



The Exploris School

The Exploris School Board Regular Monthly Meeting

Date and Time

Thursday October 26, 2023 at 4:30 PM EDT

Location

The Exploris School: Elementary Campus
17 S Swain St, Raleigh, NC 27601, USA
5th Grade Classroom

Agenda

	Purpose	Presenter	Time
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I. Opening Items			4:30 PM
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A.	Record Attendance	Edward Buchan	1 m
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B.	Call the Meeting to Order	Steven Darroch	1 m
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C.	Approve Minutes	Approve Minutes Edward Buchan	2 m
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Approve minutes for The Exploris School Board Regular Monthly Meeting on September 28, 2023

D.	Public Comment	Steven Darroch	15 m
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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.

	Purpose	Presenter	Time	
<p>Public comment may be oral, in person, or in written form to be read by the Chair.</p> <p>Public comment is limited to no more than 3 minutes per person.</p> <p>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.</p> <p>Each speaker will clearly state their full name and county of residence.</p> <p>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.</p> <p>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.</p> <p>A response will be provided to the stakeholder within seven (7) days. Those providing public comment are asked to provide in writing (either in person or via email to board@exploris.org) their contact information including name, County of residence, and address (either email or postal, whichever is preferred).</p> <p>Specific issues about a particular student or teacher should be addressed to the elementary or middle school director, rather than the Board of Directors.</p>				
E.	Board Development: Legislative Updates	Ryan Boyce	15 m	
	<ul style="list-style-type: none">• The Governance Committee will give general updates on recent legislation that will potentially affect our school.			
Committee Reports			5:04 PM	
A.	Governance	Vote	Ryan Boyce	5 m
B.	Finance	Discuss	Koren Morgan	5 m
	<ul style="list-style-type: none">• Monthly Financial Reports			
C.	Educational Excellence	Discuss	Eric Grunden	5 m

	Purpose	Presenter	Time
D. Director Evaluation & Support	Discuss	Steven Darroch	5 m
E. Facilities	Discuss	Josh Corbat	5 m
<ul style="list-style-type: none"> • Updates on Facilities Project 			
F. Kaizen	FYI	Daniel Hencher	5 m
<ul style="list-style-type: none"> • Kaizen leaders will give an update to the Board. 			
III. Meeting Items			5:34 PM
A. Directors Report	Discuss	Deborah Brown	5 m
<ul style="list-style-type: none"> • Monthly Report & Updates (The Directors Report will not be made verbally during meetings. Please review the written report prior to the meeting. We will answer questions and provide critical updates and vote on any requested items.) 			
B. Board Business	Discuss	Steven Darroch	5 m
<ul style="list-style-type: none"> • Decide the Holiday season meeting schedule. <ul style="list-style-type: none"> ◦ In the past, we have had Committee meetings only in November and moved our December meeting up two weeks. • General Discussions 			
IV. Closed Session			5:44 PM
A. Facilities & Legal Items	Discuss	Josh Corbat	10 m
<ul style="list-style-type: none"> • Updates on Facilities • Updates on Personnel • Updates on any Open Legal Items 			
V. Closing Items			5:54 PM
A. Adjourn Meeting	Vote		

Coversheet

Approve Minutes

Section: I. Opening Items
Item: C. Approve Minutes
Purpose: Approve Minutes
Submitted by:

Related Material:

Minutes for The Exploris School Board Regular Monthly Meeting on September 28, 2023

APPROVED



The Exploris School

Minutes

The Exploris School Board Regular Monthly Meeting

Date and Time

Thursday September 28, 2023 at 4:30 PM

Location

The Exploris School: Elementary Campus
17 S Swain St, Raleigh, NC 27601, USA
5th Grade Classroom

Directors Present

A. Rodriguez, D. Deaton, D. Hencher, E. Buchan, M. Townley, S. Carothers (remote), S. Darroch, T. Void (remote)

Directors Absent

E. Grunden, R. Boyce

Ex Officio Members Present

C. Greer-Banks (remote), D. Brown, E. Burton, J. Corbat

Non Voting Members Present

C. Greer-Banks (remote), D. Brown, E. Burton, J. Corbat

Guests Present

K. Morgan (remote)

I. Opening Items

A. Record Attendance

M. Townley made a motion to approve the minutes from August meeting The Exploris School Board Regular Monthly Meeting on 08-24-23.

D. Hencher seconded the motion.

Accept minutes with no changes

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

B. Call the Meeting to Order

Meeting called to order by Stephen at 4:32 PM

C. Approve Minutes

D. Public Comment

No public comments

E. Board Development: Legislative Updates

II. Committee Reports

A. Governance

Deborah summarized the "Parents Bill of Rights" and indicated that 80-90% of the bill requirements are things we are already doing at Exploris. A suggestion was to create a separate tab on the website dedicated to the bill requirements so parents can easily see and understand how Exploris is meeting said requirements. Deborah mentioned how parents can challenge educational materials under this legislation, but the school can simply accept the protest and not necessarily make any subsequent changes. The bill does prohibit "teaching" sexuality in class as a specific focus - but it is not intended to be a "muzzle" and teachers can have these types of discussions. The bill does not seem to have formal punishments for non-compliant schools. This may require some minor revisions to various school handbooks.

Deborah also mentioned the changes to Title 9 will be coming in the near future.

Steve introduced Geoffrey Bayo who is a CPA.

B. Finance

Koren indicated the State of NC approved budget and Governor will not veto, which means the Exploris budget can be developed. Josh thanked the committee members for the work they did with filing Federal and State grants. Steven asked about the projected surplus (~2.0%), Koren indicated it may fall below 2% month to month, but we are trending to hitting the 2.0%.

A. Rodriguez made a motion to accept report.

D. Deaton seconded the motion.

report was accepted

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

C. Educational Excellence

Eric was not present, so Ethan summarized submitted report - including what data we need to compile and how to share this with the public and parents.

D. Director Evaluation & Support

Steven indicated we need another board member to help with the director reviews.

Stacey Carothers said she could help with the reviews.

E. Facilities

Josh said he has developed an update video but it may be too long (~19 minutes) and he will work to create a truncated version. Josh indicated Rosewood has made good progress in working through the 2 main issues with the Kindly Street property (traffic queuing and stormwater). We are confident the stormwater issue will be resolved with the COR. Regarding the traffic issue, we will need to submit a traffic impact analysis, which hopefully will receive approval from COR. It is anticipated we have a resolution on Kindly Street one way or the other within 1.5 months. Another potential site is being concurrently vetted.

We need to assign a board member to chair the committee.

F. Kaizen

Daniel indicated this committee has met twice in September. They have reviewed the school improvement plan for any potential updates.

