

**THE UNIVERSITY OF CHICAGO
CHARTER SCHOOL CORPORATION**

**Financial Statements and Supplementary Information
For the Years Ended June 30, 2025 and 2024
With Independent Auditor's Report**



MITCHELL TITUS
ACHIEVING EXCELLENCE TOGETHER

**THE UNIVERSITY OF CHICAGO
CHARTER SCHOOL CORPORATION**
For the Years Ended June 30, 2025 and 2024

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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, 2025 and 2024, 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, 2025 and 2024, 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.

141 West Jackson Blvd.
Chicago, IL 60604

T: +1 312 332 4964

F: +1 312 332 0181

mitchelltitus.com



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.



Other Matters

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), the schedule of SPED funding, and the schedule of lease payments 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 3, 2025, 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 3, 2025

**THE UNIVERSITY OF CHICAGO
CHARTER SCHOOL CORPORATION**
Statements of Financial Position
As of June 30, 2025 and 2024

	2025	2024
ASSETS		
<i>Current assets</i>		
Cash and cash equivalents	\$ 7,380,706	\$ 4,166,671
Reimbursements receivable	481,431	1,366,388
Due from the University of Chicago—current portion	760,113	222,879
Prepaid expense	50,266	31,405
Total current assets	<u>8,672,516</u>	<u>5,787,343</u>
<i>Non-current assets</i>		
Due from the University of Chicago—long term	8,775,065	9,260,790
Right-to-use assets—Operating	3,987,262	4,250,094
Fixed assets, net of accumulated depreciation of \$61,895 in 2025 and \$50,854 in 2024	<u>49,184</u>	<u>-</u>
Total non-current assets	<u>12,811,511</u>	<u>13,510,884</u>
Total assets	<u><u>\$ 21,484,027</u></u>	<u><u>\$ 19,298,227</u></u>
LIABILITIES AND NET ASSETS		
<i>Current liabilities</i>		
Accrued liabilities	\$ 1,376,864	\$ 736,835
Unearned revenue	25,999	41,088
Right-to-use liabilities—Operating lease—current portion	407,397	407,397
Total current liabilities	<u>1,810,260</u>	<u>1,185,320</u>
<i>Non-current liabilities</i>		
Right-to-use liabilities—Operating lease—long term portion	<u>3,579,865</u>	<u>3,842,697</u>
Total non-current liabilities	<u>3,579,865</u>	<u>3,842,697</u>
Total liabilities	<u>5,390,125</u>	<u>5,028,017</u>
<i>Net assets</i>		
Without donor restrictions	6,558,724	4,786,541
With donor restrictions	<u>9,535,178</u>	<u>9,483,669</u>
Total net assets	<u>16,093,902</u>	<u>14,270,210</u>
Total liabilities and net assets	<u><u>\$ 21,484,027</u></u>	<u><u>\$ 19,298,227</u></u>

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, 2025

	Without Donor Restrictions	With Donor Restrictions	2025 Total
REVENUE			
Government grants and contracts	\$ 22,543,996	\$ -	\$ 22,543,996
Private gifts, student fees, grants, and contributions	1,559,140	760,113	2,319,253
Contributions of nonfinancial assets (Notes 3 and 12)	4,422,895	-	4,422,895
Change in appreciation in fair value of assets held by the University	-	264,274	264,274
Net assets released from restrictions	<u>972,878</u>	<u>(972,878)</u>	<u>-</u>
Total revenue	<u>29,498,909</u>	<u>51,509</u>	<u>29,550,418</u>
EXPENSES			
Program services	23,147,198	-	23,147,198
General and administrative	<u>4,579,528</u>	<u>-</u>	<u>4,579,528</u>
Total expenses	<u>27,726,726</u>	<u>-</u>	<u>27,726,726</u>
Change in net assets	1,772,183	51,509	1,823,692
Net assets, beginning of year	<u>4,786,541</u>	<u>9,483,669</u>	<u>14,270,210</u>
Net assets, end of year	<u><u>\$ 6,558,724</u></u>	<u><u>\$ 9,535,178</u></u>	<u><u>\$ 16,093,902</u></u>

