,628	218,133	108,399	-	27,100	135,499
Real Estate Taxes	-	-	57,498	57,498	-	-	37,964	37,964
Special Education Professional Fees	207,425	-	-	207,425	189,166	-	-	189,166
Transportation	58,291	-	-	58,291	22,886	-	-	22,886
Utilities	53,617	-	13,405	67,022	35,484	-	8,870	44,354
Depreciation and Amortization	284,470	-	71,117	355,587	270,186	-	67,546	337,732
Interest Expense	349,593	-	87,398	436,991	351,293	-	87,823	439,116
Total Functional Expenses	<u>\$ 4,957,312</u>	<u>\$ 5,595</u>	<u>\$ 1,342,450</u>	<u>\$ 6,305,357</u>	<u>\$ 4,779,943</u>	<u>\$ 6,515</u>	<u>\$ 1,334,814</u>	<u>\$ 6,121,272</u>

See accompanying Notes to Consolidated Financial Statements.

PRAIRIE CROSSING CHARTER SCHOOL AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
JUNE 30, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 903,055	\$ 82,617
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	355,587	337,732
Loss on Sale of Property and Equipment	-	827
Gain on Extinguishment of Debt	(802,801)	-
Amortization of Debt Issuance Costs	(2,077)	(1,981)
Effects of Changes in Operating Assets and Liabilities:		
Grants Receivable	(6,610)	(582)
Other Receivables	(20,271)	2,986
Other Assets	9,526	19,842
Accounts Payable	123,734	(192,676)
Accrued Expenses and Other Liabilities	(12,097)	(135,378)
Unearned Revenue	(1,320)	(695)
Net Cash Provided by Operating Activities	546,726	112,692
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(581,190)	(1,582,517)
Net Cash Used by Investing Activities	(581,190)	(1,582,517)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Proceeds (Payments) on Capital Lease Obligations	(5,764)	(6,539)
Paycheck Protection Program Loan Proceeds	-	831,727
Net Cash Provided (Used) by Financing Activities	(5,764)	825,188
NET DECREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(40,228)	(644,637)
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	3,501,923	4,146,560
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	\$ 3,461,695	\$ 3,501,923
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest Paid	\$ 439,067	\$ 441,097
Cash and Cash Equivalents	\$ 3,312,866	\$ 3,419,603
Cash Restricted to Investment in Property	148,829	82,320
Cash, Cash Equivalent, and Restricted Cash	\$ 3,461,695	\$ 3,501,923
SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS		
Purchase of Property and Equipment Included in Accounts Payable	\$ 23,959	\$ -
Property and Equipment Acquired via Capital Lease	\$ -	\$ 30,884

See accompanying Notes to Consolidated Financial Statements.

PRAIRIE CROSSING CHARTER SCHOOL AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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 2021-2022 and the 2020-2021 school years. For the 2021-2022 school year, budgeted enrollment was at 430 students and 427 students were reported on the last day of school, of which no students were out of district. For the 2020-2021 school year, budgeted enrollment was at 430 students and 432 students were reported on the last day of school, of which no 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 Board of Education (ISBE). Prior to July 1, 2021, the agreement was 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 has been renewed for four additional terms of 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.

PRAIRIE CROSSING CHARTER SCHOOL AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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, 2022 and 2021, no amounts are considered uncollectible and accordingly, the Organization has not recorded an allowance for uncollectible amounts.

PRAIRIE CROSSING CHARTER SCHOOL AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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.

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).

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.

**PRAIRIE CROSSING CHARTER SCHOOL AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions (Continued)

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, 2022 and June 30, 2021 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 assets in other receivables as of June 30, 2022, 2021, and 2020 in the amount of \$20,271, \$-0-, and \$2,986, respectively. The Organization recorded contract liabilities in unearned revenue as of June 30, 2022, 2021, and 2020 in the amount of \$26,370, \$27,690, and \$28,385, respectively.

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

	2022	2021
Revenue Recognized Over Time:		
School and Program Fees	\$ 210,893	\$ 56,045

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.

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.

PRAIRIE CROSSING CHARTER SCHOOL AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 \$379,053 and \$383,887 at June 30, 2022 and 2021, respectively. Bond premium totaled \$(541,831) and \$(548,742) at June 30, 2022 and 2021, respectively. Amortization of debt issuance costs and bond premium charged to interest expense was \$(2,077) and \$(1,981) for June 30, 2022 and 2021, 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.