III. Meeting Items

A. Directors Report

Deborah stated that Cori will be named NC History Teacher of the Year. A move was made by Mark and seconded by Allannah to formally recognize Cori for her award.

Deborah indicated that middle school behavior has been difficult, unlike the first 6-7 weeks of school. It is not clear why there have been so many referral and discipline issues in middle school. Ethan mentioned there is a new column in the discipline report which differentiates a major referral and how it was resolved.

Deborah discussed the "school report card" result which was a "C". Overall, we were close to getting a "B", but it should be noted the structure of the rating isn't necessarily reflective of how a given school is functioning and may need to be modified.

Josh indicated that Madison Stevens will be named the before & after coordinator.

Alannah made a motion to accept the change in position, it was seconded by Daniel.

Accepted by the board.

B. Board Business

IV. Closed Session

A. Facilities & Legal Items

A. Rodriguez made a motion to move into closed session.

D. Deaton seconded the motion.

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

V. Closing Items

A. Adjourn Meeting

D. Deaton made a motion to adjourn meeting.

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

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 6:10 PM.

Respectfully Submitted,

E. Buchan

Coversheet

Finance

Section:	II. Committee Reports
Item:	B. Finance
Purpose:	Discuss
Submitted by:	
Related Material:	Bank Account Balances 9-30-23.pdf 03. Board Report - month 13 - Exploris - FY23 - FINAL.pdf 05. Income Statement - 2023.09 - EXPLORIS.pdf 03. Board Report - 2023.09 - Exploris.pdf 06. Balance Sheet - 2023.09 - EXPLORIS.pdf The Exploris School _DRAFT board comm letter.pdf The Exploris School _DRAFT audited financial statements - updated.pdf

9/30/2023 Account Balances	
Bank Account	Balance
The Exploris School Checking	\$722,322.99
The Exploris School Reserves	\$1,219,195.72
The Exploris School Foundation-Annual Fund	\$70,052.58
The Exploris School Foundation-Capital Campaign	\$542,104.20



THE EXPLORIS SCHOOL

Budget Analysis Report

Fiscal Year: 2023 | 13 Month

Account	Budget	Period Activity	YTD Activity	Remaining Budget	% Used	EOY Projection
Revenues						
STATE REVENUE	3,109,825.39	3,153,021.74	3,153,021.74	(43,196.35)	101.39	3,153,021.74
LOCAL REVENUE	1,426,626.82	1,582,192.05	1,582,192.05	(155,565.23)	110.90	1,619,818.87
NCACCESS GRANT REVENUE	200,000.00	86,141.05	86,141.05	113,858.95	43.07	86,141.05
FEDERAL REVENUE	276,126.26	275,457.87	275,457.87	668.39	99.76	275,457.87
FOUNDATION REVENUE	82,200.00	0.00	0.00	82,200.00	0.00	0.00
B&A CARE REVENUE	90,000.00	101,072.77	101,072.77	(11,072.77)	112.30	101,072.77
REVENUE - ACTIVITIES	0.00	172,562.16	172,562.16	(172,562.16)		172,562.16
Revenues	5,184,778.47	5,370,447.64	5,370,447.64	(185,669.17)	103.58	5,408,074.46
Expenses						
Account	Budget	Period Activity	YTD Activity	Remaining Budget	% Used	EOY Projection
SALARIES AND BONUSES	3,140,286.17	3,039,455.19	3,039,455.19	100,830.98	96.79	3,039,455.19
BENEFITS	659,992.88	600,299.09	600,299.09	59,693.79	90.96	600,299.09
BOOKS AND SUPPLIES	78,784.13	91,224.94	91,224.94	(12,440.81)	115.79	91,224.94
TECHNOLOGY	88,400.00	87,350.93	87,350.93	1,049.07	98.81	87,350.93
NON-CAP EQUIPMENT & LEASES	18,000.00	37,302.18	37,302.18	(19,302.18)	207.23	37,302.18
CONTRACTED STUDENT SERVICES	97,000.00	121,213.80	121,213.80	(24,213.80)	124.96	121,213.80
FIELD TRIPS/ACTIVITIES	15,200.00	186,071.58	186,071.58	(170,871.58)	1224.16	186,071.58
STAFF DEVELOPMENT	8,000.00	6,688.22	6,688.22	1,311.78	83.60	6,688.22
ADMIN SERVICES	209,550.00	196,714.06	196,714.06	12,835.94	93.87	196,714.06
INSURANCES	40,450.00	24,091.70	24,091.70	16,358.30	59.56	24,091.70
FACILITIES	468,144.00	452,810.80	452,810.80	15,333.20	96.72	452,810.80
B&A CARE	55,901.50	55,439.23	55,439.23	462.27	99.17	55,439.23
CLUBS	5,331.82	2,000.77	2,000.77	3,331.05	37.53	2,000.77
CORONAVIRUS RELIEF FUND EXPENSES	12,160.00	7,473.00	7,473.00	4,687.00	61.46	7,473.00
VARIOUS GRANTS - NCACCESS	200,000.00	86,141.05	86,141.05	113,858.95	43.07	86,141.05
Expenses	5,097,200.50	4,994,276.54	4,994,276.54	102,923.96	97.98	4,994,276.54
SURPLUS/(DEFICIT)	87,577.97	376,171.10	376,171.10			413,797.92
						Carry forward included in FY24 budget (41,911.69)
						Add'l carry forward proposed for FY24 budget revision (22,134.76)
						Amount to transfer to Reserve 349,751.47
						6.47%

10/06/2023
10:30 AM

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THE EXPLORIS SCHOOL**Income Statement****Fiscal Year: 2024 Month: September****Include Fund(s): 1, 2, 3, 5**

Fund	Beg. Balance	MTD Actual	MTD Budget	YTD Actual	YTD Budget
Fund 1					
Revenue Total:	554,316.54	291,678.29	262,949.42	845,994.83	788,848.25
Expense Total:	554,316.54	292,918.78	311,102.75	847,235.32	933,308.30
Change in Fund 1 Balance:	0.00	(1,240.49)	(48,153.33)	(1,240.49)	(144,460.05)
Fund 2					
Revenue Total:	827.83	24,395.69	121,842.64	25,223.52	365,527.92
Expense Total:	215,771.88	136,143.78	105,837.94	351,915.66	317,513.67
Change in Fund 2 Balance:	(214,944.05)	(111,748.09)	16,004.70	(326,692.14)	48,014.25
Fund 3					
Revenue Total:	16,272.30	3,735.00	39,309.29	20,007.30	117,927.87
Expense Total:	46,178.83	21,857.71	1,037.16	68,036.54	3,111.50
Change in Fund 3 Balance:	(29,906.53)	(18,122.71)	38,272.13	(48,029.24)	114,816.37
Fund 5					
Revenue Total:	0.00	18,382.57	7,666.67	18,382.57	23,000.00
Expense Total:	(0.84)	8,268.73	4,958.33	8,267.89	14,875.00
Change in Fund 5 Balance:	0.84	10,113.84	2,708.34	10,114.68	8,125.00



