THE UNIVERSITY OF CHICAGO CHARTER SCHOOL CORPORATION

Financial Statements and Other Information
For the Years Ended June 30, 2024 and 2023
With Independent Auditor's Report

MITCHELL TITUS
ACHIEVING EXCELLENCE TOGETHER

THE UNIVERSITY OF CHICAGO
CHARTER SCHOOL CORPORATION
For the Years Ended June 30, 2024 and 2023

TABLE OF CONTENTS

MITCHELL TITUS

INDEPENDENT AUDITOR'S REPORT

Management and Board of Directors
The University of Chicago Charter School Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The University of Chicago Charter School Corporation (the Corporation), which comprise the statements of financial position as of June 30, 2024 and 2023, the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of June 30, 2024 and 2023, 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) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation, 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 Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 and *Government Auditing Standards* 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 financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the 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 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 the Corporation's 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 financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's 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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

MITCHELL TITUS

Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of on-behalf payment information from Chicago Public Schools (CPS) and the schedule of SPED funding are presented for purposes of additional analysis as requested by CPS and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2024, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

Mitchell & Titus, LLP

November 1, 2024

THE UNIVERSITY OF CHICAGO
CHARTER SCHOOL CORPORATION
Statements of Financial Position
As of June 30, 2024 and 2023

	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents	$ 4,166,671	$ 4,438,274
Reimbursements receivable	1,366,388	425,951
Due from the University of Chicago–current portion	222,879	189,071
Prepaid expense	31,405	-
Total current assets	5,787,343	5,053,296
Non-current assets		
Due from the University of Chicago–long term	9,260,790	8,403,654
Right-to-use assets–Operating	4,250,094	4,503,899
Total non-current assets	13,510,884	12,907,553
Total assets	$ 19,298,227	$ 17,960,849
LIABILITIES AND NET ASSETS		
Current liabilities		
Accrued liabilities	$ 736,835	$ 902,561
Unearned revenue	41,088	50,669
Right-to-use liabilities–Operating lease–current portion	407,397	407,397
Total current liabilities	1,185,320	1,360,627
Non-current liabilities		
Right-to-use liabilities–Operating lease–long term portion	3,842,697	4,096,502
Total non-current liabilities	3,842,697	4,096,502
Total liabilities	5,028,017	5,457,129
Net assets		
Without donor restrictions	4,786,541	3,910,995
With donor restrictions	9,483,669	8,592,725
Total net assets	14,270,210	12,503,720
Total liabilities and net assets	$ 19,298,227	$ 17,960,849

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

THE UNIVERSITY OF CHICAGO
CHARTER SCHOOL CORPORATION
Statement of Activities
For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	2024 Total
REVENUE			
Government grants and contracts	$ 21,431,838	$ -	$ 21,431,838
Private gifts, student fees, grants, and contributions	2,804,614	972,878	3,777,492
Contributions of nonfinancial assets (Notes 3 and 12)	4,594,365	-	4,594,365
Change in depreciation in fair value of assets held by the University	-	107,136	107,136
Net assets released from restrictions	189,070	(189,070)	-
Total revenue	29,019,887	890,944	29,910,831
EXPENSES			
Program services	23,587,917	-	23,587,917
General and administrative	4,556,424	-	4,556,424
Total expenses before other items	28,144,341	-	28,144,341
Change in net assets	875,546	890,944	1,766,490
Net assets, beginning of year	3,910,995	8,592,725	12,503,720
Net assets, end of year	$ 4,786,541	$ 9,483,669	$ 14,270,210

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

THE UNIVERSITY OF CHICAGO
CHARTER SCHOOL CORPORATION
Statement of Activities
For the Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	2023 Total
REVENUE			
Government grants and contracts	$ 20,275,914	$ -	$ 20,275,914
Private gifts, student fees, grants, and contributions	2,286,202	189,071	2,475,273
Contributions of nonfinancial assets (Notes 3 and 12)	4,080,967	-	4,080,967
Change in appreciation in fair value of assets held by the University	-	(419,162)	(419,162)
Net assets released from restrictions	387,123	(387,123)	-
Total revenue	27,030,206	(617,214)	26,412,992
EXPENSES			
Program services	22,398,658	-	22,398,658
General and administrative	4,358,638	-	4,358,638
Total expenses before other items	26,757,296	-	26,757,296
Change in net assets	272,910	(617,214)	(344,304)
Net assets, beginning of year	3,638,085	9,209,939	12,848,024
Net assets, end of year	$ 3,910,995	$ 8,592,725	$ 12,503,720

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

THE UNIVERSITY OF CHICAGO
CHARTER SCHOOL CORPORATION
Statement of Functional Expenses
For the Year Ended June 30, 2024

