INSPIRED TEACHING DEMONSTRATION PCS

DC PUBLIC CHARTER SCHOOL BOARD

FY 2025 Financial Analysis Report

Opened: 2011-2012

Audited Enrollment: 521

KEY FINANCIAL INDICATORS

Change in Net Assets Margin:
= (Operating Revenues – Operating Expenses) ÷ Operating Revenues

Aggregated Three-Year Margin:
= Three-Year Operating Income ÷ Three-Year Operating Revenues

Enrollment Variance:
= (Audited Enrollment – Budgeted Enrollment) ÷ Budgeted Enrollment

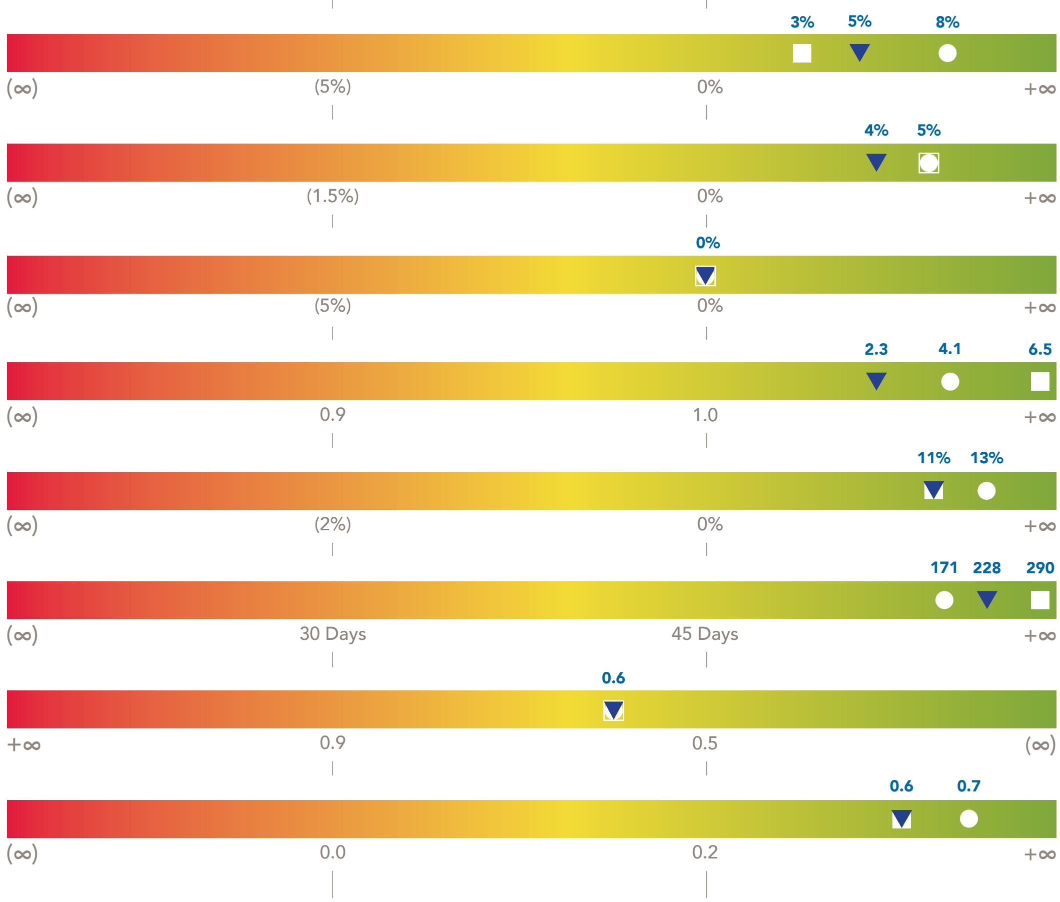
Current Ratio:
= [Total Current Assets ÷ (Total Current Liabilities – Next Year's Scheduled Balloon Payments)]

Cash Flow from Operations Margin:
= Operating Cash Flow ÷ Operating Revenues

Days of Cash on Hand:
= (Cash and Cash Equivalents + Short-Term Investments) ÷ [(Operating Expenses – Depreciation and Amortization) ÷ 365 Days]