THE EXPLORIS SCHOOL

Budget Analysis Report

Fiscal Year: 2024 | 9/01/2023 - 9/1/2023

Account	Budget	Period Activity	YTD Activity	Remaining Budget	% Used	EOY Projection
Revenues						
STATE REVENUE	3,155,393.00	291,678.29	845,994.83	2,309,398.17	26.81	3,155,393.00
LOCAL REVENUE	1,432,111.69	11,458.69	12,286.52	1,419,825.17	0.86	1,438,689.71
NCACCESS GRANT REVENUE	282,493.00	0.00	0.00	282,493.00	0.00	282,493.00
FEDERAL REVENUE	189,218.45	3,735.00	20,007.30	169,211.15	10.57	189,218.45
FOUNDATION REVENUE	30,000.00	0.00	0.00	30,000.00	0.00	79,183.41
B&A CARE REVENUE	92,000.00	18,382.57	18,382.57	73,617.43	19.98	92,000.00
REVENUE - ACTIVITIES	0.00	12,937.00	12,937.00	(12,937.00)		12,937.00
Revenues	5,181,216.14	338,191.55	909,608.22	4,271,607.92	17.56	5,249,914.57
Expenses						
Account	Budget	Period Activity	YTD Activity	Remaining Budget	% Used	EOY Projection
SALARIES AND BONUSES	3,065,140.00	269,697.27	714,927.39	2,350,212.61	23.32	3,065,140.00
BENEFITS	643,733.21	52,937.72	146,653.22	497,079.99	22.78	643,733.21
BOOKS AND SUPPLIES	72,853.00	(11,171.06)	16,475.21	56,377.79	22.61	58,353.00
TECHNOLOGY	78,107.00	19,351.91	31,235.92	46,871.08	39.99	85,107.00
NON-CAP EQUIPMENT & LEASES	16,500.00	981.00	3,893.79	12,606.21	23.60	16,500.00
CONTRACTED STUDENT SERVICES	140,000.00	5,335.70	5,335.70	134,664.30	3.81	140,000.00
FIELD TRIPS/ACTIVITIES	30,508.69	643.50	9,779.90	20,728.79	32.06	42,045.88
STAFF DEVELOPMENT	0.00	2,900.00	3,200.00	(3,200.00)		0.00
ADMIN SERVICES	166,100.00	61,454.55	125,096.77	41,003.23	75.31	218,103.41
INSURANCES	32,400.00	0.00	23,442.00	8,958.00	72.35	36,342.00
FACILITIES	471,800.00	40,677.10	131,077.33	340,722.67	27.78	471,800.00
B&A CARE	59,500.00	7,791.31	7,791.68	51,708.32	13.10	59,500.00
CLUBS	3,653.00	0.00	0.00	3,653.00	0.00	3,653.00
CORONAVIRUS RELIEF FUND EXPENSES	12,446.00	0.00	2,587.00	9,859.00	20.79	12,446.00
VARIOUS GRANTS - NCACCESS	282,493.00	8,590.00	53,959.50	228,533.50	19.10	282,493.00
Expenses	5,075,233.90	459,189.00	1,275,455.41	3,799,778.49	25.13	5,135,216.50
SURPLUS/(DEFICIT)	105,982.24	(120,997.45)	(365,847.19)			114,698.07
	2.05%					2.18%

THE EXPLORIS SCHOOL

Balance Sheet

Fiscal Year: 2024 | Fiscal Month: September
Include Funds: All

Assets		
1.1010.000.000.000.000.00	Cash OP FCIT 6528	(1,240.49)
2.1010.000.000.000.000.00	Cash OP FCIT 6528	216,987.26
2.1011.000.000.000.000.00	Cash - Reserve	1,219,195.72
2.1611.000.000.000.000.00	Security Deposit	15,658.00
3.1010.000.000.000.000.00	Cash OP FCIT 6528	(48,029.24)
5.1010.000.000.000.000.00	Cash OP FCIT 6528	437,687.50
TOTAL Assets:		1,840,258.75
Liabilities		
2.2282.000.000.000.000.00	EEs' Flex Spending Deductions	(3,518.15)
TOTAL Liabilities:		(3,518.15)
Reserves and Equity		
2.2960.000.000.000.000.00	Fund Equity	1,782,051.27
5.2960.000.000.000.000.00	Fund Equity	427,572.82
TOTAL Reserves and Equity:		2,209,624.09
NET GAIN (LOSS):		(365,847.19)
TOTAL LIABILITIES / RESERVES / INCOME:		1,840,258.75

October XX, 2023

Thomas Judy & Tucker, P.A.
4700 Falls of Neuse Road, Suite 400
Raleigh, NC 27609

This representation letter is provided in connection with your audit of the financial statements of The Exploris School (the "School"), which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of October XX, 2023, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 23, 2023, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.
- 8) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the accounts.

October XX, 2023

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- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the School is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

11) We have provided you with:

- a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the School from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal and State awards.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the School and involves—
- Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the School's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
- 17) We have disclosed to you the identity of the School's related parties and all the related party relationships and transactions, including any side agreements.
- 18) We have determined that the cross country club that is organized by the School is not subject to the requirements of Session Law 2011-147, Gfeller-Waller Awareness Act.

Government-specific

- 20) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 21) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 22) The School has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 23) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 24) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives.

October XX, 2023

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- 25) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 26) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 27) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 28) As part of your audit, you assisted with preparation of the financial statements and disclosures and schedule of expenditures of federal and State awards. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures and schedule of expenditures of federal and State awards.
- 29) The School has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 30) The School has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 31) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 32) The financial statements properly classify all funds and activities in accordance with GASBS No. 34 , as amended, and GASB No. 84.
- 33) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 34) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 35) Provisions for uncollectible receivables have been properly identified and recorded.
- 36) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 37) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 38) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 39) Deposits and investment securities and derivative instrument transactions are properly classified as to risk and are properly disclosed.
- 40) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 41) We have appropriately disclosed the School's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 42) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

October XX, 2023

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43) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

44) With respect to the supplementary information:

- a) We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
- b) If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditors' report thereon.