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	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 Functional Expenses
For the Year Ended June 30, 2025

	Program Services						General and Administrative	2025
	School Day Classroom	Summer Program	Extended Day	Pre-Kindergarten	Parent/Family and PTCO	Total Program		
PROGRAM AND SUPPORTING SERVICES								
Salaries	\$ 11,077,822	\$ 75,410	\$ 42,695	\$ 179,284	\$ -	\$ 11,375,211	\$ 1,860,616	\$ 13,235,827
Taxes and benefits	3,416,718	1,106	619	34,488	-	3,452,931	497,373	3,950,304
Total salaries and related expenses	14,494,540	76,516	43,314	213,772	-	14,828,142	2,357,989	17,186,131
Professional development	264,029	-	-	-	-	264,029	-	264,029
Materials and supplies	257,177	725	30,857	-	-	288,759	60,165	348,924
Services	1,220,370	5,279	57,207	46,400	5,765	1,335,021	283,931	1,618,952
CPS administrative fee	-	-	-	-	-	-	534,872	534,872
Insurance	245,211	-	-	-	-	245,211	12,906	258,117
Facilities and security	2,491,795	-	-	-	-	2,491,795	131,147	2,622,942
Tech hardware and software	435,882	-	-	-	-	435,882	22,941	458,823
Contributed services	3,247,318	-	-	-	-	3,247,318	1,175,577	4,422,895
Total program and supporting services before depreciation	22,656,322	82,520	131,378	260,172	5,765	23,136,157	4,579,528	27,715,685
Depreciation	11,041	-	-	-	-	11,041	-	11,041
Total	\$ 22,667,363	\$ 82,520	\$ 131,378	\$ 260,172	\$ 5,765	\$ 23,147,198	\$ 4,579,528	\$ 27,726,726

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						General and Administrative	2024
	School Day Classroom	Summer Program	Extended Day	Pre- Kindergarten	Parent/Family and PTCO	Total Program		
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
Statements of Cash Flows
For the Years Ended June 30, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,823,692	\$ 1,766,490
<i>Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities</i>		
Depreciation and amortization of right-of-use assets	273,874	253,805
Change in (appreciation) depreciation of fair value of assets held by the University	(264,274)	(107,136)
<i>Changes in operating assets and liabilities</i>		
Reimbursements receivable	884,957	(940,437)
Due from the University	212,765	(783,808)
Prepaid expense	(18,861)	(31,405)
Accrued liabilities	640,029	(165,726)
Unearned revenue	(15,089)	(9,581)
Operating liabilities	(262,832)	(253,805)
Net cash provided by (used in) operating activities	<u>3,274,261</u>	<u>(271,603)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	<u>(60,226)</u>	<u>-</u>
Net cash used in investing activities	<u>(60,226)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	3,214,035	(271,603)
Cash and cash equivalents, beginning of year	<u>4,166,671</u>	<u>4,438,274</u>
Cash and cash equivalents, end of year	<u><u>\$ 7,380,706</u></u>	<u><u>\$ 4,166,671</u></u>

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

**THE UNIVERSITY OF CHICAGO
CHARTER SCHOOL CORPORATION**
Notes to Financial Statements
For the Years Ended June 30, 2025 and 2024

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 Office of Provost, 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 direct funding and other private gifts to the Corporation.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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).

**THE UNIVERSITY OF CHICAGO
CHARTER SCHOOL CORPORATION**
Notes to Financial Statements
For the Years Ended June 30, 2025 and 2024

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 the 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.

**THE UNIVERSITY OF CHICAGO
CHARTER SCHOOL CORPORATION**
Notes to Financial Statements
For the Years Ended June 30, 2025 and 2024

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 88% and 83% of the Corporation's total revenue was provided by Chicago Public Schools (CPS) for the fiscal years ended June 30, 2025 and 2024, respectively.

Unearned Revenue

Unearned revenue at June 30, 2025 and 2024, 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.

**THE UNIVERSITY OF CHICAGO
CHARTER SCHOOL CORPORATION**
Notes to Financial Statements
For the Years Ended June 30, 2025 and 2024

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, 2025 and 2024.

