



The Exploris School

Board Meeting

Date and Time

Tuesday October 29, 2019 at 4:30 PM EDT

Location

Middle Campus - 401 Hillsborough St. Rm 7N (upstairs)

Agenda

	Purpose	Presenter	Time
I. Opening Items			4:30 PM
A. Record Attendance and Guests		Camesha Jones	1 m
B. Call the Meeting to Order		Camesha Jones	1 m
C. Approve Minutes from Regular Board Meeting 9/24	Approve Minutes	Keely Byars-Nichols	5 m
Approve minutes for Board Meeting on September 24, 2019			
D. Public Comment		Camesha Jones	5 m
PUBLIC COMMENT			

Fifteen minutes will be allocated on the agenda for public input at each meeting. Additional time may be added at the discretion of the Chair.

Public comment may be oral, in person, or in written form to be read by the Chair.

Public comment is limited to no more than 3 minutes per person.

It is recommended that public comment be written out and provided to the board following the three minutes to ensure the entire message is heard by the board.

Each speaker will clearly state their full name and county of residence.

All public comment should be factual and should not include personally identifiable information of students or personnel in order to maintain confidentiality. Speakers should avoid using names of students or staff and maintain confidentiality and privacy standards.

All public comments will be taken under advisement by the Board, but will not elicit an immediate written or spoken response. The names of persons providing public comment and a brief summary of topics or input will be included in the meeting minutes published.

A response will be provided to the stakeholder within seven (7) days.

Specific issues about a particular student or teacher should be addressed to the school's executive director, rather than the Board of Directors.

II. Audit Review			4:42 PM
A. 2018- 2019 Audit Review	FYI	Caroline Gilbert	20 m
The results of the 2018-2019 audit will be shared by Caroline Gilbert from the firm of Thomas, Judy, & Tucker			
III. Executive Director Report			5:02 PM
A. Academics/ Personnel/ Operations	Vote	Ellie Schollmeyer	5 m
Parent University Academic/Social/Emotional support Staff wide data analysis Student Kaizen Teams Added Mentor Program for Students Annual Fund Kick off 11/5/19 - Goal - 100% Participation			
B. Finance	FYI	Ellie Schollmeyer	5 m
<u>2019-2020 Budget Update</u> The Finance committee met to review the year to date expenditures and project future impacts. Based on YTD activity, we are projecting an end of year surplus of \$ 43,068.70. We are realizing a \$32,485 savings over original budget projections in benefits from staff that did not elect coverage this year. The balance sheet and income statement along with the YTD budget report are attached for your review			
IV. Facilities			5:12 PM
A. Discussion on Facilities	Discuss	Theo Kingsberry	30 m
Review and discuss plans for expansion and new building facility options.			
V. Standing Committee Updates			5:42 PM
A. Finance Committee	Vote	Christine Hutchens	5 m
<u>Facilities Committee Update</u> The facilities committee met on 10/22 to discuss the following topics Staff Support - 401 K proposal 5 year Projections Draft Goals for the Year below Finance presentation for Parent University			
<u>Goals for the Year</u>			
<ul style="list-style-type: none"> • Strategic Goal: Create 5 Year Projection • Strategic Goal: Update Salary Structure for Staff • Operational Goal: Complete the Finance Manual • Operational Goal: Board Recruitment replacement • Operational Goal: HRIS system review and recommendation • Operation Goal: Teacher appreciation/bonus recommendation • Activity: Monitor monthly Budget Variance process and ensure we meet surplus goal • Activity: Complete the annual audit • Activity: Develop annual budget 			
B. Development Committee	FYI	George Burnette	5 m
Goals for the Year			
C. Governance Committee	FYI	Tom Miller	5 m
Discussed on 10/1: Grievance Policy, Background Checks, Bylaws (Ex-Officio Members) and ED Evaluation			
Commitments for Next Meeting Background Check: Following with Charter Success, Team to research what is being used? ED Eval: Tom to send 360 questions - choose your best (no more than 5) to bring back for discussion. Ex-Officio: Teacher rep needs a clearly defined - will be documented (Cori) Grievance Policy: Cori to share the current policy and get feedback on a smoother process (Kaizen Team).			

D. Excellence in Education	FYI	Katie Johnson	10 m
Update on Equity and Diversity Subcommittee feedback from Open House Goals for the Year			
E. Grievance	FYI		5 m
Committee Chair Goals for the Year			
VI. Closed Session - Board Disclosure - Legal Issue			6:12 PM
A. Board Disclosure	Vote	Katie Johnson	5 m
B. Legal	Discuss	Ellie Schollmeyer	5 m
VII. Other Business			
VIII. Closing Items			6:22 PM
A. Adjourn Meeting	Discuss		2 m

Cover Sheet

Approve Minutes from Regular Board Meeting 9/24

Section: I. Opening Items
Item: C. Approve Minutes from Regular Board Meeting 9/24
Purpose: Approve Minutes
Submitted by:
Related Material: Minutes for Board Meeting on September 24, 2019



The Exploris School

Minutes

Board Meeting

Date and Time

Tuesday September 24, 2019 at 4:30 PM

Location

Middle Campus - 401 Hillsborough St. Rm 7N (upstairs)

Directors Present

C. Greer-Banks, C. Jones, E. Schollmeyer, G. Burnette, J. Korreck, K. Byars-Nichols (remote), K. Johnson, T. Kingsberry, T. Miller (remote)

Directors Absent

C. Hutchens, J. Jenkins, T. Guyer

Directors Arrived Late

T. Kingsberry

Guests Present

Deborah Brown, M. Gargan, M. Parkerson

I. Opening Items**A. Record Attendance and Guests****B. Call the Meeting to Order**

C. Jones called a meeting of the board of directors of The Exploris School to order on Tuesday Sep 24, 2019 @ 4:35 PM at Middle Campus - 401 Hillsborough St. Rm 7N (upstairs).

C. Approve Minutes from Special Board Meeting 8/26

C. Jones made a motion to approve minutes from the Special Meeting about New Building Project on 08-26-19.

K. Johnson seconded the motion.
The board **VOTED** unanimously to approve the motion.

D. Approve Minutes from Regular Board Meeting 8/27

K. Johnson made a motion to approve minutes from the Board Meeting on 08-27-19.
G. Burnette seconded the motion.
The board **VOTED** unanimously to approve the motion.

E. Public Comment

Michelle Parkerson voiced concern that as we explore alternative building options that we consider the possible impact a new building plan might have on class size.
T. Kingsberry arrived late.

II. Executive Director Report

A. Academics/ Personnel/ Operations

Board approval is requested on the following contracts:

- Charter Success Partners
- Outward Bound
- Bus Company for Outward Bound

Board onTrack-After requesting a discounted rate, our representative offered the following 3 options:

1. \$9,995 per year (current plan)
2. \$9,250 per year, paid yearly with a two-year contract.
3. \$8,000 per year, paid yearly with a three-year contract (recommended option).

The board discussed the large expense of the Outward Bound trip to students (\$900/student), and school staff assured the board that keeping trip costs down was something that was part of ongoing discussions.

C. Jones made a motion to approve contracts as stated above.

T. Kingsberry seconded the motion.

The board **VOTED** unanimously to approve the motion.

Ellie also stated that Parent University dates had been set and topics were in process.

B. Finance

2019-2020 Budget Update:

The Finance committee met to review the year to date expenditures and project future impacts. Based on YTD activity, we are projecting an end of year surplus of \$8,177.43. The balance sheet and income statement along with the YTD budget report are attached as part of agenda and board packet.

III. Facilities

A. Discussion on Facilities

Theo and Ellie have met/conferenced/visited with architects, lawyers, developers, and toured alternate properties for our new school building.

Ellie and Theo have done an incredible amount of work researching other financing, design/build options, and legal ramifications of our existing contract with developers. Everything is now still fluid, and they will update the board soon as they are able.

Keely moved to approve disclosing the school's financial information with BB&T and Self Help Credit Union and other possible institutions in order to explore Bond financing options. The motion passed unanimously.

Camesha asked for a motion to add an agenda item for a closed session at the end of the meeting. Theo made the motion and it passed unanimously.

IV. Standing Committee Updates

A. Finance Committee

Ellie reported that the attached Finance Committee goals are expected to be completed by the end of this academic year.

B. Development Committee

George reported that the committee goals for the year are to 1) rebuild Foundation Board, 2) rebuild Development Committee, 3) re-establish Annual Fund plans, 4) establish a Board example for fundraising.

C. Governance Committee

1) look at current policies 2) develop an improved Executive Director evaluation 3) establish a staff orientation plan for staff

D. Excellence in Education

Third year of the rigor, relevance, relationships framework, and Katie is reaching out the staff to set up a meeting to determine whether or not this framework needs revising. To date, the committee goals have been funneled through the Equity and Diversity Committee (EDC). The EDC had a meeting last week with interested parents and have the goal of identifying how these parent volunteers can best be put to work in the goal of increasing and serving a more diverse population. Finally, EEC has the goal to determine how EDC work can dovetail into the ACCESS grant, specifically as it relates to transportation.

V. Closing Items

A. Closed Session to discuss privileged information

The Board voted unanimously to go into closed session to discuss material items related to contracts. After approximately 30 minutes, the board voted unanimously to leave closed session, our discussion being completed.

B. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 6:49 PM.

Respectfully Submitted,
K. Byars-Nichols

Cover Sheet

2018- 2019 Audit Review

Section: II. Audit Review
Item: A. 2018- 2019 Audit Review
Purpose: FYI
Submitted by:
Related Material: Board Communication Letter-Final.pdf
Financial Statements- Final.pdf

4700 Falls of Neuse Road
Suite 400
Raleigh, NC 27609



300 West Morgan Street
Suite 1450
Durham, NC 27701

Thomas, Judy & Tucker, P.A.

Certified Public Accountants

October 14, 2019

To the Board of Directors
The Exploris School

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of The Exploris School (the "School") for the year ended June 30, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 5, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by The Exploris School are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2019. We noted no transactions entered into by The Exploris School during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the School's financial statements were:

Management's estimate of the depreciable lives is based on the estimated useful lives of the capital assets. We evaluated the key factors and assumptions used to develop the depreciable lives in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the allowance for uncollectible promises to give is based on the amount management expects to collect from outstanding balances at June 30, 2019. We evaluated the key factors and assumptions used to develop the allowance for uncollectible promises to give in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

October 14, 2019
Page 2 of 3

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements as a whole. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 14, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to The Exploris School's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as The Exploris School's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the budgetary schedules and the schedule of expenditures of federal and State awards, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

October 14, 2019
Page 3 of 3

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of The Exploris School and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Thomas, Judy & Tucker, P.A.

Thomas Judy & Tucker, P.A.
Raleigh, North Carolina

Client: **59120 - The Exploris School**
 Engagement: **AUD - 6/30/2019**
 Period Ending: **6/30/2019**
 Workpaper: **A11.02 - Passed Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Passed Journal Entries JE # 15		E03		
To reverse PY PAJE				
7.TJT7	Pledge receivable revenue		4,000.00	
2.2990.000.000	FUND BALANCE			4,000.00
Total			<u>4,000.00</u>	<u>4,000.00</u>
Passed Journal Entries JE # 22		V04		
To record PAJE for modular lease				
2.1105.000.000	Prepaid Expense		14,000.00	
TJT3	Accrued Rent		7,000.00	
2.6940.036.327.002.000.00	Modular Lease			21,000.00
Total			<u>21,000.00</u>	<u>21,000.00</u>

THE EXPLORIS SCHOOL

Financial Statements
Year Ended June 30, 2019

THE EXPLORIS SCHOOL
Table of Contents
As of June 30, 2019

<u>Exhibit</u>		<u>Page</u>
	Financial Section:	
	Independent Auditors' Report	1 - 2
	Management's Discussion and Analysis	3 - 10
	Basic Financial Statements:	
	Government-wide Financial Statements:	
1	Statement of Net Position	11
2	Statement of Activities	12
	Fund Financial Statements:	
3	Balance Sheet – Governmental Funds	13
	Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	13
4	Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	14
5	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	15
6	Statement of Net Position – Proprietary Funds	16
7	Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	17
8	Statement of Cash Flows – Proprietary Funds	18
	Notes to the Financial Statements	19 - 31
	<u>Statement</u>	
	Statements of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	
1	All Governmental Fund Types	32 - 33
2	Proprietary Fund Types	34
	Compliance Section:	
	Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	35 - 36
	Independent Auditors' Report on Compliance for Each Major State Program and on Internal Control over Compliance Required by the Uniform Guidance and the State Single Audit Implementation Act	37 - 38
	Schedule of Findings and Questioned Costs	39
	Summary Schedule of Prior Audit Findings	40
	Schedule of Expenditures of Federal and State Awards	41

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Thomas, Judy & Tucker, P.A.
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Exploris School
Raleigh, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of The Exploris School as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise The Exploris School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of The Exploris School as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise The Exploris School's basic financial statements. The budgetary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The budgetary schedules and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary schedules and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic 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 October 14, 2019 on our consideration of The Exploris 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 the 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Exploris School's internal control over financial reporting and compliance.

Thomas, Judy & Tucker, P.A.

October 14, 2019
Raleigh, North Carolina

**Management's Discussion and Analysis
The Exploris School
June 30, 2019**

As management of The Exploris School, we offer readers of The Exploris School's audited financial statements this narrative overview and analysis of the financial activities of The Exploris School for the fiscal year ended June 30, 2019. We encourage readers to read the information presented herein in conjunction with additional information that we have furnished in the School's financial statements, which follow this narrative.

Financial Highlights

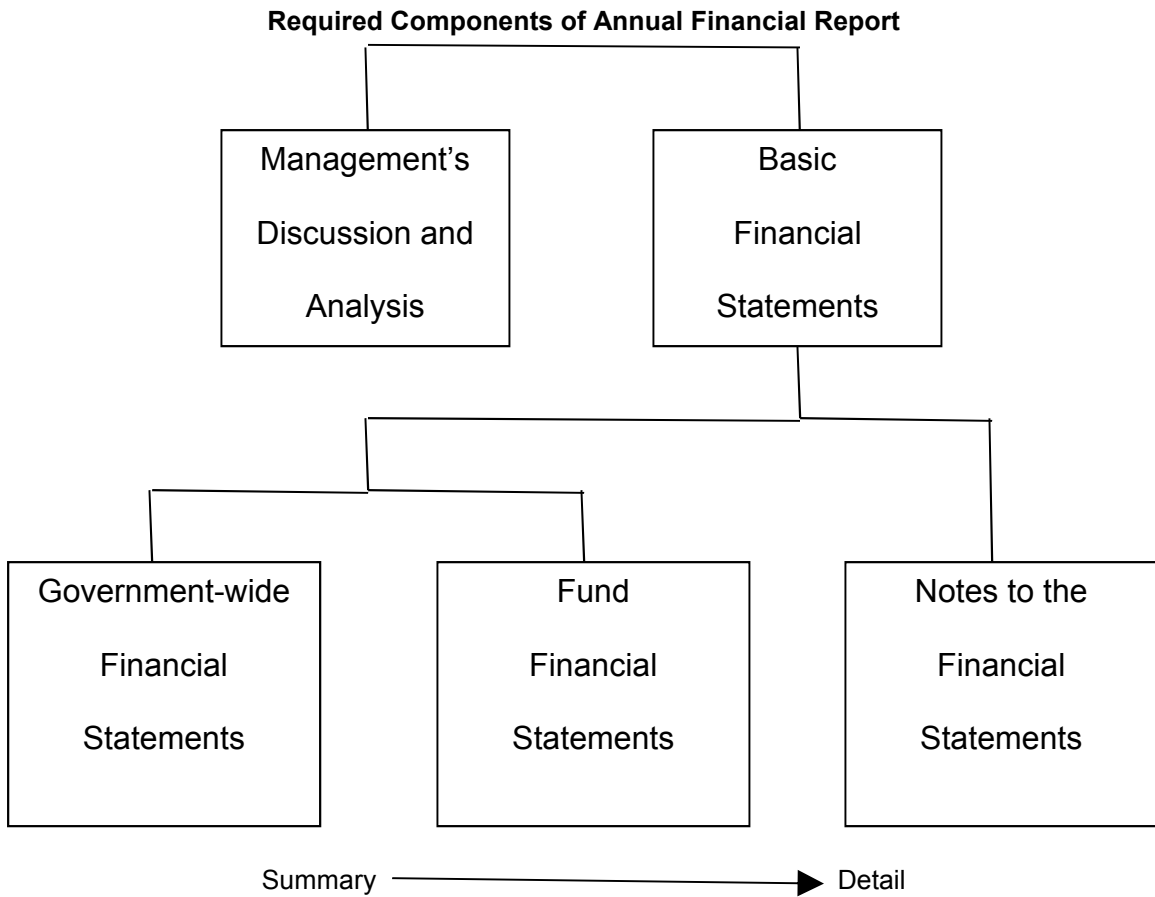
- The assets of The Exploris School exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$2,107,960 (*net position*).
- The School's total net assets increased by \$95,356.
- As of the close of the current fiscal year, The Exploris School's governmental funds reported combined ending fund balances of \$1,158,138.
- Enrollment has increased at the School. In 2016-2017 the State funded Average Daily Membership (ADM) was 419. In 2017-2018 it was 420, and in 2018-2019 it was 448.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to The Exploris School's basic financial statements. The School's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two distinct financial perspectives of the School through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of The Exploris School.