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:

	2022	2021
Financial Assets at Year-End:		
Cash and Cash Equivalents	\$ 3,312,866	\$ 3,419,603
Certificate of Deposit	306,696	306,696
Grants Receivable	36,609	29,999
Other Receivables	20,271	-
Total Financial Assets	3,676,442	3,756,298
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	\$ 3,670,379	\$ 3,750,235

PRAIRIE CROSSING CHARTER SCHOOL AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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:

	<u>2022</u>	<u>2021</u>
Land	\$ 1,620,934	\$ 1,620,934
Land Improvements	424,483	224,097
Building Improvements	11,795,700	10,299,316
Furniture and Fixtures	398,780	398,780
Equipment	630,969	630,969
Software	49,820	49,820
Vehicle	34,800	34,800
Construction in Progress	483,837	1,575,459
Total Property and Equipment	<u>15,439,323</u>	<u>14,834,175</u>
Less: Accumulated Depreciation	<u>(5,700,079)</u>	<u>(5,350,871)</u>
Property and Equipment, Net	<u>\$ 9,739,244</u>	<u>\$ 9,483,304</u>

Depreciation expense for the years ended June 30, 2022 and 2021 was \$349,209 and \$331,354, respectively.

NOTE 4 CAPITAL LEASE OBLIGATIONS

In December 2020, the Organization entered into a lease for office equipment with a cost of \$30,884 under a capital lease that expires in 2026. 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 4.5% at June 30, 2022 and 2021 and is imputed based on the lessor's implicit rate of return. Amortization expense on equipment acquired under capital lease was \$6,177 and \$5,567 for the years ended June 30, 2022 and 2021, respectively. Accumulated amortization on leased equipment was \$9,265 and \$5,567 at June 30, 2022 and 2021, respectively.

PRAIRIE CROSSING CHARTER SCHOOL AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 4 CAPITAL LEASE OBLIGATIONS (CONTINUED)

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 6,909
2024	6,909
2025	6,333
2026	4,031
Total	<u>24,182</u>
Amount Representing Interest	<u>(1,851)</u>
Present Value of Future Minimum Lease Payments	22,331
Current Portion	<u>(6,025)</u>
Long-Term Portion	<u><u>\$ 16,306</u></u>

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.

The bonds bore variable interest, payable monthly, in arrears. The initial bank purchase mode matured on August 23, 2016.

PRAIRIE CROSSING CHARTER SCHOOL AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 6 MORTGAGE/BOND PAYABLE (CONTINUED)

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.

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 \$556,778 as of June 30, 2022 and 2021 and is presented as a deposit required by the loan agreement in the consolidated statements of financial position.

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.

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, 2022.

The following summarizes the mortgage payable as of June 30, 2022:

Bonds Payable	\$ 9,050,000
Add: Unamortized Bond Premium	541,831
Less: Unamortized Debt Issuance Costs	<u>(379,053)</u>
Total Bonds Payable, Net of Unamortized	
Bond Premium and Debt Issuance Costs	9,212,778
Less: Current Maturities	<u>(117,500)</u>
Total Bonds Payable, Less Current Maturities	<u><u>\$ 9,095,278</u></u>

PRAIRIE CROSSING CHARTER SCHOOL AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 6 MORTGAGE/BOND PAYABLE (CONTINUED)

Future principal payments under the loan agreement are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 117,500
2024	122,500
2025	127,500
2026	132,500
2027	137,500
Thereafter	8,412,500
Total	<u>\$ 9,050,000</u>

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ (2,175)
2024	(2,280)
2025	(2,390)
2026	(2,505)
2027	(2,625)
Thereafter	(150,803)
Total	<u>\$ (162,778)</u>

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2022</u>	<u>2021</u>
Sustainable Schoolyard	\$ 5,195	\$ 5,195
Giving Tree	868	868
Total	<u>\$ 6,063</u>	<u>\$ 6,063</u>

NOTE 8 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.

PRAIRIE CROSSING CHARTER SCHOOL AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 8 RETIREMENT PLANS (CONTINUED)

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

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 years ended June 30, 2022 and 2021, TRS-covered employers contributed 0.67% and 0.92%, respectively, of creditable earnings to the Teacher's Health Insurance Security Fund and TRS-covered members contributed at a rate of 0.90% and 1.24%, respectively, of creditable earnings.

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

2.2 Formula Contributions

For the years ended June 30, 2022 and 2021, 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, 2022 and 2021 was \$11,955 and \$12,073, 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 10.31% and 10.41% of salaries paid from those funds for the years ended June 30, 2022 and 2021, respectively. For the years ended June 30, 2022 and 2021, the Organization paid \$1,959 and \$2,526 from the federal and trust funds, respectively.

