

CHICAGO TECH ACADEMY

YEARS ENDED JUNE 30, 2016 AND 2015

CHICAGO TECH ACADEMY

YEARS ENDED JUNE 30, 2016 AND 2015

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Independent Auditor's Report

Board of Directors
Chicago Tech Academy
Chicago, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of Chicago Tech Academy (the School), which comprise the statement of financial position as of June 30, 2016 and 2015 and the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Chicago Tech Academy as of June 30, 2016 and 2015 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2016, on our consideration of the School'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 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 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 School's internal control over financial reporting and compliance.

Ostrow Reisin Berk & Abrams, Ltd.

October 27, 2016
Chicago, Illinois

CHICAGO TECH ACADEMY

STATEMENT OF FINANCIAL POSITION

June 30,	2016	2015
ASSETS		
Current assets:		
Cash	\$ 1,182,010	\$ 1,522,999
Receivables:		
Chicago Public Schools	324,595	173,365
Contributions	35,076	10,000
Prepaid expenses		48,795
Total current assets	1,541,681	1,755,159
Property and equipment, net	406,867	321,564
Total assets	\$ 1,948,548	\$ 2,076,723
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 68,256	\$ 46,120
Accrued salaries	248,008	226,240
Capital leases, current portion	120,702	44,522
Total current liabilities	436,966	316,882
Long-term liability:		
Capital leases, net of current portion	116,395	38,459
Total liabilities	553,361	355,341
Net assets:		
Unrestricted	1,317,687	1,708,882
Temporarily restricted	77,500	12,500
Total net assets	1,395,187	1,721,382
Total liabilities and net assets	\$ 1,948,548	\$ 2,076,723

See notes to financial statements.

CHICAGO TECH ACADEMY

STATEMENT OF ACTIVITIES

Years ended June 30,	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue:						
Chicago Public Schools:						
Per-capita tuition	\$ 2,635,799		\$ 2,635,799	\$ 3,244,260		\$ 3,244,260
Special Education	631,826		631,826	643,344		643,344
Chapter I	240,126		240,126	279,191		279,191
Title I	245,422		245,422	212,776		212,776
Title II	33,452		33,452	24,959		24,959
Facility subsidy	48,977		48,977	106,930		106,930
Other				11,449		11,449
Contributed goods and services	570,091		570,091	635,208		635,208
Contributions and grants	290,274	\$ 86,000	376,274	339,123		339,123
Student fees	51,658		51,658	61,695		61,695
Miscellaneous	8,695		8,695	9,812		9,812
Net assets released from restrictions:						
Satisfaction of purpose or time restrictions	21,000	(21,000)		19,000	\$ (19,000)	
Total revenue	4,777,320	65,000	4,842,320	5,587,747	(19,000)	5,568,747
Expenses:						
Program services	4,788,493		4,788,493	4,889,692		4,889,692
Supporting services:						
Management and general	251,369		251,369	241,632		241,632
Fundraising	128,653		128,653	250,736		250,736
Total expenses	5,168,515		5,168,515	5,382,060		5,382,060
Change in net assets	(391,195)	65,000	(326,195)	205,687	(19,000)	186,687
Net assets:						
Beginning of year	1,708,882	12,500	1,721,382	1,503,195	31,500	1,534,695
End of year	\$ 1,317,687	\$ 77,500	\$ 1,395,187	\$ 1,708,882	\$ 12,500	\$ 1,721,382

See notes to financial statements.