**Management’s Discussion and Analysis
The Exploris School
June 30, 2019**

Figure 1



Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the School’s financial standing.

The next statements (Exhibits 3 through 8) are **Fund Financial Statements**. These statements focus on the activities of the individual segments of the School’s government and are more detailed than the government-wide financial statements. There are two parts to the Fund Financial Statements: 1) the governmental funds statements; and 2) the proprietary fund statements.

Immediately following the fund financial statements are the **Notes to the Financial Statements** (i.e. “Notes”). The Notes offer a detailed explanation of the data contained in those statements. Next, **supplemental information** is provided to show details about the School’s funds. Budgetary information for the School can also be found in this section of the statements.

**Management's Discussion and Analysis
The Exploris School
June 30, 2019**

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the School's finances, similar in format to the financial statements of a private-sector business. The government-wide statements provide short and long-term information about the School's financial status, as a whole.

The two government-wide statements report the School's net position and how they have changed. Net position equals the difference between the School's total assets and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the School's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities; and 2) business-type activities. The governmental activities include most of the School's basic functions such as instructional services and business services. These functions are funded almost entirely through state, county, and federal educational funds. The business-type activities are those services that the School charges its students and other customers. These include the Before and After School Care program carried out by The Exploris School.

The government-wide financial statements are enumerated in Exhibits 1 and 2 of this report.

Fund Financial Statements

The fund financial statements provide a more detailed look at the School's most significant activities. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Exploris School, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related statutory requirements, such as the North Carolina General Statutes or the School's budget ordinance, where and when applicable. All of the funds of The Exploris School can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for functions reported as governmental activities in the government-wide financial statements. Most of the School's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and monies remaining at year-end that will be available for spending in the next fiscal year. Governmental funds are reported using the modified accrual accounting method, which provides a short-term spending focus. The governmental fund financial statements assist the reader in determining whether there has been an increase or a decrease in the financial resources available to finance the School's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is an integral part of the fund financial statements.

Management's Discussion and Analysis
The Exploris School
June 30, 2019

Although not compelled or required to do so by federal, state, or local law, The Exploris School has elected to adopt an annual budget. Since the budget is not required by law, the budgetary comparison statements are not included in the basic financial statements, but are part of the supplemental statements and schedules following the notes. The budget incorporates input from the faculty, management, and the Board of Directors of the School and specifies which activities will be pursued and which services the School will provide during the year. It also authorizes the School to obtain funds from identified sources to finance current period activities. The budgetary statement demonstrates how well the School has complied with the budget ordinance and whether or not the School has succeeded in providing the services as originally planned.

Proprietary Funds – The Exploris School has two proprietary funds, which are enterprise funds. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The Exploris School uses enterprise funds to account for its Before and After School Care functions.

Notes to the Financial Statements – The notes provide additional information essential to facilitating a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 19 of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as one useful indicator of a school's financial condition. The assets of The Exploris School exceeded liabilities by \$2,107,960 as of June 30, 2019. As of June 30, 2018, the net position of The Exploris School stood at \$2,012,604. The School's net position increased by \$95,356 for the fiscal year ended June 30, 2019, compared to an increase of \$545,095 in 2018. The amount of \$99,588 reflects the School's investment in capital assets (e.g. leasehold improvements, furniture, and electronic equipment), less any related debt still outstanding that was issued to acquire those items. The Exploris School uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although The Exploris School's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of The Exploris School's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$2,008,372 is unrestricted. In 2018, the net investment in capital assets was \$203,716, with unrestricted net position standing at \$1,808,888.

Management's Discussion and Analysis
The Exploris School
June 30, 2019

Figure 2
The Exploris School's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 1,688,287	\$ 1,547,911	\$ 337,051	\$ 280,171	\$ 2,025,338	\$ 1,828,082
Capital assets, net of depreciation	99,588	203,716	-	-	99,588	203,716
Total assets	1,787,875	1,751,627	337,051	280,171	2,124,926	2,031,798
Other liabilities	11,966	19,104	-	-	11,966	19,104
Total liabilities	11,966	19,104	-	-	11,966	19,104
Deferred inflows of resources	5,000	-	-	-	5,000	-
Net position:						
Net investment in capital assets	99,588	203,716	-	-	99,588	203,716
Unrestricted	1,671,321	1,528,717	337,051	280,171	2,008,372	1,808,888
Total net position	\$ 1,770,909	\$ 1,732,433	\$ 337,051	\$ 280,171	\$ 2,107,960	\$ 2,012,604

Several aspects of the School's financial operations positively influenced the total unrestricted governmental net assets:

- The School adopted an annual budget. The School's performance was measured using this budget on a monthly basis, allowing changes to be made in spending as needed to remain within the confines of the budget.
- The School applied for and was awarded federal grants to assist with meeting the educational needs of the student population.

**Management's Discussion and Analysis
The Exploris School
June 30, 2019**

Figure 3

The Exploris School's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Charges for services	\$ -	\$ -	\$ 98,997	\$ 90,358	\$ 98,997	\$ 90,358
Operating grants and contributions	71,592	63,068	-	-	71,592	63,068
County, State, and federal Funds	3,912,155	3,417,810	-	-	3,912,155	3,417,810
Donations and other revenues	279,415	767,751	-	-	279,415	767,751
Total revenues	4,263,162	4,248,629	98,997	90,358	4,362,159	4,338,987
Instructional programs	3,496,791	3,138,418	-	-	3,496,791	3,138,418
Support services	727,895	634,962	-	-	727,895	634,962
Child care	-	-	42,117	20,512	42,117	20,512
Interest on long-term debt	-	-	-	-	-	-
Total expenses	4,224,686	3,773,380	42,117	20,512	4,266,803	3,793,892
Increase (decrease) in net assets	38,476	475,249	56,880	69,846	95,356	545,095
Net assets, July 1	1,732,433	1,257,184	280,171	210,325	2,012,604	1,467,509
Net assets, June 30	\$ 1,770,909	\$1,732,433	\$ 337,051	\$ 280,171	\$2,107,960	\$2,012,604

Governmental activities. Governmental activities increased the School's net position by \$38,476.

Business-type activities. Business-type activities increased The Exploris School's net position by \$56,880.

By adopting a budget for the enterprise funds that comprise the business-type activities, the Board is able to monitor the School's revenues and expenditures and adjust their estimates as needed during the year.

**Management’s Discussion and Analysis
The Exploris School
June 30, 2019**

Financial Analysis of the School’s Funds

As noted earlier, The Exploris School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of The Exploris School’s governmental funds is to provide information on near-term inflows, outflows, and balances of usable financial resources. Such information is useful in assessing The Exploris School’s financing requirements. Specifically, unassigned fund balance can be a useful measure of a government’s net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of The Exploris School. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$572,853, while total fund balance reached \$1,158,138. \$40,195 is nonspendable and \$545,090 is assigned within the general fund as of June 30, 2019.

Proprietary Funds. The School’s proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Before and After School Care Fund at the end of the fiscal year amounted to \$337,051.

Capital Asset and Debt Administration

Capital assets. The Exploris School’s investment in capital assets for it’s governmental activities as of June 30, 2019, totals \$99,588 (net of accumulated depreciation). Capital assets include furniture, electronic equipment, and leasehold improvements.

**Figure 4
The Exploris School’s Capital Assets
(net of depreciation)**

	Governmental Activities	
	2019	2018
Furniture	\$ 973	\$ 1,389
Electronic equipment	21,006	2,125
Leasehold improvements	77,609	200,202
Total	\$ 99,588	\$ 203,716

Additional information about the School’s capital assets can be found in Note 2.A.3 of the Basic Financial Statements.

Long-term Debt. As of June 30, 2019, The Exploris School did not have any outstanding debt.

**Management's Discussion and Analysis
The Exploris School
June 30, 2019**

Economic Factors

The following key economic indicators reflect the growth and prosperity of the School:

- The LEA in which the school resides has experienced tremendous growth, which should provide a steady stream of students into the School's limited available space.
- The State of North Carolina per pupil funding for the 2018-2019 school year, increased by \$163.69 which equated to a 3.23% increase from the prior year.
- The downtown area of Raleigh continues to be revitalized bringing many new families into the new homes and apartments that surround the School which will continue to provide a steady stream of new students that can potentially enroll at Exploris.

Requests for Information

This report is designed to provide an overview of the School's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Board Chair, The Exploris School, 401 Hillsborough Street, Raleigh, North Carolina 27603, telephone (919) 715-3690.

THE EXPLORIS SCHOOL
Statement of Net Position
June 30, 2019

Exhibit 1

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,023,523	\$ 337,051	\$ 1,360,574
Receivables	111,386	-	111,386
Pledges receivable	513,183	-	513,183
Security deposit	15,658	-	15,658
Prepaid items	24,537	-	24,537
Capital assets (Note 1):			
Other capital assets, net of depreciation	99,588	-	99,588
 Total assets	 1,787,875	 337,051	 2,124,926
LIABILITIES			
Accounts payable	11,966	-	11,966
 Total liabilities	 11,966	 -	 11,966
DEFERRED INFLOWS OF RESOURCES	5,000	-	5,000
NET POSITION			
Net investment in capital assets	99,588	-	99,588
Unrestricted	1,671,321	337,051	2,008,372
 Total net position	 \$ 1,770,909	 \$ 337,051	 \$ 2,107,960

The notes to the financial statements are an integral part of this statement.

Exhibit 2

THE EXPLORIS SCHOOL
Statement of Activities
For the Year Ended June 30, 2019

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-type Activities	Total
Primary government:						
Governmental activities:						
Instructional services	\$ 3,496,791	\$ -	\$ 71,592	\$ (3,425,199)	\$ -	\$ (3,425,199)
System-wide support services	727,895	-	-	(727,895)	-	(727,895)
Total governmental activities	4,224,686	-	71,592	(4,153,094)	-	(4,153,094)
Business-type activities:						
Child care	42,117	98,997	-	-	56,880	56,880
Total business-type activities	42,117	98,997	-	-	56,880	56,880
Total primary government	\$ 4,266,803	\$ 98,997	\$ 71,592	(4,153,094)	56,880	(4,096,214)
General revenues:						
Unrestricted county appropriations				1,225,725	-	1,225,725
Unrestricted State appropriations				2,686,430	-	2,686,430
Contributions and donations				104,794	-	104,794
Grants				25,000	-	25,000
Field trips				140,017	-	140,017
Miscellaneous, unrestricted				9,604	-	9,604
Total general revenues and transfers				4,191,570	-	4,191,570
Change in net position				38,476	56,880	95,356
Net position-beginning				1,732,433	280,171	2,012,604
Net position-ending				\$ 1,770,909	\$ 337,051	\$ 2,107,960

The notes to the financial statements are an integral part of this statement.

**THE EXPLORIS SCHOOL
Balance Sheet
Governmental Funds
June 30, 2019**

Exhibit 3

	Major Funds		Non-major Fund	Total Governmental Funds
	General	State Public School	Federal Grants Fund	
ASSETS				
Cash and cash equivalents	\$ 1,023,523	\$ -	\$ -	\$ 1,023,523
Receivables	111,386	-	-	111,386
Security deposit	15,658	-	-	15,658
Prepaid items	24,537	-	-	24,537
Total assets	\$ 1,175,104	\$ -	\$ -	\$ 1,175,104
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 11,966	\$ -	\$ -	\$ 11,966
Total liabilities	11,966	-	-	11,966
DEFERRED INFLOWS OF RESOURCES				
	5,000	-	-	5,000
Fund balances:				
Nonspendable:				
Security deposit	15,658	-	-	15,658
Prepaid items	24,537	-	-	24,537
Assigned:				
Capital expenditures	545,090	-	-	545,090
Unassigned	572,853	-	-	572,853
Total fund balances	1,158,138	-	-	1,158,138
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,175,104	\$ -	\$ -	
<p>Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:</p> <p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 99,588</p> <p>Pledges receivable are not current financial resources and therefore are not reported in the funds. 513,183</p>				
				\$ 1,770,909
				Net position of governmental activities

The notes to the financial statements are an integral part of this statement.

THE EXPLORIS SCHOOL
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2019

Exhibit 4

	Major Funds		Non-major Fund	Total Governmental Funds
	General	State Public School	Federal Grants Fund	
REVENUES				
State of North Carolina	\$ -	\$ 2,686,430	\$ -	\$ 2,686,430
Boards of Education	1,225,725	-	-	1,225,725
U.S. Government	-	-	71,592	71,592
Contributions and donations	81,964	-	-	81,964
Grants	25,000	-	-	25,000
Field Trips	140,017	-	-	140,017
Other	9,604	-	-	9,604
Total revenues	1,482,310	2,686,430	71,592	4,240,332
EXPENDITURES				
Current:				
Instructional services	670,289	2,616,002	71,592	3,357,883
Support services	619,498	70,428	-	689,926
Capital outlay:	47,749	-	-	47,749
Total expenditures	1,337,536	2,686,430	71,592	4,095,558
Excess (deficiency) of revenues over expenditures	144,774	-	-	144,774
Net change in fund balance	144,774	-	-	144,774
Fund balances-beginning	1,013,364	-	-	1,013,364
Fund balances-ending	<u>\$ 1,158,138</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,158,138</u>

The notes to the financial statements are an integral part of this statement.

THE EXPLORIS SCHOOL
Reconciliation of the Statement of
Revenues, Expenditures, and Changes in Fund Balance of
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2019

Exhibit 5

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	\$ 144,774
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.	(104,128)
Current year pledge receivable adjustments are reported in the statement of activities and do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	<u>(2,170)</u>
Total changes in net position of governmental activities	<u><u>\$ 38,476</u></u>

The notes to the financial statements are an integral part of this statement.

THE EXPLORIS SCHOOL
Statement of Net Position
Proprietary Funds
June 30, 2019

Exhibit 6

	Enterprise Fund
	Major Fund
	After
	School Care
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 337,051
Total assets	\$ 337,051
NET POSITION	
Unrestricted	\$ 337,051
Total net position	\$ 337,051

The notes to the financial statements are an integral part of this statement.

THE EXPLORIS SCHOOL
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2019

Exhibit 7

	Enterprise Fund
	Major Fund
	After
	School Care
OPERATING REVENUES	
Child care fees	\$ 98,997
Total operating revenues	98,997
OPERATING EXPENSES	
Salaries and benefits	42,117
Total operating expenses	42,117
Operating income	56,880
Total net position - beginning	280,171
Total net position - ending	\$ 337,051

The notes to the financial statement are an integral part of this statement.

THE EXPLORIS SCHOOL
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2019

Exhibit 8

	Enterprise Fund
	Major Fund
	After
	School Care
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 98,997
Cash paid to employees for services	(42,117)
Net cash provided by operating activities	56,880
Net increase in cash and cash equivalents	56,880
Balance-beginning of the year	280,171
Balance-end of the year	\$ 337,051
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 56,880
Net cash provided by operating activities	\$ 56,880

The notes to the financial statements are an integral part of this statement.

