

**INSPIRED TEACHING DEMONSTRATION
PUBLIC CHARTER SCHOOL**

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

JUNE 30, 2024 AND 2023

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CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

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

Opinion

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, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Inspired Teaching Demonstration Public Charter School as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Inspired Teaching Demonstration Public Charter School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 Inspired Teaching Demonstration Public Charter School'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 Inspired Teaching Demonstration Public Charter School'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 Inspired Teaching Demonstration Public Charter School'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 December 6, 2024, 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 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 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, during the year ended June 30, 2024, Inspired Teaching Demonstration Public Charter School adopted new accounting guidance, Accounting Standards Update ("ASU") Topic 326, *Financial Instruments – Credit Losses*, as amended. Our opinion is not modified with respect to this matter.

Report on Supplementary Schedules Required by DCPCSB

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary schedules of vendors awarded contracts equal to or above \$25,000, income not subject to DCPCSB administrative fee, and occupancy expenses and non-facility expenses, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



Washington, DC
December 6, 2024

**INSPIRED TEACHING DEMONSTRATION
PUBLIC CHARTER SCHOOL
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023**

	2024	2023
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 10,767,113	\$ 9,708,027
Federal grants receivable	67,114	316,093
State and local grants receivable	70,204	4,272
Accounts receivable	339	3,368
Prepaid expenses	122,239	111,013
Total Current Assets	11,027,009	10,142,773
NON-CURRENT ASSETS		
Property and equipment, net	8,979,856	9,373,677
Restricted cash and cash equivalents	1,092,612	1,173,375
Deposits	8,190	8,190
Finance leases, right-of-use asset, net	12,575	41,583
Total Non-Current Assets	10,093,233	10,596,825
TOTAL ASSETS	\$ 21,120,242	\$ 20,739,598
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 610,089	\$ 554,826
Accrued expenses	530,100	458,074
Accrued interest	270,518	265,625
Bonds payable, current portion	160,000	150,000
Notes payable, current portion	62,555	577,517
Finance leases liability, current portion	14,109	32,690
Deferred revenue	60,472	13,124
Total Current Liabilities	1,707,843	2,051,856
NON-CURRENT LIABILITIES		
Bonds payable, net of current portion	9,608,170	9,749,762
Note payable, net of current portion	1,613,382	1,160,353
Finance leases liability, net of current portion	-	14,109
Total Non-Current Liabilities	11,221,552	10,924,224
TOTAL LIABILITIES	12,929,395	12,976,080
NET ASSETS		
Without donor restrictions	8,190,847	7,763,518
TOTAL LIABILITIES AND NET ASSETS	\$ 21,120,242	\$ 20,739,598

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

**INSPIRED TEACHING DEMONSTRATION
PUBLIC CHARTER SCHOOL
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2024 AND 2023**

	2024	2023
REVENUE AND SUPPORT WITHOUT DONOR RESTRICTIONS		
General education, DC funding allocation	\$ 7,589,858	\$ 7,198,912
Categorical enhancements, DC funding allocation	3,244,941	3,081,463
Facilities allowance, DC funding allocation	1,883,440	1,816,221
Federal entitlements and other federal funds	509,431	472,193
Federal grants - COVID-19	-	10,498
Donated federal commodities	11,490	9,030
Federal E-rate program	3,269	2,621
State and local government contributions and grants	821,991	15,646
Private contributions, donations, and grants	159,151	62,565
Donated goods	-	17,658
Student activities	98,275	76,576
Interest and other income	627,397	205,829
Total Revenue and Support Without Donor Restrictions	14,949,243	12,969,212
EXPENSES		
Program Services:		
Educational services	12,684,722	10,614,881
Support Services:		
Management and general	1,662,132	1,609,499
Fundraising	175,060	178,946
Total Support Services	1,837,192	1,788,445
Total Expenses	14,521,914	12,403,326
CHANGE IN NET ASSETS	427,329	565,886
NET ASSETS, beginning of year	7,763,518	7,197,632
NET ASSETS, end of year	\$ 8,190,847	\$ 7,763,518