	Program Services							
	School Day Classroom	Summer Program	Extended Day	Pre-Kindergarten	Parent/Family and PTCO	Total Program	General and Administrative	2024
PROGRAM AND SUPPORTING SERVICES								
Salaries	$ 11,082,711	$ 92,108	$ -	$ 226,103	$ -	$ 11,400,922	$ 1,941,509	$ 13,342,431
Taxes and benefits	3,227,743	7,046	-	41,707	-	3,276,496	520,053	3,796,549
Total salaries and related expenses	14,310,454	99,154	-	267,810	-	14,677,418	2,461,562	17,138,980
Professional development	180,532	-	-	-	-	180,532	-	180,532
Materials and supplies	295,771	2,878	27,535	-	354	326,538	68,561	395,099
Services	1,362,138	17,833	72,753	-	2,982	1,455,706	350,410	1,806,116
CPS administrative fee	-	-	-	-	-	-	480,881	480,881
Insurance	238,653	-	-	-	-	238,653	12,561	251,214
Facilities and security	2,481,796	-	-	-	-	2,481,796	130,621	2,612,417
Tech hardware and software	650,500	-	-	-	-	650,500	34,237	684,737
Contributed services	3,576,774	-	-	-	-	3,576,774	1,017,591	4,594,365
Total program and supporting services before depreciation	23,096,618	119,865	100,288	267,810	3,336	23,587,917	4,556,424	28,144,341
Depreciation	-	-	-	-	-	-	-	-
Total	$ 23,096,618	$ 119,865	$ 100,288	$ 267,810	$ 3,336	$ 23,587,917	$ 4,556,424	$ 28,144,341

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

THE UNIVERSITY OF CHICAGO
CHARTER SCHOOL CORPORATION
Statement of Functional Expenses
For the Year Ended June 30, 2023

	Program Services								
	School Day Classroom	Summer Program	Extended Day	Pre-Kindergarten	Fundraising	Parent/Family and PTCO	Total Program	General and Administrative	2023
PROGRAM AND SUPPORTING SERVICES									
Salaries	$ 10,901,822	$ 97,200	$ -	$ 218,276	$ -	$ -	$ 11,217,298	$ 1,948,650	$ 13,165,948
Taxes and benefits	3,066,916	7,436	-	60,137	-	-	3,134,489	496,245	3,630,734
Total salaries and related expenses	13,968,738	104,636	-	278,413	-	-	14,351,787	2,444,895	16,796,682
Professional development	236,096	-	-	-	-	-	236,096	-	236,096
Materials and supplies	162,730	-	23,894	-	-	695	187,319	39,216	226,535
Services	1,193,177	2,520	51,171	-	-	6,916	1,253,784	326,439	1,580,223
CPS administrative fee	-	-	-	-	-	-	-	442,698	442,698
Insurance	208,739	-	-	-	-	-	208,739	10,986	219,725
Facilities and security	2,278,314	-	-	-	-	-	2,278,314	119,911	2,398,225
Tech hardware and software	737,338	-	-	-	-	-	737,338	38,807	776,145
Contributed services	3,013,961	-	-	-	131,320	-	3,145,281	935,686	4,080,967
Total program and supporting services before depreciation	21,799,093	107,156	75,065	278,413	131,320	7,611	22,398,658	4,358,638	26,757,296
Depreciation	-	-	-	-	-	-	-	-	-
Total	$ 21,799,093	$ 107,156	$ 75,065	$ 278,413	$ 131,320	$ 7,611	$ 22,398,658	$ 4,358,638	$ 26,757,296

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

THE UNIVERSITY OF CHICAGO
CHARTER SCHOOL CORPORATION
Statements of Cash Flows
For the Years Ended June 30, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 1,766,490	$ (344,304)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
Amortization of right-of-use assets	253,805	399,777
Change in (appreciation) depreciation of fair value of assets held by the University	(107,136)	419,161
Changes in operating assets and liabilities		
Reimbursements receivable	(940,437)	743,138
Due from the University	(783,808)	198,053
Prepaid expense	(31,405)	5,309
Accrued liabilities	(165,726)	5,754
Unearned revenue	(9,581)	5,628
Operating liabilities	(253,805)	(399,777)
Net cash (used in) provided by operating activities	(271,603)	1,032,739
Net (decrease) increase in cash and cash equivalents	(271,603)	1,032,739
Cash and cash equivalents, beginning of year	4,438,274	3,405,535
Cash and cash equivalents, end of year	$ 4,166,671	$ 4,438,274

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

NOTE 1 SCHOOL BACKGROUND

On April 10, 1996, the State of Illinois enacted the Charter Schools Law as Public Act 89-450. The law was enacted to: (1) improve pupil learning, (2) increase learning opportunities for all pupils, with a special emphasis placed on expanded learning experiences for at-risk pupils, (3) encourage innovative teaching methods, (4) allow for the development of innovative forms of measuring learning and achievement, (5) create new professional opportunities for teachers, (6) provide parents and pupils with expanded educational choices, (7) encourage parental and community involvement, and (8) hold charter schools accountable for meeting vigorous school content standards.

