

**INSPIRED TEACHING DEMONSTRATION
PUBLIC CHARTER SCHOOL AND SUBSIDIARY**

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

JUNE 30, 2022 AND 2021

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Independent Auditor's Report

To the Board of Trustees
Inspired Teaching Demonstration Public Charter School and Subsidiary
Washington, DC

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Inspired Teaching Demonstration Public Charter School and Subsidiary (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. We have also audited the accompanying financial statements of Inspired Teaching Demonstration Public Charter School, which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the fiscal year 2022 consolidating financial statements referred to above present fairly, in all material respects, the consolidated financial position of Inspired Teaching Demonstration Public Charter School and Subsidiary as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Also, in our opinion, the fiscal year 2021 financial statements present fairly, in all material respects, the financial position of Inspired Teaching Demonstration Public Charter School as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our 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 Subsidiary 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 and Subsidiary'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 and Subsidiary'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 and Subsidiary'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary consolidating schedules, and the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are 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 supplementary consolidating schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2022, 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, 2022, Inspired Teaching Demonstration Public Charter School and Subsidiary adopted new accounting guidance, Accounting Standards Update 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. 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 supplementary schedules of vendors awarded contracts equal to or above \$25,000 on page 36, and income not subject to DCPCSB administrative fee on page 37, 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 21, 2022

**INSPIRED TEACHING DEMONSTRATION
PUBLIC CHARTER SCHOOL AND SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021**

	<u>(consolidated)</u>	
	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 7,999,612	\$ 6,369,931
Federal grants receivable	616,295	278,452
State and local grants receivable	121,205	214,881
Accounts receivable	25	4,717
Prepaid expenses	83,052	73,723
Total Current Assets	<u>8,820,189</u>	<u>6,941,704</u>
NON-CURRENT ASSETS		
Property and equipment, net	10,197,366	2,158,896
Restricted cash	730,120	-
Deposits	3,460	5,000
Total Non-Current Assets	<u>10,930,946</u>	<u>2,163,896</u>
TOTAL ASSETS	<u><u>\$ 19,751,135</u></u>	<u><u>\$ 9,105,600</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 280,009	\$ 91,073
Accrued expenses	407,960	394,132
Accrued interest	50,840	4,181
Bonds payable, current portion	145,000	-
Capital lease payable, current portion	28,541	28,806
Total Current Liabilities	<u>912,350</u>	<u>518,192</u>
NON-CURRENT LIABILITIES		
Bonds payable, net of current portion	9,885,695	-
Note payable	1,733,528	1,729,136
Capital lease payable, net of current portion	21,930	45,912
Equity investment in LLC	-	103,285
Total Non-Current Liabilities	<u>11,641,153</u>	<u>1,878,333</u>
Total Liabilities	12,553,503	2,396,525
NET ASSETS		
Without donor restrictions	7,197,632	6,691,961
With donor restrictions	-	17,114
Total Net Assets	<u>7,197,632</u>	<u>6,709,075</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 19,751,135</u></u>	<u><u>\$ 9,105,600</u></u>

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

**INSPIRED TEACHING DEMONSTRATION
PUBLIC CHARTER SCHOOL AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
General education, DC funding allocation	\$ 6,536,426	\$ -	\$ 6,536,426
Categorical enhancements, DC funding allocation	2,732,676	-	2,732,676
Facilities allowance, DC funding allocation	1,721,040	-	1,721,040
Federal entitlements and other federal funds	712,694	-	712,694
Federal grants - COVID-19	276,507	-	276,507
Donated federal commodities	12,351	-	12,351
State and local government contributions and grants	215,229	-	215,229
Private contributions, donations, and grants	74,094	-	74,094
Donated goods	13,672	-	13,672
Student activities	4,185	-	4,185
Other income	60,421	-	60,421
Interest	13,480	-	13,480
Gain on equity investment in LLC	98,749	-	98,749
Net assets released from restrictions	17,114	(17,114)	-
Total Revenue and Support	<u>12,488,638</u>	<u>(17,114)</u>	<u>12,471,524</u>
EXPENSES			
Program Services:			
Educational services	9,614,575	-	9,614,575
Support Services:			
Management and general	1,628,603	-	1,628,603
Fundraising	151,937	-	151,937
Total Support Services	<u>1,780,540</u>	<u>-</u>	<u>1,780,540</u>
Total Expenses	<u>11,395,115</u>	<u>-</u>	<u>11,395,115</u>
CHANGE IN NET ASSETS FROM OPERATIONS	1,093,523	(17,114)	1,076,409
LOSS FROM REDEMPTION OF CONTROLLING MEMBER IN LLC	<u>(587,852)</u>	<u>-</u>	<u>(587,852)</u>
CHANGE IN NET ASSETS	505,671	(17,114)	488,557
NET ASSETS, beginning of year	<u>6,691,961</u>	<u>17,114</u>	<u>6,709,075</u>
NET ASSETS, end of year	<u>\$ 7,197,632</u>	<u>\$ -</u>	<u>\$ 7,197,632</u>

