

Assurance

PLATO LEARNING ACADEMY

AUDITED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

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**PLATO LEARNING ACADEMY
AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

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INDEPENDENT AUDITOR'S REPORT

To the Governing Board
of Plato Learning Academy

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Plato Learning Academy (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements (collectively, financial statements).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Plato Learning Academy as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits 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 Plato Learning Academy and to meet our other ethical responsibilities, in accordance with the 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 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 Plato Learning Academy's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 generally accepted auditing standards 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 generally accepted auditing standards 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 Plato Learning Academy'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 Plato Learning Academy'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 audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2022, on our consideration of Plato Learning Academy's internal control over financial reporting and 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 Plato Learning Academy'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 Plato Learning Academy's internal control over financial reporting and compliance.

PKF Mueller

Orland Park, Illinois
October 31, 2022

**PLATO LEARNING ACADEMY
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022**

ASSETS

Current assets:

Cash	\$ 136,417
Accounts receivable	344,777
Prepaid expenses	<u>11,937</u>
Total current assets	<u>493,131</u>

Property and equipment:

Equipment	1,207,490
Leasehold improvements	1,014,670
Less accumulated depreciation	<u>(2,068,787)</u>
Property and equipment, net	<u>153,373</u>
Total assets	<u><u>\$ 646,504</u></u>

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$ 121,214
Accrued payroll	145,213
Current portion of note payable	<u>56,240</u>
Total current liabilities	322,667

Long-term liabilities:

Note payable, net of current portion	<u>257,801</u>
Total liabilities	<u>580,468</u>

Net assets:

Without donor restrictions	<u>66,036</u>
Total liabilities and net assets	<u><u>\$ 646,504</u></u>

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

**PLATO LEARNING ACADEMY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

Support and revenue:

Chicago Public Schools:

Per capita tuition and other funds

\$ 2,735,379

Special services

219,957

Other

37,067

Total support and revenue

2,992,403

Expenses:

Program services

2,300,598

Supporting services:

Management and general

688,071

Total expenses

2,988,669

Change in net assets

3,734

Net assets without donor restrictions, beginning of year

62,302

Net assets without donor restrictions, end of year

\$ 66,036

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

**PLATO LEARNING ACADEMY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022**

	<u>PROGRAM SERVICES</u>	<u>SUPPORTING SERVICES MANAGEMENT AND GENERAL</u>	<u>TOTAL</u>
Salaries	\$ 936,824	167,441	1,104,265
Administrative Fee	-	62,745	62,745
Benefits	275,218	12,809	288,027
Books and supplies	109,350	-	109,350
Depreciation	77,674	4,088	81,762
Dues, subscriptions, and publications	5,957	-	5,957
Insurance	-	32,712	32,712
Interest	17,046	-	17,046
Management fees	-	328,000	328,000
Miscellaneous	11,928	1,595	13,523
Office supplies	-	21,160	21,160
Printing and copying	5,874	-	5,874
Professional fees	230,947	33,242	264,189
Rent	201,058	10,582	211,640
Repairs and maintenance	70,973	3,735	74,708
Student activities	312,114	-	312,114
Travel and conferences	2,385	-	2,385
Utilities	43,250	9,962	53,212
Total expenses	<u>\$ 2,300,598</u>	<u>688,071</u>	<u>2,988,669</u>

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

**PLATO LEARNING ACADEMY
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2022**

Cash provided (used) by operating activities:

Change in net assets	\$ 3,734
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation	81,762
Changes in:	
Accounts receivable	(254,651)
Prepaid expenses	(505)
Accounts payable	47,673
Accrued payroll	<u>11,408</u>
Net cash used by operating activities	<u>(110,579)</u>

Cash used by investing activities:

Purchases of property and equipment	<u>(75,188)</u>
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Cash used by financing activities:

Payments on note payable	<u>(49,256)</u>
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Net decrease in cash	(235,023)
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Cash, beginning of year	<u>371,440</u>
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Cash, end of year	<u><u>\$ 136,417</u></u>
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Other cash flow information:

Interest paid	<u><u>\$ 17,046</u></u>
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The accompanying notes are an integral part of the financial statements.

**PLATO LEARNING ACADEMY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

NOTE 1 - NATURE OF OPERATIONS

Plato Learning Academy (Plato) is a contract school of American Quality Schools Corporation (AQSC) and is located in Chicago, Illinois. AQSC and the Board of Education of the City of Chicago entered into a comprehensive educational services and performance agreement granting AQSC the right to operate Plato as a contract school of Chicago Public Schools. The performance agreement expires June 30, 2023.

Plato is a school with a rigorous curriculum, high standards, and a safe and disciplined environment. Plato is committed to excellence in the teachers and the instructional methods utilized. Plato is open to students entering kindergarten up to 8th grade, and is free to students. The majority of Plato's revenues and support comes from Chicago Public Schools through grants for reimbursement of educational costs. All expenses of the entities comprising AQSC are allocated based on actual expenses incurred.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations (U.S. GAAP).