On July 1, 1998, the Chicago School Reform's Board of Trustees granted The University of Chicago Charter School Corporation (the Corporation) a charter in accordance with the Charter Schools Law. The Corporation currently operates three public school campuses: North Kenwood/Oakland, Donoghue, and Woodlawn.

The North Kenwood/Oakland School, which opened in Fall 1998, provides instruction to pupils in pre-kindergarten through fifth grade.

The Donoghue School, which opened in September 2005, provides instruction to pupils in pre-kindergarten through fifth grade.

The Woodlawn School (UCW), which opened in Fall 2006, provides instruction to pupils in sixth through 12th grades.

The Corporation is operated by the Urban Education Institute of the University of Chicago (UEI), a unit of the University of Chicago (the University). The Corporation is controlled by the University as it is the sole member of the Corporation. The University provides funding for the start-up costs of certain campuses and other private gifts to the Corporation.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

<u>Basis of Accounting</u>

The financial statements of the Corporation have been presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial Statement Presentation

The financial statements are prepared in conformity with accounting principles applicable to nonprofit organizations. For financial reporting purposes and in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 958, *Not-for-Profit Entities*, net assets and revenue are classified on the basis of the existence or absence of donor-imposed restrictions, as follows:

Without Donor Restrictions: Net assets not subject to donor-imposed stipulations over which the Corporation's Board of Directors has discretionary control.

With Donor Restrictions: Net assets subject to donor-imposed restrictions that can be fulfilled by the actions of the Corporation pursuant to those stipulations or that expire by the passage of time.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Corporation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Fixed Assets

Fixed assets include leasehold improvements and furniture, fixtures, and equipment.

Leasehold improvements are recorded at cost. Repairs and maintenance are charged to expense as incurred. Amortization of leasehold improvements is computed on a straight-line basis over the terms of the respective leases.

Furniture, fixtures, and equipment are stated at cost at the date of acquisition and are depreciated using the straight-line method over their estimated useful lives. The applicable useful life of furniture, fixtures, and equipment is three to seven years.

Fixed assets of $5,000 or more, in general, are depreciated or amortized over their applicable useful lives.

Long-lived assets, such as leasehold improvements or furniture, fixtures, and equipment, are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Fixed Assets *(continued)*

Recoverability of assets to be held and used is measured by comparing the carrying amount of an asset to the estimated undiscounted future cash flows the asset is expected to generate. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment loss will be recognized. The impairment loss will be the amount by which the carrying amount exceeds the fair value of the asset. Assets to be disposed of are presented separately in the statements of financial position and reported at the lower of the carrying amount or fair value, less costs to sell, and are no longer depreciated.

Revenue

The Corporation recognizes revenue based on the accrual basis of accounting. According to these principles, revenue is recognized when it is realized and earned, meaning when the services are provided, and collectability is reasonably assured.

Approximately 83% and 87% of the Corporation's total revenue was provided by Chicago Public Schools (CPS) for the fiscal year ended June 30, 2024 and 2023, respectively.

Unearned Revenue

Unearned revenue at June 30, 2024 and 2023, represents student fees collected for the next fiscal year.

Contributions

Contributions are stated at fair value. Contributions received are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Reimbursements Receivable

Reimbursements receivable consist mainly of grant reimbursements and are stated at unpaid balances. No provision for doubtful accounts has been made since all receivables were considered by management to be collectible.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Pledges Receivable

Pledges receivable represent unconditional promises to give. Pledges are reported at fair value and included with due from the University in the statements of financial position. For pledges expected to be collected in more than one year, fair value of the pledges is measured using the present value of estimated future cash flows the Corporation expects to collect.

Due from/to the University

The University conducts fundraising campaigns to support the Corporation, in addition to public funding. Due from the University represents unspent gift balances raised by the University for the Corporation and cash collected by the University from the Corporation's donors. Due to the University may arise if payments to vendors by the University on behalf of the Corporation exceed the unspent gift balances and cash collected by the University on behalf of the Corporation. There were no amounts due to the University at June 30, 2024 and 2023.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the accompanying statements of activities. The functional classification of expenses presents the natural classification details of expenses by function. Expenses directly attributable to a specific functional area of the Corporation are reported as expenses to those functional areas while indirect costs that benefit multiple functional areas have been allocated among the various functional areas using a cost allocation method based on time and effort.

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue, expenses, gains, and losses during the reporting period. Actual results could differ from those estimates.