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

**INSPIRED TEACHING DEMONSTRATION
PUBLIC CHARTER SCHOOL AND SUBSIDIARY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
General education, DC funding allocation	\$ 6,427,924	\$ -	\$ 6,427,924
Categorical enhancements, DC funding allocation	2,017,208	-	2,017,208
Facilities allowance, DC funding allocation	1,751,712	-	1,751,712
Federal entitlements and other federal funds	569,886	-	569,886
Donated federal commodities	4,949	-	4,949
State and local government contributions and grants	165,750	-	165,750
Private contributions, donations, and grants	39,701	-	39,701
Donated goods	8,080	-	8,080
Student activities	2,896	-	2,896
Other income	13,600	-	13,600
Interest	23,826	-	23,826
Gain on equity investment in LLC	123,948	-	123,948
Total Revenue and Support	<u>11,149,480</u>	<u>-</u>	<u>11,149,480</u>
EXPENSES			
Program Services:			
Educational services	8,796,956	-	8,796,956
Support Services:			
Management and general	1,305,345	-	1,305,345
Fundraising	138,772	-	138,772
Total Support Services	<u>1,444,117</u>	<u>-</u>	<u>1,444,117</u>
Total Expenses	<u>10,241,073</u>	<u>-</u>	<u>10,241,073</u>
CHANGE IN NET ASSETS	908,407	-	908,407
NET ASSETS, beginning of year	<u>5,783,554</u>	<u>17,114</u>	<u>5,800,668</u>
NET ASSETS, end of year	<u>\$ 6,691,961</u>	<u>\$ 17,114</u>	<u>\$ 6,709,075</u>

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

**INSPIRED TEACHING DEMONSTRATION PUBLIC CHARTER SCHOOL AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022**

	Program Services		Support Services		Total
	Educational Services	Management and General	Fundraising	Total Support Services	
PERSONNEL, SALARIES AND BENEFITS					
Salaries	\$ 5,237,017	\$ 768,245	\$ 107,590	\$ 875,835	\$ 6,112,852
Employee benefits	540,179	79,242	11,098	90,340	630,519
Payroll taxes	422,287	61,948	8,676	70,624	492,911
Professional development	8,472	-	-	-	8,472
Other staff-related expense	87,075	3,560	499	4,059	91,134
Total Personnel, Salaries and Benefits	6,295,030	912,995	127,863	1,040,858	7,335,888
DIRECT STUDENT COSTS					
Supplies, materials, snacks	128,262	-	-	-	128,262
Contracted instruction fees	690,271	-	-	-	690,271
Textbooks	41,679	-	-	-	41,679
Student food service program	214,641	-	-	-	214,641
Donated federal commodities	12,351	-	-	-	12,351
Transportation	17,564	-	-	-	17,564
Other student costs	24,255	-	-	-	24,255
Total Direct Student Costs	1,129,023	-	-	-	1,129,023
OCCUPANCY EXPENSE - LEASED FACILITY					
Rent	1,634,988	86,052	-	86,052	1,721,040
Insurance - facility	-	20,010	-	20,010	20,010
Depreciation and amortization - facility	184,899	27,124	3,799	30,923	215,822
Interest and loan amortization - facility	56,968	8,357	1,170	9,527	66,495
Utilities	4,647	245	-	245	4,892
Janitorial services	38,135	2,007	-	2,007	40,142
Repairs and maintenance	16,742	1,935	-	1,935	18,677
Total Occupancy Expense - Leased Facility	1,936,379	145,730	4,969	150,699	2,087,078
OFFICE EXPENSE					
Office supplies	29,420	4,317	604	4,921	34,341
COVID-19 protective supplies	109,620	16,080	2,252	18,332	127,952
Equipment rental	3,092	453	63	516	3,608
Telecommunication	15,797	2,317	325	2,642	18,439
Computer support	-	38,493	-	38,493	38,493
Printing and publications	3,385	496	70	566	3,951
Postage and shipping	1,645	241	34	275	1,920
Total Office Expense	162,959	62,397	3,348	65,745	228,704
GENERAL EXPENSE					
Insurance - non-facility	-	24,252	-	24,252	24,252
Accounting fee	-	158,516	-	158,516	158,516
Administrative fees	-	99,652	-	99,652	99,652
Depreciation and amortization - non-facility	78,265	11,481	1,608	13,089	91,354
Interest - non-facility	3,371	495	69	564	3,935
Legal fees	-	21,578	-	21,578	21,578
Professional fees	-	60,186	-	60,186	60,186
Other expenses	-	111,810	-	111,810	111,810
Fees and licenses	9,548	19,511	-	19,511	29,059
Fundraising fees and event costs	-	-	14,080	14,080	14,080
Total General Expense	91,184	507,481	15,757	523,238	614,422
TOTAL EXPENSES	\$ 9,614,575	\$ 1,628,603	\$ 151,937	\$ 1,780,540	\$ 11,395,115

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

INSPIRED TEACHING DEMONSTRATION PUBLIC CHARTER SCHOOL AND SUBSIDIARY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021