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, 2024

	Program Services		Support Services		Total
	Educational Services	Management and General	Fundraising	Total Support Services	
PERSONNEL, SALARIES AND BENEFITS					
Salaries	\$ 7,193,392	\$ 870,627	\$ 117,580	\$ 988,207	\$ 8,181,599
Employee benefits	724,061	87,634	11,836	99,470	823,531
Payroll taxes	555,552	67,239	9,081	76,320	631,872
Professional development	108,598	-	-	-	108,598
Contracted instructional fees	927,268	-	-	-	927,268
Other staff-related expenses	56,915	6,889	931	7,820	64,735
Total Personnel, Salaries and Benefits	9,565,786	1,032,389	139,428	1,171,817	10,737,603
DIRECT STUDENT COSTS					
Supplies, materials, snacks	157,438	-	-	-	157,438
Textbooks and uniforms	227,874	-	-	-	227,874
Student food service program	216,221	-	-	-	216,221
Donated federal commodities	11,490	-	-	-	11,490
Transportation	75,190	-	-	-	75,190
Other student costs	20,399	-	-	-	20,399
Total Direct Student Costs	708,612	-	-	-	708,612
OCCUPANCY EXPENSES					
Insurance - facility	16,416	1,987	268	2,255	18,671
Depreciation and amortization - facility	741,357	89,728	12,118	101,846	843,203
Interest and loan amortization - facility	484,384	58,626	7,916	66,542	550,926
Utilities	105,330	5,544	-	5,544	110,874
Janitorial services	455,348	23,966	-	23,966	479,314
Repairs and maintenance	109,720	5,775	-	5,775	115,495
Total Occupancy Expenses	1,912,555	185,626	20,302	205,928	2,118,483
OFFICE EXPENSES					
Office supplies	55,247	6,427	841	7,268	62,515
COVID-19 protective supplies	1,820	220	30	250	2,070
Equipment rental	33,989	4,114	555	4,669	38,658
Telecommunication	16,499	1,997	270	2,267	18,766
Computer support	102,608	12,419	1,676	14,095	116,703
Postage and shipping	860	104	9	113	973
Total Office Expenses	211,023	25,281	3,381	28,662	239,685
GENERAL EXPENSES					
Insurance - non-facility	35,093	4,247	574	4,821	39,914
Accounting fee	-	181,395	-	181,395	181,395
Administrative fees	-	134,132	-	134,132	134,132
Depreciation and amortization - non-facility	80,904	9,792	1,322	11,114	92,018
Interest - non-facility	1,405	170	23	193	1,598
Legal fees	-	26,146	-	26,146	26,146
Professional fees	158,111	19,136	2,585	21,721	179,832
Fees and licenses	11,233	43,818	-	43,818	55,051
Fundraising fees and event costs	-	-	7,445	7,445	7,445
Total General Expenses	286,746	418,836	11,949	430,785	717,531
TOTAL EXPENSES	\$ 12,684,722	\$ 1,662,132	\$ 175,060	\$ 1,837,192	\$ 14,521,914

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, 2023

	Program Services		Support Services		Total
	Educational Services	Management and General	Fundraising	Total Support Services	
PERSONNEL, SALARIES AND BENEFITS					
Salaries	\$ 5,890,436	\$ 788,060	\$ 112,970	\$ 901,030	\$ 6,791,466
Employee benefits	623,328	83,393	11,955	95,348	718,676
Payroll taxes	451,632	60,422	8,662	69,084	520,716
Professional development	52,039	-	-	-	52,039
Contracted instructional fees	545,369	-	-	-	545,369
Other staff-related expenses	236,776	7,125	1,021	8,146	244,922
Total Personnel, Salaries and Benefits	7,799,580	939,000	134,608	1,073,608	8,873,188
DIRECT STUDENT COSTS					
Supplies, materials, snacks	160,869	-	-	-	160,869
Textbooks and uniforms	65,997	-	-	-	65,997
Student food service program	215,553	-	-	-	215,553
Donated federal commodities	9,030	-	-	-	9,030
Transportation	73,861	-	-	-	73,861
Other student costs	22,249	-	-	-	22,249
Total Direct Student Costs	547,559	-	-	-	547,559
OCCUPANCY EXPENSES					
Insurance - facility	-	15,517	-	15,517	15,517
Depreciation and amortization - facility	727,506	97,330	13,952	111,282	838,788
Interest and loan amortization - facility	480,529	64,288	9,216	73,504	554,033
Utilities	79,812	4,201	-	4,201	84,013
Janitorial services	472,195	24,852	-	24,852	497,047
Repairs and maintenance	171,399	9,021	-	9,021	180,420
Total Occupancy Expenses	1,931,441	215,209	23,168	238,377	2,169,818
OFFICE EXPENSES					
Office supplies	48,214	6,450	925	7,375	55,589
COVID-19 protective supplies	5,047	675	97	772	5,819
Equipment rental	37,325	4,993	715	5,708	43,033
Telecommunication	18,203	2,435	349	2,784	20,987
Computer support	58,766	7,862	1,127	8,989	67,755
Postage and shipping	997	133	19	152	1,149
Total Office Expenses	168,552	22,548	3,232	25,780	194,332
GENERAL EXPENSES					
Insurance - non-facility	-	39,886	-	39,886	39,886
Accounting fees	-	188,447	-	188,447	188,447
Administrative fees	-	121,041	-	121,041	121,041
Depreciation and amortization - non-facility	72,799	9,739	1,396	11,135	83,934
Interest - non-facility	2,766	370	53	423	3,189
Legal fees	-	24,657	-	24,657	24,657
Professional fees	78,668	10,523	1,509	12,032	90,700
Fees and licenses	13,516	38,079	-	38,079	51,595
Fundraising fees and event costs	-	-	14,980	14,980	14,980
Total General Expenses	167,749	432,742	17,938	450,680	618,429
TOTAL EXPENSES	\$ 10,614,881	\$ 1,609,499	\$ 178,946	\$ 1,788,445	\$ 12,403,326

