

**INSPIRED TEACHING DEMONSTRATION
PUBLIC CHARTER SCHOOL**

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT**

JUNE 30, 2020 AND 2019

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Independent Auditor's Report

To the Board of Directors
Inspired Teaching Demonstration Public Charter School
Washington, DC

We have audited the accompanying financial statements of Inspired Teaching Demonstration Public Charter School (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, 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, whether due to fraud or error.

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 Inspired Teaching Demonstration Public Charter School as of June 30, 2020 and 2019, 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 Matters

Other Information

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

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental schedules on pages 28-29, as required by D.C. Public Charter School Board ("DCPCSB"), are the responsibility of management, are presented for additional analysis 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 these.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2020, on our consideration of Inspired Teaching Demonstration Public Charter 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 the effectiveness of Inspired Teaching Demonstration Public Charter School'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 Inspired Teaching Demonstration Public Charter School's internal control over financial reporting and compliance.

Emphasis of Matter

As discussed in Note B to the financial statements, in fiscal year 2020 Inspired Teaching Demonstration Public Charter School adopted new accounting guidance, Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers*, ASU 2018-08, *Clarifying the Scope of the Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to this matter.

Jane Harwood & McQuade PA

Washington, DC
November 18, 2020

INSPIRED TEACHING DEMONSTRATION PUBLIC CHARTER SCHOOL
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

| | 2020 | 2019 |
|--|--------------|--------------|
| <u>ASSETS</u> | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 5,518,314 | \$ 4,581,091 |
| Grants receivable | 53,028 | 22,507 |
| Accounts receivable | 128,479 | 55,249 |
| Prepaid expenses | 59,950 | 48,393 |
| Total Current Assets | 5,759,771 | 4,707,240 |
| PROPERTY AND EQUIPMENT, NET | 1,678,247 | 242,266 |
| OTHER ASSETS | | |
| Deposits | 5,000 | 5,000 |
| Total Other Assets | 5,000 | 5,000 |
| TOTAL ASSETS | \$ 7,443,018 | \$ 4,954,506 |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 947,770 | \$ 151,876 |
| Accrued salaries and expenses | 350,795 | 300,900 |
| Deferred revenue | 14,430 | - |
| Capital lease obligation, current portion | 27,403 | 34,073 |
| Total Current Liabilities | 1,340,398 | 486,849 |
| LONG TERM LIABILITIES | | |
| Capital lease obligation, net of current portion | 74,719 | 122,122 |
| Total Liabilities | 1,415,117 | 608,971 |
| OTHER LIABILITIES | | |
| Equity investment | 227,233 | 198,659 |
| NET ASSETS | | |
| Without donor restrictions | 5,783,554 | 4,129,762 |
| With donor restrictions | 17,114 | 17,114 |
| Total Net Assets | 5,800,668 | 4,146,876 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 7,443,018 | \$ 4,954,506 |

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

**INSPIRED TEACHING DEMONSTRATION PUBLIC CHARTER SCHOOL
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020**

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--------------------------------------|-------------------------------|----------------------------|---------------------|
| REVENUE, LOSSES, AND SUPPORT | | | |
| Per pupil appropriations | \$ 8,092,684 | \$ - | \$ 8,092,684 |
| Per pupil facility allowance | 1,640,820 | - | 1,640,820 |
| Federal entitlements and grants | 923,099 | - | 923,099 |
| Other grants and contributions | 218,087 | - | 218,087 |
| Donated services and materials | 15,784 | - | 15,784 |
| Program service fees | 42,699 | - | 42,699 |
| Other income | 103,307 | - | 103,307 |
| Interest | 88,590 | - | 88,590 |
| Loss on equity investment | (28,574) | - | (28,574) |
| Total Revenue, Losses and Support | <u>11,096,496</u> | <u>-</u> | <u>11,096,496</u> |
| EXPENSES | | | |
| Program - educational services | 8,177,655 | - | 8,177,655 |
| General and administrative services | 1,134,713 | - | 1,134,713 |
| Fundraising | 130,336 | - | 130,336 |
| Total Expenses | <u>9,442,704</u> | <u>-</u> | <u>9,442,704</u> |
| CHANGE IN NET ASSETS | 1,653,792 | - | 1,653,792 |
| NET ASSETS, beginning of year | <u>4,129,762</u> | <u>17,114</u> | <u>4,146,876</u> |
| NET ASSETS, end of year | <u>\$ 5,783,554</u> | <u>\$ 17,114</u> | <u>\$ 5,800,668</u> |