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.

**THE UNIVERSITY OF CHICAGO
CHARTER SCHOOL CORPORATION**
Notes to Financial Statements
For the Years Ended June 30, 2025 and 2024

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 services and general and administrative activities of the Corporation. Contributed nonfinancial assets did not have any donor-imposed restrictions and are reported as contributions of nonfinancial assets and expensed in program services 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, 2025.

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

Private gifts, student fees, grants, and contributions for the years ended June 30, 2025 and 2024, consisted of the following:

	2025	2024
Student fees	\$ 442,904	\$ 472,902
University contributions	1,876,349	3,304,590
Subtotal	2,319,253	3,777,492
Contributed administrative and general services received from the University	1,056,140	1,324,455
Total	\$ 3,375,393	\$ 5,101,947

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.

**THE UNIVERSITY OF CHICAGO
CHARTER SCHOOL CORPORATION**
Notes to Financial Statements
For the Years Ended June 30, 2025 and 2024

NOTE 4 DUE FROM THE UNIVERSITY *(continued)*

Due from the University consisted of the following at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Gifts receivable	\$ 760,113	\$ 222,879
Pledges receivable	-	750,000
Endowments	<u>8,775,065</u>	<u>8,510,790</u>
Total due from the University	9,535,178	9,483,669
Less: Current portion	<u>(760,113)</u>	<u>(222,879)</u>
Non-current portion	<u>\$ 8,775,065</u>	<u>\$ 9,260,790</u>

Details of each source of assets included in due from the University as of June 30, 2025 and 2024, are described below.

Gifts Receivable

Gifts are restricted for supporting the program purposes. At June 30, 2025 and 2024, gifts receivable from the University amounted to \$760,113 and \$222,879, respectively, and are recorded in net assets with donor restrictions.

Pledges Receivable

Pledges are restricted for supporting the program purposes. At June 30, 2025 and 2024, pledges receivable from the University amounted to \$0 and \$750,000, 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 \$8,775,065 and \$8,510,790 as of June 30, 2025 and 2024, 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, and are 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.

**THE UNIVERSITY OF CHICAGO
CHARTER SCHOOL CORPORATION**
Notes to Financial Statements
For the Years Ended June 30, 2025 and 2024

NOTE 5 FIXED ASSETS

Fixed assets at June 30, 2025 and 2024, consisted of the following:

	<u>2025</u>	<u>2024</u>
Furniture, fixtures, and equipment	\$ 111,079	\$ 50,854
Less: Accumulated depreciation	<u>(61,895)</u>	<u>(50,854)</u>
Fixed assets, net	<u><u>\$ 49,184</u></u>	<u><u>\$ -</u></u>

Depreciation expense for 2025 and 2024, was \$11,041 and \$0, respectively.

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 and fully depreciated.

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 \$603,217 and \$609,273 for the years ended June 30, 2025 and 2024, respectively. These amounts are included in the amounts of contributed nonfinancial assets and program services expenses for the years ended June 30, 2025 and 2024.

In July 2018, the Corporation entered into an operating lease agreement with the Chicago Board of Education through June 30, 2025, 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 \$1,785,524 and \$1,803,449 for the years ended June 30, 2025 and 2024, respectively. These amounts are included in the amounts of contributed nonfinancial assets and program services expenses for the years ended June 30, 2025 and 2024.

**THE UNIVERSITY OF CHICAGO
CHARTER SCHOOL CORPORATION**
Notes to Financial Statements
For the Years Ended June 30, 2025 and 2024

NOTE 6 COMMITMENTS AND CONTINGENCIES *(continued)*

Leases *(continued)*

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, 2025 and 2024, the Corporation paid \$407,397.

Other Information

Remaining lease term - operating leases	12
Discount rate - operating leases	3.5%

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

<u>Year Ending June 30,</u>	<u>Operating Leases</u>
2026	\$ 407,397
2027	407,397
2028	407,397
2029	407,397
2030	407,397
Thereafter	<u>2,851,779</u>
	4,888,764
Less: Amounts representing interest	<u>(901,502)</u>
	<u>\$ 3,987,262</u>

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.