Contributions of Nonfinancial Assets

Contributions of nonfinancial assets are recognized at their fair value if they (a) create or enhance long-lived assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by contribution. Services provided by the University's employees are disclosed in Note 3 and services provided by CPS are disclosed in Note 12.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Contributions of Nonfinancial Assets *(continued)*

These contributed nonfinancial assets were utilized during the period received and were used for program and general and administrative activities of the Corporation. Contributed nonfinancial assets did not have any donor-imposed restrictions and reported as contributions of nonfinancial assets and expensed in program and general and administrative expenses.

Uncertain Tax Positions

U.S. GAAP defines how uncertain tax positions should be recognized, measured, presented, and disclosed in the financial statements. It requires entities to recognize a tax benefit from an uncertain tax position only if it is more-likely-than-not that the position is sustainable, based solely on its technical merits and consideration of the relevant taxing authority's widely understood administrative practices and precedents. The Corporation has evaluated its tax positions taken or expected to be taken to determine whether the tax positions are more-likely-than-not to be sustained by the applicable taxing authority, and has determined that it currently does not have any uncertain tax positions as of June 30, 2024.

Adopted Accounting Pronouncement

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which creates a new credit impairment standard for financial assets measured at amortized cost and available-for-sale debt securities. The ASU requires financial assets measured at amortized cost (including loans, trade receivables, and held-to-maturity debt securities) to be presented at the net amount expected to be collected, through an allowance for credit losses that are expected to occur over the remaining life of the asset, rather than incurred losses. The measurement of credit losses for newly recognized financial assets (other than certain purchased assets) and subsequent changes in the allowance for credit losses are recorded in the statement of activities as the amounts expected to be collected change. This guidance is effective for annual reporting periods beginning after December 15, 2022. The Corporation has adopted the requirements of ASU 2016-13. Based on its evaluation, the guidance did not materially impact the Corporation's results of operations.

NOTE 3 PRIVATE GIFTS, STUDENT FEES, GRANTS, AND CONTRIBUTIONS

Private gifts, student fees, grants, and contributions for the years ended June 30, 2024 and 2023, consisted of the following:

	2024	2023
Student fees	$ 472,902	$ 455,061
University contributions	3,304,590	1,907,356
Miscellaneous	-	112,856
Subtotal	3,777,492	2,475,273
Contributed administrative and general services received from the University	1,324,455	1,397,758
Total	$ 5,101,947	$ 3,873,031

NOTE 4 DUE FROM THE UNIVERSITY

The University conducts fundraising campaigns to support the Corporation. The assets consist principally of restricted gifts, pledges, and endowments, which are classified as due from the University in the accompanying financial statements. Private gifts, unconditional pledges, and contributions raised by the University for the Corporation are recognized by the Corporation when received.

Due from the University consisted of the following at June 30, 2024 and 2023:

	2024	2023
Gifts receivable	$ 222,879	$ 189,071
Pledges receivable	750,000	-
Endowments	8,510,790	8,403,654
Total due from the University	9,483,669	8,592,725
Less: Current portion	(222,879)	(189,071)
Non-current portion	$ 9,260,790	$ 8,403,654

Details of each source of assets included in due from the University as of June 30, 2024 and 2023, are described below.

Gifts Receivable

Gifts are restricted for supporting the program purposes. At June 30, 2024 and 2023, gifts receivable from the University amounted to $222,879 and $189,071, respectively, and are recorded in net assets with donor restrictions.

NOTE 4 DUE FROM THE UNIVERSITY *(continued)*

Pledges Receivable

Pledges are restricted for supporting the program purposes. At June 30, 2024 and 2023, pledges receivable from the University amounted to $750,000 and $0, respectively, and are recorded in net assets with donor restrictions.

Endowments Held by the University for the Benefit of the Corporation

The University holds endowments for the Corporation's benefit, with fair values of $8,510,790 and $8,403,654 as of June 30, 2024 and 2023, respectively. These endowments are invested with the University's endowment funds in the total return investment pool, a diversified portfolio of investments among various asset classes, managed by the University, with the objective of earning equity-like returns with less volatility. The Corporation has no control over the timing and amount of payouts from its endowment funds held by the University. The Corporation's endowment funds held by the University are recorded in net assets with donor restrictions. Distributions from the University are recorded upon receipt.

NOTE 5 FIXED ASSETS

Fixed assets at June 30, 2024 and 2023, consisted of the following:

	2024	2023
Leasehold improvements	$ -	$ 110,798
Furniture, fixtures, and equipment	50,854	1,037,193
	50,854	1,147,991
Less: Accumulated depreciation	(50,854)	(1,147,991)
Fixed assets, net	$ -	$ -

During the fiscal year ended June 30, 2024, the Corporation wrote off $110,798 of leasehold improvements and $986,339 of furniture, fixtures and equipment due to the assets no longer being in service. All assets were fully depreciated in prior years. Depreciation expense for 2024 and 2023, was $0 for both years.