45) With respect to federal and State award programs:

- a) We are responsible for understanding and complying with and have complied with, the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal and State awards.
- b) We acknowledge our responsibility for preparing and presenting the schedule of expenditures of federal and State awards (SEFSA) and related disclosures in accordance with the requirements of the Uniform Guidance, and we believe the SEFSA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFSA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFSA.
- c) If the SEFSA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFSA no later than the date we issue the SEFSA and the auditors' report thereon.
- d) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFSA, expenditures made during the audit period for all awards provided by federal and State agencies in the form of federal and State awards, federal and State cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- e) We are responsible for understanding and complying with, and have complied with, the requirements of federal and State statutes, regulations, and the terms and conditions of federal and State awards related to each of our federal and State programs and have identified and disclosed to you the requirements of federal and State statutes, regulations, and the terms and conditions of federal and State awards that are considered to have a direct and material effect on each major program.
- f) We are responsible for establishing, designing, implementing, and maintaining, and have established, designed, implemented, and maintained, effective internal control over compliance for federal and State programs that provides reasonable assurance that we are managing our federal and State awards in compliance with federal and State statutes, regulations, and the terms and conditions of federal and State awards that could have a material effect on our federal and State programs. We believe the internal control system is adequate and is functioning as intended.
- g) We have made available to you all federal and State awards (including amendments, if any) and any other correspondence with federal and State agencies or pass-through entities relevant to federal and State programs and related activities.
- h) We have received no requests from a federal or State agency to audit one or more specific programs as a major program.

October XX, 2023

Page 5 of 6

- i) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement* (including its Addendum), relating to federal and State awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal and State awards
 - j) We have disclosed any communications from federal and State awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditors' report.
 - k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditors' report.
 - l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E).
 - m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
 - n) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal and State program financial reports and claims for advances and reimbursements.
 - o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
 - p) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditors' report.
 - q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditors' report.
 - r) Federal and State program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
 - s) The copies of federal and State program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal and State agency or pass-through entity, as applicable.
 - t) We have charged costs to federal and State awards in accordance with applicable cost principles.
 - u) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal and State awarding agencies and pass-through entities, including all management decisions.
 - v) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
 - w) We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.
 - x) We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.
- 46) We have a process to track the status of audit findings and recommendations.
- 47) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.

October XX, 2023

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48) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.

Signature: _____

Title: _____

DRAFT

October XX, 2023

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, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and the State Single Audit Implementation Act, 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 June 23, 2023. 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 2023. 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. There were no sensitive estimates affecting the School's financial statements.

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.

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. Management has corrected all such misstatements. 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 XX, 2023.

October XX, 2023
Page 2 of 2

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.

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.
Raleigh, North Carolina

THE EXPLORIS SCHOOL

Financial Statements
Year Ended June 30, 2023

DRAFT

THE EXPLORIS SCHOOL
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As of June 30, 2023

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of The Exploris School, as of and for the year ended June 30, 2023 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.

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, and each major fund of The Exploris School as of June 30, 2023, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Audit of 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; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Exploris School's ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards* we:

- Exercise professional judgement and maintained professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Exploris School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Exploris School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 through 11 be presented to supplement the basic financial statements. Such information is the responsibility of management, 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 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, as well as the accompanying schedule of expenditures of federal and state awards as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October XX, 2023 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 that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The Exploris School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Exploris School's internal control over financial reporting and compliance.

Raleigh, North Carolina
October XX, 2023

Exhibit 1

THE EXPLORIS SCHOOL
Statement of Net Position
June 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,786,704	\$ 427,573	\$ 2,214,277
Restricted cash	612,826	-	612,826
Accounts receivable	33,017	-	33,017
Security deposit	15,658	-	15,658
Prepaid expenses	11,552	-	11,552
Right to use leased assets, net of amortization	259,750	-	259,750
Capital assets (Note 1):			
Other capital assets, net of depreciation	5,961,147	-	5,961,147
Total assets	8,680,654	427,573	9,108,227
LIABILITIES			
Accounts payable	64,879	-	64,879
Long-term liabilities:			
Due within one year	238,535	-	238,535
Due in more than one year	34,412	-	34,412
Total liabilities	337,826	-	337,826
NET POSITION			
Net investment in capital assets	5,961,147	-	5,961,147
Restricted	612,826	-	612,826
Unrestricted	1,768,855	427,573	2,196,428
Total net position	\$ 8,342,828	\$ 427,573	\$ 8,770,401

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, 2023

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	\$ 4,508,781	\$ -	\$ 382,373	\$ (4,126,408)	\$ -	\$ (4,126,408)
System-wide support services	406,288	-	7,718	(398,570)	-	(398,570)
Interest expense	18,776	-	-	(18,776)	-	(18,776)
Total governmental activities	4,933,845	-	390,091	(4,543,754)	-	(4,543,754)
Business-type activities:						
Child care	57,492	101,073	-	-	43,581	43,581
Total business-type activities	57,492	101,073	-	-	43,581	43,581
Total primary government	\$ 4,991,337	\$ 101,073	\$ 390,091	(4,543,754)	43,581	(4,500,173)
General revenues:						
Unrestricted county appropriations				1,487,891	-	1,487,891
Unrestricted State appropriations				3,153,022	-	3,153,022
Contributions and donations				78,711	-	78,711
Field trips and student fees				170,096	-	170,096
Interest earnings				3,494	-	3,494
Miscellaneous				2,465	-	2,465
Total general revenues				4,895,679	-	4,895,679
Change in net position				351,925	43,581	395,506
Net position-beginning				7,990,903	383,992	8,374,895
Net position-ending				\$ 8,342,828	\$ 427,573	\$ 8,770,401

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

Exhibit 3

THE EXPLORIS SCHOOL
Balance Sheet
Governmental Funds
June 30, 2023

	Major Funds			Total Governmental Funds
	General	State Public School	Federal Grants Fund	
ASSETS				
Cash and cash equivalents	\$ 1,786,704	\$ -	\$ -	\$ 1,786,704
Restricted cash	612,826	-	-	612,826
Accounts receivable	33,017	-	-	33,017
Security deposit	15,658	-	-	15,658
Prepaid expenses	11,552	-	-	11,552
Total assets	<u>\$ 2,459,757</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,459,757</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 64,879	\$ -	\$ -	\$ 64,879
Total liabilities	<u>64,879</u>	<u>-</u>	<u>-</u>	<u>64,879</u>
Fund balances:				
Nonspendable:				
Security deposit	15,658	-	-	15,658
Prepaid expenses	11,552	-	-	11,552
Restricted:				
Capital expenditures	612,826	-	-	612,826
Unassigned	1,754,842	-	-	1,754,842
Total fund balances	<u>2,394,878</u>	<u>-</u>	<u>-</u>	<u>2,394,878</u>
Total liabilities and fund balances	<u>\$ 2,459,757</u>	<u>\$ -</u>	<u>\$ -</u>	

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

5,961,147

Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds.