	Program Services		Support Services		Total
	Educational Services	Management and General	Fundraising	Total Support Services	
PERSONNEL, SALARIES AND BENEFITS					
Salaries	\$ 4,760,199	\$ 729,110	\$ 102,707	\$ 831,817	\$ 5,592,016
Employee benefits	496,324	76,021	10,709	86,730	583,054
Payroll taxes	386,082	59,136	8,330	67,466	453,548
Professional development	31,909	-	-	-	31,909
Other staff-related expense	42,436	3,825	539	4,364	46,800
Total Personnel, Salaries and Benefits	5,716,950	868,092	122,285	990,377	6,707,327
DIRECT STUDENT COSTS					
Supplies, materials, snacks	70,554	-	-	-	70,554
Contracted instruction fees	627,648	-	-	-	627,648
Textbooks	24,899	-	-	-	24,899
Student food service program	93,108	-	-	-	93,108
Donated federal commodities	4,949	-	-	-	4,949
Transportation	3,228	-	-	-	3,228
Other student costs	11,084	-	-	-	11,084
Total Direct Student Costs	835,470	-	-	-	835,470
OCCUPANCY EXPENSE - LEASED FACILITY					
Rent	1,664,126	87,586	-	87,586	1,751,712
Insurance - facility	16,412	2,514	354	2,868	19,280
Depreciation and amortization - facility	124,923	19,135	2,695	21,830	146,753
Interest and loan amortization - facility	4,493	688	97	785	5,278
Repairs and maintenance	12,122	638	-	638	12,760
Total Occupancy Expense - Leased Facility	1,822,076	110,561	3,146	113,707	1,935,783
OFFICE EXPENSE					
Office supplies	5,310	813	115	928	6,238
COVID-19 protective supplies	188,795	28,918	4,073	32,991	221,786
Equipment rental	2,250	344	49	393	2,643
Telecommunication	14,586	2,234	315	2,549	17,135
Computer support	15,497	2,374	334	2,708	18,205
Printing and publications	6,245	956	135	1,091	7,336
Postage and shipping	1,604	245	35	280	1,884
Total Office Expense	234,287	35,884	5,056	40,940	275,227
GENERAL EXPENSE					
Insurance - non-facility	18,528	2,838	400	3,238	21,766
Accounting fee	-	151,911	-	151,911	151,911
Administrative fees	-	98,516	-	98,516	98,516
Bad debt	-	1,466	-	1,466	1,466
Depreciation and amortization - non-facility	62,132	9,517	1,341	10,858	72,990
Interest - non-facility	3,817	585	82	667	4,484
Legal fees	17,890	-	-	-	17,890
Professional fees	77,146	11,816	1,665	13,481	90,627
Other expenses	-	553	-	553	553
Fees and licenses	8,660	13,606	-	13,606	22,266
Fundraising fees and event costs	-	-	4,797	4,797	4,797
Total General Expense	188,173	290,808	8,285	299,093	487,266
TOTAL EXPENSES	\$ 8,796,956	\$ 1,305,345	\$ 138,772	\$ 1,444,117	\$ 10,241,073

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

INSPIRED TEACHING DEMONSTRATION PUBLIC CHARTER SCHOOL AND SUBSIDIARY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2022 AND 2021

	<u>(consolidated)</u>	
	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 488,557	\$ 908,407
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Loss from redemption of controlling member in LLC	587,852	-
Gain on equity investment	(98,749)	(123,948)
Depreciation and amortization - facility	215,822	146,753
Depreciation and amortization - non-facility	91,354	72,990
Amortization of financing fees - facility	6,905	1,098
Bad debt expense	-	1,466
(Increase) decrease in assets:		
Federal grants receivable	(337,843)	(216,493)
State and local grants receivable	93,676	(135,120)
Accounts receivable	4,692	33,604
Prepaid expenses	(9,329)	(13,773)
Deposits	1,540	-
Increase (decrease) in liabilities:		
Accounts payable	188,936	(856,697)
Accrued salaries and expenses	13,828	43,337
Accrued interest	46,659	4,181
Deferred revenue	-	(14,430)
Net Cash Provided by (Used for) Operating Activities	<u>1,293,900</u>	<u>(148,625)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	<u>(8,938,034)</u>	<u>(700,392)</u>
Net Cash Used for Investing Activities	<u>(8,938,034)</u>	<u>(700,392)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bonds payable	10,286,220	-
Proceeds from note payable	-	1,750,000
Payments of financing fees	(258,038)	(21,962)
Payments on capital lease obligation	(24,247)	(27,404)
Net Cash Provided by Financing Activities	<u>10,003,935</u>	<u>1,700,634</u>
NET INCREASE IN CASH AND RESTRICTED CASH	2,359,801	851,617
CASH AND RESTRICTED CASH, beginning of year	<u>6,369,931</u>	<u>5,518,314</u>
CASH AND RESTRICTED CASH, end of year	<u>\$ 8,729,732</u>	<u>\$ 6,369,931</u>
SUPPLEMENTARY DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	<u>\$ 16,866</u>	<u>\$ 9,762</u>
Cash	\$ 7,999,612	\$ 6,369,931
Restricted cash	730,120	-
Cash and Restricted cash	<u>\$ 8,729,732</u>	<u>\$ 6,369,931</u>

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

**INSPIRED TEACHING DEMONSTRATION
PUBLIC CHARTER SCHOOL AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

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 (“DCPCSB”). The School serves students from pre-kindergarten through 8th grade.

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 the District of Columbia and beyond. The School invites and receives visitors from around the globe to observe its teaching skills and techniques. Annually, the School 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.

Effective May 15, 2014, a Limited Liability Company Agreement was entered into between the School and Charter School Incubator Initiative (“CSII”), of which both organizations would become members of Shaed School, LLC (“LLC”). The School made a capital contribution of \$375,152 to the LLC, resulting in a 38.47% ownership interest, and CSII made a \$600,000 capital contribution to the LLC, resulting in an ownership interest of 61.53%.

The LLC was established for the purpose of holding and maintaining the property located at 200 Douglas Street, NE, Washington, DC, which was subleased to the School on May 21, 2014. As the majority stakeholder in the LLC, CSII was the managing member, and oversaw the business operations of the LLC. Through June 2, 2022, the School utilized the equity method of accounting to record the fair value of its interest in the LLC on an annual basis.