THE EXPLORIS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2019

1. Summary of Significant Accounting Policies

The accounting policies of The Exploris School (the "School") conform to generally accepted accounting principles ("GAAP") as applicable to governments. Charter schools are established by non-profit entities, such as The Exploris School. Because of the authority of the State Board of Education (the "SBE") to terminate, not renew or seek applicants to assume a charter on grounds set out in the North Carolina General Statutes at G.S. 115C-218.95 with all net assets purchased with public funds reverting to a local education agency (G.S. 115C-218.100), the charter schools in North Carolina follow the governmental reporting model as used by local education agencies. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The School is a North Carolina non-profit corporation incorporated in 1996. Pursuant to the provisions of the Charter School Act of 1996 as amended (the "Act"), the School has been approved to operate The Exploris School, a public school serving approximately 448 students. The School operates under an approved charter received from the SBE and applied for under the provisions of G.S. 115C-218.1. G.S. 115C-218.6(b)(1) states that a charter school shall be subject to the audit requirements adopted by the SBE, which includes the audit requirements established by G.S. 115C-447 of the School Budget and Fiscal Control Act ("SBFCA"), and requires the financial statements to be prepared in accordance with GAAP. The current charter is effective until June 30, 2027, and may be renewed for subsequent periods of ten (10) years unless one of the conditions in G.S. 115C-218.6(b) applies in which case the SBE may renew the charter for a shorter period or not renew the charter. Management believes that the charter will be renewed in the ordinary course of business.

The School has been recognized by the Internal Revenue Service as exempt from Federal income taxation under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

Blended Component Unit: Exploris School Foundation (the "Foundation") was formed in January 2017 as a North Carolina non-profit corporation. The Foundation was created primarily to engage in activities to further the mission of the School and to administer and expend funds to support the School. GASB Statement No. 14 as amended, The Financial Reporting Entity, requires blending when 1) a component unit's governing body is substantively the same as the governing body of the primary government, 2) a component unit provides services entirely, or almost entirely, to the primary government, 3) a component unit's total debt outstanding, including leases, is expected to be repaid entirely, or almost entirely, with resources of the primary government, or 4) the primary government is the sole corporate member of the component unit. The Foundation provides services almost entirely to the School. Therefore, the Foundation is reported as a blended component unit included in the general fund in the School's financial statements. The Foundation did not issue separate financial statements.

B. Basis of Presentation

In accordance with GASB Statement No. 34, Basic Financial Statements – and Management Discussion and Analysis – for State and Local Governments ("GASB 34"), the School is a special-purpose government that is engaged in governmental activities and is not a component unit of another government. Therefore, the financial statements are prepared in the same manner as general purpose governments.

THE EXPLORIS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2019

1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

Government-wide Statements: The statement of net position and the statement of activities display information about the School. These statements include the financial activities of the overall entity. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the School. Governmental activities generally are financed through intergovernmental revenues and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the School and for each function of the School's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the School's funds. Separate statements for each fund category – *governmental and proprietary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The School reports the following major governmental funds:

General Fund. The General Fund is the general operating fund of the School. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund.

State Public School Fund. The State Public School Fund includes appropriations from the Department of Public Instruction for specific operating needs of the School and is reported as a special revenue fund.

The School reports the following non-major governmental fund:

Federal Grants Fund. The Federal Grants Fund is used to account for Federal monies that are paid through the State Department of Public Instruction to the School.

THE EXPLORIS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2019

1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

The School reports the following major enterprise fund:

After School Care. The After School Care Fund is used to account for activity of the after school care at the School.

C. Measurement Focus and Basis of Accounting

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the School gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. These could include federal, State, and county grants, and some charges for services. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the School funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the School's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

D. Budgetary Data

Annual budgets are adopted for all funds, on a school-wide basis. All budgets are prepared using the modified accrual basis of accounting.

The governing board has voluntarily established the policy, as a sound business practice, that expenditures may not exceed appropriations, for all the School's funds, based on the adopted budget and subsequent amendments. During the year, several amendments to the original budget were necessary, the effects of which were not material. The budget presented in the supplemental data represents the budget of the School at June 30, 2019. All appropriations lapse at year end.

THE EXPLORIS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2019

1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Fund Equity

1. Deposits and Investments

All deposits of the School are made in a local bank, whose accounts are FDIC insured. Also, the School may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

2. Cash and Cash Equivalents

The School pools money from several funds to facilitate disbursement. Therefore, all cash is essentially demand deposits considered cash and cash equivalents. All cash held with original maturities of three months or less are considered cash and cash equivalents.

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

4. Accounts Receivable and Pledges Receivable

Accounts receivable consist of amounts owed to the School from sales tax, students and local school boards. Pledges receivable consist of amounts pledged to the School by donors. Pledges receivable expected to be collected within one year are recorded at net realizable value. Pledges receivable that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to years in which the promises are received. The School has reviewed the accounts receivable balances and determined the amounts to be fully collectible.

5. Allowance for Doubtful Pledges

An allowance for doubtful pledges is provided for the estimated losses which may be incurred due to uncollectible pledges receivable. The estimated losses are based upon a review of the current status of the existing pledge receivables. The allowance recorded as of June 30, 2019 totaled \$50,000.

6. Capital Assets

The School's donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other capital assets are recorded at original cost. The total of these estimates is not considered large enough that any errors would be material when capital assets are considered as a whole.

It is the policy of the School to capitalize all capital assets costing more than \$2,500 with an estimated useful life of two or more years. In addition, other items which are purchased and used in large quantities such as student desks and office furniture are capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. All depreciable assets are depreciated using the straight-line method of depreciation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

THE EXPLORIS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2019

1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Fund Equity (Continued)

6. Capital Assets (Continued)

Capital assets are depreciated over the following estimated useful lives on a straight-line bases as follows:

	Years
Leasehold Improvements	5 - 20
Furniture	3 - 7
Electronic Equipment	3 - 5

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The School has no items that meet this criterion. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The School has one item that meets this criterion: unearned revenue.

8. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position.

In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

9. Compensated Absences

Employees are granted between four and fifteen personal leave days each year, which include vacation and sick days. The number of days granted is based on hours worked each week and number of months worked each year. Up to five sick leave days may be carried over to the following year. Employees who leave or are terminated do not have the right to be paid unused leave, thus no accrual is provided for compensated absences.

10. Net Position/Fund Balances

Net Position

Net position in the government-wide and proprietary fund financial statements are classified as net investment in capital assets, net of related debt, restricted, and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through State statute.

THE EXPLORIS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2019

1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Fund Equity (Continued)

10. Net Position/Fund Balances (Continued)

Fund Balance

In the governmental fund financial statements, fund balance is composed of three (out of five possible) classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Security Deposit – portion of fund balance not available for appropriation because it represents the year-end balance of a security deposit on the school facility, which is not an expendable, available resource.

Prepaid Items – portion of fund balance that is not an available resource because it represents the year-end balance of prepaid expenses which are not spendable resources.

Assigned for Capital Expenditures – revenue sources restricted for expenditures for the School's future construction of a new facility.

Unassigned – portion of fund balance that has not been assigned to another fund or restricted, committed or assigned to specific purposes with the General Fund.

The School has a revenue spending policy that provides guidance for programs with multiple revenue sources. The finance officer will use resources in the following hierarchy: federal funds, State funds, local non-board of education funds, board of education funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balances, assigned fund balance and lastly, unassigned fund balance. The finance officer has the authority to deviate from this policy if it is in the best interest of the School.

11. Reconciliation of Government-Wide and Fund Statements

The governmental fund balance sheet includes a reconciliation between governmental funds' total fund balance and governmental activities' net position as reported in the government-wide statement of net position.

THE EXPLORIS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2019

1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Fund Equity (Continued)

11. Reconciliation of Government-Wide and Fund Statements (Continued)

The net adjustment of \$612,771 consists of several elements as follows:

Capital assets used in governmental activities are not financial resources and are therefore not reported in the fund (total capital assets on government-wide statement in governmental activities column).	\$ 1,006,779
Less accumulated depreciation	(907,191)
Pledges receivable are not current financial resources and therefore are not reported in the funds.	<u>513,183</u>
Total adjustment	<u>\$ 612,771</u>

F. Revenues, Expenditures, and Expenses

1. Funding

The School is funded by the SBE, receiving (i) an amount equal to the average per pupil allocation for the average daily membership (“ADM”) from the local school administrative unit allotments in which the School is located (i.e. Wake County Board of Education) for each child attending the School except for the allocation for children with special needs and (ii) an additional amount for each child attending the School who is a child with special needs (G.S. 115C-218.105(a)).

Subject to certain limitations, funds allocated by the SBE may be used to enter into operational and financing leases for real property or mobile classroom units for use as school facilities for charter schools and may be used for payments on loans made to charter schools for facilities, equipment, or operations (G.S. 115C-218.105(b)).

Additionally, the School receives for each student an amount equal to the per pupil share of the local current expense fund of the local school administrative unit in which the child resides (G.S. 115C-218.105(c)). Amounts transferred that consist of revenue from supplemental taxes shall be transferred only to a charter school located in the district where the taxes are levied and the child resides. For the fiscal year ended June 30, 2019, the School received funding from the Boards of Education of Wake County (\$1,181,001), Johnston County (\$25,505), Durham County (\$15,805), Franklin County (\$1,774), and Pitt County (\$1,640).

Furthermore, the School has received donations of cash and/or equipment from private organizations. The cash is available to be used throughout the year for the School’s various programs and activities.

THE EXPLORIS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2019

1. Summary of Significant Accounting Policies (Continued)

F. Revenues, Expenditures, and Expenses (Continued)

2. Reconciliation Between Government-Wide and Fund Statements

The governmental fund statement of revenues, expenditures, and changes in fund balance is followed by a reconciliation between the change in the fund balance of the governmental funds and the change in the net position of governmental activities as reported on the government-wide statement of activities.

The net difference of (\$106,298) between the two amounts consists of the following elements:

Capital outlay expenditures recorded in the fund statements but capitalized as assets on the statement of activities.	\$ 47,749
Depreciation expense that is recorded on the statement of activities but not in the fund statements.	(151,877)
Current year pledge receivable adjustments do not require the use of current financial resources and, therefore, are not reported as expenditures in the funds:	
Current year collection of pledges receivable	(58,560)
Change in Allowance for Uncollectible Pledges Receivable	(25,000)
Current year pledge receivable revenue	<u>81,390</u>
Total	<u>\$ (106,298)</u>

G. Use of Estimates and Assumptions

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenditures.

THE EXPLORIS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2019

2. Detail Notes on All Funds

A. Assets

1. Deposits

At June 30, 2019, the School had deposits with banks and savings and loans with a carrying amount of \$1,360,574. The bank balance with the financial institutions was \$1,474,496, of which \$974,496 was not covered by federal depository insurance. The School does not have a deposit policy for custodial credit risk.

2. Pledges Receivable

Pledges receivable at June 30, 2019 were as follows:

Receivable in less than one year	\$ 70,097
Receivable in more than one year	548,817
Less: discount to present value	(55,731)
Less: allowance for doubtful accounts	<u>(50,000)</u>
 Total pledges receivable	 <u>\$ 513,183</u>

The discount rate used on long-term pledges receivable was 5.50% at June 30, 2019.

3. Capital Assets

Capital asset activity related to governmental activities for the year ended June 30, 2019 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets being depreciated:				
Furniture	\$ 22,891	\$ -	\$ -	\$ 22,891
Electronic equipment	213,541	29,809	-	243,350
Leasehold improvements	<u>722,598</u>	<u>17,940</u>	-	<u>740,538</u>
Total capital assets being depreciated	<u>959,030</u>	<u>47,749</u>	-	<u>1,006,779</u>
Less accumulated depreciation for:				
Furniture	21,502	416	-	21,918
Electronic equipment	211,416	10,928	-	222,344
Leasehold improvements	<u>522,396</u>	<u>140,533</u>	-	<u>662,929</u>
Total accumulated depreciation	<u>755,314</u>	<u>151,877</u>	-	<u>907,191</u>
Total capital assets being depreciated, net	<u>203,716</u>			<u>99,588</u>
Total governmental capital assets, net	<u>\$ 203,716</u>			<u>\$ 99,588</u>

Depreciation expense was charged to governmental functions as follows:

Instructional programs	\$ 113,908
Supporting services	<u>37,969</u>
	<u>\$ 151,877</u>

THE EXPLORIS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2019

2. Detail Notes on All Funds (Continued)

B. Liabilities

1. Pension Plan Obligations

The School does not participate in the North Carolina Teachers' and State Employees' Retirement System. The School has established a deferred compensation plan. Under the plan, all full-time employees who meet certain eligibility requirements can participate. The School matches 50% of employee contributions up to 4%. The expenses of the Plan totaled \$42,818, \$36,448, and \$24,955 for the years ended June 30, 2019, 2018, and 2017, respectively.

2. Deferred Inflows of Resources

The balance in deferred inflows of resources at year-end is composed of the following:

Unearned revenue	\$ <u> 5,000</u>
------------------	-----------------------

3. Risk Management

The School is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School maintains general liability and errors and omissions insurance coverage of \$1 million per occurrence with a commercial carrier.

The School has obtained a major medical insurance policy for its personnel through a commercial insurer. Through the plan, permanent, full-time employees of the School are eligible to receive health care benefits.

The School carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year, and claims have not exceeded coverage in any of the past two fiscal years.

The School has elected not to carry flood insurance because the School is not in an area of the state that has been mapped and designated an "A" area (an area close to a river, lake or stream) by the Federal Emergency Management Agency.

The School carries fidelity bond coverage in the amount of \$250,000 for all its employees.

4. Claims and Judgements

At June 30, 2019, the School was a defendant to a lawsuit. In the opinion of the School's management and the School's attorney, the ultimate effect of this legal matter will not have a material adverse effect on the School's financial position.

THE EXPLORIS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2019

2. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

5. Long-Term Obligations

Operating Leases

Effective July 2009, the School entered into an operating lease for the school building. The lease required monthly payments of \$15,842 for July and August 2018. The lease increases annually based on either the CPI or the increase in per pupil allotment. Effective September 2018, the lease requires \$16,349 per month. The lease expires August 31, 2024.

In July 2017, the School entered into a ground lease agreement which matures in December 2020. The lease required monthly payments of \$5,000 through September 2018, monthly payments of \$5,150 through August 2019, monthly payments of \$5,305 through August 2020, then monthly payments of \$5,465 through December 2020. The School also has a modular lease agreement which matures in December 2020 and requires monthly payments of \$7,524. Additionally, the School leases equipment under a lease agreement that expires in September 2021. Monthly payments total \$388.

Rent expense for the year ended June 30, 2019 under noncancelable lease agreements totaled \$354,616.

The following is a schedule of the future minimum lease payments as of June 30:

<u>Year Ending June 30,</u>	
2020	\$ 356,207
2021	284,142
2022	207,073
2023	210,028
2024	214,228
2025	<u>35,822</u>
	<u>\$ 1,307,500</u>

THE EXPLORIS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2019

2. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

5. Long-Term Obligations (Continued)

Development Agreement

Effective December 2017, the School entered into an operating lease agreement to lease a school facility that will be constructed. The lease payments are to commence the later of the first full day of school after the earliest summer, fall, winter or spring break following the date a tenant certificate of occupancy is issued. The lease requires monthly payments of \$76,367 the first year and \$94,083 thereafter for thirty years after the date of commencement. The annual rent will be adjusted at the commencement of the third year of the term and each year thereafter, by the same percentage as the North Carolina state allotment for Average Daily Membership ("ADM"). As part of the lease agreement, the landlord shall bear all costs of tenant improvements up to but not to exceed \$30 per square foot. The School will bear all improvement costs in excess of such allowance and will be paid via a promissory note with the Landlord in an amount up to \$2,500,000. The School also has the right to a 15% gain on a portion of land that was subdivided at the future facility site, upon the sale of the tract by the developer.