NOTE 6 COMMITMENTS AND CONTINGENCIES

Leases

In August 2000, the Corporation entered into an operating lease agreement with the Chicago Board of Education for the North Kenwood/Oakland Charter School. The lease agreement requires rental payments to be paid to the University in support of the various programs it offers to nearby Chicago public elementary and high schools. In 2008, the University, after considering its ongoing support of Chicago's public schools, discontinued the rent requirement of the lease. The Corporation has estimated the fair value of the rental payments to be $609,273 and $488,626 for the years ended June 30, 2024 and 2023, respectively. These amounts are included in the amounts of contributed nonfinancial assets and general and administrative expenses for the years ended June 30, 2024 and 2023.

In July 2018, the Corporation entered into an operating lease agreement with the Chicago Board of Education through June 30, 2024, for the Donoghue campus. The lease term is subject to early termination if the Corporation's charter expires or if the Corporation ceases to operate the Donoghue campus. Rental payments are expected to be $1 annually. The Corporation has estimated the fair value of the rental payments to be $1,803,449 and $1,446,333 for the years ended June 30, 2024 and 2023, respectively. These amounts are included in the amounts of contributed nonfinancial assets and general and administrative expenses for the years ended June 30, 2024 and 2023.

Effective January 1, 2018, the Corporation entered into a 10-year operating lease agreement with the University, whereby the Corporation began paying the University $407,397 annually starting on July 1, 2018. The Corporation recognizes lease liabilities and their corresponding right-of-use (ROU) assets at the lease commencement date, and initially measures the lease liabilities and ROU assets using the present value of lease payments over the defined lease term discounted using the incremental borrowing rate or risk-free rate. Lease terms may include options to extend or terminate certain leases.

The value of a lease is reflected in the valuation if it is reasonably certain management will exercise an option to extend or terminate a lease. For the years ended June 30, 2024 and 2023, the Corporation paid $407,397.

Other information

Remaining lease term - operating leases	13
Discount rate - operating leases	3.5%

NOTE 6 COMMITMENTS AND CONTINGENCIES *(continued)*

Leases *(continued)*

Payments due include options to extend leases that are reasonably certain through fiscal year 2037 and are summarized below:

Year Ending June 30,	Operating Leases
2025	$ 407,397
2026	407,397
2027	407,397
2028	407,397
2029	407,397
Thereafter	3,259,176
	5,296,161
Less: Amounts representing interest	(1,046,067)
	$ 4,250,094

Litigation

Various lawsuits, claims, and other contingent liabilities arise during the ordinary course of the Corporation's educational activities. In management's opinion, all related matters have been adequately provided for, are without merit, or are of such that if disposed of unfavorably, would not have a material adverse effect on the Corporation's financial position.

Retirement Commitments

The Corporation participates in the Public School Teachers' Pension and Retirement Fund of Chicago (CTPF), a defined benefit plan. Participation in CTPF is mandatory for all members of the teaching force who hold an Illinois State Teacher Certification Board certification.

On a discretionary basis, the Corporation has elected to pay a portion of the employees' required contributions to CTPF. CTPF does not maintain separate actuarial records for the Corporation.

In addition, the Corporation also participates in the Teachers Insurance and Annuity Association of America – College Retirement Equities Fund (TIAA-CREF). Employees of the Corporation who are at least 21 years of age or who have completed one year of employment will be able to invest in TIAA-CREF defined contribution retirement annuities, also known as tax-sheltered annuities.

NOTE 6 COMMITMENTS AND CONTINGENCIES *(continued)*

Retirement Commitments *(continued)*

The Corporation's TIAA-CREF Tax-Sheltered Annuity (TSA) is available to those employees who do not contribute to CTPF. Full-time benefits eligible employees cannot participate in the CTPF and TSA at the same time. All full-time benefits eligible employees will be able to make voluntary contributions to the Charter School Tax-Deferred Annuity Plan (TDA) up to the statutory limits.

The TSA is a defined contribution, Internal Revenue Code (IRC) Section 403(b) plan. A participant's defined contribution benefit is based on his or her account balance at the time of election to receive benefit payment and the form of payment selected. Participant contributions of 3% of employee compensation each pay period are matched by the Corporation's contributions of 3% to the defined contribution plan. The defined contribution account is invested at the direction of the employee with TIAA-CREF. Contributions paid by the Corporation for the TSA during the school years ended June 30, 2024 and 2023, were $38,329 and $41,063, respectively.

The TDA is a voluntary defined contribution program that provides an opportunity to save additional money for retirement through tax-deferred savings. Under the TDA, the employee may elect to contribute a specific dollar amount from each paycheck to a TIAA-CREF retirement annuity custodial account. The Corporation does not contribute to the TDA.

NOTE 7 RETIREMENT PLAN

On behalf of eligible employees, the Corporation at its discretion pays 5.5% of the mandatory 9% of Certified Employees Salaries (CES) to CTPF. In addition, CPS requires a payment of 11.16% of CES.