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

**INSPIRED TEACHING DEMONSTRATION PUBLIC CHARTER SCHOOL
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019**

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--------------------------------------|-------------------------------|----------------------------|---------------------|
| REVENUE, LOSSES, AND SUPPORT | | | |
| Per pupil appropriations | \$ 7,024,102 | \$ - | \$ 7,024,102 |
| Per pupil facility allowance | 1,533,610 | - | 1,533,610 |
| Federal entitlements and grants | 261,627 | - | 261,627 |
| Other grants and contributions | 140,289 | - | 140,289 |
| Donated services and materials | 55,139 | - | 55,139 |
| Program service fees | 45,348 | - | 45,348 |
| Other income | 2,352 | - | 2,352 |
| Interest | 94,433 | - | 94,433 |
| Loss on equity investment | (207,800) | - | (207,800) |
| Total Revenue, Losses, and Support | <u>8,949,100</u> | - | <u>8,949,100</u> |
| EXPENSES | | | |
| Program - educational services | 6,998,981 | - | 6,998,981 |
| General and administrative services | 1,115,417 | - | 1,115,417 |
| Fundraising | 134,628 | - | 134,628 |
| Total Expenses | <u>8,249,026</u> | - | <u>8,249,026</u> |
| CHANGE IN NET ASSETS | 700,074 | - | 700,074 |
| NET ASSETS, beginning of year | <u>3,429,688</u> | <u>17,114</u> | <u>3,446,802</u> |
| NET ASSETS, end of year | <u>\$ 4,129,762</u> | <u>\$ 17,114</u> | <u>\$ 4,146,876</u> |

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

INSPIRED TEACHING DEMONSTRATION PUBLIC CHARTER SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020

| | Program - Educational Services | General and Administrative Services | Fundraising | Total |
|-----------------------------------|---|--|--------------------|---------------------|
| Personnel Costs | | | | |
| Salaries | \$ 4,770,597 | \$ 646,304 | \$ 100,613 | \$ 5,517,514 |
| Employee benefits | 430,503 | 58,324 | 9,079 | 497,906 |
| Payroll taxes | 391,123 | 52,989 | 8,249 | 452,361 |
| Professional development | 38,924 | - | - | 38,924 |
| Other staff-related expense | 24,426 | 3,309 | 515 | 28,250 |
| Total Personnel Costs | 5,655,573 | 760,926 | 118,456 | 6,534,955 |
| Direct Student Costs | | | | |
| Supplies, materials, snacks | 65,060 | - | - | 65,060 |
| Contracted instruction fees | 506,757 | - | - | 506,757 |
| Textbooks | 52,929 | - | - | 52,929 |
| Student food service program | 103,189 | - | - | 103,189 |
| Transportation | 19,948 | - | - | 19,948 |
| Other student costs | 9,527 | - | - | 9,527 |
| Total Direct Student Costs | 757,410 | - | - | 757,410 |
| Occupancy Expense | | | | |
| Rent | 1,558,779 | 82,041 | - | 1,640,820 |
| Repairs and maintenance | 1,019 | 54 | - | 1,073 |
| Facility consulting fee | - | 2,888 | - | 2,888 |
| Total Occupancy Expense | 1,559,798 | 84,983 | - | 1,644,781 |
| Office Expense | | | | |
| Office supplies | 34,142 | 4,623 | 720 | 39,485 |
| Equipment rental | 2,096 | 284 | 44 | 2,424 |
| Telecommunication | 12,790 | 1,733 | 270 | 14,793 |
| Computer and related | 22,839 | 3,093 | 482 | 26,414 |
| Printing and publications | 8,699 | 1,179 | 183 | 10,061 |
| Postage and shipping | 1,301 | 177 | 27 | 1,505 |
| Total Office Expense | 81,867 | 11,089 | 1,726 | 94,682 |
| General Expense | | | | |
| Insurance | 29,083 | 3,941 | 613 | 33,637 |
| Accounting fee | - | 147,984 | - | 147,984 |
| Authorizer fees | - | 95,433 | - | 95,433 |
| Bad debt | 28 | - | - | 28 |
| Depreciation and amortization | 54,946 | 7,443 | 1,159 | 63,548 |
| Interest | 2,419 | 327 | 51 | 2,797 |
| Legal fees | 12,005 | 4,400 | - | 16,405 |
| Professional fees | 15,937 | 2,160 | 336 | 18,433 |
| Other expenses | - | 426 | - | 426 |
| Fees and licenses | 8,589 | 8,776 | - | 17,365 |
| Donated legal services | - | 6,825 | - | 6,825 |
| Fundraising fees and event costs | - | - | 7,995 | 7,995 |
| Total General Expense | 123,007 | 277,715 | 10,154 | 410,876 |
| TOTAL EXPENSES | \$ 8,177,655 | \$ 1,134,713 | \$ 130,336 | \$ 9,442,704 |