Cash

For purposes of the statement of cash flows, Plato considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents.

Concentration of Credit Risk

Plato maintains its cash in bank deposits which, at times, may exceed federally insured limits. Plato believes it is not exposed to any significant credit risk on cash.

Accounts Receivable

Accounts receivable consists primarily of amounts due from Chicago Public Schools for grants for reimbursement of educational costs. An allowance for doubtful accounts is estimated based upon management's judgment including such factors as prior collection history and the type of receivable. Based on a review of outstanding receivables, management determined that an allowance for doubtful accounts was not necessary at June 30, 2022.

**PLATO LEARNING ACADEMY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Property and Equipment

Property and equipment have been recorded at cost if purchased or at fair value at time of donation if received as a gift. Plato capitalizes property and equipment over \$1,000 that have a useful life of more than one year. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis. The useful lives of property and equipment for purposes of computing depreciation are as follows:

Equipment	3 - 7 years
Leasehold improvements	5 - 10 years

Net Assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor-imposed restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**PLATO LEARNING ACADEMY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Support and Revenue Recognition

Revenue from Contracts with Customers

Tuition (Student Based Budgeting (SBB) and Non-SBB), facility supplement, supplemental aid, special education, other CPS funding, and federal revenue (including Title funding) – Plato receives a student allocation from Chicago Public Schools as well as other state, local, and federal entitlement funding to cover the cost of educational expenses. Tuition is calculated by ISBE as defined by statute and varies year-to-year as expenditures and attendance fluctuates. SBB is used to determine the base amount of resources a school receives for core instruction with funds distributed based on a weighted enrollment allocation. Non-SBB funding is provided on a per-pupil basis for services that are provided in-kind to CPS district schools such as maintenance and operations, security, central office departments, and other services that are not available to charter schools. Revenue for these funding types are recognized ratably over the school year. Other state and local entitlements, supplemental special education, and other CPS funding are allocated by CPS and recognized as revenue ratably over the school year. Federal entitlements are also allocated by CPS and are recognized as revenue as allowable costs are incurred. These revenue categories are accounted for as nonexchange transactions as the benefit to the resource provider is incidental to the public benefit received by the students served by Plato.

Contract Balances

The timing of revenue recognition, billings, and cash collections results in billed accounts receivable on the statements of financial position. The beginning and ending contract balances were as follows:

	<u>June 30, 2021</u>	<u>June 30, 2022</u>
Accounts receivable	\$ 90,126	344,777

Promises to Give

Plato recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. There are no conditional promises at June 30, 2022.

**PLATO LEARNING ACADEMY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Change in Accounting Principles – Contributed Nonfinancial Assets

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2020-07, Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets. The ASU improves financial reporting by providing new presentation and disclosure requirements, including presenting contributed nonfinancial assets (in-kind contributions) as a separate line item in the statement of activities apart from contributions of cash and other financial assets. The ASU also requires additional qualitative and quantitative disclosures about the nature, amount, restrictions, and policies surrounding the contributed nonfinancial assets. For the year ended June 30, 2022, Plato adopted the ASU on a retrospective basis and has adjusted the presentation in these financial statements accordingly.

Functional Expenses

The costs of program and supporting service activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, rent, and utilities, which are allocated on a square footage basis. The remainder of expenses are directly identified to the functional categories to which they apply.

Income Taxes

Plato operates as a division under AQSC. AQSC is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, and accordingly, no provision has been made for either federal or state income taxes. AQSC has evaluated the tax positions taken for all open tax years. Currently, the returns for the prior three fiscal years are open and subject to examination by the Internal Revenue Service; however, AQSC is not currently under audit nor has AQSC been contacted by this jurisdiction. Based on the evaluation of AQSC's tax positions, management believes all positions would be upheld under an examination; therefore, no provision for the effects of uncertain tax positions has been recorded for the year ended June 30, 2022.

Accounting 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 and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**PLATO LEARNING ACADEMY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

New Accounting Standard – Leases

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). The FASB also subsequently issued additional ASUs, which amend and clarify Topic 842. The most significant change in the new leasing guidance is the requirement to recognize right-of-use assets and lease liabilities for operating leases in the statement of financial position. The ASUs are effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. Plato is currently evaluating the methods of adoption allowed and the effect that adoption is expected to have on its financial position, changes in net assets, cash flows, and related disclosures.

Management Evaluation of Going Concern

In accordance with U.S. GAAP, management performed an evaluation to determine if adverse conditions or events, considered in the aggregate, raise substantial doubt about Plato's ability to continue as a going concern for the one-year period from the date the financial statements were available to be issued. Management's evaluation did not identify any conditions or events that raise substantial doubt about Plato's ability to continue as a going concern for the period from October 31, 2022 to October 31, 2023.

Subsequent Events

Subsequent events have been evaluated through October 31, 2022, the date that the financial statements were available to be issued.