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, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 427,329	\$ 565,886
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation and amortization - facility	843,203	838,788
Depreciation and amortization - non-facility	92,018	83,934
Amortization of financing fees - facility	18,408	18,408
Carrying amount of finance leases, right-of-use asset	-	(68,999)
Amortization of finance leases, right-of-use asset	29,008	27,416
Finance lease obligation	-	77,898
(Increase) decrease in assets:		
Federal grants receivable	248,979	300,202
State and local grants receivable	(65,932)	116,933
Accounts receivable	3,029	(3,343)
Prepaid expenses	(11,226)	(27,961)
Deposits	-	(4,730)
Increase (decrease) in liabilities:		
Accounts payable	55,263	274,817
Accrued salaries and expenses	72,026	50,114
Accrued interest	4,893	214,785
Deferred revenue	47,348	13,124
Net Cash Provided by (Used for) Operating Activities	1,764,346	2,477,272
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(541,400)	(149,503)
Net Cash Provided by (Used for) Investing Activities	(541,400)	(149,503)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on bonds payable	(150,000)	(145,000)
Principal payments on notes payable	(61,933)	-
Principal payments on finance lease liability	(32,690)	(31,099)
Net Cash Provided by (Used for) Financing Activities	(244,623)	(176,099)
NET INCREASE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS	978,323	2,151,670
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS, beginning of year	10,881,402	8,729,732
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS, end of year	\$ 11,859,725	\$ 10,881,402
SUPPLEMENTARY DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	\$ 529,223	\$ 324,029
Cash and cash equivalents	\$ 10,767,113	\$ 9,708,027
Restricted cash and cash equivalents	1,092,612	1,173,375
Cash and Cash Equivalents and Restricted Cash and Cash Equivalents	\$ 11,859,725	\$ 10,881,402

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

**INSPIRED TEACHING DEMONSTRATION
PUBLIC CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE A – ORGANIZATION AND NATURE OF BUSINESS

Inspired Teaching Demonstration Public Charter School (“ITDS” or the “School”), a District of Columbia not-for-profit organization, was incorporated on January 27, 2010, exclusively for educational purposes. During June 2011, ITDS entered into a 15-year Charter School Agreement with the District of Columbia Public Charter School Board (“DCPCSB”). ITDS serves students from pre-kindergarten through eighth grade.

ITDS has a professional learning community of master teachers and teacher residents who 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 ITDS 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. ITDS 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. ITDS is a leader in improving the way teachers are trained and students are educated in the District of Columbia and beyond. ITDS invites and receives visitors from around the globe to observe its teaching skills and techniques. Annually, ITDS welcomes dozens of visitors from the District of Columbia 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. In addition, 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 four I’s: intellect, inquiry, imagination, and integrity.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

ITDS’ 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.

Adoption of New Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The amendments in this ASU significantly change how organizations will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income or change in net assets. Importantly, this ASU will impact both financial institutions and non-financial services entities.

**INSPIRED TEACHING DEMONSTRATION
PUBLIC CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(continued)**

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Adoption of New Accounting Pronouncement (continued)

Previously, U.S. generally accepted accounting principles (U.S. GAAP) contained an “incurred loss” methodology for recognizing credit losses. This methodology delayed recognition until it was probable a loss had been incurred. ASU 2016-13 introduces an approach based on expected losses to estimate credit losses on certain types of financial instruments (including trade receivables).

The School adopted ASU 2016-13 (commonly known as the *Current Expected Credit Loss Impairment Model*, or “CECL”), effective July 1, 2023. The main objective of ASU 2016-13 is to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. To achieve this objective, the amendments in CECL replace the incurred loss impairment methodology with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates.

Upon adoption of ASU 2016-13, *Measurement of Credit Losses on Financial Instruments*, it was determined that the School did not need to record an allowance for credit losses as of July 1, 2023.

Financial Statement Presentation

Financial statement presentation follows FASB ASC Topic 958, *Not-For-Profit Entities*. In accordance with Topic 958, 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 in perpetuity 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 statements of activities as net assets released from restrictions. There were no net assets with donor restrictions as of June 30, 2024 and 2023.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, cash equivalents include highly liquid investments with an original maturity of three months or less and money market funds. Cash and cash equivalents are maintained in various interest-bearing demand deposit accounts. The School believes it is not exposed to any significant credit risk on cash and cash equivalents.

**INSPIRED TEACHING DEMONSTRATION
PUBLIC CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(continued)**

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Restricted Cash and Cash Equivalents

For the purposes of the statements of cash flows, the School considers all highly liquid debt instruments purchased with an original maturity of fewer than three months and money market funds to be cash equivalents. Restricted cash and cash equivalents are held by a trustee to be used to fund a portion of debt service costs related to bonds issued by the District of Columbia. The School believes it is not exposed to any significant credit risk on restricted cash and cash equivalents. See Note F for more information on the restricted cash accounts.

Federal, State, and Local Grants Receivable and Accounts Receivable

Federal, state, and local grants receivable primarily consist of amounts due from the District of Columbia Office of the State Superintendent of Education for local, state and federal grant programs, whose ability to pay are subject to appropriations. Accounts receivable is related to program service fees and is recognized as revenue on the accrual basis of accounting at the time the program activity has occurred. Receivables are stated at the amount management expects to collect from outstanding balances. Due to the nature of funding from the federal government and the District of Columbia, management believes that all receivables will be collected within one year or less. Therefore, no allowance for doubtful accounts has been established. As of the beginning of the year ended June 30, 2023, federal, state, and local grants receivable totaled \$737,500; and accounts receivable totaled \$25.