**THE UNIVERSITY OF CHICAGO
CHARTER SCHOOL CORPORATION**
Notes to Financial Statements
For the Years Ended June 30, 2025 and 2024

NOTE 6 COMMITMENTS AND CONTINGENCIES *(continued)*

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.

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, 2025 and 2024, were \$39,320 and \$38,329, 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.

**THE UNIVERSITY OF CHICAGO
CHARTER SCHOOL CORPORATION**
Notes to Financial Statements
For the Years Ended June 30, 2025 and 2024

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.

	<u>2025</u>	<u>2024</u>
Total pensionable salaries	\$ 9,578,479	\$ 9,405,185
Employer expense to CTPF of 5.5%	526,816	517,285
Employer expense to CPS of 11.16%	<u>1,068,958</u>	<u>1,049,619</u>
Total expense	\$ 1,595,774	\$ 1,566,904
Total employer expense of 11.16% paid to CPS*	\$ 1,022,863	\$ 1,038,618
True-up of total employer expense of 11.16% (receivable) from, payable to CPS	\$ 46,095	\$ 11,001

* Employer expense to CPS of 11.16% includes deductions of \$1,022,863 in 2025 and \$1,038,618 in 2024 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, 2025 and 2024, net assets with donor restrictions were available for the following purposes or periods:

	<u>2025</u>	<u>2024</u>
Scholarships	\$ 9,073	\$ 9,073
General support of the schools	226,047	213,806
Academic and social support	524,993	750,000
Endowments	<u>8,775,065</u>	<u>8,510,790</u>
Total net assets with donor restrictions	\$ 9,535,178	\$ 9,483,669

NOTE 9 NET ASSETS RELEASED FROM RESTRICTIONS

During the fiscal years ended June 30, 2025 and 2024, 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 \$972,878 and \$189,070, respectively.

**THE UNIVERSITY OF CHICAGO
CHARTER SCHOOL CORPORATION**
Notes to Financial Statements
For the Years Ended June 30, 2025 and 2024

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 2021.

NOTE 11 FEDERAL E-RATE PROGRAM

During 2025 and 2024, 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.

The Corporation obtained approved commitments of \$193,633 and \$94,438 of assistance under the E-Rate program from USAC in 2025 and 2024, respectively, to purchase eligible telecommunication equipment and services. During fiscal years 2025 and 2024, the Corporation paid \$157,826 and \$80,046, 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:

	<u>2025</u>	<u>2024</u>
Rent	\$ 2,388,741	\$ 2,412,722
Food service	<u>978,014</u>	<u>857,188</u>
Total CPS contributed services	<u><u>\$ 3,366,755</u></u>	<u><u>\$ 3,269,910</u></u>

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 program services expenses.

**THE UNIVERSITY OF CHICAGO
CHARTER SCHOOL CORPORATION**
Notes to Financial Statements
For the Years Ended June 30, 2025 and 2024

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 2025 and 2024, 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 Office of Provost. 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:

	<u>2025</u>	<u>2024</u>
<i>Financial assets at year end</i>		
Cash and cash equivalents	\$ 7,380,706	\$ 4,166,671
Reimbursements and gifts receivable	1,241,544	1,589,267
Endowments held by the University	<u>8,775,065</u>	<u>9,260,790</u>
Total financial assets	17,397,315	15,016,728
 <i>Less: Amounts not available to be used within one year</i>		
Amounts restricted by donors as to purpose	<u>(8,775,065)</u>	<u>(9,260,790)</u>
 Financial assets available to meet general expenditures over the next 12 months	 <u>\$ 8,622,250</u>	 <u>\$ 5,755,938</u>

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

**THE UNIVERSITY OF CHICAGO
CHARTER SCHOOL CORPORATION**
Notes to Financial Statements
For the Years Ended June 30, 2025 and 2024

NOTE 16 SUBSEQUENT EVENTS

The Corporation evaluated subsequent events through November 3, 2025, 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



**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, 2025, 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 3, 2025.