259,750

Some liabilities, including long-term debt, are not due and payable in the current period and therefore are not reported in the funds (Note 2).

(272,947)

Net position of governmental activities

\$ 8,342,828

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

Exhibit 4

THE EXPLORIS SCHOOL
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2023

	Major Funds			Total Governmental Funds
	General	State Public School	Federal Grants Fund	
REVENUES				
State of North Carolina	\$ -	\$ 3,153,022	\$ -	\$ 3,153,022
Boards of Education	1,487,891	-	-	1,487,891
U.S. Government	-	-	390,091	390,091
Contributions and donations	78,711	-	-	78,711
Field trips and student fees	170,096	-	-	170,096
Interest earnings	3,494	-	-	3,494
Miscellaneous	15,184	-	-	15,184
Total revenues	1,755,376	3,153,022	390,091	5,298,489
EXPENDITURES				
Current:				
Instructional services	794,167	3,059,062	382,373	4,235,602
Support services	319,302	72,593	7,718	399,613
Capital outlay:	54,114	21,367	-	75,481
Debt service:				
Principal	264,592	-	-	264,592
Interest and other charges	18,776	-	-	18,776
Total expenditures	1,450,951	3,153,022	390,091	4,994,064
Excess (deficiency) of revenues over (under) expenditures	304,425	-	-	304,425
Net change in fund balance	304,425	-	-	304,425
Fund balances-beginning	2,090,453	-	-	2,090,453
Fund balances-ending	\$ 2,394,878	\$ -	\$ -	\$ 2,394,878

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

Exhibit 5

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, 2023

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

Net change in fund balances - total governmental funds	\$ 304,425
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 capital outlays exceeded depreciation expense in the current period.	48,782
Right to use leased asset capital outlay expenditures which were capitalized, net of amortization.	(265,874)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	264,592
Total change in net position of governmental activities	<u>\$ 351,925</u>

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

Exhibit 6

THE EXPLORIS SCHOOL
Statement of Net Position
Proprietary Funds
June 30, 2023

	Enterprise Fund Major Fund After School Care
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 427,573
Total assets	\$ 427,573
NET POSITION	
Unrestricted	\$ 427,573
Total net position	\$ 427,573

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

Exhibit 7

THE EXPLORIS SCHOOL
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Enterprise Fund Major Fund After School Care
OPERATING REVENUES	
Child care fees	\$ 101,073
Total operating revenues	101,073
OPERATING EXPENSES	
Salaries and benefits	57,492
Total operating expenses	57,492
Operating income	43,581
Total net position - beginning	383,992
Total net position - ending	\$ 427,573

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

Exhibit 8

THE EXPLORIS SCHOOL
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Enterprise Fund Major Fund After School Care
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 101,073
Cash paid to employees for services	(57,492)
Net cash provided by operating activities	43,581
Net increase in cash and cash equivalents	43,581
Cash and cash equivalents - beginning	383,992
Cash and cash equivalents - ending	\$ 427,573
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 43,581
Net cash provided by operating activities	\$ 43,581

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, 2023

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 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 427 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) provides 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, 2023

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.

Federal Grants Fund. The Federal Grants Fund includes appropriations from various federal agencies for specific operating needs of the School and is reported as a special revenue fund.

The School reports one non-major governmental fund, the Federal Grant Fund.

The School reports one major enterprise fund:

THE EXPLORIS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

After School Care Fund. The After School Care Fund is used to account for the after school program 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, 2023. All appropriations lapse at year end.

THE EXPLORIS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

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 and investment and to maximize investment income. All cash held with original maturities of three months or less are considered cash and cash equivalents. The School has \$1,217,967 of cash equivalents as of June 30, 2023.

3. Restricted Cash

Cash and cash equivalents restricted for specific purposes held by the School are classified as restricted cash because the use is restricted for future capital expenditures to be incurred by the School.

4. Prepaid Items

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

5. Accounts Receivable

Accounts receivable consist of amounts owed to the School from grants, sales tax, students and local school boards. The School has reviewed the accounts receivable balances and determined the amounts to be fully collectible.

6. Right to Use Leased Assets

The School has recorded right to use lease assets as a result of implementing Governmental Accounting Standards Board Statement 87, *Leases*. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

7. 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.

THE EXPLORIS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

1. Summary of Significant Accounting Policies (Continued)

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

7. Capital Assets (Continued)

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.

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

	<u>Years</u>
Leasehold improvements	5 - 20
Furniture	3 - 7
Electronic equipment	3 - 5

8. 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 no items that meet the criterion.

9. 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.

10. 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.

THE EXPLORIS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

1. Summary of Significant Accounting Policies (Continued)

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

11. Net Position and 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.

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 Expenses – 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.

Restricted Fund Balance – This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Capital Expenditures – portion of fund balance that can only be used for capital expenditures.

Unassigned – The 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 EXPLORIS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

1. Summary of Significant Accounting Policies (Continued)

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

11. Net Position and Fund Balances (Continued)

The School has a revenue spending policy that provides guidance for programs with multiple revenue sources. The School 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 of the School has the authority to deviate from this policy if it is in the best interest of the School.

12. 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 net adjustment of \$5,947,950 represents the amount that the net position exceeds the total fund balances of governmental funds and 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).	\$ 6,983,109
Less accumulated depreciation	(1,021,962)
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds.	791,498
Less accumulated amortization	(531,748)
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements:	
Lease liability	<u>(272,947)</u>
Total adjustment	<u>\$ 5,947,950</u>

THE EXPLORIS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2023

1. Summary of Significant Accounting Policies (Continued)

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, 2023, the School received funding from the Boards of Education of Wake County (\$1,443,780), Johnston County (\$24,551), Durham County (\$15,414), and Chatham County (\$4,146).

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.

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 \$47,500 between the two amounts represents the amount that the change in net position of governmental activities exceed the change in fund balances of governmental funds and consists of the following elements:

Capital outlay expenditures recorded in the fund statements but capitalized as assets on the statement of activities.	\$ 75,481
Depreciation expense that is recorded on the statement of activities but not in the fund statements.	(26,699)

THE EXPLORIS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

1. Summary of Significant Accounting Policies (Continued)

F. Revenues, Expenditures, and Expenses (Continued)

2. Reconciliation Between Government-Wide and Fund Statements (Continued)

Amortization expense for right to use leased assets that are recorded on the statement of activities but not in the fund statements. (265,874)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments on lease liability 264,592

Total \$ 47,500

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.