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

INSPIRED TEACHING DEMONSTRATION PUBLIC CHARTER SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019

| | Program - Educational Services | General and Administrative Services | Fundraising | Total |
|-----------------------------------|---|--|--------------------|---------------------|
| Personnel Costs | | | | |
| Salaries | \$ 3,709,066 | \$ 613,116 | \$ 97,920 | \$ 4,420,102 |
| Employee benefits | 321,285 | 53,109 | 8,482 | 382,876 |
| Payroll taxes | 281,457 | 46,524 | 7,431 | 335,412 |
| Professional development | 27,150 | - | - | 27,150 |
| Other staff-related expense | 21,322 | 3,524 | 563 | 25,409 |
| Total Personnel Costs | 4,360,280 | 716,273 | 114,396 | 5,190,949 |
| Direct Student Costs | | | | |
| Supplies, materials, snacks | 83,945 | - | - | 83,945 |
| Contracted instruction fees | 685,063 | - | - | 685,063 |
| Textbooks | 34,397 | - | - | 34,397 |
| Student food service program | 171,992 | - | - | 171,992 |
| Transportation | 24,943 | - | - | 24,943 |
| Other student costs | 6,234 | - | - | 6,234 |
| Total Direct Student Costs | 1,006,574 | - | - | 1,006,574 |
| Occupancy Expense | | | | |
| Rent | 1,456,929 | 76,681 | - | 1,533,610 |
| Repairs and maintenance | 2,096 | 110 | - | 2,206 |
| Facility consulting fee | - | 29,411 | - | 29,411 |
| Total Occupancy Expense | 1,459,025 | 106,202 | - | 1,565,227 |
| Office Expense | | | | |
| Office supplies | 21,377 | 3,533 | 564 | 25,474 |
| Equipment rental | 11,467 | 1,895 | 303 | 13,665 |
| Telecommunication | 12,691 | 2,098 | 335 | 15,124 |
| Computer and related | 17,740 | 2,933 | 468 | 21,141 |
| Printing and publications | 191 | 32 | 5 | 228 |
| Postage and shipping | 1,743 | 288 | 46 | 2,077 |
| Total Office Expense | 65,209 | 10,779 | 1,721 | 77,709 |
| General Expense | | | | |
| Insurance | 26,215 | 4,333 | 692 | 31,240 |
| Accounting fee | - | 138,124 | - | 138,124 |
| Authorizer fees | - | 80,787 | - | 80,787 |
| Depreciation and amortization | 67,721 | 15,816 | 1,787 | 85,324 |
| Interest | 3,222 | 1,728 | 85 | 5,035 |
| Legal fees | 7,003 | 7,003 | - | 14,006 |
| Professional fees | 832 | 138 | 22 | 992 |
| Other expenses | - | 269 | - | 269 |
| Fees and licenses | 2,900 | 11,862 | - | 14,762 |
| Donated legal services | - | 22,103 | - | 22,103 |
| Donated goods | - | - | 150 | 150 |
| Fundraising fees and event costs | - | - | 15,775 | 15,775 |
| Total General Expense | 107,893 | 282,163 | 18,511 | 408,567 |
| TOTAL EXPENSES | \$ 6,998,981 | \$ 1,115,417 | \$ 134,628 | \$ 8,249,026 |

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

**INSPIRED TEACHING DEMONSTRATION PUBLIC CHARTER SCHOOL
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019**

| | 2020 | 2019 |
|--|--------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | \$ 1,653,792 | \$ 700,074 |
| Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities: | | |
| Loss on equity investment | 28,574 | 207,800 |
| Depreciation and amortization | 63,548 | 85,324 |
| (Increase) decrease in assets: | | |
| Grants receivable | (30,521) | (1,000) |
| Accounts receivable | (73,230) | (37,557) |
| Prepaid expenses | (11,557) | 923 |
| Deposits | - | 7,588 |
| Increase (decrease) in liabilities: | | |
| Accounts payable | 795,894 | 55,795 |
| Accrued salaries and expenses | 49,895 | 81,689 |
| Deferred revenue | 14,430 | - |
| Net Cash Provided by Operating Activities | 2,490,825 | 1,100,636 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property and equipment | (1,499,529) | (137,344) |
| Net Cash Used for Investing Activities | (1,499,529) | (137,344) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Capital lease obligation incurred | - | 103,608 |
| Capital lease obligation payments | (54,073) | (21,842) |
| Net Cash (Used for) Provided by Financing Activities | (54,073) | 81,766 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 937,223 | 1,045,058 |
| CASH AND CASH EQUIVALENTS, beginning of year | 4,581,091 | 3,536,033 |
| CASH AND CASH EQUIVALENTS, end of year | \$ 5,518,314 | \$ 4,581,091 |
| SUPPLEMENTAL INFORMATION | | |
| Cash paid for interest | \$ 2,797 | \$ 5,035 |
| Bad debt | \$ 28 | \$ - |