	2024	2023
Total pensionable salaries	$ 9,405,185	$ 9,116,868
Employer expense to CTPF of 5.5%	517,285	501,428
Employer expense to CPS of 11.16%	1,049,619	1,017,442
Total expense	$ 1,566,904	$ 1,518,870
Total employer expense of 11.16% paid to CPS*	$ 1,038,618	$ 970,051
True-up of total employer expense of 11.16% (receivable) from, payable to CPS	$ 11,001	$ 47,391

* Employer expense to CPS of 11.16% includes deductions of $1,038,618 in 2024 and $970,051 in 2023 for amounts already paid to CPS.

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

Gifts received and pledges receivable held by the University for the benefit of the Corporation are restricted as the restrictions are imposed by the donors. At June 30, 2024 and 2023, net assets with donor restrictions were available for the following purposes or periods:

	2024	2023
Scholarships	$ 9,073	$ 10,573
General support of the schools	213,806	178,498
Academic and social support	750,000	-
Endowments	8,510,790	8,403,654
Total net assets with donor restrictions	$ 9,483,669	$ 8,592,725

NOTE 9 NET ASSETS RELEASED FROM RESTRICTIONS

During the fiscal years ended June 30, 2024 and 2023, net assets were released from restrictions by incurring expenses that satisfied the restricted purposes of academic and social support, professional development, scholarships, and general support of the schools, and totaled $189,070 and $387,123, respectively.

NOTE 10 TAX-EXEMPT STATUS

The Corporation has received a determination letter from the Internal Revenue Service indicating that it qualifies as a tax-exempt organization under Section 501(c)(3) of the IRC and is exempt from federal and state income taxes.

The Corporation files information returns in the U.S. federal jurisdiction. Management believes that the Corporation is no longer subject to U.S. federal income tax examinations by tax authority for years before 2020.

NOTE 11 FEDERAL E-RATE PROGRAM

During 2024 and 2023, the Corporation received federal assistance from the Schools and Libraries Program of the Universal Service Fund, commonly known as the (E-Rate) program. E-Rate is administered by the Universal Service Administrative Company (USAC) under the direction of the Federal Communications Commission. E-Rate’s objective is to provide discounts, thereby assisting most schools and libraries in the U.S. to obtain affordable telecommunications and Internet access.

NOTE 11 FEDERAL E-RATE PROGRAM *(continued)*

The Corporation obtained approved commitments of $94,438 and $94,922 of assistance under the E-Rate program from USAC in 2024 and 2023, respectively, to purchase eligible telecommunication equipment and services. During fiscal years 2024 and 2023, the Corporation paid $80,046 and $40,855, respectively, in telecommunication costs to its vendors, which will be reimbursed by USAC.

NOTE 12 CHICAGO PUBLIC SCHOOLS CONTRIBUTED SERVICES

CPS contributes certain services to the Corporation. Services included rent and food service as follows:

	2024	2023
Rent	$ 2,412,722	$ 1,934,959
Food service	857,188	748,250
Total CPS contributed services	$ 3,269,910	$ 2,683,209

These contributed services are reported in the statements of activities as government grants and contracts. Also, the expenditures for these services are reported in school day classroom and general and administrative expenses.

NOTE 13 WOODLAWN HIGH SCHOOL INITIATIVE

During fiscal year 2018, the University completed construction and retained ownership of the school building for the University of Chicago Woodlawn (UCW) High School at a cost of $24.5 million. UCW High School moved to the new building in January 2018. The University and the Corporation entered into a 10-year lease agreement, with three consecutive 10-year extension options, all on the same terms, whereby the Corporation began paying the University $407,397 annually starting on July 1, 2018. During fiscal years 2024 and 2023, the Corporation paid $407,397 for rent, respectively.

NOTE 14 RELATED-PARTY TRANSACTIONS

The Corporation enters into various types of transactions with the University, including with the UEI. Details of those transactions and related amounts are discussed in earlier notes to these financial statements.

NOTE 15 FINANCIAL ASSETS AND LIQUIDITY

Financial assets available for general expenditure, excluding amounts restricted by donors and the Board-designated fund, within one year of the statements of financial position date are comprised of the following:

	2024	2023
Financial assets at year end		
Cash and cash equivalents	$ 4,166,671	$ 4,438,274
Reimbursements and gifts receivable	1,589,267	615,022
Endowments held by the University	9,260,790	8,403,654
Total financial assets	15,016,728	13,456,950
Less: Amounts not available to be used within one year		
Amounts restricted by donors as to purpose	(9,260,790)	(8,403,654)
Financial assets available to meet general expenditures over the next 12 months	$ 5,755,938	$ 5,053,296

The Corporation manages liquidity by maintaining collections of accounts receivable. In the event of an unanticipated liquidity need, the Organization can borrow from the University resources for short-term needs.