2. Detail Notes on All Funds

A. Assets

1. Deposits

At June 30, 2023, the School had deposits with banks and savings and loans with a carrying amount of \$2,827,103. The bank balance with the financial institutions was \$2,880,722, of which \$2,380,722 was not covered by federal depository insurance. The School does not have a deposit policy for custodial credit risk, however the school mitigates this risk by maintaining deposits in high credit quality financial institutions.

2. Right to Use Leased Assets

The School has recorded two right to use leased assets. The assets are right to use assets for a leased facility and leased modular facilities. The related leases are discussed in the Leases subsection of the Liabilities section of the notes to the financial statements. The right to use leased assets are amortized on a straight-line basis over the terms of the related leases.

THE EXPLORIS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

2. Detail Notes on All Funds

A. Assets (Continued)

Right to use asset activity for the School for the year ended June 30, 2023 is as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Right to use assets:				
Leased facilities	\$ 791,498	\$ -	\$ -	\$ 791,498
Less accumulated amortization:				
Leased facilities	<u>265,874</u>	<u>265,874</u>	<u>-</u>	<u>531,748</u>
Right to use assets, net	<u>\$ 525,624</u>	<u>\$ 265,874</u>	<u>\$ -</u>	<u>\$ 259,750</u>

3. Capital Assets

Capital asset activity related to governmental activities for the year ended June 30, 2023 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ -	\$ 5,844,114	\$ -	\$ 5,844,114
Total capital assets not being depreciated	<u>-</u>	<u>5,844,144</u>	<u>-</u>	<u>5,844,114</u>
Capital assets being depreciated:				
Furniture	26,527	-	-	26,527
Electronic equipment	346,970	21,367	-	368,337
Leasehold improvements	<u>744,131</u>	<u>-</u>	<u>-</u>	<u>744,131</u>
Total capital assets being depreciated	<u>1,117,628</u>	<u>21,367</u>	<u>-</u>	<u>1,138,995</u>
Less accumulated depreciation:				
Furniture	24,224	727	-	24,951
Electronic equipment	262,043	22,148	-	284,191
Leasehold improvements	<u>708,996</u>	<u>3,824</u>	<u>-</u>	<u>712,820</u>
Total accumulated depreciation	<u>995,263</u>	<u>26,699</u>	<u>-</u>	<u>1,021,962</u>
Total capital assets being depreciated, net	<u>122,365</u>			<u>5,961,147</u>
Total governmental activities capital assets, net	<u>\$ 122,365</u>			<u>\$ 5,961,147</u>

THE EXPLORIS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

2. Detail Notes on All Funds (Continued)

A. Assets (Continued)

2. Capital Assets (Continued)

Depreciation expense was charged to governmental functions for the year ended June 30, 2023 as follows:

Instructional services	\$ 20,024
Support services	<u>6,675</u>
	<u>\$ 26,699</u>

In September 2022, a deed for a parcel of land was transferred to the School. The land was recorded as a receivable as of June 30, 2022 and was transferred to land when legal title to the property was conveyed to the School in accordance with a settlement agreement (see Note B.4.6).

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. Effective January 1, 2020, part-time employees who meet certain requirements can also participate. The School matches 50% of employee contributions up to 8%. The expenses of the Plan totaled \$67,882, \$67,376, and \$61,880, for the years ended June 30, 2023, 2022, and 2021, respectively.

2. 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.

THE EXPLORIS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

2. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

4. Long-Term Obligations

a. Leases

The School has entered into agreements to lease facilities. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The first agreement is for the lease of a facility effective July 2009 and matures in August 2024. Monthly payments increase annually based upon either the CPI or the increase in per pupil allotment. During the year ended June 30, 2023, the monthly payment was \$16,793.

The second agreement is for modular facilities. Monthly payments under the lease total \$6,653 through maturity in December 2023.

The net present value of the future minimum lease obligations are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30, 2024	\$ 238,535	\$ 6,955	\$ 245,490
Year Ending June 30, 2025	<u>34,412</u>	<u>194</u>	<u>34,606</u>
	<u>\$ 272,947</u>	<u>\$ 7,149</u>	<u>\$ 280,096</u>

THE EXPLORIS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2023

2. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

4. Long-Term Obligations (Continued)

b. Development Agreement

Effective December 2017, the School entered into an operating lease agreement to lease a school facility that was going to be constructed. The lease payments were 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 required monthly payments of \$76,367 the first year and \$94,083 thereafter for thirty years after the date of commencement. The annual rent was to 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 was to bear all improvement costs in excess of such allowance and be paid via a promissory note with the Landlord in an amount up to \$2,500,000. The School also had 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 would make a donation to the School for the exclusive restricted purpose of paying for the interior space upfits of the building. The developer was to 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. In January 2019, the School was informed by the developer that the project was no longer viable. In January 2020, the School filed a complaint against the developing companies stating that the developers were in breach of contract by backing out of construction. In October 2021, a settlement was reached with the developer whereby the developer agreed to contribute a parcel of land to the School. In September 2022, the deed for the parcel of land was transferred to the School. As of June 30, 2023, the parcel of land was capitalized as an asset (see Note 2.A.3).

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-School 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, 2023

2. Detail Notes on All Funds (Continued)

C. Fund Balance (Continued)

The following schedule provides management and the School with information on the portion of general fund balance that is available for appropriation as of June 30, 2023:

Total fund balance	\$ 2,394,878
Less:	
Prepaid Expenses	(11,552)
Security Deposit	(15,658)
Restricted for Capital Expenditures	<u>(612,826)</u>
Remaining fund balance	<u>\$ 1,754,842</u>

3. Related Party Transactions

Five employees of the School also serve as non-voting members of the governing board of The Exploris School. For the fiscal year ended June 30, 2023, these employees were paid total salaries of \$382,623 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

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 XX, 2023, which is the date the financial statements were available to be issued.