CHICAGO TECH ACADEMY

STATEMENT OF FUNCTIONAL EXPENSES

Years ended June 30,	2016				2015			
	Supporting Services				Supporting Services			
	Program services	Management and general	Fundraising	Total	Program services	Management and general	Fundraising	Total
Salaries	\$ 2,476,561	\$ 112,912	\$ 81,246	\$ 2,670,719	\$ 2,262,285	\$ 119,062	\$ 124,377	\$ 2,505,724
Payroll taxes and benefits	439,340	19,885	14,202	473,427	411,590	21,793	22,754	456,137
	2,915,901	132,797	95,448	3,144,146	2,673,875	140,855	147,131	2,961,861
Chicago Public Schools - administrative fee	92,132			92,132	119,429			119,429
Classroom supplies	193,169			193,169	238,342			238,342
Conference and meetings	58,419	22,334	1,888	82,641	50,841	537	537	51,915
Consulting fees	323,241	21,656	150	345,047	490,430	291	292	491,013
Contributed goods and services:								
Food service	146,469			146,469	165,960			165,960
Rent	355,537	16,091	11,494	383,122	318,413	25,918	25,917	370,248
Specialized services	40,500			40,500	99,000			99,000
Equipment rental and maintenance	2,547	115	82	2,744	6,996	1,139		8,135
Facility fee	246,355	11,150	7,964	265,469	274,607	22,352	22,352	319,311
Insurance	54,566	2,469	1,764	58,799	49,378	2,666	2,728	54,772
Interest expense	17,274			17,274	4,209			4,209
Miscellaneous	2,798	789	9	3,596	1,427	789	355	2,571
Other personnel costs	12,771	576	414	13,761	25,486			25,486
Outside services	48,189	11,200	1,558	60,947	38,830	2,093	29,708	70,631
Postage	3,729	168	121	4,018	1,373	111	112	1,596
Printing and copying	41,640	1,885	1,346	44,871	25,635	1,424	1,633	28,692
Professional development	8,472	384	273	9,129	7,932			7,932
Professional fees		20,944		20,944		21,897		21,897
Student uniforms	11,301			11,301	19,139			19,139
Substitute teachers	20,367			20,367	47,651			47,651
Supplies	13,447	728	369	14,544	15,883	4,029	2,510	22,422
Telephone	1,080			1,080	1,224	144	72	1,440
Total expenses before depreciation and amortization	4,609,904	243,286	122,880	4,976,070	4,676,060	224,245	233,347	5,133,652
Depreciation and amortization	178,589	8,083	5,773	192,445	213,632	17,387	17,389	248,408
Total expenses	\$ 4,788,493	\$ 251,369	\$ 128,653	\$ 5,168,515	\$ 4,889,692	\$ 241,632	\$ 250,736	\$ 5,382,060

See notes to financial statements.

CHICAGO TECH ACADEMY

STATEMENT OF CASH FLOWS

Years ended June 30,	2016	2015
Cash flows from operating activities:		
Change in net assets	\$ (326,195)	\$ 186,687
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities:		
Depreciation and amortization	192,445	248,408
(Increase) decrease in operating assets:		
Receivables	(176,306)	158,208
Prepaid expenses	48,795	(17,885)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	22,136	(45,575)
Accrued salaries	21,768	(4,312)
Cash provided by (used in) operating activities	(217,357)	525,531
Cash flows from investing activity:		
Purchases of property and equipment		(11,000)
Cash used in investing activity		(11,000)
Cash flows from financing activity:		
Payments on capital leases	(123,632)	(105,171)
Cash used in financing activity	(123,632)	(105,171)
Increase (decrease) in cash	(340,989)	409,360
Cash:		
Beginning of year	1,522,999	1,113,639
End of year	\$ 1,182,010	\$ 1,522,999
Supplemental disclosure of non-cash investing and financing activity:		
Property and equipment financed with capital leases	\$ 277,748	\$ 83,011
Supplemental disclosure of cash flow information:		
Interest paid	\$ 17,274	\$ 4,209

See notes to financial statements.

CHICAGO TECH ACADEMY

NOTES TO FINANCIAL STATEMENTS

1. Organization and purpose

Chicago Tech Academy (the School) is an Illinois not-for-profit corporation established on June 21, 2007. The School operates a contract high school, Chicago Tech Academy High School, in the City of Chicago.

On July 1, 2009, the School entered into a Comprehensive Educational Services and Performance Agreement with the Board of Education of the City of Chicago (Chicago Public Schools) to operate a contract school serving grades nine through twelve under the Chicago Public Schools' system. The original agreement was for a term of five years ending on June 30, 2014. The agreement was renewed for a one-year term ending on June 30, 2015. During the year ended June 30, 2015, the agreement was extended for a three-year term ending on June 30, 2018. During the years ended June 30, 2016 and 2015, the School served approximately 310 and 350 students, respectively, in grades nine through twelve.

The School is supported primarily through per-capita payments from Chicago Public Schools, grants from state and federal agencies, grants and contributions from private foundations and the general public. The School received approximately 54% and 58% of its support from per-capita payments from Chicago Public Schools for the years ended June 30, 2016 and 2015, respectively. Per-capita payments are determined annually by Chicago Public Schools and may be adjusted or vary from year-to-year depending upon the amount of appropriations authorized by the Illinois General Assembly and subsequent approval by Chicago Public Schools of its budget on an annual basis.

Under state law, Chicago Public Schools has oversight responsibility to verify that the School complies and meets the expectation of a public educational system. The School is expected to satisfy regulations and compliance requirements established by Chicago Public Schools.