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

INSPIRED TEACHING DEMONSTRATION PUBLIC CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE A – ORGANIZATION AND NATURE OF BUSINESS

Inspired Teaching Demonstration Public Charter School (the “School”), a District of Columbia not-for-profit organization, was incorporated on January 27, 2010, exclusively for educational purposes. During June 2011, the School entered into a 15-year Charter School Agreement with the District of Columbia Public Charter School Board.

At the School, a professional learning community of master teachers and teacher residents ensure that a diverse group of students achieve their potential as accomplished learners, thoughtful citizens, and imaginative and inquisitive problem solvers through a demanding, inquiry-based curriculum. The defining characteristic of the School is a professional learning community focused on a progressive, constructivist approach to teaching and learning based on the research on how the brain works and how children learn. The School is organized to meet two related, mutually reinforcing primary goals: to provide an excellent education for students, and to provide excellent teacher preparation and professional development for new teachers and teacher leaders. The School is a leader in improving the way teachers are trained and students are educated in DC and beyond. As a demonstration school, the school invites and receives visitors from around the globe. Annually, the School welcomes dozens of visitors from the DC education community, as well as those influential in education policy nationwide.

Dominant methods of instruction include inquiry-based methods and active learning approaches, where the teacher serves as facilitator and coach to support student learning. Instruction includes an emphasis on social-emotional learning, and classrooms are characterized by student-centered organizational styles such as differentiated instruction, collaborative groups, and child-initiated play. The standards-based curriculum and student goals are centered on the 4 I’s: intellect, inquiry, imagination, and integrity.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The School’s financial statements are prepared on the accrual basis of accounting. Therefore, revenue and related assets are recognized when earned and expenses and related liabilities are recognized as the obligations are incurred.

INSPIRED TEACHING DEMONSTRATION PUBLIC CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019
(continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Adoption of New Accounting Pronouncement

For the year ended June 30, 2020, the School adopted the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 606, ASU 2014-09, *Revenue from Contracts with Customers*, as amended, which supersedes or replaces nearly all Generally Accepted Accounting Principles (“GAAP”) revenue recognition guidance. These standards establish a new contract and control-based revenue recognition model, change the basis for deciding when revenue is recognized over time or at a point in time, and expand disclosures about revenue. The School has implemented Topic 606 and has adjusted the presentation in these financial statements accordingly. The amendments have been applied retrospectively to all periods presented, with no effect on net assets.

In June 2018, FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. The School has implemented the provisions of ASU 2018-08 applicable to contributions received in the accompanying financial statements under a modified prospective basis. Accordingly, there is no effect on net assets in connection with our implementation of ASU 2018-08.

Financial Statement Presentation

Financial statement presentation follows Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Financial Statements of Not-For-Profit organizations. In accordance with the topic, net assets, revenue, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the School and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.

Net Assets with Donor Restrictions - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the School and/or the passage of time or that must be maintained permanently by the School. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions. For the years ending June 30, 2020 and 2019, donor restricted assets totaled \$17,114 respectively and this amount was restricted for purchase of furniture for the Life Skills classroom.

INSPIRED TEACHING DEMONSTRATION PUBLIC CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019
(continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the School considers all highly liquid debt instruments purchased with an original maturity of less than three months and money market funds to be cash equivalents.

Grants and Accounts Receivable

The School's grants receivable consists of unsecured amounts due from public funding sources whose ability to pay are subject to appropriations. The School performs ongoing credit evaluations of its funding sources and generally does not require collateral. Due to the nature of funding from the federal government and the District of Columbia, management believes that all grants receivable are collectible within one year or less; therefore, no allowance for bad debt has been recorded.

Accounts receivables related to program service fees are recognized as revenue on the accrual basis of accounting at the time the program activity has occurred. Credit is extended for a period of 60 days with no interest accrual at which time payment is considered delinquent. Accounts receivables are written off as uncollectible when payment has not been received after 180 days.

Equity Investment

The School owns 38% interest in Shaed School, LLC (the "LLC"). Shaed School, LLC, is a limited liability company formed in the District of Columbia during May 2014 for the purpose of providing leasing arrangements for the School's facility.