**INSPIRED TEACHING DEMONSTRATION
PUBLIC CHARTER SCHOOL AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021
(continued)**

NOTE A – ORGANIZATION AND NATURE OF BUSINESS - continued

Transfer and buyout of Shaed LLC's Shares from CSII

On May 31, 2022, the School and the LLC entered into an Assignment and Assumption of Ground Lease Agreement and Termination of Sublease Agreement. Based on the terms and conditions of this agreement, the sublease was terminated and the LLC assigned all of its rights, benefits and obligations under the lease to the School. All of the other terms of the lease remained in effect. The School also acquired all of the property and equipment owned by the LLC with a net book value totaling \$8,170,944. Furthermore, the School obtained a loan from Wilmington Trust in the amount of \$10,450,000, to finance the building improvements and any other capital expenditures pertaining to the premises.

Shortly thereafter, on June 2, 2022, the School and CSII executed an Agreement for Redemption and Transfer of LLC Membership Interest, which resulted in the School becoming the sole member of the LLC following the transfer of CSII's membership interest.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The School and the LLC's (collectively, "ITD") 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 Pronouncement

In September 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This standard requires updated presentation and enhanced disclosure related to contributed nonfinancial assets received. This enhanced disclosure includes disaggregation of significant categories of contributed nonfinancial assets and additional qualitative information regarding the use of these contributed nonfinancial assets. ASU 2020-07 has been implemented in the accompanying financial statements on a retrospective basis. However, there is no effect on net assets in connection with the implementation of ASU 2020-07 as the update only increased presentation and disclosure requirements for the prior year and did not impact amounts recorded.

**INSPIRED TEACHING DEMONSTRATION
PUBLIC CHARTER SCHOOL AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021
(continued)**

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Principle of Consolidation

Beginning effective June 2, 2022, upon the completion of the Agreement for Redemption and Transfer of LLC Membership Interest, the financial statements of the School and the LLC are prepared on a consolidated basis. Under Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 810, *Consolidation*, these financial statements include the accounts of the School and the LLC. All material inter-organization transactions and balances have been eliminated in consolidation, if applicable.

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 ITD 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 ITD and/or the passage of time or that must be maintained in perpetuity by ITD. 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, 2022. As of June 30, 2021, donor restricted net assets totaled \$17,114 for the purchase of furniture for a Life Skills classroom.

Cash

Cash is maintained in interest bearing demand deposit accounts, which may, at times, exceed federally insured limits. ITD believes it is not exposed to any significant credit risk on cash.

Restricted Cash

Restricted cash is held by a trustee to be used to fund a portion of debt service costs related to the District of Columbia Bonds Payable. The School believes it is not exposed to any significant credit risk on restricted cash. See Note F for more information on the restricted cash accounts.

**INSPIRED TEACHING DEMONSTRATION
PUBLIC CHARTER SCHOOL AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021
(continued)**

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Grants and Accounts Receivable

Grants receivable primarily consist of amounts due from the District of Columbia Office of Public Charter School Financing and Support for state and federal grant programs, whose ability to pay are subject to appropriations. Accounts receivable are related to program service fees and are 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 grants receivable will be collected within one year or less. Therefore, no allowance for doubtful accounts was established. As of the beginning of the year ended June 30, 2021, grants and accounts receivable totaled \$141,720 and \$39,787, respectively.

Equity Investment

The School owned a 38.47% equity interest in the LLC until June 2, 2022. Interest in the LLC was recorded under the equity method of accounting until June 2, 2022.

On June 2, 2022, the LLC assumed the remaining 61.53% membership equity from CSII and transferred all ownership interest to the School. As such, the School became the sole member of the LLC, resulting in the consolidation of the financial activity of both entities.

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 and amortization is computed, using the straight-line method, over the estimated useful lives of the assets, which ranges 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. Leasehold improvements are amortized over the lesser of the remaining lease term or useful life of the assets.

Debt Issuance Costs

Costs incurred in the issuance of debt have been capitalized and are reported on the statements of functional 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.

**INSPIRED TEACHING DEMONSTRATION
PUBLIC CHARTER SCHOOL AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021
(continued)**

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

Revenues are received primarily from state and federal government agencies, including the District of Columbia Office of the State Superintendent of Education (“OSSE”), District of Columbia Public Charter School Board, 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 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.

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, 2022, the School had conditional promises to give in the total amount of \$223,157, that are expected to be fulfilled by the fiscal year ending June 30, 2024.

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 Income and Other Income

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

Interest income is the amount earned by certain bank accounts during the year. Excess proceeds from bond financing and early payment credits from American Express were recorded as other income.

**INSPIRED TEACHING DEMONSTRATION
PUBLIC CHARTER SCHOOL AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021
(continued)**

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - 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 market 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, 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, office expenses, occupancy expenses, and any other applicable expenditures, which are allocated on the basis of salaries and related costs, which are based on the 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.

**INSPIRED TEACHING DEMONSTRATION
PUBLIC CHARTER SCHOOL AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021
(continued)**

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Reclassifications

For comparative purposes, the presentation of certain amounts on the financial statements as of and for the year ended June 30, 2021, have been reclassified as follows:

- Receivables have been disaggregated between accounts receivable, federal grants receivable and state and local grants receivable on the statements of financial position and cash flows.
- Revenue and support have been reclassified on the statement of activities in order to more closely align with the DCPCSB's 2022 audit guidelines.
- Insurance, depreciation and amortization, and interest and loan amortization have been disaggregated between facility and non-facility related expense categories on the statements of functional expenses and cash flows.

The reclassifications were made to conform to the current year presentation and had no effect on the previously reported net assets or change in net assets.

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 LLC is a District of Columbia limited liability company that has not elected to be taxed as a corporation for income tax reporting purposes, and therefore, is a disregarded entity for tax purposes. The LLC's revenues and expenses are reported on the School's information returns.