The School also entered into a donation agreement with the developer whereas the developer will make a donation to the School for the exclusive restricted purpose of paying for the interior space upfits of the building. The developer will match funds raised by the School for upfit through July 1, 2019 on a dollar-for-dollar basis, up to the amount of \$1,000,000. A receivable of \$493,086 was recorded as of June 30, 2019 for the current year match owed from the developer and is included in pledges receivable. Subsequent to year end, management determined that this development agreement may be subject to change as discussed in footnote 5.

C. Fund Balance

The School has a revenue spending policy that provides policy for programs with multiple revenue sources. The finance officer of the School will use resources in the following hierarchy: federal funds, State funds, local non-board of education funds, and School funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first followed in order by committed fund balance, assigned fund balance and unassigned fund balance. The finance officer has the authority to deviate from this policy if it is in the best interest of the School.

THE EXPLORIS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2019

2. Detail Notes on All Funds (Continued)

C. Fund Balance (Continued)

The following schedule provides information on the portion of general fund balance that is available for appropriation:

Total fund balance	\$ 1,158,138
Less:	
Prepaid Items	(24,537)
Security Deposit	(15,658)
Assigned for Capital Expenditures	<u>(545,090)</u>
Remaining fund balance	<u>\$ 572,853</u>

3. Related Party Transactions

Two employees of the School serve as members of the governing board of The Exploris School. For the fiscal year ended June 30, 2019, these employees were paid salaries of \$110,000 and \$66,136 from the State Public School Fund.

4. Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

The School has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

5. Significant Effects of Subsequent Events

As disclosed in footnote 2.B.4, the School was planning to lease a portion of a facility upon completion of construction of that facility. The developer agreement included lease terms, a promissory note for tenant improvements, and a developer match for tenant improvements for funds raised by the School. In September 2019, the School was informed by the developer that the project was no longer viable. The School was provided with various options with the current developer, some of which were generally the same as the terms outlined in the development agreement as disclosed in footnote 2.B.4. Due to management's uncertainty in the School's future facility plans, the terms and amounts recorded and disclosed have remained the same.

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through October 14, 2019, which is the date the financial statements were available to be issued.

THE EXPLORIS SCHOOL
All Governmental Fund Types
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2019

Statement 1

	2019		Favorable (Unfavorable) Variance
	Final Budget	Actual	
Revenues:			
State of North Carolina Board(s) of Education:			
Wake County	\$ 2,544,125	\$ 2,686,430	\$ 142,305
Johnston County	1,089,481	1,181,001	91,520
Durham County	29,694	25,505	(4,189)
Franklin County	10,987	15,805	4,818
Pitt County	-	1,774	1,774
Harnett County	-	1,640	1,640
U.S. Government	3,258	-	(3,258)
Contributions and donations	68,164	71,592	3,428
Grants	-	81,964	81,964
Field Trips	40,577	25,000	(15,577)
Other	-	140,017	140,017
	6,670	9,604	2,934
Total	<u>3,792,956</u>	<u>4,240,332</u>	<u>447,376</u>
Expenditures:			
Current:			
Instructional services:			
Regular programs	-	2,247,510	-
Special programs	-	450,863	-
Alternative programs	-	65,784	-
School leadership programs	-	443,444	-
Co-Curricular programs	-	16,371	-
School based support programs	-	133,911	-
Total instructional programs	<u>3,268,999</u>	<u>3,357,883</u>	<u>(88,884)</u>
Support services:			
Curriculum Support	-	27,720	-
Technology	-	41,732	-
Operational support	-	74,673	-
Finance and human resources	-	60,347	-
Policy, leadership and public relations	-	485,454	-
Total support services	<u>580,956</u>	<u>689,926</u>	<u>(108,970)</u>
Capital outlay	-	47,749	(47,749)

THE EXPLORIS SCHOOL
All Governmental Fund Types
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2019
(Continued)

Statement 1

	2019		
	Final Budget	Actual	Favorable (Unfavorable) Variance
Total expenditures	\$ 3,849,955	\$ 4,095,558	\$ (245,603)
Other financing sources (uses):			
Fund balance appropriated	56,999	-	(56,999)
Total other financing sources and (uses)	56,999	-	(56,999)
Excess of revenue over expenditures	\$ -	\$ 144,774	\$ 144,774

THE EXPLORIS SCHOOL **Statement 2**
Proprietary Fund Types
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non - GAAP)
For the Fiscal Year Ended June 30, 2019

	2019		Favorable (Unfavorable) Variance
	Final Budget	Actual	
Revenues:			
Child care fees	\$ 90,000	\$ 98,997	\$ 8,997
Total revenues	<u>90,000</u>	<u>98,997</u>	<u>8,997</u>
Expenditures:			
Salaries and benefits	39,582	42,117	(2,535)
Total expenditures	<u>39,582</u>	<u>42,117</u>	<u>(2,535)</u>
Revenues over expenditures	<u>50,418</u>	<u>56,880</u>	<u>6,462</u>
Other financing sources (uses):			
Fund balance appropriated	(50,418)	-	50,418
Total other financing sources (uses)	<u>(50,418)</u>	<u>-</u>	<u>50,418</u>
Revenues and other sources over expenditures	<u>\$ -</u>	56,880	<u>\$ 56,880</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling items:			
Change in net assets		<u>\$ 56,880</u>	

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Thomas, Judy & Tucker, P.A.
Certified Public Accountants

**INDEPENDENT AUDITORS' 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
The Exploris School
Raleigh, North Carolina

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 the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of The Exploris School as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise The Exploris School's basic financial statements, and have issued our report thereon dated October 14, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Exploris School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Exploris School's internal control. Accordingly, we do not express an opinion on the effectiveness of The Exploris School's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Exploris School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Thomas, Judy & Tucker, P.A.

October 14, 2019
Raleigh, North Carolina

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Suite 400
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300 West Morgan Street
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Durham, NC 27701

Thomas, Judy & Tucker, P.A. Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT

To the Board of Directors
The Exploris School
Raleigh, North Carolina

Report on Compliance for Each Major State Program

We have audited The Exploris School's compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of The Exploris School's major State programs for the year ended June 30, 2019. The Exploris School's major State programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of The Exploris School's major State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the applicable sections of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the *State Single Audit Implementation Act*. Those standards, Uniform Guidance, and the *State Single Audit Implementation Act* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about The Exploris School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major State program. However, our audit does not provide a legal determination of The Exploris School's compliance.

Opinion on Each Major State Program

In our opinion, The Exploris 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 State programs for the year ended June 30, 2019.

Report on Internal Control over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a State 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 compliance requirement of a State 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 combination of deficiencies, in internal control over compliance with a type of compliance requirement of a State program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Thomas, Judy & Tucker, P.A.

October 14, 2019
Raleigh, North Carolina

THE EXPLORIS SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Fiscal Year Ended June 30, 2019

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors’ report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weaknesses identified? Yes No
- Significant deficiency(s) identified? Yes None Reported
- Noncompliance material to financial statements noted? Yes No

State Awards

Internal control over major State programs:

- Material weakness identified? Yes No
- Significant deficiencies identified? Yes None Reported

Type of auditors’ report issued on compliance for major State programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act? Yes No

Identification of major State programs:

Program Name
 State Public School Fund

SECTION II – FINANCIAL STATEMENT FINDINGS

No Findings

SECTION III – STATE AWARD FINDINGS AND QUESTIONED COSTS

None.

THE EXPLORIS SCHOOL
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2019

None.

THE EXPLORIS SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2019

<u>Grantor/Pass-through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>CFDA</u> <u>Number</u>	<u>State/</u> <u>Pass-through</u> <u>Grantor's</u> <u>Number</u>	<u>Expendi-</u> <u>tures</u>
Federal Grants:			
Cash Assistance:			
<u>U.S. Department of Education</u>			
Passed-through the N.C. Department of Public Instruction:			
Improving America School Act of 1994 (IASA)			
<u>IDEA VI Cluster</u>			
IDEA VI-B	84.027	PRC 060	\$ 68,007
IDEA VI-B Targeted Assistance	84.027A	PRC 118	<u>3,585</u>
Total U.S. Department of Education			<u>71,592</u>
Total Federal Assistance			<u>71,592</u>
State Grants:			
Cash Assistance:			
<u>N.C. Department of Public Instruction:</u>			
State Public School Fund	xxxx	PRC 036	2,676,661
Summer Reading	xxxx	PRC 016	1,098
Behavioral Support	xxxx	PRC 029	3,288
State Bonus	xxxx	PRC 048	<u>5,383</u>
Total N.C. Department of Public Instruction			<u>2,686,430</u>
Total State Assistance			<u>2,686,430</u>
Total Federal and State Assistance			<u>\$ 2,758,022</u>

Notes to the Schedule of Expenditures of Federal and State Financial Awards:

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the School under the programs of the federal government and the State of North Carolina for the year ended June 30, 2019. The information in this SEFSA is presented in accordance with the requirements of *Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act*. Because the Schedule presents only a selected portion of the operations of the School, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School.

Note 2: Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited. The School has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Cover Sheet

Academics/ Personnel/ Operations

Section: III. Executive Director Report
Item: A. Academics/ Personnel/ Operations
Purpose: Vote
Submitted by:
Related Material: ED Report.pdf
Exploris Annual Fund Plan Draft.pdf
Parent University - Finance and Facilities 10 24 19.pdf

ED Report – October, 2019

Academic Update:

Parent University:

In an effort to support and educate our families we will be holding information sessions throughout the year called Parent University. The first Parent University was held on October 17, 2019 to assist parents with navigating the transition to high school process. Many areas high school representatives were in attendance to answer questions and present information about their programs.

A second Parent University will be held on October 24, 2019 to educate families about the charter school finance process, the Exploris School budget, as well as discuss the status of our new building initiative. The presentation is provided as an attachment in your Board packet.

Academic/Social/Emotional Support:

Beginning of the year Map Testing, and mClass Testing, and other benchmark assessments are being finalized school wide. The Kaizen team met to discuss and plan for school wide data analysis protocols to measure and monitor student growth throughout the year. The staff met this week to complete the first data day protocol and share strategies and recommendations to close any gaps identified and to continue to improve on areas of strength. Additional supports have been identified to support academically struggling students. The Fletcher Academy will be providing reading intervention supports for 35 students in addition to our on staff Interventionist.

A student Kaizen team has been created in the Middle School and Elementary School to meet with the Executive Director so that student voice is incorporated in our school improvement plans. Students will create action steps to further support and improve the school culture and climate.

A mentoring program was created this year to increase a sense of belonging and provide supports for our new students. Teachers and students participated in a mentor training program provided by Peaceful Schools to prepare for the year ahead. Eighth grade students will mentor new 6th graders and 5th graders will mentor new Kindergarten students and other new students. Additionally, The Exploris School will also partner with Wake Young Men's Leadership Academy to offer a reading mentor program to further support our 3rd graders. Parents can register their child to participate in this 14 week before school program.

2018-19SY School Report Card (SRC) Dates

October 10-22: LEA Preview Period #1- The SRC reporting of economically disadvantaged students only identifies those families that are enrolled in a Health and Human Services program such as Medicaid and SNAP. The SRC only identifies 5% of our students during the 18-19 school year. Our internal data from applications based on income guidelines for free and reduced lunch from the federal government identified 10% of students as economically

disadvantaged. I have talked with DPI and requested a revision in the reporting for the future so that it more accurately reflects our students that are economically disadvantaged.

October 30: SRC Release #1

Demographics and Enrollment Data:

	Wake County Public Schools	The Exploris School 18-19	The Exploris School 19-20
Black	22.7%	10%	12%
Hispanic	18%	7%	7%
Asian	9.2%	2%	2%
Multi-racial	3.8%	5%	8%
Non-Hispanic White	45.8%	75%	71%
Other	.3%	1%	1%
Free and Reduced Lunch	32.2%	10.8%	12.7%

Enrollment Data for 2019 - 2020:

Grade	Total # of students
K	38
1	38
2	38
3	38
4	38
5	38
6	76
7	76
8	76
TOTAL	456

Board Staff Rep- Cori Greer-Banks

Staff Rep Volunteers for Board Committees

Facilities – Leah Perry, Jeremy Franklin (parent and spouse of teacher)

Governance- Maggie Gargan, Jill Hemingway

Development – Michelle Duncan, Mary McWay, Leslie Payne, Deb Brown

Finance – Helen Elliston, Shannon Hardy

Education Excellence – Amanda Northrup
Equity and Diversity Subcommittee– Michelle Parkerson, Ashley Moser

Operations:

Fire Drills

Elementary School – 10/23/19
Middle School – 10/15/19

Lockdown drills and Shelter in Place drills will be held at the end of October to ensure that all staff and students are familiar with our emergency procedures.

Finance:

Audit

Thomas, Judy, & Tucker accountant, Carolyn Gilbert, will present an overview of the audit for the period ending June, 2019. The financial statements and management letter are included in the Board packet. Findings indicate that Exploris has sound financial practices and procedures and no audit findings were reported.

2019-2020 Budget Update

The Finance committee met to review the year to date expenditures and project future impacts. Based on YTD activity, we are projecting an end of year surplus of \$ 43,068.70. We are realizing a \$32,485 savings over original budget projections in benefits from staff that did not elect coverage this year. The balance sheet and income statement along with the YTD budget report are attached for your review.

Annual Fund/ Capital Campaign

The Annual Fund will kick off on November 5th – annual giving day. Kimberly Harris is the PTO committee chairperson for the Annual Fund campaign. Attached is the draft plan for the annual fund program. The balance in the School Foundation account from the capital campaign is \$540,274.

Grant Funding

The school has applied for Title II funding which would provide professional development support for staff.

We are also in the process of applying for the School Safety Grant to secure funds for a school social worker and safety equipment.

Facilities:

Updates on the status of the building have been provided to all families through the monthly newsletter. Additionally, all donors to the capital campaign received a letter outlining the update and thanking them again for their contribution and support for Exploris. A facilities update will also be provided at the Parent University on 10/24/19. The presentation is attached for your reference.

Historical data on enrollment, waitlists, and staffing along with our first draft of 5 year revenue and expense projections have been provided to BB&T so they can start the process to identify our capacity for bond financing. Drafts of these documents are provided in the Board packet for your information.

Future Meetings:

November will be used for deep dive committee meetings to work toward the accomplishment of goals.

The next Board meeting will be held on December 17th.



Exploris™

**ANNUAL FUND
2019-20**

PLANNING PACKET

THIS DOCUMENT IS FOR INTERNAL USE ONLY AND NOT FOR DISTRIBUTION.

KEY POINTS

Messages:

- We need to raise \$100,000 to balance our budget
- We don't receive state or local funds to pay for facilities
- This is not the Capital Campaign

Goals:

- \$100,000
- 100% participation: families, faculty/staff, Board of Directors

MARKETING/BRANDING

Should we name the campaign? Create a tag line?

- **Magellan:** "It's Up to Us" Campaign
- **Endeavor:** ECS Annual Fund
- **Central Park:** Sunshine Fund
- **Raleigh Charter High School:** Phoenix Fund
–I love their tag line: *Every family. Every year.*
- **Research Triangle High School:** Raptor Fund

Ideas:

- Acorn Fund:** A nod to City of Oaks, to planting seeds/growth, etc.
- OR name Capital Campaign the "**Acorn Fund**" (help us grow!) and the Annual Fund the "**Oak Fund**" (keep us strong!)
- Exploris Family Fund**
- Empower Exploris Fund**
- Annual Rocket Fund:** propel us forward!
- Kaizen Fund** (links to school improvement team name)
- Possibly include wording such as "Education can be awesome"
- Need some hashtags for social media messaging
- For 2019-20, we will keep it as "Exploris Annual Fund"**

TIMELINE

- Sept 30, every Monday in October, early November: send out small blurbs in teacher newsletters, Facebook group, and PTO Monday Minute
- Oct 24: Parent University
- October
 - Update website (Daniel)
 - Set up PayPal account (Koren)
 - Organize committee for personal outreach (Kimberly)
- October 28: Kick Off Letter: Email from Ellie
- Tuesday, Nov 5: Go live with Annual Day of Giving
 - Incentives when we meet certain levels of participation and/or certain amounts
 - Goal: 50% of funding by this date!
 - Frequent live updates to school website, Instagram, facebook, twitter (Kimberly?)
- November: Continue to push fundraising
 - Goal: 80% of funding by Dec 1, 80% participation
- January: Send out thank you letters if not already complete; strategy session based on current status of fund
- February: Interim push
- May: Final push (hopefully already complete by this point!)
- June: Reflect and capture best practices, alter plan for 2020-21, set timeline

MARKETING BLURBS

Blurb for September 30 Monday minute, grade newsletters, and parent Facebook page:

2019-20 ANNUAL FUND

Unlike traditional public schools, public charter schools do not receive **any** state funds to pay for facilities. The Exploris School spends over \$360,000 a year on facilities fees to cover our rent, land lease, and modular lease. We need the support of contributions from our Exploris families to help cover the facilities costs so that budget resources can be used to support instruction in the classroom. This annual contribution from our families will support the annual operating budget. Our campaign will kick off on November 5th.