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, 2022 and 2021, the Organization paid no employer contributions under the Early Retirement Incentive.

PRAIRIE CROSSING CHARTER SCHOOL AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 8 RETIREMENT PLANS (CONTINUED)

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

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, 2022 and 2021, 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 9 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, 2022 and 2021, the Organization received 81% and 97% 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 10 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.

PRAIRIE CROSSING CHARTER SCHOOL AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 11 PAYCHECK PROTECTION PROGRAM

On January 29, 2021, the Organization received a loan from Lake Forest Bank & Trust Company, N.A. in the amount of \$831,727 to fund payroll, rent, utilities, and interest on mortgages and existing debt as a second draw Paycheck Protection Program (PPP) Loan. The PPP Loan bears interest at a fixed rate of 1% per annum, has a term of two years, and is secured and guaranteed by the U.S. Small Business Association (SBA). Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted by the SBA 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. These amounts are subject to forgiveness based on compliance with program requirements and approval by the SBA. The covered period from January 29, 2021 to July 15, 2021, is the time that the Organization had to spend its PPP Loan funds.

The Organization was following ASC 470, *Debt*, to account for the initial receipts related to the PPP Loan. On December 14, 2021, the SBA processed the Organization's PPP Loan forgiveness application and notified Lake Forest Bank & Trust Company, N.A. that the PPP Loan qualified for partial forgiveness. The SBA formally forgave \$802,801 of the Organization's obligation under this PPP Loan. Therefore, the Organization was legally released from this portion of the debt and the loan forgiveness has been recorded as a gain on extinguishment of debt, which is included in the consolidated statements of activities for the year ended June 30, 2022. The Organization was required to pay back \$28,926 of the PPP loan, as that amount was not forgiven. As of June 30, 2022, this amount is presented on the consolidated statements of financial position as a PPP Loan. This amount was subsequently paid in August 2022.

The SBA may review funding eligibility and usage of funds in compliance with the program based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Organization's financial position.

NOTE 12 SUBSEQUENT EVENTS

Management evaluated subsequent events through November 15, 2022, the date the consolidated financial statements were available to be issued. Events or transactions occurring after June 30, 2022, but prior to November 15, 2022 that provided additional evidence about conditions that existed at June 30, 2022, have been recognized in the consolidated financial statements for the year ended June 30, 2022. Events or transactions that provided evidence about conditions that did not exist at June 30, 2022 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, 2022.

PRAIRIE CROSSING CHARTER SCHOOL AND ITS SUBSIDIARIES
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
JUNE 30, 2022
WITH SUMMARIZED INFORMATION AS OF JUNE 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	2022				2021	
	PCCS	Holdings	BCB	Eliminations	Total	Total
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents	\$ 3,303,600	\$ -	\$ 9,266	\$ -	\$ 3,312,866	\$ 3,419,603
Cash Restricted to Investment in Property	-	43,703	105,126	-	148,829	82,320
Certificate of Deposit	-	306,696	-	-	306,696	306,696
Grants Receivable	36,609	-	-	-	36,609	29,999
Other Receivables	20,271	-	-	-	20,271	-
Due from Holdings	865,152	-	-	(865,152)	-	-
Due from PCCS	-	-	-	-	-	-
Due from BCB	687,861	1,226,834	-	(1,914,695)	-	-
Charter Renewal Fees	12,756	-	-	-	12,756	19,134
Prepaid Assets	4,255	-	-	-	4,255	13,781
Investment in PCCS Holdings, LLC	(218,326)	-	-	218,326	-	-
Investment in Byron Colby Barn, LLC	170,945	-	-	(170,945)	-	-
Total Current Assets	<u>4,883,123</u>	<u>1,577,233</u>	<u>114,392</u>	<u>(2,732,466)</u>	<u>3,842,282</u>	<u>3,871,533</u>
DEPOSIT REQUIRED BY LOAN AGREEMENT	-	-	556,778	-	556,778	556,778
PROPERTY AND EQUIPMENT, NET	<u>42,403</u>	<u>7,407,371</u>	<u>2,289,470</u>	<u>-</u>	<u>9,739,244</u>	<u>9,483,304</u>
Total Assets	<u>\$ 4,925,526</u>	<u>\$ 8,984,604</u>	<u>\$ 2,960,640</u>	<u>\$ (2,732,466)</u>	<u>\$ 14,138,304</u>	<u>\$ 13,911,615</u>