CHICAGO TECH ACADEMY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. Summary of significant accounting policies

The significant accounting policies of the School are summarized below:

Basis of accounting:

The School's financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of presentation:

The financial statement presentation follows the Financial Accounting Standards Board (FASB) Accounting Standards Codification (the Codification) for *Financial Statements of Not-for-Profit Organizations*. Under the Codification, the School is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Unrestricted - Unrestricted net assets are available to finance the general operations of the School. The only limits on the use of unrestricted net assets are the broad limits resulting from the nature of the School, the environment in which it operates and the purposes specified in its Articles of Incorporation.

Temporarily restricted - Temporarily restricted net assets result (a) from contributions and other inflows of assets, the use of which by the School is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by action of the School pursuant to those stipulations, (b) from other asset enhancements and diminishments subject to the same kinds of stipulations and (c) from reclassifications to (or from) other classes of net assets as a consequence of donor-imposed stipulations, their expiration by passage of time or their fulfillment and removal by actions of the School pursuant to those stipulations. See Note 6.

Permanently restricted - Permanently restricted net assets (generally referred to as endowment funds) are assets that have donor-imposed restrictions that stipulate that the contributed resources be maintained permanently, but permit the entity to utilize or expend part or all of the income or other economic benefits derived from the donated assets. The School has no permanently restricted net assets as of June 30, 2016 and 2015.

CHICAGO TECH ACADEMY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. Summary of significant accounting policies (continued)

Unrestricted and restricted revenue and support:

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions with restrictions that expire in the same reporting period in which the revenue is recognized are reported as increases in unrestricted net assets.

Receivables:

All receivables are due within one year. An allowance for uncollectible accounts is not provided as management of the School believes all amounts are fully collectible.

Property and equipment and related depreciation and amortization:

Property and equipment are stated at cost, if purchased or fair value at date of donation, if donated. Depreciation and amortization is provided for over useful lives, as summarized in the following table, using the straight-line method. Additions over \$1,000 are capitalized while replacements, maintenance and repairs, which do not improve or extend the lives of the respective assets, are expensed as incurred.

Computers and computer equipment	5 years
Computer software	3 years
Furniture and equipment	7 years
Leasehold improvements	15 years

CHICAGO TECH ACADEMY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. Summary of significant accounting policies (continued)

Contributed goods and services:

As required by the *Accounting for Contributions Received and Contributions Made* of the Codification, the School recognizes the fair value of contributed (donated) goods and services as revenue.

The School was the recipient of the following contributed goods and services from Chicago Public Schools:

Years ended June 30,	2016	2015
Food service	\$ 146,469	\$ 165,960
Rent - facility	383,122	370,248
Specialized services	40,500	99,000
Total	\$ 570,091	\$ 635,208

Expense allocation:

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Accordingly, actual results could differ from those estimates.

Reclassifications:

Certain amounts from the prior year have been reclassified in order to conform to the current year's presentation.

CHICAGO TECH ACADEMY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

3. Tax status

The School is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. In addition, the Internal Revenue Service has determined that the School is not a private foundation within the meaning of Section 509(a) of the Code.

The School has adopted the requirements for accounting for uncertain tax positions and management has determined that the School was not required to record a liability related to uncertain tax positions as of June 30, 2016 and 2015.

4. Cash

The School maintains its cash in bank accounts which, at times, may exceed federally-insured limits. Cash in excess of these limits totaled approximately \$738,000 and \$1,216,000 as of June 30, 2016 and 2015, respectively. The School has not experienced any losses in such accounts. Management believes that the School is not exposed to any significant credit risk on cash.

5. Property and equipment

The components of property and equipment are as follows:

June 30,	2016	2015
Computers and computer equipment	\$ 563,291	\$ 503,384
Computer software	313,514	307,034
Furniture and equipment	210,955	210,955
Leasehold improvements	19,511	19,511
	1,107,271	1,040,884
Less accumulated depreciation and amortization	(700,404)	(719,320)
Property and equipment, net	\$ 406,867	\$ 321,564

CHICAGO TECH ACADEMY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

6. Temporarily restricted net assets

Temporarily restricted net assets were available for the following purpose or time restrictions:

June 30,	2016	2015
Purpose restrictions:		
Scholarships	\$ 2,500	\$ 2,500
Project Lead The Way	41,000	
Time restrictions:		
Contributions receivable	34,000	10,000
Total temporarily restricted net assets	\$ 77,500	\$ 12,500

Net assets were released from donor restrictions by incurring expenses satisfying the following purpose restrictions specified by donors and by expiration of time restrictions:

Years ended June 30,	2016	2015
Time restrictions:		
Contributions receivable	\$ 21,000	\$ 19,000

7. Facility

In accordance with the School's Comprehensive Educational Services and Performance Agreement (Note 1), the School operates in a facility owned by Chicago Public Schools. Rent is not charged to the School by Chicago Public Schools. The School recognized contributed goods and services revenue and corresponding rent expense of \$383,122 and \$370,248 for the years ended June 30, 2016 and 2015, respectively. In addition, the School pays Chicago Public Schools a facility fee to cover utilities, repairs and maintenance charges. Facility fee expense was \$265,469 and \$319,311 for the years ended June 30, 2016 and 2015, respectively.