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. The School capitalizes all expenditures for property and equipment over \$1,000. Depreciation is computed, using the straight-line method, over the estimated useful lives of the assets, which ranges from 3 to 7 years. When assets are sold or otherwise disposed of, the asset and related accumulated depreciation and amortization are removed from the accounts, and any remaining gain or loss is included in operations. Repairs and maintenance are charged to expense when incurred. Leasehold improvements are amortized over the shorter of the remaining lease term or useful life of the assets.

INSPIRED TEACHING DEMONSTRATION PUBLIC CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019
(continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Revenue Recognition

Grants and Contributions

The School recognize grants and contributions when cash, securities or other assets, or an unconditional promise to give 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. Contributions received with donor stipulations are recorded as contributions with donor restrictions based on the donor's intent. Unless otherwise stated by the donor, individual donations are recorded as contributions without donor restrictions. Contributions with donor restrictions that are met in the same reporting period as the contribution is received are reported as contributions without donor restrictions support.

Per Pupil Appropriations, Facilities Allowance, and Federal Entitlements, and Other Government Grants

Revenues are received primarily from state and federal government agencies, including the District of Columbia Office of the State Superintendent of Education, District of Columbia Public Charter School Board, the U.S. Department of Education, Medicaid, and other agencies. These revenues are considered conditional grants with a measurable performance or other barrier and a right of return, and are not recognized until the conditions on which they depend have been substantially met. These grants are also subject to audit by the grantor agencies, which could result in a request for reimbursement by the agency for expenditures disallowed under the terms and conditions of the appropriate grantor. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statement of financial position.

Per pupil appropriation revenue includes \$1,853,441 and \$1,360,109 for enhancements, such as special education, at-risk students and English language learners, for the years ended June 30, 2020 and 2019, respectively.

As of June 30, 2020, the School received a conditional promise to give in the amount of \$106,498 that is expected to be fulfilled within the year following the School's 2020 fiscal year-end.

Program Service Fees

Program service fees are revenue primarily derived from before and after-care programs, paid meal plans, and various student activities (e.g., fieldtrips, intramural sports, special events, etc.), which is recognized when the services are provided.

INSPIRED TEACHING DEMONSTRATION PUBLIC CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019
(continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Donated Services and Material

Donated services and material are recognized at fair value at the date of the donation. Contributions of services are recognized if the services received create or enhance non-financial assets or require specialized skills, and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed services and promises to give services that do not meet the above criteria are not recognized. The School received \$6,825 of donated legal services and \$8,959 of donated goods for the years ended June 30, 2020 and 2019, respectively. The School received \$22,103 of donated legal services and \$33,036, respectively of donated goods for the year ended June 30, 2019.

Uses of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions. These estimates affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Method Used for Allocation of Expenses from Management and General Activities

The financial statements report certain categories of expenses that are attributable to program or a supporting function such as management and general or fundraising activities. Expenses of this nature are allocated on a reasonable basis that is consistently applied. Allocated expenses include depreciation and amortization, office and occupancy costs, salaries and benefits, and other general organizational costs which are allocated on the basis of time worked.

NOTE C – INCOME TAXES

The School is exempt from federal income taxes on related income under Section 501(c)(3) of the Internal Revenue Code. In addition, the School is classified as an entity that is not a private foundation under Section 509(a)(1).

The School believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements or that would have an effect on its tax-exempt status. There are no unrecognized tax benefits or liabilities that need to be recorded.

INSPIRED TEACHING DEMONSTRATION PUBLIC CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019
(continued)

NOTE C – INCOME TAXES - continued

The School’s information tax returns are subject to examination by the Internal Revenue Service for a period of three years from the date they were filed, except under certain circumstances. The School’s Form 990 returns for the years ending June 30, 2017 through 2019 are open for examination by the Internal Revenue Service, although no request has been made as of the date of these financial statements.

Shaed School, LLC is a District of Columbia limited liability company which elected to be treated as a partnership for income tax reporting purposes and, therefore, is not subject to federal income tax.

NOTE D – AVAILABLE RESOURCES AND LIQUIDITY

The School regularly monitors liquidity required to meet its operating needs and other commitments, while also striving to prudently invest available funds. The School’s sources of liquidity at its disposal include cash and receivables.