PRAIRIE CROSSING CHARTER SCHOOL AND ITS SUBSIDIARIES
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION (CONTINUED)
JUNE 30, 2022
WITH SUMMARIZED INFORMATION AS OF JUNE 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	2022				2021	
	PCCS	Holdings	BCB	Eliminations	Total	Total
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Accounts Payable	\$ 209,761	\$ -	\$ -	\$ -	\$ 209,761	\$ 62,068
Due to Holdings	-	-	1,226,834	(1,226,834)	-	-
Due to BCB	-	-	-	-	-	-
Due to PCCS	-	865,152	687,861	(1,553,013)	-	-
Accrued Expenses and Other Liabilities	274,946	-	-	-	274,946	287,043
Current Maturities of Bond Payable	-	117,500	-	-	117,500	-
Current Maturities of Capital Lease Obligations	6,025	-	-	-	6,025	5,762
Paycheck Protection Program Loan	28,926	-	-	-	28,926	831,727
Unearned Revenue	26,370	-	-	-	26,370	27,690
Total Current Liabilities	<u>546,028</u>	<u>982,652</u>	<u>1,914,695</u>	<u>(2,779,847)</u>	<u>663,528</u>	<u>1,214,290</u>
LONG-TERM LIABILITIES						
Bond Payable, Less Current Maturities Above	-	8,220,278	875,000	-	9,095,278	9,214,855
Capital Lease Obligations, Less Current Maturities Above	<u>16,306</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,306</u>	<u>22,333</u>
Total Long-Term Liabilities	<u>16,306</u>	<u>8,220,278</u>	<u>875,000</u>	<u>-</u>	<u>9,111,584</u>	<u>9,237,188</u>
Total Liabilities	562,334	9,202,930	2,789,695	(2,779,847)	9,775,112	10,451,478
NET ASSETS						
Without Donor Restrictions	4,357,129	-	-	-	4,357,129	3,454,074
With Donor Restrictions	6,063	-	-	-	6,063	6,063
Members' Equity	<u>-</u>	<u>(218,326)</u>	<u>170,945</u>	<u>47,381</u>	<u>-</u>	<u>-</u>
Total Net Assets	<u>4,363,192</u>	<u>(218,326)</u>	<u>170,945</u>	<u>47,381</u>	<u>4,363,192</u>	<u>3,460,137</u>
Total Liabilities and Net Assets	<u>\$ 4,925,526</u>	<u>\$ 8,984,604</u>	<u>\$ 2,960,640</u>	<u>\$ (2,732,466)</u>	<u>\$ 14,138,304</u>	<u>\$ 13,911,615</u>

PRAIRIE CROSSING CHARTER SCHOOL AND ITS SUBSIDIARIES
CONSOLIDATING SCHEDULE OF ACTIVITIES
YEAR ENDED JUNE 30, 2022
WITH SUMMARIZED INFORMATION FOR YEAR ENDED JUNE 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	2022					2021
	PCCS	Holdings	BCB	Eliminations	Total	Total
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS						
Revenues, Gains (Losses), and Other Support:						
General State Aid	\$ 5,849,082	\$ -	\$ -	\$ -	\$ 5,849,082	\$ 5,999,743
Contributions	7,610	-	-	-	7,610	4,326
Fundraising	1,074	-	-	-	1,074	695
Grants:						
State Grants	133,188	-	-	-	133,188	132,169
Federal Special Education	170,644	-	-	-	170,644	141,456
Other	15,836	-	-	-	15,836	2,071
School and Program Fees	210,893	-	-	-	210,893	56,045
Rent Income	11,955	444,833	-	(444,833)	11,955	-
Net Investment Return, Appropriated to Cash and Cash Equivalents	505	-	-	-	505	1,037
Net Investment Return, Appropriated from Investment in PCCS Holdings, LLC	(263,398)	-	-	263,398	-	-
Net Investment Return, Appropriated from Investment in Byron Colby Barn, LLC	(36,459)	-	-	36,459	-	-
Gain on Extinguishment of Debt	802,801	-	-	-	802,801	-
Loss on Sale of Property and Equipment	-	-	-	-	-	(827)
Other Expense	4,824	-	-	-	4,824	(133,326)
Total Revenues, Gains (Losses), and Other Support	<u>6,908,555</u>	<u>444,833</u>	<u>-</u>	<u>(144,976)</u>	<u>7,208,412</u>	<u>6,203,389</u>
Net Assets Released from Restrictions	-	-	-	-	-	500
Total Revenues, Gains, and Other Support Without Donor Restrictions	<u>6,908,555</u>	<u>444,833</u>	<u>-</u>	<u>(144,976)</u>	<u>7,208,412</u>	<u>6,203,889</u>
Expenses:						
Program Services	4,809,988	562,990	29,167	(444,833)	4,957,312	4,779,943
Fundraising	5,595	-	-	-	5,595	6,515
Management and General	1,189,917	145,241	7,292	-	1,342,450	1,334,814
Total Expenses	<u>6,005,500</u>	<u>708,231</u>	<u>36,459</u>	<u>(444,833)</u>	<u>6,305,357</u>	<u>6,121,272</u>
Increase (Decrease) in Net Assets Without Donor Restrictions	903,055	(263,398)	(36,459)	299,857	903,055	82,617
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS						
Grants and Contributions	-	-	-	-	-	500
Net Assets Released from Restrictions	-	-	-	-	-	(500)
Increase (Decrease) in Net Assets With Donor Restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET ASSETS	903,055	(263,398)	(36,459)	299,857	903,055	82,617
Net Assets - Beginning of Year	<u>3,460,137</u>	<u>45,072</u>	<u>207,404</u>	<u>(252,476)</u>	<u>3,460,137</u>	<u>3,377,520</u>
NET ASSETS - END OF YEAR	<u>\$ 4,363,192</u>	<u>\$ (218,326)</u>	<u>\$ 170,945</u>	<u>\$ 47,381</u>	<u>\$ 4,363,192</u>	<u>\$ 3,460,137</u>