NOTE 16 SUBSEQUENT EVENTS

The Corporation evaluated subsequent events through November 1, 2024, the date the financial statements were available to be issued, and determined that there were no additional subsequent events to be recognized or disclosed in the financial statements.

OTHER INFORMATION

THE UNIVERSITY OF CHICAGO
CHARTER SCHOOL CORPORATION
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Grant Period	Provided to Subrecipients	Federal Expenditures
U.S. Department of Education					
Passed through Chicago Public Schools					
Title I Grants to Local Educational Agencies					
Other instructional programs - Public Inst. and Support Services	84.010A	S010A220013	7/1/23-8/31/24	$ -	$ 753,235
Parent training - Mandated Parent Involvement	84.010A	S010A220013	7/1/23-8/31/24	-	4,995
School Improvement Grants - IL Empower	84.010A	S010A220013	7/1/23-8/31/24	-	73,925
Total Title I Grants to Local Education Agencies				-	832,155
English Language Acquisition State Grants	84.365A	S365A230013	9/1/23-8/31/24	-	1,821
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367A	S367A230012	7/1/23-8/31/24	-	38,525
Student Support and Academic Enrichment Program	84.424A	S424A230014	7/1/23-8/31/24	-	9,843

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

THE UNIVERSITY OF CHICAGO
CHARTER SCHOOL CORPORATION
Schedule of Expenditures of Federal Awards *(continued)*
For the Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number		Pass-Through Entity Identifying Number	Grant Period	Provided to Subrecipients	Federal Expenditures
U.S. Department of Education *(continued)*						
Passed through Chicago Public Schools (continued)						
COVID-19 Education Stabilization Fund						
Elementary and Secondary School Emergency Relief (ESSER III) Fund - Operating	84.425U	*	S425U220041	7/1/22-8/31/23	$ -	$ 29,500
Elementary and Secondary School Emergency Relief (ESSER III) Fund - Programmatic	84.425U	*	S425U220041	7/1/23-8/31/24	-	1,193,731
Total COVID-19 Education Stabilization Fund					-	1,223,231
Total U.S. Department of Education					-	2,105,575
Total federal expenditures					$ -	$ 2,105,575

* Denotes major program.

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

THE UNIVERSITY OF CHICAGO
CHARTER SCHOOL CORPORATION
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the grant expenditures of The University of Chicago Charter School Corporation (the Corporation) for the year ended June 30, 2024. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Corporation, it is not intended to, and it does not, present the financial position, changes in net assets, or cash flows of the Corporation.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Expenditures reported on the Schedule are on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement period. The Corporation has not elected to use the 10% de minimus indirect cost rate allowed under the Uniform Guidance.

NOTE 3 RECONCILIATION OF SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS TO FINANCIAL STATEMENTS

The following table presents a reconciliation of the total federal expenditures reported in the Schedule to the government grants and contracts on the financial statements:

Total federal expenditures per the Schedule	$ 2,105,575
Add: CPS non-federal funding	18,174,931
Add: State funding	1,151,332
Government grants and contracts per financial statements	$ 21,431,838

MITCHELL TITUS

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

Management and Board of Directors
The University of Chicago Charter School Corporation

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of The University of Chicago Charter School Corporation (the Corporation), which comprise the statement of financial position as of June 30, 2024, the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 1, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

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

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

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Report on Compliance and Other Matters

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

Purpose of this Report

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

Mitchell & Titus, LLP

November 1, 2024

MITCHELL TITUS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Management and Board of Directors
The University of Chicago Charter School Corporation

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited The University of Chicago Charter School Corporation's (the Corporation) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Corporation's major federal program for the year ended June 30, 2024. The Corporation's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Corporation's compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Corporation's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Corporation's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Corporation's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, 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 Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

MITCHELL TITUS

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mitchell & Titus, LLP

November 1, 2024

THE UNIVERSITY OF CHICAGO
CHARTER SCHOOL CORPORATION
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

SECTION I—SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with U.S. GAAP	**Unmodified**			
Internal control over financial reporting:				
▪ Material weaknesses identified?	____	Yes	X	No
▪ Significant deficiency(ies) identified?	____	Yes	X	None reported
Noncompliance material to financial statements noted?	____	Yes	X	No

Federal Awards

Internal control over major federal programs:				
▪ Material weakness(es) identified?	____	Yes	X	No
▪ Significant deficiency(ies) identified?	____	Yes	X	None reported
Type of auditor's report issued on compliance for major federal programs:	**Unmodified**			
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____	Yes	X	No

Identification of major program:

Assistance Listing No.	**Name of Federal Program or Cluster**
84.425U	COVID-19 Education Stabilization Fund Elementary and Secondary School Emergency Relief (ESSER III) Fund

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000			
Auditee qualified as a low-risk auditee?	X	Yes	____	No

SECTION II—FINANCIAL STATEMENT AUDIT FINDINGS

None.