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, 2019 through 2021. 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.

**INSPIRED TEACHING DEMONSTRATION
PUBLIC CHARTER SCHOOL AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021
(continued)**

NOTE D – AVAILABLE RESOURCES AND LIQUIDITY

ITD regularly monitors liquidity required to meet its operating needs and other commitments. ITD’s sources of liquidity at its disposal include cash, restricted cash and receivables. Restricted cash is not available for operations as these are for a reserve 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, ITD considers all expenditures related to its ongoing educational services as well as services undertaken to support its program to be general operating expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, ITD anticipates receiving grants and contributions and other sources of revenue sufficient to cover general expenditures. The following reflects ITD’s financial assets as of June 30:

	2022	2021
Cash	\$ 7,999,612	\$ 6,369,931
Restricted cash	730,120	-
Federal grants receivable	616,295	278,452
State and local grants receivable	121,205	214,881
Accounts receivable	25	4,717
Total Financial Assets	9,467,257	6,867,981
Less: restricted cash	(730,120)	-
Less: net assets with donor restrictions	-	(17,114)
Total Financial Assets Available to meet Cash Needs for General Expenditures Within One Year	\$ 8,737,137	\$ 6,850,867

**INSPIRED TEACHING DEMONSTRATION
PUBLIC CHARTER SCHOOL AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021
(continued)**

NOTE E – PROPERTY AND EQUIPMENT

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

	2022	2021
Leasehold improvements	\$ 15,397,201	\$ 2,223,267
Furniture and equipment	387,679	168,460
Computers	268,186	215,907
Capital leased equipment	165,242	155,966
Website	4,500	4,500
	16,222,808	2,768,100
Less accumulated depreciation and amortization	(6,025,442)	(609,204)
Property and Equipment, Net	\$ 10,197,366	\$ 2,158,896

The School acquired all property and equipment owned by the LLC as of May 31, 2022. The property and equipment had a cost of \$13,280,006 and accumulated depreciation of \$5,109,062, resulting in a net book value of \$8,170,944. Depreciation and amortization expense for the years ended June 30, 2022 and 2021, totaled \$307,176 and \$219,743, respectively, and includes the amortization expense related to the capital leased equipment referenced below.

As of June 30, 2022 and 2021, the capital leased equipment with a total cost of \$165,242 and \$155,966, respectively, had accumulated amortization totaling \$114,771 and \$84,731, respectively. Amortization expense related to capital leased equipment for the years ended June 30, 2022 and 2021 totaled \$30,040 and \$29,708, 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 year ended June 30, 2022.

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.

**INSPIRED TEACHING DEMONSTRATION
PUBLIC CHARTER SCHOOL AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021
(continued)**

NOTE F – DEBT – continued

Bonds Payable – District of Columbia – continued

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 principal. Mandatory sinking fund payments required on the Bonds over the next five years are as follows for the years ending June 30:

2023	\$	145,000
2024		150,000
2025		160,000
2026		170,000
2027		175,000
Thereafter		9,650,000
		\$ 10,450,000

Interest expense on the Bonds for the year ended June 30, 2022, was \$42,090. Accrued interest on the Bonds as of June 30, 2022, was \$42,090.

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, 2022, 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 fund 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, 2022, totaled \$665,950. The balance of all other accounts held in trust by the Bank as of June 30, 2022, totaled \$64,170. These amounts are recorded as restricted cash 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 are due in quarterly installments until July 1, 2023, and afterwards, payments of principal and interest are due in quarterly installments until maturity on April 6, 2026. As of June 30, 2022 and 2021, the outstanding principal balance due on the loan totaled \$1,750,000 and \$1,750,000, respectively.

**INSPIRED TEACHING DEMONSTRATION
PUBLIC CHARTER SCHOOL AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021
(continued)**

NOTE F – DEBT – continued

Interest expense on the OSSE loan for the years ended June 30, 2022 and 2021, totaled \$17,500 and \$4,181, respectively. Accrued interest on the OSSE loan as of June 30, 2022 and 2021, totaled \$8,750 and \$4,181, respectively.

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

2023	\$	145,000
2024		727,517
2025		743,314
2026		759,169
2027		175,000
Thereafter		9,650,000
		\$ 12,200,000

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

	2022	2021
Note payable due April 2026	\$ 1,750,000	\$ 1,750,000
Bonds payable due July 2052	10,450,000	-
Total Debt	12,200,000	1,750,000
Less: debt issuance costs, net of accumulated amortization	(435,777)	(20,864)
Total Debt, net of debt issuance costs	11,764,223	1,729,136
Less: current portion	(145,000)	-
Non-current portion of debt	\$ 11,619,223	\$ 1,729,136

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

	2022	2021
Debt issuance costs	\$ 442,436	\$ 21,962
Less accumulated amortization	(6,659)	(1,098)
Debt Issuance Costs, Net	\$ 435,777	\$ 20,864

The total amortization expense for debt issuance costs for the years ended June 30, 2022 and 2021, was \$6,905 and \$1,098, respectively, and is included in interest expense on the statements of functional expenses.

**INSPIRED TEACHING DEMONSTRATION
PUBLIC CHARTER SCHOOL AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021
(continued)**

NOTE G – OPERATING LEASES

On May 21, 2014, the School entered into a Sublease Agreement (the “Sublease”) with the LLC to occupy a portion of the property in accordance with a separate Ground Lease Agreement between the District of Columbia and the LLC dated May 21, 2014 (the “Prime Lease”). Therefore, in accordance with the Sublease, the LLC has agreed to sublet to the School approximately 67,200 square feet of space located at 200 Douglas Street NE, Washington, DC 20002. The original term of the Sublease was five years, and the School had the right to extend the Sublease for up to three additional terms of five years each if it met certain obligations under the Sublease.