Fundraising for our annual operating budget does not go toward the construction of a new building. The **Capital Campaign** fund has started to raise money to support the development of a new K-8 school. Capital Campaign funds are reserved in a separate Exploris School Foundation account to be used for future construction.

More info on how and when you can give will be available soon.

Blurb for October 14 Monday minute, grade newsletters, and parent Facebook page:

The **Annual Fund** is coming! We need to raise \$100,000 for our 2019-20 budget. This works out to \$220 per student per year. We know that is unrealistic for some families, so rely on families who are able to give generously.

Remember, we don't receive any rent money from the state or county! Raising funds is how we balance our budget, after we have done everything else we can to cut costs.

More info on how and when you can give will be available soon.

Blurb for October 21 Monday minute, grade newsletters, and parent Facebook page:

To kick off the **Annual Fund**, we will be hosting an annual Day of Giving on Tuesday, November 5. We hope everyone in the Exploris community will donate on this day. You can send in a check to The Exploris School (memo: Annual Fund). We will also provide an easy link for online donations or to set up monthly donations.

Join us this Thursday, October 24, at 6:30 pm at the elementary campus for a Parent University. We will discuss The Exploris School budget, charter school financing, and the status of our new building project.

Thank you for helping us pay our rent!

Blurb for October 28 Monday minute, grade newsletters, and parent Facebook page:

Does your child have grandparents who would be willing to contribute to the Annual Fund? We would love to contact them! (We will send one invitation and one reminder.) Fill out this form: <https://forms.gle/GCYG172XtVvEwX4U9>

Questions? Email Kimberly Harris at annualfund@exploris.org.

Thank you for helping to support Exploris!

Blurb for November 4 Monday minute, grade newsletters, and parent Facebook page:

Are you ready to give? The Annual Fund Day of Giving is tomorrow! Our goal is to raise \$100,000 in 24 hours. You can send a check in to the school with your child (memo line: Annual Fund) or donate online here: . *[[More verbiage to come with links, incentives, etc.]]*

Questions? Email Kimberly Harris at annualfund@exploris.org.

Thank you for helping to support Exploris!

Blurb for November 11 Monday minute, grade newsletters, and parent Facebook page:

[[Verbiage TBD depending on Day of Giving results.]]

Thank you for helping to support Exploris!

KICK OFF LETTER

EXPLORIS ANNUAL FUND

Hello! We are so glad you are part of the Exploris family. Now that the new school year is underway, we are launching our Annual Fund. This drive helps cover the cost of running our school. We rely on each of you to make it successful!

Just the facts (TL;DR): We need to raise \$100,000. We are asking every family to donate as generously as possible.

What can you do right now? Decide how much you are able to contribute, and plan to make this contribution via check or online on our Annual Day of Giving on Tuesday, November 5. *[[this wording for kick off letter]]*

You can make a **one time** or **monthly** donation here: xxxxx or send a check in to The Exploris School (memo: Annual Fund). *[[this wording posted to website on and after November 5]]*

There are 3 main fundraising drives at Exploris:

Annual Fund

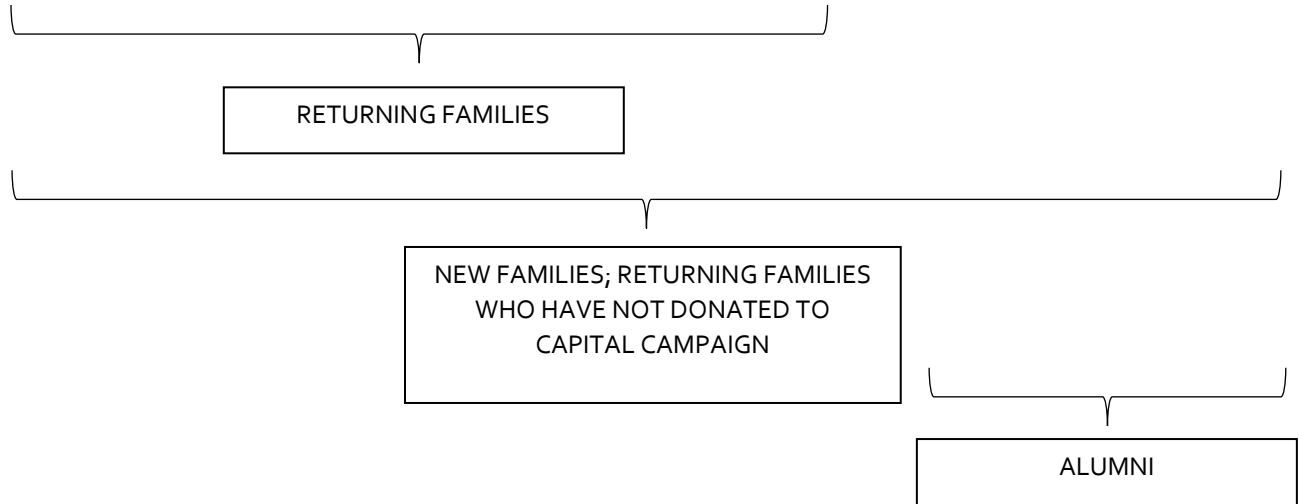
to cover a gap in operating costs

PTO fundraising

to cover school support endeavors run by the Parent Teacher Organization

Capital Campaign

to cover future building rent/lease



New families will be asked to donate to the Capital Campaign AND the Annual Fund. This year, returning families who have already donated to the Capital Campaign (thank you!!) will only be asked to donate to the Annual Fund. Alumni are always invited to donate to the Capital Campaign. All families have an opportunity to donate to or participate in PTO fundraisers.

Why do we need to raise money?

Charter schools do not receive the same funding that traditional public schools receive. In fact, in North Carolina, charter schools do not receive ANY money to cover building costs, because charter schools are not able to access the local bonds that WCPSS uses to pay for their facilities. As a result, Exploris must cover the cost of our buildings through our instructional funds. While this is true of all charter schools, our downtown location makes our rent even higher than a suburban location. At the same time, we believe our downtown locale offers invaluable and unique opportunities for student growth, service, and partnership with nearby organizations. Exploris spends around \$360,000 a year on facilities, which is almost 11% of our annual expenditures. In order to cover this cost, we innovate, we sacrifice, and we fundraise...*which is where you come in.*

How much do we need to raise?

We need to raise \$100,000 to support the 2019-20 operating budget. Want to see this year's budget? It's posted here: [xxxxxx](#)

But what about the Capital Campaign?

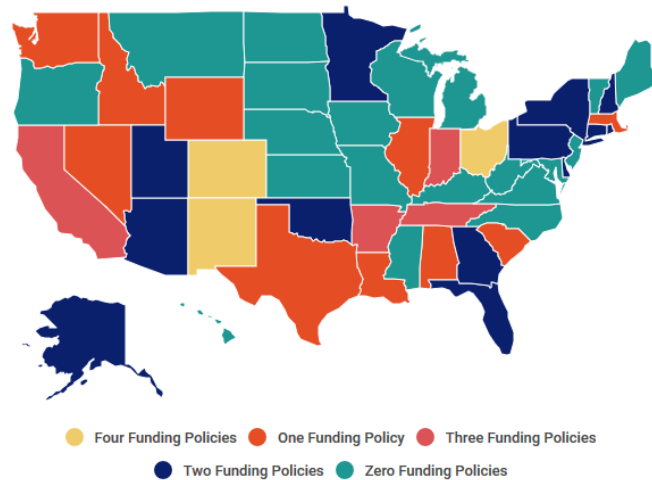
The Capital Campaign funds are in a completely separate account for our future building. We can't touch those funds to cover this year's operating costs. Want to donate to the Capital Campaign as well? You can do that here: [xxxxxx](#)

What about the silent auction we have in the spring? The Art by Me fundraiser?

Those specifically fund the Parent Teacher Organization (PTO), which supports the teachers, students, and families. You can see how they spend their funds here: <https://explorispto.org/about/budget/>

Are there other ways that charter schools are funded?

In North Carolina, it's harder than many other states (see image below comparing NC charter schools facilities funding to other states). We are always searching for and applying for grants to help offset costs.



Source: <http://blogs.edweek.org/edweek/campaign-k-12/2019/07/charter-school-facilities-state-funding-policies.html>

We are also actively pursue grant opportunities. For example, this year Exploris won a 5-year, \$600,000 grant. However, those funds can only be used to better meet the needs of traditionally underserved students—those who are economically disadvantaged, homeless or unaccompanied youth, non-native English speakers and students with disabilities. As such, they cannot be used to pay rent, etc.

How much money do you want from me?

As much as you are willing and able to give. We know that there are many charitable organizations at home and abroad that are doing amazing work, and that how you spend your money is a deeply personal choice. We would love it if you would make Exploris one of your top 3 charities! If everyone gave \$220/student, we would meet our goal. However, that's unrealistic for every family. We generally need donations to look like this:

- \$5000 (2 families) or \$500 per month for 10 months
- \$2000 (25 families) or \$200 per month
- \$1000 (25 families) or \$100 per month
- \$500 (25 families) or \$50 per month
- \$250 (25 families) or \$25 per month
- \$100 (40 families) or \$10 per month
- \$50 (10 families) or \$5 month
- \$20 (30 families) or \$2 per month

I simply can't afford to donate.

We understand that not everyone is in a financial position to donate, and that's okay. We want an economically diverse school! We strive for 100% participation, regardless of how much you give. The percentage of families that participate is a tangible demonstration of how invested our parents are in our school, and this data strengthens our position when we seek corporate involvement and apply for grants.

Is my donation tax deductible?

Absolutely, and you will receive written recognition of your gift that can be used for tax purposes. We also welcome donations from extended families, including grandparents. In fact, individuals over age 70 ½ who are required to take minimum distributions from retirement accounts can direct up to \$100,000 directly to a charity. The donation is not deductible, but also does not have to be recognized as income. (Anyone donating should consult with their tax professional for full details.)

Can I donate stocks instead of cash?

You can! Please contact Kimberly Harris at annualfund@exploris.org for details.

Can my company match my donation?

YES PLEASE. Many companies have corporate gift matching policies. They require the donor (you) to request a match, but this typically only takes 5 minutes. For example, SAS, Lenovo (up to \$250), and Verizon (up to \$5000!!) will match your donation 1:1, which essentially doubles your donation amount. Need help navigating corporate matching? Contact Kimberly Harris at annualfund@exploris.org.

Are you going to ask me for money every single year?

Yes, we are going to ask every family to contribute every year. That is the reality of charter schools.

Why support Exploris?

There are so many reasons! Here are a few:

Highlights of School Accolades

- US Department of Education Green Ribbon Award Winner
- Design for Change National Winner
- NC Model STEM School of Distinction – 1st school designated in the state
- *Honor School of Excellence* Recipient
- Exceeds state and national norms in both student achievement and annual growth for reading and math