In addition to financial assets available to meet general expenditures over the next 12 months, the School operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. The following reflects the School’s financial assets as of June 30:

| | <u>2020</u> | <u>2019</u> |
|---|---------------------|---------------------|
| Cash | \$ 5,518,314 | \$ 4,581,091 |
| Current receivable | 181,507 | 77,756 |
| Total Financial Assets | <u>5,699,821</u> | <u>4,658,847</u> |
| Encumbered net assets with donor restrictions for the next one year | <u>(17,114)</u> | <u>(17,114)</u> |
| Total Financial Assets Available to meet Cash Needs for General Expenditures Within One Year | <u>\$ 5,682,707</u> | <u>\$ 4,641,733</u> |

INSPIRED TEACHING DEMONSTRATION PUBLIC CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019
(continued)

NOTE E – PROPERTY AND EQUIPMENT

The following is a summary of property and equipment at June 30:

| | <u>2020</u> | <u>2019</u> |
|--|---------------------|-------------------|
| Furniture and equipment | \$ 168,460 | \$ 235,577 |
| Computers | 156,208 | 46,408 |
| Website | 4,500 | 4,500 |
| Leased equipment | 155,966 | 188,677 |
| Leasehold improvements | 142,387 | 93,018 |
| Construction in progress | 1,440,189 | - |
| | <u>2,067,710</u> | <u>568,180</u> |
| Less accumulated depreciation and amortization | <u>(389,463)</u> | <u>(325,914)</u> |
| Property and Equipment, Net | <u>\$ 1,678,247</u> | <u>\$ 242,266</u> |

Depreciation and amortization expense for the years ended June 30, 2020 and 2019 totaled \$63,548 and \$85,324, respectively. Accumulated depreciation includes accumulated amortization of capital leased equipment in the amount of \$55,023 and \$22,848 as of June 30, 2020 and 2019, respectively. Amortization expense related to capital leased equipment was \$4,473 and \$25,138 for the years ended June 30, 2020 and 2019, respectively.

NOTE F – LEASE COMMITMENTS

In May 2014, the School entered into a sublease agreement with Shaed School, LLC, a related party, for the building at 301 Douglas Street, NE, Washington, D.C., commencing August 1, 2014. The lease was for a term of five years and expired June 30, 2019. Lease payments are determined on an annual basis and is calculated by the number of students enrolled on each census date beginning each October multiplied by the per pupil facilities allowance received from the District of Columbia. In connection with the lease the School guaranteed the lessor’s financing of \$12,100,000 which was primarily used to improve the property. This lease was amended on June 4th, 2019 and will now expire on March 2034. In connection with this amendment, the lessor has refinanced the remaining principal amount for \$10,400,000, that the School remains a guarantor on. The rent will increase by the debt service on the financing and the incremental operating cost of occupying this space and will not be based on the increased enrollment associated with the additional space. The School cannot reasonably estimate its future minimum lease liability over the term of the lease. However, assuming stable enrollment and facilities allowance, rent should approximate the current year expense until such time as the improvements are made and the additional space is occupied. Rent expense for this facility for years ended June 30, 2020, and 2019 totaled \$1,640,820 and \$1,533,610, respectively.

INSPIRED TEACHING DEMONSTRATION PUBLIC CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019
(continued)

NOTE F – LEASE COMMITMENTS

The School also leases certain equipment. The equipment leases were signed in 2018 and 2019 and expire in 2023 and 2024.

Future minimum lease payments for the equipment lease for the years ending June 30:

| | | |
|-------------------------------------|------|------------|
| | 2021 | \$ 27,403 |
| | 2022 | 28,806 |
| | 2023 | 24,461 |
| | 2024 | 21,452 |
| Total Future Minimum Lease Payments | | \$ 102,122 |

NOTE G – RELATED PARTY TRANSACTIONS

The School shares a common board member with Center for Inspired Teaching (the “Center”). In previous years, the School paid the Center to train and support an agreed upon number of teaching fellows who were placed at the school each year. Each year, when this contract was renewed and voted upon, the common board member recused herself from voting to prevent any conflict of interest from interfering with the School's independence. The School’s practices include a conflict of interest policy that is reviewed and signed annually by all board members. The contract with the Center ended as of June 30, 2019.

For the year ended June 30, 2019, the amount paid to the Center totaled \$245,000.

NOTE H – PENSION PLAN

The Inspired Teaching School 403(b), (the “Plan”), was established for all eligible employees. Eligible employees can become participants on the first day of the month following the completion of eligibility requirements but are not eligible for the employer match until they have completed one year of employment and are 21 years of age or older. Employees may make elective deferral from their eligible earnings, up to the amount allowed by the Internal Revenue Code. The School matches are discretionary. For the years ended June 30, 2020 and 2019, pension expense totaled \$76,262 and \$59,453, respectively.