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.

141 West Jackson Blvd.
Chicago, IL 60604
T: +1 312 332 4964
F: +1 312 332 0181

mitchelltitus.com



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 3, 2025

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, 2025, 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 Act (105 ILCS 5/10-22.21b)
- Hazardous Materials Training Act (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)

141 West Jackson Blvd.
Chicago, IL 60604
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F: +1 312 332 0181

mitchelltitus.com



- 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, 2025.

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 3, 2025

**THE UNIVERSITY OF CHICAGO
CHARTER SCHOOL CORPORATION**

Schedule of On-Behalf Payment Information from CPS - Unaudited
For the Year Ended June 30, 2025

	<u>NKO</u>	<u>Donoghue</u>	<u>UCW</u>	<u>Total</u>
Facility costs*	\$ 876,611	\$ 1,512,130	\$ -	\$ 2,388,741
Unfunded pension liability	632,508	1,091,060	1,192,433	2,916,001
Short-term borrowing costs	9,811	16,925	18,500	45,236
Total on-behalf payment amount	<u><u>\$ 1,518,930</u></u>	<u><u>\$ 2,620,115</u></u>	<u><u>\$ 1,210,933</u></u>	<u><u>\$ 5,349,978</u></u>
	<u>NKO</u>	<u>Donoghue</u>	<u>UCW</u>	<u>Total</u>
Average enrollment FY25	307	496	589	1,392
Per student rate for "on-behalf" payments				
Facility costs	\$ 2,855	\$ 3,049	\$ -	
Unfunded pension liability	2,060	2,200	2,025	
Short-term borrowing costs	32	34	31	

*For facility costs, \$2,388,741 contribution of nonfinancial assets - CPS rent is included in the audited financial statements, which represents fair market value of rent at \$24.13 per square foot.

THE UNIVERSITY OF CHICAGO
CHARTER SCHOOL CORPORATION
Schedule of SPED Funding - Unaudited
For the Year Ended June 30, 2025

SPED FUNDING	FTEs	Total
1. The number of SPED teachers (FTEs) and the total amount spent on SPED teachers (salaries + benefits)	11	\$ 875,277
2. The number of SPED paraprofessionals (FTEs) and the total amount spent on ParaPros (salaries + benefits)	24	1,251,282
3. The amount spent on related service providers, including the specific amount spent on the following disciplines:	13	454,970
a. Psychologists		135,099
b. Social Worker		307,304
c. Speech Language Pathologists		124,890
d. Occupational Therapists		102,058
e. Physical Therapists		-
f. Certified School Nurses (CSNs)		380,956
g. Registered Nurse (RNs) or Licensed Practical Nurses (LPNs)		-
Total	48	\$ 3,631,836

**THE UNIVERSITY OF CHICAGO
CHARTER SCHOOL CORPORATION**
Schedule of Lease Payments - Unaudited
For the Year Ended June 30, 2025

Rental Agreement		UCW Woodlawn Building
Payment Date	Payment Due	Payment Made
7/1/2024	\$ 33,950	31-Jul-2024
8/1/2024	33,950	31-Aug-2024
9/1/2024	33,950	30-Sep-2024
10/1/2024	33,950	31-Oct-2024
11/1/2024	33,950	25-Nov-2024
12/1/2024	33,950	19-Dec-2024
1/1/2025	33,950	31-Jan-2025
2/1/2025	33,950	26-Feb-2025
3/1/2025	33,950	20-Mar-2025
4/1/2025	33,950	25-Apr-2025
5/1/2025	33,950	27-May-2025
6/1/2025	33,950	27-Jun-2025
7/1/2025	33,950	
8/1/2025	33,950	
9/1/2025	33,950	
10/1/2025	33,950	
11/1/2025	33,950	
12/1/2025	33,950	
1/1/2026	33,950	
2/1/2026	33,950	
3/1/2026	33,950	
4/1/2026	33,950	
5/1/2026	33,950	
6/1/2026	33,950	
7/1/2026	33,950	

Enter the expiration date for this lease agreement
6/30/2037