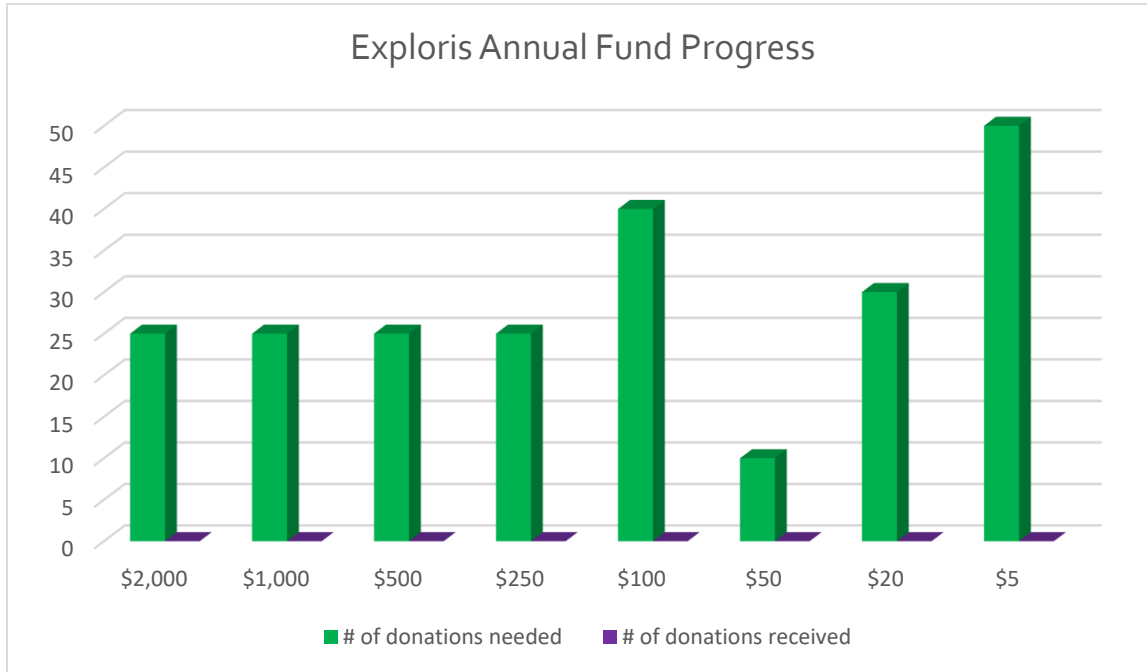
Teacher Accolades

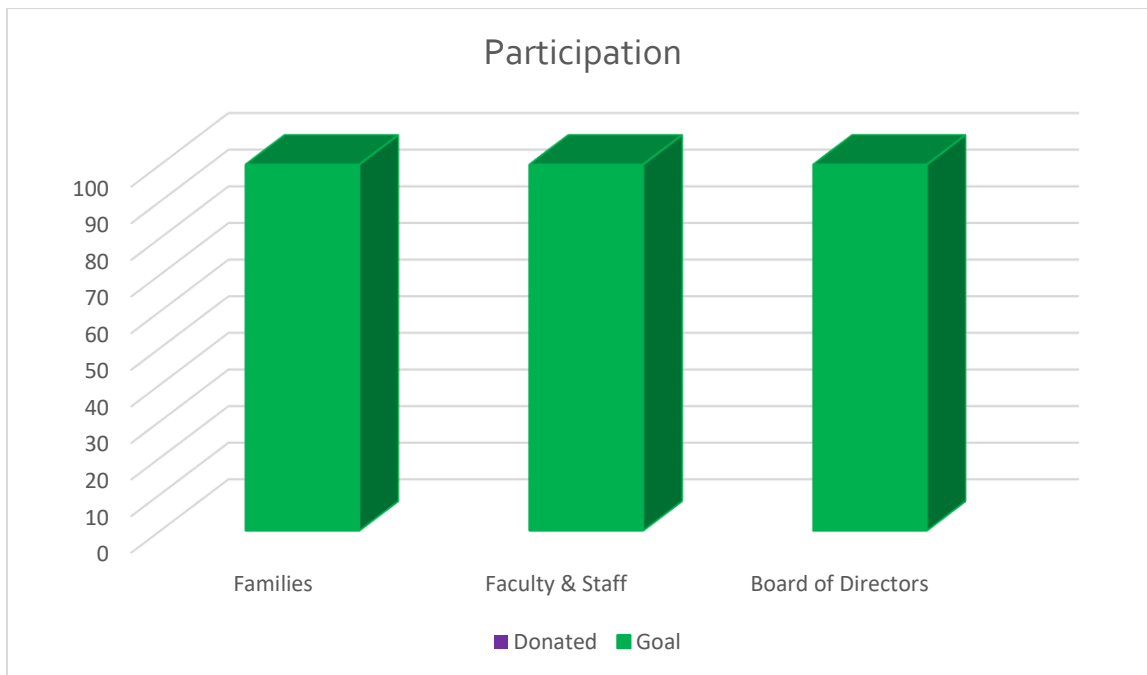
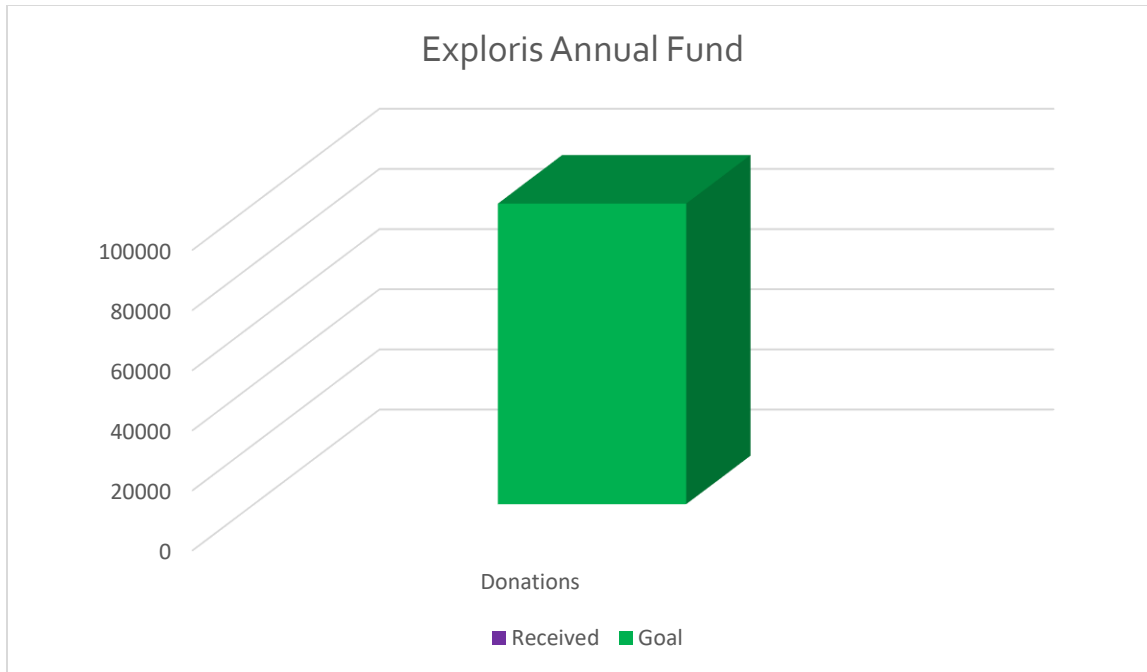
- Presidential Award for Excellence in Mathematics and Science Teaching
- Career Award for Science and Mathematics Teachers
- Kenan Fellows
- Nationally Board Certified Educators
- North Carolina Museum of Natural Science Educators of Excellence

END OF LETTER

PROGRESS TRACKING

Note: this section will be updated throughout the drive to track donations





Notes

- Parent Outreach Committee
 - Christine Hutchens
 - Rachel Cohen
 - Betsy Brown
- Faculty Outreach
 - Ellie
- Alumni Outreach Committee
 - Jacqueline Jenkins
 - Shannon Hardy (summer 2020)
- November 5: carpool signs, check collection, AM and PM carpool at both campuses

Best Practices (next year!)

- Over the summer, onboard Parent Outreach Committee. Have them start reaching out to parents on October 1.
- Give out magnets to those who donate?

To Do List

- Contact grandparents (Google form) and alumni (Jacqueline Jenkins)
- Set up PayPal for online donations (Koren)
- Update website (Daniel)
- Create 2-week trial on Double the Donation (set go live for Nov 4) (Kimberly)
- Consider video “ad”
- Make sure donors are thanked via letter (phone call for large donations); include tax info and amount (Kimberly; signed by Ellie)
- Track all donations (Kimberly)
 - Get entire school list, board of directors list, and faculty/staff list from Exploris
- Make a “competition” between grades/classes?
- Set up a committee of parents for personal outreach (Kimberly)
 - Email crew parents
- Can we provide (raffle) incentives/awards for those who give on Nov 5? Carpool privileges? Etc?
- Can we provide awards to the grade or class that first reaches 100% participation?



The Exploris™ School
Empowering Learners To Improve Our World

Charter School Finance and Facilities Update

ELLIE SCHOLLMAYER

OCTOBER 24, 2019

Strategic Plan 2019-2024 Review



▶ OUR MISSION

- ▶ The Exploris School is a diverse learning community that engages students in a challenging, relevant, relationship-based education. Through experiential, project-based learning we empower students to foster a just and sustainable world.

OUR VISION

- ▶ Empowering learners to improve our world.



OUR VALUES



Relationships

- ▶ Introduce yourself to your table
- ▶ Share grade of your children
- ▶ How long you have been part of Exploris

The Value of Exploris

**Please jot down what Exploris means to your family on a notecard.
Please add your name if you wish.**

Agenda

- ▶ Overview of Charter School Finance
- ▶ Exploris Budget
- ▶ Status of New Building

Differences Between Charter and Traditional School Funding

Charter Schools

- ▶ Higher degree of flexibility
- ▶ State Per Pupil
- ▶ Local Per Pupil
- ▶ Federal programs allotted to charters

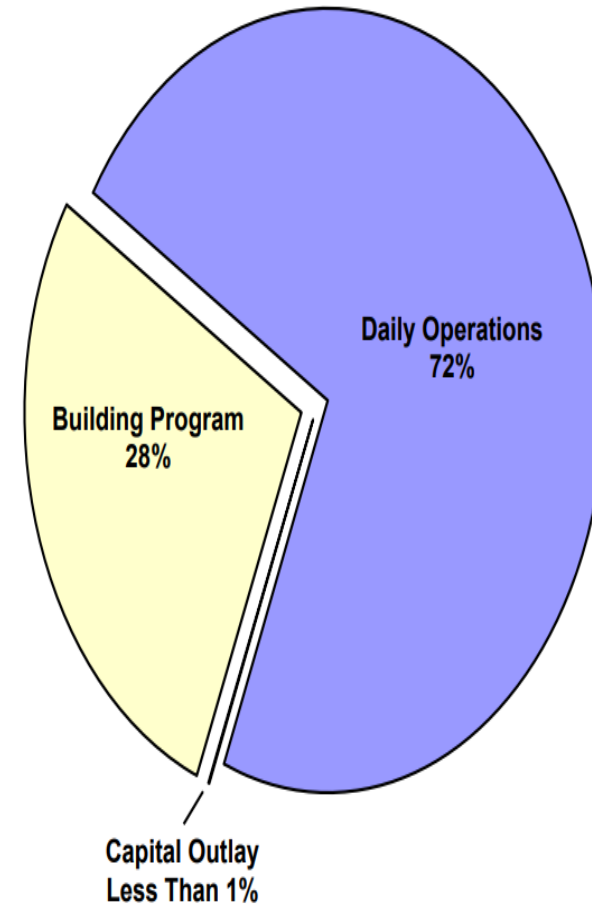
Traditional Schools

- ▶ Funding flows through multiple 'sources'
- ▶ Staff position allotments
- ▶ State vendor contracts
- ▶ Capital funds
- ▶ Transportation funds
- ▶ Local funding

Wake County Public Schools 18-19

TOTAL BUDGET FOR 2018-19

DAILY OPERATIONS	\$ 1,642,051,716	72%
+ Capital Outlay (mobile units, furniture, and vehicles)	\$ 1,168,080	<1%
EQUALS OPERATING BUDGET	\$ 1,643,219,796	72%
+ Building Program (provided by taxpayer bonds)	\$ 630,172,659	28%
EQUALS TOTAL BUDGET	\$ 2,273,392,455	100%



Impact – Charter Schools receive 28% less funding than traditional public schools

Average Daily Membership (ADM)

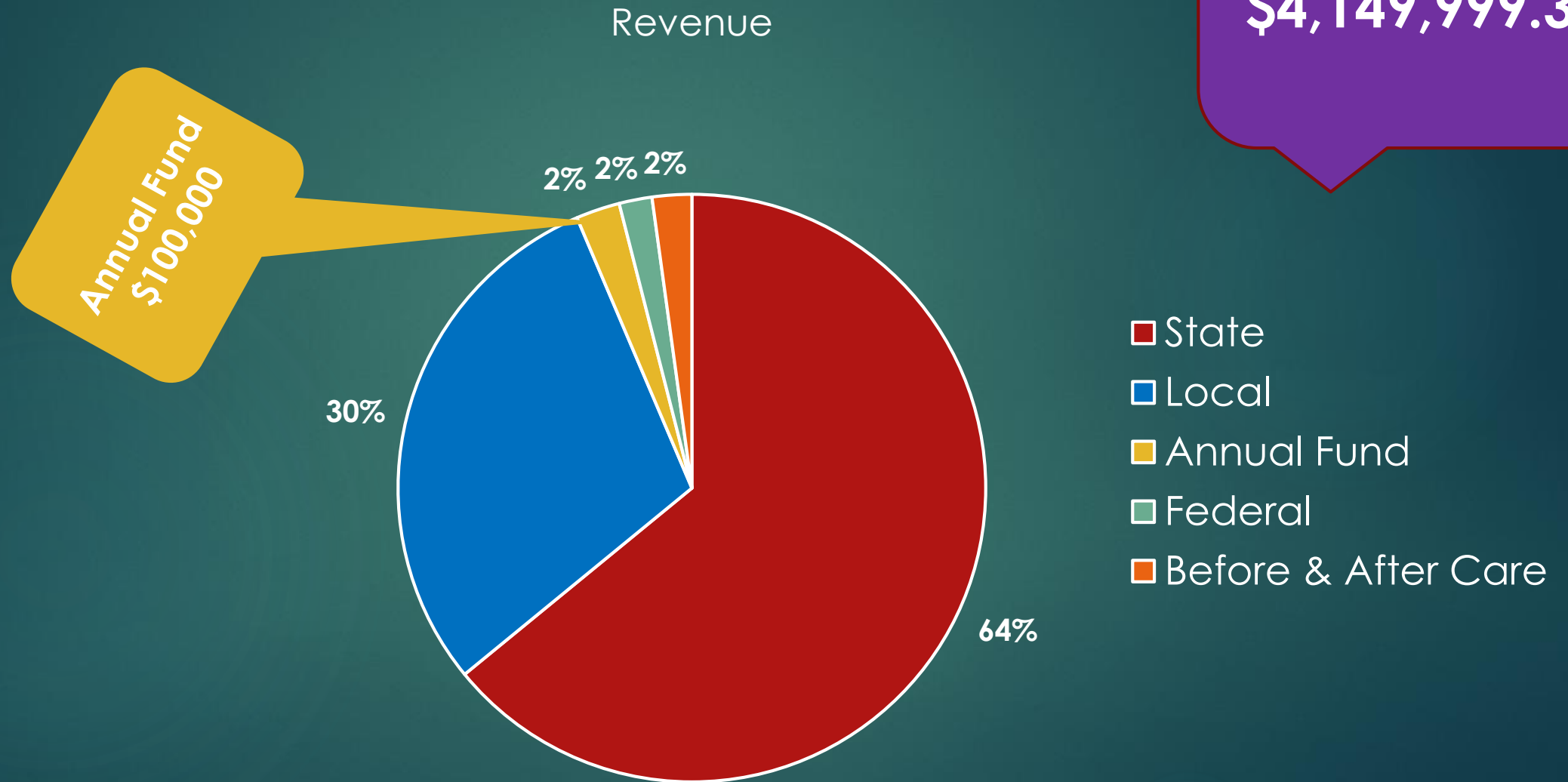
- ▶ State funding is based on the ADM of students during the first 20 days of school.
- ▶ Attendance on Day 1 is critical
- ▶ Example – if a student misses the first 10 days of school we get $\frac{1}{2}$ of the state funds for the year- prorated daily
- ▶ Full Enrollment 456 students

Budget Funding for 19-20

- ▶ State Budget not yet Approved for 19-20
- ▶ Initial Allotments based on 18-19 Levels
- ▶ State Revenue - \$5233.73 per student based on ADM
- ▶ Local Revenue based on County and enrollment each month
 - ▶ Wake - \$2,706.72
 - ▶ Durham - \$3,431.76
 - ▶ Johnston - \$1,653
- ▶ Annual per student - $\$5233.73 + \$2,706.72 = \mathbf{\$7,939.72}$
- ▶ Federal Funds for EC - \$4,464.16 per EC Student

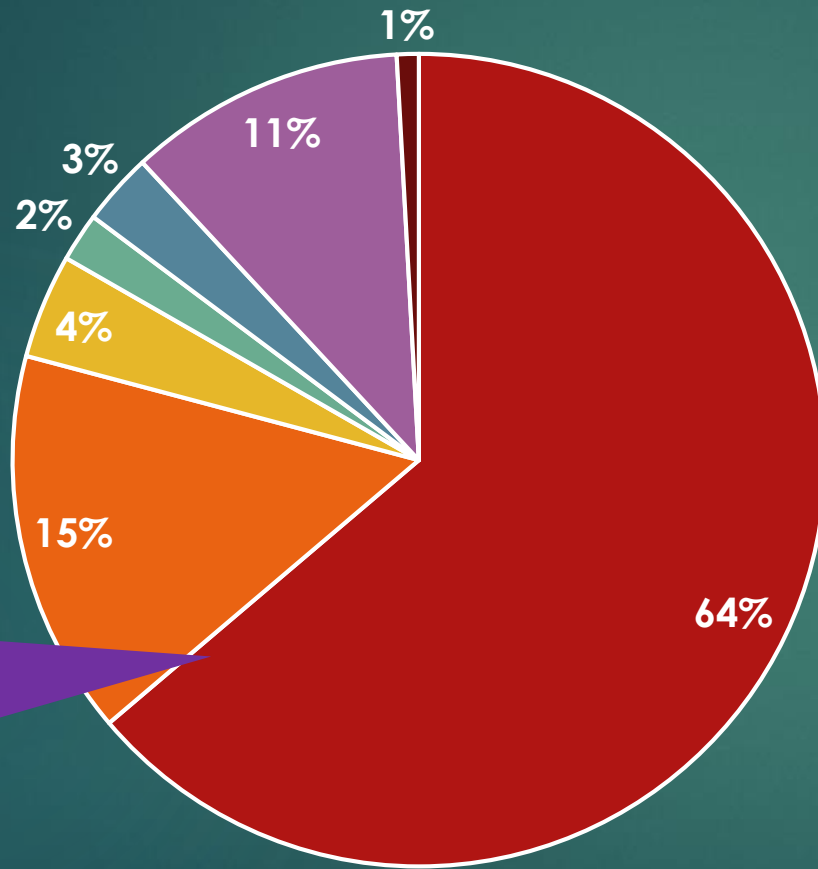
Exploris 19-20 School Revenue

**Total Revenue
\$4,149,999.36**



Exploris 19-20 Expenses

Total Expenses
\$4,137,862
Surplus
\$12,138



- Salaries
- Benefits
- Books & Supplies, & Technology
- Contracted Student Services & Scholarships
- Financial, Insurance, Legal, PD, & HR
- Facilities
- Before & After Care

Salary & Benefits
79% of Expense

Audit 2019

▶ Financial Highlights

- ▶ The assets of The Exploris School exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$2,107,960 (***net position***).
- ▶ The School's total net assets increased by \$95,356.
- ▶ As of the close of the current fiscal year, The Exploris School's governmental funds reported combined ending fund balances of \$1,158,138.
- ▶ Enrollment has increased at the School. In 2016-2017 the State funded Average Daily Membership (ADM) was 419. In 2017-2018 it was 420, and in 2018-2019 it was 448.