INSPIRED TEACHING DEMONSTRATION PUBLIC CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019
(continued)

NOTE I – EQUITY INVESTMENT IN LIMITED LIABILITY COMPANY

As of May 2014, the School is a member of and has a 38% interest in Shaed School, LLC (the “LLC”). The purpose of Shaed School, LLC is to hold, renovate, remodel, rent, operate, manage, maintain, improve, repair, sell finance and refinance the property at 301 Douglas Street, NE, Washington, DC, where the School operates. At the formation of the LLC, on May 15, 2014, the School made an initial capital contribution of \$375,152. The School uses the equity method to account for its investment. As of June 30, 2020 and 2019, the School’s investment in the LLC totaled \$(227,233) and \$(198,659), respectively.

The following is the summarized unaudited financial information for Shaed School, LLC as of June 30, 2020:

BALANCE SHEET

ASSETS

| | | |
|-----------------------------|----|------------|
| Cash | \$ | 758,854 |
| Property and equipment, net | | 10,741,078 |
| Other assets | | 877,348 |
| Total Assets | | 12,377,279 |

LIABILITIES AND PARTNERS' CAPITAL

| | | |
|--|----|------------|
| Accounts payable, accruals and other liabilities | | 2,277,949 |
| Intercompany payable | | 512,611 |
| Notes payable | | 10,177,396 |
| Total Liabilities | | 12,967,956 |
| Members' Deficit | | (590,676) |
| Total Liabilities and Partners' Deficit | \$ | 12,377,279 |

INCOME STATEMENT

REVENUE

| | | |
|---------------|----|-----------|
| Rental income | \$ | 1,680,349 |
|---------------|----|-----------|

EXPENSES

| | | |
|------------------------|--|-----------|
| Site specific expenses | | 1,755,222 |
|------------------------|--|-----------|

NET LOSS

(74,873)

MEMBERS' DEFICIT, beginning of year

(515,803)

MEMBERS' DEFICIT, end of year

\$ (590,676)

SCHOOL'S SHARE, 38% of member's deficit, end of year

\$ (227,233)

INSPIRED TEACHING DEMONSTRATION PUBLIC CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019
(continued)

NOTE J – CONCENTRATIONS

The School is supported primarily by local and federal appropriations and grants. For the years ended June 30, 2020 and 2019, 96% and 99%, respectively, of total revenue was provided by one local government agency. Reduction of this source of support would have a significant impact on the School's programs and activities. The geographical area of clients served is all wards of the District of Columbia. As of June 30, 2020 and 2019, the School had cash that exceeded federally insured limits by approximately \$5,218,000 and \$4,249,000, respectively. Management has evaluated the financial institutions and does not believe it is exposed to any significant credit risk

NOTE K – SUBSEQUENT EVENTS

In preparing these financial statements, the School has evaluated events and transactions for potential recognition or disclosure through November 18, 2020, the date the School's financial statements were available to be issued. There are no other events or transactions that require further recognition or disclosure.

**REPORTS AND SCHEDULES REQUIRED
BY THE UNIFORM GUIDANCE**



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 Board of Directors
Inspired Teaching Demonstration Public Charter School
Washington, DC

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 the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Inspired Teaching Demonstration Public Charter School, (the "School") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, 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 November 18, 2020.

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.

Jane Maruca & McQuade PA

Washington, DC
November 18, 2020



**Independent Auditor's Report on Compliance for Each Major Program
and on Internal Control over Compliance
Required by the Uniform Guidance**

The Board of Trustees of
Inspired Teaching Demonstration Public Charter School
Washington, DC

Report on Compliance for Each Major Federal Program

We have audited Inspired Teaching Demonstration Public Charter School's (the "School") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2020. The School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, contracts, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the 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 on a major federal program 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the School's compliance.

Opinion on Each Major Federal Program

In our opinion, Inspired Teaching Demonstration Public Charter School, complied, in all material respects, with the types of compliance requirements referred to above, that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the School is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Jane Wilson & M. Quade PA

Washington, DC
November 18, 2020

**INSPIRED TEACHING DEMONSTRATION PUBLIC CHARTER SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020**

| Federal Grantor/Pass-through Grantor/ Program or Cluster Title | Assistance Listing Number (Formerly CFDA Number) | Grant Identification Number | Federal Expenditures |
|---|--|-----------------------------------|-------------------------|
| U. S. Department of Education | | | |
| Pass Through from District of Columbia Office of the State Superintendent of Education (OSSE) | | | |
| D.C. Opportunity Scholarship Program | 84.370 | U370C190001, U370C170001 | 694,637 |
| Special Education Grants to States | 84.027 | H027A190010 - 19A, H173A180006 | 70,074 |
| Supporting Effective Instruction State Grants | 84.367 | S367A190008 | 18,791 |
| Special Education Preschool Grants | 84.173 | H173A190006 | 949 |
| Total U.S. Department of Education | | | <u>784,451</u> |
| Corporation for National and Community Service | | | |
| Pass Through from District of Columbia Office of the Mayor's Office on Serve D.C. Volunteerism (AKA DC Commission on National) | | | |
| AmeriCorps | 94.006 | 18AFHDC0010001 | 91,616 |
| U.S. Department of Agriculture - Food and Nutrition Service | | | |
| Pass Through from District of Columbia Office of the State Superintendent of Education (OSSE) | | | |
| Child Nutrition Cluster | | | |
| School Breakfast Program | 10.553 | | 29,295 |
| National School Lunch Program | 10.555 | | 3,505 |
| Child Nutrition Cluster | | | <u>32,800</u> |
| Total U.S. Department of Agriculture | | | <u>32,800</u> |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | <u>\$ 908,867</u> |