The Sublease was subject and subordinate to the terms of the Prime Lease. In accordance with the original Sublease, the School agreed to pay the LLC annual rent, in an amount equal to the number of students enrolled multiplied by the per pupil facilities allowance received by the School from the District of Columbia for each such pupil. The rent was payable in advance in equal quarterly installments on August 1, November 1, February 1, and May 1.

The Sublease was amended on June 4, 2019. Under the term of this amendment, the original Sublease term was extended to be co-terminus with the Prime Lease, which is scheduled to expire on May 21, 2034. In addition, the School agreed to pay the LLC for any debt service and incremental operating expenses incurred by the LLC that were related to a renovation project at the School premises. Furthermore, the LLC acknowledged that any increase in enrollment at the School above its initial student count was not considered when calculating the amount of rent owed under the Sublease.

On May 31, 2022, the School and the LLC entered into an Assignment and Assumption of Ground Lease Agreement and Termination of Sublease Agreement. Under this agreement, the Sublease was terminated, and the LLC assigned all of its rights, benefits and obligations under the Prime Lease to the School, with no changes in the terms of the Prime Lease.

Rent expense for this facility for the years ended June 30, 2022, and 2021, totaled \$1,721,040 and \$1,751,712, respectively.

NOTE H – CAPITAL LEASE PAYABLE

In September 2017, the School entered into a capital lease agreement for a copier that expires in November 2023. The lease requires monthly payments of principal and interest in the amount of \$821 at a rate of 5% per annum, in addition to charges for maintenance and supplies used. The lease is secured by the leased equipment. The School intends to return the copier upon expiration of the lease.

**INSPIRED TEACHING DEMONSTRATION
PUBLIC CHARTER SCHOOL AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021
(continued)**

NOTE H – CAPITAL LEASE PAYABLE – continued

In April 2019, the School entered into another capital lease agreement for four copiers that expires in June 2024. The lease requires monthly payments of principal and interest in the amount of \$1,836 at a rate of 5% per annum, in addition to charges for maintenance and supplies used. The lease is secured by the leased equipment. The School intends to return the copiers upon expiration of the lease.

All obligations under the capital leases have been recorded at the present value of future minimum lease payments, discounted at an interest rate of 5% per annum.

As of June 30, 2022 and 2021, the remaining capital lease liabilities totaled \$50,471 and \$74,718, respectively. For the years ended June 30, 2022 and 2021, interest expense totaled \$3,935 and \$4,484, respectively.

Future minimum lease payments under the equipment leases are as follows for the years ending June 30:

2023	\$	28,541
2024		24,437
		52,978
Less: interest		(2,507)
Total	\$	50,471

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, 2022 and 2021, donated federal commodities totaled \$12,351 and \$4,949, respectively. The donated federal commodities were recorded on the statements of activities and functional expenses based on either the estimated fair market value on the date the donated federal commodities were received, or at the value determined by the federal agency. The donated federal commodities were allocated to educational services on the statements of functional expenses.

The School received donated items for their online auction event in the amount of \$13,672 and \$8,080, for the years ended June 30, 2022 and 2021, 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.

**INSPIRED TEACHING DEMONSTRATION
PUBLIC CHARTER SCHOOL AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021
(continued)**

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 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, 2022 and 2021, the School was charged \$99,652, and \$98,516, 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 Service. Matching contributions made by the School are discretionary. For the years ended June 30, 2022 and 2021, retirement benefits expense on the Plan totaled \$87,874 and \$81,594, respectively.

NOTE L – COMMITMENTS AND CONTINGENCIES

On June 4, 2019, the School entered into a guaranty and suretyship agreement ("Guaranty") to induce PNC Bank (the "Beneficiary") to make a loan to the LLC. This Guaranty relates to a loan from the Beneficiary to the LLC for \$10,302,414 with a term of June 4, 2019 through June 4, 2021. The proceeds of the loan were for improvements to the facility from which the School operates. Under the terms of the Guaranty, the School unconditionally guaranteed to the Beneficiary the obligations of the LLC with respect to the payment of principal, interest and fees, related to the loan. However, the School would have no duty to pay or perform the guaranteed obligations unless the LLC first defaulted on the payments and/or performance of its obligations under the related loan agreement. In June 2020, the Guaranty was extended to December 1, 2021. In September 2021, the Guaranty was extended to December 1, 2022. On June 2, 2022, the loan was repaid in full and the Guaranty was cancelled.

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 receivable as June 30, 2022 and 2021, respectively, may be impaired. In the opinion of the School, there are 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.

**INSPIRED TEACHING DEMONSTRATION
PUBLIC CHARTER SCHOOL AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021
(continued)**

NOTE M – CONCENTRATIONS

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, 2022 and 2021, approximately 91% and 97%, 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's cash accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 per financial institution. As of June 30, 2022 and 2021, the School had cash balances that exceeded FDIC-insured limits by approximately \$7,449,000 and \$6,060,000, respectively. Management has evaluated the financial institutions and does not believe it is exposed to any significant credit risk.

NOTE N – SUBSEQUENT EVENTS

In preparing these financial statements, the School has evaluated events and transactions for potential recognition or disclosure through December 21, 2022, the date the School's financial statements were available to be issued. There were no events or transactions that required further recognition or disclosure.