Additional Funding Sources

- ▶ **NC ACCESS Grant - \$600 K**
- ▶ **Applied for Title II Funding to provide for Professional development**
- ▶ **School Safety Grant in progress**
- ▶ **Parent and Community Support through donations and our Annual Fund**
- ▶ **Continuously looking for new grants**

Questions

- ▶ Charter School Finance
- ▶ Exploris Budget



Vision for the Future of Exploris

- ▶ New Building for our K-8 School
- ▶ Expand Enrollment from 456 to 684
- ▶ Expand Diversity of our Students and Staff
- ▶ Affordable facilities in / or close to downtown Raleigh

History of City Gateway Project

- ▶ Vision began in 2013-2014
- ▶ Exploris found 5.89 tract in downtown Raleigh – 120 Kindley Street-
- ▶ Developer purchased the land in 2016 – Exploris minority owner in property (15%)
- ▶ December 2017 Exploris entered into long term lease rate of \$19 per sq ft for lifetime lease. (Current market rates are \$40+ per sq ft). Developer divided land into 3 parcel tracts – City Gateway, Road improvements, Future development. In exchange Exploris gave up ownership in City Gateway tract and retained 15% ownership of gain in development of the remaining tract of land

Board Action Steps in Progress

- ▶ Attorney Review of Exploris position with developer breaking lease is underway
- ▶ Property search
- ▶ Meetings with Financing firms to establish our capacity for bond financing
- ▶ Evaluating Lease vs Purchase Alternatives
- ▶ Assessing Types of Construction
- ▶ Board Facilities Committee

Parent Input

- ▶ How important is a downtown Raleigh location?
- ▶ How far from downtown is reasonable to you?
- ▶ Class size drives our revenue – how satisfied are you with crew sizes of 19?
- ▶ What factors do you want the facilities committee to consider during the next steps?

Questions

▶ New Building



Thank you all for Coming!

Wake County

Budget at a Glance

STATE BUDGET IMPACT

The General Assembly approved the following changes that impact the 2018-19 budget:

House Bill 90

On February 13, 2018, the NC General Assembly ratified House Bill 90 to phase in class size requirements for kindergarten through third grade. This House Bill refers to the current General Statute 115C-301 for allocation of teachers and class size.


Class size average and individual maximum for grades K-3 shall not exceed:

Year	Grade	District Average	Individual Maximum
2017-18	K-3	20	23
2018-19	K-3	20	23
2019-20	K-3	19	22
2020-21	K-3	18	21
2021-22	K	18	21
	1	16	19
	2-3	17	20

Cover Sheet

Finance

Section: III. Executive Director Report
Item: B. Finance
Purpose: FYI
Submitted by:
Related Material: 03. Board Report 2019.09 Exploris.pdf
05. Income Statement 2019.09 Exploris.pdf
06. Balance Sheet 2019.09 Exploris.pdf
Enrollment-Waitlist-Staff Projections BBT.xlsx
Exploris 5yr. Projections Facility Project.xlsx

		<h1 style="text-align: center;">The Exploris School</h1> <h2 style="text-align: center;">Budget Analysis Report</h2> <p style="text-align: center;">Fiscal Year: 2020 9/01/2019 - 9/30/2019</p>					
Account	Budget	Period Activity	YTD Activity	Remaining Budget	% Used	EOY Projection	
Revenues							
STATE REVENUE	2,654,798.88	261,215.73	786,528.27	1,868,270.61	29.63	2,654,798.88	
LOCAL REVENUE	1,323,700.48	5,509.82	11,682.17	1,312,018.31	0.88	1,329,630.00	
NCACCESS GRANT REVENUE	142,000.00	100.00	100.00	141,900.00	0.07	142,100.00	
FEDERAL REVENUE	75,000.00	0.00	0.00	75,000.00	0.00	70,632.00	
FOUNDATION REVENUE	6,500.00	0.00	0.00	6,500.00	0.00	8,900.00	
B&A CARE REVENUE	90,000.00	17,155.00	17,805.00	72,195.00	19.78	90,000.00	
FIELD TRIP REVENUE	3,549.00	27,930.00	35,070.00	(31,521.00)	988.17	35,770.76	
Revenues	4,295,548.36	311,910.55	851,185.44	0.00	19.82	4,331,831.64	
Expenses							
Account	Budget	Period Activity	YTD Activity	Remaining Budget	% Used	EOY Projection	
SALARIES AND BONUSES	2,632,923.58	217,314.84	619,234.44	2,013,689.14	23.52	2,632,923.58	
BENEFITS	632,687.13	47,909.83	135,734.00	496,953.13	21.45	600,202.13	
BOOKS AND SUPPLIES	70,785.00	233.45	7,875.03	62,909.97	11.13	74,435.57	
TECHNOLOGY	80,100.00	3,136.87	10,646.95	69,453.05	13.29	80,100.00	
NON-CAP EQUIPMENT & LEASES	20,300.00	2,118.34	2,350.30	17,949.70	11.58	20,300.00	
CONTRACTED STUDENT SERVICES	75,500.00	1,741.00	1,741.00	73,759.00	2.31	75,500.00	
FIELD TRIPS	4,300.02	(6,418.00)	4,582.76	(282.74)	106.58	37,070.77	
STAFF DEVELOPMENT	11,000.00	50.00	617.40	10,382.60	5.61	11,000.00	
ADMIN SERVICES	79,650.00	4,073.90	20,770.35	58,879.65	26.08	85,699.95	
INSURANCES	39,000.00	7,508.25	17,726.90	21,273.10	45.45	33,355.40	
FACILITIES	455,583.28	16,059.98	108,784.28	346,799.00	23.88	459,176.34	
B&A CARE	36,032.84	3,899.80	3,899.80	32,133.04	10.82	36,032.84	
VARIOUS GRANTS - NCACCESS	142,000.00	0.00	5,006.00	136,994.00	3.53	142,000.00	
VARIOUS GRANTS-CASMT	0.00	0.00	966.36	(966.36)		966.36	
Expenses	4,279,861.85	297,628.26	939,935.57	0.00	21.96	4,288,762.94	
SURPLUS/(DEFICIT)	15,686.51	14,282.29	(88,750.13)			43,068.70	

10/09/2019
08:34 PM

Page 1 of 8

THE EXPLORIS SCHOOL**Income Statement****Fiscal Year: 2020 Month: September****Include Fund(s): 1, 2, 3, 5**

Fund		Beg. Balance	MTD Actual	YTD Actual
Fund 1				
	Revenue			
	1.3100.016.000.000.000.00 Rev - Summer Reading - 016	8,843.53	0.00	8,843.53
	1.3100.036.000.000.000.00 Rev - Charter Schools	516,469.01	261,215.73	777,684.74
	Revenue Total:	525,312.54	261,215.73	786,528.27
	Expense			
	1.5110.036.121.000.000.00 Salary - Teacher	245,238.42	134,387.04	379,625.46
	1.5110.036.135.000.000.00 Salary - Instructional Facilitator	6,799.00	2,250.00	9,049.00
	1.5110.036.142.000.000.00 Salary - Teacher Assistant	16,473.52	10,100.40	26,573.92
	1.5110.036.162.000.000.00 Substitute Pay	0.00	740.00	740.00
	1.5110.036.183.000.000.00 Salary - Bonus	0.00	0.00	0.00
	1.5110.036.211.000.000.00 ER's Social Security Cost	18,530.09	10,357.37	28,887.46
	1.5110.036.229.000.000.00 ER's Other Retirement Cost	5,069.44	2,687.89	7,757.33
	1.5110.036.229.100.000.00 ER's Other Retirement Cost- CONTINGENCY	0.00	0.00	0.00
	1.5110.036.231.000.000.00 ER's Hospitalization Insurance	29,037.58	16,503.54	45,541.12
	1.5110.036.233.000.000.00 ER's Unemployment Insurance Co	0.00	0.00	0.00
	1.5110.036.234.000.000.00 ER's Dental Ins. Cost	330.05	186.43	516.48
	1.5110.036.235.000.000.00 ER's Life Ins. Cost	0.00	0.00	0.00
	1.5110.036.239.000.000.00 Other Ins. Cost	0.00	0.00	0.00
	1.5110.036.299.000.000.00 Long Term Disability	0.00	0.00	0.00
	1.5210.029.312.000.000.00 Workshop Expenses	322.40	0.00	322.40
	1.5210.036.121.000.000.00 Salary - EC Teacher	22,354.68	13,202.34	35,557.02
	1.5210.036.142.000.000.00 Salary - EC Teacher Assistant	14,455.00	7,227.50	21,682.50
	1.5210.036.211.000.000.00 ER's Social Security Cost	3,219.97	1,403.92	4,623.89
	1.5210.036.229.000.000.00 ER's Other Retirement Cost	216.84	108.42	325.26
	1.5210.036.231.000.000.00 ER's Hospitalization Insurance	6,891.64	2,875.18	9,766.82
	1.5210.036.234.000.000.00 ER's Dental Ins. Cost	100.52	48.14	148.66
	1.5240.036.318.000.000.00 Contracted Services - Speech	0.00	1,292.50	1,292.50
	1.5330.036.121.000.000.00 Intervention Teacher	9,280.00	4,640.00	13,920.00
	1.5330.036.211.000.000.00 Intervention SS	652.97	346.26	999.23
	1.5330.036.229.000.000.00 Intervention Other Retirement	278.40	139.20	417.60
	1.5330.036.231.000.000.00 Intervention Hospitalization	1,082.84	541.42	1,624.26

10/09/2019
08:34 PM

Page 2 of 8

THE EXPLORIS SCHOOL**Income Statement****Fiscal Year: 2020 Month: September****Include Fund(s): 1, 2, 3, 5**

Fund		Beg. Balance	MTD Actual	YTD Actual	
Fund 1					
	Expense				
	1.5330.036.234.000.000.00	ER' Dental	22.34	11.17	33.51
	1.5350.016.121.000.000.00	Teacher - Summer Reading Camp	4,200.00	0.00	4,200.00
	1.5350.016.211.000.000.00	ER SS - Summer Reading Camp	4,043.54	0.00	4,043.54
	1.5350.016.229.000.000.00	Other Retirement	102.00	0.00	102.00
	1.5350.016.231.000.000.00	ER's Hospitalization Insurance	492.94	0.00	492.94
	1.5350.016.234.000.000.00	ER's Dental Ins. Cost	5.05	0.00	5.05
	1.5350.016.411.000.000.00	Supplies and Materials - 016	0.00	0.00	0.00
	1.5400.036.151.000.000.00	Salary - Office Personnel	22,372.50	11,112.50	33,485.00
	1.5400.036.211.000.000.00	ER's Social Security Cost	1,656.34	827.48	2,483.82
	1.5400.036.229.000.000.00	ER's Other Retirement Cost	489.92	239.62	729.54
	1.5400.036.231.000.000.00	ER's Hospitalization Insurance	2,165.68	1,082.84	3,248.52
	1.5400.036.234.000.000.00	ER's Dental Ins. Cost	44.68	22.34	67.02
	1.5410.036.114.000.000.00	Salary - Principal/Headmaster	18,883.34	9,441.67	28,325.01
	1.5410.036.211.000.000.00	ER's SS	1,422.74	699.90	2,122.64
	1.5410.036.229.000.000.00	ER's Other Retirement	566.50	283.25	849.75
	1.5410.036.231.000.000.00	ER's Hospitalization	1,082.84	541.42	1,624.26
	1.5410.036.234.000.000.00	ER's Dental	22.34	11.17	33.51
	1.5420.036.116.000.000.00	Salary - Assistant Principal	17,910.90	12,137.27	30,048.17
	1.5420.036.211.000.000.00	ER's SS	1,369.00	927.31	2,296.31
	1.5420.036.229.000.000.00	ER's Other Retirement	317.55	173.21	490.76
	1.5420.036.231.000.000.00	ER's Hospitalization	1,082.84	541.42	1,624.26
	1.5830.036.131.000.000.00	Guidance Counselor	10,308.90	5,254.45	15,563.35
	1.5830.036.211.000.000.00	ER SS	759.15	384.17	1,143.32
	1.5830.036.231.000.000.00	ER's Hospitalization	1,082.84	541.42	1,624.26
	1.5830.036.234.000.000.00	ER's Dental Insurance Cost	22.34	11.17	33.51
	1.6580.036.325.000.000.00	Contracted Repairs and Mainten	0.00	0.00	0.00
	1.6580.036.325.001.000.00	Contracted Landscaping	0.00	0.00	0.00
	1.6610.036.311.000.000.00	Contracted Services - Business	3,538.11	0.00	3,538.11
	1.6620.036.311.000.000.00	Contracted Services - HR	250.00	0.00	250.00
	1.6910.036.411.000.000.00	Supplies and Materials - Board	0.00	0.00	0.00
	1.6940.036.327.000.000.00	Building Rentals & Leases	32,697.80	0.00	32,697.80

10/09/2019
08:34 PM

THE EXPLORIS SCHOOL

Income Statement

Fiscal Year: 2020 Month: September

Include Fund(s): 1, 2, 3, 5

Fund		Beg. Balance	MTD Actual	YTD Actual
Fund 1				
Expense				
1.6940.036.327.001.000.00	Land Lease New Bern	10,455.00	0.00	10,455.00
1.6940.036.327.002.000.00	Modular Lease	7,934.40	7,934.40	15,868.80
Expense Total:		525,634.94	261,215.73	786,850.67
Change in Fund 1 Balance:		(322.40)	0.00	(322.40)
Fund 2				
Revenue				
2.3250.036.000.000.000.00	Rev - Sales Tax	0.00	0.00	0.00
2.4110.434.000.000.000.00	Rev - Duplin County Schools	0.00	1,849.50	1,849.50
2.4110.435.000.000.000.00	Rev - Durham County Schools	0.00	0.00	0.00
2.4110.456.000.000.000.00	Rev - Johnston County Schools	3,699.00	0.00	3,699.00
2.4110.456.000.001.000.00	Rev - Johnston County Sch PY	2,053.65	0.00	2,053.65
2.4110.482.000.000.000.00	Rev - Pitt County Schools	0.00	0.00	0.00
2.4110.502.000.000.000.00	Rev - Wake County Schools	0.00	0.00	0.00
2.4211.036.000.906.000.00	Rev - Field Trips - 06	450.00	9,260.00	9,710.00
2.4211.036.000.907.000.00	Rev - Field Trips - 07	0.00	8,070.00	8,070.00
2.4211.036.000.908.000.00	Rev - Field Trips - 08	1,690.00	6,100.00	7,790.00
2.4211.036.000.930.000.00	Rev - Field Trips - Japan	5,000.00	4,500.00	9,500.00
2.4430.036.000.000.000.00	Rev - Contributions	368.95	3,565.76	3,934.71
2.4430.036.001.000.000.00	Rev - Annual Fund	0.00	0.00	0.00
2.4450.036.000.001.000.00	Interest Income Reserve	50.75	24.56	75.31
2.4490.690.000.001.000.00	Foundation Financial Reporting Contribution	0.00	0.00	0.00
2.4490.690.000.002.000.00	Foundation Marketing Contribution	0.00	0.00	0.00
2.4496.036.000.000.000.00	Rev - Agendas	0.00	70.00	70.00
2.4890.790.000.000.000.00	NCACCESS Grant	0.00	100.00	100.00
2.4890.790.000.001.000.00	Rev NCACCESS - Instr Supplies and Materials	0.00	0.00	0.00
2.4890.790.000.002.000.00	Rev NCACCESS - Instr Prof Fees & Contr Serv	0.00	0.00	0.00
2.4890.790.000.003.000.00	Rev NCACCESS - Instr Travel, Conf, Meetings	0.00	0.00	0.00
2.4890.790.000.004.000.00	Rev NCACCESS - Instr Tech and Equip Classroom	0.00	0.00	0.00

10/09/2019
08:34 PM

Page 4 of 8

THE EXPLORIS SCHOOL**Income Statement****Fiscal Year: 2020 Month: September****Include Fund(s): 1, 2, 3, 5**