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value on the date of the donation. The School capitalizes all expenditures for property and equipment over \$1,000. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the assets, which range from three to seven 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 gains or losses are included in operations. Repairs and maintenance are charged to expense when incurred. Construction in progress tracks costs related to fixed asset construction; which are transferred to leasehold improvements once completed. Leasehold improvements are amortized over the lesser of the remaining lease term or useful life of the assets.

Right-of-Use (“ROU”) Assets

The School accounts for leases in accordance with FASB ASC Topic 842. ROU assets are measured at the commencement date in the amount of the initially measured liability, plus any lease payments made to the lessor before or after the commencement date, minus any lease incentives received, plus any initial direct costs. Unless impaired, ROU assets are subsequently measured throughout the lease term at the amount of the lease liability (that is the present value of the remaining lease payments), plus any unamortized initial direct costs, and the addition or

**INSPIRED TEACHING DEMONSTRATION
PUBLIC CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(continued)**

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Right-of-Use (“ROU”) Assets (continued)

subtraction of any prepaid lease payments (accrued lease payments, less the unamortized balance of lease incentives received).

The School’s copier leases are finance-type leases. The copier leases have been recorded on the statements of financial position as both an ROU asset and lease liability, calculated by discounting fixed lease payments over the lease term at a rate of five percent. Five percent is considered the incremental borrowing rate for the School. The ROU assets are amortized over the lease term.

Lease Liability

The School is a lessee in two finance leases for an aggregate total of five copiers. Lease liabilities are increased by interest and reduced by payments each period. Variable lease expenses, if any, are recognized when incurred. A lease liability is measured based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or rate and are measured using the index or rate at the commencement date. Lease payments, including variable payments made based on an index or rate, are remeasured when any of the following occur: (1) the lease is modified (and the modification is not accounted for as a separate contract); (2) certain contingencies related to variable lease payments are resolved; or (3) there is a reassessment of any of the following: the lease term, purchase options, or amounts that are probable of being owed under a residual value guarantee.

Debt Issuance Costs

Costs incurred in the issuance of debt have been capitalized and are reported on the statements of financial position as a direct deduction from the related debt liability. Debt issuance costs are amortized as interest expense using the straight-line method over the remaining period of the debt, which approximates the effective interest method.

Revenue Recognition

General Education, Categorical Enhancements, and Facilities Allowance; DC Funding Allocations, Federal Entitlements and Other Federal Funds; Federal Grants – COVID-19; State and Local Government Contributions and Grants; Federal E-Rate Program Revenue

Revenues are received primarily from state and federal government agencies, including the District of Columbia Office of the State Superintendent of Education (“OSSE”), the U.S. Department of Education, 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

**INSPIRED TEACHING DEMONSTRATION
PUBLIC CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(continued)**

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Revenue Recognition (continued)

General Education, Categorical Enhancements, and Facilities Allowance; DC Funding Allocations, Federal Entitlements and Other Federal Funds; Federal Grants – COVID-19; State and Local Government Contributions and Grants; Federal E-Rate Program Revenue - continued

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 statements of financial position. As of the beginning of the year ended June 30, 2023, there was no deferred revenue.

The School receives a student allocation on a per pupil basis from the District Columbia to cover the cost of academic expenses. Per pupil appropriated revenue is recognized during the period for which the associated educational services are provided. As of June 30, 2024, the School had conditional promises to give in the total amount of \$21,208, that are expected to be fulfilled by the fiscal year ending June 30, 2025.

Private Contributions, Donations, and Grants

The School recognizes contributions, donations and grants 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.

Student Activities, Interest and Other Income

Student activity fees are revenue primarily derived from before and after-care programs, and various student activities (e.g., fieldtrips, intramural sports, special events, etc.); which are recognized when the services are provided.

Interest income is the amount earned from certain bank accounts during the year. Excess proceeds from bond financing and early payment credits received from American Express are included in interest and other income.

**INSPIRED TEACHING DEMONSTRATION
PUBLIC CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(continued)**

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Revenue Recognition (continued)

Donated Federal Commodities and Other Goods

The School recognizes in-kind contributions that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The School received donated federal commodities, primarily food items, which are recognized as revenue at either the estimated fair value on the date the donated federal commodities were received, or at the value determined by the federal agency.

Donated goods primarily represent items to be sold at an auction event held by the School, and are recognized as revenue based on the estimated fair value of the items determined by either a donor statement or from publicly available sources.

Method Used for Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or a supporting function as management and general activities. Expenses of this nature are allocated on a reasonable basis that is consistently applied. Allocated expenses include depreciation and amortization, office expenses, occupancy expenses, and any other applicable expenditures, which are allocated on the basis of salaries and related costs, determined by an estimated amount of time and effort expended.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and 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 that were assumed in preparing the financial statements.