NOTE 3 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, comprise the following:

Cash	\$ 136,417
Accounts receivable	<u>344,777</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 481,194</u>

Plato's goal is to maintain available financial assets sufficient to meet its general expenditures, liabilities, and other obligations as they become due.

**PLATO LEARNING ACADEMY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

NOTE 4 - NOTE PAYABLE

Note payable at June 30, 2022 consisted of the following:

Note payable to the Illinois Facility Fund, due in monthly installments of \$5,525 including interest at 5%, with the final payment due in November 2027. The note is collateralized by leasehold improvements.	\$ 314,041
Less current portion	<u>(56,240)</u>
Long-term portion	<u>\$ 257,801</u>

Principal payments due on long-term debt during each of the following years are as follows:

2023	\$ 56,240
2024	54,651
2025	57,447
2026	60,386
2027	58,064
Thereafter	<u>27,253</u>
Total	<u>\$ 314,041</u>

NOTE 5 - OPERATING LEASES

Plato leases a school building under an operating lease that expires in June 2023. Rent expense for the year ended June 30, 2022 was \$211,640. Future minimum rental payments required under this lease for the year ended June 30, 2023 are \$208,032.

NOTE 6 - EMPLOYEE BENEFIT PLAN

Employees of Plato may participate in an Internal Revenue Code Section 403(b) retirement savings plan. The plan is funded solely by employee contributions.

**PLATO LEARNING ACADEMY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

NOTE 7 - RETIREMENT PLAN

Plato participates in the Public School Teachers' Pension and Retirement Fund of Chicago (Fund), a defined benefit plan. Members of the Fund include all active non-annuitants who are employed by a fund-covered employer to provide services for which teacher certification is required. The State of Illinois appropriates public contributions to CPS, which remit those contributions to the Fund as applicable employer contributions.

Employer contributions are 11.16% of pensionable salaries. Eligible employees are also required to contribute 9% of their pensionable salaries. Employer contributions are included in benefits in the statement of functional expenses. The table below is a summary of the pension true-up.

	2022
Total pensionable salaries	\$ <u>187,645</u>
Employee's contribution expense picked up by employer (0%)	\$ <u>-</u>
Employer's contribution expense (11.16%)	\$ 20,941
(-) CPS deduction amount for employer's pension expense	<u>(24,402)</u>
(=) Pension true-up amount	<u>\$ (3,461)</u>

NOTE 8 - RELATED PARTY TRANSACTIONS

Plato pays management fees to AQSC under a non-written agreement. Management fees for the year ended June 30, 2022 were \$328,000.

Accounts payable as of June 30, 2022, includes amounts due to AQSC of \$63,000.

NOTE 9 - IMPACT OF COVID-19

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread in certain parts of the world. To date, the impact on Plato's operations and results has not been significant and management expects this to remain the case. Management continues to actively monitor the global situation in order to mitigate any potential future impact on Plato's changes in net assets and financial performance.

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

To the Governing Board
of Plato Learning Academy

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Plato Learning Academy (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements (collectively, financial statements) and have issued our report thereon dated October 31, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Plato Learning Academy'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 Plato Learning Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plato Learning Academy'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 organization'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Plato Learning Academy'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 Plato Learning Academy's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Plato Learning Academy's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF Mueller

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

To the Governing Board
of Plato Learning Academy

We have examined the compliance of Plato Learning Academy (School) with the types of compliance requirements provided by its administering agency, Chicago Public Schools, that are applicable to the School for the year ended June 30, 2022. Chicago Public Schools provided the compliance requirements subject to audit to the School in a memorandum dated May 16, 2022 and Charter School Agreement dated June 30, 2020.

Management of the School is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its Charter School Agreement with Chicago Public Schools. Our responsibility is to express an opinion on the School's compliance with specified requirements based on our examination. The applicable laws and regulations that were tested included the following:

- Fingerprint-based Criminal Background Investigations and Checks of the Statewide Sex Offender Database & Statewide Murderer and Violent Offender Against Youth Database (105 ILCS 5/10-21.9 & 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 Meetings Act (5 ILCS 120/1 *et seq.* effective January 1, 2020)
- Conformance with the following sections of the Contract School Agreement (the "Agreement"):
 - Advisory Council - A school advisory council composed of parents, community members, and school staff
 - Enrollment - An open enrollment process and lottery
 - Attendance - Accurate attendance record keeping
 - Governance and Operation - The school's governance structure
 - Maintenance of Corporate Status and Good Standing
 - Facility - The school's facility and ADA compliance
 - Management and Financial Controls
 - Insurance - Maintenance of required insurance coverage

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the School complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the School 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 examination engagement.

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

In our opinion, the School complied, in all material respects, with Chicago Public Schools' requirements referred to above for the year ended June 30, 2022.

This report is intended solely for the information and use of management, the Governing Board and the Chicago Public Schools, and is not intended to be and should not be used by anyone other than these specified parties.

PKF Mueller