SUPPLEMENTARY CONSOLIDATING SCHEDULES

**INSPIRED TEACHING DEMONSTRATION
PUBLIC CHARTER SCHOOL AND SUBSIDIARY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022**

	<u>School</u>	<u>LLC</u>	<u>Eliminations</u>	<u>Total</u>
CURRENT ASSETS				
Cash	\$ 7,176,902	\$ 822,710	\$ -	\$ 7,999,612
Federal grants receivable	616,295	-	-	616,295
State and local grants receivable	121,205	-	-	121,205
Accounts receivable	25	-	-	25
Prepaid expenses	83,052	-	-	83,052
Total Current Assets	<u>7,997,479</u>	<u>822,710</u>	<u>-</u>	<u>8,820,189</u>
NON-CURRENT ASSETS				
Property and equipment, net	10,197,366	-	-	10,197,366
Restricted cash	730,120	-	-	730,120
Member interest in LLC	822,710	-	(822,710)	-
Deposits	3,460	-	-	3,460
Total Non-Current Assets	<u>11,753,656</u>	<u>-</u>	<u>(822,710)</u>	<u>10,930,946</u>
TOTAL ASSETS	<u>\$ 19,751,135</u>	<u>\$ 822,710</u>	<u>\$ (822,710)</u>	<u>\$ 19,751,135</u>
CURRENT LIABILITIES				
Accounts payable	\$ 280,009	\$ -	\$ -	\$ 280,009
Accrued expenses	407,960	-	-	407,960
Accrued interest	50,840	-	-	50,840
Bonds payable, current portion	145,000	-	-	145,000
Capital lease payable, current portion	28,541	-	-	28,541
Total Current Liabilities	<u>912,350</u>	<u>-</u>	<u>-</u>	<u>912,350</u>
NON-CURRENT LIABILITIES				
Bonds payable, net of current portion	9,885,695	-	-	9,885,695
Note payable	1,733,528	-	-	1,733,528
Capital lease payable, net of current portion	21,930	-	-	21,930
Total Non-Current Liabilities	<u>11,641,153</u>	<u>-</u>	<u>-</u>	<u>11,641,153</u>
Total Liabilities	12,553,503	-	-	12,553,503
NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>7,197,632</u>	<u>822,710</u>	<u>(822,710)</u>	<u>7,197,632</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 19,751,135</u>	<u>\$ 822,710</u>	<u>\$ (822,710)</u>	<u>\$ 19,751,135</u>

**INSPIRED TEACHING DEMONSTRATION
PUBLIC CHARTER SCHOOL AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

	School	LLC	Eliminations	Total
REVENUE AND SUPPORT				
General education, DC funding allocation	\$ 6,536,426	\$ -	\$ -	\$ 6,536,426
Categorical enhancements, DC funding allocation	2,732,676	-	-	2,732,676
Facilities allowance, DC funding allocation	1,721,040	-	-	1,721,040
Federal entitlements and other federal funds	712,694	-	-	712,694
Federal grants - COVID-19	276,507	-	-	276,507
Donated federal commodities	12,351	-	-	12,351
State and local government contributions and grants	215,229	-	-	215,229
Private contributions, donations, and grants	74,094	-	-	74,094
Donated goods	13,672	-	-	13,672
Student activities	4,185	-	-	4,185
Other income	60,421	-	-	60,421
Interest	13,480	-	-	13,480
Gain on equity investment in LLC	98,749	-	-	98,749
Total Revenue and Support	<u>12,471,524</u>	<u>-</u>	<u>-</u>	<u>12,471,524</u>
EXPENSES				
Program Services:				
Educational services	9,614,575	-	-	9,614,575
Support Services:				
Management and general	1,628,603	-	-	1,628,603
Fundraising	151,937	-	-	151,937
Total Support Services	<u>1,780,540</u>	<u>-</u>	<u>-</u>	<u>1,780,540</u>
Total Expenses	<u>11,395,115</u>	<u>-</u>	<u>-</u>	<u>11,395,115</u>
NET ASSETS FROM CHANGE IN OPERATIONS	1,076,409	-	-	1,076,409
LOSS FROM REDEMPTION OF CONTROLLING MEMBER IN LLC	<u>(587,852)</u>	<u>-</u>	<u>-</u>	<u>(587,852)</u>
CHANGE IN NET ASSETS	488,557	-	-	488,557
NET ASSETS, beginning of year	6,709,075	-	-	6,709,075
NET ASSETS - LLC	<u>-</u>	<u>822,710</u>	<u>(822,710)</u>	<u>-</u>
NET ASSETS, end of year	<u>\$ 7,197,632</u>	<u>\$ 822,710</u>	<u>\$ (822,710)</u>	<u>\$ 7,197,632</u>

**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 Trustees
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, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 21, 2022.

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 21, 2022



CERTIFIED PUBLIC ACCOUNTANTS

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Suite 800
Washington, DC 20036
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**Independent Auditor's Report on Compliance for Each Major Program
and on Internal Control over Compliance Required by the Uniform Guidance**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Inspired Teaching Demonstration Public Charter School's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Inspired Teaching Demonstration Public Charter School's major federal programs for the year ended June 30, 2022. Inspired Teaching Demonstration Public Charter School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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, 2022.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance 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 relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Inspired Teaching Demonstration Public Charter School's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Inspired Teaching Demonstration Public Charter School's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Inspired Teaching Demonstration Public Charter School's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Inspired Teaching Demonstration Public Charter School's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Inspired Teaching Demonstration Public Charter School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Inspired Teaching Demonstration Public Charter School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Inspired Teaching Demonstration Public Charter School's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of

Report on Internal Control over Compliance - continued

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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.