Debt Ratio:
= Total Liabilities ÷ Total Assets

Primary Reserve Ratio:
= Net Assets ÷ Operating Expenses



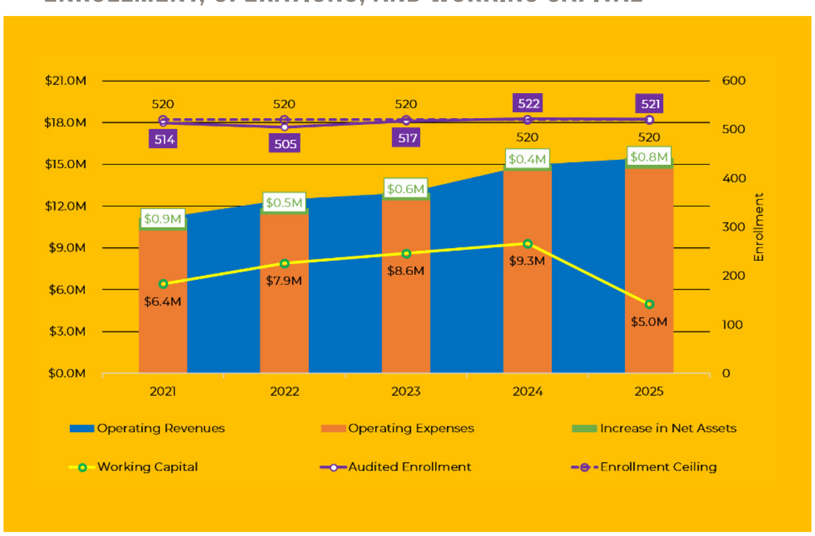
Unresolved Prior Year Audit Findings: 0

Debt Compliance Issue - Financial: 0

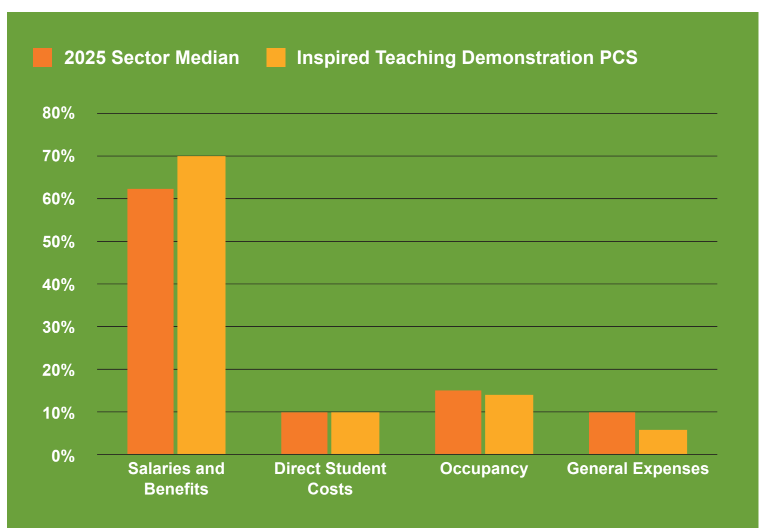
Debt Compliance Issue - Reporting: 0

● = 2025 Sector Median ▼ = 2025 School Results ■ = 2024 School Results

ENROLLMENT, OPERATIONS, AND WORKING CAPITAL



DC PCS EXPENSES BY CATEGORY



INSPIRED TEACHING DEMONSTRATION PCS

FY 2025 Financial Analysis Report

FINANCIAL POSITION

	Amounts in $000s 2025	2024	% Increase (Decrease)
Total Assets	$22,474	$21,120	6%
Current Assets	$8,917	$11,027	(19%)
Total Liabilities	$13,497	$12,929	4%
Current Liabilities	$3,951	$1,708	131%
Working Capital	$4,966	$9,319	(47%)
Net Assets	$8,977	$8,191	10%

FINANCIAL ACTIVITIES

	Amounts in $000s 2025	2024	% Increase (Decrease)
Operating Revenues	$15,485	$14,949	4%
Operating Expenses	$14,699	$14,522	1%
Nonoperating Income (Loss)	$0	$0	
Surplus (Deficit)	$787	$427	84%
Other Changes in Net Assets	$0	$0	
Increase (Decrease) in Net Assets	$787	$427	84%

AUDIT FINDINGS

	2025	2024
Qualified/Adverse/Disclaimer of Opinion on the Financial Statements (GAAP)	No	No
Material Weaknesses in the Internal Control over Financial Reporting (GAS)	No	No
Noncompliance Material to the Financial Statements (GAS)	No	No
Qualified/Adverse/Disclaimer of Opinion on Major Federal Programs (Uniform Guidance)	No	N/A
Material Weaknesses or Significant Deficiencies in the Internal Control over Compliance with Major Federal Programs (Uniform Guidance)	No	N/A
Findings and Questioned Costs (Uniform Guidance)	No	N/A
Going-Concern Issue	No	No

REVENUES/EXPENSES PER STUDENT

Per Student	2025	2024	% Increase (Decrease)	2025 Sector Median
DC Local Funding	$26,564	$24,364	9%	$29,413
Grants and Contributions	$231	$1,880	(88%)	$776
Operating Revenues	$29,722	$28,638	4%	$35,115
Operating Expenses	$28,212	$27,820	1%	$32,991
Operating Income (Loss)	$1,510	$819	84%	$2,649

The numbers presented above may not sum precisely to the totals provided due to rounding, and the percentages are calculated on the unrounded numbers for the greatest precision

DC PCSB OBSERVATIONS

In FY 2025, the LEA demonstrated robust financial health with all six key financial indicators above target. From FY 2024 to FY 2025, the current ratio decreased from 6.5 to 2.3; however, the change in net assets margin increased from 3% to 5%.

The decline in the current ratio was primarily due to the $1.6M OSSE loan, which was classified as a current liability and is due as a balloon payment in April 2026. The LEA's cash and cash equivalents balance at FYE 2025 is sufficient to repay this debt and maintain healthy liquidity. The change in net assets margin improved due to a $0.4M (84%) increase in operating income, generated by operating revenues increasing at a faster rate than operating expenses.

During FY 2025, property and equipment increased by $3.4M (38%) as the LEA progressed on the ground floor renovation project, with construction in progress increasing from $0.4M to $3.9M.