Reclassifications

For the year ended June 30, 2023, the contracted instructional fees that were initially included as part of the direct student costs, were moved to the personnel, salaries and benefits category on the statement of functional expenses. This reclassification was made in order to align more closely with the DCPCSB's 2024 audit guidelines. The reclassification had no effect on the previously reported net assets or change in net assets.

**INSPIRED TEACHING DEMONSTRATION
PUBLIC CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(continued)**

NOTE C – INCOME TAXES

The School qualifies as a tax-exempt organization 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 has adopted the accounting of uncertainty in income taxes as required by FASB ASC Topic 740, *Income Taxes*. Topic 740 requires the School to determine whether a tax position is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position.

The School has analyzed its tax positions and has concluded that no liability for unrecognized tax benefits should be recorded related to any uncertain tax positions taken on returns filed for open tax years ended June 30, 2021 through 2023. The School is not aware of any tax positions for which it believes that there is a reasonable possibility that the total amounts of unrecognized tax benefits will change materially in the next twelve months.

NOTE D – AVAILABLE RESOURCES AND LIQUIDITY

The School regularly monitors liquidity required to meet its operating needs and other commitments. The School’s sources of liquidity at its disposal include cash and cash equivalents, restricted cash and cash equivalents, federal grants receivable, state and local grants receivable, and accounts receivable. Restricted cash and cash equivalents are not available for operations as these are reserved for debt service obligations as required by the School’s bonds payable.

In determining the adequacy of liquidity sources to cover general operating expenditures over a 12-month period, the School considers all expenditures related to its ongoing educational services as well as services undertaken to support its program to be general operating expenditures.

As of June 30, 2024 and 2023, total financial assets held by the School and the amounts of those financial assets that could readily be made available within one year of the statement of financial position date to meet general operation expenditures were as follows:

	2024	2023
Cash and cash equivalents and restricted cash and cash equivalents	\$ 11,859,725	\$ 10,881,402
Federal grants receivable	67,114	316,093
State and local grants receivable	70,204	4,272
Accounts receivable	339	3,368
Total Financial Assets	11,997,382	11,205,135
Less: restricted cash and cash equivalents	(1,092,612)	(1,173,375)
Total Financial Assets Available to meet Cash Needs for General Expenditures Within One Year	\$ 10,904,770	\$ 10,031,760

**INSPIRED TEACHING DEMONSTRATION
PUBLIC CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(continued)**

NOTE E – PROPERTY AND EQUIPMENT

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

	2024	2023
Leasehold improvements	\$ 15,488,789	\$ 15,446,193
Furniture and equipment	521,562	448,849
Computers	333,837	307,528
Construction in progress	399,782	-
Website	4,500	4,500
	16,748,470	16,207,070
Less accumulated depreciation and amortization	(7,768,614)	(6,833,393)
Total Property and Equipment, Net	\$ 8,979,856	\$ 9,373,677

For the years ended June 30, 2024 and 2023, depreciation and amortization expense totaled \$935,221 and \$922,722, respectively.

Average Usable Square Footage

The School leases the facilities in which it operates, having an average usable square footage of 67,200, for each month during the years ended June 30, 2024 and 2023.

NOTE F – DEBT

Bonds Payable – District of Columbia

In June 2022, the District of Columbia issued and sold qualified school construction revenue bonds (Inspired Teaching Demonstration Public Charter School Issue, Series 2022) (the “Bonds”), totaling \$10,450,000 to Wilmington Trust (the “Bank”) for the benefit of making a loan to the School to be used to finance the building improvements and related capital expenditures at 200 Douglas St NE, Washington, DC 20002. The Bonds bear interest at a nominal rate of 5% per annum, and are secured by a Leasehold Deed of Trust, Assignment and Security Agreement dated June 1, 2022.

The Bonds require interest to be paid on each January 1 and July 1 over the term of the Bonds, beginning on January 1, 2023. Beginning on July 1, 2023, and continuing for each July 1 over the term of the Bonds, the School is required to make deposits into a sinking fund, which are to be used for redemption of the principal amount due on the Bonds.

Interest expense on the Bonds for the years ended June 30, 2024 and 2023, totaled \$515,250 and \$564,590, respectively. Accrued interest on the Bonds as of June 30, 2024 and 2023, totaled \$257,625, and \$260,069, respectively.

**INSPIRED TEACHING DEMONSTRATION
PUBLIC CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(continued)**

NOTE F – DEBT - continued

Bonds Payable – District of Columbia (continued)

The Bonds have various covenants. The School must maintain a minimum debt service coverage ratio of 1.10 to 1 on an annual basis to be in good standing with the jurisdiction in which it is domiciled. As of June 30, 2024, the School had met the minimum debt service coverage ratio.

The School is also required to maintain certain accounts as required by the trust indenture for the Bonds, including a debt service reserve fund to cover any deficient payments of principal or interest. The debt service reserve fund and all other required accounts are held in trust by the Bank. The balance of the debt service reserve fund as of June 30, 2024 and 2023, totaled \$679,725 and \$678,266, respectively. The balance of all other accounts held in trust by the Bank as of June 30, 2024 and 2023, totaled \$412,887 and \$495,109, respectively. These amounts are recorded as restricted cash and cash equivalents on the accompanying statements of financial position.