PRAIRIE CROSSING CHARTER SCHOOL AND ITS SUBSIDIARIES
CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022
WITH SUMMARIZED INFORMATION FOR YEAR ENDED JUNE 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	2022			2021	
	Program Services	Fundraising	Management and General	Total	Total
PCCS					
Salaries	\$ 2,775,656	\$ -	\$ 621,223	\$ 3,396,879	\$ 3,425,519
Benefits	441,800	-	39,719	481,519	535,858
Payroll Taxes	98,079	-	37,289	135,368	148,155
Subtotal	3,315,535	-	698,231	4,013,766	4,109,532
Accounting Expense	-	-	49,975	49,975	48,644
Club Expenses	92,302	-	21,259	113,561	27,629
Community Outreach	-	-	88,944	88,944	87,616
Dues	-	-	35,040	35,040	29,861
Educational Materials and Supplies	38,614	-	-	38,614	69,781
Fundraising	-	5,595	-	5,595	6,515
Grants	189,941	-	-	189,941	147,878
Hot Lunches and Field Trips	21,743	-	-	21,743	5,651
Legal Expense	2,145	-	19,809	21,954	22,886
Liability Insurance	89,666	-	22,416	112,082	87,112
Miscellaneous Expense	-	-	-	-	500
Other Professional Fees	39,205	-	9,801	49,006	44,553
Office Expense	15,549	-	31,122	46,671	105,305
Out of District Placement	-	-	82,135	82,135	82,589
Professional Development	24,711	-	6,178	30,889	36,151
Rent Expense	444,833	-	-	444,833	446,944
Repairs and Maintenance	174,505	-	43,628	218,133	135,499
Real Estate Taxes	-	-	57,498	57,498	37,964
Special Education Professional Fees	207,425	-	-	207,425	189,166
Transportation	58,291	-	-	58,291	22,886
Utilities	53,617	-	13,405	67,022	44,354
Total Expenses	4,768,082	5,595	1,179,441	5,953,118	5,789,016
Depreciation and Amortization	40,990	-	10,247	51,237	48,770
Interest Expense	916	-	229	1,145	747
Total PCCS	4,809,988	5,595	1,189,917	6,005,500	5,838,533
HOLDINGS					
Accounting Expense	-	-	2,499	2,499	2,352
Legal Expense	-	-	1,995	1,995	-
Depreciation and Amortization	214,313	-	53,578	267,891	286,496
Interest Expense	348,677	-	87,169	435,846	438,369
Total Holdings	562,990	-	145,241	708,231	727,217
BCB					
Depreciation and Amortization	29,167	-	7,292	36,459	2,466
Interest Expense	-	-	-	-	-
Total Byron Colby Barn	29,167	-	7,292	36,459	2,466
Total Expenses before Eliminations	5,402,145	5,595	1,342,450	6,750,190	6,568,216
Total Eliminations	(444,833)	-	-	(444,833)	(446,944)
Total Expenses	\$ 4,957,312	\$ 5,595	\$ 1,342,450	\$ 6,305,357	\$ 6,121,272



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