CHICAGO TECH ACADEMY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

8. Capital leases

The School leases computers and computer equipment under capital leases. The following is an analysis of the leased assets included in property and equipment:

June 30,	2016	2015
Computers and equipment	\$ 378,601	\$ 312,213
Less accumulated amortization	(95,000)	(224,632)
Total	\$ 283,601	\$ 87,581

Future minimum lease payments are as follows:

Year ending June 30:	Amount
2017	\$ 133,026
2018	109,431
2019	11,475
	253,932
Imputed interest	(16,835)
Total	\$ 237,097

Amortization expense was \$81,729 and \$98,138 for the years ended June 30, 2016 and 2015, respectively and is included in depreciation and amortization expense.

9. Retirement plan

The School has a defined-contribution plan qualified under Section 401(k) of the Code covering all eligible employees. The plan allows for discretionary matching contributions and a discretionary profit-sharing contribution. During the years ended June 30, 2016 and 2015, the School authorized discretionary matching contributions equal to 50% of employee deferrals up to 2% of employee compensation. In addition, for the years ended June 30, 2016 and 2015, the School authorized discretionary profit-sharing contributions equal to 2% of employee compensation. Contributions to the plan totaled \$51,337 and \$35,307 for the years ended June 30, 2016 and 2015, respectively.

CHICAGO TECH ACADEMY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

10. Commitments and contingencies

The School has received funds from state and federal grants in the current year which are subject to audits by granting agencies. Management believes that any adjustments that might arise from these audits would be insignificant to the School's operations.

11. Subsequent events

Subsequent to June 30, 2016, the School renewed an agreement with High Tech High to provide educational program and staff development services for the School for the 2016-2017 school year. The contract amount per the agreement is approximately \$86,000.

Management of the School has reviewed and evaluated subsequent events from June 30, 2016, the financial statement date, through October 27, 2016, the date the financial statements were available to be issued. Except as noted above, no other events have occurred in this period that would be required to be recognized and/or disclosed in these financial statements as required by generally accepted accounting principles.

**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***

Board of Directors
Chicago Tech Academy
Chicago, Illinois

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 Chicago Tech Academy (the School), which comprise the statement of financial position as of June 30, 2016 and 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 October 27, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School’s internal control over financial reporting (internal control) to determine the 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 School’s internal control. Accordingly, we do not express an opinion on the effectiveness of the School’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 have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School'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 determination of financial statement amounts. 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 School'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 School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ostrow Reisin Berk & Abrams, Ltd.

October 27, 2016

Independent Auditor's Report on Compliance with Requirements of Applicable Laws and Regulations Prescribed by Administering Agency

Board of Directors
Chicago Tech Academy
Chicago, Illinois

We have audited the compliance of Chicago Tech Academy (the School) with the types of compliance requirements provided by its administering agency, the Chicago Public Schools, that are applicable to the School for the year ended June 30, 2016. The Chicago Public Schools provided the compliance requirements subject to audit to the School in a memorandum dated April 8, 2016 and a Comprehensive Educational Services and Performance Agreement effective July 1, 2015.

Management's Responsibility

Compliance with the requirements of laws, regulations, contracts and applicable grants is the responsibility of management.

Auditor's Responsibility

Our responsibility is to express an opinion on the School's compliance based on our audit. The applicable laws and regulations that were tested 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.*)

- Conformance with the following sections of the Comprehensive Educational Services and Performance Agreement:
 - Section 4: Enrollment
 - Section 4: Governance and Operation
 - Section 5: Maintenance of Corporate Status and Good Standing
 - Section 5: Facility
 - Section 6: Management and Financial Controls
 - Section 6: Attendance
 - Exhibit B: Insurance Requirements

We conducted our audit of compliance 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. Those standards require that we plan and perform an audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School's compliance with those requirements.

Opinion

In our opinion, the School complied, in all material respects, with the Chicago Public Schools' requirements referred to above for the year ended June 30, 2016.

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

Ostrow Reisin Berk & Abrams, Ltd.

October 27, 2016

CHICAGO TECH ACADEMY

SCHEDULE OF CURRENT YEAR FINDINGS AND PRIOR YEAR FINDINGS

YEAR ENDED JUNE 30, 2016

There were no findings for the years ended June 30, 2016 and 2015.