Note Payable – OSSE

The School entered into a loan agreement on April 6, 2021, with the District of Columbia Office of the State Superintendent of Education (“OSSE”). The loan was for an amount of \$1,750,000, and was used to fund renovations of the School. The loan bears interest at 1% per annum, and is collateralized by the cash balances of the School. Payments of interest only of \$4,375, were due in quarterly installments through April 1, 2023. Beginning on July 1, 2023, payments of \$19,800, for principal and interest are due in quarterly installments until maturity on April 6, 2026, at which time a balloon payment of \$1,582,130 is due. As of June 30, 2024 and 2023, the outstanding principal balance due on the loan totaled \$1,688,067 and \$1,750,000 respectively.

Interest expense on the OSSE loan for the years ended June 30, 2024 and 2023, totaled \$17,268 and \$13,125, respectively. Accrued interest on the OSSE loan as of June 30, 2024 and 2023, totaled \$12,893 and \$5,556, respectively.

Future estimated payments on the Bonds and the OSSE loan are as follows for the years ending June 30:

	<u>Bonds Payable</u>	<u>OSSE Loan</u>	<u>Total</u>
2025	\$ 160,000	\$ 62,555	\$ 222,555
2026	170,000	1,625,512	1,795,512
2027	175,000	-	175,000
2028	185,000	-	185,000
2029	195,000	-	195,000
Thereafter	9,270,000	-	9,270,000
	<u>\$ 10,155,000</u>	<u>\$ 1,688,067</u>	<u>\$ 11,843,067</u>

**INSPIRED TEACHING DEMONSTRATION
PUBLIC CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(continued)**

NOTE F – DEBT - continued

Long-term debt consisted of the following as of June 30:

	2024	2023
OSSE Note payable, due April 2026	\$ 1,688,067	\$ 1,750,000
Bonds payable, due July 2052	10,155,000	10,305,000
Total Debt	11,843,067	12,055,000
Less: debt issuance costs, net of accumulated amortization	(398,960)	(417,368)
Total debt, net of debt issuance costs	11,444,107	11,637,632
Less: current portion	(222,555)	(727,517)
Non-Current Portion of Debt	\$ 11,221,552	\$ 10,910,115

Debt issuance costs and accumulated amortization are as follows as of June 30:

	2024	2023
Debt issuance costs	\$ 442,436	\$ 442,436
Less: accumulated amortization	(43,476)	(25,068)
Debt Issuance Costs, Net	\$ 398,960	\$ 417,368

The School reports debt issuance costs as a direct deduction from the carrying amount of the related debt and amortization of debt issuance costs as interest expense. The total amortization expense for debt issuance costs for the years ended June 30, 2024 and 2023, was \$18,408 for both years, and is included in interest expense on the statements of functional expenses.

NOTE G – GROUND LEASE AGREEMENT

On May 21, 2014, the School entered into a ground lease agreement with the District of Columbia to provide a space for the public charter school. The terms of this agreement were for 20 years, commencing on May 21, 2014, and expiring on May 21, 2034. On April 8, 2022, the ground lease was amended, extending the lease term by an additional 12 years through May 21, 2046.

The annual base rent for the first year was \$555,000, payable in equal consecutive monthly installments of \$46,250. On the first anniversary of the rent commencement date and each anniversary thereafter, the annual base rent shall increase by two percent.

During the term of this agreement, the School shall be entitled to a rent abatement credit against the annual base rent in an amount equal to the construction costs incurred in connection with the School's work for the renovation of the space, based on the rent abatement criteria as stated in the

**INSPIRED TEACHING DEMONSTRATION
PUBLIC CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(continued)**

NOTE G – GROUND LEASE AGREEMENT - continued

lease agreement. The total cost of the renovations had exceeded \$15 million; and therefore, in accordance with the lease agreement, the School was not obligated to make any rental payments for the remaining lease term. For the years ended June 30, 2024 and 2023, the School did not incur any lease expense due to the rent abatement.

NOTE H – FINANCE LEASES COMMITMENTS

The School has two finance leases for an aggregate total of five copiers. For the years ended June 30, 2024 and 2023, the finance leases were included in non-current assets, and current and long-term liabilities on the statements of financial position. The School’s first copier lease, which consists of one copier, commenced in September 2017, and expired in November 2024. The School’s second copier lease, which consists of four copiers, commenced in April 2019, and expired in June 2024.

The School elected to use a discount rate of 5% to calculate the present value of its long-term leases. The discount rate of 5% was obtained by adding the Secured Overnight Financing Rate (“SOFR”) of 3% (based on the end of the first quarter of the school year 2022-2023) to the bank margin rate of 1.5%, and adjusting the total by .50%. Five percent is considered the incremental borrowing rate for the School.