Statement 1

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, 2023

	2023		
	Final Budget	Actual	Favorable (Unfavorable) Variance
Revenues:			
State of North Carolina	\$ 3,109,825	\$ 3,153,022	\$ 43,197
Board(s) of Education:			
Wake County	1,325,000	1,443,780	118,780
Johnston County	24,000	24,551	551
Durham County	15,500	15,414	(86)
Chatham County	3,500	4,146	646
U.S. Government	476,126	390,091	(86,035)
Contributions and donations	87,200	78,711	(8,489)
Field trips and student fees	-	170,096	170,096
Interest earnings	2,000	3,494	1,494
Miscellaneous	14,000	15,184	1,184
Total	5,057,151	5,298,489	241,338
Expenditures:			
Current:			
Instructional services:			
Regular programs	-	2,694,248	-
Special programs	-	526,173	-
Alternative programs	-	222,324	-
School leadership programs	-	513,950	-
Co-Curricular programs	-	19,887	-
School based support programs	-	259,020	-
Total instructional programs	4,322,275	4,235,602	86,673
Support services:			
Curriculum Support	-	7,718	-
Technology	-	44,000	-
Operational support	-	89,199	-
Finance and human resources	-	130,742	-
Policy, leadership and public relations	-	127,954	-
Total support services	718,144	399,613	318,531
Capital outlay	-	75,481	(75,481)

Statement 1

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, 2023
(Continued)

	2023		
	Final Budget	Actual	Favorable (Unfavorable) Variance
Debt service			
Principal	\$ -	\$ 264,592	\$ (264,592)
Interest and other charges	-	18,776	(18,776)
Total expenditures	<u>5,040,419</u>	<u>4,994,064</u>	<u>46,355</u>
Other financing sources (uses):			
Fund balance appropriated	<u>(16,732)</u>	<u>-</u>	<u>16,732</u>
Total other financing sources and (uses)	<u>(16,732)</u>	<u>-</u>	<u>16,732</u>
Excess of revenue over expenditures	<u>\$ -</u>	<u>\$ 304,425</u>	<u>\$ 304,425</u>

Statement 2

THE EXPLORIS SCHOOL
Proprietary Fund Types
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non - GAAP)
For the Fiscal Year Ended June 30, 2023

	2023		
	Final Budget	Actual	Favorable (Unfavorable) Variance
Revenues:			
Child care fees	\$ 90,000	\$ 101,073	\$ 11,073
Total revenues	90,000	101,073	11,073
Expenditures:			
Salaries and benefits	55,902	57,492	(1,590)
Total expenditures	55,902	57,492	(1,590)
Revenues over expenditures	34,098	43,581	9,483
Other financing sources (uses):			
Fund balance appropriated	(34,098)	-	34,098
Total other financing sources (uses)	(34,098)	-	34,098
Revenues and other sources over expenditures	\$ -	43,581	\$ 43,581
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling items:			
Change in net assets		\$ 43,581	

**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, and each major fund of The Exploris School (the "School") as of and for the year ended June 30, 2023, 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 XX, 2023.

Report on 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) as a basis for designing 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.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2023-1 and 2023-2.

The Exploris School's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the School's responses to the findings identified in our audit and which are described in the accompanying schedule of findings and questioned costs. The School's response was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on it.

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.

Raleigh, North Carolina
October XX, 2023

**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

Opinion on Each Major State Program

We have audited The Exploris School's (the "School") compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on The Exploris School's major State program for the year ended June 30, 2023. The Exploris School's major State program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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 its major State program for the year ended June 30, 2023.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report. We are required to be independent of The Exploris School and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion on compliance for each major State program. Our audit does not provide a legal determination of The Exploris School's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' Responsibility for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding The Exploris School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of The Exploris School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of The Exploris School's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2023-1 and 2023-2. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards require the auditor to perform limited procedures on The Exploris School's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Exploris School's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

A deficiency *in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies may exist that were not identified.

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

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

Raleigh, North Carolina
October XX, 2023

THE EXPLORIS SCHOOL
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Fiscal Year Ended June 30, 2023

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

THE EXPLORIS SCHOOL
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Fiscal Year Ended June 30, 2023

SECTION II – FINANCIAL STATEMENT FINDINGS

No Findings

SECTION III – STATE AWARD FINDINGS AND QUESTIONED COSTS

Finding 2023 – 1

Exceptional Child Consent for Services Form

Criteria: The Charter School should be in compliance with all aspects of the Policies Governing Services for Children with Disabilities, Amended – July 2014, which requires that the School maintain Consent for Services forms for all exceptional children enrolled.

Effect: Exceptional children may not be getting the services they need. Additionally, children who do not need special services may be counted as so in order to increase funding for the School.

Cause: The School neglected to maintain one student's Consent of Services form.

Questioned Costs: None.

Recommendation: We recommend that the School maintain Consent for Services forms for all exceptional children enrolled.

THE EXPLORIS SCHOOL
CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2023

SECTION III – STATE AWARD FINDINGS AND QUESTIONED COSTS

Finding: 2023 – 1

Name of Contact Persons: Josh Corbat, Director of Resources

Corrective Action: _____.

Proposed Completion Date: _____

THE EXPLORIS SCHOOL
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2023

No prior year findings.

THE EXPLORIS SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2023

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Expendi- tures
Federal Grants:			
Cash Assistance:			
<u>U.S. Department of Education</u>			
Passed-through the N.C. Department of Public Instruction:			
COVID-19 - Education Stabilization Fund:			
CARES Act:			
Cares Act: Public School Unit Supplemental Funding - ESSER I	84.425D	PRC 164	\$ 14,186
Cares Act: Exceptional Children Grants - ESSER I	84.425D	PRC 167	880
CRRSA:			
CRRSA: K-12 Emergency Relief Fund - ESSER II	84.425D	PRC 171	39
CRRSA: Public School Unit Supplemental Funding - ESSER II	84.425D	PRC 172	16,634
CRRSA: Supplemental Contracted Instructional Support Funding - ESSER II	84.425D	PRC 173	2,951
ARP:			
ARP: K-12 Emergency Relief Fund - ESSER III	84.425U	PRC 181	45,484
ARP: Public School Unit Supplemental Funding - ESSER III	84.425U	PRC 182	51,142
ARP: Math Enrichment Programs - ESSER III	84.425U	PRC 189	7,473
ARP: Cyberbullying & Suicide Prevention - ESSER III	84.425U	PRC 192	3,600
Total COVID-19 - Education Stabilization Fund	84.425		142,389
Special Education Cluster:			
COVID-19 - ARP - Grants to States - IDEA, part B	84.027X	PRC 185	18,347
Special Education - IDEA, Part B	84.027A	PRC 060	88,137
Total Special Education Cluster			106,484
Title I - Basic Education	84.010A	PRC 050	8,508
Improving Teacher Quality	84.367A	PRC 103	5,920
ESEA Title IV, Part A - Student Support and Academic Enrichment	84.424A	PRC 108	12,156
NC ACCESS	84.282	PRC 160	86,141
Total U.S. Department of Education			361,598
<u>U.S. Centers for Disease Control and Prevention</u>			
Passed-through the N.C. Department of Health and Human Services:			
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	43430	28,493
Total Federal Assistance			390,091
State Grants:			
Cash Assistance:			
<u>N.C. Department of Public Instruction:</u>			
State Public School Fund	xxxx	PRC 036	3,140,227
Summer Reading	xxxx	PRC 016	7,425
Principal and Teacher Performance Bonuses	xxxx	PRC 048	5,370
Total State Assistance			3,153,022
Total Federal and State Assistance			\$ 3,543,113

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, 2023. 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.