SECTION III—FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

SUPPLEMENTARY INFORMATION

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS OF APPLICABLE LAWS AND REGULATIONS PRESCRIBED BY ADMINISTERING AGENCY

Management and the Board of Directors
The University of Chicago Charter School Corporation

We have examined The University of Chicago Charter School Corporation's (the Corporation) compliance, during the year ended June 30, 2024, with the laws and regulations listed in the second paragraph of this report, which were provided by the Corporation's administering agency, the Chicago Public Schools (CPS). Management is responsible for the Corporation's compliance with the specified requirements. Our responsibility is to express an opinion on the Corporation's compliance with the specified requirements based on our examination.

The applicable laws and regulations agreed to by the Corporation and CPS included the following:

- Open Meetings Act (5 ILCS 120/1.01 *et. seq.*)
- Fingerprint-based Criminal Background Investigations and Checks of the Statewide Sex Offender Database and Statewide Child Murderer and Violent Offender Against Youth Database (105 ILCS 5/10-21.9 and 105 ILCS 5/34-18.5)
- Illinois School Student Records Act (105 ILCS 10/1 *et. seq.*)
- Administering Medication (105 ILCS 5/10-22.21b)
- Hazardous Materials Training (105 ILCS 5/10-20.17a)
- School Safety Drill Act (105 ILCS 128/1 *et. seq.)*
- Abused and Neglected Child Reporting Act (325 ILCS 5/1 *et. seq.*)
- Eye Protection in School Act (105 ILCS 115/0.01 *et. seq.*)
- Toxic Art Supplies in Schools Act (105 ILCS 135/1 *et. seq.*)
- Infectious Disease Policies and Rules (105 ILCS 5/10-21.11)
- Physical Fitness Facility Medical Emergency Preparedness Act (210 ILCS 74/1 *et. seq.*)
- Open Enrollment Process and Lottery (105 ILCS 5/27A-4(d),(h))
- Board of Directors Requirement (105 ILCS 5/27A-5(c))
- Attendance (Charter School Agreement)
- Single Audit Act Amendments of 1996 (31 U.S.C. 7501-07); Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and OMB Compliance Supplements. (Charter School Agreement)
- Governance and Operation (Charter School Agreement)
- Maintenance of Corporate Status and Good Standing (Charter School Agreement)

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- Facility (Charter School Agreement)
- Pension Payments (Charter School Agreement)
- Management and Financial Controls (Charter School Agreement)
- Insurance (Charter School Agreement)

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Corporation complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Corporation complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Corporation’s compliance with specified requirements.

In our opinion, the Corporation complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2024.

This report is intended solely for the information and use of the Corporation’s Board of Directors and management, and the CPS, and is not intended to be, and should not be, used by anyone other than these specified parties.

Mitchell & Titus, LLP

November 1, 2024

THE UNIVERSITY OF CHICAGO
CHARTER SCHOOL CORPORATION
Schedule of On-Behalf Payment Information from CPS - Unaudited
For the Year Ended June 30, 2024

	NKO	Donoghue	UCW	Total
Facility costs*	$ 1,051,611	$ 1,361,111	$ -	$ 2,412,722
Unfunded pension liability	832,945	1,078,088	1,047,393	2,958,426
Short-term borrowing costs	22,734	29,425	28,587	80,746
Total on-behalf payment amount	$ 1,907,290	$ 2,468,624	$ 1,075,980	$ 5,451,894

	NKO	Donoghue	UCW	Total
Average enrollment FY24	305	500	607	1,412
Per student rate for "on-behalf" payments				
Facility costs	$ 3,448	$ 2,722	$ -	
Unfunded pension liability	2,731	2,156	1,726	
Short-term borrowing costs	75	59	47	

*For facility costs, $2,412,722 contribution of nonfinancial assets - CPS rent is included in the audited financial statements, which represents fair market value of rent at $24.37 per square foot.

THE UNIVERSITY OF CHICAGO
CHARTER SCHOOL CORPORATION
Schedule of SPED Funding - Unaudited
For the Year Ended June 30, 2024

SPED FUNDING		FTEs	Total
1. The number of SPED teachers (FTEs) and the total amount spent on SPED teachers (salaries + benefits)		10	$ 734,726
2. The number of SPED paraprofessionals (FTEs) and the total amount spent on ParaPros (salaries + benefits)		19	674,269
3. The amount spent on related service providers, including the specific amount spent on the following disciplines:		22	761,408
	a. Psychologists		118,065
	b. Social Worker		302,106
	c. Speech-Language Pathologists		136,993
	d. Occupational Therapists		97,035
	e. Physical Therapists		-
	f. Certified School Nurses (CSNs)		337,645
	g. Registered Nurse (RNs) or Licensed Practical Nurses (LPNs)		-
	Total	51	$ 3,162,247