The balance of the ROU finance asset for the two copier leases is as follows:

	<u>6/30/2024</u>	<u>6/30/2023</u>
Finance lease, right-of-use asset	\$ 68,999	\$ 68,999
Amortization of finance lease, right-of-use asset	<u>(56,424)</u>	<u>(27,416)</u>
Total Finance Lease, Right-of-Use Asset, Net	<u>\$ 12,575</u>	<u>\$ 41,583</u>

The total minimum future lease payments under the copier lease are \$14,286 for the year ending June 30, 2025, including interest of \$177. The present value of the finance lease liability was \$14,109 for the year ended June 30, 2024. For the year ended June 30, 2024, amortization and interest expense on the finance leases totaled \$29,008 and \$1,598, respectively. For the year ended June 30, 2023, amortization and interest expense on the finance leases totaled \$27,416 and \$3,189, respectively. The average finance lease term and discount rate as of June 30, was as follows:

	<u>6/30/2024</u>	<u>6/30/2023</u>
Weighted average remaining lease term (years):	0.42	1.42
Weighted average discount rate:	5.00%	5.00%

**INSPIRED TEACHING DEMONSTRATION
PUBLIC CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(continued)**

NOTE I – DONATED FEDERAL COMMODITIES AND OTHER GOODS

The School received donated federal commodities, mainly food items, from the U.S. Department of Agriculture’s Department of Defense Food and Nutrition Service Program. For the years ended June 30, 2024 and 2023, donated federal commodities totaled \$11,490 and \$9,030, respectively. The donated federal commodities were recorded on the statements of activities and functional expenses based on either the estimated fair value on the date the donated federal commodities were received, or at the value determined by the federal agency. The donated federal commodities were utilized for and allocated to educational services on the statements of functional expenses.

The School received donated items for its online auction event in the amount of \$0 and \$17,658, for the years ended June 30, 2024 and 2023, respectively. Donated goods are valued based on the estimated fair value of the items determined by either a donor statement or from publicly available sources. The donated goods were not restricted by the donors.

NOTE J – CHARTER SCHOOL AGREEMENT

On June 27, 2011, the School entered into a Charter School Agreement with the DCPCSB, which expires on June 27, 2026. As part of this agreement, the DCPCSB may charge the School a fee of up to the maximum amount permitted by the Congressionally-enacted District of Columbia School Reform Act of 1995, as amended, to cover the administrative responsibilities of the DCPCSB. For the years ended June 30, 2024 and 2023, the School was charged \$134,132 and \$121,041, in administrative fees, respectively.

NOTE K – RETIREMENT PLAN

The School established the Inspired Teaching School 403(b) Retirement Plan (the "Plan") in September 2013. All employees are eligible to participate in the Plan on the first day of the month following his or her date of employment. However, Plan participants are eligible for employer contributions after reaching the age of 21 and the completion of one year of employment. Employees may make elective deferral contributions from their eligible earnings up to the maximum amount allowed by the Internal Revenue Code. Matching contributions made by the School are discretionary. For the years ended June 30, 2024 and 2023, retirement benefits expense totaled \$78,482 and \$79,922, respectively.

The School also participates in the Supplemental Retirement Annuities (“SRA”) plan. This plan also qualifies as a defined contribution retirement plan under Section 403(b) of the Internal Revenue Code (“IRC”), and allows eligible employees to participate. Employees participating in the SRA plan may elect to contribute up to a maximum of 11% of their gross salary (which includes any of the employee’s contributions to School’s plan). There are no matching contributions associated with the SRA plan. For the years ended June 30, 2024 and 2023, SRA expenses totaled \$22,802 and \$21,486, respectively.

**INSPIRED TEACHING DEMONSTRATION
PUBLIC CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(continued)**

NOTE L – COMMITMENTS AND CONTINGENCIES

The School participates in federal grant reimbursement programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies. Therefore, to the extent that the School has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivables as June 30, 2024 and 2023, respectively, may be impaired. In the opinion of the School, there were no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants. Therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

NOTE M – CONCENTRATIONS OF RISK

The School is dependent on funding from the District of Columbia as authorized by the District of Columbia Public Charter School Board. For each of the years ended June 30, 2024 and 2023, approximately 91% and 93%, respectively, of total revenue was provided from the District of Columbia. Reduction of this source of support would have a significant impact on the School's programs and activities.

The School is limited to enrolling students that are residents of the District of Columbia. As a DC Public Charter School, the School must adhere to the terms of its Charter Agreement. Uniform Per-Student Funding received from the District of Columbia is based upon actual student enrollment determined by an annual enrollment audit. As a result, actual revenue may vary materially from budgeted revenue if under-enrollment were to occur.

The School maintains its cash and cash equivalents, and restricted cash and cash equivalents in several financial institutions. These cash balances are insured by the Federal Deposit Insurance Corporation ("FDIC") for up to \$250,000 per institution. The School's cash accounts routinely exceed the FDIC limit. However, management does not believe the School is exposed to any significant credit risk on its cash and cash equivalents, and restricted cash and cash equivalents.

NOTE N – SUBSEQUENT EVENTS

In preparing these financial statements, the School's management has evaluated events and transactions for potential recognition or disclosure through December 6, 2024, the date the financial statements were available to be issued. There were no events or transactions that were discovered during the evaluation that required recognition or further disclosure.