Fund		Beg. Balance	MTD Actual	YTD Actual	
Fund 2					
	Revenue				
	2.4890.790.000.005.000.00	Rev NCACCESS - Instr Tech and Equip Playground	0.00	0.00	0.00
	2.4890.790.000.006.000.00	Rev NCACCESS - Support Prof Fees & Serv Food Plan	0.00	0.00	0.00
	2.4890.790.000.007.000.00	Rev NCACCESS - Support Prof Fees & Serv Transl	0.00	0.00	0.00
	2.4890.790.000.008.000.00	Rev NCACCESS - Support Prof Fees & Serv Recruit	0.00	0.00	0.00
	2.4890.790.000.009.000.00	Rev NCACCESS - Support Travel, Conf, Meetings	0.00	0.00	0.00
	2.4890.790.000.010.000.00	Rev NCACCESS - Support Supplies & Materials	0.00	0.00	0.00
	2.4890.790.000.011.000.00	Rev NCACCESS - Support Other	0.00	0.00	0.00
	2.4910.036.000.908.000.00	Fund Balance Allocation - 8th	0.00	0.00	0.00
	Revenue Total:		13,312.35	33,539.82	46,852.17
	Expense				
	2.5110.036.211.000.000.00	ER's Social Security Cost	0.00	226.90	226.90
	2.5110.036.231.000.000.00	ER's Hospitalization Insurance	(1,061.79)	3,266.76	2,204.97
	2.5110.036.232.000.000.00	ER's Workers' Comp. Insurance	2,196.75	5,311.50	7,508.25
	2.5110.036.233.000.000.00	ER's Unemployment Insurance Co	2,275.35	0.00	2,275.35
	2.5110.036.235.000.000.00	ER's Life Ins. Cost	133.40	126.03	259.43
	2.5110.036.239.000.000.00	Other Ins. Cost	581.47	556.95	1,138.42
	2.5110.036.299.000.000.00	Long Term Disability	428.07	415.55	843.62
	2.5110.036.311.000.000.00	Contracted Services	0.00	0.00	0.00
	2.5110.036.311.901.000.00	Scholarships - KI-01	0.00	0.00	0.00
	2.5110.036.311.903.000.00	Scholarships - 02-03	0.00	0.00	0.00
	2.5110.036.311.905.000.00	Scholarships - 04-05	0.00	0.00	0.00
	2.5110.036.311.906.000.00	Scholarships - 06	0.00	0.00	0.00
	2.5110.036.311.907.000.00	Scholarships - 07	0.00	0.00	0.00
	2.5110.036.311.908.000.00	Scholarships - 08	0.00	0.00	0.00
	2.5110.036.312.000.000.00	Workshop Expenses	245.00	0.00	245.00
	2.5110.036.315.000.000.00	Reproduction Costs	231.96	2,118.34	2,350.30
	2.5110.036.326.000.000.00	Contracted Repairs - Equipment	0.00	0.00	0.00
	2.5110.036.333.906.000.00	Field Trips - 06	900.00	0.00	900.00

10/09/2019
08:34 PM

Page 5 of 8

THE EXPLORIS SCHOOL**Income Statement****Fiscal Year: 2020 Month: September****Include Fund(s): 1, 2, 3, 5**

Fund		Beg. Balance	MTD Actual	YTD Actual	
Fund 2					
	Expense				
	2.5110.036.333.907.000.00	Field Trips - 07	0.00	232.00	232.00
	2.5110.036.333.908.000.00	Field Trips - 08	0.00	(6,750.00)	(6,750.00)
	2.5110.036.333.930.000.00	Field Trips - Japan	10,100.76	100.00	10,200.76
	2.5110.036.361.000.000.00	Membership Dues and Fees	89.00	0.00	89.00
	2.5110.036.411.000.000.00	Supplies and Materials	6,072.33	78.24	6,150.57
	2.5110.036.411.100.000.00	Supplies and Materials - Kindergarten	0.00	0.00	0.00
	2.5110.036.411.101.000.00	Supplies and Materials - 1st Grade	0.00	0.00	0.00
	2.5110.036.411.102.000.00	Supplies and Materials - 2nd Grade	253.00	0.00	253.00
	2.5110.036.411.103.000.00	Supplies and Materials - 3rd Grade	0.00	0.00	0.00
	2.5110.036.411.104.000.00	Supplies and Materials - 4th Grade	0.00	0.00	0.00
	2.5110.036.411.105.000.00	Supplies and Materials - 5th Grade	0.00	(45.00)	(45.00)
	2.5110.036.411.106.000.00	Supplies and Materials - 6th Grade	0.00	0.00	0.00
	2.5110.036.411.107.000.00	Supplies and Materials - 7th Grade	0.00	0.00	0.00
	2.5110.036.411.108.000.00	Supplies and Materials - 8th Grade	439.56	100.00	539.56
	2.5110.036.411.113.000.00	Supplies and Materials - Explorations	0.00	0.00	0.00
	2.5110.036.411.114.000.00	Supplies and Materials - Connected World	0.00	0.00	0.00
	2.5110.036.418.000.000.00	Computer Software and Supplies	6,873.00	0.00	6,873.00
	2.5110.036.461.000.000.00	Non-Cap Inst. Equipment	0.00	0.00	0.00
	2.5110.036.462.000.000.00	Non-Cap Computer Hardware	0.00	57.87	57.87
	2.5110.559.312.000.000.00	Workshop Expense - CASMT	966.36	0.00	966.36
	2.5110.790.311.000.000.00	Instr Contracted Services - NCACCESS	0.00	0.00	0.00
	2.5110.790.312.000.000.00	Workshop - NCACCESS	5,006.00	0.00	5,006.00
	2.5110.790.411.000.000.00	Instr Supplies and Materials - NCACCESS	0.00	0.00	0.00
	2.5110.790.461.000.000.00	Instr Equipment - NCACCESS	0.00	0.00	0.00
	2.5110.790.462.000.000.00	Instr Computer Hardware - NCACCESS	0.00	0.00	0.00
	2.5210.036.311.000.000.00	Contracted Services - EC	0.00	448.50	448.50
	2.5210.036.312.000.000.00	Workshop Expenses	0.00	0.00	0.00
	2.5210.036.317.000.000.00	Contracted Psychological Servi	0.00	0.00	0.00

10/09/2019
08:34 PM

Page 6 of 8

THE EXPLORIS SCHOOL**Income Statement****Fiscal Year: 2020 Month: September****Include Fund(s): 1, 2, 3, 5**

Fund		Beg. Balance	MTD Actual	YTD Actual	
Fund 2					
	Expense				
	2.5210.036.411.000.000.00	Supplies and Materials	0.00	104.39	104.39
	2.5240.036.318.000.000.00	Contracted Services - Speech	0.00	0.00	0.00
	2.5330.036.411.000.000.00	Supplies and Materials - Intervention	0.00	0.00	0.00
	2.5400.036.211.000.000.00	ER's Social Security Cost	382.49	0.00	382.49
	2.5400.036.312.000.000.00	Workshop Expense	0.00	50.00	50.00
	2.5400.036.343.000.000.00	Telecommunications Services	0.00	0.00	0.00
	2.5400.036.361.000.000.00	Membership Dues and Fees	162.00	0.00	162.00
	2.5400.036.411.000.000.00	Supplies and Materials - Offic	311.17	483.38	794.55
	2.5400.036.418.000.000.00	Computer Software and Supplies	637.08	79.00	716.08
	2.5400.036.459.000.000.00	Food Purchase - Office	40.22	0.00	40.22
	2.5400.036.461.000.000.00	Non-Cap Furniture and Equipmen	0.00	0.00	0.00
	2.5400.036.462.000.000.00	Non-Cap Computer Hardware	0.00	0.00	0.00
	2.5400.502.471.000.000.00	S/T - Wake County	274.30	267.00	541.30
	2.5400.790.411.000.000.00	Support Supplies and Materials - NCACCESS	0.00	0.00	0.00
	2.5501.036.411.000.000.00	Supplies and Materials - Athle	0.00	0.00	0.00
	2.5502.036.411.000.000.00	Supplies and Materials - Arts	0.00	0.00	0.00
	2.5504.036.411.000.000.00	Supplies and Materials - Music	0.00	(845.00)	(845.00)
	2.5830.036.411.000.000.00	Supplies and Materials - Counselor	0.00	0.00	0.00
	2.5840.036.411.000.000.00	Health - Supplies and Materials	0.00	90.44	90.44
	2.5850.036.345.000.000.00	Security Monitoring	175.00	0.00	175.00
	2.6400.036.311.000.000.00	Contracted Services - Technolo	0.00	3,000.00	3,000.00
	2.6510.036.341.000.000.00	Telephone	396.60	271.26	667.86
	2.6510.036.342.000.000.00	Postage	0.00	0.00	0.00
	2.6530.036.321.000.000.00	Utilities - Electrical Service	1,486.18	3,084.60	4,570.78
	2.6530.036.323.000.000.00	Utilities -Water and Sewer	473.79	564.69	1,038.48
	2.6540.036.311.000.000.00	Contracted Services - Custodi	4,200.00	2,100.00	6,300.00
	2.6540.036.411.000.000.00	Supplies and Materials	798.17	617.48	1,415.65
	2.6570.036.526.000.000.00	Architects Fees	3,593.06	0.00	3,593.06
	2.6580.036.325.000.000.00	Contracted Repairs and Mainten	0.00	715.00	715.00
	2.6580.036.325.001.000.00	Contracted Landscaping	150.00	0.00	150.00
	2.6580.036.325.002.000.00	Contracted Pest Control	80.00	80.00	160.00

10/09/2019
08:34 PM

Page 7 of 8

THE EXPLORIS SCHOOL**Income Statement****Fiscal Year: 2020 Month: September****Include Fund(s): 1, 2, 3, 5**

Fund		Beg. Balance	MTD Actual	YTD Actual	
Fund 2					
	Expense				
	2.6580.036.325.003.000.00	Contracted Maint- Fire Inspect	2,530.95	619.00	3,149.95
	2.6580.036.422.000.000.00	Repair Parts and Materials	785.00	58.55	843.55
	2.6610.036.311.000.000.00	Contracted Services - Business	6,706.89	2,625.00	9,331.89
	2.6610.036.362.000.000.00	Bank Service Fees	170.50	103.50	274.00
	2.6610.036.371.000.000.00	Liability Insurance	0.00	0.00	0.00
	2.6610.036.371.001.000.00	Commercial Umbrella	5,305.50	2,196.75	7,502.25
	2.6610.036.376.000.000.00	International Travel Insurance	0.00	0.00	0.00
	2.6610.036.378.000.000.00	Scholastic Accident Insurance	2,716.40	0.00	2,716.40
	2.6610.690.311.000.000.00	Contracted Services - Business Foundation	0.00	200.00	200.00
	2.6610.790.371.000.000.00	Support Liability Insurance - NCACCESS	0.00	0.00	0.00
	2.6620.036.311.000.000.00	Contracted Services - Personne	0.00	0.00	0.00
	2.6920.036.311.000.000.00	Contracted Legal Services	0.00	250.15	250.15
	2.6930.036.311.000.000.00	Contracted Audit Services	3,500.00	0.00	3,500.00
	2.6940.036.327.000.000.00	Building Rentals & Leases	16,348.90	0.00	16,348.90
	2.6940.036.327.001.000.00	Land Lease New Bern	5,150.00	0.00	5,150.00
	2.6940.036.327.002.000.00	Modular Lease	7,934.40	634.00	8,568.40
	2.6940.036.332.000.000.00	Travel - Parking	66.00	0.00	66.00
	2.6940.790.311.000.000.00	Support Contracted Services - NCACCESS	0.00	0.00	0.00
	2.6940.790.311.001.000.00	Support Cont Serv Recruitment Tools - NCACCESS	0.00	0.00	0.00
	2.6940.790.311.002.000.00	Support Cont Serv Translation - NCACCESS	0.00	0.00	0.00
	2.6940.790.312.000.000.00	Support Staff Dev - NCACCESS	0.00	0.00	0.00
	2.6950.036.313.000.000.00	Advertising Cost	0.00	276.25	276.25
	2.6950.690.311.001.000.00	Foundation - The Center for Innovation Services	0.00	0.00	0.00
	Expense Total:		100,104.82	23,869.08	123,973.90
	Change in Fund 2 Balance:		(86,792.47)	9,670.74	(77,121.73)

10/09/2019
08:34 PM

THE EXPLORIS SCHOOL

Income Statement

Fiscal Year: 2020 Month: September

Include Fund(s): 1, 2, 3, 5

Fund	Beg. Balance	MTD Actual	YTD Actual
Fund 3			
Revenue			
3.3600.060.000.000.000.00 Rev - IDEA VI-B - 060	0.00	0.00	0.00
Revenue Total:	0.00	0.00	0.00
Expense			
3.5210.060.121.000.000.00 Salary - EC Teacher	13,643.34	6,821.67	20,465.01
3.5210.060.211.000.000.00 ER's Social Security Cost	974.63	503.50	1,478.13
3.5210.060.229.000.000.00 ER's Retirement	291.80	145.90	437.70
3.5210.060.231.000.000.00 ER's Hospitalization	1,624.26	812.13	2,436.39
3.5210.060.234.000.000.00 ER Dental Insurance	33.52	16.76	50.28
Expense Total:	16,567.55	8,299.96	24,867.51
Change in Fund 3 Balance:	(16,567.55)	(8,299.96)	(24,867.51)
Fund 5			
Revenue			
5.4210.701.000.000.000.00 Rev - Before & After School	650.00	17,155.00	17,805.00
Revenue Total:	650.00	17,155.00	17,805.00
Expense			
5.5350.701.178.000.000.00 Salary - B & A Care	0.00	3,639.24	3,639.24
5.5350.701.211.000.000.00 ER's Soc Sec Cost - B & A Care	0.00	260.56	260.56
5.5350.701.231.000.000.00 ER's Hospitalization	0.00	338.11	338.11
5.5350.701.234.000.000.00 Dental	0.00	5.58	5.58
5.5350.701.411.000.000.00 Inst. Supp & Materials - B & A	0.00	0.00	0.00
5.7200.035.311.000.000.00 Contracted Services	0.00	0.00	0.00
Expense Total:	0.00	4,243.49	4,243.49
Change in Fund 5 Balance:	650.00	12,911.51	13,561.51

THE EXPLORIS SCHOOL**Balance Sheet****Fiscal Year: 2020 | Fiscal Month: September**
Include Funds: All**Assets**

1.1010.000.000.000.000.00	Cash OP FCIT 6528	2,272.73
2.1010.000.000.000.000.00	Cash OP FCIT 6528	331,386.33
2.1011.000.000.000.000.00	Cash - Reserve	199,223.05
2.1020.000.000.000.000.00	Cash CK FCIT 4317	11,674.55
2.1120.000.000.000.000.00	Accounts Receivable - Local Go	(109,062.08)
2.1160.000.000.000.000.00	Accounts Receivable - Non-Gove	(22,374.31)
2.1180.000.000.000.000.00	Accounts Receivable - Employee	114.98
2.1611.000.000.000.000.00	Security Deposit	15,658.00
3.1010.000.000.000.000.00	Cash OP FCIT 6528	(24,763.07)
5.1010.000.000.000.000.00	Cash OP FCIT 6528	350,637.32

TOTAL Assets: **754,767.50****Liabilities**

1.2274.000.000.000.000.00	EEs' Dental Ins. Deductions	1,940.48
1.2278.000.000.000.000.00	EEs' Other Ins. Deductions	654.65
2.2010.000.000.000.000.00	Accounts Payable	(6,859.93)
3.2274.000.000.000.000.00	EEs' Dental Ins. Deductions	67.03
3.2278.000.000.000.000.00	EEs' Other Ins. Deductions	37.41
5.2274.000.000.000.000.00	EEs' Dental Ins. Deductions	22.34
5.2278.000.000.000.000.00	EEs' Other Ins. Deductions	2.30

TOTAL Liabilities: **(4,135.72)****Reserves and Equity**

2.2960.000.000.000.000.00	Fund Equity	510,602.18
5.2960.000.000.000.000.00	Fund Equity	337,051.17

TOTAL Reserves and Equity: **847,653.35****NET GAIN (LOSS):** **(88,750.13)****TOTAL LIABILITIES / RESERVES / INCOME:** **754,767.50**

Attachments

The following files are attached to this PDF: You will need to open this document in an application that supports attachments (i.e. [Adobe Reader](#)) in order to access these files.

Enrollment-Waitlist-Staff Projections BBT.xlsx

Exploris 5yr. Projections Facility Project.xlsx