**INSPIRED TEACHING DEMONSTRATION PUBLIC CHARTER SCHOOL
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal grant activity of the School under programs of the federal government for the year ended June 30, 2020. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the financial statements.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein, certain types of expenses are not allowable or are limited as to reimbursement. The School elected not to use the 10 percent de minimus indirect cost rate. Pass through programs, agencies, and entity identifying numbers are presented where available.

NOTE C – RECONCILIATION TO THE FINANCIAL STATEMENTS

Expenditures per the Schedule exclude \$14,232 of federal funds provided under the Federal Communications Commission E-Rate program, which are reported as federal entitlements and grants in the Statement of Activities. Funding under the Federal Communications Commission E-Rate program is considered to be federal funds, however, does not qualify as direct financial support, and therefore, is exempt from Federal Audit requirements.

**INSPIRED TEACHING DEMONSTRATION PUBLIC CHARTER SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020
(continued)**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

| | |
|---|---------------|
| Type of report issued on the financial statements | Unmodified |
| Internal control over financial reporting: | |
| Material weakness identified? | No |
| Significant deficiencies | None reported |
| Noncompliance material to financial statements noted? | No |

Federal Awards

| | |
|---|---------------|
| Type of auditor's report issued on compliance for major programs: | Unmodified |
| Internal control over major programs: | |
| Material weakness identified? | No |
| Significant deficiencies identified that are not considered to be material weakness? | No |
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? | None reported |

Major programs

| | |
|---|--------------------------------------|
| Name of Federal Program: | D.C. Opportunity Scholarship Program |
| CFDA Number: | 84.370 |
| Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| Auditee qualified as low-risk auditee? | No |

**INSPIRED TEACHING DEMONSTRATION PUBLIC CHARTER SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020
(continued)**

SECTION II – FINANCIAL STATEMENTS FINDINGS

None

SECTION III – FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

None

SECTION IV – SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

None

SUPPLEMENTAL SCHEDULES REQUIRED BY DCPCSB

**INSPIRED TEACHING DEMONSTRATION PUBLIC CHARTER SCHOOL
SUPPLEMENTAL SCHEDULE OF VENDORS PAID OVER \$25,000
YEAR ENDED JUNE 30, 2020**

| <u>Vendor Name</u> | <u>Services Provided</u> | <u>Amount Paid</u> |
|--|----------------------------|--------------------|
| Alignstaffing | Substitute teachers | \$ 35,512 |
| Amazon | Office supplies | 47,917 |
| CareFirst | Health insurance | 499,112 |
| DC Public Charter School Board | Authorizer fees | 96,580 |
| Early Autism Solutions, LLC | Special education services | 89,672 |
| EdOps | Accounting and finance | 101,108 |
| Educational Solutions, LLC | Special education services | 62,802 |
| End-to-End Solutions for Special Education LLC | Special education services | 63,727 |
| Paradigm Therapy Partners, LLC | Special education services | 177,541 |
| Revolution Foods, Inc. | Food services | 97,965 |
| Shaed School LLC | Landlord | 1,502,973 |
| Tamah, LLC | Substitute teachers | 30,506 |
| The Hanover Insurance Group | Business insurance | 32,200 |

Note: The above schedule includes all vendors/contractors paid greater than or \$25,000 for which either a formal contract was executed or no formal contract was entered into, executed or negotiated.

**INSPIRED TEACHING DEMONSTRATION PUBLIC CHARTER SCHOOL
SUPPLEMENTAL SCHEDULE OF VENDOR CONTRACTS AWARDED OVER \$25,000
YEAR ENDED JUNE 30, 2020**

| <u>Vendor Name</u> | <u>Services Provided</u> | <u>Approximate</u> |
|--------------------|--------------------------|--------------------|
| NONE | | |

Note: The above schedule includes only those contracts entered into by the School as of June 30, 2020 for services that will amount to more than \$25,000 over the term of the contract, services have not begun, nor had anything been paid as of June 30, 2020.