CERTIFIED PUBLIC ACCOUNTANTS

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**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 *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Inspired Teaching Demonstration Public Charter School (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, 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 December 6, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Inspired Teaching Demonstration Public Charter School'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 Inspired Teaching Demonstration Public Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of Inspired Teaching Demonstration Public Charter 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Inspired Teaching Demonstration Public Charter 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 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 Inspired Teaching Demonstration Public Charter 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 Inspired Teaching Demonstration Public Charter School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Washington, DC
December 6, 2024

SUPPLEMENTARY SCHEDULES REQUIRED BY DCPCSB

**INSPIRED TEACHING DEMONSTRATION PUBLIC CHARTER SCHOOL
SUPPLEMENTARY SCHEDULE OF VENDORS AWARDED CONTRACTS EQUAL TO OR ABOVE \$25,000
UNAUDITED
YEAR ENDED JUNE 30, 2024**

Award Date	Vendor Name	Goods and/or Services	Minimum Contract Amount	Maximum Contract Amount	Interest ("Yes" or "No")
8/8/2023	Acumen Behavioral Consulting	Special education services/assessments	\$ 25,000	\$ 35,000	No
5/8/2024	Busy Bee Janitorial & Environmental Services, Inc.	Building management and maintenance	412,000	475,000	No
7/26/2023	CareFirst	Health care insurance	850,000	900,000	No
3/18/2024	CNB Computers, Inc DBA System Liquidation	Chromebooks	25,000	30,000	No
8/8/2023	Early Autism Solutions	Special education services	80,000	100,000	No
6/10/2024	EdOps	Financial and accounting services	120,000	125,000	No
6/10/2024	EdOps	Data and compliance management services	30,000	35,000	No
8/8/2023	Educational Solutions, LLC	Special education services; tutoring	25,000	30,000	No
11/15/2023	Fletcher	Construction project management	90,000	120,000	No
4/17/2024	GCS-Sigal	Renovation of our building's ground floor	3,000,000	4,000,000	No
6/4/2024	Great Minds	Wit and Wisdom Literacy curriculum	40,000	50,000	No
7/28/2023	Houghton Mifflin Harcourt	Math 180 curriculum materials	55,000	65,000	No
5/14/2024	Jones, Maresca & McElwaney, P.A	Annual audit	25,700	25,700	No
7/12/2023	Lincoln Square Group	Strategic planning consulting	65,000	70,000	No
3/28/2024	Luncheiras Di Si, LLC	Food service	220,000	250,000	No
8/8/2023	Paradigm Therapy Partners LLC	Special education services	120,000	150,000	No
7/17/2023	Pecco	Electricity	50,000	65,000	No
9/13/2023	Pro-Air	HVAC repair	40,000	50,000	No
11/2/2023	Solar Solution	Rooftop solar panels	375,000	425,000	No
5/16/2024	Teaching Strategies, LLC	Curriculum materials and associate professional development	30,000	35,000	No
7/17/2023	The Hanover Insurance Group, Inc.	Business insurance	45,000	55,000	No
8/8/2023	Therapy Source, Inc.	Special education services	25,000	30,000	No
8/24/2023	Unimpeachable	Field trip and special event busing	25,000	40,000	No

NOTE: The above schedule includes all contracts that are greater than or equal to \$25,000 awarded to a single vendor during the year ended June 30, 2024, regardless of the service period.

**INSPIRED TEACHING DEMONSTRATION PUBLIC CHARTER SCHOOL
SUPPLEMENTARY SCHEDULE OF INCOME
NOT SUBJECT TO DCPCSB ADMINISTRATIVE FEE
UNAUDITED
YEAR ENDED JUNE 30, 2024**

Total Revenue and Support	\$ 14,949,243
Income not Subject to DCPCSB Administrative Fee:	
Income from philanthropy	159,151
Elementary and Secondary School Emergency Relief Equivalent Funding	48,252
Interest and other income	627,397
Total Income not Subject to DCPCSB Administrative Fee	<u><u>\$ 834,800</u></u>

**INSPIRED TEACHING DEMONSTRATION PUBLIC CHARTER SCHOOL
SUPPLEMENTARY SCHEDULE OF OCCUPANCY EXPENSES AND NON-FACILITY EXPENSES
UNAUDITED
YEARS ENDED JUNE 30, 2024 AND 2023**

	2024			2023		
	Occupancy Expenses		Total per Statement of	Occupancy Expenses		Total per Statement of
Occupancy and Non-Facility Expenses	Owned Facilities	Leased Facilities	Non-Facility Expenses	Owned Facilities	Leased Facilities	Non-Facility Expenses
Depreciation	-	\$ 843,203	\$ 92,018	-	\$ 838,788	\$ 83,934
Amortization	-	18,408	-	-	18,408	-
Interest expense	-	532,518	1,598	-	535,625	3,189
Other occupancy expenses	-	724,354	39,914	-	776,997	39,886
Total Occupancy and Non-Facility Expenses	-	\$ 2,118,483	\$ 133,530	-	\$ 2,169,818	\$ 127,009
			\$ 2,252,013			\$ 2,296,827