Washington, DC
December 21, 2022

**INSPIRED TEACHING DEMONSTRATION PUBLIC CHARTER SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Assistance Listing 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)			
Special Education Cluster (IDEA):			
Part B Section 611 – Grants to Local Education Agencies - IDEA	84.027A	H027A210010 – 21A	\$ 90,952
Part B Section 611 – Grant to Local Education Agencies - IDEA ARP	84.027X	H173X210006	17,627
Part B Section 619 – Grant to Local Education Agencies - IDEA	84.173A	H173A210006	1,346
Part B Section 619 – Grant to Local Education Agencies - IDEA ARP	84.173X	H173X210006	596
Total Special Education Cluster (IDEA)			<u>110,521</u>
Other Programs			
Title II-A: Supporting Effective Instruction State Grants	84.367A	S367A190008	11,270
DC School Choice Incentive Program (SOAR Act-IAQ and EC)	84.370C	S370C210001	396,172
COVID-19 Education Stabilization Fund Under the Coronavirus Aid Relief, and Economic Security Act	84.425D	S425D210034	184,984
Total Other Programs			<u>592,426</u>
Total U.S. Department of Education			<u>702,947</u>
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:			
National School Lunch Program	10.555		116,687
School Breakfast Program	10.553		77,067
Federal Commodities (donated)	10.555		12,351
Total Child Nutrition Cluster			<u>206,105</u>
COVID-19 Pandemic EBT Administrative Costs	10.649		614
Total U.S. Department of Agriculture			<u>206,719</u>
U.S. Department of the Treasury			
Pass-through from District of Columbia Office of the State Superintendent of Education (OSSE)			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		90,909
Total U.S. Department of the Treasury			<u>90,909</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,000,575</u>

**INSPIRED TEACHING DEMONSTRATION PUBLIC CHARTER SCHOOL
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal grant activity of Inspired Teaching Demonstration Public Charter School under programs of the federal government for the year ended June 30, 2022. The information in the Schedule is presented in accordance with the requirements of the Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Inspired Teaching Demonstration Public Charter School, it is not intended and does not present the financial position, changes in net assets, or cash flows of Inspired Teaching Demonstration Public Charter School.

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.

NOTE C – INDIRECT COST RATE

Inspired Teaching Demonstration Public Charter School has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE D – RECONCILIATION TO THE FINANCIAL STATEMENTS

Expenditures per the Schedule exclude \$977 of federal funds provided under the Federal Communications Commission E-Rate program, which are reported as federal entitlements and other federal funds in the statement of activities. Funding under these programs is considered to be federal funds, however, and do not qualify as direct financial support, and therefore, are exempt from Uniform Guidance requirements.

**INSPIRED TEACHING DEMONSTRATION PUBLIC CHARTER SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

SECTION I - SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued on the financial statements	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	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 weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	No

Major Programs:

Name of Federal Programs or Clusters:	COVID-19 - Education Stabilization Fund under the Coronavirus Aid, Relief, and Economic Security Act
	DC School Choice Incentive Program (SOAR Act – IAQ and EC)
Assistance Listing Numbers:	84.425D 84.370C
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, 2022
(continued)**

SECTION II – FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

None

SECTION III – FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

None

SECTION IV – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

None

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, 2022**

Award Date	Vendor Name	Goods and/or Services	Contract Amount		Conflict of Interest ("Yes" or "No")
			Minimum Contract Amount	Maximum Contract Amount	
7/27/2021	Acumen Behavioral Consulting, Inc.	Contracted special education services	\$ 40,000	\$ 60,000	No
7/19/2021	CareFirst	Health insurance	580,000	600,000	No
7/23/2021	Early Autism Solutions, LLC	Contracted special education services	45,000	60,000	No
7/15/2021	Educational Solutions, LLC	Contracted special education services	25,000	40,000	No
2/7/2022	EmpowerK12	Student data dashboard	25,000	35,000	No
7/15/2021	End-to-End Solutions for Special Education LLC	Contracted special education services	15,000	25,000	No
8/23/2021	Friendship Public Charter School	Virtual learning for students with medical exemptions	25,000	60,000	No
6/8/2022	Jones, Maresca & McElwaney	Audit services	25,150	25,150	No
3/31/2022	Law Office of Jerry Levine	Continued legal services related to facility loan refinance and lease extension	25,000	40,000	No
7/8/2021	OfficeWorks	Furniture	20,000	60,000	No
7/22/2021	Paradigm Therapy Partners, LLC	Contracted special education services	150,000	250,000	No
4/8/2022	PNC Capital Markets LLC	Underwriting for facility refinancing/bond financing	100,000	175,000	No
1/24/2022	Pro-Air	HVAC upgrades	30,000	50,000	No
3/18/2022	School Health Partners LLC	Contracted nurses	50,000	60,000	No
7/19/2021	The Hanover Insurance Group	Business insurance	35,000	40,000	No
7/8/2021	Urban Teachers	Contracted teaching assistants (residents)	152,500	152,500	No
4/19/2022	Xerox Corporation	Chromebooks for students	25,000	35,000	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, 2022, 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, 2022**

Total Revenue and Support and Other Changes	\$	12,471,524
Income not subject to DCPCSB administrative fee		
Income from philanthropy		87,766
OSSE public charter school reopening facilities grant		90,909
Elementary and Secondary School Emergency Relief Equivalent Funding		465,414
OSSE grants for COVID-19		203,378
Other federal grants for COVID-19		18,837
Interest income		13,480
Total Income not Subject to DCPCSB Administrative Fee	\$	<u>879,784</u>