Note 3: Indirect Cost Rate

The School has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Coversheet

Directors Report

Section:	III. Meeting Items
Item:	A. Directors Report
Purpose:	Discuss
Submitted by:	
Related Material:	October 2023 Exploris Leadership Team Board Report.pdf



The Exploris School

Directors Report

To: Board Members
From: Ethan, Josh, & Deb
Re: Monthly Board Report

Date: October 2, 62023

The following information is provided to the Board of Directors:

Enrollment

Grade Level	Active Enrollment	Class Sizes	Withdrawals Since 8/30/23 (10th school day)	Open Seats
Kindergarten	30	15	3	4
1 st Grade	36	18	0	
2 nd Grade	38	19	0	
3 rd Grade	38	19	0	
4 th Grade	40	20	0	-2
5 th Grade	37	18x1 / 19x1	1	1
6 th Grade	74	19x2 / 18x2	1	2
7 th Grade	75	19x3 / 18x1	1	1
8 th Grade	76	19	1	
Total	444		7	6

Student Support Team Report

Month	In School Suspension # students / # days	Out of School Suspension # students / # days	Major referrals that did not result in suspension	Minor Behavior Referrals
August	ES: 0/0 MS: 0/0	ES: 0/0 MS: 0/0	ES: 0/0 MS: 0/0	ES: 0/0 MS: 0/0
September	ES: 0/0 MS: 1/1	ES: 0/0 MS: 3/3	ES: 2/2 MS: 3/3	ES: 5/5 MS: 2/3
October	ES: 2/1.5 MS: 2/2	ES: 1/.5 MS: 6/6	ES: 1/1 MS: 3/3	ES: 5/5 MS: 3/5
November				
Total				

Updates on Goals/Issues for Discussion

School Improvement Plan (SIP) Progress:

Target Area #1 Student Support Alignment Progress:

- Ryan Boney has returned from maternity leave, and we want to welcome her back and extend our gratitude to our whole counseling team for covering needs at both campuses while she was at home.
- The counseling team has resumed Wednesday SEL lessons at middle school for all Seminar classes.
- Oct. 30th- Nov 3rd will be Bullying Prevention Week at Exploris, with all sorts of activities and lessons planned
- We have been focusing on safety issues, including an audit of the response to the bomb threat we recently experienced, and scheduling and reviewing our standard safety drills and protocols
- After working with the Panorama platform for several weeks, we have decided that it does not have the functionality we need for communications about student behavior incidents, so we are transitioning to Jump rope's behavior reporting system, while still keeping the survey features in Panorama.

Target Area #2 Instructional Alignment Progress:

- We have now had four iterations of our new Explorations schedule and modules and things are going very well, especially the renewed opportunities for partnerships between middle and elementary
- Primary grades teachers are continuing LETRS training for early literacy support
- Fall benchmark data is in and the mClass early literacy results are encouraging:
 - Kindergarten literacy proficiency is up **3%** from last year and up **13%** from Fall 21-22.
 - 1st grade literacy proficiency is up **4%** from last year and up **9%** from Fall 21-22.
 - 2nd grade proficiency is up **11%** from last year and up **10%** from Fall of 21-22.
 - 3rd grade proficiency is down **10%** from last year and up **26%** from Fall of 21-22.
- The Education Excellence Committee will review and reflect on the upper elementary and middle school MAP Growth data at our next meeting.
- 7th grade scholars were guest teachers and project audiences for 5th grade physical science projects
- We have added some additional EC support through contract positions, based on higher levels of students needing individual support
- We are sending our newer staff members for Responsive Classroom training on assorted days these fall. (This is the training that current staff has completed over the last two years.)
- PLCs continue to meet biweekly with our Intervention teachers and our Instructional Coach to review student data and progress
- Exploris hosted our annual BTSP monitoring event from DPI, where we receive support and feedback for our beginning teacher program
- Exploris 8th graders participated in a chemistry lab project at NC State, with different crews traveling on different days to engage with the labs, equipment, and instructors at the university
- We will hold parent and portfolio conferences on Nov. 1st across k-8.

Target Area #3 Community Engagement Progress:

- School was closed for our annual Fall Break the first week of October, with a staff workday on Monday, Oct. 9th
- We held a successful picture day and make-up photos across both campuses. Special thanks go out to Amy Ames, who has been our photographer for several years now

- Several clubs and extracurricular activities have been launched for this fall, including Girls on the Run, Future Cities, Bridge Building, and Ultimate Frisbee
- Scott Meltzer, the president of the National Network of State Teachers of the Year, was in town for the AIM conference and visited the middle school to learn about our programs and discuss ways to maximize the expertise of Exploris staff for future professional development
- About 30 students applied for our Japanese exchange program and completed a rigorous selection process which included essays and in person interviews. The finalists have been selected and will begin weekly informational meetings and trainings in preparation for travel in March.
- Service learning projects have launched as part of weekly school activities and have included community gardening and food support programs, cemetery and park clean ups, in-school cleaning and beautification projects, and packing items to distribute to people in our community experiencing homelessness
- On Oct. 19th Michelle Duncan and Deb hosted the annual parent information night for high school options, where families can learn about their choices for next year, how to register/apply for their base school, magnet programs, early colleges, school academies, public charters, or private schools. The session also included Q & A with Exploris alumni parents and a local high school guidance counselor. This session was recorded and shared with all 8th grade families and in the 8th grade team blog.
- The Exploris Student Support team organized a community showing of the film Screenagers at Edenton St. United Methodist Church on 10/15 with an expert panel (including Deb Brown) to discuss the film and issues of social media usage on student mental health. Special thanks to Jessica Roberts for taking the lead on making this event happen.
- Exploris will hold our annual fall Spirit Week on Oct. 23-27, with the culminating event being the community Fall Festival hosted by our PTO on Friday, 10/27
- We are beginning our recruitment season and have set dates for family information sessions and tours, and discussed possible outreach through advertising platforms and social media.

Human Resource Update

New Hires for Approval		
Name	Position	Notes
Tom Simmons	4th Crew teacher	Tom is a long-time Exploris veteran returning to a teaching role with us

Current Vacancies
None

Fiscal Operations Update

1. Budget Amendments Requested
2. Unpaid Invoices (Time frame for payment)
3. Identified Potential Short/Long Term Issues

Important Dates (Board Attendance Requested)

- Schedule a visit to drop in and see classes in action! Even a short drop by is welcome!
- Join us on Friday, Oct. 27th for the Exploris Family Fall Festival! Starts at 5:00 pm at Exploris Elementary